

A STAR ALLIANCE MEMBER

Our unity is our strength



2020 SUSTAINABILITY REPORT



ABOUT THE REPORT

his is the seventh sustainability report that presents the sustainability performance of Turkish Airlines for the year of 2020. This report has been prepared in accordance with the GRI Standards: Core option. Where relevant, data of 2018 and 2019 were also included.

Turkish Airlines Incorporation and its fully owned subsidiaries, Turkish Technic Inc., Turkish Flight Training and Airport Operations Inc., Turkish Airlines International Investment and Transport Inc., Turkish Airlines Airport Real Estate Investment and Management Inc., Cornea Aviation Systems Industry and Commerce Inc., and Turkish Airlines Technology Inc. are included in the consolidated financial statements however these subsidiaries are not covered by the report. Greenhouse gas emissions for the period of 2019 and 2020 were verified by a third party organization according to TS EN ISO 14064-3: 2007 standard and the verification statement is presented on pages 120 and 121 of the report.

Selected indicators in the report have been externally audited within the scope of limited assurance in accordance with ISAE 3000 and ISAE 3410 standards by PwC Turkey. The Independent Assurance Statement, which includes the list and scope of assured indicators, can be found on pages 124 and 125 of the report.





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MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS



As Turkish Cargo, we took a very active role in the transportation of vaccines by preparing the necessary infrastructure for the transportation of Covid 19 vaccines without breaking their cold chain. Turkish Airlines is the first airline in the world to have IATA CEIV certification in three areas: Pharma, Live Animal and Fresh. Turkish Cargo continuously transported medicines, medical supplies, masks, medical equipment, humanitarian aid, and food around the world even in this difficult year. In recognition of its efforts, Turkish Cargo was named the "Best Air Cargo Brand 2020– Europe".

Dear stakeholders,

he Covid-19 pandemic is widely seen as the biggest global crisis since World War II. It negatively affected the aviation industry as well as all other industries. As a global brand of the air transport industry and Turkey's national flag carrier airline, we maintained close contact with national and international aviation and public health authorities, and we implemented every precautionary and preventative measure to ensure the health and safety of our passengers. In this difficult time with our approach of leaving no one behind, we bonded with our 61 thousand employees. We united as one heart and are walking together.

As of the end of 2020 with a fleet of 363 aircraft, Turkish Airlines is the 9th largest airline company in terms of fleet size. In 2020, we continued to add A321 NEO aircraft, which save an average of 15% fuel compared to equivalent aircraft, and new generation B787-9 type wide-body aircraft to our fleet. At the end of 2020, our fleet age was 8.4. Thanks to our effective capacity, resource, and risk management during the pandemic, we managed to differentiate ourselves positively from our competitors with our operational and financial results. Carrying approximately 28 million passengers, we managed to be the airline with the least decrease in passenger numbers among our competitors, and our total revenue amounted to 6.7 billion USD.

In addition, despite all the difficulties brought by the epidemic, Turkish Cargo carried approximately 1.5 million tons of cargo in this period, achieving a record revenue of US\$ 2.7 billion with a 61% cargo total revenue growth.

To ensure the health and safety of our employees, customers, and suppliers, we implemented many measures such as the supply and distribution of personal protective equipment, temperature measurements with thermal cameras, improvement of the ventilation and air conditioning systems of our aircraft, and spraying to combat the Covid 19 pandemic, which marked 2020.

In order to make our passengers feel safe, we appointed hygienists within the cabin crew, started to present personal hygiene kits and prepared a Healthy Travel Guide with healthy travel tips. Thanks to our hygiene measures, we were awarded the Diamond status, which represents the highest level in the health safety assessments carried out in partnership with APEX and SimpliFlying.

With all the measures we have taken, we have brought our citizens who were stranded abroad during the pandemic process to our country. With the extraordinary devotion of our flight crews, we transported nearly 140,000 citizens from 60 countries to our homeland and reunited them with their families, with more than 1,000 special flights.

As Turkish Cargo, we took a very active role in the transportation of vaccines by preparing the necessary infrastructure for the transportation of Covid 19 vaccines without breaking their cold chain. Turkish Airlines is the first airline in the world. to have IATA CEIV certification in three areas: Pharma, Live Animal and Fresh. Turkish Cargo continuously transported medicines, medical supplies, masks, medical equipment, humanitarian aid, and food around the world even in this difficult year. In recognition of its efforts, Turkish Cargo was named the "Best Air Cargo Brand 2020- Europe".

In cooperation with the Turkish Exporters Assembly (TIM), we have implemented an important incentive program for our companies exporting in strategic sectors.

We offered an additional capacity of 50 thousand tons in 28 destinations to our exporters with discount rates varying between 10%-30%. We have decided to expand the scope of this valuable campaign, which has a high added value for Turkish exporters and to continue it until the end of March 2021.

Within the scope of combating the coronavirus pandemic, we carried out studies to produce innovative solutions that prioritize sustainability. In order to activate the entrepreneurship and innovation ecosystem and support innovation, we provided mentorship support by conducting one-on-one meetings with more than 20 startups. We brought the Turkish Airlines Technology, Innovation and Entrepreneurship Platform, Terminal, to life by combining all the work we do in the field of technology and innovation on a single digital platform. With our technology-oriented approach, we are shaping the future of travel together by bringing new generation startups and all technology lovers together at the Terminal.

The pandemic process we are going through has made us remember once again how interconnected the issues of health, environment, climate, risk management, social and economic development are. In this context, we believe that the business world plays a very important role in achieving the 17 Sustainable Development Goals highlighted by the United Nations, and we continue to work resolutely in line with these Goals. We continue to develop our sustainability strategy with a focus on

environmental, social, governance, and prosperity in order to reduce our environmental impacts and make a positive contribution to society. Our sustainability report, which we published for the seventh time, includes the studies we have carried out in this context.

Our 2019 Sustainability Report was awarded the Platinum Award, the highest award in the Sustainability Report category, by receiving 99 points out of 100 from the jury's evaluation in the 2020 LACP Spotlight Awards, which is organized by the LACP (League of American Communications Professionals), and is considered one of the most outstanding global communication competitions in the world. Also, it was deemed worthy of the Best Visual Design Award among all categories in the competition.

As Turkish Airlines, we carry out our sustainability efforts in cooperation with many national and international organizations. In this context, we have adopted the short- and long-term targets set by the International Air Transport Association (IATA) to reduce carbon emissions to combat climate change, and we are working devotedly to contribute to these targets. We monitor and report our emissions according to national and international standards and have them verified by third-party independent verifiers.

We have taken many initiatives to reduce our carbon footprint by increasing our fuel efficiency to protect the environment and combat climate

change. In this direction, while investing in new technologies, we are developing our fleet with young, fuel efficient and more environmentally friendly aircraft.

As a result of our efforts in the field of fuel efficiency, we saved 22,760 tonnes of fuel and avoided 71,695 tonnes of carbon emissions in 2020.

Our Onboard Catering Warehouse, which we built to use more economical, environmentally friendly, and sustainable resources from the design stage to its use, was registered as LEED Certified in 2020. LEED certification process of our other buildings at Istanbul Airport continues.

As the Turkish Airlines family, the solidarity and unity we have shown during the pandemic is our greatest strength. I would especially like to thank all my colleagues for their self-sacrificing contributions and a strong sense of belonging, who helped us distinguish ourselves positively during this difficult period.

Expressing my belief that we will achieve new sustainable achievements with all our stakeholders, I wish that 2021 will be a healthy year for our country and the whole world.

M. İLKER AYCI Chairman of the Board of Directors and Executive Committee



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TURKISH AIRLINES AT A GLANCE

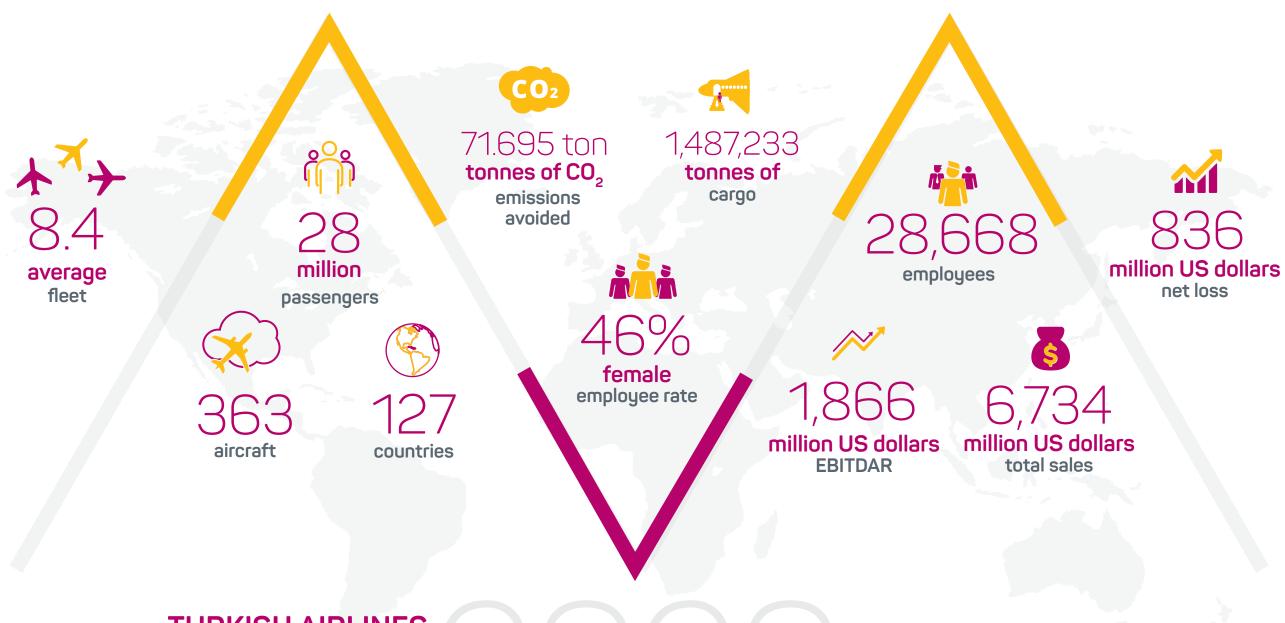
Turkish Cargo, aims to rank among the most active air cargo carriers in vaccine transport.

stablished in 1933, Turkish Airlines, is the flag carrier airline of the Republic of Turkey for 87 years. Headquartered in Istanbul, Turkish Airlines is an Incorporation operating in the private sector with its main field of activity in domestic and international passenger and cargo air transport. Turkish Airlines, together with its subsidiaries, employs approximately 61 thousand staff. Turkish Airlines, has achieved a steady growth with doubledigit rates between the years of 2009-2019, becoming one of the airlines with the most extensive global network. The global Covid-19 pandemic in 2020, negatively affected the aviation industry as well as all other sectors. In this period when capacity management, resource management and risk management in the aviation industry were very difficult, Turkish Airlines managed to better manage all the negativities and uncertainties by distinguishing itself from its competitors with its operational and financial results and compensated some of the loss in passenger income by focusing on cargo operations. Turkish Cargo maintained its strong growth performance for the last ten years without interruption, despite the bad market conditions this year.

Turkish Cargo, which has become one of the leading companies in the global air cargo sector for the transportation of pharmaceuticals, medical supplies, masks, medical equipment, humanitarian aid and food materials, has increased its global market share to 4.7% and is the fastest developing air cargo company in the world. Turkish Cargo moved up to 6th place in the world ranking in air cargo traffic and aims to be among the most active air cargo carriers in the sector in vaccine shipments.

Turkish Airlines, the airline that flies to the most countries in the world, connects many points in Turkey and the world with its flight network reaching 127 countries, 319 cities and 324 destinations. Carrying 74.3 million passengers in 2019, Turkish Airlines carried 28 million passengers with 363 aircraft in its fleet in 2020, making it the airline with the least decrease in passenger numbers among its competitors.

Turkish Airlines has been a member of Star Alliance since 2008. It has a total of 18 subsidiaries, six of which are direct and 12 are joint ventures. Subsidiaries mainly consist of companies providing services in the fields of maintenance, catering, ground handling and fuel supply.



MATERIAL ISSUES PERFORMANCE TABLE



PLANET	PLANET						
Material Issues	*SDG	KPIs for material issues	Unit	2018	2019	2020	
Fleet Modernization	SDG 9	Fleet age	years	8.2	8.3	8.4	
Fleet Modelinzation	SDG13	Number of aircraft	number	332	350	363	
		Annual fuel saving	tonnes	29,608	55,492	22,760	
		Annual GHG emissions avoided	tonnes CO ₂	93,267	174,800	71,695	
		2008-present total fuel saving	tonnes	498,518	554,010	576,770	
		2008-present total GHG emissions avoided	tonnes CO ₂	1,570,168	1,744,969	1,846,664	
		Jet fuel consumption	million tonnes	5.3	5.6	8.3 8.4 50 363 92 22,760 00 71,695 10 576,770 69 1,846,664 5.6 2.9 82 9.05 69 99.49 37 11,605 83 9.06 43 35,205 88 9.09 13,074 06 18.36 65 2,522 00 1,434,000 74 69	
		Annual GHG emissions from jet fuel	million tonnes CO ₂ e	16.99	17.82	1,846,664 2.9 9.05 99.49 11,605 9.06	
Climate Change CHC Emissions 9	SDG 7 SDG 9 SDG 13	Ratio of GHG emissions from jet fuel consumption to total GHG emissions	%	99.79	99.69	99.49	
Climate Change, GHG Emissions & Fuel Efficiency		Annual scope 1 GHG emissions excluding jet fuel	tonnes CO ₂ e	12,724	11,637	11,605	
T col Ellistolicy		Scope 1 emissions	million tonnes CO ₂ e	17.00	17.83	9.06	
		Scope 2 emissions	tonnes CO ₂ e	23,742	43,043	35,205	
		Annual total (scope 1 & 2) greenhouse gas emissions	million tonnes CO ₂ e	17.03	17.88	9.09	
		Emission offset under EU ETS	tonnes CO ₂			13,074	
		Fuel efficiency	kg/ATK	18.17	18.06	18.36	
		Number of employees received GHG emissions awareness training	number	5,033	3,965	2,522	
		Waste prevented	A4 paper number	-	3,000	1,434,000	
		Packaging waste recycled	tonnes	258	174	69	
Waste Management	SDG 12	Non-hazardous waste	tonnes	124	1,249	1,163	
Woote Planagement	SDO IE	Hazardous waste	tonnes	115	153	35.9	
		Hazardous waste per person	kg/employee		5	1.42	
		Number of employees received online waste management training	number	-	-	22,459	



PLANET	LANET							
Material Issues	SDG	KPIs for material issues	Unit	2018	2019	2020		
		Scope 1 emissions from natural gas use under control of THY	sm ³	4,149,367	4,125,496	3,750,954		
		Scope 1 emissions from natural gas use not under control of THY	sm³	18,657	13,855	12,351		
		Scope 2 emissions from natural gas use not under control of THY	sm³	621,487	319,969	208,898		
		Natural gas total consumption	sm³	4,789,511	4,459,320	3,972,203		
Resource Efficiency & Sustainable Use	SDG 12	Natural gas use per area	sm³/m²	-	11.37	10.32		
of Natural Resources	300 12	Scope 2 emissions from electricity use under control of THY	kWh	7,072,470	13,611,743	11,599,657		
		Scope 2 emissions from electricity use not under control of THY	kWh	28,453,313	28,235,742	23,037,058		
		Electiricty total use	kWh	35,525,784	41,847,485	34,636,715		
		Electricity use per person	kWh/employee	-	-	2,686		
		Paper consumption	m²	2,391,703	2,715,876	1,898,573		
Single-use Plastics	SDG 12	Number of plastic bags avoided	number	8,246,712	15,229,348	12,402,000		
Water	SDG 6	Water consumption	m ³	56,608	64,903	38,022		
water	3000	Water consumption per person	m³/employee	-	16.91	14.73		
		Domestic food supply rate	%	85	85	90		
Sustainable Catering	SDG 12	Inflight food waste segregated	tonnes	1,322	_			
Sustainable Catering	3DG 12	Number of destinations inflight food waste segregation is implemented (Domestic and international destinations)	number	68	124	-		



PEOPLE

Material Issues	aterial Issues SDG KPIs for material issues		Unit	2018	2019	2020
		Number of aviation accidents	number	-	-	0
	0000	Number of governmental enforcement actions of aviation safety regulations	number	-	-	0
Flight Safety	SDG 3 SDG 12	Safety Reporting	number	2,200	2,063	3,760
	SDO IE	Generalized Safety Index (GSI)	number	88.7	88.2	90.6
		SAFA rating	number	0.215	0.177	0.318
		Customer satisfaction rate	%	79	75	77
		Number of passengers conducted satisfaction surveys	number	-	28,686	52,653
		Number of passengers conducted monthly complaint surveys	number	6,169	17,149	13,090
Customer Satisfaction	SDG 12	Number of incidents that the customers have been followed	number	18,260	30,882	7,711
		Response time to customer complaints	days	7	5.8	4.93
		On time take off rate	%		81	90
		Baggage irregularity rate (per 1,000 passengers)	%	5.2	5	3.9



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		KPIs for material issues	Unit	2018	2019	2020	
		Injury weight rate	number	8.6	12.69	4.57	
		Number of employees trained in H&S	number	-	14,951	20,563	
Health, Safety and Well-being	SDG 8	Number of emergency drills	number	17	58	8	
		Number of field surveillance studies	number	-	426	204	
		Number of physician activities	number	157,016	161,992	125,326	
		Total number of employees	number	26,739	29,491	28,668	
		Number of new employees	number	3,900	3,942	534	
Labor and Management Relations		Employee turn over rate	%	4.8	4.2	5	
2000 and Planagement Relations		Number of work stoppages due to strike	number	0	0	0	
		Total days idle as a result of strike	days	0	0	0	
		Employee satisfaction rate	%	82	85	-	
Freedom of Association and Collective Bargaining	SDG 8	Percentage of active workforce covered under collective bargaining agreements	%	71	82	86	
	SDG 5 SDG 10	Ratio of salary of women to men	ratio	1	1	1	
		Percentage of women on Board	%	11	11	11	
		Percentage of women in workforce	%	46	46	46	
Diversity and Gender Equality		Percentage of women in Executive* team	%	25	26	25	
	02010	Number of female employees	number	12,330	13,577	13,128	
		Number of disabled employees	number	217	235	230	
		Number of disabled employees in management positions	number	20	24	22	
Accessibility	SDG 10	The number of people participated the Program to overcome their fear of flight	number	167	139	24	
Accessioning	350 10	The number of employees trained about sign language	number	500	646	650	
		Training hours per employee	hours/employee	13	14	18.5	
Training	SDG 4 SDG 8	Training hours for cockpit crew members	hours	233,242	246,472	320,379	
		Training hours for cabin crew members	hours	631,236	225,119	238,555	
Adding Value to the Society	SDG 3		TL	434,783	583,607.32	90,121	



PEOPLE **Material Issues** SDG **KPIs for material issues** Unit 2018 2019 Number of suggestions of passengers number 19,854 25,000

Number of suggestions that are coordinated

Economic gain

Economic gain

Suggestions realized

Suggestion-owner employees

Number of suggestions of employees

SDG 9

Completed projects on the Incorporation project portal





Innovation

Material Issues	laterial Issues SDG KPIs for material issues		Unit	2018	2019	2020
Corporate Governance		Number of independent Board members	number	3	3	3
Business Ethics		Number of applications to the ethics reporting line	number	245	278	134
	SDG 16	Resolved issues through Ethics Line	number	245	278	134
		Employee training hours on ethics	hours	2,955	2,160	1,210
		Employee training hours on anti-bribery and anti-corruption	hours	2,955	2,160	1,210
		Penalty payment for bribery and corruption policy violation	TL	0	0	0
Compliance		Amount of fine paid for non-compliance	TL	0	0	0
Anti-competitive behaviour		Amount of fines associated with anti-competitive behaviour	TL	0	0	0



PROSPERITY

Material Issues	SDG	KPIs for material issues	Unit	2018	2019	2020
		Passengers	million	75.2	74	28
		Cargo	tonnes	1,412,423	1,543,028	1,487,233
Financial Performance	SDG 8	Total sales	million USD	12,855	13,299	6,734
		Net profit/loss	million USD	753	788	836*
		EBITDAR	million USD	3,349	3,107	1,866
Contribution to Economic	SDG 8	Total number of employees including subsidiaries	number	60,359	65,373	60,338
Development	20G 8	Contribution to public finance by tax payments	million USD	1.301	1.380	0.473
Pasnonsible Supply Chain SDG 8		Number of supplier audits	number	-	-	26

number

number

6,268

16,715

659

55

4,316

21,995

1,100

132

million TL

number

number

number

million USD

2020

200

44

32

7,144

1,225

163

24,259





ABOUT OUR INCORPORATION

SUSTAINABILITY MANAGEMENT

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OUR STRATEGIC PRIORITIES

We aim to be among the top three brands of the world in air cargo transportation.

SUSTAINABLE GROWTH AND PROFITABILITY

s the national airline that flies to the most countries and international destinations in the world before the pandemic, we carry out our operations by prioritizing our service quality, safety, health and customer satisfaction, regardless of the conditions. We are taking steps to develop in different areas such as information technologies, cargo transportation, new business models and sustainability by further expanding our service range with the vitality and efficiency brought by Istanbul Airport. We aim to be among the top three brands of the world in air cargo transportation by carrying the strong growth trend we have already caught in air cargo transportation to higher levels with the cargo investments we are making at Istanbul Airport.

BRAND AWARENESS AND PREFERABILITY

We will constantly continue to maintain our position of being one of the most preferred airlines with our extensive flight network and high-quality service level we offer to our clients. We maintain our brand investments and promotional activities in many fields, especially sponsorships.



CUSTOMER FOCUS

We will continue to determine our strategies considering the sensitivity of our customers in price, time and service quality. Recognition of our service level with international awards increases our motivation level. We always aim for the better for our customers, who are the most important focus of all their investments, and we fully meet customer expectations with proactive moves by adapting flexibly to all kinds of conditions.

CORPORATE SOCIAL RESPONSIBILITY

We are wholeheartedly committed to achieving our target of providing a contribution to sustainable development by performing all our operations in a sense of responsibility towards the society, economy and environment. In this direction, most of the studies carried out in the country and abroad are with non-governmental organizations working for disadvantaged individuals/groups and children, various associations/foundations, universities, humanitarian organizations, institutions working in the field of disaster and famine. The main purpose of the studies is to preserve the unity consciousness of our country and to raise awareness about the solution of global problems.

BUSINESS EXCELLENCE AND EFFICIENCY

We develop ourselves to meet the national and international requirements, and continue to increase our efficiency through enhanced level of investments in information and communication technologies, a younger fleet, and effective process management and projects.

Our priority is the development of our employees, who are the essential power lying behind all our achievements, as well as to enable them to work in a motivated and contented manner."

INNOVATIVE LIFE

We carry out innovative project activities in areas such as artificial intelligence, internet of things, virtual reality and augmented reality. In addition to improving internal processes within the scope of digital transformation and innovation studies, we will continue to carry out projects aimed at increasing customer satisfaction with internal and external stakeholders.

CREATING VALUE FOR EMPLOYEES

Our priority is the development of our employees, who are the essential power lying behind all our achievements, as well as to enable them to work in a motivated and contented manner. We will continue to add value to our employees through the working environment, social facilities, career opportunities and trainings we offer jointly with domestic and international institutions.

CREATING VALUE FOR STAKEHOLDERS

We have adopted transparency, fairness, liability and accountability as our principles in all our operations. We carry out initiatives to enable our stakeholders to adopt our brand targets and values. We will continue to improve our good governance principles. We will keep enhancing our cooperation and increasing the number of projects we realize jointly with our business partners, in line with our vision of adding value to our stakeholders.











OUR MISSION

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











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
- 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

TURKISH AIRLINES 2020 AWARDS





SUSTAINABILITY MANAGEMENT

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CORPORATE SUSTAINABILITY MANAGEMENT

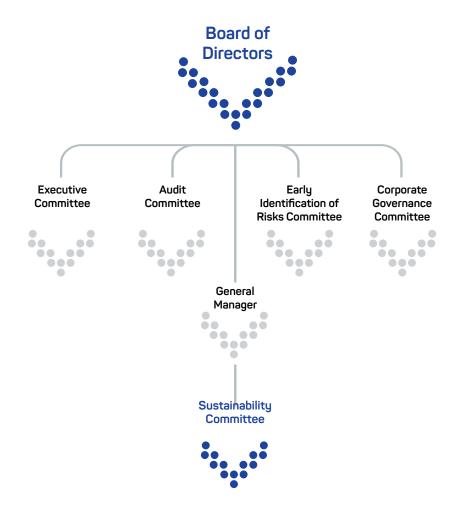
Turkish Airlines Sustainability Committee members are listed below.

- Deputy General Manager (Financial) - Chairman of the Sustainability Committee
- Deputy General Manager (Human Resources) Vice Chairman of the
 Sustainability Committee
- Assistant General Manager (Marketing and Sales) Member of the Sustainability Committee
- ▶ Head of Quality Assurance -Member of Sustainability Committee
- ▶ Corporate SustainabilityManagement Manager -Sustainability Committee Secretariat

n order to leave a more livable world to future generations, we integrate our sustainability approach into our business models, and we work to extend the policies in this field to all units of our Incorporation, from the management level to the lowest level, with our in-house structuring.

While the responsibility for Turkish Airlines' impacts on the economy, environment and society rests with the Board of Directors and the Executive Committee, a Sustainability Committee was established in 2021, the members of which are Turkish Airlines Senior Executives. The Sustainability Committee carries out its activities in order to determine. review and continuously improve the sustainability management strategy, sustainability policy, short, medium and long-term sustainability targets, and to decide on improvement projects that will increase the sustainability performance of Turkish Airlines. Important issues are reported to the Senior Management and Top Management by the Sustainability Committee, and the decisions taken by the committee are submitted to the approval of the Senior Management and Top Management. Within the framework of the proposals made by the committee, all our relevant units plan their necessary work and carry out their work in line with this plan.

Through the activities of our Sustainability Committee, we are committed to making important sustainability issues and fundamentals a natural part of our business and operations.



^{*}The chart above is not the organizational chart of Turkish Airlines, but represents the functions that represent the management of the relevant processes.

As Turkish Airlines, we are deeply committed to our goal of contributing to sustainable development by conducting our operations with a sense of responsibility towards society, economy and the environment. Our stakeholders are at the core of our sustainability approach. The reasonable expectations and interests of our stakeholders are one of the important starting points for us in the continuous improvement process of our sustainability strategy. In this context, stakeholder engagement, which is one of the most important processes of our sustainability practices, helps us to understand our impacts on sustainability and therefore to continuously improve these impacts.

As a growing company, we have a diverse, broad network of stakeholders and various channels to engage with them. Our stakeholder engagement methods, which form the basis of our material issues are detailed in the table on page 32.

The Sustainability Committee aims to create value by ensuring that the economic, social and environmental sustainability dimensions carried out with an integrated approach.

In addition, our Sustainability studies focused on the following priority issues with the participation of all relevant units of our Incorporation.

We aim to develop and maintain our sustainability efforts in line with the United Nations Sustainable Development Goals, by developing them day by day, in line with the vision, mission and general strategy of our Incorporation, taking into account the expectations of our stakeholders and related parties, our impact on the supply chain and the environment, and integrating them into every field in we operate.



GOVERNANCE

Corporate Governance **Business Ethics** Risk Management



PLANET

Resource Efficiencu Waste Management Biodiversity Single-use Plastics Combating Climate Change Carbon Pricing Fuel Efficiency and Reduction of Our Greenhouse **Gas Emissions** Noise Management Sustainable Bio-fuels Fleet Modernization













PEOPLE

Flight Safetu Flight Security Compliance **Customer Satisfaction** Sustainable Catering **Customer Information and Privacy** Accessibility **Labor and Management Relations** Diversity and Gender Equality Career Development Training Employee Health, Safety and Well-Being Adding Value to Society **Human Rights**











PROSPERITY

Financial Performance Our Contributions to Economic and Social Development Responsible Supply Chain <u>Management</u> Contribution to Local Development at Our **Destinations** Innovation and **Entrepreneurship**







> OUR SUSTAINABILITY STRATEGY



Our Policies

Sustainability Policy

Environmental Policy

Energy Policy

Occupational Health and Safety Policy

Safety Policy

Security Policy

Education Policy

Customer Satisfaction Policy

Quality Policy

Privacy Policy

Dividend Distribution Policy

Public Disclosure Policy

Donation Policy

Remuneration Policy

2020 Statement of Compliance with

Sustainability

roadmap of our sustainability strategy has been created by evaluating our long-term goals and the risks and opportunities in achieving these goals, within the framework of material issues that we have determined in line with the mission, vision and core values of our partnership, taking into account the expectations of our stakeholders.

With this roadmap, four focal points have been determined as people, planet, prosperity and governance function.

Our Sustainability Strategy:

To consider all the emergent impacts of environmental, social, and economic in a holistic manner and together with efficient risk management; is to create value in the future as well by going beyond today's achievements with our understanding of business excellence and innovativeness in the light of expectations of employees, customers, suppliers, subsidiaries all business partners, and shareholders along with global trends.

OUR SUSTAINABILITY STRATEGY



SUSTAINABILITY POLICY

Turkish Airlines declares the Sustainability Policy based on the sustainability strategy to unite its employees, customers, providers, affiliates, all business partners, and shareholders around the same goal for its future. Our Company's Sustainability Policy is based on our sustainability strategy and the priority issues determined considering our stakeholders' expectations.



ADOPTION OF CORPORATE MANAGEMENT CULTURE

Adopting the Corporate Management Principles as its corporate culture, Turkish Airlines complies with the national legal requirements, other national and international requirements, and the aviation sector regulations, with which it is liable to comply, and develops methods going beyond the national and international rules where applicable. It works to detect the risks that may jeopardize the continuity of all its activities, products, and services as well as the opportunities that may support its development in advance, to determine the correct actions for the detected risks and opportunities, to implement such actions, and to manage the risks and opportunities.

CLIMATE CHANGE COMBAT

Turkish Airlines is fully aware of the impact of the aviation industry on the climate change. Therefore, it acts being aware of the importance of the works carried out to decrease the carbon footprint. It supports the fuel efficiency initiatives and takes measures to decrease the greenhouse gas emissions to decrease and eliminate the factors that may worsen the climate change. It supports the sustainable biofuel research and development works.

CONSIDERING PEOPLE AND THE ENVIRONMENT WHILE GROWING

It acts with an awareness of the fact that the resources in the world are not infinite and the responsibility of leaving a carefully protected environment for the future. It takes preventive measures against noise pollution and wastes. It minimizes wastes by giving priority to the use of sustainable products with the life cycle understanding and support to recycling. It motivates its providers and affiliates accordingly. It places importance on protection of the natural ecosystems and biological diversity.

ADDING VALUE TO STAKEHOLDERS

Turkish Airlines provides all its customers with the highest possible standards to ensure flight safety and security, and designs, implements, and audits all its processes with the same care so that these standards can be applied in a sustainable manner.

It monitors the customer satisfaction continuously, measures it periodically, and carries out the works, designs and implements the projects required to increase the customer satisfaction. It monitors its employees loyalty and satisfaction continuously by making periodic measurements, and offers a better Employee Experience by developing projects to increase their satisfaction.

It offers its employees the latest human resources and sector practices that will make contributions to the corporate culture. It keeps its employees' health and motivations at the top level and invests in their personal and professional developments.

It protects the confidentiality, integrity, and accessibility of information under the national and international legal requirements, and develops projects to ensure the security of the information that belongs to all its stakeholders.





