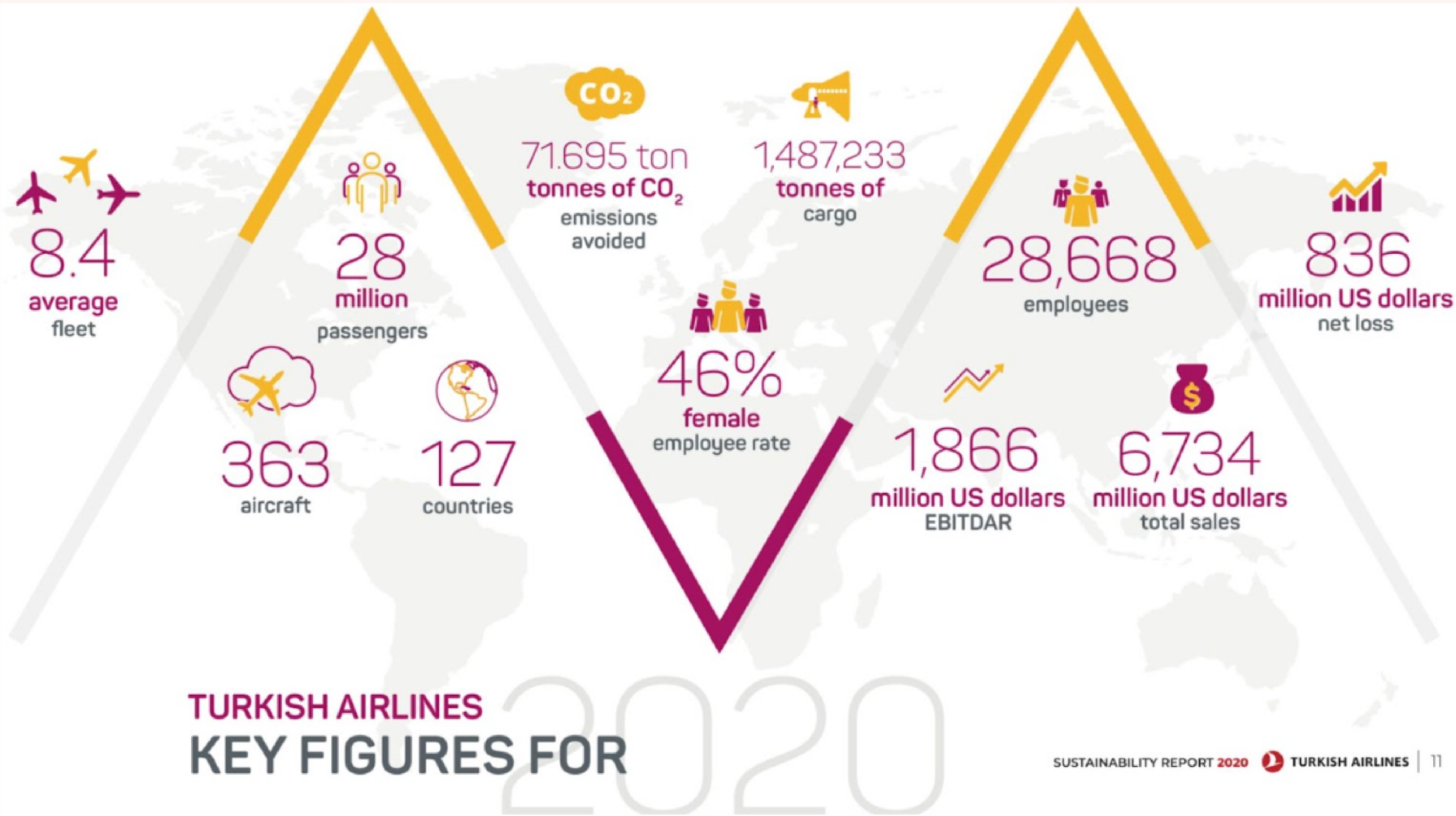


TURKISH AIRLINES **VS AIR FRANCE-KLM**

ESG and Materiality Assessment



TURKISH AIRLINES



turkishairlines

Turkish Airlines
Welcome to the official page of the airline that flies to more countries than any other airline!
www.turkishairlines.com

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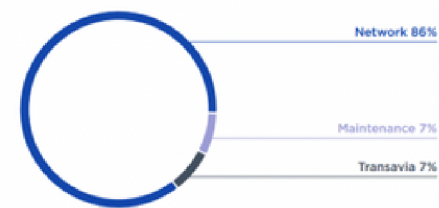
Founded in 1933 with a modest fleet of 5 aircraft, Star Alliance member Turkish Airlines is an airline company that flies to more than 300 destinations in the world with a fleet of more than 300 (passenger and cargo) aircraft.

