CHAPTER

05

Corporate Governance

1. Declaration of Compliance with Corporate Governance Principles
2. Corporate Governance Compliance Report and Corporate Governance Information Form
3. Declarations of Independence

5.1. Declaration of Compliance with Corporate Governance Principles

Koton began trading on the stock exchange on 10 May 2024, and has adopted the principle of fully complying with the mandatory principles set forth in Corporate Governance Disclosure No. II-17.1, which is currently in effect. While full compliance with non-mandatory corporate governance principles is also intended, work is ongoing on principles that have not yet been implemented, and it is planned to comply with those principles deemed necessary in line with the needs of our shareholders and other stakeholders as soon as possible.

The information contained in the Corporate Governance Compliance Report ("CRF") and the Corporate Governance Information Form ("CGIF") for the company's financial period from 1 January 2024, to 31 December 2024, was prepared in accordance with the presentation principles announced in the CMB Weekly Bulletin pursuant to the CMB's resolution dated 10 January 2019, numbered 2/49, and the CMB's II-17.1 "Corporate Governance Regulation," and approved by the Board of Directors' resolution dated 5 March 2025, numbered 2025/06. The items in the Company's Corporate Governance Compliance Report ("CRF") published on the PDP, where the compliance status is stated as 'partially' or "no," and the reasons for these are listed below.

However, no information has been conveyed to our Company regarding any conflict of interest arising from non-compliance with non-mandatory Principles, and no such finding has been made by our Company's Corporate Governance Committee. Administrative, legal, and technical infrastructure work is ongoing for non-mandatory principles that the company has not been able to implement. Once this work is complete, the company plans to implement these principles as necessary, based on the needs of its shareholders and other stakeholders. In this context, the main headings of the non-mandatory principles that our Company was unable to comply with in 2024, where the compliance status is stated as "partially" or 'no' in the Corporate Governance Compliance Report ("CRF") published on the PDP and also included under the heading below, and the reasons for non-compliance are listed below.

1.4.2.The company does not have any shares with preferential voting rights.

This principle is not complied with, as Group A shares have five votes in the election of board members, excluding independent members.

1.5.2- Minority rights are granted to those who hold less than one-twentieth of the capital under the articles of association, and the scope of minority rights has been expanded by regulating them in the articles of association.

This principle is not complied with, as actions are being taken within the framework of legal regulations on the subject, and there is no plan to expand minority rights by regulating them in the articles of association.

1.7.1. There are no restrictions that make it difficult to transfer shares.

This principle is not fully complied with, as according to our articles of association, A group preferred shares must first be offered to A group shareholders before they can be transferred. There are no restrictions on the transfer of B group shares traded on the stock exchange.

2.1.4 - The information on the Company's corporate website has been prepared in foreign languages selected as needed, so that it is completely identical to the Turkish content.

This principle is not fully complied with, however, the Company attaches great importance to preparing the content of its corporate website in English so that it is completely identical to the Turkish content. As our company is newly listed on the stock exchange, we are continuing our efforts to create English versions of the newly added sections/documents on the website.

3.1.3. Policies and procedures relating to stakeholder rights are published on the company's corporate website.

This principle is not fully complied with, as while some policies related to the rights of stakeholders are published on the corporate website, procedures and other regulations are published on the company's internal communication platform. Therefore, efforts are being made to ensure that all relevant policies and procedures are documented and published to the public.

3.1.4. Mechanisms have been established for stakeholders to report transactions that are contrary to legislation and unethical.

This principle is not fully complied with, as investor relations and customer communication email addresses allow stakeholders, and the contact form on our website allow customers visiting our stores to report issues to the headquarters, but we do not have an ethics helpline operated by an independent third party.

3.1.5 - The company handles conflicts of interest among stakeholders in a well-balanced manner.

This principle is not fully complied with, as the company's balanced approach to this issue will become transparent when all policies and mechanisms are made public.

3.2.1. Employee participation in management is regulated by the articles of association or internal company regulations.

This principle is not complied with, as although our employees participate indirectly in management through communication tools such as regular information meetings and surveys, their direct representation in management is not regulated by the articles of association or internal company regulations. This is because communication with employees is sometimes project-based and is continuously revised according to the needs of the company and employees. It is planned to continue this practice in the coming period.

3.5.1. The board of directors has established a Code of Ethical Conduct and published it on the company's corporate website.

This principle is not complied with, as the Code of Business Ethics exists but is not published on the corporate website. The Code of Business Ethics was prepared as an internal document for employees prior to the public offering. Updates are currently underway to publish it on our corporate website following the public offering.

4.2.1. The board of directors has documented its activities and made them available to shareholders.

This principle is not fully complied with, as while Board of Directors activities that constitute insider information subject to special situation disclosures are immediately announced on the PDP, detailed information on other activities carried out during the year is not included in the Activity Report, and it is planned to provide more detailed information in subsequent periods.

4.3.9- The company's board of directors has set a minimum target of 25% female members and has established a policy to achieve this goal. The structure of the board of directors is reviewed annually, and the candidate selection process is carried out in accordance with this policy.

This principle is not fully complied with, as efforts are ongoing to develop a written policy on this matter, and even without such a policy, 66.6% of the current board of directors consists of female members.

4.4.2 - The board of directors has set a minimum period for distributing information and documents related to items on the agenda to all members prior to the meeting.

This principle is not fully complied with, as although our Company has not established a written internal regulation in this regard, in practice, information and documents that facilitate decision-making by board members are shared with members via email two days in advance. Efforts will be made to establish a written internal regulation.

4.4.5. The manner in which board meetings are to be conducted has been set forth in writing in internal regulations.

This principle is not fully complied with, as there are no separate internal regulations in this regard other than the articles of association and the Board of Directors Internal Regulations, due to the fact that board meetings are conducted in accordance with the Turkish Commercial Code, the Capital Markets Board, and other relevant legislation. In the coming period, this matter will be submitted for reconsideration by the board of directors, and it is planned to work on an internal regulation regarding how the meeting should be conducted.

4.4.6. The minutes of the board of directors' meeting show that all items on the agenda have been discussed, and the resolution minutes are prepared to include dissenting opinions.

This principle is not fully complied with, as the independent members were elected at the extraordinary general assembly on 11 November 2024, and the practice of adding dissenting opinions to the resolution will be carefully monitored. This matter will also be addressed in the upcoming internal regulation changes.

4.4.7. There are restrictions on board members taking on other roles outside the company. Any roles that board members take on outside the company are disclosed to shareholders at general assemblys.

This principle is not complied with, as board members are encouraged to devote the necessary time to company business, and there are no restrictions on them taking on other roles or responsibilities outside the company. Such a restriction was deemed unnecessary, as the board members' professional experience and industry expertise make a significant contribution to management. Prior to the general assembly, the members’ resume, along with the positions they hold outside the company, is presented to the shareholders for their information.

