

# Sustainability Report 2015





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# Message from the Chairman of the Board of Directors



WE ARE COMMITTED TO REDUCING OUR ECOLOGICAL FOOTPRINT CONSISTENTLY AND CONTRIBUTING TO SOCIAL DEVELOPMENT IN OUR COUNTRY AND OUR ALL DESTINATIONS, FOR THE HAPPINESS OF TODAY’S AND TOMORROW’S GENERATIONS AND A LIVABLE WORLD

As the airline that flies to the most countries and the most well-known Turkish brand worldwide, we do our business and plan future travels with a strong sense of environmental and social responsibility for our country and our world..

Dear stakeholders,

As the airline that flies to the most countries and the most well-known Turkish brand worldwide, we do our business and plan future travels with a strong sense of environmental and social responsibility for our country and our world. We are committed to reducing our ecological footprint consistently and contributing to social development in our country and our all destinations, for the happiness of today's and tomorrow's generations and a livable World. This is our second sustainability report issued in accordance with “core” option of the GRI G4 Guidelines, globally-recognized sustainability reporting framework, that is intended to share our sustainability agenda for 2015 as well as our future plans with you.

Aviation industry contributes to economic development in many aspects including tourism, trade and connectivity while also providing employment opportunities and encouraging innovation. As the airline operator flying to the most countries worldwide with 287 flight destinations in 115 countries and an expanding flight network, we create new opportunities in economics, and make valuable contributions to Turkish economy, trade and tourism. Moreover, Turkish Airlines operates flights to 22 of the 48 countries designated by the United Nations as the least developed countries, providing many developing or underdeveloped regions with the opportunity to build economic and social relations with other territories.

In 2015, we worked hard and diligently together with our subsidiaries to offer the very best service to our 61.2 million passengers, with our workforce of over 50.000 employees and 299 aircraft. For the first time in our history, our net profits for 2015 increased by 65% year-on-year to TRY 2 billion 993 million and our real operating profit saw TRY 2 billion 486 million.

As Turkey's flag carrier air operator, safety of our passengers has always been our biggest priority. We outperform ourselves every year in European Aviation Safety Agency's (EASA) Safety Assessment of Foreign Aircrafts (SAFA). In 2015, we obtained a SAFA rating of 0.252, which is above the European average. We work hard and dedicatedly to constantly improve our performance with the safety culture and effective safety management systems we have in place.

Meanwhile, we remain committed to developing new projects to reduce our carbon footprint and protect the environment. As of 2015, average age of our fleet is 6,9 years, one of the youngest in Europe. We fly 20% more efficiently compared to 8 years ago as a result of our fuel efficiency projects. Accordingly, we saved 27,187 metric tons of fuel and prevented the emission of 85,639 metric tons of carbon. Our efforts in this field were recognized with the Low Carbon Hero Award at the third Istanbul Carbon Summit. Turkish Airlines also ranked 4th among 20 airlines operating transatlantic flights by fuel efficiency in a survey conducted by

The International Council on Clean Transportation (ICCT). We will be able to reduce our carbon and noise emissions even more, maintaining our leading position in fleet age thanks to the more fuel-efficient 92 Airbus and 74 Boeing ordered for delivery in 2021.

In 2015, our Company was also recognized for its corporate governance practices covering ethics, transparency, shareholder relations and risk management strategies. Turkish Airlines was granted the “Best Corporate Governance” award by Ethical Boardroom, leaving 11 major European airlines behind. In addition, World Finance named Turkish Airlines as the "Company with the Best Corporate Governance" in Turkey. Moreover, Turkish Airlines was recognized for the “Best Investor Relations in Turkey” at the 25th “IR Magazine Awards – Europe” hosted in London by IR Magazine, one of the most prominent and respected Investor Relations publications in the world.

Satisfaction of our passengers and their trust in our brand is the backbone of our growth and success and the primary value of our Company. Turkish Airlines has been selected as the “Best Airline in Europe” for the last five years in a row, and we have also received world's "Best Business Class Lounge Dining", "Best Business Class Airline Catering" and "Best Airline in Southern Europe" awards. In line with our vision of providing innovative and sustainable services consistently to make a difference, we have been awarded the ISO 10002 Customer Satisfaction Standard certification. Our passengers' requests and wishes really matter to us, so we are committed to making sure that they can convey their feedback to us through various dialog platforms. In 2015, we were recognized as the most "Effective Brand on Social Media" in airlines category by Skifties.

We are one big family with a multicultural staff of more than 50 thousand people who have accomplished all these great results all together. We care about

the satisfaction and career development of our employees and aim to improve their potential and performance with the trainings provided by Turkish Aviation Academy and Flight Training Center while also providing national and international training services for local and international customers.

The awards and recognitions we have received are a proof of the fact that we are right on track toward sustainable development. In recognition of our sustainability approach and current policies in place, we have been included in the BIST Sustainability Index created by Borsa Istanbul. Furthermore, Turkish Airlines was granted "Corporate Partnership" award in Enterprise 2013 Summit, organized by Corporate Social Responsibility Association, the branch of CSR Europe in Turkey.

I extend endless thanks to all our colleagues, business partners, shareholders and all stakeholders for their contributions to these valuable achievements, and hope that they all continue to share their precious feedback with us so that we can plan sustainable flights all together.

**M. İlker AYCI**

Chairman of the Board of Directors and  
the Executive Committee





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

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# Our Company

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# Turkish Airlines at a Glance

Established in 1933, Turkish Airlines is the flag carrier airline of the Republic of Turkey. Headquartered in Istanbul, Turkish Airlines is a private Company and its main fields of activity are all types of domestic and international passenger and cargo air transportation. Ranking as the “Best Airline in Europe” for the fifth consecutive year, Turkish Airlines has 299 aircraft in its fleet and carried 61.2 million passengers in 2015. Together with our subsidiaries, we employ 40,000 employees worldwide.

#1  
FLYING TO THE MOST COUNTRIES WORLDWIDE

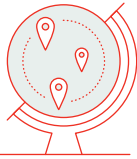
We have grown steadily with double-digit growth rates in the last decade and transformed into one of the largest global network carriers in the world. Moreover, we managed this growth while maintaining our strong profitability, which resulted in having one of the highest EBITDAR margins in the industry. Turkish Airlines ranks as the world’s 4th largest flight network, connecting Istanbul to 284 destinations in 113 countries as of 2015. This makes us the number one airline in the world that flies to the most countries and international destinations from a single hub.

Turkish Airlines joined Star Alliance in 2008.

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



## 2015 Key Figures



113  
COUNTRIES



299  
AIRCRAFT



61.2  
MILLION PASSENGERS



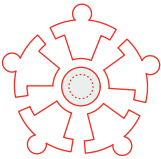
720,440  
MILLION TONS OF CARGO



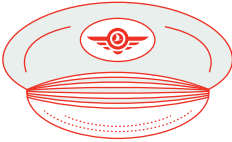
AVERAGE FLEET  
AGE OF 6.9 YEARS



85,639 t  
CO<sub>2</sub> SAVED



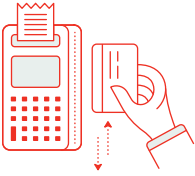
22,030  
EMPLOYEES



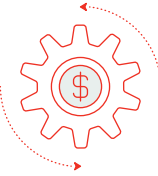
4,374  
COCKPIT PERSONNEL



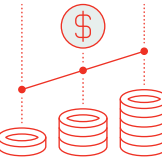
8,729  
CABIN PERSONNEL



US \$10.522  
BILLION TOTAL SALES



US \$2.580  
MILLION EBITDAR



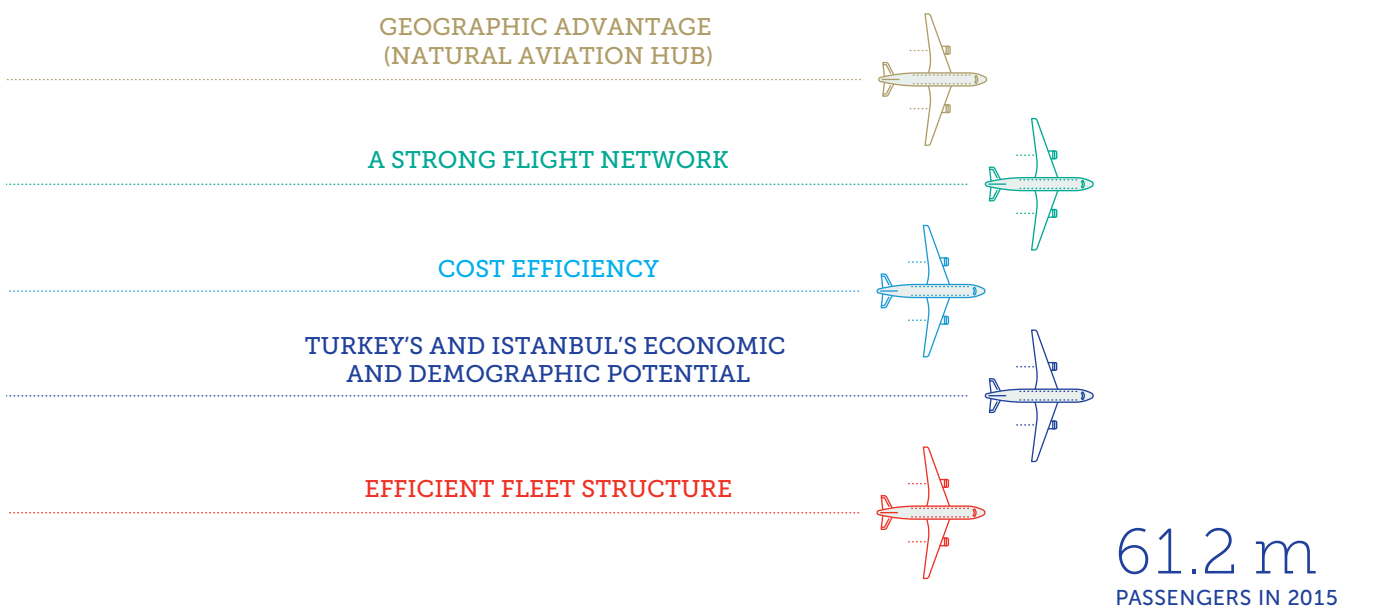
US \$1.069  
MILLION NET PROFIT







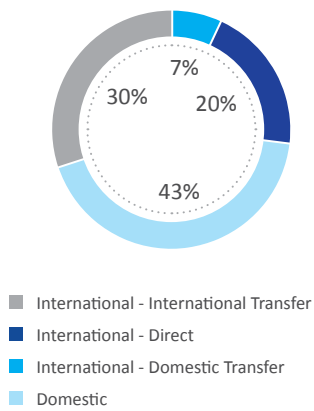
# Competitive Strengths & Priorities



## COMPETITIVE STRENGTHS

### Geographical Advantage (Natural Aviation Hub)

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



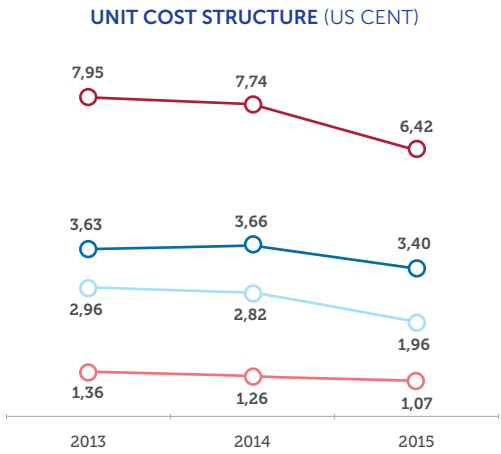
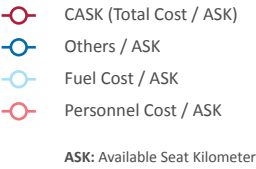
#1  
IN THE WORLD, FLYING  
TO THE MOST COUNTRIES  
WORLDWIDE

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

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

A Strong Flight Network

Turkish Airline’s extensive route network, combined with Turkey’s growth potential, make it well-positioned to grow in both developed and emerging markets. As of December 31, 2015, Turkish Airlines offered flights to 113 countries (including Turkey)—more countries than any other airline. In addition, throughout 2013 and 2014, Turkish Airlines positioned itself as the largest air carrier in the world by the number of international destinations served from a single hub, and now aims to improve its connectivity across the globe. With over 9,000 flights per week, Turkish Airlines provides over 44,000 O&D origin-destination options and reaches at least 76% of all destinations daily.



Cost Efficiency

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

Turkey’s and Istanbul’s Economic and Demographic Potential

Turkey is a growing country with a population of 78.7 million people and as of 2015 Istanbul, specifically, is a city with a young and growing population of 14.7<sup>1</sup> million people. Turkey, and particularly Istanbul, is rapidly becoming one of the most visited destinations in the world, and Turkish Airlines believes it will continue to grow as a tourist destination, given its strategic central location between Europe and Asia. In 2015, Istanbul ranked as the third largest air travel city in Europe.<sup>2</sup> This growth creates a continuous increase in direct passenger potential for Turkish Airlines and provides leverage for its operations by reducing its dependence on transfer passengers, which is a highly competitive area for passenger transportation. In 2015, 47% of Turkish Airlines’ international passengers flew directly into or out of Turkey, while the remaining 53% were international-to-international transfer passengers.



1: Source: Turkish Statistical Institute (Turkstat)

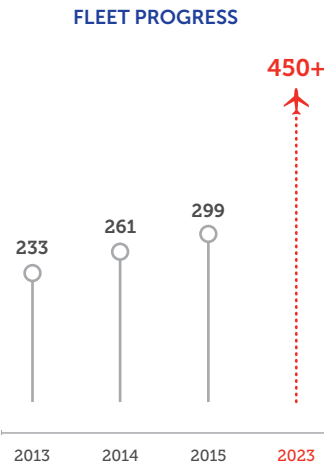
2: MasterCard 2015 Global Destination Cities Index



Efficient Fleet Structure

Extending our network has required and will continue to require Turkish Airlines to make significant investments in new aircraft. Through the ‘2008-2023 Fleet Projection Program’, we have placed firm purchase orders with Boeing and Airbus for a mix of 344 new wide and narrow body aircraft, 132 of which have been delivered as of 2015, with the remaining 212 scheduled to be delivered by 2021. All of these aircraft are new generation aircraft that are 15% more fuel efficient and cause relatively less noise.

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



STRATEGIC PRIORITIES

Customer Satisfaction & Brand Awareness

Customer satisfaction is integral to Turkish Airlines’ business model. Our commitment to maintaining a high level of customer satisfaction is evident in every service that we provide, from Turkish Airlines’ “Lounge Istanbul” at Atatürk Airport—which was nominated to the list of the world’s top ten premium airport lounges and was awarded “World’s Best Business Class Lounge Dining” by Skytrax in 2015—to Turkish Airlines’ award winning catering service—which was named “World’s Best Business Class Catering” by Skytrax in 2015 for the third year in a row. Turkish Airlines is committed to creating, providing and maintaining a product that customers are satisfied with and can trust.



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



18%  
ANNUAL CAPACITY  
INCREASE IN ASK SINCE  
2005

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

Sustainable Growth

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

Since 2005, Turkish Airlines has increased its capacity in ASK by 18% on average annually (CAGR). With this growth rate, Turkish Airlines’ global market share in terms of ASK capacity more than tripled reaching 1.9% in 2015 compared to 0.6% in 2005 according to the reports issued by the International Air Transport Association (IATA). In 2014 and 2015, Turkish Airlines’ capacity increase was 16.3% and 13.6%, respectively, compared to the global ASK increases of 5.6%, for the same years according to the IATA.

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



Awards

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

Turkish Airlines is currently the only European carrier that has earned four stars from Skytrax under its airline rating system in all categories—including seat comfort, inflight entertainment and service efficiency. By 2015, Turkish Airlines had been chosen as the “**Best Airline in Europe**” as part of the Skytrax World Airline Awards. Additionally, Turkish Airlines was awarded the “**World’s Best Business Class Airline Catering**” and “**World’s Best Business Class Lounge Dining**” at the Skytrax World Airline Awards in 2015. Aiming to become a five star airline, we have invested heavily in our products and services through the introduction of an award winning catering concept, CIP lounges, premium cabin offerings, inflight entertainment systems, enhanced cabin comfort and specialized cabin attendant and customer service training for its personnel. In recent years, these superior products and services, combined with the numerous prestigious awards from prominent bodies of the airline industry, have resulted in increased brand awareness for Turkish Airlines and, we believe that an increased appreciation of the airline will pave the way for us to become the first five-star airline in Europe.



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



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

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

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

Turkish Airlines remains the best airline in Europe.  
We would like to thank you and congratulate our employees for making this possible.

WIDEN YOUR  
WORLD

TURKISH  
AIRLINES 



BEST AIRLINE IN EUROPE (SKYTRAX)  
WORLD'S BEST AIRLINE BUSINESS CLASS CATERING (SKYTRAX)  
WORLD'S BEST BUSINESS CLASS LOUNGE DINING (SKYTRAX)  
TRADE & EXPORT FINANCE DEAL OF THE YEAR (TURKEY)(BONDS & LOANS)  
TAX LEASE DEAL OF THE YEAR 2015 (AIRFINANCE JOURNAL)  
ENGINE DEAL OF THE YEAR 2015 (AIRFINANCE JOURNAL)  
GLOBAL TRANSPORT FINANCE - EETC DEAL OF THE YEAR (EUROPE)  
BEST INVESTOR RELATIONS IN TURKEY (IR MAGAZINE)



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



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



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

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## Governance

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# Our Sustainability Approach

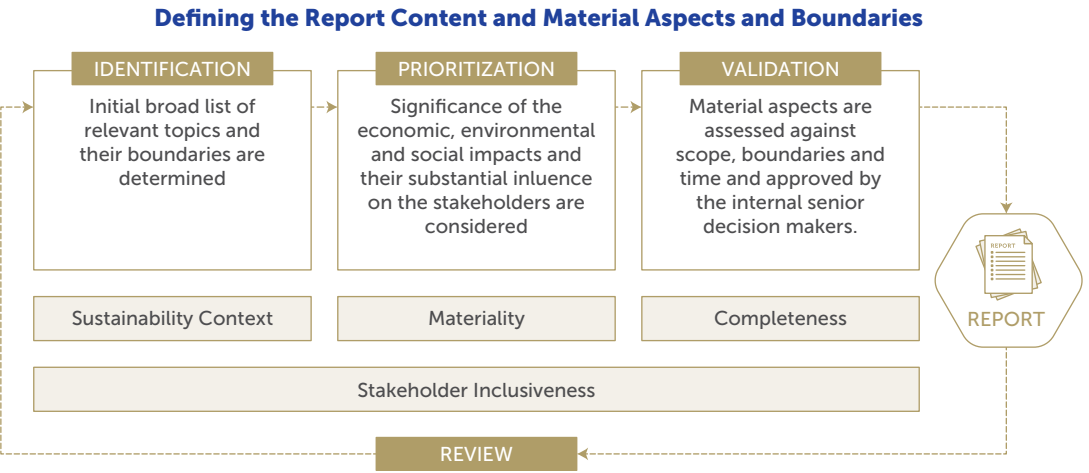
G4-18

It refers to G4 indicator disclosure number in the GRI Content Index Table on pages 119 to 126

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

At the core of our sustainability approach are our stakeholders. The reasonable expectations and interests of our stakeholders are a key reference point in defining the report content and aspect boundaries as well as in the ongoing development process of our sustainability strategy. Thus, stakeholder engagement is a crucial aspect of our sustainability practices, which helps us better understand our impacts and in turn continually refine them. As a growing company, we have a broad and diverse stakeholder base and various channels to engage with them. Please refer to the table on page 24 to get further information about our stakeholder engagement process which forms the basis in identifying our material aspects. In addition, the process for defining the report content and the material aspects and boundaries are indicated in the below figure.