AIR FRANCE-KLM

Activities

€ 14.3 billion of revenues (+ 29%)

Revenue breakdown



€ -1.6 billion of operating income (+ € 2.9 billion)

Networks

310 destinations in 117 countries



Passenger

45 M

passengers carried

19

compagnies in the global airline alliance and a founder member of SkyTeam

Cargo

1053 M

of kg of freight transported

86%

of freight transported in the bellies of passenger aircraft

Maintenance

200

compagnies have chosen the AFI KLM E&M offer

3 000

aircraft maintained

N°2

largest multi-product player MRO (Maintenance, Repair and Overhaul)

2021 KEY FIGURES

Group



3 brands



Fleet

536

aircraft of which 505 in opération

160

long-haul aircraft

242

medium-haul aircraft



97

aircraft in the regional fleet

6

cargo aircraft

People



71 000

Employees

Sustainable Development



Member of DSI World and Europe indices

Overview

Founded in 2004, Air France-KLM is a major international air transport player departing from Europe.

Primary areas of expertise are air passenger transportation, cargo transportation, and aircraft maintenance.

Group's global network has a fleet of 537 aircraft covered by Air France, KLM Royal Dutch Airlines, and Transavia.

Flights to over 300 destinations in 117 countries.



NOBLE PURPOSE

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



CORE VALUES

- ✓ Honesty and Fair Dealing
- ✓ Customer Satisfaction
- ✓ Demonstrating Respect to Individuals
- ✓ Innovation
- ✓ Teamwork
- ✓ Leadership
- ✓ Productivity
- ✓ Confidentiality
- ✓ Open Door Policy

AIRFRANCE KLM GROUP

NOBLE PURPOSE

At the forefront of a more responsible European aviation, Air France KLM unites people for the world of tomorrow. They are committed to creating a more sustainable, responsible, and inclusive aviation industry that respects people of all genders and the planet. Their purpose is to keep the adventurous spirit of the Air France-KLM Group alive.



CORE VALUES



Diversity & Inclusion



Ensuring health/safety of everyone, everywhere



Committed to more responsible travel



Taking care of local communities



Privacy and ethics in the digital age

TURKISH AIRLINES

KEY SUSTAINABILITY INITIATIVES

SUSTAINABILITY COMMITTEE

Consists of:

- Deputy General Manager(financial)
- Deputy General Manager(HR)
- Assistant General Manager (Marketing & Sales)
- Head of Quality Assurance
- Corporate Sustainability Management Manager

