



2024 SUSTAINABILITY
REPORT

PEGASUS



PEGASUS

**CAPA
2024
ENVIRONMENTAL
SUSTAINABILITY
AIRLINE OF THE YEAR**

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ABOUT THIS REPORT

Our 2024 Sustainability Report is prepared to present our efforts in sustainability, our relationships with our stakeholders, and the impact and value we create in key environmental, social, and governance matters.

The report complies with the requirements of TSRS 1 (General Requirements for Disclosure of Sustainability-Related Financial Information) and TSRS 2 (Climate-Related Disclosures) defined by the Turkish Public Oversight Accounting and Auditing Standards Authority (KGK), as well as the Global Reporting Initiative (GRI) Standards. In addition, our

Sustainability Report is prepared in accordance with sector-specific guidelines in Annex Volumes 60 and 61 under TSRS framework.

The first section of our report features disclosures on “Our Sustainability Strategy,” “Governance,” “Risk Management,” and “Metrics and Targets” as per TSRS 1 and TSRS 2. It also includes a limited assurance report provided by our independent auditors. In our disclosures, the currency is presented as Turkish Lira, consistent with the financial statements prepared according to Türkiye Financial Reporting Standards (TFRS).

In the second section of our report, our activities reflecting our sustainability strategy are presented under three primary components emphasized by our motto “We are Moving Towards a Sustainable Future” in alignment with the Global Reporting Initiative (GRI) Standards. These components include “We are Moving Towards a Cleaner Future” “We are Moving Towards an Equal and Harmonious Future” and “We are Moving Towards a Better Future Together.” Furthermore, this section provides insights into our Safety and Security Oriented, and Technology and Innovation Oriented business approach, which directly interact with our sustainability strategy.

Our report covers performance metrics for the period between January 1, 2024, and December 31, 2024. While the metrics and targets shared in the first section under TSRS reflect data exclusive to 2024 along with limited assurance auditing, the second section features comparisons across the past three years for consistency.

For any questions, comments, or recommendations regarding this report, you may contact us at sustainability@flypgs.com

MESSAGE FROM OUR CEO

Dear Stakeholders of Pegasus Airlines,

In our 2023 Sustainability Report published last year, we provided you with a comprehensive summary of Pegasus Airlines—its past, present, and future. Over the past year, we have made persistent progress towards our long-term goals. Alongside our operational and financial targets, we always treat our environmental, social, and governance priorities as core principles.

- In 2024, we were honored with the CAPA 2024 Global Environmental Sustainability Airline Award.
- In 2024, our Diversity, Equality & Inclusion initiative Harmony earned a Bronze Award in this category at the International Stevie Awards.
- In 2024, our Corporate Governance Rating increased to 97.9%, making us the second-highest rating among companies listed on Borsa Istanbul and the highest in the aviation sector.

These achievements reflect our success during a period when we delivered the lowest fuel-excluded unit cost (CASK, non-fuel) and achieved the second-highest operational profitability (EBITDA %) within the industry for 2024. We have sustained our strong performance in low unit costs

and high operational profitability from 2019, 2022, and 2023 into 2024.

With over 37 million annual guests, a fleet comprising 118 aircraft, and a network spanning 146 destinations in 53 countries—36 of which are in Türkiye—we remain committed to creating even greater value for all our stakeholders and advancing our operations with a sustainable business approach.

For the first time, our 2024 Sustainability Report includes disclosures under TSRS 1 and TSRS 2. In alignment with our 2050 Net Zero Emissions target, we published our Climate Transformation Roadmap two years ago. In this report, we complement that information by presenting the financial impact of our climate transformation work and the risks and opportunities we expect on this journey.

We didn't start aviation in Türkiye, but we transformed it! Together, we will carry on with the change we have initiated in Turkish civil aviation, and we will strive to continue being an airline that adds value to Türkiye and the world.

Respectfully yours,
Güliz ÖZTÜRK
CEO

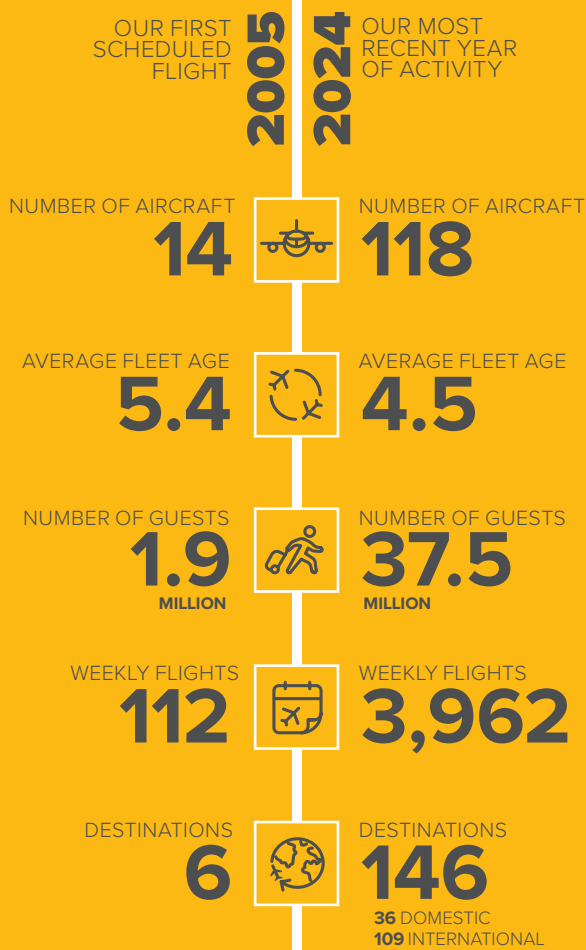




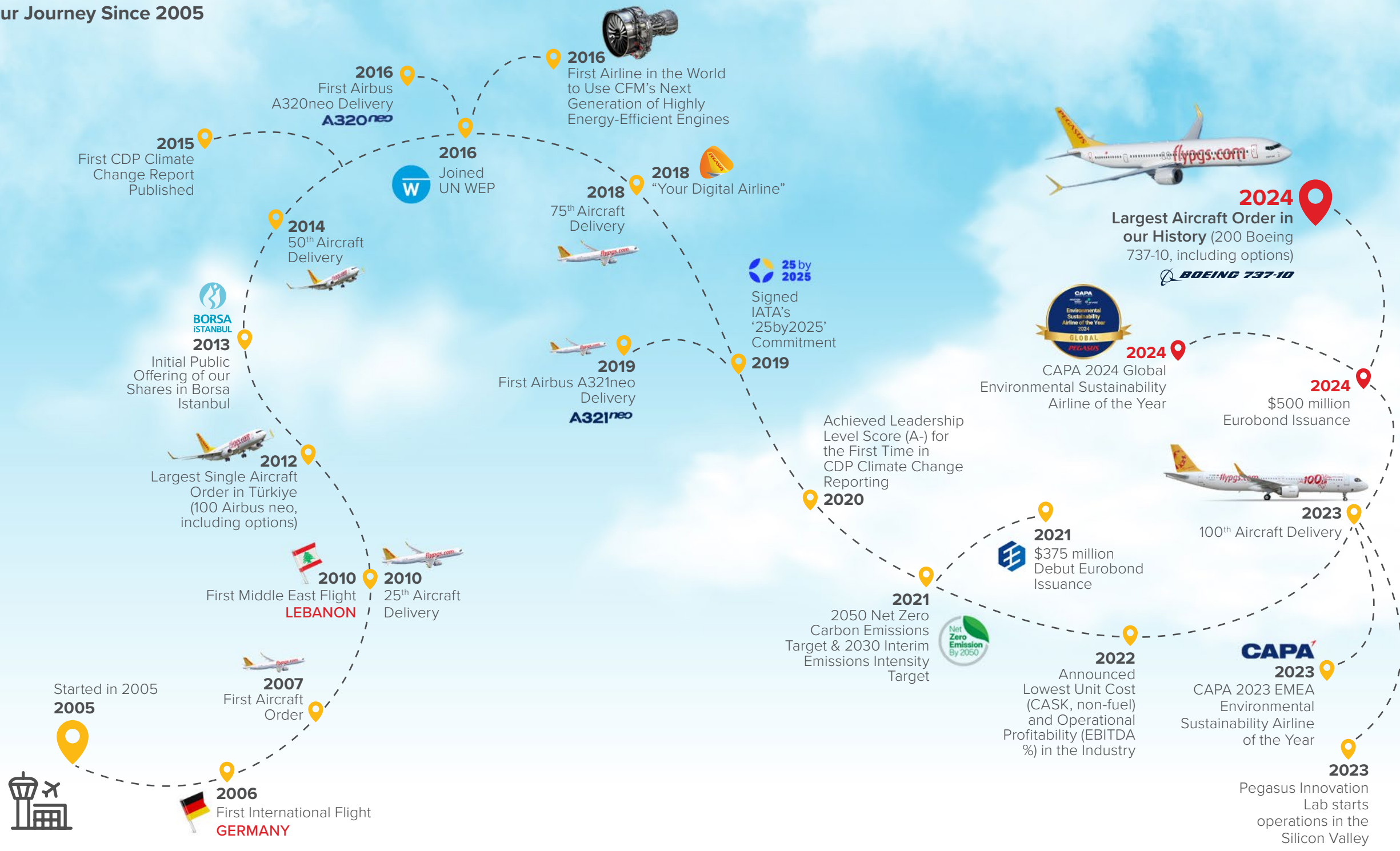
Pegasus Airlines in Brief

- We were incorporated in 1990 as a joint venture between several airlines and financial investors.
- Between 1990 and 2005, we were an airline operating charter flights.
- In 2005, when Esas Holding took over the management, we adopted the low-cost airline model and started our domestic and international scheduled flights.
- By the end of 2024, we achieved a scheduled flight network serving 146 destinations in 53 countries, 37 of which are in Türkiye, with our fleet of 118 aircraft, and we carried more than 37 million guests only in 2024.
- We are a publicly traded company. 45.37% of our shares are traded on Borsa Istanbul. The remaining 54.63% is under the control of Esas Holding, that transformed our company into one of the world's leading low-cost airlines.

We have successfully grown our business in the past 20 years



PEGASUS IN BRIEF
Our Journey Since 2005



1

TURKISH SUSTAINABILITY REPORTING STANDARDS (TSRS) COMPLIANT SUSTAINABILITY REPORT



1.1. General Information

The first section of the 2024 Sustainability Report covers the sustainability-related financial disclosures of Pegasus Airlines Inc. and its subsidiaries (collectively referred to as the “Group”, “Pegasus”, or “Pegasus Airlines”) for the fiscal year ending on 31 December 2024.

These disclosures have been prepared in accordance with the requirements of TSRS 1 General Requirements for Disclosure of Sustainability-Related Financial Information and TSRS 2 Climate-Related Disclosures, both issued by the Public Oversight Accounting and Auditing Standards Authority of Türkiye (“KGK”).

Since 2024 marks the Group’s first reporting year under the TSRS framework, the following provisions and exemptions have been applied in line with the allowances offered by the standards:

- In accordance with TSRS 1 E5 and TSRS 1 E6, the Group discloses information solely related to climate-related risks and opportunities for this initial reporting year.
- Under TSRS 1 E3 and TSRS 2 C3, the data presented in Section 1 for the year 2024 does not include comparative information from previous years, as allowed for first-time reporters.
- In line with TSRS 1 E4, this report has been prepared and made publicly available following the publication of the 2024 Consolidated Financial Statements.
- Pursuant to Provisional Article 3 of KGK’s Board Decision dated 27 December 2023, the Group is exempt from disclosing Scope 3 greenhouse gas (GHG) emissions.

- Additionally, an exemption under TSRS 2 C4(a) has been utilized for GHG measurement disclosures. GHG calculations and measurements have been carried out and verified in accordance with ISO 14064-1 standards.

In subsequent reporting periods, the Group intends to expand its disclosures to cover all sustainability-related risks and opportunities expected to affect its operations in the short, medium, and long term.

This section of the report has been prepared in alignment with the same reporting period and scope as the Group’s Consolidated Financial Statements for the year ending 31 December 2024 (Note 2 of the Consolidated Financial Statements contains detailed information regarding the scope of consolidation).


Accordingly, Section 1 of the report includes climate-related information and disclosures for Pegasus Airlines, as well as its subsidiaries Pegasus Innovation Lab and Pegasus Aviation Technologies.

You can access our Consolidated Financial Statements for the year ended 31 December 2024 and our 2024 Board of Directors’ Annual Report on the Pegasus Airlines Investor Relations Website.

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1.2. Limited Assurance Report Under TSRS



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LIMITED ASSURANCE REPORT OF THE INDEPENDENT AUDITOR ON THE INFORMATION PRESENTED UNDER THE TURKISH SUSTAINABILITY REPORTING STANDARDS OF PEGASUS HAVA TAŞIMACILIĞI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

To the General Assembly of Pegasus Hava Taşımacılığı Anonim Şirketi,

We have been assigned to perform limited assurance engagement on the information ("Sustainability Information") presented in accordance with the Türkiye Sustainability Reporting Standards 1 "General Requirements for Disclosure of Sustainability-related Financial Information" and Türkiye Sustainability Reporting Standards 2 "Climate-Related Disclosures" of Pegasus Hava Taşımacılığı Anonim Şirketi and its subsidiaries (collectively referred to as the "Group") for the year ended December 31, 2024.

Our assurance engagement does not include the information related to prior periods and other information associated with Sustainability Information (including any images, audio files, website links or embedded videos).


Limited Assurance Conclusion

Based on the procedures performed and the evidence obtained, as summarized under the section "Summary of the Work we Performed as the Basis for our Assurance Conclusion", nothing has come to our attention that causes us to believe that Group's Sustainability Information for the year ending December 31, 2024, has not been prepared in accordance with the Türkiye Sustainability Reporting Standards ("TSRS"), as published by the Public Oversight Accounting and Auditing Standards Authority of Türkiye ("POA") in the Official Gazette dated December 29, 2023 and numbered 32414(M). We do not provide any assurance conclusion regarding the information related to prior periods and any other information associated with the Sustainability Information (including any images, audio files, website links or embedded videos).

Inherent Limitations in the Preparation of Sustainability Information

The Sustainability Information is subject to inherent uncertainties due to lack of scientific and economic information. The inadequacy of scientific data leads to uncertainties in the calculation of greenhouse gas emissions. Additionally, due to the lack of data regarding the likelihood, frequency, and impacts of potential physical and transition climate risks, the Sustainability Information is subject to uncertainties related to climate-related scenarios.

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Responsibilities of Management and Those Charged with Governance Regarding Sustainability Information

The Group's Management is responsible for:

- Preparing the Sustainability Information in accordance with the principles of Türkiye Sustainability Reporting Standards;
- Designing, implementing and maintaining internal control over information relevant to the preparation of the Sustainability Information that is free from material misstatement, whether due to fraud or error;
- Additionally, the Group Management is responsible for selecting and implementing appropriate sustainability reporting methodologies as well as making reasonable assumptions and suitable estimates.

Those Charged with Governance is responsible for overseeing the Group's sustainability reporting process

Responsibilities of the Independent Auditor Regarding the Limited Assurance of Sustainability Information

We are responsible for the following:

- Planning and performing the engagement to obtain limited assurance about whether the Sustainability Information is free from material misstatement, whether due to fraud or error;
- Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- Reporting our conclusion to the Group Management.


Since we are responsible for providing an independent conclusion on the Sustainability Information prepared by management, we are not permitted to be involved in the preparation process of the Sustainability Information in order to ensure that our independence is not compromised.

Professional Standards Applied

We performed a limited assurance engagement in accordance with the Standard on Assurance Engagements 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and in respect of greenhouse gas emissions included in the Sustainability Information, in accordance with Standard on Assurance Engagements "3410 Assurance Engagements on Greenhouse Gas Statements", issued by POA.

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Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Independent Auditors, issued by the POA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. Our firm applies Standard on Quality Management 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. Our work was carried out by an independent and multidisciplinary team including assurance practitioners, sustainability and risk management specialists. We have used the work of our expert team to assess the reliability of the information and assumptions related to the Group's climate and sustainability-related risks and opportunities. We remain solely responsible for our assurance conclusion.


Summary of the Work we Performed as the Basis for our Assurance Conclusion

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Sustainability Information is likely to arise. The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Sustainability Information,

- Face-to-face and online interviews were conducted with the Group's key senior personnel to understand the processes in place for obtaining the Sustainability Information for the reporting period.
- The Group's internal documentation was used to review and assess the sustainability related information.
- The disclosure and presentation of sustainability-related information have been evaluated.
- Through inquiries, we obtained an understanding of Group's control environment and information systems relevant to the preparation of the Sustainability Information. However, we did not evaluate the design of particular control activities, we did not obtain evidence about their implementation or we did not test their operating effectiveness.
- The appropriateness and consistency of the Group's estimation development methods were evaluated. However our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate Group's estimates.

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The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

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Zeynep Okuyan Özdemir, SMM
Partner

7 August 2025
İstanbul, Türkiye

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1.3. Our Sustainability Strategy

1.3.1. Strategic Approach and Targets

Ensuring business continuity, maintaining competitiveness, and managing risks and opportunities can only be achieved by integrating a sustainability approach into business processes. Therefore, promoting a **culture of sustainability** within the organization is of great importance. This approach enables sustainability-oriented evaluation during decision-making processes, paving the way for outcomes that benefit all stakeholders.

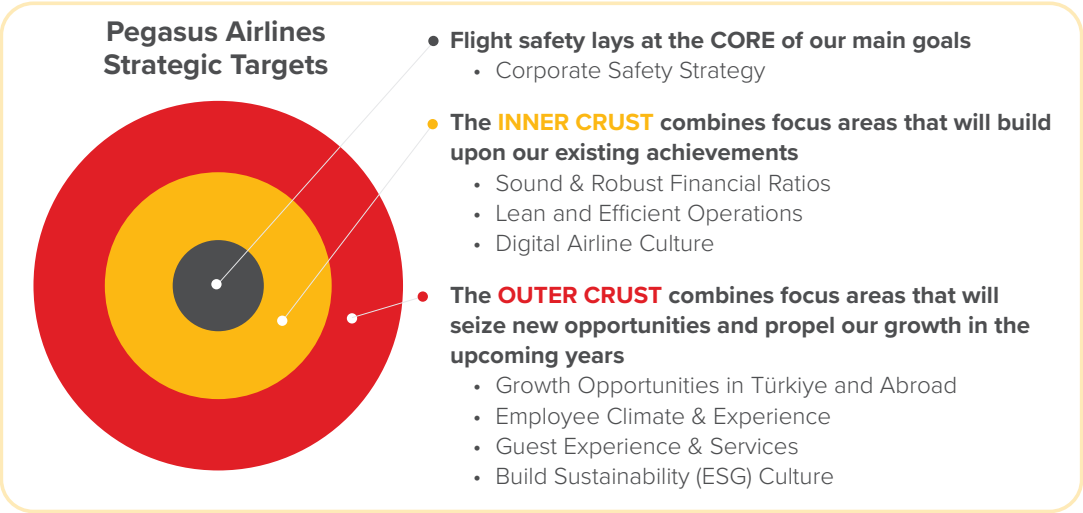
In this context, in order to ensure the continuity of sustainability in our business processes, **we assess and integrate our environmental, social, and economic impacts, particularly climate-related ones, along with associated risks and opportunities into our processes.** We have made significant progress in this area and have incorporated this perspective into our professional life to adapt to the rapidly changing world.

We have structured our corporate strategy around eight main goals. **Our sustainability perspective**

is both a goal to establish a new culture of sustainability within the organization and an integral part of other strategic objectives that contribute to sustainability.

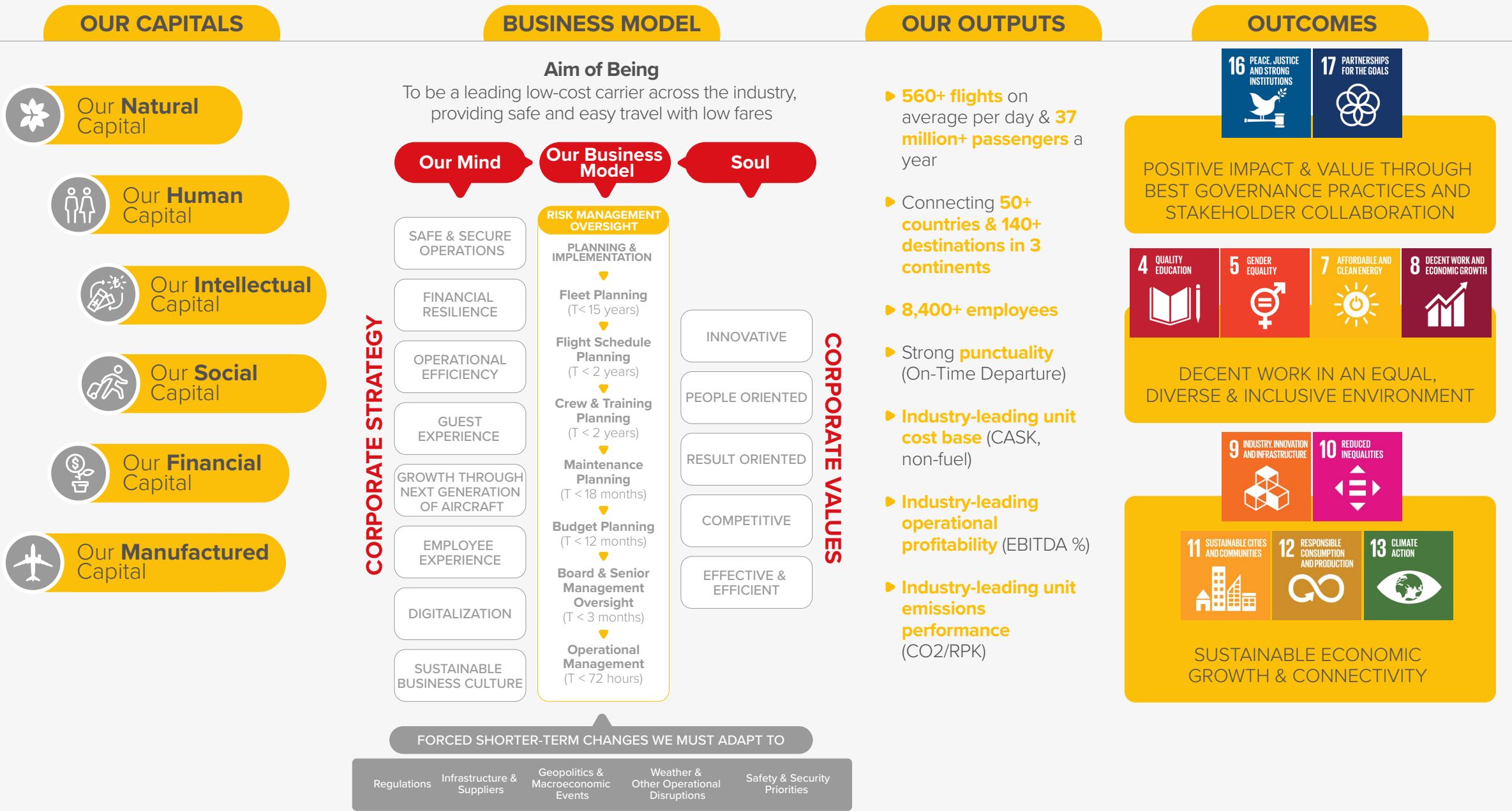
Accordingly, we treat sustainability as a strategic goal and act with the awareness of its critical role in decision-making processes. In particular, we systematically assess the impacts of climate change on our operations through risk and opportunity analyses. We consider not only physical risks but also transition risks such as regulatory dynamics, market demands, technological developments, and reputation-related processes. We prioritize and manage climate-related risks in alignment with our strategic objectives by integrating them into our Enterprise Risk Management system.

More detailed information on the climate-related risk and opportunity analysis regarding our operations is provided in section “1.3.3. Climate Related Risks and Opportunities in Our Operations.” Through this approach, we aim to ensure an effective assessment of such risks and support long-term sustainability and resilience.



1.3.2. Our Value Model

We create value by implementing our corporate strategy based on the following business model. Our business model is shaped within the framework of our aim of being, strategic targets and corporate values.



1.3.3. Climate Related Risks and Opportunities in Our Operations

We assess the potential impacts of climate change on our business model across three time horizons:

- 0–3 years: Short Term
- 3–10 years: Medium Term
- 10–30 years: Long Term

These timeframes have been defined in alignment with our strategic priorities and the expected progress in the implementation of sustainability initiatives.

The impact of climate-related sustainability risks and opportunities on our operations

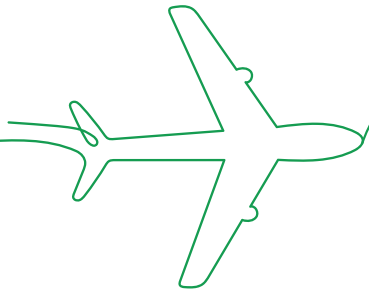
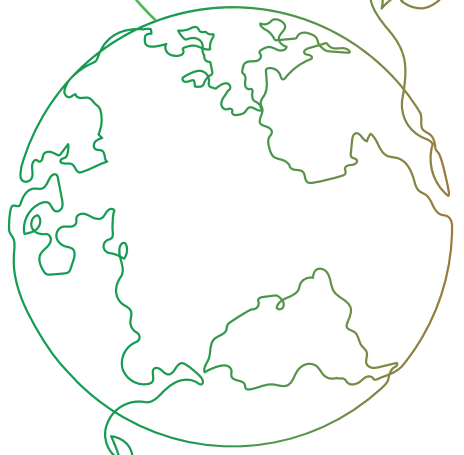
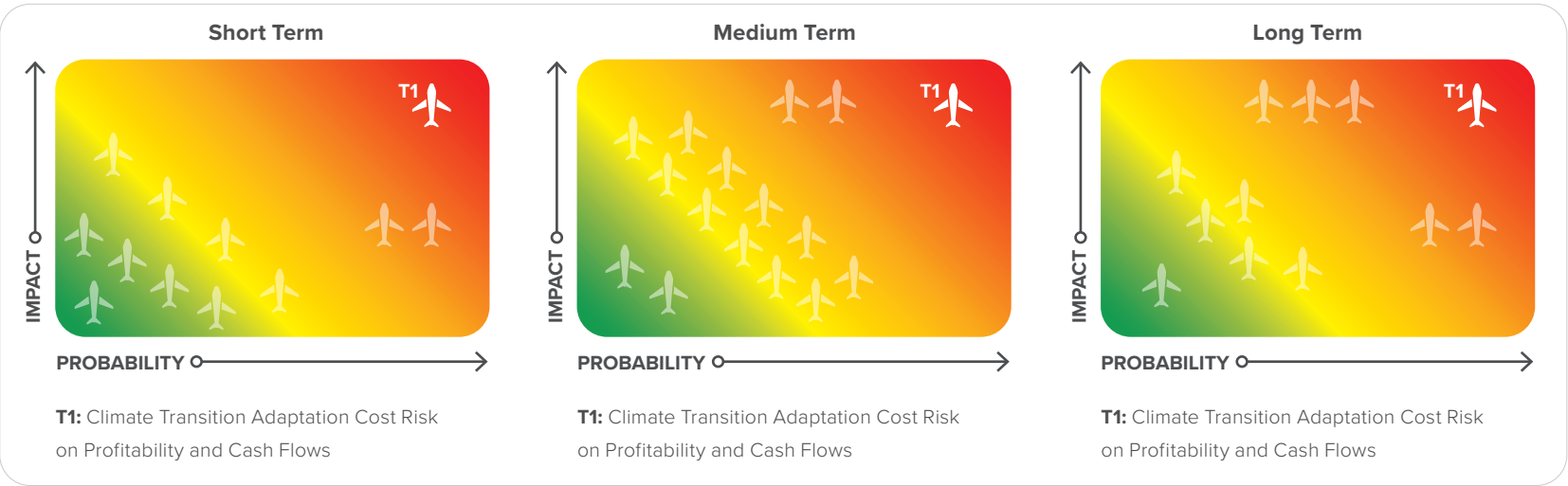
is determined within the framework of our Enterprise Risk Management approach for the time horizons mentioned above. The outlook of the identified risks across the Short-, Medium-, and Long-Term periods is as follows. Physical risks are coded with “P”, and transition risks are coded with “T”.

Within the financial assessment of climate risks and opportunities, significant uncertainties exist regarding various factors that affect adaptation costs. These include uncertainties related to the scope, timing, and application of current and planned regulations, the lack of well-developed markets for carbon credit mechanisms, uncertainties regarding the supply and cost of SAF, and the outcomes of consumer trends, which

have been evaluated through scenario analyses.

However, these uncertainties do not allow for a concrete and predictable impact analysis in the monetization of risks. Evaluations carried out within the context of scenario analyses are largely based on approach and expectation assessments.

Following the risk assessment described in Section 1.5.3 of this Report, 18 risks and 10 opportunities have been identified, of which eight risks were prioritized. Among these, only one risk and two opportunities were found to exceed the applicable financial threshold. The risks and opportunities identified as financially material in any time period in terms of impact and probability are detailed below.



Risk Code	Risk Group / Type	Risk Description	Overview of Risk and Impact	Financial Impact of the Risk (explanation of expected timeframe)	Precautions, Targets and Investments Taken in Connection with the Risk	Risk Timeframe and Risk Level		
						SHORT TERM 0-3 YEARS	MEDIUM TERM 3-10 YEARS	LONG TERM 10-30 YEARS
T1	Transition Risk / Liability	Climate Transition Adaptation Cost Risk on Profitability and Cash Flows	Jet fuel burn accounts for almost the entire Scope 1 & 2 emissions in civil aviation, and more than ¾ of all three scope of greenhouse gas emissions. The industry's climate adaptation cannot be achieved in the short term, and requires a long-term energy transition that is heavily reliant on planning, technologic research and development, and new energy investments.	CORSIA has become an emissions trading scheme that creates carbon offsetting obligations for us as of 2024. Under ReFuelEU, starting from 2025, we will be required to procure fuel with 2% SAF blends for our flights departing from EU airports. The additional costs triggered by these obligations, kicking-off with relatively low volumes, are expected to increase in the following years and add to our operating costs. While the risk is expected to have an impact on both short, medium and long term, its three-year short-term impact is estimated to be between USD 30-40 million. Approximately USD 3 million from this amount relates to our expected CORSIA offsetting requirements for the year 2024, as part of CORSIA Phase I that covers 2024-2026. On the other hand, SAF is currently procured at 2.5 times or more of the cost of jet fuel, which represents approximately one-third of the airlines' total costs, and the premium it involves creates a significant cost increase risk in the long term. We expect the financial impact of this risk to increase in the medium and long term. However; a financial projection cannot be presented under high uncertainty due to lack of an established market for SAF or CORSIA credits.	We see climate change adaptation cost impact on profitability and cash flows as the most important climate-related transition risk the industry should address. While ensuring adaptation, the airlines must operate an economically sustainable business. In 2024, we published our Climate Transition Roadmap, developed in sync with our business model. In this direction, starting from 2025 we set net carbon emission and emission intensity targets in our annual budgets, and we monitor the financial impact of our environmental performance. Also starting from 2025, the annual checkpoints leading up to our 2030 mid-term emissions intensity target are being included in our Company Scorecard, essentially constituting a KPI for every member of our mid and senior management affecting their individual performance score. The persistent focus on low unit costs, strong cash position and financial resilience, which have been the blueprint of our low-cost business model provides us with an advantage on this challenge compared to our competitors. While we reduce our total carbon emissions footprint and the associated costs through our investment in next generation aircraft and operational efficiency initiatives, we also carry out work to better manage the cost-associated risks triggered by SAF and CORSIA requirements. In 2024, we completed our first purchase of REDD+ ART Trees credits that are eligible emissions units under CORSIA, as part of CORSIA Phase I applicable for 2024-2026. As part of our Corporate Risk Governance Framework, we regularly monitor our annual SAF and CORSIA-related risks. Apart from the costs relating to the additional liability and cash outflows the risk will trigger, we do not expect significant changes to our financial condition, financial planning or the book value of our assets and liabilities.	●	●	●

Opportunity Group / Type	Opportunity Description	Overview of Opportunity and Impact	Potential Impact of Opportunity and Actions Taken, Targets and Investments in connection with the Opportunity	Opportunity Timeframe		
				SHORT TERM 0-3 YEARS	MEDIUM TERM 3-10 YEARS	LONG TERM 10-30 YEARS
Products and Services	Business model with a focus on investing in the most efficient line of aircraft in operation	Our investment to the next generation aircraft with highest available energy efficiency provides us with up to 20% operational emissions reduction.	As of the end of 2024, Airbus 320/321neo aircraft constitute 89% of the total seat capacity available in our fleet. As of the end of 2024, as part of our existing aircraft orders with Airbus and Boeing, we have more than 150 firm order neo and 737-10 aircraft to be delivered. Our continuous investment in the new aircraft provides us with an advantage in terms of fuel efficiency. In 2024, the fuel efficiency performance of our next generation aircraft helped us avoid the consumption of 96,000 tons of jet fuel that would have been consumed if the same flights were carried out by older generation aircraft. Considering the prevailing fuel price and the USD 22 CORSIA eligible emissions unit cost at the end of 2024, the said savings in fuel consumption corresponds to a cost reduction of approximately USD 90.6 million.	●	●	●
Products and Services	High level of compatibility of the low-cost carrier business model with sustainability approach	Emissions related costs occur largely as a result of jet fuel consumption, which increases parallel to the volume of operations, rendering the impact of fuel and operational efficiency initiatives on financial performance more important every day. The low-cost carrier business model prioritizes lean and efficient processes. This approach helps reduce consumption in all business processes and fosters new practices that improve the management of environmental impact.	The persistent focus on low unit costs, strong cash position and financial resilience, which have been the blueprint of our low-cost business model provides us with an advantage on climate change adaptation compared to our competitors. In 2024, we achieved the second-lowest unit emissions (grCO2/RPK) across the industry. Additionally, we sustain our strong operational profitability (EBITDA %) and unit cost (CASK, non-fuel) performance in 2019 and post-COVID in 2022-2023-2024, which strongly supports our longer-term sustainability and climate transition capacity. One initiative that stood out among others in 2024 was our implementation of the SkyBreathe eco-flight platform. SkyBreathe helps us better monitor our flights, analyze various fuel-efficiency opportunities and identify rooms for further improvement. We aim to fully implement this tool starting from 2025. Considering the prevailing fuel price and the USD 22 CORSIA eligible emissions unit cost at the end of 2024, 2% achievement of fuel savings through the use of this tool will correspond to a cost reduction of approximately USD 20 million.	●	●	●



1.3.4. Emission Targets and Our Climate Transition Roadmap

As part of the global fight against climate change, sustainable solutions and roadmaps are being developed at the sectoral level. As one of the first airlines to sign the “**Net Zero Carbon Emissions by 2050**” resolution adopted at the 77th Annual General Meeting of IATA in 2021, Pegasus has reinforced its pioneering role in this field. Motivated by and aware of the responsibility of being part of one of the most comprehensive carbon reduction targets ever set in the aviation sector, we continue our environmental sustainability efforts.

Meanwhile, in October 2022, the 41st Assembly of the International Civil Aviation Organization (ICAO) adopted the “**Long-Term Aspirational Goal**” aimed at achieving net zero carbon

emissions in the aviation sector by 2050, as endorsed by Member States. These targets aim to ensure that the projected growth potential of the international aviation sector is developed within a sustainable socio-economic structure and aligned with environmental impacts.

Within the scope of our **climate resilience** assessments, we focus on key areas of uncertainty highlighted in our scenario analyses, which are detailed in “1.3.6. Scenario Analysis and Adaptation to Climate Transition.” These uncertainties include infrastructure adaptation challenges, potential restrictions in access to energy sources, delays in technological developments, societal and behavioral changes, and variability and misalignment in policies and regulations. We use these uncertainties as core inputs in evaluating our status and assessing our climate resilience capacity.