4.5.5. Each member of the board of directors serves only one committee.

This principle is not complied with, as there are three committees, and it is necessary for independent members to serve on more than one committee in order to comply with the principles that committee chairs must be independent members and that the Audit Committee must consist entirely of independent members. This situation does not give rise to any internal conflict of interest.

4.6.1. The board of directors has conducted a board performance assessment to evaluate whether it has effectively fulfilled its responsibilities.

This principle has not been complied with, as no specific work has been carried out at the board level as part of the performance assessment.

4.6.5. Compensation paid to members of the board of directors and managers with administrative responsibilities is disclosed on an individual basis in the annual report.

This principle is not complied with, as payments made to members of the board of directors and senior managers are disclosed collectively to the public in accordance with general practices in the notes to the financial statements.

KOTON MAĞAZACILIK TEKSTİL SANAYİ VE TİCARET A.Ş.

5.2. Corporate Governance Compliance Report & Corporate Governance Information Form

2024 - Annual Disclosure

CORPORATE GOVERNANCE COMPLIANCE REPORT

	Compliance Status					Explanation
	Yes	Partially	No	Exempt	Irrelevant	
1.1. FACILITATING THE EXERCISE OF SHAREHOLDERS' RIGHTS						
1.1.2 - Information and disclosures that may affect the exercise of shareholder rights are made available to investors on the company's corporate website in a timely manner.	X					
1.2. RIGHT TO INFORMATION AND REVIEW						
1.2.1 - Company management has refrained from conducting operations that would hinder special audits.					X	No such audit was conducted.
1.3. GENERAL ASSEMBLY						
1.3.2 - The Company has ensured that the agenda of the General Assembly is clearly stated and that each proposal is presented under a separate heading.	X					
1.3.7 - Persons who have privileged access to partnership information have informed the board of directors to be added to the agenda to ensure that information is provided at the general meeting regarding transactions they have carried out on their own behalf within the scope of the partnership's activities.					X	There are no privileged persons conducting transactions within the scope of the partnership's activities.
1.3.8 - Board members, other relevant persons, authorized persons responsible for preparing financial statements, and auditors were present at the general meeting to discuss items of particular interest on the agenda.	X					
1.3.10 - The agenda of the general assembly includes a separate item listing the amounts of all donations and aid and the beneficiaries thereof.					X	Since the ordinary general assembly was held prior to the IPO, there was no item on the agenda in this regard.

	Compliance Status					Explanation
	Yes	Partially	No	Exempt	Irrele-vant	
1.3.11. The General Assembly meeting was held publicly, including stakeholders and the media, who were not given the right to speak.	X					
1.4. VOTING RIGHTS						
1.4.1. There are no restrictions or practices that make it difficult for shareholders to exercise their voting rights.	X					
1.4.2. The company does not have any shares with preferential voting rights.			X			In Group A shares, members of the board of directors, excluding independent members, have five votes in the election.
1.4.3. The Company has not exercised its voting rights at the General Assembly of any partnerships with which it has a reciprocal affiliation relationship that also entails a controlling interest.					X	
1.5. MINORITY RIGHTS						
1.5.1. The Company has taken the utmost care in exercising minority rights.	X					
1.5.2. Minority rights are granted to those who hold less than one-twentieth of the capital, and the scope of minority rights has been regulated and expanded in the articles of association.			X			Legal regulations are being followed in accordance with the law, and there are no plans to expand minority rights by regulating them in the articles of association.
1.6. DIVIDEND RIGHTS						
1.6.1. The dividend distribution policy approved by the general assembly has been disclosed to the public on the company's corporate website.	X					
1.6.2. The dividend distribution policy contains minimum information that is sufficiently clear to enable shareholders to predict the methods and principles of dividend distribution in future periods.	X					

	Compliance Status					Explanation
	Yes	Partially	No	Exempt	Irrele-vant	
1.6. DIVIDEND RIGHTS						
1.6.3. Reasons for not distributing profits and the use of undistributed profits are specified in the relevant agenda item.					X	As our company's shares were first offered to the public in 2024 and began trading on the stock exchange, it is necessary to ensure compliance as of the date of the first general assembly to be held after the shares began trading on the stock exchange. As no ordinary general assembly has yet been held after the public offering, the goal is to achieve compliance with the relevant principle at the first general meeting.
1.6.4. The board of directors has reviewed whether the profit distribution policy strikes a balance between the interests of shareholders and the interests of the partnership.	X					
1.7. TRANSFER OF SHARES						
1.7.1. There are no restrictions that make it difficult to transfer shares.		X				When transferring Class A preferred shares, these shares are first offered to Class A shareholders. There are no restrictions on the transfer of Class B shares traded on the stock exchange.
2.1. CORPORATE WEBSITE						
2.1.1. The company's corporate website contains all the elements listed in corporate management principle 2.1.1.	X					
2.1.2. Shareholding structure (names, privileges, number of shares, and percentage of real persons who own more than 5% of the issued capital) is updated on the corporate website at least once every six months.	X					

	Compliance Status					
	Yes	Partially	No	Exempt	Irrelevant	Explanation
2.1.4 - The information on the company's corporate website has been prepared in foreign languages selected as needed, with content that is identical to the Turkish version.		X				Since our company has just gone public, work continues to create English versions of the newly added sections/documents to the website.
2.2. ACTIVITY REPORT						
2.2.1. The board of directors ensures that the annual activity report accurately and completely reflects the company's activities.	X					
2.2.2. The annual activity report contains all the elements listed in principle 2.2.2.	X					
3.1. COMPANY POLICY REGARDING STAKEHOLDERS						
3.1.1. Stakeholders' rights are protected within the framework of relevant regulations, contracts, and rules of good faith.	X					
3.1.3. Policies and procedures relating to stakeholder rights are published on the company's corporate website.		X				Some policies relating to the rights of stakeholders are available on the corporate website, while procedures and other regulations are available on the company's internal communication platform.
3.1.4. Mechanisms have been established for stakeholders to report transactions that are contrary to legislation and unethical.		X				Investor relations and customer communication email addresses allow stakeholders, and the contact form on our website allow customers visiting our stores to report issues to the headquarters, but we do not have an ethics helpline operated by an independent third party There is only an ethics helpline for employees working within the company.