AT THE CORE OF OUR SUSTAINABILITY APPROACH ARE OUR STAKEHOLDERS



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

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

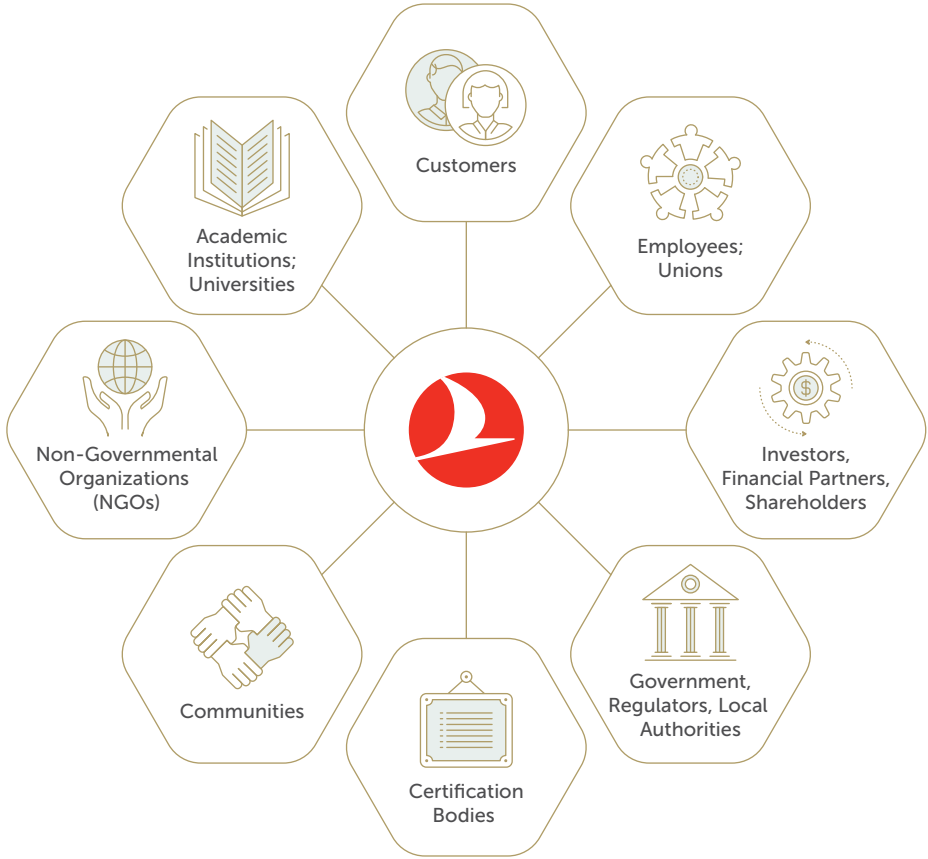
# Engaging With Stakeholders

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

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

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

## OUR STAKEHOLDERS

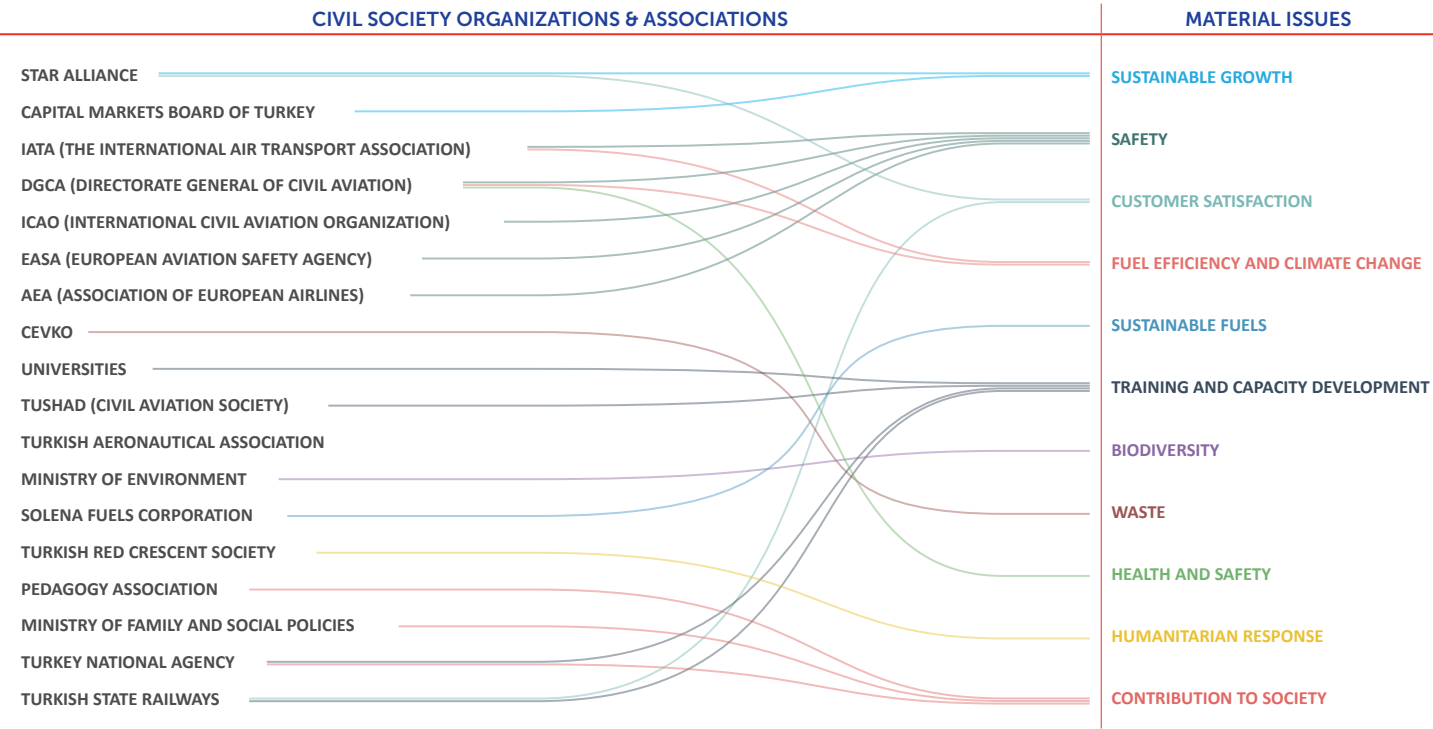


Turkish Airlines uses various channels to engage with its internal stakeholders including shareholders/financial partners/investors and employees as well as external stakeholders including government, certification bodies, business partners, customers, suppliers, communities, NGOs and academic institutions.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

	STAKEHOLDER GROUPS	KEY ENGAGEMENT TOPICS	MAIN ENGAGEMENT PATHWAYS	FREQUENCY	SOME OF THE OUTCOMES OF THE STAKEHOLDER ENGAGEMENT
INTERNAL	Shareholders Financial Partners Investors	Minority Rights Operational & Financial Performance Strategy Corporate Governance	E-mail distribution list; "ir@thy.com"	Ongoing	<ul style="list-style-type: none"><li>Investor Day events were organized</li><li>435 investors/analysts from 270 incorporations were met</li><li>2,000 information requests were met via e-mail</li></ul>
			Dedicated "ir" website	Ongoing	
			General Shareholders' Meeting	Annually	
			Investors Meetings	Annually	
			Presentations, Reports, Publications	Quarterly	
	Employees Unions	Business Ethics Cultural Values Employee Satisfaction Freedom of Association and Collective Bargaining Flight Safety & Security Health and Safety & Well-being Non-discrimination and Diversity Performance & Career Development Sustainable Use of Resources	Ethics Line "Ethical Way"	Annually	<ul style="list-style-type: none"><li>9 reported cases to "Ethics Reporting Line" have been solved</li><li>Dining hall was renovated</li><li>Sustainability Club was established</li></ul>
			E-mails: flightsafety@thy.com; security@thy.com	Ongoing	
			"Empathy" Company TV	Ongoing	
			"Empathy" Employees Newsletter	Monthly	
			"Empathy" Website "I have an idea" Page	Ongoing	
			Meetings & Events & Forums & Summits	Annually	
EXTERNAL	Government Regulators Local Authorities	Social and Economical Development Customer Rights Compliance Financial Performance Flight Safety & Security Forestration Health and Safety Noise Waste Management	Audits	Regularly	<ul style="list-style-type: none"><li>1,000,000 trees were planted in Anatolia since 2014</li><li>27,187 tons of fuel saved and 85,639 tons of less CO2 emitted</li><li>Types of wastes were identified and separate collection of wastes was initiated</li></ul>
			Meetings	Ad hoc meetings upon needed	
			Reports	Annual	
	Certification Bodies	Environmental Management Flight Safety & Security Health and Safety Noise Quality Management	Audits	Regularly	<ul style="list-style-type: none"><li>ISO 14001, ISO 9001; OHSAS 18001 Standards were renewed</li><li>Trainings for identification of environmental impacts were conducted</li></ul>
	Customers	Accessibility Customer Satisfaction & Service Quality Customer Rights Flight Safety & Security Innovative Products & Services Sustainable Catering	Customer Care Call Center	On-going	<ul style="list-style-type: none"><li>Obtained ISO 10002 Customer Satisfaction Certification</li><li>Reached 400 customers to measure their satisfaction about our feedback management system</li><li>Created a new section on customer rights in our website</li></ul>
			Web-based/In-flight Feedback Form	On-going	
			Customer Satisfaction Measuring Devices at the Airports	On-going	
			Customer Satisfaction Online-Surveys	Annually	
			In-flight Safety Handouts and Videos	On-going	
			"Skylife" In-flight Magazine	Monthly	
			Social Media (facebook, twitter, blog)	On-going	
			Website of the Company	On-going	
	Communities	Social and Economic Development Social Responsibility Projects	Meetings with Associations and Charities School and Hospital Visits	Ad hoc meetings as needed	<ul style="list-style-type: none"><li>100 Projects realized in 25 African countries</li><li>10 Solar power systems were installed in Africa</li><li>1.000 Tents were supplied in the aftermath of Nepal earthquake</li></ul>
	Non-Governmental Organizations (NGOs)	Corporate Social Responsibility Projects Accessibility	CSR Fair and Events	Ad hoc meetings as needed	<ul style="list-style-type: none"><li>Shared Turkish Airlines CSR Projects with participants and members of the CSR Europe and CSR Association of Turkey</li></ul>
	Academic Institutions Universities	Training Employment & Career Opportunities	Meetings	Regularly	<ul style="list-style-type: none"><li>Industrial R&amp;D and Technology Management Program was commenced</li></ul>
			Career Days	Annually	
			Social Media (LinkedIn)	Ongoing	

Related Organizations & Associations

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



# Material Issues

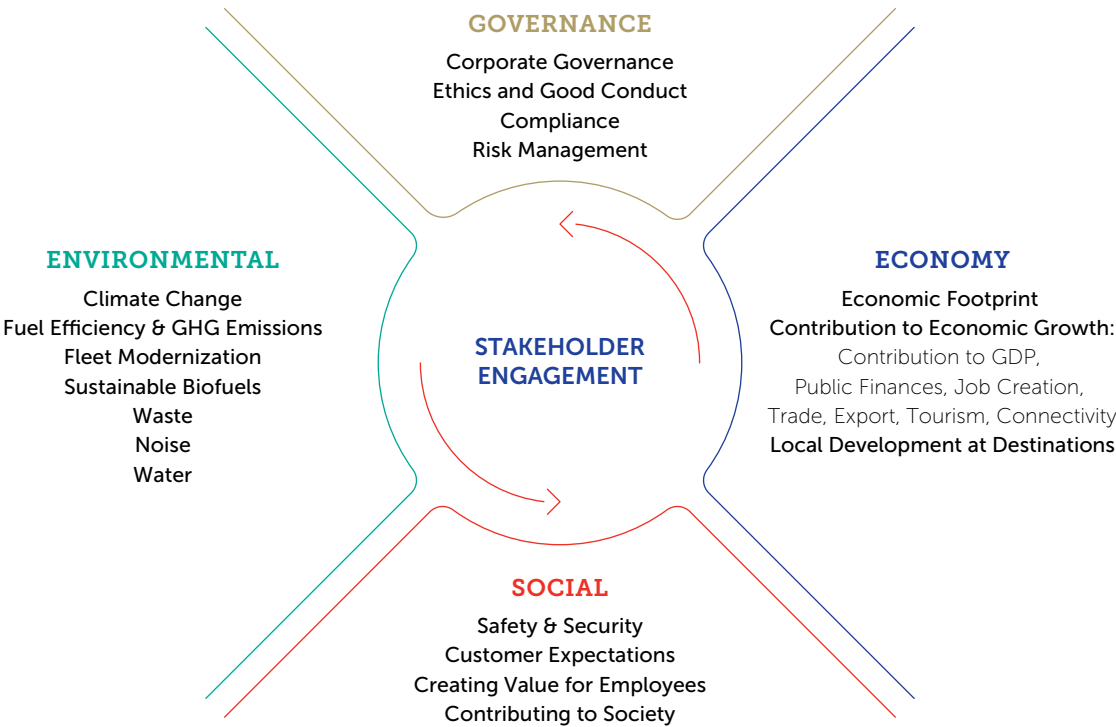
G4-19, G4-20, G4-21

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

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

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

## OUR SUSTAINABILITY AGENDA



# Corporate Governance

## OUR GOVERNANCE SYSTEM AND STRUCTURE

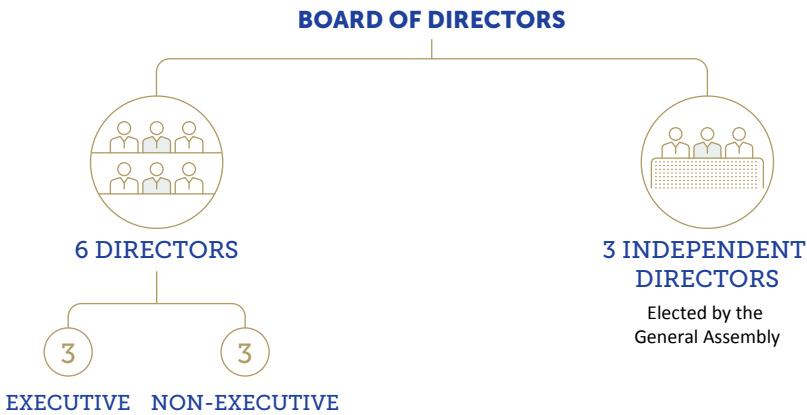
Turkish Airlines, Turkey’s flag carrier airline, was founded in 1933. Originally a 100% state owned airline, Turkish Airlines initiated the process of privatization in 1990, and consequently is now 50.88% publicly owned company while the remaining 49.12% is held by the Republic of Turkey, Prime Ministry,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

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

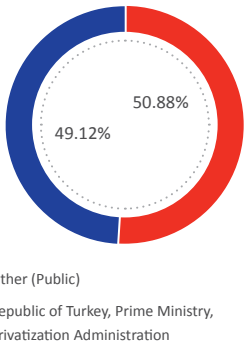
Turkish Airlines builds its Corporate Governance Principles on the social responsibility culture it has developed since its foundation in 1933. Turkish Airlines has adopted the main cultural characteristics of the Turkish people towards all its stakeholders, namely *hospitality, helpfulness and trustworthiness*.

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

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



## OWNERSHIP STRUCTURE



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

For more information about corporate governance please check:



GOVERNANCE

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

During 2015, the Board of Directors convened 51 times and adopted 251 resolutions. Among the discussed matters, there are no related party transactions or transactions of important nature, which are not approved by the independent board members and require submission to the General Assembly.

There are three committees formed within the structure of the Board, namely Audit Committee, Corporate Governance Committee and Early Identification of Risks Committee, all of which are chaired by the independent Board members. The Committees have been formed under the framework of the TCC and the regulations promulgated by the CMB. Committees’ tasks and duties and working principles are determined by the Board of Directors. The Board of Directors provides all means and support to the committees to carry out their tasks.

On the other hand, in 2015 a separate Nomination Committee and a Remuneration Committee were not established, and the tasks of these committees were assumed by the Corporate Governance Committee.

**Turkish Airlines Corporate Governance Committee**

President: *Arzu Akalın*

Members: *Mehmet Büyükekşi, İsmail Gerçek, Duygu İnceöz (Investor Relations Manager)*

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 Company’s compliance with internationally approved Corporate Management Principles, determining Board of Directors and Senior Managers, 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 will be formed for performance increasing management practices, evaluates them, gives recommendations and oversees the activities of the Investor Relations Department. In 2015, the Corporate Governance Committee conveyed 5 times and submitted a written report to the Board of Directors.

**Turkish Airlines Audit Committee**

President: *Mehmet Muzaffer Akpınar*

Member: *Ogün Şanlıer*

The Financial Audit Committee directly reports to the Board of Directors. It supports and assists the Board of Directors in the following areas: The compliance of Company practices with national and international codes and legislation, improving work processes through audit and coordinating work on information transparency. The Audit Committee is responsible for taking all precautions necessary for any kind of internal and external audit to be executed in a sufficient and transparent manner; and to carry out the duties, subject to Capital Markets Board legislation. Financial Audit Committee members are selected from among Independent Board Members. Audit committee convenes every 3 months prior to announcing the quarterly financial results. Audit committee members have 5 year experience in the field of audit/ accounting and finance. In 2015, the Audit Committee submitted four written statements to the Board of Directors.

**Turkish Airlines Early Identification of Risks Committee**

President: *Ogün Şanlıer*

Members: *Mehmet Muzaffer Akpınar*

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 Committee Chairman is elected from among the independent

Members of the Board of Directors. Early Identification of Risks Committee;

- Carries out activities regarding; (i) the early diagnosis of the reasons threatening the existence, development and continuation of the Incorporation, and (iii) the implementation of the relevant measures against the detected risks, and (ii) risk management.
- Checks the risk management systems at least once a year.