The scenario analyses conducted to assess the compatibility of our business model with the climate transition play an essential role in shaping our short, medium, and long term strategies. In the short and medium term, our assessments focus on identifying areas for development such as ensuring energy transition and SAF procurement in our supply and collaboration areas, while for our long-term goals, we focus on achieving the main targets of our climate roadmap and evaluating their financial expectations. These analyses are critical in shaping the Company’s “Climate Transition Plan.”

In the context of climate change adaptation and the evaluation of climate-related opportunities, we conduct comprehensive analyses of the effects on our Company’s current and future investments. By assessing efficiency

opportunities and increasing our support for renewable energy, we are adding new dimensions to our efforts in combating climate change. Through this holistic approach, we aim to establish a structure that is **resilient to climate risks, open to opportunities, and prioritizes sustainable growth.**

In the “Climate Transformation Plan”, from the year 2016, when the next generation Airbus neo-type aircraft were first added to our fleet, through to 2050, when we target net zero carbon emissions, the Scope 1 & Scope 2 emissions from our operations and the gross emission level indicated as the top line are shown alongside our reduction target represented by the net emissions level marked with a dashed line at the bottom, based on our initiatives categorized under four green-colored headings.



Key Assumptions and Inputs

- A fleet consisting of next-generation aircraft is expected to deliver up to 20% unit fuel savings.
- Operational efficiency across fuel, ground operations, and buildings is anticipated to contribute 2–5% annually.
- A global forecast of 3% improvement is assumed for air traffic management in line with IATA's projection.
- Only carbon offset obligations under the CORSIA framework have been considered.
- Existing EU SAF usage obligations have been taken into account.
- For Türkiye, SAF usage obligations outlined in the SHT-SAF Directive until 2030 have been considered, and projections have been made through 2050.
- Voluntary SAF usage is limited until 2035 due to supply and price constraints.
- Emission reductions are expected to begin in 2035 with increased SAF usage.
- An overall 80% emission reduction is targeted across all scopes by 2050, with the remaining emissions to be offset through reliable carbon credits.

Pegasus aims to achieve a net zero carbon emissions business model by 2050, in line with its Net Zero Commitment. To reach these targets, we focus our efforts on four main areas: **Next Aircraft Technologies, Operational Efficiency, Regulatory Carbon Offsetting, and Sustainable Aviation Fuels (SAF, including LCAF).**

Next Generation Aircraft Technologies

In our forward-looking approach, which anticipates above-industry-average growth by 2035, fleet transformation is the most critical factor in meeting our emission reduction targets.

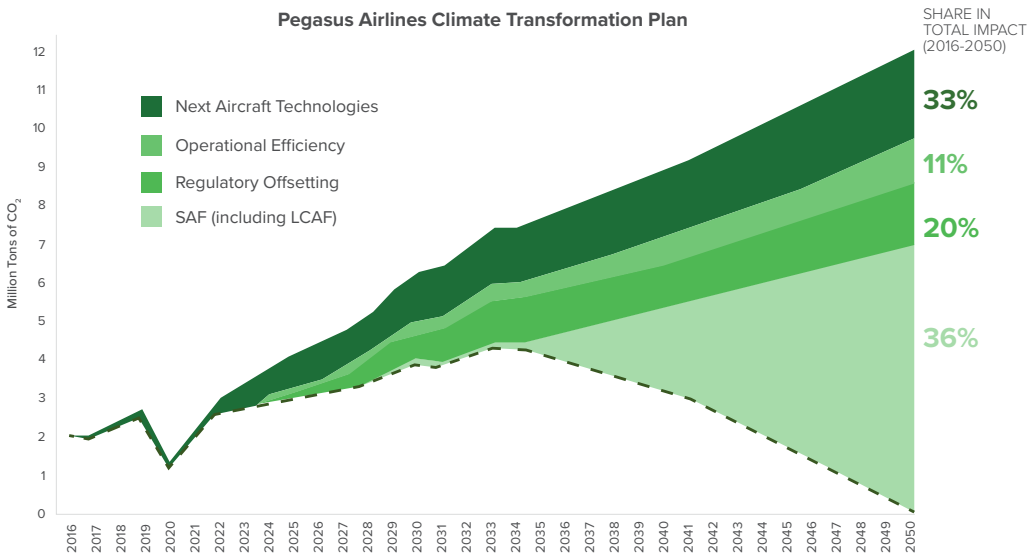
Our fleet transformation journey began in July 2012, when we placed an order with Airbus for a total of 100 new aircraft, consisting of 75 firm orders (57 A320neo and 18 A321neo) and 25 optional aircraft. At that time, this was the largest aircraft order in the history of Turkish civil aviation. In December 2017, we converted the purchase rights for the 25 additional aircraft into a firm order for A321neo configuration.

In line with our low-cost carrier strategy and our lean and efficient operations model, and also considering the impact on our climate change and net zero targets, we placed firm orders with Airbus in October 2021 for 6 additional A321neo aircraft, in June 2022 for 8 additional A321neo aircraft, and in July 2023 for 36 more A321neo aircraft. With all modifications, our 2012 Airbus order now comprises a total of 42 A320neo and 108 A321neo aircraft. On the other hand, in 2016, we were the first user of the CFM-Leap series engines used in A320neo aircraft in the world. In 2024, 16 A321neo aircraft were added to our fleet.

As part of our fleet management strategy and in addition to our current firm aircraft orders, we signed a new agreement with Boeing in December 2024 to meet our aircraft needs from 2028 onwards, covering up to 200 B737-10 aircraft. Under this agreement, 100 B737-10 aircraft have been placed as firm orders with expected deliveries starting in 2028, and 100 additional aircraft have been secured as options that may be converted into firm orders in the future.

The A320neo, A321neo, and Boeing 737-10 aircraft, equipped with CFM LEAP engines, offer the lowest fuel consumption performance in their class with current technology. According to aircraft manufacturers, this efficiency translates into up to 20% improvement compared to

previous-generation aircraft. The A321neo and Boeing 737-10 aircraft, with their longer fuselage and high seating configuration, are among the most fuel-efficient aircraft in terms of per-seat fuel consumption and emissions. Our fleet investment directly supports both our long-term emission reduction and medium-term emission intensity targets.



All Airbus neo aircraft orders were converted into firm orders prior to 2024. The total value of the Boeing 737-10 aircraft order finalized in 2024, assuming all options are exercised, is approximately USD 36 billion based on the current list prices, excluding special pricing and payment terms defined in the agreement for 200 aircraft.

You can find the delivery schedule for these aircraft orders in the table below.

In addition to their impact on reducing carbon emissions, our next generation aircraft also contribute significantly to the reduction of NOx emissions and engine noise levels. The fleet transformation process that began in 2016 supports our Company’s environmental responsibility awareness and sustainability-oriented values.

Operational Efficiency

As Pegasus, in line with our goals to enhance operational sustainability, we implement streamlined and environmentally efficient operational practices supported by fuel efficiency projects, improvements in route and flight management, and efficiency in ground operations. In this context, our existing projects significantly contribute to our Company’s Climate Transition Plan, and we aim to further increase effectiveness through the projects we continue to develop in the coming years.

Sustainable Aviation Fuels (SAF)

We foresee that Sustainable Aviation Fuels (SAF/LCAF) will be one of the milestones of our roadmap, and that they will serve as a key factor not only for us but for the entire sector’s energy transition to achieve Net Zero Carbon goals in

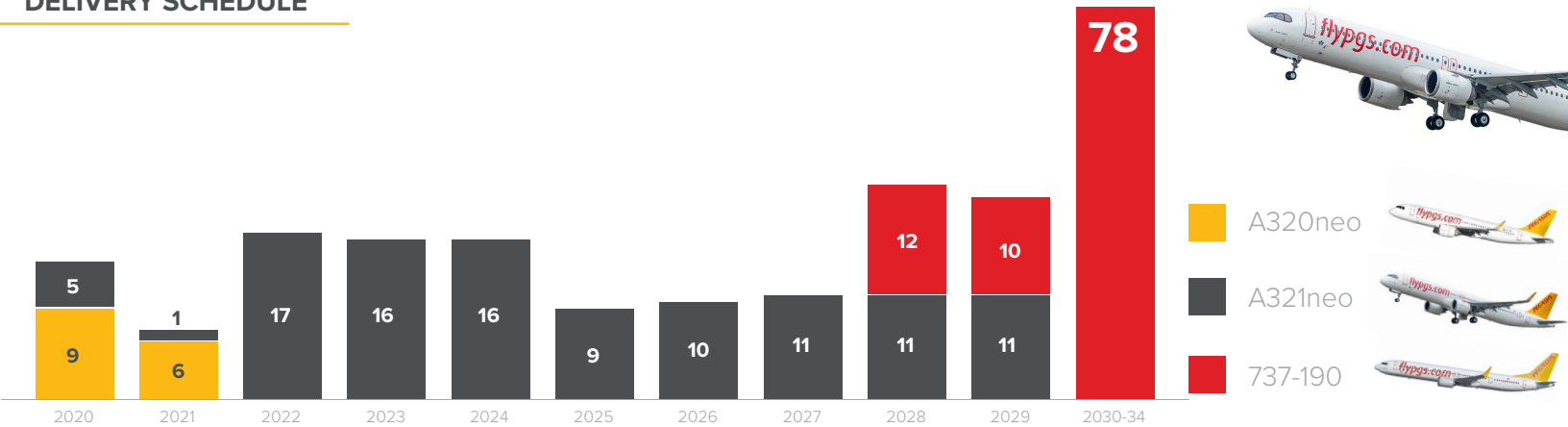
the long term. Throughout 2023, we continued our efforts to use alternative aviation fuels that are non-fossil-based and reduce CO₂ emissions across their lifecycle in our operations. As of 2024, we further advanced these efforts by focusing on projects that ensure the supply and increase the use of low-emission alternatives in aviation fuels. We engaged with fuel suppliers to advance our SAF usage. In communicating our Net Zero target to suppliers, we also evaluate potential areas of collaboration to both define our reduction pathway and support the production network. To support domestic initiatives, we actively participate in the Türkiye Sustainable Aviation Platform.

The production of SAF products, ensuring their availability and cost-effectiveness, and increasing their usage represent critical steps toward achieving our targets. We support initiatives to expand SAF usage within our flight

network. Our projects in this field continue in line with our environmental responsibility, promoting the production and widespread use of non-fossil-based sustainable aviation fuels, as well as fostering stronger collaborations across the sector.

Moreover, in developing our Climate Transition Roadmap, we have adopted a realistic approach based on scenario analysis that consider industry dynamics and expectations. These analyses and alignment studies are detailed in section “1.3.6. Scenario Analysis and Adaptation to Climate Transition.” Based on the identification of areas that require support in the energy transition and the assessment of areas requiring climate adaptation, we have defined our roadmap, which we review annually as part of our budgeting, three-year business planning, and strategic roadmap evaluations.

DELIVERY SCHEDULE



Regulatory Carbon Offsetting

In addition to our fleet transformation, operational efficiency, and SAF usage targets, we aim to reach our goal through carbon offsetting efforts in line with ICAO’s CORSIA regulatory framework. While it is not possible with today’s technology to eliminate all carbon emissions from our operations at the source, we support carbon offsetting projects to contribute to balancing emissions through lower-emission production activities and to support renewable energy projects.

In 2024, our Company participated in the first large-scale purchasing event for CORSIA Phase 1 Eligible Emission Units (EEUs), organized by IATA and supported by the Government of Guyana, Mercuria, and Xpansiv, as part of the aviation sector’s carbon offsetting strategies. We view this participation as a significant step toward our “Net Zero Carbon Emissions” target. We contributed

to the energy transition through “Afforestation Credits,” which are among the currently accepted projects under CORSIA. These credits are expected to play a significant role in fulfilling our offsetting obligations under CORSIA Phase 1 for the 2024–2026 period.

In addition to our total emissions and net zero target, we monitor our carbon dioxide emissions per revenue passenger kilometer (RPK) as a key performance indicator. In line with our 2050 net zero carbon emissions commitment, we have set a target to reduce carbon emissions intensity by 2030. Under this goal, we aim to reduce our carbon emissions per RPK by 20% by 2030 compared to 2019 levels. In 2019, our carbon emissions per unit were at 65.1 grCO₂/RPK. As of the end of 2024, we successfully reached halfway to our target, reducing our emissions intensity to 58.3 grCO₂/RPK and achieving more than a 10% reduction in unit emission intensity. We aim to bring this figure down to 52.1 by 2030.

	2019	2024	2030
Emission Intensity (gCO ₂ /RPK)	65.1	58.3	52.1
Average Fleet Age	5.35	4.50	-



1.3.5. Integrating Climate Risk and Opportunities into Our Business Model

At Pegasus, we consider the integration of both risks and opportunities related to climate change into our business model as essential for establishing a sustainable business model. To mitigate the impacts of climate-related risks and capitalize on opportunities in the most efficient way, we conduct comprehensive analyses and evaluate our activities and project focus areas accordingly. With this approach, we aim to ensure long term sustainable operations and advance in parallel with the goal of fully integrating environmental awareness into our business processes.

We assess the potential physical and financial impacts of climate change on our operations.

In this context, we consider factors such as operational challenges related to weather conditions, risks in energy sources, regulatory policies, and carbon adjustment regulations. One of our most important steps to increase the

resilience of our business model is to identify climate risks at an early stage and implement preventive strategies.

The opportunities presented by the fight against climate change serve as an incentive to develop innovative solutions across all our business processes. Through next generation aircraft technologies, sustainable energy sources, carbon offsetting projects, and Sustainable Aviation Fuels (SAF/LCAF), we enhance our Company’s environmental performance while strengthening our sustainability commitment. The successful integration of these opportunities into our business model plays a critical role not only in securing a competitive advantage but also in achieving our sectoral transformation goals.

The methods and analyses used to integrate climate risks and opportunities into Company policy are carried out with consideration for industry standards and best practices. We use scenario analyses, risk management tools, and innovative practices as evaluation criteria to

enhance sustainability and resilience in our business model. We integrate climate risks and opportunities into our business model in alignment with our environmental, economic, and operational sustainability goals.

To implement our strategy regarding the integration of climate-related risks and opportunities into our business model, we utilize both internal and external financing sources. Since 2005, we have continued our growth strategy focused on next generation fleet investments by adding our profits to equity. On the other hand, we effectively use various external financing sources, primarily those aligned with our climate and social sustainability commitments, such as the Sustainability-Linked Financing obtained for the 10 Airbus 321neo aircraft delivered in 2022.

Fleet Transformation

As of 31 December 2024, Pegasus continues its operations with a young, modern, and growing fleet consisting of 118 aircraft with an average age of only 4.5 years. We continually renew and

expand our fleet to improve both operational efficiency and the travel experience we offer our guests. In 2024, we added 16 new aircraft to our fleet, marking an important step in line with our Company’s growth objectives.

Since 2012, our investment in the latest generation aircraft such as the Airbus neo and Boeing 737-10, as well as our investment in CFM-LEAP engines, which provide up to approximately 20% lower fuel consumption compared to previous-generation aircraft, are explained in detail in section “1.3.4. Emission Targets and Our Climate Transition Roadmap.”

As part of our fleet transformation strategy, we aim to increase the share of fuel-efficient A320neo and Boeing MAX family aircraft, thereby improving fuel efficiency and reducing our carbon emissions. Our investments in next generation aircraft also significantly contribute to reducing the amount of energy consumed per RPK. As of the end of 2024, our energy intensity was reduced to 0.81 MJ/RPK.

Pegasus Airlines 2021–2024 Energy Intensity Performance

Unit	2021	2022	2023	2024
Energy Intensity (MJ/RPK)*	0.99	0.86	0.85	0.81

* Energy intensity is calculated based on aircraft fuel consumption.

Operational Efficiency

A low-cost business model requires not only **an efficient aircraft fleet but also lean and efficient operational management**. Our strong commitment to maintaining lean and efficient operations is a major factor that enables us to work with low unit cost and high efficiency, thereby ensuring the continuity of our low-cost business model. It is also one of the main ways to implement climate-related risk mitigation and opportunity evaluation measures.

To date, we have improved our operational efficiency through route planning, Electronic Flight Bag (EFB) and paperless cockpit initiatives, aircraft weight reduction practices, the use of electric vehicles in ground operations, and various other digitalization, technology, and optimization solutions implemented in our operations. We continue these initiatives under two main categories: fuel-saving initiatives and operational process optimization.

Operational Efficiency Analyses and Opportunities

In line with our operational efficiency and sustainability goals at Pegasus, we have started using the **SkyBreathe® MyFuelCoach** mobile application to support our flight crews by leveraging innovative technologies. This application aims to enhance operational efficiency and enable a lower-emission flight operation by reducing fuel consumption.

SkyBreathe® MyFuelCoach offers a user-friendly and intuitive interface, allowing our crews to easily monitor their performance. Especially by giving crew members the opportunity to observe

and evaluate their own performance after each flight, the application raises awareness to improve operational decisions and detect risks early, while supporting individual development. The application also enables users to analyze their performance and identify areas to improve efficiency and optimize operations.

The module also provides detailed information regarding the planned route, allowing pilots to prepare for flights more practically and efficiently. One of the standout features, the filtering function, enables advanced filtering of flight statistics based on parameters such as flight number, route, active runway, and aircraft type, allowing users to analyze previous flights on the same route in detail. This way, flight preparations are optimized, significantly improving operational processes and reducing emissions through more efficient fuel usage.

With the use of the SkyBreathe® MyFuelCoach mobile application, we aim for our flight crews to increase fuel savings through technology supported data analysis and maximize the efficiency of operational processes. This step contributes to Pegasus Airlines' vision of sustainable aviation and forms an essential part of our strategy to integrate innovative and human-focused solutions into our processes.

Supporting Steps to Improve the Operational Process

We prioritize sustainability and cost-efficiency in our operations. Accordingly, we perform engine wash procedures at intervals recommended by the manufacturer. Regular engine washing improves engine performance, extends engine

life, and reduces emissions. We minimize resource consumption and support efficiency by using water-saving equipment in our operations. Aircraft washing enhances aerodynamic performance and fuel efficiency, while also preventing corrosion and extending aircraft lifespan. Through these processes, we reduce energy consumption, minimize chemical waste, and contribute to our sustainability goals by minimizing environmental impact.

Additional information on operational efficiency can be found in the second part of our report under the section “**2.5.2. Operational Efficiency**”.



1.3.6. Scenario Analysis and Adaptation to Climate Transition

We have a Net Emission Target for 2050. As detailed in Section 1.3.4, where we outlined our Climate Transition Roadmap, we considered how emerging technologies, and the economy would impact our business plan and values throughout the period leading up to 2050.

There are two main scenario references in our Climate Transition Roadmap. The first is the IEA 2050 NZE (Net Zero Emissions) scenario, which assesses the scope of our core objective. It is a scenario developed by the International Energy Agency (IEA) that provides a roadmap for the global energy sector to reach net zero CO₂ emissions by 2050. It includes anticipated changes in energy production and consumption across sectors such as transport, industry, and power generation. In other words, it presents a roadmap aimed at transforming the entire economy. The 2050 net zero emission target is aligned with the Paris Agreement and global climate objectives.

Our second reference point is the scenario that combines Shared Socioeconomic Pathways (SSPs) and Representative Concentration Pathways (RCPs), which are used in the

climate change research published by the Intergovernmental Panel on Climate Change (IPCC). This scenario evaluation enables us to assess how physical and socioeconomic values might impact us if the current system continues without ambitious climate targets and allows us to address risks within this framework.

IEA NZE2050

The IEA NZE2050 scenario outlines a concrete and feasible path that can help the global energy sector meet the Paris Agreement's goal of limiting global temperature rise to 1.5°C above pre-industrial levels. Within our Climate Transition Roadmap, one of the key focus areas of our sustainability strategy is the reduction of absolute emissions. As the IEA NZE2050 scenario offers a realistic approach for the aviation sector, it plays a significant role in our evaluations.

Since SAF is also a critical factor in terms of our financial planning and purchasing potential, the scenario adopts a realistic approach and includes an assessment regarding the low demand for SAF. It analyzes SAF usage for 2050 within a perspective that includes the EU ETS and operational scope. The base scenario highlights that current commitments and incentives are not sufficient to achieve the Paris Agreement goal, stating that emissions in

developed economies need to be reduced by 80% and in emerging markets and economies by 60% by 2035, compared to 2022 levels. Evaluating this scenario enables the formation and updating of a realistic roadmap. The statements in this perspective, emphasizing both financial and action-oriented aspects, aim to contribute to future projects and support our achievement of the 2050 Net Zero Emission target.

According to the NZE2050 scenario, by 2040, 50% of the fuel used in aviation will consist of low-emission, bio-based fuels, and by 2050, the sector will largely be using biofuels and synthetic fuels. It is also noted in the scenario that eliminating aviation emissions entirely is difficult. As the scenario outlines, biofuels, hydrogen, and hydrogen-based fuels currently account for less than 1% of the energy consumed in aviation, but this figure is expected to rise to 15% by 2030 and 80% by 2050. Passenger demand, without assumed behavioral changes under NZE2050, is projected to increase globally by about threefold between 2022 and 2050.

In this scenario evaluating energy sectors, aviation represents 5% of cumulative energy reductions. One of the prominent impacts and goals in the roadmap to achieve the 2050 Net Zero Emission target is the necessity for SAF

usage in aviation to more than double compared to the growth projected in the NZE2050 scenario, making up approximately 25% of the aviation fuel market.

The cost of technologies identified in the scenario and public support and trust in the projects developed can either accelerate or hinder the process. Especially in the aviation sector, countries aim to accelerate climate change mitigation and emission reduction processes through regulatory changes. Emission trading systems evaluate the foundation of general aviation and reduction commitments in line with the Paris Agreement and aim to bring all stakeholders into alignment.

As Pegasus Airlines, to support our long-term Net Zero Emission target, we have committed to reducing our emission intensity by 20% by 2030 compared to 2019, through next generation fleet transition, operational efficiency initiatives, and regulatory compliance. Legal regulations and incentives aimed at emission reduction may support this process. However, inaction or the unbalanced implementation of appropriate procedures could become a barrier to progress due to excessive costs.



IPCC RCP 8.5 and SSP 8.5

The IPCC scenarios are designed to cover a wide range of challenges related to climate change mitigation and adaptation. For the assessment of climate impacts, risks, and adaptation, these scenarios can be used to evaluate future exposure, vulnerability, and adaptation challenges. They present various scenario alternatives that offer a realistic perspective by evaluating the impacts of climate change under potential development paths, allowing for the achievement of results aligned with the defined goals.

We continue our efforts in all areas in line with our 2050 Net Zero Emissions Target. Net Zero is the ultimate goal that must be achieved through joint efforts across the entire industry. Evaluating the potential consequences of an obstacle in addressing climate change is one of the perspectives in climate and sustainability risk management. From this perspective, to assess the impacts of physical and socio-economic risks in a scenario where the fight against climate change progresses slowly, IPCC RCP 8.5 and SSP 8.5 were selected as reference scenarios. These scenarios stand out as ones in which sustainability targets are pursued slowly and ineffectively across sectors and include factors such as high population growth, increasing greenhouse gas emissions, high economic growth, continued fossil fuel use, and delayed sustainable investments.

As part of the scenario analysis, all our operations, including our supply chain activities, have been evaluated. In this scenario, changes in consumer preferences, flight routes, and flight volumes are expected in the long term due to

climate-related impacts. As the medium and long term impacts are expected to become more apparent over time, they are considered among the key risks and form the core focus of our analysis. In the long term, we have considered that climate-related factors could lead to changes in consumer preferences, flight routes, and frequency of flights, and we have taken these scenario data into account in our risk and opportunity analysis. Alongside increasing flight operations, insufficient support for sustainable alternatives and uncertainties in carbon taxes have been assessed as significant risks that may present serious challenges in combating climate change.

To prevent the adverse effects of climate change, we consider the paths outlined by our selected scenarios and evaluate our actions accordingly. We assess the feasibility of limited developments in the aviation sector. One of our main objectives in evaluating these scenarios is to understand the long-term transitional impacts, risks, and opportunities of climate change on our business. We work to identify which factors we need to consider and what changes we need to make to achieve the Net Zero Emissions target. Additionally, we evaluate these scenarios to examine the transition risks that may affect the aviation sector and to develop better solutions that could provide efficient outcomes on a global scale for our industry.

Scenario analyses are considered a key factor in our risk and opportunity assessment processes, in the creation and updating of our Climate Transition Roadmap, and in guiding the main steps that need to be prioritized in our sectoral collaborations. The impact of the scenario

alternatives evaluated by our Company, which play an important role in shaping our strategic orientation, has been thoroughly analyzed in line with our goals. These analyses form the foundation of our strategic decision-making mechanism and provide critical guidance for achieving our long-term sustainability goals.

- **Combating climate change and becoming more resilient to potential climate impacts**

As part of our Climate Transition Plan, we are working to reduce our emission intensity. We evaluate efficient route alternatives in our flight planning and invest in aircraft and engine technologies that improve fuel efficiency and thus reduce emissions.

- **Commitment to the 2050 Net Zero Carbon Emissions target**

In 2021, we became one of the leading airlines in the world to join the “2050 Net Zero Carbon Emissions” target adopted at the 77th Annual General Meeting of the International Air Transport Association (IATA).

- **Setting comprehensive interim targets**

In 2021, we further strengthened our 2050 Net Zero commitment by setting our interim carbon emission target for 2030. Accordingly, we aim to reduce carbon emissions associated with flights by 20% per revenue passenger kilometer (RPK) compared to 2019.

One of the most important steps we have taken within the scope of the scenario evaluation is to conduct a risk/opportunity analysis, clearly present the current situation in our sustainability

report, and share our expectations and plans for the future. We address our work on this subject in the section “1.3.3. Climate Risks and Opportunities Related to Our Activities”.

We conducted our first climate-related scenario evaluation in 2022. In 2024, we updated our scenario evaluation and included the risk and opportunity analysis within our scope. As Pegasus Airlines, in our climate scenario analyses, we take into account the climate policies and regulations of the countries in which we operate. Our IATA 2050 Net Zero Target and the European Union’s aviation regulations within the scope of the Green Deal, particularly the Emission Trading System (EU ETS) and ReFuelEU Aviation, play a decisive role in our carbon emission strategies and fleet transformation planning. At the same time, we integrate the effects of macroeconomic trends, such as carbon pricing, energy costs, and green financing opportunities, into our assessment and analysis process. These developments are of importance in shaping our operational costs and strategic investment decisions.

At the national and regional levels, we take into consideration elements such as increasing temperatures due to climate change, extreme weather events, and the risk of drought in our operational risk analysis assessment; we conduct evaluations to ensure the continuity of our routes and operations. Demographic changes, urbanization rates, and the sustainability of airport infrastructure also affect service planning and capacity management. All these factors form the foundation of our scenario-based strategic approach developed to enhance our climate resilience.

1.4.1. Shareholding Structure & Group Companies

At the end of 2024, our issued capital was ₺500,000,000 within the scope of our registered capital ceiling of ₺500,000,000. With the amendment to our Articles of Association registered on April 28, 2025, our registered capital ceiling increased to ₺2,500,000,000. Since 2013, our shares have been trading on the

BIST Star Market. Since 2005, Esas Holding has been our controlling shareholder.

Founded in 2000, Esas Holding is Türkiye’s largest family investment company and is backed by the first and second-generation family members of Şevket Sabancı, one of the five founding partners of Hacı Ömer Sabancı Holding A.Ş., one of Türkiye’s leading holdings. With offices in İstanbul and London, Esas Holding invests globally across a variety of asset classes,

including private equity, real estate, venture capital, and public markets.

At the end of 2024, we had two wholly owned and controlled subsidiaries, and two joint ventures under joint control with other shareholders. Shares of Hitit Computer Services, one of our joint ventures, have been trading on the BIST Star Market since 2022.

We held a 49.40% stake in Pegasus Flight

Training Center (PUEM), which provided services in flight training with a Boeing 737 simulator between 2010 and 2023, and that ceased operations in 2023, in line with our evolving training needs based on fleet planning.

At PUEM’s General Assembly, shareholders unanimously decided on its liquidation. As a result of the liquidation process, the Company was deregistered from the trade registry as of February 27, 2025.

Pegasus Airlines Group Companies					
Group Company	Nationality / Area of Activity	Issued Share Capital	Nominal Shareholding	Share %	Affiliation with Pegasus
Pegasus Aviation Technologies	Türkiye / Simulated Flight Training	TRY 100,000	TRY 100,000	100.00%	Subsidiary
PUEM in Liquidation	Türkiye / Simulated Flight Training	TRY 200,000	TRY 98,800	49.40%	Joint Venture*
Hitit Computer Services	Türkiye / Information Technology Solutions	TRY 300,000,000	TRY 110,446,803	36.82%	Joint Venture
Pegasus Innovation Lab	U.S.A. / Collaboration for & Development of Aviation Technology and Software Solutions	USD 200,000**	USD 200,000	100.00%	Subsidiary

* As a result of the liquidation process, the entity was de-registered from the trade registry as of February 27, 2025.
** Issued share capital was increased from USD 150,000 to USD 200,000 effective as of December 12, 2024.



1.4.2. Board of Directors & Committees

At Pegasus, we have a rich governance culture shaped by our perspective open to innovation and continuous improvement.

We are proud of our heritage of good corporate governance practices, some of which date back to the launch of our low-cost scheduled flights business in 2005. These practices are backed by an independent Board of Directors with a global perspective on aviation, a strategy-driven, highly motivated and successful management team and staff, and an accountable and transparent shareholder and stakeholder communication.

The highest management body of our company is the Board of Directors. Since 2005, our Board of Directors has consisted of eight members with different areas of experience and expertise and with work experience in different countries.

Our Board of Directors, in particular:

- Provides entrepreneurial leadership of the Company by taking decisions and guiding and overseeing the Company management, maintaining its risk, growth and income balance at the most appropriate level and by giving priority to the long-term interests of Pegasus Airlines with a diligent risk management approach.

- Guides corporate strategy, determines the human and financial resources required by Pegasus Airlines and approves the Company’s annual budget, and while preventing conflicts of interest and balancing competing demands on Pegasus Airlines, supervises the performance of Pegasus Airlines and its management.
- Supervises the compliance of Pegasus Airlines’ operations with the applicable legislation, the Articles of Association, the internal regulations, and corporate policies.

None of the members of the Board of Directors, except for the Chairperson of the Board of Directors and another member of the Board of Directors who take part in the management of our controlling shareholder, Esas Holding, are involved in the execution of the day-today activities of our company. We secure this approach by defining the roles and responsibilities of the members of our Board of Directors in writing in our company processes.

In addition, we publish the Bylaws (excluding annexes) of our Board of Directors and all Committee Charters on our Investor Relations website. Our Board of Directors and Board of Directors Committees are formed as shown on the side.

The Board of Directors and the Committees operating under our Board of Directors meet regularly and carry out their work effectively. All studies are recorded by our Corporate Secretariat. These activities are further summarized in Section 1/H of our Annual Reports.

In 2024, the attendance at the Board of Directors and Committee meetings was 96.0%. Details of individual participation are given in the table on the side.

At Pegasus Airlines, we operate an effective system for the follow-up and completion of the actions requested by the Board of Directors and Committees. All of the actions proposed or requested by the Board of Directors and Committees have been completed in 2024.

Our Board of Directors regularly conducts a self-assessment study and as a result of this study, it determines the areas of development and

determines action plans in order to carry out its activities more effectively. The most recent changes implemented after the self-assessment study carried out in 2022 include, a written rule-set on Board of Directors member nomination and appointment, a new Board skills matrix regarding the qualifications required for Board memberships and the status of existing members to meet them, reformulation of communication channels between the Board of Directors and senior management, formulation of processes relating to Board site visits, and new reporting and oversight methods on sustainability and stakeholder relations.

Pegasus Airlines Board of Directors			
Name / SURNAME	Duty	Serves Since ¹	Committee Duties
Mehmet Tevfik NANE	Chairperson of the Board of Directors	2022	Member, Technology Committee
Ali İsmail SABANCI	Board Member	2005	-
Mehmet Cem KOZLU	Non-Executive Board Member	2013	Member, Corporate Governance Committee
Hatice Zeynep Bodur OKYAY	Non-Executive Board Member	2016	Member, Risk Committee
Stephen Mark GRIFFITHS	Non-Executive Board Member	2016	Member, Corporate Governance Committee
Agah UĞUR	Independent Board Member	2019	Chair, Audit Committee; Member, Risk Committee
David Alexander Florenz VISMANS	Independent Board Member	2022	Chair, Risk Committee; Member, Technology Committee
Ayşegül İLDENİZ	Independent Board Member	2022	Chair, Corporate Governance Committee; Member, Audit Committee & Technology Committee

¹ Board appointments are made annually at the discretion of our shareholders and our current Board members were appointed for a term of one year at the Annual General Assembly Meeting dated March 28, 2024.



Members of the Board of Directors

Detailed information about our Board Members is available on our **Investor Relations website**. Specific experience of our members in our Company and the industry in which we operate is summarized below.

Pegasus Airlines Board of Directors Industry Expertise

Mehmet T. NANE Chairperson of the Board of Directors	<ul style="list-style-type: none">Between 2016 and 2022, he served as Pegasus CEOFormer Chair of the IATA Board of Governors in 2022-2023 and Member of the IATA Board of Governors since 2019He has nearly 20 years of senior management experience in the retail sector
Ali İ. SABANCI Member of the Board of Directors	<ul style="list-style-type: none">Between 2005 and 2023, he served as the Chairperson of the Board of Directors of PegasusChair of the Board of Directors of our controlling parent Esas Holding
M. Cem KOZLU Non-Executive Board Member	<ul style="list-style-type: none">Between 1988-1991 and 1997-2003, he served as the Chair of the Board of Directors and General Manager of Turkish AirlinesFormer Member of the Turkish Grand National Assembly (Turkish Parliament)Between 2013 and 2020, he served as the Chair of the Pegasus Audit Committee
H. Zeynep Bodur OKYAY Non-Executive Board Member	<ul style="list-style-type: none">President of Kale Group, a prominent Turkish ConglomerateChair of the Board of Directors of the Kale-Pratt Whitney Joint VentureBetween 2020 and 2022, she served as the Chair of the Pegasus Audit Committee
Stephen M. GRIFFITHS Non-Executive Board Member	<ul style="list-style-type: none">MAG East Midlands Airport General Manager and Group Operational Transformation DirectorBetween 2018 and 2023, he held various management positions at Manchester Airports Group (MAG)He served as Chief Operating Officer (COO) at Virgin Atlantic & London UndergroundBetween 2016 and 2022, he served as the Chair of the Pegasus Corporate Governance Committee
Agah UĞUR Independent Board Member	<ul style="list-style-type: none">He served as Group CEO at Borusan Holding, a prominent Turkish Conglomerate, for 18 yearsSince 2023, he has been the Chair of the Pegasus Audit CommitteeBetween 2019 and 2023, he served as the Chair of the Pegasus Risk Committee
David F. A. VISMANS Independent Board Member	<ul style="list-style-type: none">Chief Product Development Officer (CPO) at SennderHe served as Chief Product Development Officer (CPO) at Booking.comHas experience in Artificial Intelligence, software & product development management in different sectorsSince 2023, he has been the Chair of the Pegasus Early Risk Detection Committee
Ayşegül İLDENİZ Independent Board Member	<ul style="list-style-type: none">President of TÜSİAD Silicon Valley NetworkShe served as Chief Operating Officer (COO) at Silver Springs Network International and as Vice President of New Devices at Intel CorporationHas experience in Internet of Things, wearable technology and innovation managementSince 2023, she has been the Chair of the Pegasus Corporate Governance CommitteeShe undertakes the role of co-chair of board sustainability committee in other publicly traded entities

1.4.3. Board Processes

We define the functions of the Board of Directors, skill-sets that the members must have, nomination and election processes, meetings of the Board of Directors and decision-making methods, conflict of interest rules, self-evaluation processes, reports regularly submitted to the Board of Directors and processes relating to secretariat services in the Board Bylaws. We apply a similar approach to the Board Committees within the framework of their Committee Charters.