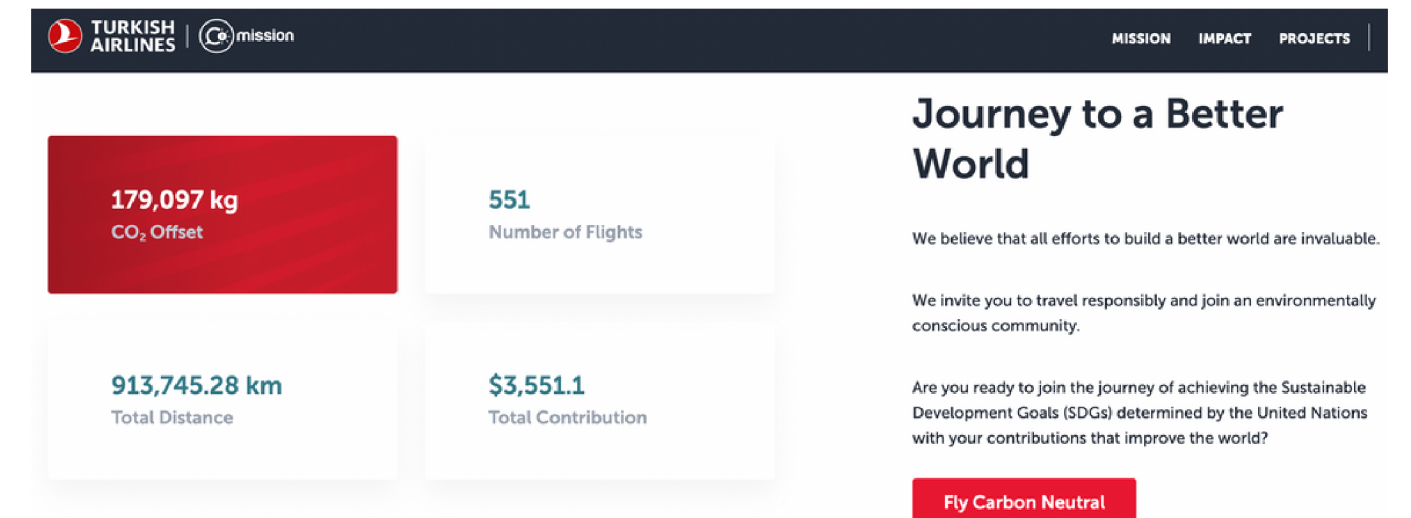
FUEL EXECUTIVE COMMITTEE

- optimizing the operations
 - flight operation
 - technical maintenance
 - ground operations
- investments in new technology
 - fleet modernization
 - research in biofuels
 - modern 4-D flight
 - planning systems
- improvements in infrastructure
 - ATC operations (efficient use of airspace)
 - aerodrome infrastructure

THE CO2 MISSION PROGRAM

- Launched in August 2022
- Combating Climate Change, Carbon Balancing, Act for tomorrow
- Develop the best products and services to help reduce the climate impact of air travel
- Make carbon offsetting accessible, easy, and practical for all the passengers who are environmentally conscious.
- External Website reachable during the purchase process offering portfolio options for carbon offset (renewable energy, efficient cooking stoves, and afforestation)

- **"Open-door" policy, customer satisfaction, adaptation to modern governance & stakeholder interest maximization.**
- **More sustainability campaigns after 2020.**
- **3551\$ is a very small value.**
- **Setting up a platform is a huge amount of dedication.**



AIR FRANCE KLM KEY SUSTAINABILITY INITIATIVES

ENVIRONMENT

Reduce environmental footprint by improving operations and processes, partnering and innovating in the supply chain, and mobilizing staff and the industry.

EMPLOYEE JOURNEY

Create a safe and motivating environment for all employees. Continuously developing skills to ensure the professionalism and employability of all staff and achieve the best results for their business.

CUSTOMER TRUST

To secure the trust of all customers, employees, and partners, Air France KLM ensures their safety and health in all operations. With their suppliers and partners, they aim to take sustainability into account to offer high-quality products and services to all customers and create memorable experiences.

SOCIETAL VALUE

They strive to add economic and social value in the areas where they operate. By working together with local partners and through its procurements, the Group creates new business opportunities and supports projects that contribute to future generations and local communities.

GOVERNANCE

- Board of Directors approves strategic orientations/ monitors implementation.
- Sustainable Development/ Compliance Committee reviews risks/ policies (give recommendations/ ensure sustainability issues are considered. Audit Committee annually review financial risk
- Executive Committee decides sustainability policy/ ensures its integrated into strategic planning. Annually reviews sustainability performance. Corporate Secretary in charge of Sustainability/Compliance.

