C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Pegasus Hava Taşımacılığı A.Ş. ("**Pegasus**" or the "**Company**") is the leading Turkish low-cost airline in terms of passengers carried, focused on providing an affordable, on-time air travel service with a young fleet of 93 aircraft as of December 31, 2020. As a result of its successful implementation of this low-cost strategy, Pegasus has experienced rapid expansion of its operations both domestically and internationally and has achieved a broad awareness of its brand in Turkey and growing brand recognition internationally. Between 2009 and 2019, the total number of passengers carried increased at a CAGR of 18%, significantly outpacing the 9% annual average growth of the overall Turkish market, according to data from the Turkish General Directorate of State Airports Authority ("**DHMİ**") and the Company.

Pegasus focuses on providing high-frequency services on short- and medium-haul, point-to-point and transit routes across its domestic and international network, primarily from its hub, the modern Sabiha Gökçen Airport in Istanbul. As of December 31, 2020, Pegasus offered scheduled passenger services on 35 domestic routes in Turkey and 76 international routes to European (including North Cyprus), CIS, Middle Eastern and African destinations, covering 111 destinations in 43 countries.

Pegasus' business model is based on a strong focus on efficient operations and cost control, and revenue generation through various services ancillary to the core air passenger services, including revenue related to pre-order and in-flight sales of beverages and food, excess baggage fees, reservation change and cancellation fees, airport check-in fees, seat selection fees, and in-flight entertainment fees. In 2020, the Company's revenue recorded from ancillary services constituted 34% of total revenue for the year. In 2020, Pegasus continued to derive revenue from other services, primarily consisting of cargo services and a relatively low volume of charter and split charter flights for tour operators, which represented 3% of total revenue for the period.

In 2020, Pegasus had a total of 14.7 million passengers, compared to 30.8 million passengers in 2019 and 30.6 million passengers in 2018. Its market share in 2020, measured in terms of scheduled passenger numbers, was 16.0% in international routes to and from Turkey and 38.7% in domestic routes, compared to 12.9% and 31.3%, respectively, in 2019, according to data from DHMİ and the Company.

In 2019, Pegasus achieved cost per available seat kilometers ("**CASK**"), non-fuel of €c 2.06, the lowest among all prominent low-cost carriers based on public data announced by peer companies. It had an EBITDA margin of 33.3% compared to a median of 24% amongst its competitors. Pegasus also had the highest customer satisfaction rating amongst key low-cost carriers, with a net promoter score (NPS) of 29.1 in 2019. It had an on time performance ("**OTP**") record of 79.7% in 2019, which, according to Official Airline Guide (OAG) and Cirium (part of the LexisNexis Risk Solutions Group portfolio of brands) figures, was the highest amongst peer low-cost carriers composed of WizzAir, RyanAir, EasyJet and AirAsia.

As of December 31, 2020, Pegasus' operating fleet comprised 34 Boeing 737-800 aircraft (with a maximum configuration of 189 seats in each aircraft), 12 Airbus A320ceo aircraft (with a maximum configuration of 180 seats in each aircraft), 40 Airbus A320neo aircraft (with a maximum configuration of 186 seats in each aircraft) and 7 Airbus A321neo aircraft (with a maximum configuration of 239 seats in each aircraft). Pegasus operates a young fleet, with the average age of its aircraft being 5.2 years as of December 31, 2020. Fourteen aircraft joined the Pegasus fleet in 2020 and under its Airbus order, Pegasus expects 8 aircraft and 19 aircraft to be delivered in 2021 and 2022, respectively.

Pegasus' revenue in 2020 was €629.9 million, compared to €1,739.5 million in 2019 and €1,470.5 million in 2018. Pegasus' revenue increased at a CAGR of 16% from 2017 to 2019, compared to an average of 11% for its competitors.

Pegasus is a publicly traded and privately owned entity and shares representing 34.53% of the Company's share capital is traded on Borsa Istanbul (**BIST**"). The ultimate beneficiaries of the remaining 65.47% are the members of Şevket SABANCI family, a significant majority of which is held through the Company's controlling parent Esas Holding A.Ş.

As of December 31, 2020, Pegasus and its consolidated subsidiaries employed 6,130 full time employees.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2020	December 31 2020	No	<Not Applicable>

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

Turkey

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

TRY

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-TO0.7/C-TS0.7

(C-TO0.7/C-TS0.7) For which transport modes will you be providing data?

Aviation

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Chief Executive Officer (CEO)	CEO is responsible for the management of all sustainability efforts. Accordingly, the highest level of direct responsibility for climate change lies with our CEO. Our CEO reports directly to the Board. Some of the climate-related responsibilities of our CEO includes: - Reviewing and guiding climate-change related strategies - Reviewing and guiding major plans of action - Reviewing and guiding risk management policies - Following up management actions for risks that are determined as substantive - Reviewing performance objectives - Leading the strategies on how climate-related good practices are communicated to our customers - Reviewing the climate-related compliance activities One of the major climate-related decision approved by our CEO in the reporting year is the approval of establishment of a Sustainability Working Group (SWG). Within the scope of the Sustainability Compliance Framework, SWG is responsible for drafting and proposing sustainability/climate related documents/actions like: • Sustainability policy • Risks and opportunities framework • Targets • KPI's • Sustainability Report During the reporting period our CEO has also approved our Corporate Sustainability policy.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring and overseeing progress against goals and targets for addressing climate-related issues	<Not Applicable>	CEO briefs the Board on climate related issues. Especially risks and opportunities related to upcoming regulations are discussed in the Board. Due to Covid-19, 2020 was an exceptionally different year for our operations. Although we were on crisis mode during 2020, we have managed to implement a Sustainability Compliance Framework. Our Board of Directors is on top of this framework, however as the structural architecture of this framework has solidified in 2021, it is expected to be included in our next CDP report.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Financial Officer (CFO)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Chief Operating Officer (COO)	<Not Applicable>	Managing climate-related risks and opportunities	<Not Applicable>	More frequently than quarterly
Risk committee	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	More frequently than quarterly
Other C-Suite Officer, please specify (Chief Human Resources Officer)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Other, please specify (Risk Review Board)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	More frequently than quarterly
Other, please specify (Sustainability Working Group)	<Not Applicable>	Assessing climate-related risks and opportunities	<Not Applicable>	Quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

The Board of Directors adopts and reviews the Corporate Sustainability Policy of Pegasus.

CEO is responsible for the management of all sustainability efforts. CEO performs this duty mainly in collaboration with the Sustainability Working Group.

Sustainability Working Group (SWG) is led by our Corporate Secretary and consists of another representative of the Legal & Corporate Secreteriat, 2 Representatives of the Environment and Health Safety Management, 2 representatives from Organizational Development and Talent Management and 1 representative from Investor Relations.

SWG is responsible for working on and proposing of the following climate-related issues to the CEO:
- Sustainability Policy,
- Risks and opportunities framework,
- Targets,
- KPI's

CFO is a member of the **Executive Committee** and **Risk Review Board** and reports to CEO. CFO is responsible for various functions including budgeting, financial reporting, fleet management, finance and procurement. Therefore, CFO is involved in climate change related risks and opportunities from strategy-development, execution and reporting aspects. CFO is responsible for both assessing and managing these risks. He is responsible for managing the liabilities that we may face related to climate change. If there are any climate change related issues, like decisions on the emission trading systems, they are discussed during the monthly budget meetings.

CHRO is a member of the **Executive Committee** and **Risk Review Board** and reports to CEO. The Environment and OHS Department reports to the CHRO and she is responsible for monitoring current and emerging climate-related regulations and their possible impacts on the company. Assessing and managing climate related risks. Assessment of resource requirements and periodic reviews together with the CEO.

COO is a member of the RRB and has an indirect responsibility related to climate change. One of his main duties is to shorten the flight routes, and this is also related to reducing the fuel consumption and GHG emissions. The reduction amounts and possible measures are discussed in weekly and monthly operation meetings. He has targets to reduce fuel consumption, thus reducing GHG emissions.

The Chairperson of the **Risk Review Board** (RRB) is our CEO. RRB is composed of high-level executives such as COO, CFO, CCO, CIO, CHRO and General Counsel. RRB assesses all types of risks, including climate-related risks according to our risk assessment matrix during their meetings and reviews the Company's bi-monthly Risk Management Reporting carried out under the scrutiny of the Risk Committee of the Board of Directors.

Risk Committee has 3 members and is chaired by an independent member of the Board of Directors and the majority of its members are non-executive members of the BoD. Following the assessment of RRB, significant risks and trends are reported to the Risk Committee by CEO and senior management.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	We provide bonuses for achievement of climate and sustainability related targets. The climate-related targets are included in the KPI's of our employees. These bonuses are available for all employees including the CEO and the Board of Directors.

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity inventivized	Comment
Corporate executive team	Monetary reward	Emissions reduction target	Our Environment, Health and Safety department executives are responsible for monitoring GHG emission reductions, and this is a part of their KPI's. These targets include monitoring the reduction of GHG emissions per passenger and per available seat km. During annual performance assessments the EHS executives are also assessed according to their achievement status of these targets, and they are awarded accordingly. The executives that reach their targets receive bonuses. Due to confidentiality, we cannot disclose the exact value of the targets or the rewards.
Chief Operating Officer (COO)	Monetary reward	Energy reduction target	Our COO has a target to reduce fuel consumption as a part of his KPI's. During annual performance assessments the COO is also assessed according to his achievement status of this targets, and he is awarded accordingly. Due to confidentiality, we cannot disclose the exact value of the targets or the rewards.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	3	The time horizon specified in this section is aligned with our other business practice time horizons. To give an example, short term may mean hours for us if we think about an urgent strategic decision that has to be made related to our flights, or we try comply to new regulations within a few years which is assessed to be short term for our business practices.
Medium-term	3	7	Medium term usually means between 3 to 7 years in our business practices, so this time horizon is also aligned with the timeline of our other strategic decisions. Renovation of our fleet with more efficient aircraft like Airbus-Neo can be given as an example of mid-term strategic decision.
Long-term	7	30	In 2019 we have revised our definition of long-term horizon to be in line with CORSIA, which envisions carbon neutral growth until 2050 from 2019 levels.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

The impact of the risk is assessed in four categories: Human, Financial, Reputation and Environment.