Since 2022, we have been carrying out our work in the field of sustainability under the supervision of our Corporate Governance Committee and Board of Directors. Our Corporate Sustainability Policy, which forms the basis of our work on this matter, was approved by our Board of Directors in 2021.

This Policy includes the interaction of our activities with the climate and related matters. In 2024, our sustainability-related efforts and climate-focused activities in this context were discussed as agenda items in four meetings by the Corporate Governance Committee and in one meeting by our Board of Directors.

In addition, we reported our work in writing at all Board meetings and significant developments related to sustainability and climate were further reported to the Board in monthly intervals. Under the heading of sustainability, the risks relating to our environmental, social, and governance (ESG) performance, particularly climate-related risks, were evaluated every two months by the Risk Committee and reported to the Board of Directors, in line with our Risk Governance Framework.



1.4.4. Our Governance Structure

Our senior management team consists of our CEO and the department heads reporting directly to the CEO. Information on Pegasus Airlines' senior executives and their responsibilities is provided chart and the table provided on the side.

While each of our business units carries out its activities in line with its own planning and targets, it also collaborates regularly with other business units on shared platforms. Our senior management meets regularly on a weekly basis to address matters on the agenda. Operational coordination issues and delays experienced in flights are monitored weekly through regular meetings. In addition, our senior management conducts oversight on specific matters like corporate risk inventory and flight safety through quarterly reviews. Additionally, Information Security Committee brings together senior management and relevant business units to conduct regular activities related to the Company's information security risks.

Furthermore, in line with our quality management systems, inter-departmental coordination is ensured through regular Management Review meetings, management meetings for monitoring civil aviation regulatory compliance, and review and management meetings carried out by various project-based working groups. These efforts allow

for the monitoring of Company objectives and oversight of performance by our management. Various methods are applied to ensure that our senior management is informed about sustainability and climate-related matters and that oversight and control of such processes are maintained by senior management.

In addition to the planning and oversight carried out at the Sustainability Steering Committee, senior management is kept informed about key national, regional, and global developments on sustainability and climate through written reports and presentations, and during periodic meetings. The planning and execution of these are overseen by our General Counsel and Sustainability Director.

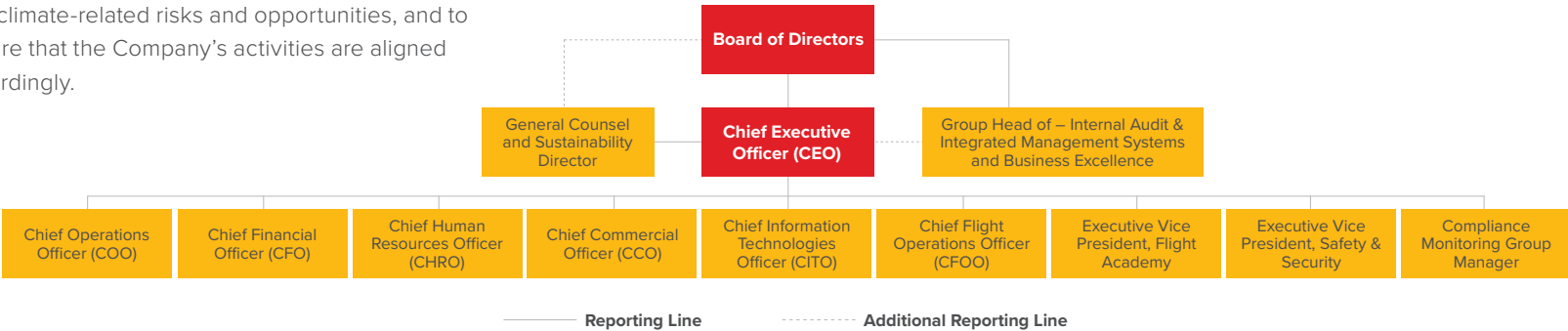
Sustainability and climate-related risks and opportunities are addressed by senior management within the framework of the Corporate Safety Policy, the Corporate Risk Management Procedure, and the Process for Determining, Modelling, and Cascading Corporate Strategy. These tools enable senior management to regularly assess the targets and performance of Company activities concerning sustainability and climate-related risks and opportunities, and to ensure that the Company's activities are aligned accordingly.

Pegasus Airlines Senior Management Team

Name / SURNAME	Duty	Serves Since ¹	Serves Since in Position ²
Güliz ÖZTÜRK	Chief Executive Officer (CEO)	2005	2022
M. Barbaros KUBATOĞLU	Chief Financial Officer (CFO)	2007	2018
Onur DEDEKÖYLÜ	Chief Commercial Officer (CCO)	2010	2022
Ergün DEMİRCİ	Chief Operational Officer (COO)	2013	2022
Gençer KARATEPE	Chief Flight Operations Officer (CFOO)	2018	2020
Dilara OĞUR	Chief Human Resources Officer (CHRO)	2015	2015
Barış FINDIK	Chief Information Technologies Officer (CITO)	2017	2017
Murat TÜNEY	Executive Vice President, Safety & Security	2011	2020
Yavuz Selim ÖZMEN	Executive Vice President, Flight Academy	2016	2020
Ali UZUN	General Counsel and Sustainability Director	2013	2022
Sinan Onur ÖZTUNA	Compliance Monitoring Group Manager	2016	2020
Ayşe Naz ÇAĞIL	Group Head of – Internal Audit & Integrated Management Systems	2024	2024

1 Refers to the date on which the manager started working at Pegasus Airlines Group Companies.
2 Refers to the date on which the manager took office.

Pegasus Airlines Organization Chart



1.4.5. Our Sustainability Governance

Sustainability governance at Pegasus Airlines is conducted:

- In line with our Corporate Sustainability Policy approved by the Board of Directors;
- In accordance with the Corporate Sustainability Management Procedure and the processes described under this procedure.

Coordination and reporting of our sustainability-related activities, particularly concerning climate and other ESG elements, are the responsibility of the General Counsel and Sustainability Director. General Counsel and Sustainability Director ensures the effective management of opportunities and risks in this context.

To design and carry out the necessary work and coordinate the relevant units, we formed a Sustainability Steering Committee and a Sustainability Working Group.

Our Sustainability Steering Committee comprises the CEO, General Counsel and Sustainability Director; CFO, CCO, COO, CFOO, CHRO, CITO

and our Marketing and E-Commerce Director. The secretariat is managed by the General Counsel and Sustainability Director. The Committee monitors the progress of climate and sustainability-related work carried out under the corporate sustainability policy and oversees matters related to long-term goals and planning. It convenes at least twice a year for responsibilities within its scope.

Our Sustainability Working Group is formed under the general coordination of our Sustainability & Environment Department, based on the suggestions of function managers and requests from our employees, with the participation of relevant Company functions. Participants in the Working Group are expected to be informed about key corporate sustainability efforts, to share their views and suggestions, and to actively contribute to these efforts. Secretariat is managed by the General Counsel and Sustainability Director. In 2024, 85 of our colleagues from various departments participated in our Sustainability Working Group.

In 2024, members of the Working Group carried out their work through Eight Focus Groups, each dedicated to different sustainability projects that

required specific expertise and experience. In 2024, the Sustainability Working Group held two general sessions in addition to focus group meetings, while the Sustainability Steering Committee held two meetings with the participation of all members.

General Counsel and Sustainability Director reports the activities of the Management and Working Groups to the CEO.

Our Corporate Sustainability Policy is reviewed every year in December, while our Climate and Sustainability Risk and Opportunity Framework and Strategic Objectives are reviewed annually during the Board of Directors' Strategy Meeting (the third meeting of the year).

General Counsel and Sustainability Director reports on the activities covered by the Policy to the Corporate Governance Committee quarterly. Board members are also informed quarterly and monthly through these reports and related updates.

Sustainability Key Performance Indicators and other activities under ESG principles are tracked in line with the strategy approved by the Board of Directors.

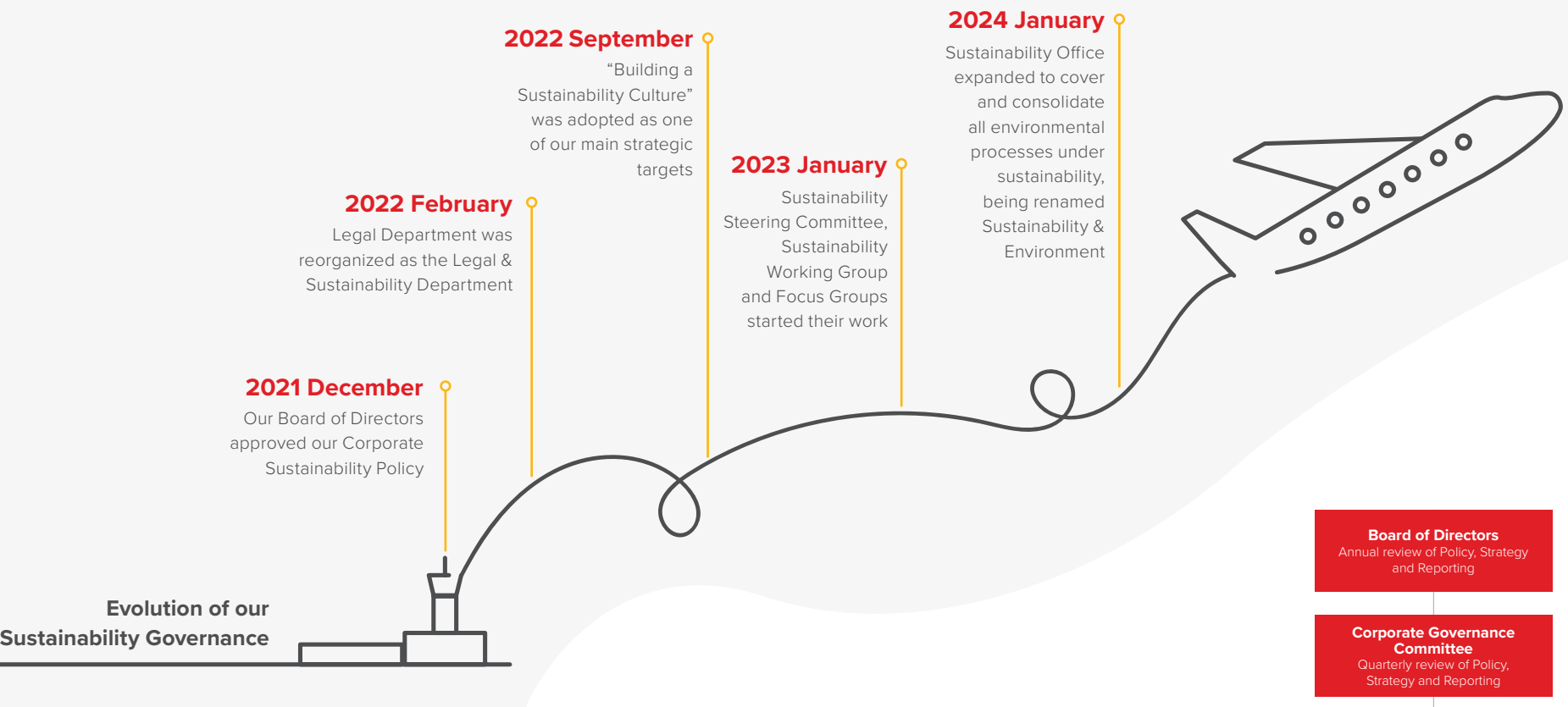
In 2024, we implemented significant changes in our Company's sustainability governance structure. Our corporate environmental team, previously operating under the Environment & Occupational Health and Safety Department reporting to the CHRO, was repositioned in January 2024 as the Sustainability & Environment Department under the Legal and Sustainability Department. In this way, all environmental matters related to our Company's operations have been placed at the center of our sustainability efforts, and all environmentally focused activities have been elevated to a higher reporting level.

This governance structure we have established enables the evaluation of the holistic impact of climate and sustainability-related risks and opportunities on the Company at both senior management and Board levels. It also ensures that all major decisions and actions related to our operations are assessed in the context of their sustainability and climate implications.



Preparatory, review and approval roles on sustainability and climate governance matters are shown in the following chart:

MATTER	FEEDBACK	PROPOSAL	FIRST APPROVAL	REVIEW	FINAL APPROVAL
Corporate Sustainability Policy	Sustainability Steering Committee	General Counsel & Sustainability Director	CEO	Corporate Governance Committee	Board of Directors
Sustainability & Climate Risk & Opportunities Framework					
Sustainability Strategic Targets					
Sustainability Report					
Sustainability KPIs				-	-
Other Work Regarding the Policy & ESG Principles	Sustainability Working Group			-	-



Sustainability Governance Structure



1.4.6. Our Skills and Expertise on Climate

The functions of the Board of Directors, its working principles, the election of its members, and other related matters are set forth in the Board Bylaws, directly adopted by the Board of Directors and publicly disclosed (excluding annexes) through our Investor Relations website.

In accordance with Article 5.8.1 of the Procedure, the Board of Directors regularly evaluates the Bylaws and its performance at intervals it determines, in order to assess whether it is operating effectively. When conducting these evaluations, the Board may receive support from reputable and independent service providers. Significant findings resulting from these assessments are used to prepare an action plan aimed at addressing areas for improvement and to implement it before the next evaluation period.

Our Board of Directors last conducted a performance evaluation in 2022 and implemented the identified improvement opportunities within the framework of an action plan. This action plan was completed as of 2024. Our Board of Directors initiated a new performance evaluation process in 2025.

As part of the said action plan, the Board Bylaws was reviewed in December 2023, and new rules concerning the nomination and election of Board members were adopted. Pursuant to Article 5.2.4 of the Procedure, the Board of Directors determines the areas of competence required by the Company’s governance needs and assesses its own competencies through a Board Competence Matrix. It follows the nomination process outlined in the annex to the Procedure

for identifying potential candidates for the Board.

Our Board Competence Matrix tracks both demographic data such as the members’ age, nationality, and tenure (based on initial appointment date), and monitors the competencies and experience of members in the following areas deemed important for Board activities:

Competence & Expertise	Purpose	Current Coverage *
Aviation	Enriching Board competence through different experiences in the industry	63%
Consumer & Commerce	Enhancing our consumer-oriented product/service focused business approach	88%
Talent Management & DE&I	Maximizing our human resources management efficiency	75%
CEO & Board Chair Experience	Guiding leadership in a highly complex operating environment	88%
Digitalization & Technology	Securing the positive impact of digitalization and technology across the entire business	25%
Sustainability (ESG)	Securing the alignment of our operations with our long-term sustainability targets	25%
Finance	Maximizing our financial management efficiency	25%
International Business Expertise	Oversight of strategic planning and risk management from a global perspective	100%
Public Relations & Regulatory	Oversight of strategic planning and risk management in a highly regulated business	63%

* Current coverage ratio indicates to what extent the given competence is covered by current Board members based on past direct responsibility and executive experience.

Our Independent Board Member, Ms. Ayşegül İLDENİZ, who chairs the Corporate Governance Committee, also serves as Co-Chair of the Sustainability Committee of a publicly listed company outside our organization. On the other hand, our Chairperson of the Board, Mr. Mehmet T. NANE, has been part of IATA’s Board of Governors since 2019 and has been involved in the inauguration of IATA’s sectoral 2050 Net Zero target and the related strategic

and organizational transformation process on sustainability and climate. He also served as the Chair of the IATA Board of Governors for the 2022–2023 term. The experience of these two members in the fields of sustainability and climate demonstrates our Board’s direct previous responsibilities and execution experience in these areas.

Additionally, all Board members are provided with increased exposure and experience regarding the Company’s sustainability, particularly climate-related matters, through the following processes:

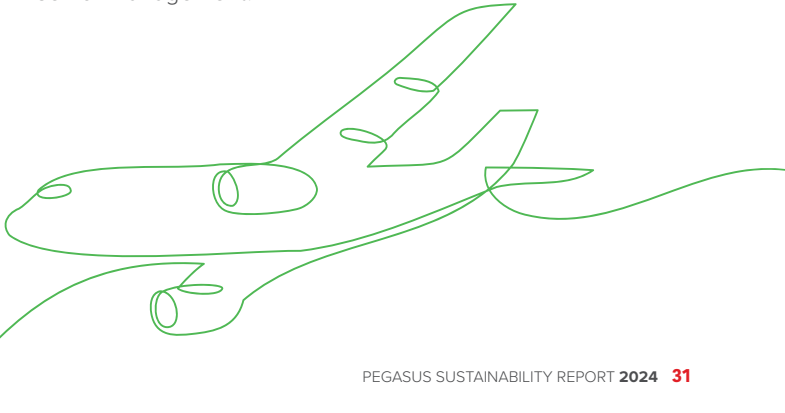
- Sustainability initiatives and issues are regularly included as agenda items in quarterly Corporate Governance Committee meetings.
- Presentations made to the Corporate

Governance Committee are shared with all Board members.

- Sustainability efforts are integrated into the Company’s strategic plan and discussed during annual Board strategy review sessions.
- Regular discussions at Board meetings regarding our Climate Transition Roadmap.
- Monthly reports to Board members on sustainability and climate-related initiatives and global developments that are likely to impact Company operations.

At the senior management and Sustainability Working Group levels, we also invest in enhancing our human capital’s sustainability and particularly climate-related knowledge and experience. In this context, the following indicators are of particular importance:

- Upon assuming the newly created role of Sustainability Director in 2022, our Sustainability Director participated in and successfully completed an executive education program abroad on Sustainability Strategies and Circular Economy.
- All of our specialists in the Sustainability & Environment Department hold undergraduate and graduate degrees in Environmental Engineering and Energy Management.
- Various training and awareness programs are regularly conducted for our employees across the Company, for the members of our Sustainability Working Group, and our senior management.



1.4.7. Compensation Practices

Sustainability and climate-related matters are linked to our remuneration practices in several aspects.

The remuneration of our Board members is carried out in accordance with the remuneration principles proposed annually to our shareholders at the General Assembly by the Corporate Governance Committee and resolved by the shareholders. In this context, our non-executive Board members are entitled to a fixed annual attendance fee for each meeting they attend and for their roles as committee chairs or members. Accordingly, there is no performance-based remuneration at this level.

For our employees, in addition to a fixed monthly salary and various fringe benefits, there are institutional or functional bonus practices based on short- and long-term performance-based remuneration principles.

Compensation based on corporate performance is calculated as a combination of: our Company Goals, which include the main corporate key performance indicators on our Corporate Scorecard, and the individual performance targets of employees included in the scope. Company Goals also constitute 100% of the individual performance targets for the

CEO. For senior and mid-level management, the Company Goals influence their total performance score at decreasing rates depending on their level.

In 2024, our Company Goals included indicators related to operational profitability, unit cost, on-time departure performance, and guest satisfaction. While two of the four key performance indicators were considered indirectly linked to sustainability and social impact from a customer focus perspective, there were no indicators directly related to environment or climate among the Company Goals.

In 2024, the weight of sustainability and environment-related individual performance objectives within the performance scorecards of the CEO and senior executives reporting directly to the CEO was 8.9%.

Sustainability and environment-related performance indicators in 2024 included the following:

- Performance related to the Company's environmental targets.
- External evaluations of the Company's sustainability performance.
- Preparation and publication of the Company's first climate transition plan, with input from the Board.
- Implementation of new practices aimed at reducing emissions.
- Increase in the use of renewable energy in total energy consumption.
- Improvement in energy efficiency and enhancement of supplier compliance with environmental goals.
- Establishment of new environmental partnerships with stakeholders.
- Implementation of training and awareness programs within the Company to increase sustainability and environmental awareness.

In 2025, annual emission intensity performance has been added to our Company Goals, ensuring that sustainability and climate-related performance targets are included in the scorecards of all senior and mid-level managers.



1.5. Risk Management

1.5.1. Our Risk Governance Structure

The industry in which we operate largely has zero tolerance for the occurrence of risks. The planning perspective, which forms the core of our business model, stems from the necessity of foreseeing potential risks and being prepared for every situation in light of various scenarios. On the other hand, we have a layered compliance model in which we activate different functions and controls simultaneously to manage these risks. Sections 1.5.1 and 1.5.2 provide information on the main components of our Risk Governance Structure and Risk Processes. The identification, assessment, and integration of climate-related risks and opportunities into risk processes are explained in Section 1.5.3.

1.5.1.1. Risk Committee and Board Oversight

At Pegasus, corporate risk management activities are monitored at the Board of Directors level. The Board of Directors, with the support of committees, subcommittees formed under its authority, and expert groups and working teams at the management level, perform the following duties:

- **Risk Management Policies and Standards:** Determines, reviews, and approves risk management policies, approach, and standards across the Company.
- **Monitoring Strategic and Critical Risks:** Regularly monitors strategic and critical risks and evaluates developments regarding these risks.
- **Monitoring Risk Management Activities:** Monitors and evaluates the effectiveness and outcomes of risk management activities across the Company.

The Committee on Early Detection of Risks (Risk Committee) consists of four members appointed by the Board of Directors. The chair of the Committee is selected from among the independent members of the Board. Other members may be selected from among Board members or externally. The Committee convenes at least four times a year and reviews the Company’s risk status every two months, providing written reports to the Board.

The Committee ensures the early detection of all types of risks that may endanger Pegasus’ existence, development, and continuity, including commercial, financial, legal, human resources, information systems, operational, and sustainability-related risks. It also supports the implementation and management of necessary measures regarding identified risks. The Committee reviews the risk management systems annually and assesses the effectiveness of Pegasus’ risk management and internal control systems and their alignment with the Company’s corporate structure.

In 2024, the Committee on Early Detection of Risks held four meetings on March 20, May 28, September 16, and December 10. The Committee conducted activities aligned with its duties defined in the committee charter. Accordingly, it established and monitored the implementation of core principles and tracking mechanisms for identifying and managing key risks related to commercial, operational, financial, legal, information technology, human resources, and sustainability & climate issues that may endanger the Company’s existence, development, and continuity. The Committee reported on its activities at the Board meetings held in 2024 and provided bi-monthly reports in accordance with Article 378 of the Turkish Commercial Code.

Monitoring sustainability and climate-related risks is conducted under the oversight of the Committee on Early Detection of Risks within the scope of Corporate Risk activities. Additionally, work related to these risks is also addressed within the scope of sustainability governance activities under the oversight of the Corporate Governance Committee.



1.5. Risk Management

1.5.1.2. Oversight of Risks at the Management Level

The Chief Executive Officer, empowered by the Board of Directors, holds the highest level of responsibility for the implementation of risk management processes and the overall management of risks. The CEO is the primary owner of the corporate risk management process within the Company. The practical responsibility for risk management lies with the relevant managers.

Risks related to flight safety are monitored under a separate governance model within the Company’s Safety Management System. Furthermore, special risk topics within the scope of ISO 9001 Quality Management System, ISO 14001 Environmental Management System, ISO 45001 Occupational Health and Safety Management System, and ISO 27001 Information Security Management System are tracked through monitoring systems established in accordance with the respective authorities and responsibilities of each management system.

The Risk Review Board, which brings together the CEO and relevant senior executives, convenes before each Committee on Early Detection of Risks meeting. It evaluates matters to be submitted to the Committee, as well as risks that may have a broader impact on the sector. It conducts reviews on issues of particular significance.

The Chief Financial Officer is responsible for tracking the risk reporting processes within the Risk Review Board and the Committee on Early Detection of Risks. The activities within this responsibility are carried out by the Corporate Risk and Insurance Management function

operating under the Treasury and Corporate Finance Group Department.

Additionally:

- Internal Audit is responsible for regularly and systematically auditing the risk management policies and practices of relevant departments, the effectiveness and functioning of internal control systems established for identified risks, and reporting recommendations for improvement and development to ensure that risk management activities are carried out effectively and successfully within the Company.
- Integrated Management Systems and Business Excellence is responsible for recording risks arising from business processes and forwarding them to the Corporate Risk and Insurance Manager. It coordinates with the Treasury and Corporate Finance Group Department regarding Corporate Risk Management operations.
- Risk Owners (Relevant Departments) are directly responsible for mitigating the impact and/or likelihood of the related risks, implementing the agreed-upon actions, and thereby bringing the risk to an acceptable level.

In line with all these duties and responsibilities, all Pegasus employees are responsible for fully complying with the defined risk management policies, standards, and processes, and for timely and accurately reporting any emerging or potential risk sources to their supervisors.

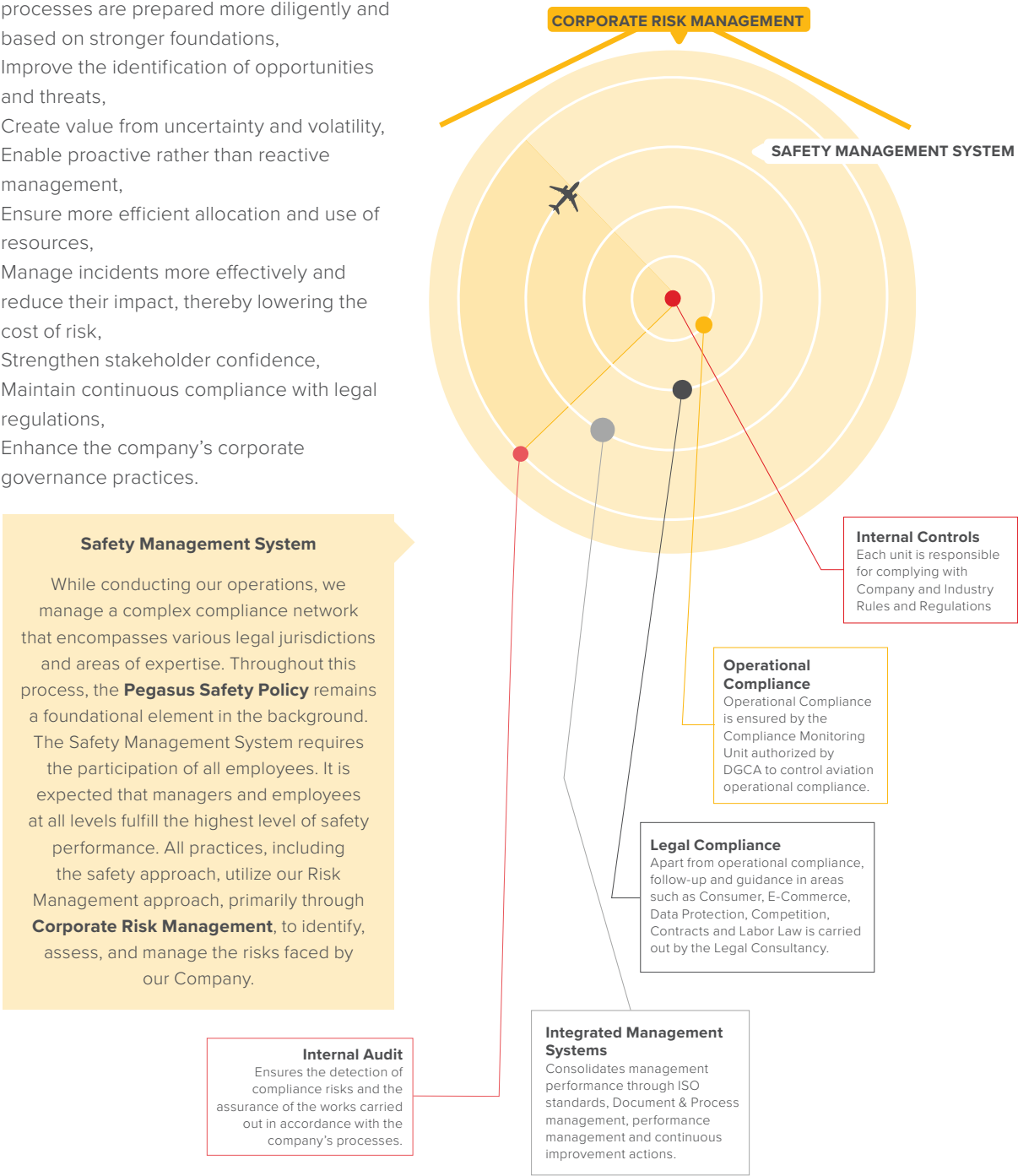
Through Corporate Risk Management, we aim to:

- Ensure that decision-making and planning

processes are prepared more diligently and based on stronger foundations,

- Improve the identification of opportunities and threats,
- Create value from uncertainty and volatility,
- Enable proactive rather than reactive management,
- Ensure more efficient allocation and use of resources,
- Manage incidents more effectively and reduce their impact, thereby lowering the cost of risk,
- Strengthen stakeholder confidence,
- Maintain continuous compliance with legal regulations,
- Enhance the company’s corporate governance practices.

Pegasus Risk Management and Compliance Framework



1.5. Risk Management



Monitoring the effectiveness of each step in the corporate risk management process is essential. This is particularly important for continuous improvement. Ensuring that the corporate risk management process quickly adapts to changing conditions and is regularly updated will minimize the likelihood of the company being exposed to unidentified risks. Documenting and recording each stage of the process is necessary for reviewing decisions at a later stage and for enhancing the process as part of continuous improvement efforts.

Our corporate risk management process is effectively implemented under the oversight of the Board of Directors, encompassing the entire Company and being continuously improved.

Sustainability and climate-related risks are addressed and monitored as a separate categorical heading within the framework of the corporate risk management process.

1.5.1.3. Other Processes Contributing to Corporate Risk Governance

In addition to our Corporate Risk Management system, the following control and implementation functions contribute to risk governance:

Compliance Monitoring

In order to ensure that airline operators operating in the civil aviation sector comply with civil aviation legislation, it is mandatory to establish a Compliance Monitoring unit. The head of the unit performs their duties with the approval of the Directorate General of Civil Aviation (DGCA). Our Compliance Monitoring unit conducts ongoing oversight of operational compliance and monitors the rules and standards published for flight operations by organizations such as ICAO, DGCA, IATA, and EASA. The unit ensures that our company's procedures and manuals align with the latest regulatory updates, audits company operations

within this scope, and submits the required reports to the relevant authorities. In addition, our Compliance Monitoring unit contributes to efforts aimed at meeting the sustainability, environmental, and climate-related regulations and expectations of both international and national civil aviation authorities.

Legal Compliance

At our Company, the management of compliance programs that extend beyond the scope of civil aviation compliance monitoring and involve multiple departments is carried out under the coordination of the Legal Department. Compliance efforts related to areas such as personal data protection, competition law, commercial law, and capital markets legislation are addressed within this scope.

Planning, controls, and implementation projects are conducted through committees established with the participation of relevant business units across different areas. Compliance with legal regulations concerning sustainability, environment, and climate is carried out with the active support of the Legal Department.

Integrated Management Systems

At Pegasus, we operate with an integrated management perspective. In this context, we implement and continuously improve our ISO 9001 Quality Management System, ISO 14001 Environmental Management System, ISO 45001 Occupational Health and Safety Management System, and ISO 27001 Information Security Management System throughout all of our processes. These efforts are coordinated by our Internal Audit and Integrated Management Systems & Business Excellence units.

Managing our operations sustainably, protecting the health and safety of our employees, enhancing our environmental performance, and safeguarding our information assets are

among our key priorities. To ensure effective management, we develop policies and procedures in line with these principles and implement them across our processes.

We use feedback received from our guests to improve our processes through our quality management approach and continuously strive to enhance the quality of the experiences we offer. This approach not only contributes to increasing customer satisfaction and the long-term success of our business but also enables us to create social value.

We continuously review, update, and enhance our policies and procedures, supporting them with innovative solutions. To ensure the continuity of our integrated quality management approach, we regularly conduct impartial internal and external audits and take necessary actions based on audit outcomes.

Audits are one of the most important tools for observing the effectiveness and adequacy of our management systems and contribute to our Business Excellence initiatives. In this way, we continue to establish a strong foundation that allows us to fulfill our responsibilities to our guests and all stakeholders and to achieve our sustainability goals. In 2024, we conducted 39 internal audits, 11 supplier audits, and 7 audits for compliance with the Presidential Guide for Digital Transformation under our Integrated Management Systems. A total of 46 person-days of external audits were carried out by independent audit firms using our internal resources and external auditors.

Additionally, we monitor our Company's goal and performance aligned with business processes using our Corporate Scorecard model. We associate the objectives in our Pegasus Corporate Scorecard with Company strategies and targets and regularly track our performance

through Key Performance Indicators (KPIs). The processes and resources required to achieve these objectives are defined in detail under our Integrated Management Systems.

We also link our employees' individual goals with Company objectives, thereby supporting our total quality approach. Performance related to all processes and individual goals is evaluated at least annually in accordance with relevant procedures. To manage our processes efficiently at Pegasus, a total of 399 processes are defined in our digital process management system. We measure the performance of these processes through 451 performance indicators linked to our 6 strategic goals and monitor them through 46 Corporate Scorecards. Under the umbrella of Integrated Management Systems & Business Excellence, we manage both the employee suggestion system and business continuity efforts.

There are seven different processes within our system specifically related to sustainability, climate, and the environment. These include: Determination and Implementation of the Climate Change Roadmap, Emissions Monitoring, Reporting and Verification, Operation of the Environmental Management System, Implementation of Internal Sustainability Initiatives, Waste Management, Management of Environmental Incidents and Emergency Environmental Events.

Integrated Management Systems 2024

39

Internal Audits

11

Supplier Audits

7 Compliance Audits in line with the Presidential Guide For Digital Transformation

46 person/day External Audits

Internal Audit

Pegasus Internal Audit Department was first established in 2006. Since 2011, our Internal Audit Department has been operating under the Audit Committee. When we became a public company in 2013, the Audit Committee was restructured to comply with Capital Markets Board (CMB) regulations.

The Internal Audit unit is responsible for coordinating and harmonizing the audit activities within Pegasus in line with the generally accepted International Internal Audit Standards and local regulations published by the International Institute of Internal Auditing (IIA).

Pegasus Internal Audit implements an Assurance Concept based on the COSO Model, which is in line with generally accepted standards and best practices, in its business processes and audit work. The COSO model consists of five main components: control environment, risk assessment, control activities, information and communication, and monitoring. According to the COSO model, internal control is defined as a broad structure that is influenced by the board of directors, senior management and other employees of an enterprise and ensures that a reasonable assurance is obtained that the main objectives of the enterprise are met.

In order to ensure the structuring of an effective Internal Control System, Internal Audit activities are carried out under the responsibility of the Board of Directors and under the supervision of the Audit Committee. Accordingly, the Audit Committee evaluates the information received from the company management, the Internal Audit unit and the independent auditor and notifies the Board of Directors of its opinions and suggestions regarding internal controls.

The Company's Internal Audit Unit carries out its activities under the supervision of the Audit Committee and in line with the work plan approved. The annual audit plan is prepared using a risk-based audit methodology.

In addition to scheduled audits, case-based audits regarding fraud risks or suspicious events are also conducted with a risk-focused approach. The Internal Audit unit presents its findings on errors, irregularities, and misconduct to senior management through periodic reports and provides recommendations for mitigation and improvement.

Audit tools such as analytical procedures, observation, and physical inspections are effectively used to evaluate existing systems, internal controls, and operational efficiency. These efforts are supported by detailed document reviews, recalculations, third-party verifications, and on-site observations.

The audit scope has expanded with an increased data-driven approach; new SQL-based control scenarios have been integrated into the system, increasing the number of controls and deepening process-based analyses. This enables a more comprehensive assessment of the effectiveness of internal controls and risk management practices.