	Compliance Status					
	Yes	Partially	No	Exempt	Irrelevant	Explanation
3.1. COMPANY POLICY REGARDING STAKEHOLDERS						
3.1.5. The company handles conflicts of interest among stakeholders in a well-balanced manner.		X				When all policies and mechanisms are made public, the company's balanced approach to this issue will also become transparent.
3.2. ENCOURAGING THE PARTICIPATION OF STAKEHOLDERS IN COMPANY MANAGEMENT						
3.2.1 - Employee participation in management is regulated by the articles of association or internal company regulations.			X			This principle is not complied with, as although our employees participate indirectly in management through communication tools such as regular information meetings and surveys, their direct representation in management is not regulated by the articles of association or internal company regulations. This is because communication with employees is sometimes project-based and is continuously revised according to the needs of the company and employees. It is planned to continue this practice in the coming period.
3.2.2. Methods such as surveys/ consultations have been employed to obtain the opinions of stakeholders on important decisions that affect them.	X					

	Compliance Status					Explanation
	Yes	Partially	No	Exempt	Irrele-vant	
3.3. COMPANY HR POLICY						
3.3.1. The company has adopted an employment policy that provides equal opportunities and succession planning for all key management positions.	X					
3.3.2. Criteria for personnel recruitment are defined in written form.	X					
3.3.3. The company has a Human Resources Development Policy and organizes trainings for employees within this scope.	X					
3.3.4. Meetings were held to inform employees about subjects such as the company's financial situation, compensation, career planning, training, and healthcare.	X					
3.3.5. Decisions that may affect employees have been communicated to them and their representatives. The relevant trade unions have also been consulted on these matters.	X					
3.3.6. Job descriptions and performance criteria have been prepared in detail for all employees, communicated to employees, and used in compensation decisions.	X					
3.3.7. Measures such as procedures, training, awareness raising, targets, monitoring, and complaint mechanisms have been taken to prevent discrimination among employees and to protect employees from physical, mental, and emotional abuse within the company.	X					
3.3.8. The company supports the freedom to form associations and the effective recognition of the right to collective bargaining.	X					
3.3.9. A safe working environment is ensured for employees.	X					

	Compliance Status					
	Yes	Partially	No	Exempt	Irrelevant	Explanation
3.4. CUSTOMER AND SUPPLIER RELATIONS						
3.4.1. The Company has measured customer satisfaction and has operated with an understanding of unconditional customer satisfaction.	X					
3.4.2. Customers are notified when there is a delay in processing their requests regarding the goods and services they have purchased.	X					
3.4.3. The company is committed to quality standards for goods and services.	X					
3.4.4. The company has measures in place to protect the confidentiality of sensitive information covered by trade secrets belonging to customers and suppliers.	X					
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY						
3.5.1. The board of directors has established a Code of Ethical Conduct and published it on the company's corporate website.			X			The Code of Business Ethics is present but not published on the corporate website. The Code of Business Ethics was prepared as an internal document for employees prior to the public offering. Work is underway to update it for publication on our corporate website after the public offering.
3.5.2. The partnership is sensitive to social responsibility. It has taken measures to prevent corruption and bribery.	X					

	Compliance Status					
	Yes	Partially	No	Exempt	Irrele-vant	Explanation
4.1. FUNCTION OF THE BOARD OF DIRECTORS						
4.1.1. The board of directors ensures that strategy and risks do not threaten the company's long-term interests and that effective risk management is implemented.	X					
4.1.2. Meeting agendas and minutes show that the board of directors discussed and approved the company's strategic objectives, identified the necessary resources, and monitored management performance.	X					
4.2. WORKING PRINCIPLES OF THE BOARD OF DIRECTORS						
4.2.1. The board of directors has documented its activities and made them available to shareholders.		X				If the activities of the BoD constitute inside information that is subject to special disclosure, they are immediately announced on the Public Disclosure Platform. Other than that, detailed information about activities carried out during the year is not included in the Activity Report, but it is planned to provide more detailed information in subsequent periods.
4.2.2. The duties and the authority of the members of the board of directors are explained in the annual activity report.	X					
4.2.3. The board of directors has established an internal control system appropriate to the scale and complexity of the company's operations.	X					
4.2.4. Information regarding the operation and effectiveness of the internal control system is provided in the annual activity report.	X					
4.2.5. The roles of the chairman of the board of directors and the chief executive officer are separate and clearly defined.	X					

	Compliance Status					
	Yes	Partially	No	Exempt	Irrelevant	Explanation
4.2. YÖNETİM KURULUNUN FAALİYET ESASLARI						
4.2.7. The board of directors has ensured the effective functioning of the investor relations department and the corporate governance committee and has worked closely with the investor relations department and the corporate governance committee to resolve disputes between the company and its shareholders and to communicate with shareholders.	X					
4.2.8 - The Company has taken out directors' and officers' liability insurance, worth over 25% of the capital, in relation to possible negligence of the members of the board of directors in the performance of their duties and the resulting damage to the Company.	X					
4.3. STRUCTURE OF THE BOARD OF DIRECTORS						
4.3.9. The company's board of directors has set a minimum target of 25% female members and has established a policy to achieve this goal. The structure of the board of directors is reviewed annually, and the candidate selection process is carried out in accordance with this policy.		X				Work is ongoing to develop a written policy on this issue, but even without such a policy, 66.6% of the current board of directors are female.
4.3.10. At least one member of the audit committee has five years of experience in auditing/accounting and finance.	X					
4.4. FORMAT OF BOARD MEETINGS						
4.4.1. All board members have physically or virtually attended most board meetings.	X					
4.4.2. The board of directors has set a minimum period for distributing information and documents related to items on the agenda to all members prior to the meeting.		X				

	Compliance Status					Explanation
	Yes	Partially	No	Exempt	Irrelevant	
4.4. FORMAT OF BOARD MEETINGS						
4.4.3. The opinions of members who were unable to attend the meeting but submitted their opinions in writing to the board of directors were presented to the other members for their consideration.					X	There has been no such case.
4.4.4. Each member of the board of directors has one vote.	X					
4.4.5. The manner in which board meetings are conducted is set forth in writing in internal company regulations.		X				As board meetings are conducted in accordance with the Turkish Commercial Code, the CMB, and other relevant legislation, there are no separate internal regulations in this regard other than the articles of association and the Board of Directors Internal Regulations. This issue will be resubmitted to the board of directors for review in the coming period, and work on internal regulations regarding how meetings are to be conducted is planned.
4.4.6. The minutes of the board meeting indicate that all items on the agenda have been discussed, and the decision minutes shall be prepared to include dissenting opinions.		X				The independent members were elected at the extraordinary general meeting on 11 November 2024, and the practice of adding dissenting opinions to the resolution will be closely monitored. This issue will also be addressed in the upcoming internal regulation amendment.