Definition of substantive impact of a risk, therefore, changes according to the category as follows:

- Human: A reportable disability,
- Financial: an impact of 2 million Euros (14.24 million TL)
- Reputation: National exposure
- Environment: High but reversible environmental damage

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered
Direct operations
Upstream
Downstream

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process
On March 30, 2020 we had announced forced suspension of all our domestic and international flights based on Covid-19 related restrictions. From then on Covid-19 related impacts and their implications on our business were our primary focus area. Therefore, we were not able to perform some of the operations, meetings & climate-related risk assessments within their scheduled periods. However our business as usual description of our risk management processes are given below. We have a risk management process that is integrated multi-disciplinary Company-wide risk identification, assessment &management processes. In the risk assessment we cover all value chain stages including risks related to our supply chain & risks related to our customers (behavioral change, reputation etc.). We cover all time horizons depending on the risk type, i.e regulatory risks may be covered for short-medium term assessments, whereas physical climate related risks are covered for long-term (7-30 years). Both at the company and asset level climate-change related risks and opportunities are first assessed by the Environment, Health and Safety (EHS) Department. The climate related risk assessment is performed in accordance with PG-EM-PR-003 “Corporate Risk/Opportunity Management Procedure”. The risks that are assessed to have substantive operational & financial impacts by the EHS Department Manager are reported to the Senior Risk Specialist in order to be included in the company-wide risk assessment process. This process includes a thorough impact & vulnerability assessment in the Risk Review Board (RRB) Meetings. If the risk has low operational and/or financial impact, this risk is first discussed in the Sustainability Working Group (SWG) & after the risk is assessed in the SWG, if the risk is assessed to be important, then it is discussed with our CEO, then discussed in the Operations Executive Committee (OEC) if deemed necessary by the CEO. The significant risks are then reported to the RRB. The most important risks are reported to our Risk Committee (RC), which consists of non-executive members of our BoD & non-Board member non-executive experts. The RRB and the RC meet quarterly to assess & define how to manage the risks that are identified by the relevant departments. Risk Management Reporting takes place once every two months. The management proposals given by the EHS Department are discussed in the OEC & further actions are taken according to the decisions of the OEC. EHS Department is responsible for application of the management plan, which includes setting targets to reduce these risks & making performance reviews to assess whether the climate change related targets are met. For Moderate & Minor Risks the management plans are developed & applied by the EHS department with the approval of EHS Department Manager. The risks are assessed in four categories, namely: Human, Financial, Environmental & Reputational First, the probability of occurrence of the identified risk is scored as given below: o Almost Certain - 5 o Probable - 4 o Rare- 3 o Extremely Improbable - 2 o Almost impossible - 1 Then, the severity of the identified risk event is determined. Out of 4 categories, the one with the highest severity contributes to the assessment. In other words, the weakest link philosophy is used: o Critical - A o Serious- B o Moderate - C o Minor - D o Negligible -E To obtain an overall assessment of the risk/opportunity, probability & severity tables are combined into a risk assessment matrix. For example, a risk probability has been assessed as rare (3). The risk severity has been assessed as Serious (B). The composite of probability & severity (3B) is the risk of a harm under consideration. The color coding in the matrix reflects the tolerability regions. o Red – 4A, 5A, 5B - Not Acceptable with current conditions, requires immediate action (Opportunity: Immediate action to seize the opportunity). o Orange – 3A, 4B, 5C - High Risk: Mitigation measures shall be applied very quickly (Opportunity: Action to be planned and realized in 1 year). o Yellow – 2A, 2B, 3B, 3C, 4C, 4D, 5D, 5E – Critical Risk: The risk level shall be reduced. Mitigation measures shall be applied mid-term. (Opportunity: Realization of the opportunity planned mid-term) o Green – All the rest – Acceptable risk shall be controlled regularly (Opportunity: No action-except monitoring) The risks that are assessed as important are first discussed with our CEO. The significant risks are reported to the RRB. The most important risks are reported to our Risk Committee. Risks & opportunities that may have a substantial health, financial, reputational & environmental impacts are prioritized & managed accordingly. For example a reportable disability, a financial impact of more than 2 million Euros (14.24 million TL), national exposure or high but reversible environmental damage are all deemed as substantive impacts for our company. These types of risks are prioritized according to our procedures. Application of the process to a transition risk: Emerging ETS regulations like CORSIA & Turkish ETS poses a risk of increase in our indirect operational expenses. This risk was included in the risk assessment and the above-mentioned assessment process is applied to this risk as follows: Probability – Almost Certain – 5 Severity – Moderate – C: Continuous monitoring of emissions, if we don’t achieve the targets, this may have moderate financial implications on the company. Combined Score: 5C, Color Code: Orange This risk was reported to the CEO and RRB. Our investment in Airbus NEO’s is one of the ways we respond to this risk as NEO’s use less fuel. Details of how this risk is managed can be seen under Risk 2 in C2.3a. Application of the process to a physical risk: According to climate change related scenarios, the frequency & severity of extreme weather events will become higher. These types of extreme weather events may become more frequent in the not-so-distant future which will result in disruption of our operations and potentially cause damage on our aircraft fleet and facilities. This risk was scored as follows: Probability – Probable – 4 Severity – Serious – B: Although the financial impacts of the extreme weather events may not be extremely high, they may have impact on the health and safety of our employees and customers, therefore the effect is scored as serious. Combined Score: 4B, Color Code: Orange This risk was reported to the CEO & RRB. The management plan suggested by the EHS Department is accepted by the RRB. The management plan includes transferring the risk by insuring our aircraft against physical damage, as well as training all relevant personnel for these types of events. As only high impact risks (RED) are reported to the Risk Committee, both of the risks identified above are not reported to the RC as they are coded Orange. Details of this risk can be seen under Risk 3 in C2.3a.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	RELEVANCE: As our operations are carbon-intensive, the climate change related regulation has a direct effect on our operations, so it is always included in our risk assessments. EXAMPLE: We are included in the EU-ETS aviation regulation. This regulation covers less than 1% of our flights and we always have excess allowances. CORSIA has started in 2020. In the initial plan of CORSIA, GHG emissions from 2019 and 2020 would be identified as the baseline and emissions would be limited to the average of these two base-years. However due to the pandemic the emission figures in 2020 were very low, therefore it has been decided to exclude 2020 from the baseline calculations. Our responsibility for monitoring, reporting and verification however, continued in 2020. According to CORSIA GHG emissions that exceed 2019 levels will be subject to a fee. But it is not clear how the fee is going to be applied by the member states. This uncertainty poses a risk and this risk is closely monitored by our EHS Team.
Emerging regulation	Relevant, always included	RELEVANCE: As stated above, climate change related regulation is of primary importance to us as our business is carbon intensive. EXAMPLE: Cap and Trade Schemes and CORSIA regulation is included in our risk assessments. In Turkey, there is an active MRV system, and the aviation industry will be a part of this regulation. Turkish authorities are already working on a carbon pricing mechanism, and it is expected that this mechanism will be similar to EU-ETS. With this regulation in place almost all of our operations will be regulated under an ETS. Details of how this risk is managed can be seen in the risk table under question C2.3a (Risk2). Some countries have started applying a carbon tax. We are facing a risk of growing number of countries to apply a carbon tax. How these taxes will be applied is still unclear, some countries apply taxes per passenger. The only way to manage this risk is to raise the ticket fees which may affect us as we are a low-cost airline.
Technology	Relevant, sometimes included	RELEVANCE: Technological improvements may help us reduce our effect on climate change while also reducing our costs, so it is included in our risk assessments under potential opportunities section. EXAMPLE: One example of this type of opportunity is our fleet age, as our aircraft are younger we are able to operate in more harsh environmental conditions which gives us a clear advantage over our competitors. However this opportunity is not assessed to have substantive impacts and therefore not included in the opportunities section of this report. We are also following up new technologies like Sustainable Aviation Fuels, Hydrogen fuelled GPUs, electric ground operations vehicles, etc. However, we are unable to calculate the financial impacts of these new technologies.
Legal	Relevant, always included	RELEVANCE: Non-compliance with the climate related regulation may result in climate related litigation claims. Although we include this issue in our risk assessment, it is assessed under current and emerging regulation categories. Other than regulatory issues, we don't see any other risks where we may be subject to climate-related litigation claims. Although our business is carbon-intensive, we are always working to reduce its climate-related impacts by reducing our fuel consumption. We are constantly renewing our fleet with fuel efficient aircraft like Airbus-NEO aircraft. EXAMPLE: Climate related emerging and current regulation like CORSIA and Turkish ETS are under our radar. Non-compliance with these regulations may result in penalties or litigation claims. In order to manage this risk we follow the development of these regulations closely, participating in workshops and giving feedback to policy makers. Risk 2 under the risk table in Question C2.3a of this report gives detailed information on how this risk is managed.
Market	Relevant, always included	RELEVANCE: As one of our main operational expenses is jet kerosene, we need to monitor the changes in the market extremely closely. Even a small fluctuation on market prices, may impact our operational expenses severely. EXAMPLE: One example of risk that is assessed under this category is carbon taxes on fossil fuels. Some of the European countries that we provide service to have already started implementing carbon taxes on fossil fuels. In the light of the new international agreements this application may be more common than it is today. This presents a risk of increase in our indirect operational expenses. Please see Question C2.3a-Risk1 for details on this risk and how it is managed.
Reputation	Relevant, always included	RELEVANCE: As we are in the service industry, changing customer behaviour is one of our primary concerns. Also our reputation as a company is of utmost importance to us, if our reputation is lost, we may lose customers and this may have drastic impacts on our business. EXAMPLE: Being the first company in Turkey to monitor and report our climate related strategies, risks, targets and performance to CDP, Pegasus has a good reputation in terms of climate-change related efforts. As people become more aware of the impacts of climate change, they may opt for aviation companies to take action on climate-change. This may present an opportunity for us. On the other hand, customers may also opt for less carbon intensive transport options, which may pose a risk of reduced revenues due to reduced demand for our services. However, the impacts of this opportunity and this risk were not assessed to be substantive, and therefore they were not taken to the Risk Review Board. They are also not reported under sections C2.3a and C2.4a of this report.
Acute physical	Relevant, always included	RELEVANCE: Being in the transportation industry, we always need to work according to the weather conditions, and aviation is one of the most effected industries from acute physical weather events, that is why it is always included in our risk assessments. EXAMPLE: Extreme weather events are one of the risks that are considered under acute physical category. According to climate change related scenarios, the frequency and severity of extreme weather events will become higher. Storms with extreme rainfall, wind and lightning have a potential to restrict our operations, causing delays and cancellation of flights. Extreme weather events may also result in higher wind velocities and increased en route turbulence, which may require changes in flight routes or cruise altitudes, or even cancellation of flights. Details of this risk including the management strategies can be seen in the below risk table under Question C2.3a Risk3
Chronic physical	Relevant, always included	RELEVANCE: As stated above physical climate conditions are of primary importance to us. Changes in precipitation patterns and extreme variability in weather patterns and also rising mean temperatures are chronic impacts of climate change that are relevant to our operations. EXAMPLE: One of the effects of climate change is having harsher and longer winters in the areas that we operate. This may result in an increase in our operational costs as we have to de-ice the planes more frequently. Not only these weather events increase our need for de-icing, but also they will cause delays in our operations both of which increases our operational costs. Another risk is temperature extremes which may cause delay in our operations and negatively affect working conditions of our ground services employees directly reducing working hours therefore increasing our operational costs. Additionally, in extremely hot temperatures aircraft engine performances decrease causing longer take- off runway time. In order to shorten this additional take-off runway period, the engine power is increased which results in additional fuel consumption, which in turn increases our GHG emissions. Both of these risks are assessed each year. For 2020 the impact of these two risks were not assessed to be substantive, so the risks were not reported to the Risk Review Board and not included under section C2.3a of this report. Although the details of these risks are not included in this report, we are closely monitoring and managing these risks.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Market	Increased cost of raw materials