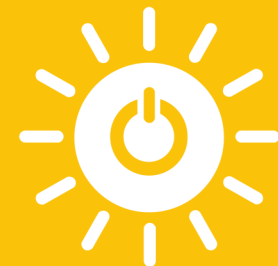
3 GOOD HEALTH AND WELL-BEING



5 GENDER EQUALITY



7 AFFORDABLE AND CLEAN ENERGY



8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



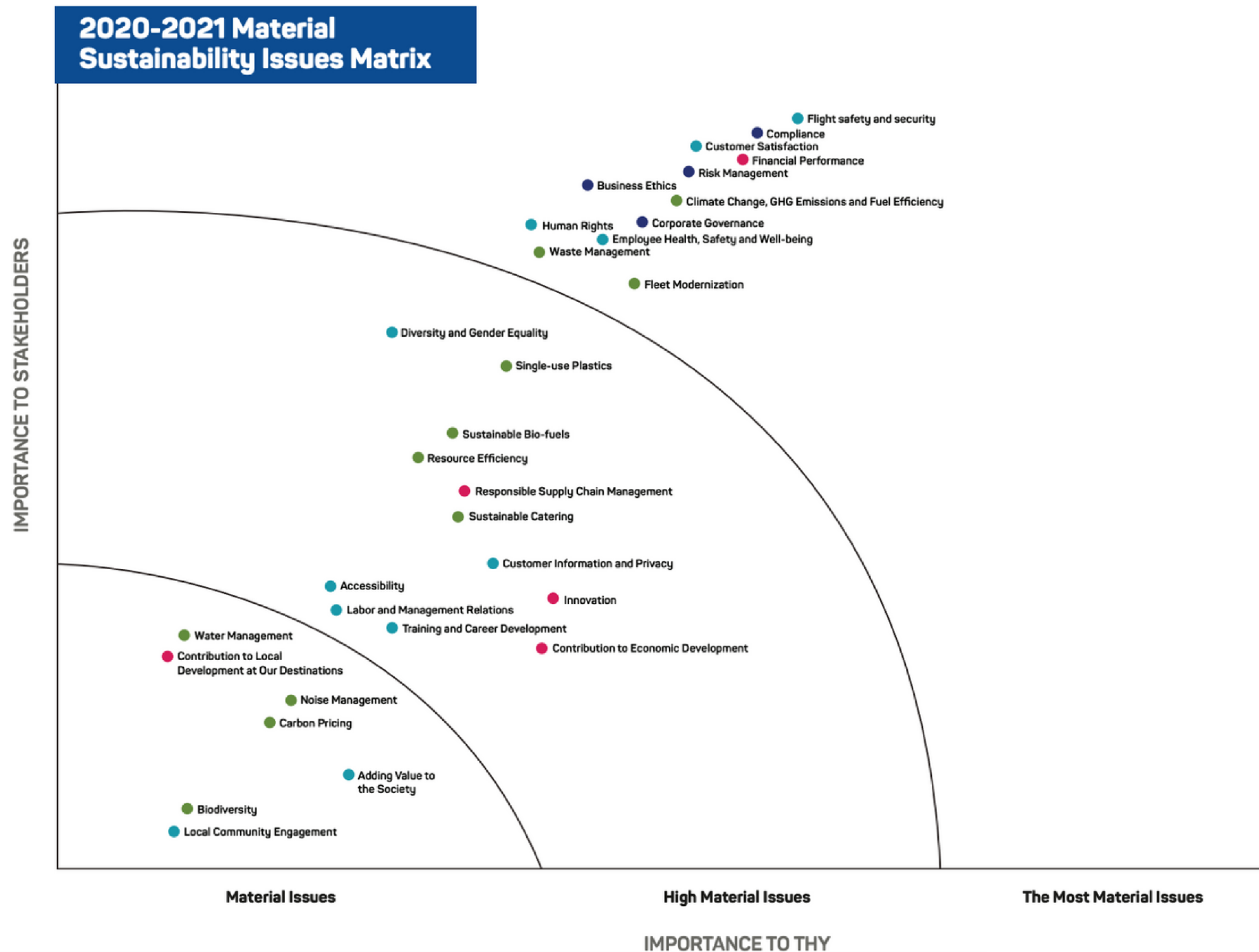
12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



TURKISH AIRLINES MATERIALITY ASSESSMENT



- **Does not reveal exact criteria for material issues**

The report says that Turkish Airlines conducted surveys to investors, as well as receiving feedbacks from diverse expert organizations. However, the report still does not tell the exact criteria for determining which issues are material.

- **Reinterpreted GRI terms**

The report shows Turkish Airline's huge commitment to achieving UN's SDGs. Instead of traditional GRI terms, it uses the terms 'Governance', 'Planet', 'People', and 'Prosperity' which aligns with SDGs as well.

- **Very specific data about each material issue**

Each issue had very specific KPIs, analysis of current status quo as well as its goals for 2021. For example, its energy consumption target in 2021 was to achieve reduction by 2% compared to 2020.