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IMPROVING THE BALANCE BETWEEN FEMALE AND MALE EMPLOYEES

It creates equal opportunity in the human resources selection and evaluation processes. It aims to increase the women's employment rate in operational and governance areas. It carries out works to make contributions to improvement of the gender balance at each level in the aviation sector, and supports the relevant national and international projects.

SUPPORT TO INNOVATION

It targets to decrease its emissions and noise level by increasing its fuel efficiency through the next generation environment-friendly aircraft by modernizing its fleet. It follows the technological developments continuously and supports the innovative projects.

ADDING VALUE TO SOCIETY

It respects the universal human rights and complies with the laws and regulations in force in every country it operates. It respects the cultures, traditions, histories, values, and social norms of the societies in which it operates, and considers the expectations of all concerned parties. It acts being aware of that its corporate social responsibility is universal at all stations where it performs a flight, and supports the social responsibility projects at these stations.

CONTINUOUS IMPROVEMENT

It monitors and measures the development of its sustainability performance. It reviews its practices and Sustainability Policy in line with the performance results, and updates and shares the same with the concerning parties when necessary. It works to improve its sustainability performance continuously.

It develops its sustainability strategy continuously in line with the expectations and interests of the stakeholders.



COMPLIANCE WITH THE CODE OF CONDUCT PRINCIPLES

It defines the policies, principles, and rules all its employees and managers are liable to comply with. The acquisitions it has gained through ethical conducts and the fight against corruption serve the purpose of becoming the identity and course of conduct of Turkish Airlines employees in the long run.



SUSTAINABLE GROWTH AND PROFITABILITY

It aims to create value for everybody living in the society and adopts the sustainable growth strategies to leave a better world to the next generations while extending all its activities, products, and services. With its wide connection network, it supports the local economic and social developments in the regions it flies to.

MATERIAL ISSUES

While determining our material issues, we take into account the general mission and strategy of our Incorporation, as well as legal regulations, global trends, views and concerns of our stakeholders, broad social expectations and our impact on the supply chain.

THE PROCESS OF DETERMINING MATERIAL ISSUES

y improving our sustainability strategy day by day with new practices, we continue to focus on the material issues that our stakeholders attach importance to and that may affect our operations. While determining these material issues, we take into account the general mission and strategy of our Incorporation, legal regulations, global trends, the views and concerns of our stakeholders, broad social expectations and our impact on the supply chain.

In this process, our methodology for determining material issues is conveyed in the image below.

In our reporting process for 2020, we received the opinions of our investors on material issues through survey method. In addition, we have taken into consideration the material issues stated by the Sustainability Accounting Standards Board (SASB) for our industry as well as the expectations of the Task Force on Climate-related Financial Disclosure (TCFD) and our national and international aviation sector

stakeholders, the General Directorate of Civil Aviation (SHGM), the International Civil Aviation Organization (ICAO) and the International Air Transport Association (IATA).

In addition, national and international trends, risks and opportunities, feedback from ESG evaluation companies are taken into consideration in our material issue determination process. In the coming years, we will continue to update our material issues in line with global developments and feedback from our stakeholders.

DEFINING THE REPORT CONTENT AND MATERIAL ASPECTS AND BOUNDARIES

IDENTIFICATION

Initial broad list of relevant topics and their boundaries are determined.

PRIORITIZATION

Significance of the economic, environmental and social impacts and their substantial influence on the stakeholders are considered.

VALIDATION

Material aspects are assessed against scope, boundaries and time and approved by the internal senior decision makers.

REPORT

The report is prepared annually and made available to all stakeholders on the website of the Company.

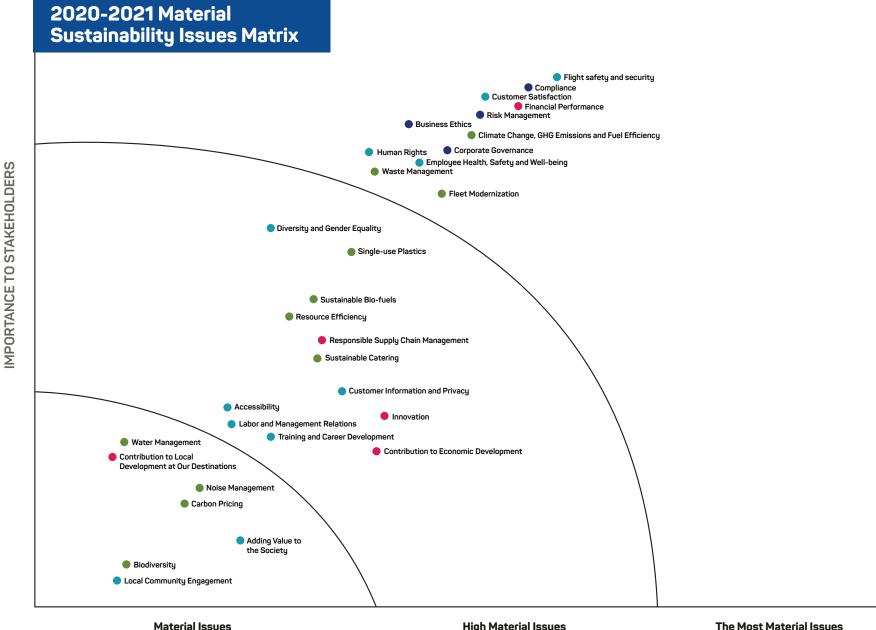
REVIEW

The feedback received from stakeholders, trends, risks and opportunities, and the reporting process are reviewed. Areas for improvement are determined.

MATERIAL ISSUES MATRIX

Our sustainability program is built on four pillars: Governance, Prosperity, People and the Planet, each of which contains many important topics within its own structure. Our material issues approved by the Senior Management are shown in the materiality matrix. Except for three of the key topics covered, the others are internal matters; Contribution to the growth of the economy, society and local development at our flight destinations are important external issues. We will continue to take our priority determination process further in the coming years by receiving feedback from our stakeholders on the issues we have mentioned under the material issues in this report.

The Most Material Issues Flight Safety and Security Compliance Financial Performance Customer Satisfaction Risk Management Climate Change, GHG Emissions and Fuel Efficiency Corporate Governance Fleet Modernization Employee Health, Safety and Well-being **Business Ethics** Waste Management **Human Rights**



High Material Issues

SUSTAINABLE DEVELOPMENT GOALS (SDGS) MAP

Material issues	Relevant SDG	Commitment	Material topic and SDG relationship	Report section where the material issue is explained
Increasing fuel efficiency and reducing emissions to combat climate change	7 distribution of the second o	Increasing fuel efficiency and reducing greenhouse gas emissions	Within the scope of combating global climate change, we achieve resource efficiency and reduce our emissions by increasing the aircraft fuel efficiency, which constitutes 99.8% of our total greenhouse gas emissions. In this direction, we apply a comprehensive fuel policy. We take actions to optimize our operations, and add new generation aircraft with high fuel efficiency and low emission value to our fleet through fleet modernization. In order to reduce the amount of fossil fuel use, we cooperate with universities and conduct sustainable bio-fuel research and development studies. Through the measures and projects we have taken to reduce our emissions, we contribute to SDG 13 Climate Action. Through our investments in clean energy technology we contribute to SDG 7 Affordable and Clean Energy. We contribute to the SDG 9 Industry, Innovation and Infrastructure with our studies supporting R&D and innovation in clean and environmentally sound technologies.	Fuel Efficiency and Reduction of Greenhouse Gas Emissions, Sustainable Bio-fuels, Emission Data
Waste management	12 OCCUPION SE PROCESS	To prevent waste generation, to minimize it when we cannot prevent it, to increase reuse, recycling and energy recovery and to ensure that waste is disposed of in accordance with the Zero Waste Regulation and relevant legislation.	We develop projects that prevent waste generation both in our premises and in the aircraft. We develop new projects for situations that we cannot prevent the waste. Some examples of these projects are as follows: We reduce the consumption of single-use plastic, we ensure the reuse of electronic headphones after sterilization and repair. We continue to expand the scope of the in-flight waste sorting application. Through our works in this field, we contribute to the SDG 12 Responsible Consumption and Production.	Waste Management, In-flight Sustainability Practices
Resource efficiency	11 SIGNAMUS CORN. 12 SIGNAMUS	Ensuring efficient use of resources	We received the LEED Green Building certificate for the Onboard Catering Warehouse in 2020, and the certification process for other buildings continues. Location and transportation, sustainability level of the lands, water efficiency, materials and resources used, energy and atmosphere, and indoor quality were taken into consideration during the certification process. We carry out our activities in accordance with the requirements of TS EN ISO 14001: 2015 Environmental Management System Standard. We monitor our consumption data to increase resource efficiency, and we develop projects to reduce our consumption. We contribute to the SDG 11 Sustainable Cities and Communities and SDG 12 Responsible Consumption and Production.	Environmental Management, Resource Efficiency
Customer satisfaction	12 MOTOGRAL GOOGRAFION SHE PROCESSIN	To increase customer satisfaction	We adopt a customer-oriented approach in all our processes. We implement the International Customer Satisfaction Management System Standard and Quality Management System, and offer proactive solutions. We contribute to the SDG 12 Responsible Consumption and Production with our comprehensive works in this field.	Our Innovative Approach, Customer Satisfaction Measurement and Surveys
Product and service accessibility	10 MINOR 12 MINORALE CONSIDERATION NO PRINCESSIN	To make all our products and services are accessible by the passengers with restricted mobility, as well as disabled veteran, elderly, pregnant and disadvantaged passengers.	In order to make all our products and services are accessible by the passengers with restricted mobility, as well as disabled veteran, elderly, pregnant and disadvantaged passengers, we take actions within the scope of the 'Differences Add Value Program'. Among these activities, there are also sign language trainings for our cabin crew in order to communicate better with passengers with hearing impairment. We support SDG 12. Responsible Consumption and Production and SDG 10. Reducing Inequalities with our various initiatives in this field.	Accessibility
Safety	3 0000 MARTH AND WILL SING OUR PROJECTION OUR PROJECTION	To provide a healthy working environment for our employees and to provide the highest possible safety standards to all our customers and to make these conditions sustainable	We established Safety Management System, and we are constantly making improvements beyond the standards set by global authorities and aircraft manufacturers. We continuously monitor and improve our performance with the IATA Operational Safety Audit (IOSA) Program	Corporate Safety
Flight security	3 DOES HELL SINCE	To protect our employees and all our customers and to ensure security during the course of all our activities	We established Security Management System to ensure security during the course of all our activities. We provided protective equipment to our employees and passengers during the pandemic period. We contribute to the SDG 3 Good Health and Well-Being and SDG 12 Responsible Consumption and Production with the comprehensive studies we carry out.	Flight Security

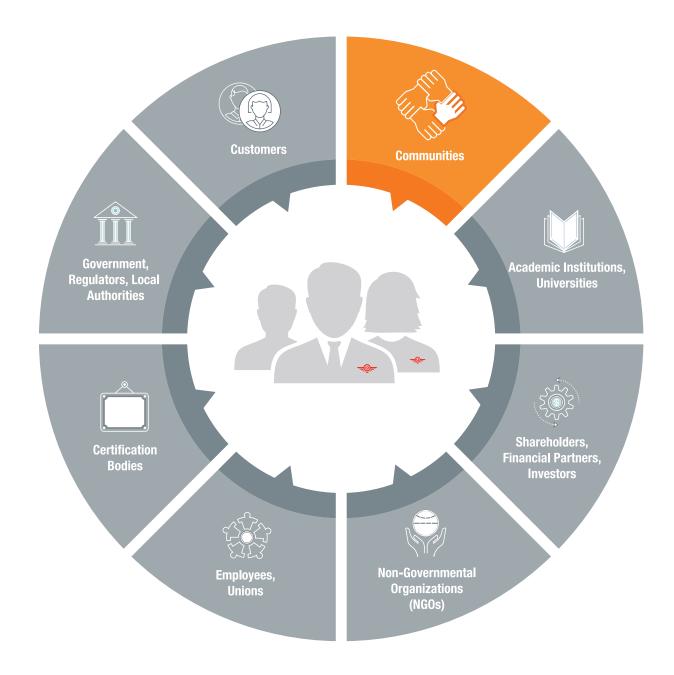
Material issues	Relevant SDG	Commitment	Material topic and SDG relationship	Report section where the material issue is explained
Protect biodiversity	14 tr. 15	To prevent illegal wildlife trade	We signed the UFW declaration, which is supported by IATA, aiming to prevent the illegal trade of wild animals and to increase awareness on this issue. Thus, we contribute to the prevention of illegal trade of wild animal parts such as ivory, rhino horn and tortoise shell. In cooperation with the Marine Clean Association TURMEPA, we use nature-friendly soaps in our Turkish Airlines lounges. We support our project with in-flight awareness videos. We offer wooden toys made from FSC certified forest products in our inflight kits. We continue microalgae-based biofuel studies. We support SDG 14 Life Below Water and SDG 15 Life on Land.	Developments in Collaborative Works with International Organizations, Biodiversity
Human rights and employee development	8 REINT WORK MO- TECHNISE GENTHI	Creating decent employment, implementing equal pay for equal work policy, compliying with the international principles set forth in the Universal Declaration of Human Rights, the International Labor Organization's (ILO) Declaration of Fundamental Principles and Rights at Work, and the UNGP (United Nations Guiding Principles on Business and Human Rights) as well as labor rights based on national legislation	We offer decent working conditions to our employees, and act in accordance with national legislation on the rights of association and collective bargaining. We determine the fare scale according to the title or the flight time in operation. We support the career development of our employees and contribute to their personal and professional development by organizing trainings. We contribute to SDG.8 Decent Work and Economic Growth with our policies and initiatives in this field.	Labor and Management Relations, Human Rights
Employee health, safety and well-being	8 DECEM WORK AND COORDINATE CHOPPIN	To eliminate the risk of accident, death and injury in the workplace, to take all preventive and protective measures	We apply OHSAS 18001 Occupational Health and Safety Management System to provide a safe and healthy working environment for our employees. We take high-level measures to protect the health of our employees and their families during the pandemic period. We contribute to SDG.8 Decent Work and Economic Growth with our policies and initiatives in this field.	Employee Health, Safety and Well-Being
Contributions to economic and social development	8 DECEMBER DATE	Contributing to the economic and social development	We contribute to employment with the direct job opportunity we create, and indirectly support a larger ecosystem through our suppliers. Contributes to public funding of paying taxes, we contribute to Turkey's GDP. Thus, we contribute to SDG 8 Decent Work and Economic Growth.	Contributions to Economic and Social Development, Our Economic Footprint
Diversity and gender equality	5 south 10 shouths	Provide equal opportunity and not discriminate on the basis of gender	We support the increase in the number of our female pilots as well as our female employees working as cabin crew. We support efforts to improve the gender balance in civil aviation. The partnership of Turkish Airlines and RASIT (Royal Academy of Science International Trust) works together to turn the difficulties that women and girls may encounter in the field of science into opportunities. We support the SDG 5 Gender Equality and SDG 10 Reduced Inequalities with our policies and initiatives on this issue.	Diversity and Gender Equality
Innovation	9 NOTIFIC MONITOR NO INTESTRICTOR	Develop innovation capacity and culture	We develop the innovation culture and carry out digital innovation activities. In this context, our R&D projects and patent applications continue. We contribute to the SDG 9. Industry, Innovation and Infrastructure.	Development of Innovation Culture and Promotion of Employee Engagement, Innovation and Entrepreneurship
Supporting social entrepreneurs for innovative solutions within the scope of Social Responsibility	8 RECENT WORK AND THE RECENT AND THE	Supporting social entrepreneurs for innovative solutions through social responsibility studies	The IGA Social Hackathon competition, organized in partnership with IGA Airport Management and Turkish Airlines and in cooperation with the Turkish Corporate Social Responsibility Association, was held with the main objectives of providing social benefits and supporting entrepreneurship.	Adding Value to the Society
Humanitarian response within the scope of social responsibility	3 too which the	To support healthy society through our social responsibility initiatives	Turkish Cargo played a critical role in the fight against the coronavirus pandemic by transporting vaccines and more than 50,000 tons of personal protective equipment. We became the first airline to hold the IATA CEIV certificate for Pharma, Live Animal and Fresh. Within the scope of the agreement we made with the Turkish Red Crescent, we carry aid and medical supplies, support access to health products and services, and support the SDG 3 Good Health and Well-Being.	2020 Annual Report Social Responsibility Section
Encouraging children and young people to science, technology and aviation within the scope of social responsibility	4 DIALITY SOLUTION STATE OF SO	Supporting technology, aviation and science and encouraging youth in these fields	By promoting the Aerospace and Technology Festival, Teknofest, we supported successful teams representing Turkey on international platforms. We realized the Vocational Flight Training Project. We support SDG 4 Quality Education and SDG 9 Industry, Innovation and Infrastructure through various projects we carry out in this field.	https://www.turkishairlines.com/en-tr/press-room/our-social-responsibility-projects/index.html

ENGAGING WITH STAKEHOLDERS

At the core of our sustainability approach are our stakeholders. Our success goes in pair with satisfaction of and value creation for our stakeholders.

ur 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. The reasonable expectations and interests of our stakeholders are a key reference point in identifying our material issues and developing the materiality matrix which is the basis of our sustainability strategy. We value and listen to our stakeholders and strive to maintain an open and constructive dialogue with them and foster greater collaborations.

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.



	டிர் STAKEHOLDER இப்பூ GROUPS	KEY ENGAGEMENT TOPICS	MAIN ENGAGEMENT PATHWAYS	FREQUENC	SOME OF THE OUTCOMES OF THE STAKEHOLDER ENGAGEMENT PROCESS:
ANY	Shareholders Financial Partners Investors	Minority Rights Operational & Financial Performance Strategy Corporate Governance	E-mail distribution list; "ir@thy.com" Dedicated "ir" website and web application General Shareholders' Meeting Investors Meetings Presentations, Reports, Publications	On-going On-going Annually Annually Quarterly	 Investor day events were held. 4 investor conferences, 90 teleconferences and over 100 individual/corporate investor meetings and 4 investor calls were held. 4 teleconferences were organized throughout the year on the results of the financial statements.
INSIDE THE COMPANY	Employees Unions	Business Ethics Cultural Values Employee Satisfaction Freedom of Association and Collective Bargaining Corporate Safety Flight Security Health and Safety & Well-being Non-discrimination and Diversity Performance & Career Development Sustainable Use of Resources	Ethics Line "Ethical Way" E-mails: flightsafety@thy.com; security@thy.com Empathy" Incorporation TV Empathy Employees Newsletter Personal Suggestion System Meetings & Events & Forums & Summits Surveys	On-going On-going On-going Monthly On-going Annually	 134 applications made to the Ethics Reporting Line were evaluated. The Employee Experience Department was established to ensure that our employees feel privileged and to make their working life experience positive. Interviews were held with our colleagues to get feedback on the Remote Working process. Informational publications were made for employees providing Remote Work. Improvements were made on the Employee Support Lines in order to respond more quickly to the questions and problems of our colleagues. The second phase developments of the employee feedback system continued. Collective events were organized to strengthen the communication of our employees and managers. Brand collaborations that offer special discounted shopping opportunities for our colleagues were established. Sweepstakes were organized to increase motivation.
	Government Regulators Local Authorities	Regulators Corporate Safety Flight Security	Audits Meetings Reports	Regularly Ad hoc meetings upon needed Annually	By saving 22,760 tonnes of fuel, 71,695 tonnes of carbon emissions were avoided from being released into the atmosphere.
COMPANY	Certification Bodies	Environmental Management Corporate Safety Flight Security Health and Safety & Well-being Noise Management Quality Management	Audits	Regularly	The continuity of the TS EN ISO 14001:2015 Environmental Management System Certificate was ensured. Greenhouse gas report was prepared and verified according to ISO 14064. We participated in the Environmental Assessment Management System (IEnvA) Program of the International Air Transport Association (IATA) specifically designed for airline companies.
OUTSIDE THE C	Customers	Accessibility Customer Satisfaction & Service Quality Customer Rights Corporate Safety Flight Security Innovative Products & Services Sustainable Catering	Customer Care Call Center Customer Web-based/In-flight Feedback Form Customer Satisfaction Measuring Devices at the Airports Customer Satisfaction Online-Surveys In-flight Safety Handouts and Videos "Skylife" In-flight Magazine Social Media (facebook, twitter, instagram, blog) Website of the Incorporation	On-going On-going On-going Annually On-going Monthly On-going On-going	The continuity of the ISO 10002 Customer Satisfaction Certificate was ensured. In 2020, 7,711 problems mostly experienced in the cabin were followed up and many projects were carried out in line with the demands. Many projects related to accessibility were commissioned.
	Communities Non-governmental Organizations (NGO's)	Social and Economic Development Social Responsibility Projects Corporate Social Responsibility Projects	Meetings with Associations and Charities School and Hospital Visits CSR Fairs and Events	Ad hoc meetings as needed Ad hoc meetings as needed	Our Social Responsibility Projects are available at on this link.
	Academic Institutions Universities	Employment & Career Opportunities	Meetings Carrier Day Social Media (LinkedIn)	Regularly Annually On-going	• 24 people participated in the Overcoming Fear of Flying Program in 2020, and we have contributed to a total of 1,091 people overcoming their fear of flying so far.

COLLABORATIONS WITH ORGANIZATIONS & ASSOCIATIONS

We cooperate with various local and foreign non-governmental organizations (NGOs) and industrial organizations regarding our material issues. Some of them are listed below.

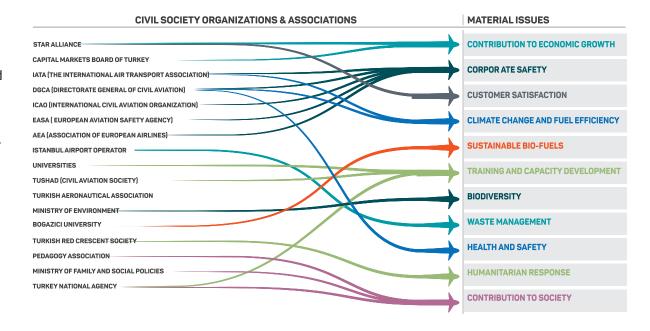
2020 DEVELOPMENTS IN COLLABORATIVE **WORKS**

We became a party to the "Zero Waste Declaration" initiated by the Istanbul Airport Operator as part of the Zero Waste Project. In addition to the "Support for Sustainability Policies and Zero Waste Project Award", which we were deemed worthy of in 2018, with our efforts in waste management within the scope of the Zero Waste Regulation, we were entitled to receive the Basic Competence Certificate for our General Administration Building.

As of 2019, we monitor and report our emissions from our international flights, within the scope of Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA Draft), which was implemented by the International Civil Aviation Organization (ICAO) in order to reduce the effects caused by the CO2

emissions originating from the aviation industry and which we have voluntarily committed to implement from the pilot phase. Our greenhouse gas emissions have been verified by a third-party independent verification body authorized by ICAO, and our work will continue within the scope of CORSIA requirements. And our emission report, which we will prepare every year, will be verified by a third-party independent verification body authorized by ICAO. In the following years, we will neutralize our emissions remaining above the base year emission values with the carbon credits to be obtained from the projects in line with the CORSIA Draft.

Upon the entry force of the "Regulation on the Monitoring of Greenhouse Gas Emissions from Aviation Activities" Draft by DGCA, we will report and verify all of our monitored emissions through the DMS (Data Management System) system and present them to the General Directorate of Civil Aviation.







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CORPORATE GOVERNANCE

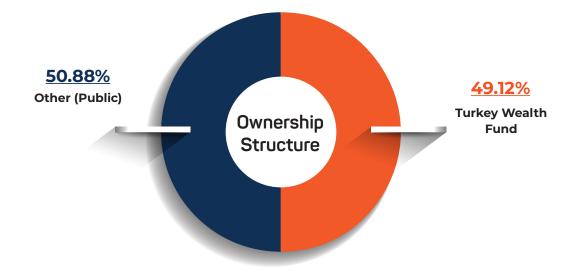
urkish Airlines, Turkey's flag carrier airline, was founded in 1933.

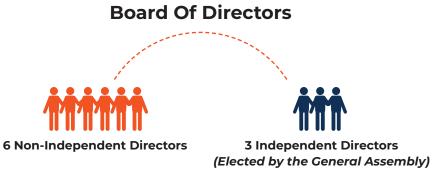
Originally a 100% state owned airline, Turkish Airlines initiated the process of privatization in 1990. And it is now 50.88% publicly owned Incorporation while the remaining 49.12%, held by the Republic of Turkey, Prime Ministry, Privatization Administration, was transferred to the Turkey Wealth Fund in 2017. One Class C share of it 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 is bound by the provisions, prescribed under the Turkish Commercial Code (TCC), and the regulations promulgated by the Capital Markets Board (CMB). Adopting transparency, fairness, liability and accountability as its principle in all its operations, Turkish Airlines complies with all mandatory principles among the Corporate Governance Principles determined by the Capital Markets Board, and shows utmost care to comply with the optional principles.

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 the Vice Chairman of the Board and the Executive Committee, assumes separate roles and responsibilities from the Chairman. Ms. Fatmanur Altun joined as a member to the Board in 2018. We will strive to increase women's representation at our Board in the future.

Detailed information about the Members of the Board of Directors of our Incorporation can be found on pages 30-31-32 of our <u>2020 Annual Report</u> and the organizational chart on pages 122-123 of our <u>2020 Annual Report</u>.









During 2020, the Board of Directors convened 53 times and adopted 210 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 provisions, prescribed under the TCC, and the regulations promulgated by the CMB. Committees' tasks and duties and working principles are determined by the Board of Directors. The Board of Directors provides all means and supports to the committees to carry out their tasks. The tasks and duties of the Nomination Committee and Remuneration Committee were assumed by the Corporate Governance Committee in 2020.

Turkish Airlines Inc. Chairperson of the **Corporate Governance Committee:**

Fatmanur Altun

Members: Orhan Birdal, Mithat Görkem Aksou, Kadir Coşkun (Investor Relations Manager)

Turkish Airlines Inc. Chairperson of the Audit Committee:

Mehmet Muzaffer Akpınar

Members: Melih Şükrü Ecertaş

Turkish Airlines Inc. Chairperson of the Early **Identification of Risks Committee:**

Melih Şükrü Ecertaş

Members: Mehmet Muzaffer Akpınar

The Corporate Governance Committee reports directly to the Board of Directors. It supports and helps the Board of Directors with practices in the following areas: The Incorporation's compliance with internationally approved Corporate Governance Principles, determination of the directors and senior executives, evaluation of wages, awards and performances and career planning, as well as investor relations and public disclosure matters. The Corporate Governance Committee reviews the system and processes, formed and to be formed by the Incorporation, for performance increasing management practices, evaluates them, gives recommendations and oversees the activities of the Investor Relations Department. In 2020, the Corporate Governance Committee convened once and submitted an informative report, in writing, to the Board of Directors.

The Audit Committee directly reports to the Board of Directors. It supports and assists the Board of Directors in the following areas: Compliance of the corporate practices with national and international codes and regulations, improvement of business processes through audits, and coordination of the activities to be carried out to ensure information transparency. The Audit Committee is responsible for taking all precautions necessary for any kind of internal and external audits to be executed in a sufficient and transparent manner, and to carry out the duties assigned to the same under the Capital Markets Board Regulations. The Audit Committee members are selected among the Independent Directors, both of whom have a 5-year experience in the fields of audits/ accounting and finance. Audit committee convenes every 3 months prior to disclosure of the quarterly financial results. In 2020, the Audit Committee submitted four reports, in writing, to the Board of Directors.

In April 2014, Early Identification of Risks Committee was established and authorized by the Board of Directors. Committee is composed of two members, and the Chairperson of the Committee is elected among the independent Directors.

Early Identification of Risks Committee;

a) Works for identification of risks that might endanger the existence, development and continuity of the Incorporation at an early stage, taking necessary actions against any identified risk and management of such risks.

b) Reviews the risk management systems at least once a year.

The Committee prepares all its works in writing, and keeps record of all its activities, and moreover prepares and presents a report that includes a situation analysis and committee's opinions & suggestions to the Board of Directors every two months. In 2020, Early Identification of Risks Committee conveyed 6 times and presented their risk evaluation report to the Board of Directors. In 2020, the Committee evaluated the effects of the Coronavirus pandemic on the aviation sector and our Incorporation, along with the geopolitical risks and developments affecting the aviation sector, as well as the evaluations regarding our 2020 budget. The Committee reviewed the financial and operational results of the Incorporation; presented its findings and recommendations to the Board of Directors regarding the cash projection, taking into account the financing needs of the aircraft that are planned to be delivered and the situation regarding debt services.





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COMMUNICATION WITH SHAREHOLDERS

Investor Relations Department, reporting directly to the Chief Financial Officer (CFO), serves in the fields of ensuring and overseeing of the communication and information exchange by and between the Board of Directors and the capital market regulators and participants by providing accurate, consistent and timely information to analysts, investors, and our shareholders.

Public Disclosure Policy has been established by the Board of Directors to furnish all our stakeholders including shareholders, investors, analysts, employees and customers with timely, accurate, complete, comprehensive and easily accessible information for enhanced transparency.

During 2020, Investor Relations Department participated in 4 investor conferences and road shows with the

aim of sharing the financial, operational and strategic developments about the Incorporation with investors and analysts, and made 90 teleconferences and organized more than 100 corporate/ individual investor meetings.

4 teleconferences were organized during the year in relation to the results obtained from the financial statements.

Aiming to develop the transparent communication, established with the stakeholders, even further, Investor Relations Department has an Investor Relations Application running on iPad, iPhone and devices operating on Android. The applications enables all stakeholders, as well as the domestic and international investors, to access many information

and documents in relation to Turkish Airlines such as the latest developments, material disclosures, operational and financial disclosures, investor presentations, annual reports, etc. at anywhere in 2 different language options on 3 digital platforms.

In terms of shareholders' rights, Turkish Airlines, along with all listed BIST companies, utilizes 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.

Shareholders' General Assembly Meetings of Turkish Airlines

	Fiscal Year of 2017	Fiscal Year of 2018	Fiscal Year of 2019	Fiscal Year of 2020
One share equals one note	04.05.2018	28.06.2019	31.03.2020	26.03.2021
Number of shareholders present, represented, granting power of attorney to chairman or voting by email	Yes	Yes	Yes	Yes
Attendance Rate	1,026,500,492 shareholders representing 699 shares	943,139,813 shareholders representing 504 shares	815,072,841 shareholders representing 379 shares	879,352,441 shareholders representing 367 shares
	74.38%	68.34%	59.1%	63.7%

RISK MANAGEMENT

RISK MANAGEMENT STRATEGY

aving an effective risk management strategy is very important to control potential risks in the highly competitive aviation industry and to ensure sustainable growth. We aim to minimize the counterparty risk, especially the fluctuations in fuel prices, interest rates, cash flow and exchange rates, and to provide reasonable assurance against possible shocks. The Treasury and Risk Management Commission has been established in order to determine our financial risk management strategy and to carry out the necessary studies on the management of the financial risks that our Incorporation may or may be exposed to.

Within the scope of the financial risk management strategy, hedging transactions were started for the first time in 2009 in order to control the possible cash movements that may arise as a result of fluctuations in the fuel price. Currently, efforts are underway to minimize the fuel price risk by using swap, option-based cost-free banded structures and premium-paying options that are suitable for market conditions.

In order to manage the exchange rate risk that may arise as a result of the mismatch between the currencies constituting the income and expenses of the company, natural hedging methods are primarily applied. Due to the nature of its sector and activities, our Incorporation may also be affected by financial risks related to changes in interest rates.

A healthy liquidity structure and the provision of cash flow are among the issues that the Incorporation focuses on sensitively. In this direction, the future cash flow estimation of our Incorporation is repeated on a monthly basis, thus creating a cash forecast. The projection formed as a result of the cash flow estimation study is closely monitored and analyzed by the Treasury and Risk Management Commission. Further information on risk management can be found on pages 120-121 of the Turkish Airlines 2020 Annual Report.