Primary potential financial impact

Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Some of the European countries that we provide service to have already started implementing carbon taxes for fossil fuels. In the light of the new international agreements this application may be more common than it is today. Some European countries have also started mandates to purchase sustainable aviation biofuel, which usually cost more than regular jet fuel. Turkey already has very high taxes on fossil fuels and an extra added tax or mandates on using higher priced biofuels will have a direct effect on

our OPEX, as one of the main components of our operational costs is Jet fuel consumption related. All of these potential increases listed above will eventually increase our direct costs.

Time horizon
Medium-term

Likelihood
More likely than not

Magnitude of impact
Low

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
2600000

Potential financial impact figure – maximum (currency)
13000000

Explanation of financial impact figure
As fuel costs are one of our main operational expenses even a slight rise in fuel prices can have a huge impact on our operational expenses. In order to calculate our expenses, we have calculated the fuel expenses in 10 European countries where we are expecting a carbon tax on fuels to be effective in the medium-term. We have assumed a 1% to 5% raise in fuel prices in these countries. Which makes up around 2.6 million TL to 13 million TL. The potential financial impact figure is calculated using 2019 fuel consumption figures & 2020 fuel prices, as 2020 figures would not reflect the real impact of this risk due to Covid-19 related restrictions.

Cost of response to risk
5156875276

Description of response and explanation of cost calculation
Our priority for economically and environmentally sustaining our services is to operate as efficiently as possible. In order to achieve this, we continuously work and invest on fuel efficiency projects. We include such increase in fuel prices in our OPEX, and we keep on replacing our aircraft with new more efficient ones to reduce our fuel consumption. In 2020 we have included 9 A320-Neo and 5 A321-Neo Aircraft in our fleet, while retiring 5 Boeing 737-800 aircraft. The cost of response was calculated as around 5.16 billion TL. Which is the total amount of investment we have made in our fleet in 2020. Although this cost of response is much higher than the financial impact of the risk, we see this investment in Airbus Neo aircraft as an investment which will help us manage more than one risk along with several opportunities. This action also enables us to reduce our fuel consumption which helps reduce our OPEX while managing these risks. The given cost of response is also a one-time investment, whereas the aircraft that we invest in have a very long lifetime.

Comment

Identifier
Risk 2

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation	Mandates on and regulation of existing products and services

Primary potential financial impact
Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
In 2020 CORSIA took effect, and all international air traffic around the globe will be included in this ETS until 2027 (except LDC and SIS) In order to comply with CORSIA we started monitoring and reporting all our international flights. As 2020 was an extraordinary year, the emission caps will be determined according to 2019 values, and we will need to offset the GHG emissions that exceed the 2019 values. This will result in an increase in our indirect (operating) costs. However according to some recent reports published by IATA it is not expected for the aviation industry to recover from the impacts of Covid-19 and exceed the 2019 baseline emission figures until 2025. That is why, although this regulation is in effect, the time horizon for this risk is selected as medium-term. Aviation industry will also be included in Turkish MRV, which eventually will implement an ETS or taxation scheme. We are already a part of EU-ETS, however it has no impact on our operations as we only report our intra-EU flights. UK ETS has also been implemented after Brexit and we are already responsible in that ETS as well. All of these regulations will eventually cover all of our operations, which will increase our indirect operating costs.

Time horizon
Medium-term

Likelihood
Virtually certain

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
9345000

Potential financial impact figure – maximum (currency)
62305000

Explanation of financial impact figure
Assuming that all of our flights are included in the above mentioned ETS schemes like CORSIA, EU-ETS, UK-ETS, Turkish ETS, and if we project an operational growth of 10% with respect to 2019 levels, we would have to purchase 248,823 tons of CO2e. According to price projections published on the ICAO website, CORSIA Frequently Asked Questions document, the lowest price assumption for the beginning phase is 6 USD/ton and the highest price assumption (IEA High) on the advanced stages of the compliance cycles can go up to 40 USD/ton. USD/TL rate is taken as 6.26 for 2020. Therefore, the minimum potential financial impact is calculated as: 6 USD/ton x 248,823 tons x 6.26 TL/USD =9.345 million TL The maximum potential financial impact is calculated as: 400 USD/ton x 248,823 tons x 6.26 TL/USD =62.305 million TL

Cost of response to risk
5156875276

Description of response and explanation of cost calculation
Our priority for economically and environmentally sustaining our services is to operate as efficiently as possible. In order to achieve this, we continuously work and invest on fuel efficiency projects and challenge ourselves to reduce our GHG emissions. By doing so, we apply our strategy to minimize the impact ETS has/will have on our operational costs. We are also investigating other management options like renewable energy investments and carbon offsetting possibilities for this risk. We are also renewing our fleet with more efficient aircraft and have an ongoing fleet renewal plan. Each year several Airbus A320&A321 NEO aircraft are being included in our fleet. In 2020 we have included 9 A320-Neo and 5 A321-Neo Aircraft in our fleet, while retiring 5 Boeing 737-800 aircraft. The cost of response was calculated to be around 5.16 billion TL. Although this cost of response is higher than the financial impact of the risk, we see this investment in Airbus Neo aircraft as an investment which will help us manage more than one risk along with several opportunities. This action also enables us to reduce our fuel consumption which helps reduce our OPEX while managing these risks. The given cost of response is also a one-time investment, whereas the aircraft that we invest in have a very long lifetime. We have also decided to accept some of this risk and reflect the fines that we may need to pay to ticket prices. During the risk review board meeting, it was decided that this will be the major course of action for most of the Turkish aviation companies. The cost of other courses of action are not calculated.

Comment

Identifier
Risk 3

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Acute physical	Increased severity and frequency of extreme weather events such as cyclones and floods

Primary potential financial impact
Decreased revenues due to reduced production capacity

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
According to climate change related scenarios, the frequency and severity of extreme weather events will become higher. Storms with extreme rainfall, wind and lightning have a potential to restrict our operations, causing delays and cancellation of flights. Extreme weather events may also result in higher wind velocities and increased en route turbulence, which may require changes in flight routes or cruise altitudes, or even cancellation of flights. Climate change is also expected to cause a rise in temperature in some areas. Higher temperatures lower the air density which negatively impacts wing lift and engine performance. These types of extreme weather events may become more frequent in the not so distant future which will result in disruption of our operations and potentially cause damage on our aircraft fleet and facilities.

Time horizon
Long-term

Likelihood
More likely than not

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
21500000

Potential financial impact figure – maximum (currency)
43000000

Explanation of financial impact figure
We have used the 2019 figures to calculate the financial impact of this risk, as the 2020 figures are not realistic due to Covid-19 related restrictions. The cost of delays due to weather events was around 10 million TL in 2019. This cost is expected to double in the long-term. Extreme weather events may also damage our aircraft. In 2019 the impact of severe weather events on our aircraft were around 11.5 million TL we may also expect doubling of these impacts in the long-term. But a more important impact of this risk is having our employees or our customers injured, impact of which can-not be measured in financial terms. The stated minimum financial impact figure is the sum of the impacts in 2019. The max financial impact is given as double that amount.