AIR FRANCE-KLM MATERIALITY ASSESSMENT

- **"SICK OF AIRFRANCE- KLM"**

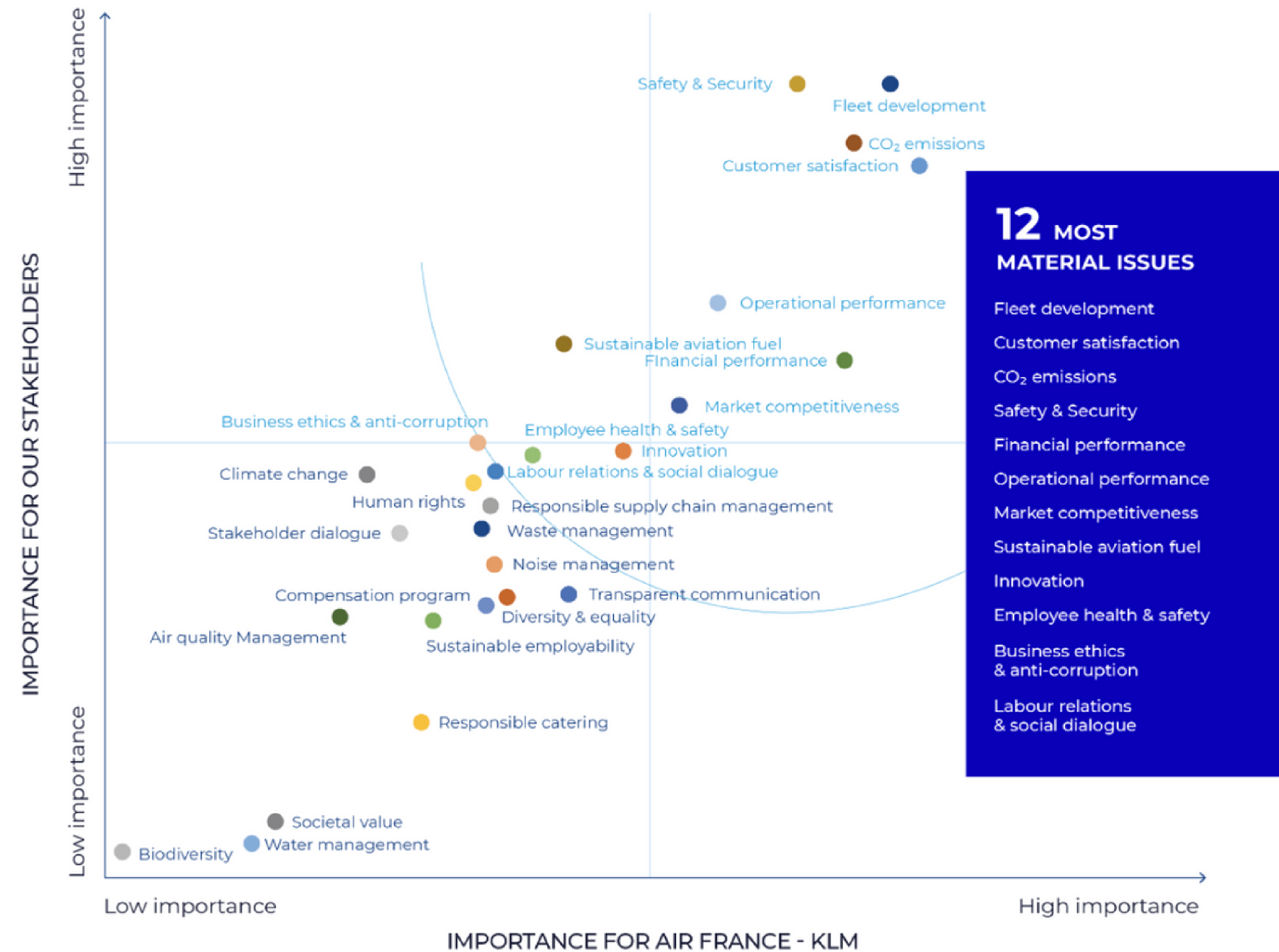
2007: Air France-KLM was advised to reduce the exposure of ground workers to the exhaust fumes of the aircraft “as much as possible” (Zembla, 2021).

Increased risk for heart problems and cancer.

“Lung, stomach, and vocal cord cancer, all before they reached retirement age”