INTERNAL CONTROL MECHANISM

Our Incorporation has a Senior Vice Presidency (SVP) Inspection Board which inspects, with a systematic and disciplined approach, whether the Incorporation's activities including corporate governance, effectiveness of risk and control process and provides consultancy and assurance services on the efficient and effective operation of these processes.

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.

DATA AND INFORMATION SECURITY

We aim to achieve the highest level of efficiency in the safest way by ensuring information security and improving security processes.

We have an Information Security Management System (ISMS) and Information Security Policy in accordance with ISO 27001 Standard to ensure that all critical company information, especially customer information, is protected in accordance with the needs and in a manageable manner. With this system, we aim to establish the confidentiality, integrity and accessibility elements of information security. In addition, we have established follow-up mechanisms to meet the expectations regarding information security arising from all legal regulations to which Turkish Airlines is subject to. We monitor and improve them regularly.

Performance criteria defined in the relevant procedures are evaluated at least once a year.

- ISMS internal audits are carried out at least once a uear and corrective actions are determined and planned.
- > The results of all these studies are presented to the Senior Management. It is ensured that the Senior Management evaluates the ISMS performance.

Information Security Risk Management Process consists of the following steps:

- 1. Risk Analysis
- 2. Risk Assessment
- 3. Risk Processing
- 4. Risk Treatment
- 5. Residual Risk Assessment
- **6.** Monitoring





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BUSINESS ETHICS

OUR BUSINESS ETHICS APPROACH

ur 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 Incorporation, 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 Incorporation'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.

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 all our employees including the 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 2020, awareness raising activities on ethics were carried out via mailing, posting, monthly corporate reports.

An online training module on ethics for all employees has been designed. The training program contains information on what ethical rules are, why they are important and how they benefit both the employee and the employer and what to do if employees are exposed to any ethics violations or witness such an incident. The revision study regarding the content of the online Ethics Rules and Ethics Committee Training was carried out in both Turkish and English. The training has been assigned to the employees.

On the other hand, internal Social HR framework, was designed to meet and share with colleagues about the interests and experiences of the employees to contribute to the communication and information exchange within the Incorporation. A presentation about mobbing was prepared to increase the awareness of the managers and employees. It is planned to be made available to the employees as soon as possible.

"Ethical Way", an Ethics Reporting Line, a whistleblowing 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. Our Ethics Board, which is composed of four members and a president, assess the applications. Ethics Committee works to ensure the adoption of the Ethical Principles and Values and that all employees in the working environment exhibit a parallel ethical approach to corporate culture which would serve as a form of corporate identity and behaviour in the long term. The Committee aims to provide guidance to employees to make ethical decisions in the unclear ethical dilemmas and resolve disputes.

Ethics Board listens to the respective personnel and receives the opinions of the concerned departments, and thereafter, takes action upon the results received. The Ethics Committee listens to the employees in question and takes the necessary measures in line with the results obtained after receiving the opinions of the relevant departments. Due to the Covid-19 pandemic in 2020, we switched to a home/remote working system between March 23 and December 31, and operational processes were suspended to a large extent.

Accordingly, although the number of notifications in 2020 did not remain at a normal level due to the Covid-19 outbreak, 134 applications made to the Ethics Reporting Line were evaluated. These notifications were mainly related to the issues of

"act that disrupts the labor peace" and "action against business discipline".

All of these issues were considered in detail by Turkish Airlines Ethics Board and it was decided to inform the concerned employees and departments to ensure that necessary actions are taken and administrative sanctions were imposed on behaviors contrary to work discipline.

ANTI-BRIBERY AND ANTI-CORRUPTION

Fighting bribery and corruption is one of the most fundamental elements of our working system. 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. Within the online Ethics Rules and Ethics Committee training that we assign to our employees, we inform our employees about what needs to be done in situations that violate ethical principles, including the fight against bribery and corruption.

Internal control measures have been introduced in order to monitor these issues and ensure compliance with the rules. In respect of anti-corruption guidelines;

	Performance Indicators	Unit	2018	2019	2020
	Number of applications made to the ethics reporting line	number	245	278	134
	Resolved issues through Ethics Line	number	245	278	134
16 PEACE, JUSTICE	Training hours given to employees on ethics	hours	2,955	2,160	1,210
AND STRONG INSTITUTIONS	Training hour on bribery and corruption	hours	2,955	2,160	1,210
	Penalty payment for bribery and corruption policy violation	TL	0	0	0
	Amount of fine paid for non-compliance with the legislation	TL	0	0	0
	Amount of penalty paid for anti- competitive behavior	TL	0	0	0



2021 **TARGET**

To conduct ethics training with updated content to our 22,935 employees

the roles of the senior management, SVP, Inspection Board, SVP, Security, Audit Committee, Ethics Board, Discipline Council, Human Resources and every employee of our Incorporation 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 Incorporation including risks related to bribery and corruption.

In 2020. Turkish Airlines has not encountered any findings of breaches of anti-bribery and anticorruption policy nor it has been subject to any administrative and monetary sanctions with respect to bribery and corruption.

2020 DEVELOPMENTS

The Ethics Committee Procedure, which sets out the structure, duties, authorities, responsibilities and operating principles of the Ethics Committee that was established in order for assessment of any and all reporting made to the "Ethics Line" by means of telephone, e-mail and web in several issues such as corporate business principles, codes of conduct, discrimination, conflicts of interest, superior subordinate relationships, problems experienced with colleagues and line managers, etc., as well as of the Sub- Committee reporting to the Ethics Committee, entered into effect in 2017 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. Our Code of Conduct Manual is being revised. Once all related processed have been completed, our Manual, including detailed information on the Codes of Conduct of our Incorporation, will be made available to our employees. In addition, in 2020, "Ethical Codes" were prepared, which clearly state our Incorporation's brand image and its sensitivity to ethical issues, and contain a roadmap on the vision and mission of our Incorporation. The work will be put into service of our Incorporation personnel as soon as possible. The Ethics Committee Procedure was updated in 2020 and put into effect in 2021. The procedure was made available to the employees. In addition, in 2020, "Ethical Codes" were prepared, which clearly state our Incorporation's brand image and its sensitivity to ethical issues, and contain a roadmap on the vision and mission of our Incorporation. The work will be put into service of our Incorporation personnel as soon as possible.



PROSPERITY

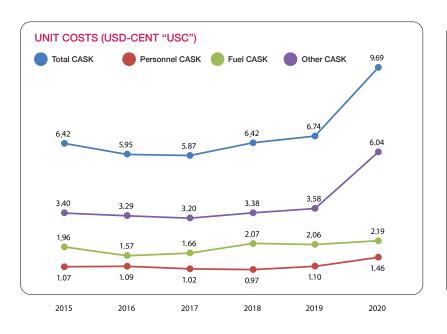
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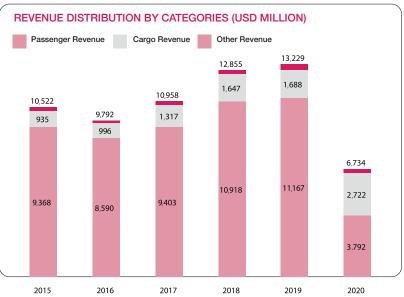


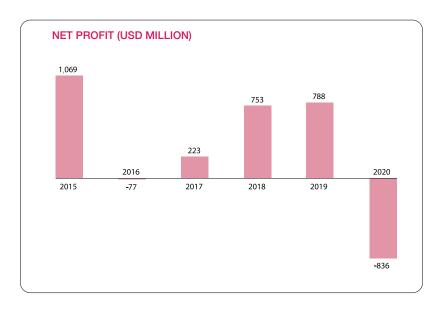




FINANCIAL PERFORMANCE







TOTAL TRAFFIC FIGURES

Total Traffic Figures	2020	2019	2018	2017	2016
Revenue Passenger (thousand)	27,950	74,276	75,168	68,617	62,759
Available Seat-Km (million)	74,960	187,696	182,031	173,073	170,092
Revenue Passenger-Km (million)	53,249	153,186	149,169	136,947	126,815
Passenger Load Factor (%)	71.0	81.6	81.9	79,1	74.6
Flight Destinations	324	321	310	303	298
Number of Landings	240,339	507,314	511,064	483,312	475,303
Distance Flown Km (000)	472,205	926,177	866,630	826,048	825,561
Cargo+Mail (tons)	1,487,233	1,543,028	1,412,423	1,122,697	887,164
Excess Luggage (tons)	7,281	11,725	7,717	6,904	6,677

The global Covid-19 pandemic in 2020, which negatively affected all sectors, especially the aviation sector, has been a new challenge for Turkish Airlines. With our approach of not leaving anyone behind, we have become one heart with 61 thousand employees together with our subsidiaries. Our Incorporation has passed this test well as the 2020 financial results show. In 2020, passenger revenues reached a level of US\$ 3.8 billion and cargo unit revenues increased by 66% and reached to record level of US\$ 2.7 billion.

More information on our financial performance is available in the 2020 annual report.





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OPTIMIZED MAINTENANCE PROGRAM (OMP)

After the analyzes aimed at increasing the usability of the aircraft, the B737NG Maintenance Program Optimization study was started within the scope of the optimization service purchased from Boeing in 2019. Analysis of each task interval in the THY B737NG Optimized Maintenance Program (OMP) created within the scope of the optimization project; It is carried out by Boeing using the maintenance data of our Incorporation, in accordance with the operational objectives, utilization and operating conditions and within the framework of the relevant regulations, using the EASA and FAA approved SASMO analysis tool. The following gains are targeted within the scope of this project:

Effective Care Program

Within the scope of the THY B737 OMP agreement with Boeing, THY B737 Maintenance Program optimization work was carried out. 815 MPD referenced tasks and 58 THY referenced tasks included in the maintenance program were analyzed. As a result of this study, the threshold and/or interval value (application intervals) of 556 tasks were increased and 17 tasks were decreased.

As a result of the work carried out, the maintenance periods, whose previous figures and target values are given below, achieved the targeted values. Thus, an optimum and effective maintenance program has been created with less maintenance, less cost, without sacrificing safety and security.

Additional flight day

By increasing the maintenance periods, the groundtime required for the maintenance of our aircraft has been gained, and accordingly, the airworthiness of the relevant aircraft has increased. Annual earnings for the entire fleet are around 68 days for A maintenance and 248 days for C maintenance.

> Hangar availability

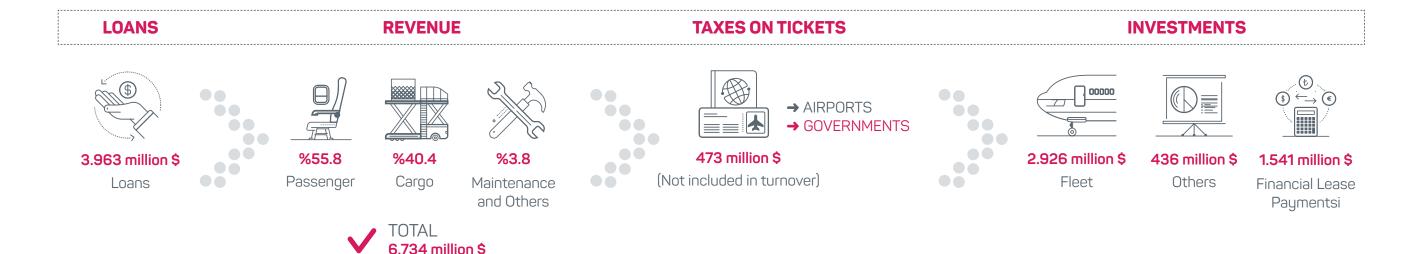
The need for hangars has decreased in parallel with the flight day gain of the aircraft.

> Total maintenance cost savings

The annual total maintenance cost and day gain to be obtained with optimization is estimated as \$6,713,710.8.

	B737 Optimization Work on Interval	Values
Line Check	A Check	<u>C Check</u>
TARGET: 750 FH	TARGET: 2500FH	TARGET : 15000 FH/1095 DY
Previous interval: 500FH	Previous interval: 1000 FH	Previous interval:7500FH/730 DY
	A*S: 120	A*S: 2500
	Workforce: 57 \$	Workforce: 57 \$
	Mail: 2	Stay on the ground: 10 gün
	Material Cost: 2000 \$	Material Cost: 30000 \$

OUR ECONOMIC FOOTPRINT



EXPENSES



1.638 million \$ Suppliers (Fuel)



23 million \$ Sponsorships





217 million \$ Airport fees



Air Traffic Control



296 million \$



3.952 million \$ Other Suppliers



41 million \$ Government



1.097 million \$ **Employees**



OUR CONTRIBUTIONS TO ECONOMIC AND SOCIAL DEVELOPMENT

urkish Airlines is the market leader in Turkey carrying 49% of total passengers. With the addition of 1 new flight destination and 1 new country in 2020, we, as the airline that flies to the most countries worldwide with 324 destinations, in 319 cities in 127 countries, generate new economic opportunities through our expanding network. During the Covid-19 Pandemic, which deeply affected the whole world and the aviation industry in 2020, it carried out many evacuation flights and enabled people to return to their homes. As the effects of the crisis subside, we will not only offer highly attractive business environments at our main hub, Istanbul Airport, as well as other hubs such as Sabiha Gökçen and Ankara, but also continue to contribute to local economic and social development at our destinations across the country and around the world.

CONTRIBUTION TO GDP OF TURKEY

Experiencing a rapid growth period following the statutory regulations made since 2003 across our country, the aviation industry keeps developing with the increased number of infrastructure and fleet investments, number of connections and ticket fare arrangements. The aviation industry directly contributed 14.2 billion USD to Turkish GDP in 2020 through the outputs of airlines, airports and ground handling agents. This corresponds to 2% of the total GDP of Turkey. Turkish Airlines, which has grown by an average of 10% annually in the last 10 years, lost more than half of its passenger revenues due to the negative developments in 2020. It compensated a significant

part of this loss with cargo revenues and Turkish Airlines generated a total revenue of 6.7 billion dollars in 2020. The value of our Incorporation's investments between 2006 and 2020 is 19 billion dollars, and in 2020, 24 new ordered aircraft with a total value of 2,427 million dollars were added to our fleet.

CONTRIBUTION TO PUBLIC FINANCE

Aviation industry provides a substantial contribution to public finance directly through tax payments or indirectly through fringe benefits, airport fees, etc. The total amount of the other taxes and charges, generated in 2020 by Turkish Airlines with a substantial contribution to Public Finance, corresponds to 473 million USD.

CONTRIBUTION TO JOB CREATION

Aviation industry is considered as a major employer in Turkey and provided job opportunity directly to more than 246 thousand people in 2020 across the country¹. An average employee, serving in air transportation services, generates a higher gross added value, and is 175% more productive compared to an average employee in Turkey².

Providing job opportunities directly to 38 thousand 804* people in 2019, due to the global pandemic crisis in 2020, there were voluntary layoffs, and this figure fell to 37,841* people.

With more than 60 thousand direct job opportunities offered by Turkish Airlines with its subsidiaries, it represented a significant portion of the direct employment opportunities provided by the aviation industry in Turkey in 2020.

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 increases connectivity. In 2020, 78% of our tickets are sold outside the borders of Turkey, implying a significant service export for our country. This is an important foreign currency inflow for both Turkish Airlines and our country, especially during the crisis period.

CONTRIBUTION TO TOURISM

With the Pandemic crisis in 2020, many countries closed their borders, imposed travel bans and stopped flights. Although travel for tourism purposes was limited in 2020, approximately 1.8 billion passengers worldwide preferred air transportation for various reasons, including tourism. With the normalization process that started in the summer of 2020, 12.7 million tourists visited Turkey. The number of tourists experienced a dramatic decrease of 72% compared to 2019. 75% of the 12.7 million tourists preferred air transportation instead of other means of transportation.

- ¹ Directorate General of Civil Aviation, estimation, 2020
- ² Oxford Economics, Economic Benefits from Air Transportation in Turkey, 2011.
- * Figures of Turkish Technic Inc. and Turkish Flight Training and Airport Operations Inc., are included.

TURKISH CARGO: HEALTH AND CULTURE BRIDGE

As Turkish Cargo, we took an active role in the fight against the coronavirus pandemic by transporting medicines, medical supplies, masks, medical equipment, humanitarian aid and food to all over the world during the pandemic. We quickly prepared the necessary infrastructure for the transportation of Covid-19 vaccines without breaking the cold chain and obtained certificates proving compliance with international health standards. We became the first air cargo brand to have IATA CEIV certificate in three different branches: Pharma, Live Animal and Fresh. During the 2020 pandemic period, as Turkish Cargo, we transported more than 50 thousand tons of health care.

Cargo transportation figures for 2020

Product	Cargo Weight (Kg)
Medicine	48.856.353
Vaccine	1.871.975
Medical Equipment	488.229
Laboratory Equipment	158.913
Total	51.375.470

→ Transportation of Important Historical **Monuments**

We support works to protect our cultural heritage. The 1,800-year-old ancient stone votive inscription belonging to the Lydians, which was taken from the Ancient City of Sidas to Italy, was brought back to Turkey after 23 years with the efforts of the Ministry of Culture and Tourism and the sponsorship of Turkish Airlines. We carried out the transportation operation between Rome and Istanbul.

We brought the mother goddess "Kybele" Statue, believed to be the symbol and protector of fertility, dated to the 3rd



Century AD, back to the lands of our homeland after 60 years.

With the support of the Ministry of Culture and Tourism and the sponsorship of Turkish Airlines, the relocation operation of the historical monument between New York and Istanbul was carried out successfully.

> Digitalization practices and paper savings

In the field of digital transformation, we implement environmentally friendly solutions that require less paper by participating in the electronic bill of lading application and the digital sales platform.

> TIACA Air Cargo Sustainability Program

As Turkish Cargo, we are aware of our responsibilities towards the environment in all our business processes. We are the first air cargo carrier to participate in the Air Cargo Sustainability Program run by the International Air Cargo Association (TIACA) in order to work with other stakeholders in the industry on issues such as carbon footprint, new technologies, process development, innovation and training.

> Awards

- STAT TIMES International Award for Excellence in Air Cargo – Air Cargo India Awards Fastest Growing Air Cargo Brand of the Year
- Air Cargo News Awards 2020 Europe's Best Air Cargo Brand
- Atlas Logistics Awards 2020 Most Admired Logistics Company of the Year Air Cargo Brand of the Year
- 4th İstanbul Economu Summit 2020 Turkey's Global Air Brand
- 7th Payload Asia Awards Air Cargo Brand of the Year
- AFLAS Awards 2020 Europe's Best Air Cargo Brand





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RESPONSIBLE SUPPLY CHAIN MANAGEMENT

ur partnership contributes to the commercial and economic development of supplier companies through the purchase of goods and services. In 2020, 244 tenders were held by the General Purchasing Department and contracts were signed with a total of 206 different companies. With the "Supplier Evaluation System" created, the goods and services purchased are evaluated and the scores obtained are evaluated in the new tender processes. Our partnership also contributes to the social and environmental development of our suppliers.

In the service contracts signed with the suppliers, articles regarding the protection of the social rights of the employees and the environment are included. Thus, our Incorporation aims to spread its corporate understanding in the environmental and social fields through its commercial partners. "Procurement Planning and Management" training was given to 65 purchasing officers in 2020 in order to increase efficiency in purchasing processes and to enable standardization. We plan to continue these trainings in 2021.

CONTRIBUTION TO LOCAL DEVELOPMENT AT OUR DESTINATIONS

s of 2020, 46 countries were categorized as the least developed countries in the world by the United Nations, and Turkish Airlines flies to 25 of these countries. Approximately 630 thousand of these passengers, carried in these 25 countries covered under the list of the least developed countries, preferred Turkish Airlines for their travels as of 2020. Offering global connectivity, our Incorporation enables people in the least developed countries to foster their economic and social relationships with the rest of the world.





INNOVATION AND ENTREPRENEURSHIP

e, as Turkish Airlines, believe that the future will be shaped by technology and that technology needs an ecosystem. Thus, we launched the Turkish Airlines Technology, Innovation and Entrepreneurship Platform, the <u>Terminal</u>. With the Terminal, we combined all our work in the field of technology and innovation on a single digital platform. We are shaping the future of travel together by bringing new generation startups and all technology lovers together at the <u>Terminal</u>. We have implemented the Terminal Enterprise Program in order to be inspired by new generation startups, to test their products and

services, to develop potential collaborations and to contribute to the entrepreneurship ecosystem.

With this program, startups can quickly reach Turkish Airlines through a single channel and have the opportunity to develop joint projects. With the mentorship of Turkish Airlines and experts working in different sectors, they can shape their projects according to the needs of the sector and scale their projects anywhere in the world by exploring new markets with the provided flight tickets. Applications can be made on the Terminal website any day of the year.

As part of the Terminal Enterprise Program, we organized **100+ programs**, which we named AirPitch Days, where we listened to the presentations of startups.

We conducted R&D studies and pilot projects in emerging technology areas such as artificial intelligence, augmented / virtual reality, internet of things and blockchain.

We partnered with universities, technocities, technology transfer offices and entrepreneurship centers to increase their effectiveness in the entrepreneurship ecosystem, to explore early-stage technology startups and to develop projects on new business models.

In our mobile application, we added features that provide contactless experience after Covid-19 to the interactive terminal maps of 3 airports.

We have enabled our APIs, which we provide through the Turkish Airlines Developer Portal, to be used in the projects of software developers and technology startups.



With Invest on Board, we supported the promotion of startups by including investor presentation videos, in-flight entertainment screens (IFE) and on the website www.investonboard.com.



We created the RPA (Robotic Process Automation) platform, an innovative platform to increase our employee productivity. We have commissioned 5 robots within the scope of RPA technology, which will enable automatic repetitive work done manually.



We have automated a total of 11 processes, on which 21 personnel periodically process in many areas, especially cargo and accounting operations. We increased our manpower earnings by transferring the jobs that our 25 personnel can only complete in a month to robots.



We received approval from TUBITAK in 2020 for our project, which we applied for within the scope of the national project fund application. We were included in a consortium within the scope of international project funding applications.



During the activity period, we made 9 patent applications and developed 40 R&D projects.

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- **ENVIRONMENTAL MANAGEMENT**
- **RESOURCE EFFICIENCY**
- **WASTE MANAGEMENT**
- **BIODIVERSITY**
- **SINGLE-USE PLASTICS**
- **COMBATING CLIMATE CHANGE**

- **CARBON PRICING**
- **FUEL EFFICIENCY AND REDUCTION OF OUR**
 - **GREENHOUSE GAS EMISSIONS**
- **NOISE MANAGEMENT**
- **SUSTAINABLE BIO-FUELS**
- **FLEET MODERNIZATION**



















1,434,000

the number of A4 paper recycled



101,530

wooden pallet was made from waste wood material



12,402,000

the number of avoided plastic package



decrease in electricity consumption

(Compared to 2019)





11%

decrease in the natural gas consumption

(Compared to 2019)





13,074

tonnes of carbon emissions were offset



22,459

employees attended environment & waste management training



Warehouse



2020 ENVIRONMENTAL PERFORMANCE AND FUTURE TARGETS



2020 Environmental Performance	Performance against the target	2021 Target	Responsible Unit
Continuity of compliance with environmental legislation was ensured and no non-compliance was detected.	100%	Ensuring the continuity of compliance with environmental legislation	
No environmental emergency, accident or incident occurred	100%	Non-occurrence of any environmental accident, environmental emergency or incident	
TS EN ISO 14001:2015 Environmental Management System (EMS) Certificate was successfully renewed	100%	Ensuring the continuity of the TS EN ISO 14001 Environmental Management System Certificate	
Participation in the Environmental Management System (IEnvA) Program of International Air Transport (IATA).	100%	Earning a Stage 2 Certificate in the IEnvA Program	DIR. Quality Assurance
19 internal audits were carried out within the scope of ISO 14001 Environmental Management System (EMS), ISO 14064, SHT-CORSIA and QUALITEAM. The actions to be taken for the findings were assigned to the relevant units and monitored.	100%	Monitoring the findings of previous audits and planning new internal audits to improve EMS performance	DIN. Quality Assurance
The environmental issues management was carried to the evaluation meetings and evaluated by the senior management.	100%	Continuing to evaluate environmental issues regularly by senior management	
We maintained our presence in the Borsa Istanbul Sustainability Index (BIST).		Maintaining the presence in Borsa Istanbul Sustainability Index	



Resource Efficiency	Unit	2020 Performance	Performance against the target	2021 Target	Responsible Unit
Electricity consumption per person	kWh/person	2,686	100%	Reduction by 2% compared to 2020	
Natural gas consumption per area	m³/m²	10.32	100%	Reduction by 2% compared to 2020	
Water consumption per person	m³/person	14.73	100%	Reduction by 2% compared to 2020	DIR. Social and
With the installation of 200 photocell taps, taps in all our campuses were provided with photocells.			100%	-	Administrative Affairs
New target was set for 2021				To meet at least 5% of the energy in our new buildings from renewable sources.	



				sources.	
Waste Management	Unit	2020 Performance	Performance against the target	2021 Target	Responsible Unit
Waste and packaging waste sent for recycling	tonnes	1,232	77%	1,400	DIR. Social and
Hazardous waste amount per person*	kg/person	1.42	100%	4.25	Administrative Affairs
Number of plastic bags avoided	number	12,402,000	100%	To continue the offer of toys and kits without bags	DIR. Social and Administrative Affairs & DIR. Catering and Inflight Products

DIR: Directorate

^{*} In 2020, there was a great decrease in the amount of hazardous waste due to the pandemic. It is predicted that there will be an increase in the amount of waste in 2021 with the decrease of the pandemic effect.



Waste Management	Unit	2020 Performance	Performance against the target	2021 Target	Responsible Unit
Number of employees who are offered training on ISO 14001 Environmental Management System and Waste Management	number	22,459	100%	To provide environmental and waste management training to 3,000 employees	DIR. Quality Assurance & DIR. Social and Administrative Affairs & DIR. Training
New target was set for 2021			100%	To obtain Zero Waste Certificate for Headquarters, Halkalı Technology and Yenibosna buildings	DIR. Social and Administrative Affairs
In-flight packaging waste sorting was suspended due to Covid-19 measures.			17%	To restart the inflight waste separation practice at 15 destinations	DIR. Social and
The use of bioplastic bags in compliance with the TS EN 13432 Standard continued in earphone and blanket packages.			100%	To continue to use biodegradable packaging for headphones and blankets	Administrative Affairs & DIR.Catering and Inflight
The wooden toy offer with the concept of "Play Natural" inflight service was suspended during the pandemic period			100%		Products



Combating with Climate Change	Unit	2020 Performance	Performance against the target	2021 Target	Responsible Unit
Offset of all greenhouse gas emissions under the EU ETS	tonnes CO ₂	13,074	100%	To offset of all emissions under the EU ETS for the reporting period.	DIR.Finance
Number of employees offered GHG emissions awareness training	number	2,522	100%	To conduct greenhouse gas awareness training to 1,200 employees	DIR. Quality Assurance & Training
Fuel efficiency	kg/ATK	18.36	98%	5% reduction of kg/ATK compared to 2016 by 2025	
Annual fuel saving	tonnes	22,760	48%	To save 25,000 tonnes of jet fuel	DIR. Integrated Operations Control
Annual carbon emissions avoided	tonnes	71,695	48%	To avoid 78,750 tonnes of carbon emissions	German
Direct and indirect greenhouse gas emissions were calculated in accordance with the standard TS EN ISO 14064-1, and the greenhouse gas report was drawn up.			100%	Continuity in greenhouse gas emission calculations for the existing facilities	
Greenhouse gas statement was verified by the independent auditing organization in accordance with TS EN ISO 14064-3			100%	Verification of the emissions for 2021	DIR. Quality Assurance
New target was set for 2021				To response to the Carbon Disclosure Project (CDP) Climate Change Program	
Emission monitoring plan within the scope of CORSIA Draft was submitted to DGCA.			100%	To monitor our emissions and get verification for the 2020 emission report and to submit it to DGCA	
Microalgae-based sustainable bio-jet fuel studies continued.			100%	The introduction of sustainable microalgae-based biofuels by 2022	Directorates of the following units: Quality Assurance, Corporate Innovation, Integrated Operations Control, Finance, Technical





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ENVIRONMENTAL MANAGEMENT

Turkish Airlines holds TS EN ISO 14001: 2015 Environmental Management System Certificate¹

As Turkish Airlines, in line with our commitment to "considering people and the environment while growing", as stated in our environmental policy, while expanding our flight network and expanding our fleet, we have primarily aimed to minimize our potential negative environmental impacts and leave a livable world to future generations. With the environmental dimension and environmental impact assessment studies we conduct in line with this purpose, we determine the environmental dimensions and environmental impacts that may arise from all activities, products, and services of our Incorporation. We carry out corrective actions to eliminate or minimize these environmental impacts and apply methods for improvement.

We conduct our activities in accordance with the requirements of all relevant legal regulations and our voluntary commitments. In order to go beyond compliance with legal requirements and to take our environmental management system one step further every year, we follow global trends and successful sectoral practices and plan for value added initiatives. Our Environmental Policy, which we review regularly, is shared with all relevant parties on our website. arising from our activities in 2020. We update the significant environmental changes resulting from our activities in 2020, including the effects of the pandemic, in the Environmental Aspects and Impacts list and make them available to our stakeholders.

Our activities, products and services continued to be carried out in accordance with the requirements of the TS EN ISO 14001: 2015
Environmental Management System Standard in 2019, and the Environmental Management System Certificate continued to be valid as a result of the audits performed. Adopting the principle of "continuous improvement", our Incorporation participated in the IATA Environmental Assessment (IEnvA) Management System Program, implemented by The International Air Transport Association (IATA) specifically for airline companies, in 2020 in order to strengthen the environmental management system with the requirements specific to the aviation industry.

Turkish Airlines Management Systems Certificates

Certificate	Certification Body
ISO 9001 Quality Management	TÜV SÜD
ISO 10002 Customer Satisfaction	TÜV SÜD
ISO 14001 Environmental Management	TÜV SÜD
OHSAS 18001 Health and Safety Management	TÜV SÜD
ISO 27001 Information Security Management	TSE



TARGET 2021

We aim to earn the Stage 2 Certificate, the highest-level certificate in the IEnvA Program from the third party audit at the end of 2021.

¹ ISO 14001 Environmental Management System Certificate covers design and provision of scheduled and unscheduled domestic passenger and cargo air commercial transportation services, and services offered during international flights, as well as the training services.

OUR EMPLOYEES ACTIVELY PARTICIPATE IN THE COMMITTEES BELOW:



As Turkish Airlines, we are determined to tackle climate change, one of the most important environmental problems in the world. In this context, we carry out multifaceted studies within the Incorporation to eliminate and reduce the factors that may affect climate change. Supporting initiatives related to fuel efficiency, taking measures to reduce natural resource consumption and greenhouse gas emissions are some of our works we carry out for this purpose. In addition to these, the measures taken by international aviation authorities against climate change are also supported by our Incorporation and the requirements are fulfilled.

At Turkish Airlines, all environmental issues are managed by the Quality Assurance Department, which is directly affiliated with the General Manager. Environmental Management Review Meetings are held regularly with the participation of senior management and Vice President Quality Assurance.

Employees of our Incorporation, have been selected by national and international aviation authorities to take part in the implementation of sustainability activities, ensuring and improving sustainability in the Sustainability Committees of the associations we are a member of, and take active roles in these groups.

As one of the leading companies that shape sustainability in the aviation industry, we will continue to systematically carry out our sustainability efforts in 2021.



ENVIRONMENTAL POLICY

ABIDING BY THE RULES

It complies with the aviation regulations along with the other legal and other requirements on the environmental issues that it is liable to comply with and undertakes to comply with voluntarily; it aims to extend beyond compliance with laws by the projects, applications, and initiatives it supports and plays an active role.

