

Integrated Report 2024

DeFacto





NATURE

VALUE

TRANSFORMATION



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ABOUT THE REPORT

As DeFacto Perakende Ticaret A.Ş., we are pleased to publish our second integrated report this year, following the first one we published last year. Throughout our more than 10-year reporting journey, we aim to inform our stakeholders by presenting more transparent, performance-oriented reports that highlight our areas for development each year.

Thanks to our integrated thinking approach, we link our corporate strategy with our sustainability strategy and report the value we create on behalf of all our stakeholders, using the resources we have.

We are guided by the Turkish Sustainability Reporting Standards (TSRS), the SASB (Sustainability Accounting Standards Board) Sector Standards, which have merged under the umbrella of the Value Reporting Foundation, and the Integrated Reporting Framework.

As in our previous reports, we have prepared this year's report in compliance with GRI Reporting Standards. At the same time, we share our contribution to the United Nations Sustainable Development Goals (SDGs) with our stakeholders through our report.

Report Scope

In our report, we include the activities we carried out between January 1 - December 31, 2024, our performance and targets within the scope of our focus areas and material issues. In addition to DeFacto, the performance and activities of our subsidiary Ozon Tekstil in the field of sustainability are also included in our report. We support sustainable development in 100 countries where we operate, especially in Türkiye, and we believe that success can be measured not only by creating financial value but also by environmental, social, and societal value.

What has changed in our 2024 Report?

We continue to include our performance, targets, existing, and planned projects within our integrated thinking approach, which we laid the foundations for last year.

The most significant change in our report this year is **our materiality analysis, which we have renewed** to strengthen our strategic foundations. Thanks to our materiality analysis, which we updated by incorporating the opinions of both external and internal stakeholders, we clarified the issues we need to focus on under the three main focuses that comprise our strategy.

This year, we are transforming our strategy into a motto and summarizing our sustainability approach with the words "**Nature**", "**Transformation**", and "**Value**". With this understanding, we call "**Triple D**", we make a difference in our sector with a focus on sustainability.

Finally, this year, we are addressing the value we create, our performance, projects, and collaborations under two subheadings: our own operations and our value chain, under the three main focuses that make up our strategy. In this way, we share more clearly how we create impact throughout our value chain, especially with our suppliers and customers, beyond our own operations.

In our report, we highlighted our projects that serve multiple focus areas of our Triple D strategy simultaneously. With our Triple D icon next to the relevant projects and departments, we indicated which foci they had a positive impact on at the same time.


Independent Assurance

This year, within the scope of our integrated report, we received TSE assurance for our carbon footprint specific to DeFacto operations. We also completed our independent assurance process for our water consumption and social metrics. You can find the signed independent assurance statement and reporting guidelines for our data on pages [100-102](#) in the **Annexes** section of our report.

You can contact us at sustainability@defacto.com.tr to share your ideas on our integrated report and to learn more about our sustainability activities. We would be happy to receive your comments and suggestions.



In our report, we highlighted projects that serve multiple focuses of our **Triple D** strategy simultaneously. By placing our **Triple D** icon next to the relevant projects and sections, we indicated which focuses they positively impact at the same time.

In addition,  the icon is displayed next to the data that has been audited in our report.

CEO MESSAGE

Dear Stakeholders

The era we are in is a call for the business world to redefine not only growth but also environmental and social responsibilities. As DeFacto, we not only heard this call, but also strengthened our response to it with the steps we took throughout 2024, making sustainability one of the core components of our business approach.

This year, we positioned our sustainability strategy on the axis of “Nature, Transformation and Value”. We made it more systematic with the Triple D. While this approach reshaped our company’s strategic vision with a focus on sustainability, it also shaped our corporate culture. With nature, we focused on our environmental impact; with transformation, we focused on our social impact, especially our employees, suppliers, and society; and with value, we focused on our economic, innovative, and technological impact.

Another strategic step we took this year was our materiality analysis conducted with the participation of approximately 100 internal and external stakeholders. This analysis was a concrete indicator of both our organizational transparency and stakeholder representation.

In the Nature focus of our Triple D approach, we took stronger steps against the climate crisis. We initiated the SBTi-compliant target-setting process on September 12, 2024; restructured our 2030 and 2050 emission reduction targets and received approval on January 24, 2025. With this approval, we became the first and only company in the Turkish Textile Retail sector to have SBTi (Science Based Target Initiative) compliant long-term targets approved. With our collection prepared with regenerative cotton, we created a deeper impact in areas such as soil protection, biodiversity, and efficient water use. We increased our product ratio with sustainable features to 35%.

With a focus on transformation, we made the principle of sustainability more visible and measurable in our corporate culture. While deepening our culture transformation project, we made significant progress in gender equality indicators. We expanded traceability audits in our supply chain. In customer experience, we implemented a total of 9 projects under three main headings.

Under the value heading, we increased our investments focused on digitalization and innovation. We accelerated transformation in processes ranging from product development to store experience with artificial intelligence-supported projects. We increased our digitalization investments by 71% to approximately TL 247 million. Throughout the year, we completed 20 R&D projects and carried out nearly 250 small-scale development activities. This technological development was accompanied by more than TL 147 million in technology development incentives.

At the point we have reached today, as DeFacto, beyond accessible fashion, we are building an impact model that is respectful to nature, sensitive to people, and focused on the future. Our greatest motivation is that this vision we have created with the Triple D approach grows together with our stakeholders.

I would like to extend my sincere thanks to all my colleagues who have contributed to this journey, to all our business partners who have contributed, and to our customers for their trust.