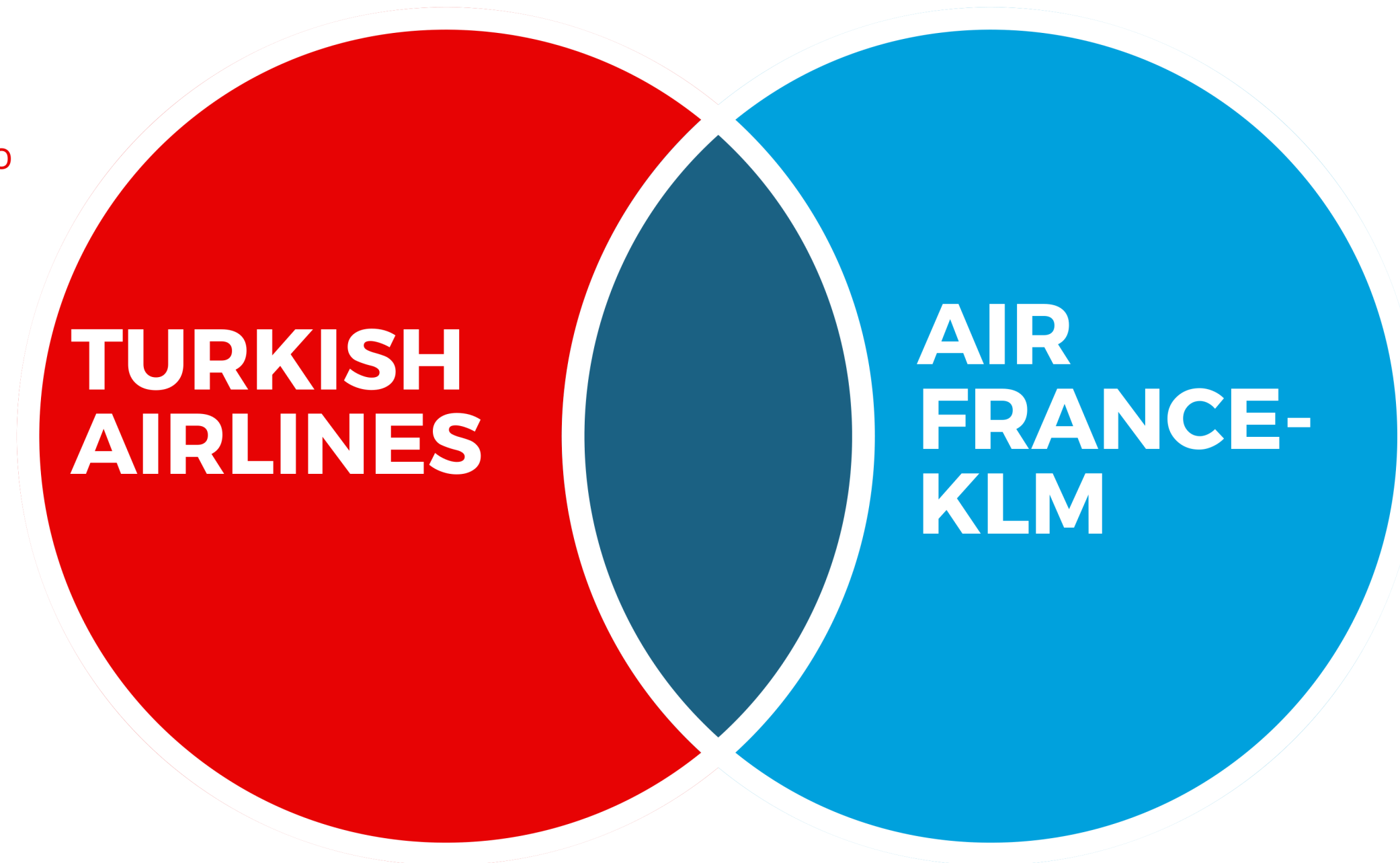
“I do not know any college with another cause of death than cancer”. (Gerben de Jong in Zembla, 2021).

MATERIALITY MATRIX



MATERIALITY ANALYSIS

- Used alternative chart and classified issues into three categories
- Material issues are chosen by many different methods including survey and advice
- A lot of emphasis on environment and provides very specific plan to turn green