	Compliance Status					
	Yes	Partially	No	Exempt	Irrele-vant	Explanation
4.4. FORMAT OF BOARD MEETINGS						
4.4.7. There are restrictions on board members taking on other roles outside the company. Any roles that board members take on outside the company are disclosed to shareholders at general assemblies.			X			Care is taken to ensure that members of the Board of Directors devote the necessary time to company affairs, and there are no restrictions on their taking on other duties or responsibilities outside the company. There is no need for such restrictions, as the work experience and industry expertise of the members of the Board of Directors make an important contribution to the management of the company. Prior to the General Assembly, the member's resume and the duties he or she performs outside the company are presented to the shareholders.
4.5. COMMITTEES ESTABLISHED WITHIN THE BOARD OF DIRECTORS						
4.5.5. Each member of the board of directors serves only one committee.			X			There are three committees, and in accordance with the principles that committee Chairmans must be independent members and that the Audit Committee must consist entirely of independent members, it has become necessary for independent members to serve on more than one committee in this case. This situation does not give rise to any internal conflict of interest.
4.5.6. The committees invited individuals deemed necessary to attend meetings and sought their opinions.	X					

	Compliance Status					Explanation
	Yes	Partially	No	Exempt	Irrelevant	
4.5. COMMITTEES ESTABLISHED WITHIN THE BOARD OF DIRECTORS						
4.5.7. Information on the independence of the person/organization providing advisory services to the committee is included in the annual activity report.					X	No such consulting services were employed in this regard.
4.5.8. Reports on the results of committee meetings were prepared and presented to the members of the board of directors.	X					
4.6. FINANCIAL ENTITLEMENTS PROVIDED TO MEMBERS OF THE BOARD OF DIRECTORS AND MANAGERS WITH ADMINISTRATIVE RESPONSIBILITIES						
4.6.1. The board of directors has conducted a board performance assessment to evaluate whether it has effectively fulfilled its responsibilities.			X			No specific work has been carried out in the context of performance assessment at the Board of Directors level.
4.6.4. The Company has not extended credit to any member of the board of directors or managers with administrative responsibility, has not lent money or extended the term of a loan, has not improved the terms, has not extended credit under a personal credit heading through third parties, and has not provided guarantees or other collateral on their behalf.	X					
4.6.5. Compensation paid to members of the board of directors and managers with administrative responsibilities is disclosed on an individual basis in the annual activity report.			X			The compensation of the members of the Board of Directors is determined by the General Assembly and is disclosed to the public collectively in accordance with general practices in the notes to the financial statements, along with the payments made to the members of the Board of Directors and senior executives.

KOTON MAĞAZACILIK TEKSTİL SANAYİ VE TİCARET A.Ş.

Corporate Governance Disclosure Form

2024 – Annual Report

1. SHAREHOLDERS

1.1. Facilitating the Exercise of Shareholder Rights

Number of investor conferences and meetings organized by the company throughout the year	Analyst meetings were held after the second and third quarter results, and online or physical meetings were held with 21 domestic and 7 foreign portfolio management companies.

1.2. Right to Access Information and Review

Number of special auditor requests	-
Number of special auditor requests accepted at the general meeting	-

1.3. General Assembly

Link to the PDP announcement in which the information requested within the scope of the principle 1.3.1 (a-d)	https://www.kap.org.tr/tr/Bildirim/1348979
Whether the documents related to the General Assembly meeting are presented in English at the same time as with Turkish	No. Starting in 2025, it is planned to present documents in English, as well.
Within the scope of the principle 1.3.9, the links to the PDP announcements related to transactions where the approval of the majority of independent members or unanimous vote by participants wasn't achieved	There was no such activity.
Links to the PDP announcements regarding related party transactions carried out within the scope of Article 9 of the Corporate Governance Communiqué (II-17.1)	There was no such activity.
Links to the PDP announcements regarding extensive and continuous activities within the scope of Article 10 of the Corporate Governance Communiqué (II-17.1)	There was no such activity.

1. SHAREHOLDERS

1.3. General Assembly

The name of the section on the company's corporate website where the policy on donations and aid is located	Corporate Governance / Policies
Link to the PDP announcement containing the minutes of the general meeting at which the policy on donations and aid was adopted	https://www.kap.org.tr/tr /Bildirim/1356353
Article number in the articles of association regulating the participation of stakeholders in the general assembly	Article 19 (f)
Information regarding stakeholders participating in the general assembly	In accordance with Article 5 of the General Assembly Internal Regulations, members of the press, shareholders, company employees, representatives of the Ministry, and other relevant persons may attend.

1.4. Voting Rights

Whether or not there is a privilege regarding the vote	Yes
If there are voting privileges, the privileged shareholders and their voting ratios	Group A shares have five votes in the election of Board Members other than independent members and in the election of the chair of the General Assembly. There are no voting privileges in other matters. There are no privileges for Group B shares.
The largest shareholder's shareholding ratio	39.6%

1.5. Minority Rights

Whether minority rights have been expanded (in terms of content or proportion) in the company's articles of association	No
If minority rights have been expanded in terms of content and proportion, please specify the number of the relevant article in the articles of association.	-

1. SHAREHOLDERS

1.6. Dividend Rights

Name of the section on the corporate website containing the dividend distribution policy	Corporate Governance / Policies
Minutes of the general assembly agenda item stating the reasons for the board of directors' proposal not to distribute profits to the general assembly and the manner in which the undistributed profits will be used	Since our company's shares were first offered to the public and started trading on the stock exchange in 2024, it's necessary to make sure the required adaptation is completed by the date of the first general meeting after the shares start trading on the stock exchange. No ordinary general assembly has been held after the public offering, yet.
Link to the PDP announcement containing the relevant general assembly minutes if the board of directors proposed that no dividends be distributed to the general assembly	-

General Assembly Meetings

General Assembly Meeting Date	November 11, 2024
Number of requests for additional explanations submitted to the company regarding the agenda of the general assembly meeting	0
Shareholders' attendance rate at the general assembly meeting	86.8%
Percentage of directly represented shares	23.6%
Percentage of shares represented by proxy	63.2%
The name of the section on the company's corporate website where the minutes of the general assembly meetings are posted, showing the votes for and against each agenda item.	Corporate Governance/ General Assembly
The name of the section on the corporate website containing all inquiries raised at the general assembly meeting and the answers provided to them.	Corporate Governance/ General Assembly
Article or paragraph number in the minutes of the general assembly meeting relating to related parties	-
Number of persons with privileged access to partnership information who have notified the board of directors (list of insiders)	0
Link to the general assembly announcement published on the PDP	https://www.kap.org.tr/trBildirim/1356353

2. PUBLIC DISCLOSURE AND TRANSPARENCY

2.1. Corporate Website

Sections of the corporate website which contain all the information required as per corporate management principle 2.1.1.	Investor Relations
Section of the corporate website which contains the list of real persons who own more than 5% of the issued capital directly or indirectly.	Corporate Governance/ Shareholding Structure
Languages in which the corporate website is available.	Turkish and English