Committee prepares all its work 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 2015, Early Identification of Risks Committee conveyed 5 times and presented their risk evaluation report to the Board of Directors.

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

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





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

G4-26, G4-27

The Public Disclosure Policy can be accessed from:



SHAREHOLDERS

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

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

During the 2015 fiscal year, Investor Relations Department participated in 17 investor conferences and road shows with the aim of sharing the financial, operational and strategic developments about the Company with investors and analysts made over 20 teleconferences and organized an **Investor Day Webcast** meeting. Additionally, our Incorporation organized a roadshow for fixed income investors and participated in numerous credit investor conferences prior to the issuance of its first capital markets fixed income security in order to increase awareness among the investor community. In all of these conferences and teleconferences, 435 investors/analysts from 270 incorporations and funds were met at the Company Headquarters or at the Investors’ offices. During 2015, around 2,000 information requests were met by our Investor Relations Department via e-mail. The Department presented its report about the activities it carried out in 2015, to the Board of Directors on 26.02.2016.

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

TURKISH AIRLINES SHAREHOLDERS’ GENERAL MEETINGS

	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015
	27.03.2014	06.04.2015	04.04.2016
One share equals one note	Yes	Yes	Yes
Number of shareholders present, represented, granting power of attorney to chairman or voting by email	522 shareholders representing 979,363,717 shares	600 shareholders representing 1,068,909,943 shares	571 shareholders representing 966,222,634 shares
Attendance rate	70.97%	77.46%	70,01%

Best IR in Turkey Award

In IR Magazine Awards-Europe 2015, one of the most prestigious awards in the Investor Relations community, Turkish Airlines Investor Relations was chosen as the “Best in Turkey” and took its place among the best four in Southern Europe.

RISK MANAGEMENT AND INTERNAL CONTROL

Our Risk Management Strategy

An effective risk management strategy at our Company is critical in taking under control potential risks inherent in the airline industry, which is prone to fierce competition and to ensuring sustainable growth.

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

Addressed as a matter of first priority within this framework, hedging in relation to fuel prices, amongst the Financial Risks the Company is exposed to, commenced in June 2009. Within the market experience during those years, number of instruments was increased gradually and hedging is ongoing within the framework of the dynamic strategy. Our risk management system also includes issues related to climate change risks. In this regard, the Company established its liability in relation to carbon emissions, laid down a strategy to protect itself against carbon emission risk which works as required under the framework of the Carbon Emission Trading System.

In order to minimize the impact of exchange rate fluctuations, regarded as a major risk element in view of the Company’s field of activity and to keep the risks that can arise from potential differences between forecasted and actualized income and expenses under control, a proactive exchange rate policy is implemented based first and foremost on natural risk management, by also taking into account the evaluation of the available cash portfolio. In addition to this, the aim of the strategy launched in 2013 June is to minimize the financial risk that can arise as a result of the possible negative fluctuations in FX, by using derivative transactions. Additionally, so as to decrease the need for derivative financial instruments and enhance natural hedging mechanisms, in 2015, our Incorporation has decided to convert international ticket sales originating in Turkey from EUR to USD which was later approved by IATA and has been put into action.

Internal Control Mechanism

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

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



GOVERNANCE

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

BUSINESS ETHICS

Our Business Ethics Approach

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

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

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



Our Board of Directors has prepared a “**Code of Ethics**”<sup>1</sup> and a related handbook, which is also published on our website, within the framework of Corporate Governance Principles. Turkish Airlines defines its ‘Code of Ethics’ as the fundamental policies, procedures and rules that all executives and employees are obligated to comply with. These rules have been established to ensure that Turkish Airlines’ executives and employees show high standards of ethical conduct, that they are aware of the impact of their acts and attitudes on the Company, and that they exhibit highly qualified behaviors. The Code of Ethics covers various issues such as our principles and values as well as the matters related to compliance, bribery and corruption, anti-competitive behavior, etc.

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

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

Compliance

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

Ethics Trainings

As a growing Company, it is of high importance for us to conduct this growth process in accordance with the “Competition Law”. We organize trainings for our executives and managers to create this awareness. The trainings enable to raise the participants’ awareness on anti-competition issues and provide them with tips and tools on how to identify and deal with these issues. In 2015, 10 participants received trainings on ethics. An online training module on ethics for all employees is being designed.

1: Our Code of Ethics is being updated to better reflect our broad approach regarding Business Ethics and Corporate Social Responsibility issues, notably regarding the matters related to Bribery and Corruption, and we expect to implement our new standards across our organizations in 2016

Misconduct Reporting

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

In 2015, 12 applications were made to Ethics Reporting Line on various issues, 9 of which have been addressed by direct discussions with employees and 2 were considered irrelevant to the business ethics. The investigation continues regarding the remaining 1 application.

3 out of all reporting received by the Ethics Reporting Line so far were directly or indirectly associated with discrimination. Two 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.

Anti-Bribery and Anti-Corruption

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

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

We strive to raise awareness among our governance bodies and business partners as well as our employees to prevent risks of any related potential incidences, and have established internal control measures to ensure compliance and monitor these issues across our Company. In respect of anti-corruption guidelines; the roles of the senior management, SVP, Inspection Board, SVP, Security, Audit Committee, Ethics Board, Discipline Council, Human Resources and every employee of our company have been established with an integrated approach towards detecting and preventing corruption and misconducts in addition to monitoring and improving anti-corruption systems. SVP, Inspection Board assesses the whole Company including risks related to bribery and corruption. During the reporting period, no significant fine was paid by Turkish Airlines regarding bribery or corruption.



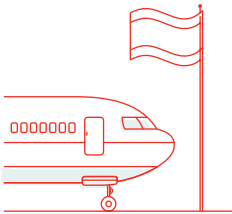
We are generating new economic opportunities through our expanding network and we are a significant contributor to the Turkish economy, trade growth and tourism.

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## Economy



# Contribution of Aviation



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

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

The overall world aviation market size in 2015 was USD 718 billion<sup>1</sup>. Over 52 million tons of goods were freighted and over 3.5 billion people boarded on an aircraft in 2015; and this figure is expected grow 4% annually for the next 20 years.

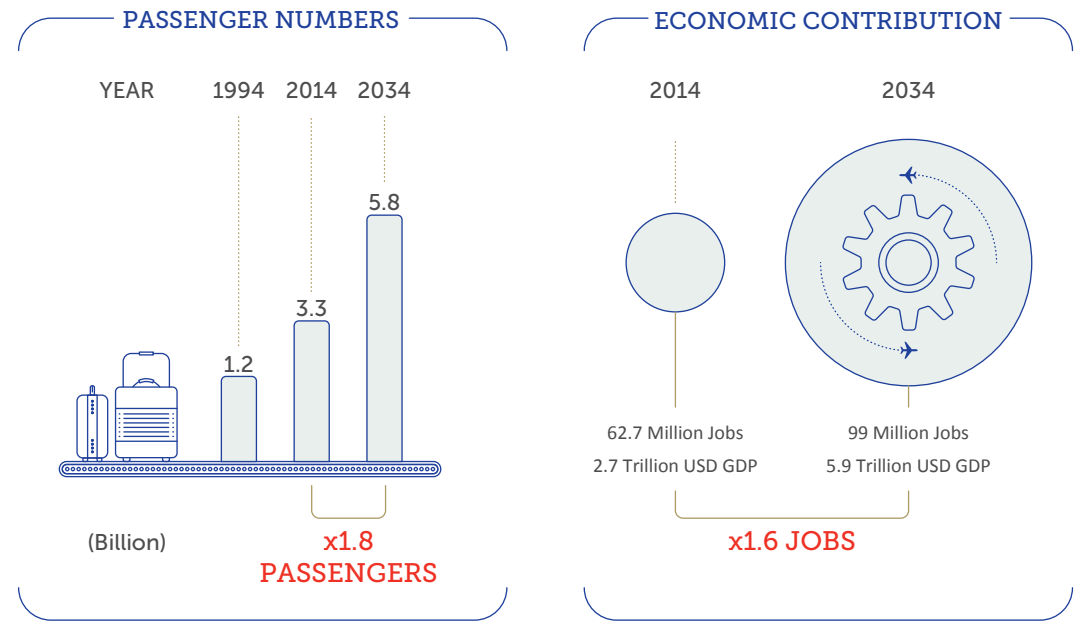
Aviation is indispensable for tourism, which is a major engine of economic growth globally, particularly in developing economies. Globally, 54% of international tourists travel by air.

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

The global economic impact of aviation industry is estimated at USD 2.7 trillion, equivalent to 3.5% of the global gross domestic product (GDP)<sup>1</sup>.

1: Source: Aviation Benefits Beyond Borders (ATAG), Oxford Economics Analysis, 2016

## AVIATION TODAY & TOMORROW



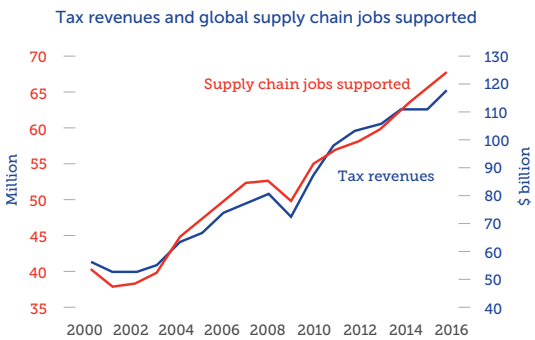
Source: ATAG Facts and Figures 2016

## The Aviation Industry Has 4 Main Economic Impacts:

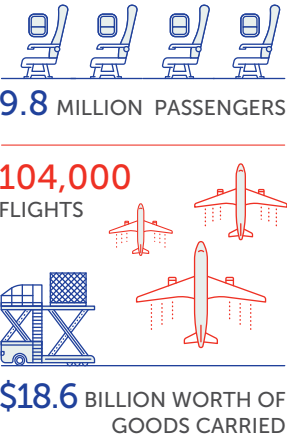
- **Direct impacts:** The aviation industry itself is a direct generator of employment and economic activity, generating a total of 62.7 million jobs globally. The airlines’ services generate **9.9 million direct jobs** within the air transport industry and contribute **USD 664 billion to global GDP**. In comparison with other sectors the airlines contribution to the global GDP is higher than the textile, automotive or pharmaceuticals and is around half as big as the global chemicals. Also, the air transport industry has important ‘multiplier’ effects, which mean that its overall contribution to global employment and GDP is much larger than its direct impact alone.
- **Indirect impacts** which include employment and activities of suppliers to the air transport industry. According to the ATAG, over **11.2 million indirect jobs** globally are supported through the purchase of goods and services by companies in the air transport industry. These indirect jobs contributed approximately **USD 761 billion to global GDP** in 2014.
- **Induced impacts:** Induced by the spending of those directly or indirectly employed in the air transport industry. Around 5.2 million induced jobs globally are supported through employees in the air transport industry. The induced contribution to global GDP is estimated at **USD 355 billion** in 2014.
- **Catalytic:** Air transport’s most far-reaching economic contribution is via its contribution to the performance of other industries and as a facilitator of their growth by providing connectivity. These ‘catalytic’ or ‘spin-off’ benefits of aviation affect industries across the whole spectrum of economic activity. While total catalytic contribution of aviation to the global workforce is around 36.3 million, same figure for GDP reached 892 billion USD in 2014.

Source: ATAG, Aviation Benefits Beyond Borders, 2016

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



## EVERY DAY







THE AVIATION SECTOR

LOCALLY-BASED AIRLINES

- Domestic
- International passenger
- Freight Services

GROUND-BASED INFRASTRUCTURE

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

THE AVIATION SECTOR'S SUPPLY CHAIN

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

LOCALLY-BASED AIRLINES



Aviation Fuel



Repair & Maintenance



Catering



Ticketing & Distribution



Freight Forwarding



Aircraft Financing



Other Finance & Business Services

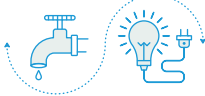
GROUND-BASED INFRASTRUCTURE



Finance



Construction & Facilities Management



Electricity & Water Supply

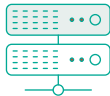
NON-AIRSIDE SUPPLY CHAIN



Food and Drink



Business & Marketing Services



Computing

Mitigating Environmental Impacts

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

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

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

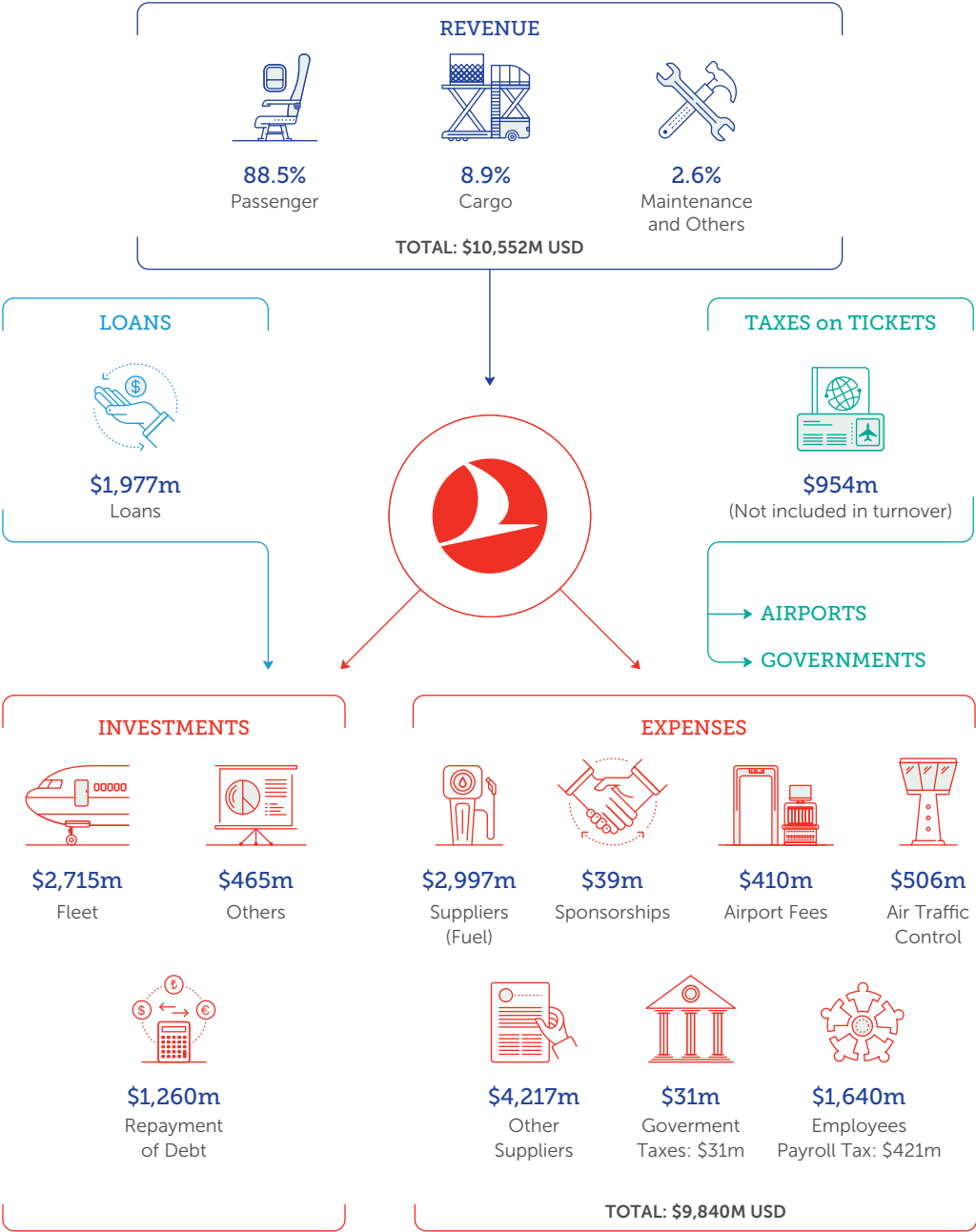
The industry is also making significant progress to develop sustainable alternative fuels for aviation. It is expected that carbon reduction from moving to alternative fuels could be up to 80% compared to traditional jet fuel.



Sürmene Tree Planting, 2014



Our  
Economic Footprint





Turkish Airlines is the market leader in Turkey carrying 46% of total passengers. As we fly to more countries than any other airline in the world with over 287 destinations in 115 countries, we are generating new economic opportunities through our expanding network and we are a significant contributor to the Turkish economy, trade growth and tourism. Not only do our main hub Istanbul Ataturk Airport and other hubs Sabiha Gökçen and Ankara provide highly attractive business environments, but also we contribute to local economic and social development at our destinations both nationwide and worldwide.

CONTRIBUTION TO GDP OF TURKEY

The aviation industry directly contributed USD 23.4 billion to Turkish GDP in 2015 through the output of airlines, airports and ground services.<sup>1</sup> This corresponds to 3.3% of the total GDP of Turkey. When considered together with its indirect contributions through the aviation industry’s supply chain and induced contributions through the spending by the employees of the aviation industry and its supply chain the total contribution is estimated to be over USD 45 billion. These figures do not take into account the addition of ‘catalytic’ benefits provided by tourism industry.

Turkish Airlines has generated revenue of USD 10.5 billion in 2014 reflecting an annual growth rate of 18% since 2005. We have made investments over USD 12 billion since 2005; being USD 2.5 billion in 2015. All of these investments have been financed through our own operations.

CONTRIBUTION TO PUBLIC FINANCES

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

Turkish Airlines is a significant contributor to the Public Finances and generated, USD 985 million of other taxes and fees, USD 421 million payroll tax in 2015.

CONTRIBUTION TO JOB CREATION

Aviation industry in Turkey is considered as a major employer and supported more than 191,000 direct jobs in Turkey in 2015.<sup>1</sup> This number is estimated to be over 400,000 including jobs indirectly supported through the aviation industry’s supply chain and jobs supported through the spending by the employees of the aviation industry and its supply chain.