With love and respect,



İHSAN ATEŞ
CEO

This year, we positioned our sustainability strategy on the axis of “Nature, Transformation and Value”. We made it more systematic with the Triple D. While this approach reshaped our company’s strategic vision with a focus on sustainability, it also shaped our corporate culture. With nature, we focused on our environmental impact; with transformation, we focused on our social impact, especially our employees, suppliers, and society; and with value, we focused on our economic, innovative, and technological impact.

MESSAGE FROM THE HEAD OF GLOBAL SOURCING, SUSTAINABILITY AND CSR

At DeFacto, sustainability is not just a goal; it is a management approach that guides decision-making mechanisms, feeds the corporate culture, and is integrated into business processes. 2024 was a year in which this perspective spread throughout the company and was reinforced with collective impact.

Our Triple D strategy, which we developed under the titles of Nature, Transformation, and Value, was positioned as the carrier of our sustainability approach. We further deepened our strategic focuses identified last year with a materiality analysis involving approximately 100 internal and external stakeholders. This analysis has evolved into not only a source of insight but also a participatory and transparent governance tool that guides all our processes.

In our work on environmental impact, approaches focused on combating climate change, sustainable material use, and product life cycle came to the forefront. Our material innovations, regenerative and vegan-sourced collections, reveal how the principle of sustainability is positioned not only in product design but also in the entire value chain.

In our people-oriented transformation process, we acted with the goals of increasing internal capacity, creating an inclusive culture, and ensuring transparency in the supply chain. While developing our culture transformation project, we improved corporate awareness and implementation levels in gender equality indicators. We strengthened our process management with traceability audits in our supply chain.

In order to redefine the customer experience in line with sustainability principles, we expanded data-driven and personalized communication constructs. With these projects, we developed a holistic approach that both better understands user behavior and takes into account environmental and social impact.

Thanks to our digitalization and technology projects, we are able to more accurately track, measure, and integrate sustainability data into our governance systems. This competence makes our organization more resilient and predictable by ensuring control not only over results but also processes.

This year's integrated report reveals not only specific outputs, but also how we achieved these outputs and with which principles we managed this process. Therefore, we evaluate our sustainability performance not only in terms of numbers, but also in terms of our corporate reflexes.

I would like to sincerely thank all my teammates and stakeholders who contributed to this transformation journey.



ELİF ÇAM
HEAD OF GLOBAL SOURCING, SUSTAINABILITY AND CSR

Sustainability is not a goal at DeFacto; it is a journey that guides every decision we make. With our Triple D strategy, we protect nature, embrace transformation, and focus on value. Beyond the numbers, this approach considers the planet's limits, respects human rights, and shapes economic value with a long-term perspective. Leadership is not just about setting the direction; it's about sharing responsibility with collective awareness. Together, we are transforming for a more livable future.

We make a difference in fashion

We operate as a global player in 100 countries. We bring our high-quality and unique designs to customers around the world in over 500 stores.

ABOUT DEFACTO

In 2004, we started our journey with the vision of becoming a global fashion brand, and today we continue our activities as an international player **in 100 countries**. **In over 500 stores, we bring our high-quality and original designs to customers worldwide.**

In addition to our physical stores, we reach millions of customers worldwide through our online operations. We manage our physical and online operations in all geographies through **our Headquarters in Istanbul**. While our approximately **12,000 employees** support us on this journey, we work together to do better every day.

While adopting innovation and transformation as a corporate culture, we **have 9 sub-brands** where we design products for the needs of consumers of all ages. We offer our DeFacto COOOL, DeFacto FIT TECH, DeFacto LIFE, DeFacto Modest, DeFacto Fall in Love, DeFacto BABY, DeFacto KIDS, DeFacto STUDIO, DeFacto PLUS sub-brands to our customers through our stores and online channels. With our brands and sales channels, we work with a **one-stop shop** approach to enable our customers to meet all their needs from clothing to accessories, shoes, bags, and cosmetics from a single point.



With over 500 stores in 100 countries, we deliver our high-quality and unique designs to customers around the world. On this journey, we are supported by approximately 12,000 employees, and together we work every day to achieve even greater success.



We also see DeFacto as a technology company, offering integrated, seamless, and innovative solutions with our team of nearly 300 DeFacto Technology employees.

Beyond being among the pioneers of the ready-to-wear industry, we also see ourselves as a technology company. Under the umbrella of **DeFacto Technology**, we produce omni-channel technology infrastructures with **a software development team of nearly 300 people**. In this way, we aim to offer holistic, integrated, and uninterrupted solutions in all our distribution and communication channels. Thanks to the steps we took with DeFacto Teknoloji, in 2019, we broke new ground globally and created our first Smart Store concept, **which brings together physical retail and technology**. Afterwards, we launched the **DeFacto Fijital Store concept, which aims to offer a seamless blend of physical and digital retail experiences**. In this way, while our customers had the opportunity to see and try the products in person, they could also purchase the ones they liked directly on smart screens, eliminating the need for complicated checkout lines and payment steps.



OUR COLLABORATIONS

We support DeFacto with our diverse brands, sales channels, and business partnerships. As in previous years, we collaborated with many brands this year as well. This year, with the brand collaborations we realized with Ayje, Juju, Manuka, Lug Von Siga, Declara, Peppy Things, and Sorbe, we presented collections containing many products in the field of clothing and accessories to our customers.



INTEGRATED TRANSFORMATION JOURNEY

As a global fashion and technology brand, we strive not only to provide exceptional service to our customers but also to contribute to the development of our industry and promote sustainable development as a cultural shift. **We view sustainability as the sine qua non of the transformation movement and believe that we can only guarantee the future of our business if we adopt a sustainable approach.**

In this direction, we aim to use our resources in the most efficient way by taking inspiration from nature, to grow together with our employees, society, and suppliers through people-oriented transformation, and to create innovative and economic value by using technology in every aspect of our business. While working towards these goals, we have broken new ground and taken pioneering steps in our sustainability journey, dating back to the past.

