



# RESPONSIBILITY FOR A SUSTAINABLE FUTURE

**COLIN'S**

Sustainability Report 2022





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## With the same sensitivity for 40 years...

As COLIN'S, for the last four decades, we have upheld our responsibility for the future through our products, services, and environmentally friendly approach. We have always adhered to universal values, and we conduct all our processes with sustainable steps and in accordance with a corporate mission that prioritizes accountability.

We will continue to touch the lives of people around the world, especially those in the next generations, by helping them feel better and consistently enhancing and improving our understanding of sustainability.

# We are responsible for the planet

As COLIN'S, we care about ecological balance and strive to help our planet achieve a better and cleaner future. Our Ecologic Jeans collection features biodegradable buttons and we recycle the water we use, repurposing it for manufacturing. The jeans feature labels made with jacron, a sustainable paper product, rather than with animal skin, and without harmful chemicals. We minimize energy consumption by managing energy in our Smart Green Stores and switching to energy-efficient LED lighting in all our stores.





# We are responsible for equality

We reinforce the essence of our brand with the concepts of equality, freedom and happiness. The starting point of our corporate governance principles is our goal to create sustainable added-value locally and globally. Our universal understanding of ethics ensures a reliable, transparent and fair working environment for our employees, and we maintain transparency, accountability and responsibility across all our business processes.







# We are responsible for satisfaction

As a global brand, we make products that appeal to our customers' tastes and respect the ecological balance. We offer our customers a wide range of collections with an innovation understanding, and we ensure that our customers enjoy comfort and flexibility with a fitness understanding. In line with our understanding of quality, we reinforce the brand's reliability and success with products that achieve customer satisfaction, from color to fabric, and from sewing to durability.



# Introduction



Having more than 600 stores in 24 countries worldwide, COLIN'S shares its activities in Türkiye and the world in its first sustainability report.

COLIN'S



## ABOUT THE REPORT

Our Sustainability  
Report 2022 covers  
COLIN'S' activities in  
Türkiye and the world.

COLIN'S operates in the ready-to-wear clothing retail sector. This is the first sustainability report of COLIN'S.

Our mission is to enable young people and those who feel young to enjoy life more with our jeans-oriented fashion products. We therefore offer our customers trendy, fit and quality products that they will enjoy in our stores in 24 countries around the world in a fast and accessible way. We reflect our understanding of innovation, which is a component of our brand personality, to our collections and showcases with a social, free and passionate spirit.

COLIN'S offers its customers, who embrace the authenticity and versatility of denim fashion, collections that they can experience

the feeling of freedom on the street with a friendly and accessible atmosphere. Focusing on fit and fabric, the COLIN'S quality approach is based on meticulous engineering, combining trends with timeless style and allowing the customer to find the perfect fit. COLIN'S promise of fit goes beyond the ordinary and means a wide range of alternative fits for different body types and sizes. Our understanding of fit is based on delivering superior comfort that allows our customers to move freely and confidently during the day.

COLIN'S reflects the brand essence consisting of freedom, street and jeans in many components, from the product to the shopping environment. In this context, we

prioritize universal values and sustainability, responding to the expectations of young people and providing excellent customer experience by offering high quality at affordable prices.

We define our values that will shed light on COLIN'S in this vision as innovation and growth, quality orientation, trust and stability, embracing freedom, and respect for different cultures and values.

In more than 600 stores in 24 countries worldwide, COLIN'S keeps pace with a world where newer, more modern, more interesting and more special things happen every day and shares the spirit of this great change with its customers.



## ABOUT THE REPORT

COLIN'S is reaching for the future with the vision of being the most preferred ready-to-wear clothing brand for the young and those who feel young.

We share our report with our stakeholders by following the International Integrated Financial Reporting Standards Framework (IFRS) for COLIN'S operations. This report has been prepared to convey to our stakeholders that the activities of the organization are carried out with an integrated thinking and sustainability perspective and how these approaches are realized.

GRI core standards and SASB textile sector materiality criteria were utilized in the report preparation process. The utilization of six capitals and the value-created in each area have been defined in line with an Integrated Thinking and reporting approach.

General information on the Company and details on the core approach have been provided in the introduction section of the report. Within the framework of the main headings of our sustainability strategy, the report presents the social, environmental and economic dimensions and the headings of Governance dimension, Our Planet, Our Products, Our People and Our Approaches which aim to provide the climate to realize these dimensions.

During the preparation of the Sustainability Report, regular meetings were held with the Board of Directors, information was shared about the process steps, and opinions and suggestions were received.

The report covers COLIN'S operations at home and abroad.



**IN OUR STORES  
IN 24 COUNTRIES  
WORLDWIDE, WE  
PRESENT OUR  
PRODUCTS TO OUR  
CUSTOMERS IN OUR  
COLLECTIONS AND  
SHOWCASES WITH  
A SOCIAL, FREE AND  
PASSIONATE SPIRIT.**





# MESSAGE FROM THE CHAIRMAN

With the responsibility of 40 years of experience, COLIN'S is appreciated by diverse cultures in 24 countries.

Dear Stakeholders,

Despite the challenges and diverse developments following the pandemic, we have experienced continuous improvements and strengthened momentum in recent years.

In line with its original mission, COLIN'S consistently looks to the future. As a brand that provides ready-to-wear clothing for young people and the young-at-heart that celebrates life, we respect the past and live in the present in the most qualified way. We dream of the future in the most meaningful sense, and we reach the stars to realize this vision. This philosophy summarizes the Company's perspective towards its business and towards life in general.

For this reason, even during the most uncertain and demoralizing days of the pandemic, we worked harder, envisioning the time when these challenges would be overcome. One of the most important features that makes COLIN'S the company that it is, is our belief in the future along with all our employees and stakeholders in the geographies where we operate.

In 2022, the focus of this report, we increased our turnover by 105% in Turkish lira terms. We continued to expand geographically and added Serbia as the twenty-fourth company in our portfolio.

Our efforts are richly rewarded by our customers' satisfaction and their preference for us. In this context, we enriched our products in accordance with the wide-ranging expectations of customers across 24 countries and raised our service quality in line with the diverse cultures in these geographies. On a global scale, in 2022, we reached 10 million customers registered in digital processes.

Contributing to society, inspiring young people, and providing them with a continuous development and innovative perspective is a point that unites our values and vision. Even beyond the positive developments in our commercial performance, the work we realize for youth is another lane that motivates us and demonstrates the power of acting together as an organization. With this insight, we initiated the "Denim Fikrim" (My Denim Idea) contest in 2022. Our organization's managers also delivered lectures at universities. We support strengthening competitiveness by bringing young people into our industry and reinforcing our country's design muscle in the textile field. Efforts to bring young people into our company and our industry is an integral part of our approach.



40

YEARS OF  
EXPERIENCE

# MESSAGE FROM THE CHAIRMAN

We work by incorporating the diverse expectations and cultures of our customers into our products and service quality.

In 2022, we came to the profound realization that all developments, wherever in the world they take place, affect us all. We know that change and progress can be achieved only through collective efforts. We know that it is not enough to focus our perspective only on ourselves, that we must focus on creating value for our entire ecosystem, and we plan and manage all our activities with this broad perspective.

Operating across 24 countries, our greatest strength lies in understanding the dynamics in different geographies, identifying the needs of those customers, and developing our way of doing business accordingly. We have always reaped positive benefits by being a company that considers our stakeholder relations in the course of conducting our business.

As COLIN'S, one of our fundamental understandings is that sustainability is an indispensable concept that affects all areas of life. This understanding is compatible with the values that we uphold in our company culture.

As COLIN'S, we have been carrying out sustainability studies, supported by the main themes of our culture, since 2006. Through our Sustainability Committee, established in 2020, we address these issues in a more structured and planned manner and we generate effective results. Today, we publish our first Sustainability Report to share these efforts with you. We aim to keep you informed with regard to our

activities, which are managed in line with our main strategy and supported by a strong framework.

We manage our Sustainability strategy, shaped along the main themes of Our Planet, Our Products, Our People, and Our Approaches, with motivation and implementation practices applicable to everyone in our organization, from employees to managers. Thus, we move forward with a more permanent and participatory understanding within the organization.

We focus on contributing to the nine goals of the United Nations' 2030 Sustainable Development Goals, which we identified considering our business and impact area. We define our journey through short-, medium- and long-term goals.

In accordance with our responsibility to our planet, we aim for all our stores worldwide to operate within the Energy Management System (EMS) by 2030 and to use 100% renewable energy in Türkiye for energy supply. Within the scope of equal opportunity, one of our strengths, the ratio of our female employees is 62% globally and we intend to raise the ratio of female managers to 50% globally by 2030.

We plan to increase the rate of new graduate recruitment to 30% in 2030, in order to bring the energy and creativity of young people to our company.

We reinforce our target of being in over 800 stores in 35+ countries with our target of being in 50+ online sales channels.

Extending our sustainability journey through the products we offer to customers and through the production process, we work in line with the goal of procuring 100% of our product supply by 2030 from producers who hold Sedex and/or BSCI certification.

We will never cease to pursue better for our planet and our society, and we continuously improve the value we create with the resources at our disposal. We are pleased to share with you this report, the logbook of a sustainability journey that we are taking together, while reaching customers with our products and services via our strong team and experienced suppliers.

**Yavuz Eroglu**  
Chairman of the Executive Board



## HISTORY

COLIN'S works to offer its customers not only ready-to-wear clothing products but also an experience that will make them feel better.

COLIN'S, whose foundations were laid in a small clothing workshop in 1983, began its sales and marketing activities spreading across the globe, starting with Russia and the Turkic Republics in 1986.

COLIN'S, which offers sustainable collections focused on jeans, that everyone can reflect their style and feel the energy of youth at any time, includes sustainable products with color, fabric, stitching, durability and stance in line with its quality understanding.

COLIN'S, which provides 24-hour service worldwide with more than 600 stores in 24 countries, has approximately 5,500 employees. 11 different languages are spoken in COLIN'S stores around the world. COLIN'S, the first Turkish company to produce ready-to-wear clothing in Russia, increases its planning and production performance by using artificial intelligence. In this way, COLIN'S closely follows the rapid changes in fashion of jeans-oriented trend

collections, thus creates products that can fit the consumer's own style in every period and keeps this free spirit alive in its stores.

Being conscious about sustainability and recycling, COLIN'S uses low-water washing techniques in 50% of its jeans collection production and procures its fabric supply from factories with the most effective water treatment recycling facilities in the world. In addition, it recycles 84% of the water consumed with the Waterless system and prevents chemical wastes from entering the nature and water pollution with eco stone technology.





# HISTORY

## 1983

The journey to the COLIN'S brand began with a small clothing workshop equipped with six machines, where coats and jackets were produced by a team of 15 in a closed area of 150 square meters.

## 1987

Clothing workshop moved to Küçükçekmece.

## 1986

In addition to coats and jackets, it also started to manufacture jeans and shirts with the Kulis brand. A sales store was opened in Mercan and the wholesale and retail marketing of the products began.

## 1992

Kulis brand started to be produced as COLIN'S.

## 1995

COLIN'S Giyim San. ve Tic. A.Ş. was founded, a COLIN'S store was opened in Moscow, and a company and an office were established in Moscow to monitor and manage the activities in Russia directly on-site.

## 1998

The number of domestic and international stores reached 7 and 3, respectively.

## 1999

The number of domestic and international stores reached 11 and 6, respectively. During this period, the Company also started to produce world-renowned brands such as Calvin Klein, Next, Tommy Hilfiger, GAP and Next with its off-brand production move.

## 2003

The Company continued to open stores with very important investments in Russia. COLIN'S became the first Turkish company to produce ready-to-wear clothing in Russia.

## 2006

With a factory opened by Eroglu Giyim, production started in Egypt.

Turquality support started to be utilized.







# HISTORY

## 2008

In 2008, a very important year of change for COLIN'S, in line with its goal of becoming a global retailer, it was decided to move to a retail organizational structure completely by transforming the wholesale elements of its organizational structure.

COLIN'S Academy was established.

## 2012

COLIN'S e-commerce sales were started in Ukraine.

## 2015

As of 2015, COLIN'S e-commerce operation became active in our 3<sup>rd</sup> country. COLIN'S online site ([colins.ru](http://colins.ru)) and 3<sup>rd</sup> party companies were deployed in the Russian market.

## 2018

COLIN'S special collection products were introduced for the 2018 World Cup in Russia. COLIN'S was selected as the most preferred brand in the "Jeans store chains" category, leaving many brands behind in the "Number 1 Choice of the Year" competition organized in the retail branch for 17 years in Belarus.

## 2010

COLIN'S accelerated its investments in information technologies and internal resources in order to strengthen its retail developments with technology. The first COLIN'S e-commerce sales started in Türkiye.

## 2014

A new modern Distribution Center was opened; [colins.com](http://colins.com) website was activated.

## 2017

Awarded the most technological project of the year at Türkiye's most influential Supply Chain Professionals award ceremony organized by SCP Club.

## 2019

COLIN'S was selected as the "Years's Best Clothing Brand" at Hacettepe University Crystal Deer Awards.

COLIN'S Ecologic Jeans products, our sustainable jeans collection prepared with environmentally friendly production techniques that draws its power and energy from nature, were introduced.

As a result of the research conducted by Marketing Türkiye magazine, COLIN'S was selected as the third best e-commerce brand of the year in the Men's Clothing Category.



# HISTORY

## 2021

Recycle Knitwear made from recycled cotton went on sale.

The MUZ TV music awards in Russia were sponsored for the 3<sup>rd</sup> time.

Our 500<sup>th</sup> store was opened at Vivo Shopping Center in Baia Mare, Romania.

Our brand was selected as the best Jeans brand of the year for the 5<sup>th</sup> time in Belarus.

Our TV and outdoor advertisements were broadcast for the first time in Morocco for the Jeans Fest campaign.

SELSIZED Jeans pants suitable for all ages and body types went on sale.

Online sales store [www.colins.ro](http://www.colins.ro) was launched in Romania.



## 2020

In Türkiye, our new perfumes C'HER and C'HIM were launched in our stores and on [colins.com](http://colins.com).

In Morocco, 3 new COLIN'S stores were opened in the same year, bringing the total number of stores in the country to 8.

In Ukraine, COLIN'S online store [colins.ua](http://colins.ua) website was launched as of the first quarter.



## 2022

DENİM FIKRİM (MY DENİM IDEA), a design competition in the field of Denim, which can be attended by 2- and 4-year students of Fashion Design departments of universities located in Istanbul and Fashion Design long-term education students, was organized for the first time.

As part of the cooperation with Istanbul Kultur University, "COLIN'S Denim Design" courses were started in the 2<sup>nd</sup> year spring semester curriculum of the Fashion Design program.

We reached our 10 millionth customer registered with digital processes globally.

We increased the number of countries where we operate to 24 with our 604<sup>th</sup> store at Ada Mall Shopping Mall in Belgrade, Serbia.

On December 3, International Day of Persons with Disabilities, we collaborated with Çağla Nur Uzundurukan, a national basketball player whose name went down in the world's sports history as the first hearing-impaired athlete to play in FIBA

European Cups, we gave hope to all children with special needs who engage in sports activities.

We received a Zero Waste Certificate at our distribution center.





## WHO ARE WE?

As COLIN'S, we enable young people to enjoy life more with jeans-oriented fashion products.



## Mission

- To enable young people to enjoy life more with jeans-oriented fashion products.



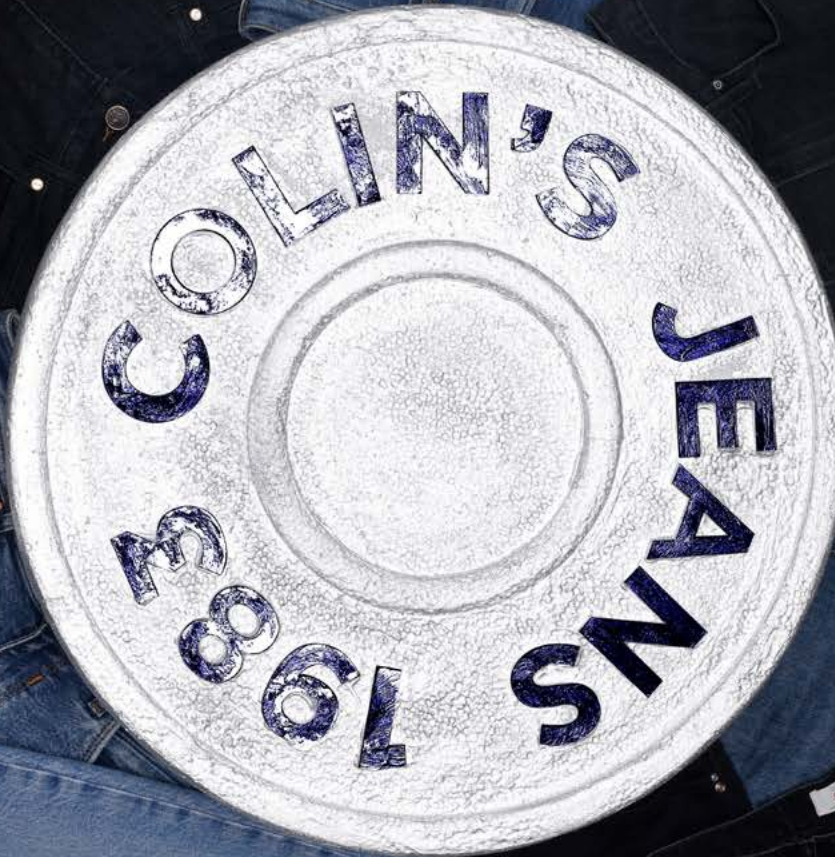
## Vision

- Meeting the expectations of young people, prioritizing universal values and sustainability, to be the most preferred jeans-oriented fashion brand, offering advanced customer experience at affordable prices while maintaining high quality.



## Our Values

- Consistent Development and Innovation
- Quality Oriented
- Reliability and Stability
- Being a Freedom-lover
- Respecting Traditions







# WHERE ARE WE?



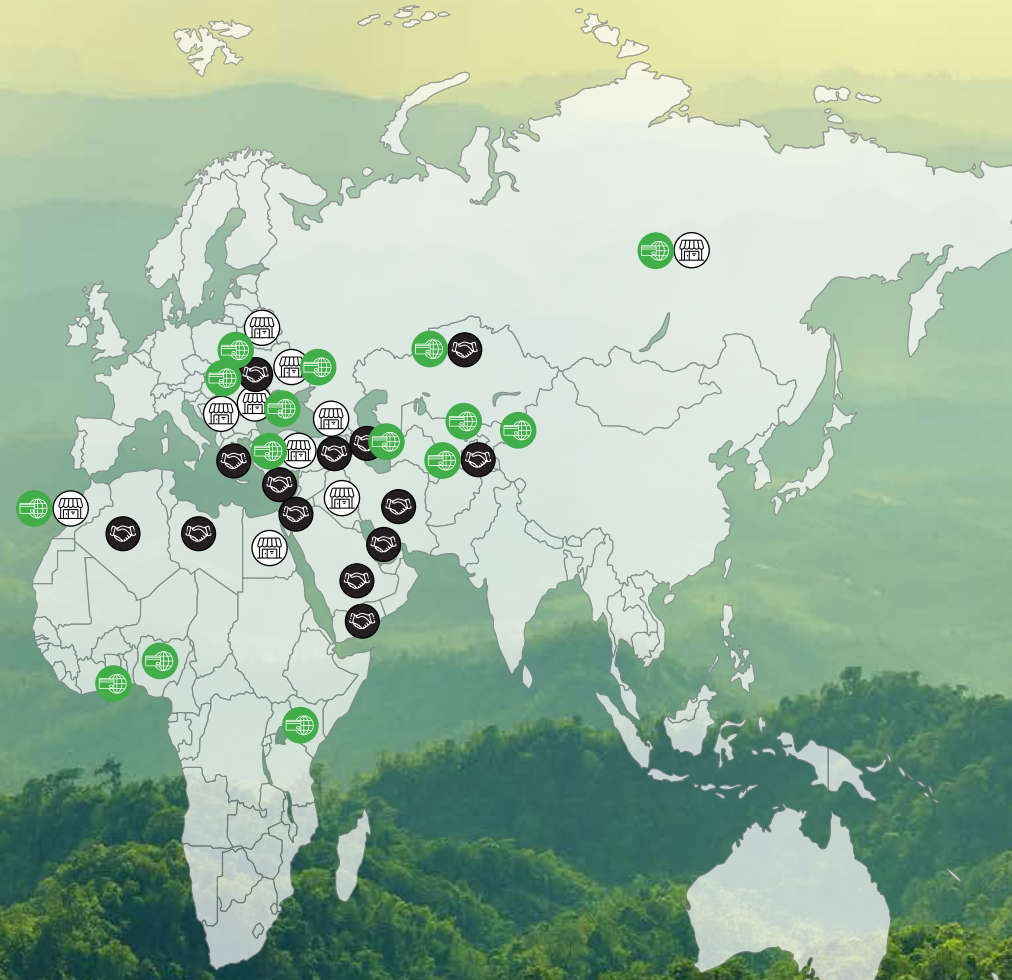
OUR OFFLINE STORES



OUR FRANCHISE STORES



OUR ONLINE STORES



## TÜRKİYE

Stores: 188  
Employees: 2,153

## UKRAINE

Stores: 56  
Employees: 562

## BELARUS

Stores: 22  
Employees: 229

## MOROCCO

Stores: 13  
Employees: 110

## EGYPT

Stores: 7  
Employees: 60

## RUSSIA

Stores: 183  
Employees: 1,642

## ROMANIA

Stores: 32  
Employees: 296

## GEORGIA

Stores: 6  
Employees: 47

## IRAQ

Stores: 7  
Employees: 59

## SERBIA

Stores: 1  
Employees: 7

## BULGARIA

## HUNGARY

## KYRGYZSTAN

## UZBEKISTAN

## GHANA

## NIGERIA

## KENYA

## KAZAKHSTAN

Stores: 20  
Employees: 120

## ALGERIA

Stores: 12  
Employees: 45

## GREECE

Stores: 10  
Employees: 12

## PALESTINE

Stores: 3  
Employees: 15

## TRNC

Stores: 3  
Employees: 15

## YEMEN

Stores: 1  
Employees: 8

## ARMENIA

Stores: 1  
Employees: 6

## SAUDI ARABIA

Stores: 18  
Employees: 80

## AZERBAIJAN

Stores: 11  
Employees: 50

## MOLDOVA

Stores: 5  
Employees: 20

## IRAN

Stores: 2  
Employees: 12

## QATAR

Stores: 2  
Employees: 12

## TAJIKISTAN

Stores: 1  
Employees: 8

## LIBYA

Stores: 1  
Employees: 8



# COLIN'S IN FIGURES



**7.5 Million**

Annual Jean Sales



**103 Million**

Annual Store Visitors



**604**

Stores



**1.7 Million**

Annual E-Commerce Sales



**12.3 Million**

Annual E-Commerce Visitors



**5%**

E-Commerce Turnover Share



**24**

Countries



**102**

Suppliers



**5,500**

Employees

# Our Sustainability Approach

COLIN'S identifies sustainability as one of the main components of its strategy and contributes to the protection of ecological balance.



# COLIN'S



# OUR SUSTAINABILITY STRATEGY

COLIN'S **4Ps** in its sustainability journey



## PLANET

### Reduce Consumption

Water and Energy Consumption  
Waste/Recycling - Carbon Footprint



## PEOPLE

### Develop/ Empower

Occupational Safety - Employment and  
Diversity - Equal Opportunity - Social Investment



## POLICY

### Define/Implement

Our Customers, Our Dealers - Cost Reduction  
Development of Standards/Policies



## PRODUCT



# OUR SUSTAINABILITY STRATEGY



We have identified that we can make a positive contribution to 9 of the 17 Sustainable Development Goals set by the United Nations. By linking this initiative with our Sustainability Model, we have brought a holistic view in our impact area.

With more than 600 stores and 5,500 employees in 24 countries, we contribute to people's quality of life with comfortable, accessible textile products. We build our business model with the approach that we need to utilize the resources we use while carrying out our activities in the most accurate and effective way to transform, protect and reinforce them instead of consuming.

- We reflect our perspective of using the resources of our **planet** without harming them and reducing consumption on all our practices with our employees and suppliers. We are guided by our 'Focusing on Constant Development and Innovation' approach. We manage our resources and business model with the perspective of **reducing the consumption of natural resources** in our operations and in the lifecycle of our products. We manage and measure this approach with the **Conserve, Reduce, Reuse** model we developed.

- **People** are the energy of our business model. Our most important values that unite us in our activities in a wide geography and make us a big family are being 'Libertarian and Respectful to Traditions.' As a requirement of being a reliable company, we provide our employees with solid ground and fair practices in the fields of employment, occupational health and safety with the principles of diversity, equality and inclusion. We realize our human resources management systems and corporate social responsibility projects for the development of our employees and the empowerment of society. We refer to this method of ours as the **G<sup>3</sup>** approach in the human dimension. (**Güvence [Assurance], Gelişim [Development], Güçlendirme [Empowerment]**). Customers, workers, suppliers, and their employees are all part of our human-centered approach.
- **Through our approaches**, we develop a solid foundation for 'Being Reliable and Stable' in our operations in many countries with a wide range of stores. And to assure these values, these approaches form the basis of our practice. We focus on the 'sustainability' perspective in our approaches, policies, procedures, regulations and standards that determine the way we do business. We implement our sustainability strategy with a holistic approach from the store identification stage to the supply of products from suppliers, from the distribution stage to the sale to the customer and after-sale steps. We are guided by the most advanced standards in all areas. As we incorporate these criteria

into our operations, we complete the certification processes and integrate them into our business model.