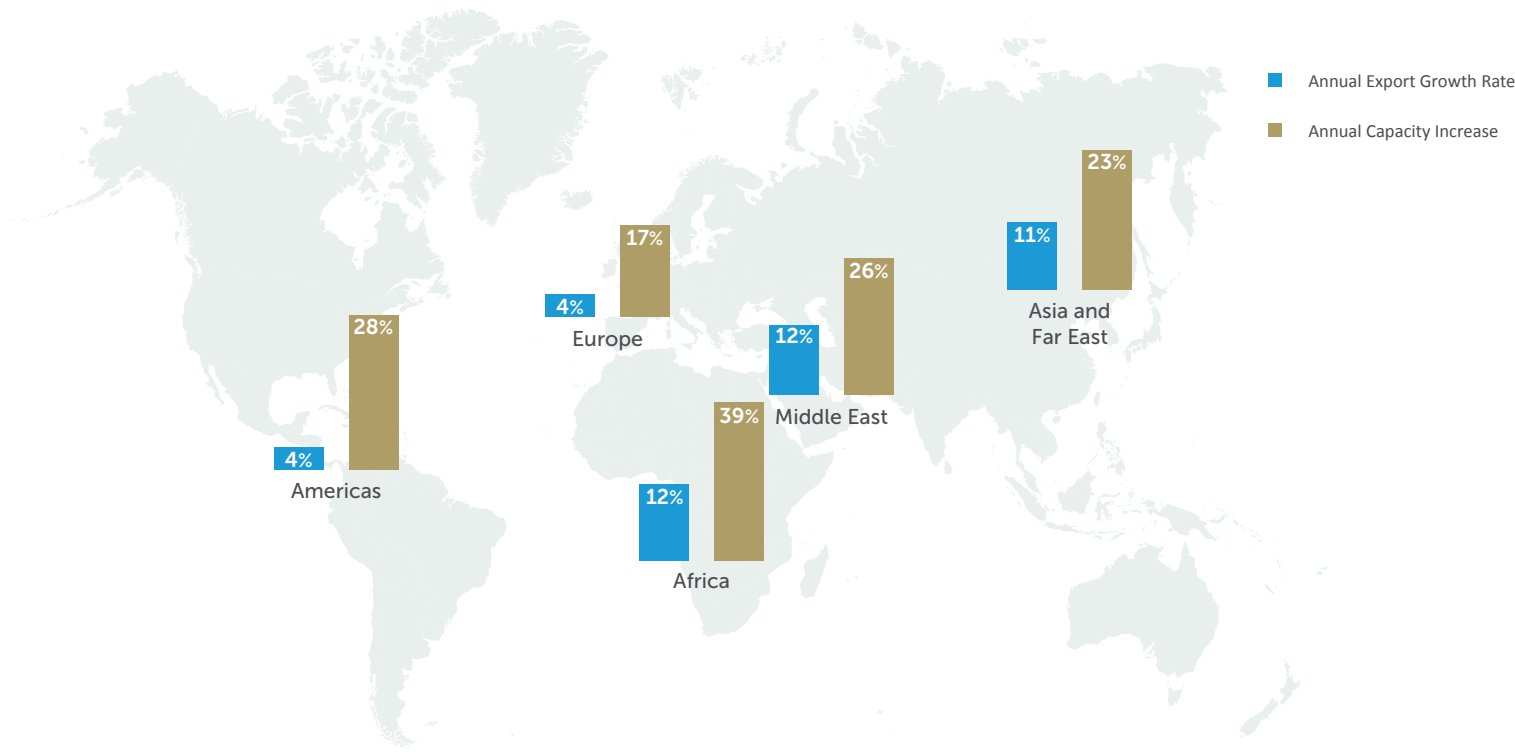
An average employee serving in air transport services generates a higher gross value added and is 175% more productive compared to an average employee in Turkey<sup>2</sup>.

Turkish Airlines provided 27,688 direct jobs in 2015 up from 25,116 in 2014, and over 46,000 direct jobs together with its subsidiaries which represent major portion of the direct jobs provided by the aviation industry in Turkey in 2015.

1: Directorate General of Civil Aviation, Turkey, 2016.  
2: Oxford Economics, Economic Benefits from Air Transportation in Turkey, 2011.

CONTRIBUTION TO TURKEY’S EXPORT

Turkish Airlines contributes to Turkey’s export directly as the Turkey’s biggest exporter and also indirectly by opening new channels of transport and therefore increased connectivity. More than 72% of our tickets are sold outside the borders of Turkey, implying a direct inflow of funds equal to USD 6.4 billion to the country’s current account in 2015.



Reference: Turkish Statistical Institute (TurkStat)

Facilitating effect of connectivity on Turkish international trade can be clearly seen from the correlation between Turkish Airlines’ regional capacity growth and Turkish export growth between 2006 and 2015. Overall in Africa, value of the total exports increased from USD 4.6 billion in 2006 to USD 12.6 billion in 2015, representing an annual growth rate by 12%.

A similar trend can also be observed in the Middle East. Through the opening of 20 new destinations and 26% yearly capacity growth rate Turkish exports to Middle East grew by 12% CAGR between 2006 and 2014.

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

CONTRIBUTION TO TOURISM

Over 3.5 billion passengers worldwide boarded on an aircraft in 2015 for various reasons including touristic purposes.

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

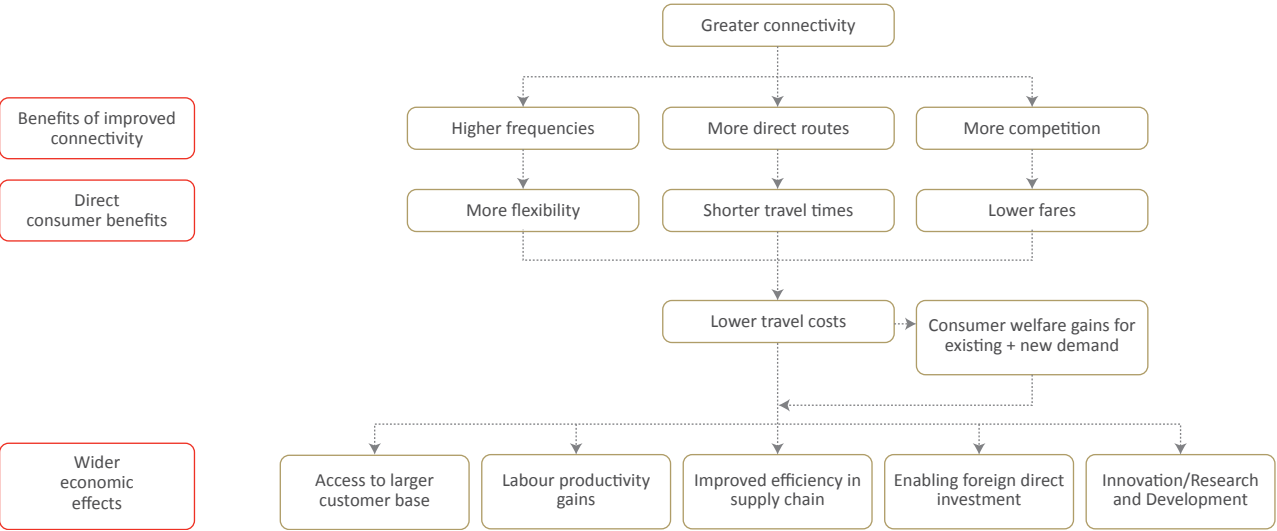
In 2015, number of tourists in Turkey reached 36.3 million and grew by 6% on average annually over the last decade, and is expected to reach 63 million by 2023. Among the 36.3 million tourists, 74% preferred air transport instead of other means of transport.

CONNECTIVITY GAINS

Connectivity can be defined as the scope of access between an individual airport or country and the global air transport network<sup>1</sup>. It is also an indicator of a network’s concentration and its ability to transport passengers from their points of origin to their points of arrival seamlessly<sup>2</sup>.

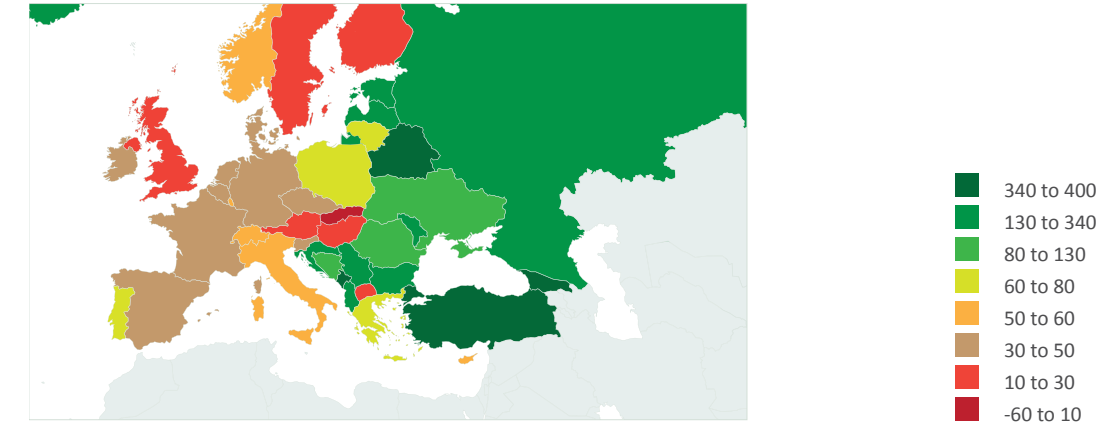
THE WIDER ECONOMIC IMPACTS OF CONNECTIVITY<sup>3</sup>

Connectivity growth drives consumer and wider economic benefits



1: IATA Report, Aviation Economic Benefits, 2007  
2: Worldwide Air Transport Conference, ICAO 2013  
3: Economic Benefits of European Airspace Modernization, SEO 2016

TOTAL DIRECT AND INDIRECT CONNECTIVITY GROWTH 2004-2015 BY COUNTRY



Source: SEO & ACI Europe Airport Industry Connectivity Report

<sup>1</sup>Air connectivity brings many advantages to Turkey’s economy including:

- ✈ Opening up foreign markets for Turkish exports due to positive correlation between connectivity and exports<sup>2</sup>
- ✈ Increased foreign direct investments through opening up Turkish factor markets for investors. For example, new route openings leads to increases in the FDI levels<sup>3</sup>
- ✈ Reducing transport costs, particularly over long distances, and increasing competition as suppliers can provide service to a wider area and potentially reduce average costs, through increased economies of scale;
- ✈ Increasing the flexibility of labor supply, which should enhance allocative efficiency and bring down the natural rate of unemployment. It is estimated that in Europe, 10% increase in air connectivity results in 0.5% increase in GDP/capita at the national level<sup>4</sup>
- ✈ Encouraging Turkish enterprises to invest and specialise in areas that play to the economy’s strengths
- ✈ Accelerating the adoption of new business practices, such as just-in-time-inventory management that relies on quick and reliable delivery of essential supplies. Studies related to air connectivity suggests that increasing connectivity leads to enhanced technology diffusion among countries
- ✈ Raising productivity and therefore the economy’s long-run supply capacity. It is estimated that a 10% improvement in connectivity relative to GDP would see a TL 609 million per annum increase in long-run GDP for the Turkish economy.<sup>5</sup>

1: IATA Report, Aviation Economic Benefits, 2007  
2: Belenkiy & Riker, 2012, PWC, 2014  
3: According to Bannò Redondi, 2014  
4: InterVISTAS, 2015  
5: Baruffaldi, 2015

ECONOMY

- CONTRIBUTION OF AVIATION
- OUR ECONOMIC FOOTPRINT

ISTANBUL

3rd  
LARGEST AIR TRAVEL CITY  
IN EUROPE

5th  
MOST CONNECTED CITY IN  
THE WORLD

Istanbul, as a geographically strategic transfer point, is a natural hub and ensures a high level of connectivity. Istanbul, the hub from where all Turkish Airlines flights depart from, ranks as the 3<sup>rd</sup> largest air travel city in Europe. It is also the 5<sup>th</sup> most connected air travel city in the world thanks to Turkish Airlines’ wide flight network. It has experienced the highest connectivity growth in the world between 2009 and 2015 thanks to continuous growth of Turkish Airlines’ flight network.<sup>1</sup>

LOCAL DEVELOPMENT AT OUR DESTINATIONS

Turkish Airlines flies to 44 of the top 50 hub airports which constitute over 78% of the worldwide air traffic. But more importantly Turkish Airlines has the highest coverage of secondary cities not included in the top 50, offers services to many underserved markets and provides many developing and underdeveloped communities with a channel to the world.

As of 2015, 48 countries were categorized as the least developed countries in the world by the United Nations, and Turkish Airlines flies to 22 of these countries and carried 1 million passengers. Offering global connectivity, our company enabled people in the Least Developed Countries to foster their economic and social relationships with the rest of the world, most notably in Eritrea where 63% of the international passengers were carried by Turkish Airlines.

While Turkish Airlines is the sole global airline in Yemen and Somalia, Turkish Airlines offers services in other 13 least developed countries such as Afghanistan, Benin, Burkina Faso, Chad, Democratic Republic of the Congo and Djibouti along with only one other major air carrier allowing these cities to boost their global visibility.

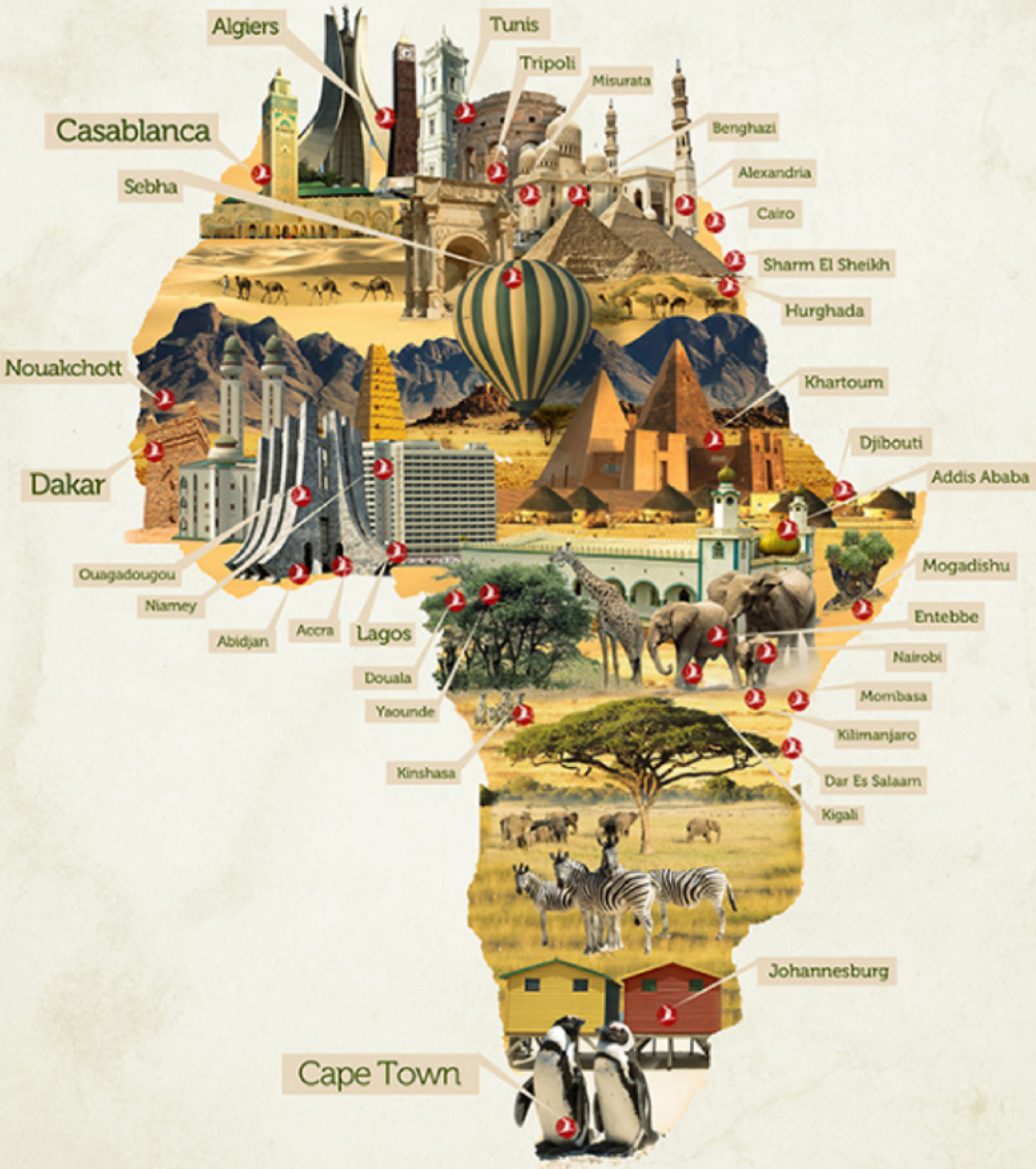
1: MasterCard 2015 Global Destination Cities Index

A STAR ALLIANCE MEMBER



Discover all the colours of Africa  
with Turkish Airlines.

The world's second largest and second most populous continent awaits you.  
Discover Africa with Turkish Airlines' frequent flights.







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## Environment

ENVIRONMENTAL MANAGEMENT	52
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FUEL EFFICIENCY	56
WASTE MANAGEMENT	63
NOISE	65



# Environmental Management

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

Our Environmental Policy can be accessed on our webpage:



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

It is our top-level priority to comply with the environmental law and regulations. No breach of environmental regulations was detected in 2015. The expenditures incurred for environmental management and prevention of environmental impacts throughout the year 2015, amount to approximately TL 255.000 and for waste management activities amount to TL 169.295

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

- ✈ As part of our climate change mitigation strategy, we strive to maintain continuous fuel efficiency which ultimately decreases our carbon footprint.
- ✈ Furthermore, we invest in research and development projects on sustainable biofuels.
- ✈ Waste management projects are conducted in offices, and in-flight activities and projects promoting effective and efficient use of natural resources such as water, electricity, natural gas and paper are implemented.
- ✈ We have ordered new generation aircraft to be delivered by 2021 which will enable us to reduce our noise emissions even further.
- ✈ We plant trees in line with our Forestry Protocol with Directorate of Forestry. In 2015, we planted 500.000 trees.



## ENVIRONMENTAL POLICY

### Abiding by the Rules

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

### Managing the Environmental Aspects

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

### Considering People and the Environment while Growing

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

### Minimizing Adverse Environmental Impacts

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

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

### Bequeathing an Habitable World for Future Generations

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

### Developing along with Stakeholders

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

Supports the sustainable products and services throughout the supply chain.

### Improving Consistently

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

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

IDENTIFYING ENVIRONMENTAL ASPECTS AND IMPACTS DUE TO OUR OPERATIONS

We identify environmental aspects and impacts of our operations, and take measures to minimize the adverse impacts. We launched a new project in 2015 and carried out field activities. Accordingly, we organized trainings in identification of environmental aspects and impacts for the representatives designated on each location.

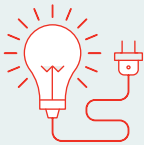
UTILIZATION OF NATURAL RESOURCES

We are aware of the responsibility we assume in sustainable utilization of natural resources in line with our vision of leaving a livable world to the next generations. Accordingly, we track the amounts of water, natural gas, electricity and paper we consume and set annual targets to minimize them. We evaluate our performance and develop projects to achieve the pre-determined targets.