Cost of response to risk
23475000

Description of response and explanation of cost calculation
In order to be well prepared for such extreme physical conditions, we make sure our (and our suppliers') personnel is provided with sufficient training to better manage and minimize the impact of the identified risk. Our pilots work and get trained on bad weather conditions on the simulators. We also transfer some of this risk by insuring our aircraft for potential damage. As these trainings are also a part of mandatory trainings set by the Directorate General of Civil Aviation, there is no extra cost of management which is solely related to climate change. The given cost of response figure is 15% of our annual insurance costs. We assume 15% of the total cost of insurance of all our

flights as the premium for damage due to extreme weather events, though this is only a hypothetical value and the exact premium for damage due to extreme weather events is not given in our insurance policies.

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Energy source

Primary climate-related opportunity driver
Use of new technologies

Primary potential financial impact
Increased revenues resulting from increased production capacity

Company-specific description
Current and emerging climate-related national and international legislation, forces us to be more and more focused on our fossil fuel consumption. These climate-related regulations together with regular increase in fuel prices drives us to invest in new technologies and emission reduction initiatives. The best way to reduce our GHG emissions is to invest in more efficient aircraft. In July 2012, Pegasus placed an order with Airbus for 57 firm order A320neo and 18 firm order A321 neo aircraft, totalling 75, and an additional 25 optional aircraft, thereby constituting a purchase order for 100 new aircraft. In December 2017, Pegasus exercised its option for 25 additional aircraft and converted these option aircraft to firm orders in A321neo configuration, subject to an additional option to reconvert the order to A320neo configuration subject to the applicable notice periods prior to the scheduled delivery of aircraft. Pegasus is the first customer of CFM-Leap series engine used on A320neo aircraft. This investment also is an opportunity for us to reduce our fuel related operational expenses, which is one of our major expense terms. Realizing this opportunity will also increase our revenues, because new and more efficient aircraft also have the capacity to carry more passengers than the old versions.

Time horizon
Short-term

Likelihood
Virtually certain

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
8381000

Potential financial impact figure – maximum (currency)
16762000

Explanation of financial impact figure
In the reporting year, we have saved TL 8,381,000 TL of fuel cost by inclusion of the new aircraft in our fleet. To calculate the potential financial impact, we used the ton of fuel burned per block hour for each type of aircraft. We calculated how much more fuel would be burned in the absence of these new aircraft and multiplied this value with the 2020 average fuel price. This value is reported as the minimum financial impact of this opportunity. 2020 was a crisis year, in which we had to implement a forced shut down of operations. Therefore we can easily assume that the financial impact of this opportunity in a regular operating year would be at least the double of the calculated min. impact, which is equal to 16.76 million TL. In the future this financial impact will also be higher with added benefits of lower carbon taxes or ETS fees due to avoided GHG emissions. The financial impact is also expected to increase considerably in the future as we had to implement a forced suspension in our operations in 2020 due to Covid-19.

Cost to realize opportunity
5156875276

Strategy to realize opportunity and explanation of cost calculation
We are constantly investing in our fleet in order to reduce our GHG emissions. In the medium-term we have a goal of reducing our fleet age. In 2020 we have included 9 A320-Neo and 5 A321-Neo Aircraft in our fleet, while retiring 5 Boeing 737-800 aircraft. The cost of response was calculated as around 5.16 billion TL. Although this cost of response is higher than the financial impact of the opportunity, we see this investment in Airbus Neo aircraft as an investment which will help us manage more than one opportunity along with several risks. This action also enables us to reduce our fuel consumption which helps reduce our OPEX while managing these risks. The given cost of response is also a one-time investment, whereas the aircraft that we invest in have a very long lifetime.

Comment

Identifier

Opp2

Where in the value chain does the opportunity occur?
Downstream

Opportunity type
Products and services

Primary climate-related opportunity driver
Shift in consumer preferences

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
By demonstrating our commitment to the environment, Pegasus Airlines conveys to its customers and partners that it values corporate social responsibility, which has the potential to create or enhance brand loyalty. Pegasus Airlines is the first airline in Turkey to report its climate-change related strategies CDP Climate-Change program since 2015 (reporting our 2014 performance). Pegasus believes there is a growing inverse correlation between an airline's impact on the environment and airlines' consumer appeal, although it is difficult to quantify as many elements influence customer choice and perceptions. In the long-term as people become more aware of the impacts of climate-change, both investors and customers may have a tendency to choose Pegasus Airlines as we have been transparently assessing and managing our climate-related risks since 2014.

Time horizon
Long-term

Likelihood
More likely than not

Magnitude of impact
Low

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
11025224

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
To calculate the financial impact figure, we have estimated %0.1 increase in our revenue. The given financial impact figure represents 0.1% of our revenue for 2019. As 2020 was an extraordinary year where we had to implement a forced suspension of operations, the 2020 figures will not represent the potential impact of this opportunity. Although the potential financial impact of this opportunity is a little below our substantive impact threshold, we believe this opportunity will have more impact as the awareness on climate change increases.

Cost to realize opportunity
240000

Strategy to realize opportunity and explanation of cost calculation
Pegasus is committed to pursuing reductions in fuel consumption. One of our main strategies to reduce our GHG emissions is renewing our fleet and using more efficient aircraft while reducing our fleet age in the medium-term. We are also disclosing our sustainability-related efforts including our climate-related publicly and transparently on our website and other channels like our in-flight magazine. We also purchase consultancy services to guide our Environment, Health and Safety Department for our climate-related disclosure. We have a team of experts internally who are dedicating some portion of their time to these climate-related disclosures. The given cost is the cost of the consultancy services together with the hours spent internally for the communication of climate-related disclosures.

Comment

Identifier
Opp3

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Energy source

Primary climate-related opportunity driver
Use of lower-emission sources of energy

Primary potential financial impact
Reduced indirect (operating) costs

Company-specific description
We constanly follow up the developments in sustainable aviation fuels. We see the use of sustainable aviation fuels as an opportunity to reduce our GHG emissions. By reducing our GHG emissions we will have a chance to reduce the impacts of upcoming ETS regulations like CORSIA and Turkish MRV Regulation. In the long-term if we are able to use more sustainable aviation fuels, and if we are to remain under the emissions cap that is implemented by CORSIA and Turkish ETS, we may even have a chance to sell our emissions allowances.

Time horizon
Long-term

Likelihood
About as likely as not

Magnitude of impact
Low

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
934567

Potential financial impact figure – maximum (currency)
6230452

Explanation of financial impact figure
We have foreseen 1% reduction in GHG emissions by using sustainable aviation fuels. This translates to 24,882.33 tons CO2e. The calculation is made using 2019 levels of GHG emissions as in 2020 we had to implement a forced suspension of our operations due to Covid-19 related restrictions, and our 2020 GHG emission figures does not reflect our normal level of operations. With the projected min. carbon price of 6 USD for CORSIA which is equal to 37.56 TL, the minimum potential financial impact is calculated as (24,882 x 37.56 TL) 934,567 TL With the projected max. carbon price of 40 USD for CORSIA which is equal to 250.40 TL the max. potential financial impact is calculated as (24,882 x 250.40 TL) 6,230,452 TL. However, we cannot yet realize this opportunity as there are no sustainable aviation fuel suppliers in Turkey.

Cost to realize opportunity
0

Strategy to realize opportunity and explanation of cost calculation
As stated above we are following up the research and development studies and applications on Sustainable Aviation Fuels (SAFs). However, there are still barriers on the use of SAF in aviation industry. One major barrier is the lack of production facilities for SAFs, which results in lack of supply. There are also no suppliers in Turkey, therefore we cannot predict a cost for realization of this opportunity in the short-term.

Comment

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?
Yes

C3.1b

(C3.1b) Does your organization intend to publish a low-carbon transition plan in the next two years?

	Intention to publish a low-carbon transition plan	Intention to include the transition plan as a scheduled resolution item at Annual General Meetings (AGMs)	Comment
Row 1	No, we do not intend to publish a low-carbon transition plan in the next two years	<Not Applicable>	