- **Our products** are the tangible indicators of our activities, and therefore we evaluate our products as the result of our 'quality-oriented' business endeavor. We strive to reflect all of our sustainability strategies in our products, taking into account customer expectations, in order to positively contribute to the quality of life for those who use our products. With a responsible production approach, we take action knowing that we are responsible for preserving the basic principles of our sustainability strategy at every stage of our products, from design to production and presentation to our customers.

## Our SDG Approach

With our sustainability approach, we define and aim to measure our internal, external and ecosystem-based impact and contribution areas. Accordingly, we started to identify and measure our impact areas for the United Nations 2030 Sustainable Development Goals.

We have identified that we can make a positive contribution to 9 of the 17 Development Goals. By linking this initiative with our Sustainability Model, we have brought a holistic view in our impact area.





# SUSTAINABLE DEVELOPMENT GOALS WE FOCUS ON

Sustainable Development Goal We Focus on	Our Contribution Area	Indicator We Monitor
SDG 5 - Gender Equality	We build all our practices on our perspective of gender equality and equal opportunity. We support our 5,500 employees in 24 countries with this approach towards our employees. We set an example for Gender Equality in our ecosystem within our impact area and convey this approach to different segments in our social contribution and social responsibility activities.	Female / Male ratio (stores, production, head office, regional directorates, etc. on the basis of working areas) The ratio of females to males at the management level Diversity Inclusion trainings (number of people trained, what levels, etc.) Use of pregnancy leave The ratio of female/male returning after pregnancy leave The ratio of those who returned after pregnancy and continued working after 12 months Remuneration (equal pay for equal work - female / male - performance management approach) Recruitment policy
SDG 6 - Clean Water and Sanitation	Even if we do not have a direct impact on water use in the production phase of textile retailing, we contribute through our joint work for the development of our suppliers' practices in this direction and our approaches to reduce water consumption from the design stage.	Water consumption amount
SDG 7 - Affordable and Clean Energy	We contribute to energy efficiency by ensuring energy efficiency in our 604 stores in 24 countries.	Energy consumption amount Energy consumption per store
SDG 8 - Decent Work and Economic Growth	With our 5,500 employees, we contribute to the goal of decent work and economic growth by ensuring a healthy, safe work environment and human resources practices, full and productive employment and equal pay for equal work, and focusing on improving our company's effective and efficient approaches to work.	Market comparative remuneration Number of employees Employee satisfaction

# SUSTAINABLE DEVELOPMENT GOALS WE FOCUS ON

SDG 10 - Reduced Inequalities	With 5,500 employees in 24 countries, we observe equality in our impact area with our merit-based recruitment and career planning approaches regardless of age, gender, disability, race, ethnic origin, religion, economic status or any other status, through our employee-focused policies, and contribute to reducing inequalities through our corporate social responsibility approaches.	Number of managers promoting from within Number of female/male managers Remuneration (equal pay for equal work - female / male - performance management approach)
SDG 12 - Responsible Consumption and Production	Resources are decreasing in the world. Therefore, durability, long-term use and recycling of products are of great importance in the efficient use of these resources. As COLIN'S, we do not adopt the "fast fashion" approach. Thus, we ensure that the resources consumed are at an optimum level. We started to establish and certify the "zero waste" system in our stores in Türkiye. In this context, we will start collecting clothing waste in our certified stores. We will contribute to recycling in this way. We also work on the use of sustainable raw materials other than cotton and use them in our products. We make sure that our cotton fabrics are produced from sustainably produced cottons.	Number of stores with Zero Waste certificate Amount of clothes collected for recycling Ratio of sustainable cotton use in total
SDG 13 - Climate Action	Knowing that the detrimental consequences of climate change will also affect our business and our employees, together with our awareness-raising activities, we move towards constant development efforts to reduce natural resource consumption and to minimize harmful impacts in all our processes, starting from design within the organization, and contribute to the goal of fighting climate change.	Sustainability training hours Total training hours
SDG 16 - Peace, Fairness and Strong Institutions	Our organization's defined business processes, the functioning of internal audit processes related to operations, and management with policies and procedures ensure the correct, effective and efficient use of our resources. We contribute to the goal of 'peace, fairness and strong institutions' in our impact area through our governance infrastructure and effective, accountable and transparent approaches at all levels.	Number of internal audit findings Closing time of internal audit findings Independent audit reports
SDG 17 - Partnerships for the Goals	Establishing a shared understanding for work and a space for collaboration with our suppliers, dealers, and public institutions in the countries we operate is crucial for our efficiency and effectiveness. We create strong and trust-based partnerships and collaborations with our corporate governance principles and ethics line application.	Supplier opinions Dealer satisfaction and performance

# SUSTAINABILITY MANAGEMENT

All steps in the process of identifying our sustainability strategy, defining goals, setting, prioritizing and implementing actions are carried out with a participatory approach within COLIN'S.



The Sustainability Committee, which reports directly to the Chief Executive Officer, carries out its activities with broad participation at the level of Director, Group Manager, Manager and Specialist. We adopt a flexible and dynamic working approach such as the formation of small sub-groups according to the requirements of the subject and reporting detailed studies to the committee.

The alignment of corporate strategies and sustainability strategy is ensured through the joint work of the Strategy Committee and the Sustainability Committee.

## History of Sustainability Studies:

- 2006** We were included in Turquality.
- 2008** COLIN'S Academy was established.
- 2013** ISO 9001 Quality Management System Certificate was obtained.
- 2015** ISO 27001 Information Security Management System certificate was obtained.
- 2015** COLIN'S Digital Academy was established.
- 2017** Design Center accreditation was achieved.
- 2017** Authorized Economic Operator Status Certificate was obtained.

- 2019** ISO 14001 Environmental Management System certificate was obtained.
- 2019** COLIN'S Ethics Line was established.
- 2019** Ecologic Jeans went on sale.
- 2020** Sustainability Committee was established.
- 2020** Smart Green Store project was started.
- 2020** We moved to our new office at Skyland Istanbul.
- 2021** Working Life Survey questionnaire was conducted for the first time.
- 2022** 'Denim Fikrim' (My Denim Idea) Competition was organized.
- 2022** 56 of our stores were integrated into the Smart Green Store system.
- 2022** Distribution Center Zero Waste Certificate was obtained.
- 2022** FSC-Certified Label usage started.

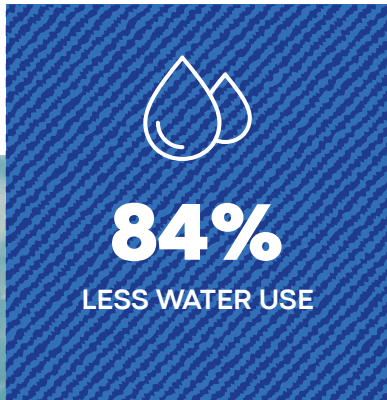
## Sustainability Committee Members

- Corporate Development
- Product Management
- Technical and Procurement
- Health Safety Environment
- Visual Presentation
- Marketing Communications
- Sales
- Human Resources
- Audit
- Logistics
- Distribution Center
- Business Development
- Architecture
- Administrative Procurement
- Planning
- Finance
- Information Technologies
- Brand Strategies



## OUR GOOD PRACTICES

As COLIN'S, we do not compromise on the lustrousness of the products while contributing to the protection of the ecological balance.



### ECOLOGIC JEANS

We adopt an eco-friendly approach with our nature-friendly and sustainable Ecologic Jeans collection and carefully select all details and accessories with a focus on sustainable design.

With COLIN'S **Ecologic Jeans Collection**, we reduce the use of water and chemicals by 84%, and we offer our designs, in which we combine the trends of the season with environmental sensitivity, in many different color variations, starting with indigo.

### SMART GREEN STORE

As of 2020, we initiated the '**Smart Green Store Project**'. In this context, we can instantly monitor the energy consumption of all our electrical devices by managing lighting and air conditioning systems with automation. We completed the transition to low-energy-consuming LED lighting in all our businesses.

Thus, we minimize our energy consumption by using energy resources more efficiently.

#### To summarize:

- We prefer processes that consume less water, choose eco-friendly raw materials, and use fabrics produced with the water-less method.
- We use environmentally friendly chemicals in our products and monitor the chemicals used by our suppliers through banned chemical lists.
- We choose lighting devices with low energy consumption and ensure low energy consumption with the transition to smart store applications. We monitor our consumption of fossil fuels such as electricity, gas and gasoline and develop new methods to reduce it.
- We create Green Business Strategies and collaborations with our stakeholders and collect our recyclable waste separately.

## AWARDS

- COLIN'S, Türkiye's jean-oriented global fashion brand, received the **Gold Award at the '2022 Successful Exporters Award Ceremony'** organized by the Istanbul Apparel Exporters' Association (IHKIB) with its successful performance in 2022. At the ceremony, where IHKIB members who contributed the most to the Turkish fashion industry's exports of USD 21.2 billion in 2022 were awarded, his son Ahmet Eroglu, representing COLIN'S' Chief Executive Officer Yavuz Eroglu, received the award.
- In the "Choice of the Year" survey organized among retail brands in Belarus for 21 years, we were selected as the **"Jeans Brand of the Year"** for the sixth time in 2022. We carried this pride all over the world. With this success, COLIN'S has been deemed worthy of the Most Preferred Brand award by retaining its success in the **"Jeans brand most loved by young people"** category.

- COLIN'S received an award in the category of **"Highest Email Interaction Rate"** at the Lift Awards 2022, where leading brands that drive digital transformation and redefine customer experiences are recognized. The awards, organized by Insider, Türkiye's first unicorn company in the field of software and distributed in 27 different categories this year, evaluated the performance of companies in integrating new channels, customer experience and growth.

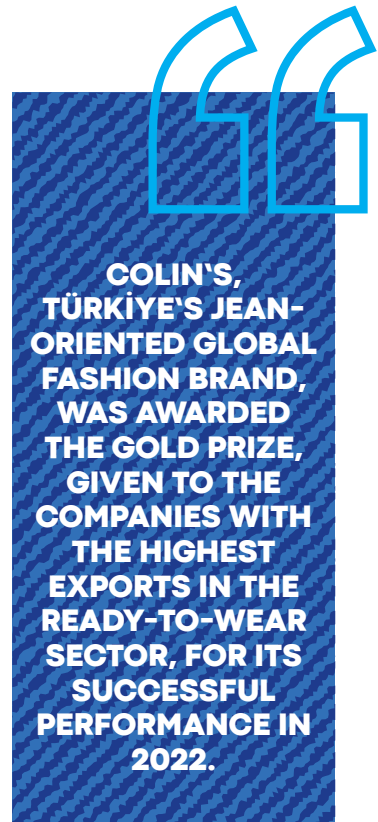
### Our Memberships

- BMD United Brands Association
- ITKIB Istanbul Textile and Apparel Exporters' Association
- IHKIB Istanbul Apparel Exporters' Association
- ITO Istanbul Chamber of Commerce
- TIM Turkish Exporters Assembly



## CERTIFICATES

- We have been in the Turquality support program since 2006.
- ISO 9001 Quality Management System Certificate - 2013
- ISO 27001 Information Security Management System Certificate - 2015
- ISO 14001 Environmental Management System Certificate - 2018
- Design Center Certificate - 2018
- Authorized Economic Operator Status Certificate - 2019





# OUR BUSINESS MODEL AND STRATEGY

## OUR BUSINESS MODEL

### OUR CAPITALS

Our Human Capital

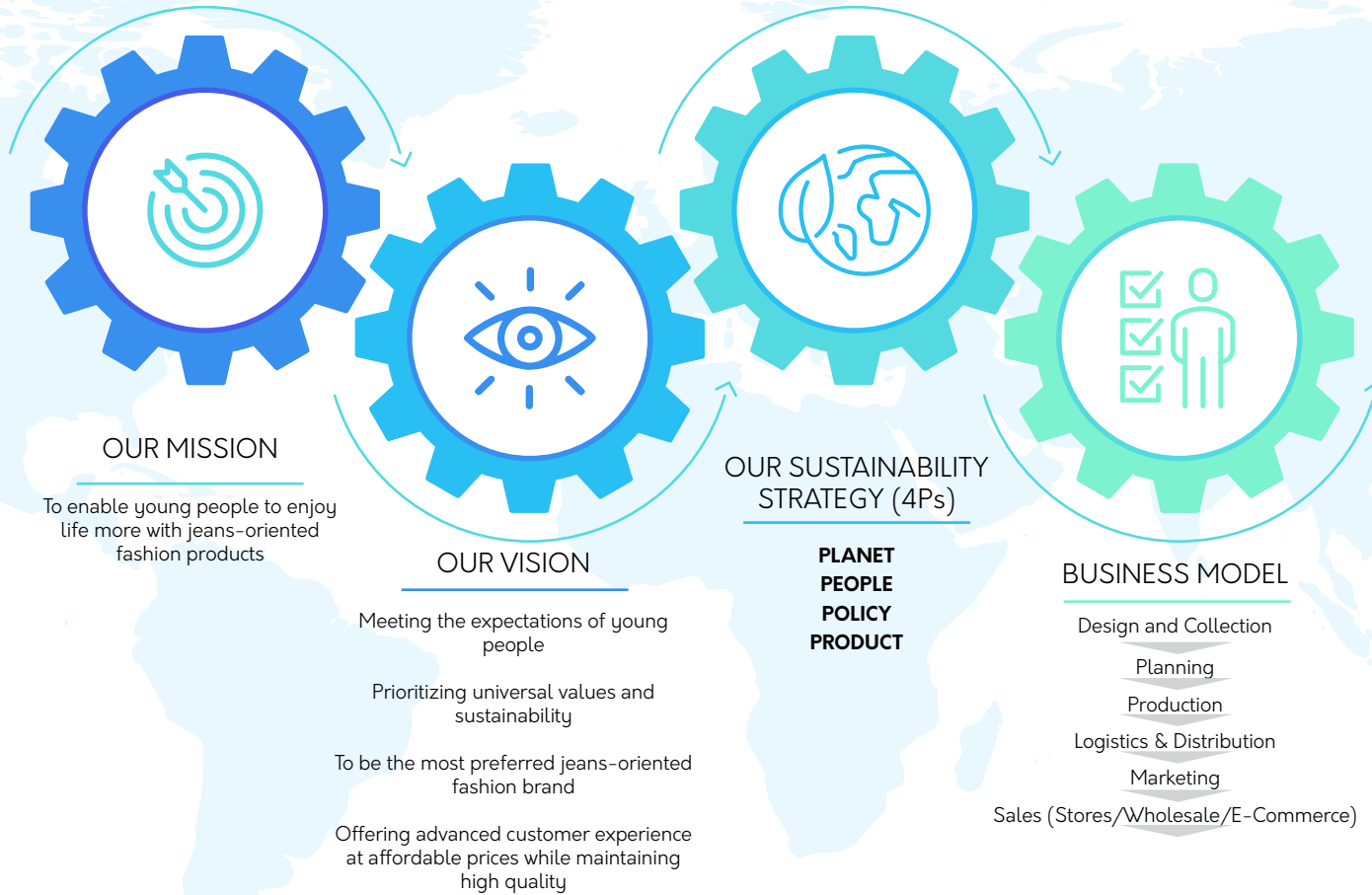
Our Financial Capital

Our Intellectual Capital

Our Social Capital

Our Produced Capital

Our Natural Capital



### OUR RESULTS

Employment to 5,500 people

USD 530 million Turnover

Country-based management of 21,500 SKUs

Production in 10 countries  
102 suppliers

604 stores operating in 24 countries

103 million visits

12% water savings compared to the previous year

### OUR IMPACT: QUALITY OF LIFE & DEVELOPMENT



# OUR BUSINESS MODEL AND STRATEGY

Our business model is designed to serve the realization of our vision and strategy.

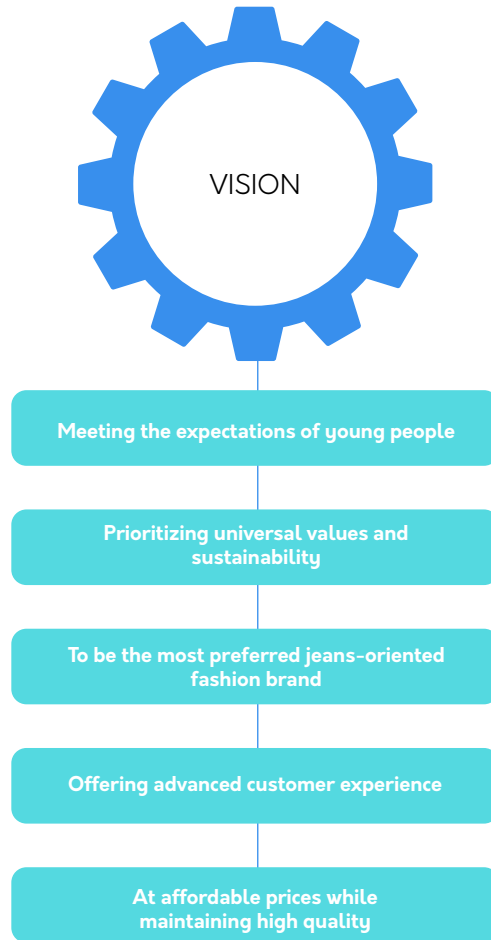
Since 2010, we have been regularly developing our 5-year strategy. We update our resource utilization targets. With this understanding, we align all our work, having them support each other and ensuring a more robust performance.

### Our Vision:

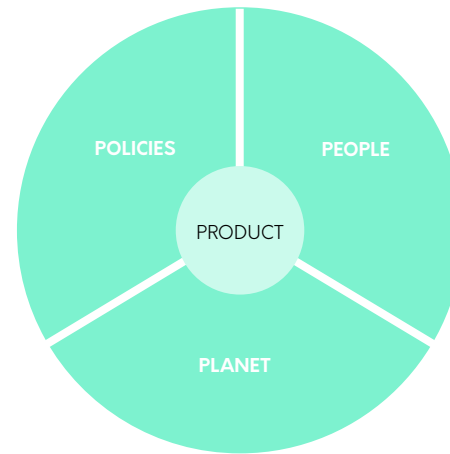
For COLIN'S, sustainability is one of the material topics in terms of business continuity. As an organization, we are aware that environmental and social issues threaten the continuity of humanity, the planet and our organization, and we aim to carry out our business.

With this awareness, we take care that our products are sustainable starting from the design stage. When making our fabric choices, we prefer fabrics made from sustainable cotton (BCI cotton). We make sure that our accessories and labels are made of sustainable materials.

We strive to select our suppliers from organizations with strong sustainability performance. We have inclusive criteria for determining suppliers in this regard. We closely monitor their environmental performance.

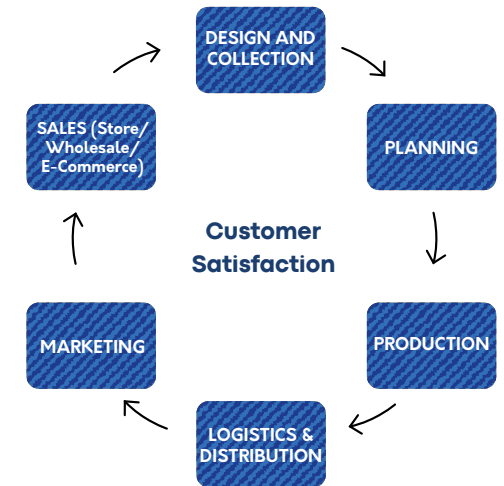


We carry out all these activities to keep the customer experience strong and offer our target audience quality products at affordable prices.



The well-being of the planet and our employees are the most important topics when developing our products. Our policies guide us on the way to this goal. With our products, we aim to improve the quality of life of our customers and ensure a strong customer experience.

Customer experience and satisfaction are at the center of our operational cycle.



For this reason, the feedback we receive from our customers in marketing, sales and after-sales stages helps us to improve our products and enables us to make new designs in line with customer expectations.

Protecting our planet, developing our employees and society and satisfying our customers are all part of our corporate mission.



## OUR INTEGRATED THINKING APPROACH

We have built our business model with Integrated Thinking and 6 capital approaches. The integrated thinking approach points to the necessity of managing all the resources we use with a holistic perspective. We reflected this approach to our business model. We defined our six capitals as follows:

Capital	Definition for COLIN'S	The Indicator We Monitor and Our Performance
Our Human Capital	Human capital is the most potent capital that contributes to our activities while carrying out our activities. As we operate in the field of service, human relations, employee and customer satisfaction directly affect our performance. For this reason, 'valuing people' is our primary approach in all areas and geographies where we operate. We seek to apply the most advanced methods to human resources that strengthen us, keep us together and improve our customers' bond.	The number of employees in our dealers is 411, total number of employees in COLIN'S is 5,500
Our Financial Capital	Knowing the importance of effective and efficient use of financial resources for the sustainability of the organization, we determine our growth, investment and business strategies after meticulous evaluations.	A turnover of USD 530,324,817
Our Intellectual Capital	Our industry experience in 24 countries, as well as our ability to do business in different countries, is the strength of our intellectual capital. Our Design Center provides speed, focus and resources to our work to develop new and pioneering products.	Our 40 years of industry experience, Gold Award at the Successful Exporters Award Ceremony in 2022, "Highest Email Interaction Rate" Award at Lift Awards 2022, Belarusian Jeans Brand of the Year Award, Ecologic Jeans, Recycle Knitwear
Our Social Capital	We manage a strong, global relationship network with our stores in various countries and our suppliers in 10 countries. Through our 3 supply offices abroad, we are able to finalize our work with our suppliers more effectively and quickly. Our ability to establish long-term relationships is based on the trust of our stakeholders and our approach of working in line with our policies and principles.	Operations in 10 countries, dealers in 14 countries, 102 suppliers in 10 different countries, supply offices in 3 countries, head offices in 5 countries, 103 million visitors
Our Produced Capital	Our head offices, stores, communication offices, and warehouse/logistics areas in the countries where we operate, especially in Türkiye, are the assets we use to do our job properly and to provide the highest quality products and services to our customers.	A total of 604 stores and representative offices in 24 countries
Our Natural Capital	Our natural capital is the renewable and non-renewable natural resources that our organization uses to carry out its activities. Cotton, water and energy are the natural resources we use in the production, operation and sales stages. Our way of doing business is focused on using our natural resources most efficiently. We work with our suppliers in production and all other stages with methods developed to reduce consumption.	We implement practices and select suppliers to reduce cotton, water and energy consumption. Head Office Electricity Consumption: 669,032 kWh Cotton Consumption*: 9,900 tons Water Consumption*: 12% savings in operational and production water consumption compared to the previous year

\* In the production process realized with Eroglu Giyim, which constitutes 50% of Colin's denim production.

# OUR TARGETS FOR 2023 AND 2030

Target No	Target Title	2023	2030
1	Store with Energy Management System	60% TR	100% Global
2	Energy Supply	--	100% Renewable TR
3	Supplier Management Practices	--	Supplying 100% of our product from manufacturers with Sedex and/or BSCI certification.
4	Number of Online Stores	Being in 25+ online sales channels	Being in 50+ online sales channels
5	Number of Stores and Countries	Being at 620+ stores in 24 countries	Being at 800+ stores in 35+ countries
6	Ratio of Female Managers	25% Global	50% Global
7	Offering Employment Opportunities to the Young Generation in a Growing Company	Increasing the ratio of new graduate recruitment to 15%	Increasing the ratio of new graduate recruitment to 30%
8	Digitalization	Implementation of cloud-based omnichannel applications in multiple countries	Moving strategic operations to the cloud and supporting them with artificial intelligence

■ PLANET   ■ PRODUCT   ■ PEOPLE   ■ POLICY



# Governance



Adopting effective stakeholder communication and ethical business culture, COLIN'S has left behind a productive year with the sustainability steps it has taken.