Additionally, in line with sustainability goals, areas such as fuel consumption, energy efficiency, and operational performance indicators are included in the audit scope. Risks in these areas are analyzed in detail, and improvement opportunities are evaluated. The work carried out contributes to achieving a reasonable level of assurance, and the resulting audit reports are presented at the four Audit Committee meetings held annually. Furthermore,

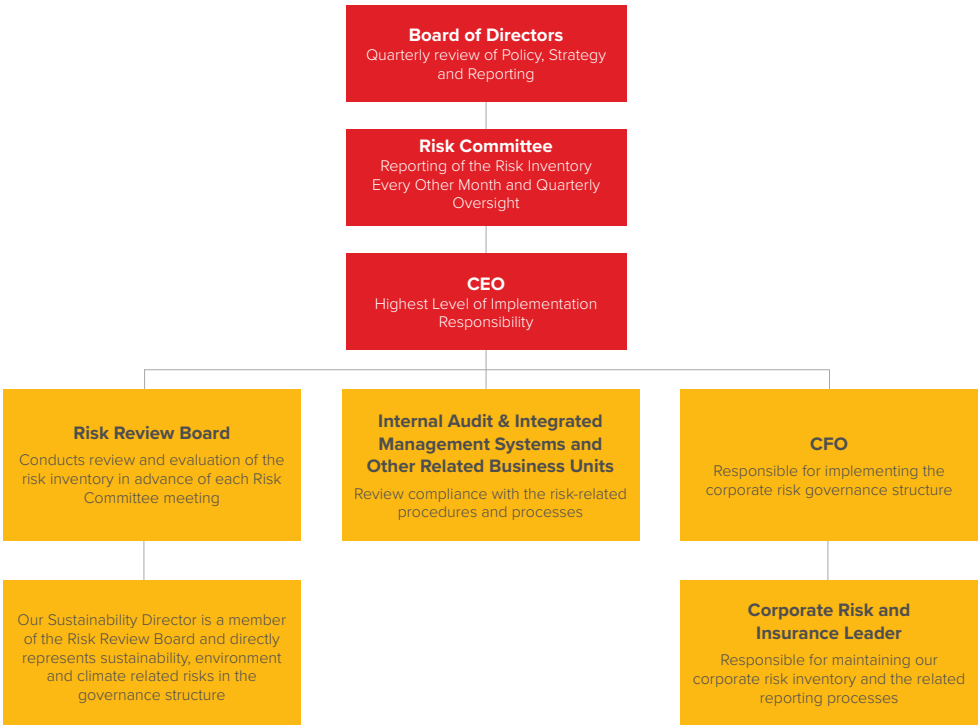
the Internal Audit unit maintains alignment with our corporate risk governance processes by participating regularly in Risk Review Board meetings and considering the corporate risk inventory during risk-based audit planning. In this context, sustainability-focused risks such as climate change and environmental impacts are also evaluated within the corporate risk inventory, and their potential effects are taken into account in audit planning.

As of 2023, a separate Internal Control unit has been established within the Internal Audit Department. This formation aims to improve the efficiency of the Company's control processes and diversify both operational and managerial control points.

The Internal Audit unit also manages ethical governance processes, which involve the investigation of notifications or detections of violations of corporate culture and the Pegasus Ethical Conduct Guide.

Pegasus ethical governance consists of the Ethics Committee, which investigates issues under the Pegasus Ethical Behavior Guide, the Audit Committee as the supervisory body that receives quarterly reports on Ethics Committee decisions, and Disciplinary Boards, which evaluate sanctions for violation cases. The consistent integration of sustainability principles and transparency are our priorities in ethics governance. Ethics and sustainability practices are integral parts of corporate governance.

Risk Governance Structure



1.5.2. Risk Processes

The Corporate Risk Practices and Management Process is a systematic process applied throughout the organization, influenced by the Board of Directors, company senior management, and employees, and used to set strategies to identify potential events that may affect Pegasus, manage risks in accordance with Pegasus’s corporate risk appetite, and provide reasonable assurance regarding the achievement of company objectives.

In this context, the emergence of a new phenomenon during the conduct of our Company’s activities that creates unexpected impacts on current targets is considered a risk.

Identification of Risks and Determining Their Impacts

Risks identified by relevant business units using the Corporate Risk Definition Form in connection with different issues, including sustainability, are evaluated within the scope of the Corporate Risk Inventory.

The risk analysis process is carried out under the coordination of the Corporate Risk and Treasury Management and with the participation of relevant business units. The aim is to better understand the identified risks by determining the possible causes of the risks, identifying existing controls, evaluating their effectiveness, and measuring the probability and severity levels of the risks.

During the measurement of risks, Pegasus Corporate Risk Matrix, approved by the Early Detection of Risk Committee, is used along with

the most suitable information sources, methods, and techniques. The risk matrix evaluates risks based on their impact and probability levels and conducts a total risk impact assessment over a 25-cell matrix using five different levels. In the impact assessment, effects on human life, financial consequences, company reputation, and environmental impacts are evaluated separately. If there are different severity scale values during matrix use, the highest one is considered. Probability is defined as the likelihood of the risk occurring.

Determining Risk Threshold Values and Monitoring Risks

Considering the volume and impact levels of risks, high-priority risks for Pegasus are continuously monitored through “Key Risk Indicators – KRI.” Acceptable levels (threshold values) for key risk indicators are determined in proportion to the company’s risk appetite in collaboration with relevant department managers and approved by the Risk Review Board. For indicators exceeding the established risk limits, the responsible department heads determine the responsible parties and the nature and duration of necessary actions.

Assigning Risk Owners and Reporting Risks

Critical risks identified through risk analysis and assessment are owned by the relevant unit manager.

The risk owner is responsible for carrying out the agreed actions to reduce the impact and/or likelihood of the relevant risk and bring the risk level to an acceptable level.

Risk owners regularly review and monitor the implementation of actions taken for their

respective risks and the developments in key risk indicators and report to the Corporate Risk and Insurance Manager every two months. If negative trends are observed in critical risk trends and especially if they fall on the adverse side of the threshold value, this situation is reported to the Early Detection of Risk Committee to be brought to the attention of the Board of Directors.

Furthermore, even if the risk is not at a critical level, if the actual value occurs on the adverse side of the threshold or if the risk level is identified to have increased by means other than previously determined KRIs, the issue is brought to the agenda of the Early Detection of Risk Committee.

Continuous Monitoring and Review of the Corporate Risk Management Process

Monitoring the effectiveness of every step of the Corporate Risk Management process is mandatory. This is crucial for continuous improvement. The process must quickly adapt and be updated according to changing conditions, minimizing the likelihood of the company facing unidentified risks. Documentation of every stage of the process and recording decisions taken is necessary to later review them for continuous improvement and to improve the process.

Risk Review Board meetings are scheduled by the Corporate Risk and Insurance Manager to be held approximately one week before the Risk Committee meetings. These meetings provide the environment needed for Risk Review Board members to fulfill their responsibilities. Pegasus Risk Management Coordination Meetings are held four times a year to ensure coordination

between the managers of Quality, Environment, Occupational Health and Safety, Information Security, and Safety risks and the Corporate Risk Management.

1.5.3. Risk Identification, Evaluation and Climate Process Integration

The risks and opportunities described in Section 1.3.3 of this Report and their evaluations are measured in accordance with the methodology specified in Section 1.6.2, through assessments conducted by the Sustainability & Environment, Financial Reporting, and Corporate Risk and Insurance units.

As a result of the study carried out under the oversight of the Risk Review Board, the Committee on Early Detection of Risks, the Corporate Governance Committee, and the Board of Directors, the outcomes are published within the scope of the TSRS report. Risks assessed at the red risk level are also addressed within the short-term risk assessment process, which is updated every two months as part of the Corporate Risk Inventory. In this context, the transition risk identified with the G1 risk code, referring to “Climate Transition Adaptation Cost Risk on Profitability and Cash Flows,” is monitored bi-monthly through the Corporate Risk Inventory. This includes the Company’s annual targets and achieved results regarding its 2030 emission intensity goal, SAF usage, and the purchase of carbon credits verified and approved by carbon credit institutions listed on ICAO’s official CORSIA website, in accordance with ICAO’s eligible CORSIA criteria.

1.6. Metrics and Targets

1.6.1. Our Greenhouse Gas Emissions Performance

As Pegasus, our total absolute greenhouse gas (GHG) emissions from 2024 activities were measured as 4.37 million tons in carbon dioxide equivalent (tCO₂-e). This amount includes 3.4 million tCO₂-e Scope 1 and 4,000 tCO₂-e (location-based) Scope 2 emissions. In 2024, we also measured our market-based Scope 2 GHG emissions and calculated this value as 940 tCO₂-e. The GHG emissions account for Pegasus's areas of operation, assets, and activities, excluding our office in Silicon Valley, United States.

Our greenhouse gas emissions have been measured in accordance with the GHG Protocol developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), and the ISO 14064-1 standard developed by the International Organization for Standardization (ISO). The emissions have been verified in accordance with the standard requirements outlined in six categories under ISO 14064-3:2019.

In our GHG emission calculations, we apply the operational control approach to define organizational boundaries. All of our current

operations as Pegasus are evaluated under this approach. We certify our use of renewable energy with renewable energy certificates and include this value in our market-based GHG emissions calculations. Our Scope 1 flight-related emissions account for 77.5% of our total emissions. In addition, the share of flight-related emissions within total Scope 1 emissions has been calculated as 99.8%.

In our prospective risk assessments, we apply a shadow pricing approach for GHG emissions. In line with our internal carbon pricing policy, we assess a carbon price of USD 22 per ton, based on the cost of carbon credits used under CORSIA. This approach is considered as an additional cost item especially in our business processes involving fuel consumption.

As of the end of 2024, 89% of the total seating capacity of our fleet is composed of fuel-efficient and consequently low-emission Airbus 320/321neo aircraft. Accordingly, we do not have any assets that are vulnerable to climate-related transition risks. Our exposure to physical risks is limited and is monitored regularly. Our new generation fleet offers a significant asset structure aligned with climate-related opportunities.

Scope*	Unit	Value
Scope 1	tCO ₂ equivalent	3,392,871.05
Scope 2 (Location-based)	tCO ₂ equivalent	4,082.97
Scope 2 (Market-based)	tCO ₂ equivalent	940.76
Scope 1 and Scope 2	tCO ₂ equivalent	3,396,954.02

* Since PUEM is not a subsidiary and is considered as a joint venture in the financial report, PUEM's 2024 Scope 2 emissions are entirely included in the Scope 2 value in the table above, as they occurred within the usage area of the Company's headquarters. The overall impact is minimal. On the other hand, our subsidiary Innovation Lab operated in 2024 without any employees, and as its energy consumption was limited to a shared office space, it was not separately measured.

1.6.2. Our Greenhouse Gas Emissions Calculation Methodology

At Pegasus, we adopt a calculation-based management approach in determining greenhouse gas (GHG) emissions. Our emissions inventory has been prepared in alignment with two internationally recognized references: the Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard (2004) and ISO 14064-1:2018 – Specification with Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals.

Emission factors have been compiled using the most up-to-date data from IPCC (Intergovernmental Panel on Climate Change) and DEFRA (Department for Environment, Food & Rural Affairs). For emissions from electricity, National Inventory data has been used as a reference. The intensity values, lower heating values, and indirect emission calculation factors used are sourced from internationally validated references. All calculations were performed using conversion tables aligned with these sources. The calculation method is based on multiplying activity data with the relevant emission factor. For electricity consumption, a Tier 2 approach has been adopted, while a Tier 1 approach has been applied to other emission sources.

We have structured our greenhouse gas inventory in accordance with the scopes and categories defined under six main headings. In determining indirect GHG emissions, we conducted a risk-based materiality analysis and included less material categories where sufficient data was available. Pegasus Innovation Lab, which was included in the scope in mid-2024, was excluded

from the inventory due to calculation uncertainties. Its emission impact was assessed to be below 1% of total emissions. As a result of the evaluation, the following categories were included in the inventory:

Category 1 – Direct Greenhouse Gas Emissions and Removals

- Stationary Fuel Consumption
- Mobile Fuel Consumption
- Fugitive Emissions (Leaks from refrigerants and fire extinguishers)

Category 2 – Indirect Emissions from Imported Energy Sources

- Electricity Consumption
- Heating

As data sources for electricity, water, and natural gas consumption, we used the company’s consumption tracking systems and invoices. Our GHG emissions related to electricity consumption have been certified within the International Renewable Energy Certificate (I-REC) mechanism by choosing solar energy sources generated in Türkiye.

Other Key Indicators Related to Our Activities

During the preparation of our Sustainability Report, we considered the guidelines and disclosures included in Volumes 58, 60, and 61 of Industry-based Guidance on Implementing TSRS 2. These supplementary guides aim to ensure more consistent, comparable, and transparent climate-related disclosures tailored to the unique characteristics of the aviation industry. For activities of our affiliated subsidiaries, we reviewed Annex 58 and concluded that the scope of the guide does not fully align with the services in question. As a result of this assessment, the guide was not incorporated into the reporting process.

Subject	Metric	Value	Unit
Greenhouse Gas Emissions	Gross Total Scope 1 Emissions	3,392,871.05	t CO ₂ -e
	Sustainable Aviation Fuel (SAF) Percentage	0.02	%
Negotiation of a long- and short-term strategy or plan to manage Scope 1 emissions, emission reduction targets, and performance analysis towards these targets	The risks and opportunities described in Section 1.3.3 of this Report, along with their evaluations, as well as the emission targets and performance analysis provided in Section 1.3.4 our climate transition roadmap, have been assessed for both long- and short-term processes.		

Activity Metric	Value	Unit
Revenue Ton Kilometers (RTK)	5,299,496	RTK
Load Factor	0*	Ratio
Number of Employees	8,473**	Number
Available Seat Kilometers (ASK)	66,808	ASK (million km)
Passenger Load Factor	87.7	%
Revenue Passenger Kilometers (RPK)	57,702	RPK (million)
Number of Departures	206,048	Units
Average Fleet Age	4.5	Years

* The cargo transportation load impact is considered to be zero. Within the scope of Pegasus Airlines’ operations, only passenger transportation is carried out.

** Refers to the total number of employees in the Group and does not include the eight members on the Board of Directors.



1.6.3. Our Climate-Related Targets

While providing transportation services to our guests to reach their destinations for various purposes, we not only strive to ensure a satisfying experience but also commit to setting targets based on our environmental awareness and work toward achieving them. With this objective, we have established climate-related targets by evaluating all types of capital in our value creation journey under the scope of climate change and environmental management. We assess the climate impact of the aviation sector through risk and opportunity analyses, and we align scenario analyses and expectations developed under this approach with our strategic targets.

Since 2015, we have been measuring and reporting our carbon emissions. We go beyond mandatory reporting obligations and voluntarily publish additional reports and set sustainability-related voluntary targets.



As Pegasus, we have two main climate-related targets:

- 2050 Net Zero Target
- 2030 Emission Intensity Reduction Target

In line with our 2050 Net Zero Carbon Emission target, we have taken a significant step towards sustainability in the international aviation sector. This target, adopted in accordance with global standards set by IATA, prioritizes environmental sustainability as a core business strategy by aiming to reduce carbon emissions. As part of

the 2050 Net Zero target, we have adopted several strategic approaches. First, we focus on building a young and efficient fleet, utilizing next-generation Airbus A320neo-A321neo aircraft and planning to include Boeing 710 MAX aircraft. Through these steps, we aim to significantly reduce fuel consumption per RPK and lower our energy intensity. In parallel, we target increasing the use of Sustainable Aviation Fuels (SAF) and other low-carbon alternative fuels, and we are taking steps to transition from traditional jet fuels to SAF/LCAF options in compliance with international standards.

Optimizing our operational processes is also a key component of this target. We implement flight route optimizations, technological improvements in flight operations, and innovations that enhance energy efficiency at airports to reduce our carbon footprint. In addition, we aim to offset current emissions through carbon offsetting practices aligned with ICAO's CORSIA regulations.

With our defined absolute target, we have included all areas of our operations within scope. Since taking this step in 2021, we have established interim monitoring and control mechanisms using annual emissions calculations to continuously assess our progress toward the target.

As Pegasus, although we are not under any legal obligation, we voluntarily set this target and share it transparently through our publicly available sustainability reports, primarily through CDP (Carbon Disclosure Project). The emission

data forming the foundation of our target is verified annually by independent third parties in accordance with ISO 14064-1.

We regularly review and update our climate roadmap, developed in line with this target, based on external factors such as sectoral developments, technological capabilities, and regulatory changes. Within this framework, we present our verified 2024 emission figures to our stakeholders through this report, demonstrating our progress with concrete data.

As part of the interim targets supporting the 2050 goal, we aim to reduce our carbon emission intensity by 20% by 2030 compared to 2019 levels.

In line with this target, which includes flight-related emissions, we conduct annual performance evaluations. As Pegasus Airlines, we continuously monitor both our flight and ground operation emission intensities, track them against annual interim targets up to 2030, and report them transparently.

In conclusion, we evaluate emerging technologies and focus on implementing solutions that deliver emission reductions, such as the use of sustainable fuels, on the path to achieving the 2050 Net Zero target.



2

DISCLOSURES COMPLEMENTARY TO TURKISH SUSTAINABILITY REPORTING STANDARDS (TSRS)



2.1. We Are Moving Towards a Cleaner Future

We are moving towards a cleaner future with approaches grounded in environmental awareness.

In our value creation process, we utilize all our capital to establish systems focused on climate change, environmental management, and energy efficiency. In addition to complying with legal regulations, we also adhere to various voluntary standards.

Since 2015, we have adopted the principle of transparency by reporting under the Carbon Disclosure Project (CDP). With a continuous improvement mindset, we present our projects with a transparent approach. Our Company is included in the LSEG (Refinitiv) ESG Sustainability Index (BIST 25) thanks to our strong performance in environmental, social, and governance areas. In 2024, as a result of the independent evaluation of airline emission data, we elevated our success to a global scale by receiving the **CAPA “Global Environmental Sustainability Airline of the Year”** award.

Moving towards a
sustainable
future



2.1.1. Our Environmental Management System

As Pegasus Airlines, we have established a foundational framework aligned with the **ISO 14001 Environmental Management System standard** for our environmental management. Accordingly, we identify our environmental aspects and adopt a systematic approach to reduce the impact of significant ones across our operations.

Through our **environmental policy**, designed in line with national and international standards, primarily the ISO 14001 Environmental Management System, we commit to achieving and improving our environmental goals, minimizing our impact by preventing environmental pollution, **complying with applicable regulations and standards, fostering awareness and a culture of sustainability among** stakeholders, and continuously enhancing our environmental management system by improving our environmental performance.

We believe our commitment to integrating environmental protection and sustainability principles into our business processes will strengthen our success in environmental management. Risks are periodically assessed and reviewed, particularly in the event of an incident or operational changes. A periodic review was conducted in 2024. No environmental incidents occurred during the year.

Waste Management






As with any human activity, various types of waste are generated during our operations. We consider this waste as a part of our operations. Our waste management efforts **prioritize identifying opportunities to reduce and reuse waste**. Where waste generation is unavoidable, we implement **recycling practices and work to increase efficiency**. A critical step in effective waste management is source separation by waste type. For this reason, we have placed waste bins categorized by potential waste types in all work areas.

At Pegasus, we manage waste in two distinct branches: **hazardous waste management** and **non-hazardous waste management**.

Key Environmental Aspects

Environmental Aspect	Environmental Impact	Management of Environmental Impact
Fuel Consumption	Energy and Natural Resource Use, Emission Release	Investments are made in fuel-efficient aircraft. Annual greenhouse gas inventories are prepared and emissions monitored.
Use of Motorized Equipment/ Vehicles	Noise Pollution	Next-generation aircraft engines are used, and electric ground support equipment is being adopted.
Hazardous Waste Generation	Air, Soil, and Water Pollution	A hazardous waste disposal system is in place under waste management. Necessary declarations are submitted to the Ministry of Environment.
Environmental Incident	Air, Soil, and Water Pollution	Procedures and instructions are prepared; drills are conducted.
Emergency	Air, Soil, and Water Pollution	Emergency response plans are established; drills are conducted.
Electricity, Water, and Natural Gas Consumption	Natural Resource Use	Energy-saving options are preferred. Consumption per employee is monitored. Measures are taken to reduce waste.

WASTE MANAGEMENT
Hazardous Waste

				
Solid Contaminated Waste	Liquid Chemical Waste	Medical Waste	Electronic Waste	Battery Waste
Packaging Clothes, Gloves Filters Pressurized Containers Fluorescent Lamps Metal Activated Carbon	Engine Oil Hydraulic Oil Waste Fuel Acids Organic Chemicals Antifreeze Floor Cleaning Liquids	Infected Cloths Infected Cotton Injection Sample Containers	Electrolytes Computers Servers Tablets Hard Disks Printers	Alkaline Batteries Lead-Acid Batteries Accumulators

Non-Hazardous Waste

					
Packaging Waste	Organic Waste	Non-Recyclable Waste	Scrap Waste	End-of-Life Tires	Textile Waste
Paper Glass Plastic Metal	Food Fruits Tea Leaves Cigarette Butts Coffee Grounds	Napkins Wet Wipes Sweeping Residue General Waste	Vehicle Equipment Parts Computer Parts Landscaping Waste	Vehicle Tires Aircraft Tires	Uniforms Belts, Shoes

2022-2024 Non-Hazardous Waste Data

Waste Type (Ton)	2022	2023	2024
Recyclable Packaging Waste	99.9	105.8	108.0
Non-Recyclable (Other) Waste	35.1	42.5	44.2

2022-2024 Hazardous Waste Data

Waste Type (Ton)	2022	2023	2024
Hazardous Waste	107.8	89.7	103.9

We manage our non-hazardous waste in all operational locations in accordance with the **Zero Waste Regulation**, ensuring compliance with the expectations of the relevant authorities. Non-hazardous waste, collected in dedicated bins sorted by type, is weighed and recorded daily. These wastes are then delivered to officially designated non-hazardous waste areas.

Our hazardous waste is stored in temporary hazardous waste storage areas at all our locations where we provide technical and ground services. These are periodically handed over to licensed firms to ensure maximum recycling. At the end of each year, we confirm with these firms the methods used and the extent to which recycling contributions have been achieved. We also assess opportunities for reuse going forward.

Among the main types of waste we produce in volume are de-icing fluids sprayed on aircraft wings during winter conditions, chemical-contaminated materials used during aircraft maintenance, and chemical (oil) waste from the maintenance of ground support vehicles.

The increase in non-hazardous waste in 2024 primarily results from the expansion of operational activities and workforce size.

The rise in hazardous waste this year compared to the previous year is due to the disposal of fuel drained during the maintenance of one of our aircraft. This was an exceptional case and the main factor behind the increase in hazardous waste volume compared to last year.

As part of our Pegasus Café Recycling and Cabin Packaging Waste Recovery initiative, which began in 2023, we were honored with an award in 2024 at the Sustainable Business Awards organized by the Sustainability Academy with our “Zero Waste in the Skies” project.



Noise Management

The noise impact of our operations represents another area we focus on to improve our services. As part of our environmental innovation efforts, we conduct studies to improve noise performance. Aircraft noise emissions are part of type certification. With investments in next generation aircraft, we aim to enhance our noise reduction performance.

Biodiversity

A key component of our sustainability efforts is the protection of natural life and biodiversity. Our main operational hub, Istanbul, is a critical habitat and migration corridor for various bird species. This has dual significance for our operations: bird strikes pose safety threats and flight operations may adversely affect these species.

To mitigate bird strike risks, we launched the Pegasus Wildlife Hazard Management Plan in 2021 with the support of independent consultants. We continued working on this initiative and assessing improvement areas throughout 2024, as in previous years.

The effectiveness of these measures requires collaboration with airport authorities and other airlines. Accordingly, we actively participated in wildlife management efforts alongside stakeholders such as the Istanbul Sabiha Gökçen Airport operator HEAŞ, the Directorate General of Civil Aviation (DGCA), and the General Directorate of State Airports Authority (DSAA). A working group was established to coordinate efforts around the Wildlife Hazard Management Plan at Istanbul Sabiha Gökçen Airport.

As of the end of 2024, 16 of 17 action items have been completed, and acoustic bird control devices have been installed and activated around the main runway. We continue to provide support through analysis, research, development, and project contributions.



2.1.2. Energy Management

Fleet Transformation and Investments in Next-Generation Aircraft

We have committed to achieving net zero carbon emissions by 2050. The most significant contribution to this goal comes from the investments we make in our fleet.

As of 2024, our next-generation A320neo and A321neo aircraft, which constitute approximately 87% of our fleet, provide up to 20% unit fuel savings and thereby reduce emissions. This efficiency positively reflects on our emission intensity performance over the years.

By the end of 2024, the average age of our fleet is 4.5 years. With this, we operate the youngest fleet in Türkiye and one of the youngest fleets in the world.

We have signed a purchase agreement with Boeing for 200 Boeing 737-10 model aircraft to be delivered from 2028 onwards. Under this agreement, 100 aircraft have been firmly ordered, with purchase options for an additional 100 aircraft. The Boeing 737-10 model offers high fuel efficiency on short and medium-haul routes and consumes 20% less fuel than previous-generation aircraft. With a capacity of 230 passengers and a spacious interior, it is also expected to improve passenger comfort along with operational efficiency.

In line with our current aircraft orders and delivery plans, we will continue to invest in next-generation aircraft in the coming years.

Our investments in next-generation aircraft also significantly contribute to reducing the amount of energy consumed per RPK. As of the end of 2024, our energy intensity has decreased to 0.81 MJ/RPK.

Unit of Measure	2022	2023	2024
Energy Intensity (MJ/RPK)*	0.86	0.85	0.81



Transformation in Ground Operations

At our main operational hub, Istanbul Sabiha Gökçen Airport, we manage our ground operations both within the terminal and on the apron airside using our own personnel and equipment. **The timely, efficient, and guest satisfaction oriented execution** of ground operations is crucial for the overall success of our operations. Therefore, we place great emphasis on our ground operations.

In line with **our 2050 Net Zero Carbon Emission target**, we prioritize the transformation of our ground operations in addition to reducing emissions from flight activities.

The transformation of our ground equipment at Istanbul Sabiha Gökçen Airport began in 2015. Since then, we have been using battery-powered tractors. In addition to the energy efficiency provided by battery technologies compared to fossil-fueled engines, our electric tractors have been powered by renewable energy sources over the past two years.

With the addition of electric ground power units

(GPUs) to our ground equipment, we became the first airline in Türkiye to use electric GPUs. Similarly, we are the first airline in Türkiye to use electric passenger stairs in ground operations.

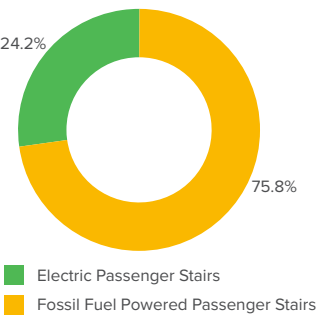
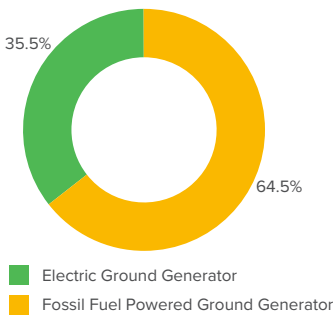
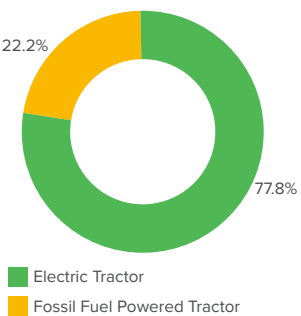
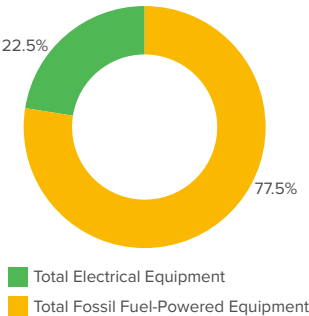
Compared to motorized equipment, the electric equipment we use in our ground operations significantly reduces noise. By reducing noise emissions, our electric equipment contributes to sustainability both environmentally and socially by having a positive impact on the occupational health and safety of our employees.

At the beginning of 2023, 15% of our mobile equipment was electric; by the end of 2024, this figure had reached 22.5%.

As of the end of 2024, our operations included

49 electric baggage tow tractors, 11 electric ground power units, 1 electric forklift, and 8 electric passenger stairs.

While the transformation into next-generation vehicles in our ground operations reduces our dependence on fossil fuels, we are also aware that our need for electric energy will increase operationally. In parallel with the equipment transformation, we began installing electric charging stations at Sabiha Gökçen Airport in 2023 to meet this need without disrupting operations and continued with new configurations in 2024.



Energy Monitoring System and Energy Efficiency

As Pegasus, we are aware of the importance of energy efficiency both for our national economy and our Company’s costs. We aim to improve our energy performance in all areas where development is possible. With this awareness and our objectives, we have taken significant steps in energy monitoring and efficiency at our main operational hub, Istanbul Sabiha Gökçen Airport, and our Headquarters in Istanbul.

Our newly implemented energy monitoring

system enables us to monitor and manage our business’ energy consumption more effectively. With this system, we aim to manage our energy efficiency efforts more actively, identify opportunities for potential savings and efficiency gains, reduce energy consumption and greenhouse gas emissions, and optimize operational energy costs through closer monitoring of energy usage.

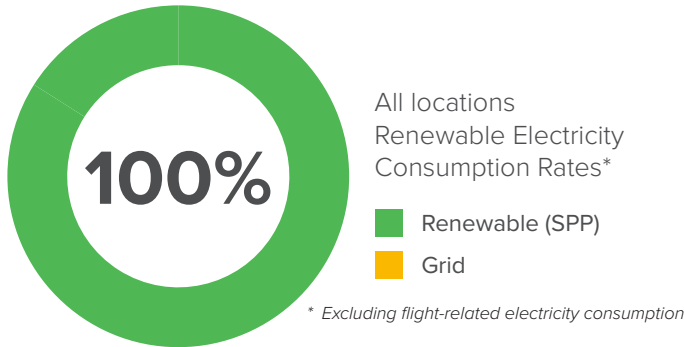
We completed the first phase of our project, which we started in 2023 and continued to develop in 2024, to systematize environmental

data reporting and enable monitoring through a digital dashboard. As part of our environmental data, we track electricity, jet fuel, diesel, gasoline, and similar energy consumptions monthly.

Our Steps Towards Renewable Energy

In line with our targets for renewable energy use, we have started to certify our electricity consumption through renewable energy sources. In 2022, we certified 4,242 MWh of electricity consumption at our main hub, Sabiha Gökçen Airport, with I-REC. In 2023, we included our

Headquarters alongside our main hub, certifying a total of 5,041 MWh of electricity consumption with YEK-G. In 2024, we sourced 6,574 MWh of electricity, corresponding to all electricity consumption outside of our flight operations from I-REC certified renewable energy sources. As of 2024, our renewable energy coverage constitutes 100% of our total electricity consumption excluding flight-related electricity usage.



2022-2024 Energy Usage Data

Consumption (GJ)	2022	2023	2024
Renewable Energy (electricity)	15,271.20	18,147.60	23,666.40
Grid (electricity)	26,560.14	27,265.88	23,665.22

Consumption (GJ)	2022	2023	2024
Total Direct Energy Consumption*	34,536,795.11	41,655,435.35	46,705,439.80
Total Indirect Energy Consumption*	0.00	117,603.78	128,434.41

Consumption (GJ)	2022	2023	2024
Jet-A1 Aviation Fuel	34,439,826.44	41,520,869.76	46,590,061.20
SAF*	0	9,548.17	9,297.70
Diesel	61,010.07	91,013.58	73,686.64
Gasoline	1,317.59	2,722.00	2,906.87
Electricity	26,560.14	27,265.88	23,665.22
Natural Gas	8,080.88	4,015.96	5,822.16

Consumption (GJ)	2022	2023	2024
Total Purchased Energy	34,536,795.11	41,773,039.12	46,833,874.20
Total Energy Produced	0	0	0

Consumption (GJ)	2022	2023	2024
Total Purchased Renewable Energy Consumption**	15,271.20	27,695.77	32,964.10
Total Produced Renewable Energy Consumption**	0	0	0

* SAF: Sustainable Aviation Fuel.

* Direct energy consumption refers to the energy consumed within the boundaries of the organization, and indirect energy consumption outside the boundaries of the organization.
** Renewable electrical energy and sustainable aviation fuel are included.

	2022	2023	2024
Total Renewable Energy Use (MWh)	4,242 (I-REC)	5,041 (YEK-G)	6,574 (I-REC)

	2022	2023	2024	Target (2030)
Total Renewable Energy Use Rate	57%	67%	81.5%	100%

2.2. We Are Moving Towards an Equal and Harmonious Future

PEGASUS



As Pegasus Airlines, we are advancing with determination toward our goal of building an equal and inclusive future for all our stakeholders. Throughout 2024, we further strengthened our inclusive culture through our equal pay for equal work policy, recruitment and promotion practices that prioritize gender balance, and project teams developed with the active participation of our colleagues.

We increased the ratio of female employees in managerial and higher positions to 33%.

While continuing our scholarship and internship programs to support equal opportunity in education, we also contributed to increasing awareness of the aviation sector through youth-focused projects.

To enhance internal awareness, promote cultural transformation, and contribute to the Sustainable Development Goals, we expanded our efforts under the Pegasus HARMONY initiative.

With the activities we carried out throughout

2024, we had the honor of receiving the Bronze Award in the Diversity & Inclusion category at the Stevie Awards with our Harmony Initiative. This achievement demonstrates that the principle of equality embedded in our corporate culture is also recognized on international platforms.

In 2025, in addition to our online awareness events, we aim to meet our colleagues face-to-face through hands-on workshops held across all our locations. As we continue to enhance the scope of our “Gender Balance 101” training

programs, measuring the perception of the Harmony culture through pulse surveys will remain one of our focal areas.

In this section, you can find detailed information on the work carried out throughout 2024 under the Pegasus HARMONY umbrella and explore the steps we have taken toward an equal and inclusive future.



2.2.1 Human Resources Policy and Working at Pegasus

At Pegasus Airlines, we consider our human capital the keystone of our corporate culture. Accordingly, we design all our HR strategies and practices to be fair, transparent, inclusive, and development oriented. Our goal is not only to be a leading employer in the aviation industry but also one of Türkiye’s most inspiring employers. To this end, we implement the following practices:

- We design all our practices based on the principles of equality, diversity, and inclusion.
- Taking into account sector dynamics, we develop solution-oriented and innovative HR practices aligned with organizational requirements and our talent management strategy.
- We construct and continuously improve our HR processes with a focus on employee experience.
- We aim to determine workforce needs accurately and efficiently and implement effective organizational management and staffing plans through a job evaluation system based on the scope and size of the job.
- Throughout our employees’ career journey at Pegasus Airlines, we center our Company values within all HR systems and processes, aiming to promote a culture of continuous improvement, high performance, and performance-based recognition.
- Within our performance management approach, we set concrete and measurable

individual goals aligned with corporate objectives, support individual development through our behavioral model and value-driven targets, and integrate performance evaluations into our compensation and career planning processes.

- We conduct employee experience surveys and take actions to enhance employee engagement and address development areas.
- We design our fair, transparent, and competitive compensation policy based on a total rewards approach, believing that performance-based bonuses are the most differentiating element.
- We align our reward systems with corporate performance to ensure sustainable and profitable growth.
- We aim to attract highly potential individuals who align with Pegasus Airlines’ values and contribute to our growth.
- We apply integrated talent management and succession planning to ensure business continuity.
- We track employee development and ensure horizontal and vertical career opportunities are accessible to all, offering equal access to career and development opportunities.
- We implement innovative tools and platforms to allow all employees to voice their ideas and feedback, trying to actively listen and understand them.
- We share our organizational structure and performance-reward criteria with all employees and provide clear written policies for recruitment standards.