MINIMIZING ADVERSE ENVIRONMENTAL IMPACTS

It gives top priority to protection of environment while carrying out all its activities, products and services. It supports the fuel efficiency initiatives to decrease and eliminate the factors that may worsen the climate change. It monitors and reports the greenhouse emissions regularly, and shares the results with all its stakeholders. It takes the necessary measures and sets goals to decrease its emissions, and develops action plans to attain these goals, and monitors the status of such actions regularly. It develops projects based on Zero Waste principle and waste management hierarchy in the waste management practices. Considering the environmental impacts of its products and services, it supports the sustainable products and services, and gives priority to preferring such products and services whenever possible. It acts being aware of its impact on the local pollution. It takes measures against noise pollution, water emission, odor emission, and waste generation. It places importance on protection of the ecosystem and biological diversity.

CONSIDERING PEOPLE AND THE ENVIRONMENT WHILE GROWING

It adopts the sustainable growth strategies to leave a better world to the next generations while extending all its activities, products, and services and planning its new investments.

It targets to decrease its emissions and noise level with its next generation environment-friendly aircraft that increases fuel efficiency by modernizing its fleet.

It places importance on protection of the natural ecosystems and biological diversity.

DEVELOPING ALONG WITH STAKEHOLDERS

It works to increase the environmental awareness of its own employees. It shares its good environmental practices with all its stakeholders; popularizes them; and encourages its stakeholders to participate through multidirectional communication.

MANAGING THE ENVIRONMENTAL ASPECTS

It detects the environmental aspects and environmental impacts of all its activities, products, and services, and develops action plans to prevent, decrease and, if possible, eliminate all negative environmental impacts at source throughout its life cycle. It applies improvement-oriented management systems and methods to keep significant environmental aspects under control.

DECREASING THE CONSUMPTION OF NATURAL RESOURCES

It uses the natural resources effectively and efficiently in line with the sustainability principle. It ensures the creation of the infrastructure required to increase the resource and energy efficiency and decrease their consumption, and supports the projects and applications developed to that end.

IMPROVING CONSISTENTLY

It measures its environmental performance regularly against the performance criteria it has determined, monitors its development, and shares it with all its related parties through the Sustainability Report it publishes annually. It evaluates the feedbacks coming from the national and international rating agencies, its employees from all levels of its organization, and all its related parties, considers every possible feedback, and takes actions to improve its Environmental Management System consistently. It reviews the Environmental Policy periodically, updates it when necessary, and shares it with its related parties.

Turkish Airlines hereby declares its Environmental Policy covering the design and presentation of the scheduled and unscheduled passenger and cargo commercial flight operations and in-flight services in domestic and international lines, its corporate complexes within the borders of Turkish Republic as well as the office activities in those complexes, and the training services in order to bring all its related parties together around a common goal.

OUR ACTIONS

We make declarations in line with the Recovery Contribution Share (GEKAP) legislation, which was put into effect for the efficient management of resources and the prevention of environmental pollution, and we fulfill our legislative obligations.



We carry out voluntary certification processes to enhance and improve continuously the performance of the Environmental Management System and plan to add new ones to these.

We identify and evaluate environmental aspects and our environmental impacts. As a result of the evaluation, we take actions to eliminate our environmental impacts and to minimize them where it is not possible, and we follow these actions. We act in accordance with the national legal requirements, other national/international conditions and the rules of the aviation industry that it is obliged to comply with in the field of environment. Where applicable, we develop methods that go beyond national and international rules. We continuously evaluate our compliance with national environmental legislation.

We implement effective waste management projects in our cargo operations, office activities and in-flight activities.

We carry out projects to encourage effective and efficient utilization of the resources such as water, power and natural gas, etc., and to decrease the paper consumption.



We implement fuel efficiency practices, ensure consumption of natural resources more efficiently and minimization of greenhouse gas emissions.



We identify any and all kinds of potential environmental emergencies, and take measures against such emergencies, and hold drills to get ready for them at all times.

In order to ensure full compliance with laws, national and international requirements, we periodically conduct management evaluations and conduct environmental inspections in the field.

We identify our environmental risks and opportunities and take actions to address them.







2020 DEVELOPMENTS

TS EN ISO 14001:2015 ENVIRONMENTAL MANAGEMENT SYSTEM

The Environmental Management System, which has been implemented in our Incorporation since 2013, continues to be carried out in 100% compliance with the requirements of the TS EN ISO 14001: 2015 Environmental Management System Standard.

CORSIA

Management team of Turkish Airlines have united around the goal of reducing the potential negative environmental impacts caused by the aviation industry. In line with this approach, in 2020 our first Emissions Report including our CO2 emissions from international flights in 2019 was prepared within the scope of the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), implemented by the International Civil Aviation Organization (ICAO), which our country has committed to comply with voluntarily from the pilot phase. Upon the verification of an independent verifier, the report was submitted to the General Directorate of Civil Aviation. We continue to work to maintain compliance with the CORSIA requirements.

GREENHOUSE GAS EMISSION MEASUREMENT AND CERTIFICATION

Greenhouse gas emissions caused by our operations were calculated according to ISO 14064-1 (Calculation of Greenhouse Gas Emissions and Removals at the Establishment Level) and the greenhouse gas statement was prepared. For detailed information on emissions, see Emission Data. Our greenhouse gas statement for 2019 and 2020 were verified by the independent audit firm in accordance with the TS EN ISO 14064-3 (Greenhouse Gas Calculation and Verification) Standard.

Greenhouse Gas Declaration Verification Statement is presented at the back of the report. Further information on our greenhouse gas reduction efforts is available in the Combating Climate Change section of the report.

IDENTIFICATION OF ENVIRONMENTAL ASPECTS AND IMPACTS CAUSED BY OUR OPERATIONS

We work to identify all environmental aspects and impacts arising from our activities. We aim to eliminate such impacts in the first place and where it is not possible to eliminate, we are working to minimize them.

The significant environmental changes resulting from our activities including the effects of the pandemic detected at our working areas within the borders of Turkey in 2020 are reported in our "Environmental Dimensions Report".

There were no environmental accidents/environmental emergencies arising from our activities, products and services in 2020, no non-compliance with environmental legislation was detected, and our Incorporation was not subject to any fines regarding environmental matters.

TRAININGS

The content of the "ISO 14001 Environmental Management System and Waste Management" training which includes the environmental aspects and environmental impacts was prepared by the Quality Assurance Department and the Social and Administrative Affairs Department and digitized by the Education Department. The training aims to raise environmental awareness of our employees. The relevant training was completed by 22,459 employees.

- The e-learning themed "Awareness on Greenhouse Gases" was completed by 3,965 person.
- Seminars were held and bulletins and announcements were published about Zero Waste Project and waste management.

GREEN BUILDING CERTIFICATION

The LEED certificate, which means "Leadership in Energy and Environmental Design" in English, is called "Progress in Energy and Environmental Design" in Turkish language.

In short, LEED is a certificate of appreciation awarded to buildings that comply with the basic criteria of sustainability to support natural life without disturbing the ecosystem. In the certification process of the buildings, the location and transportation, the sustainability level of the lands, water efficiency, materials and resources used, energy and atmosphere and indoor quality are taken into consideration. Our buildings, which we achieved high success in all criteria, were entitled to receive the LEED Green Building certificate.

Our LEED certified buildings at the Istanbul airport:

- ▶ In-flight Catering Warehouse
- ▶ Line Maintenance Hangar
- ▶ Cargo Express Ship Base Building
- ▶ Cargo Loading Equipment Repair Shop
- ▶ Operations Center and Team Terminal Building
- ▶ Ground Services Equipment Maintenance-Repair Building
- ▶ Airside Personnel Passage Building
- ${\bf y}$ Aircraft Maintenance Hangars
- ▶ Satellite Catering Building

BUDGET FOR SUSTAINABILITY STUDIES

The Corporate Sustainability Management Department works to implement the sustainability strategy of our company and purchases the necessary services and products accordingly. The 2020 budget of the Corporate Sustainability Department, including employee remuneration and sustainability management services, is 257.595 USD.

Moreover, since almost all of our greenhouse gas emissions originate from jet fuel, we have a separate business unit focusing on fuel oil and emission reduction and the budget of this unit for 2020 is 426,839 US Dollars.

SUSTAINABILITY ASSESSMENTS

In 2020, once again we were entitled to be included in the BIST Sustainability Index, which includes companies traded on Borsa Istanbul with a high level of corporate sustainability performance. We aim to be in the Index in the coming periods.

In 2020, the Capital Markets Board (CMB) updated the Corporate Governance Communiqué, which includes the Sustainability Principles Compliance Framework. In line with this Framework, we have declared our work in the fields of environmental, social and corporate governance (ESG), Statement of Compliance with Sustainability, in our 2020 Annual Report.

In 2020, we voluntarily participated in the performance evaluations of international indices and sustainability rating agencies such as DJSI, FTSE4Good, MSCI, EcoVadis, Sustainalytics, Vigeo Eiris and TPI.



"With the devoted work and support of our employees at all levels, we have carried out our operations by adapting to the changes brought by the pandemic process in a short time. As Turkish Airlines, we have identified the economic, social and environmental risks that we may encounter. In order to minimize these risks, we created our action plans and implemented these plans. In line with our sustainability strategy and targets, we have updated our roadmap by taking into account global trends, sectoral best practices, expectations of our stakeholders and legislation that we may be subject to in the future.



Turkish Airlines' 2019 Sustainability Report was deemed worthy of the "Platinum" and "Best visual design" awards, which is the highest award in the Sustainability Report category, in the American Communication Professionals League, LACP Spotlight Awards. These awards crowned our continued efforts and increased our motivation.

In line with our roadmap and material issues, we will continue to develop our sustainability program with our new projects, which we will implement each year, and will continue to regularly share these efforts with sustainability reports."

BILAL TEK

Senior Vice President, Quality Assurance







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RESOURCE EFFICIENCY

We aim to meet at least 5% of the energy in our new buildings from renewable sources.

n line with our vision of leaving a livable world to future generations, we are aware of our responsibility for the sustainable use of natural resources. Accordingly, we have set our Energy Policy. In accordance with this Policy, we monitor our water, natural gas, electricity and paper consumptions and set annual targets to reduce them. We aim to meet at least 5% of the energy in our new buildings from renewable sources. We monitor our performance and create action plans and develop new projects in order to reach our targets.

ELECTRICITY GENERATION

We generate electrical energy from natural gas in the trigeneration plant established at our cargo premises. We make use of such energy to meet the electrical energy needs of our cargo and head office premises. Moreover, we transform the cooling water and flue gas heat, arising during the generation process, into productivity by means of the absorption chiller we have at our premises.

2020 DEVELOPMENTS

1. In order to reduce electricity consumption, the transition to LED bulbs in lighting continued. Thus, the transition process to LED bulbs in all the facilities we operate has been completed.

- **2.** In order to reduce paper consumption, many correspondences continued to be carried out electronically with the electronic document management system.
- 3. Our Dynamic UPS and generators, which are used for uninterrupted energy needs in our newly commissioned facilities, were operated at optimum level by monitoring their energy use. The amount of transformers needed was determined according to the capacities, and the amount of transformer used was reduced when deemed necessary. In addition, savings were achieved by applying local solutions such as split air conditioners in order not to completely open the entire central system for the units that come constantly.
- **4.** In order to reduce the use of natural gas, heating programming was made by actively monitoring the unused areas of the buildings during the remote working period. In some facilities, the heating was completely turned off.
- **5.** With the installation of 200 photocell taps to reduce water consumption, all our campuses have completed the installation of photocells.



ENERGY POLICY

As Turkish Airlines Incorporation, we adopt the principles of using energy with the maximum efficiency, reducing the use of natural resources, and sustainable development. In this context, Turkish Airlines declares its Energy Policy in order to bring together its employees, customers, suppliers, sub-employers, affiliates, all business partners and shareholders for the same purpose.

OBEYING LEGAL LEGISLATION AND REQUIREMENTS

It obeys the national and international legal legislations and requirements related to energy use, consumption, and efficiency; it carries out our activities by obtaining all information and resources necessary for an energy management system targeting continuous development in line with our goals and targets.

MANAGING THE RESOURCES

It provides the human, technology, infrastructure, finance, etc. resources required for Energy Efficiency and reduction of the use of Natural Resources, and gives priority to energy efficiency in the investments and operations planned for the future.

FOLLOWING TECHNOLOGY

It purchases the energy-efficient products and services and prefers designs that contribute to improvement of the energy performance and follows efficient technologies in all processes.

DEVELOPING CONTINUOUSLY

It works to improve our energy performance continuously.

PERFORMANCE **MONITORING**

It continuously reviews our performances by monitoring our goals and targets set in compliance with our policy with the Energy Performance Indicators.

BEQUEATHING A HABITABLE WORLD FOR **FUTURE GENERATIONS**

It carries out projects increasing the energy efficiency to decrease the greenhouse emissions arising from our operations, and aims to increase the use of the renewable energy resources.



DEVELOPING ALONG WITH STAKEHOLDERS

It carries out works to raise energy efficiency awareness of our employees and society by establishing an effective communication with all our stakeholders.



TARGET 2021

- ➤ To reduce electricity use per capita, which was 2,686 kWh/ person in 2020, by 2% compared to 2020.
- > To reduce natural gas consumption per area, which was 10.32 m³/m² in 2020, by 2% compared to 2020.
- y To reduce water consumption per capita, which was 14.73 m³/person in 2020, by 2% compared to 2020.

11% reduction in natural gas consumption in 2020 compared to 2019

2020 PERFORMANCE

Changes in the flight schedule and the increase in working from home during the pandemic process are the biggest factors that reduce the amount of electricity, natural gas, water and paper consumption. The use of the electronic document management system continued in 2020 and the paper consumption amounted to 1,898,573 m². In 2020, our water consumption amount was 38,022 m³ and per capita water consumption was 14,73 m³/person.

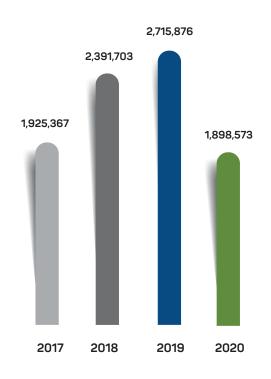
In 2020, the amount of scope 1 natural gas consumed in the campuses that we have management control over as Turkish Airlines was 3.750.954 sm³, and the amount of natural gas consumed in the campuses that we do not have management control was 12,351 and the amount of scope 2 natural gas in the campuses that we do not have management

control was 208,898 sm³. Accordingly, total natural gas consumption in 2020 decreased by 11 percent compared to 2019 and became 3,972,203 sm3. Information on the scope of natural gas data is available in the Performance Tables section at the back of the report. In 2020, the scope 2 electricity consumption amount consumed in the campuses that we have management control over as Turkish Airlines was 11,599,657 kWh, and the scope 2 electricity consumption amount that is not under our control was 23,037.058 kWh. Total electricity consumption in 2020 decreased by 17 percent compared to 2019, with the effect of remote working during the pandemic process, and amounted to 34,636,715 kWh. Information on the scope of electricity and water data is available in the Performance Tables section at the back of the report.

Electricity Consumption (kWh) Scope 2 Scope 2 **Emissions Emissions not** Year Total from THY managed from THY managed sources sources 2018 7.072.470 28,453,313 35,525,784 2019 13,611,743 28,235,742 41,847,485 11,599,657 2020 23,037,058 34,636,715

Natur				
Year	Scope 1 Emissions from THY managed sources	Scope 1 Emissions not from THY managed sources	Scope 2 Emissions not from THY managed sources	Total
2018	4,149,367	18,657	621,487	4,789,511
2019	4,125,496	13,855	319,969	4,459,320
2020	3,750,954	12,351	208,898	3,972,203

Paper consumption amount (m²)

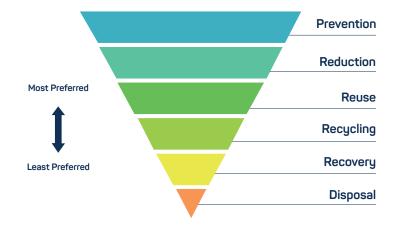


Water consumption						
	Unit	2018	2019	2020		
Water consumption	m³	56,608	64,903	38,022		
Water consumption per capita	m³/person	-	16.91	14.73		

WASTE MANAGEMENT

e carry out all our waste management activities under the "Zero-Waste Project" in line with the principles of waste management hierarchy, as mentioned in our Environmental Policy. Accordingly, we prioritize waste elimination, and if it is not possible to eliminate, we work to minimize waste generation. In this way, we enable all our wastes to be put into good use in economic terms by means of recycling and/or recovery. In case of generation of non-recyclable and/ or non-recoverable waste despite all these measures, we send such wastes to disposal facilities by means of licensed firms.

Waste management practice involves identifying types and sources of the wastes generated within the organization, collecting and separating the wastes at their origins, temporary storage, recycling, and disposal of the wastes following the Zero-Waste Regulations and the applicable statutory regulations. Any and all wastes generated are regularly reported to the Ministry of Environment and Urbanization by waste types and waste codes. Any and all kinds of hazardous and non-hazardous wastes, packaging wastes, medical wastes, waste oils and packages released to the market in the previous year are all reported online and in writing to the Provincial Directorates of Environment and Urbanization, if and



when so required, in accordance with the regulations of the Ministry of Environment and Urbanization.

We put recycling units in our work areas in order to collect our waste separately at its source. We conduct trainings to increase our employees' awareness of zero waste and the environment. Furthermore, we ensure online data inputs for all waste types and amounts generated at our locations thanks to the recently commissioned "Zero-Waste Information System".

The Waste Management Department works in coordination with 180 "Waste Officers" who have received relevant technical training for Istanbul and all our domestic campuses and ensures the management of all waste types resulting from our activities in accordance with the legislation.

2020 DEVELOPMENTS



During the pandemic process, the Instruction for the Management of Personal Hygiene Material Wastes such as Disposable Masks and Gloves was announced to all employees. For these wastes, 200 waste collection boxes were placed in all locations in Istanbul. Training was given to the cleaning shift supervisors.



Personal hygiene material wastes such as disposable masks and gloves are disposed of as medical waste in the aircraft. In our 45 domestic and 89 international flights, the in-cabin packaging waste and domestic waste sorting process, which we were doing before the pandemic, was suspended due to the pandemic. Segregation will continue with the normalization process.



In order to encourage the separation of waste at the source. we removed the under-table trash cans at the Istanbul campuses and donated these buckets to Arnavutköu District Governorate and Municipality.



General Management Building, Halkalı Technology and Yenibosna campuses were entitled to receive Zero Waste Basic Level Certificates by the Ministry of **Environment and** Urbanization.



22,459 employees have completed the 'ISO 14001 **Environmental** Management System and Waste Management' online training.

Saving	Paper Saving Activity			
1st paste 250,000 pieces of A4 paper	The idle pink papers were printed as a health form and used as a Covid-19 form for passengers on airplanes.			
540,000 sheets of yellow and green A4 paper	Yellow and green inert papers were printed as a health form and used as a Covid-19 form for passengers on airplanes.			
Watermarked special weight cardboard 120gr. 144,000 sheets of A4 paper	The old papers were used as entry-exit forms at external stations.			
500,000 sheets of A4 paper	A4 size products were converted to A5 and A6 and printed.			
In total, 2,868 balls and 1,434,000 pieces of A4 paper were reused.				

2020 PERFORMANCE

In 2020, the amount of packaging waste sent for recycling in Istanbul and its domestic locations was 69 tonnes, and the amount of non-hazardous waste sent for recycling was 1,163 tonnes. The total amount of hazardous waste sent to companies with hazardous waste collection licenses amounted to 35.9 tonnes.

Amount of Waste Avoided



The wooden materials used to fix the cargo during our activities are transformed into wooden transport pallets in the carpentry workshop. Within the scope of this study, 101,530 wooden pallets were made from out-of-use wooden materials in 2020, preventing waste generation. In addition, 3 gazebos were made from these wooden materials in the garden of the General Administration Building.



2021 TARGET



In 2020, there was a great decrease in the amount of hazardous waste due to the pandemic, and the amount of hazardous waste per person was 1.42 kg. Due to this exceptional situation during the pandemic period, our 2021 target is to reduce the amount of hazardous waste, which was 5 kg/ person in 2019, by 15% in 2021 to 4.25 kg/person.





Our packaging and eco-friendly toy project was awarded the "Gold" status in the "Sustainable Packaging Initiative" and "Children Wellness Initiative" categories in the Travel Plus "2021 Amenities Initiatives" competition.

OUR IN-FLIGHT SUSTAINABILITY PRACTICES

We aim to minimize our potential negative environmental impacts and leave a livable world to future generations

1. PREVENTION

In line with the principles of waste management hierarchy, our priority is to prevent waste generation and in cases where we cannot prevent it, we work to minimize it.

- > With all travel and toy sets being offered without any plastic packaging, millions of plastics are avoided on our flights.
- ▶ We offer the headphones and blankets in our flights in packages that comply with the "TS EN 13432 Requirements for packaging recoverable through composting and biodegradation standard".
- ≥ Instead of plastic tous, we offer wooden toys made from forest products certified by the "Forest Stewardship Council (FSC)" to our child passengers, to whom we owe a good future.

2. REUSE

The electronic headphones we offer to our passengers are sterilized and reused. Those that are broken and cannot be repaired are delivered to our licensed recycling company and iron, plastic and copper raw materials are recovered.

3. RECYCLING

Although our in-flight waste separation practice has been temporarily suspended due to the pandemic, we are implementing effective waste management projects in our cargo operations and office activities, as well as in-flight activities.



DISPOSAL OF OUR AIRCRAFT

The disposal process of our aircraft is managed by one of our subsidiaries, Teknik AŞ. The scrap body obtained at the end of the dismantling is sold to the scrap company, provided that the following conditions are met.

- Risk analysis before cutting scrap at the airport
- Dangerous and non-hazardous substance documents
- Declaration of the competency certificates of the personnel from the vocational qualification institutions
- Notification of mobile hazardous waste tracking when removing the scrap from the facility
- Declaration of the transportation license of the company that will transport the scrap waste and the disposal documents and contracts of the scrap company or the company that it will deal with



BIODIVERSITY

Turkish Airlines signed the "United for Wildlife Buckingham Palace Declaration (UFW)", which aims to prevent the illegal trade of wild animals supported by IATA and raise sectoral awareness on this issue, to prevent illegal trade of wild animal parts such as ivory, rhino horn, tortoiseshell and raise awareness.



SINGLE-USE PLASTICS

We participated in the Single-use Plastics Working Group established within IATA's Sustainability and Environment Advisory Council (SEAC). This group aims to develop strategies and policies to reduce single-use plastics, determine timelines, targets, and key performance indicators, and monitor and evaluate possible scenarios and trends in the sector.



Reducing Single-use Plastics

2019 Practices	2020 Current Status	2021 Target
In our 45 domestic and 89 international flights, in-cabin packaging waste and domestic waste were sorted.	Within the scope of Covid-19 measures, in-cabin waste separation application was suspended.	Restarting the waste separation practice in 15 lines
Bioplastic bags were used in the packaging of our headphones and blankets.	Headphones and blankets continue to be packaged with biodegradable packages.	Continuing to package headphones and blankets with biodegradable packaging
Instead of plastic toys, offer of wooden toys made from forest products certified by the «Forest Stewardship Council (FSC)» continued.	The toy service has been suspended during the pandemic period.	Continuing the wooden toy presentation
Thanks to the travel and toy sets without an outer packaging bag, 15,229,348 plastic bags were avoided.	The use of 12,402,000 plastic bags was prevented.	Restarting the presentation of toys and kits without plastic packaging



2,522

employees attended **GHG** emissions training



22,760

Tonnes of Fuel Saved 2020



71,695

Tonnes of CO₂ avoided 2020



Total

576,770

Tonnes of Fuel Saved

2008-2020



Total

1,846,664

Tonnes of CO₂ avoided 2008-2020





Aircraft



Average Fleet Age 2020



BIO-FUELS

Related Research and Development **Investments**



2018-2023

New-Generation Aircrafts Consuming 15% Less Fuel 92 Airbus 75 Boeing







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COMBATING CLIMATE CHANGE

Thanks to our fuel saving practices, we saved **22,760 tonnes** of fuel corresponding to **71,695 tonnes** of CO₂ emissions avoided in 2020. Since 2008 **576,770 tonnes** of fuel have been saved and **1,846,664 tonnes** of CO₂ emissions have been avoided.

he most important cause of climate change, one of the global problems today, is greenhouse gas emissions. According to the Intergovernmental Panel on Climate Change (IPCC), the aviation industry generates approximately 2% of the world's man-made emissions of carbon dioxide (CO₂). However, if no action is taken, this rate might increase further due to the increase of the global air traffic.

We, as Turkish Airlines, are committed to minimizing the carbon emissions, associated with our operations, in line with our intention to leave a livable world to the next generations.

Our activities to combat climate change are monitored at the highest level by the CEO. We consider climate change as a strategic issue that requires full integration into business processes and decision-making mechanisms, and we see reducing our impact in this context as a fundamental component of our sustainability understanding.

COMMITMENTS AND TARGETS

Air transportation is the first industry to have taken global actions and set extensive targets to minimize the CO_2 emissions. In light of our responsible business approach, we, as Turkish Airlines, adopted the below-given targets, determined by the International Air Transport Association (IATA), and work devotedly to provide a contribution to such targets.





OUR TARGET

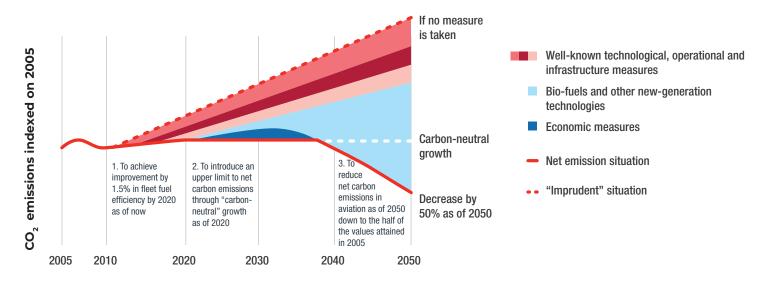
We work devotedly to reach the targets set by the International Air Transport Association (IATA) and indicated in the image on the right.

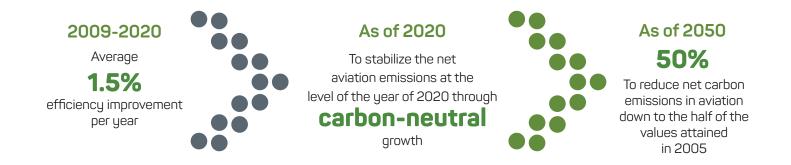
Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)", restricting the CO₂ emissions in order to attain these challenging targets, was adopted voluntarily by 88 governments including our country. CORSIA is of great importance as it is the first global project encompassing the entire industry on a global scale. The preparation phase of it started in 2019 and the pilot phase will be implemented in 2021. In the following years, our emissions remaining above the base year emission values will be neutralized with the carbon credits to be obtained the projects in line with the CORSIA Draft.

We, as Turkish Airlines, created an extensive fuel efficiency program to provide a contribution to the collective efforts exerted across the entire industry against climate change. Fuel Executive Committee, formed as part of this program, regularly provides information to the CEO about fuel efficiency performance, one of the indicators we follow as part of our combat against climate change.

European Union decided to restrict the EU Emission Trade System (EU-ETS) with the flights that take off from and land within the borders of the European Economic Area in 2016. Accordingly, we monitor and calculate our emission values, falling under the scope of EU-ETS, in accordance with the related requirements and verify our emissions by an authorized independent certification body. We fulfil all necessary notifications within the scope of EU ETS and follow developments closely.

Short-term and long-term targets of the aviation industry





OUR ACTIONS TO COMBAT WITH CLIMATE CHANGE



2020 DEVELOPMENTS

On volunteer basis, direct and indirect greenhouse gas emissions for 2020 were calculated and our greenhouse gas statement was prepared according to the TS EN ISO 14064-1 Quantification and Reporting of Greenhouse Gas Emissions and Removals at the organization level, including Istanbul, Ankara and Izmir locations. our 2020 Our greenhouse gas statement has been verified by the independent audit firm according to the TS EN ISO 14064-3 Greenhouse Gas Calculation and Verification Standard.

In 2020, we offset all 13,074 tons of carbon emissions resulting from 4,151 tons of fuel consumed in 634 flights within Europe. For this, a total of 11,962 EU General Allowance (EUA) payments were made using the balance from the previous year.

We organized awareness training on greenhouse gas emissions for 2,522 employees. We continued to improve our fuel efficiency and invest in modern, environmentally friendly aircraft. More information on this can be found in the "Fuel Efficiency and Fleet Modernization" sections of the report.

CARBON PRICING

n parallel with all these works, we follow all the developments regarding carbon markets and carbon taxes, which are built on carbon pricing. In this context, CDP Climate Change Program 2021 has been responded and our efforts in this direction have gained momentum.



"Despite the pandemic process that has affected the whole world, we continue our sustainability journey without slowing down. As every year, we reported our greenhouse gas emissions in line with the requirements of the CORSIA, EU ETS and TS EN ISO 14064-1 (Establishment Level Calculation of Greenhouse Gas Emissions and Removal) Standards, and our calculations were verified by third-party independent verifiers. In addition, we have been included in the UK ETS process as of 2021 and we have started to monitor our emissions in this context.



In 2020, we started implementing the IATA Environmental Assessment (IEnvA) Program in addition to ISO 14001 Environmental Management System, which we have been implementing since 2013. In line with our environmentally

responsible approach, we will go one step further in this program and be subject to the certification audit to be carried out by IATA in the last quarter of 2021. As a result of the audit to be carried out, we aim to gain the IEnVA Program Stage 2 certificate, which is the highest-level certificate of the program. In addition, in line with the transparency, accountability and honesty principles we have adopted, we will participate in the environmental reporting program of the London-based international organization CDP in 2021. We will continue striving to improve our sustainability performance.

DENIZ DAŞTAN

Corporate Sustainability Manager







SUSTAINABILITY REPORT 2020

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PEOPLE

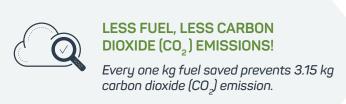
ANNEXES

FUEL EFFICIENCY AND REDUCTION OF OUR GREENHOUSE GAS EMISSIONS

e are committed to achieving the short-term and long-term targets set by the International Air Transport Association (IATA). The main reason for the emissions in aviation industry is the aircraft fuel consumption. Accordingly, our fuel saving policy constitutes the basis of our combat against climate change and our strategy to reduce greenhouse gas emissions. We aim to increase our fuel efficiency, and to reduce both costs and emissions. Every one kg fuel saved prevents approximately 3.15 kg carbon dioxide (CO₂) emission. For this purpose, we have undertaken wide range of initiatives to increase our fuel efficiency and reduce our carbon footprint.



As part of the Fuel Efficiency
Program, Fuel Executive
Committee, consisting of the key
departments, was formed in order
to review the respective action
plans through regular meetings.





TURKISH AIRLINES FUEL POLICY IS BASED ON THREE PILLARS

The Fuel Efficiency Policy of Turkish Airlines is based on three pillars:

- Optimization of the Operations
- Investments in New Technology
- Improvement of the Infrastructure

WE INVEST IN NEW TECHNOLOGY

- > FLEET MODERNIZATION
- > RESEARCH IN BIOFUELS
- **y** MODERN 4-D FLIGHT
- > PLANNING SYSTEMS

WE OPTIMIZE OUR OPERATIONS

FUEL SAVING PRACTICES

- **>** Flight Operations Practices (reduction of auxiliary power unit - APU, engine out taxi, efficient take off, climb, descent profiles, short cuts, etc.)
- **y** Technical Maintenance Practices (engine wash, aircraft weight reduction, aircraft modifications such as winglet/ sharklet, etc.)
- **y** Ground Operation Practices (Center of Gravity (CG) optimization, monitoring potable water uplift, weight reduction of cabin interior, etc.)