COLIN'S

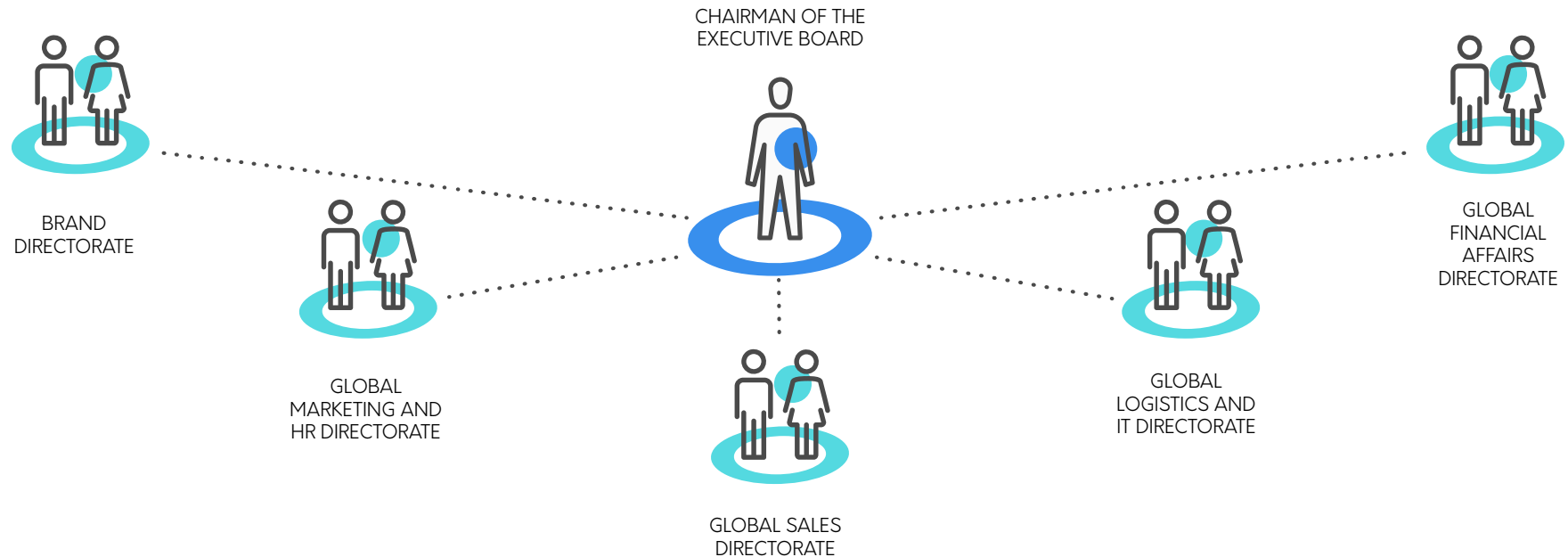
# BUSINESS APPROACH OF THE BOARD OF DIRECTORS

It evaluates the management's plans for the organization's entry into new markets, new investments, sustainable growth, development, and innovation, offering direction to the road map and ideas for reinforcing and developing these plans.

Another important task of the Board of Directors is to monitor and evaluate the implementation of strategic decisions and the functioning of the organization in accordance with the laws and corporate values. The Board of Directors approaches this issue meticulously.

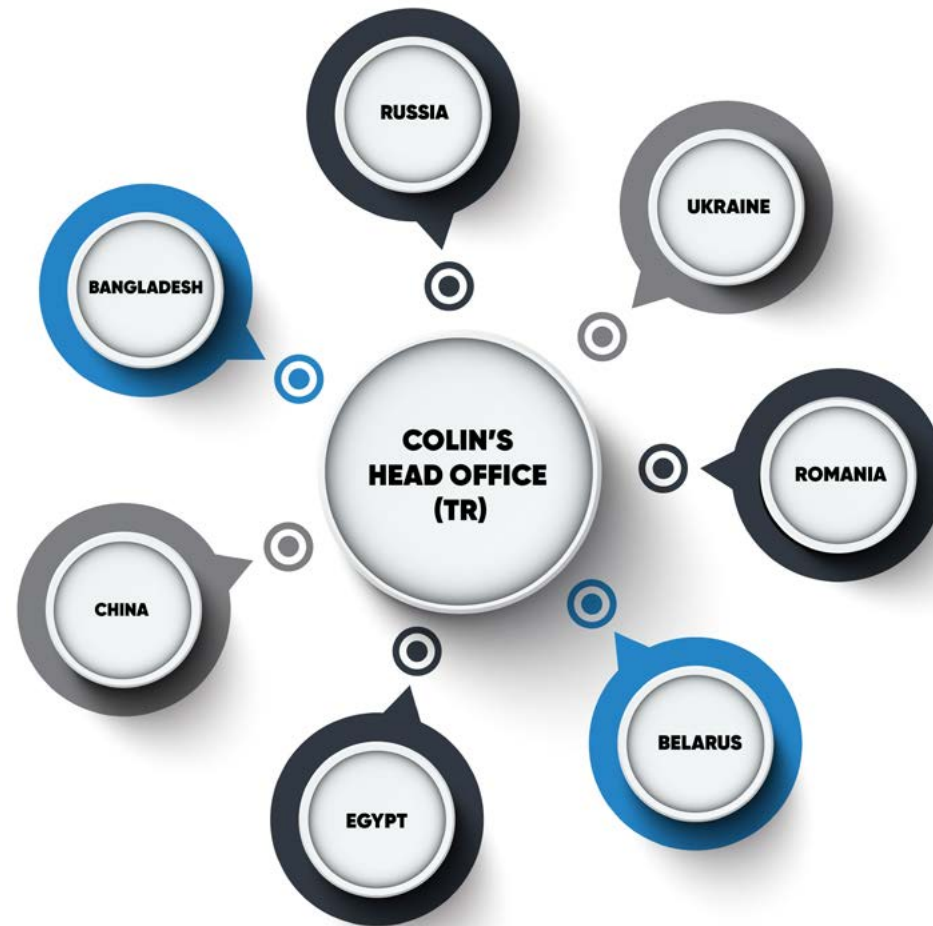


## ORGANIZATION STRUCTURE



## OUR GLOBAL MANAGEMENT STRUCTURE

All countries in which we operate are connected to our central structure in Türkiye, and countries have their own central structures according to the size of the operation.



All our core policies and procedures are developed at the head office, with countries playing an implementing role. Country dynamics are evaluated by Country Managers and used as input during the development of basic policies and procedures.

We carry out the management processes of legislation and official relations in all our locations under the responsibility of our Country Managers. The needs of the countries are realized through adaptations according to their legislation. In addition, the practices of each country provide us with the opportunity to learn from each other. Our countries with agencies/offices mainly manage supplier relations. Thus, we ensure closer and stronger communication with our suppliers. This structuring creates a significant advantage for us to gain quality and speed in our supply management.



# WORKING COMMITTEES

Important issues for the Company are discussed through committees. In these committees, projects and decisions that need to be made by different groups coming together to discuss the issue are handled. Important investment and project decisions regarding the relevant issue are presented to senior management.

Committee Name	Committee Chairperson	Meeting Frequency	Committee Working Purpose / Area
1 Sustainability Committee	Chief Executive Officer	Once every 2 weeks / 1 hour	It gathers sustainability-related activities under different departments within the Company under a single roof and carries out activities to set and monitor targets in line with the sustainability strategy.
2 Strategy Committee	Global Corporate Development Group Manager	Meets once a year for workshop. Convenes at the end of each quarter for interim reviews of corporate performance.	Works to determine the company vision and coordinate strategic management activities accordingly. Plans created to date: First Five-Year Strategic Plan / 2011-2015 Second Five-Year Strategic Plan / 2016 - 2020 Third Five-Year Strategic Plan / 2022 - 2026
3 Design Center Committee	Design Center Director	Every 3 months - 1 hour	In order to ensure the requirements of the Design Center, people responsible for each unit come together. The relevant period is evaluated by exchanging information on issues such as the closure status of the assignments received from the audits, the status of the projects, the number of employees, the training status of the employees, the trainings received, the events attended.
4 Ethics Committee	Global HR Operations Group Manager	Every 3 months - 1 hour	Meetings are held around topics such as evaluation of the status of calls, review of calls that remain open, discussion of prominent cases over closed calls, the ethics line and improvements of the committee.
5 Career Development Committee	HR Manager (TR) Organizational Development Manager	When needed	The results of the personnel who have been determined to meet the promotion criteria and included in the promotion processes for head office personnel by the Organizational Development Department are evaluated. A unanimous decision is taken for promotion development. Evaluations and decisions are recorded in the head office promotion report.
6 Merchandising Career Development Committee	HR Manager (TR) Organizational Development Manager	When needed	The results of the personnel who have been determined to meet the promotion criteria and included in the promotion processes for merchandising personnel by the Organizational Development Department are evaluated. A unanimous decision is taken for promotion development. Evaluations and decisions are recorded in the merchandising promotion report.
7 Information Security Committee	IT Operations Man. (BGYS Manager) Process Development Man. (BGYS Manager)	Once a year / 2 hours	The committee meets with the participation of responsible persons to discuss the necessary agenda items within the scope of ISO 27001 Information Security Management System "Management Review" article. Agenda items are discussed and necessary decisions are taken. Agenda items; Changes in the Scope Analysis Document, Review of CPA Records, Monitoring Measurement Evaluation Results, Information Security Targets (Target Tracking List), Review of External Audit Findings, Internal Audit Results, Information Security Breach Incidents, Information Assets Risk Processing, Risks to be Recommended for Risk Acceptance, Review of Information Security Awareness Training Status, Continuous Improvement - Suggestions - Requests
8 Head Office OHS Board	Employer Representative	Every 3 months - 2 hours	Agenda items are discussed and decisions are taken to ensure COLIN'S Head Office Occupational Health and Safety and Environmental requirements. The relevant period is evaluated by exchanging information on topics such as Elimination of nonconformities detected in audits, Evaluation of work and environmental accidents, Training status of employees, Evaluation of employees' demands and requests, Evaluation of compliance with current legislation provisions.
9 Distribution Center OHS Board	Global Warehouses Group Manager	Every 2 months - 1 hour	It meets with the participation of people responsible for each unit to ensure the Distribution Center Occupational Health and Safety and Environmental requirements. The relevant period is evaluated by exchanging information on topics such as Elimination of nonconformities detected in audits, Evaluation of work and environmental accidents, Training status of employees, Evaluation of employees' demands and requests, Evaluation of compliance with current legislation provisions.
10 Management Systems Internal Audit Committee	Global Corporate Development Group Manager	Once a year (December)	Efforts on reviewing annual audit reports, reviewing the results of corrective and remedial action practices, planning next year's Audit Calendars, and positioning the auditors in the relevant processes.

## WORKING COMMITTEES

As COLIN'S, we provide a good working environment for our employees by moving forward with the concepts of "Fairness," "Transparency," "Accountability" and "Responsibility."

### ETHICS LINE

- Corporate Governance Principles, which are the key to competing nationally and globally, creating added value and establishing reliable cooperation grounds, are also the essential requirement of Reputation Management standards, which are the fundamental dynamics of being a real organization.
- COLIN'S Ethics Line, as one of the important parts of our corporate governance principles, aims to provide this safe environment and create a reliable, transparent and fair working environment, especially for our employees. It ensures the functioning of our processes and procedures. At COLIN'S, we believe that this process, which is shaped by the concepts of "Fairness," "Transparency," "Accountability" and "Responsibility," starts from within the organization, and aim to reinforce this with a world where our employees can feel this practically with the COLIN'S Ethics Line.

- Our employees continue the process of getting acquainted with the COLIN'S Ethics Line starting from orientation training throughout their working life with posters, brochures and informative e-mails in all our offices.

### INTERNAL AUDIT OF MANAGEMENT SYSTEMS

One of the ways to ensure compliance with our approved processes and international standards implemented within the Company is to increase employee awareness on this issue. For this purpose, an internal audit committee was established with the participation of at least one person from each department. Our colleagues who participated voluntarily received trainings and as a result of these trainings, they were entitled to receive a certificate by taking an exam.

In the coming period, we aim to increase the number of auditors and improve the competence of our existing auditors.

In internal audits organized within the Management Systems, the following issues are ensured to be evaluated and verified.

- a. All activities carried out comply with the planned regulations.
- b. Management systems are working efficiently.
- c. Corrective Preventive actions are being carried out and are efficient.

All Management System elements are within the scope of the audit.

Audits create working environments that add value to individuals and units for ensuring the efficiency and traceability of business processes.

By using the Deming cycle (Plan, Do, Check, Act) as a step in all areas, it is aimed to ensure internal and external customer satisfaction with standardized products and processes that exceed expectations.

Through internal audits we conduct, the compliance control of the system approach is performed and secured.

Periodic audit activities pave the way for the transformation of risks identified through the process approach into opportunities.



## WORKING COMMITTEES

In 2022, the results of internal and external audits provided input to 25% of the constant improvement projects within the total project pool.

By developing the perspectives gained through different external audits, the issues addressed in the audits are handled as projects. This approach ensures sustainability and paves the way for achieving the highest quality process, people, products and services.

- It is the auditor's responsibility to conduct the audit and prepare a report as a result of this audit.
- Corrective and preventive actions are taken in control areas.
- Trained personnel are scheduled and employed to carry out the audits. The Internal Audit Committee organizes development activities as part of continuous improvement and sustainability.
- Audits are scheduled according to the activity's importance and previous audits' results.
- Audits are carried out at specific intervals and in specified periods.
- Action plans are made to correct the nonconformities observed as a result of the audits. After the actions are evaluated, follow-up audits are also planned when necessary.
- Corrective preventive actions and remedial actions are monitored in the digital environment.

The methods used in root cause analyses are developed to ensure the development of perspectives within the scope of continuous improvement.

### **RISK MANAGEMENT**

Within COLIN'S, risks are managed within the units and reported directly to the Chairman.

Financial risks are managed within the Financial Affairs Directorate, occupational health and safety risks and environmental risks are managed within the HR Directorate, and information security risks are managed within the Information Technologies Directorate.

### **Legal Compliance**

As COLIN'S, we are obliged to ensure legal compliance with various laws and regulations, especially the Personal Data Protection Law, GDPR, regulations on the internet environment and labor law. In this respect, while complying with legal requirements, we implement information security measures for effective and constant infrastructure, implementation and network management regarding the data of our customers and employees. We implement measures for data received, processed, stored, transmitted and destroyed in a fast, secure and uninterrupted manner with cost-oriented decisions within the balance of operational continuity and information security.

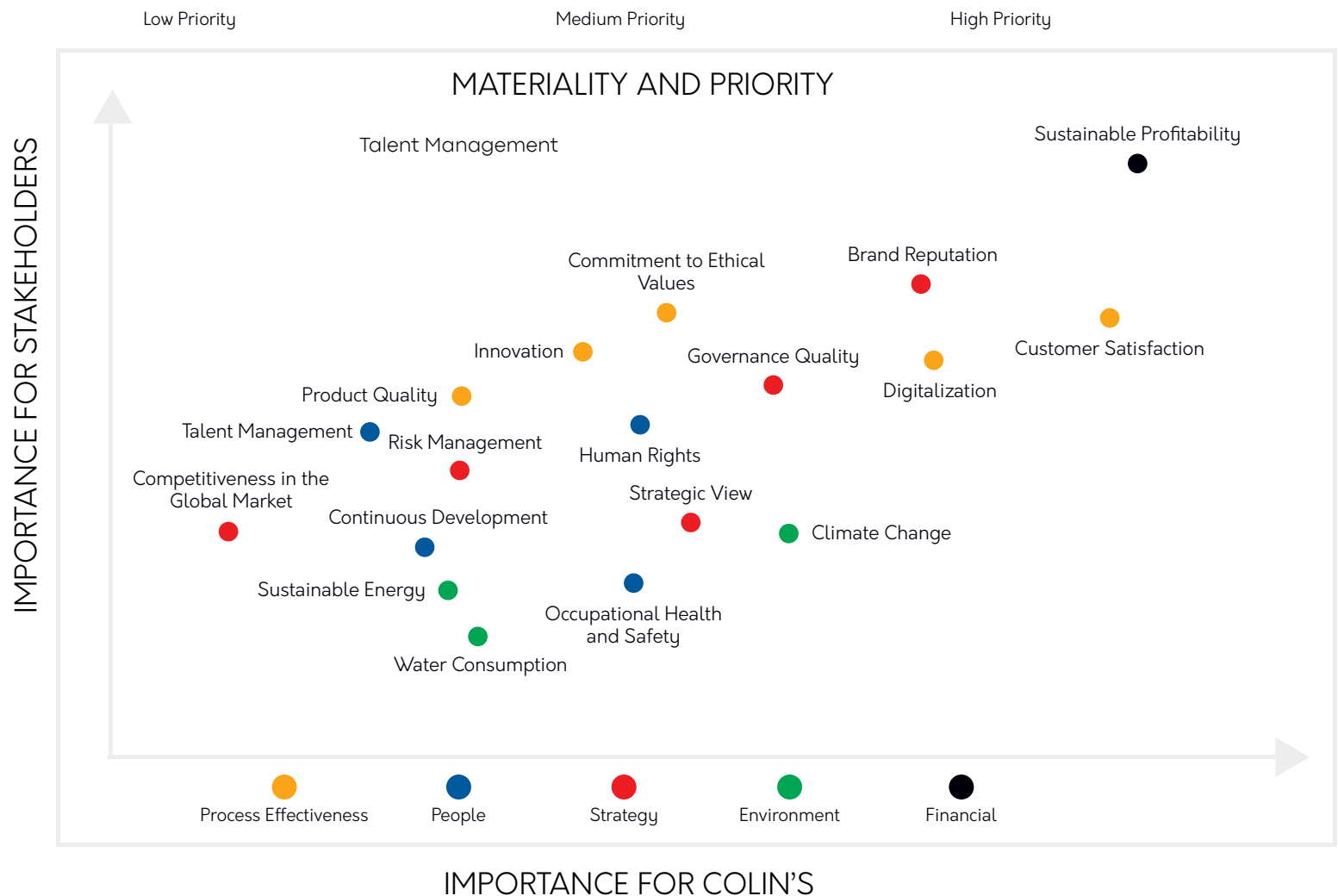




# MATERIALITY MATRIX

We identify material topics that affect value creation for COLIN'S in the short-, medium- and long-term with an inclusive approach, considering their impact level.

The result of the evaluation made with a broad participation (25 employees from various levels) is shared with the Board of Directors and finalized. The materiality matrix is aligned with the strategy and action plans are realized according to the topics identified here.



# MATERIALITY MATRIX

MATERIALITY TOPIC	WHY IS IT IMPORTANT?
Sustainable Profitability	We create the basis for sustainable profitability by observing the principles of effective and efficient working in all our activities. We take care to create this balance by ensuring customer and supplier satisfaction through the quality of products and services offered.
Customer Satisfaction	In our global structure, we focus on innovative products, services and approaches to understand customer needs and expectations correctly and carry customer satisfaction to a constantly improving level.
Brand Reputation	Brand reputation is vital for an organization to be trusted by all stakeholders. In addition to offering products and services that will ensure the trust of all stakeholders, we continuously improve our methods of doing business. We manage our brand reputation, which we consider as an important cornerstone of sustainability, in a strong structure that will gain depth by reflecting our governance structure and principles to our functioning in a healthy way.
Digitalization	Digitalization is important in terms of increasing the efficiency of business processes, minimizing the error rate and ensuring traceability. On the other hand, it enables us to strengthen the quality of our direct access to customers, especially by strengthening digital sales and communication channels.
Commitment to Ethical Values	Compliance with ethical values is implemented without compromise and supported by the ethics line application. We meticulously address inappropriate behaviors and develop approaches to prevent their recurrence.
Governance Quality	The quality of decision-making is improved by shaping the governance decision-making processes correctly, creating them in a data-based manner that includes a diversity of opinions. Establishing decision authorities, both eliminates confusion about how decisions will be made within the organization and supports being fast and agile. The joint decision-making of departments that carry out joint work or whose work affects each other supports agility. In all our business processes and stakeholder relations, we apply our policies, principles and standards that we determined on the basis of Governance principles without compromise.
Innovation	Innovation is important for the competitiveness and profitability of the organization. With our design center, we research, develop and encourage innovative practices in all our processes, starting with product designs.
Product Quality	Product quality is important for customer satisfaction and repeat sales. We allocate resources for the continuous improvement and evaluation of our product quality and ensure development.
Human Rights and Decent Working Environment	Working conditions in the workplace directly affect the productivity, motivation and creativity of employees. Non-discrimination in the working environment, inclusion of all groups, participation in decision-making processes, payment of livable wages, and protection of employees' rights are important for the success of the organization. The spread of these practices not only in the organization but also in the supply chain and the development of the supply chain fall within the scope of this topic. We provide a good working environment and good conditions within the organization. We make continuous improvements in this direction. We also attach importance to improving the working environment and conditions of the organizations in the supply chain. We carry out our efforts to select, develop and audit our suppliers with this perspective.
Equal Opportunity	Providing equal opportunities to all groups without discrimination at recruitment, while working and being promoted within the organization is important for the reputation of the organization, the motivation of employees and the evaluation of talents from all groups. We work with our approaches of recruitment, working environment and career advancement that ensure equal opportunity in all regions where we operate.

# MATERIALITY MATRIX

MATERIALITY TOPIC	WHY IS IT IMPORTANT?
Strategic View	The success of a company can be ensured by making decisions by considering the value it will create for both the organization and stakeholders in the long-term. We improve the value we create by managing our business model with a short-, medium- and long-term perspective, and our investments and activities with continuous planning and strategic goals.
Risk Management	Corporate risk management enables the organization to identify risks and take measures to address them. We improve our corporate risk management approach and aim to develop it towards a holistic and dynamic structure within our global fields of activity.
Supplier Management	The selection, supervision and development of suppliers are important for the organization's product quality and competitiveness and for managing its environmental and social footprint. We ensure that supplier relations, working principles, compliance with standards and sustainability approach are maintained throughout the chain.
Talent Management	The organization's most important resource is its employees. We continuously improve our human resources practices in order to gain qualified employees who will enable the organization to realize its goals and reinforce employee loyalty.
Climate Change (carbon footprint, etc.)	Climate change is one of the most important problems facing the world. Increasing temperatures lead to less rainfall, water scarcity, reduction in agricultural areas and consequently food and raw material shortages. Increasing temperatures cause clothing needs to change. We fight climate change by making energy use more efficient both in our own operations and in the supply chain. We ensure the efficiency of our logistics activities. By preparing models with fabrics that require less washing, we ensure the lowering of carbon emissions during wearing.
Water Consumption	We consider it critical to reduce water consumption, which is critical for the sustainability of the industry in our own impact area. Since we are not a direct manufacturer, we aim to reduce the water footprint by identifying the right institutions in the supply chain and supporting the development of our suppliers we work with in this direction. By collaborating with our suppliers, we contribute to the improvement in the ecosystem by keeping the issue in the priority area on the COLIN'S side.
Production Efficiency	Production efficiency is important for the profitability and competitiveness of the product. Reducing losses in production processes and efficient use of the workforce are important for cost control. Our long-lasting supplier relationships are based on trust and compliance with quality standards. We develop our sustainability approach together with our suppliers.
Occupational Health and Safety	It is important to ensure the safety of the organization's employees in the working environment and to keep the risk of occupational accidents under control. Occupational accidents have a negative impact on both work efficiency and employee motivation. <ul style="list-style-type: none"> <li>• We regularly train employees on occupational health and safety.</li> <li>• We ensure that employees implement safety measures without compromise.</li> </ul>
Continuous Development	The spread of a culture of continuous development within the organization is important for maintaining and increasing the organization's resilience and competitiveness. We follow internal and external best practices and take them as examples. We support internal innovation efforts. We support development with a perspective that enables learning from each other across locations.
Sustainable Energy Management	We improve the work for efficiency of all energy resources in our impact area and transform them into renewable energy by utilizing advanced technology.
Competitiveness in the Global Market	While continuing our operations in 24 different countries, we ensure business continuity with our strength in our competitiveness in these countries. To this end, we strengthen our competitive position by offering sustainable and innovative products that will meet the expectations of the relevant markets.



## INCENTIVE PROGRAMS

As COLIN'S, we have been benefiting from Turquality, the world's first and only state-sponsored brand incentive, since 2006.

### TURQUALITY

Our brand has been benefiting from Turquality, the world's first and only state-sponsored brand incentive program, since 2006. As a Turkish brand, we continue our journey of becoming a global brand as one of the companies that benefit most efficiently from Turquality support. By improving our activities in our existing markets and becoming the most preferred brand, we will continue our goal of becoming a global brand in our new markets with the support of Turquality.

### DESIGN CENTER

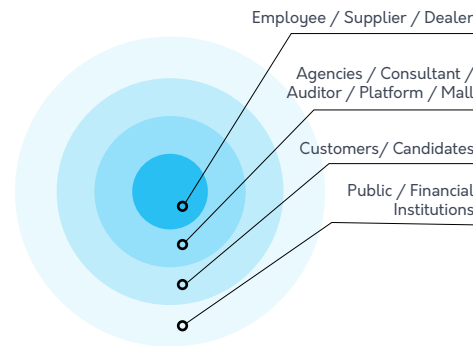
Since 2017, we have been working as a Design Center. We currently have 56 employees and completed 80 projects. Until 2020, we completed 39 projects, and below are the numbers of projects completed since then. As of 2023, 14 projects are still ongoing.

	2020	2021	2022
Number of Design Projects Completed	10	11	20



# STAKEHOLDERS

Our stakeholders are our most critical resource that directly affects our performance, and our strong and durable relationships are the most important assurance of our sustainability strategy.



Our stakeholders are our most important resource that improves our working environment and directly affects our performance. Effective and healthy stakeholder relations are critical to our focus on reliable, quality and sustainable business. Therefore, we take care to build strong and durable relationships with our stakeholders by defining our relationship focus, communication tools and frequency, and our value proposition for each stakeholder.

STAKEHOLDER GROUP	Importance to COLIN'S
Employee / Supplier / Dealer	Our stakeholders, which we define in the first ring, are our essential team that we ensure close partnership and unity in order to do our business. We are a large team with this stakeholder group who support and understand each other well and provide the desired quality product with the desired service quality.
Agencies / Consultant / Auditor / Platform / Mall	We learn from our stakeholders in this ring and feed on their expertise.
Customers / Candidates	Our stakeholder group, to whom we offer our products and services and aim to convey the reputation and power of our brand, includes our customers and candidates we want to include in our family. We aim for them to trust our products, services and way of doing business and to prefer us.
Public / Financial Institutions	We aim to strengthen our contribution to society and our ecosystem by working with public and financial institutions in a regular, transparent and accountable manner with our work compatible with governance principles and our understanding of value creation.