Under our Code of Ethical Conduct, our fundamental compliance framework, we commit to:

- To act honestly, respectfully, fairly and reliably on the basis of reason, conscience and common sense during all kinds of activities.
- To establish open, sincere, collaborative relationships in any environment.
- To uphold the values described in the Pegasus Airlines Code of Ethical Conduct, to act in accordance with these values and to protect these values.

- To carry out its activities in accordance with the laws and relevant international standards.
- To act ethically and honestly in situations that create a conflict of interest.
- To provide accurate, complete and complete information to the public and other persons and organizations that have a reporting obligation.
- To work towards the creation of a company culture and work environment that supports the Code of Ethical Conduct in order to fulfill company goals and ensure the safety and satisfaction of our guests.



2.2.2 Our Recruitment Approach

As part of our recruitment planning, we regularly participate in university summits and events to engage with young people and introduce them to Pegasus. We run various programs and partnerships aimed at empowering young women university students to enter the workforce.

Young Talent Programs and Women's Employment



Through our “Goyoung” young talent program, we recruit 3rd and 4th-year university students for full-time work during summer and part-time during the academic year. This program continues to evolve each year. It provides students with both aviation experience and potential employment after graduation. In 2022 and 2023, 29% of participants were women; this figure rose to 48.3% in 2024.

Under the Pegasus Pilot Training Program, we received over 10,000 applications throughout

the year. Over 5,000 qualified candidates advanced in the selection process. Currently, 172 cadet students are actively engaged in their intensive training. As of 2024, the female representation in this program has reached 35%. Our goal is to increase this further in 2025, contributing to equal opportunity in aviation. We remain committed to helping passionate, skilled, and motivated individuals take flights.

Recruitment and Human Resources Strategies

To support career development, we prioritize internal mobility. We first evaluate our current employees’ skills and experience for vacant roles, enabling cross-functional movement and professional growth. In 2024, 9 internal transfers to new positions were completed.

As part of our Cabin Crew Career Check program, we digitalized the cabin crew recruitment process using tools such as online career fairs, live broadcasts, multilingual video content, and AI-supported systems. This process received over 167,000 applications, resulting in the hiring of 400 cabin crew members from 29 cities, 147 universities, and 118 academic departments. Among these, 59% were women and 41% men. The program successfully attracted talent not only from aviation but also from engineering, architecture, and education fields. Our sustainable hiring approach aims to create a diverse and competent workforce aligned with long term business needs.

In 2024, we onboarded 2,016 new hires and will continue recruitment efforts in 2025 across various roles including engineers, technicians, pilots, cabin crew, guest services, and administrative staff.

We place great importance on internship programs to support young talent and prepare future aviation professionals. Through collaborations with 23 universities, we aim to broaden access to internships, help students adapt to industry trends, and support strong career starts. In 2024, we had 633 interns (both short and long term), of which 285 were women, resulting in 45% female representation.

LinkedIn Life Page and Employer Brand Enhancement Focus

In line with our objective to communicate the experiences of Pegasus employees and our corporate culture to potential candidates and the broader public, we have activated our LinkedIn and Youthall pages. Additionally, by engaging with young talents during both digital and in-person career days, we promote our culture of equality, diversity, and inclusion, which lies at the heart of our sustainability focus. We also highlight our environmental and social responsibility initiatives through these efforts. As our fleet expands, the impact on our recruitment processes and workforce planning becomes increasingly significant. Based on the aircraft types in our fleet, operating a single aircraft typically requires a crew of five captains and five first officers. Accordingly, considering the delivery schedules and technical specifications of each aircraft, pilot training durations are calculated, and hiring needs are determined.

In parallel with our operational growth, we continue to meet our increasing pilot demand through the recruitment of experienced on type Captains and First Officers, Non-Type Rated Experienced First Officers, Student Pilots to be provided with Type Rating Training, and candidates enrolled in the Pegasus Pilot Training

Program. In 2024, we received approximately 250 applications for experienced on type Captain and First Officer positions. As part of this process, 39 Captains and 11 First Officers joined our A320 fleet after completing the Pegasus Conversion Course (PCC) training. Under the Mandatory Return protocol, pilots returning to Pegasus, together with our Non-Type Rated (NTR) First Officer candidates, participated in the Type Rating Training (TRT) training. As a result, an additional 10 Captains and 31 First Officers began duty in our A320 fleet. Furthermore, to serve in the A320 fleet, 130 Student Pilots participated in the Type Rating Training (TRT) training during the year, and more than 500 candidates were included in our evaluation process in line with our recruitment targets.



EMPLOYEE-FOCUSED PRACTICES

Development of Our Human Resources: Pegasus Academy

Launched in 2016 with the motto “Just Tell Me That You Want to Learn,” Pegasus Academy aims to foster a high-quality, value-driven learning and development culture.

Today, we manage learning through advanced digital platforms, strengthen leadership culture, and align learning processes with corporate strategy. We promote a learning organization model through self-learning tools and tailor development plans for each function in line with strategic goals.

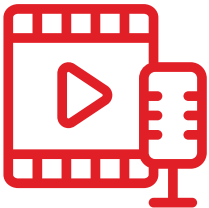
By promoting the culture of a learning organization through structures that encourage self-directed learning, we align development plans tailored to the needs of each function with our strategic objectives. In this context, as Pegasus Academy, we are proud to offer a wide range of learning solutions to Pegasus employees, from leadership development programs and talent initiatives to award-winning knowledge competitions and PegaTalks, where we host renowned experts in their fields. Under our “Development Taking-Of (HUG)” brand, we also provide numerous personal development solutions, access to self-directed learning platforms such as LinkedIn Learning and Neoskola, as well as in-class, online, blended, digital, and many other learning opportunities.

- In 2024, we provided a total of 4.47 hours of learning and development experiences per person to 8,466 participants.

- Through our Sustainability Training, we delivered a total of 921 hours of learning to 3,207 employees in 2024.
- We hosted a widely attended conversation with Eda Erdem, Captain of the Turkish National Women’s Volleyball Team, on the topic of women and leadership.
- As part of the Sustainable Development Goal of “quality education,” we welcomed historian and author Prof. Dr. Emrah Safa Gürkan to discuss the topic “Learning How to Learn.”

With our leadership motto “Focus on Your Strength,” we designed our leadership development programs, including the **GoLead Leadership Program** for first-level managers. Through this program, we received the **Bronze Award** in the “Achievement in Leadership Development” category at the **Stevie Awards for Great Employers**, and the **Gold Award** in the “Best Leadership Development Program” category at the **Brandon Hall Group HCM Excellence Awards**.

In each episode of our podcast series hosted by our Sustainability Director, we featured employees who contribute to our sustainability efforts and listened to Pegasus’s sustainability journey from their perspective. Our “**Sustainability Podcast Series**”, consisting of 12 episodes in total, reached 20,852 total plays.



To reach our Sustainability Podcast Series **CLICK HERE!**

Pegasus Academy Training Programs – Participant & Experience Data

Experience Program Participants					
Training Category	Male	Female	Total	Male (%)	Female (%)
Functional Development	3,502	2,029	5,531	63%	37%
Personal Development	1,776	962	2,738	65%	35%
Leadership	133	64	197	68%	32%
Total	5,411	3,055	8,466	64%	36%

Experience Duration (Hours)					
Category	Male	Female	Total	Male (%)	Female (%)
Functional Development	9,118	6,881	15,999	57%	43%
Personal Development	8,679	6,780	15,459	56%	44%
Leadership	3,511	2,899	6,410	55%	45%
Total	21,308	16,560	37,868	56.27%	43.73%

Average Experience Duration per Person (Hours)			
Category	Male	Female	Total
Functional Development	3	3	3
Personal Development	5	7	6
Leadership	26	45	33
Total	3.94	5.42	4.47

EMPLOYEE-FOCUSED PRACTICES

Hybrid Working Model and Flexible Working Hours

Apart from our shift-based work system, which is essential for carrying out our uninterrupted operations throughout the week, we are able to implement a hybrid work model in line with our business plans, combining certain days in the office with remote work. Additionally, we offer opportunities to work outside the main office, both domestically and internationally, either on a temporary or permanent basis. We also apply flexible working hours when possible. One key benefit of this flexibility is its contribution to reducing transportation-related emissions, as employees commute less frequently.



Employee Benefits

At Pegasus, we are committed to enhancing the quality of life of our employees. Our private health insurance program is designed to meet the diverse needs of our employees, offering flexible and customizable options that allow everyone to access the most suitable health coverage easily. We provide all employees with a free annual health check-up at our contracted medical institutions. Discounted flight ticket rates are available for employees and their first-degree relatives.

We also participate in broader interline ticket benefit programs that include other carriers in the sector. At all our locations, we offer meal benefits via meal cards and provide transportation support through our shuttle network. In addition to the hybrid work model, we offer a remote work allowance to employees working from home. Depending on job titles, our additional benefits packages include Company vehicles, fuel support, Ramadan gift vouchers, and corporate mobile lines. Through our performance-based bonus model, we reward both annual business results and individual performance. We provide nursery assistance for employees with children aged 0–6. New parents receive a birth gift from the Company.

For our operational staff who are pregnant, we make sure that from the date of pregnancy disclosure, they are exempted from shift work and scheduled only for daytime duties. For our female pilots and cabin crew members, we do not assign night flight duties until their child turns one, and we avoid layover duties until the child turns three. Female employees on unpaid leave continue to benefit from private health insurance and are also provided with insurance coverage for their newborns following delivery.



PegasusClub

We partner with various institutions and brands through seasonal agreements to provide our employees with additional benefits. Through university collaborations, we also support our employees' personal and professional development by offering educational opportunities.

Representing Pegasus While Having Fun!

At Pegasus, we encourage active participation in social life through our social activity clubs, in which more than 100 employees voluntarily take part. These clubs not only promote team engagement but also represent our Company in various social responsibility initiatives.

Running Club: Our goal-oriented club competes across different routes in Türkiye, securing both individual and team rankings throughout the year. As Pegasus volunteers, we participated in the 2024 İstanbul Marathon on behalf of the Türkiye Eğitim Vakfı (TEV) and raised a total of TRY 129,452 in donations.

Sailing Club: Our team ranked in its class at the 2024 Fifty-Fifty Sailing Cup after competing for over two days and

approximately nine hours of racing.

Theatre Club: On March 8th, the club staged a play titled “Femininity Stays with Us”, raising awareness around gender roles.

Women’s Football Club: The team emerged **undefeated champions** in the “Girls on the Field İstanbul Cup,” marking its second consecutive participation.

Trekking Club: In a heartfelt project, the club built warm shelters for stray animals. With the help of Pegasus employees who contributed pet food, the shelters were delivered to animals in need—resulting in a heartwarming conclusion.

Volleyball Club: Our team competed in the mixed category and won the SenCard Business Volley Cup championship.

Through activities such as football, basketball, and e-sports, colleagues from various departments come together in the spirit of unity and support to achieve shared success. Our Music Club performs internal concerts on special occasions, creating joyful moments while also representing us in various competitions.

2.2.3 Performance Management

At Pegasus, performance management is a dynamic, year-round process consisting of goal setting, mid-year reviews, and year-end evaluations. Each year, we define SMART goals (Specific, Measurable, Achievable, Relevant, Time-bound) that are both business- and development-oriented, ensuring alignment with our Company strategies. The target libraries included in our performance system help employees clarify their individual goals. Through a dashboard interface, both employees and managers can easily access past data. The Goal Tracking section enables monitoring of progress and allows users to add notes regarding goal attainment.

2.2.4 Talent Management

Our career management process aims to manage positions within the organization more effectively by structuring them according to appropriate career bands and levels. Each position is assigned a career band and level based on its primary responsibilities and the nature of the work performed.

When determining the career band and level of a position, we evaluate the knowledge and competency requirements of the role, not the qualifications, performance, or potential of the individual currently holding the role. This approach ensures objective evaluation of all roles within the Company, making roles and responsibilities more transparent and understandable.

Given the aviation industry’s emphasis on highly specialized knowledge and skills, we recognize that applying a talent and career management model that supports professional growth is essential for long-term success. In this regard, we prioritize attracting, retaining, and developing talent through customized solutions that address the diverse needs of our employees.

To enhance employee experience and provide career growth opportunities, we have established two types of career mobility: lateral and vertical. These mobility models support our talent retention strategy while maintaining a sustainable organizational structure.

- **Lateral Movement:** A move to a different career band while maintaining the current career level.
- **Lateral Title Movement:** A title change within the same career band and level, based on seniority at Pegasus.
- **Vertical Movement:** A promotion to a higher career level within the same or a different career band.

“We discover potential and build success together.”

In line with our growth objectives, we conduct a comprehensive promotion process annually, assessing candidates based on competencies, language proficiency, and performance. Throughout the year, we also evaluate suitable candidates for new or vacant positions. Manager-level candidates are assessed through development centers, while executive-level appointments involve a comparative evaluation of both internal and external candidates with a focus on gender balance to ensure the selection of the most suitable candidate.

As part of our 2024 promotion process, we appointed 439 employees to new positions. In line with our sustainable organization approach, we maintain succession planning for all Director/ Head and above roles, as well as other critical positions regardless of title. In 2024, we developed succession plans for 30 positions. Additionally, with support from Pegasus Academy, we create personalized development journeys to support the career progression of our succession candidates.

Succession Planning Policy

To ensure the sustainability of our organization, we actively implement succession plans and continuously keep them up to date. The positions we include in our succession planning are those we deem critical in terms of sectoral demands and knowledge continuity, roles whose disruption would significantly impact the efficiency and continuity of our operations. We identify both short-term and long-term internal successors for Director/ Head-level and above positions, as well as

for aviation-specific critical roles. For senior leadership positions, we also consider external candidates alongside internal ones to broaden our talent pool. Throughout this process, we consider the dynamics of the labor market and place a strong emphasis on maintaining gender balance.

Position	Succession Coverage	Female Successor Rate
Director and Above	71%	30%
Critical Roles	100%	36%
Total	81%	32%



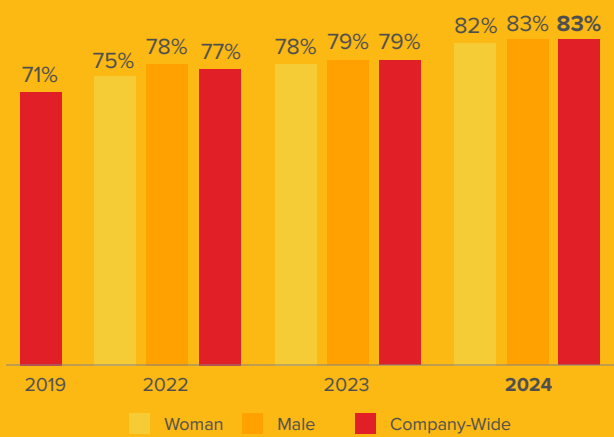
2.2.5 Employee Satisfaction

We consider our human capital as our most valuable asset and prioritize enhancing employee experience and strengthening engagement.

Through our annual Employee Experience Survey, we analyze the needs of different employee groups based on data. The insights we gain guide us in taking targeted actions to improve satisfaction, development, and overall work efficiency.

As a result of the 2024 Employee Engagement Survey, our Sustainable Engagement Score reached 83%. We aim to continue improving our performance in this area in the coming years.

Employee Experience Survey Sustainable Engagement Scores



2.2.6 Harmony: Our Diversity, Equality and Inclusion Approach

Our Approach to Equality, Diversity and Inclusion: PEGASUS HARMONY

Our Diversity, Equity & Inclusion (DEI) initiative, Harmony, contributed significantly to enhancing the employee experience throughout 2024.

We believe that diversity enriches us. Embracing people regardless of gender, age, ethnicity, religion, language, or mental or physical ability, we are building a more equal, fair, and inclusive future at Pegasus. Under the umbrella of Harmony in 2024, we amplified our voice through gender balance focused training, awareness workshops, volunteer projects, and pioneering policies across the sector.

We outline our principles regarding equal opportunity, a fair workforce, improved working conditions, female employment, and inclusive policies under our Pegasus Airlines Human Resources Policy and Code of Ethical Conduct. At Pegasus Airlines, we aspire to be a leading airline in our sector with respect to gender equality.

“Harmony is not a destination—it’s a journey.”

At Pegasus, we see equality, diversity, and inclusion not as a goal to be reached but as a core part of our corporate culture. With every

step we take, we remain committed to these values, redefining employee experience, leadership models, and recruitment policies in line with them.

Although aviation has historically been a male-dominated sector, we at Pegasus are committed to transforming this balance. We regularly monitor the representation of women in engineering, piloting, technical operations, and senior leadership, and set concrete targets to improve these ratios.

By placing gender balance at the heart of our strategy, we develop impactful projects, partnerships, and practices both within our organization and across the industry. Through programs that encourage young women to enter the aviation sector, we raise awareness and develop sustainable solutions to increase both the quantitative and qualitative representation of women in aviation. Because we believe the sky belongs to everyone who rises with equal opportunity.

Our “IATA Commitment”

In 2019, Pegasus became one of the first airlines in the world to sign on to IATA’s voluntary “25by2025” initiative, which calls on airlines to increase female representation in the aviation industry to 25% by 2025 or by at least 25% compared to current levels. As part of this commitment, our Board of Directors updated its Board Representation Policy in 2019, setting a target of at least 25% female

representation on the Board by 2025, a goal we achieved in 2022. Our goals aligned with IATA’s “25by2025” include not only increasing female representation in leadership positions but also improving the ratios of female pilots, engineers, and technicians across our organization.

“Everyone at Pegasus is Part of the Change”

We are committed to fostering a workplace where all Pegasus employees feel valued and have a strong sense of belonging. We respect diverse perspectives and promote a participatory culture. We evaluate and improve our business processes together. Through our employee experience surveys and suggestion system, we listen to every voice and shape our transformation journey in collaboration with our people.

In line with our “25by2025” commitment, we have moved one step closer to our goal of achieving 34% female representation in managerial and above positions.

The national and international awards we’ve received affirm our direction and strengthen our belief in the future. Together with all Pegasus employees, we continue our journey toward a more equal and sustainable tomorrow.

Our company implements various practices to foster innovation within the organization, in addition to its performance-based compensation schemes. In line with this, we launched our employee suggestion system “FLYDEA” in 2022.

Through the FLYDEA suggestion system, we encourage our employees to present innovative ideas in the areas of guest experience, new revenue generation, unit cost reduction and savings, sustainability, environment and occupational health and safety, safety culture, lean business processes, innovative services, new business models and markets, and digitalization. Suggestions submitted by our employees go through a detailed review process before being submitted for a company-wide vote. Winning ideas are evaluated for feasibility and scheduled for implementation, and employees who submitted the ideas are rewarded.

Since the launch of the FLYDEA project, we have received a total of 1,455 innovative suggestions. A significant portion of these suggestions have been put to vote across the company following evaluations by the Suggestion Committee. We rewarded employees who submitted suggestions with 35 Appreciation Awards and 83 Thank-You Awards. As a result, two valuable projects have been implemented through FLYDEA.

To learn more about Pegasus Harmony:

You can visit the Gender Equality episode of our Sustainability Podcast Series, and find more detailed information about our 2024 efforts in the field of Equality, Diversity, and Inclusion in our **2024 Harmony Report**.



OUR AWARDS IN 2024



Stevie Awards – 4 Awards:

- Gold Winner in the Employer of the Year – Aviation & Defense category
- Bronze Winner in the Diversity & Inclusion category with our Harmony Initiative
- Bronze Winner in the Best Recruitment Process category with our GoYoung Program
- Bronze Winner in the Leadership Development category with our GoLead Program



Brandon Hall Group HCM Excellence Awards

- Gold Award in Best Talent Management Strategy
- Gold Award in Best Employee Experience and Best Leadership Development Program



Youth Awards

- Gold Award in Most Desired Transportation/Logistics Company to Work For
- Achievement Award in Most Admired Recruitment Program with our GoYoung Young Talent Program

2.3 We Are Moving Towards A Better Future Together



2.3.1 Value Chain Management

At Pegasus Airlines, with the growing awareness around environmental, social, and economic development, we have positioned sustainability as a key component of our strategy. While conducting our operations, we adopt and implement not only legal regulations and standards but also a set of core behavioral principles to enhance the value we create for all our stakeholders.

As a strong organization empowered by strong people, we believe we can generate greater value and impact for both our environment and society.

In line with this awareness and approach, we recognize that we can increase the value and impact we generate by working across our value chain, from procurement to operations, marketing, sales, and after-sales services. We closely monitor our collaborations with stakeholders at a granular level, ensuring continuity, taking action to strengthen

cooperation on environmental, social, and economic matters, and effectively managing the value we co-create.

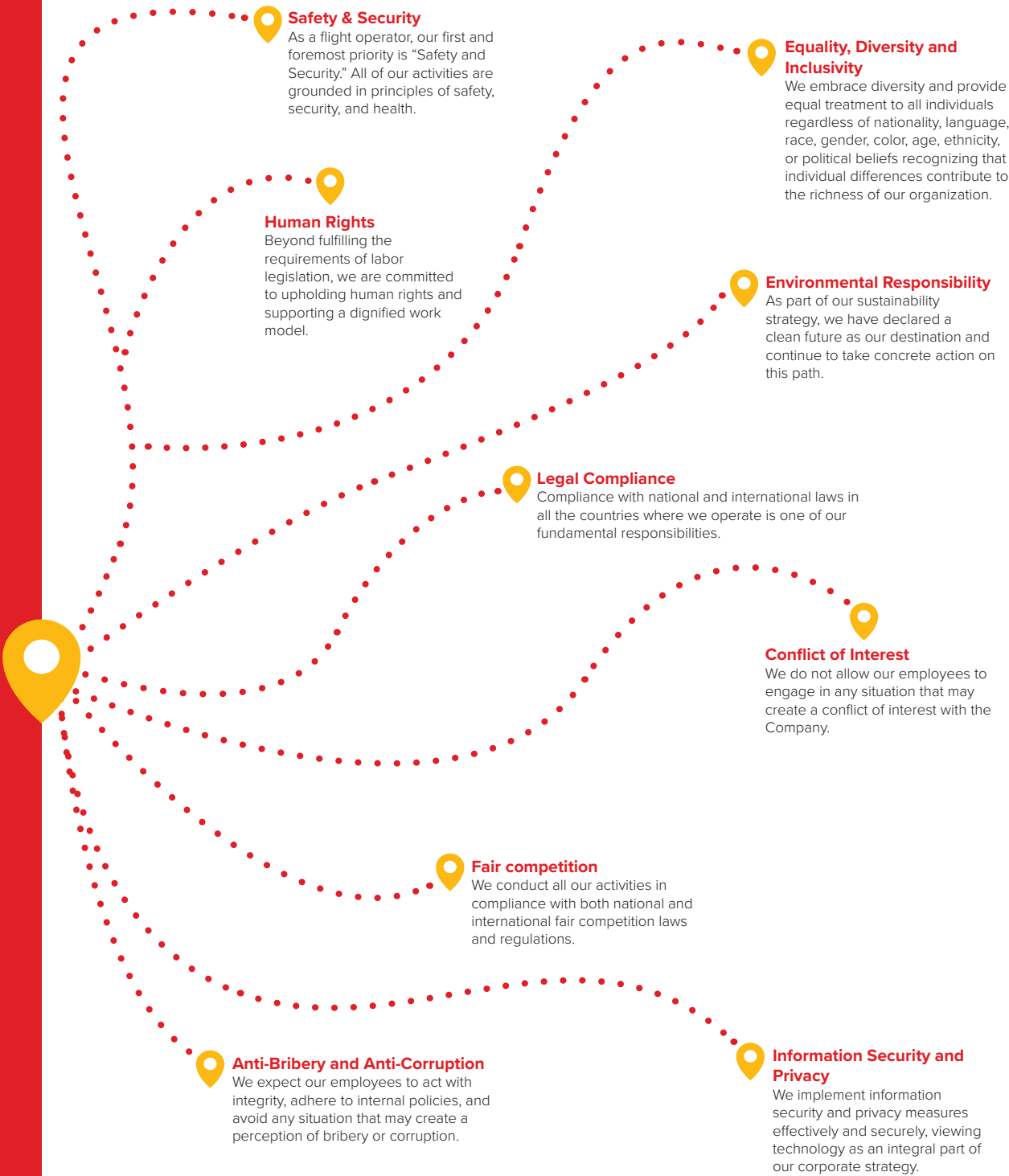
In 2023, we published the “**Pegasus Value Chain Sustainability Compliance Framework.**” This framework acknowledges that in today’s world, where economic solutions alone are insufficient and environmental and social issues are gaining importance and impact, cooperation and solidarity are essential for promoting efficiency in sustainability. It also aims to encourage new sustainable business models and increase our social impact in collaboration with our stakeholders. The framework outlines our focus areas and expectations from our value chain partners across key topics including safety and security, people and society, environment, ethics, and transparency all areas where we see both strategic importance and opportunities for development.

Working Principles of the Pegasus Value Chain Sustainability Compliance Framework

At Pegasus, we define our core principles under four main pillars: Safety and Security, People and Society, Environmental Responsibility, and Fairness and Ethics. Beginning with ourselves, we expect full alignment with these principles from all suppliers and business partners within our value chain and continuously work to improve collective performance.



#HereForYou



2.3.2 Supply Chain Management

At Pegasus, we adopted a holistic value chain management approach that encompasses all processes from procurement to end user delivery. This approach is supported by integrated management systems based on ISO 9001 (Quality), ISO 14001 (Environment), ISO 45001 (Occupational Health and Safety), and ISO 27001 (Information Security) standards, which enhance the effectiveness of our operations. We monitor our communication with stakeholders through our stakeholder communication matrix and aim to maintain continuous and efficient interaction while also enhancing collaboration in environmental, social, and economic areas.

Supplier Evaluation Process

Under our Integrated Management Systems, we conduct a comprehensive supplier evaluation process. This process involves identifying and regularly reviewing each supplier’s criticality level, legal compliance, and risk level. Our general supplier management activities include the following steps:

- 1. Supplier selection
- 2. Supplier evaluation
- 3. Supplier audits
- 4. Supplier risk management
- 5. Supplier communication

The main objective is to align our suppliers with the Company’s sustainability strategies. All individuals and organizations providing services to Pegasus commit to complying with our Company’s procedures at the contract stage. During the first half of each year, we evaluate

the compliance of our suppliers in the areas of quality, environment, occupational health and safety, and information security.

Guest Experience

At Pegasus, proactive service, self-service technologies, and digitalization are essential elements in the design of our guest experience processes. We aim to deliver a seamless travel experience by embedding a guest-centric approach into all our operational processes. We adopt a proactive communication model across various digital channels at every step of our guests’ journey and simplify their travel experience through technology-based self-service options, especially at airports.

As of 2024, we have implemented a new survey structure that enables real time, process based feedback. These insights help us identify areas for improvement and reinforce our commitment to continuously enhancing guest satisfaction.

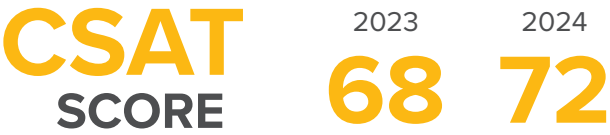
We provide tailored services for transfer passengers, supporting them at every stage of their journey via digital and traditional communication channels. These efforts are aimed at meeting their needs and improving overall service quality.

In addition, we have introduced innovative improvements in communication processes related to delays and baggage handling to reinforce our proactive approach. These developments aim to elevate the guest experience during potentially negative scenarios. Our guest-focused service model

backed by the effective use of technology and data-driven process improvement—demonstrates our commitment to delivering an exceptional, end-to-end travel experience.



Passenger Volume Growth (in Millions)	2021	2022	2023	2024
Domestic	11.99	10.9	11.98	14.06
International	8.01	15.4	19.47	22.94
Charter	0.16	0.64	0.48	0.48
Total	20.16	26.94	31.93	37.48



CSAT (Customer Satisfaction) is a critical metric that helps us understand how satisfied our guests are with their travel experience with Pegasus. It is calculated based on the responses to the post-flight survey question: “How satisfied were you with your experience with Pegasus?” Guests rate their experience on a scale from 1 to 5, and the CSAT score is calculated by averaging these scores. A high CSAT score indicates that our guests are satisfied with their experience and demonstrates strong brand loyalty. This, in turn, significantly contributes to strengthening our overall brand perception.

2.3.3. Collaborations

In line with our sustainability goals, we collaborate with various stakeholders across numerous projects. As Pegasus, we actively contribute to the transformation of sustainable aviation by supporting the Türkiye Sustainable Aviation Platform (TSAA). Established in 2023 through a joint initiative of Boeing, Istanbul Technical University, and Turkish Airlines, TSAA aims to guide the Turkish aviation industry on its decarbonization journey, promote sustainability practices across the sector, and foster cross-sector collaboration.

We actively participate in the projects initiated by the platform and take on a leading role in the sustainability transformation. Additionally, we contribute to increasing awareness in sustainable aviation by engaging in educational activities and social events organized through the platform. Our efforts to minimize environmental impacts in aviation and build a more sustainable future align with our company's long-term environmental and social responsibility strategies. In support of TSAA's primary focus on increasing SAF (Sustainable Aviation Fuel) use in Türkiye, we participated in workshops and consultations to help define a collective roadmap. Moving forward, we are committed to contributing to future sustainable aviation initiatives with the same level of engagement.

Since 2019, Pegasus has been a participant in the United Nations Global Compact (UNGC), committing to its 10 principles in the areas of human rights, labor standards, environment, sustainability, and anti-corruption. We publish our Communication on Progress annually, reflecting our dedication to transparency and accountability. We also align our sustainability efforts with the UN Sustainable Development Goals (SDGs) and integrate them into our corporate reporting.

Our CEO serves as a member of the UNGC Türkiye Board of Directors, actively supporting initiatives that promote responsible business practices and social commitments. Through this platform, we contribute to frameworks, best practices, resources, and collaboration channels that help companies develop responsible strategies and create global impact. Our strategic efforts support achieving the SDGs and fostering sustainable development on a scale.

2.3.4. Legal Regulations & Policy Implementation

In 2024, we undertook preparatory work to meet the requirements of RefuelEU Aviation, a regulatory framework established by the European Union to reduce greenhouse gas emissions in the aviation sector and promote the use of sustainable aviation fuels (SAF). This

regulation aims to ensure that airlines use SAF at increasing mandatory blending rates and encourages fuel producers to scale up SAF production, ultimately accelerating the industry's transition toward a sustainable future. RefuelEU also supports sustainability through regulatory measures and financial incentives for the development of innovative fuel technologies.

Ahead of the regulation's expected enforcement in 2025, we have conducted readiness assessments related to our flight network and reporting structures. Domestically, we are preparing for the draft Sustainable Aviation Fuel Directive (SHT-SAF), which is expected to introduce SAF usage requirements for international flights departing from Türkiye, in line with the ICAO 2030 targets. Pegasus is proactively preparing for these upcoming obligations and continues its operational readiness efforts.

Industry-wide actions to reduce greenhouse gas emissions are progressing rapidly. Accordingly, we closely monitor developments in global regulations, particularly EU Regulations, CORSIA, and EU ETS, and conduct pre-assessments and risk evaluations to ensure alignment and compliance.



2.3.5. Corporate Memberships

IATA – International Air Transport Association	
TÖSHİD – Turkish Private Aviation Enterprises Association	
AACO – Arab Air Carriers Organization (Strategic Partner)	
UN Global Compact Türkiye – Participant of the United Nations Global Compact	
SITA – Société Internationale de Télécommunications Aéronautiques	
HİB – Turkish Service Exporters Association	
TTYD – Turkish Tourism Investors Association	
GİF – Global Relations Forum	
TOBB – Civil Aviation Council of the Turkish Union of Chambers and Commodity Exchanges	
DEİK – Foreign Economic Relations Board of Türkiye	
GS1 Türkiye Foundation	
KOTEDER – Association of Executives of Publicly Listed Companies	
TBV – Turkish Informatics Foundation	
PERYÖN – Turkish Human Management Association	
30% Club Türkiye	
TSAA – Turkish Sustainable Aviation Platform	
TEKADER – Women in Technology Association	

2.3.6. Social Responsibility Projects

TEV Scholarship Program

As part of our collaboration with the Turkish Education Foundation (TEV), which began during the 100th anniversary of our Republic, we continued to support the education of young women throughout 2024. With the motto “Every Step for the Future,” we provided scholarships to 750 female university students, standing by their side throughout their academic and career journeys.

Our support goes beyond financial aid: we offer mentorship sessions with executives and

the CEO, special events, career workshops, internship and job opportunities, among other initiatives. This multi-dimensional support empowers these young women to build stronger futures.

This partnership not only touches individual lives but also reflects our strong stance on gender equality and social responsibility. Our goal is to support young women at risk of losing access to education due to financial hardship and to create meaningful, sustainable value for the future.



Laughter Heals

Following the devastating earthquakes on February 6, 2023, we supported transportation to the “100th Year Village” built by the Laughter Heals Association for earthquake-affected families in Hatay. This initiative aimed to improve accessibility to new living spaces and support the region’s recovery process.



Flying to the Future

With our belief in Türkiye’s bright future, we continued our “Flying to the Future” project in 2024, which we launched in 2018 in collaboration with the Support Foundation for Civil Society. In previous terms, we contributed to the realization of approximately 180 young people’s community-benefit and solidarity-based ideas across different cities through a total of 40 projects. We supported projects aimed at empowering youth in three thematic areas that directly concern them: Environmental Protection and

Combatting Climate Change, Youth Well-being, and Digital Literacy and Digital Security. In the 2023–2024 period, within the scope of the Youth Side project by the Association for Innovative Solutions for Sustainable Development, we supported 317 young people from 41 provinces, with the aim of providing psychosocial support to young people in the earthquake-affected region and contributing to their empowerment on their career path. Through these projects, we stand by our youth in building the future.



BlindLook

In our pursuit of an inclusive and barrier-free experience, we partnered with BlindLook in 2022 to make our website and mobile app accessible for visually impaired guests. By integrating Audio Simulation technology, Pegasus became the first airline in Türkiye to become an Eye-Brand. We continue to offer an accessible digital experience in 2024 for guests with full or partial vision impairments, reaffirming our commitment to digital inclusivity.