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'



NOISE MANAGEMENT

We, as Turkish Airlines, are committed to minimizing our noise emissions, as specified under our Environmental Policy. We created one of the youngest fleets of the world with an average fleet age of 8.4, taking a big step towards our targets for noise minimization. Moreover, we will reduce our noise emissions to even much lower levels with our new-generation aircrafts ordered and expected to be delivered in 2023. Airworthiness Monitoring Supervisor's Office carries out the application procedures to obtain the Noise Certificate for each aircraft in accordance with the national and international aviation requirements. This certificate, showing the noise levels of the aircraft, enables to check whether or not the noise level limits are observed during landing and take-off at airports.



SUSTAINABLE BIO-FUELS

As Turkish Airlines, we plan to reach the target of halving the carbon dioxide emissions in 2050 compared to 2005 as set by IATA, of which we are a member. In this direction, our TUBITAK (The Scientific and Technological Research Council of Turkey) Project titled "Microalgae Based Sustainable Bio-Jet Fuel Project (MICRO-JET)", which we applied jointly with Boğaziçi University was accepted.

Within the scope of the project, pilot production of synthetic bio-kerosene using hydrotreated fatty acids (HEFA) and hydrothermal liquefaction (HTL) methods from microalgae started. In 2022, the biofuel, which is produced entirely from sustainable sources and whose engine tests have been completed by Turkish Technic, will be blended and used in our flights. Thus, Turkish Airlines will be one of the rare global companies that can produce and use the cleanest type of biofuel accepted by IATA.

FLEET MODERNIZATION



2020 DEVELOPMENTS

Consisting of 363 aircraft with an average fleet age of 8.4, our fleet is one of the youngest fleets across Europe. Our fleet encompasses 234 narrow-body and 104 wide-body aircraft, besides 25 freighters. The composition of our fleet is given on the table below. The inclusion of A321 NEO and B787-9 type aircraft which enable 15% fuel saving continued in 2020. 787 Dreamliner passenger aircraft use composite materials in the production and their body is completely composite.

Thanks to this feature, the interior environment

with high humidity provides higher comfort to the passengers. We aim to keep the environmental impacts, that arise in both passenger and cargo transportation, at the lowest level. In line with this commitment upon inclusion of the Boeing 777F type aircraft into the fleet of Turkish Cargo since 2018 we have achieved 20 % lower emissions. 20% lower environmental noise, 15-20 % fuel saving.



In line with our target of having the youngest and most modern fleet of Europe, we ordered 75 Boeing (B737-8 MAX and B737-9 MAX) and 92 Airbus (A321 NEO) new generation aircraft, equipped with 15% higher fuel efficiency rate, in 2013. In addition, in 2018 we placed orders for 25 final and five optional Airbus A350-900 aircraft, 25 final and five optional Boeing 787-9 aircraft which are all planned to be received between 2019-2023, as well as three B777 freighters, for the fleet of Turkish Cargo are expected to be received between 2019-2020.

These new aircraft, to be included in our fleet by 2023, will provide a contribution to our targets of reducing carbon emissions, decreasing the level of noise, and improving the air quality. It is expected that the fuel consumptions per seat of the new-generation wide-body aircraft, ordered in late 2018 in addition to the narrow-body aircraft and to be received completely by the end of 2025, will be 13% lower on average basis than the existing wide-body fleet. Thus, all these newly purchased wide-body aircraft will bring an enhanced efficiency level.



Narrow-Body (234 AIRCRAFT)

B737-9 MAX	1
B737-900ER	15
B737-8 MAX	11
B737-800	97
B737-700	0
A321 NEO	25
A321-200	66
A320-200	14
A319-100	6
· · · · · · · · · · · · · · · · · · ·	



Wide-Body (97 AIRCRAFT)

B777-300ER	33
B787-9	15
A330-300	40
A330-200	14



Freighter (23 AIRCRAFT)

B777F	8
B747-400F WL	4
A330-200F	10
A310-300F WL	2
A300-600F WL	1

AVERAGE FLEET AGE



WE CONTINUE TO OPTIMIZE OUR OPERATIONS

Thanks to the optimization of the flight operations, dispatch practices, ground operations and aircraft technical maintenance, we saved 22,760 tonnes of fuel corresponding to 71,695 tonnes of CO₂ emissions avoided in 2020.

e have initiated and implemented more than 100 operational optimization projects successfully since 2008 in order to reduce our carbon footprint. Some of these projects include: Optimization of auxiliary power units, commissioning of the newly optimized flight planning system, optimization of the routes and aircraft speed, practices to reduce the aircraft weight (fly away kits, magazines, containers, drinking water, catering equipment), and the aircraft modifications such as winglet and sharklet. Thanks to these fuel saving practices, we saved 22,760 tonnes of fuel corresponding to 71,695 tonnes of CO₂ emissions avoided in 2020.

INFRASTRUCTURE IMPROVEMENT

We endeavour to improve the air traffic management system in close collaboration with both domestic and international air navigation service providers. Besides a team that is always busy researching the most appropriate flight routes, we formed a committee, including many departments, to be assigned in the SESAR (Single European Sky Atm Research) project. Among the other infrastructure projects, we carried out to increase the operational efficiency, there are many airport improvement activities such as construction of new parking areas, utilization of the air space better through the improved approach procedure.



"Thanks to the "Fuel Savings Project", which we have been carrying out with great effort as the entire company since 2008, our total efficiency has increased by around 20% to date. At this point, the contributions of all our units in important fields such as pilotage, flight planning, technique, cabin, ground operations, catering, information technologies are of great value. Measurability is such a critical issue in our work that it is not possible to manage a process that we cannot measure. I would like to underline here that, thanks to the technology investments, we have carried our capability to monitor and measure each phase of our flights to a higher degree along with



the fuel management information system software (Fuel Management Information System), which we have put into practice as of 2017. At this point, together with FMIS, we have provided payload supply instead of fuel, by improving especially in the areas where we had a restriction in route optimization before, which is where the process we call efficiency begins. It should be noted that the amount of fuel savings, which seems to have decreased compared to the previous period, is related to the dramatically decreased number of flights due to the pandemic. Especially we do not see much change in our piloting application rates, which is an important indicator showing the strong existence of sustainability culture. Again, with the conditions brought by the pandemic, with the awareness that crises can also create an opportunity, I can say that we have gained a significant advantage in favor of fuel consumption with the time and fuel index Cost Index optimization study in our flights. Again, due to the flight traffic, taxi and waiting times were less than last year, which created a situation in favor of fuel".

SOME FUEL SAVING PRACTICES OF TURKISH AIRLINES

Reduction of Aircraft Weight, Reduces Fuel Consumption and Carbon Emissions 1 Kg Fuel Saved = 3.15 Kg CO, Emissions Avoided

Fuel Saving Practices	Fuel saved (tonnes)	Carbon emissions avoided (tonnes of CO ₂)
Route optimization	228	718
Single-engine taxi	1,841	5,800
APU Policy	2,082	6,559
CDA	2,631	8,289

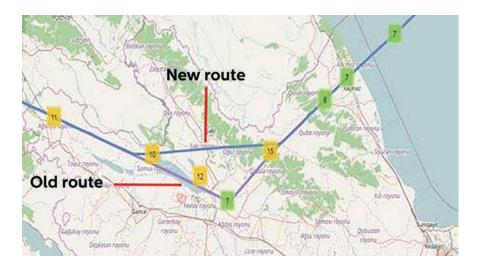
Pilotage

Some of our main practices are single-engine taxiing, take-off and landing with lower flaps, idle reverse (lower engine thrust deceleration), NADP2 lower flap retraction altitude.

Advanced Fuel Management System (FMIS)

Our new fuel management system was commissioned at the end of 2016. This new system enables us especially to calculate the costs of ATC operations (airborne instructions, deviations from the flight plan, etc.), and to assess the alternatives along with such cost items calculated. It also allows us to monitor closely all important factors such as any and all kinds of deviations, altitude and speed changes performed in the flight plan and the actual flight route, etc. which affect the fuel consumption, and to take actions in a very short time in all potential areas.

"The new system provides the ability to calculate the cost of ATC operations (orders received while in the air. deviations from the flight plan, etc.) and to evaluate alternatives together with these measured cost items."



Effective Flight Planning

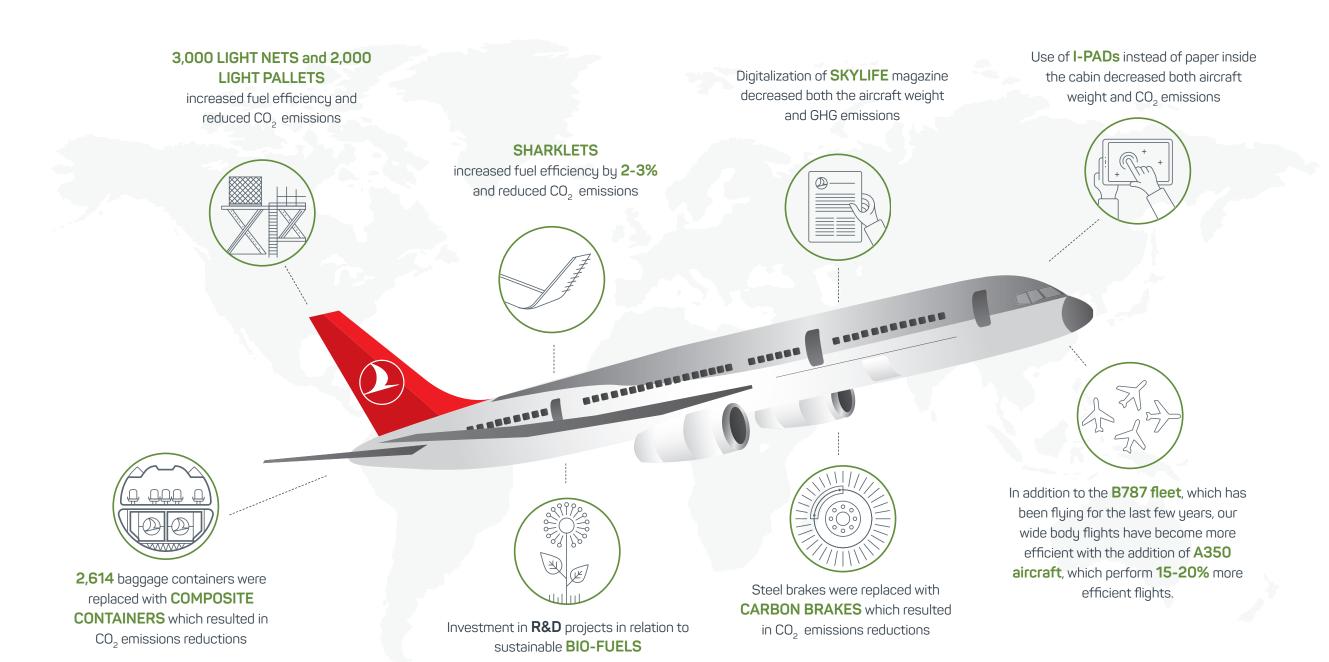
All flight routes and altitudes are optimized by means of the 4-D flight planning system, resulting in decrease in the emissions arising during flights.

Pbn Procedures

The PBN (Performance Based Navigation) applications developed in more than 10 domestic aerodromes lead to shorter flight periods and substantial amounts of fuel saved.

Route Optimization

Shorter planned flight periods in some sectors increased the capacity supply and resulted in carriage of payload instead of fuel, providing a substantial contribution to enhanced operational efficiency.



PERFORMANCE AND TARGETS

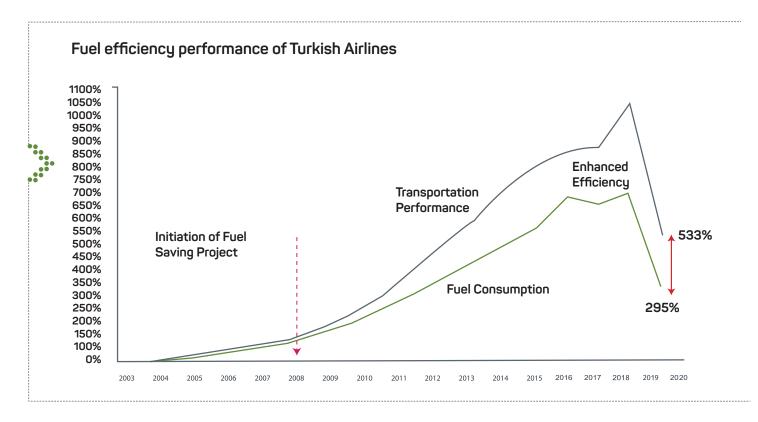
We calculated our greenhouse gas emissions in accordance with ISO 14064 Greenhouse Gas Calculation and Reporting Standard, and prepared our greenhouse gas report accordingly. Our greenhouse gas statement was verified by an independent organization. The greenhouse gas verification statement for 2019 and 2020, including our direct and indirect energy emissions, is available at the end of the report. Fuel consumption and the respective greenhouse gas emission values are provided in the "Fuel and Greenhouse Gas Emissions Table" by years. Further information about emissions is provided in the Emissions Data section.

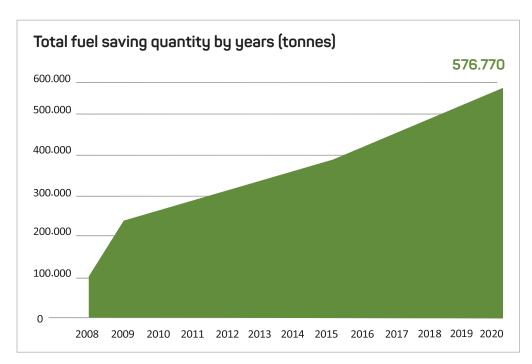
The transportation performance of Turkish Airlines between 2003-2020, and the corresponding fuel consumption values are shown in the below-given chart. If we consider 2008 as the "baseline", it can be seen that the transportation performance increased by 533 percent, and that the corresponding fuel consumption value increased by 295 percent as of 2020. In other words; the fuel amount consumed for unit transportation operations is gradually decreasing thanks to the fuel efficiency projects we have been carrying out successfully since 2008. Gradual increase in the difference between the transportation performance and the fuel consumption, as shown on the chart, year by year clearly shows our enhanced efficiency performance.

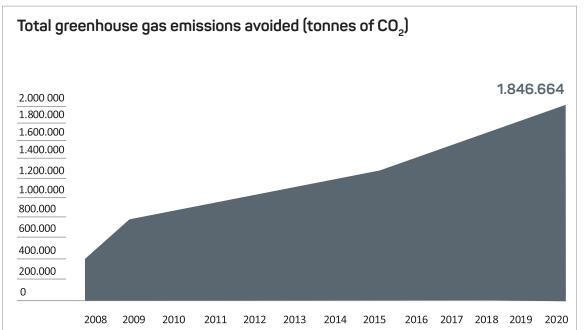
The Efficiency Gain chart shows a sharp decline due to the pandemic. Due to the decrease in the number of flights, Transport Performance (transport volume) decreased from 1030% to 530%. In parallel with this, fuel consumption decreased from 677% to 295%. Since the parallelism was not broken, there was no loss of productivity during the pandemic period.

Fuel consumption and greenhouse gas emission values

	2016	2017	2018	2019	2020
Fuel consumption (million tonnes)	4.6	4.9	5.3	5.6	2.9
Greenhouse gas emissions (million tonnes of CO ₂)	15	15,5	17	17.8	9







We keep minimizing our carbon footprint thanks to various fuel saving projects we realized successfully on annual basis. We saved 22,760 tonnes of fuel in 2020, corresponding to 71,695 tonnes of CO₂ emissions avoided. Since 2008 we have saved 576,770 tonnes of fuel, 1,846,664 tonnes of CO₂ emissions have been avoided. The fuel saving amounts and greenhouse gas emissions avoided are shown by years on the charts above.

Due to the decrease in our flights during the pandemic period, the amount of fuel savings decreased in parallel with the decrease in total fuel consumption.

Fuel and greenhouse gas saving amounts

	2016	2017	2018	2019	2020
Fuel Saved (tons)	44,248	46,757	29,608	55,492	22,760
Greenhouse Gas Emissions Avoided (tonnes of CO ₂)	139,382	147,283	93,267	174,800	71,695
Fuel Efficiency (kg/ATK)*	18.57	18.20	18.17	18.06	18.36

^{*:} Available ton-kilometers



As Turkish Airlines, we aim to reduce the fuel amount, consumed per ton-km, by 5% compared to 2016, until 2025 by normalizing the ATK (available ton-km) weight and range. In line with this target, we aim to avoid 78.750 tonnes of CO₂ emissions in 2021.

2020 Emissions

As Turkish Airlines, we developed our GHG inventory based on calculation in line with ISO 14064-1. We adopted the operational control approach in setting our organizational boundary.

Greenhouse gas emission and reduction calculations were made by taking into account direct greenhouse gas emissions (Scope 1) and indirect greenhouse gas emissions (Scope 2). Other indirect greenhouse gas emissions (Scope 3) are not included.

The greenhouse gas emissions for the year 2018-2020 declared on the right were verified by the independent audit firm according to the TS EN ISO 14064-3 Greenhouse Gas Calculation and Verification Standard. See: Greenhouse Gas **Declaration Verification Statement**

Ratio of GHG emissions from jet fuel consumption to total **GHG** emissions

		Total (tCO ₂ e)	Ratio
GHG emissions from jet fuel usage	2020	9,048,188	99.49%
	2019	17,822,444	99.69%
	2018	16,992,133	99.79%

Total Scope 1 and Scope 2 Emissions					
2018	2019	2020	Change compared to 2019		
17,028,599	17,877,124	9,094,999	49.12%		

In 2020, greenhouse gas emissions decreased by 49.12% compared to 2019 and was 9,094,999 tCO_ae. The main factor in this decrease is the suspension of flights due to Covid-19.

Greenhouse Gas Emissions

		CO ₂ (t/annual)	CH ₄ (t/annual)	CH ₄ (tCO ₂ e)	N ₂ 0 (t/annual)	N ₂ O (tCO ₂ e)	Total (tCO ₂ e)
	2020	11,557	0.74	20.78	0.1	27.12	11,605
Scope 1*	2019	11,564	0.83	23.28	0.19	50.06	11,637
	2018	12,580	0.86	24	0.46	121	12,724
	2020	8,979,866	62.8	1,758.30	251.19	66,564.04	9,048,188
Scope 1**	2019	17,687,868	123.69	3,463.36	494.77	131,112.87	17,822,444
	2018	16,874,363	118.00	3,304	472.01	125,083	16,992,133
	2020	8,991,423	63.54	1,779.08	251.29	66,591.17	9,059,793
Total Scope 1	2019	17,699,432	124.52	3,486.64	494.95	131,162.92	17,834,081
	2018	16,886,943	118.87	3,328	472.47	125,203	17,004,857
	2020	35,095,69	0.68	19.02	0.34	90.56	35,205
Scope 2	2019	42,919	0.67	18.74	0.40	104.96	43,043
	2018	23,682	0.34	10	472.66	50	23,742
Scope 1 and Scope 2 Total	2020	9,026,518.90	64.22	1,798.10	251.63	66,681.73	9,094,999
	2019	17,742,351	125.19	3,505.38	495.35	131,267.89	17,877,124
	2018	16,910,625	119.21	3,338	945.12	125,254	17,028,599

^{*} Emissions from aircraft fuel consumption are not included.

Green house gas emissions from natural gas used to generate electricity through trigeneration***

Location		Natural gas consumption (sm³/annual)	Electricity generated (kWh)	Total CO ₂ e (t/annual)***
	2020	2.804.087	10.845.220	5.450
Cargo Trigeneration	2019	3.149.208	12.148.260	6.121
	2018	3.304.601	12.661.640	6.423

^{***} Scope 1 emissions are included.

^{**} Emissions from aircraft fuel consumption.

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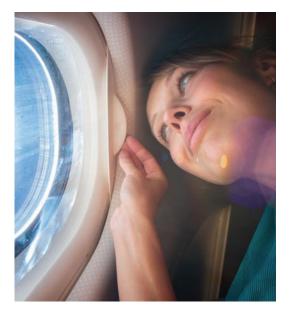
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CORPORATE SAFETY





afety covers any and all activities carried out to identify all potential risks with respect to flight operations, and to minimize such risks to acceptable levels. A safe operation is possible when all operational activities are carried out at the acceptable risk level where all known risk factors are revealed and managed. We have established the Safetu Management System for creation of the overall structure, which is in compliance with all safety requirements, and monitoring of such structure systematically and improvement thereof continuously in order to keep all safety risks within acceptable limits. Aiming to attain the highest level of standards at all times in its operations, Turkish Airlines considers safety as an essential priority constituting the basis of all its operations. Accordingly, we endeavor to improve the Safety Management System, we have been employing since 2006, continuously.

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. The existing Safety Management System has been structured beyond the traditional standards in a manner to cover all organizational tiers, operational environment and interactions. Safety programs exclusive for Flight, Cabin, Maintenance, Ground and Cargo operations are implemented in order to handle all risks in a prudential and farsighted approach in order to ensure the systematical sustainability. The day-to-day administration of SMS

is ensured by the SVP, Corporate Safety, but the final responsibility rests with the CEO. In line with our safety policies and goals, we hold periodic meetings, starting with the General Manager, with the participation of our relevant managers from all management levels in order to evaluate the safety performance and continuously improve our Safety Management System.

During the Safety Review Board, Safety Action Group and Safety Representatives meetings, we periodically examine the effectiveness and risk of safety-related studies. We review the adequacy of the measures and ensure that our employees and suppliers contribute to the improvement of our Safety Management System. In order to activate the communication between the Compliance Monitoring and Safety Management System, we organize periodic meetings between the Quality Assurance and Corporate Safety Departments and design activities for continuous improvement.

SAFETY RISK MANAGEMENT

In general, risk is "the probability of an undesirable event occurring". Risk management in the aviation industry means keeping the probability of occurrence of undesirable events at acceptable levels and managing this situation. We operate the hazard identification and risk management processes, including the safety reporting system, in the Turkish Airlines Safety Management System, and aim to eliminate or minimize all risks to safety, including human factors, by dynamically monitoring the flight operation.

Safety Review Safety Action Safety Group (SAG) Board (SRB) Representatives Meeting It is managed by the It is managed It is managed by the CEO, by the Head of Managers of the Corporate Corporate Safety. and Turkish Airlines Safetu Directorate. senior executives Operational field Managers in operational areas participate. participate. managers participate. It is managed by the CEO, and Turkish Airlines senior **Fatigue Action** executives participate. Group (FAG) Compliance and Executives of the Corporate Safety Directorate and the Quality Assurance Directorate participate. Safety Coordination Meeting

Through our safety trainings, we raise the awareness of the managers and employees of the relevant fields about the dangers and risks regarding operational safety, and we inform the employees about the current dangers and risks with the safety bulletins we publish specific to each operational site. With the event-based risk assessments we have designed for safety reports, we can respond to risks more quickly and ensure that operational areas take an active role in risk management within the framework of the risk responsibilities we have defined.

We follow the evaluations of accidents and important events not only in our own operations, but also in other airline companies, safety bulletins published by civil aviation authorities, and include them in our risk studies.

FATIGUE RISK MANAGEMENT SYSTEM

We operate the Fatique Risk Management System, which we have established in accordance with National and International Civil Aviation authority standards and legal requirements in order to measure, prevent and manage the risks caused by fatigue in Turkish Airlines flight operations. While the scope of the Fatigue Risk Management System, which we have integrated into the Safety Management System, covers all of the cockpit and cabin crew members, the processes detailed specifically for the fleet and operation structure are supported by the bio-mathematical model created by international scientific research and operational experiences.

We operate the Fatigue Risk Management System processes dynamically and on real-time basis, starting from the stage of creating the monthly flight schedules of

the team members, to cover the day flight operations. We train flight crews and all relevant stakeholder unit employees and encourage our flight crews to report fatigue in order to make risks caused by fatigue are noticeable or predictable. With the trainings we provide, we contribute to the realization of a safe operation by raising awareness of the flight crews and all relevant stakeholders within the scope of the Fatique Risk Management System. We examine the feedback we receive within the scope of safety culture, and we do the necessary work in line with the goal of increasing flight safety.

SAFETY MANAGEMENT SYSTEM **REQUIREMENTS**

Turkish Airlines Safety Management System is positioned beyond the requirements and considers compliance with the highest standards and rules in the industry as a fundamental function. The IATA Operational Safety Audit (IOSA) program, which sets the most comprehensive operational safety standards of the aviation industry, is a globally accepted program that audits whether airline companies are performing their activities in a healthy and safe manner. We actively participate in the working groups of IATA and many similar national and international organizations.

Working groups we are involved in are listed below:

- IATA Operational Safety Audit (IOSA) Program
- **European Safety Agency (EASA)**
- **Civil Aviation General Directorate**
- Star Alliance



SAFETY CULTURE

Turkish Airlines fosters a "Horizontally organized, Fair, Flexible, Committed, Informed, Learning and Reporting" safety culture. Especially the "horizontally organized" feature is promoted in administrative processes and flight operations in order to improve the safety culture which is one of the main components of our corporate values.

SAFETY TRAININGS

Trainings in compliance with the international regulations are held, and international researches are supported as a responsible stakeholder across our Incorporation in order to raise the level of awareness on safety continuously. We aim to develop the safety culture of our Incorporation, besides information and competencies, as required, during the trainings, provided in line with the roles and responsibilities of employees, in order for effective running of the Safety Management System. Further information on trainings is available under the section "Aviation Academy".

SAFETY MANAGEMENT SYSTEM AUDITS

Our Incorporation is in active interaction with a high number of Civil Aviation Authorities due to its extensive operational network, so it is subjected to the audits conducted either by such authorities or the Directorate General of Civil Aviation. We consider all these audits as an opportunity and feedback mechanism to make our operations much safer. We completed the IOSA audit successfully in 2020. We aim to keep our success during the audit to be repeated in 2022.

Besides the audits and internal controls, operational observations are performed within the organization of our Incorporation. Line Operations Safety Audits (LOSA) have been implemented since 2010 in order to obtain information about any and all failures and potential threats which would be difficult to identify otherwise.

Flight Operations Safety Observations (LOSA) have been implemented since 2010 to gather information about errors and potential threats that would otherwise be difficult to detect. Based on the foregoing; each aircraft fleet available at Turkish Airlines are subjected to audits biannually, and the identifications are used to improve the operational procedures, trainings and safety communication.

FLIGHT DATA MONITORING SYSTEM

Data of every flight are analyzed through the Flight Data Analysis System (FDAS) to assure that all flights are operated safely in compliance with the standard procedures, and that aircraft's airworthiness is not affected. We make use the results and evaluations obtained from the analysis of flight data in monitoring safety performance, incident investigations and risk analysis studies.

The flight data monitoring system works in coordination with the relevant operational safety units in line with the expectations of the sector. We work to increase our safety level with a continuous data-based safety approach and the power of statistical data, and we share our analyzes with Flight Training and Flight Operations fields.

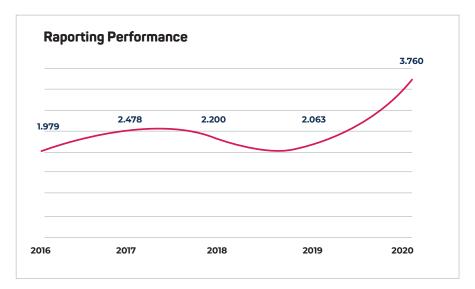
SAFETY ASSESSMENT OF FOREIGN **AIRCRAFT PROGRAM (SAFA)**

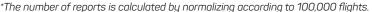
Safety Assessment of Foreign Aircraft (SAFA) is a safety audit program run by European Aviation Safety Agency (EASA). The purpose of the SAFA audit is to evaluate the general condition of the cockpit, cabin, cargo compartments and aircraft in terms of safety, before and after the flight, and by controlling the flight crew, aircraft documents and the technical condition of the aircraft within the framework of national and international regulations and all rules that may have direct or indirect effect on safety. To ensure that all kinds of factors that may adversely affect flight safety are identified and resolved and airworthiness.

2020 DEVELOPMENTS

Despite the restrictions, we continued our operations with our active risk management and change management efforts during the pandemic period, when the aviation industry was deeply affected. We closely followed the bulletins and directives published by civil aviation institutions such as ICAO. IATA, EASA, FAA, SHGM and aircraft manufacturers during the pandemic process and dynamically adapted them to our operations. Thus, we managed to keep our safety level at the optimum level, as well as being one of the airline companies that achieved success in capturing the operational volume in the pre-pandemic period.

We successfully completed the change management work for the new type addition to the fleet, which we started in 2019 for A350 aircraft, and ensured that the aircraft were included in the operation as planned.

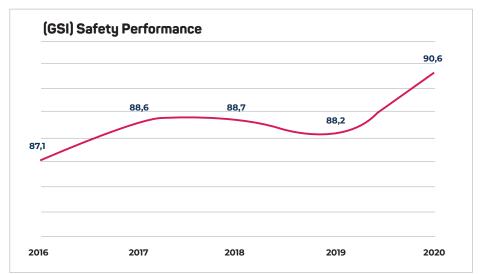




The SAFA rate obtained as a result of the audits carried out among the members of the SAFA program is determined by evaluating the number of registrations audited and the safety status as a result of the audits the airline has undergone in the last 12 months. In 2020, we achieved 0.318 SAFA rating as a result of SAFA audits conducted by 30 different Authorities at 41 locations. This rating is guite a successful result, as compared to the other EASA countries with a SAFA average of 0.48, and indicates the importance of safety for our Incorporation.

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 Safety Performance Indicators (SPIs) are improved continuously, and Generalized Safety Index (GSI), derived from the SPIs, is monitored at each level as one of the core business indicators. Our reporting performance in 2020 was 3,760 and our GSI performance was 90.61%. There were no aviation accidents in 2020.



SAFETY REPORTING

Turkish Airlines always follows its safety targets, efficiency of its safety policy and compliance with this policy considering its knowledge, operational competency and philosophy. The Incorporation employs a centrally-managed, non-punitive and well-functioning safety reporting system. Development of our reporting system can be seen on the chart showing the monthly reporting order.

In addition to the reporting system, communication on safety is encouraged and our employees are provided with direct access to the Corporate Safety Head on safety issues.



2021 **TARGET**

To increase generalized safety index to 91%





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> FLIGHT SECURITY



ur security procedures and practices aim to ensure the protection of our customers, employees and assets including facilities and aircraft and sustainability of the operations. Turkish Airlines Security Directorate ensures security during the course of all its activities. These activities include sustainability of passenger transportation, cargo transportation according to national and international security regulations and standards while preventing acts of unlawful interference.

As a proactive measure, SVP Security conducts security examinations at the relevant destination points before our operations begin and informs the relevant units and personnel to take necessary precautions regarding the detected security vulnerabilities, while also presenting the Security Information System, which it has established and kept up to date, to the use of the managers of the Incorporation.

The information obtained is shared with the relevant units on a daily and weekly basis, and instant security warnings are made for developments that may occur at the point in extraordinary situations. Our 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.

Turkish Airlines Security Management System (SeMS) is managed by the SVP, Security which reports directly to the CEO. Aviation Security Management is responsible for ensuring that the security requirements are communicated and executed to the relevant units in line with the updates by following the national and international aviation security legislation regulations, ensuring the establishment of cooperation/coordination between the relevant units, interfering with suspicious objects in order to ensure the safety of the Affiliate aircraft and flights, inadmissible passengers (INAD). The escort is responsible for transporting licensed firearms and cutting/drilling tools belonging to passengers and carrying out aircraft protection duties.