## OUR POLICIES

As COLIN'S, we aim to raise the image and quality perception of the Turkish apparel industry in the international market.

### COLIN'S QUALITY POLICY

- COLIN'S aims to raise the image and quality perception of the Turkish apparel industry in the international market. In line with this strategic goal, COLIN'S carries out the necessary work to ensure the continuity of customer satisfaction and to strengthen the brand experience.
- It adopts process perspective, continuous improvement and risk-opportunity-oriented management.
- It undertakes to consider the needs and requirements of all parties by complying with the law and contract terms.
- It adopts the principle of raising well-equipped teammates and contributing to intellectual capital by supporting the career development of its employees.

### COLIN'S INFORMATION SECURITY POLICY

- COLIN'S ensures the confidentiality, integrity and accessibility of information belonging to all relevant parties.
- COLIN'S delivers products, services and information in accordance with expectations in a timely and uninterrupted manner.
- It undertakes to comply with international standards to ensure information security in the ready-to-wear industry and to improve its services by following innovations.

### COLIN'S OHS and ENVIRONMENT POLICY

- COLIN'S undertakes to fulfill all its responsibilities and compliance obligations for the protection of human health and ecological balance integrity in the processes it carries out and follows.

- By providing healthy and safe conditions in the working environment, it adopts a zero occupational accident and zero occupational disease approach with the identification and elimination of all kinds of hazards, risks, near misses and diseases that may occur.
- It aims to minimize the use of natural resources and waste generation throughout the product life cycle and to protect the environment.
- It adopts the principle of creating teammates and a society that respects the environment.
- It has a management approach that offers decent work and supports employee participation.



**WE MOVE FORWARD  
IN THE LIGHT OF  
OUR POLICIES TO  
INCREASE AND  
STRENGTHEN OUR  
EFFICIENCY IN ALL  
AREAS.**





# We Are Responsible for Our Planet

COLIN'S does not forget that it is responsible for the world with its 'Conserve, Reduce, Reuse' approach in its sustainability journey.



COLIN'S

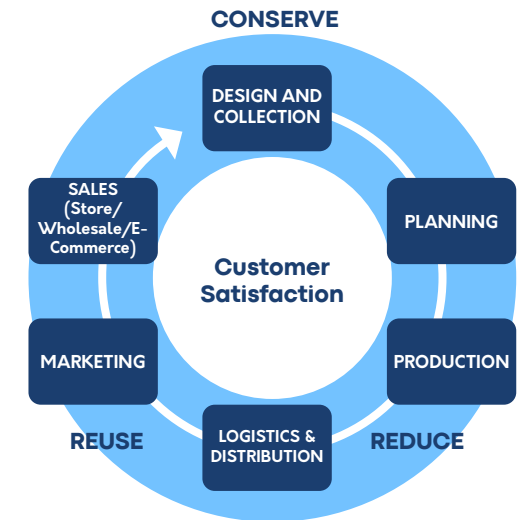


## OUR APPROACH

In our sustainability approach, we do not forget that we are responsible for our world and focus on improving all our processes to use our natural resources in the most efficient way.

One of the 4 pillars of our Sustainability Strategy (4Ps of COLIN'S) is our PLANET. The protection of the world is among our main priorities, so we focus on continuously improving all our processes to use our natural capital in the most efficient way. We reflect the '**Conserve, Reduce, Reuse/Recycle**' approach to all our processes in our use of natural capital.

As a textile retail company, we manage our processes with the awareness that ensuring the sustainability of our planet and our natural capital is of indispensable importance at every step from raw material procurement to making our products accessible to our customers.





# OUR APPROACH

We focus on identifying the right suppliers and creating cooperation in order to be effective with our 'Conserve, Reduce, Reuse' approach and to make a positive contribution to the sustainability of our planet.

As a company, we aim for our efforts to make our practices and processes more sustainable to be exemplary and pioneering in the transformation of the value chain.

We define our basic steps in our workflow as Design and Collection creation, Planning, Production, Logistics/storage, Marketing, and Sales (Merchandising, Wholesale and E-Commerce).

We identified water, energy management, waste management and product management as the areas we transform and impact by using our natural capital in the basic steps in our workflow.

There are areas where our impact is direct and indirect in our business processes. As we are a retail company, production processes are carried out by our suppliers, and we have an indirect impact on their processes. Especially, water and chemical consumption takes place in these processes. We focus on identifying the right suppliers and creating cooperation in order to be effective with our 'Conserve, Reduce, Reuse' approach and to make a positive contribution to the sustainability of our planet. In the processes that we have an indirect impact (design/ collection/ production), we aim to manage our design and planning in line with our sustainability strategy and focus on improvements with our suppliers in this direction. We aim to continuously improve our supplier network.

	CONSERVE	REDUCE	REUSE (USE RENEWABLES)
Design / Collection*	Water/Energy	Water/Chemical/Waste Management /Energy	Accessories/Recycled paper
Production*	Water/Energy	Water/Energy/Chemical/Waste Management	Accessories/Recycled paper
Logistics / Storage**	Climate Change /Energy	Climate Change /Energy/Waste Management	Climate Change/Energy/Waste Management
Sales**	Climate Change /Energy	Climate Change/Energy/Waste Management	Climate Change/Energy/Waste Management

\* Indirect impact

\*\* Direct impact





## DESIGN AND PRODUCTION PROCESSES

We aim to reduce water consumption, electricity consumption and material utilization by using more sustainable production methods.

### Water and Chemical Management

COLIN'S has been accredited as a Design Center by the Turkish Ministry of Industry as of December 11, 2017. Since then, we have focused on developing all our designs in a more sustainable and innovative way and achieving success. Our design teams consist of Denim, Men's and Women's categories, and we work in close cooperation with many suppliers and dealers in many countries. Water consumption is one of the most material topics in the textile industry. Our denim collection, which accounts for 40% of our total sales, is one of the most water-consuming product groups. Therefore, we aim to achieve a higher impact in our 'Conserve, Reduce, Reuse' approach by focusing on improvements in this area. Starting from the design stage of these products, we are taking rapid steps towards implementing this approach.

Due to the impacts of denim washing on the environment and consumption, we work on washing processes. We aim to reduce water, electricity consumption and material utilization by using more sustainable production methods.

### Practices of Our Suppliers

**Laser Use in Washing / Less Water Less Chemical:** We contribute to the reduction of water and chemical consumption in production stages by working with suppliers that use more advanced techniques (laser washing, e-flow, ozone) instead of conventional washing methods. Our suppliers significantly reduce their water consumption by using laser washing and ozone washing techniques, especially in denim production processes. With the laser application, chemical spray, sanding and abrasion processes that were previously done manually can be carried out with a laser machine without using any chemicals. We support both saving water and reducing the use of chemicals with the laser method as well.

Eroglu Giyim is our biggest supplier in denim products. Eroglu Giyim uses e-flow systems in its washing processes. Thanks to this method, while 70 liters of water is used in normal systems for 1 trouser washing process, this usage decreases to 0.13 liters with the e-flow technique. In other words, 69.87 liters of water is saved. E-flow technology transforms the air coming from the atmosphere into nanoparticles. Since the chemicals used are applied to the product with these nanobubbles, they are distributed very homogeneously on the product. This method saves water, chemicals and energy.



# DESIGN AND PRODUCTION PROCESSES

By using e-flow systems in washing processes, **69.87 liters of water is saved for 1 pair of trousers.**

The other washing technique is stone enzyme application. With this method, the same effect can be created by using stone enzyme instead of the process previously carried out in machines using large amounts of pumice stone. This contributes to saving water and natural resources.

The environmental impact performance of our denim suppliers is monitored using EIM (Environmental Impact Measurement) scores.

**Water Recovery:** Our main supplier for denim fabric is DNM, and our most important supplier for production is Eroglu Giyim. Both

companies work as suppliers of the world's most important textile companies. Therefore, they have practices and certificates to fulfill important sustainability standards and initiatives accepted worldwide.

Certificates of Eroglu Giyim: Higg Index, BSCI, SEDEX, ZDHC, GOTS, OCS, RCS, BCI, ISO 14001, ISO 9001, ISO 50001, ISO 27001, ZERO WASTE, Regenagri

Certificates of DNM: Higg Index, BSCI, SEDEX, GRS, RCS, OEKO-TEX, GOTS, OCS, BCI, ZDHC, QIZ, ISO 14064-1:2006 Carbon Foot Print, ISO 14046:2014 Water Footprint, ISO 9001: 2015, ISO 14001: 2015, ISO 45001:2018

DNM works to reduce water consumption in its production processes. As a result of these efforts, it treats all of the water (100%) and reuses 84% of it in production processes. It reuses only as much water from outside as the water that decreases.

Eroglu Giyim also manages wastewater and treats the water used in production processes.

We attach importance to ensuring that all suppliers have wastewater treatment systems. We pay attention to preventing environmental pollution.

We help protect the world's resources by creating the right supply chain for us.

**Reducing Natural Resource Consumption:** Reducing the Use of Pumice Stone (Using Alternative Washing Stone): One of the conventional washing techniques is the use of pumice stone in the washing process. This product is not very durable in the washing process (durability is 2 hours). In addition to this negative feature, it occupies a significant space during storage in production facilities and absorbs many chemicals and microfibers due to its high absorption feature in washing processes. Therefore, it is a hazardous waste in terms of human and environmental health.

As an alternative to pumice stone, we have switched to using washing stones made from recycled plastic materials (F-stone, HMS). We encourage our suppliers to work in this direction. We have thus reduced the use of natural resources and prevented the generation of hazardous waste at the end of the washing process.

Alternative Raw Materials: Hemp, modal and tencel fibers are raw materials with a lower water footprint than cotton production. By using these fibers in our products, we started to implement efforts to reduce our water footprint from the design stage.

**Good Agricultural Practices:** The main raw material of the sector is cotton. A significant amount of water is used in the cotton production process. For this reason, we pay attention to the fact that the cotton from which our fabrics are produced is from producers who use good agricultural practices in their production processes.

## HOW TO CALCULATE EIM SCORE?

<b>1</b>	Assess the environmental impact in 4 individual categories:	<b>2</b>	Benchmark the results against a define Environmental Threshold	<b>3</b>	It classifies the process depending on the EIM score
Water consumption		From 0 to 35 l/garment From 35 to 80 l/garment Above 80 l/garment	0-33 LOW IMPACT 34-66 MEDIUM IMPACT +66 HIGH IMPACT		
Energy consumption		From 0 to 1 Kw.h/garment From 1 to 2 Kw.h/garment Above 2 Kw.h/garment			
Chemical product used		From 0 to 14 From 14 to 27 Above 27			
Worker health		From 0 to 6.5 From 6.5 to 18 Above 18			



## DESIGN AND PRODUCTION PROCESSES

We work with highly advanced systems to utilize all resources with optimum efficiency.

Good agricultural practices envisage sustainable agricultural production. Sustainable agriculture supports the use of the right fertilizer. Thus, greenhouse gas emissions from fertilization are also controlled. Good agricultural practices are part of our fight against climate change.

We work closely with the Good Cotton Practices Association (IPUD). Our managers participate in IPUD's events and work on improving our processes.

On the other hand, our negotiations with BCI (Better Cotton Initiative) continue.

### **Steam Generation from Solid Waste:**

DNM, one of our main suppliers, produces steam by burning solid waste from its own production processes. Thanks to this facility, it consumes 700,000 m<sup>3</sup> less natural gas per year and positively contributes to climate change. It is also ensured that the waste is utilized as input for another process.





# PLANNING, LOGISTICS, STORAGE AND SALES PROCESSES

We manage all logistics activities and distribution to more than 600 stores we have in 24 countries from a single main distribution center.

## Climate Change and Energy Management Distribution Center

The core of our operations is our Distribution Center. **We manage all logistics activities and distribution to more than 600 stores we have in 24 countries from a single main distribution center.**

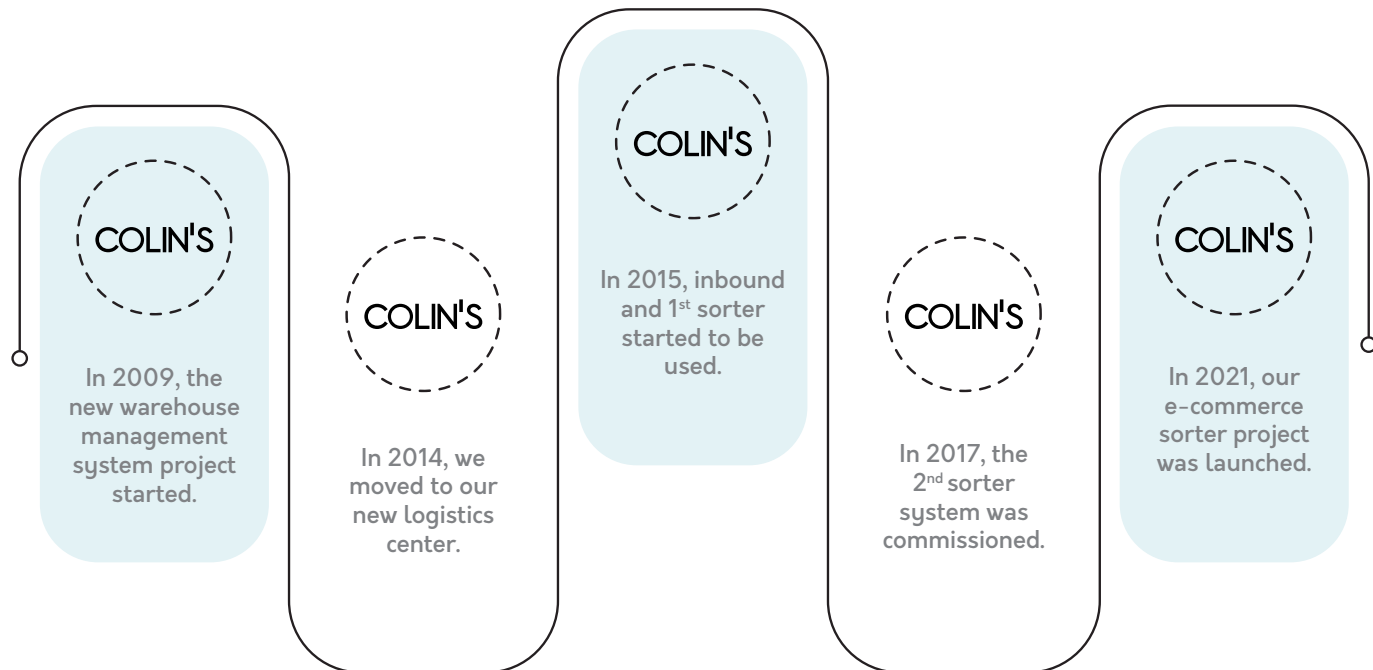
In 2014, we moved to our new logistics center. We operate on a total area of 52,000 m<sup>2</sup>, 42,000 m<sup>2</sup> of which is covered, and ship products to more than 600 stores in 24 countries. We provide a healthy and safe

working environment with processes carried out mainly through the automation system.

The main performance criterion of the distribution center is efficiency. We work with highly advanced systems to use all resources with optimum efficiency and actively operate our business method focused on development and continuous improvement.

In our Distribution Center:

- We carry out the central management in national distribution, international logistics and foreign trade in 10 countries, including Türkiye,
- And international logistics services to 14 countries as a franchise.
- With the LTS platform, whose software belongs to us, we follow the processes of our producers and products in real-time from the preparation stage.
- We carry out export and transit operations from Türkiye from this center.



# PLANNING, LOGISTICS, STORAGE AND SALES PROCESSES

We reduce our environmental impact by increasing our energy efficiency with the applications we develop.

## Distribution Center Lighting System:

We significantly contribute to energy efficiency with the photocell automatic lights we use in the Distribution Center. This application reduces the environmental impact by providing accurate and effective illumination of warehouse areas and increasing energy efficiency. Below, the advantages of automatic lighting and the benefits achieved compared to other lighting methods are explained in detail:

Energy Efficiency: Automated lights with photocells detect motion in the warehouse area and only operate when there is active use.

Better Lighting Control: Automated lighting systems can adjust the light level depending on the activity within the warehouse. For example, when there is a lot of activity in the warehouse area, the lights come on brighter, but when activity decreases or stops, the lights burn less brightly or turn off completely. In this way, we are able to provide adequate lighting that workers need while saving energy.

Longer Lifespan: Automated lighting systems tend to last longer than lights that are constantly on. This means that lamps need to be replaced less frequently, saving energy and reducing our maintenance costs.

Distribution Center Automation Sensor System: Our automation sensor system is an application that significantly impacts the belt system inside the distribution center.



## Belt System Inside the Distribution Center:

The automation-sensor system effectively manages and optimizes the belt system inside the warehouse. Sensors are integrated into the belt system to monitor material mobility and warehouse operations. The sensors automatically detect movements and control systems accordingly to ensure that material flow is organized and efficient. This enables the belt system within the warehouse to operate more efficiently and increases the speed of work processes.

## Energy Savings and Environmental Benefits:

The automation-sensor system contributes to reducing environmental impact by saving energy.

It reduces energy consumption by automatically being activated in case of inactivity and prevents unnecessary energy expenditure.

With our system and efficiency department, we continuously evaluate the impact of automation-sensor systems on the belt system in the distribution center and work on improvement. By following the innovations in the sector, we set our goals to make warehouse operations more efficient and sustainable.

# PLANNING, LOGISTICS, STORAGE AND SALES PROCESSES

To achieve our continuous improvement and environmental sustainability goals, we consolidate our shipments and plan for the fewest number of trips possible.

## Logistics

Product and Loading Consolidation: To achieve our continuous improvement and environmental sustainability goals, we consolidate our shipments and plan for the fewest number of trips possible. This strategy provides both cost advantages and carbon emission reduction.

Our container occupancy rates regularly increase in line with delivery times. We achieve this through close cooperation with our logistics suppliers and effective time management. We keep making continuous improvements by monitoring occupancy rates. In line with our low carbon emission and energy efficiency goals, we see our consolidation strategies as an integral part of our business processes.

We also manage e-commerce operations from our distribution center and see our efficiency approach as the focus of these operations. In our 8 Hours / 15,000 pieces handling operation, we ensure efficient use of resources with approaches of:

- ✓ Single parcel addressing
- ✓ Category-based addressing
- ✓ Fast access to every parcel
- ✓ Customer-based collection

We support our distribution center with systems that are established and continuously developed to deliver the product to the right place at the right time and to ensure efficiency in its internal functioning. The infrastructure and functioning of the distribution center constitute an important part of our digitalization strategy and investments.





# PLANNING, LOGISTICS, STORAGE AND SALES PROCESSES

## Stores

**Smart Green Store:** As of 2020, we initiated the 'Smart Green Store Project'. As of the year-end 2022, we use complete automation systems in 17 of our 188 stores in Türkiye and semi-automation systems in 39 stores. With this structure, we can instantly monitor the energy consumption of all our electrical devices by managing lighting and air conditioning systems with automation. We achieved an average energy efficiency of 35% in our street and open shopping mall concept stores where the system is installed and 15% in our shopping mall stores.



We completed the transition to low-energy-consuming LED lighting in all our businesses as of 2020. Thus, we have minimized our energy consumption by using energy resources more efficiently.

The use of LED lamps in our stores reached 100% in Türkiye, 60% in Russia, 100% in Egypt, 100% in Morocco, 95% in Romania, 60% in Georgia, 100% in Iraq, 60% in Ukraine and 70% in Belarus.

By the year-end 2023, we plan to include 60% of our stores in Türkiye in the full automation system.

**In-store MDF Denim Card Applications;** we changed our photoblock applications on denim cards due to the content of the materials. As a result of our research, we switched to MDF-containing cards that do not use solvents in their printing instead of our currently used denim cards. These changes are more environmentally sustainable and increase the cards' quality and durability.

This 70% change in the denim areas of our stores across the country is helping to conserve natural resources and provide an eco-friendly retail experience by increasing the use of sustainable materials.

**Materials Used for In-Store Communication:** For the materials used for collection

communication, we pay special attention to the recyclability of the material content to be printed and we have made this principle a part of our work.

We also choose our manufacturers in accordance with these principles. Each new manufacturer must fully comply with our principles and support our environmentally responsible approach.

**Showcase Applications:** By changing the content of the fabrics used, we observe the recycling content and make fabric selection accordingly. This change is made to support environmental sustainability and ensure efficient use of resources. With the new fabric choices, we aim to reduce the amount of waste and contribute to recycling processes.

We have introduced a rule of at least 2 seasons for the materials used in showcase applications. With this application, we aim to use resources more effectively, save costs and support environmental sustainability.

We prefer LED applications in lighting systems. While LED technology positively impacts the environment by providing energy efficiency, it offers a longer-lasting lighting option with a low carbon footprint.

We have also determined that at least 50% of the materials selected must be

## PLANNING, LOGISTICS, STORAGE AND SALES PROCESSES

In line with our 'Reuse' approach, in mannequin applications, we ensure that damaged mannequins are maintained and reused.

suitable for recycling. Thanks to this rule, we contribute to reducing resource consumption and waste, and recycling processes.

In the production of showcases, we have started local production of materials, especially those with fabric content and that are compatible on a country basis. With this approach, we aim to support local resources and create a sustainable supply chain. With local production, we contribute to reducing environmental impacts and lowering the carbon footprint, while providing economic and social benefits. In addition, local production enables us to ensure quality control and collaboration more effectively.

New Concept Renewed Entrance Desk Mannequins: We initiated a change in the

areas where mannequins are used. We changed the entrance mannequins in our new store openings and in our designated stores. These changes encourage the use of environmentally friendly and sustainable materials and aim to offer our customers an eco-friendly retail experience.

We monitor the development of the process by starting to apply organic ingredients in mannequin paints. We are in the sample stage with a few manufacturers and aim to realize the changes in a planned manner after the approval process.

In line with our 'Reuse' approach, we ensure that damaged mannequin applications are

maintained and reused. This approach is an important step towards developing the understanding of sustainability and reducing waste. By reusing damaged mannequins, we ensure that resources are used more effectively and we can minimize the environmental impact.

Entrance Desk Visual Applications: We have imposed quantity restrictions for printed communication materials inside the store and provide centralized guidance. Specially determined campaign print visuals are packaged seasonally and used over and over again. This reduces the amount of waste and also saves costs and resources.



## WASTE MANAGEMENT AND USE OF NATURAL RESOURCES

With the digital cash register project, we took steps to reduce our carbon footprint by preventing the use of 19,200 pieces of cargo and 72,000 pieces of paper between stores and the head office.

As part of waste management activities at all our locations in Türkiye, we separate hazardous and non-hazardous wastes and send them to recycling companies licensed by the Ministry of Environment, Urbanization and Climate Change for recycling/disposal.

With the waste management activities implemented in our distribution center, we completed the zero waste process in 2022 and received the 'Zero Waste Certificate'.

Our shopping mall stores have been included in the zero waste system of the shopping center where they are located in 2022, and we will continue the certification process for our street stores in 2023.

As part of the 'International E-waste Day,' we collaborated with TÜBİSAD Authorized Institution and carried out a campaign with our head office staff in 2022 to donate our electronic waste to the designated licensed organization. We used the funds we earned to assist underprivileged students in preparing themselves for the future.

Knowing that recycling waste is not the first option, we prioritize resource efficiency and consumption-reducing activities. In this context, we prevented the use of 19,200 cargo (reducing our carbon footprint) and 72,000 pieces of paper between the store and the head office with the Digital Cash Register Project we launched in 2022.

We prevented our paper consumption and increased efficiency in business processes by switching to software and conducting audits on

tablets during the regular audits conducted by our sales and audit teams in stores.

We continue to develop department-based software and applications to reduce in-office paper use. We publish environmental bulletins and increase the environmental awareness of our employees all over Türkiye with our Waste Management training set in COLIN'S Academy. We organize in-class trainings and Environmental toolboxes for our Distribution Center staff who have less access to online trainings.

Since 2019, we have been working to become an environmentally friendly business with ISO 14001 Environmental Management System certification.

**Waste Management at our Distribution Center:** Our primary goal in waste management at our distribution center is to continue to comply with the "Zero Waste Certificate." We plan our waste management process to reduce resource consumption and serve the recycling process.

**Reuse of Parcels:** In our distribution center, which has 60 million product movements and 3.5 million parcels used annually, parcels in good condition are sorted by the staff throughout the operation. Our distribution center has waste sorting points and appropriate containers. Waste is sorted according to reuse, recycling and other disposal methods. This sorting process helps us reduce our environmental impact while increasing the recycling rate of waste.





# WASTE MANAGEMENT AND USE OF NATURAL RESOURCES



**BY USING  
INDUSTRIAL TREES IN  
ALL LABELS USED IN  
OUR PRODUCTS, WE  
ENSURED THAT 2,700  
TREES REMAIN IN  
NATURE.**

It also saves costs in transportation and logistics operations and reduces carbon footprint.