2.3.7. Our Awards

- **Aviation Week Laureate Award**
Leadership Award: Güliz Öztürk
- **Ekonomist Magazine**
Top 50 Most Powerful Women CEOs: Güliz Öztürk
- **Fast Company**
Top 50 Most Innovative HR Leaders: Dilara Oğur
Top 50 Most Influential Technology Leaders: Barış Fındık
Pegasus Ranked 27th in the 50 Most Innovative Companies
- **Turkish Exporters Assembly (TIM) – 31st General Assembly and Champions of Export Awards**
Pegasus recognized for export achievements
- **Capital Magazine**
Top 30 Most Successful CMOs of 2024: Ahmet Bağdat
- **Stevie Awards**
Gold Award – Employer of the Year (Aviation & Defense)
Bronze Award – Diversity & Inclusion: Harmony Initiative
Bronze Award – Best Recruitment Process: GoYoung Program
Bronze Award – Leadership Development: GoLead Program
- **Brandon Hall Group HCM Excellence Awards**
Gold Award – Best Talent Management Strategy
Gold Award – Best Employee Experience
- **Future Travel Experience**
Exceptional Ambition and Orchestration Award: Barış Fındık
- **Sustainable Business Awards**
Collaboration Award – “Zero Waste Now in the Skies” Project
- **The Airline Strategy Awards**
(FlightGlobal & Korn Ferry) – Executive Leadership: Europe – Güliz Öztürk
- **Sales Network Leadership in Sales Awards**
Leader of the Year: Onur Dedeköylü
- **2024 BlindLook EyeBrand Awards**
Recognized for inclusive digital services
- **Youth Awards**
Gold Award – Most Preferred Company to Work For in Transportation/Logistics
Achievement Award – Best Recruitment Program: GoYoung Young Talent Program
- **Kristal Elma Awards**
Crystal Award – “No Need to Miss This Much” (TV, Cinema & Online Film category)
Crystal Award – “You Gotta Be Young” (Radio & Audio – Special category)
Bronze Award – “Those Who Travel the World Know” (Radio & Audio – Sectoral category)
- **CAPA Sustainability Awards 2024**
Global Environmental Sustainability Airline of the Year
- **Bluesky Awards 2024**
Innovative & Digital Airline of the Year
- **Brandverse Awards 2024 – SocialBrand Data Analytics Awards**
Silver Award – Airlines Category
- **Felis Awards**
Gold Award – “No Need to Miss This Much” campaign (Transformative Marketing Strategy)
Silver Award – Creative Strategy Category



2.3.8. Sustainability Indices

We attach great importance to being included in various rating platforms and indices that assess sustainability performance. Rather than focusing on a single area, we prefer mechanisms that allow us to evaluate our environmental, social, and governance (ESG) performance holistically.

As a company that values global leadership in sustainability, we are proud to be the first airline in Türkiye to sign the United Nations Global Compact, which outlines fundamental responsibilities of businesses in the areas of human rights, labor standards, environmental sustainability, and anti-corruption. As a signatory, we submit our annual **Communication on Progress (CoP)** to transparently report our advancements.

In 2024, Pegasus Airlines was honored with the Global Environmental Sustainability Airline of the Year award by CAPA (Centre for Aviation). The CAPA Aviation Sustainability Awards are based on in-depth data analysis from independent sources and aim to recognize aviation leaders who have placed environmental sustainability at the core of their strategy.

Our Corporate Governance Rating Score increased to 97.9% in 2024, making Pegasus Airlines the highest-rated aviation company in the BIST Corporate Governance Index.

We continue to enhance our independent sustainability ratings. For the CDP Climate Change Disclosure, we achieved a Leadership Level Score (A-) for the fourth time, following the years 2020, 2022, and 2023. In the CDP Water Security Disclosure, we improved our score to the Management Level (B) in 2024. In the 2024 CDP reporting period, based on our performance in Supply Chain Management, Governance, Target Setting, and Scope 3 Emissions, **we qualified for the CDP Supplier Engagement Assessment (SEA) A List.** Our LSEG ESG Score reached 80.7% by the end of 2024, placing us 3rd among 129 global passenger transportation service companies. After joining the Sustainalytics sustainability index for the first time in 2023, we expanded our coverage in 2024 from the Core Framework to the Comprehensive scope.




Committed to Net Zero CO₂ Emissions by 2050

Among world's leading airlines to join IATA's 2050 Net Zero Target and set 20% carbon intensity reduction interim target for 2030.



Carbon Disclosure Project reporting since 2015

Our «A-» leadership rating on climate change places us among the top two rating tiers and among the highest scored airlines globally.




BIST Corporate Governance Index

We are the highest ranked aviation entity, and we rank among the highest-rated companies with a rating of 97.9% in 2024.




BIST Sustainability Index

Ranked in the BIST Sustainability 25 Index, fulfilling the qualified ESG criteria reported through LSEG ESG (scored 82% as of 2025).



ICAO CORSIA Participant

We have been measuring and reporting our emissions according to the International Civil Aviation Organization (ICAO)'s Carbon Emission Reduction System since 2019. We participated in the first large-scale auction for CORSIA Phase 1 Eligible Emissions Units (EEUs) and completed the purchase of REDD+ ART Forestation credits eligible for Phase I (2024-2026).



Supports IATA 25by2025

Among world's leading airlines to join IATA's "25by2025" Initiative that aims to improve female presence in industry by 25% or up to 25% by 2025.



UN Women's Empowerment Principles

Became the first airline in the world to join UN Women's Empowerment Principles in 2016.



UN Global Compact

First airline in Türkiye to sign the UN Global Compact (2019). One of the two travel & leisure airlines globally to voluntarily adopt enhanced CoP (2022).



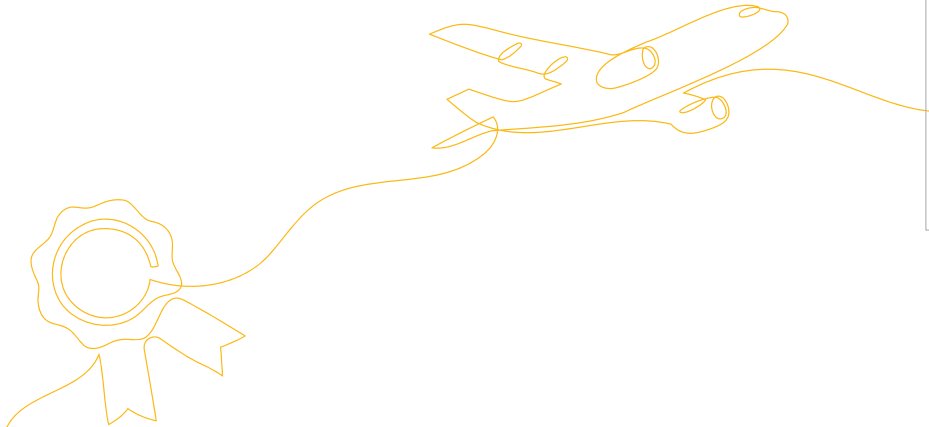
Environmental Sustainability Excellence

CAPA Global Environmental Sustainability Airline of the Year Award 2024 Winner, based on independent analysis of emissions & efficiency performance across the industry.



UN Sustainable Development Goals

We relate our actions to the UN Sustainable Development Goals (# 4, 5, 7, 8, 9, 10, 11, 12, 13, 16 & 17)



2.4. Our Safety and Security-Oriented Business Perspective



Providing safe and secure travel experience for our guests is our top priority. This perspective also reinforces our commitment to ensuring a safe and secure working environment for our employees and all other stakeholders during our operations. According to ICAO definitions, safety refers to the reduction and control of risks related to aircraft operations or supporting aviation activities to an acceptable level. Security, on the other hand, refers to the protection of civil aviation from unlawful interference. At Pegasus Airlines, we operate in full compliance with national and international standards in this area. We continuously enhance our performance by evaluating environmental and human factors, leveraging internal and external expertise, and utilizing advanced technological tools in all our safety and security practices.

2.4.1. Flight Safety

The Pegasus Airlines Safety Management System (SMS) is a vital tool that encompasses incident and hazard reporting processes. Through our SMS, we collect data by identifying incidents and potential hazards that occur during aviation operations. This data forms the foundation for building a more effective safety management structure and helps enhance operational safety. Additionally, the system aims to improve the safety awareness and competence of all individuals and systems involved in safety.

Modern and predictive safety risk management plays a key role in achieving our sustainability goals. By identifying future risks and responding proactively, we support long-term success in sustainable and safe operations. In our risk management approach, we utilize all available data sources to construct a comprehensive risk picture and assess risks within the context of operational conditions. We adopt a holistic approach by evaluating risk through incident investigations, audits, flight data records, and data obtained from global sources. We take the necessary measures to ensure safe execution of our operations.

The continuous improvement of corporate safety culture is essential for the continuity of safe operations. Our Safety Strategy is reviewed annually and updated for a three-year period. The Corporate Safety Strategy is published with the approval of the CEO and reported to the Board of Directors. In line with sectoral risks and technological developments in aviation, focus areas and safety objectives were determined for the 2022–2025 period.

Our Safety and Security Practices

Next-Generation Aircraft	Our fleet is equipped with next-generation technology, including advanced systems and reliable engines, ensuring a high level of flight safety.
Training	Each of our pilots receives a minimum of five simulator trainings annually. Our Airbus fleet is supported by three flight simulators and other competency-based training devices.
AI-Based Safety Software	Our Safety AI project leverages artificial intelligence to analyze historical flight data, predict potential risks, and provide pre-flight notifications to enhance operational safety.
Wellbeing	We care deeply about the mental and emotional health of our employees through projects focused on fairness and sustainability. We offer 24/7 support via Türkiye’s first Peer Support Program (PAPS). To support onboarding, we assign a coach to each new cabin crew member, providing guidance from experienced pursers and fostering transparent communication between teams and upper management. Through team coaching, we aim to strengthen a sense of belonging and enhance overall wellbeing.
Modernization Initiatives	Meteorological conditions are considered a significant factor in flight safety. All of our aircraft are equipped with advanced weather radars capable of detecting adverse weather in advance and enabling route adjustments. Our pilots receive specialized training and simulator scenarios on the effective use of these radars.
Warning Systems	In aviation, takeoff and landing are the most critical phases of flight. To enhance safety, systems such as Smart Runway/Smart Landing (SR/SL), Runway Overrun Warning (ROW), and Runway Overrun Prevention System (ROPS) analyze environmental conditions and aircraft systems to predict potential incidents and alert pilots with audio and/or visual warnings in advance. We continuously update the software and parameters of these systems in line with experience, evolving procedures, rules, and regulations to ensure they deliver timely alerts to pilots and contribute significantly to flight safety.

Safety and Security in Systems

FDX (Flight Data Exchange)	We share flight data monitoring information from all flights with IATA, comparing safety performance indicators across 214 airlines at global, regional, and airport levels.
ACARS	We use radio or satellite-based digital data transmission between aircraft and ground stations to enhance operational monitoring, safety, and efficiency through real-time communication — allowing us to manage sudden risks promptly.
EFB (Electronic Flight Bag)	We use in-house developed software to manage cockpit documentation electronically. Authorized by the Directorate General of Civil Aviation (DGCA), we’ve been implementing the “paperless cockpit” concept since 2015. Our Pegasus EFB software monitors flight plans, weather conditions, and technical data.
CEFA FAS (Flight Animation System)	We generate 3D flight animations based on flight recorder data, which are used in training and safety investigations with high accuracy and detail.
FDM (Flight Data Monitoring)	FDM plays a critical role in flight safety and sustainability. It enables the early detection of safety risks by analyzing in-flight data collected from aircraft. It also supports early warning systems, trend analysis, and monitoring of technical limits.
TEM (Threat and Error Management)	TEM provides comprehensive insights into aviation operations and human performance. We have integrated the TEM concept into all documented policies and procedures, as well as in every stage of training and operations. Briefings, checklists, aircraft systems usage, simulator sessions, and CRM training modules are continuously updated in line with the TEM framework.

IATA Operational Safety Audit (IOSA) Program

We participate in the internationally recognized IOSA audit every two years to ensure that our operations are carried out safely and in compliance with up-to-date regulations. Our safety audit program is conducted by the DGCA and relevant Ministry departments, IATA, the civil aviation authorities of the countries in which we operate, and our internal audit units.

Our operations in the European Union and the United Kingdom are carried out in full compliance with EASA and TCO regulations, and SAFA inspections are monitored as part of our safety performance indicators. In 2024, 59 SAFA inspections were conducted on 48 of our aircraft across 45 airports, and our average score was 0.07. The data from the past three years show consistent progress in line with our performance targets.

Non-Financial Indicator	Indicator	Target	2022	2023	2024
SAFA Rate	Flight Safety Assessment	Exceed Türkiye Average (0.52 for 2024)	0.19	0.21	0.07

2.4.2. Operational Security

We operate an aviation security system to protect our activities, primarily our flight operations, against unlawful interference.

In this context, ensuring the safety of our operations, guests, employees, and service providers remains at the core of all our activities. The tools for achieving this include establishing a corporate security culture, threat assessment and risk management, security training, internal communication, incident reporting systems, and performance management aligned with targets.

We maintain close cooperation and coordination with the DGCA (Directorate General of Civil Aviation), civil and security authorities at airports, and private security companies operating in terminal and other areas.

Domestic and international security risks and threats are regularly reviewed or reassessed upon significant developments.

Additionally, our unruly passenger system, designed in line with ICAO, IATA, and DGCA guidelines, has been effectively implemented for nearly 10 years to prevent incidents before or during flights that may disrupt operations, and ensure the safety of our flights, guests, employees, and service providers.



2.4.3. Information Security

We implement information security at various levels. By identifying our information assets and determining the risks that may threaten the confidentiality, integrity, and accessibility of these assets, we manage them in compliance with applicable legislation and standards.

We are committed to defining the necessary roles and responsibilities for managing information security processes, providing the required resources, raising awareness among stakeholders, and continuously improving the system.

Our cybersecurity approach is aligned with our strategic objectives and built within a robust Information Security Management System (ISMS) that reflects best practices. We aim to create an environment with strong cybersecurity, cooperation, and awareness. Our information security is assessed under three main categories:

Cybersecurity, Network Security, and Risk & Compliance. Within these, we manage various aspects such as risk management, standards and compliance, data and brand protection, infrastructure security, access security, and identity and access control. We have a specialized information security team with extensive industry experience. Our information security practices

cover vulnerability management, 24/7 monitoring and response, data protection, governance, and network security. As part of our operations, we offer fast, easy, and secure online services to our guests, agencies, and airline partners. Protecting the confidentiality, integrity, and availability of commercial, operational, and personal data is of utmost importance for our employees, guests, business partners, and suppliers. We consider it essential to prevent unauthorized access to data, preserve data integrity, and ensure access only by authorized individuals when necessary.

In compliance with legal regulations on Personal Data Protection, we take necessary technical and administrative measures to prevent the unlawful acquisition of personal data. We adhere to KVKK and GDPR rules and implement control mechanisms in our business processes to ensure compliance.

Within our governance structure, we aim to effectively implement and maintain the Information Security Management System integrated with our business strategies. All activities conducted under Pegasus Headquarters, all operations at our main hub, Istanbul Sabiha Gökçen Airport, all critical systems, information systems hosted in our data centers, and disaster recovery systems are included within the scope of Information Security.

CYBERSECURITY

RISK & COMPLIANCE

NETWORK SECURITY

We operate and audit our information security management system with reference to various industry standards such as PCI DSS (Payment Card Industry Data Security Standard), the Presidential Digital Transformation Office - Information and Communication Security Guide, and DGCA Cyber Aviation Directive.

In 2024, we successfully completed the ISO/IEC 27001:2022 version upgrade audit of our Information Security Management System. We conducted 59 internal audits throughout the year to review our ISMS and maintain our continuous improvement approach.

We provide mandatory information security awareness training to our employees and conduct exams to assess maturity levels post-training. Our awareness efforts extend further with regular monthly content shared via internal corporate screens and emails, along with short educational videos on information security. Additionally, we run comprehensive information security programs with selected suppliers and agencies to extend awareness beyond our employees.

We identify our critical suppliers from an information security standpoint and perform

audits to raise awareness. We conduct regular security scans of our systems and implement data protection measures against unauthorized access and misuse.

We engage independent auditing firms to assess our information security maturity using international frameworks such as COBIT 4.0, ISF (The Standard of Good Practice for Information Security), and NIST Cybersecurity Framework. By identifying areas for improvement, we seize opportunities for ongoing enhancement in line with our continuous improvement philosophy, benefiting all stakeholders, including our guests. A dedicated information security advisor is involved in every project developed within Pegasus to guide teams in aligning with procedures and current technologies throughout development and testing phases.

Our senior management-level Information Security Committee receives regular briefings on internal cybersecurity risks and our corporate perspective on emerging threats. As Pegasus, while progressing toward becoming one of the most tech-driven airlines, we remain committed to strict information security practices through regular controls and assessments.



 **59**
Internal Audits

2.4.4. Occupational Health and Safety

We are aware that ensuring the health and safety of our employees, business partners, stakeholders, suppliers, and guests forms the foundation of our operational safety.

Therefore, this area is prioritized across all our operations. We attach particular importance to the involvement of our employees in the decision-making process by consulting them.

Our Occupational Health and Safety Policy clearly expresses the value we place on health and safety and our commitment to continuous improvement in this area, from operational processes to service delivery. We aim to reflect our people-oriented approach not only in our service quality but also in our working environments at the highest level. Through field inspections, training, and preventive practices, we eliminate potential risks before they materialize and grow our safety culture together. Within this scope, in the past year, our Occupational Health and Safety team conducted 2,230 field inspections across all stations, took action on 163 corrective measures, prevented incidents through 96 near-miss and unsafe condition/behavior reports, and provided 50,376 person-hours of OHS training to raise individual awareness.

With our health and wellbeing-focused initiatives, we support the holistic wellness of our employees. In this context, in 2024, we carried out various wellbeing activities aimed at promoting the physical, mental, and emotional wellbeing of our employees. These included a Breast Cancer Awareness Seminar, informative publications on mental health, psychologist and dietitian consultations through hospital partnerships, general dental screenings, an ergonomics seminar, and office massage sessions.

In 2024, we launched the Lessons Learned from High-Potential Incidents project. Through this practice, "Lessons Learned Bulletins" are prepared for frequently occurring or potentially high-impact incidents and are published to departments via Comply365. Each month, site visits are conducted for incidents identified by the Occupational Health and Safety Board Chair, allowing for on-site observation and implementation of corrective actions.

As part of our OHS digitalization projects, we launched the OHS Dashboard, hosted on the POWERBI infrastructure, which enables dynamic monitoring and analysis of occupational accident data and trends by year and department, and is now accessible internally. We implemented projects to strengthen our digital OHS infrastructure, including the OHS Dashboard and Medical Appointment System, and we are rapidly continuing our AI-supported OHS Monitoring initiatives.



2,230

Field Inspections

163

Corrective Measures

96

Prevention

50,376

Person/hour OHS Training Eğitimi

With the participation of our 62 employee representatives, we hold Occupational Health and Safety (OHS) Committee meetings every two months in our high-intensity operational areas, chaired by employer representatives. In 2024, we held 48 committee meetings. These meetings evaluate incidents and actions taken during the month. At the end of each meeting, dedicated time is given to every employee representative, enabling them to share their opinions freely and contribute to the committee discussions.

We adopt an open-minded and innovation-oriented approach to occupational health and safety and hold regular meetings with industry stakeholders throughout the year to share best practices. We believe that these knowledge-sharing meetings are critical for driving development in the OHS field, revealing the strengths and weaknesses of the company, and spreading projects that deliver practical benefits.

To establish health and safety across our workspaces, we involve all our colleagues in the processes, implement best practices, and continuously evaluate how to improve them. With the system we have established at our main operations hub, Istanbul Sabiha Gökçen Airport, we ensure 24/7 on-site OHS expert supervision and aim to manage risks proactively. At other airports, we contribute to the health and safety culture through effective field supervision.

All new hires receive occupational health and safety training before starting their job and every two years thereafter. Additionally, new employees receive field-specific training prior to beginning

operations, focusing on the potential OHS risks and hazards they may encounter. Furthermore, we conduct on-the-job training, which we call “Toolbox Talks,” for all employees working in operations. These trainings are delivered unscheduled by our OHS experts working in the field 24/7, while employees are actively performing their duties.

Our OHS approach aims to go beyond the minimum requirements defined by legal regulations, implementing exemplary practices. One of these is our Virtual Reality (VR) Training Project, developed to increase training efficiency. Using this advanced technology, we provide employees with a near-real experience of the working environment before they enter the field. This allows them to undergo the most realistic and safe training experience possible, enhancing their preparedness.

As part of our disaster and emergency preparedness efforts, we conduct at least one drill per year at all our workplaces. We measure our institutional OHS efficiency through key parameters such as recorded occupational accidents, near-miss reports, and employee feedback.

Inspections are of great importance for assessing the implementation status of our OHS efforts and identifying necessary actions. During these inspections, we evaluate not only our internal practices but also audit our suppliers to ensure comprehensive occupational health and safety compliance.

Occupational Health and Safety Trainings

Training Title	Number of Participants		
	2022	2023	2024
Basic Occupational Health and Safety Training	3,660	3,732	4,004
Pre-employment OHS Training	19	156	295
On-the-Job Training (Toolbox)	17,153	21,038	24,412
Search-Rescue-Firefighting-First Aid Training	92	160	227

Occupational Health and Safety Data

OHS Definition	Employee Data			Subcontractor Data	
	2022	2023	2024	2023	2024
Accident Frequency Rate	30.06	33.97	34.02	-	-
Accident Severity Rate	49.67	64.67	61.37	-	-
Lost Time Accident Frequency Rate	7.1	12.49	12.58	-	-
Number of Occupational Diseases*	1	2	1	0	0
Number of Near Miss Reports	62	95	100	2	61
Total Number of Accidents	406	549	630	5	549
Total Number of Fatal Accidents	0	0	0	0	0
Total Number of Lost Workdays	721	1,045	1,137	1	1,416
Total Number of OHS Inspections (All Airports)	1,469	1,704	2,161	588	-
Total Number of OHS Inspections (Suppliers)	11	6	11	-	-
OHS Committee Meetings	-	42	48	10	139

* The main types of occupational diseases are musculoskeletal system disorders.

2.5. Our Technology and Innovation-Oriented Business Perspective

At our company, we operate a model that continuously explores and develops technology and innovation opportunities across corporate, commercial, and operational areas. We evaluate innovative projects and solution proposals that collaborate with technology, either submitted by our business units or guided by our IT department, in line with our working domains and business requirements. In every field where we can utilize technology, we work on integrating practical and development-oriented solutions into our systems. Every value we add to our processes through technology contributes to the continuous improvement of the travel experience.

2.5.1. Our Innovative Mindset

As Pegasus Airlines, we see technology not just as a supportive tool, but as a strategic asset that transforms the way we work, the guest experience, and the level of contribution from our employees. We position ourselves as a “Digital Airline” and aim to be permanently among the top 3 airlines globally in utilizing technology most effectively.

In line with this vision, we continue to increase our technology investments every year to offer our guests a more personalized and inclusive travel experience, and to create a more efficient and effective working environment for our employees.

Our technology journey is based on the innovative, inquisitive, and entrepreneurial

approach we have maintained since 2005. Today, we systematically explore technology and innovation opportunities across all corporate, commercial, and operational processes, encourage employee contributions, and transform them into tangible outcomes.

We carry out significant projects using the power of technology in every area to provide an easy and self-managed travel experience for our guests, create a seamless working experience for our employees, ensure efficient and safe operations, and enable effective revenue/expense management.

Pegasus Artificial Intelligence Strategy
Our Goal: To increase our operational efficiency through Artificial Intelligence and offer our guests a personalized and seamless travel experience at affordable prices.

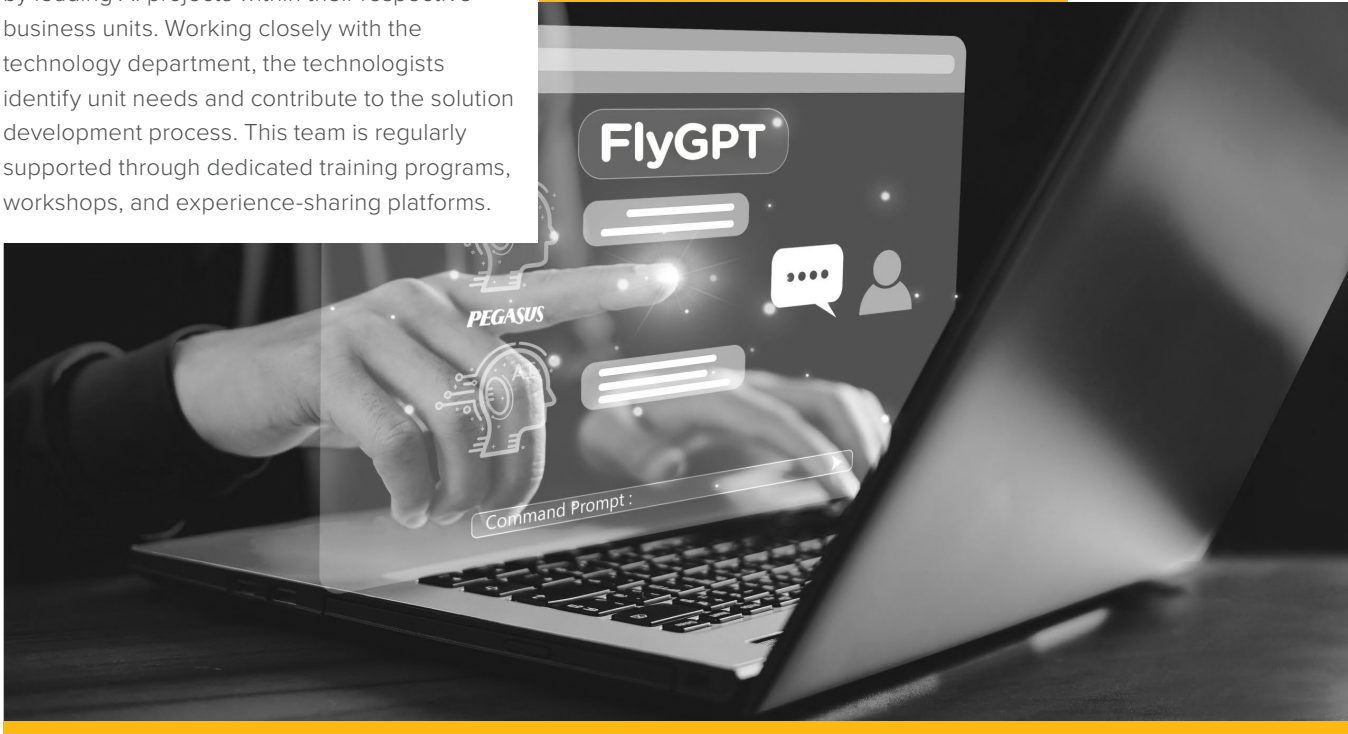
The FlyGPT Program, launched at the beginning of 2024, has transformed artificial intelligence into an organization-wide force for change at Pegasus. Under this umbrella program, we not only run technology projects but also

promote employee awareness, training, and cultural transformation. The program is also a comprehensive communication and training-oriented change initiative aimed at raising AI awareness among more than 8,000 Pegasus employees. In this process, led by senior management, we provided specialized training to 25 senior executives, more than 200 managers, and 80 technologists. Throughout 2024, through workshops and internal communication activities with the active participation of technologists, we collected over 150 ideas and converted nearly 100 of them into concrete AI use-case scenarios.

One of the key building blocks of the FlyGPT Program is our volunteer leadership group called “technologists.” These team members, who serve in different departments, actively contribute to the dissemination of transformation by leading AI projects within their respective business units. Working closely with the technology department, the technologists identify unit needs and contribute to the solution development process. This team is regularly supported through dedicated training programs, workshops, and experience-sharing platforms.

FlyGPT Projects Are Structured Around Three Strategic Focus Areas:

- 1. Operational Efficiency and Cost Optimization:** We aim to increase our efficiency by optimizing all cost items in operational processes through AI-supported systems.
- 2. Enriching the Guest Experience with AI:** Our goal is to offer guests a seamless, personalized, and self-managed travel experience.
- 3. Next-Gen Digital Coworkers for Our Employees:** We equip our employees with AI-powered systems, enabling them to focus on work that creates strategic added value.

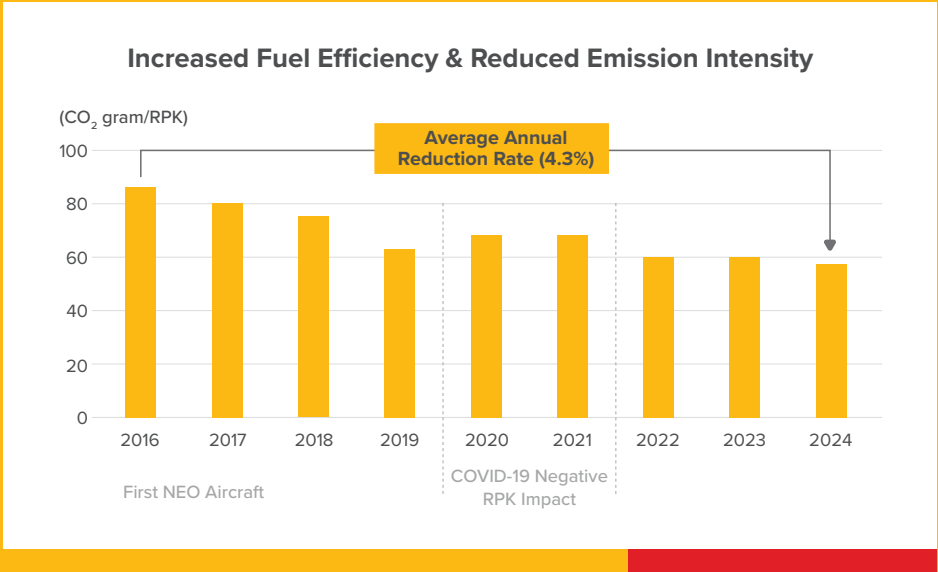
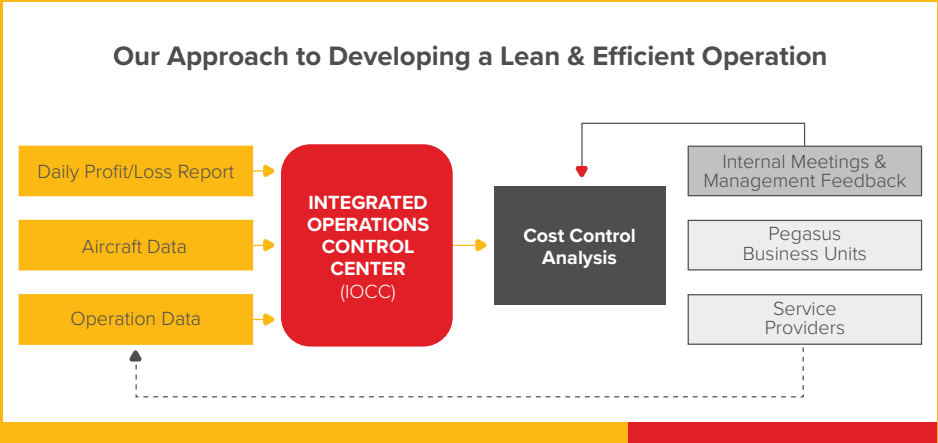


2.5.2. Operational Efficiency

Lean & Efficiency Oriented Operation The low-cost business model requires the control of this fleet with lean and efficient operational management as well as the existence of an efficient aircraft fleet. Our strong commitment to maintaining lean and efficient operations is a key factor in the continuity of our low-cost business model, enabling us to operate with a low unit cost base and high efficiency.

With the strong support of our Board of Directors and management, led by our operational teams, coordinated by our Cost Control and Analysis Team, and executed through our support functions, various operational initiatives consistently deliver significant efficiency and cost savings by breaking the mold of traditional practices.

These initiatives are shaped by our promise to be a Digital Airline and our environmental goals and are an important source of strength for our sustainability efforts.



Examples of Our Lean & Efficient Operation Practices

- Selected Application Examples
- Airbus NEO Fleet Investment
 - Investment Flight Altitude Optimization
 - Electronic Flight Bag (EFB) & Paperless Cockpit
 - Auxiliary Power Unit (APU) Usage Optimization
 - Alternative Airport Optimization
 - Flight Plan Fuel Optimization
 - Aircraft Weight Reduction Applications
 - Artificial Intelligence Supported Inflight Catering Optimization
 - Aircraft Exterior Wash & Engine Wash Optimization
 - Use of Electric Vehicles in Ground Operations
 - Internet of Things (IoT) Optimization in Airport Ground Operations
 - Terminal Optimization Applications (Express Baggage Kiosks, ID Card Travel, Check-in Optimization)

2.5.3. Innovation

At the end of 2023, we established the Pegasus Innovation Lab in Silicon Valley, an innovation platform that globally supports Pegasus’ vision of becoming a digital airline. It is not merely a structure for tracking technological developments; it is a holistic ecosystem where we collaborate with startups, develop joint projects with universities, involve our employees, and create value with industry stakeholders.

Throughout 2024, we engaged with 245 startups operating in the US and Europe; conducted in-depth discussions with 50 of them; and completed Proof of Concept (POC)

processes for 15 different projects. These collaborations encompassed applications aimed at transforming numerous aviation processes, from voice announcements to passenger identity management, robotic baggage handling to call center automation.

Thanks to our strategic partnerships with global technology leaders, we have integrated generative AI solutions into Pegasus operations and pioneered industry-wide applications.

In collaboration with some of the world’s leading universities, we are executing multi-layered academic and industry partnerships focused on flight optimization, sustainability, pilot training, AI applications, and the digital passenger experience. Through these projects, we aim

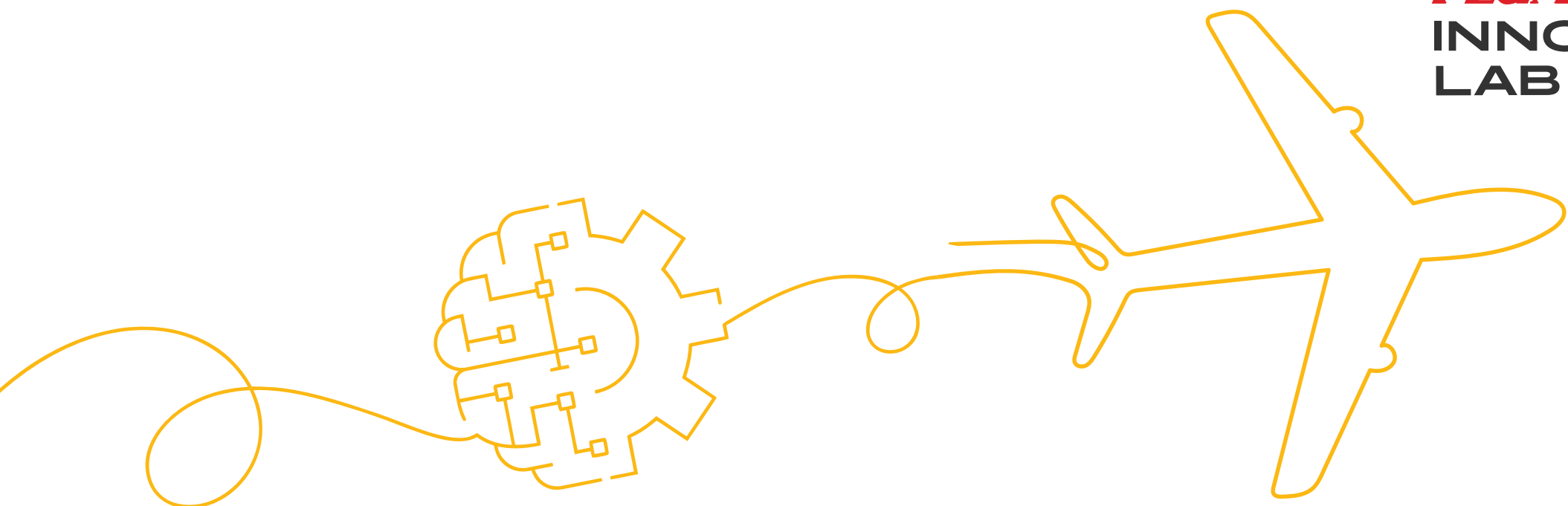
to make lasting contributions in the areas of research, education, and talent development. Within Pegasus Innovation Lab, we have laid the foundation for a working group that brings together various low-cost airlines to collectively address aviation’s shared, technology-driven challenges. With this initiative, we aim to strengthen industry collaboration, foster knowledge sharing, and create common growth areas in the field of technology.

Internally, we support active employee participation in this transformation through a model we call “**Innovators.**” This structure enables agile teams formed around internal needs to develop innovative solutions by integrating external technology ecosystems with internal processes.