The Risk Assessment and Investigation Department ensures that risks are identified, corrective actions are taken to reduce these risks, and observations and controls are made to ensure the continuity of these activities, by evaluating the security vulnerabilities and effects detected in the security inspections made at the relevant destination points before our operations begin. It coordinates the examination of the security notifications made by the personnel of the Incorporation, the risk assessment of the security incidents, and the realization of activities aimed at reducing the risk with the internal units and institutions/organizations outside the Incorporation.

The Building Security Management ensures that necessary security measures are planned, implemented and enforced in order to protect personnel, visitors, domestic facility buildings and sales offices (excluding cargo facilities) used by Turkish Airlines against possible sabotage, attacks and similar events that threaten security.

Aviation security operations International Civil Aviation Organization, European Civil Aviation Conference, European Union, Turkish Civil Aviation General Directorate etc. subject to many regulations set by. Therefore, the Directorate of Security constantly closely monitors national and international regulations to ensure compliance with all relevant legislation.

The Security Directorate ensures continuity in the security chain by preparing the Security Program of the Partnership in accordance with the legislation prepared by national and international civil aviation authorities and containing civil aviation security requirements and distributing it to all stations where operations are performed and to all service providers from which service is received at these stations.

In addition, necessary coordination and support is provided for the preparation of Station Security Plans, which include station-specific security practices. It ensures that the necessary corrective actions are taken in case of malfunctions detected within the scope of the security inspections carried out at the stations by the civil aviation authorities at the stations abroad. The Security Directorate also evaluates the competencies of companies that can provide these services in case of a need to purchase security services at overseas stations.

It conducts surveys and information announcements to increase the security awareness of the Incorporation personnel and ensures the preparation of training when necessary. All communications are conducted in secrecy with non-punitive reporting procedures to encourage the reporting of all human errors. In order to ensure the necessary operational information exchange between all units of our Incorporation, the Security Department has established a communication system that provides information flow gradually according to each employee level. In addition, all kinds of suggestions, requests and notifications regarding security issues can be forwarded via the address "security@thy.com".

COMPLIANCE

e are determined to ensure compliance with all aviationrelated regulations and national legislation stipulated in our Compliance Policy. As Turkish Airlines, we believe that compliance with the legislation, beyond being bound by laws and regulations, always includes reflecting the spirit of our Code of Ethics in all our decisions and actions.

Continuity of compliance with environmental legislation was ensured in 2020 and no non-compliance was detected within the scope of compliance with environmental legislation.

COMPLIANCE MONITORING SYSTEM

We monitor compliance with the legislation in order to ensure the highest level of flight safety and security within the scope of national and international civil aviation rules. To this end, we carry out audit and quality control activities with our 103 competent and authorized employees, who have professional experience and have successfully completed their auditor training, for the Incorporation units and the suppliers we receive service from.

In this regard, 112 audits and 557 quality control activities were carried out within the Incorporation and to supplier companies in 2020. Field-based details of the audits and quality controls performed are given in the table below.

The authorization certificates obtained from national and international authorities and institutions are proof of the safety and security of the passenger and freight transportation services. In 2020, all certificate and document audits specified in the table were successfully completed.

Operation Sites	Number of Inspections	Number of Quality Controls
Flight Operations and Training	33	224
Cabin Operations and Training	17	184
Maintenance (Continuous Airworthiness)	24	22
Ground Cargo Security Operation	13	127
Management Systems	25	-
Total	112	557

Certification	Authority
Airline Operating License (AOC)-6A	DGCA
Airline Operating License (AOC)-6B	DGCA
Continuing Airworthiness Management Organization Certification of Approval (CAMO)-6A	DGCA
Continuing Airworthiness Management Organization Certification of Approval (CAMO)-6B	DGCA
Third Country Operator Certificate (TCO)	EASA
FSTD Qualification Certificates	EASA
IOSA Certificate	IATA



CUSTOMER SATISFACTION





s Turkish Airlines, we make the whole world more accessible for our passengers by flying to many international destinations. We aim to enhance the customer satisfaction with increased and intensified bonds we establish with our customers, the essential factor for our existence. We adopt a customeroriented approach in all our operations in order to gain the trust and loyalty of our customers, and to develop long-term relations with them.

We realize many innovative projects across all our departments with an aim to enhance the customer satisfaction. We make substantial investments in our products and services through many innovations such as award-winning catering concept,

CIP passenger lounges, premium cabin services, in-flight entertainment systems, enhanced cabin comfort, cabin and customer services trainings offered for employees realized to become a five-star airline. Satisfaction of our customers and their trust in our brand is the backbone of our growth and success and the core value of our Incorporation. Customer satisfaction is an important factor in our Corporate Policy and Quality Policy, as well as our Customer Satisfaction Policy, and the other corporate policies of us.

ISO 9001 Quality Management System, as well as TSE ISO 10002 International Customer Satisfaction Management System Standard Certificate we obtained in 2015, contributes to the achievement of customer satisfaction.

OFFERING PROACTIVE SOLUTIONS

All irregularities in the cabin have been recorded by cabin chiefs, and reported to the Customer Relations Management. This enables us to provide proactive solutions to eliminate these irregularities before they turn into passenger complaints. We addressed 7,711 irregularities experienced in the cabin in 2020.





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DIALOGUE WITH OUR PASSENGERS

In line with our understanding of quality and sustainable products and services, we always try to respond to the requests of our passengers as soon as possible. We reached 21.3 million followers, with 10.6 million followers on Facebook Turkey and 10.7 million on Facebook abroad, with content prepared solely for social media sharing.









(Turkeu)

446,000YouTube



1,833,212 Instagram

Feedback Management Process

All kinds of feedback that we receive from our passengers remain as a source of great strength for us to achieve this target. We are committed to enabling our customers to reach us at all stages of their experience. All kinds of feedback, requests, suggestions and complaints, received by our Incorporation, are reviewed comprehensively, and assessed upon obtaining information from the other concerned departments, if and when so required, by the Customer Relations Management. Turnaround time to customers' complaints, set as seven days to enhance the customer satisfaction, was reported as 4.93 in 2020.

Feedback channels

- Feedback form available on our website
- > Telephone numbers 444 0 849 / +90 850 333 0 849
- Our Facebook, Twitter and Instagram accounts
- > Feedback form available on our in-flight entertainment systems
- Reports, which filled in by cabin chiefs after each flight
- Turkish Airlines all domestic and international sales offices

CUSTOMER SATISFACTION MEASUREMENT AND SURVEY

ISO 10002

Customer Satisfaction **Standard Certified**



ISO 9001:2015

Quality Management **Standard Certified** 77%

Overall Customer Satisfaction

We conduct various researches to identify customer expectations for our products and services during the customer travel process and to measure customer satisfaction and recommendation levels. We continued these studies in 2020, to better understand our passengers, to identify their needs more accurately, and to produce more accurate solutions for these needs. According to the results of this research we have conducted, our customer satisfaction rate in 2020 is 77%.

We periodically measure the satisfaction of our passengers with the hygiene measures applied at the airport and inside the aircraft during the pandemic period, through the passenger satisfaction survey that we position within the in-flight entertainment systems of some of our aircraft. With the feedback we receive from our passengers, we identify the processes that cause dissatisfaction and take the necessary actions.

In 2020, a feedback process satisfaction survey was applied to an average of 52,653 passengers per month. A satisfaction survey was also applied to our monthly average of 13,090 passengers regarding their complaints feedback.

	Performance indicators	Unit	2018	2019	2020
12 RESPONSIBILE CONSUMPTION AND PRODUCTION	Customer satisfaction rate	%	79	75	77
	Number of passengers conducted satisfaction surveys	Number	-	28,686	52,653
	Number of passengers conducted monthly complaint surveys	Number	6,169	17,149	13,090
	Number of incidents that the customers have been followed	Number	18,260	30,882	7.711
	Response time to customer complaints	day	7	5.8	4.93
	Baggage irregularity rate (per 1,000 passengers)	%	5.2	5	3.9
	On-time take-off rate	%	-	81	90





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SUSTAINABLE CATERING SERVICE

We don't use any frozen or canned food, thereby, reduce our ${
m CO_2}$ footprint.



We procure 90% of our food from domestic suppliers.



ISO 22000 Food Safety certificateholder suppliers are preferred.



urkish Airlines, the flag carrier airline of Turkey, improves the quality of its catering service in parallel with its continuous growth trend. Our innovative solutions not only improve the quality of our catering service, but also help us take a step forward in sustainable catering service practices. We procure 90 percent of our foods from the domestic suppliers, supporting promotion of our local products, and shorten the period of arrival of raw materials at our Incorporation, resulting in fuel saving and reduced CO₂ emissions.

All meals, offered on board the aircraft, are always prepared using fresh and the highest-quality foods. We never use any frozen or canned food or any additive, providing a contribution for us to reduce the unfavorable impacts of processed foods on environment, and to offer high-quality products. All our foods are prepared by the expert food engineers at high hygiene standards as per ISO 22000 Food Safety Management System, and we prefer the products of ISO 22000 certificated suppliers in raw material supply. All suppliers are evaluated in detail under the "Supplier Risk Evaluation Procedure", and

thereby, we ensure that accurate suppliers are preferred. Food safety checks are performed in coordination of our Procurement Department and Hygiene & Quality Assurance Departments from acceptance of raw materials until arrival of finished products. We take pains to ensure that domestic raw materials are used during creation of our menus. We plan our menus considering the foregoing matter. Healthy and natural alternatives from the Turkish, Mediterranean and World cuisine are included in these menus.

Within the framework of our daily capacity of 40 thousand meals only from Turkey and our efforts to provide sustainable catering services, we keep important environmental aspects under control and ensure continuous improvement in line with the policies and objectives we have determined in accordance with our Environmental Management System, which we have documented following the ISO 14001: 2015 standard. Within this scope, all of our organic, paper, and packaging wastes in our production and distribution areas are sent to licensed recycling companies for waste recycling.

In addition, we collect waste oils and send them to a waste oil processing facility licensed by the Ministry of Environment and Urbanization so that waste oils can be recycled. Again, we collect the hazardous wastes generated during our activities separately, deliver them to licensed companies, and ensure their recycling and correct disposal.

Upon introduction of our new flight concept in 2013, all our tools and equipment have been replaced with light-weight ones of superior design, and thereby, we have decreased the total weight of the catering supplies, providing a contribution for reducing our carbon emissions, and increasing our fuel efficiency.

	Performance indicators	Unit	2018	2019	2020
	Domestic food supply rate	%	85	85	90
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Inflight food waste segregated	tonnes	1,322	-	-
CO	Number of destinations inflight food waste segregation is implemented (Domestic and international destinations)	number	68	124	-



COVID MEASURES

Due to the Covid-19 measures legislation, catering was restricted in our domestic and international lines, which are shorter than 2 hours, and the segregation practice for catering wastes was canceled considering hygiene measures. In addition, the practice of collecting masks, gloves and similar protective equipment used by passengers and cabin crew separately in all our flights has started. In the later stages of the pandemic, warm treats were gradually introduced on transoceanic flights. Within the scope of Covid-19 measures, the entire process from product supply to storage process, personnel hygiene to cabin crew personal protective equipment is meticulously monitored. All our employees use masks, visors and gloves and the HES code is applied.

Awareness raising activities are carried out on the voice announcement system, the training videos shown, and the controls made, as well as social distance practices. Our suppliers who supply raw materials have been informed about the shipment processes and new rules, and as always, the use of domestic products has been emphasized in this process, based on the continuity of supply.

To ensure a safe and comfortable travel for our guests on the plane and to fulfill the requirements of the hygiene measures, the service standards of the existing services were also updated. Hygiene kits including masks, antiseptic wipes and hand sanitizer are provided to all our passengers. To protect the hygiene chain, hygiene expert cabin crews are on duty on our flights.

Visor service is also provided for the cabin crew who are in constant contact with the passengers and for the passengers who declare that they cannot use masks. As part of safe travel standards, hand sanitizer and soap are available at all washbasins on board. In addition, textile products such as blankets and sleeping sets served on some lines are cleaned at high temperatures in professional facilities and offered to our guests in accordance with hygiene rules, with special allergenfree products approved by international authorities after each use. In the upcoming period, preparations are being made for a gradual transition to the pre-pandemic service order in parallel with the positive developments in the coronavirus process.





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CUSTOMER INFORMATION AND PRIVACY





s Turkish Airlines, in addition to our national civil aviation legislation, we comply with all legislation and regulations regarding passenger rights, including EU and US legislation, and inform our customers about their rights through our website and brochures at airports. In order to increase our customers' satisfaction, we inform our passengers during all phases of their flights. Also, our employees can access instant information on air passenger rights via the e-learning platform prepared by the Turkish Airlines Aviation Academy.

Our Customer Relations department continues its coordination and communication role with DGCA, the authority responsible for the protection of passenger rights in Turkey. The department follows the instructions regarding passenger rights and ensures that they are announced across the Incorporation. In addition, it informs DGCA by investigating and responding to customer feedback received by DGCA.

CUSTOMER PRIVACY

In accordance with the TS ISO/IEC 27001 Information Security Management System implemented in our Incorporation since 2017, all kinds of information of our customers, suppliers and employees are kept confidential to ensure compliance with national and international laws, regulations, and contracts; securely saved; are destroyed and anonymized when necessary.

Due to the nature of our operations, we daily handle personal data of our customers. We recognize 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. For more details about our Privacy Policy Statement please check our website.

BAGGAGE SERVICE

In 2020, the rate of passengers and luggage not being able to travel together, baggage irregularity rate, was 3.9 per thousand passengers. In 2019, this ratio was 5.0 which was a better performance than the European Airlines with an average of 7.21 and the global average of 5.60. We continue with our efforts to further decrease this rate and increase customer satisfaction rates.

ACCESSIBILITY



	Performance Indicators	Unit	2018	2019	2020
10 REDUCED DEQUALITIES	The number of people participated the Program to overcome their fear of flight	number	167	139	24
4≑}	The number of employees trained about sign language	number	500	646	650

HELPING OUR PASSENGERS OVERCOME THEIR FEAR OF FLYING / AVIOPHOBIA

or the first time in Turkey, Turkish Airlines Aviation Academy initiated a customized program, Conquer Your Fear of Flying, intended for overcoming the fear of flying. As part of the program, pilots and technical trainers instruct attendees about flights, aircraft structures and atmospheric situations. This is followed by a virtual flight in a cabin simulator which aims to soothe away feelings of fear and anxiety by simulating normal and severe turbulence. To complete the training, participants fly together with the team.

Conquer Your Fear of Flying program has been conducted since 2007, with a satisfaction rate of over 98%. In 2020, 24 people joined the Program. Since the Program's launch in 2007, the number of people attended the training have reached to 1,091.

SERVICES FOR OUR PASSENGERS WITH **REDUCED MOBILITY**

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 takeoff. In order to better serve our customers, our special sign

language trainings continued in 2020. Since the Program's launch, the number of cabin crew members attended the trainings have reached to 650. In addition, the number of employees who know sign language at TGS has reached 313.

TRAVEL WITH PETS

Closely monitoring decisions taken by relevant countries due to the pandemic, Turkish Airlines has designated special pet check-in counters with pet cage measurement units. The first counter was set up at Istanbul Airport, and subsequently for other stations in Turkey's Anatolia region, in order for passengers and their pets to carry out their check-in processes easily and conveniently.



PROJECTS COMPLETED IN 2020

Turkish Airlines conducts all its internal and external process improvement, sustainable development management and corporate social responsibility projects under the scope of the program "Differences Add Value", with an aim to make all its products and services are accessible by the passengers with restricted mobility, as well as disabled veteran, elderly, pregnant and disadvantaged passengers. Accordingly our projects completed in 2020 are as follows.



ISTANBUL AIRPORT STRETCHER **PASSENGER WAITING AREA**

We work with a private company for the stretcher passengers wait area at the airport before their travels. Our stretcher passengers are waiting for their flight in a spacious and sterile area under the supervision of a doctor.



BAGGAGE PRIORITY SERVICE FOR DISABLED PASSENGERS REGISTERED TO MILES & SMILES DATABASE

To facilitate the travels of our disabled passengers, priority is given to their luggage during the check-in process. Thus, a "Priority" label is attached, and their luggage is delivered with priority at the destination.



TRANSLATION OF SAFETY VIDEO IN SIGNAL LANGUAGE

The in-flight safety film was translated into sign language with animations for our hearing-impaired passengers. In 2020. revisions were made in the video as part of the changes in the safetu film.



OFFERING DISCOUNTED TICKETS TO THE **DISABLED PASSENGER COMPANY**

Discounted tickets can be arranged for the companions of our disabled passengers, provided that they travel together. In order to benefit from the discount, the companion card given to the disabled passenger by the Ministry of Family and Social Services or the disabilitu certificate showing that he has the "right to accompany" must be shown to our sales offices. We continue our efforts to remove the need to show documents for our accompanying passengers.



PRM PASSENGER PROCESS NGO WORKS

Within the scope of the Differences Add Value Project, projects and improvements are made by collecting feedback from NGOs and associations in order to design the travel experience processes that have been or are planned to be implemented in consultation with private passenger groups.



ISTANBUL AIRPORT BAGGAGE WAITING AREA

Aiming to improve the experience of disabled and mobility-restricted passengers at Istanbul Airport, special luggage waiting areas are created around each carousel in the baggage claim area, allowing priority passengers to have a smoother experience at the airport.



SPECIAL PASSENGER SERVICE POINT

Two special passenger service points have been designed on the B and M check-in islands to offer our disabled passengers and passengers with reduced mobility the opportunity to wait in a quieter area and prepare before check-in at Istanbul Airport. Thus, a comfortable travel experience is offered to our passengers who need a quieter space, who want to charge their electric chair, or who want to remove their prosthesis and put it under the plane.

















LABOR AND MANAGEMENT RELATIONS

We aim to provide all of our 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.

s Turkish Airlines, our employees are our greatest asset, and the driving force behind all our achievements. We have transformed the dynamism of our young cadre, consisting of 65,373 personnel including the subsidiaries, into an international success story. As of 2020, we, as Turkish Airlines, are a big family with 28,668 employees consisting of 5,756 cockpit personnel, 12,281 cabin personnel, and 10,631 ground personnel. The average age of our employees is 35.1, and 54 percent of our employees consists of men, and the remaining 46 percent of them consists of female employees. Further information on the profile of Turkish Airlines' employees is accessible under the title "Performance Tables" available in the section "Annexes" of this report. We aim to provide all of our employees, residing in different parts of the world, with a transparent working environment that supports creativity

and team spirit, is where the corporate targets are internalized at every level and ideas can be exchanged freely.

Our Human Resources Policy is to ensure the 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 Incorporation, 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 conducive to personal development, an environment.

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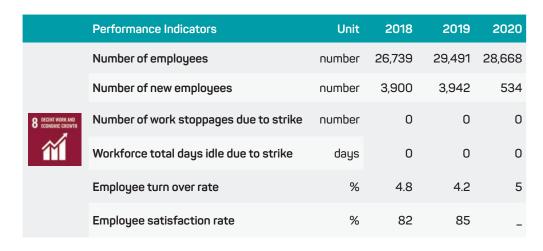
Total Number of Employees including Subsidiaries



Employees



Female **Employees**









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FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

We, as Turkish Airlines, comply with national regulations about freedom of association and rights of collective bargaining. 86% of the Incorporation's employees are members of Hava-İş Union. A period of 8 weeks is allocated for preparation and planning before the collective bargaining agreement. In the Collective Bargaining Agreement and the internal procedures of Turkish Airlines, general recruitment rules and principles, the type and duration of recruitment agreements, social rights and wages are also clearly stated. The Industrial Relations Procedure describes the work done in the TIS process. The collective bargaining agreement, which has been ongoing for 56 years in our Incorporation, has been developed day by day to improve the rights of the employees. After the Collective Bargaining Agreement is signed between our Incorporation and the authorized union, additional protocols are signed protecting the economic, social rights and interests of the employees.

For instance, in 2020, a wage regulation protocol was made to protect the rights of both employers and employees due to the pandemic. Thanks to the devoted efforts of both parties, there has been no disputes until now. Best efforts will be carried out in the coming years.

	Performance Indicators	Unit	2018	2019	2020
8 DECENT WORK AND ECONOMIC GROWTH	Percentage of active workforce covered under collective bargaining agreements	%	71	82	86



DEVELOPMENT OF INNOVATION CULTURE AND PROMOTION OF EMPLOYEE ENGAGEMENT

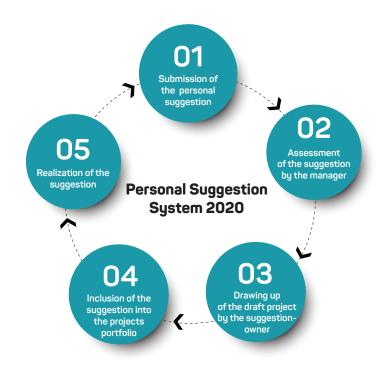
Aiming to process all internal and external sources and turn them into output, our Corporate Innovation Sustem consists of many complementary activities. "Idea Management", one of the most important components of our Corporate Innovation System, has been commissioned to activate the creative potential of our employees, the greatest asset of our Incorporation, and to increase their participation to innovation activities. Having a transparent sharing and rewarding structure, the idea management system enables all our employees to submit their valuable opinions and provides them with the opportunity to develop and realize projects and in return, to be rewarded for their efforts. Taking the interdepartmental coordination to the top level, this platform keeps serving for the purpose of utilizing all available opportunities and resolving all problems. Thanks to the idea management system; we create awareness on innovation, promote the innovation culture and raise innovation ambassadors. By the end of 2020, 24,259 suggestions were shared in the Individual Suggestion System. With the implementation of 1,225 of these proposals, our Incorporation achieved financial benefits of more than \$163 million.

We organize many trainings and workshops to increase the productivity of our employees and their awareness

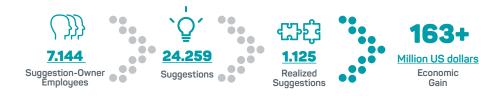
of technologies that will shape the future. Interviews with relevant experts, our "AirCircle" program, design thinking trainings can be shown as examples of these trainings. In 2020, the University of California, Irvine and Related & Co. collaboration, Standard Relevancy Framework and award-winning training module Zero Gravity Academy was implemented. In addition, we have made our customers a part of our innovation processes through crowdsourcing-based idea competitions and the Innovation Survey that we have commissioned in in-flight entertainment systems.

In 2020, we included 25,000 feedback from our customers through the in-flight entertainment system into our internal evaluation processes. In this context, we ensured the coordination of 200 proposals that we think will add value to our processes with the relevant units.

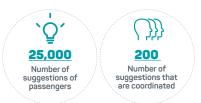
External innovation activities are another source of innovation for Turkish Airlines. The user experience was designed, and a comparative survey was conducted with the companies that developed antibacterial, washable masks for the pandemic and reached us. In addition, our Invest on Board platform, which supports not only our Incorporation but also the entire entrepreneurship ecosystem, and brings promising entrepreneurs and prospective investors together, continues to grow day by day.



Personal Suggestion System 2020



IFE Passenger Innovation Survey







Project Portal

EMPLOYEE ENGAGEMENT AND SATISFACTION

We care about our employees 'satisfaction as much as our passengers' satisfaction.



We care about our employees' satisfaction as much as our passengers' 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. The Employee Experience Department was established to make our employees feel privileged and to make their work experiences positive. In this context, we welcome our colleagues in their first office days with a kit specially prepared for them. We redesign the orientation and adaptation processes through interviews. With the employee experience map we created, we aim to improve the working experiences. We receive feedback for every

point we are in contact with and design our development plans together.

With this map, we aim to be with our colleague from the day she joined the Turkish Airlines family until her retirement and even after. While progressing towards our aim 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.

SOCIAL BENEFITS

As Turkish Airlines, we offer our employees important social benefits. Some of these social rights are: Comprehensive

service network, food service, private health insurance, private health insurance discounts for the families of our employees, maternity, breastfeeding, death and marriage leave and allowances, 4 weeks in addition to the 16-week maternity leave provided by the government, with a total of 20 weeks, maternity leave, support payment for all female employees with children that can be used for each child up to primary school age, whether for kindergarten or for different care services, at least 6 months of unpaid leave that can be used for child care, part-time work opportunity that can be used until the child reaches school age, 6 days paid paternity leave for all male employees whose children are born. Free or discounted domestic/international travel opportunities, convenience in visa procedures, accommodation in our contracted hotels all over the world, etc.

IMPROVING THE EMPLOYEE EXPERIENCE

We are constantly working to improve the employee experience and increase the motivation of our employees. On-boarding and promotion interviews with our employees help us to identify our areas of improvement. We implement new generation HR practices by evaluating the feedback we receive from our employees and the issues raised by department representatives. Our employee support channels ensure that our HR practices are quickly announced to our employees.

Aiming to provide a better employee experience based on data, we have established a new unit that will focus on HR Analytics, one of the emerging areas of HR. Our Incorporation's Appreciation and Acknowledgment Platform enables our colleagues to interact with each other. Through the mobile application that we continue to develop, our employees can instantly share their business priorities and improvement plans with their managers. In addition, they can follow brand agreements, surprise gifts, club activity announcements and in-company information. With this application, we aim to improve cooperation within the organization and increase the visibility of talents.

Interviews were held with our colleagues to get feedback on the remote working process.



Informational announcements were made for remotely working employees.

In order to respond more quickly to the questions and problems of our colleagues, improvement studies were carried out on the Employee Support Lines.

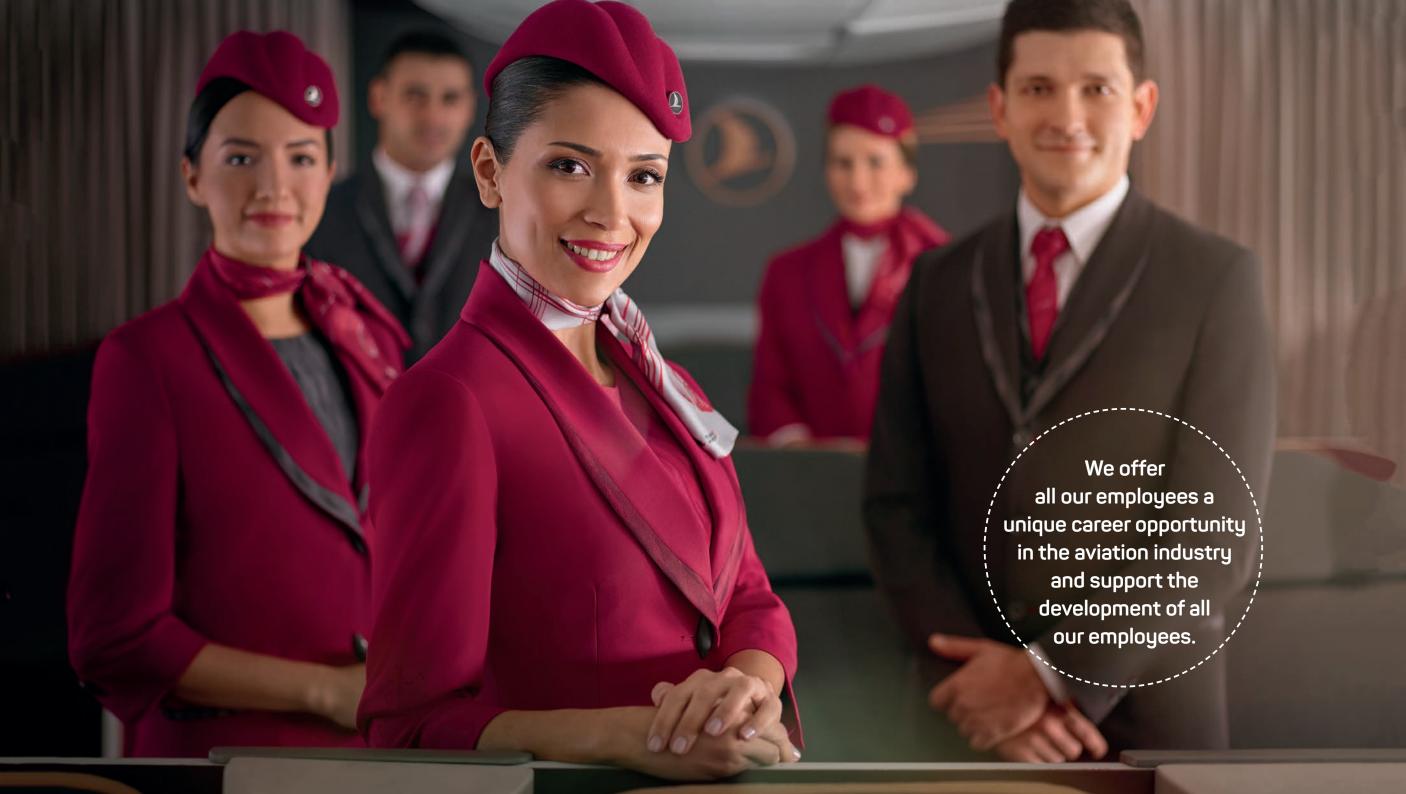


The second phase developments of the employee feedback system continued.

Collective events were organized to strengthen the communication between our employees and managers.

We partnered with various brands offering discounted prices for our employees

Sweepstakes were held to increase motivation.



DIVERSITY AND GENDER EQUALITY



he basis of our success is our human resource from diverse cultures and various countries. We appreciate our diverse employee profile as a great source of creativity and innovation. Our Incorporation always advocates equal opportunity among our people, and we never discriminate any employees on the basis of race, color, gender, nationality, religion, disability, age, family status etc.

The number of our cockpit crew, who made significant contributions to the success story of Turkish Airlines, exceeded 5 thousand with 480 foreign pilots from 66 countries. Thus, we offer a truly cosmopolitan working environment in our cockpits. The number of female employees reached 13,128 as of 2020 which corresponds to 46 percent of the total number of employees. Our female manager ratio is 25 percent, including the supervisor positions. Within the scope of the principle of equal pay for equal work, which we have adopted, the salary ratio of female/male employees is 1. There is 1 female member in our Board of Directors. We are pleased to witness the increase in the number of female pilots year by year, as well as the predominance of our female employees as cabin crew.

Our practices to increase the career opportunities of our female employees:

We have developed assistance applications such as maternitu leave and payment of nursery support for each child until primary school age for all working women with children. By adding 4 more weeks to the 16-week maternity leave provided by the state, we increased the total paid leave period to 20 weeks. We consider mothers' unpaid leave requests for childcare after paid leave as positive as possible. While we used to only provide nursery aid to those whose children go to kindergarten, we have now started to provide financial support to all mothers whose children have not started school yet, to use them for their child's different care needs. We also offer part-time work opportunities for all mothers until their children reach primary school age. We allow flexibility before and after birth for our flight mother employees. A female cabin/cockpit employee can choose to take administrative leave or work in an office during her pregnancy. We do not plan flights to countries where diseases such as Zika and malaria are not recommended for pregnant cabin members to travel to but he World Health Organization.

	Performance Indicators	Unit	2018	2019	2020
5 GENDER EQUALITY	Ratio of salary of women to men	Ratio	1	1	1
	Percentage of women on Board	%	11	11	11
	Percentage of women in workforce	%	46	46	46
10 MOOUNTES	Percentage of women in Executive* team	%	25	26	25
	Number of female employees	number	12,330	13,577	13,128
	Number of disabled employees	number	217	235	230
	Number of disabled employees in management positions	number	20	24	22

^{*}Supervisor roles are included

We do not allow cabin members who are breastfeeding their babies to work at night, and we do not plan a stay-over duty for 2 years. In this way, our female employees not only spend quality time with their children, but also carry our company step by step with their efforts.