We organize trainings and awareness-raising activities for our staff for the waste sorting process. Personnel are made aware of the correct sorting of waste and compliance with waste management protocols. In this way, correct practices are ensured in the waste sorting process.

We cooperate with licensed recycling companies for the recycling of parcels. We continuously monitor the number of reused parcels as an indicator of our waste management and sustainability efforts and evaluate this data in our reports. We reuse 80% of our parcels used in transfers between stores, distribution centers and manufacturers. Thanks to reused parcels, we prevented the use of approximately 1,000,000 new parcels in 2022.

These waste management practices at our distribution center are an important step in achieving our environmental sustainability goals.

Recycling/Disposal of Waste Oils: We work with recycling companies licensed by the Ministry of Environment, Urbanization and Climate Change for the recycling/disposal of waste oils. These organizations ensure that waste oils are disposed of without harming the environment.

Reuse of Alarms: We collect the alarms we use for product safety from stores and reuse them after necessary maintenance and cleaning processes. In this way, we reduce waste generation and lower our carbon footprint.

Use of FSC-Certified Labels: All labels used on our products are produced using industrial woods and FSC-certified. In this way, we ensured that 2,700 trees remained in nature in 2022.

Industrial afforestation is a tree production technique developed to protect natural forests. With this method, fast-growing trees are grown, thus meeting the raw material needs of paper, cardboard, furniture and industries that use wood as raw material. This method helps to protect and expand natural forest areas and supports the fight against climate change.

The FSC Certificate is a document showing that the products of companies engaged in the production/sales of forest products are produced in accordance with the standards set by the Forest Stewardship Council.



## WASTE MANAGEMENT AND USE OF NATURAL RESOURCES

We aim to reduce the use of paper at every stage of our business in line with our responsibility for our planet.

### **Reduction of Paper Use:**

In our departments, we aim to reduce the use of paper at every stage of our business in line with our responsibility for our planet. Therefore, we use digital tools for activities such as creating, sharing and storing documents electronically in our business processes.

Workflow Digitalization: We digitalize our business processes in a way that minimizes the use of paper. We prefer electronic media instead of paper for forms, reports and internal communication.

E-Documentation: We use e-documentation systems to reduce the use of paper-based documents in our business processes. With applications such as electronic signature, electronic invoice and electronic reporting, we minimize the use of paper and reduce environmental impact. By completely digitalizing the invoicing processes for the services we receive from our logistics suppliers, we speed up approval processes and also reduce paper use.

Meetings: We share meeting notes electronically and distribute them digitally.

Online Communication: We carry out internal communication and sharing via online platforms instead of paper. Thanks to collaboration tools and digital communication channels, we ensure the flow and sharing of information among employees in a paperless way.







# Our Responsibility in Product Management

With its responsible production and consumption approach, COLIN'S contributes to the efficient and healthy use of environmental resources.

12 RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



# COLIN'S



# OUR RESPONSIBILITY IN PRODUCT MANAGEMENT

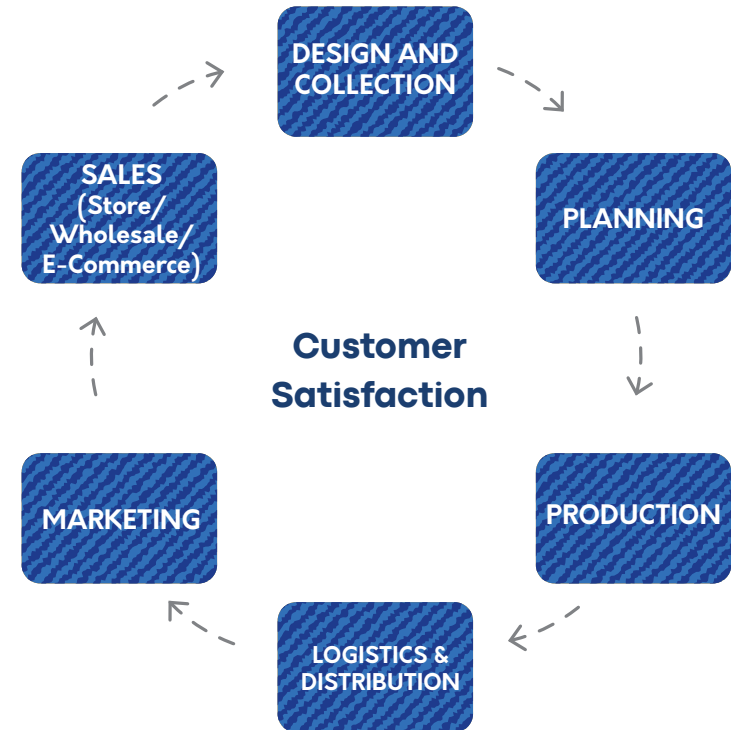
We carry out our work with a responsible production and consumption approach at all stages of our business model.

For us, product management is an approach that brings together our way of doing business and our sustainability strategy under the roof of customer satisfaction.

With the responsible production and consumption perspective, we aim to accurately determine the expectations of customers, to ensure product supply with a 'quality-oriented' perspective, which is one of our corporate values, and to bring them together with the customer in accordance with the responsible consumption perspective.

Thus, the process from the design stage to the point of meeting with the customer and after-sales customer satisfaction constitutes our product management cycle. In our Sustainability Strategy, product management is considered the main element that cuts across the planet/environment, people/social and economic dimensions, and that is effective in all dimensions.

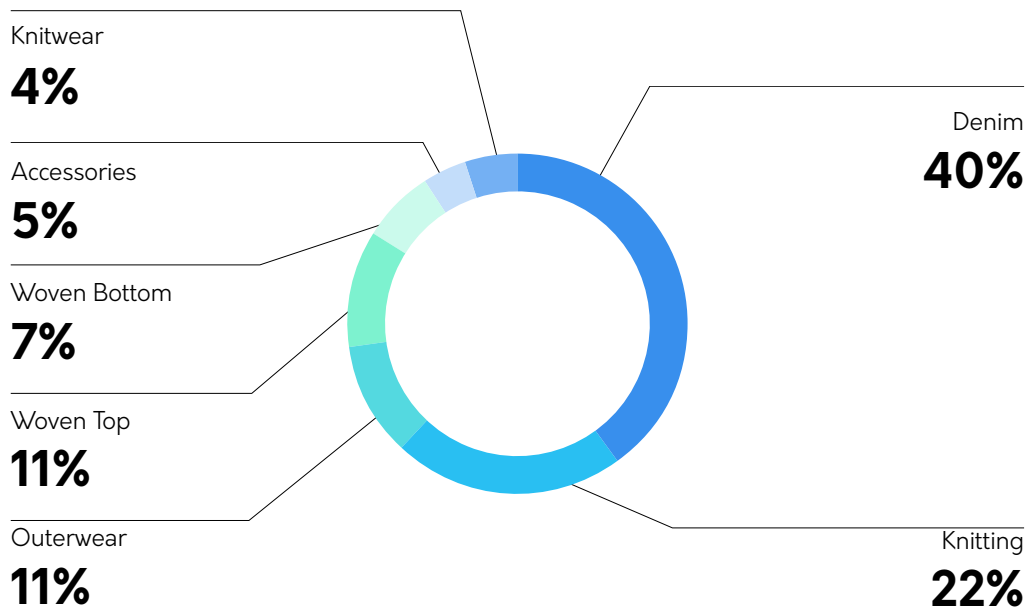
At all stages of our business model, we reflect our responsible production and consumption practices on our products.



# OUR RESPONSIBILITY IN PRODUCT MANAGEMENT

On the basis of product groups, we manage different aspects, from design to supplier management in a balanced way. The most weighted product group in our sales is denim with 40% and knitting with 22%.

## SALES RATIOS BY PRODUCT GROUP



We look at our products as our works that embody our corporate values, take into account customer expectations, produce collaboratively in our ecosystem, and create with the awareness of our responsibility for our planet.

We, therefore, utilize our strong retail and office network to both understand needs and quickly incorporate feedback into the improvement process.

We listen to the voices of our stakeholders and draw inspiration for innovative approaches and creative designs.

As product and supply management teams, we receive feedback from sales teams and customers during our regular country and store visits. We receive regular collection feedback reports from our sales managers in all countries, organized according to country sales, trends and customer expectations. In each collection period, we develop our collections and determine quantities in the

light of all this feedback. Considering the differences in sales by country, we carry out order studies specific to different locations through methods such as design studies and size analysis.

We develop prints, patterns, different fabric blends, and fits specific to locations.

We always provide customers with different product experiences by adding new product categories in line with customer expectations. As of 2020, we have accordingly designed flannel and fleece-lined jeans for regions in cold climates.

In our sustainability journey, we always maintain and reinforce our focus on innovation and our motivation in this direction. Over the years, we have been producing and finalizing projects accordingly. We monitor our performance by implementing our projects. We consider the continuous improvement and development cycle as the indispensable energy of our sustainability journey.

We also carry out important work in terms of innovation in product designs.

We designed capsule projects to improve environmental factors in men's and women's collections. We aim to continue increasing the ratio of models prepared with these capsule projects in total orders.



## OUR RESPONSIBILITY IN PRODUCT MANAGEMENT

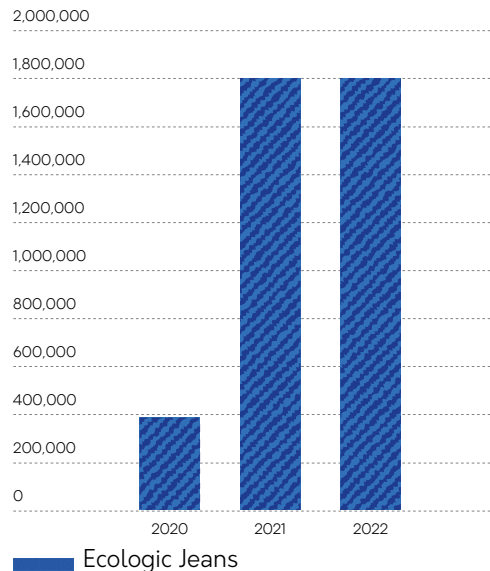
We contribute to the efficient and healthy use of environmental resources by increasing the use of flax and flax-blended fabrics.

### ECOLOGIC JEANS COLLECTION

We worked with Eroglu Giyim for our Ecologic jeans collection. We produced these products using laser washing, e-flow and stone enzyme applications.

The number of Ecologic jeans products in our collections has been increasing over the years.

**Ecologic Jeans  
(Order quantity)**



### '90S COLLECTION

Our '90s collection was prepared by considering sustainability in all materials, from fabric to yarn, buttons to zippers. Also, in this collection:

- Buttons and Rivets are sustainably developed with a "Chrome-Free" dyeing technique.
- We used paper and natural kraft paper instead of leather for the jacrons.
- The inner label is made of natural 100% cotton cloth.

### SUSTAINABLE FIBER USE

We are increasing the content of sustainable fabrics such as flax fiber and lyocell fiber in our collections to improve environmental factors.

Flax fiber offers a range of sustainability benefits in the textile industry. The flax plant requires less water, fertilizer and pesticides during its cultivation and processing than some other fiber sources. In addition, the cultivation of flax prevents soil erosion and causes less damage to the ecosystem. Flax fiber is naturally durable and long-lasting, which allows clothes to be used longer and reduces the amount of waste. Flax fabrics are breathable, hypoallergenic and antibacterial. Thus, it provides a skin-friendly and healthy option. The use of flax fiber in textile clothing contributes to a sustainable fashion industry and is an important step towards a more sustainable future by reducing environmental impacts. Due to these features, as COLIN'S brand, we contribute to the efficient and healthy use of

environmental resources by increasing the use of flax and flax blended fabrics in our designs.

Lyocell fiber plays an important role in the textile industry in terms of sustainability. This type of fiber is produced from wood pulp or other natural cellulosic raw materials and has an environmentally friendly production process. The solvents used for the production of Lyocell fiber can be recycled and reused. Also, the water consumption in the production process is lower compared to the production of some other fibers. Lyocell fabrics provide a similar texture and softness to cotton, but are more durable and do not wrinkle easily. Thanks to these properties, lyocell clothing can be long-lasting and may need to be replaced less frequently, reducing the amount of waste. The use of lyocell fiber in textile clothing reduces environmental impacts, saves water and energy, and offers long-lasting products. In this context, we aim to increase the number of models designed using lyocell yarn in our collections.

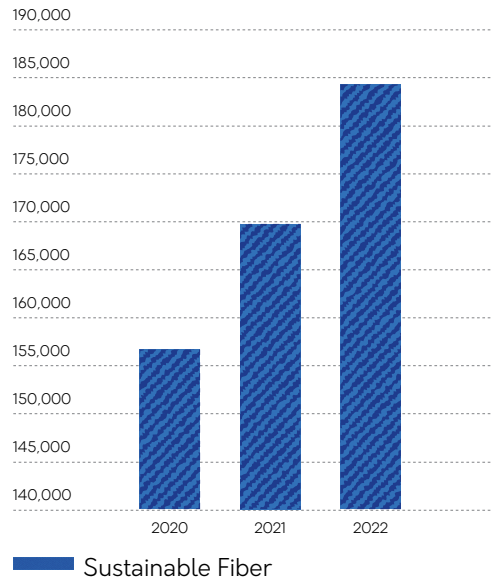


## OUR RESPONSIBILITY IN PRODUCT MANAGEMENT

We contribute to reducing our carbon footprint by decreasing the use of samples in our production processes.

The number of products using sustainable fibers in our collections has been increasing over the years.

**Sustainable Fiber Use  
(Order quantity of products containing  
Tencel, Lyocell, Modal, Hemp)**



In order to separate the products made with these fibers from other products, we use shaking cards to explain the features and benefits of these products.

We standardized our fit patterns in men's and women's collections and created a fit tree. We design our collections within these patterns. In this way, we reduce the number of samples prepared and sent from the manufacturer during the production processes and proceed to the production stage with less sample work. By working with fewer samples, we contribute to reducing our carbon footprint by reducing the use of resources that may occur during the sample creation stage.

We register the new designs that emerge with our work on design.

**Our registration information:**

- In 2020, we registered 1 design in denim.
- In 2021, we registered 4 designs and 1 trademark in denim.
- In 2022, we registered 6 designs and 5 trademarks in denim.



## DENİM FİKRİM (MY DENIM IDEA) DESIGN COMPETITION

We organized the DENİM FİKRİM (MY DENIM IDEA) competition, a design competition attended by students of the Fashion Design departments of universities across Istanbul, for the first time in 2022.

We are aware that constantly evolving expectations and vital dynamics are the most important source of energy during the design stage. For this reason, we move forward together with university students to encourage and get inspiration from different perspectives in our ecosystem as well as our own internal resources. This work, which also supports the importance we attach to youth, creates significant value for all parties.

The DENİM FİKRİM (MY DENIM IDEA) competition is attended by 2- and 4-year students of Fashion Design departments of universities across Istanbul and Fashion Design long-term education students for the first time in 2022.

With the mission of having young people enjoy life more with jeans-oriented fashion products, we corresponded with the Fashion Design departments of universities across Istanbul. The theme of the competition was 'If the World Could Talk' and young designers showcased their creativity and talents to the jury made up of expert academicians. Students worked in two different categories, 4 commercial and 2 artistic. The commercial collection was carried out under the mentorship of COLIN'S design team. Washing and sewing support was provided by COLIN'S in commercial design, while only fabric support was given in artistic design. The final and gala of the competition was held on July 2, 2022. As a result of the competition, cash prizes and COLIN'S gift certificates were presented to the top three designs.

It was decided for the winning design to be offered for sale in selected COLIN'S stores and the income from the sale of the products to be donated to the Sustainable Living Association (SUYADER).

With the competition, we aimed to both discover new talents and bring these talents to our company. For this purpose, we held job interviews with the students participating in the competition. We brought a candidate who made it to the finals to COLIN'S and enabled him to step into business life.





# OUR SUPPLIER MANAGEMENT

The way we work with our product suppliers ensures the assurance of our product.

Our product suppliers enable us to materialize our designs. Our supplier network is critical to ensure the attractiveness, quality and timely delivery of the products we offer our customers. With this awareness, we continuously improve the performance of our supplier network, which is the strongest muscle of our 'relationship capital' that we have developed and empowered by working together for years.

All suppliers first undergo an accreditation process. We work with suppliers that comply with COLIN'S standards. Knowing that responsible and sustainable production requires auditing and monitoring, we control, protect and develop our suppliers as long as the production activity continues.

We control our products, starting from raw materials and care that the product we offer our customers is suitable for human health and of high quality. We make sure that production is carried out in production facilities that respect the environment and people and adhere to employee rights and ethical values.

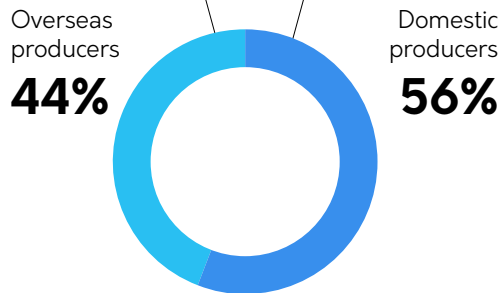
In 2022, 83% of our product supply was made from suppliers with Sedex and/or BSCI certification. Eroglu Giyim, an important element of our supply chain, produces 48.8% of our total Denim production and has these certificates.

Our technical manuals (packaging, quality control, labeling standards, measurement methods, etc.), which are regularly updated to ensure quality standardization, are

available at all our suppliers. In order to provide our customers with safe, high quality and long-lasting products at national and international standards (REACH and KKDIK), we performed a total of 90,558 tests (54,563 physical, 35,995 chemical) in internationally accredited laboratories in 2022.

As COLIN'S, we maintain working with our business partners for a long time by exhibiting an approach that is aware of what we can do for the environment and people in all geographies we operate. Our 19 suppliers, with whom we have been partners for more than 10 years, produce 41.6% of our total production. In 2022, we worked with 102 suppliers in 10 countries. 56% of our suppliers are from Türkiye, and 44% are from abroad.

We collaborate with our suppliers through our offices in 3 different countries. With our supply offices in China, Bangladesh and Egypt, we identify all the requirements of our suppliers on-site and follow them in their development activities. We control 88% of our overseas production through our local offices. As a result of carrying out activities such as sourcing, inspection and supplier accreditation through our offices, we reduce our carbon footprint by minimizing travel from the head office.

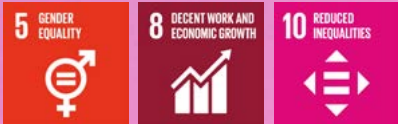






# Our People and Our Social Responsibility

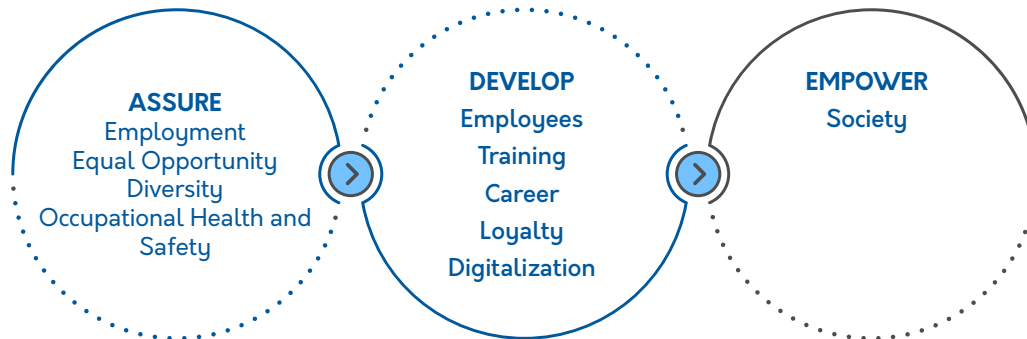
COLIN'S, whose priority is sustainability in employee satisfaction, also proceeds with the approach of being sensitive and beneficial to the needs of the society.



# COLIN'S

# OUR PEOPLE AND OUR SOCIAL RESPONSIBILITY

## PEOPLE/SOCIAL

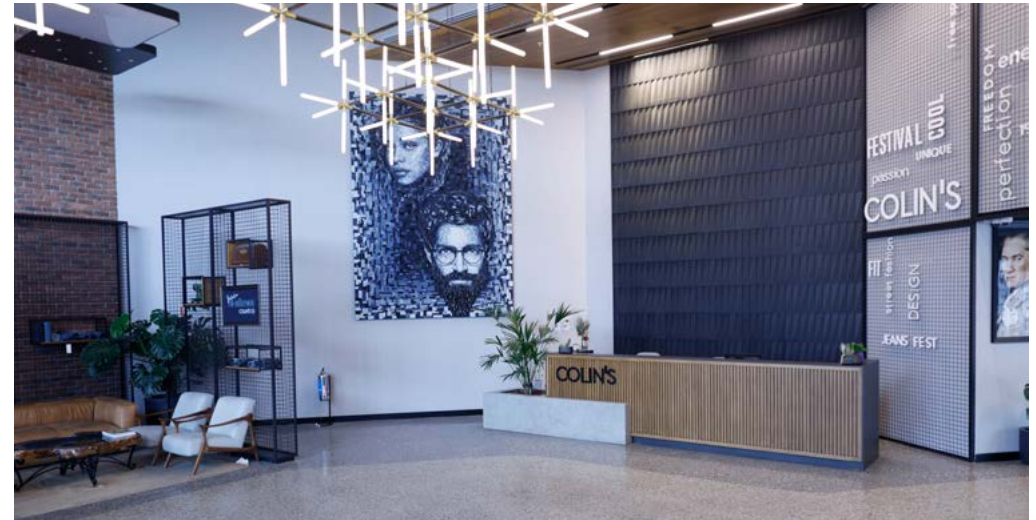


### OUR APPROACH

As COLIN'S, we serve in high-volume countries with the pride of being one of the Turkish companies with the most stores abroad. All over the world, we strive to offer our customers not only ready-to-wear products but also a COLIN'S experience that will make them feel better. We keep pace with a world where newer, more modern, more exciting, and more special things happen every day. Through COLIN'S products, where we offer innovation, fit and quality together, we aim for the young and

those who feel young to express themselves freely and enjoy life more. We also enjoy the happiness and success of young people and prioritize supporting them.

People and society constitute the main focus of our activities. In textile retailing, customer satisfaction and product quality are the most critical success indicators. Our most valuable capital, which enables us to understand the customer well and provide them with quality products and services, is our Human Resources.



We shape the PEOPLE dimension, one of the main elements of our Sustainability Strategy, with details of our employees and society. In the PEOPLE dimension, we carry out our work for our employees and society in 3 aspects; **Güvence Sağlamak (Assure), Geliştirmek (Develop) and Güçlendirmek (Empower) – G<sup>3</sup> approach**

First, we aim for our employees to carry out their work with the approaches we developed through the lens of diversity, equality and inclusion.

At COLIN'S, we take care to keep these principles alive in every aspect of life. We are aware that the ability of employees to create value for themselves and their organization positively affects both their individual performance and the organization's

performance. The happiness and productivity of employees are of indispensable importance for our sustainability approach. With our 'Development' aspect, we primarily support the individual development of our employees as an organization through various approaches and believe that we need to increase the value and yield they add to the organization by providing an appropriate environment.

The development and empowerment of society positively affects the quality of life and capacity of the areas in which we operate. In line with our multidimensional goal of improving the quality of life in our sustainability approach, we strive to ensure our 'Empowerment' approaches through our corporate social responsibility practices for society and our continuously improved standards for our suppliers.

## PROVIDING ASSURANCE

Our primary goal is to provide equal opportunity to our employees, to work on the basis of merit, to develop trust and to create a fair working environment.

We aim to ensure the continuity of the fair, transparent and reliable working environment we created with our human resources policies and approaches.

In 2022, we carried out our activities with a total of 5,500 employees. We design and implement our human resources practices in line with the dynamics and culture of the geographies in which we operate and with a holistic perspective. We consider human resources diversity as the most valuable asset of our company.

We believe that providing equal opportunities with this perspective is the most prioritized approach for working on the basis of merit, developing trust and creating a fair environment with systematic approaches.

On a global scale, our female employee ratio is quite high with factors such as our work culture in the countries where we operate and the fact that we are a reliable company. While the rate of female employees in Türkiye is 33%, COLIN'S Türkiye is well above this average with a 45% female employee ratio.

Our female employee ratio varies by country.

COUNTRIES - 2022	Number of Female Employees	Female Employee Ratio
TÜRKIYE*	963	45 %
RUSSIA	1308	80%
UKRAINE	396	70 %
BELARUS	159	69%
ROMANIA	224	76%

\*Monthly average figures are given.

While the ratio of female managers is 37% in EU countries, this ratio is 22% in Türkiye. At COLIN'S, while the ratio of female managers is 21% globally, it is 26% in Türkiye.

Objectivity and impartiality are our most important principles both in the recruitment and promotion processes to provide equal opportunity to every candidate. Based on this principle, we conduct all our recruitments on a competency-based basis.

Personality and general talent inventories created for each position are evaluated and measured together with technical competency tests.

To carry out promotion processes fairly, we first established our promotion criteria. We announced them to all our employees within COLIN'S Global. In light of these criteria, our internal promotion-appointment ratio we realized in 2022 reached an average of 45% for our manager and above positions.