Since the first day we were founded with all these components that make DeFacto DeFacto, we have been making a difference in fashion with our stores around the world, online operations, tens of thousands of employees, innovative brands, technological power and sustainability approach. With the responsibility of carrying this difference forward every day, we took numerous steps that paved the way for sustainable transformation in 2024.

“Firsts” in the Integrated Transformation Journey



One of the first two signatories of the United Nations Global Compact (UN Global Compact) in the garment and fashion industry in Türkiye



One of the leading companies in Türkiye to sign the United Nations Women’s Empowerment Protocol (UN WEPs)



“Happy Women Movement”, a first in the sector, to strengthen the place and participation of women in the business world



The first domestic brand to provide water efficiency in denim production using Wiser wash technology



The first company in the Turkish textile retail sector to have SBTi (Science Based Target Initiative) compliant long term targets approved



Better Cotton membership



Signatory of the CEO Water Mandate, one of the initiatives of the United Nations Global Compact

OUR GEOGRAPHICAL FOOTPRINT

In **100** countries,
in over **500** stores,
we connect
with millions of
DeFacto customers.

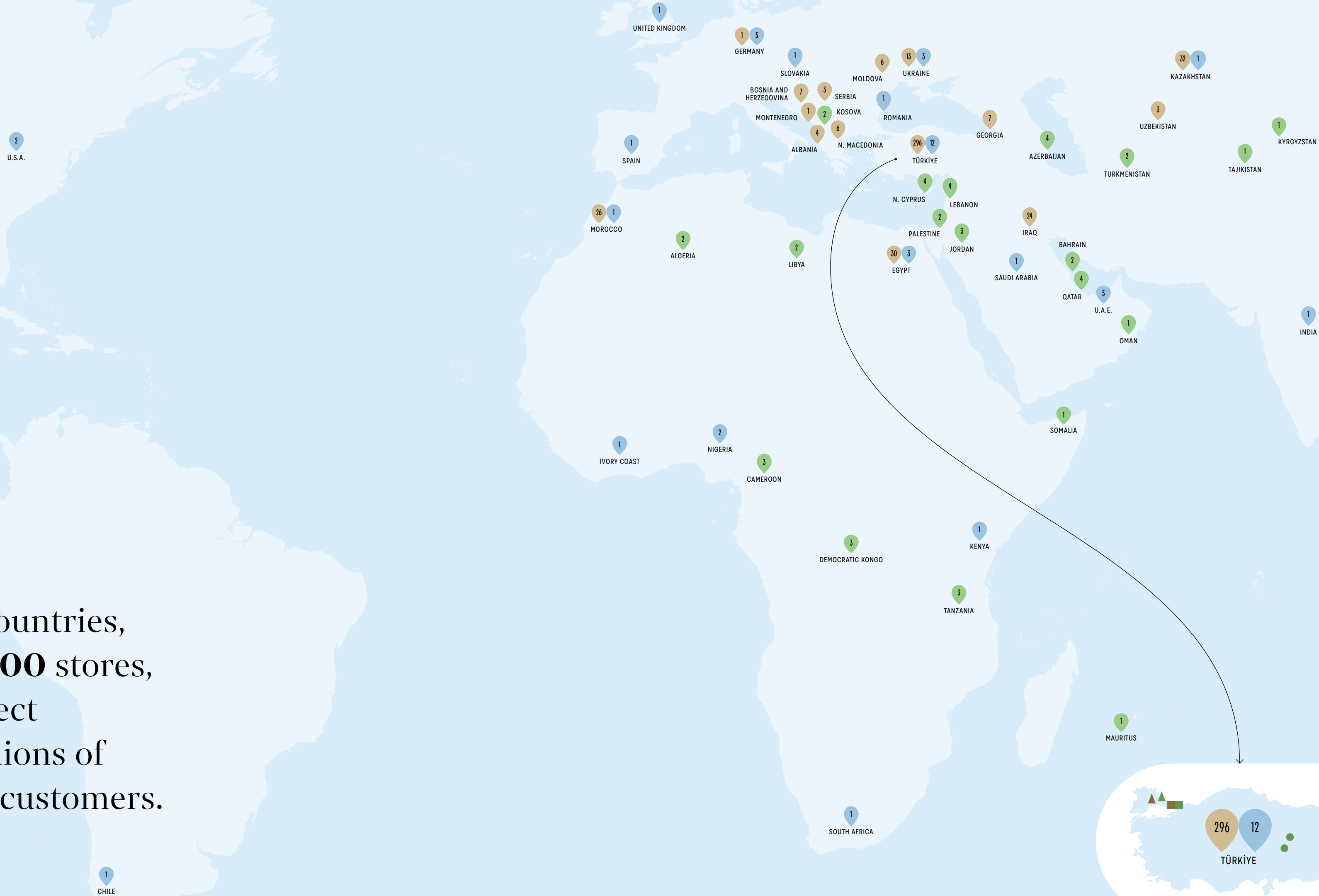
504
Physical store



45
Franchise store



46
Online platform



- DEFACTO
 - HEAD OFFICE
 - WAREHOUSE
- OZON TEXTILE
 - HEAD OFFICE
 - WAREHOUSE
 - FACTORY

OUR HISTORY

We opened our first DeFacto store in Istanbul.		We became Türkiye's second-largest ready-to-wear brand.		We opened our first franchise store in Azerbaijan.		We established our design office in Barcelona.		We launched our first smart warehouse system, equipped with the latest technology.		We signed the United Nations Women's Empowerment Principles (WEPs).		DeFacto Academy has been established.		We realized our social responsibility project, "Fabric Dreams".		We opened Türkiye's first smart clothing store in Akasya Shopping Mall.		We participated in TCF Global and the Women's Economic Forum.		We launched our DeFacto Coool youth brand and Fall in Love underwear and home brand.		We launched our DeFacto Gift Club application.		We reached 100 countries with our stores.							
2005		2006		2011		2012		2013		2014		2015		2016		2017		2018		2019		2020		2021		2022		2023			
Our first TV commercial aired.		We opened our first international store.		Our e-commerce site has started providing international services.		We launched our first children's collection.		We signed the United Nations Global Compact.		We opened our 100th international store.		"Omnichannel" e-commerce -store integration project has been launched.		Our 150th international store opened in Malaysia.		We opened our first store in the EU in Romania.		Our total number of physical stores exceeded 500.		Our e-commerce site began serving the UK.		DeFacto Fit sports stores were launched, and the first store was opened.		We launched our apple leather vegan leather accessories collection.		We realized the DeFacto×Firat NFT project.		We launched DeFacto Fit, our health and wellness application.		We opened our first DeFacto Kids store.	

HOW DID 2024 GO?

January	February	March	April	May	June	July	August	September	October	November	December
<p>We collaborated with Maritaş Denim, which developed Türkiye's first denim fabric produced with regenerative cotton. In our men's collection, which we designed using cotton produced through regenerative agriculture practices that aim to enhance the health and biodiversity of the soil, 5 different jean models were well-received by our customers.</p>	<p>As a reflection of the importance we attach to customer satisfaction, we received the Diamond award, the highest level in the Clothing category, at the A.C.E Awards-Excellent Customer Satisfaction Awards, organized by Şikayetvar</p>	<p>We held the Unit Agile Coach Development Program Graduation in cooperation with DeFacto Agile Office and Business Academy.