As of 2025, the Pegasus Innovation Lab’s priorities include:

- AI-powered flight disruption management
- Revenue optimization initiatives
- Digital passenger identity solutions
- Next-generation loyalty platforms

Pegasus Innovation Lab is positioned as an innovation platform not only shaping the future of Pegasus, but also the airline industry. We continue to lead in technology, not as followers of innovation, but as a structure that shapes and directs it.



3 | APPENDICES



ABBREVIATIONS AND DEFINITIONS



AI: Artificial Intelligence	EU: European Union	KVKK: Personal Data Protection Law	Report: Pegasus 2024 Sustainability Report
ASK: Available Seat Kilometer	EU ETS: European Union Emissions Trading System	LC / LCC: Low-Cost / Low-Cost Carrier	SAF: Sustainable Aviation Fuels
BIST: Borsa Istanbul	Esas Holding: Esas Holding Inc.	LCAF: Low-Carbon Aviation Fuels	SAFA: Safety Assessment of Foreign Aircraft
Board of Directors: Pegasus Board of Directors	GDPR: General Data Protection Regulation	LTAG: Long-Term Aspirational Goal	SAW: Istanbul Sabiha Gökçen International Airport
CASK: Cost per Available Seat Kilometer	GRI: Global Reporting Initiative	NOx: Nitrogen Oxides	SEA: Supplier Engagement Assessment
CDP: Carbon Disclosure Project	HEAS: Airport Operation and Aviation Industries Inc.	PAPS: Pegasus Peer Support Program	SHGM: Directorate General of Civil Aviation
CMB: Turkish Capital Markets Board	Hitit: Hitit Computer Services Inc.	PHT: Pegasus Havacılık Teknolojileri ve Ticaret A.Ş.	TCO: Third Country Operator
CO₂: Carbon Dioxide	HİB: Turkish Service Exporters' Association	PUEM: Pegasus Uçuş Eğitim Merkezi A.Ş. (Pegasus Flight Training Center)	TFRS: Turkish Financial Reporting Standards
CO₂e: Carbon Dioxide Equivalent	I-REC: International Renewable Energy Certificate	Paris Agreement: Paris Agreement	TOBB: Union of Chambers and Commodity Exchanges of Türkiye
CORSIA: Carbon Offsetting and Reduction Scheme for International Aviation	IATA: International Air Transport Association	Pegasus: Pegasus Hava Taşımacılığı A.Ş.	TSAA: Türkiye Sustainable Aviation Platform
COVID-19: Coronavirus Disease 2019	ICAO: International Civil Aviation Organization	Pegasus BolBol: Pegasus Airlines Passenger Loyalty Program	TSRS: Türkiye Sustainability Reporting Standards
DHMI: General Directorate of State Airports Authority	IEA: International Energy Agency	Pegasus Innovation Lab: Pegasus Airlines Innovation Lab, Inc.	TÖSHİD: Turkish Private Aviation Enterprises Association
EASA: European Union Aviation Safety Agency	IOCC: Integrated Operations Control Center	R&D: Research and Development	UN SDGs: United Nations Sustainable Development Goals
EBITDA: Earnings Before Interest, Tax, Depreciation and Amortization	IOSA: IATA Operational Safety Audit	RPK: Revenue Passenger Kilometer	UNGC: United Nations Global Compact
EBITDA %: EBITDA Margin	IPCC: Intergovernmental Panel on Climate Change	ReFuelEU: Regulation (EU) 2023/2405 of the European Parliament and of the Council of 18 October 2023 on ensuring a level playing field for sustainable air transport (ReFuelEU Aviation)	WEP: Women's Empowerment Principles
EFB: Electronic Flight Bag	ISO: International Organization for Standardization		YEK-G: Renewable Energy Guarantee of Origin System
ESG: Environmental, Social and Governance	KGK: Public Oversight Accounting and Auditing Standards Authority		
	KPI: Key Performance Indicator		

OUR VALUE MODEL EXPLANATIONS

Our Aim of Being

To be a leading low-cost carrier offering a safe and easy travel experience at affordable prices.

Our Corporate Strategy

Safe and Secure Travel Experience: This is one of the key pillars of our strategy. Our Company prioritizes the necessary investments and develops human resources accordingly, embracing safety management as a core responsibility. Continuously improving flight safety to ensure our passengers reach their destinations securely is the primary assurance of our operating model, strategic roadmap, and sustainability.

Financial Resilience: Ensuring business continuity through optimal unit cost, strong cash position, and sustainable profitability. It is a critical prerequisite for the Company's growth, long-term value creation, and sustainability efforts.

Operational Efficiency: With our next-generation aircraft fleet, operational efficiency means using technological infrastructure and resources at the right time and in the right place. It is a critical goal for efficient resource use from a sustainability perspective.

Guest Experience: It plays a crucial role in

realizing our growth potential. Passenger satisfaction creates value for us by positively influencing travel choices and word-of-mouth recommendations. A strong guest experience supports both economic and social sustainability and directly impacts our corporate reputation. At Pegasus Airlines, we closely monitor guest expectations and needs through strong communication.

Growth with Next-Generation Aircraft:

Our Company aims to grow with one of the youngest fleets in Türkiye and globally. By expanding our flight network and increasing flight frequencies to current destinations, we improve the passenger experience and increase passenger numbers with our young and efficient fleet. This growth, supported by digital services and technological opportunities, contributes to our sustainability goals by better managing environmental and social impacts.

Employee Experience: We achieve our successes with our employees. Employee experience is a critical element that enables our Company to operate innovatively, effectively, and efficiently. We focus on strengthening employee satisfaction and engagement by prioritizing equality, inclusiveness, fair treatment, career opportunities, developmental support, competitive compensation, and a safe working environment. A strong employee experience is a fundamental part of our sustainability approach and the uninterrupted execution of our operations.

Digitalization: Digitalization is a priority in the efficient and effective execution of our operations and will play a critical role in the future of aviation. Digital processes, data-driven

decision-making, flight safety, automation, artificial intelligence, and Internet of Things (IoT) applications enhance efficiency, employee and guest satisfaction, effective use of natural resources, and create a competitive advantage. Digitalization also supports the development and dissemination of sustainability practices in a data-driven manner.

Our Corporate Values

Innovation: We didn't start aviation in Türkiye-but we changed it! And we continue to change it! We improve our processes with innovative solutions by following employee suggestions and sectoral developments, enhancing operational efficiency and experiences.

People-Oriented Approach: People are always at the heart of our work. Through technological investments, we offer our guests economical, safe, and easy transportation and focus on improving both employee and guest experiences.

Result-Oriented: We assess our goals using clear, measurable, and trackable methods, making revisions when needed and regularly evaluating our performance.

Competitiveness: We maintain our competitive advantage in the industry by increasing process efficiency and service quality, pioneering innovations, and closely following sectoral developments.

Effectiveness and Efficiency: We operate with a low-cost business model to make air travel more accessible, prioritizing efficiency and effectiveness in all our processes. Our sustainability perspective is an integral part of our strategy and values.



Inputs and Outputs of Our Business Model

In our business model, we focus not only on continuously improving our business performance but also on enhancing the value we create. Through our integrated thinking approach, we utilize our six capitals in the most effective way, guided by our purpose, values, and strategy, to transform them into “value.” The core components of the six capitals we use to implement our business model are explained in the table below.

Natural Capital

In 2024, we consumed **1.06 million tons** of Jet A1 fuel for our flights. Jet A1 accounted for **77.5%** of our Scope 1, 2, and 3 emissions in 2024. In 2024, we consumed **6,389 MWh** of electricity and **140 thousand m³** of natural gas at our headquarters in Istanbul and across our operations at airports in Ankara, Adana, Antalya, Bodrum, Dalaman, Istanbul Sabiha Gökçen, Izmir, Kayseri, and Trabzon. Our Scope 2 consumption accounted for **0.09%** of our total Scope 1, 2, and 3 emissions.

Our total Scope 1, Scope 2, and measured Scope 3 emissions resulting from our 2024 activities amounted to **4,369,307 tons of CO₂e**. Scope 3 activities measured include employee commuting and business travel, purchased services/ expenses, and waste-related emissions.

In 2024, a total of 103.9 tons of hazardous waste and 148.3 tons of non-hazardous waste were separated, collected, and mostly recycled. The Recovery & Recycling Rate of waste from ground services, technical and administrative operations reached 99.44% in 2024.

Human Capital

By the end of 2024, the total number of full-time employees at our company and its subsidiaries reached **8,473**.

Intellectual Capital

We pioneered the low-cost airline business model in Türkiye in 2005, introducing many innovations.

In achieving this, we leverage our intellectual capital, an accumulation of our strategic approach, business model, and corporate values. We use this capital to advance corporate goals and create a broader positive impact on our sector and society through stakeholder collaboration. We support this intellectual growth by ensuring the personal and professional development of our employees.

We operate in a sector where competency holds great importance. In addition to holding undergraduate, graduate, or higher-level academic degrees, our employees possess specialized competency certificates that qualify them to perform specific professions or certify

particular expertise. As of the end of 2024, the number of such competency certificates held by pilots, cabin crew, technicians, and dispatchers alone exceeded **4,900**.

In 2024, our employees continued to take active roles at board and advisory levels in sectoral organizations such as IATA and development-focused platforms such as UNGC.

We take great care in protecting our corporate image and brands. As of the end of 2024, we hold **492** registrations in **220 jurisdictions** across trademarks, industrial designs, and software. Most of our registrations relate to commercial trademarks. In addition, our company benefits from licensed products and specific areas of expertise and know-how through agreements with business partners and suppliers.

Social Capital

In 2024, we served approximately **37.5 million** guests.

During the same period, we operated a network covering **146** destinations across 53 countries, including **37** domestic and **109** international routes to/from Türkiye. By the end of 2024, our loyalty program Pegasus BolBol reached 13,122,826 members, representing a **23.8%** increase compared to year-end 2023.

Financial Capital

According to our financial statements prepared under TFRS, our total assets stood at EUR **7.7** billion and our equity at EUR **2 billion** as of the end of 2024.

Our operational profitability (EBITDA margin)

reached **28.4%** in 2024, one of the highest in the industry. Our unit cost indicator, ex-fuel **CASK**, was **2.55 €/cent**.

Our net debt stood at EUR 2.7 billion at the end of 2024, 18% of which was due within one year. Our net cash reserves were EUR 827 million, and total cash resources reached EUR 1.7 billion.

Manufactured Capital

By the end of 2024, our fleet included **118** aircraft, which constitutes our largest asset group. Among these, 57 are Airbus A321neo and 46 are A320neo, meaning **87.3%** of our fleet comprises next-generation neo aircraft. With an average fleet **age of 4.5 years**, we closed 2024 as the airline with the newest fleet in Türkiye and Europe and the second youngest fleet globally. The share of seat capacity provided by neo aircraft reached 89% in 2024. Compared to 2023, our carbon emissions intensity per revenue passenger kilometer (measured in grams of CO₂) decreased by **4.9%** in 2024.

To ensure timely and high-quality execution of our flight operations, we have been handling terminal and ramp ground services at our main hub, Istanbul Sabiha Gökçen Airport, since 2013 and 2016, respectively. We also perform terminal ground services at Izmir Adnan Menderes Airport using our own resources. As of the end of 2024, we operated over 1,000 pieces of ground support equipment and vehicles at Istanbul Sabiha Gökçen Airport, 306 of which were motorized. Of these, **22.5%** were electric-powered. Additionally, we utilized airport and infrastructure services at **146** destinations during 2024.

* Unless otherwise stated, the figures show the results for 2024

We leverage the six capitals we use to implement our business model to produce the following outcomes:



OUTCOME	IMPORTANCE
500+ flights on average per day and 37.5 million passengers a year	Through our low-cost business model, we make air travel more accessible to a broader audience. We connect more destinations across Türkiye, Europe, Asia, the Middle East, and North Africa. The success of our business model and our contribution to the economy continue to grow with the increasing number of guests who choose to fly with us each year. In 2024, we operated our flights with a passenger load factor of 87.7%. Our annual passenger numbers grew by an average of 18% between 2022–2024, exceeding Türkiye’s national average growth of 13%.
Flight Network Connecting 50+ Countries and 140+ Destinations Across Three Continents	We offer frequent, point-to-point, and transit flights on short- and medium-haul routes across our domestic and international network. As of 31 December 2024, we provided scheduled services to 37 destinations in Türkiye and 109 international destinations across Europe, Northern Cyprus, the Commonwealth of Independent States, the Middle East, and Africa—reaching a total network of 146 destinations in 53 countries.
Employment (8.000+)	The growth in our fleet, capacity, and guest numbers directly translates into expansion in our workforce. We currently employ a total of 8,473 people. With the expansion of our fleet in 2025 and beyond, we anticipate a significant increase in employee numbers. Through benefits for our employees and their families, development opportunities, and internship programs, we also create economic value for our value chain partners.
On-Time Performance (%69.2 On-Time Departures)	We strive to maintain our operations as planned and punctually under all circumstances. In 2024, our on-time departure performance was 69.2%. The technical availability rate for our fleet was recorded at an average of 99.4%. This performance helps us maintain a competitive advantage.
Industry-Leading Unit Cost (CASK 2.55 €/cent)	We are among the leading airline operators in terms of unit cost by effectively managing capacity utilization, operational efficiency, and cost control. By maintaining our ex-fuel unit cost (CASK) at low levels, we uphold our leadership in operational efficiency within the industry. Our goal is to provide affordable air travel to all our guests.
Industry-Leading Operational Profitability (EBITDA Margin 33.3%)	We maintain our leadership position in the industry with a low-cost business model and strong financial management strategies to ensure operational profitability. We continue to keep our EBITDA margins at top levels. Operational profitability plays a key role in financial sustainability through its impact on net income and the reinvestment of value generated from operations into company growth.
Industry-Leading Emission Intensity Performance (58.3 CO ₂ /RPK)	Jet fuel is the largest cost item for airlines, often accounting for one-third or more of total expenses. Therefore, reducing fuel consumption is a core element of the business model, especially for low-cost carriers. Less fuel consumption directly reduces carbon emissions. Next-generation aircraft offering up to 20% fuel savings, high load factors, and applications such as weight and route optimization all contribute to emission efficiency. With increased use of Sustainable Aviation Fuel (SAF) in the future, further emission reductions are expected. In 2024, our company achieved one of the lowest emission intensities in the sector and was awarded the Global Environmental Sustainable Airline honor by the CAPA Envest 2024 Sustainability Survey .

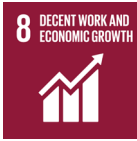


In Conclusion:
Our Contribution
to Sustainable
Development and the
Value We Create

In line with our strategies and sustainability approach, we have aligned our business model with the United Nations Sustainable Development Goals (SDGs). Through this alignment, we aim to monitor the contribution of the value we generate to the SDGs we focus on and to ensure continuous improvement in this area. We plan our efforts based on a model associated with **three main pillars and 11 SDGs**, measure our impact, and focus on enhancing our contribution.








POSITIVE IMPACT & VALUE
THROUGH BEST GOVERNANCE
PRACTICES AND STAKEHOLDER
COLLABORATION




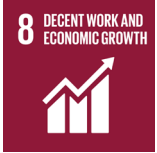




DECENT WORK IN
A DIVERSE, EQUAL
& INCLUSIVE
ENVIRONMENT



SUSTAINABLE
ECONOMIC
GROWTH &
CONNECTIVITY

SDG	How Do We Contribute, Monitor, and Measure?
Sustainable Economic Growth & Connectivity	
	We increase the efficiency of our processes through innovative approaches and improve our environmental impact through digitalization. As Türkiye's "Digital Airline," we integrate our technologies into our processes. We utilize technological developments to improve the lives of our passengers and employees. We measure our effectiveness through digitalization and innovation initiatives that go beyond our own operations and impact the entire travel experience.
	We enable access to air travel for broader segments of society at affordable costs. We believe everyone has the right to fly and design our low-cost business model to ensure this. We offer accessible air travel to all our passengers who transform Turkish aviation with us. Our wide range of services and affordable pricing are monitored annually through metrics such as the number of passengers served and network expansion.
	We support economic, cultural, educational, and healthcare access through cities connected by air travel. Unlike other low-cost carriers, we provide a broad flight network to our passengers. As of the end of 2024, we connected 37 domestic and 109 international destinations in 53 countries, totaling 146 destinations.
	Our model prioritizes limited consumption aligned with operational needs. We prevent waste formation, recycle and reuse efficiently. We apply a lifecycle approach that promotes environmental impact awareness and circularity across our entire supply chain. We focus on minimizing negative environmental impacts of non-recyclable in-flight materials and packaging.
	We have renewed our fleet with next-generation aircraft and expanded the use of sustainable aviation fuels to enhance operational efficiency. Our 2023 Climate Action Plan outlines our strategies to meet the Net Zero Carbon Emissions goal by 2050. In 2024, our TSRS report aligned climate risks and opportunities with the plan. We support national and international policy through data sharing, research, and sectoral participation. We have measured and reported our greenhouse gas emissions on the CDP platform since 2015.

SDG	How Do We Contribute, Monitor, and Measure?
Decent Work in a Diverse, Equal and Inclusive Environment	
	Through scholarships and internship programs, we support gender-neutral training and contribute to the development of a qualified workforce for the sector. We apply Pegasus' Education and Development Program for the personal and professional growth of our employees. In collaboration with universities and aviation schools, Pegasus Flight Academy coordinates long-term internship and graduate-level certification programs for pilots, cabin crew, and technicians. We also support MBA and equivalent postgraduate opportunities for employees.
	We support gender equality and inclusivity through our Pegasus Harmony program, ensuring women are represented in our workforce. We work to increase the ratio of female employees in areas where women are underrepresented. Since 2019, we have supported IATA's "25by2025" initiative for gender equality. We share our progress through annual public reports.
	Our headquarters and main base at Istanbul Sabiha Gökçen Airport meet electricity needs with energy from renewable sources. We obtain I-REC and YEK-G certifications for our green energy investments. In 2024, 22.5% of our motorized ground support equipment at Sabiha Gökçen was electric-powered.
	We provide a decent work environment, encourage innovation, and continually improve our operations. We ensure equal pay for equal work. Our fleet strategy, fossil fuel reduction, and focus on employee well-being reflect our fair and inclusive business model. We regularly assess employee satisfaction and use results to improve work processes and collaboration.
Creating Positive Impact and Value through Best Governance Practices and Stakeholder Collaboration	
	We ensure alignment with good governance principles such as accountability, transparency, and anti-corruption. We are committed to improving our governance practices to increase our impact and value. Since 2013, we have been listed in Borsa Istanbul's Corporate Governance Index and achieved a governance rating score of 97.9 in 2024, the highest among aviation companies.
	We support multi-stakeholder partnerships for sectoral advancement. Pegasus contributes to initiatives such as SAF (sustainable aviation fuel) development. We collaborate with IATA, TSAA, TOBB, and HIB, as well as with platforms like UNGC. These partnerships allow us to address shared challenges and foster innovative, scalable solutions for sustainability.

We created our Materiality Matrix to identify the most important risks and opportunities that affect us while developing our strategies and planning, and to prioritize these topics according to their impact on our business and performance.

To achieve this, in 2023 we conducted a comprehensive study to assess our high-priority topics and re-evaluated them in 2024. We followed a process that included preliminary work, senior management approval, stakeholder opinion and the creation of the matrix. Briefly, in our materiality study;

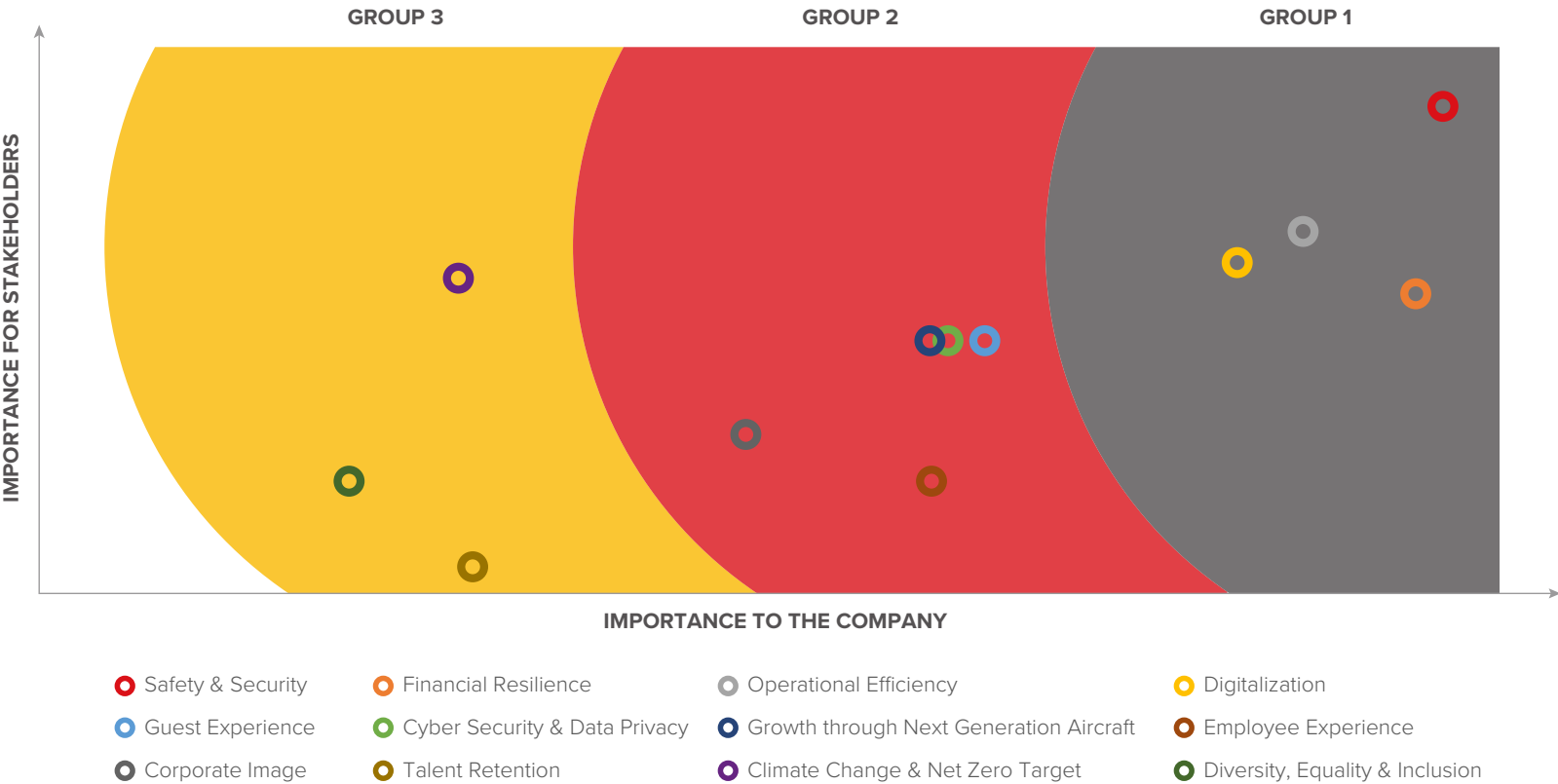
- **Preliminary Study:** With the participation of our employees working in the Sustainability Working Group, we identified important sustainability issues specific to the industry and our company. In this context, we considered our sustainability strategies and prominent sustainability trends in the industry.

- **Senior Management Approval:** The issues we identified in the preliminary study were presented to our senior management and the importance of each item was evaluated. In addition, high-priority issues were examined for alignment with the company’s strategic plan and sustainability goals. As a result, high-priority issues were identified, which were approved by senior management.
- **Stakeholder Opinion:** We presented the material issues we identified to the opinion of our stakeholders (public, suppliers, investors, non-governmental organizations, etc.) through surveys and interviews and received their feedback.

- **Materiality Matrix:** Finally, we created a materiality matrix that reflects the perspectives of both our company and our stakeholders.

In the matrix, the impact of each sustainability issue for the company (financial, operational, reputational) and for stakeholders (social, environmental, economic) was evaluated.

Accordingly, our report provides transparent information on issues that are important for our company and at the same time have an important impact on our stakeholders.



Our Management Approach to Key Issues

KEY ISSUE	WHY IS IT IMPORTANT?	HOW DO WE MANAGE?
GROUP 1		
Flight Safety and Security	Flight safety and security are primarily important in terms of ensuring the safety of both flight staff and passengers, and ensuring that they reach their destination. In addition, operational continuity is important for a good travel experience and corporate reputation.	The most important matter for the aviation industry is flight safety and security. Our company's policies, strategic plan and procedures in this area are currently implemented, measured and audited in diverse ways and at all stages of the operation. We take improvement steps according to the measurement and audit results.
Financial Resilience	Financial resilience is important for our company's business continuity and profitability. Effective management of the balance sheet and attention to the cash balance ensure the continuity of the company.	Our company is among the leading companies in the industry in terms of unit costs (CASK, non-fuel) operational profitability (EBITDA margin), especially in recent years. In addition, we focus on cash generation and maintaining cash balance. We manage financial risks, especially fuel price risk, by hedging transactions when necessary.
Operational Efficiency	Operational efficiency is important in terms of managing our costs and using our fleet and staff effectively.	Planning has a very important place in our business model. Our ability in this domain enables us to carry out our operation with effective planning and to produce quick solutions to emergencies that arise.
Digitalization	Aviation industry is one of the industries where digitalization is spreading at a fast pace. Digitalization is of significant importance especially in areas such as increasing process efficiency and productivity, flight safety and security, continuous information exchange, data collection and analysis and improvement, and improving the passenger experience.	As "Your Digital Airline", we appeal to our guests. We have been investing in this field for many years, and we develop solutions for this area by working in cooperation with both our own team and our affiliated companies. In order to continue our development in the digitalization process, we established a new subsidiary to operate in the Silicon Valley, in the United States at the end of 2023.

Our Management Approach to Key Issues

KEY ISSUE	WHY IS IT IMPORTANT?	HOW DO WE MANAGE?
GROUP 2		
Guest Experience	A strong customer experience is crucial in building a loyal customer base and encouraging customers to recommend us to their circles.	We strive to provide a strong customer experience by allowing our guests to customize their flights to their own preferences, through our in-flight services, on-time departure performance, and services that facilitate the post-flight stages of their journey.
Cyber Security and Data Privacy	Cyber security is one of the most important challenges of today. It is important both in terms of ensuring the continuity of operations, ensuring that flights are not disrupted, and ensuring the confidentiality and security of passenger information.	We identify and manage risks that will threaten the confidentiality, integrity and accessibility of our information assets. We carry out all these works in accordance with the legislation and globally accepted standards. We have ISO 27001:2017 certification. In addition, we determine and monitor our Information Security Maturity level using international standards such as COBIT 4.0, ISF (The Standard of Good Practice for Information Security) and NIST - Cybersecurity Framework.
Growth with Next Generation Aircraft	Growth with next generation aircraft is important for our company to carry out an efficient operation, to strengthen the customer experience with the latest technology aircraft, and to combat climate change.	We attach importance to continuing our activities with a next generation fleet. As of the end of 2024, we have a fleet with an average age of 4.5 years. This fleet is the youngest fleet in Türkiye and also one of the youngest in the world. We meet our aircraft needs arising from our growing operating volume with next generation aircraft. This way, we keep our carbon footprint, operational efficiency and costs under control as our operations continue to grow.
Employee Experience	We implement pioneering employee experience practices for our employees. In this way, we take strong steps towards efficiency and innovation by increasing the motivation of our employees.	We aim to be the company that everyone wants to work for. In order to improve the experience of our employees, we attach importance to working conditions, career and development opportunities, loyalty and satisfaction.
Corporate Image	Corporate reputation positively affects the competitiveness of the organization, attracting talent, customer loyalty and trust of stakeholders.	We attach importance to guest, supplier, investor and employee satisfaction. We are carrying-out the necessary work in this regard. We aim to be transparent and accountable. In this way, we ensure a strong interaction with our stakeholders.

Our Management Approach to Key Issues

KEY ISSUE	WHY IS IT IMPORTANT?	HOW DO WE MANAGE?
GROUP 3		
Talent Retention	Attracting and retaining talent is at the heart of sustainable success. In order to differentiate ourselves from our competitors, we create an environment where our employees can use their potential at the maximum level and innovative ideas come to life.	In order to retain and develop talents, we focus on their development by offering the right career planning. We closely monitor our employee turnover rate and offer fast and innovative solutions when there is need for precautions.
Climate Change and Net Zero Target	Climate change is one of the most important problems facing the world. Companies that cannot adapt to the low-carbon economy will not have the opportunity to survive in the long-run.	Taking climate change into account, we have set our 2050 Net Zero Carbon Emission target and outlined a roadmap to reach it. As an interim goal, we aim to reduce 2030 carbon intensity per revenue passenger kilometer by 20% compared to 2019. We are renewing our fleet with newer, more efficient aircraft, using electric vehicles at ground operations, and focusing on energy efficiency. We also promote passenger awareness and use sustainable aviation fuels in test flights.
Equality, Diversity, and Inclusion	Pegasus has a culture that believes in diversity, equality and inclusivity, and we aim to grow all of these. Because we know that a better future is possible from the unity of different voices. We believe that we have the power in our genes that will add value to our present, that will build an equal and sustainable tomorrow for future generations together, and that will make our dreams come true.	We implemented the ‘Harmony initiative’ as an important part of our sustainability strategy. We focused on topics such as gender balance, understanding of each other by our employees from different countries and cultures, and intergenerational harmony, and we continued with our awareness activities at full pace. We set targets to increase women’s representation and make measurements at regular intervals. In 2023, we compiled our work in this area in the “2023 Pegasus Harmony Report” and shared it with the public.

In our industry, it is a part of our job to be able to act together with different stakeholder groups and to manage stakeholder interaction in all processes from planning to service delivery.

We believe that it is critical to manage stakeholder participation and relations in order to use common resources efficiently and to minimize risks in safety and security dimensions, which are the most critical elements for the industry. For this purpose, we worked to determine the correct definition and cooperation areas, and revealing the methods and frequencies of relationships. We consider this work necessary for the healthy management of stakeholder relations. We identified all our stakeholders with a comprehensive study.

A comprehensive list of stakeholders was created with the contributions of all our units, stakeholders were grouped according to their activities, and then our stakeholder study was finalized and up-to-date with the review of our employees in the Sustainability Working Group, the Sustainability Management Committee, the Corporate Governance Committee and our Board of Directors.



Our Stakeholder Communication Approach

#	STAKEHOLDER GROUP	COMMUNICATION METHOD	FREQUENCY	CONTEXT	CONTACT CHANNEL
1	Employees	Corporate Email Accounts, Intranet Communication Channels, Social Media	Continuous	Employee Experience	Human Resources
2	Guests	Corporate Website, Pegasus Mobile App, Airport Service Points, Email, SMS, Social Media, Call Center, Travel Agencies	Continuous	Guest Experience, Growth	Commercial
3	Shareholders & Investors	Public Disclosure Platform, Investor Relations Website, General Assembly Meetings, Investor Presentations & Events	Periodic & Demand-Based	Growth	Board of Directors, CEO, Finance/Investor Relations & Legal/General Secretariat
4	Board of Directors	Board Meetings, Committee Meetings, Email, File Management Systems, Reports	Periodic & Demand-Based	Growth, Enhancing Stakeholder Value	Board Chairperson, CEO, Executive VPs & General Secretariat
5	Critical Service & Product Suppliers	Email, Reports, Company Representatives	Continuous	Lean & Efficient Operations, Guest Experience, Growth	Procurement & Relevant Business Units
6	Public Institutions	Official Correspondence, Email, Reports, Regulatory Oversight	Periodic & Demand-Based	Legal Compliance	Board of Directors, CEO, Executive VPs & DGCA-Appointed Managers
7	International Regulatory Organizations	Official Correspondence, Email, Reports, Company Representatives	Periodic & Demand-Based	Sectoral Regulatory Compliance	Board Chairperson, CEO, Company Representatives
8	Financial Institutions	Email, Digital Portals, Reports, Company Representatives	Periodic & Demand-Based	Growth	Finance
9	Fuel & Airport Service Providers	Email, Digital Portals, Reports, Company Representatives	Continuous	Lean & Efficient Operations, Guest Experience, Growth	Procurement & Relevant Business Units
10	Affiliates & Subsidiaries	Email, Digital Portals, Reports, Company Representatives	Periodic & Demand-Based	Growth	Board of Directors, CEO, Legal/General Secretariat & Company Representatives
11	Independent Audit, Certification & Rating Institutions	Email, Digital Portals, Reports, Company Representatives	Periodic & Demand-Based	Third-Party Verification	Procurement & Relevant Business Units
12	Sales & Distribution Channel Stakeholders	Email, Digital Portals, Reports, Company Representatives	Continuous	Guest Experience, Growth	Commercial
13	Business Partners	Email, Digital Portals, Reports, Company Representatives	Continuous	Guest Experience, Growth	Commercial
14	Other Service & Product Suppliers	Email, Digital Portals, Reports, Company Representatives	Continuous	Lean & Efficient Operations, Guest Experience, Growth	Procurement & Relevant Business Units
15	Non-Governmental Organizations (NGOs)	Membership, Reports, Partnerships, Company Representatives	Periodic & Demand-Based	Growth, Enhancing Stakeholder Value	Board Chairperson, CEO, Legal/General Secretariat & Company Representatives
16	Airline Operators	Sectoral Organizations, Contracts	Continuous	Guest Experience, Growth	Commercial
17	Media Stakeholders	Email, Press Releases, Press Meetings, Social Media, Reports, Company Representatives	Periodic & Demand-Based	Guest Experience, Enhancing Stakeholder Value	Commercial



Greenhouse Gas Verification Statement

Sera Gazı Doğrulama Beyanı

PEGASUS HAVA TAŞIMACILIĞI A.Ş.

Organizational Boundaries / Organizasyonel Sınırlar

ANNEX-1 / EK-1

The Greenhouse Gas emissions inventory has been verified to meet the standard requirements specified below according to ISO 14064-3:2019 / Sera Gazı emisyonları envanterinin, ISO 14064-3:2019'a göre aşağıda belirtilen standart gerekliliklerini karşıladığı doğrulanmıştır.