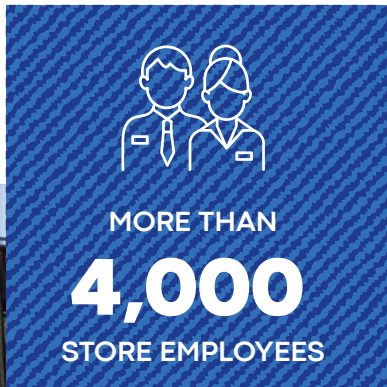
We form our remuneration policy with our "equal pay for equal work" perspective and create our entire job evaluation and grading structure accordingly.





## PROVIDING ASSURANCE

Adapting to different cultures and managing diversity is one of COLIN'S' greatest strengths.



With our structured merchandising career plan, we provide equal promotion and career opportunities to more than 4,000 store employees at COLIN'S Global who meet the necessary conditions.

Adapting to different cultures and managing diversity is one of COLIN'S' greatest strengths. We meet new cultures in the countries where we are in and harmonize our basic principles and approaches with these cultures. We believe that diversity enriches us. We work as a strong and rich team to create value together in line with our common values and goals.

We produce strategies for the Company's global human resources, which are positioned within the Human Resources Directorate, from a point we call the "Center of Excellence."

Talent Management, Performance Management systems include Recognition - Rewarding and high level of employee satisfaction.

Our most important goal is to realize our Human Resources strategies and ensure that they are internalized and implemented at all our locations. We achieve this goal with our agile Human Resources operation teams who are experienced in their fields and can quickly take form in the face of the fast-changing dynamics of retail.

We always focus on quality and speed in all HR operation processes we carry out. Especially after many of our HR processes have been digitalized, we have increased our flexibility and speed of taking action globally at the same time.

We have the opportunity to create an inclusive design and implement it quickly by considering different perspectives and cultures while creating applications with the diversity we have, thanks to our global positioning.



# EMPLOYEE HEALTH AND SAFETY

We carry out continuous improvement activities to ensure health, safety and comfort in our working environments.

We carry out continuous audit and improvement activities to ensure health, safety and comfort in all our working environments. We regularly organize in-class and online trainings to increase the health and safety awareness of employees. Our training data for the last 3 years is as in the table.

Location	Total Training Hours (man-hours)		
	2020	2021	2022
Head Office	446	1,528	3,316
Logistics Center	755	916	1,466
Store	1,755	5,020	6,024
Total	4,976	9,485	12,828

We are aware of the importance of being ready for emergencies. Therefore, we ensure that the Emergency teams we formed receive theoretical and practical trainings by professional teams. We also organize first aid trainings for our locations that are not legally mandatory.

We regularly monitor OHS performances and work to achieve the goals set through a proactive perspective with the goal of zero accident.

## Zero Accident Time (man-hours)

Location	2020	2021	2022
Head Office	2,142,604	2,463,312	4,178,504
Logistics Center	288,372	422,967	277,461
Store	1,050,660	1,550,010	1,071,360

By establishing a technical inspection department within the Health, Safety and Environment department, we systematically carry out technical controls (electricity, fire, ventilation, etc.) related to occupational health and safety in all our stores and work to create a healthy and safe working environment.

For the comfort of our store employees and customers, we regularly conduct indoor measurements (thermal comfort, lighting, dust and noise) to improve the quality of the interior space and take corrective actions when necessary.

We ensure that stores evaluate themselves with the control forms we created to keep the risks of our stores under control. Our occupational safety experts conduct on-site store audits every year. In addition to this, we ensure that the internal audit department inspects these issues as a second set of eyes for the topics we deem critical.

## Distribution Center Health and Safety Studies

We regularly hold occupational health and safety meetings at our distribution center. We ensure that our high-risk equipment, such as work machines, shelves and ramps are controlled by internal audits in addition to third-eye inspections. We improve the OHS culture of our employees with on-the-job (toolbox) trainings, as well as regular OHS trainings.

## Stores Health and Safety Studies

We carry out technical controls (electricity, fire, ventilation, etc.) related to occupational health and safety in all stores and work to create a safe and healthy working and store experience. During the recruitment processes, the suitability of our employees for the job is monitored with health reports. We ensure that our new employees receive applied and practical training on health and safety within the scope of orientation.



# DEVELOPMENT

We support our employees' needs, such as gaining experience, raising awareness and acquiring knowledge through trainings.

## TRAINING AND DEVELOPMENT

We believe that training is one of the keystones of development. We offer training to our employees with the most appropriate methods according to their needs, such as gaining experience, raising awareness and acquiring knowledge. We aim to increase the contribution of content and the right method, as well as training hours to effective results. For this purpose, we develop versatile programs and practices.

EMPLOYEE TRAINING HOURS (HOURS PER PERSON)	AVERAGE
TÜRKİYE	12
RUSSIA	41
UKRAINE	35
BELARUS	32
ROMANIA	32

## Orientation Program

We provide in-class orientation training to the head office employees who start working at COLIN'S so that they can easily adapt to the work and business environment and master the processes. In addition, we define an online orientation program for both head office and store employees before they start working so that they can use their first day more efficiently. In this way, we reduce the excitement and pressure experienced on the first day of work. In addition, the digital presentation of this orientation is also available on the COLIN'S Academy learning platform, so that new employees can access this information again whenever they want.

## Udemy

We aimed to increase our training platforms to support employees' professional, managerial and personal training. As a result of our research, we decided to use the UDEMY platform, which is widely used in the corporate field, considered to be the university of the future and hosts training content in approximately 6,000 titles.

## University Collaboration

As COLIN'S, we explored collaboration with universities to meet our needs from the source in terms of providing trained manpower. Our aim was to create an opportunity for students studying in Fashion Design departments to get to know and work with denim fabric. In the design and production process of denim fabric, universities are not able to prioritize design due to the difficulties they face in terms of costs, suitable conditions and equipment. For students graduating from design, "denim" remained a field that they had not been able to experience. We took action to warm students up to denim by organizing workshops with universities. By developing the harmony and cooperation we achieved with Istanbul Kultur University, we prepared a 13-week lesson plan for 2<sup>nd</sup> year fall semester students and ensured that it was included in the curriculum. In the 2<sup>nd</sup> year, students receive "COLIN'S Denim Design" training given by the Denim Category Department, and this course is included in their transcripts. Our aim is to do the same in collaboration with other universities.





# DEVELOPMENT

Being aware that education is one of the keystones of development, we offer regular training programs to our employees.



## Leadership Development Program

At COLIN'S, we designed a Leadership Development Program to support our managers who progress on their career path and are promoted in managerial and personal development areas. In 2022, we graduated two groups. The Leadership Development Program is between 3 and 5 modules, depending on the target audience. COLIN'S Leaders had learning opportunities in the areas of Individual Awareness, Organizational Awareness and Team Management in the program, which we carried out in partnership with internationally recognized training companies to provide this program at all locations. In 2023, we aim to start a Strategic Leadership Program with a similar module and subject structure for our managers who have not been promoted at the career center.

## Experience Transfer

Taking into account the fact that COLIN'S' leaders have strong competencies and management skills, an in-house mentoring process has been designed in which employees in Specialist and Manager positions share their own experiences and expertise to support employees who are new to the job or who need to develop themselves in personal and managerial areas in their current positions. In this context, our Group Managers were assigned an internationally recognized measurement tool to see their strengths and to make the right mentor-mentee matches. Mentoring structure and functioning were documented. In 2023, we aim to implement the process by providing Mentor and Mentee trainings.

## Internal Auditor Training Program

We monitor the organizational functioning of the management systems implemented at COLIN'S through internal audits we conduct at regular intervals. We established a team with employees selected from various departments to conduct internal audits. We prepared an Internal Auditor Training Program for this team. Thanks to this training, departments were able to learn more about each other and to look at the work from the perspective of the internal customer.

## Higher Education Support

For those who work at COLIN'S and want to advance in their career by completing their postgraduate education, COLIN'S covers half of the tuition fee based on the fair value of the program they want to attend. Here, the employees who will benefit are prioritized based on criteria such as the program to be completed, its contribution to the job and its compatibility with the department.

## Authorizing (Leadership Development Program - Effective Performance Management - Feedback)

We started a training program focused on Performance Interviews, which will enable managers to effectively manage the performance in subordinate/supervisor interviews in performance management, ensure that the interviews are more productive for both the individual and the department, and serve to support employees with effective feedback. Following this two-day program for executives, managers and group managers, we aim to start feedback training for the employees

who are interviewed. In 2022, we scored 4.58 on a 5-point scale for the evaluation regarding the training provided to our employees.

## Succession

Under the roof of COLIN'S' global organization, we create one to five year multi-dimensional succession plans for 50 strategically and technically critical leadership positions.

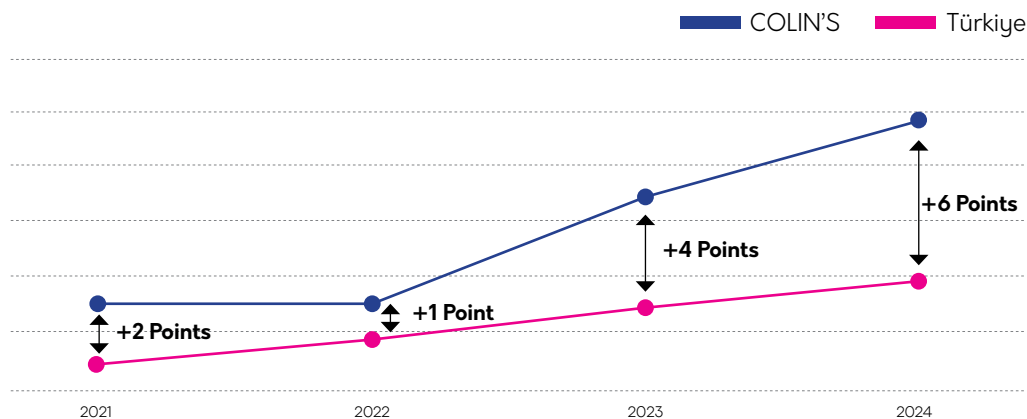
Our aim is to achieve our short-, medium- and long-term goals in a focused manner with an uninterrupted and continuous workflow.

In addition, our perspective in succession planning is to use internal resources who have the appropriate potential and career background and who are familiar with our company's culture. We consider it as an important and priority area to identify these people who have our company competencies and to ensure their leadership development to make them ready for the positions in question.

# EMPLOYER BRAND VALUE AND EMPLOYEE SATISFACTION

We aim to produce a satisfaction score of 4 points above Türkiye's average in 2023 and 6 points above Türkiye's average in 2024.

## COMPARISON OF TÜRKİYE SATISFACTION AVERAGE WITH COLIN'S WORKING LIFE SURVEY



As COLIN'S, we said "Together on this Journey" with our employer brand COLIN'S "Together" to share our company culture, values, working environment, job and career development opportunities with our employees, candidates, suppliers and other business partners.

We were together also at the launch we realized in October 2022 with our employer brand COLIN'S Together.

With the launch, we announced our employer brand in all areas from our social media accounts to our job postings on career pages, from announcement mails used internally to our digital screens in the office.

### EMPLOYEE LOYALTY

It is managed by our COLIN'S Employee Loyalty Directorate under the Human Resources Center of Excellence. Within this directorate, we carry out measurements and evaluations regarding the motivation of our employees and their loyalty to the organization, create actions as a result of these evaluations, and evaluate the outputs of these actions.

### Working Life Survey

In 2021 and 2022, "COLIN'S Working Life Survey" was conducted with approximately 4,000 people in Türkiye, Russia, Belarus, Ukraine and Romania, covering all our employees working in Stores, Head Office and Distribution Center.

This study was conducted with a 3<sup>rd</sup> party research firm, and internal and external

benchmarks were made with the survey realized. The wishes and needs of COLIN'S employees were determined and their satisfaction was measured. 91% participation was achieved in the survey conducted in 2021 and 92% in the survey conducted in 2022. The trend was 2 points above Türkiye's average in 2021 and 1 point above the average in 2022.

We aim to produce a satisfaction score of 4 points above Türkiye's average in 2023 and 6 points above Türkiye's average in 2024.

*\*Türkiye's average score estimate is calculated based on the current trend.*



# EMPLOYER BRAND VALUE AND EMPLOYEE SATISFACTION

With the conscious steps of our employees, we save energy and reduce our carbon footprint.



## Strategic Determination of Employee Loyalty Actions: “Together on this Journey!”

We effectively utilized our strengths in the themes of “Teamwork” and “First Manager,” where we produced the best scores according to the survey results, to identify and improve our development areas as a result of the strategic approach we implemented.

Survey results were shared with participant groups at meetings of different levels in the countries where the survey was conducted, and the results and analysis reports were delivered to the relevant department leaders.

After the results of the survey were shared with the participants, we invited our employees to working groups led by our managers on the identified topics. Themes that would affect motivation and development were identified with these working groups. 47 volunteers and 7 HR leaders from different units, departments and seniority produced important outputs in our working groups.

After these studies, in the survey conducted in 2022, it was observed that the Loyalty scores of Head Office Employees increased by +5.5 points, the Satisfaction Score

increased by +3 points, and again, according to the survey results, the satisfaction score was recorded +1 point above the Türkiye average.

Of our 11 Strategic Business Units (Country, Store, Head Office Distribution) where we conducted the Working Life Survey, positive score development was observed in 8 locations where we made a comparison between 2021 and 2022, and Employee Loyalty and Employee Satisfaction entered an upward trend.

In the 2022 survey, as in the previous year, our Corporate Reputation, Teamwork and First Manager themes were seen as our strengths.

Survey outputs were reviewed with in-depth department-specific reports and analyses. Actions were taken with department managers to increase satisfaction and employee loyalty.

## Employee Experience and Motivation Activities

We believe that the working environment has a direct impact on employee motivation, happiness and productivity. We know that our sustainability approach is not just a concept, but an important set of behaviors and habits in each of our lives. For this reason, we design our working environments with this understanding in mind.

### COLIN'S Head Office

At our COLIN'S head office, we are welcomed with an eco-friendly decor with

positive messages in order to make you feel this at every point with an understanding that focuses on human from the first lobby entrance. The use of environmentally friendly terrazzo, which does not contain chemicals, was preferred on the floors. The walls are painted with non-carcinogenic paint, and the corridors are furnished with large-sized ceramics that do not strain the eyes and do not contain contradictions.

Our meeting rooms were equipped with smart screens and video conferencing systems fit for purpose to ensure that our guests who come for meetings are comfortable and our employees can express themselves well. Our working offices were designed in large, humane workspace standards. The furniture systems used were carefully selected. Ergonomic, carcinogen-free, easy-to-use materials suitable for human health were selected.

Our office lighting equipment was designed with a company specialized in lighting, and completely energy-saving LED lights were used in the linear system. In addition to energy saving, diffusers that prevent glare that contribute to eye health were used.

Our staff meets their water needs from the water purification system installed. With the purification system, we achieve hygiene, manpower and carbon footprint reduction. Considering that the carbon footprint of a carboy is 45 grams, we reduce 2.7 kilograms of carbon footprint.



## EMPLOYER BRAND VALUE AND EMPLOYEE SATISFACTION

We move forward with the approach of “Being sensitive and beneficial to the needs of the society.”

We separate our waste and collect household waste and recyclable waste in separate areas.

In order for COLIN'S employees to have social communication and rest, we use our 300 m<sup>2</sup> social area with a modern design in the center of the headquarters building. Breakfast is served to all employees here 4 days a week. In addition to the lunch provided in the cafeteria for employees, we offer meal alternatives for those who wish to eat in contracted restaurants with various fast-food and street flavors, salad bars and other cuisines.

Under the heading of special days and celebrations, we aim to start the COLIN'S experience for our employees from the first day and continue it throughout their COLIN'S working life.

We expand the employee experience that starts with the Welcome Kit, with which we celebrate the first day a new COLIN'S employee joins us, by celebrating our national and religious holidays together, and by organizing surprise activities to make employees feel good on special days such as Women's Day, Mother's Day, Father's Day.

In addition to the breakfasts served in our social area for head office employees, we provide a pleasant working environment with various happy hour events held within the year and competitions with concert-theater ticket prizes.

We maintain our approach of “Being sensitive and beneficial to the needs of the society” in our “Development” activities that we carry out in the Social Dimension and in activities that will increase the loyalty and motivation of our employees.

### March 8, International Women's Day

In 2022, we celebrated March 8, International Women's Day with a special event. We hosted our COLIN'S women, who can always share the love and compassion in their hearts unconditionally in way of making us who we are, in front of the camera. We created a Women's Day Special Photography

Exhibition from the resulting works. Again, in remembrance of the exhibition, we supported university students with limited financial means by donating to the “Self-reliant Girls, Keeping Pace with the Future” Scholarship in cooperation with the Turkish Education Foundation.

### COLIN'S ETHICS LINE

COLIN'S Ethics Line was established by the Human Resources Department on **01.03.2019**. With the Ethics Line, we aim to establish a communication center that can be used by employees within COLIN'S, to integrate it into the loss and theft prevention system and to take measures against negative situations that employees may be exposed to.

The Ethics Line center can be reached by phone, mailbox and e-mail. We cooperate with an independently operating consultancy firm. Our procedure written for the Ethics Line has been guiding our practice since 28.03.2018.

- In 2019, 215 notifications were received, 148 open, 67 closed were completed. (31%)
- In 2020, 90 notifications were received, 72 open, 18 closed completed. (20%)
- In 2021, 74 notifications were received, 6 open, 68 closed completed. (92%)
- In 2022, 120 notifications were received, 7 open and 113 closed were completed. (94%)

*\*According to the 2022 report of the consultancy company, while the rate of calls that cannot be closed in the sector is 21%, COLIN'S has a rate of 6%.*



# DIGITAL HUMAN RESOURCES

Through our global intranet we launched with the motto “Together,” we aim to create a common point where thousands of COLIN'S people in different countries will meet.



## Technological Developments Providing Efficiency for the Working Environment

The activities carried out on paper, such as candidate follow-up, employee experience and exit questionnaires, were moved to digital platforms as part of digitalization, and our processes were revised accordingly.

## Peoplise Recruitment Processes

All candidates who enter the COLIN'S Global candidate experience process are recorded on the Peoplise platform. We apply position-specific tests and various inventories to all candidates whose process progresses positively through our contracted digital platform. These tests and inventories are categorized as competency, professional competence and personality inventories, and we finalize the selection and placement process in line with objective evaluations.

## Exit Questionnaire

We updated the content of the exit questionnaire and transferred it to the digital platform. Thus, the general evaluation and opinions of the person during the period of employment were protected with the principle of confidentiality, and digitalization was also ensured within the scope of sustainability. We launched the application for head office employees in 2022 and included the expansion of the application in our business plan to cover employees in Türkiye stores and global locations in 2023.

## Employee Experience Questionnaire

Newly recruited employees at the head office are directed to the Employee Experience Questionnaire via the digital platform to evaluate their experience in the first 60 days at COLIN'S. The interviews made are evaluated within the framework of the confidentiality principle, and we archive them by creating action plans. In 2022, 91 new COLIN'S employees participated in the Employee Experience Questionnaire, which we put into practice as of 2022. In 2023, we plan to send the questionnaire to store employees when they complete their 30 days at COLIN'S.

## Intranet

We used our Together visual language in our renewed intranet, which we launched together with our employer brand COLIN'S Together. With our renewed intranet, we provided the infrastructure for strong intra-team communication with COLIN'S employees. With its modular structure, we created areas to produce and share customized content for the Head Office, Stores and Distribution Center. And thanks to its modular structure, we offer a service that can show the appropriate modules to each of our units. With its mobile responsible structure, when accessed from computers, tablets or mobile devices, a user experience suitable for these areas is being offered.

With the Celebrations Module, we celebrate our employees' special days such as Birthdays, New Babies, Work Anniversaries and New Hires “together.” The Acknowledgment Module provides the infrastructure to expand, develop and gamify the in-house acknowledgment

culture. In the COLIN'S Privileges section, we can access special discounts and advantages for COLIN'S people.

With the Corporate Calendar application, we can follow the calendars of both the country we are in and the countries we work in. We opened our Intranet as a service area where COLIN'S people can access many information and services with many modules such as Photo and Video albums, Phone Directory, Service Routes, and Doctor Appointments. Employees can also access purchasing, employee requests, leave and advance payment requests through forms via the intranet.

As of 2023, we aim to globalize our intranet and carry it to the common point where thousands of COLIN'S people in different countries will meet in this journey we started with the motto “Together.”

## Our Social Media Accounts

With our “COLIN'S Career” accounts on Instagram, Facebook and LinkedIn social media platforms, we share our work with content customized for the relevant target audiences. We announce the studies carried out, university activities, announcements, in-house events and other news that stand out at COLIN'S through social media channels.



## EMPOWERMENT

In a way to keep the spirit of our brand alive, 60% of our current employees in all geographies we serve at COLIN'S are Generation Z.

### Contribution to Society (Investing in Young Generations)

As COLIN'S, we have taken responsibility for struggling with the issue of Youth Unemployment in Türkiye.

As Türkiye's Youth brand, we focus on the issue of youth unemployment. Within the framework of our country's need for a qualified workforce, we recruit new graduates and young people who want to take part in the workforce with our Rise Together program and offer support for their development as part of the training program. In 2022, 77% of our global recruitment consists of Generation Z.

In this way, in 2022, 10% of all recruitments we made in the units where the program was implemented were made with candidates trained in this program.

One of the awareness projects we realized was our "December 3 International Day of Persons with Disabilities" project. On **December 3, the International Day of Persons with Disabilities**, we joined hands with **Çağla Nur Uzundurukan**, a young hearing-impaired basketball player, to raise funds for her project for children with disabilities and said, **"If you don't bother with obstacles, you'll rock the world."** Our collaboration with Uzundurukan, a national basketball player whose name

went down in the world's sports history as the first hearing-impaired athlete to play in FIBA European Cups, gave hope to children with special needs who engage in sports activities at **DG Academic**. In this context, we aimed to instill hope and courage in

disadvantaged young people by preparing a commercial. As COLIN'S, we are honored to stand by any project that gives hope and inspiration to young people and to support this meaningful effort of our young athlete Çağla Nur Uzundurukan.

Dünya onun yarattığı coşkuyu duyarken onun en çok  
**DUYDUĞU ŞEY\* MUTLULUK!**



COLIN'S ♥ Çağla

\*10 yaşından beri işitme engeli var. Sadece işitme cihazı takılı olduğu sürece duyabiliyor.



# Our Economic Responsibility with Our Approach and Policies

COLIN'S, a global Turkish brand, makes a difference in the industry with innovative approaches in its products, services and processes.

COLIN'S



# OUR ECONOMIC RESPONSIBILITY WITH OUR APPROACH AND POLICIES

By adopting an integrated thinking approach, we utilize and transform our six capitals in the most effective way.

## OUR APPROACHES ARE THE GUARANTEE OF OUR SUSTAINABILITY

With more than 600 stores and 5,500 employees in 24 countries, our continuous learning and improvement approach is the main enabler of being a company with 40 years of know-how. Our way of doing business is flexible and open to development, nourished by the richness of our geographical diversity. We manage our processes with a continuous improvement approach. Our commitment to our principles, as well as flexibility, makes us strong in developing our approaches. At this stage, while moving forward with the guidance of our mission, vision and values, our approach development principles ensure that we move in the right lane.

By adopting an integrated thinking approach, we utilize and transform our six capitals in the most effective way. We consider the development and renewal of our capitals without diminishing them while constituting

resources for our business. To this end, we strive to accurately understand the expectations and needs of our stakeholders and support our development by establishing collaborations with them. We set into motion our know-how for our corporate development and progress. We use management systems and strategic planning approach as a guide. We improve our performance by using our produced capital efficiently and effectively. Since our corporate reputation and economic sustainability are our main resources, we secure them with our systems and approaches. Our sustainability strategy, which we developed with our understanding of effective capital utilization, enables us to use our natural capital in the most accurate way.

We transform the knowledge gained through experience into a systematic structure and shape the way the entire organization does business. The fact that our policies, procedures and processes are defined and measurable strengthens our corporate culture.

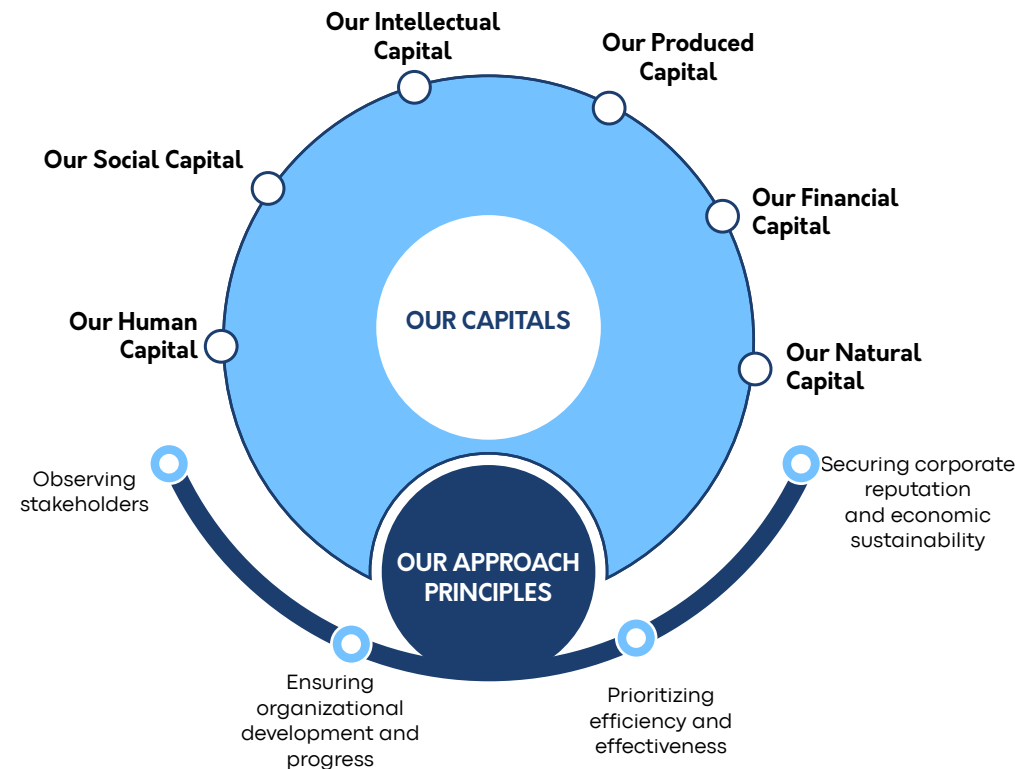
We have been conducting Strategic Planning and process management in a participatory and transparent manner without interruption since 2010.