</p> <p>After graduation, a new group of volunteer Unit Agile Coaches joined us.</p>	<p>As DeFacto Happiness Ambassadors, we wanted our voice to turn into a smile on children's faces, and we launched the Happy Tales Project with the Laughing Heals Association again this year.</p>	<p>We received the "Best Team to Join" award as a result of voting by students and professionals organized by Sales Network.</p> <p>We hosted students from Istanbul Arel University's Faculty of Engineering, specifically those in the Computer Engineering program, at our headquarters and conducted our "Information Security and IT Governance" course.</p>	<p>We hosted the wonderful students of MBA Schools at DeFacto Headquarters and had a great day.</p> <p>At the Brand Awards organized by Marketing Türkiye and BoomSonar - Social Media Monitoring, we won the SocialBrands Data Analytics Gold award in the Casual Wear Category and ranked 1st.</p> <p>We became a member of the Integrated Reporting Turkey Network (ERTA).</p>	<p>We launched #JUJUxDeFacto, our special collection prepared in collaboration with DeFacto and JUJU.</p> <p>We organized the DeFacto summer hello party.</p>	<p>As DeFacto, with our projects in the earthquake zone, we were awarded the silver prize in the "Volunteering" category at The International CSR Excellence Awards, one of the world's most prestigious award programs, organized by The Green Organization, which evaluated approximately 500 projects.</p>	<p>We organized our traditional "Back to School" event in collaboration with Hepsiburada x DeFacto K!</p> <p>As DeFacto, we took part in IGEXX ISTANBUL GLOBAL E-EXPORT SUMMIT organized by the Ministry of Trade.</p>	<p>We were named "Sustainable Retailer of the Year" for the second time at the "Global Retail & Leisure International Awards", one of the most prestigious awards of the global retail industry.</p> <p>Our new concept Fit Tech store, where we bring technology together with fashion, was opened in Mall of Istanbul.</p>	<p>Elif CAM, our Head of Sustainability and CSR, participated in the UN Climate Change Conference (COP29 Azerbaijan) with the Turkish delegation and served as a speaker on the "Sustainable Art with Textile Wastes" panel.</p> <p>We launched our Bluetooth Heated Coats that we brought technology and fashion together.</p>	<p>We were included in the "50 Most Innovative Companies" list organized by Fast Company Turkey for the 5th time this year.</p> <p>Elif CAM, our Head of Sustainability and CSR, attended COP16 in Riyadh, one of the world's most important environmental and climate-focused summits.</p> <p>Our Lug Von Siga x DeFacto collection was awarded "Climate Friendly Collection of the Year" at ELLE Magazine Green Awards 2024.</p>

HIGHLIGHTS FOR 2024



Inspired by nature

We submitted our application to the Science Based Targets Initiative (SBTi) on September 12, 2023, and on January 24, 2025, we received approval for our 2030 and 2050 emission reduction targets. With this approval, we have become the first company in Türkiye's textile retail sector to have long-term targets aligned with the SBTi (Science Based Target Initiative) approved.

In CDP Climate Change Reporting, we raised our score by 2 levels compared to the previous year and managed to reach a B level.

This was the first time we responded to CDP's questions focused on Water and Forestry, and we managed to achieve a B-level score in the first year.

We became a signatory to the CEO Water Mandate.

We grow with people-oriented transformation

While 55% of our suppliers are local suppliers, 69% of the payments we made to our suppliers were made to local suppliers.

At the end of the year, we reached 17.3 million members and 9 million customers actively shopping at DeFacto Gift Club.

We increased our female employee ratio to 61%. We have succeeded in increasing the ratio of female managers to 43%.

We created a productive working environment with the Culture Transformation teams.

