



ENVIRONMENTAL POLICY

1. Purpose

At Koton, guided by our "*Respect for Life Manifesto*" and our strategic focus area, "*We Respect Our Planet*", we recognize our responsibility to help create a more livable world for future generations. We are committed to taking initiatives and setting targets to reduce the environmental impact of our activities, and to pursuing these efforts in alignment with our Company's vision, strategy, culture, and values.

2. Scope

This Policy establishes a systematic framework for identifying the environmental aspects of Koton's activities, determining their actual or potential significant environmental impacts, and defining the methods and principles for controlling such impacts.

3. Responsibilities

The Sustainability Committee and all relevant departments are responsible for the implementation of this Policy. Koton's business partners and all suppliers are required to comply with this Policy.

4. Our Commitments at Koton

We are committed to:

- complying with all applicable national and international environmental laws, regulations, and other compliance obligations;
- preventing adverse environmental impacts at their source wherever possible; monitoring the environmental impacts of our operations and products; minimizing and preventing pollution through proactive approaches; and raising environmental awareness among our employees, customers, suppliers, and all other stakeholders while ensuring the continuity of such awareness;
- taking environmental impact assessments, as well as environmental risks and opportunities, into consideration when making final decisions on new investments;



- continuously enhancing and improving our environmental management by following global developments, scientific research, and technological advancements;
- fostering and promoting collaboration on environmental management across the industry and integrating best practices and standards into our business processes; and
- raising environmental awareness throughout our value chain and promoting greater environmental consciousness among all our stakeholders.

4.1. Energy and Climate Change

As part of our sub-strategy, "Combating Climate Change and Managing Emissions", we aim to demonstrate our commitment and preparedness for the transition to a low-carbon economy by engaging with our stakeholders and keeping them informed of our initiatives and the measures we take.

- We are committed to increasing the use of renewable energy sources, reducing energy consumption, and lowering our greenhouse gas emissions.
- As part of our efforts to combat climate change, we focus on reducing carbon emissions across all our operations.
- We contribute to the transition to a low-carbon economy through energy efficiency initiatives and effective resource management in the conduct of our operations.
- We aim to offer our customers environmentally friendly products that are more energy- and water-efficient, durable, and recyclable.
- We strive to manage our activities in a manner that minimizes their impact on biodiversity.

4.2. Waste and Packaging Management



As part of our sub-strategy *"Advancing Circular Economy Practices and Eco-Designed Products"*, we undertake initiatives to support the transition to a circular economy by reducing waste and increasing the use of recycled materials in our production processes.

- Guided by our "Zero Waste" approach, we prioritize preventing waste at its source. In addition to separating waste generated in our offices, we consider waste generation during our design processes and strive to prioritize the use of waste as a resource wherever possible.
- Through effective waste management, we aim to increase the reuse, recycling, and recovery of waste. Through these efforts, we strive to prevent soil, water, and air pollution.
- We manage waste disposal processes in accordance with applicable national and international regulations while ensuring that waste is disposed of in a manner that does not harm the environment.
- We strive to use packaging materials with a lower carbon footprint that are sourced sustainably or are reusable.
- We aim to develop and use packaging solutions made from sustainable raw materials designed to use less material in their production.

4.3. Water and Wastewater Management

As part of our sub-strategy, "Advancing Water and Wastewater Management", we undertake initiatives to reduce our water consumption and wastewater generation, resulting from our products and operations.

- We prioritize the use of raw materials that require less water during the design of our products. Through this approach, we aim to contribute to the conservation of water resources.
- We give preference to suppliers that use technologies designed to reduce water consumption and wastewater generation.
- We use water-efficient fixtures and equipment at our headquarters and logistics warehouses to reduce water consumption.
- To optimize our water consumption, we regularly measure and analyze water use and evaluate opportunities for improvement. We take ongoing steps to continuously improve our water efficiency.



4.4. Chemical Management and Natural Raw Material Resources

As part of our sub-strategy, "Reducing Chemical Impact", we focus on minimizing the environmental impact of chemicals associated with our products and operations, while raising awareness among our suppliers throughout the supply chain and our customers regarding the use of hazardous chemicals.

- We do not use any chemicals prohibited under applicable national or international laws and regulations at any stage of our production processes.
- In line with our goal of reducing the harmful effects of the chemicals used in our products, we seek to transition to alternative materials.
- We are committed to conserving natural raw material resources and prefer sustainable raw materials. We increase the use of sustainable raw materials in our collections each year.