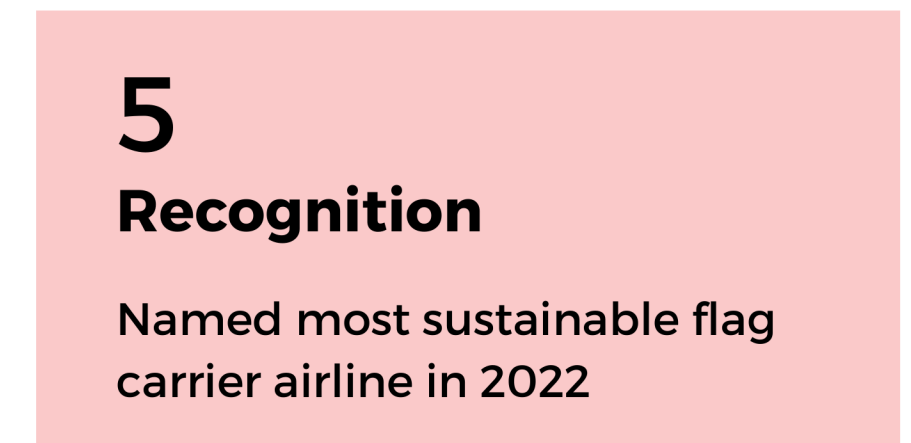
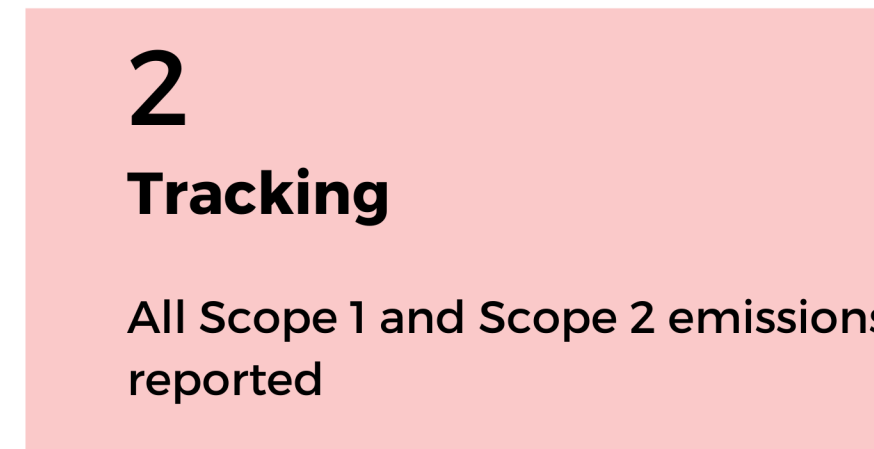
- Fleet modernization is one of the top material issues

- Put a lot of emphasis on social issues including flight safety, employee health, customer satisfaction

- Used 2 X 2 matrix for analysis and classified issues into four categories
- Material issues are chosen by surveys of stakeholders
- Less focused on environment than Turkish Airlines

TURKISH AIRLINES SUSTAINABILITY ANALYSIS

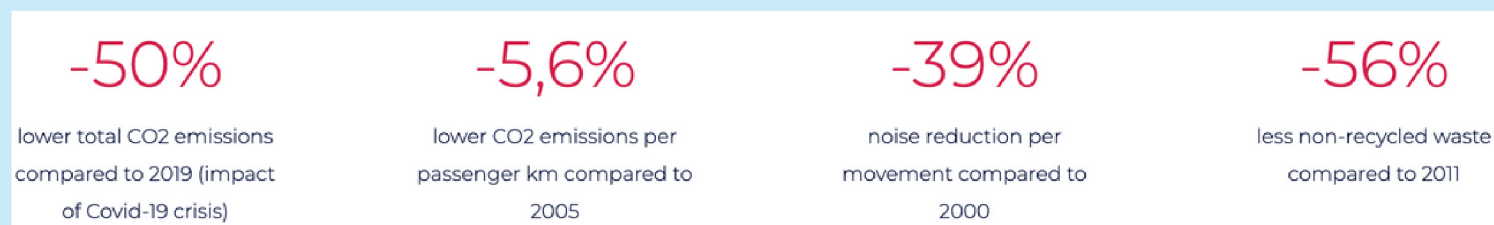
- Sustainability Strategy --> **Creating Value**



AIR FRANCE-KLM SUSTAINABILITY ANALYSIS

Hopes to reach their climate objective of "net zero CO2 emissions by 2050"

Overall Goals:



1st Pillar of Ambition: Environment

Carbon Footprint

"We report on 100% of our scope 1 and 2 CO2 emissions, and the scope 3 emissions resulting from the upstream phase of kerosene production" ([Air France-KLM](#))

Sustainable Aviation Fluid (SAF)

"In 2020, KLM continued to purchase 15,642 liters of SAF for its Swede flights, i.e. 5% of the total fuel use on all flights to/from this destination"

Noise Hinderance

"Air France-KLM Group reduced its noise footprint by 39% between 2000 and 2020, whereas the number of aircraft movements increased by 18% over the period 2000 to 2019"

Air Quality

"Almost 50% and 62% respectively of the Ground Support Equipment (GSE) used at Paris-CDG and Amsterdam Airport Schiphol is electric"