2.2. Activity Report

Page numbers or section titles of the activity report where the information listed in corporate governance principle 2.2.2 are included.	
a) Page no or section title where the board members' and executives' outside roles and members' independence statements are listed	General Information and Corporate Governance
b) Page no or section title of information regarding committees established within the Board of Directors	General Information
c) Page no or section title containing information regarding the number of meetings held by the board of directors during the year and the attendance of members	Corporate Governance
d) Page no or section title of information regarding regulatory changes that could significantly affect the company's operations	Significant Developments Related to Activities
e) Page no or section title of information regarding significant lawsuits filed against the company and their potential outcomes	Significant Developments Related to Activities
f) Page no or section title of information regarding conflicts of interest between the company and institutions from which it receives services such as investment advisory and rating, and measures taken to prevent such conflicts.	There is no such instance.
g) Page no or section title of information regarding mutual affiliations in which the direct participation ratio exceeds 5% of the capital	There is no such instance.
h) Page no or section title regarding corporate social responsibility activities related to employees' social rights, vocational training, and other company activities that have social and environmental consequences.	Sustainability

3. STAKEHOLDERS

3.1. Company Policy Regarding Stakeholders

Section on the corporate website where the compensation policy has been posted	Our company's compensation policy for employees is implemented in accordance with the provisions of the current Labor Law No. 4857.
Number of definitive court rulings against the company for violation of employee rights	80
Title of the authority responsible for the reporting system	Ethics Committee
Contact details for the company's reporting system	Telephone: +90 0212 401 37 88 / Email: (a) koton@ speak-hub.com (b) etik@ koton.com.tr / Web form: speak-hub.com

3.2. Encouraging the Participation of Stakeholders in Company Management

Section on the corporate website that contains internal regulations regarding employee participation in management bodies	There is no public access to internal regulations.
Management bodies representing employees	Gender Equality Committee, Sustainability Committee, Republic Committee, Business Continuity Management Committee, Occupational Health and Safety Committee, Koton Social

3.3. Company HR Policy

The role of the board of directors in developing succession plans for key management positions	Although there is no written policy, contingency plans for succession of high level managers are approved by the Board of Directors.
Section of the corporate website that contains the human resources policy, including equal opportunity and recruitment criteria, or a summary of the relevant provisions of the policy.	Corporate Governance/Policies/Diversity and Inclusion Policy and Human Rights Policy
Whether a employee stock ownership programme exists.	There isn't an employee stock ownership programme
Section of the corporate website that contains the human resources policy on measures to prevent discrimination and mistreatment, or a summary of the relevant provisions of the policy.	Corporate Governance/Policies /Diversity and Inclusion Policy and Human Rights Policy
Number of definitive court rulings against the company due to liability for work accidents	0

3. STAKEHOLDERS

3.5. Ethical Rules and Social Responsability

Section on the corporate website where the ethical rules policy is located	The Code of Business Ethics was prepared as an internal document for company employees prior to the public offering. Developments are underway to make it a publicly available.
Section on the corporate website where the corporate social responsibility report is located. If there is no corporate social responsibility report, measures taken in relation to environmental, social, and corporate governance issues.	Investor Relations/Reports/Sustainability Report
Measures taken to combat all forms of corruption, including embezzlement and bribery	The anti-corruption policy has not yet been uploaded as a public document under the Corporate Governance/Policies and Ethics section of the corporate website. Although the Company's Code of Ethics contains provisions on this subject, the Code of Ethics has been established as an internal document, and these policies will be developed and made available to the public.

4. THE BOARD OF DIRECTORS-I

4.2. Working Principles of the Board of Directors

Date of the most recent board performance review.	As the company's shares began trading on the Stock Exchange on 10 May 2024, no performance review has been made yet.
Whether independent experts were consulted on the performance review of the board of directors	No
Whether all members of the board of directors were given discharge	Yes
The members of the board of directors to whom authority has been delegated through the distribution of duties and the content of the said authority	Although the Board of Directors' Internal Regulations do not provide for such a distribution of duties among members, the Board of Directors' decision dated 12 June 2024 and numbered 2024/26 stipulates that Yılmaz Yılmaz, Chairman of the Board of Directors, shall be appointed as the member responsible for financial reporting until the Audit Committee, consisting of independent members, is formed.

4. THE BOARD OF DIRECTORS-I

4.2. Working Principles of the Board of Directors

Number of reports submitted by the internal control unit to the audit committee or other relevant committees	As the Audit Committee was formed shortly after the election of independent members at the extraordinary general meeting on November 11, 2024, four reports were submitted to this Committee by the Internal Audit Unit by the end of 2024.
Page number or title of the section in the activity report containing the assessment of the effectiveness of the internal control system	Significant Developments Related to Activities
Chairman of the Board of Directors	Yılmaz Yılmaz
CEO/General Manager	A. Bülent Sabuncu
Link to the PDP announcement stating the reason why the chairman of the board of directors and the CEO/general manager are the same person	They are not the same person.
Link to the PDP announcement stating that a liability insurance was taken out, worth over 25% of the capital, in relation to possible negligence of the members of the board of directors in the performance of their duties and the resulting damage to the Company.	*https://www.kap.org.tr/tr/Bildirim/1399819*
Section on the corporate website that contains information about the diversity policy aimed at increasing the proportion of female board members.	Although no written policy has yet been developed in this regard, 66.6% of the current board of directors consists of female members. Efforts are underway to develop a written policy.
Number and ratio of female members.	4 members – 66.6%

Structure of the Board of Directors

Name of the Member of the Board of Directors	Whether the Member is Executive	Whether the Member is Independent	Date of Initial Election to the Board of Directors	Link to the PDP Announcement of the Member's Declaration of Independence	Whether the Independent Member has been Evaluated by the Nomination Committee	Whether the Member has Ceased to be İndependent	Whether the Member has at Least Five Years of Experience in Auditing, Accounting, and/or Finance
Yılmaz Yılmaz	Executive	Non-Independent member	11/11/2024		Irrelevant	Irrelevant	No
Gurgle B.V. (Gerçek kişi temsilcisi: E. Barbara van Geloven)	Non-Executive	Non-Independent member	11/11/2024		Irrelevant	Irrelevant	No
Şükriye Gülden Yılmaz	Executive	Non-Independent member	11/11/2024		Irrelevant	Irrelevant	No
Deniz Yılmaz	Non-Executive	Non-Independent member	11/11/2024		Irrelevant	Irrelevant	No
Ömer Faruk Işık	Non-Executive	Independent member	11/11/2024	*https:// www.kap.org.tr/tr/Bildirim/1348979*	Not considered	No	Yes
Ayşe Ufuk Ağar	Non-Executive	Independent member	11/11/2024	*https:// www.kap.org.tr/tr/Bildirim/1348979*	Not considered	No	No

4. THE BOARD OF DIRECTORS-II

4.4. Format of Board Meetings

Number of board meetings held during the reporting period, either in person or virtually	10
Average attendance rate at board meetings	66.6%
Whether an online portal is used to facilitate the activities of the board of directors	No
The number of days before the meeting at which information and documents are presented to members in accordance with the working principles of the board of directors	2 days
Section on the corporate website that contains information about internal regulations determining how board meetings are to be conducted.	There are no internal regulations regarding how board meetings are to be conducted outside of the articles of association.
The upper limit specified in the policy restricting members from taking on other roles outside the company	There is no policy restricting board members from taking on positions outside the company.