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?
Yes, qualitative

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
Nationally determined contributions (NDCs)	NDCs: Although Turkey has not ratified the Paris Agreement yet, the INDC's of Turkey have been submitted to UNFCCC. The implementation period given in the Turkish INDC is 2021-2030, which is in line with our previously identified short-medium and long-term time horizons. We have reviewed the Turkish INDC document in depth, and we especially considered our flights as part of the scenario analysis. Turkish INDC has a target to reduce the Business-as-Usual emissions by 21% until 2030. This is not interpreted as an ambitious contribution but in 2023, countries are expected to revise their plans and the level of ambition can be increased. As a part of plans and policies to be implemented for the submitted INDC, under transport section, there are only two actions that may be relevant to the aviation industry which are as follows: - Promoting alternative fuels and clean vehicles - Implementing green airport project to include energy efficiency. As a result of the analysis of Turkish INDC, we currently see no actions that may be relevant to our industry. Therefore, we can say the results of this analysis didn't have any influence over our business objectives and strategy. However, being a pioneer in the Turkish aviation industry in climate-related activities like CDP reporting, we have already identified the need to perform beyond national targets. We are closely monitoring other climate-driven regulations like CORSIA and inclusion of the aviation industry to Turkish MRV. We are studying their possible impacts on our business and implementing those impacts on our financial planning elements. We constantly work on reducing our fuel consumption which has a direct impact on our GHG emissions. We are also investing on fuel-efficient planes, which also help us reduce our GHG emissions.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	No	Our services are expected to be impacted from climate related reputational issues. As the customer preferences change, being in a carbon intense sector, the customers may prefer more climate friendly ways of travel. This may impact our short-haul flights as the customers may prefer going to short distances by bus or train. The timeline for this impact is identified as long term (more than 7 years). This risk was not assessed to be substantive, therefore not reported to the CEO or RRB. Therefore, climate-change related risks related to our services have not influenced our strategy yet.
Supply chain and/or value chain	Yes	For the markets where carbon taxes are in place, we have already started seeing the impacts on oil prices. The change in fuel prices will have a direct impact on our operational expenses. An example of the most substantial strategic decision made in this area, which is impacted by climate change related risks, can be our efforts to reduce fuel consumption. We have many efficiency measures in place, and we are also investing in fuel efficient aircraft since 2012. In 2012, Pegasus has signed an agreement with Airbus for the purchase of up to 100 A320 & A321 NEO Family aircraft, 75 of which are subject to a firm order and 25 optional.
Investment in R&D	No	In 2018 we started researching the use of biofuels in our aircraft. This can be great opportunity to reduce our GHG emissions, however there are still no suppliers in Turkey and aircraft producers shall also confirm the use of biofuels in the planes. We are currently monitoring the research that is being done in the field and considering investing in R&D of this opportunity. However up until now, there has been no investment in such R&D project, therefore we can say that climate-related risks and opportunities have not yet influenced our strategy in investment in climate-related R&D.
Operations	Yes	Our operations are being impacted especially from extreme weather conditions. These effects include damages to aircraft and delays in flights due to extreme weather events. Although the magnitude of the impact is low at the moment, it may be higher in the upcoming years, with changing weather patterns, so it is watched closely and assessed as a Medium impact risk. (Please see Risk 3 under section 2.3a) An example of the most substantial strategic decision made in this area, which is impacted by climate change related risks is our decision to invest on our own de-icing equipment to reduce delays.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Direct costs Indirect costs Capital expenditures Capital allocation Assets	DIRECT COSTS: Climate-related risks and opportunities have influenced our financial planning especially for direct costs. As our services include transportation of passengers, we classify fuels that we use in our aircraft as a direct cost. Any climate-related increase in fuel prices will directly impact our operational expenses. As an example: Carbon taxes on fuels, and mandates on using biofuels in some countries have already been included in our financial planning. These risks are assessed to have a high financial impact. For details of this assessment please see Risk 1 under Section 2.3a of this report The time horizons covered by the financial planning is short to medium-term, as we think after medium-term these climate-related impacts will be our new normal. INDIRECT COSTS: Climate-change related extreme weather events may harm our aircraft. This harm is classified under indirect costs in our financial planning. The time horizons covered by the financial planning is short-medium and long-term. Our OPEX is impacted from extreme weather conditions. (Risk 3 under section 2.3a) Although, the impact is low for the time being, we predict the impact can be medium in the long term (3-10 years) with changing climate patterns. CAPITAL EXPENDITURES: As we are facing challenges like carbon taxes and CORSIA we work hard to manage our GHG emissions and lower our fuel consumption. Therefore climate-related risks are always included in our financial planning in short-medium and long-term time horizons. As an example on the influence of climate-related risks on our financial planning, in the reporting period, we have invested in fuel efficent aircraft and have included 9 A320-Neo and 5 A321-Neo Aircraft in our fleet, while retiring 5 Boeing 737-800 aircraft in the reporting year. CAPITAL ALLOCATION: As stated above, we are facing challenges especially on climate-related regulations (Risk 1 and Risk 2 under section 2.3a of this report). These climate -related risks have influenced our financial planning especially for capital allocation. In 2012, Pegasus has signed an agreement with Airbus for the purchase of up to 100 A320 & A321 NEO Family aircraft, 75 of which are subject to a firm order and 25 optional. Therefore, these risks have already been included in our medium to long term financial planning on capital allocation. ASSETS: Our main assets are our planes, and they are impacted by extreme weather events such as hail storms. Although currently the magnitude of these impacts are low, we believe in the long term the impacts may be medium. Therefore impacts of climate-related risks on our assets have influenced our financial planning especially in the long-term time horizon.

C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

All information on how climate-related risks and opportunities have influenced our strategy and financial planning are given under relevant sections of this report.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Intensity target

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number

Int 1

Year target was set
2018

Target coverage
Company-wide

Scope(s) (or Scope 3 category)
Scope 1+2 (location-based)

Intensity metric
Grams CO2e per revenue passenger kilometer

Base year
2016

Intensity figure in base year (metric tons CO2e per unit of activity)
84.22

% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure
100

Target year
2026

Targeted reduction from base year (%)
15

Intensity figure in target year (metric tons CO2e per unit of activity) [auto-calculated]
71.587

% change anticipated in absolute Scope 1+2 emissions
17

% change anticipated in absolute Scope 3 emissions
0

Intensity figure in reporting year (metric tons CO2e per unit of activity)
80.47

% of target achieved [auto-calculated]
29.6841605319402

Target status in reporting year
Underway

Is this a science-based target?
No, and we do not anticipate setting one in the next 2 years

Target ambition
<Not Applicable>

Please explain (including target coverage)
This target covers 100% of our Scope 1 and Scope 2 GHG emissions. While setting our targets we have used the intensity metrics that are mainly used in the aviation industry. With this target we aim a reduction of 15% in our GHG emissions intensity per passenger kilometer. Although this target we have overachieved this target in 2019, reaching a reduction of 15.89%, in 2020 due to Covid-19 our GHG emissions per rpk has increased from 64.14 gCO2e to 80.47 g CO2e. As we are one of the fastest growing airlines, this target indicates an increase in our absolute emissions, we have predicted this increase to be about 17%. This year we have included Scope 3 Category 3 emissions in our inventory which is the most relevant Scope 3 GHG emission category for our company as it is related to our Jet A1 fuel consumption. However, as we didn't calculate our Scope 3 GHG emissions in the base year, we couldn't make an estimation about the change in Scope 3 GHG emissions.

Target reference number
Int 2

Year target was set
2017

Target coverage
Company-wide

Scope(s) (or Scope 3 category)
Scope 1+2 (location-based)

Intensity metric
Other, please specify (grams CO2e/Available seat km)

Base year
2016

Intensity figure in base year (metric tons CO2e per unit of activity)
69.91

% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure
100

Target year
2026

Targeted reduction from base year (%)
10

Intensity figure in target year (metric tons CO2e per unit of activity) [auto-calculated]
62.919

% change anticipated in absolute Scope 1+2 emissions
15

% change anticipated in absolute Scope 3 emissions
0

Intensity figure in reporting year (metric tons CO2e per unit of activity)
56.04

% of target achieved [auto-calculated]
198.39794020884

Target status in reporting year
Achieved

Is this a science-based target?
No, and we do not anticipate setting one in the next 2 years

Target ambition
<Not Applicable>

Please explain (including target coverage)
This target covers 100% of our Scope 1 and Scope 2 GHG emissions. While setting our targets we have used the intensity metrics that are mainly used in the aviation industry. With this target we aim a reduction of 10% in our GHG emissions intensity per available seat kilometer. Although this target was set for the year 2026, we have overachieved this target in the reporting period, reaching a reduction of 19.84%. As we have achieved this target two years in a row, one being in a drastically different working environment due to Covid-19, we have decided to retire this target before the Target Year. As we are one of the fastest growing airlines, this target indicates an increase in our absolute emissions, we have predicted this increase to be about 15%, This year we have included Scope 3 Category 3 emissions in our inventory which is the most relevant Scope 3 GHG emission category for our company as it is related to our Jet A1 fuel consumption. However, as we didn't calculate our Scope 3 GHG emissions in the base year, we couldn't make an estimation about the change in Scope 3 GHG emissions.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?
No other climate-related targets

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.
Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	
To be implemented*	0	0
Implementation commenced*	0	0
Implemented*	3	74086.2
Not to be implemented	0	

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Transportation	Company fleet vehicle efficiency

Estimated annual CO2e savings (metric tonnes CO2e)
64685.2

Scope(s)
Scope 1

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
57664000

Investment required (unit currency – as specified in C0.4)
0

Payback period
No payback

Estimated lifetime of the initiative
Ongoing

Comment
In 2020 we have reduced our GHG emissions through efficient flight planning and optimization of the flight routes during the flights. These two separate initiatives help us reduce fuel consumption considerably. During the reporting year we have reduced 64,685.20 tons of CO2e emissions through these efficiency measures. As these initiatives do not require an extra investment other than time and effort of our employees, the investment required value is given as zero. As the investment figure is zero, the payback period is selected as “no payback”. The annual monetary savings are calculated using the price of fuel and the amount of fuel saved in kgs. The estimated lifetime of the initiative can’t be calculated because these initiatives are optimization activities, and do not include any investment in new materials/machines that will have a certain lifetime. Therefore, the estimated lifetime is given as “ongoing”.

Initiative category & Initiative type

Transportation	Company fleet vehicle replacement

Estimated annual CO2e savings (metric tonnes CO2e)
9400

Scope(s)
Scope 1

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
8381000

Investment required (unit currency – as specified in C0.4)
5156875276

Payback period
>25 years

Estimated lifetime of the initiative
16-20 years

Comment
We have increased the Airbus Neo percentage on our fleet from 39% in 2019 to 50% in 2020, with the addition of 9 Airbus A320 NEO, and 5 A321 NEO aircraft. Our fleet age has also decreased from 5.35 to 5.04 in 2020. These new investments resulted in 9,400 tonnes of CO2 savings. Annual monetary savings are calculated using the unit fuel price and amount of fuel saved during the reporting year. This is part of an on-going investment. In 2020 the investment in these new technology aircraft were around 5.16 billion TL. Renewal of our fleet is embedded into our business strategy since 2012, therefore these investments are considered as a fundamental cost of performing our business rather than an incremental cost occurring as a result of an emission reduction project.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Dedicated budget for energy efficiency	We have planned the amount of the investments to be made for the fuel efficiency projects until 2020 and dedicated a budget for them. However, as this information is confidential, we cannot communicate the exact amount of the budget.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?
No

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start
January 1 2013

Base year end
December 31 2013

Base year emissions (metric tons CO2e)
1337708.71

Comment

Scope 2 (location-based)

Base year start
January 1 2013

Base year end
December 31 2013

Base year emissions (metric tons CO2e)
1430.22

Comment
We only calculate Scope 2 location based, we don't use any market-based instruments.

Scope 2 (market-based)

Base year start
January 1 2013

Base year end
December 31 2013

Base year emissions (metric tons CO2e)
0

Comment
We don't calculate market based Scope 2 emissions.