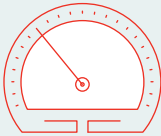
CONSUMPTION TABLE

	2014	2015	2016 Target
Water consumption (m³)	48,479	47,887	2% decrease
Water consumption per employee (m³/employee)	21.30	22.11	
Natural gas consumption (kWh)	2,981,555	3,656,404	2% decrease
Natural gas consumption per area (m³/m²)	0.40	0.42	
Electricity consumption (kWh)	6,317,302	5,985,787	2% decrease
Paper consumption per employee (kg/employee)	3.41	3.86	3.78

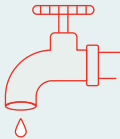
MINIMIZING OUR ENVIRONMENTAL FOOTPRINT



Electricity Consumption  
**5% reduction**  
(kWh)  
(2014-2015)



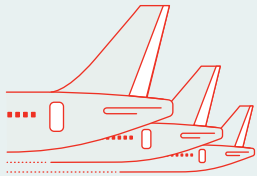
Natural Gas Consumption  
**5% increase**  
(m³/m²)  
(2014-2015)



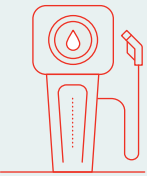
Water Consumption  
**1% reduction**  
(m³)  
(2014-2015)



New Generation  
**15% fuel efficient**  
aircraft by 2018 to 2022  
**92 Airbus**  
**75 Boeing**



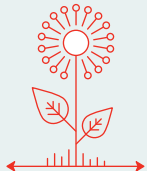
One of the **youngest fleet**  
of the world with  
an average age of **6.9**



**27,187 tons**  
of fuel saving



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



Research & Development  
Investments  
in Sustainable **Biofuels**



**85,639 tons**  
less CO<sub>2</sub>



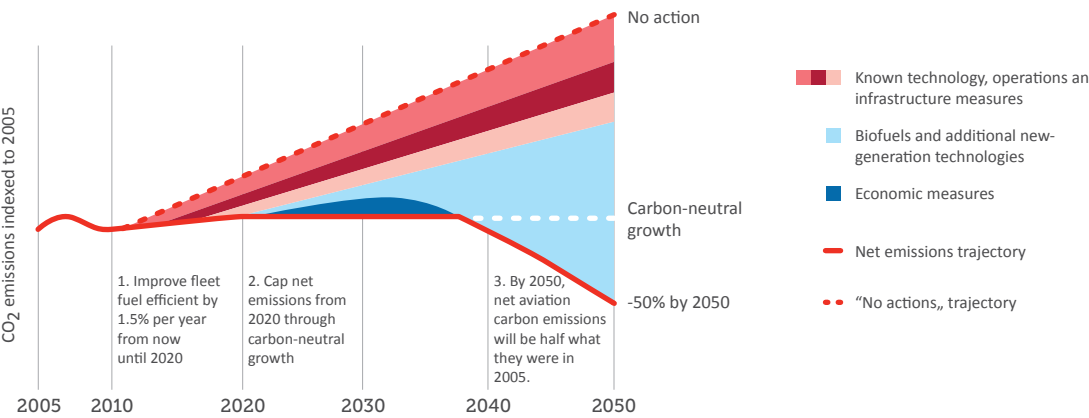
# Climate Change

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

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

## INDUSTRY COMMITMENT AND TARGETS

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



Short term and long term targets are:

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

In the light of our responsible business approach, Turkish Airlines makes its best efforts to contribute to industry’s targets and has put in place a comprehensive fuel efficiency program to contribute to the collective effort of the aviation against climate change. Fuel Steering Committee, informs General Manager regularly about fuel efficiency performance which is an indicator for climate change targets.

# Fuel Efficiency

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

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

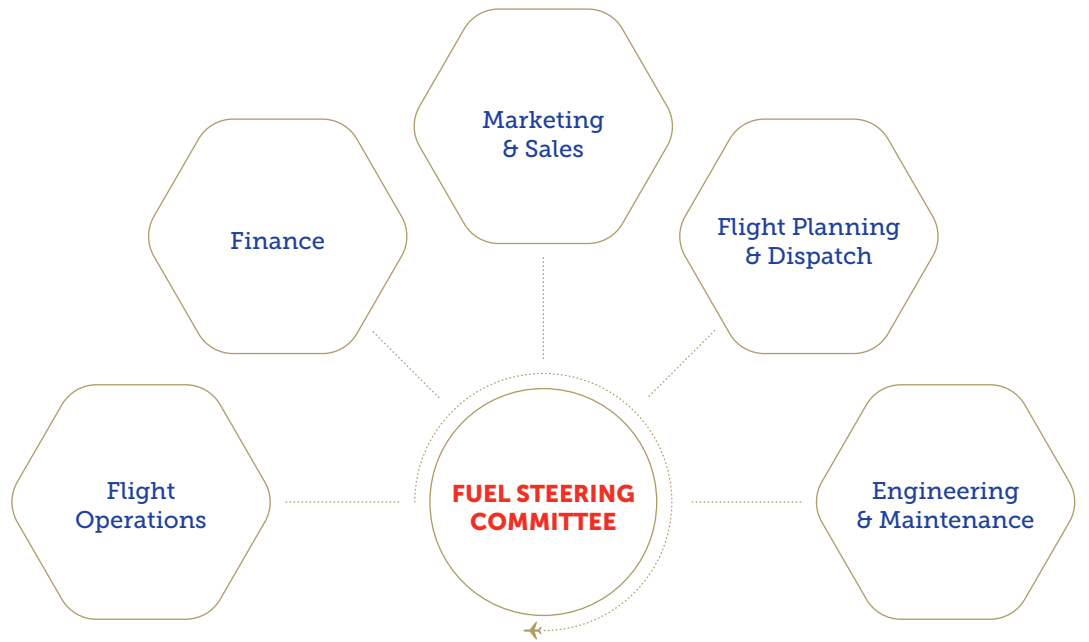
Having established a Fuel Steering Committee acting in a matrix organization of key departments who meet regularly and review action plans, Fuel Efficiency Program has become an integral part of Turkish Airlines company culture.

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

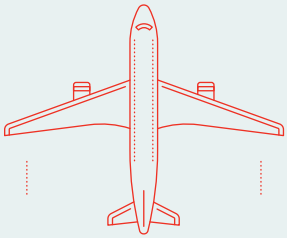
LESS FUEL LESS EMISSIONS!



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



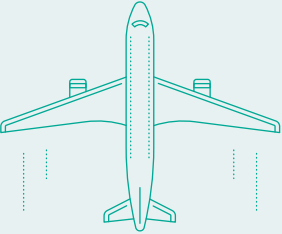
Turkish Airlines Fuel Policy is based on three pillars:



**WE OPTIMIZE OUR OPERATIONS**

**FUEL SAVING PRACTICES**

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



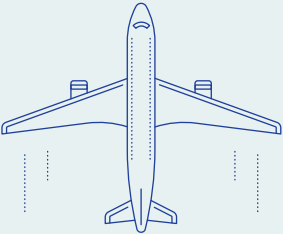
**WE INVEST IN NEW TECHNOLOGY**

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

**BIOFUELS (ALTERNATIVE FUELS) RESEARCH STUDIES**

**MODERN 4-D FLIGHT PLANNING SYSTEMS**

**FUEL MANAGEMENT & MONITORING SOFTWARE**



**WE IMPROVE OUR INFRASTRUCTURE**

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

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

**AERODROME INFRASTRUCTURE**

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

Optimising Our Operations

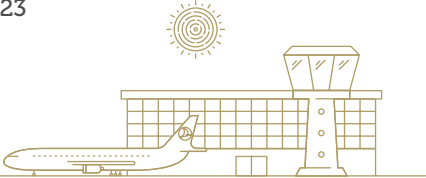
Since 2008, more than 100 operational optimization projects have been introduced and implemented in order to reduce carbon footprint. Some of these operational optimization projects include: Pilot technique, optimizing the use of APU (auxiliary power unit) while the aircraft is on the ground, introducing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

Investing In New Technology

Fleet Modernization

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

216 NARROW BODY		73 WIDE BODY		10 CARGO	
B737-900 ER	15	A330-200	20	Wet Lease	4
B737-800	92	A330-300	26	A330-200F	6
B737-700	4	A340-300	4		
A320-200	29	B777-300 ER	23		
A321-200	56				
A319-100	14				
E190-195	6				



By the end of 2015, the number of aircraft in the Turkish Airlines' fleet increased to 299, with an average fleet age of 6.9 years. Aiming to acquire the youngest and most modern fleet in Europe, Turkish Airlines ordered 75 Boeing (B737 9-MAX and 737 8-MAX) and 92 Airbus (A 321 NEO) new generation aircraft that are 15% more fuel efficient in 2013 and these aircraft will have been delivered by 2021. Adding these aircraft to our fleet will enable us to meet not only our targets on carbon emission reduction but also on noise and air quality.

Improving Our Infrastructure

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

TOTAL NUMBER OF AIRCRAFT:

299

AVERAGE FLEET AGE:

6.9

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

TURKISH AIRLINES  
FUEL EFFICIENCY PROGRAM

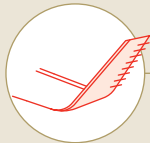
OUR FLEET CHARACTERISTIC	
<ul style="list-style-type: none"><li>• YOUNG</li><li>• COMFORTABLE</li><li>• TECHNOLOGICAL</li><li>• EFFICIENT</li><li>• DYNAMIC</li></ul>	<ul style="list-style-type: none"><li>• FLEXIBLE</li><li>• FAMILY FRIENDLY</li><li>• ENVIRONMENTALLY FRIENDLY</li><li>• COMPETITIVE</li><li>• RELIABLE</li></ul>



**SKYLIFE MAGAZINE**  
WITH LESS PAPER



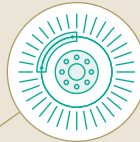
**CABIN I-PAD**  
USE INSTEAD OF PAPER



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



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



STEEL BRAKE REPLACED WITH  
**CARBON BRAKE**  
IN 30 AIRCRAFT



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



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

IMPROVED FUEL MANAGEMENT SYSTEM

Our new Fuel Management System, the procurement process of which has substantially been completed, will have been introduced by the end of the last quarter of 2016. This new system will enable to calculate the cost of ATC operations in particular (airborne instructions, deviations from the flight plan, etc.) and discuss possible solutions together with this cost items measured. It will also enable us to closely monitor significant factors that affect fuel consumption including any deviations from the flight plan and in actual flight route, changes of altitude and speed, etc. and respond in a very short time in potential areas.

CONTAINER, PALLET AND NET

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

CARBON BRAKE

We replaced steel brake with carbon brake of 30 aircraft in our B737 family in 2015 and at the end of 2016 we are planning to reach 49 aircraft, achieving total fuel saving of 868 tons.

SUSTAINABLE BIOFUELS

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

INSTALLATION OF SHARKLETS

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

Currently, 32 aircraft in our A320 fleet have sharklets. Upon completion of installation on the entire A320 family within 2 years, we will have achieved approximately 17-21 thousand tons of fuel savings.

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

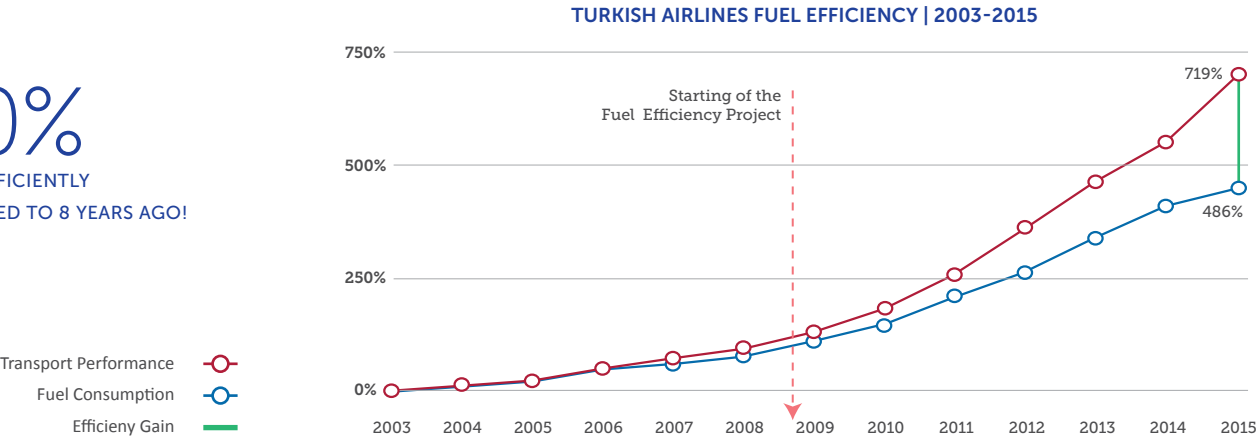
ENVIRONMENT

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

FUEL EFFICIENCY PERFORMANCE (2003-2015)

The chart below illustrates the transport performance and the corresponding fuel consumption of Turkish Airlines between 2003-2015. If 2003 is set as a “reference/baseline”, it is seen that the transport performance and the corresponding fuel consumption has increased by 719% and 486%, respectively. The gap between the above lines on the graph gives a good indication of Turkish Airlines efficiency performance over the years. We can simply call it “efficiency gap” and it can easily be concluded that the gap between transport performance and the corresponding fuel consumption has gradually increased each year, making a significant contribution to operational efficiency, and therefore, impact on the environment. (the fuel efficiency project was launched following the first quarter of 2008).

WE FLY  
**20%**  
MORE EFFICIENTLY  
COMPARED TO 8 YEARS AGO!



85,639  
TONS OF CO<sub>2</sub> SAVED

2015 Measurable Fuel Saving:

Thanks to various fuel savings projects implemented; 27,187 tons of fuel have been saved which corresponds to a reduction of 85,639 tons of CO<sub>2</sub> by the end of 2015.

Our Future Target (KPI)

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

EU ETS

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

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

AWARDS

Low Carbon Hero Award

Turkish Airlines was awarded "Low Carbon Hero" for the fuel efficiency initiatives implemented since 2008 at the 3<sup>rd</sup> Carbon Summit, hosted by Istanbul Technical University.

4<sup>th</sup> Place for Fuel Efficiency among Top 20 Airlines on Transatlantic Routes

The International Council on Clean Transportation (icct) released a report comparing the fuel efficiency, and therefore the carbon intensity, of the top 20 airlines on transatlantic routes between the United States/Canada and Europe in 2014. Turkish Airlines tied in fourth place in the Transatlantic Airline Fuel Efficiency Ranking, 2014.

Transatlantic Airline Fuel Efficiency Ranking, 2014 Report, can be downloaded from the link:  
[http://www.theicct.org/sites/default/files/publications/ICCT\\_transatlantic-airline-ranking-2014.pdf](http://www.theicct.org/sites/default/files/publications/ICCT_transatlantic-airline-ranking-2014.pdf)



Low Carbon Hero Award, 3<sup>rd</sup> Carbon Summit



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



ENVIRONMENT

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

# Waste Management

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

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

AMOUNT OF PACKAGING WASTE SENT TO RECYCLING IN 2015



Paper (499 tons)



Plastics (1 tons)



Glass (3 tons)

Initiatives in 2015:

- ✈ Within the scope of our waste management system, we continued on the annual awareness raising trainings for our employees in 2015 . We submitted the related documents to General Directorate of State Airports Authority.
- ✈ The expired agreements among the ones, executed with the waste recycling facilities licensed from the Ministry of Environment and Urban Planning, were renewed to ensure utilization of the most appropriate waste recycling method for each waste category.
- ✈ Recycling units were provided to our offices in Istanbul and other domestic departments. This process of provision upon request is still continuing.
- ✈ Industrial waste management plans were set up and are still being drawn up for our domestic premises as deemed required.

REPORTING OF WASTES

Reporting of any hazardous waste is performed online in accordance with the regulations of the Ministry of Environment and Urbanization. In 2015, the packaging waste sent to recycling amounted 503 tons and non-hazardous waste sent to recycling amounted 382 tons. The total amount of hazardous waste which was sent to companies licenced for hazardous waste collection was 58 tons.

# Noise

As stated in our Environmental Policy, we are committed to reduce the noise emissions. Acquiring one of the youngest fleet of the world with an average age of 6.9 years already makes substantial contributions in our reduction targets. Furthermore, we have already ordered new generation aircraft to be delivered by 2021 which will enable us to reduce our noise emissions even further.

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





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

## Social

FLIGHT SAFETY	66
FLIGHT SECURITY	72
CUSTOMERS	75
EMPLOYEES	87
SOCIAL RESPONSIBILITY	105

SAFETY IS THE ABSOLUTE  
PRIORITY AND FOUNDATION  
IN OUR OPERATIONS

Our Safety Policy can be  
accessed on our website:



# Flight Safety

## APPROACH

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

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

## POLICY

As stated in our Safety Policy, Turkish Airlines implements continuous improvements to develop and improve operational conditions to go beyond the global standards of the authorities and manufacturers that define the baseline. In order to achieve this goal, management systems are implemented in an integrated manner. One of the management systems in place as part of the Integrated Management System (IMS) of Turkish Airlines is the **SMS** to specifically deal with the operational hazards and manage risks. Being ranked as the best airline in Europe with respect to its operational quality and customer experience for 6 times in a row, Turkish Airlines is determined to be recognized with its excellence in safety.

## SMS ORGANIZATION AND MANAGEMENT

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

## SMS STANDARDS AND REGULATIONS

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

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

## SAFETY TRAININGS

To ensure the safety awareness is at highest level, trainings in line with international regulations are held by the Aviation Academy of Turkish Airlines. Moreover, Turkish Airlines participates in academic research projects as a responsible industry partner. For further information about SMS trainings, please see the **“Turkish Aviation Academy”** section of the report.

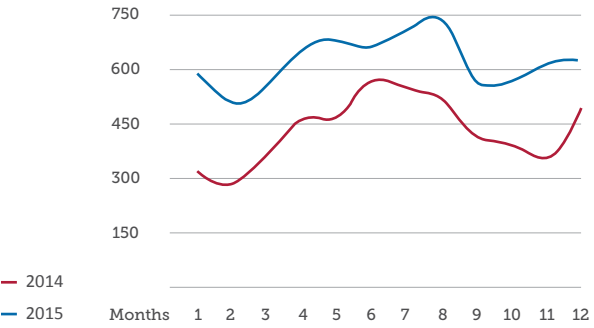
## SAFETY CULTURE

Turkish Airlines fosters a Safety Culture with the following attributes: Flat, Reporting, Learning, Informed, Resilient, Committed and Just. Corporate Safety has adopted a Flat Office and Flat Cockpit Policy to enhance safety culture, which is one of the principal components of the corporate values.