4.5. Committees Established Within the Board of Directors

Page number or title of the section in the activity report containing information about the board committees	General Information
Link to the PDP announcement disclosing the committee's working principles	*https://www.kap.org.tr/tr/Bildirim/1361836*

Board Committees - I

Board Committee Name	Committee Member Name	Whether He/She is Chairman of the Committee	Whether He/She is a Board Member
Audit Committee	Ömer Faruk Işık	Yes	Board Member
Audit Committee	Ayşe Ufuk Ağar	No	Board Member
Early Detection of Risk Comm.	Ömer Faruk Işık	Yes	Board Member
Early Detection of Risk Comm.	Ayşe Ufuk Ağar	No	Board Member
Early Detection of Risk Comm.	Yılmaz Yılmaz	No	Board Member
Corporate Governance Comm.	Ayşe Ufuk Ağar	Yes	Board Member
Corporate Governance Comm.	Ömer Faruk Işık	No	Board Member
Corporate Governance Comm.	Yılmaz Yılmaz	No	Board Member
Corporate Governance Comm.	Şükriye Gülden Yılmaz	No	Board Member
Corporate Governance Comm.	Eda Çanga Belber	No	Board Member

4. THE BOARD OF DIRECTORS-III

4.5. Committees Established Within the Board of Directors-II

Page number or section name of the activity report or corporate website where information on the activities of the audit committee is provided	Activity Report/General Information
Page number or section name of the activity report or corporate website where information on the activities of the corporate governance committee is provided	Activity Report/General Information
Page number or section name of the activity report or corporate website where information on the activities of the nomination committee is provided	Activity Report/General Information
Page number or section name of the activity report or corporate website where information on the activities of the early risk detection committee is provided	Activity Report/General Information
Page number or section name of the activity report or corporate website where information on the activities of the compensation committee is provided	Activity Report/General Information

4.6. Financial Entitlements Provided to Members of the Board of Directors and Managers with Administrative Responsabilities

The page number or section title of the activity report that contains information on operational and financial performance targets and whether they have been achieved.	Activity Report/Operational Developments and Financial Position
Name of the section of the corporate website that contains the compensation policy for members who are in executive or non-executive positions	Policies
Page number or section title of the activity report containing information on the remuneration paid to members of the board of directors and managers with administrative responsibility, as well as all other benefits provided to them.	Activity Report/Significant Developments Related to Activities

Board Committees-II

Board Committee Name	Percentage of Non-Executive Directors in the Committee	Percentage of Independent Members in the Committee	Komitenin Number of In-Person Meetings Held by the Committee	Number of Reports Submitted to the Board of Directors Regarding the Committee's Activities
Audit Committee	100%	100%	1	1
Early Detection of Risk Committee	66.6%	66.6%	1	1
Corporate Governance Committee	60%	40%	1	1

5.3. Declarations of Independence

In accordance with Article 4.3.6 of the Corporate Governance Principles, annexed to the Corporate Governance Communication No. II-17.1 of the Capital Markets Board, to fulfil my duties as an independent member of the Board of Directors of Koton Retail Textile Industry and Trade Inc (the Company) in accordance with the criteria set forth in the legislation, the articles of association, and the criteria set forth in the Corporate Governance Regulation published by the Capital Markets Board, I declare that

a. Over the last five years, there has been no employment relationship in a managerial position that will undertake significant duties and responsibilities between myself, my spouse and my relatives by blood or marriage up to the second degree and the Company, the partnerships in which the Company has management control or significant influence, the partners who have management control or significant influence over the Company and the legal entities in which these partners have management control; I do not own more than 5% of the capital or voting rights or privileged shares, either jointly or individually; I have not established significant commercial relationships

b. Over the last five years I have not worked as a partner (5% or more), in a managerial position that carries significant duties or responsibilities or served as a member of the board of directors in companies involved in primarily the Company's auditing (tax auditing, legal auditing, internal auditing included), rating, and consulting, from which the Company has, within the framework of agreements, purchased or sold significant amounts of services or products, during the periods in which services or products were purchased or sold,

c. I have the professional training, knowledge, and experience necessary to properly perform the duties I will undertake as an independent board member,

d. In accordance with the legislation, I will not work full-time in public institutions and organizations after being elected as a member, except for academic positions at universities,

e. I am considered a resident of Turkey in accordance with the Income Tax Law (ITL) No. 193 dated 31 December 1960,

f. I possess strong ethical standards, professional reputation, and experience that enable me to make positive contributions to the Company's activities, maintain impartiality in conflicts of interest between the Company and its shareholders, and make decisions freely while considering the rights of stakeholders,

g. I am able to allocate sufficient time to Company affairs to monitor the operations of the Company's activities and fully execute the requirements of duties I undertake,

h. I have not served as a member of the Company's board of directors for more than six years over the last ten years,

i. I am not serving as an independent board member in more than three companies controlled by the Company or its controlling shareholders, and in total, in more than five companies listed on the stock exchange,

j. I have not been registered and announced on behalf of the legal entity elected as a board member.

16 October 2024

Sincerely,

Ömer Faruk Işık

Declarations of Independence

In accordance with Article 4.3.6 of the Corporate Governance Principles, annexed to the Corporate Governance Communication No. II-17.1 of the Capital Markets Board, to fulfil my duties as an independent member of the Board of Directors of Koton Retail Textile Industry and Trade Inc (the Company) in accordance with the criteria set forth in the legislation, the articles of association, and the criteria set forth in the Corporate Governance Regulation published by the Capital Markets Board, I declare that

a. Over the last five years, there has been no employment relationship in a managerial position that will undertake significant duties and responsibilities between myself, my spouse and my relatives by blood or marriage up to the second degree and the Company, the partnerships in which the Company has management control or significant influence, the partners who have management control or significant influence over the Company and the legal entities in which these partners have management control; I do not own more than 5% of the capital or voting rights or privileged shares, either jointly or individually; I have not established significant commercial relationships

b. Over the last five years I have not worked as a partner (5% or more), in a managerial position that carries significant duties or responsibilities or served as a member of the board of directors in companies involved in primarily the Company's auditing (tax auditing, legal auditing, internal auditing included), rating, and consulting, from which the Company has, within the framework of agreements, purchased or sold significant amounts of services or products, during the periods in which services or products were purchased or sold,

c. I have the professional training, knowledge, and experience necessary to properly perform the duties I will undertake as an independent board member,

d. In accordance with the legislation, I will not work full-time in public institutions and organizations after being elected as a member, except for academic positions at universities,

e. I am considered a resident of Turkey in accordance with the Income Tax Law (ITL) No. 193 dated 31 December 1960,

f. I possess strong ethical standards, professional reputation, and experience that enable me to make positive contributions to the Company's activities, maintain impartiality in conflicts of interest between the Company and its shareholders, and make decisions freely while considering the rights of stakeholders,

g. I am able to allocate sufficient time to Company affairs to monitor the operations of the Company's activities and fully execute the requirements of duties I undertake,

h. I have not served as a member of the Company's board of directors for more than six years over the last ten years,

i. I am not serving as an independent board member in more than three companies controlled by the Company or its controlling shareholders, and in total, in more than five companies listed on the stock exchange,

j. I have not been registered and announced on behalf of the legal entity elected as a board member.