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.
ISO 14064-1
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
1245098.59

Start date
<Not Applicable>

End date
<Not Applicable>

Comment
We haven't purchased any emission reduction certificates in the reporting year; therefore, our gross global Scope 1 emissions are equal to our net global Scope 1 emissions.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We have no operations where we are able to access electricity supplier emission factors or residual emissions factors and are unable to report a Scope 2, market-based figure

Comment
We have emissions from our electricity use in the EU and other airports, however we don't have any supplier specific data to be able to report market based Scope2 emissions. We also don't use any market-based instruments.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based
3463.37

Scope 2, market-based (if applicable)
<Not Applicable>

Start date
<Not Applicable>

End date
<Not Applicable>

Comment
Our main electricity consumption is in Turkey, we also consume electricity in the airports where we land outside of Turkey, however we don't have any market specific data. We haven't purchased any emission reduction or renewable energy certificates in the reporting year, therefore our gross global Scope 2 emissions are equal to our net global Scope 2 emissions.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?
No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
As over 99% of our Combined (Scope 1 and Scope 2) emissions caused by our jet kerosene fuel consumption, we prioritized our efforts to manage this emission source as it will have the biggest potential to reduce our overall GHG emissions. Regarding the purchased goods and services, our main Scope 3 GHG emission source would also be our jet-kerosene consumption, which shall be evaluated under category 3-Fuel and energy related activities. Remaining purchases of goods and services are assessed via GHG Protocol's Scope 3 evaluator tool, to have minimal impact on our Scope 3 GHG emissions <1%, therefore these emission sources will probably not be included in our Scope 3 calculations. Our impact threshold is selected as 2%, and according to the analysis this Scope 3 category has an impact of 0.60%

Capital goods

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Pegasus Airlines had signed for up to purchase 100 A320 & A321 NEO Family aircraft with Airbus in 2012, 75 of which subjected to a firm order and 25 optional. In 2020 we have included 9 A320-Neo and 5 A321-Neo Aircraft in our fleet. The GHG emissions from the production and transportation of these aircraft are a relevant source of Scope 3 GHG emissions. However, as over 99% of our Combined (Scope 1 and Scope 2) emissions caused by our jet kerosene fuel consumption, we prioritized our efforts to manage this emission source as it will have the biggest potential to reduce our overall GHG emissions. Reducing our Scope 1 emissions from fuel consumption will also have a positive effect on our Scope 3 emissions because our main source of scope 3 emissions are well to tank emissions of fuels. In the future we will include our relevant Scope 3 emission sources in our Inventory

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status
Relevant, calculated

Metric tonnes CO2e
258748.13

Emissions calculation methodology
99.44% of our Scope 1 and Scope 2 GHG emissions come from our Jet A1 fuel consumption. This is why, when calculating the Scope 3 Category 3 GHG emissions, we only included the well to tank emissions of our Jet Fuel consumption. 100% of the activity data was already collected from our fuel suppliers. To calculate this figure, we have used the well to tank emission factors published by DEFRA (Conversion Factors 2020 Full Set for Advanced Users). The jet A1 consumption figures are multiplied with WTT emission factors in order to calculate WTT GHG emissions of the fuels used in our aircraft. The calculation was conducted according to the methodology outlined in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
100% of the fuel consumption figures are taken from suppliers.

Upstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
We don't purchase any raw materials that would have a significant impact (>2%) on our Scope 3 GHG emissions. Our only raw material that is relevant is jet kerosene, and its transportation related impacts are reviewed under Category 3. According to the analysis made with the Scope 3 evaluator tool of GHG Protocol, this Scope 3 category is also not relevant to our operations as its weight is 0.001% in all our operations.

Waste generated in operations

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
According to the analysis we have performed using the Scope 3 evaluator of GHG protocol, this Scope 3 category is assessed to be not-relevant for our operations. The impact of this category is assessed to be 0.01% of our total Scope 3 GHG emissions, as it is way below our 2% threshold, this category is assessed to be not relevant.

Business travel

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
All of the business travel of our employees are made using our own aircraft; therefore they are included in our Scope 1 GHG emissions. Therefore, business travel is not a relevant source of Scope 3 emissions for our organization.

Employee commuting

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
According to the evaluation we have performed using the Scope 3 evaluator tool of GHG Protocol, the impact of employee commuting on our scope 3 GHG emissions is 0.94% which is below our 2% significance threshold. Therefore this category is not assessed to be a relevant source of Scope 3 emissions.

Upstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
The GHG emissions from our leased assets are reported under Scope 1 or Scope 2, because the upstream leased assets are under our control.

Downstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
As we provide a service not a product, this Scope 3 category is not relevant for our organization.

Processing of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
As we provide a service not a product, this Scope 3 category is not relevant for our organization.

Use of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
As we provide a service not a product, this Scope 3 category is not relevant for our organization.

End of life treatment of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
As we provide a service not a product, this Scope 3 category is not relevant for our organization.

Downstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
We do not own any downstream leased assets.

Franchises

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Pegasus does not have any franchises.

Investments

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
As we are not in the finance sector, the GHG emissions resulting from our investments are usually included in the Scope 1 and Scope 2 calculations.

Other (upstream)

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
We don't have any other sources of upstream Scope 3 emissions.

Other (downstream)

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
We don't have any other sources of downstream Scope 3 emissions.

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?
No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
0.00026

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
1248561.95

Metric denominator
unit total revenue

Metric denominator: Unit total
4803560000

Scope 2 figure used
Location-based

% change from previous year
14.77

Direction of change
Increased

Reason for change
On March 30, 2020 we had announced a forced suspension of all our domestic and international flights based on Covid-19 related restrictions imposed by the authorities. As part of transition to controlled social life, our domestic flights between limited destinations in Turkey determined by the Turkish General Directorate of Civil Aviation

restarted on June 1, 2020 and our domestic network expanded gradually thereafter. We resumed our international operations on June 13, 2020 with a limited number of destinations and our schedule expanded in the following period to the extent permitted by continuing travel restrictions in our operating geography. Covid-19 related measures which are given above resulted in a 56.43% decrese in our revenue from 11 billion TL in 2019 to 4.8 billion TL in 2020. However, our absolute GHG emissions have reduced by 50% marking an increase of 14.77% on our emissions intensity per unit revenue from 0,000226 in 2019 to 0,000260 in 2020.

Intensity figure
203.68

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
1248561.95

Metric denominator
full time equivalent (FTE) employee

Metric denominator: Unit total
6130

Scope 2 figure used
Location-based

% change from previous year
49.72

Direction of change
Decreased

Reason for change
On March 30, 2020 we had announced a forced suspension of all our domestic and international flights based on Covid-19 related restrictions imposed by the authorities. As part of transition to controlled social life, our domestic flights between limited destinations in Turkey determined by the Turkish General Directorate of Civil Aviation restarted on June 1, 2020 and our domestic network expanded gradually thereafter. We resumed our international operations on June 13, 2020 with a limited number of destinations and our schedule expanded in the following period to the extent permitted by continuing travel restrictions in our operating geography. Covid-19 related measures which are given above resulted in a 50% decrease in our GHG emissions. Although we were facing a serious crisis due to Covid-19, the number of our employees only reduced by 0.55% from 6164 in 2019 to 6130 in 2020. This resulted in a decrease of 49.7% on our emissions intensity per FTE.

Intensity figure
0.012026

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
1248561.95

Metric denominator
kilometer

Metric denominator: Unit total
103823203

Scope 2 figure used
Location-based

% change from previous year
0.07

Direction of change
Decreased

Reason for change
On March 30, 2020 we had announced a forced suspension of all our domestic and international flights based on Covid-19 related restrictions imposed by the authorities. As part of transition to controlled social life, our domestic flights between limited destinations in Turkey determined by the Turkish General Directorate of Civil Aviation restarted on June 1, 2020 and our domestic network expanded gradually thereafter. We resumed our international operations on June 13, 2020 with a limited number of destinations and our schedule expanded in the following period to the extent permitted by continuing travel restrictions in our operating geography. Covid-19 related measures which are given above resulted in a 50% decrease in our GHG emissions and 49.96% decrease in the flown distance. This resulted in a decrease of 0,07% on our emissions intensity per km.

C-TS6.15

(C-TS6.15) What are your primary intensity (activity-based) metrics that are appropriate to your emissions from transport activities in Scope 1, 2, and 3?

Aviation

Scopes used for calculation of intensities
Report Scope 1 + 2

Intensity figure
0.00008

Metric numerator: emissions in metric tons CO2e
1243473.16

Metric denominator: unit
p.km

Metric denominator: unit total
15515203417

% change from previous year
25.25

Please explain any exclusions in your coverage of transport emissions in selected category, and reasons for change in emissions intensity.
On March 30, 2020 we had announced a forced suspension of all our domestic and international flights based on Covid-19 related restrictions imposed by the authorities. As part of transition to controlled social life, our domestic flights between limited destinations in Turkey determined by the Turkish General Directorate of Civil Aviation restarted on June 1, 2020 and our domestic network expanded gradually thereafter. We resumed our international operations on June 13, 2020 with a limited number of destinations and our schedule expanded in the following period to the extent permitted by continuing travel restrictions in our operating geography. The passenger km for 2020 has decreased by 60.15%, our GHG emissions resulting from our flights have also decreased by 47.30% . As a result our emissions intensities per p.km for aviation activities have increased by 25.25% from 0.000064 in 2019 to 0.0000801 in 2020. While calculating GHG emissions resulting from our aviation activities, jet kerosene consumption, fire extinguishers and diesel oil consumption in our own GPU units are included as scope 1. Diesel oil consumption of the GPU units that are not operated by us and 400 Hz electricity consumption are included as Scope2.

