



SUSTAINABILITY COMMITTEE DUTIES AND WORKING PRINCIPLES

1. Purpose And Scope

The Sustainability Committee (the "Committee") has been established to define the sustainability strategy of Koton Mağazacılık Tekstil San. ve Tic. A.Ş. ("Koton") in the areas of environmental, social, and governance (ESG), oversee the implementation, monitoring, review, evaluation, and continuous improvement of its sustainability policies, objectives, and practices, develop sustainability initiatives, and report to the Board of Directors on these matters. This document sets forth the duties and working principles of Koton's Sustainability Committee.

2. Composition And Structure Of The Committee

The Committee is composed of individuals from relevant functions and diverse disciplines across the organization who possess knowledge of sustainability and can contribute to the development, implementation, and monitoring of the Company's sustainability strategy. The Committee is chaired by Gülden YILMAZ, a member of the Board of Directors. The Sustainability Department is responsible for coordinating the Committee and providing secretariat support. The Committee consists of department directors and/or employees appointed by management. Committee membership is reviewed annually, and the updated membership list is distributed by email each year.

3. Working Procedures and Principles

The Sustainability Committee meets once a month and/or as needed. Meetings are convened by the Chair of the Committee. The meeting agenda is determined by the Chair of the Committee. A meeting may proceed only if a simple majority of the Committee members are present.

The Sustainability Department maintains written records of the decisions made at Committee meetings, including the meeting date, time, location, and the names of the members in attendance. In addition, the Sustainability Department prepares a summary of the meeting minutes covering the matters discussed and circulates the summary, together with the written decisions, to the Committee members within two days of the meeting. The Committee may consult internal or external subject matter experts whenever necessary.



The Committee's decisions are reported to the Board of Directors through the Chair of the Committee. Decisions that require the approval of the Board of Directors (decisions that shape the Company's sustainability strategy) are submitted to the Board for approval.

4. Duties And Responsibilities Of Sustainability Committee Members

- 4.1 Actively participating in Sustainability Committee meetings;
- 4.2 Submitting proposed agenda items related to their respective areas of responsibility and projects to the Sustainability Manager by email at least two (2) days prior to the Sustainability Committee meeting;
- 4.3 Carrying out initiatives and developing projects to integrate sustainability performance criteria into business processes in line with Koton's Sustainability Manifesto and sustainability strategy;
- 4.4 Identifying priority sustainability issues, and contributing to the development of the sustainability strategy, short-, medium-, and long-term objectives, roadmaps, and policies;
- 4.5 Monitoring the sustainability roadmap developed to achieve Koton's sustainability objectives and the progress of its implementation, establishing performance metrics aligned with those objectives, and monitoring performance;
- 4.6 Supporting the transition to a low-carbon economy as part of efforts to combat climate change, ensuring the implementation of projects aimed at reducing greenhouse gas emissions in business processes, and developing or participating in such projects;
- 4.7 Regularly reviewing, improving, developing, implementing, monitoring, and evaluating sustainability objectives, policies, practices, working principles, and management systems, and submitting such activities to the Board of Directors for approval at least once a year and within the maximum time limits established for the public disclosure of sustainability reports;
- 4.8 Ensuring that all employees are informed of Koton's sustainability strategy and objectives, and carrying out initiatives to promote employees' understanding and adoption of the Company's sustainability objectives;
- 4.9 Facilitating stakeholder engagement with respect to Koton's sustainability strategy, policies, and practices;



- 4.10 Establishing Working Groups under the Committee, and authorizing and coordinating such Working Groups, to support the effective management of sustainability matters;
- 4.11 Carrying out initiatives to ensure compliance with the principles set forth in the Sustainability Principles Compliance Framework and the United Nations Sustainable Development Goals; and
- 4.12 Monitoring national and international developments related to sustainability.