16 October 2024

Sincerely,

Ayşe Ufuk Ağar

CHAPTER 06

SUSTAINABILITY

1. Sustainability Compliance Report

KOTON MAĞAZACILIK TEKSTİL SANAYİ VE TİCARET A.Ş.

Sustainability Compliance Report

	Compliance Status				Explanation	Report Information Regarding Publicly Disclosed Information
	Yes	Partially	No	Irrelevant		
A. GENERAL PRINCIPLES						
A1. Strategy, Policies and Goals						
A1.1. The partnership's board of directors has identified priority environmental, social, and corporate governance (ESG) issues, risks, and opportunities.		X			While it has been disclosed in previous years' reports, the revised version will be included in our 2024 KGK Sustainability Report.	
A1.1. The partnership's board of directors has established and publicly disclosed its ESG policies (e.g., environmental, energy, human rights and employment policy, etc.).	X					https://kurumsal.koton.com.tr/politikalar/
A1.2. Short- and long-term goals set within the scope of ESG policies have been disclosed to the public.			X		Short- and long-term ESG targets are being revised. The targets will be shared in the 2024 KGK Sustainability Report.	
A2. Application / Monitoring						
A2.1. The committees and/or units responsible for implementing ESG policies and the highest-level officials and their duties related to ESG issues in the partnership have been determined and disclosed to the public.	X					https://kurumsal.koton.com.tr/politikalar/
A2.1. Activities carried out within the scope of policies by the responsible committee and/or unit have been reported to the board of directors at least once a year.			X		Work is ongoing to update the Committee Working Principles for reporting to the Board of Directors.	

	Compliance Status				Explanation	Report Information Regarding Publicly Disclosed Information
	Yes	Partially	No	Irrelevant		
A. GENERAL PRINCIPLES						
A2. Application / Monitoring						
A2.2. Implementation and action plans have been developed and made public in line with the ESG targets.			X		Short- and long-term ESG targets are being revised. The targets will be shared in the 2024 KGK Sustainability Report.	
A2.3. ESG Key Performance Indicators (KPI) and the level of achievement of these indicators over the years has been disclosed to the public.			X		ESG Key Performance Indicators will be shared in the 2024 KGK Sustainability Report.	
A2.4. Activities to improve sustainability performance in business processes or products and services are publicly disclosed.			X		Will be shared in the 2024 KGK Sustainability Report.	
A3. Reporting						
A3.1. The activity reports provide clear, accurate, and sufficient information on the partnership's sustainability performance, goals, and actions.			X		Will be shared in the 2024 KGK Sustainability Report.	
A3.2. The partnership has disclosed information to the public regarding which of the United Nations (UN) 2030 Sustainable Development Goals its activities are related to.		X			The 2023 report describes the SDG goals and targets for 2030. The 2024 Sustainability Report will revise and share the relationship between activities and the SDGs.	
A3.3. Lawsuits filed and/or concluded against the company in relation to ESG issues, which are significant in terms of ESG policies and/or will significantly affect its activities, have been disclosed to the public.	X				2024 Annual Report/ Section on Significant Developments Related to Activities	

	Compliance Status				Explanation	Report Information Regarding Publicly Disclosed Information
	Yes	Partially	No			
A. GENERAL PRINCIPLES						
A4. Verification						
A4.1. The partnership's ESG key performance indicators have been verified by an independent third party and disclosed to the public.			X		Our 2024 KGK Sustainability Report will be verified by a third party.	
B. ENVIRONMENTAL POLICIES						
B1. The partnership has disclosed its policies and practices in the field of environmental management, action plans, environmental management systems (known as the ISO 14001 standard), and programs to the public.		X			Environmental issues are discussed in the 2023 report (pages 44-55) under the heading “Respect for Our World” and will be revised and shared in the 2024 KGK Sustainability Report.	
B2. The scope of the environmental reports prepared for the provision of information on environmental management, the reporting period, the reporting date, and the restrictions on reporting conditions have been disclosed to the public.			X		Will be shared in the 2024 KGK Sustainability Report.	
B4. Environmental targets included in the reward criteria under performance incentive systems for interested parties (such as board members, managers, and employees) have been disclosed to the public.			X		There are no such practices yet.	
B5. How the priority environmental issues are integrated into business objectives and strategies has been disclosed to the public.		X			Will be shared in the 2024 KGK Sustainability Report.	

	Compliance Status					
	Yes	**Partially**	**No**		**Explanation**	**Report Information Regarding Publicly Disclosed Information**
B. ENVIRONMENTAL POLICIES						
B7. Throughout the partnership value chain, including the operational process, suppliers and customers, how environmental issues are managed, and how they are integrated into business objectives and strategies has been disclosed to the public.			X		While it has been disclosed in previous years' reports, the revised version will be included in our 2024 KGK Sustainability Report.	
B8. Whether relevant organizations and non-governmental organizations are involved in policy-making processes on environmental issues and collaborations with these institutions and organizations are disclosed to the public.		X			While it has been disclosed in previous years' reports, the revised version will be included in our 2024 KGK Sustainability Report.	
B9. Environmental impacts in the light of environmental indicators (greenhouse gas emissions (Scope 1 (direct), Scope 2 (energy indirect), Scope 3 (other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity impacts)) have been disclosed to the public on a periodic basis in a comparable manner.			X		Will be shared in the 2024 Sustainability Report	
B10. The standard, protocol, methodology, and base year details used to collect and calculate the data have been disclosed to the public.			X		While it has been disclosed in previous years' reports, the revised version will be included in our 2024 KGK Sustainability Report.	
B11. The increase or decrease in environmental indicators for the reporting year compared to previous years has been disclosed to the public.			X		While it has been disclosed in previous years' reports, the revised version will be included in our 2024 KGK Sustainability Report.	