We create economic and innovative value

In collaboration with HSBC, we used a multi-term Sustainability-Linked Term Facility worth USD 125 million.

Our digitalization investments increased by 71% compared to the previous year, reaching approximately TL 247 million.

We reduced the number of recalled products by 9%.

While we completed 20 R&D projects during the year, we realized nearly 250 small-scale development and product development projects.

OUR VALUE CHAIN

Starting from the design step, our value chain consists of a 10-step journey. We strive to integrate the DeFacto approach throughout our value chain, which we create through our direct operations, the steps we realize in partnership with third parties and the steps we receive services from third parties. We focus on spreading the power of DeFacto across our entire value chain with a focus on sustainability, integrated corporate governance, employee ecosystem, customer experience and innovation, which form the basis of our business model.


















MEMBERSHIPS AND SIGNATORY INITIATIVES

Corporate Memberships

	United Brands Association (BMD)
	Istanbul Textile and Apparel Exporters' Associations (ITKIB)
	Istanbul Ready-to-Wear and Apparel Exporters' Association (İHKİB)
	Turkish Clothing Manufacturers Association (TGSD)
	Central Registry Agency (CRA)
	TCF (Textile, Clothing, Footwear, Lether) Global
	Turquality
	Turkish Federation of Shopping Centers and Retailers (TAMPF)
	Human Management Association of Türkiye (PERYÖN)
	Private Sector Volunteers Association (ÖSGD)
	Project Management Institute Türkiye (PMI)

Sustainability Focused Initiatives

	United Nations Global Compact (UNGC)	Human Rights and Fair Working Conditions Corporate Governance and Business Ethics Diversity, Inclusion and Equal Opportunity Climate Change and Energy	
	Global Compact Signatories Association		
	United Nations Women's Empowerment Principles (WEPs)	Diversity, Inclusion and Equal Opportunity	
	UNGC CEO Water Mandate	Water Management	
	Better Cotton	Sustainable Product Management	
	Environmental Protection and Packaging Waste Recovery and Recycling Foundation (ÇEVKO)	Circularity and Waste Management	
	The Metaverse Standards Forum	Digitalization R&D and Innovation	
	Integrated Reporting Türkiye Network (ERTA)	Corporate Governance and Business Ethics	

OUR AWARDS



Şikayetvar A.C.E Awards
At the Excellent Customer Satisfaction Achievement Awards, we received the Diamond award in the Clothing category.



The International CSR Excellence Awards
We received a silver award in the "Volunteering" category.



No. 1 Brands Awards
We were named the Most Popular Daily Sportswear Brand at the Number 1 Brands Awards organized by the Shopping Centers and Investors Association and AKADEMETRE.



Sales Network - Best of Sales Awards
Best Team to Join - We have become the most sought-after company to work for in the Retail category.



PETA Vegan Fashion Awards 2024
We won an award in the Best Vegan Belt category.



ELLE Green Awards 2024
We won the "Climate Friendly Collection of the Year" award.



İHKİB 2023
We won the Platinum Award at the 2023 Successful Exporters Award Ceremony organized by İHKİB.



10th TEGEP Education and Development Awards
We won a silver award under the "Future of Work" Development Program that contributes to sustainability.



Traditional Consumer Awards Ceremony
We won the "Company Adopting Consumer Satisfaction as a Principle" award.



Effie Türkiye Advertising Awards
We won a bronze award with our "I Love Me" campaign.



Global RLI Awards
Sustainable Retailer of the Year.



Fast Company - The 50 Most Innovative Companies Survey
We were included in Fast Company magazine's list of the "50 Most Innovative Companies".



Brand Awards
We won the SocialBrands Data Analytics gold award in the Casual Wear Category.



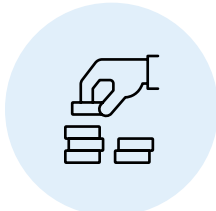
Women-Friendly Companies Survey
We were included in the Women-Friendly Companies Survey conducted by Capital Magazine.

ABOUT OZON TEXTILE

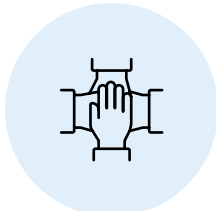
HISTORY OF OZON TEXTILE AND HIGHLIGHTS IN 2024

As one of Türkiye's fastest-growing industrial companies, it carries out cutting, printing, sewing, and ironing-packaging processes at its integrated production facility in Sivas, with a 15,000 m² closed area, the facility has a monthly production capacity of 350,000 pieces, 300,000 pieces of printing, and 250,000 pieces of sewing. 56% of the 277 employees are women.

Making a difference in the sector by using its technological infrastructure, Ozon Tekstil aims for operational excellence with enterprise resource planning, quality control systems, and digital solutions. It maintains high quality standards by improving itself through sustainable quality management, internal and external audits, and continuous training. While optimizing all business processes with its lean production and digital transformation-oriented approach, it focuses on quality and customer satisfaction.



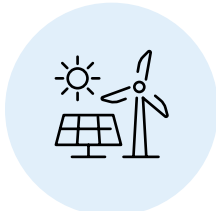
671,444,774 TL
in revenue



277 employees



350,000 units of
monthly production capacity



1,000 MWh of
I-REC certified green energy usage



Sustainable Production at Ozon Textile

Ozon Tekstil continuously improves its production processes by considering environmental, social, and economic responsibilities with its sustainable production approach. While working towards the goal of leaving a livable world for future generations, it develops innovative solutions in line with sustainability policies.

Supports sustainable resource use by using recycled, organic and BC certified cotton fibers in production processes. It minimizes the rate of harmful substances in wastewater discharge by preferring ecological water-based dyes in chemical processes. It develops projects to meet its energy needs from renewable sources and properly separates the waste generated from production and disposes of it according to local regulations.