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







SAFETY REPORTS IN PLACE

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

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

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

ACTIVITIES

Turkish Airlines has participated to ICAO Cabin Crew Competency-based Training Workshop held in Istanbul providing knowledge of ICAO Standards and Recommended Practices (SARPs) relevant to cabin crew and cabin safety and security.

Turkish Airlines Safety department has participated to the Level Bust Workshop co-chaired by Turkish DGCA and UK CAA/NATS. During the workshop, Bow-Tie Model was used to identify the Level Bust hazards and risks.

Turkish Airlines participated to IATA IRM (Incident Review Meeting) and Star Alliance Safety Group meetings in 2015, Turkish Airlines will also participate to IATA Cabin Safety Conference, Airbus and Boeing Flight Safety Conferences in 2016.

Turkey is in the process of adopting and implementing a common set of harmonised regulatory standards based on European Aviation Safety Agency (EASA) regulations in the various fields of aviation safety. Turkish Airlines is experiencing a significant growth of their activities and, at the same time, different adjacent activities increment as well. In this context, EASA was invited to conduct a gap analysis in the air operations domain. The gap analysis consisted of a desktop review of documents, on-site visits and the final report of the gaps that were identified and suggestions to eliminate them.

Boeing Flight Operations Support Program Meeting with Turkish Airlines will be conducted in Istanbul with the hospitality of Turkish Airlines.

SAFETY AUDITS

In 2015, Turkish Airlines successfully completed its recent biennial Safety Audit with respect to enhanced IOSA standards.

Turkish Airlines conducts operational observations in addition to the audits and inspections. Line Operations Safety Audit (LOSA) being the source of inspiration, all operational areas are planned to be within scope of a two-year plan. LOSA observations have been implemented since 2010 to assess operations from a safety perspective and collect data about errors and potential threats, which are otherwise difficult to identify. Every sub-fleet within Turkish Airlines’ fleet is observed biennially. The findings are used in enhancing airline SOPs, trainings and safety communications. The information is collected and reported, in line with ICAO 9803 guidelines, in a non-identifying fashion to encourage participation. 2014-2015 LOSA flights for Boeing 737 fleet were completed and LOSA Report was issued. Safety assurance and promotion activities go hand in hand with the support and participation of upper management.

The Safety Assessment of Foreign Aircraft Program (SAFA Program)

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

Our Company achieved an improvement by 12% compared to the year 2014 which is above the European average and closed the year 2015 at 0.252.

Safety Assessment of National Aircraft Program (SANA Program)

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

Safety Assessment of Company Aircraft (SACA Program)

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

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



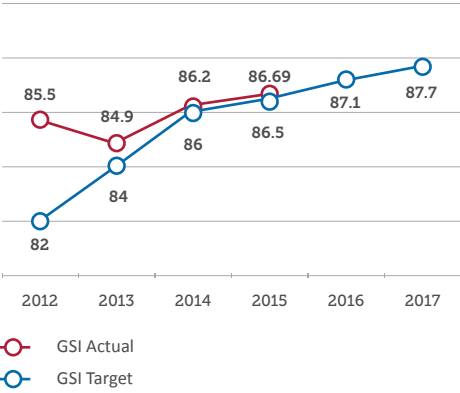
- SOCIAL**
- FLIGHT SAFETY
  - CUSTOMERS
  - EMPLOYEES
  - SOCIAL RESPONSIBILITY

86.69 GSI  
VALUE ACHIEVED

SAFETY PERFORMANCE

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

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



INVESTMENTS AND FUTURE PLANS

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





# Enhancing A Secure Travel Experience

## APPROACH

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

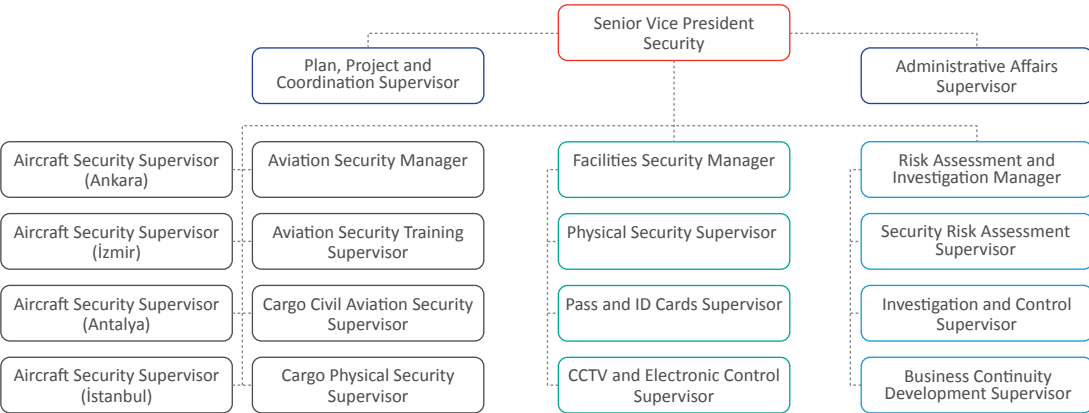
As a proactive measure, Turkish Airlines Security Department conducts risk assessment of the destinations before the commencement of the operations and informs the related departments and personnel about the security vulnerabilities in order for them to take necessary precautions.

## POLICY

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

## SeMS ORGANIZATION AND MANAGEMENT

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



Our Security Policy can be accessed on our website:



## SECURITY POLICY

### To Ensure Operational Security

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

### Management of Security-Related Activities

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

### To Determine Security Responsibilities

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

### To Identify Security Vulnerabilities and Risks

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

### To Provide Highest Level of Communication

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

### To Establish and Promote a Corporate Security Culture

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

### To Provide Necessary Resources for Security

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

**SOCIAL**

- FLIGHT SAFETY
- CUSTOMERS
- EMPLOYEES
- SOCIAL RESPONSIBILITY

**AVIATION SECURITY TRAINING**

All personnel of company (management, front office, ground handling, flight crew, security, catering, cargo, service provider/ supplier, etc.) shall be provided with the initial security trainings as provided by the national regulations with respect to the duties and responsibilities thereof prior to the commencement of their employment. Refresher trainings shall be carried out in accordance with the periodical requirements specified by the national regulations.

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

**SECURITY COMMUNICATION**

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

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

**TARGETS AND ACTIONS**

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



Customers



SOCIAL

- FLIGHT SAFETY
- CUSTOMERS
- EMPLOYEES
- SOCIAL RESPONSIBILITY

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

WE IMPLEMENT ISO 10002 CUSTOMER SATISFACTION MANAGEMENT SYSTEM

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



# Our Innovative Approach

Widen Your World

Turkish Airlines makes the whole world more accessible for its passengers by flying to many international destinations. We aim to develop new applications at each phase of the travel, to offer memorable surprises to passengers and to bring them together with international innovation and distinctive services to make them feel special and cherished.

Customers’ satisfaction and their trust in our brand are the backbone of our growth and success and a core value of our Company. Being at the heart of our business, customer satisfaction is embedded in our policies such as our Corporate Policy and Quality Policy as well as to our Customer Satisfaction Policy. Besides, we obtained **TSE ISO 10002 International Customer Satisfaction Management Standard Certificate** in 2015. Furthermore, we updated our ISO 9001 Quality Management System we have had in place since 2006. We issued the “customer feedback management manual”, covering the improvement activities following customer satisfaction measurement, on Turkish Airlines internal communication platform.

As a result of our continuous efforts to serve our customers at best, ensure their satisfaction and win their trust, Turkish Airlines has been awarded the Skytrax awards for Europe’s Best Airline for the fifth time in a row.

Responsibility for and oversight of customer related topics are managed by the Customer Relations Department in coordination with other related departments. Customer requests, recommendations, and complaints are thoroughly evaluated by these departments.

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

Aiming to become a five star airline, Turkish Airlines has invested heavily in its products and services through the introduction of an award winning catering concept, CIP lounges, premium cabin offerings, inflight entertainment systems, enhanced cabin comfort and specialized cabin attendant and customer service training for its personnel.



## CUSTOMER SATISFACTION POLICY

Everything is for improvement

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

We work with customer focus

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

We understand the complaints

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

We get our passengers involvement in our processes

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

# Dialogue With Customers

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

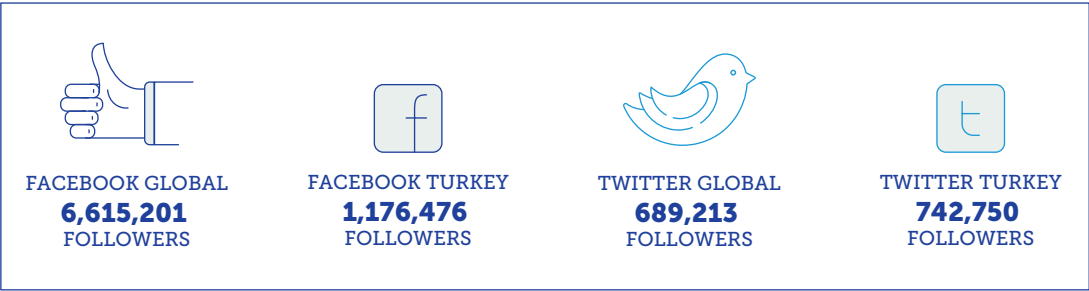


Through the “Voice of Customer” application, we enable our customers to share their travel experiences and feedback with our cabin crew. Thus, we aim to have our cabin crew internalize our customers’ expectations and cultural differences.

Our **Customer Representative Teams (CRT)** at our international offices generate instant and onsite solutions to any problem that customers might experience. Also, follow the local civil aviation regulations, rules and procedures in place and inform Customer Relations Department.

### SOCIAL MEDIA

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



### SKIFTIES 2015 WINNERS



#### Most Effective Brand on Social Media Awards- Airlines Category Winner Facebook / Instagram / Twitter / YouTube

Skifties Awards recognizes the best travel brands of all sizes that are proactive on social media. The second edition of the Skifties focused on awarding travel brands for leveraging social interactions into achieving business objectives. Turkish Airlines was awarded the Most Effective Brand on Social Media in the airlines category in 2015.

### Travel Blog

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

The blog can be accessed via the following QR code;



### FEEDBACK MANAGEMENT PROCESS

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

#### Feedback Channels

- Feedback form available on our website
- Telephone numbers +90212 444 0 849 / +90 850 333 0 849
- Our facebook and twitter (@TK\_HelpDesk) accounts
- Cabin interior communication form or Skylife communication form which may be obtained from cabin crew members during travels
- The address of Turkish Airlines Customer Relations Management

Besides, thanks to the initiatives taken to increase customer satisfaction, our turnaround times to customer feedback was increased to 55% in 2015, which highlights 25% improvement in the process when compared to 30% achieved in 2014.



YOUR FEEDBACK IS  
VALUABLE TO US!

You may send your feedback  
via the following QR Code:



SOCIAL

- FLIGHT SAFETY
- CUSTOMERS
- EMPLOYEES
- SOCIAL RESPONSIBILITY

Customer Satisfaction Measurement and Surveys

**Skytrax**, the acknowledged name associated with air travel excellence in 21st century by providing unique products to the global aviation industry through professional audit and service benchmarking programs, is the most respected global airline passenger survey firm in the industry. In 2015, the awards were based on the results of over 18 million passenger surveys, with more than 105 nationalities participating and covering 245 airlines. Turkish Airlines has scored a resounding success in the 2015 Skytrax World Airline Awards, with air travelers once again recognizing the airline as the “Best Airline in Europe”, for the fifth year running.

As a Star Alliance member, we undertake **Online Customer Satisfaction Survey (OCSS)** in which we invite Miles & Smiles members to this survey after their flights. The OCSS results reveal Turkish Airlines’ passenger satisfaction score and position among Star Alliance members. Our 2015 OCSS percentage of passenger satisfaction is around 65% and above. These reports are shared with all departments responsible for customer touch points, and various improvements are implemented.

Furthermore, we send **online questionnaires** to our Miles and Smiles member customers in order to assess the level of their satisfaction with the service they receive from our call center. According to the results of this questionnaire, our customer satisfaction rate is 78,1 % in 2015.

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

Furthermore, we initiated **activities to measure our customers’ satisfaction regarding our feedback management system** in 2015. As part of this activity, we call approximately 400 customers of us every week, measure their satisfaction regarding their feedback resolved in the former week, and report their feedback.



SUSTAINABLE CATERING

Parallel to the profitable and stable pace of our Company’s growth in recent years, the quality of our catering has also improved continuously. According to the 2015 awards list published by SKYTRAX, our catering service has been placed among the 3 winners for the business, premium economy and economy classes.

Our latest innovation programs have not only increased the quality of our catering services, but they also have helped us take a step forwards in terms of sustainable catering. TURKISH DO&CO procures 83% of its food supplies locally in Turkey, which helps us promote local produces and reduce food miles. Also, our in-flight catering meals are always prepared with purely fresh and best-quality ingredients. We do not use any frozen or canned products or any food additives. This helps us reduce the environmental burdens related to processed foods and provide high quality products. Our meals are prepared according to the highest hygiene standards in line with **ISO 22000 Food Safety Management** requirements and we prefer products from suppliers that are ISO 22000 certified. In addition, the selection process for TURKISH DO&CO suppliers includes a detailed risk assessment. Product safety controls are overseen and documented by our Hygiene and Procurement Departments. Our menus include healthy options from Turkish, Mediterranean and International Cuisines.

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

IN-FLIGHT SUSTAINABILITY PRACTICES

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



AMONG FIRST THREE WINNERS FOR CATERING SERVICE IN 2015

83% FOOD SUPPLIED LOCALLY

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



SOCIAL

- FLIGHT SAFETY
- CUSTOMERS
- EMPLOYEES
- SOCIAL RESPONSIBILITY

ENTERTAINMENT IN OUR FLIGHTS

By pushing the limits to offer the perfect travel experience for its passengers, we continue to launch unique innovative services. Some of our innovative services are as below:

International investors have the opportunity to meet important business leaders in the sky thanks to our “**Invest On Board**” digital platform.

**In-flight Wi-Fi service** has been presented to our passengers in B777-300ER and some A330-300 aircraft. By this implementation, 134.497 passengers of Turkish Airlines had internet connection on board with their compatible devices. Also, our passengers who flew in our new generation wide-body aircraft, watched more than 500 international **live sport activities** via live TV application.

With new agreements in 2015, there is a remarkable increase on number and variety of **in-flight media including movies, TV and documentary programs and music albums**. Our passengers enjoyed 15.627.986 hours of movies from our wide range movies on board. Moreover, they listened 2.688.861 hours of music and played 998.529 hours of games.



In order to increase the satisfaction of our child customers, new **toys kits** have been presented to child passengers aged 2-12 travelling on International flights during 2015. 170.000 toys kits were presented to 1.5 million child passengers, on their each flight, travelling to/from Turkey.

Moreover, new **luxury amenity kits and relax sets**, designed by the world famous design brands have been introduced.

1.100.000 pieces of **business amenity kits**, 8.500.000 pieces of **economy relax sets**, 130.000 pieces of **business earphones** and 31.000.000 pieces of **earphones** have been presented to our passengers.

MILES AND SMILES

Miles & Smiles is the frequent-flyer program of Turkish Airlines. Earned miles can be used on Turkish Airlines’ flights, as well as on flights operated by the Star Alliance network. Members of Turkish Airlines Miles & Smiles program increased by 26% and reached 5,78 million in 2015. In addition86 program partners from various industries were reached.

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

TOURISTANBUL

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



LOUNGES

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

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

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

Lounge Istanbul

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

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

Best Business Class Lounge And Dining Award

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



BEST BUSINESS CLASS LOUNGE AND DINING OF THE WORLD IN 2015



SOCIAL

- FLIGHT SAFETY
- CUSTOMERS
- EMPLOYEES
- SOCIAL RESPONSIBILITY

# Customer Information and Rights

For further information please visit our Company website:



Turkish Airlines complies with regulations related to passenger rights including EU and US regulations and informs its customers about their rights via various channels such as our website and brochures. In order to increase customer satisfaction, our passengers are given information during all phases of their flights. Also, employees can access information on air passenger rights via the e-learning platform prepared by the Aviation Academy.

Our Customer Relations department fulfills the role of coordination and communication with DGCA, the authority responsible for protection of passengers’ rights in Turkey. The department follows the instructions promulgated in relation to passengers’ rights, and ensures that they are announced across the Company. Furthermore, it investigates and replies to the feedback, sent from customers to DGCA and then informs DGCA.

## CUSTOMERS PRIVACY

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

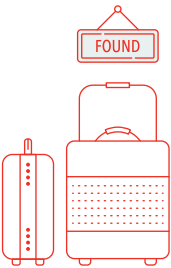
Turkish Airlines endeavors to ensure compliance by our staff with the strictest standards of security and confidentiality and commits to limit the collection and use of personal information to what is necessary to administer our business. For more details about our Privacy Policy Statement please check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

## BAGGAGE SERVICE

According to IATA figures, the baggage irregularity rate in the world is 8.99 per thousand and it is planned to be reduced to 5 per thousand by 2018. Our performance in 2015 was realized as 8,6 per thousand, which marks a better performance than the world-wide figures. We constantly maintain our improvement actions to minimize this rate and increase our customers’ satisfaction.

We took several measures to prevent baggage irregularities; missing baggage tag number records, which occur in check-in records of our transfer passengers in case of local instant internet/system failures, are now completed automatically. The back-up system becomes active in case of any failures to occur in passenger check-in system. Besides, delivery times and sequences of inbound flight baggage are monitored electronically in IST (AHL).

The focus of our work is to increase the satisfaction of our passengers, showing empathy to them and therefore keeping their confidence in our Company. We contacted our 29,723 passengers and accelerated the follow-up process of their applications in 2015. We started to obtain our passengers’ information and documents on web form to provide instant replies to their complaints and ensure that they follow up their application files. Files are sent to our stations and then followed-up by means of our new program called as “Bag Star”.



# Accessibility

## HELPING OUR PASSENGERS OVERCOME FEAR OF FLYING/AVIOPHOBIA

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

## SERVICES FOR OUR PASSENGERS WITH REDUCED MOBILITY

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

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

## Services Aimed To Be Provided in 2016-2017 Period of “Differences Add Value” Program

Turkish Airlines conducts interior and exterior process improvement, sustainable development management and corporate social responsibility activities under the “Differences Add Value” program to make its products and services be accessible by disabled, incapacitated-veteran, elderly, pregnant and disadvantaged passengers. Accordingly, our projects are as follows:





**SOCIAL**

- FLIGHT SAFETY
- CUSTOMERS
- EMPLOYEES
- SOCIAL RESPONSIBILITY

**Special Passenger Segment for Disabled People**

Upon cooperation with the Ministry of Family and Social Policies, special passenger program for disabled people is planned to be implemented. Access to service will be facilitated and opportunity to benefit from special campaigns and advantages will arise thanks to this practice.