ISO 14064-1:2018

Category 1- Direct emissions / Doğrudan emisyonlar	3.392.871,053	t CO ₂ eq
Category 2- Purchased energy emissions (Location based) / Satın alınan enerji emisyonları (Lokasyon bazlı)	4.082,973	t CO ₂ eq
Category 3- Emissions from transportation / Ulaşım kaynaklı emisyonlar	9.903,033	t CO ₂ eq
Category 4- Emissions from products, service used / Kullanılan ürün - hizmet kaynaklı emisyonlar	962.384,396	t CO ₂ eq
Category 5- Emissions from associated with the use of the product / Ürün kullanımı kaynaklı em.	--	t CO ₂ eq
Category 6- Other Emissions / Diğer emisyonlar	65,278	t CO ₂ eq
Total Location Based Emissions / Toplam Lokasyon Bazlı Emisyonlar	4.369.306,734	t CO₂ eq
Total Market Based Emissions / Toplam Pazar Bazlı Emisyonlar	4.366.164,517	t CO₂ eq

Biogenic Emissions / Biyogenik Emisyonlar - t CO₂ eq

Purchased renewable energy emission allowance / Satın alınan yenilenebilir enerji emisyon karşılığı - t CO₂ eq

Category 2- Purchased energy emissions (Market based) / Satın alınan enerji emisyonları (Market bazlı) 940,757 t CO₂ eq

Renewable energy references / Yenilenebilir enerji referansları:
I-REC Reference Number/ I-REC Referans No: 3 9 4 3 9 6 4 4

Credits from GHG Scheme / Satın alınan krediler - t CO₂ eq

Credits references / Kredi referansları

Level of Assurance : Reasonable / Makul Verification Report Date : 20.06.2025
Reporting Period : 01.01. 2024 – 31.12. 2024 Statement No : SG-GNL-005 / 2024

Approved by / Onaylayan
Okay Kayhanlı – Genel Müdür



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E-mail: info@qsi.com.tr Web: www.qsi.com.tr



ANNEX-1 / EK-1

Reporting Boundaries / Raporlama Sınırları

Pegasus Headquarters	AEROPARK Yenışehir Mah. Osmanlı Bulvarı No:11/A Kurtköy Pendik-İstanbul/Türkiye.
Sabiha Gökçen Airport	Sanayi Mah. Pendik İstanbul/Türkiye. It is the main base of Pegasus with its activities in technical buildings and terminal offices.
İzmir Adnan Menderes Airport	Sarıncı Mevkii 35410 Gazimur, İzmir/Türkiye. It covers the activities carried out in the airport office.
Antalya Airport	7230 Yeşilköy, Antalya/Türkiye. It covers the activities carried out in the airport office.
Ankara Esenboğa Airport	Balıkhisar Mh. Özal Bulvarı Akyurt, Ankara/Türkiye. It covers the activities carried out in the airport office.
Trabzon Airport	Konaklar, 61010 Merkez, Trabzon/Türkiye. It covers the activities carried out in the airport office.
Kayseri Airport	Merkez, Ahmet Yesevi Mahallesi, Mustafa Kemal Paşa Bulvarı, 38090 Kocasinan, Kayseri/Türkiye. It covers the activities carried out in the airport office.
Adana Airport	Turhan Cemal Beriker Bulvarı, 01000 Seyhan, Adana/Türkiye adresinde, bulunan Airport ofisinde yürütülen faaliyetleri kapsamaktadır.
Bodrum Airport	Ekinanbarı, Airport Sokak, 48200 Milas, Muğla/Türkiye. It covers the activities carried out in the airport office.
Dalaman Airport	Ege, 48770 Dalaman, Muğla/Türkiye. It covers the activities carried out in the airport office.
Other Regions	Includes other regional offices where Pegasus operates

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INDEPENDENT ASSURANCE
REPORT FOR SELECTED KPIs



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Convenience Translation of Auditor's Limited Assurance Report Originally Issued in Turkish

Independent Assurance Report

To the Management of Pegasus Hava Taşımacılığı Anonim Şirketi
İstanbul, Türkiye

This independent assurance report is intended solely for the management of Pegasus Hava Taşımacılığı Anonim Şirketi for the purpose of reporting of Selected ESG Information ("Selected Information") listed below in its 2024 Sustainability Report that has been prepared by the Pegasus Hava Taşımacılığı Anonim Şirketi for the period running from January 1, 2024 to 31 December 2024.

Subject Matter Information and Applicable Criteria

In line with the request of Pegasus Hava Taşımacılığı Anonim Şirketi, our responsibility is to provide limited assurance on the Selected Information listed below within the scope of "Reporting Principles" included in page 95 of 2024 Sustainability Report.

The Scope of Our Assurance

The scope of our assurance is limited to the examination of the Selected Information shown below, which are presented in Social Performance Indicators (pg. 92), Environmental Performance Indicators (pg. 90).

Social Indicators

1. Female Employees in Total Workforce
2. Female Employees in Management and Executive Positions
3. Ratio of Female Employees in the Cockpit
4. Ratio of Female Engineers (Rate)
5. Ratio of Female Technicians (Rate)

Environmental Indicators

6. Emission Intensity (CO₂e/ RPK)

Pegasus's Responsibilities

Pegasus management is responsible for the preparation, collection, and presentation of the Selected Information. In accordance with Global Reporting Initiative (GRI) Standards. In addition, Pegasus management is responsible for ensuring that the documentation provided to the practitioner (EY) is complete and accurate. This responsibility includes establishing and maintaining internal control systems, maintaining adequate records, and making estimates that are relevant to the preparation of the 2024 Sustainability Report, such that it is free from material misstatement, whether due to fraud or error.

Our Responsibilities

We conducted our assurance engagement in accordance with the Assurance Engagement Standard (AES) 3000 Assurance Engagements Other Than Independent Audit or Limited Independent Audit of Historical Financial Information and AES 3410 Assurance Engagements Regarding Greenhouse Gas Declarations which are parts of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). These regulations require that we comply with the ethical standards and plan and perform our assurance engagement to obtain limited assurance about the Selected Information.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on

fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

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

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

The procedures selected depend on the practitioner's judgment. The procedures include inquiry of the personnel responsible for collecting and reporting on the Selected Information and additional procedures aimed at obtaining evidence about the Selected Information.

Procedures Applied

In respect of the Selected Information mentioned above the procedures performed include the following procedures:

1. Interviewed select key senior personnel of the Pegasus Hava Taşımacılığı Anonim Şirketi to understand the current processes in place for capturing the Selected Information pertaining to the reporting period;
2. Reviewed Selected Information through online interviews with personnel at Pegasus Hava Taşımacılığı Anonim Şirketi's domestic and international locations against evidence on a sample basis;
3. Undertook substantive testing, on a sample basis, of the Selected Information;
4. Used the Pegasus's internal documentation to evaluate and measure the Selected Information;
5. Evaluated the design and implementation of key processes and controls over the Selected Information;
6. Re-performed, on a sample basis, calculations used to prepare the Selected Information for the reporting period.
7. Evaluated the disclosure and presentation of the Selected Information in the 2024 Sustainability Report.

Our Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that Pegasus's Selected Information for the year ended in December 31, 2024 has not been prepared, in all material respects with the GRI Standards relevant requirements.



Shape the future
with confidence

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Limitations

We permit this report to be disclosed in addition to Pegasus's 2024 Sustainability Report for the year ended in December 31, 2024, to enable the management of Pegasus to show they have addressed their governance responsibilities by obtaining an independent assurance report in connection with the Selected Information. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than Pegasus for our work, for this independent limited assurance report, or for the conclusions we have reached.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

A member firm of Ernst & Young Global Limited

Zeynep Okuyan Özdemir, SMMM
Partner

7 August 2025
İstanbul, Türkiye

Environmental
Performance Indicators

	2022	2023	2024
Energy and Emission Management			
Energy Intensity (MJ/RPK)*	0.86	0.85	0.81
Energy Consumption (GJ)			
Jet-A1	34,439,826.44	41,520,869.76	49,041,331.93
SAF	-	9,548.17	9,297.70
Diesel	61,010.07	91,013.58	73,686.64
Gasoline	1,317.59	2,722.00	2,906.87
Electricity	26,560.14	27,265.88	23,665.22
Renewable Energy (Electricity)	-	18,147.60	23,666.40
Natural Gas	8,080.88	4,015.96	5,822.16
Total Direct Energy Consumption (GJ)**	34,536,795.11	41,736,305.22	49,156,710.53
Total Indirect Energy Consumption (GJ)**	-	117,603.78	128,434.41
Total Energy Purchased (GJ)	34,536,795.11	41,736,305.22	49,285,144.93
Total Energy Produced (GJ)	-	-	-
Total Purchased Renewable Energy Consumption (GJ)***	-	27,695.77	32,964.10
Total Renewable Energy Consumption (GJ)***	-	-	-
Emission Intensity (CO ₂ e/RPK)	62.1	61.3	58.3
Emission Intensity (CO ₂ e/ASK)	52.0	51.5	50.4
Revenue Ratio of Next Generation Aircraft (%)	76	80.7	85.8
Emissions (ton CO ₂ e)			
Scope 1	2,507,472.39	3,023,538.31	3,392,871.05
Scope 2 (location-based)	6,042.47	3,357.77	4,082.97
Scope 2 (market-based)	4,294.77	1,145.17	940.76
Scope 3	647,490.33	847,734.690	972,352.71
Offset Amount (ton CO ₂ e)	7,860	-	35,748

* Energy intensity is calculated based on aircraft fuel consumption.
** Direct energy consumption refers to energy consumed within the boundaries of the organization and indirect energy consumption refers to energy consumed outside the boundaries of the organization.
*** Renewable electricity and sustainable aviation fuel are included.

Environmental
Performance Indicators

	2022	2023	2024
Waste Management			
Waste (tons)			
Hazardous	107.8	89.7	103.9
Non-hazardous	135.0	148.3	152.2
Electronics	0.345	0.730	0.450
Recycled Waste Amount (tons)	242.2	237.3	243.6
Waste Recycling Rate (%)	99.76	99.70	99.44
Packaging (Recyclable) used under RCS (GEKAP) (tons)	48.23	56.16	41.98
Water Management			
Water Consumption (m³)			
Tap Water	15,520	17,449	14,359
Other*	0	0	712
Disposed Water (m³)	15,520	17,449	14,359
Recycled Water (m³)	0	0	0
Water Consumption per Capita (m³/employee)	2.30	2.27	1.70
Environmental Management (Other)			
Number of Suppliers Conducted Environ-mental Audits			
Field Inspection	11	6	14
Survey	-	95	-
Total Number of New Employees Receiving Environmental Training	1,180	1,840	1,494
Total New Employee Environmental Trai-ning Hours (employee*hour)	236	360	435
Total Environmental Expenditures (TRY)	1,136,558.30	5,259,001.34	5,190,265.00
Environmental Accidents	0	0	0
Environmental Management System Coverage (%)	97	97	97
R&D Expenditures (TRY)	66,675	401,106,312	12,144,000

* The value reported under "Other" refers to drinking water consumption.

Social Performance Indicators

	2022	2023	2024
Total Number of Employees			
Female	2,334	2,675	2,953
Male	4,420	4,995	5,520
Total Number of New Hires			
Female	623	731	586
Male	781	1,086	1,118
Total Number of Senior Executives			
Female	4	5	5
Male	17	19	20
Total Number of Mid-Level Managers			
Female	14	27	34
Male	49	70	77
Total Number of Promotions (Career Development)			
Female	169	200	182
Male	158	105	257
Total Number of Employees with Disabilities			
Female	23	31	35
Male	68	76	82
Total Turnover Rate (%)			
Voluntary	9.7	10.4	7.6
Involuntary	2.8	5.1	4.9

Female Employment Rates (%)	2024
Female Employees in Total Workforce	34.9%
Female Employees in Management and Executive Positions	32.5%
Ratio of Female Employees in the Cockpit	7.9%
Ratio of Female Engineer	29.1%
Ratio of Female Technicians	1.7%

Social Performance Indicators

	2022	2023	2024
Gender Pay Gap (%)	91	96	98.9
Average Seniority (years)	5.4	4.6	5.2
Employee Experience Survey - Sustainable Enga-gement Scores (%)	77	79	83
Total Incident Rate*	30.6	33.97	34
Subcontractor Incident Rate*	-	-	-
Lost Time Incident Rate**	710	12.49	12.58
Subcontractor Lost Time Incident Rate**	-	-	-
Total Number of Incidents	406	549	630
Number of Subcontractor Incidents	-	5	7*****
Number of Fatal Incidents	0	0	0
Number of Subcontractor Fatal Incidents	0	0	0
Number of Occupational Diseases	0	2	1
Number of Subcontractor Occupational Diseases	-	-	-
Total Number of Lost Days	721	1,045	1,137
Number of Subcontractor Lost Days	-	1	-
Number of Employees Receiving OHS Training	3,142	4,142	4,004
Average Training Duration (hours/employee)	12.0	12.0	12.0
Total Training Duration (employee*hours)	420,585	392,789	155,733
Total OHS Training Duration (employee*hours)	37,704	49,704	48,048
Total Training Expenditure (TRY)***	2,009,420	2,585,000	5,732,733
OHS Management System Coverage (%)	97	97	97
Total Donation (TRY)	924,448	23,877,635	33,393,255
Safety Assessment of Foreign Aircraft (SAFA) Ratio****	0.19	0.21	0.07
Insourced Successor Readiness for Key Positions (%)	66	77	71
Turnover Rate for Critical Positions (%)	6.4	0.0	0.0
Number of Digitalization Initiatives Reported Annu-ally	18	32	37
% of ESG-linked KPIs in Key Company KPIs	50	50	50

* Total Incident Rate = (Total Number of Incidents / Total Working Hours) x 1,000,000
* Lost Time Incident Rate = (Total Lost Time Days / Total Working Hours) x 1,000,000
*** Pegasus Academy training expenditures are included in the "Total Training Expenditure (TRY)" indicator.
**** According to EASA reports, the SAFA deviation rate was 0.043 in 2023.
***** Subcontractor incidents refer only to third-party contractors employed under the Pegasus brand.

Governance
Performance Indicators

	2022	2023	2024
Total Revenue (TRY)	42,732,213,696	70,531,531,601	111,822,522,278
Total Litigation Expenditures (TRY)	11,342,004	16,840,036	38,804,413
Contingency in Financial Statements (TRY)	17,992,364	33,243,994	57,207,079
Ratio of Total Litigation Expenditures to Revenue (%)	0.03	0.02	0.03
Average Fleet Age	4.4	4.6	4.5
Total Number of Passengers (million)	26.94	31.93	37.48
Destinations and Countries Served	125-47	135-51	146-53
Board & Committee Attendance (%)	100	96	96
Board & Committee Actions Comp-leted (%)	97	95.3	100
BIST Corporate Governance Index Rating	97.1	97.5	97.9

The reporting principles provide information on the data preparation, calculation principles, and reporting methods for the performance indicators subject to independent limited assurance in the 2024 Sustainability Report of Pegasus Hava Taşımacılığı A.Ş. ("Pegasus").

It is the responsibility of the Company's management to ensure that the aforementioned indicators are prepared in all material respects in accordance with the relevant principles.

The data contained in this document covers the period from 1 January 2024 to 31 December 2024 and includes the relevant operations and subsidiaries of Pegasus Airlines Inc., for which the Company is responsible.

The calculation methodology, data sources, and scope information for the indicators are explained alongside.

General Reporting Principles

In preparing this principles document, the following principles have been observed:

- **Data Preparation** – Ensuring that the information is first and foremost relevant and reliable for the users of the information.
- **Data Reporting** – Ensuring that the information is comparable and consistent with other data, including previous year's data, and that it is presented in a clear and transparent manner for users.

Reporting Scope

Social Indicators

1. Ratio of Female Employees within Total Workforce

Definition: The percentage of female employees within the total number of employees in the Company.
Formula: (Number of Female Employees / Total Number of Employees) × 100

2. Ratio of Female Employees in Management and Executive Positions

Definition: Within Pegasus's definition of "manager," the percentage of female employees working at managerial and higher-level positions.
Formula: (Number of Female Managers / Total Number of Managers) × 100

3. Ratio of Female Employees in the Cockpit

Definition: The percentage of females among cockpit crew (pilots and co-pilots).
Formula: (Number of Female Cockpit Crew / Total Number of Cockpit Crew) × 100

4. Ratio of Female Engineers

Definition: The percentage of females in engineering positions.
Data Definition: Technical staff holding the title of "Engineer."

5. Ratio of Female Technicians

Definition: The percentage of females among aircraft technicians and technical support roles.
Formula: (Number of Female Technicians / Total Number of Technicians) × 100

Environmental Indicator

6. Emission Intensity (CO₂e / RPK)
Definition: Scope 1 flight-related CO₂ equivalent emissions per revenue passenger kilometre.
Formula: Total CO₂e Emissions / RPK

Restatements

In the event of a change greater than 5% at the company level, restatements (corrections) are considered for evaluation.

Statement of use	Pegasus Hava Taşımacılığı A.Ş. Has reported in accordance with GRI standards for the period January 1 - December 31, 2024.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Since industry standard specific to air transportation has not yet been published, industry standard has not been used.

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION EXPLANATION
GRI 2: General Disclosures 2021	2-1	Organizational details	About This Report, page 4 Governance page, 24-32
	2-2	Entities included in the organization's sustainability reporting	About This Report, page 4 Governance page, 24-32
	2-3	Reporting period, frequency and contact point	About This Report, page 4
	2-4	Restatements of information	2023 Sustainability Report: https://www.pegasusinvestorrelations.com/medium/image/pegasus-2023-sustainability-report_1460/view.aspx The sustainability report in line with GRI standards has been published for the first time for the 2024 financial year.
	2-5	External assurance	Limited Assurance Report Under TSRS Framework, page 10 Greenhouse Gas Validation Statement, page 88 Independent Assurance Report For Selected KPIs, page 89
	2-6	Activities, value chain and other business relationships	Pegasus in Brief, page 6 Pegasus in Numbers, page 7 Our Sustainability Strategy, page 11-22, Governance, page 24-32 Value Chain Management, page 57 Supply Chain Management, page 58 2024 Annual Report https://www.pegasusinvestorrelations.com/medium/image/2024-annual-activity-report_1495/view.aspx
	2-7	Employees	Human Resource Policy and Working at Pegasus, page 49 Our Recruitment Approach, page 50 Performance Management, page 54 Performance Indicators, page 90-94
	2-8	Workers who are not employees	Human Resource Policy and Working at Pegasus, page 49 Our Recruitment Approach, page 50 Performance Management, page 54 Performance Indicators, page 90-94
	2-9	Governance structure and composition	Governance, page 24-32 2024 Annual Report https://www.pegasusinvestorrelations.com/medium/image/2024-annual-activity-report_1495/view.aspx

GRI STANDARD/ OTHER SOURCE		DISCLOSURE	LOCATION	OMISSION EXPLANATION
GENERAL DISCLOSURES				
GRI 2: General Disclosures 2021			Governance, page 24-32	
			2024 Annual Report https://www.pegasusinvestorrelations.com/medium/image/2024-annual-activity-report_1495/view.aspx	
			Governance, page 24-32	
			2024 Annual Report https://www.pegasusinvestorrelations.com/medium/image/2024-annual-activity-report_1495/view.aspx	
			Governance, page 24-32	
			Governance, page 24-32	
			Governance Yapımız, page 28 Our Sustainability Governance, page 29	
			Board of Directors & Committees, page 25 Human Resource Policy and Working at Pegasus, page 49 Performance Management, page 53	
			Sustainability Compliance Framework https://www.pegasusinvestorrelations.com/medium/image/pegasus-value-chain-sustainability-compliance-framework_1369/view.aspxpx	
			Our Materiality Matrix, page 82-85 Our Stakeholders, page 86-87	
			Board of Directors & Committees, page 25	
			2024 Annual Report https://www.pegasusinvestorrelations.com/medium/image/2024-annual-activity-report_1495/view.aspx	
			Board of Directors & Committees, page 25	
			2024 Annual Report https://www.pegasusinvestorrelations.com/medium/image/2024-annual-activity-report_1495/view.aspx	

GRI STANDARD/ OTHER SOURCE		DISCLOSURE	LOCATION	OMISSION EXPLANATION
GENERAL DISCLOSURES				
GRI 2: General Disclosures 2021	2-19	Remuneration policies	We are Moving Towards an Equal and Harmonious Future, page 48-54 Human Resource Policy and Working at Pegasus, page 49 Performance Indicators, page 90-94	
	2-20	Process to determine remuneration	We are Moving Towards an Equal and Harmonious Future, page 48-54 Human Resource Policy and Working at Pegasus, page 49	
	2-21	Annual total compensation ratio	Compensation and Indemnification Policy https://www.pegasusinvestorrelations.com/medium/image/compensation-and-indemnification-policy_139/view.aspx	
	2-22	Statement on sustainable development strategy	Our Sustainability Strategy, page 11-22	
	2-23	Policy commitments	Pegasus Investor Relations, Policies https://www.pegasusinvestorrelations.com/en/corporate-governance/policies 2024 Annual Report https://www.pegasusinvestorrelations.com/medium/image/2024-annual-activity-report_1495/view.aspx	
	2-24	Embedding policy commitments	Pegasus Investor Relations, Policies https://www.pegasusinvestorrelations.com/en/corporate-governance/policies 2024 Annual Report https://www.pegasusinvestorrelations.com/medium/image/2024-annual-activity-report_1495/view.aspx	
	2-25	Processes to remediate negative impacts	Our Materiality Matrix, page 82-85 Emission Targets and Our Climate Transition Roadmap, page 16-19 Environmental Management System, page 43 Guest Experience, page 58	
	2-26	Mechanisms for seeking advice and raising concerns	Our Value Model-Explanatory Notes, page 76-81 Performance Management, page 54 Guest Experience, page 58	
	2-27	Compliance with laws and regulations	Human Resource Policy and Working at Pegasus, page 49	
	2-28	Membership associations	Corporate Membership, page 58	
	2-29	Approach to stakeholder engagement	Our Value Model-Explanatory Notes, page 76-81 Our Materiality Matrix, page 82-85 Our Stakeholders, page 84	

GRI STANDARD/ OTHER SOURCE		DISCLOSURE	LOCATION	OMISSION EXPLANATION	
MATERIAL TOPICS					
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Our Materiality Matrix, page 82-85		
	3-2	List of material topics	Our Materiality Matrix, page 82-85		
Biodiversity [The material topics and the disclosures included under the material topics are examples. See guidance under row 39]					
GRI 101: Biodiversity 2024	101-1	Policies to halt and reverse biodiversity loss	Environmental Management System, page 43-44		
	101-2	Management of biodiversity impacts	Environmental Management System, page 43-44		
	101-2	Biyoçeşitlilik etkilerinin yönetimi	Environmental Management System, page 43-44		
Economic performance [The material topics and the disclosures included under the material topics are examples. See guidance under row 39]					
GRI 3: Material Topics 2021	3-3	Management of material topics	Our Value Model-Explanatory Notes, page 76-81 Our Materiality Matrix, page 82-85		
	201-1	Direct economic value generated and distributed	Our Value Model, page 12 Our Value Model-Explanatory Notes, page 76-81		
	GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	Climate Risks and Opportunities Related to Our Activities, page 13-15 Emission Targets and Our Climate Transition Roadmap, page 16-19 Risk Identification, Evaluation and Climate Process Integration, page 37	
Indirect economic impacts [The material topics and the disclosures included under the material topics are examples. See guidance under row 39]					
GRI 3: Material Topics 2021		3-3	Management of material topics	Our Value Model-Explanatory Notes, page 76-81 Our Materiality Matrix, page 82-85	
	GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Our Value Model, page 12 Our Value Model-Explanatory Notes, page 76-81 Collaborations, page 57	
		203-2	Significant indirect economic impacts	Our Value Model, page 12 Our Value Model-Explanatory Notes, page 76-81	
Anti-corruption [The material topics and the disclosures included under the material topics are examples. See guidance under row 39]					
GRI 3: Material Topics 2021	3-3	Management of material topics	Our Value Model-Explanatory Notes, page 76-81 Our Materiality Matrix, page 82-85		
	GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Risk Management, page 33-37 Other Processes Contributing to Corporate Risk Governance, page 35-36 Human Resource Policy and Working at Pegasus, page 49	
		205-2	Communication and training about anti-corruption policies and procedures	Risk Management, page 33-37 Other Processes Contributing to Corporate Risk Governance, page 35-36 Human Resource Policy and Working at Pegasus, page 49 https://www.pegasusinvestorrelations.com/medium/image/anti-corruption-and-anti-bribery-policy_1268/view.aspx	
GRI 205: Anti-corruption 2016	205-3	Confirmed incidents of corruption and actions taken	Risk Management, page 33-37 Other Processes Contributing to Corporate Risk Governance, page 35-36 Human Resource Policy and Working at Pegasus, page 49		

GRI STANDARD/ OTHER SOURCE		DISCLOSURE	LOCATION	OMISSION EXPLANATION
MATERIAL TOPICS				
Anti-competitive behavior [The material topics and the disclosures included under the material topics are examples. See guidance under row 39]				
GRI 3: Material Topics 2021	3-3	Management of material topics	Our Value Model-Explanatory Notes, page 76-81 Our Materiality Matrix, page 82-85	
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		There are no lawsuits filed regarding anti-competitive behavior, anti-trust and monopoly practices in 2024.
Materials [The material topics and the disclosures included under the material topics are examples. See guidance under row 39]				
GRI 3: Material Topics 2021	3-3	Management of material topics	Our Value Model-Explanatory Notes, page 76-81 Our Materiality Matrix, page 82-85	
	301-2	Recycled input materials used	Environmental Management System, page 42-44 Energy Management, page 45	
	301-3	Reclaimed products and their packaging materials	Environmental Management System, page 42-44 Energy Management, page 45	
Energy [The material topics and the disclosures included under the material topics are examples. See guidance under row 39]				
GRI 3: Material Topics 2021	3-3	Management of material topics	Our Value Model-Explanatory Notes, page 76-81 Our Materiality Matrix, page 82-85	
	302-1	Energy consumption within the organization	Energy Management, page 45	
	302-2	Energy consumption outside of the organization	Energy Management, page 45	
	302-3	Energy intensity	Energy Management, page 45	
GRI 302: Energy 2016	302-4	Reduction of energy consumption	Operational Efficiency, page 70 Emission Targets and Our Climate Transition Roadmap, page 16-19 Integrating Climate Risks and Opportunities Into Our Business Model, page 20-21 Energy Management, page 45	
	302-5	Reductions in energy requirements of products and services	Operational Efficiency, page 70 Emission Targets and Our Climate Transition Roadmap, page 16-19 Integrating Climate Risks and Opportunities Into Our Business Model, page 20-21 Energy Management, page 45	
Water and effluents [The material topics and the disclosures included under the material topics are examples. See guidance under row 39]				
GRI 3: Material Topics 2021	3-3	Management of material topics	Our Value Model-Explanatory Notes, page 76-81 Our Materiality Matrix, page 82-85	
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Environmental Management System, page 43-44 Performance Indicators, page 90-94	
	303-2	Management of water discharge-related impacts	Environmental Management System, page 43-44 Performance Indicators, page 90-94	
	303-3	Water withdrawal	Performance Indicators, page 90-94	
	303-4	Water discharge	Performance Indicators, page 90-94	
	303-5	Water consumption	Performance Indicators, page 90-94	

GRI STANDARD/ OTHER SOURCE		DISCLOSURE	LOCATION	OMISSION EXPLANATION
MATERIAL TOPICS				
Emissions [The material topics and the disclosures included under the material topics are examples. See guidance under row 39]				
GRI 3: Material Topics 2021	3-3	Management of material topics	Our Value Model-Explanatory Notes, page 76-81 Our Materiality Matrix, page 82-85	
	305-1	Direct (Scope 1) GHG emissions	Performance Indicators, page 90-94	
	305-2	Energy indirect (Scope 2) GHG emissions	Performance Indicators, page 90-94	
	305-3	Other indirect (Scope 3) GHG emissions	Performance Indicators, page 90-94	
	305-4	GHG emissions intensity	Emission Targets and Our Climate Transition Roadmap, page 16-19 Our Greenhouse Gas Emission Performance, page 38 Greenhouse Gas Emission Calculation Methodology, page 39 Other Key Indicators Related to Our Activities, page 39 Performance Indicators, page 90-94	
GRI 305: Emissions 2016	305-5	Reduction of GHG emissions	Emission Targets and Our Climate Transition Roadmap, page 16-19 Our Greenhouse Gas Emission Performance, page 38 Greenhouse Gas Emission Calculation Methodology, page 39 Other Key Indicators Related to Our Activities, page 39 Our Climate-Related Targets, page 40 Performance Indicators, page 90-94	
Waste [The material topics and the disclosures included under the material topics are examples. See guidance under row 39]				
GRI 3: Material Topics 2021	3-3	Management of material topics	Our Value Model-Explanatory Notes, page 76-81 Our Materiality Matrix, page 82-85	
	306-1	Waste generation and significant waste-related impacts	Environmental Management System, page 42-44	
	306-2	Management of significant waste-related impacts	Environmental Management System, page 42-44	
	306-3	Waste generated	Environmental Management System, page 42-44	
	306-4	Waste diverted from disposal	Performance Indicators, page 90-94	
	306-5	Waste directed to disposal	Performance Indicators, page 90-94	
Supplier environmental assessment [The material topics and the disclosures included under the material topics are examples. See guidance under row 39]				
GRI 3: Material Topics 2021	3-3	Management of material topics	Our Value Model-Explanatory Notes, page 76-81 Our Materiality Matrix, page 82-85	
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Supply Chain Management, page 58 Performance Indicators, page 90-94	
	308-2	Negative environmental impacts in the supply chain and actions taken	Supply Chain Management, page 58 Performance Indicators, page 90-94	

GRI STANDARD/ OTHER SOURCE		DISCLOSURE	LOCATION	OMISSION EXPLANATION
MATERIAL TOPICS				
Employment [The material topics and the disclosures included under the material topics are examples. See guidance under row 39]				
GRI 3: Material Topics 2021	3-3	Management of material topics	Our Value Model-Explanatory Notes, page 76-81 Our Materiality Matrix, page 82-85	
	401-1	New employee hires and employee turnover	Performance Indicators, page 90-94	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Performance Management, page 54 Harmony: Our Diversity, Equality and Inclusion Approach, page 55	
	401-3	Parental leave	Performance Management, page 54 Harmony: Our Diversity, Equality and Inclusion Approach, page 55	
GRI 401: Employment 2016				
Occupational health and safety [The material topics and the disclosures included under the material topics are examples. See guidance under row 39]				
GRI 3: Material Topics 2021	3-3	Management of material topics	Our Value Model-Explanatory Notes, page 76-81 Our Materiality Matrix, page 82-85	
	403-1	Occupational health and safety management system	Occupational Health and Safety, page 67	
	403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety, page 67 Risk Management, page 33-37	
	403-3	Occupational health services	Occupational Health and Safety, page 67	
	403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety, page 67	
	403-5	Worker training on occupational health and safety	Performance Indicators, page 90-94	
	403-6	Promotion of worker health	Occupational Health and Safety, page 67 Performance Indicators, page 90-94	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety, page 67	
	403-8	Workers covered by an occupational health and safety management system	Occupational Health and Safety, page 67	
	403-9	Work-related injuries	Performance Indicators, page 90-94	
	403-10	Work-related ill health	Performance Indicators, page 90-94	
GRI 403: Occupational Health and Safety 2018				
Training and education [The material topics and the disclosures included under the material topics are examples. See guidance under row 39]				
GRI 3: Material Topics 2021	3-3	Management of material topics	Our Value Model-Explanatory Notes, page 76-81 Our Materiality Matrix, page 82-85	
	404-1	Average hours of training per year per employee	We are Moving Towards an Equal and Harmonious Future, "Pegasus Akademi", page 51-52 Performance Indicators, page 90-94	
	404-2	Programs for upgrading employee skills and transition assistance programs	We are Moving Towards an Equal and Harmonious Future, "Pegasus Akademi", page 51-52 Performance Indicators, page 90-94	
GRI 404: Training and Education 2016	404-3	Percentage of employees receiving regular performance and career development reviews	Performance Management, page 53 Talent Management, page 53 We are Moving Towards an Equal and Harmonious Future, "Pegasus Akademi", page 51-52	

GRI STANDARD/ OTHER SOURCE		DISCLOSURE	LOCATION	OMISSION EXPLANATION
MATERIAL TOPICS				
Diversity and equal opportunity [The material topics and the disclosures included under the material topics are examples. See guidance under row 39]				
GRI 3: Material Topics 2021	3-3	Management of material topics	Our Value Model-Explanatory Notes, page 76-81 Our Materiality Matrix, page 82-85	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Harmony: Our Diversity, Equality and Inclusion Approach, page 55	
	405-2	Ratio of basic salary and remuneration of women to men	Performance Indicators, page 90-94	
Human Rights				
GRI 3: Material Topics 2021	3-3	Management of material topics	Our Value Model-Explanatory Notes, page 76-81 Our Materiality Matrix, page 82-85	
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor		Preventing child labor has been defined in our "Pegasus Value Chain Compliance Framework" and no activities or suppliers pose a risk in this regard.
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor		Preventing forced or compulsory labor has been defined in our "Pegasus Value Chain Compliance Framework" and no activities or suppliers pose a risk in this regard.
Local communities [The material topics and the disclosures included under the material topics are examples. See guidance under row 39]				
GRI 3: Material Topics 2021	3-3	Management of material topics	Our Value Model-Explanatory Notes, page 76-81 Our Materiality Matrix, page 82-85	
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Collaborations, page 57 Social Responsibility Projects, page 59	
Supplier social assessment [The material topics and the disclosures included under the material topics are examples. See guidance under row 39]				
GRI 3: Material Topics 2021	3-3	Management of material topics	Our Value Model-Explanatory Notes, page 76-81 Our Materiality Matrix, page 82-85	
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Supply Chain Management, page 58 Performance Indicators, page 90-94	
	414-2	Negative social impacts in the supply chain and actions taken	Supply Chain Management, page 58 Performance Indicators, page 90-94	
Customer health and safety [The material topics and the disclosures included under the material topics are examples. See guidance under row 39]				
GRI 3: Material Topics 2021	3-3	Management of material topics	Our Value Model-Explanatory Notes, page 76-81 Our Materiality Matrix, page 82-85	
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Our Safety and Security-Oriented Business Approach, page 62-67	

GRI STANDARDI		BİLDİRİMLER		BİLDİRİM YERİ	AÇIKLAMA
ÖNCELİKLİ KONULAR					
Customer privacy [The material topics and the disclosures included under the material topics are examples. See guidance under row 39]					
GRI 3: Material Topics 2021	3-3	Management of material topics		Our Value Model-Explanatory Notes, page 76-81 Our Materiality Matrix, page 82-85	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		Information Security, page 65 During the reporting period, there were no complaints regarding the privacy of Pegasus customers or any loss of customer data.	
Safety and Security					
GRI 3: Material Topics 2021	3-3	Management of material topics		Our Value Model-Explanatory Notes, page 76-81 Our Materiality Matrix, page 82-85	
Financial Resilience					
GRI 3: Material Topics 2021	3-3	Management of material topics		Our Value Model-Explanatory Notes, page 76-81 Our Materiality Matrix, page 82-85	
Operational Efficiency					
GRI 3: Material Topics 2021	3-3	Management of material topics		Our Value Model-Explanatory Notes, page 76-81 Our Materiality Matrix, page 82-85	
Digitalization					
GRI 3: Material Topics 2021	3-3	Management of material topics		Our Value Model-Explanatory Notes, page 76-81 Our Materiality Matrix, page 82-85	
Customer Experience					
GRI 3: Material Topics 2021	3-3	Management of material topics		Our Value Model-Explanatory Notes, page 76-81 Our Materiality Matrix, page 82-85	
Cyber Security and Data Privacy					
GRI 3: Material Topics 2021	3-3	Management of material topics		Our Value Model-Explanatory Notes, page 76-81 Our Materiality Matrix, page 82-85	
Growth Thru Ne-Gen Aircraft					
GRI 3: Material Topics 2021	3-3	Management of material topics		Our Value Model-Explanatory Notes, page 76-81 Our Materiality Matrix, page 82-85	
Employee Experience					
GRI 3: Material Topics 2021	3-3	Management of material topics		Our Value Model-Explanatory Notes, page 76-81 Our Materiality Matrix, page 82-85	
Corporate Image					
GRI 3: Material Topics 2021	3-3	Management of material topics		"Our Value Model-Explanatory Notes, page 76-81 Our Materiality Matrix, page 82-85"	
Talent Retention					
GRI 3: Material Topics 2021	3-3	Management of material topics		Our Value Model-Explanatory Notes, page 76-81 Our Materiality Matrix, page 82-85	
Climate Change and Net Zero Target					
GRI 3: Material Topics 2021	3-3	Management of material topics		Our Value Model-Explanatory Notes, page 76-81 Our Materiality Matrix, page 82-85	
Diversity, Equality and Inclusion					
GRI 3: Material Topics 2021	3-3	Management of material topics		Our Value Model-Explanatory Notes, page 76-81 Our Materiality Matrix, page 82-85	



We would like to thank the members of the Pegasus Sustainability Working Group and Pegasus employees who contributed to the preparation of the report.

For more information

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DESIGN: Caretta Communication and Consultancy