ALL

Scopes used for calculation of intensities
Report Scope 1 + 2

Intensity figure
0.000081

Metric numerator: emissions in metric tons CO2e
1248561.95

Metric denominator: unit
p.km

Metric denominator: unit total
15515203417

% change from previous year
25.46

Please explain any exclusions in your coverage of transport emissions in selected category, and reasons for change in emissions intensity.
On March 30, 2020 we had announced a forced suspension of all our domestic and international flights based on Covid-19 related restrictions imposed by the authorities. As part of transition to controlled social life, our domestic flights between limited destinations in Turkey determined by the Turkish General Directorate of Civil Aviation restarted on June 1, 2020 and our domestic network expanded gradually thereafter. We resumed our international operations on June 13, 2020 with a limited number of destinations and our schedule expanded in the following period to the extent permitted by continuing travel restrictions in our operating geography. The passenger km for 2020 has decreased by 60.15%, our gross global Scope1+Scope GHG emissions have also decreased by 50%. As a result, our emissions intensities per p.km for all of our activities have increased by 25.46% from 0.0000641 in 2019 to 0.0000805 in 2020.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?
Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	1244245.01	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	0.53	IPCC Fourth Assessment Report (AR4 - 100 year) *As we calculate our GHG emissions resulting from our flights using the CORSIA emission factor, we only have CO2 data for our flights. Other gases are not calculated for flights.*
N2O	34.82	IPCC Fourth Assessment Report (AR4 - 100 year) *As we calculate our GHG emissions resulting from our flights using the CORSIA emission factor, we only have CO2 data for our flights. Other gases are not calculated for flights.*
HFCs	818.22	IPCC Fourth Assessment Report (AR4 - 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Turkey	1245098.59

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division
By facility
By activity

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
Flights	1241543.99
Ground Operations	3310.27
Offices	89.64
Headquarters	154.68

C7.3b

(C7.3b) Break down your total gross global Scope 1 emissions by business facility.

Facility	Scope 1 emissions (metric tons CO2e)	Latitude	Longitude
Istanbul Aeropark Company Headquarters (Including Scope 1 GHG emissions from Aircraft)	1243227.17	40.929857	29.306877
Sabiha Gokcen Airport	1786.34	40.906473	29.315316
Izmir Adnan Menderes Airport	36.73	38.293822	27.151943
Antalya Airport	18.36	36.904361	30.801871
Ankara Airport	12.57	40.116115	32.99301
Trabzon Airport	3.37	40.994339	39.782373
Kayseri Airport	3.09	38.765464	35.482104
Adana Airport	2.02	36.98548	35.297284
Bodrum Airport	6.85	37.244456	27.673032
Dalaman Airport	1.58	36.717369	28.786883
Other offices	0.51		

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Jet kerosene consumption	1241543.99
Diesel oil consumption (GPU, APU, ASU, ACU and generators)	713.97
Gasoline consumption (generators)	1.07
Fugitive emissions from refrigerators and air conditioners	3.44
Fugitive emissions from fire extinguishers	814.78
Diesel oil consumption (mobile sources)	1925.09
Gasoline consumption (mobile sources)	96.24

C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4

(C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4) Break down your organization's total gross global Scope 1 emissions by sector production activity in metric tons CO2e.

	Gross Scope 1 emissions, metric tons CO2e	Net Scope 1 emissions , metric tons CO2e	Comment
Cement production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Chemicals production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Coal production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Electric utility activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Metals and mining production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (upstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (midstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (downstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Steel production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport OEM activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport services activities	1243072.49	<Not Applicable>	99.84 % of our gross global Scope 1 emissions come from our flights. These emissions include the Jet kerosene consumption, fugitive emissions from fire extinguishers on the aircraft, and diesel oil consumed in the GPU units that are under our operational control.

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
Turkey	3348.73	0	6485.57	0
CEE (Central and Eastern Europe) *This value includes all of our international flights. Although the region is selected as CEE, we have emissions in other regions, but we are not able to differentiate those scope 2 emissions, that is why all Scope 2 emissions caused by the 400 Hz Electricity or GPU consumption of our aircraft are reported under this region.*	114.64	0	226.88	0

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division
By facility
By activity

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Flights	0	0
Ground Operations	400.68	0
Offices	2233.76	0
Headquarters	828.93	0

C7.6b

(C7.6b) Break down your total gross global Scope 2 emissions by business facility.

Facility	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Istanbul Aeropark Company Headquarters (Including 400Hz and GPU from flights operated)	1229.61	0
Sabiha Gokcen Airport	1811.05	0
Izmir Adnan Menderes Airport	33.3	0
Antalya Airport	137.77	0
Ankara Airport	44.55	0
Trabzon Airport	3	0
Kayseri Airport	5.1	0
Adana Airport	0.91	0
Bodrum Airport	2.54	0
Dalaman Airport	2.07	0
Other offices	193.47	0

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Electricity consumption	2705.48	0
Central heating with natural gas	357.21	0
400 Hz Consumption (Domestic)	284.37	0
400 Hz Consumption (International)	110.04	0
Ground Power Unit (GPU) Usage (Domestic)	1.67	0
Ground Power Unit (GPU) Usage (International)	4.6	0

C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7

(C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7) Break down your organization's total gross global Scope 2 emissions by sector production activity in metric tons CO2e.

	Scope 2, location-based, metric tons CO2e	Scope 2, market-based (if applicable), metric tons CO2e	Comment
Cement production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Chemicals production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Coal production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Metals and mining production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (upstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (midstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (downstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Steel production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport OEM activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport services activities	400.68	0	This figure includes the GHG emissions of 400Hz electricity consumption of our aircraft and consumption of electricity generated by the GPU units that are not operated by Pegasus.

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?
Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	No change in renewable energy consumption.
Other emissions reduction activities	74086.2	Decreased	2.97	Total emission reduction figure is calculated using the kg of avoided jet kerosene by the energy efficiency measures (details can be found in section 4.3b) Total emission reductions= 74,086.20 tCO2e 2019 Total Emissions: 2,497,000 tCO2e Emission value % is calculated as follows: 74,086.20 / 2,497,000*100 = 2.97%
Divestment	0	No change	0	There were no divestments during the reporting period.
Acquisitions	0	No change	0	There were no acquisitions during the reporting period.
Mergers	0	No change	0	There were no mergers during the reporting period.
Change in output	1043259.14	Decreased	44.1	Due to Covid-19 pandemic, we had announced a forced suspension of all our domestic and international flights between March 30 and July 1st 2020. Also after July 1st we were not able to work at full capacity. Therefore our operations has been drastically impacted by Covid-19. Our GHG emissions have decreased by 1,043,259.14 tCO2e. Which translates to a 44.10% decrease due to Covid-19. 2019 Total Emissions: 2,497,000 tCO2e Emission value % is calculated as follows: 1, 043,259.14 / 2,497,000*100 = 44.10%
Change in methodology	0	No change	0	There were no changes in methodology.
Change in boundary	0	No change	0	There were no changes in boundary.
Change in physical operating conditions	0	No change	0	There were no changes in physical operating conditions.
Unidentified	0	No change	0	There were no unidentified changes.
Other	0	No change	0	There were no other changes.

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?
Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?
More than 50% but less than or equal to 55%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	4801952.08	4801952.08
Consumption of purchased or acquired electricity	<Not Applicable>	0	6712.45	6712.45
Consumption of purchased or acquired heat	<Not Applicable>	0	1747.89	1747.89
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	0	<Not Applicable>	0
Total energy consumption	<Not Applicable>	0	4810412.42	4810412.42

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)
Jet Kerosene

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
4791731.17

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
4791731.17

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
3.16

Unit
metric tons CO2 per metric ton

Emissions factor source
ICAO Environmental Technical Manual-Volume IV

Comment
Fuel used in our aircraft.

Fuels (excluding feedstocks)
Diesel

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
9837.63

MWh fuel consumed for self-generation of electricity
2678.5

MWh fuel consumed for self-generation of heat
7159.13

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
2.68787

Unit
kg CO2e per liter

Emissions factor source
DEFRA Conversion Factors 2020 Full Set for Advanced Users-Fuels-Diesel (100% Mineral diesel)

Comment
Fuel used in company cars, generators and GPU's

Fuels (excluding feedstocks)
Motor Gasoline

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
383.27

MWh fuel consumed for self-generation of electricity
4.22

MWh fuel consumed for self-generation of heat
379.05

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
2.31467

Unit
kg CO2e per liter

Emissions factor source
DEFRA Conversion Factors-2020 Full Set for Advanced Users-Fuels-Diesel (100% Mineral petrol)

Comment
Fuel used in company cars and generators.

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	2682.72	2682.72	0	0
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C-TS8.5

(C-TS8.5) Provide any efficiency metrics that are appropriate for your organization's transport products and/or services.

Activity
Aviation

Metric figure
0.000215

Metric numerator
MWh

Metric denominator
Available seat.km

Metric numerator: Unit total
4791731.17

Metric denominator: Unit total
22278000000

% change from last year
1.59

Please explain
Due to Covid-19 pandemic, we had announced a forced suspension of all our domestic and international flights between March 30 and July 1st 2020. Due to this forced suspension and reduction in the volume of our operations, and also due to our GHG emission reduction activities, our jet kerosene consumption in MWh has decreased by 50.10%. our ASK values have also decreased by 49.31%. Overall our intensity in MWh/ASK value has decreased by 1.59% when compared to the previous year.

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C-TO9.3/C-TS9.3

(C-TO9.3/C-TS9.3) Provide tracking metrics for the implementation of low-carbon transport technology over the reporting year.

Activity
Aviation

Metric
Fleet adoption

Technology
Other, please specify (Fuel efficient aircraft)

Metric figure
50.53

Metric unit
Other, please specify (% of fleet)

Explanation
Pegasus Airlines had signed for up to purchase 100 A320 & A321 NEO Family aircraft with Airbus in 2012, 75 of which subjected to a firm order and 25 optional. In 2020 we have included 9 A320-Neo and 5 A321-Neo Aircraft in our fleet. By the end of 2020, 50.53% of our fleet consists of A320 NEO aircraft.