	Compliance Status				Explanation	Report Information Regarding Publicly Disclosed Information
	Yes	Partially	No			
B. ENVIRONMENTAL POLICIES						
B12. Short- and long-term goals have been set to reduce environmental impacts, and these goals and progress with regards to those set in previous years has been disclosed to the public.			X		Short- and long-term ESG targets are being revised. The targets will be shared in the 2024 KGK Sustainability Report.	
B13. A strategy to combat the climate crisis has been developed and the planned actions have been made public.			X		The 2024 KGK Sustainability Report will include the strategy and planned actions to combat the climate crisis.	
B14. Programs and/or procedures have been established in order to prevent or minimize the potential negative impact of products and/or services on the environment, and disclosed to the public.			X		Work is ongoing in this area.	
B14. Actions have been taken to reduce greenhouse gas emissions from third parties (e.g., suppliers, subcontractors, distributors, etc.), and these actions have been disclosed to the public.			X		Work is ongoing in this area.	
B15. The environmental benefits/gains and cost savings provided by initiatives and projects aimed at reducing environmental impacts have been disclosed to the public.			X		Work is ongoing in this area.	
B16. Energy consumption data (natural gas, diesel fuel, gasoline, LPG, coal, electricity, heating, cooling, etc.) has been disclosed to the public as Scope 1 and Scope 2.			X		Will be shared in the 2024 Sustainability Report	

	Compliance Status				Explanation	Report Information Regarding Publicly Disclosed Information
	Yes	Partially	No			
B. ENVIRONMENTAL POLICIES						
B17. Information about the electricity, heat, steam, and cooling produced during the reporting year has been disclosed to the public.			X		Will be shared in the 2024 Sustainability Report	
B18. Efforts have been made to increase the use of renewable energy and transition to zero- or low-carbon electricity, and these efforts have been disclosed to the public.			X		Will be shared in the 2024 Sustainability Report	
B19. Renewable energy production and usage data has been disclosed to the public.			X		Work is ongoing in this area.	
B20. Energy efficiency projects have been implemented, and the reduction in energy consumption and emissions as a result of these projects has been disclosed to the public.			X		Will be shared in the 2024 Sustainability Report	
B21. Water consumption, including the amount of water extracted from underground or above ground, recycled, and discharged, as well as its sources and procedures, has been disclosed to the public.			X		Will be shared in the 2024 Sustainability Report	
B22. Whether operations or activities are included in any carbon pricing system (Emissions Trading System, Cap & Trade, or Carbon Tax) has been disclosed to the public.			X		Statements regarding our non-participation in the carbon pricing system will be included in the 2024 KGK Sustainability Report.	
B23. Information on carbon credits accumulated or purchased during the reporting period has been disclosed to the public.			X		Disclosures regarding carbon credit information will be included in the 2024 KGK Sustainability Report.	

	Compliance Status				Explanation	Report Information Regarding Publicly Disclosed Information
	Yes	Partially	No			
B. ENVIRONMENTAL POLICIES						
B24. If carbon pricing is applied within the partnership, the details have been disclosed to the public.			X		Disclosures regarding carbon credit information will be included in the 2024 KGK Sustainability Report.	
B25. The platforms on which the partnership discloses its environmental information are disclosed to the public.			X		While it has been disclosed in previous years' reports, the revised version will be included in our 2024 KGK Sustainability Report.	
C. SOCIAL PRINCIPLES						
C1. Human Rights and Employee Rights						
C1.1. A Corporate Human Rights and Employee Rights Policy has been established covering the Universal Declaration of Human Rights, ILO Conventions ratified by Turkey, and other relevant legislation. Those responsible for implementing the policy have been identified, and the policy and those responsible have been disclosed to the public.	X				Our Human Rights and Gender Equality Policies address women's employment and inclusiveness, and work continues on the remaining issues. (https://kurumsal.koton.com.tr/politikalar/)	
C1.2. Taking into account supply and value chain impacts, the company's policy on employee rights includes fair labor, improvement of working standards, female employment, and inclusivenes (not making discrimination based on gender, race, religion, language, marital status, ethnic identity, sexual orientation, gender identity, family responsibilities, union activities, political views, disability, social and cultural differences, etc.)		X			Work is ongoing in this area.	

	Compliance Status				Explanation	Report Information Regarding Publicly Disclosed Information
	Yes	Partially	No			
C. SOCIAL PRINCIPLES						
C1. Human Rights and Employee Rights						
C1.3. Measures taken throughout the value chain to protect certain economically, environmentally, and socially vulnerable groups (low-income groups, women, etc.) or minority rights/equal opportunities have been disclosed to the public.			X		Work is ongoing in this area.	
C1.4. Developments regarding preventive and corrective measures against discrimination, inequality, human rights violations, forced labor, and child labor have been disclosed to the public.			X		Work is ongoing in this area.	
C1.5. Investments in employees (training, development policies), compensation, recognized fringe benefits, unionization rights, work/life balance solutions, and talent management issues are included in the company's employee rights policy.			X		The Code of Business Ethics includes regulations on this subject in the Management of Reports Regarding Ethics Procedure, but these regulations are currently only shared internally within the company	
C1.5. Mechanisms for resolving employee complaints and disputes have been established, and dispute resolution processes have been defined.		X			Work is ongoing in this area.	
C1.5. Activities carried out during the reporting period to ensure employee satisfaction have been disclosed to the public.			X			
C1.6. Occupational health and safety policies have been established and disclosed to the public.	X					https://kurumsal.koton.com.tr/politikalar/

	Compliance Status				Explanation	Report Information Regarding Publicly Disclosed Information
	Yes	Partially	No			
C. SOCIAL PRINCIPLES						
C1. Human Rights and Employee Rights						
C1.6. Measures taken to prevent workplace accidents and protect health, as well as accident statistics, have been disclosed to the public.			X		While it has been disclosed in previous years' reports, the revised version will be included in our 2024 KGK Sustainability	
C1.7. Personal data protection and data security policies have been established and disclosed to the public.		X			Although regulations on this matter exist, they are still only shared internally within the company.	
C1.8. An ethics policy has been established and disclosed to the public.		X			Although regulations on this matter exist, they are still only shared internally within the company.	
C1.9. Work in the areas of social investment, social responsibility, financial inclusion, and access to finance is disclosed.			X		Work is ongoing in this area.	
C1.10. Informational meetings and training programs have been organized for employees on ESG policies and practices.		X			While it has been disclosed in previous years' reports, the revised version will be included in our 2024 KGK Sustainability Report.	
C2. Stakeholders, International Standards, and Initiatives						
C2.1. A customer satisfaction policy regarding the management and resolution of customer complaints has been established and disclosed to the public.			X		Work is ongoing in this area.	
C2.2. Information about communication with stakeholders (which stakeholders, topics, and frequency) has been disclosed to the public.		X			While it has been disclosed in previous years' reports, the revised version will be included in our 2024 KGK Sustainability Report.	