It continues to produce new products by recycling fabric waste and reduces its emissions by optimizing logistics and resource use through carbon footprint reporting studies. It implements Zero Waste projects at all locations and enhances waste management to minimize environmental impact.

It organizes environmental, social compliance, and ethics training to raise employee awareness on sustainability. It also evaluates the environmental and social performance of sub-suppliers and supports their development.

OZON TEXTILE'S CORPORATE MEMBERSHIPS AND INITIATIVES IT HAS SIGNED

Corporate Memberships



Istanbul Chamber of Commerce (ITO)



Sivas Chamber of Commerce and Industry (STSO)

Sustainability Focused Initiatives



United Nations Global Compact (UNGC)



Environmental Protection and Packaging Waste Recovery and Recycling Foundation (ÇEVKO)



SEDEX (Supplier Ethical Data Exchange) Type B Membership



Sustainable Apparel Coalition Higg Index



Better Cotton (BC)



Social & Labor Convergence Program (SLCP)

Material Issues Impacted

Human Rights and Fair Working Conditions
Corporate Governance and Business Ethics
Diversity, Inclusion and Equality
Climate Change and Energy
Circularity and Waste Management

Responsible Supply Chain
Sustainable Product Management

Sustainable Product Management

Sustainable Product Management

Human Rights and Fair Working Conditions
Corporate Governance and Business Ethics
Responsible Supply Chain

CORPORATE STRATEGY

Since the first day we were founded, we have set **goals that will carry DeFacto forward** at every step. With the responsibility of **our mission to make luxury accessible for happiness**, we work to bring our quality and original designs to consumers all over the world. In this journey, **we adopt the principle of "continuous development" with an innovative, digital, and dynamic perspective.**

We continue to invest in digitalization and e-commerce without slowing down. By adapting to the changing balances and consumer habits in global trade, we aim to offer a seamless and personalized shopping experience across both physical stores and online platforms, utilizing an omnichannel strategy.

We place sustainability and environmentally friendly production processes at the heart of our corporate strategy, striving to optimize our environmental and social impact. At the same time, while designing our processes in the ecosystem we operate in, we ensure operational excellence through excess inventory management and sustainability-oriented production, and work with an environmentally and human-friendly approach.

Thanks to our strategies, we clarify the paths that will lead us to our future goal, which is determined in line with our vision and mission. **In this process, our seven principles, which we define as DeFacto DNA, guide us as we take our steps.**

VISION

To be the fashion brand that offers the best personalized shopping experience

MISSION

We will make luxury accessible for happiness.

DEFACTO DNA

We benefit from the strategic guidance provided by the seven principles that form the DNA of DeFacto.

DeFacto DNA

Whatever makes you you and us us. In hundreds of countries, thousands of DeFacto employees are striving to become the world's leading digital brand in accessible fashion. With our hard work, dedication, but most of all with our unique stance. The principles that make you you and us us, that come to life in our countless actions every day, are embedded in the DeFacto DNA.



So how?

- Develop yourself in every area.
- Inspire others with your hard work and ethical stance.
- Take initiative and responsibility from start to finish.
- Always focus on the solution.
- Be proactive, fast, and agile.
- Test, learn, and improve.



So how?

- Question the benefit of every expense to the customer.
- Know the value of your time and use it wisely.
- Don't stray from impact-effort analysis.
- Focus first on what is essential.
- Aim for continuous improvement in every area.
- Target the best price to be accessible.
- Simplify yourself, simplify all.



So how?

- Always choose open communication and empathy.
- Take inspiration from agile methodologies.
- Stay positive and solution-oriented despite setbacks.
- Seek opportunities to receive feedback.
- Cheer for good ideas, effort, and contributions.
- Don't skip conversation and humor. :)



So how?

- Accelerate your business through digital.
- Trust what your data says.
- Avoid information overload that doesn't lead to action.
- Be objective.
- Talk as much as your data.
- Put the pieces together and create meaning.



So how?

- Aim for the benefit of the entire ecosystem.
- Ensure the sustainability of every project you implement.
- Focus on long-term impact, not shortcuts.
- Embrace diversity and be inclusive.
- Set an example with your social and environmental awareness.



So how?

- More forward with a team that loves the brand.
- Focus on your customers, rather than the competitors.
- Personalize their experience.
- Aim to always say yes to them.
- Create experiences that make them say "WOW."



So how?

- Step outside your comfort zone.
- Maintain your curiosity and enthusiasm for renewal alive.
- Invest 10% of your time in the future and developing your work.
- Don't just follow innovation, shape it.
- Think long-term, focus on growth.
- Implement ideas in their best form, then scale them up.

STRATEGIC TRANSFORMATION JOURNEY

Technological leaps, climate crisis, changing market expectations, demographic and economic developments are transforming the business world and the retail apparel industry in today's world. In order to keep pace with this transformation, we reviewed our strategic management methodology and processes. In 2022, inspired by our past experience, we prepared a 5-year strategic plan that will carry us into the future.

One of the areas we focused on during this process was to transform the company culture and way of doing business in a customer-centric way. In our 5-year strategic plan, we focus on perfecting the customer experience in both our physical stores and online platforms and improving the omnichannel shopping experience. By accelerating growth in online channels, we aim for market leadership, especially in our focus countries. We aim to capitalize on growth opportunities by maximizing the potential of our sub-brands, while increasing our investments to offer our customers more personalized shopping experiences

Strategic Target Measurement

During the more than 2-year strategic transformation process, we took steps to transition to the OKR (Objectives and Key Results) system, our new strategy management model. This year, we started using the system by providing relevant trainings to senior management and department managers.