C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D	Comment
Row 1	No	

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	No third-party verification or assurance
Scope 3	No third-party verification or assurance

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Reasonable assurance

Attach the statement
Pegasus 2020 Verification.pdf

Page/ section reference
Page 2 for verification under CORSIA, Page 4 for verification under EU-ETS

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
52

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
No, we are waiting for more mature verification standards and/or processes

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?
Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.
EU ETS

C11.1b

(C11.1b) Complete the following table for each of the emissions trading schemes you are regulated by.

EU ETS

% of Scope 1 emissions covered by the ETS
0.01

% of Scope 2 emissions covered by the ETS
0

Period start date
January 1 2020

Period end date
December 31 2020

Allowances allocated
4748

Allowances purchased
0

Verified Scope 1 emissions in metric tons CO2e
202

Verified Scope 2 emissions in metric tons CO2e
0

Details of ownership
Facilities we own and operate

Comment
In EU-ETS we are only responsible for the emissions of our intra-EU flights.

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

We have been monitoring our GHG emissions related to our intra-EU flights since the aviation industry's inclusion in EU-ETS. As the intra-EU flights make up a very small portion of our business, we are always below our emission cap. So far, our strategy to comply with EU-ETS was to calculate the GHG emissions of our intra-EU flights, and to have them verified by an accredited 3rd party. In 2020, the verification body has verified our emissions as 202 tCO2, and our allocation amount was 4,748 tons of CO2.

However, now we have an emerging regulation, namely CORSIA, which will cover about 40% of our operations. In 2018 we have submitted our monitoring plan to the local authority, and the flights that are included in CORSIA are also verified starting from 2020.

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?
No

C11.3

(C11.3) Does your organization use an internal price on carbon?
Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Objective for implementing an internal carbon price
Navigate GHG regulations
Other, please specify (EU-ETS compliance)

GHG Scope
Scope 1

Application
Due to our inclusion in the EU ETS Aviation Scheme, we consider the price of carbon to navigate the GHG regulations. Internal carbon price also helps us calculate our risks arising from new regulations like CORSIA and inclusion of the aviation industry in the Turkish MRV.

Actual price(s) used (Currency /metric ton)
176.29

Variance of price(s) used
Based on International Carbon Action Partnership's EU ETS Detailed Information Factsheet published on 18 May 2021, the 2020 average EU ETS allowance spot price for the secondary markets on EEX exchange is €24.76/tCO2e, which equals to 176.29 TRY. We also use CORSIA's projection of carbon prices in order to calculate the impact of our risks related to emerging regulation. The min. carbon price we use internally for risk calculation is 6 USD (37.56 TL) and the max carbon price we use is 40 USD (250.40 TL)

Type of internal carbon price
Shadow price
Offsets

Impact & implication
We use min. shadow price of 6 USD and max. shadow price of 40 USD in order to calculate the financial impacts of emerging regulations, CORSIA and Turkish ETS. As a result of our calculations, we have calculated a liability between 9.35 to 62.31 Million TL. Based on International Carbon Action Partnership's EU ETS Detailed Information Factsheet published on 18 May 2021, the 2020 average EU ETS allowance spot price for the secondary markets on EEX exchange is €24.76/tCO2e, which equals to 176.29 TRY. We use this price to calculate the impact of EU-ETS on our operations. As we do not exceed our allowances, we use this price to calculate our opportunities to trade excess allowance units. The internal prices on carbon is updated every year from the EEX database and CORSIA reports. The internal price on carbon has not impacted our company yet as we are responsible for only intra-EU flights, and also as we didn't exceed our 2019 emissions in CORSIA due to Covid-19 related restrictions.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?
Yes, our suppliers
Yes, our customers
Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement
Information collection (understanding supplier behavior)

Details of engagement
Collect climate change and carbon information at least annually from suppliers

% of suppliers by number
4

% total procurement spend (direct and indirect)
25

% of supplier-related Scope 3 emissions as reported in C6.5
65

Rationale for the coverage of your engagement
In 2020 we have started a new engagement campaign with our suppliers where we send them a climate-change questionnaire and ask them about their climate-related data like GHG emissions, risks, strategies, etc. Pegasus has over 800 suppliers. When selecting the suppliers to engage, we are assessing the suppliers that may have a considerable impact on our climate performance. 99.44% of our total gross scope 1+2 GHG emissions come from our Jet A1 fuel consumption, therefore our main focus area with this new engagement activity was our fuel suppliers. We have also selected our handling, catering, cleaning, shuttle, security and warehouse service provider companies. All of these companies make up 4% of our suppliers, however their share in our procurement spend is 25%, and their share in our Scope 3 GHG emissions are even higher.

Impact of engagement, including measures of success
We have sent questionnaires to all the selected group of suppliers. As this was the first year of this engagement activity, as a measure of success we have identified completion of the climate change questionnaire by more than 20% of our selected suppliers. When the survey results were examined, it was seen that more than 80% of our selection of suppliers have replied the questionnaire. So, this engagement activity was a huge success. In the coming years, we are planning to send a more detailed survey to these selected group of suppliers.

Comment

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement
Education/information sharing

Details of engagement
Run an engagement campaign to education customers about your climate change performance and strategy

% of customers by number
100

% of customer - related Scope 3 emissions as reported in C6.5
0

Portfolio coverage (total or outstanding)
<Not Applicable>

Please explain the rationale for selecting this group of customers and scope of engagement
We have selected to publish our CDP report on our website in order to reach both our investors and our customers. We have also published our performance on 2019 CDP report in our web site and in-flight online magazine. Our CDP performance was also published on many reputable websites. As our customers are not limited to any group of people, it is not possible to estimate % of customers by number. But as the news about our CDP performance is published in more than one media outlet, we would assume that we have reached all of our customers that visit our website.

Impact of engagement, including measures of success
We are publishing our CDP report on our investor relations website, so that both our customers and investors can learn about our climate change performance and strategies. During the reporting year we have published information about our CDP performance on our flypgs website, where all of our customers visit frequently. Our performance was also published on our in-flight magazine, which can be reached through the in-flight entertainment system. (Due to covid-19 related restrictions we couldn't print any magazines in 2020) Our climate performance was also published in many national news outlets, which further increased the reach of our engagement activity. Therefore, we can easily say that we have exceeded our expectations with this engagement activity.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

We engage with Turkish Directorate General of Civil Aviation directly on inclusion of the aviation sector in Turkish MRV system. We get invites for these studies and we always give feedback about this emerging regulation.

We engage with airport authorities and give them suggestion on how to improve taxi ways, how to optimize the taxi distance to maximize the fuel efficiency.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?
Direct engagement with policy makers
Other

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Other, please specify (Offsetting Scheme)	Support	Following COP21, Turkish Civil Aviation General Directorate has started communications regarding post Paris Agreement Action Plan on behalf of ICAO. Pegasus has made a projection of financial implications of CORSIA and we have submitted our opinion to Turkish Civil Aviation General Directorate.We have also submitted our monitoring plan to the local authorities.	Under the Carbon Offsetting Scheme for International Aviation (CORSIA), aircraft operators are required to purchase offsets, or "emission units", for the growth in CO2 emissions covered by the scheme. CORSIA addresses any annual increase in total CO2 emissions from international civil aviation above 2019 levels. We support such a global scheme, and we believe such measures shall also be implemented globally in most GHG intense industries.
Mandatory carbon reporting	Support	We took an active part in roundtable discussions and meetings held by the Directorate General of Civil Aviation about the inclusion of the aviation industry in the Turkish MRV system. We have also submitted our feedback to the draft regulation of aviation MRV in Turkey. The Directorate General of Civil Aviation is also preparing an online reporting system for the inclusion of the aviation industry in Turkish MRV. We have volunteered to participate in the pilot phase of this system and we have finalized the pilot study.	We support the inclusion of the aviation industry in Turkish MRV system, and monitoring and reporting our GHG emissions through an online platform. With this online platform, we will be able to apply global aviation regulations locally, and the country's total GHG emissions will be monitored through an online system. Domestic flights will also be included in this scope. It would be a good start to set new targets on a national scale.

C12.3e

(C12.3e) Provide details of the other engagement activities that you undertake.

CEO is the President of TÖSHİD (Turkish Private Sector Aviation Enterprises Association) and our Senior Vice President, Ground Handling is a Member of the Board of Supervisors in TÖSHİD.

TÖSHİD actively follows up regulations regarding the civil aviation industry, and as a part of this task, it was the first association to take action against Turkish civil aviation operators to be included in the EU-ETS when the regulation first came into force in 2008

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Our Environment, Health and Safety Department Manager and our CEO are the ones that are responsible for connecting with policy makers and other organizations regarding climate change policy. They are all well aware of our climate change strategy since they are the ones who are making these strategies.

We also have a unit that questions these issues in ISO internal audits under the scope of “Policy”, also during external 3rd party ISO audits, these issues are questioned. During these audits, if any discrepancy between our climate change policy and any of our direct and indirect activities is detected, then a corrective action request is issued and these corrective action requests are reviewed in regular management review meetings.

C12.4

(C12.4) Have you published information about your organization’s response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In voluntary communications

Status
Complete

Attach the document
Pegasus Sustainability Website Screenshot.png
pegasus-2020-cdp-report.pdf
pegasus-2019-emissions-reporting-overview.pdf

Page/Section reference
Our 2020 CDP report and an overview of our emissions management system is published on our investor relations website under Sustainability Section. The screenshot of the sustainability section is attached. The documents are also attached, and can also be reached at the following links:
https://www.pegasusinvestorrelations.com/medium/image/pegasus-2019-cdp-report_1006/view.aspx https://www.pegasusinvestorrelations.com/medium/image/pegasus-2019-emissions-reporting-overview_981/view.aspx

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	CEO	Chief Executive Officer (CEO)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

Please confirm below

I have read and accept the applicable Terms