Our strategic management approach is one of the most important management tools we use to ensure sustainability and increase our market share in a world of increasing competition and uncertainty. The strategic management process, which entered COLIN'S agenda in 2006 with the Turquality incentive program, has become one of the cultural codes of our corporation today by ensuring continuous development.

Today, we are implementing our third five-year strategic plan in the process we manage in integration with the Corporate Performance System.

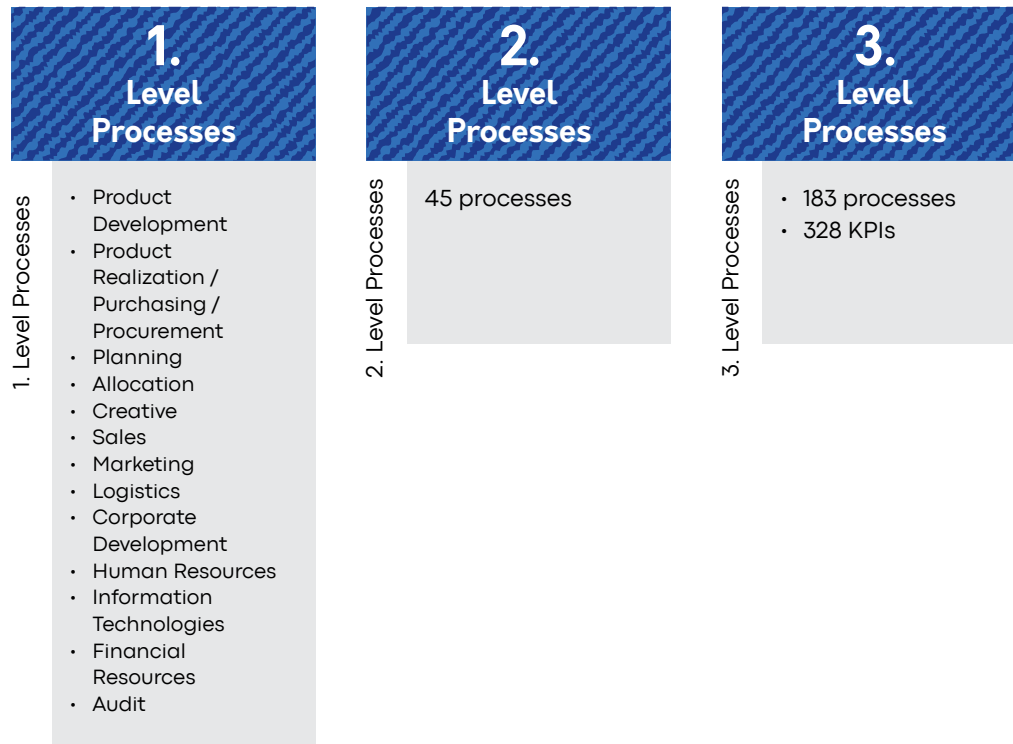
- First five-year plan: 2011 -2015
- Second five-year plan: 2016 - 2020
- Third five-year plan: 2022 - 2026

Every year, we organize a two-day workshop with our strategic management team, consisting of the Executive Board and our managers directly reporting to it, to determine our strategy map for the coming period. We prepare for these meetings by



# OUR SUSTAINABLE APPROACHES

The process management approach, which focuses on customer expectations and requires strong communication between departments, is an integral part of COLIN'S culture.



conducting comprehensive studies, starting with identifying the threats and opportunities in our external environment and our strengths and weaknesses in our internal environment. The previous strategic plan is reviewed according to the SWOT prepared. We work on this strategy map, on which all functional strategies are based, in four dimensions (financial dimension, customer dimension, process dimension, learning-development dimension) in accordance with the Balanced Score Card technique.

We conduct two separate studies in parallel to realize the determined strategies. On the one hand, we organize monthly strategy talks that will provide a basis for conceptual discussions about our strategies on the map, and on the other hand, we review the realization of KPIs and projects that will realize our strategy at the end of each quarter and take necessary preventive actions.

We work closely with the budget and individual performance departments to effectively manage corporate performance and realize the planned strategies. It is essential to determine the action plans to be realized towards the Company's goals and objectives and their resource requirements. Resources should be distributed in accordance with the strategic plan in a balanced, fair and transparent manner. The human resources required for the actions are reflected in the organization, and the financial resources are reflected in the budgets. In addition, company goals in corporate performance are reduced up

individual report cards.

## STRATEGY TALKS

We know the impact of employees' understanding of the strategies in our company's 5-year strategy map on realizing of these strategies and taking actions to increase this impact. We focus on a different strategy each time we hold monthly strategy talks. By inviting professionals who are experts in the subject, we increase our awareness of the realization of strategies from their perspective. In these meetings, which the Executive Board and group managers attend, we also ensure the alignment of implementation with strategies. Furthermore, providing an environment where concepts are discussed instead of topics outside the hot agenda also helps broaden our perspective.

## PROCESS MANAGEMENT

The healthy functioning of our process management approach is at the heart of internal efficiency and continuous improvement. The process management approach, which focuses on customer expectations and requires strong communication between departments, is an integral part of COLIN'S culture. All processes have been designed, approved and executed accordingly as required by our management-by-processes approach that we have been implementing since 2008. Our processes are continuously reviewed and improved by considering the changes in the external and internal environment through internal audits and by listening to the voice of the customer and the process.



## OUR SUSTAINABLE APPROACHES

Since our stores are the meeting point between our customers and our brand, we pay attention to choosing the area where they can have the best experience and enjoy the most.

We manage our processes with a 3-level process hierarchy approach. We consider cost, time and quality criteria when creating a process performance management setup.

In line with our business model, our processes defined up to level 3 are continuously measured with performance indicators, and these data are used as input to improve process performance.

### OUR APPROACH TO GROWTH AND BUSINESS DEVELOPMENT

As COLIN'S, we have both domestic and international growth targets. Both are of great importance for the sustainability of our organization.

When deciding to open a store in a new country, visits to the country, possible location assessments and a 5-year

country feasibility study at the end of the assessments are an important part of our decision-making process. While preparing country feasibility studies, the country's population, young population, economic data (GDP, minimum wage, inflation rate, unemployment rate, etc.), five-year economic development and expectations, and digitalization rate are being evaluated. The determination of the region/location for the store is made through benchmarks where we evaluate many criteria at the same time. First of all, we pay attention to be located in organized retail areas after a macro examination of countries, then big cities and even districts on the basis of retail and purchasing power.

If the country data meets our expectations, we determine the organized retail areas one by one by examining the big cities in the country more profoundly following the decision to enter the country. After deciding

on the suitability of these areas for our brand and our customers, we choose the shopping mall or points on the street where we can meet our customers in the best way. When selecting these points, we evaluate all commercial, physical and legal criteria at the same time.

We take many criteria into account during the store location determination stage. We review our criteria by taking our sustainability principles into consideration. Since our stores are the meeting point between our customers and our brand, we pay attention to choosing the area where they can have the best experience and enjoy the most.

During the leasing stage, we examine the projected profitability of the store with five-year feasibility studies. We aim to make our investments for as long as possible, considering the win-win model.



## OUR SUSTAINABLE APPROACHES

COLIN'S is a global Turkish brand with over 600 stores in 24 countries, reaching over 102 million visitors annually on a worldwide scale.

### OUR APPROACH TO SALES CHANNEL MANAGEMENT

Since retail is a process intertwined with daily life, believing that our stores are living things, we monitor the progress and check their sustainability with our periodic analyzes. We take action at certain intervals by looking at the data in order to meet their needs more easily and quickly. We analyze our stores on a quarter, half-year and yearly basis.

We follow our stores with a scoring system after they are opened. In this scoring, we evaluate the store's m<sup>2</sup> efficiency, rent/turnover ratio, dues/turnover ratio, depreciation conversion and year-based feasibility/budget realization ratios. Thanks to this scoring, we can make more accurate and efficient decisions about our stores.

Our offline stores:

	Number of Stores	Employees
Türkiye	188	2,153
Russia	183	1,642
Ukraine	56	562
Romania	32	296
Belarus	22	229
Georgia	6	47
Morocco	13	110
Iraq	7	59
Egypt	7	60
Serbia	1	7
<b>TOTAL</b>	<b>515</b>	<b>5,165</b>

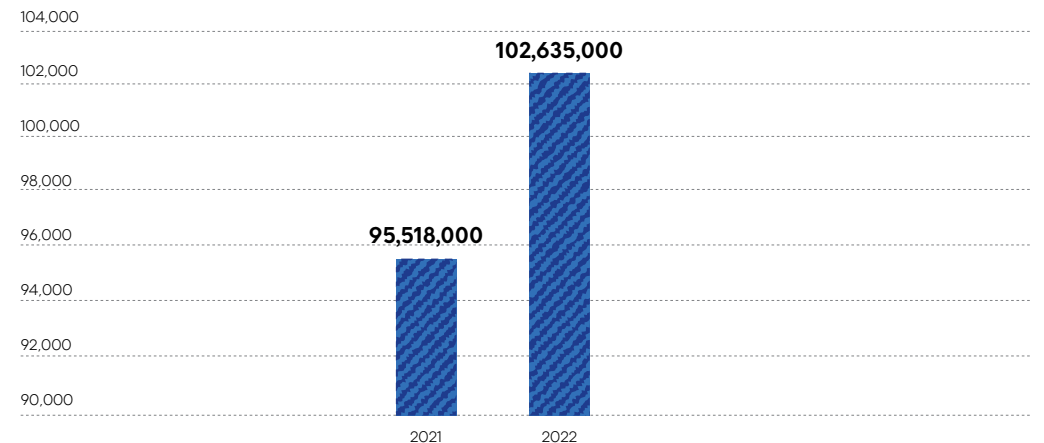
Our franchise stores:

	Number of Stores	Number of Employees
Azerbaijan	11	50
Moldova	5	20
Saudi Arabia	18	80
Kazakhstan	20	120
Palestine	3	15
Iran	2	12
Cyprus	2	15
Algeria	12	45
Greece	10	12
Qatar	2	12
Yemen	1	8
Tajikistan	1	8
Armenia	1	6
Libya	1	8
<b>TOTAL</b>	<b>89</b>	<b>411</b>

### OUR APPROACH TO OUR CUSTOMERS

COLIN'S is a Turkish brand reaching more than 100 million customers globally with more than 600 stores in 24 countries.

#### Number of Customers

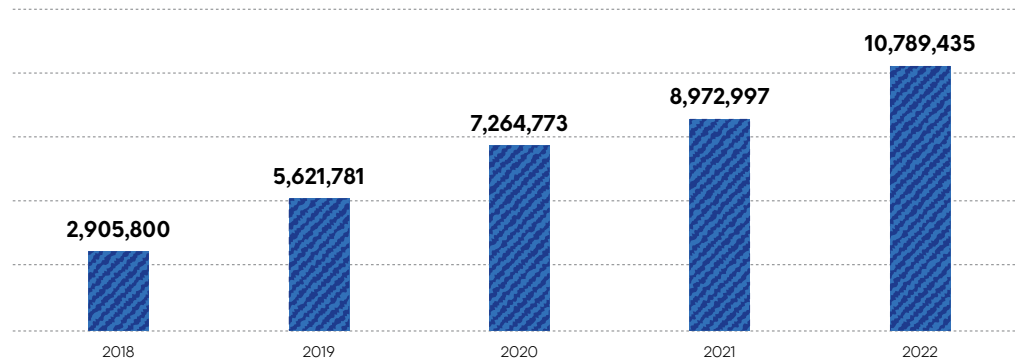


# OUR SUSTAINABLE APPROACHES

We work to determine the needs and expectations of our more than 10 million registered customers correctly and maintain customer satisfaction in order for our products to be branded abroad and to be sought after in the world market.

We have been continuously increasing the number of our registered customers since 2018. In 2022, we reached **10,789,435** registered customers. By the end of 2023, we aim to increase the number of registered customers globally to 12.7 million.

## NUMBER OF REGISTERED CUSTOMERS



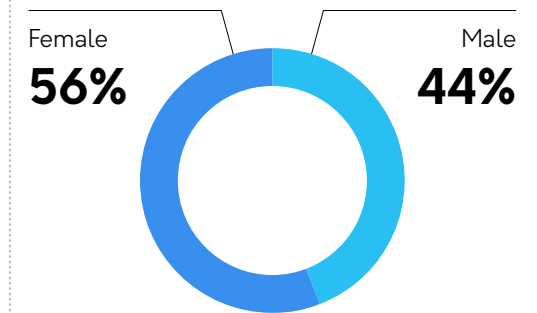
40% of our registered customers are in Türkiye, 44% in Russia and the remaining 12% in Ukraine, Belarus, Romania and Morocco. COLIN'S continues its efforts to increase its share in European countries by entering markets such as Greece after Romania.

We have an effective CRM system. We have an idea about the preferences of our registered customers. On a global basis, our customers have a balanced gender distribution.

### We grow stronger with our customers!

We continuously collect and analyze customer data to improve our business and product results. In light of this data, which we recorded through fully digital processes globally, we reached our 10 millionth customer in October 2022 and celebrated this good news with our management by hosting them at our head office. We also shared this good news on our social media accounts and shared it with our customers and the press through newsletter communication. **Our investment in CRM and our efforts to continuously improve the customer experience** are among the most important factors that make us a globally respected brand.

## Gender Distribution



We know that it is necessary to determine the needs and expectations of customers correctly and maintain customer satisfaction in order for our products to be branded abroad and to be sought after in the world market, and we attach great importance to our efforts to become a customer-oriented and sustainable brand.

## Customer Experience

For organizations operating in the retail sector, customer experience is of great importance for business continuity. Complaints and requests from our customers enable us to design our products according to their expectations and meet their expectations. From this perspective, every request and complaint is critical and prioritized for us.



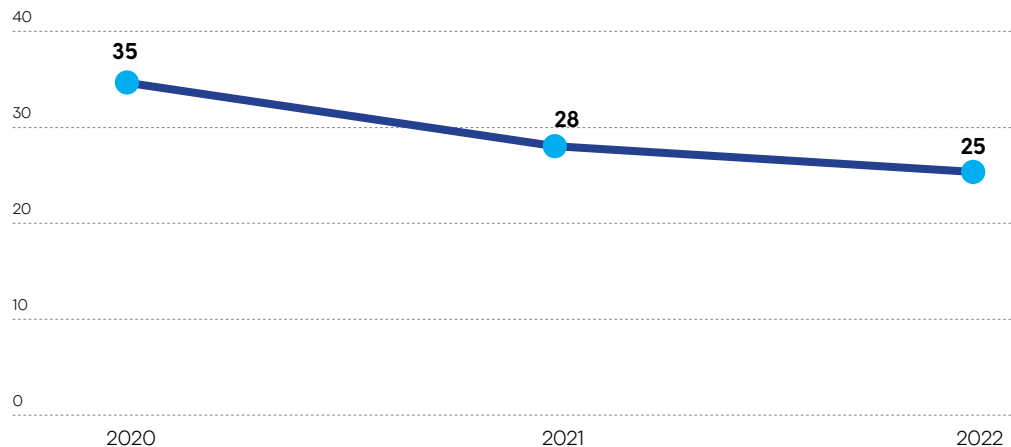
# OUR SUSTAINABLE APPROACHES

We measure our customer satisfaction through surveys sent to our registered customers and publish the results.

In all our markets, we closely monitor the demands and complaints received from our customers who shop via the online and store channels. We aim to respond to customer requests and complaints as soon as possible. When we evaluate the data coming from our CRM system, we respond to incoming requests and complaints of customers within 25 hours on average.

We continue to work to improve these processes and to develop the relevant infrastructures in the markets we enter. We carry out improvement projects for this purpose. Our main goal is to resolve our customers' demands in the fastest and most satisfactory way possible.

**Average Request Closing Times (Hours)**



As we explained in the environment section, we have significantly reduced the use of chemicals in our products. All chemicals used consist of chemicals that are not harmful to health. The health of our customers is of great importance to us.

### Customer Satisfaction

We measure our customer satisfaction through surveys sent to our registered customers and publish the results.

In countries where the CRM system is active (Türkiye, Russia, Ukraine, Belarus, Romania), we send a questionnaire to our registered or newly registered customers via SMS 1 day after their purchases. Sending this questionnaire follows certain rules. We send a questionnaire to the registered customer once a month, regardless of their shopping frequency, if they reach the shopping minimum limit set for the relevant country.

In our questionnaires, we ask them whether they are satisfied with their shopping and their net promoter scores (NPS) for COLIN'S and share these scores on a country basis every month.

In the questionnaire, we ask them to evaluate our store personnel and the fit, size, color and variety of our products in the jeans category, and we ask our customers an open-ended question to share their thoughts about our brand.

All these questionnaires are evaluated monthly and shared with the relevant units. In addition, based on the notes with complaints, suggestions and requests customers are called by COLIN'S Call Center to help with the solution of the request.

In order to ensure and sustain customer satisfaction, we serve our customers shopping in our stores and e-commerce channels with our Call Centers in Türkiye, Russia, Ukraine, Belarus, Romania, Morocco and Egypt. Our teams follow up and respond to notifications from social media, our websites and complaint sites on a daily basis.

Our after-sales services for all products sold in our stores proceed systematically. In addition to our instant store controls regarding product problems, our product inspection department also conducts detailed studies.

We follow the consumer law, examine all consumer arbitration committee notifications completely and answer them one by one for customer satisfaction. We send the relevant answers digitally to all committee provincial and district offices.

## OUR SUSTAINABLE APPROACHES

As COLIN'S, we created our digitalization strategy road map by closely following the developments brought by digitalization to the industry.

Within the 2023 digital customer experience, our Chatbot project will be launched in all countries where we have e-commerce sites. We designed our Chatbot project to be available 24/7 to answer frequently asked questions in customer service and help customers find the information they need. Our goal is to ensure customer satisfaction in the shortest time with the least manpower, as they can instantly access information such as orders, cargo information, returns, cancellations, and product information.

### OUR DIGITALIZATION APPROACH

With the digitalization of people's lives and the age we live in, companies are obliged to deliver their services to consumers through digital channels as well. This situation is progressing somewhat faster in the retail sector, where fast consumption takes place. In recent years, the transformation process has started in the retail sector, as in every sector and continues at full speed. The idea of digital transformation, which aims to digitalize all processes and provide an uninterrupted experience at all channels and touch points with the customer at the center, is gaining significant momentum in the sector.

The user digitalized in social life expects the same behavior from the companies they receive service from. They want to access products and services with faster and error-free transactions at every stage,

also in digital environments. In this case, it is not enough for companies to digitalize only in sales channels. Companies can only provide the service that consumers expect if all procedures are digitalized and run in the background. Digitalization of all stages from in-store auditing to logistics processes, from sales processes to after-sales service is of great importance. The Retail Digital Transformation team plans and manages this transformation of our company. We manage the process that starts in our producers up to the return and follow-up processes after sales. On the one hand, we renew our systems with the developments in technology, on the other hand, we aim to offer them to our consumers in integrity.

As COLIN'S, we closely follow the developments brought by digitalization to the industry and create our digitalization strategy road map in support of corporate strategies by following the digitalization attack.

We aim to be a company that follows the developments in the new industrial revolution and develops and implements effective policies by analyzing global developments and internal capabilities. In order to achieve this objective, we aim to continuously develop with the right distribution of internal and external resource utilization according to our strategic priorities.



## OUR SUSTAINABLE APPROACHES

COLIN'S considers all suppliers it works with as strategic partners and plans development activities together by making the necessary controls for the development of each link of the chain.

COUNTRY	E-COMMERCE WEBSITE	LAUNCH DATE
TÜRKİYE	colins.com	20.07.2014
RUSSIA	colins.ru	29.04.2016
UKRAINE	colins.ua	23.01.2020
ROMANIA	colins.ro	17.03.2021
MOROCCO	colins.ma	16.05.2022

We aim to contact our existing and potential customers through all possible digital channels and to establish healthy, lasting relationships with them through customized services and offers. For this purpose, in addition to online marketplaces, we opened online stores in Türkiye, Russia, Ukraine, Romania, Morocco and Egypt. We aim to offer personalized experiences by segmenting customers who reach us through all channels with scientific methods and to produce fast and high-quality solutions.

### OUR APPROACH TO SUPPLY CHAIN MANAGEMENT

We have criteria for selecting the companies we will work with in the supply chain. We keep working with suppliers that meet these criteria.

Apart from Türkiye, we also have suppliers in countries such as Egypt, Bangladesh and China. We have hub offices in these countries to monitor the activities and operations of these suppliers and to intervene in issues related to quality improvements. Thus, we ensure that production is more efficient and resources are managed more effectively.

As COLIN'S, we are aware of the positive impacts of sustainability principles on our supply chain.

Therefore, COLIN'S considers all suppliers it works with in all areas of supply (such as products, stores and logistics processes) as strategic partners, plans development activities together by making the necessary controls for the development of each link of the chain, and shares the sensitivity to create common values with its business partners.

Within this framework, we select our suppliers in terms of technical infrastructure and capacity, as well as compliance with laws and national regulations, compliance with social compliance criteria such as BSCI (Business Social Compliance Initiative) and SEDEX (Supplier Ethical Data Exchange), and compliance with the ISO 9001 quality system. Our audits are conducted by our Technical and Procurement department. The suppliers that are checked and approved for compliance are included in the candidate pool of manufacturers by defining their capacities. The process of identification for the candidate pool is an important step to ensure compliance with COLIN'S principles in our supply chain and to embark on a common journey with our suppliers.

We present our Supplier Handbook, which we keep up-to-date to ensure quality standardization, to our manufacturers on our supplier portal. This booklet, where our suppliers can access the approval processes

of our products and all critical details (fabric and sample approval process, packaging, quality control, labeling standards, measurement methods, etc.), supports fast communication and duplicate-free sampling processes. Before the pricing process, we ensure that our Supplier Handbook is shared through the system and our working principles are completed with the training defined through COLIN'S Academy.

With the placement of trial orders, our product interim control processes start, and our field teams monitor both product controls and physical and social controls. In this process, we establish a close communication with our suppliers and encourage them to comply with COLIN'S principles and develop.

In line with our sustainability strategy, we aim to minimize the negative economic, environmental and social impacts of our supply chain with our approaches. We continue our efforts for effective use of resources, energy efficiency, carbon footprint reduction, waste management and our suppliers' adoption of sustainable practices in these areas.

As COLIN'S, we demonstrate an environment and people-oriented approach by implementing sustainability principles in the supply chain. We support sustainable production by focusing on shared value creation, audits and communication and aim for long-term cooperation with our suppliers.



## OUR SUSTAINABLE APPROACHES

We have defined all our corporate processes transparently and accountable to ensure the confidentiality of the data of all our stakeholders, particularly our customers.

### Supplier Information Security

Considering the current information security risks and supplier relations on a global and local scale, supplier security has an important place for COLIN'S. For this reason, we see increasing the security of supplier companies as a complementary factor to COLIN'S security. In this respect, we express our confidentiality and security expectations in the contracts signed with suppliers, and we commit to the suppliers to fulfill these expectations. In addition, we subject supplier companies to an information security assessment at least once a year. We define risk-reducing actions for supplier companies that are deemed risky in the information security assessments and ensure the follow-up of the actions. In this context, we minimize the information security risks of COLIN'S by reducing the information security risks arising from the supplier companies that provide services to COLIN'S.

In terms of sustainability of information security, we have not experienced any attacks

that violated and damaged our security in the last year due to our security targets supporting our business targets and our technology, process and human-based security approach.

### OUR APPROACH TO INFORMATION SECURITY

#### Confidentiality

In its information security policy, COLIN'S undertakes for its stakeholders to:

- Ensure the confidentiality, integrity and accessibility of information belonging to all relevant parties,
- Deliver products, services and information in accordance with expectations in a timely and uninterrupted manner,
- Comply with international standards to ensure information security in the ready-to-wear industry and to improve its services by following innovations.