The Impact of Integrated Thinking on Strategy

We adopt an integrated perspective within our corporate strategy and see our sustainability approach as a force that will accelerate our corporate goals and enable us to make a difference in the sector. In 2023, we laid the foundations of our integrated mindset and this year we are strengthening it with our goals, projects and new sustainability management structure. You can find the steps we have taken in this area and the details of our integrated thinking perspective in the [Moving Forward with an Integrated Perspective](#) section.

For 2024, we set 6 main goals to create value for all stakeholders of our organization and achieve sustainable success.

About OKR System

OKR is a system for setting objectives and how to achieve them. Goals are usually made specific and measurable, and certain key outcomes are identified to achieve them. The OKR provides flexibility and focus, and the focus is usually on goals set for a specific period of time. The OKRs of both the company and the departments are shared in a publicly accessible environment, which ensures transparency within the company.

OUR STRATEGIC FOCUS AND GOALS

Splash Magic

Within the scope of leapfrog growth, we increase turnover and expand our reach to new markets. We increase brand awareness and desirability, and enable our customers to attribute more value to DeFacto products. We support sustainable growth by expanding our customer base and strengthening our brand perception.

Equalize Foreign with Domestic

We strengthen international growth by balancing our domestic and international operations. While increasing global turnover, we increase operational efficiency and shorten lead times abroad. We aim to increase our brand awareness in Egypt, Morocco and Kazakhstan. We are strengthening our infrastructure by completing most of the equalization steps identified in the technology field.

Create Value for Our Customers by Creating Resources with Efficiency

By increasing efficiency, we create resources and offer more value to our customers. While optimizing costs, we reduce operational expenses and shorten inventory turnover time. By increasing profitability, we support sustainable growth and improve sales performance. At the same time, we reduce our environmental impact by increasing the share of sustainable products.

Rejuvenate Fast and Feel Refreshed

By increasing the speed of product renewal in our stores, we constantly offer our customers a fresh and dynamic collection. By accelerating production processes, we shorten delivery times and reduce sales losses. By strengthening supply chain management, we increase the rate of on-time order delivery.

Provide a Personalized and Frictionless Omnichannel Shopping Experience

We offer our customers a personalized and seamless omnichannel shopping experience. While increasing the share of online sales, we implement customized shopping scenarios. We improve the performance of the stores where we apply minimal conversion, reduce customer churn and strengthen loyalty.

Be the Most Desirable Company to Work for Suppliers and Employees in the Sector

In line with our vision of becoming the most preferred company in our sector for both our employees and business partners, we focus on continuously developing our organizational structure and improving our collaboration processes. In this context, we aim to further strengthen our corporate culture, increase team cohesion and make decision-making processes more effective. While aiming to maximize mutual satisfaction by establishing our relations with our business partners on a more solid foundation, we continue to keep the employee experience sustainably high. At the same time, we focus on strengthening the long-term cooperation environment by developing strategies to increase the loyalty of our talented team members to our company.

We feed on corporate governance

Thanks to our fair, transparent, and accountable corporate governance structure, we aim to find the most appropriate solutions to strategic issues. We work to take DeFacto forward with the support of our board of directors, senior management, and committees that support management processes.

CORPORATE GOVERNANCE STRUCTURE

As a pioneering player in its sector, we conduct operations that span the globe. In this process, our corporate governance approach, which is in harmony with domestic and international dynamics, guides us to maintain our successful growth performance and achieve our strategic goals. **Within the scope of our 3-tier corporate governance structure, we adopt a fair, transparent and accountable management approach as a principle. We are working to move DeFacto forward with our board of directors, senior management and committees that support management processes.**

In the transformation process we initiated last year in line with the integrated thinking model, while focusing on strategy, performance monitoring and value creation, we decided to address our governance approach in line with the integrated model. In this way, we aim to resolve critical and strategic issues in financial and non-financial focal points in the most accurate way, while we receive the support of our corporate governance structure in our sustainability goals and performance management in addition to our corporate goals. In this process, we included sustainability-related targets in the target cards of our CEO and relevant executives in our senior management.

Our Board of Directors, consisting of 8 members, 4 of whom are independent, held 8 face-to-face meetings during the year, with 94% attendance by our members.