As Turkish Airlines, we are committed to employing people with disabilities and to provide them with the opportunity to show their talents with the flexibility we provide. As of 2020, the total number of disabled employees is 230, and 22 of our employees are in the positions of chief and above.

In 2020, the number of newly hired employees at Turkish Airlines is 534. Growth and quality-based human resources policies have an important place in our 2023 vision. For this reason, we are already making our employee planning for the period until 2023. The richness of Turkish Airlines' employee profile can be seen in the "Employee profile by age and gender" table under the "Performance Tables" heading in the "Annexes" section of the report.

IMPROVING THE GENDER BALANCE IN THE AVIATION SECTOR

"Successful women who set an example with their aviation careers are emphasized in the promotional channels of Turkish Airlines and they are offered the opportunity to share their experiences in various channels. Competency-based employee evaluation processes are in place at Turkish Airlines.

Nursibel Aydın

Turkish Airlines Assessment Center Manager

The Directorate General of Civil Aviation issued an instruction and established a commission to improve gender balance in the Turkish civil aviation sector. This commission, which includes Turkish Airlines, aims to monitor and improve the gender balance in civil aviation. In addition, one of the objectives of the Commission is to raise awareness among female students before the university selection and to increase the number of effective women in the decision-making process in aviation management.

The members of the DGCA Gender Balance Improvement Commission started their work to present the current situation regarding gender balance in aviation, to conduct communication activities, and to develop projects in cooperation with relevant stakeholders from academia and industry.

CAREER DEVELOPMENT



s Turkish Airlines, with our wide range of activities and multicultural structure reaching 127 countries, we provide our employees with a unique career opportunity in the aviation industry and support their development. Further information on the training and development opportunities, we offer, is provided in the <u>Training section</u> of the report. We provide our pilots with long-term career opportunities. We are encouraged by the corporate loyalty and effective teamwork which are two of the most prominent characteristic features of our Incorporation. We participate in various activities to introduce the career

opportunities and recruitment processes at Turkish Airlines to university students and to reach qualified applicants directly.

In 2020, we participated in a total of 11 career events, 3 abroad and 8 domestic, at 8 leading universities of our country and various associations. We offer students the opportunity to shape their careers with the AIRSTARTER Program, which we have created for undergraduate students. With the part-time study process that lasts for two semesters and 12 months in total, students have the opportunity to put their theoretical knowledge into practice. We offer successful students the opportunity to be recruited for full-time after various assessment stages.

OUR ASSESSMENT PRACTICES

In our evaluation processes, we work with academicians and experts in the assessment and evaluation system. We conduct our evaluations on the "Turkish Airlines Online Exam Platform", unique to our Incorporation. With our exam system, which reduces our external dependency and allows us to evaluate with more valid and reliable content based on position, we can perform evaluation practices with our candidates or employees all over the world. Aiming to foster the competency perspective in all internal evaluations in 2020, ideal profile and evaluation processes were designed in overseas assignment processes. To continue to the competency development programs internally, a program called "HR Development Journey" has been established within the Employment Department.





TURKISH AIRLINES AVIATION ACADEMY

urkish Airlines Aviation Academy provides training services to its trainees in classroom and / or online environment with its 71 instructors, as well as 120 personnel, whose expertise can be recruited when needed. Aviation Academy operates at a closed area of 5.400 m² with a total area of 8.700 m².

The Academy has been accredited and certified by many national/international authorities, and offers training and consultancy services to airline and cargo operators, travel agencies, universities, airport operators and other companies and individuals in civil aviation industry with a wide range of training programs ranging from passenger services to ground operations, professional and personal development and occupational language training. Turkish Airlines Aviation Academy, which has been accredited as a Regional Training Partner and Approved Training Academy of IATA since 2011, continues to provide IATA-approved training courses for participants across the world. Turkish Airlines Aviation Academy trainings are run under three categories; namely: Corporate Solutions, Organizational Development and Language Skills. The frequency of trainings varies based on the Company's needs and on the nature of the requirements in terms of authority compliance, initial training, recurrent training or seminar.

Our Academy in partnership with 3 state universities in Istanbul, organizes various master's programs for our employees at the Academy Campus, and invites the managers in our organization as quest speakers to share their experiences with our employees.

Turkish Airlines aims to promote aviation among children in the 8-12 age group with the "Aviation Program for Children" designed as a social responsibility project. During the one-day program, children learn the principles of flight in an experimental environment and experience flying in simulators. Same Programs are also organized for children staying in Child Protection Institutions in Istanbul.

For the first time in Turkey, Turkish Airlines Aviation Academy initiated a customized program, Overcoming Fear of Flight Program, dedicated to helping those who fear flying. During the 2 days Program, we provide trainings with our psychologists, flight crews and technical personnel to our passenger candidates who cannot fly due to the fear of flying. Further information is provided in the "Accessibility" section of the report.

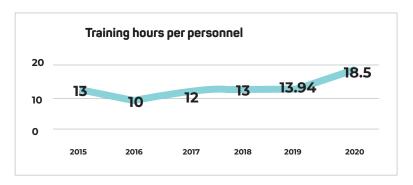
OUR NATIONAL AND INTERNATIONAL ACCREDITATIONS AND PARTNERSHIPS

Directorate General of Transportation Services Regulations Transporting Dangerous Goods By Airway Training Authorization Certificate

- Directorate General of Civil Aviation Training Institution **Authorization Certificate**
- Directorate General of Civil Aviation Language Proficiency Service Provider Approval Certificate
- Ministry Of National Education Private Training Institution Business License
- IATA Certificate of Accreditation
- IATA Certificate of Regional Training Partner
- Directorate General of Civil Aviation Avsec Training Organization Approval Certificate

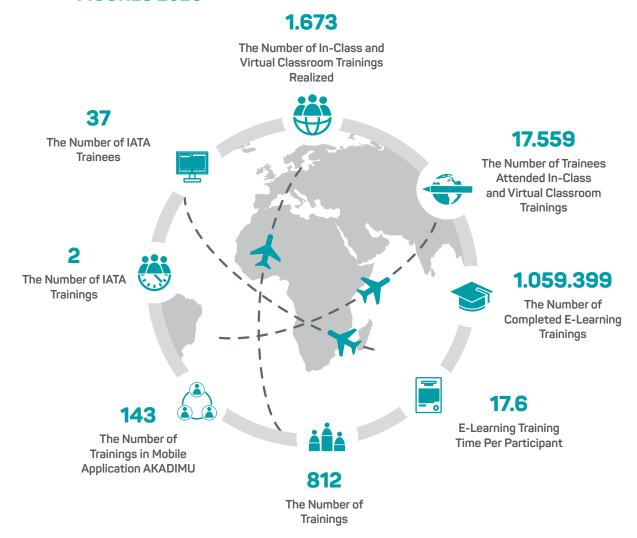
AVIATION ACADEMY FIGURES 2020

In 2020, the Academy conducted 1,673 in- class & virtual classroom trainings for a total number of 17,559 trainees. 1,059,399 participants took e-learning courses. Training hours per personnel was 18.5 in 2020. Further data regarding the trainings is provided in the "Figures 2020" graphic.



TURKISH AIRLINES AVIATION ACADEMY

FIGURES 2020



NEW EDUCATION DEVELOPMENT AND SUPPLIER TRAINER TRAINING (YEKTEY) PROGRAM

Aiming to benefit from the experiences of our employees, new trainings with "aviation know-how" were commenced. 84 people were selected through an interview for the "New Training Development and Supplier Trainer Training" (YEGTEY) Program as Supplier Trainers. These trainers were supported with mentors and validators consisting of experienced trainers who had previously designed training. As of today, 17 new trainings have been added to the training catalog.

NEW TECHNOLOGIES THAT FACILITATE ACCESS TO EDUCATIONAL CONTENT

Our mobile application AKADIMU provide language support to our personnel to meet their professional and daily needs. Podcasts were organized enabling all our staff to access training content whenever they want.

Virtual Classroom Training Activities:

Since the beginning of the pandemic period, 1,657 virtual classroom trainings have been conducted in 166 different content demanded by more than 37,000 trainees.

Youtube Seminars:

In the "Live Broadcast Youtube Seminars" launched on the Youtube page of the Aviation Academy, academicians and professionals from the business world are included in certain periods. The content worked on with the speakers is delivered to all our employees.

Certificate Programs:

Every month, we include our employees in certificate programs where they can deepen their expertise in different subjects. We contribute to the development of our employees by carrying out our certificate programs with 5 different contents as remote live trainings.

These programs are; School of Finance, School of Marketing, School of Logistics, School of Digital Competencies and School of Business English

Graduate Programs:

Aiming to support our employees' specialization in their fields, as a result of the agreements made with different universities in Istanbul, our employees were allowed to participate in Master's Programs.

FLIGHT TRAINING CENTER



As Flight Training Center, we conduct training activities for cockpit crew members, cabin crew members, dispatchers and load masters as well as more than 45,000 flight crew members of our Incorporation in accordance with the international standards, and serve to develop competencies of the flight crew members. The center having been accredited by domestic and international authorities, provides training services for national and international customers and aims to be one of the biggest training centers across Europe, the Middle East and Africa. Besides, the activities carried out with institutions and organizations provide valuable contributions to extend civil aviation knowledge on both national and international basis.

Driven by the vision of attaining the highest performance standards in aviation safety and security, the Flight Training Center has been audited and accredited by the Turkish Civil Aviation authority and many international civil aviation authorities.

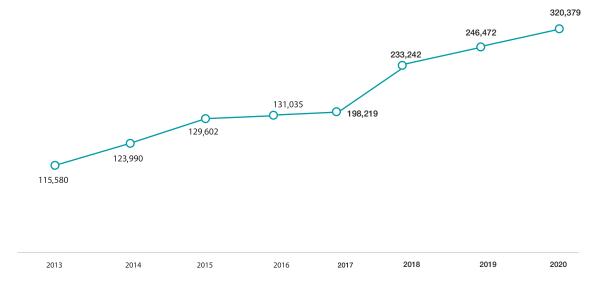
At the Flight Training Center, there are 24 (FFS) Full Flight Simulators, 7 (FTD) Flight Training Devices and 6 CST, 3 CEET, 8 DT, 1 RFFT stations; cockpit crew ground lessons and flight training, cabin crew ground lessons and practical training, pilot candidate training to be trained, dispatcher, load master and SAFA trainings are provided. All flight crew trainings aim to increase knowledge, skills and competencies in subjects such as communication, taking

responsibility, leadership and team management, problem solving, and sound decision making. We regularly update our training program.

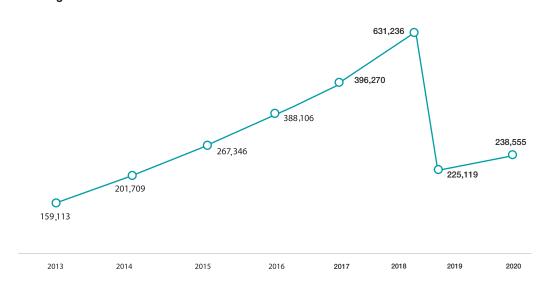
At our THY First Aid Training Center, first aider identity cards and certificates approved by the Ministry of Health are issued to our colleagues working in the ground units of our Incorporation, as well as our flight crews. We increase environmental awareness of our employees by providing fuel efficiency trainings and organizing seminars on operational fuel efficiency practices. In addition to these, both virtual classroom and e-learning trainings were provided during the COVID-19 period to ensure that our teams do not lose their competencies.

2013-2020 PERFORMANCE





Training Hours for Cabin Crew Members



PROJECTS REALIZED

In the Flight Training Center Sedat Şekerci Campus, which has a mockup area with a capacity of 18 simulators and 45 classrooms, completed in 2017, the total number of simulators in this campus has reached 14 with the commissioning of 1 wide-body simulator in 2020. In addition, in 2020, 2 B737/ A320/A330 VSIM classes with 16X2 = 32 student capacity, 6 Computer Based Trainer (CBT) classes and 1 B787 cabin emergency evacuation device were completed and put into service. Within the scope of the new "Flight Training Center Project", 5 additional domestic simulators were ordered from Havelsan A.Ş. Along with these

projects, Havelsan will deliver 6 additional FTD devices within the scope of the projects. The delivery of 3 of the ordered simulators is planned to be completed within the next year (2021). Thus, the number of EASA-approved Full Flight Simulators (FFS) within our body will reach 27 in total, 17 at Sedat Şekerci Campus and 10 at Florya campus. The MINT Training Management System platform, which is aimed to be used to increase the ability to work simultaneously and in coordination with the relevant units, to increase communication and resource efficiency, is in the integration phase. In 2020, a total of 320,379 hours of training were provided to cockpit personnel and a total of 238,555 hours to cabin personnel.

HEALTH, SAFETY AND WELL-BEING



Turkish Airlines holds the internationally recognized Occupational Health and Safety Management System Certificate (OHSAS 18001).

ealth, 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. 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 committed to the goal of eliminating and reducing the risk of injury and taking all preventive and protective measures to ensure a safe and healthy work environment.

Turkish Airlines has a detailed Occupational Health and Safety Management System Handbook, carried out by the Recruitment Department, as well as Occupational Health and Safety Policy. Our Health Directorate, which consists of occupational physicians, nurses, occupational health and safety experts, works to ensure that we

can reach the highest standards in the field of occupational health and safety and maintain these standards.

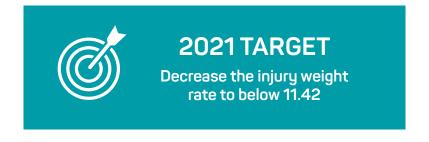
Turkish Airlines' CEO is the accountable executive designated for the existing occupational health and safety management. In addition, our employees are encouraged to actively participate in health and safety related activities through our Occupational Health and Safety Boards, which also include employee representatives. Management Review Board (YGGK) meetings are held twice a year with the participation of the General Manager and relevant managers to discuss occupational health and safety issues at our Incorporation.

We systematically collect, monitor and review health and safety data through online reporting systems and have established various mechanisms to achieve continuous improvement in our 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. We strive to ensure the continuity of compliance with occupational health and safety related legal regulations and standards and to continuously improve ourselves.

Turkish Airlines holds the internationally recognized Occupational Health and Safety Management System Certificate (OHSAS 18001). We established a regulations-compliant health and safety management system where risks are analyzed, precautions are taken and accidents are minimized, controls are ensured through inspections, company targets are set, and employees are given sub-targets. We strive to achieve continuous improvement and ongoing compliance with the regulations and standards.

	Performance Indicators	Unit	2018	2019	2020
O INSANA YAMSIRIS	Injury weight rate	number	8.6	12.69	4.57
8 INSANA YAKISIRIS VEEKONOMIK BÜYÜME	Number of employees trained in H&S	number	-	14,951	20,563
	Number of emergency drills	number	17	58	8
	Number of field surveillance studies	number	-	426	204
	Number of physician activities	number	157,016	161,992	125,326



In addition, by the end of 2019, we started working on transition to ISO 45001 Standard instead of OHSAS 18001 Occupational Health and Safety Standard. We organized trainings and seminars for our employees regarding the new standard and conducted Current Situation Analysis studies in the relevant units. After the analysis, our units started to take actions to comply with ISO 45001. After the completion of the actions, an ISO 45001 Certification Audit will be carried out by an independent certification body in 2021

TRAINING

As Turkish Airlines, we support the improvement of occupational health and safety culture by raising the awareness of our employees about occupational health and safety. For this purpose, we provide our employees with necessary information about occupational health and safety through regular trainings. Some of the training topics are: Legal rights and responsibilities of employees, general principles of work culture, chemical, physical and ergonomic risk factors, safe use of work equipment, use of personal protective equipment, causes and prevention of work accidents, emergency response plans, evacuation and rescue. In this context; including cockpit, cabin and ground personnel, OHS basic

classroom training was given to 187 employees, OHS online basic training was given to 20,376 employees, search-rescue-evacuation teams training was given to 84 employees and firefighting training was given to 48 employees.

OCCUPATIONAL HEALTH AND SAFETY **PRACTICES**

As Turkish Airlines, we care about the physical health and well-being of our employees as well as their mental health. We are committed to provide all kinds of support to ensure that our personnel, who work in critical positions, are both physically and mentally ready for the task. In 2020, in order to prepare our employees for emergencies and to improve the emergency response skills of the emergency teams; a total of 8 emergency drills were held, 5 in Istanbul, 3 in domestic stations. A total of 204 field surveillance studies were carried out at our Istanbul campuses. Within the scope of measurement control and test studies, 5,234 items of measurements were made.

PROMOTING HEALTHY LIFESTYLES

We encourage our employees to make healthy choices through various activities. Through our health program, we promote practices such as



TARGET 2021

Occupational health and safety trainings will continue for our new employees. By the end of 2021, we aim to reduce the accident weight rate below 9 and to complete the successful transition to ISO 45001 Standard.

healthy diet, substance abuse awareness and a smoke-free environment. Weight management and an active lifestyle are keys to prevent obesity which is associated with numerous chronic diseases. We offer nutrition counselling 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.

PERFORMANCE

We are 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 2020, the injury weight rate has been 4.57 which is calculated as number of lost days *1,000,000/ working time. Main types of injuries experienced at work within our organization are minor cuts, musculoskeletal system injuries and falls.

COVID-19 MEASURES AND ENSURING HEALTHY AND SAFE FLIGHT CONDITIONS

As soon as the Covid-19 pandemic in China was announced at the beginning of 2020, we took measures under the leadership of the World Health Organization and our Ministry of Health, first in our overseas stations and then in our domestic operation areas. We completed the necessary procurement, application, and documentation work for the supply, use and disposal of personal protective equipment and masks. We focused on mailing and bulletins to raise awareness of our employees. By increasing our field surveillance, we have ensured that social distance, hygiene and mask use are at the desired level. We have implemented our recommendations for the improvement of the ventilation and air conditioning systems of both our buildings and our aircraft. We made many new designs and commissioned them to comply with social distance in our buildings. Moreover, we started disinfection works in all our buildings and performed fever measurements with a thermal camera and also guided our subcontractors and suppliers. We monitored our employees with coronavirus and provided psychological support. By commissioning our filiation teams, we continued our follow-up work 24 hours a day, 7 days of a week.

Work on field surveillance and inspections related to Covid-19 was carried out by the workplace physicians and occupational safety experts of the Health Directorate. The detected nonconformities were shared with the managers of the cargo department.



As Turkish Airlines, we provide uninterrupted health services 24 hours a day, 7 days a week, in a 3-shift order, in order to ensure that our employees and passengers fly in a healthy and safe manner.

These services consist of periodic inspections, vaccination of flight personnel, supply, and distribution of personal protective equipment, spraying of aircraft, analysis of aircraft water, polyclinic services and infirmary procedures.

To ensure a safe and healthy journey, health services are maximized, our employees are checked before and after the flight, the documents and tests requested by the countries travelled are prepared. As part of the measures against COVID-19 pandemic, through distance education, posters and brochures, and distribution of personal protective equipment, we aim to protect our employees from the disease. thanks to the filiation studies, positive cases were followed up.

Throughout the process, 72.633 pre- and post-flight COVID-19 examinations, 1.181 periodic examinations, 9.459 SHGM periodic examinations, 17.943 return-to-work examinations and 24.110 outpatient clinic examinations were carried out.

As part of preventive health services, a total of 1,437,790 personal protective equipment, including 1,084,947 surgical masks, 206,664 hand disinfectants, 302,894 disposable gloves, 53,474 N95 masks and 54,993 protective clothing, were distributed to 17,157 people. Also, meningitis vaccine was administered to 5,284 people.





SUSTAINABILITY REPORT 2020

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ADDING VALUE TO THE SOCIETY



Our corporate social responsibility focus areas are "Education, Science and Technology, Culture and Art, Sports, Employee Engagement, Humanitarian Aid and Equal Opportunity".

n this direction, we often collaborate with disadvantaged individuals/groups, NGOs working for children, various associations/foundations, universities, humanitarian aid organizations, associations and foundations working in the field of disaster and poverty, official institutions, and organizations such as sports clubs and federations. The main purpose of corporate social responsibility activities is to raise our brand image and raise our brand value to the next level every year by maintaining the unity of our country and creating awareness on the solution of global and local problems.

RED CRESCENT

Cargo support is provided for blood transport and disaster relief of the Red Crescent, the largest aid organization in our country.

FEDERATION OF CHILDREN'S GAMES AND SPORTS CLUBS/GIFT CARAVAN

Various traditional play kits were distributed in the eastern regions of Turkey and Azerbaijan for children who could not leave their homes and go to school during the Covid-19 pandemic.

TOSIDO

With TOSIDO, we brought together children who continue their treatment in oncology units and who are interested in aviation under the roof of science and culture. Our quests, who have experienced being a Turkish Airlines passenger at DO&CO and being a pilot in Flight Training Directorate simulators, had an enjoyable and instructive day with the Istanbul tour organized by Tour Istanbul.

TEKNOFEST TECHNOLOGY FESTIVAL

By promoting the Aerospace and Technology Festival, we supported successful teams representing Turkey on international platforms.

TURMEPA

In cooperation with Turmepa Marine Association, "nature-friendly soaps" are used in Turkish Airlines Lounges. The project is also supported by in-flight awareness videos.

EUROPEAN UNION GIRLS AND WOMEN'S DAY IN SCIENCE

The European Union Day of Girls and Women in Science aims to support women and girls in science projects and to make a difference for women's employment in science. Awareness was raised on female employment in the aviation industry with the speeches of our successful women scientists and pilots working at Turkish Airlines.ı.

SKYLIFE KIDS MAGAZINE DISTRIBUTION

Our Skylife Child magazine is delivered to various municipalities, non-profit institutions, and compassion houses.

STATE THEATRES SUPPORT

By supporting the play called Ucmak, we encouraged activities in the field of culture and art...

SOCIAL HACKATHON

Aiming to contribute to the social entrepreneurship ecosystem in Turkey and to support people from different fields of work to produce solutions to social problems in cooperation, the IGA Social Hackathon competition was held in partnership with IGA Airport Management and Turkish Airlines and in cooperation with the Turkish Corporate Social Responsibility Association. The project, which is based on the reuse-based rental of materials needed at the airport in a way that contributes to the circular economy, was realized in accordance with the "SDG 11th Liveable and Sustainable Cities/Communities" target.







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> HUMAN RIGHTS

As the flag carrier of the Republic of Turkey and a global value, we go beyond our responsibility to respect human rights where applicable, by integrating our responsibility to respect human rights in all our activities, including passenger transportation, cargo transportation and education in all countries where we operate. In this context, we act in accordance with the international principles set forth in the Universal Declaration of Human Rights, the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the United Nations Guiding Principles on Business and Human Rights, and within the framework of national legislation regulating human rights and working life.

1. We protect human rights by respecting the dignity, respect and well-being of individuals.

The health, safety, dignity and well-being of our employees, customers, business partners, contractors and anyone else who may be affected by our activities is our highest priority in all areas where we operate¹. During the pandemic period, our healthcare professionals, occupational health and safety experts, human resources teams and teams working in the operation ensured that the highest level of measures were taken to protect the health of both our passengers and employees. Except for our noncompulsory units, we have been working remotely since March 2020.

2. We do business in accordance with the Code of Ethics in all our activities and our corporate roof.

In line with the Turkish Airlines Code of Ethics, which is the set of basic policies, principles and rules that all managers and employees are obliged to comply with, and general principles accepted in business life, it is ensured that all of our employees act respectfully to the laws, ethical values, social norms and people in their words and behaviors². With the Ethics Line reporting system, employees can safely and confidentially report any behavior that violates our corporate principles, such as discrimination, bribery, conflict of interest and code of conduct³. Digital trainings aimed at raising awareness about ethical rules and behaviors are regularly offered to all employees. The importance of ethical values and the reliability of the Ethics Line are frequently brought up by using our internal communication resources (poster, magazine, mailing, etc.).

3. We provide an inclusive and diverse business environment.

Equality of opportunity is always respected among our employees from many different countries and cultures, and none of our employees are discriminated against because of their race, color, gender, ethnic origin, nationality, religion, disability, age, economic or family situation⁴. In our Incorporation, we contribute to the establishment and protection of an environment of trust, which respects the private lives of individuals, is fair, constructive and where different ideas are freely expressed⁵.

With the motto of the Cultural Integrity Project "Together We Are Different", we frequently express our inclusivity, which is one of our corporate culture values, and we organize events in this way.

4. We are against all forced and compulsory labor practices.

In all our activities and under the umbrella of our Incorporation, no one can be forced to work without their consent, hindering their legal rights. The supply chain and stakeholders are expected to comply with this clause. The employment contract, which is the basis of the employee-Incorporation relationship at Turkish Airlines, comes into effect upon the approval of the employee and the manager. There is no article on compulsory labor in our employment contracts, and all of our managers are aware that forced labor is against human rights.

5. We are not a party to modern slavery and human trafficking practices.

Our Incorporation does not knowingly become a party to modern slavery and human trafficking practices through its facilities, resources or activities. It is important that the supply chain and stakeholders also consider this responsibility. We do not make use of forced labor, and we make overtime payments in case of working more than normal working hours. All the rights of the employee are under our guarantee, and as an institution, we are against any practices that violate human rights.

6. We do not use child labor.

In all our activities and under the umbrella of our Incorporation, national and international legal and other conditions regarding the use of child labor are complied with, and child labor is strictly not used. The supply chain and stakeholders are expected to comply with this clause. The requirement of "to be over the age of 18 on the date of starting the job" in the Human Resources Procedure is not required for the title of Vocational Student only in the recruitment of foreign local personnel. In all other employment processes, this condition is applied without exception.

7. We fight/take measures against bribery and corruption.

In matters of bribery and corruption, we act in accordance with the aviation industry's guidelines and the laws in force in the countries in which we operate; Our standards are maintained within the framework of our Code of Ethics and internal control measures⁶. We carry out awareness raising activities for our employees with corporate governance bodies and business partners in order to prevent possible risks that may arise in related matters. Internal control measures have been introduced within our Incorporation in order to monitor these issues and ensure compliance with the rules. In 2020, no evidence was found against Turkish Airlines regarding the violation of its bribery and corruption policy, and no administrative or fines or judicial sanctions were applied in this regard.

8. We organize decent working hours/rest periods in the countries where we operate.

Working order and hours are specified in the human resources procedure and are regulated beyond national and international requirements within the framework of providing decent working conditions and establishing a healthy work-life balance. Working hours for domestic office workers are determined as 45 hours per week at the most. According to the Collective Bargaining Agreement, the employee is required to start work at the earliest 15 hours after the work is finished. It is not appropriate to call the employee to work within a shorter time than this time. We inform our employees that we care about and support the establishment and protection of work and private life balance with our internal communication resources,

as we know that when work-private life balance cannot be established and people cannot rest enough after work, their work motivation decrease and they cannot maintain their psychological and physical well-being. We share tips. As Turkish Airlines, the mental, mental and physical health of all our employees is our top priority.

9. We offer equal pay for equal work.

The principle of "Everyone's right to equal pay for equal work without any discrimination"7 stated in Article 23 of the Universal Declaration of Human Rights is supported by our company policies. International Labor Organization (ILO) text resources, national legislation and labor rights legislation are complied with based on the collective bargaining agreement8.

The process followed in the remuneration of the employees is determined by the procedures and is transparently accessible to all employees. In line with the Collective Bargaining Agreement, the same base salary is given to people with the same title and senioritu.

10. We support the goals of increasing the potential and performance of our employees through trainings and social benefits.

The individual and career development of our employees is supported by organizing trainings. In 2020, we expanded our training portfolio with digital and virtual classroom trainings. We have developed many new course content not only for career development but also for personal development and offered them to our employees. In 2020, we provided 394,500 digital trainings and 15,253 people attended our virtual classroom trainings. In order to encourage the academic careers of our employees, we have made graduate program agreements with many universities. With the wide social benefits we offer to our employees, we want them to feel safe both at work and outside of work, and to feel that our company is there for them in good and bad times. When we look at the relationship between employee engagement and performance, we do our best for the satisfaction of our colleagues. We provide important social benefits to all our employees, such

as; comprehensive shuttle service network, food service, private health insurance for our employees and private health insurance discounts for their family members, maternity, breastfeeding, death and marriage leave and allowances, a total of 20 weeks of maternity leave, with 4 weeks in addition to the 16-week maternity leave provided by the state. We subsidize all our female employees with children until primary school age, which can be used for kindergarten or different care services. We offer at least 6 months of unpaid leave that can be used for child care and part-time work opportunities that can be used until the child reaches school age. For all male employees with newborn children, we provide 6 days of paid paternity leave. We also offer many other opportunities such as free or discounted domestic/international travel, convenience in visa procedures, accommodation in our contracted hotels all over the world.9

11. We act in accordance with national legislation on the right to organize and collective bargaining.

The collective bargaining agreement, which has been ongoing for 56 years in our Incorporation, is developed day by day to improve the rights of the employees¹⁰. After the Collective Bargaining Agreement is signed between our Incorporation and the authorized union, additional protocols are made protecting the economic and social rights and interests of the employees. For example, in 2020, a wage regulation protocol was made in order to protect the rights of both employers and employees due to the pandemic. The 26th Term Collective Bargaining Agreement signed on 1.1.2019 will be valid until the end of 2021. 86% of our employees are members of Hava-İs Union. The Industrial Relations Procedure describes the work done in the TIS process.

12. We ensure that individuals' privacy and data are protected.

Being aware of the importance of the confidentiality of personal information as Turkish Airlines, compliance with the Turkish Airlines Privacy Policy and the relevant guidelines is guaranteed¹¹. With the TS ISO/IEC 27001 Information Security Management System, which has been implemented since 2017, Turkish Airlines keeps

all kinds of information of its customers, suppliers and employees confidential within the framework of national and international laws, regulations and contracts; providing security; destroys and anonymizes when necessary¹². In addition, the rights of our passengers are secured within the framework of our management system standards and civil aviation rules.

13. We support employee development. We add value to our employees.

It is our priority to provide the opportunity to develop the skills and abilities of our employees, who are the main power behind our success, and to ensure that they work with motivation and satisfaction¹³. Employee development is supported by the working environment we offer, social opportunities, career opportunities and the trainings we organize jointly with local and foreign institutions¹⁴. In 2020, we expanded our training portfolio with digital and virtual classroom trainings. We have developed many new course content not only for career development but also for personal development and offered them to our employees. By choosing our trainers from within the company, we both encouraged our employees to discover their potential and aimed to increase communication by gathering people from different departments. We aim to ensure our individual and organizational development by including subjects such as individual awareness, new normally time management and efficiency, and the power of communication in the training contents. We give freedom to our employees in areas where they want to improve themselves. We prioritize increasing the professional knowledge and skills of our employees with the training and certificate programs we have prepared. In 2020, a Development Journey program was prepared for Human Resources employees, and we supported the development of our employees with trainings given by veteran names in the field and multiple workshops. In addition, we offered 47 live, e-learning and workshop trainings on topics such as finance, logistics, marketing, technology and English to all our employees with the concept of a certificate program.

14. We conduct all our activities safely and securely.

Our commitment to occupational health and safety goes far beyond

compliance with legal requirements in this regard, and is an integral part of our corporate culture, and a "Horizontal, Fair, Flexible, Dedicated, Informed, Learning and Reporting" safety culture¹⁵ is encouraged. Turkish Airlines ensures that all necessary efforts are made to establish and promote a corporate security culture¹⁶ and supports activities to increase security awareness so that security is an integral part of the corporate management system¹⁷. In line with both the requirements of the management system certificates we have and the rules required by civil aviation authorities, every precaution is taken for the safety of our passengers, which is one of our priority issues, and utmost importance is given to the training of our employees in this regard.

In addition, in order to provide a safe and healthy working environment, all preventive and protective measures are taken to reduce and eliminate the risk of injury in the workplace, and activities to increase safety awareness are supported ¹⁸. With our occupational health and safety, safety and security policies, we have successfully achieved our goal of always protecting the safety of our passengers and employees in 2020 as well.

