



SUSTAINABILITY POLICY

As Koton, a global ready-to-wear fashion brand recognized for its distinctive approach to the industry, we believe that, through our "***Respect for Life Manifesto***", we have a responsibility to create long-term value for all our stakeholders through our activities. Guided by this commitment, as a dynamic and rapidly growing fashion brand, we closely monitor national and international developments, strategies, and regulations affecting our industry and take proactive initiatives to advance sustainability across the fashion sector.

We regard sustainability as the guiding framework that gives purpose to our business and use the United Nations Sustainable Development Goals (SDGs) as a guiding framework for our sustainability efforts. Our sustainability strategy is built around four strategic pillars: "***Respect for Our Planet, Respect for People, Respect for Society, and Respect for Our Business***". We strive to achieve the objectives under each of these pillars in everything we do.

Through our Sustainability Policy, which provides a systematic framework for identifying the environmental, social, and governance (ESG) aspects of our activities, assessing their significant impacts, and establishing the principles and methods for managing related performance, we are committed to:

- conducting all of our activities in accordance with ethical principles, applicable standards, legal requirements, and other applicable obligations;
- raising awareness of climate change, sustainability, quality, environmental protection, energy efficiency, and occupational health and safety among our employees and all other stakeholders;
- establishing grievance mechanisms that enable all stakeholders to raise concerns related to our activities and seek appropriate resolution;
- identifying and minimizing the potential environmental, social, reputational, operational, and economic risks arising from our activities, transforming those risks into opportunities through appropriate measures, and integrating them into our business processes;
- providing our customers with durable, high-quality, safe, and sustainable products designed for long-term use, in line with our sustainable fashion approach;
- advancing our operations in accordance with a circular economy business model;
- promoting the efficient use of natural resources throughout our value chain;



- promoting equality, diversity, and inclusion to foster a respectful and safe work environment;
- raising awareness among both our employees and the broader community through our gender equality and women's empowerment initiatives, while creating a positive impact, and continuously reaching new audiences;
- supporting our employees' professional development by providing high-quality learning opportunities and prioritizing talent management;
- developing high-impact initiatives that create value for society through our commitment to corporate social responsibility;
- increasing our investments in technology and research and development (R&D), alongside our retail expertise;
- giving priority to local employment in the regions where we operate;
- developing initiatives that enhance transparency and traceability throughout our supply chain;
- transparently sharing our sustainability progress and experience with our stakeholders;
- aligning our activities and objectives with the United Nations Sustainable Development Goals (SDGs); and
- complying with the Ten Principles of the United Nations Global Compact, which we became a signatory to in 2022.

At Koton, we believe that creating long-term value for our stakeholders through sustainability is key to our long-term success.