Waste & Circular Economy

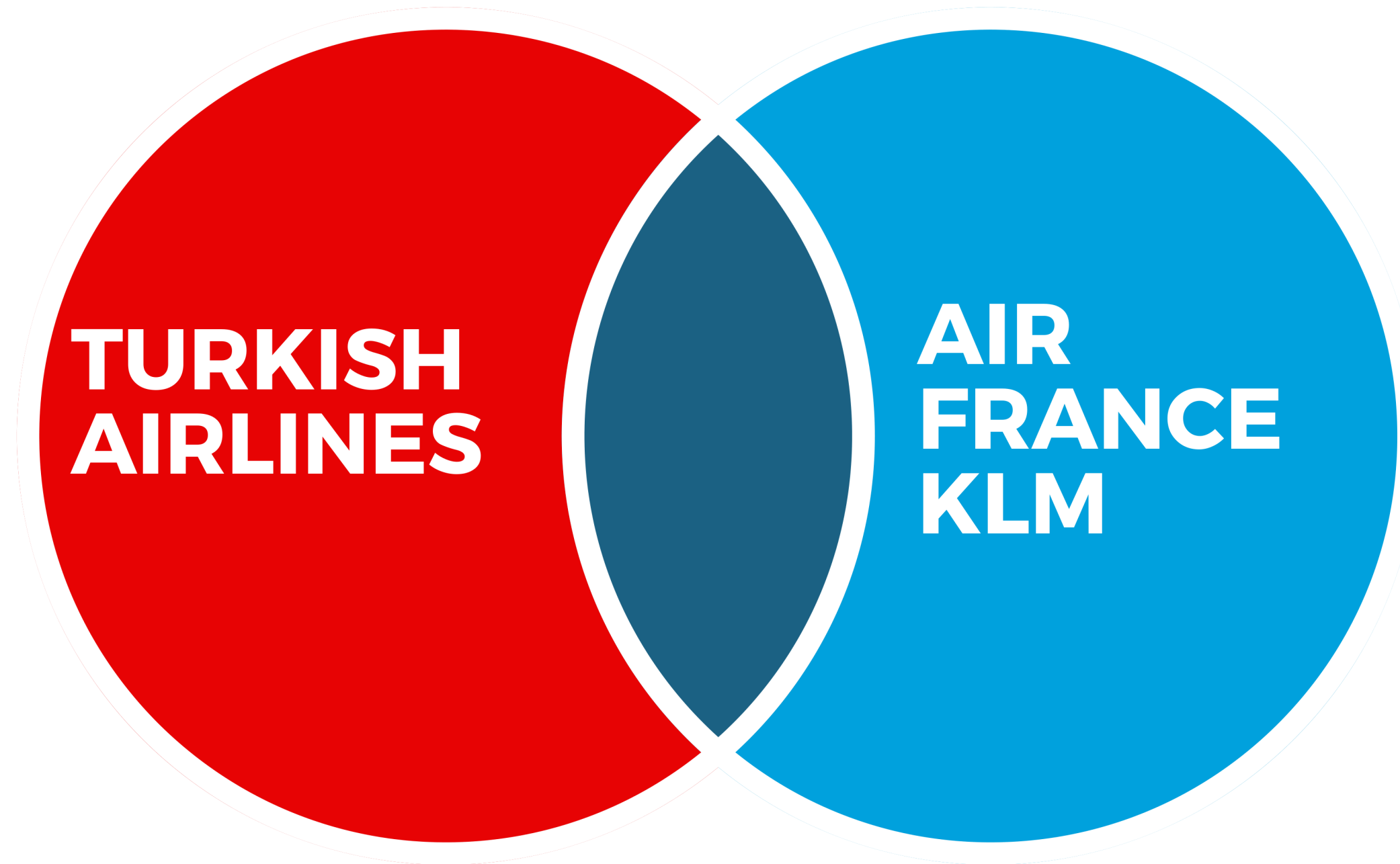
"Air France gradually eliminated 210 million single-use plastic items, i.e. 1,300 tons (100 million plastic cups replaced by cardboard versions ...)"

Biodiversity

"purchase of a flight ticket, customers have the opportunity to make a donation ... to reduce their environmental footprint and contribute to a reforestation project ... more than 200,000 trees planted" (Airfrance KLM)

SUSTAINABILITY ANALYSIS

- Meticulous details about sustainability efforts appear to be genuine
- Very clear focuses are laid out in the sustainability report



- Not enough set deadlines or specification if goals were met/ update to how close they are
- Focused on A LOT of different sectors & projects

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