**Assist Drive**

In our country, disabled passengers experience problems at several fields in transportation. We plan to launch Assist Drive practice to facilitate transportation of these passengers to airports.

**Access Point**

It will be ensured that a dedicated team will provide support and help to our disabled passengers by means of Access Point buttons to be placed at different areas of airports.

**Voice Steps**

With the project “Voice Steps”, it will be ensured that especially our visually-impaired passengers will be able to notice points of use such as stairs, counters, lavatories, entry-exit doors and cafés by means of practices to be installed at pilot areas. Instant and audible information on their current location as well as direction and distance of the place, they want to go, will be provided to passengers thanks to this infrastructure.

**Print of Boarding Passes with Braille Alphabet**

It is planned to print boarding passes of our visually-impaired passengers with Braille alphabet and deliver them to passengers, applying to the counter for disabled passengers, during check-in.

**Cabin Interior Wheelchair**

With cabin interior wheelchair, it is aimed to facilitate the process for boarding and placement of our passengers with reduced mobility.



Employees



# Our Greatest Asset: Human Capital



4,374  
COCKPIT PERSONNEL



8,729  
CABIN PERSONNEL

Turkish Airlines’ greatest asset is its human capital, and the Company has transformed the dynamism of its young cadre consisting of more than 48 thousand personnel including the subsidiaries into an international success story. As of 2014, Turkish Airlines is a big family with 22,030 employees consisting of 4,374 cockpit personnel, 8,729 cabin personnel and of whom 54% are male and 46% are female. Turkish Airlines aims to provide all of its employees, residing in different parts of the world, with a transparent working environment that supports creativity and team spirit, is conducive to personal development, an environment where the corporate targets are internalized at every level and ideas can be exchanged freely. All individuals taking a step into the magical world of aviation commit themselves to their profession at Turkish Airlines.

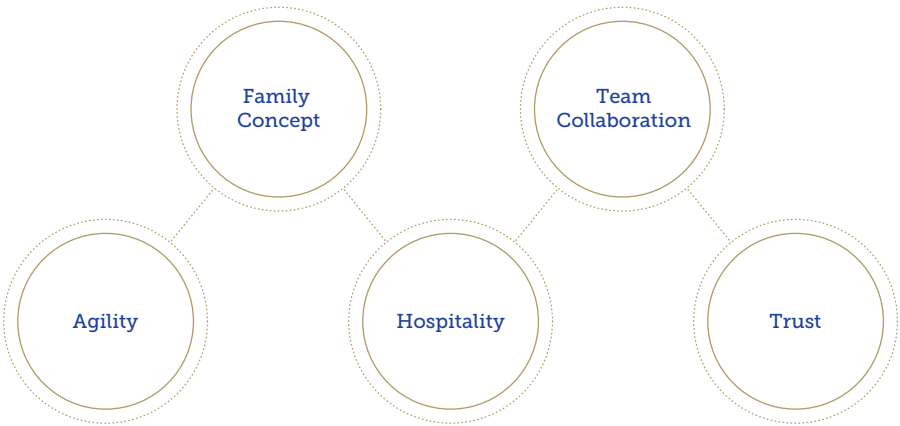
Our Human Resources Policy is to ensure employment of qualified personnel who abide by the professional and ethical rules and are able to perform their duties effectively and efficiently in line with the strategic plans and targets of our Company, as well as maintaining the sustainability of such personnel’s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

### Turkish Airlines is Y Generation’s Choice!

We are proud to be selected among the best five organizations in the engineering, information technology and social sciences in the “ideal employer” survey by participation of 34,465 students at 30 universities.

### CULTURAL VALUES

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



# Performance Management and Career Development

We aim at carrying our Company forward with Performance Management System which is now in place at managerial level in line with our strategic targets. We evaluate our employees on both target and competency based, and support their development with trainings assigned to them upon completion of evaluation. Our initiatives to develop and extend Performance Management system are now ongoing.

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

### THE LEADERSHIP SCHOOL

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

In 2014, 147 employees participated in the leadership school. The number of female employees participating in the program has reached 60 and doubled compared to the numbers in 2012. The training of the participants has continued in 2015.

### LEADERSHIP DEVELOPMENT PROGRAM

Turkish Aviation Academy provides three-day Leadership Development Program for the executives of Turkish Airlines within the scope of its cooperation with Fatih Sultan Mehmet University.



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

SOCIAL

- FLIGHT SAFETY
- CUSTOMERS
- EMPLOYEES
- SOCIAL RESPONSIBILITY

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

# Employee Satisfaction

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

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

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

## SOCIAL BENEFITS

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

## AWARDING THE BEST COLLEAGUE

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



## CREW GARDEN LOUNGE

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

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


## EMPLOYEE SATISFACTION SURVEY

In order to assess employee satisfaction, we conduct surveys at regular intervals. In 2015, with the participation of 9,404 employees (42% participation rate), the employee satisfaction rate was 76% and we continuously work to increase the participation and satisfaction level of our employees.


You Ask And We Do It For You!

As the best airline company in Europe, we continue our efforts to make our teammates the happiest employees in the world. From personnel development to nutrition, we have initiated many projects upon our 2014 and 2015 employee satisfaction survey.


### Actions Taken Upon Employee Satisfaction Survey




Renovation at the dining hall




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




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




Recognition of our employees' success through plaques and badges.




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




Management trainings for employees under Career Development Program



Free and discounted healthcare service.



Pleasure of traveling with the whole family with CED ticket.



Improved shuttle service for our personnel.

# Diversity and Equal Opportunity

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

Number of our cockpit crew members, who have made a significant contribution in Turkish Airlines’ success story, is more than 4,000 upon recruitment of 782 foreign pilots from 57 countries, which makes cockpit environment a truly cosmopolitan place to work.

At Turkish Airlines, the number of female employees corresponds to 46% of the total number of employees, which hit 10,202, as of 2015. Indeed, the workforce is dominated by women as cabin personnel role. We are happy to see that our female pilot numbers are increasing year by year. Aiming to improve career opportunities for female employees, we developed measures such as offering kindergarten or kindergarten allowance for the female employees with dependent children and providing allowances for birth.

Turkish Airlines is committed to integrating people with disabilities and their talents in employment. In 2015, number of disabled employees has been 167 of which 20 are supervisors and managers.

We are a growing family where newcomers join at any level every year. In line with the growth pace of the Company; pilots, cabin personnel and the employees holding other positions are recruited following an active process. Applicants are evaluated by objective criteria at all phases of assessment. In 2015, 3,056 people were employed at Turkish Airlines. Growth- and quality-based human resources policies are an important part of our Company’s 2023 vision and our personnel planning until 2023 has already been made.

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



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

782  
FOREIGN PILOTS FROM  
57  
COUNTRIES

46%  
FEMALE EMPLOYEES



# Freedom of Association and Collective Bargaining

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

Collective Bargaining Agreement has been in place at Turkish Airlines for nearly 49 years and it has been continuously refined to improve the rights of employees and executed smoothly in a manner to minimize any possible conflicts through dedicated efforts of the parties so far. We will strive to do so in the future.

# Health, Safety and Well-Being

## APPROACH

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

## POLICY AND MANAGEMENT

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

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

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



Turkish Airlines systematically collects, monitors and reviews health and safety data through online reporting systems and has established various mechanisms to achieve continuous improvement in its performance. Thus, all incidents including the near misses are reported; the root causes of the incidents are examined and investigated, and corrective and preventive actions are implemented. Moreover, the statutory agreements executed by and between Turkish Airlines and unions cover compliance with the rules and regulations applicable to the health and safety issues.

As a result of all these efforts, Turkish Airlines has been certified under the internationally recognized Occupational **Health and Safety Management System Certificate (OHSAS 18001)** in 2013. We established a regulations-compliant management system under which risks are analyzed with OHSAS 18001 standard, accidents are minimized by taking measures, controls are ensured by means of audits, targets of the company are set, sub-targets regarding occupational health and safety are communicated to the personnel and all these practices are realized. We strive to achieve continuous improvement and ongoing compliance with the regulations and standards.

## Performance

Turkish Airlines is dedicated to achieving the goal of reducing injury rate on a continuous basis. As a first step, the reporting system has been improved to identify even the smallest type of injuries. In 2015 the injury weight rate has been 52.54 which is calculated as number of lost days \*1,000,000/working time. Main types of injuries experienced at work within the organization of Turkish Airlines are minor cuts, musculoskeletal system injuries and falls.

## Targets

All of our employees have been provided with training about the recent OH&S regulations. In 2016 we aim to decrease the injury weight rate to below 50 which is 52.54 as of 2015.



WE ARE  
OHSAS 18001  
CERTIFIED

DECREASE INJURY WEIGHT  
RATE TO BELOW 50

SOCIAL

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

HEALTH AND SAFETY PRACTICES

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



Personal Protective Equipment

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

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

Emergency Response

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



16 emergency evacuation drills were conducted in 2015 in order to enhance the emergency preparedness.

Medical Examinations

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



In 2015, 109,976 medical examinations including routine periodic medical examinations of the existing employees and pre-examinations of the newly recruited staff members have been performed.

Drinking Water Tests

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

Training

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

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

Promoting Healthy Lifestyles

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

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

# Training

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

## TURKISH AVIATION ACADEMY

Turkish Aviation Academy was founded to meet the training needs of Turkish Airlines. It has transformed over the years into an institution that offers training courses to people from many different companies both in Turkey and abroad. Academy is situated on a 5,800 square meters area, containing 21 classrooms and a conference room with a seat capacity of 120. Within the Academy, there are 29 trainers, all experts in their fields, and 550 people can be delivered training at the same time. Approximately 2,250 classroom trainings are conducted annually and nearly 25,000 students participate in these trainings. Moreover, the number of students having received distance learning has reached 230,000.

We offer trainings under three main categories: Corporate Solutions, Organizational Development and Language Skills. The frequency of trainings varies based on the Company's needs and requirements, and that whether it is mandatory compliance, new hire, recurrent training or seminar.



## Our National & International Approvals and Partnerships:

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

## Our Targets for 2016

- To digitalize 55 trainings by the end of 2016
- To increase the occupancy rate in training places to above 71%, which happened to be 65% in 2015
- To make “customer complaint management” online training accessible to 90% of the employees
- To update and make “environmental awareness” online training accessible to all employees
- To make “brand awareness” online training accessible to 90% of the employees
- To organize two “Peers Talk” events

## TRAINING FIGURES IN 2015

Subjects	Health & Safety	Environmental Management	Safety	Security	Fuel Efficiency
Number of trainees	4,642	19,132	27,571	6,703	42
Total hours of training	886	1,491	17,714	1,943	137

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



Important Developments

Turkish Aviation Academy Has Become ICAO Regional Training Center Of Excellence

Turkish Aviation Academy, which has been continuing its full membership of Trainair Plus since June of 2013, assumed the title of “ICAO Regional Training Centre of Excellence”. Within the scope of ICAO Trainair Plus full membership, the Academy contributed to the global aviation sector in airport security area by designing Travel Documents Training. And with its excellence title, the Academy is preparing to bring the global sector many trainings in compliance with ICAO rules and regulations. By this means, the Academy, which will play an important role in enriching the training library under the roof of ICAO, will strengthen its capability by increasing the quality of trainings given within its body.

Turkish Aviation Academy Received The First Official Corporate University Recognition In Turkey

Turkish Aviation Academy has been entitled to receive the recognition of being the first official Corporate University in Turkey by the Global Council of Corporate Universities.

Air Transport Management Master Program



“Air Transport Management M.Sc. Program”, which is run jointly by Turkish Airlines Aviation Academy and Istanbul Technical University had its first graduates. 39 managers and management trainees celebrated their graduation.

Offering an international Master’s Degree Program, the courses are given by distinguished instructors across the world, coming from Boeing, the Massachusetts Institute of Technology (MIT), ITU, Cranfield University, McGill University and the University of British Columbia.

Industrial R&D And Technology Management Program

“Industrial R&D and Technology Management” master’s program was started in collaboration of Turkish Aviation Academy, Yildiz Technical University and Warwick University. The project, which brings together very valuable academicians and doyens of the sector with the students, and opens a road for them to equip with qualified trainings, has a huge importance in the point of earning qualified employees and leaders to the sector. Turkish Airlines, seeing education as one of the most important investments to the future, enabled 20 of its employees to be able to participate in Industrial R&D and Technology Management Program.



SOCIAL

- FLIGHT SAFETY
- CUSTOMERS
- EMPLOYEES
- SOCIAL RESPONSIBILITY

FLIGHT TRAINING CENTER



*we train as we fly,  
we fly as we train...*

Flight Training Center conducts training activities for more than 4,000 cockpit crew members, dispatchers and load masters as well as more than 10,000 cabin crew members in accordance with international standards and serves to develop competencies of flight crew members. The center provides training services for national and international customers through domestic and international authorizations and aims to be one of the biggest training centers across Europe, the Middle East and Africa. Besides, the activities carried out with institutions and organizations provide valuable contributions to extend civil aviation knowledge on both national and international basis.



EASA.ATO.0028  
CERTIFICATED AS APPROVED  
TRAINING CENTER BY  
EUROPEAN AVIATION SAFETY  
AGENCY.

Carrying out its activities driven by our Company's vision of achieving the highest level of performance standards in aviation safety and security, Flight Training Center was certified by the Turkish Civil Aviation Authority as a Type Rate Training Organization (TRTO) and Flight Training Organization (FTO). Moreover, the Center has been certificated as Approved Training Organization (ATO) by European Aviation Safety Agency (EASA).

Courses

At Flight Training Center, we have been providing ground courses and flight trainings for cockpit crew members, ground courses and practical trainings for cabin crew members, ab-initio trainings for candidate pilot trainees, ground trainings for dispatchers and ground trainings for loadmasters. All trainings for flight crew members aim at increasing knowledge, skills and competencies in communication, workload management, leadership, team building and assertiveness. We update our training program on regular basis to increase the quality of trainings and ensure that the employees are equipped with all technical skills required to provide service for safe operation all around the world.



We also seek to raise environmental awareness by training our employees in the related fields such as fuel efficiency. The Flight Training Center conducts seminars about fuel efficiency through their operational applications in order to protect environment.

DLR Test Center, where pilot selection exams are performed together with the German Aerospace Center (DLR), is another important initiative maintained under the umbrella of Flight Training Center.

Projects Realized

Construction process of a new Training Center with a capacity for 18 simulators and 45 classrooms including cabin training mock-up area in Florya to meet the training requirements inline with the fleet growth. Within the scope of the new "Flight Training Center Project", 4 full flight simulators (FFS) were purchased in 2015. In this manner the number of EASA approved FFS has been increased to 14.

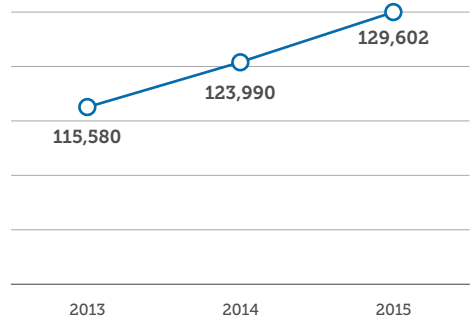
47,132  
PEOPLE ARE TRAINED BY  
482  
INSTRUCTORS



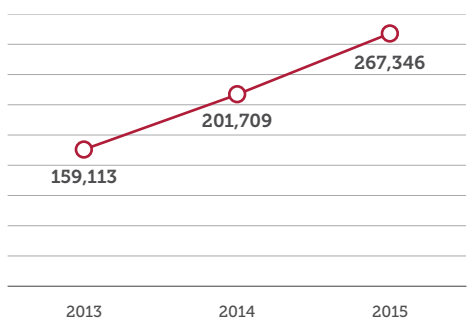
- SOCIAL**
- FLIGHT SAFETY
  - CUSTOMERS
  - **EMPLOYEES**
  - SOCIAL RESPONSIBILITY

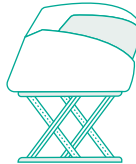
Performance 2013 to 2015

12% INCREASE IN THE HOURS OF TRAININGS FOR COCKPIT CREW MEMBERS

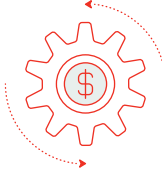


68% INCREASE IN THE HOURS OF TRAININGS FOR CABIN CREW MEMBERS







**143%** INCREASE IN NUMBER OF FNPT\* AND FFS\*\*



**75%** INCREASE IN REVENUES



**53%** INCREASE IN NUMBER OF TOTAL TRAINED CABIN AND COCKPIT CREW MEMBERS



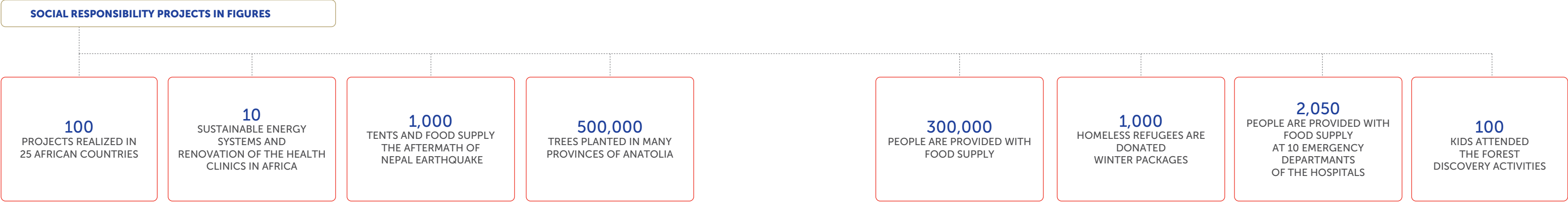
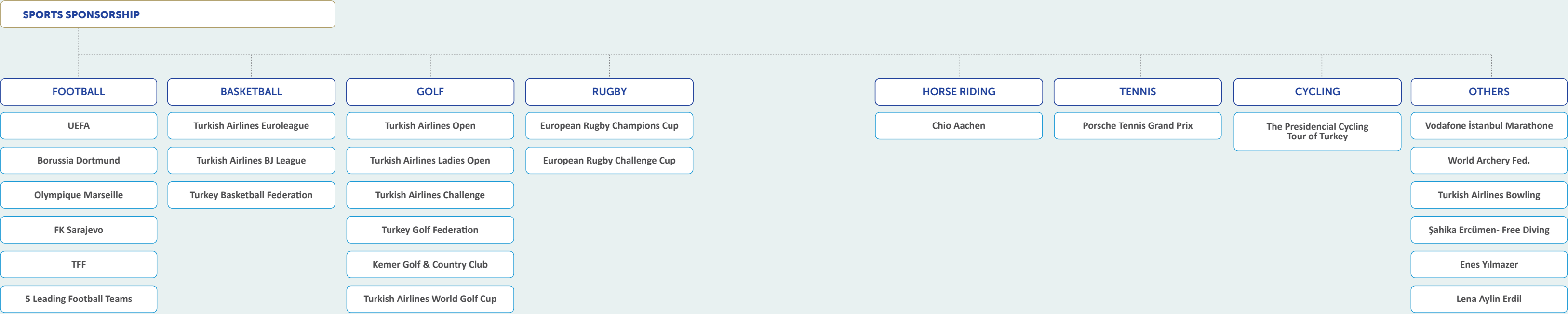
**45%** INCREASE IN NUMBER OF TOTAL CABIN AND COCKPIT TRAINING HOURS

\* Flight Navigation and Procedures Trainer  
\*\* Full Flight Simulator



Social Responsibility





SOCIAL

- FLIGHT SAFETY
- CUSTOMERS
- EMPLOYEES
- SOCIAL RESPONSIBILITY

# Environment

## SOLAR ENERGY PROJECTS AT 10 HEALTH CLINICS IN AFRICA

As part of our strategy for the realization of sustainable projects, 10 solar energy systems were donated at 10 rural health clinics in Niger and Uganda.