15. We are sensitive to the environment and operate in areas where social responsibility is felt.

In order to leave a livable world to future generations, we act by considering the environment in all works in our field of activity.

In order to reduce and eliminate the factors that may have an impact on climate change, we support initiatives related to fuel efficiency and take measures to reduce greenhouse gas emissions, prevent noise pollution and waste generation. We strive to minimize waste by giving priority to the use of recyclable materials and supporting recycling within the scope of waste management. In this context, we prepare trainings to increase the awareness of our employees, and we emphasize the importance of these issues in our internal communication resources. The high sense of responsibility we feel towards the environment also applies to all citizens of the world.

We feel responsibility towards countries/people who are in a difficult situation due to environmental, political or economic conditions, and we fly in the sky for them as a sign of our benevolence. While Somalia was facing a serious drought and famine in 2017, we carried health supplies to many countries in 2020, as we brought relief supplies with our planes, and we made efforts to reduce the negative effects of the pandemic. We carried out rescue flights to bring the citizens of the Republic of Turkey from all over the world to our country during the pandemic period. We conducted special operations to transport people who wanted to return to their country before their airspace was closed.

¹ https://investor.turkishairlines.com/documents/sustainability/surdurulebilirlik-raporu-ingilizce.pdf, pg 104

https://investor.turkishairlines.com/documents/sustainability/surdurulebilirlik-raporu-ingilizce.pdf, pg 32

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https://investor.turkishairlines.com/documents/sustainability/surdurulebilirlik-raporu-ingilizce.pdf, pg 26

⁹ https://investor.turkishairlines.com/documents/sustainability/surdurulebilirlik-raporu-ingilizce.pdf, pg 95

https://investor.turkishairlines.com/documents/sustainability/surdurulebilirlik-raporu-ingilizce.pdf.pg 98

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¹² https://investor.turkishairlines.com/documents/villik-raporlar/thy frae 2019eng.pdf, sf.108.

¹³ https://investor.turkishairlines.com/documents/sustainability/surdurulebilirlik-raporu-ingilizce.ndf..ng.13

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intips://investor.turkisnainines.com/documents/sustainability/surdurdiebilinik-raporu-ingilizce.pdi, pg 78

¹⁷ https://investor.turkishairlines.com/documents/sustainability/surdurulebilirlik-raporu-ingilizce.pdf, pg

¹⁸ https://investor.turkishairlines.com/documents/sustainability/surdurulebilirlik-raporu-ingilizce.pdf, pg 104



ANNEXES

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- 126 GRI CONTENT INDEX

PERFORMANCE TABLES

GRI 102-8: Employee profile by age groups and gender

Voor	Faralassa Oatanam	Age Group			Gen	ıder	TOTAL
Year	Employee Category	0-29	30-49	50+	Female	Male	TOTAL
	Cockpit personnel	696	2,806	872	92	4,282	4,374
2015	Cabin personnel	4,670	4,056	3	6,099	2,630	8,729
2015	Other personnel	2,124	6,398	405	4,011	4,916	8,927
	Total	7,490	13,260	1,280	10,202	11,828	22,030
	Cockpit personnel	678	2,866	924	121	4,347	4,468
2016	Cabin personnel	4,990	4,930	2	7,072	2,850	9,922
2010	Other personnel	2,468	6,844	422	4,280	5,454	9,734
	Total	8,136	14,640	1,348	11,473	12,651	24,124
	Cockpit personnel	684	2,905	920	153	4,356	4,509
2017	Cabin personnel	4,285	5,433	3	6,819	2,902	9,721
2017	Other personnel	2,324	7,112	409	4,396	5,449	9,845
	Total	7,293	15,450	1,332	11,368	12,707	24,075
	Cockpit personnel	945	3,312	956	241	4,972	5,213
2018	Cabin personnel	4,416	6,093	4	7,160	3,353	10,513
2010	Other personnel	2,783	7,775	455	4,929	6,084	11,013
	Total	8,144	17,180	1,415	12,330	14,409	26,739
	Cockpit personnel	977	3,828	1,034	297	5,542	5,839
2019	Cabin personnel	5,116	7,127	4	8,243	4,004	12,247
2019	Other personnel	2,547	8,324	534	5,037	6,368	11,405
	Total	8,640	19,279	1,572	13,577	15,914	29,491
	Cockpit personnel	777	3,944	1,035	303	5,453	5,756
2020	Cabin personnel	4,155	8,117	9	8,105	4,176	12,281
2020	Other personnel	1,710	8,429	495	4,720	5,911	10,631
	Total	6,642	20,487	1,539	13,128	15,540	28,668

GRI 401-1a: Breakdown of new employee hires by age group, gender and geographic region

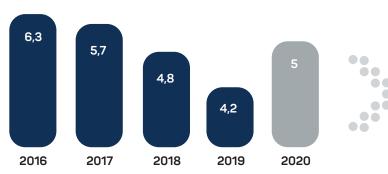
		2015	2016	2017	2018	2019	2020
	Total	3.056	3.486	1331	3900	3942	534
	Below 30	2,314	2,583	940	2,860	3,145	393
Age Group	30-49	657	871	377	987	743	139
	50+	85	32	14	53	54	2
Gender	Male	1,641	1,655	895	2,463	2,161	416
delidei	Female	1,415	1,831	436	1,437	1,781	118
	Africa	59	54	20	50	55	7
	America	42	87	18	36	27	4
0	Asia	27	44	28	35	34	2
Geographic Region	Europe	156	210	65	190	138	16
	Middle East	115	85	20	58	47	6
	Far East	30	39	19	28	27	10
	Turkey	2,627	2,967	1,161	3,503	3,614	489

GRI 405-1: Breakdown of management profile by age group and gender

		Age Group		Gen	der		Percentage of
Year	0-29	30-49	50+	Female	Male	TOTAL	women in Executive* team
2015	16	480	47	50	493	543	-
2016	13	513	47	52	521	573	-
2017	14	518	46	50	528	578	-
2018	121	1874	135	536	1594	2130	25%
2019	78	2018	162	577	1681	2258	26%
2020	43	1,991	147	555	1,626	2,181	25%

^{*} Supervisors are included

GRI 401-1b: The employee turnover rate (%)



Total number of separations was 1,358 in 2020. The employee turnover rate was 5 % calculated as the number of separations, divided by the average total number of employees at the beginning and at the end of the reporting period.

Scope of the natural gas and electricity and water data

Scope 1 Natural gas consumption data of the facilities under the control of Turkish Airlines are:

Istanbul: Datacenter, General Management Building, Levazım Warehouse, Halkalı Technology Building, DIR. Catering and Inflight Products, Kadıkoy, Cargo, Cargo Trigeneration, Yenibosna GİSAD, Sedat Sekerci Campus, Flight Training Directorate, Satellite Cargo Building*, Crew Terminal*

Scope 1 Natural gas consumption data of the facilities not under the control of Turkish Airlines are:

Ankara: Ankara Cargo Management

Scope 2 Natural gas data of the facilities not under the control of Turkish Airlines are:

Istanbul: Central Kitchen Building, Hangars, Inflight Warehouse Building, Catering and In-flight Products Directorate Building, Florya Habom Building (Accounting and Financial Control Directorate), Apron Operations Building, EBI, Training Directorate, IFS, CFB and ULD Buildings *, Harbiye Sales Department, Taksim Sales Department, Kadıkoy Sales Management

Ankara: Ankara Station Management, Regional Flight Directorate, Ankara Sales Management

Izmir: Izmir Sales Management, Izmir Station Management, Izmir Cargo Management

Scope 2 Electricity consumption data of the facilities under the control of Turkish Airlines are:

Istanbul: General Management Building, Levazım Warehouse, Halkalı Technology, Harbiye, Kadıköy, Cargo, İkitelli Archive Building, Taksim, Sedat Sekerci Campus, Yenibosna Building

Ankara: Ankara Cargo Management, Ankara Sales Management

Izmir: Izmir Sales Management

Scope 2 Electricity consumption data of the facilities not under the control of Turkish Airlines are:

Istanbul: AHL Terminal Offices, Central Kitchen Building, Hangars, Inflight Storage Building, Catering and In-flight Products Directorate Building, Florya Habom Building (Accounting and Financial Control Directorate), Apron Operations Building, EBI, Education Directorate, CFB, ULD, ASG and IFS Buildings *, Harbiye Sales Office, Taksim Sales Department, Kadıkoy Sales Management, İkitelli Archive Building.

Ankara: Ankara Station Management, Regional Flight Directorate. Ankara Cargo Management, Ankara Sales Management

Izmir: Izmir Station Directorate, Izmir Cargo Management, Izmir Sales Management

Campuses included in the total water consumption data are:

General Management Building, Yenibosna and Technology

Campuses included in the per capita water consumption data are:

General Management Building, Gisad, Technology, Cargo, EBI Building, Gate B Training Directorate,, Simulator (Sedat Sekerci Campus), Flight Training, Data Center, Levazım Warehouse

GREENHOUSE GAS VERIFICATION STATEMENT 2019



HEAD OF SURVEILLANCE AND INSPECTION CENTER

GREENHOUSE GAS VERIFICATION STATEMENT



SER.006.2021/B00016 Certificate Number SER 006 2021/R00009 Report Number

Date of Verification Stateme Company Title

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI Company Address

THY A.O. -Yeşilköy Atatürk Hava Limanı Bakırköy/İSTANBUL

Purpose of Verification

Verifying the Greenhouse Gas Assertion of the organization which is prepared according to TS EN ISO 14064-1:2007 standard for the period 01.01.2019-31.12.2019 and verifying Total Greenhouse Gas Emissions which are in accordance with the requirements of the TS EN ISO 14064-3: 2007 standard in Reasonable assurance level

Verification Methodology

Greenhouse Gas Statement Verification is carried out in accordance with requirement of TS EN ISO 14064-3:2007 standard.

Techniques of Verification

Greenhouse gas information system controls and greenhouse gas data / information are evaluated by document review, site visits and recalculation methods and on the basis of the evidence of Greenhouse Gas Assertion is

Verification Criteria Verification Period

TS EN ISO 14064-1:2007 01.01.2019 - 31.12.2019

Organizational Boundaries See appendix of the Greenhouse Gas Declaration Verification Statement.

Type(s) of Greenhouse Gases CO2, CH4, N2O, HFC, HC, HCFC, SF6, Novec 1230, CFC

Removals

Verified GHG Emissions and Total Emissions

17.877.124.146 tonnes CO2 equivalent 17 834 081 106 tonnes CO2 Direct Emissions

Energy Indirect Emissions 43,043.040 tonnes CO2 equivalent Other Indirect Emissions Emissions due to Biomass

GHG Removals Not quantified by the organization

Level of Assurance

Reasonable assurance level

Mehmet ERGÜN Director of Environmental Surveillance and Verification



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* Yüzüncü Yıl Bulvarı Cevat Dündar Caddesi 1236. Sokak No:1 Yenimahalle/ANKAR/
* Tel: (0312)- 592 51 35 Fax: (0312)- 592 51 85 e-posta: cevreselgozetim@tse.org.tr

15.01.11.FR.010/02.06.2017-7 Page 1 / 2



HEAD OF SURVEILLANCE AND INSPECTION CENTER GREENHOUSE GAS VERIFICATION STATEMENT

Organizational Boundaries

THY A.O. - GENEL YÖNETIM BINASI YESILKÖY MAH.

THY A.O. - ADNAN MENDERES HAVALIMANI, 35423

THY A.O. - ANKARA ESENBOĞA HAVALIMANI, AKYLIRT/ANKARA



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Yüzüncü Yıl Bulvarı Cevat Dündar Caddesi 1236. Sokak No:1 Yenimahalle/ANKAR/ * Tel: (0312)- 592 51 35 Fax: (0312)- 592 51 85 e-posta: cevreselgozetim@tse.org.tr

15.01.11.FR.010/02.06.2017-7

DISCLAIMER

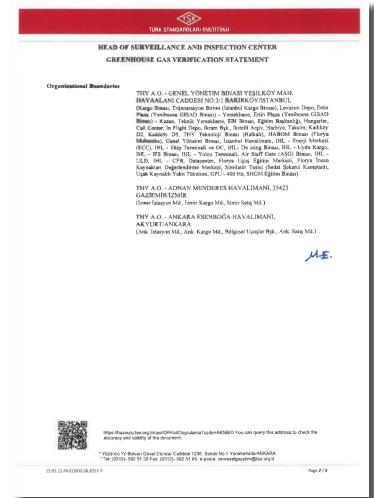
Türk Hava Yolları A.O. (or ''Turkish Airlines'') has prepared this report for the sole purpose of providing information about its sustainability practices. This report is not, and does not support to be comprehensive and to contain all information related to Turkish Airlines.

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 forwardlooking 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.

GREENHOUSE GAS VERIFICATION STATEMENT 2020





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REPORTING GUIDANCE

This reporting guidance ("Guidance") provides information on the data preparation and reporting methodologies of indicators within the scope of the limited assurance in the Turkish Airlines Inc. ("Incorporation") Sustainability Report ("2020 Sustainability Report").

These indicators are; jet fuel consumption, annual fuel saving, injury weight rate and customer satisfaction rate. It is the responsibility of the Incorporation's management to ensure that appropriate procedures are in place to prepare the indicators mentioned above in line with, in all material respects, the Guidance.

The data included in this guideline is for the FY 20 (1 January – 31 December 2020), fiscal year ended December 31, 2020, and as detailed in the "Key Definitions and Reporting Scope" section comprises only the relevant operations of the Incorporation that are the responsibility of the Incorporation by excluding information about subsidiaries.

General Reporting Principles

In preparing this guidance document, consideration has been given to following principles:

- Information Preparation to highlight to users of the information the primary principles of relevance and reliability of information; and
- Information Reporting to highlight the primary principles of comparability / consistency with other data including prior year and understandability / transparency providing clarity to users.

Key Definitions and Reporting Scope

For the purpose of this report, the Incorporation defines:

Indicator	Scope
Jet fuel consumption	It refers to the amount of fuel purchased for all flights of the Incorporation during the reporting period.
Annual fuel saving	It refers to the total fuel savings on flights during the reporting period.
Total working hours	This indicator refers to the total working hours during the reporting period.
Injuries	This indicator refers to the total number of work incidents occurred during the reporting period.
Injury weight rate	This indicator refers to the ratio of the total number of work incidents that occurred during the reporting period to total working hours multiplied by the value of 1 million.
Customer satisfaction rate	This indicator refers to the customer satisfaction rate obtained with the surveys conducted during the reporting period.

Data Preparation

Fuel Consumption

Within the scope of fuel consumption data, the primary fuel sources of the flights, including fuel oil, are reported. Fuel data represents the amount of fuel purchased per area and it is derived from purchase invoices. The amount of fuel supplied can be in the form of liters, USG and kilograms. Reports are prepared on a ton basis.

Fuel Saving

Fuel saving applications are followed under 4 main titles:

- ▶ Flight Operations Applications: Auxiliary power unit (APU) usage optimization, single engine taxi, low flap usage at take-off, low flap usage on landing, minimum engine braking on landing, monitoring the extra fuel demands.
- ▶ Technical Maintenance Practices: Monitoring aircraft aerodynamics, APU maintenance costs, lowering spare tires.
- ▶ Flight Planning (Dispatch) Applications: Effective flight planning system, route optimization, alternate aerodrome selection, extra fuel planning tracking, zero fuel weight tracking, statistical taxi fuel planning, statistical APU fuel planning.
- ▶ Ground Operations Applications: Aircraft weight reduction, catering weight reduction, controlled domestic water loading and monitoring.

Calculations are made according to 19 different fuel saving methods under 4 main applications, aircraft types and the flight rate at which the application is performed.

For applications that provide direct fuel savings, the equation is calculated by multiplying the relevant application rate with the amount of savings per flight, monthly flight cycle and application rate. The amount of savings per application is taken from IATA's Guidance Material and Best Practices for Fuel and Environmental Management document. (Engine-out Taxi-In, Reduced Flap Take-Off etc.)

Formula:

Fuel Saving for the related application = (Savings per flight under the relevant application) * (Monthly flight cycle) * (Application rate)

For applications that save fuel compared to the previous period, the equation is calculated by multiplying the difference between the previous period value and the current period value, the weight factor, the number of monthly flights and the monthly average flight time. Weight factor values are calculated as type based using the method in IATA's Guidance Material and Best Practices for Fuel and Environmental Management document. (Alternate Selection, Dispatcher/ops Extra etc.)

Formula:

Fuel Saving for the related application = (The previous period value for the related application – The current period value for the related application) * (Weight Factor) * (Monthly flight cycle) * (Average Monthly Flight Time)

Occupational Health and Safety Data

The following definitions and formulas are used in the calculation of occupational health and safety indicators.

In the reporting period, the incidents recorded by the Incorporation, occupational accidents, fatalities among these accidents, and the number of employees reported as occupational diseases were evaluated.

The number of incidents, means the total number of work incidents. It was followed and calculated by accident investigation forms entered to the system and the Social Security Institution declarations.

No fatalities were encountered during the relevant period.

Total working hours, is obtained by calculating the number of premium days paid to SGK for employees subject to 4A. In this calculation, a working day is taken as 8 hours.

Formula:

Accident Frequency Rate = Number of Accidents * 1.000.000 / Total Working Hours

Customer Satisfaction Rate

It is measured by the question "How would you rate your Turkish Airlines travel experience in general?" in the 13-question passenger satisfaction survey, which is located within the in-flight entertainment systems of the aircraft.

The questionnaire is evaluated on a 5-point scale. It is calculated by using the Top 2 Box method as the ratio of the passengers who answered the question "Good" and "Very good" to all the passengers who participated in the survey.

Formula:

Customer Satisfaction Rate= [Number of participants who answered the question "Good (4 Points)" and "Very Good (5 Points)" / The total number of passengers who participated in the survey | *100

Restatement

The measuring and reporting of sustainability-related data inevitably involves a degree of estimation. Restatements are considered where there is a change in the data of greater than 5 percent at the Incorporation level.



Limited Assurance Report to the Board of Directors of Türk Hava Yolları A.O.

We have been engaged by Türk Hava Yolları A.O. ("Incorporation") to perform a limited assurance engagement in respect of the Selected Sustainability Information ("Selected Information") stated in the 2020 Sustainability Report ("the 2020 Sustainability Report") for the year ended 31 December 2020 and listed below.

Selected Information

The scope of the Selected Information for the year ended 31 December 2020, which is subject to our limited assurance work, set out in the 12, 13, 14, 77, 78, 91 and 109 pages of the 2020 Sustainability Report is summarised below::

- Jet fuel consumption
- Annual fuel saving
- Injury weight rate
- Customer satisfaction rate

Our assurance was with respect to the year ended 31 December 2020 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the 2020 Sustainability Report and, therefore, do not express any conclusion thereon.

Criteria

The criteria used by the Incorporation to prepare the Selected Information is set out in section 'Türk Hava Yolları 2020 Reporting Guidance' (the 'Reporting Guidance') on pages 122 and 123 of the 2020 Sustainability Report.

The Incorporation's Responsibility

The Incorporation is responsible for the content of the Sustainability Report and the preparation of the Selected Information in accordance with the Reporting Guidance. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of Selected Information that is free from material misstatement, whether due to fraud or error.

Inherent Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. The precision of different measurement techniques may also vary.

Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the Selected Information in the context of the Reporting Guidance.

In particular, the conversion of different energy measures to megawatt-hour (MWh) and energy used to carbon emissions is based upon, inter alia, information and factors generated internally and/or derived by independent third parties as explained in the Reporting Guidance. Our assurance work has not included examination of the derivation of those factors and other third-party information.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



Our Responsibility

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that the Selected Information has not been properly prepared in all material respects in accordance with the Reporting Guidance. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information', and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement under ISAE 3000 and ISAE 3410. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- made inquiries of the persons responsible for the Selected Information:
- understood the process for collecting and reporting the Selected Information. This included analysing the key processes and controls for managing and reporting the Selected Information;
- evaluated the source data used to prepare the Selected Information and re-performed selected examples of calculation;
- performed limited substantive testing on a selective basis of the preparation and collation of the Selected Information prepared by the Incorporation and
- undertook analytical procedures over the reported data.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Incorporation's Selected Information for the year ended 31 December 2020, is not properly prepared, in all material respects, in accordance with the Reporting Guidance.

This report, including the conclusion, has been prepared for the Directors of the Incorporation as a body, to assist the Directors

in reporting Türk Hava Yolları A.O.'s performance and activities related to the Selected Information. We permit the disclosure of this report within the Sustainability Report for the year ended 31 December 2020, to enable the Directors to demonstrate they have discharged their governance responsibilities by commissioning a limited assurance report in connection with the Selected Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Directors as a body and the Incorporation for our work or this report save where terms are expressly agreed and with our prior consent in writing.

PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.

Baki Erdal, SMMM Partner

Istanbul, 9 December 2021

GRI CONTENT INDEX

This report has been prepared in accordance with the GRI Standards: Core option. The table below provides a reference for GRI content in the report. For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report. The service was performed on the English version of the report.



Disclosure numbers	GRI Standard	Page numbers	Direct answers and/or links
GRI 101:	Foundation 2016		
GRI 102:	General Disclosures 2016		
102-1	Name of the organization	126	Turkish Airlines Inc.
102-2	Activities, brands, products, and services	10, 11,126	2020 Annual Report, page 44
102-3	Location of the headquarters	126	General Management Building, Atatürk Airport Yeşilköy 34149 İstanbul Türkiye
102-4	Number of countries where the organization operates, and the names of countires where it has significant operations and/or that are relevant to the topics covered in the report	8, 9, 10, 11	
102-5	Ownership and legal form	34	
102-6	Markets served	8-11, 126	2020 Annual Report, page 52-55
102-7	Scale of the organization	8-12,41, 126	2020 Annual Report, page 20-23; 46-51
102-8	Information on employees and the other workers	8-11, 97,118	
102-9	Supply chain	15,46	
102-10	Significant changes to the organization and its supply chain	73	
102-11	Precautionary approach	25, 34-37; 52-54	
102-12	External initiatives	33,53,104	
102-13	Membership of associations	33,53	
Strategy			
102-14	Statement from senior decision maker	6,7	

Disclosure numbers	GRI Standard	Page numbers	Direct answers and/or links
Ethics and Integrity			
102-16	Values, principles, standards, and norms of behaviour	16,18,38,39	
	values, principles, standards, and norms of benaviour	10,18,38,39	
Governance		22.27.7 / 75.125	2020 August Day of the 270 72 122 175
102-18	Governance structure	22,23,34,35,127	2020 Annual Report page 30-32, 122-135
Stakeholder Engagement			
102-40	List of stakeholder groups	31,32	
102-41	Collective bargaining agreements	98	
102-42	Identifying and selecting stakeholders	31,32,33	
102-43	Approach to stakeholder engagement	23-28,31-33, 90,91,99-101	
102-44	Key topics and concerns raised	28,32,33,91,93,96,101,111	
Reporting			
102-45	Entities included in the consolidated financial statements	3	
102-46	Defining report content and topic boundaries	22,23,27,28	
102-47	List of material topics	28	
102-48	Restatements of information	127	2019 GHG emissions are revised
102-49	Changes in reporting	127	There is none
102-50	Reporting period	127	1 January 2020 - 31 December 2020
102-51	Date of the most recent report	127	1 January 2019 - 31 December 2019
102-52	Reporting cycle	127	Annual
102-53	Contact point for questions regarding the report	3	
102-54	Claims of reporting in accordance with the GRI Standards	3	
102-55	GRI content index	126	
102-56	External assurance	3, 120,121,124,125	

TOPIC SPECIFIC STANDARDS

GRI 200: ECONOMIC STANI	DARDS		Page numbers and direct answers and/or links
Economic Performance			
	103-1	Explanation of the material topic and its boundary	28
GRI 103: Management Approach 2016	103-2	The management approach and its components	16,17,22,30
	103-3	Evaluation of the management approach	22,30
	201-1	Direct economic value generated and distributed	15,41,43,44,45
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities for the organization's activities due to climate change	69, 128 (<u>CDP 2021 Raporu</u>)
Indirect Economic Impacts			
	103-1	Explanation of the material topic and its boundary	28
GRI 103: Management Approach 2016	103-2	The management approach and its components	22,30
	103-3	Evaluation of the management approach	22,30
GRI 203: Indirect Economic Impacts	203-1	Development and impact of infrastructure investments and services supported	44-46
2016	203-2	Significant indirect economic impacts, including the extent of impacts	44-46
Anti-corruption			
	103-1	Explanation of the material topic and its boundary	28, 38, 39
GRI 103: Management Approach 2016	103-2	The management approach and its components	28, 38, 39
	103-3	Evaluation of the management approach	28, 38, 39
	205-1	Operations assessed for risks related to corruption	15,38,39
GRI 205: Anti-corruption 2016	205-2	Communication and training on anti-corruption policies and procedures	38,39
	205-3	Confirmed incidents of corruption and actions taken	15,39
Anti-competitive Behavior			
	103-1	Explanation of the material topic and its boundary	28, 38, 39
GRI 103: Management Approach 2016	103-2	The management approach and its components	25,26,28, 38, 39
	103-3	Evaluation of the management approach	28, 38, 39
GRI 206: Anti-competitive Behavior 2016	206-1	Number of legal actions for anti-competitive behavior, anti-trust and monopoly practices and their outcomes	15,39

GRI 300: ENVIRONMENTAL	STAND	PARDS	Page numbers and direct answers and/or links
Materials			
	103-1	Explanation of the material topic and its boundary	28
GRI 103: Management Approach 2016	103-2	The management approach and its components	24,29,51-57,64,70-78
	103-3	Evaluation of the management approach	22,66
GRI 301: Materials 2016	301-1	Materials used by weight or volume	12,13,60,64,65,77,78
:nergy			
	103-1	Explanation of the material topic and its boundary	28
RI 103: Management Approach 2016	103-2	The management approach and its components	24,25,29, 50-60
	103-3	Evaluation of the management approach	22,52-55, 58-60
	302-1	Energy consumption within the organization	13,60
GRI 302: Energy 2016	302-2	Energy intensity	13,50, 60,78
	302-3	Reduction of energy consumption	58, 60,65
Vater			
	103-1	Explanation of the material topic and its boundary	28
GRI 103: Management Approach 2016	103-2	The management approach and its components	52,54,55,58
	103-3	Evaluation of the management approach	52-55
RI 303: Water and Effluents 2018	303-3	Total water withdrawal by source	13,50,60
Emissions			
	103-1	Explanation of the material topic and its boundary	28
GRI 103: Management Approach 2016	103-2	The management approach and its components	24,25,29,51-57,66-78
	103-3	Evaluation of the management approach	52-54
	305-1	Direct Greenhouse gas (GHG) emissions (scope 1)	12,79
GRI 305: Emissions 2016	305-2	Indirect Greenhouse gas (GHG) emissions (scope 2)	12,79
	305-5	Reduction of GHG emissions	12,65,77,78
Waste			
	103-1	Explanation of the material topic and its boundary	28
GRI 103: Management Approach 2016	103-2	The management approach and its components	24,25,29, 51-57, 61-64,92
	103-3	Evaluation of the management approach	52,53
	306-1	Waste related impacts	56
GRI 306: Waste 2020	306-3	Waste by type and disposal method	12,13,50,51,62,92
	306-4	Waste diverted from disposal	12,62
invironmental Compliance			
•	103-1	Explanation of the material topic and its boundary	28
GRI 103: Management Approach 2016	103-2	The management approach and its components	24,25,52-55,87
	103-3	Evaluation of the management approach	52,53,55
GRI 307: Environmental Compliance		Monetary value of significant fines and total numbers of non-monetary sanctions	
2016	307-1	for non-compliance with environmental laws and regulations	50,52,87

GRI 400: SOCIAL STANDAR	DS		Page numbers and direct answers and/or links
Employment			
	103-1	Explanation of the material topic and its boundary	28
GRI 103: Management Approach 2016	103-2	The management approach and its components	97,100,103,114-116
	103-3	Evaluation of the management approach	97
	401-1	Total number and rates of new employee hires and employee turnover by age group, gender and region	14,97,103,118
GRI 401: Employment 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	103
Labor/Management Relations			
	103-1	Explanation of the material topic and its boundary	28
GRI 103: Management Approach 2016	103-2	The management approach and its components	14,97,98,100,115
	103-3	Evaluation of the management approach	97
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operationals changes, including whether these are specified in collective bargaining agreements	98
Occupational Health and Safety			
	103-1	Explanation of the material topic and its boundary	28
GRI 103: Management Approach 2016	103-2	The management approach and its components	30,109,110,011
	103-3	Evaluation of the management approach	109
	403-1	Occupational health and safety management system	109,110
	403-2	Hazard identification, risk assessment, and incident investigation	109,110
	403-4	Worker participation, consultation, and communication on occupational health and safety	109
GRI 403: Occupational Health and	403-5	Worker training on occupational health and safety	14,110
Safety 2018	403-6	Promotion of worker health	110
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	13, 82-87,93,109-111
	403-9	Work-related injuries	13,14,110
Training and Education			
	103-1	Explanation of the material topic and its boundary	28
GRI 103: Management Approach 2016	103-2	The management approach and its components	104-107,116
	103-3	Evaluation of the management approach	104-107
	404-1	Average hours of training per year employee by gender, and by employee category	105,108
GRI 404: Training and Education 2016	404-2	Programs for skills management and lifelong learning that support continued employability of employees and assist them in managing career endings	104-107
Diversity and Equal Opportunity			
	103-1	Explanation of the material topic and its boundary	28
GRI 103: Management Approach 2016	103-2	The management approach and its components	25,26,30,34,103,114,115
	103-3	Evaluation of the management approach	97
GRI 405: Diversity and Equal	405-1	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	14,103,118
Opportunity 2016	405-2	Ratio of basic salary and remuneration of women to men	14, 103

GRI 400: SOCIAL STANDAR	DS		Page numbers and direct answers and/or links
Non-discrimination			
	103-1	Explanation of the material topic and its boundary	28
GRI 103: Management Approach 2016	103-2	The management approach and its components	29,30,38,39,95,103, 114-115
	103-3	Evaluation of the management approach	38,39
GRI 406: Non-discrimination 2016	406-1	Total number of incidents of discrimination and corrective actions taken	39
Freedom of Association and Collective Bargaining			
	103-1	Explanation of the material topic and its boundary	28
GRI 103: Management Approach 2016	103-2	The management approach and its components	98,115
	103-3	Evaluation of the management approach	98
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	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	14,98,115
Local Communities			
	103-1	Explanation of the material topic and its boundary	28
GRI 103: Management Approach 2016	103-2	The management approach and its components	30,112
	103-3	Evaluation of the management approach	112
GRI 413: Local Communities 2016	413-1	Operations with implemented local community engagement, impact assessments, and development	112,113
Customer Health and Safety			
	103-1	Explanation of the material topic and its boundary	28
GRI 103: Management Approach 2016	103-2	The management approach and its components	29, 82-87,93
	103-3	Evaluation of the management approach	82-87,93
GRI 416: Customer Health and Safety	416-1	Health and safety impacts of products and services	82-87,93
2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	13, 85,87,93
Customer Privacy			
	103-1	Explanation of the material topic and its boundary	28
GRI 103: Management Approach 2016	103-2	The management approach and its components	37,94,115
	103-3	Evaluation of the management approach	94
GRI 418: Customer Privacy 2016	418-1	Number of substantiated-complaints regarding breaches of customer privacy and losses of customer data	94
Socioeconomic Compliance			
	103-1	Explanation of the material topic and its boundary	28
GRI 103: Management Approach 2016	103-2	The management approach and its components	87
	103-3	Evaluation of the management approach	87
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	15,87



A STAR ALLIANCE MEMBER