We define all our corporate processes transparently and accountable to ensure the confidentiality of the data of all our stakeholders, particularly our customers. In this context, we ensure the maturation of our security architecture by taking into account the integrity and accessibility of data as well as its confidentiality, and we realize our investments in line with company goals according to current threats, risks and technologies.

In addition to these technology and process-based approaches, we carry out activities to increase and measure our employees' information security awareness and integrate information security processes into business processes.

### Certification

With the Information Security Management System (BGYS), we ensure that risks to our assets and processes are identified, managed and mitigated by taking necessary actions. COLIN'S is working to establish its Information Security Management System in line with the ISO 27001:2015 standard with the targets of:

- Managing the confidentiality, integrity and accessibility of our stakeholders' information,
- Ensuring that information and communication systems are constantly accessible,
- Ensuring compliance with legal requirements,
- Creating information security awareness of the staff and increasing their support for the information security management system,
- Increasing communication with other institutions, organizations and the private sector to ensure the security of critical infrastructures,
- Using and encouraging to use domestic products and services as much as possible in meeting the security requirements of information and communication systems,
- Establishment, continuous improvement, maintenance and certification of conformity of an BGYS in accordance with ISO 27001 Standard.

At the same time, COLIN'S ensures the continuity of this certification and its processes over the years.



# OUR SUSTAINABLE APPROACHES

We make a difference in our industry with our innovative approaches in our products, services and processes.

## OUR APPROACH TO CORPORATE INFRASTRUCTURE

Our approaches to ensure efficiency, order and effectiveness in our internal operations provide us with the infrastructure to make the right decisions at the right time.

### Company Calendar

We follow the special days of all the countries in which we operate, as well as the jobs that require intensive work with pre-determined dates, with the "Company Calendar." Thanks to the company calendar published on the intranet, each department gets information about the company as a whole. In addition, more accurate time planning can be made in jobs that require work between departments and countries. At the end of each month, we monitor our performance of compliance with the calendar and ensure more accurate planning for the following year. Another benefit of the company calendar is that all employees can more easily feel our global structure.

### Regular Meetings

At COLIN'S, the regular meetings that must be held for the effective and efficient business execution are determined. Decisions taken at these regular meetings, which are held by at least two group directorates, are recorded. We find the follow-up of the decisions taken valuable in terms of providing corporate memory. We aim to digitalize meeting follow-up in the coming periods.

## Reporting

At COLIN'S, the necessary infrastructure works are being carried out to ensure simplification in reporting. Report contents show which reports are prepared by whom and to whom they are reported in what period. With this arrangement, repetitive work is prevented. In addition, since it is determined which report goes to whom and for what purpose, employees can manage their time more effectively by not having to review excessive and unnecessary reporting. After achieving simplification, our target is to ensure the digitalization of reporting. In this way, we aim to create a common language in reporting and prevent reporting errors.

### Authorization Table

Thanks to the implementation of process management at COLIN'S, authorizations have been defined on a position basis in all processes and instructions. An Authorization Table was created in light of this information. The Authorization Table specifies how much and what kind of authority a position possesses. The differences in authority between various roles at the same level can also be observed in this table. This table makes it simple to delegate, which is one of the prerequisites for more efficient time management. We also regard this study as a preliminary analysis for us to begin authorization studies and our goal is to plan for authorization in the coming period.

## AN INNOVATIVE PERSPECTIVE IN OUR APPROACHES

As COLIN'S, we improve our products, services and processes by conducting innovation studies in many areas. Particularly, innovation efforts for services and processes help to increase productivity and positively change employee loyalty.

One of these efforts is the energy management system mentioned in the environment section. First and foremost, we intend to implement this system in all of our national stores. We are also working on expanding this system to other countries. In this way, by increasing our energy efficiency, we create value for both the national and global economies.

Digitalization efforts offer important opportunities such as reducing paper consumption, providing fast solutions, increasing efficiency, making our processes with our suppliers more efficient, and reaching our customers through all channels. Thanks to these opportunities, we both reduce our environmental burden and take more effective and successful steps in social and economic topics.

## INTERNAL AUDIT

We run our internal audit mechanism for the continuous development of our planet, products, people, and approaches.

Our strong process structure enables us to gain a fast and accurate perspective in internal audits. And internal audit results provide input to process management and trigger improvements. Our Internal Audit team works to evaluate the management and control structures of the organization, examine the effective, economical and efficient use of resources, and audit the accuracy of the information produced.

The audit department consists of two parts: central and merchandising audit units. While the central audit department is responsible for auditing the activities of all departments, the merchandising audit department is

responsible for auditing store activities.

The central audit department creates an audit plan at the beginning of the year. According to the plan, an audit notification is made 15 days before the audits and fieldwork is carried out. After our report consisting of findings, determinations, recommendations, executive opinion and action sections is prepared, we make periodic presentations to senior management. In addition, inspection, investigation audits and continuous audits are among the activities carried out by the central audit department.

In order to ensure our responsibility towards our customers and the efficiency of store management processes, a special team works on store audits.

- In October of each year, work planning is made for the audits to be carried out in the following year, according to the number of working days in a calendar year in proportion of personnel/days. Once the stores to be audited next year have been identified, we carry out budgeting procedures.
- At the end of each year, a meeting is held with all departments to give feedback on the audits carried out in the current year,

the question list is finalized by revising the question list in line with the updated instructions for the store audits to be carried out in the following year, and the updated question list is shared with the stores.

- Store audits are carried out through the Odito Program.

Periodic presentations are made to the senior management regarding the annual audits conducted.

- In addition to field audits, we conduct constant audits for stores. Constant audit topics are defined. We determine the definitions with a view to continuous improvement and development of processes.
- In the event of an irregular process detected as a result of constant audits, the issue is subject to special investigation and a special investigation report is written and shared with the disciplinary/ethics committee. In addition, review/investigation audits are carried out on notifications received through the ethics line, through the sales directorate, and from all other channels.

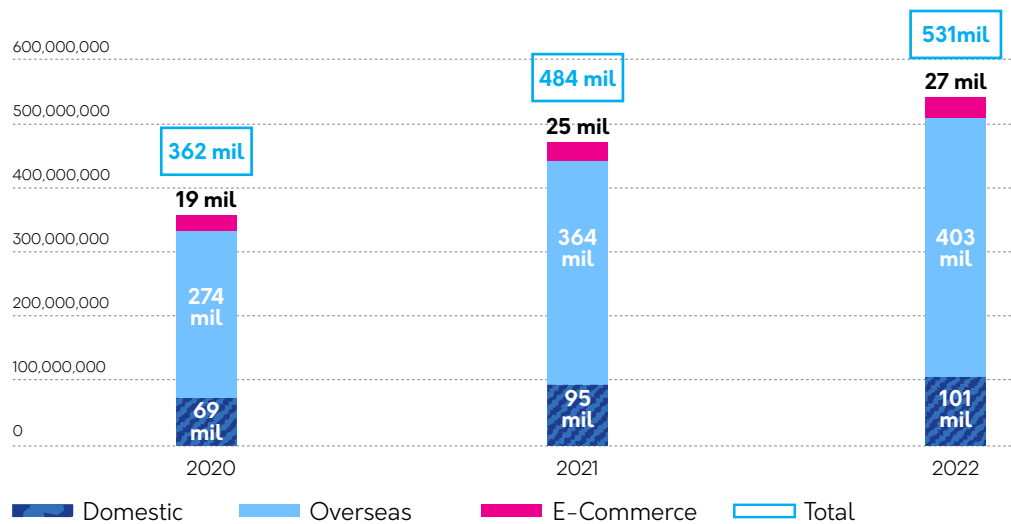




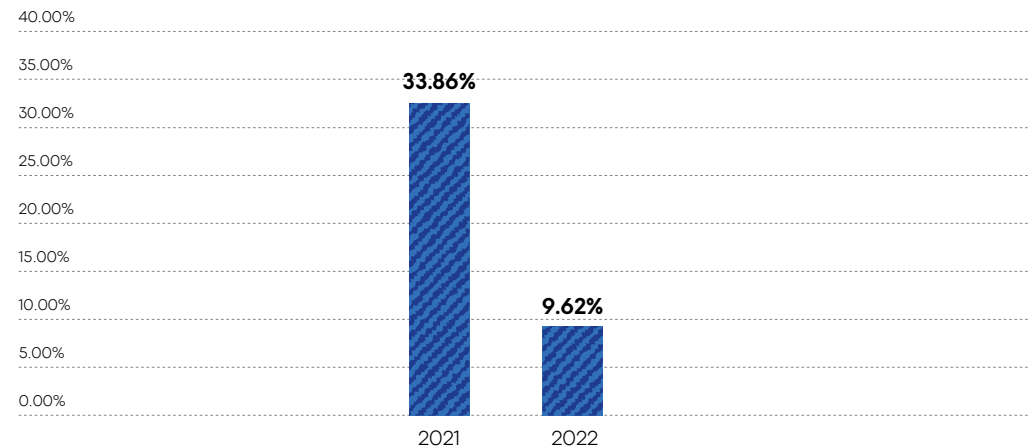
# OUR ECONOMIC RESPONSIBILITY


COLIN'S is an organization that creates value for its employees, shareholders, supply chain and society.

TURNOVER DISTRIBUTION (USD)



TURNOVER GROWTH RATES IN USD TERMS





# Annexes

COLIN'S



# OUR PERFORMANCE INDICATORS

## ENVIRONMENTAL PERFORMANCE INDICATORS

	2020	2021	2022
Head Office Amount of Hazardous Waste (kg)	0	31	114
Head Office Amount of Non-Hazardous Waste (kg)		8,400	9,200
Distribution Center Amount of Hazardous Waste (kg)	30	4	166
Distribution Center Amount of Non-Hazardous Waste (kg)	345,000	332,180	218,580
Amount of Waste Sent for Recycling (kg)	345,000	340,580	227,780

HEAD OFFICE WATER CONSUMPTION		2022
Head Office Water Consumption (m <sup>3</sup> )(monthly)		752
Head Office Number of Employees		464
Head Office Water Consumption per Employee (m <sup>3</sup> )		1.62

OPERATION AND PRODUCTION WATER CONSUMPTION (lt/number of products)*	2021	2022
Egypt	110	92
Aksaray	78	74
<b>Total</b>	<b>188</b>	<b>166</b>

PRODUCTION WATER CONSUMPTION (lt/number of products)*		
	2021	2022
Egypt	90	85
Aksaray	63	60
<b>Total</b>	<b>153</b>	<b>145</b>

\*In the production process carried out with Eroglu Giyim, which constitutes 50% of Colin's denim manufacture.

TOTAL COTTON CONSUMPTION (ton)*	
2022	15,500

\*Including waste and wastage

SUSTAINABLE PRODUCT	2020	2021	2022
Products Containing Sustainable Fibers (units)	157,682	169,796	184,378
Ecologic Jeans (units)	389,765	1,809,298	1,807,330



# OUR PERFORMANCE INDICATORS

## SOCIAL PERFORMANCE INDICATORS

NUMBER OF EMPLOYEES	2022	RATIO OF FEMALE EMPLOYEES	2022
Türkiye*	2,153	Türkiye	45%
Russia	1,642	Russia	80%
Ukraine	562	Ukraine	70%
Romania	296	Romania	76%
Belarus	229	Belarus	69%

\*Monthly average figures are stated.

EMPLOYEE AGE DIVERSITY	2022		
	Under 30 years	30-50 years	Over 50 years
Türkiye	1,588	495	70
Russia	1,181	437	24
Ukraine	440	118	4
Romania	204	85	7
Belarus	171	56	2

NUMBER OF EMPLOYEES BY LOCATION	2022		
	Head Office	Store	Distribution Center
Türkiye*	464	1,488	201
Russia	155	1,487	--
Ukraine	59	503	--
Romania	18	278	--
Belarus	17	212	--

\*Monthly average figures are stated.

FEMALE MANAGERS IN MANAGEMENT	2022		
	Female Managers	Total Managers	Ratio of Female Managers
Türkiye	25	95	26%
Russia	2	44	5%
Ukraine	5	10	50%
Romania	0	1	0%
Belarus	0	6	0%
<b>Global</b>	<b>32</b>	<b>156</b>	<b>21%</b>

# OUR PERFORMANCE INDICATORS

## EMPLOYEE TURNOVER RATE

<b>TÜRKIYE</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Head Office	24%	38%	30%
Store	53%	76%	99%
Distribution Center	39%	89%	57%
<b>General</b>	<b>45%</b>	<b>69%</b>	<b>80%</b>

<b>RUSSIA</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Head Office	17%	8%	11%
Store	97%	122%	95%
Distribution Center	48%	60%	55%
<b>General</b>	<b>91%</b>	<b>111%</b>	<b>88%</b>

<b>UKRAINE</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Head Office	9%	13%	7%
Store	163%	122%	90%
<b>General</b>	<b>143%</b>	<b>111%</b>	<b>82%</b>

<b>ROMANIA</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Head Office	17%	16%	27%
Store	79%	76%	151%
<b>General</b>	<b>77%</b>	<b>73%</b>	<b>145%</b>

<b>BELARUS</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Head Office	12%	12%	12%
Store	88%	110%	78%
<b>General</b>	<b>81%</b>	<b>101%</b>	<b>72%</b>

# OUR PERFORMANCE INDICATORS

AVERAGE SENIORITY OF HEAD OFFICE EMPLOYEES	2022		
	0-5 years	6-10 years	Over 10 years
Türkiye	301	65	98
Russia	90	29	36
Ukraine	25	26	8
Romania	13	3	2
Belarus	8	5	4

AVERAGE SENIORITY OF STORE EMPLOYEES	2022		
	0-5 years	6-10 years	Over 10 years
Türkiye	1,234	170	84
Russia	1,335	110	42
Ukraine	471	27	5
Romania	252	24	2
Belarus	178	26	8

AVERAGE TRAINING HOURS PER EMPLOYEE	2022
Türkiye	12
Russia	41
Ukraine	35
Romania	32
Belarus	32

## NUMBER OF DISABLED EMPLOYEES - TÜRKİYE\*

	2020	2021	2022
Head Office	6	10	12
Stores	3	11	13
Distribution Center	5	13	15

\*Monthly average figures are stated.

## EMPLOYEE SATISFACTION RATE WITH TRAININGS

	2022
Türkiye	4.58

## ACCIDENT-FREE TIME (man-hours)

	2020	2021	2022
Head Office	2,142,604	2,463,312	4,178,504
Stores	1,050,660	1,550,010	1,071,360
Distribution Center	288,372	422,967	277,461



# OUR PERFORMANCE INDICATORS

## FIRST AID TRAININGS (Head Office, Store, Distribution Center)

Training	2021			2022		
	People	Duration (hours)	Total Time (hours)	People	Duration (hours)	Total Time (hours)
Basic First Aid Training	22	16	352	44	16	704
Basic First Aid Reminder Training	58	8	464			
Basic First Aid Refresher Training	14	5	70	12	8	96
AED Training	18	2	36			
<b>Total</b>	<b>112</b>	<b>31</b>	<b>922</b>	<b>56</b>	<b>24</b>	<b>800</b>

## TRAININGS GIVEN TO HEAD OFFICE EMPLOYEES

Training	2020			2021			2021		
	People	Duration (hours)	Total Time	People	Duration (hours)	Total Time	People	Duration (hours)	Total Time
Basic Disaster Training	14	2	28						
Occupational Health and Safety	40	8	320	13	8	104	96	8	768
On-the-job	9	2	18	111	2	222	241	2	482
Waste Management	24	2	48				6	2	12
Labor Law No. 4857	14	1	14	7	0.5	3.5	2	0.5	1
Health, Safety, Environment (Retailing)	6	0.5	3	2	0.5	1	5	0.5	2.5
Health, Safety, Environment (Head Office)	21	0.5	10.5						
Work Accident and Occupational Disease Legal Results	8	0.5	4	1	0.5	0.5	3	0.5	1.5
OHS in Cleaning Services				6	2	12			
Working at Height Training				3	2	6			
Stair Usage Training				6	2	12			
Sustainability Training					155	1.5	232.5		
Being Prepared for and Living with Earthquakes				16	0.5	8	13	0.5	6.5
Emergency Management				4	1	4	2	1	2
Emergency Teams Training						22	7	154	154
Fire Training						21	2	42	42
<b>Total</b>	<b>136</b>		<b>445.5</b>	<b>324</b>		<b>605.5</b>	<b>411</b>		<b>1,471.5</b>

# OUR PERFORMANCE INDICATORS

## TRAININGS GIVEN TO STORE EMPLOYEES

Training	2020			2021			2022		
	People	Duration (hours)	Total Time	People	Duration (hours)	Total Time	People	Duration (hours)	Total Time
OHS Training	443	8	3,544	617	8	4,936	617	8	4,936
Occupational Health and Safety (Formal)	64	4	256						
Labor Law No. 4857	977	0.5	488.5	359	0.5	179.5	12	0.5	6
Health, Safety, Environment (Retailing)	1,230	0.5	615	317	0.5	158.5	344	0.5	172
Health, Safety, Environment (Head Office)	2	0.5	1						
Work Accident and Occupational Disease Legal Results	686	0.5	343	287	0.5	143.5	83	0.5	41.5
On-the-job Training	103	0.5	51.5	33	0.5	16.5	94	0.5	47
Being Prepared for and Living with Earthquakes	1,356	0.5	678	411	0.5	205.5	411	0.5	205.5
Emergency Management	601	0.5	300.5	799	0.5	399.5	799	0.5	399.5
Sustainability Training							217	1	217
<b>Total</b>	<b>3,062</b>		<b>1,755</b>	<b>3,396</b>		<b>5,020.5</b>	<b>2,577</b>		<b>6,024.5</b>

## TRAININGS GIVEN TO DISTRIBUTION CENTER EMPLOYEES

Training	2020			2021			2022		
	People	Duration (hours)	Total Time	People	Duration (hours)	Total Time	People	Duration (hours)	Total Time
On-the-job Training	64	2	128	111	2	222			
Occupational Health and Safety Training	137	4	548	109	4	436	141	4	564
Construction Machinery Safe Driving Training	33	0.5	16.5	53	1	53	12	2	24
Battery Powered Pallet Truck Maintenance and Safe Use Training	31	2	62						
Waste Management				8	2	16	9	2	18
On-the-job Talk				130	0.5	65	1,719	0.5	859.5
Training on Prevention from Work Accidents and Occupational Diseases				1	2	2			
Hygiene Training				12	0.5	6			
First Aid Reminder Training				58	2	116			
<b>Total</b>	<b>265</b>		<b>754.5</b>	<b>482</b>		<b>916</b>	<b>1,881</b>		<b>1,465.5</b>

# OUR PERFORMANCE INDICATORS

## ECONOMIC PERFORMANCE INDICATORS

	2020	2021	2022
<b>Revenue</b>	<b>361,795,520</b>	<b>484,307,893</b>	<b>530,911,435</b>
Domestic	68,595,257	94,712,830	100,780,213
Overseas	274,405,894	364,442,422	402,783,498
E-Trade	18,794,370	25,152,640	27,347,724
<b>Investment Amount</b>	<b>9,325,948</b>	<b>8,395,365</b>	<b>10,690,523</b>
Store Investments	6,061,866	5,456,988	6,414,314
IT Investments	3,264,082	2,938,378	4,276,209
<b>Turquality Supports</b>	<b>3,449,589</b>	<b>333,671</b>	<b>1,321,239</b>

\*Amounts are shown in local currency.

	2020	2021	2022
Export Amounts-USD	83,646,621	115,068,460	121,690,280
Export Amounts-Local	587,203,906	1,003,363,602	2,038,597,406



## OUR PERFORMANCE INDICATORS

	NUMBER OF VISITORS		Increase Rate
	2021	2022	
January	5,389,061	7,307,890	36%
February	5,749,990	6,504,432	13%
March	7,685,698	7,561,599	-2%
April	5,357,113	8,242,071	54%
May	6,574,480	8,772,624	33%
June	8,417,934	9,020,311	7%
July	10,406,544	9,782,440	-6%
August	10,386,988	10,103,727	-3%
September	9,412,556	8,860,710	-6%
October	9,477,837	8,942,034	-6%
November	7,642,497	8,710,857	14%
December	9,017,089	8,825,823	-2%
<b>TOTAL</b>	<b>95,517,787</b>	<b>102,634,518</b>	<b>7%</b>





# GRI INDEX

GRI Standard Use	The institution named COLIN'S reported the information for the 2022 Period in accordance with the content index specified in GRI standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	Topic	Place in the Report	Page
GRI 2: General Explanations 2021	2-1 Organizational details	About the Report	7-8
	2-2 Entities included in the organization's sustainability reporting	About the Report	7-8
	2-3 Reporting period, frequency and responsible persons	About the Report	7 - 8
	2-4 Restatements of information	-	
	2-5 External assurance	-	
	2-6 Activities, value chain and business relationships	Who Are We?, Where Are We?, Our Business Model and Strategy, Our Integrated Thinking Approach	15 - 17, 26 - 28
	2-7 Employees/Company Personnel	Our People and Our Social Responsibility	64 - 74
	2-8 Employees/Subcontractors	Our People and Our Social Responsibility	64 - 74
	2-9 Governance structure and composition	-	
	2-10 Nomination and selection of the highest governance body	-	
	2-11 Chair of the highest governance body	Message from the Chairman	9 - 10

GRI STANDARD	Topic	Place in the Report	Page
GRI 2: General Explanations 2021	2-12 Role of highest governance body in overseeing the management of impacts	Business Approach of the Board of Directors	31
	2-13 Delegation of responsibility for managing impacts	Our Global Management Structure, Working Committees	32 - 35
	2-14 Highest governance body's role in sustainability reporting	About the Report	7 - 8
	2-15 Conflicts of interest	Internal Audit	86
	2-16 Communication approach regarding legal issues	-	
	2-17 Abilities, knowledge, and competencies of the highest governance body	Business Approach of the Board of Directors	31
	2-18 Evaluation of the performance of the highest governance body -	-	
	2-19 Remuneration policy	-	
	2-20 Process to determine remuneration	-	
	2-21 Annual total remuneration ratio	-	
	2-22 Statement on sustainable development strategy Our Sustainability Strategy,	Sustainable Development Goals We Focus on, Our Business Model and Strategy, Our Integrated Thinking Approach	19 - 22, 26 - 28
	2-23 Policy Commitments	Our Targets for 2023 and 2030	29
	2-24 Embedding policy commitments to business strategies and processes	Our Business Model and Strategy	26 - 27
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# GRI INDEX

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GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Matrix	36 - 38
	3-2 List of material topics	Materiality Matrix	36 - 38
	3-3 Management of material topics	Materiality Matrix	36 - 38
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Our Economic Responsibility	87
	201-2 Financial implications and other risks and opportunities due to climate change	-	
	201-3 Defined benefit plan obligations and other retirement plans	-	
	201-4 Financial assistance received from government	Incentive Programs	39
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	-	
	202-2 Proportion of senior management hired from the local community	-	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	-	
	203-2 Significant indirect economic impacts	Design and Production Processes - Good Agricultural Practices	45 - 47
GRI 204: Procurement Practices 2016	204-1 Proportion of procurement from local suppliers	-	

GRI STANDARD	Topic	Place in the Report	Page
GRI 205: Anti-Corruption 2016:	205-1 Operations assessed for risks related to corruption	-	
	205-2 Communication and training about anti-corruption policies and procedures		
	205-3 Confirmed incidents of corruption and actions taken	-	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	-	
GRI 207: Tax 2019	207-1 Approach to tax	-	
	207-2 Tax governance, control, and risk management	-	
	207-3 Stakeholder engagement and management of concerns related to tax	-	
	207-4 Country-by-country reporting	-	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Our Performance Indicators - Total Cotton Consumption, Sustainable Fiber Use	89
	301-2 Recycled input materials used	-	
	301-3 Reclaimed products and their packaging materials	-	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Our Integrated Thinking Approach - Natural Capital	28
	302-2 Energy consumption outside of the organization	-	
	302-3 Energy intensity	-	
	302-4 Reduction of energy consumption	Our Good Practices - Smart Green Store, Planning / Logistics / Storage / Sales Processes - Climate Change and Energy Management Distribution Center	24, 48 - 52
	302-5 Reductions in energy requirements of products and services	Planning / Logistics / Storage / Sales Processes - Store	48 - 52



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GRI 303: Water and Wastewater 2018	303-1 Interactions with water as a shared resource	Design and Production Processes - Water and Chemical Management, Practices of Our Suppliers Laser Use in Washing / Less Water Less Chemical, Water Recovery, Reducing Natural Resource Consumption	45 - 47
	303-2 Management of water discharge-related impacts	Design and Production Processes - Water and Chemical Management, Practices of Our Suppliers Laser Use in Washing / Less Water Less Chemical, Water Recovery, Reducing Natural Resource Consumption	45 - 47
	303-3 Water withdrawal	-	
	303-4 Water discharge	-	
	303-5 Water consumption	Our Performance Indicators - Operation and Production Water Consumption (lt), Production Water Consumption (lt)	89

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	304-3 Habitats protected or restored	-	
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations		
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	305-5 Reduction of GHG emissions	Our Good Practices - Smart Green Store, Planning / Logistics / Storage / Sales Processes - Climate Change and Energy Management Distribution Center	24, 48 - 49
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GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Our Sustainable Approaches - Our Approach to Supply Chain Management	83 - 84
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# COLIN'S

Sustainability Report 2022