## 1 MILLION TREES PLANTED IN ANATOLIA

1 million trees were planted in 2014 and 2015, in order to combat climate change which jeopardizes the lives of the future generations.



## FOREST EXPLORER REFUGEE CHILDREN

An event lasting for **4 weeks** was organized in the Forests of Istanbul together with **30** refugee children as part of the Forest Explorers project which was held to endear nature to the children and to introduce such things as trees, fruits, flowers, insects, herbs and vegetables as well as to improve their abilities to study with a scientific method.



# Health

## WE DREW ATTENTION TO BREAST CANCER!

An exhibition titled “**The Traces of Life in the Sky**”, covering poems and sky photographs of our pilots, was organized in commemoration of our women who lost their lives due to breast cancer.

As a further step of awareness campaign, a pink ribbon was fitted on one of our aircraft as a symbol of breast cancer, and an action was initiated to raise awareness with leaflets reaching to our passengers.



# Humanitarian Response

## EARTHQUAKE IN NEPAL

In 2015, our volunteer team arrived at the region in the aftermath of the earthquake in Nepal, visited mountain villages, destroyed neighborhoods of the city and injured people at hospitals, and supplied **1,000** tarpaulins and aid sufficient to meet food needs of **1,000** families.



SOCIAL

- FLIGHT SAFETY
- CUSTOMERS
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# Employee Volunteerism



**Corporate Partnership Award**

We were granted “Corporate Partnership” award in Enterprise 2015 Summit, organized by Corporate Social Responsibility Association, the branch of CSR Europe in Turkey.

**SUSTAINABILITY CLUB**

Sustainability Club was realized by the volunteers of Turkish Airlines for the purpose of reshaping each and every field of life from agriculture to energy, from health to recycling of wastes and from education to economy in an integrated perspective.

**PHOTOGRAPHY CLUB**

Turkish Airlines Photography Club was established with amateur and professional photographers having an interest in photography. In this club, experiences are shared and trainings are provided in the field of photography.

# Contribution to Social Development in Turkey

**ISTANBUL HEROES**

Followed admiringly by our little guests of 7-10 age group each month and teaching while entertaining them during their travels, 100,000 Miles & Smiles Heroes magazines were handed out to various schools in coordination with Provincial Directorate of National Education.



**AVIATION CONFERENCES TO  
1,000 STUDENTS**

Our volunteer pilots & cabin crew members organized conferences themed “Widen your world” for 1,000 students at various schools in Istanbul with the aim of endearing aviation to them. Our pilots and cabin crew members replied to the students’ questions on aircraft and world, and then delivered presents to them.



**REFUGEE CHILDREN AND WINTER**

We provided aids such as winter clothes, scarf-hat-gloves set, stationery supplies and toys to 1,000 needy refugee children as well as thousands of baby food and biscuits to babies all of whom are living under hard conditions in tents or camps in the eastern regions of Turkey.



**KITE FESTIVAL WITH 300 CHILDREN**

Turkish Airlines’ Volunteers organized a kite festival with attendance of approximately 300 orphan children in 2015.

Several pleasant playgrounds were organized and not only entertaining but also instructive activities as well as animations accompanied by clowns took place in this festival attended by Turkish and refugee orphans who live in affection homes of social services, children’s home financed by various associations and their own homes with their mothers, and who come from disadvantaged groups of the society.





SOCIAL

- FLIGHT SAFETY
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PLAY THERAPY FOR CHILDREN WITH CANCER

A play room was set up for children with cancer, who receive treatment at training and research hospitals in Istanbul, in coordination with international play therapists and Pedagogy Association, and regular weekslong play therapy sessions were held for children.

Thanks to this, the children, who are tried to hold on to life more eagerly, were filled with determination to struggle and recalled the feeling of hope with the help of specialist therapists.



HUNDREDS OF CHILDREN BECAME PILOT WITH TOSIDO

As part of TOSIDO (Touristanbul, Simulator and Do&Co), one of the traditionalistic activities performed with Turkish Airlines’ volunteer group, more than 200 children, who stay in oncology services, center of disabled people and orphanages, had breakfast at Do&Co and toured around the facility. Then they walked through the training center of Turkish Airlines, used simulator and became pilot even for a few minutes. In the remaining time of the day, they had lunch and toured around Istanbul in company with a guide.



FROM PRINCE ISLANDS FERRY TO CYCLING FESTIVAL

Turkish Airlines’ volunteers presented bicycles to 100 orphan children from various institutions. Then they took the children to Prince Islands, where cycling is quite common, and cycled with them all day long.



Supporting Communities at Our Destinations

100 PROJECTS FOR AFRICA

In Africa year, Turkish Airlines carried out more or less 100 projects with various project sizes in 26 flight destinations in Africa with hundreds of volunteers.

In these projects launched for orphanages, educational institutions, disabled people, hospitals as well as poor neighborhoods and villages, Turkish Airlines’ volunteers touched lives of hundreds of thousands of people, and provided food, education and health aid.



- |   |                                  |
|---|----------------------------------|
| ✈ ORPHANAGES                                  | ✈ STATIONARY & SCHOOL AIDS       |
| ✈ MEDICINAL AIDS AND PLAY ROOMS FOR HOSPITALS | ✈ VISITS TO VILLAGES - FOOD AIDS |
| ✈ PLAY GROUNDS                                | ✈ WATER WELLS                    |



FOOD SUPPORT TO MORE THAN 300 THOUSAND PEOPLE ALL OVER THE WORLD

As part of activities for distribution of ramadan iftar and food boxes, food support was provided to more than 300 thousand people in Africa, Asia, Jerusalem and the Balkans.



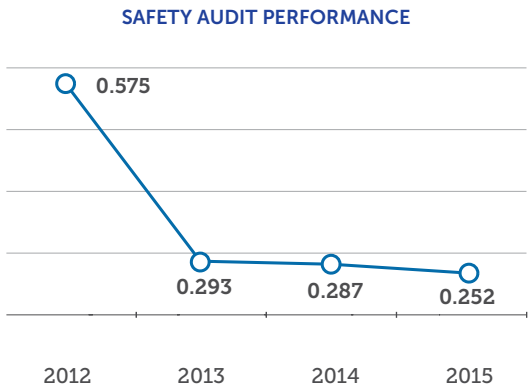
KIDS FESTIVAL IN JERUSALEM

This festival, attended by thousands of orphan children, was held in the garden of Al-Aqsa Mosque with our volunteers, and thousands of toys were distributed to the children.



Performance Tables

G4-10: EMPLOYEE PROFILE BY AGE GROUPS AND GENDER							
Year	Employee category	Age Group			Gender		TOTAL
		0-29	30-49	50+	Female	Male	
2012	Cockpit personnel	299	1.623	595	32	2.485	2.517
	Cabin personnel	3.091	2.383	1	4.202	1.273	5.475
	Other personnel	1.497	6.021	347	3.338	4.527	7.865
	Total	4.887	10.027	943	7.572	8.285	15.857
2013	Cockpit personnel	623	2,079	667	57	3,312	3,369
	Cabin personnel	4,131	2,803	2	5,027	1,909	6,936
	Other personnel	1,829	6,373	375	3,568	5,009	8,577
	Total	6,583	11,255	1,044	8,652	10,230	18,882
2014	Cockpit personnel	669	2,460	763	78	3,814	3,892
	Cabin personnel	4,390	3,385	3	5,439	2,339	7,778
	Other personnel	1,819	6,049	364	3,709	4,523	8,232
	Total	6,878	11,894	1,130	9,226	10,676	19,902
2015	Cockpit personnel	696	2.806	872	92	4.282	4.374
	Cabin personnel	4.670	4.056	3	6.099	2.630	8.729
	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



		2012	2013	2014	2015
Age Group	Total	1.448	3.965	2.599	3.056
	Below 30	967	2.888	1.847	2.314
	30-49	446	982	663	657
	50+	35	95	89	85
Gender	Male	881	2.405	1.594	1.641
	Female	567	1.560	1.005	1.415
Geographical Region	Africa	53	78	53	59
	America	18	55	38	42
	Asia	33	34	62	27
	Europe	156	224	130	156
	Middle East	53	73	45	115
	Far East	42	49	38	30
	Turkey	1.093	3.452	2.233	2.627

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

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

## Appendix



Calculation Methodology

Electricity, Water and Natural Gas 2015 saving figures are calculated based on the consumptions in the following locations: Turkish Airlines Headquarters and Yenibosna and Gunesli Premises

OH&S

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

About the Report

G4-17, G4-22, G4-23

This is the second sustainability report that represents the sustainability performance of Turkish Airlines for the year of 2015 prepared in line with the globally-recognized sustainability reporting framework, “GRI G4”, the latest version of Global Reporting Initiative (GRI) Guidelines, in accordance with core option. Where relevant, Turkish Airlines has also included data from the previous years 2012, 2013 and 2014. Turkish Airlines Company and its fully owned subsidiaries, Turkish Habom, Turkish Technic and Turkish Flight Academy are included in the consolidated financial statements however these subsidiaries are not covered by the report. External assurance has not been provided for any of the indicator or the report itself. We plan to report on our sustainability performance regularly.

Contact for Feedback:

Any feedback we receive from you remains a source of great strength for us.  
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Disclaimer

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“GRI G4 CONTENT INDEX ‘IN ACCORDANCE’ OPTION CORE”

Indicator	GENERAL STANDARD DISCLOSURES	Page	Explanation/link
STRATEGY AND ANALYSIS			
G4-1	Statement from Chairman of the Board about the relevance of sustainability to the organization and the organization’s strategy for addressing sustainability.	4, 5	
ORGANIZATIONAL PROFILE			
G4-3	Name of the organization.	119	Turkish Airlines Inc.
G4-4	Primary brands, products, and services.	8	
G4-5	Location of the organization’s headquarters.	8, 119	General Management Building, Atatürk Airport Yeşilköy 34149 ISTANBUL TURKEY
G4-6	Number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	12	
G4-7	Nature of ownership and legal form.	27	
G4-8	Markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	8, 9, 11, 12, 119	Annual Report 2015, pages 30 to 32
G4-9	Scale of the organization, including: * Total number of employees * Total number of operations * Net sales (for private sector organizations) or net revenues (for public sector organizations) * Total capitalization broken down in terms of debt and equity (for private sector organizations) * Quantity of products or services provided	9, 41, 42, 88, 93, 115, 119	Annual Report 2015; pages 3 to 6; 26 to 35

G4-10	a. Report the total number of employees by employment contract and gender. b. Report the total number of permanent employees by employment type and gender. c. Report the total workforce by employees and supervised workers and by gender. d. Report the total workforce by region and gender. e. Report whether a substantial portion of the organization’s work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. f. Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).	93, 115	
G4-11	Percentage of total employees covered by collective bargaining agreements.	94	
G4-12	Organization’s supply chain	39	
G4-13	Report any significant changes during the reporting period regarding the organization’s size, structure, ownership, or its supply chain, including: *Changes in the location of, or changes in, operations, including facility openings, closings, and expansions *Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations) *Changes in the location of suppliers, the structure of the supply chain, or in relationships with suppliers, including selection and termination	14, 120	Annual Report 2015; pages 26 to 32
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	28, 29, 31, 50, 66 to 74, 81	
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	50, 67, 69, 74, 81, 84, 95, 99, 100, 102	
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization: * Holds a position on the governance body * Participates in projects or committees * Provides substantive funding beyond routine membership dues * Views membership as strategic  This refers primarily to memberships maintained at the organizational level.	25	
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES			
G4-17	a. Entities included in the organization's consolidated financial statements. b. Any entity included in the organization’s consolidated financial statements is not covered by the report	118	
G4-18	Process for defining the report content and the aspect boundaries	22, 23, 24	
G4-19	Material aspects identified	26	

G4-20	For each material aspect, report the Aspect Boundary within the organization	24, 26	
G4-21	For each material Aspect, report the Aspect Boundary outside the organization	24, 26	
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	121	There is not any restatement.
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	121	There is no change.
STAKEHOLDER ENGAGEMENT			
G4-24	List of stakeholder groups engaged by the organization.	23, 24, 25	
G4-25	Basis for identification and selection of stakeholders with whom to engage.	23	
G4-26	Organization’s approach to stakeholder engagement	23, 24, 25, 30	
G4-27	Response to key topics and concerns that have been raised through stakeholder engagement.	24, 30, 92	
REPORT PROFILE			
G4-28	Reporting period (such as fiscal or calendar year) for information provided.	121	January 1, 2015-December 31, 2015
G4-29	Date of most recent previous report (if any).	121	January1, 2014-December31, 2014
G4-30	Reporting cycle (such as annual, biennial).	121	Annual
G4-31	Provide the contact point for questions regarding the report or its contents	118, 121	Investor Relations, ir@thy.com, Tel: +90212 463 63 63
G4-32	‘In accordance’ option, the GRI content index and external assurance	118, 121	in accordance option “Core”
G4-33	Organization’s policy and current practice with regard to seeking external assurance for the report.	118, 121	External assurance has not been provided for the report or any indicator in the report
GOVERNANCE			
G4-34	Governance structure of the organization, including committees of the highest governance body. Committees responsible for decision-making on economic, environmental and social impacts.	27 to 29	

ETHICS AND INTEGRITY			
G4-56	Describe the organization’s values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	32, 33, 88	
SPECIFIC STANDARD DISCLOSURES			
CATEGORY: ECONOMIC			
MATERIAL ASPECT	ECONOMIC PERFORMANCE		
G4-DMA	Management Approach	36 to 46	
G4-EC1	Direct economic value generated and distributed	9, 12, 41, 122	Annual Report 2015, pages 3 to 8
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	31	
MATERIAL ASPECT	INDIRECT ECONOMIC IMPACTS		
G4-DMA	Management Approach	36 to 46	
G4-EC7	Development and impact of infrastructure investments and services supported	37, 39, 42 to 46	
G4-EC8	Significant indirect economic impacts, including the extent of impacts	37, 39, 42 to 46	
CATEGORY: ENVIRONMENTAL			
MATERIAL ASPECT	ENERGY		
G4-DMA	Management Approach	40, 50 to 61	
G4-EN3	Energy consumption within the organization	52, 53, 60	
G4-EN5	Energy intensity	52, 53, 60	
G4-EN6	Reduction of energy consumption	52, 53, 60	

MATERIAL ASPECT	WATER		
G4-DMA	Management Approach	50 to 52, 123	As stated in our environmental policy, we are working to minimize our total water usage and promote recycling wherever possible
G4-EN8	Total water withdrawal by source	52	
MATERIAL ASPECT	EMISSIONS		
G4-DMA	Management Approach	40, 54 to 61	
G4-EN18	Greenhouse gas (GHG) emissions intensity	53, 58 to 60	
MATERIAL ASPECT	EFFLUENTS AND WASTE		
G4-DMA	Management Approach	50 to 52, 62	
G4-EN23	Total weight of waste by type and disposal method	62	
MATERIAL ASPECT	PRODUCTS AND SERVICES		
G4-DMA	Management Approach	55 to 63, 81	
G4-EN27	Extent of impact mitigation of environmental impacts of product and services	53, 81	
MATERIAL ASPECT	COMPLIANCE		
G4-DMA	Management Approach	50	
G4-EN29	Monetary value of significant fines and total numbers of non-monetary sanctions for non-compliance with environmental laws and regulations	50	
MATERIAL ASPECT	OVERALL		
G4-DMA	Management Approach	50	
G4-EN31	Total environmental protection expenditures and investments by type	50	



CATEGORY: SOCIAL			
SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK			
MATERIAL ASPECT	EMPLOYMENT		
G4-DMA	Management Approach	88 to 94	
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	93, 116	
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	90 to 92	
MATERIAL ASPECT	LABOR/MANAGEMENT RELATIONS		
G4-DMA	Management Approach	88 to 94	
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective bargaining agreements		A period of 8 weeks is allocated for preparation and planning before the collective bargaining agreement
MATERIAL ASPECT	OCCUPATIONAL HEALTH AND SAFETY		
G4-DMA	Management Approach	94 to 97	
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	124	OH&S Committee operates at managerial level within the Company.
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	95	
G4-LA8	Health and safety topics covered in formal agreements with trade unions	124	H&S topics are covered in formal agreements with trade unions
MATERIAL ASPECT	TRAINING AND EDUCATION		
G4-DMA	Management Approach	98 to 104	
G4-LA9	Average hours of training per year employee by gender, and by employee category	99, 101, 104	
G4-LA10	Programs for skills management and lifelong learning that support continued employability of employees and assist them in managing career endings	98, 100, 102, 103	
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	116	

MATERIAL ASPECT	DIVERSITY AND EQUAL OPPORTUNITY	
G4-DMA	Management Approach	93
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	116
MATERIAL ASPECT	LABOR PRACTICES GRIEVANCE MECHANISMS	
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SUB-CATEGORY: HUMAN RIGHTS		
MATERIAL ASPECT	NON-DISCRIMINATION	
G4-DMA	Management Approach	32, 33
G4-HR3	Total number of incidents of discrimination and corrective actions taken	33
MATERIAL ASPECT	FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING	
G4-DMA	Management Approach	94
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	94
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MATERIAL ASPECT	LOCAL COMMUNITIES	
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G4-SO1	Operations with implemented local community engagement, impact assessments, and development programs	24, 46, 106 to 114
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G4-DMA	Management Approach	32, 33
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G4-SO4	Communication and training on anti-corruption policies and procedures	32, 33
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MATERIAL ASPECT	COMPLIANCE	
G4-DMA	Management Approach	32
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G4-PR5	Results of surveys measuring customer satisfaction	17 to 19, 80 to 83
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G4-DMA	Management Approach	84
G4-PR8	Number of substantiated-complaints regarding breaches of customer privacy and losses of customer data	84

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