BOARD OF DIRECTORS

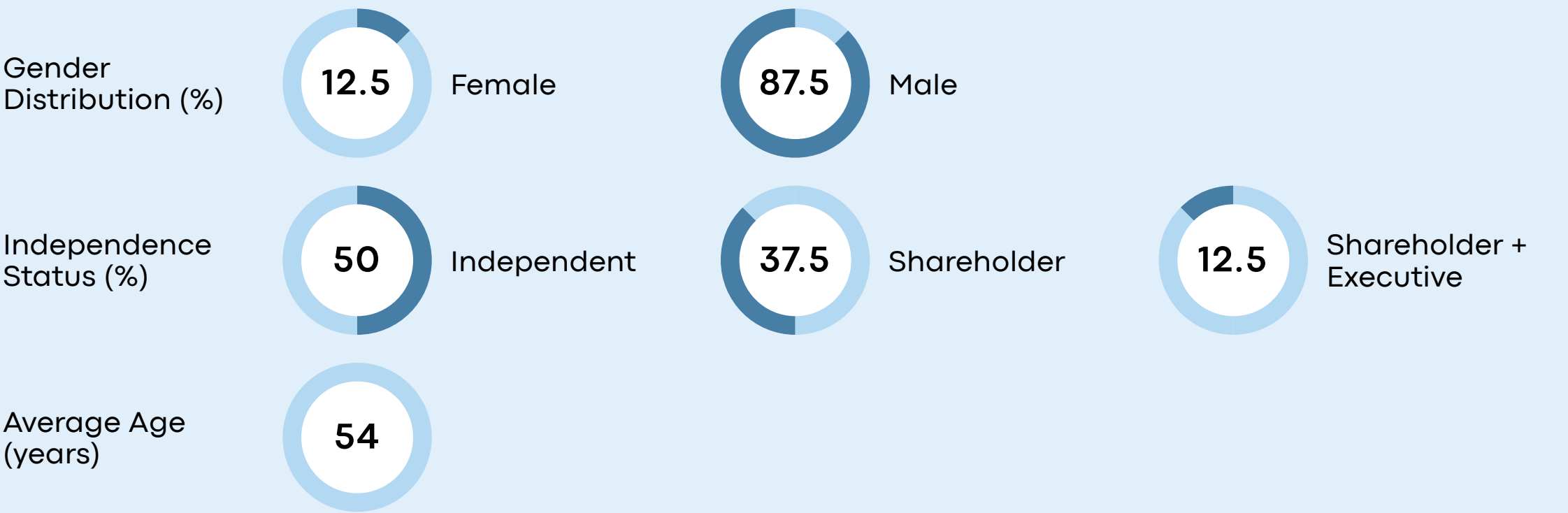
Our Board of Directors is at the highest level of our corporate governance structure. We always receive guidance from our Board of Directors on strategic decision-making processes, sector-based orientations, and our financial and non-financial performance. We also work in alignment with our Board of Directors in strategic decisions related to sustainability and in pursuit of targets.

Our Board of Directors consists of 8 members and 4 of them are independent members. Female representation on our Board of Directors was realized at 12.5%. In the 8 face-to-face Board meetings held this year, our members showed a 94% participation rate in total.

At the same time, our Board of Directors is advised by 2 board advisors with experience in finance, advertising, and marketing sectors.

Managers	Duties
Zeki Cemal Özen	Chairman of the Board of Directors
İhsan Ateş	Vice Chairman & CEO
Recep Yılmaz Argüden ¹	Board Member
Şahin Demir	Board Member
İdris Özçelik	Board Member
Çağrı Emre Korkmaz	Board Member
Hande Işlak ² (Deran Taşkiran)	Board Member
İzzet Karaca	Board Member
Faik Açıkalin ³	Advisor to the Board of Directors
M. Cem Topçuoğlu	Advisor to the Board of Directors

Board Demographics



1 As of December 31, 2024, Recep Yılmaz Argüden resigned from the Board of Directors.
2 Hande Işlak resigned from DeFacto Board of Directors on 16.08.2024. Deran Taşkiran joined the Board of Directors on 29.08.2024 instead of Hande Işlak.
3 Faik Açıkalin resigned as an advisor to DeFacto Board of Directors as of December 31, 2024.

SENIOR MANAGEMENT

Following our Board of Directors, our senior management, which forms the second layer of our corporate governance structure, consists of our CEO, who shapes the corporate vision, and 16 managers who are experts in their fields and implement strategic decisions. As a reflection of our commitment to equal opportunity, as demonstrated by our Board of Directors, we have increased the representation of women in our senior management. **The ratio of women in our senior management team, which was 22% last year, has increased to 30% this year.**

Under the leadership of our CEO, our senior management team, consisting of 16 executives who are experts in their fields, saw female representation increase by 8% compared to the previous year, reaching 30%.



İhsan Ateş
CEO



Ahmet Barış Sönmez
General Manager
Retail & Marketing



Çağrı Emre Korkmaz
Strategy &
Transformation Office
General Manager



Önder Şenol
E-Commerce
General Manager



Abdurrahman Kılınç
Assistant General
Manager of Information
Technologies



Ahmet Hamdi Burgaçoğlu
International Finance Assistant
General Manager



Berkin Maden
International Operations &
Marketplace Assistant
General Manager



Egemen Polat
Deputy General Manager
for Central Planning &
Data Science



Elif Çam
Head of Global Sourcing,
Sustainability & CSR



Erkan Yorulmaz
Supply Chain Assistant
General Manager



Ferdi Arslan
Türkiye Operations
Assistant General
Manager



Funda Küçükmeriç
Children & Infants
Group Assistant General
Manager



Rahmi Say
Men's Group & DF Fit
Assistant General
Manager



Seda Dışlık
Ozon Textile General Manager/
Production Assistant
General Manager



Sinem Çolakoğlu
Women's Group Assistant
General Manager



Ülkü Demir
Head of Accessories



Yeşim Menekşe Yurtsever
Human Resources Assistant
General Manager

COMMITTEES

In our corporate governance structure, we have committees that focus on critical issues to support our Board of Directors and senior management. Through our committees, we inform our Board of Directors about the steps we take in areas such as corporate governance, risk and audit and receive the necessary guidance from them.

Five Committees consisting of Risk Management, Audit, Discipline, KVKK and Ethics Committees guide our corporate governance approach in their respective areas.

Committees	Responsibilities	Participants	Frequency of Committee Meetings	Number of Meetings During the Year
Risk Management Committee	<ul style="list-style-type: none">• Reviewing the efficiency of risk management processes at least once a year• Reporting to the relevant management and Board level when a significant risk-oriented event or change occurs or is likely to occur• Overseeing risk management strategies and ensuring that they are associated with the strategic plans of the organization• Ensure that risk management strategies meet operational and legal obligations• Monitoring risk trends at the organization level• Providing recommendations on risk policies and limits, including risk appetite• Reviewing the risk model criteria, such as risk tolerance, impact, and risk exposure, and the risk scoring limits of the risk map before it is presented to the Board of Directors• Providing recommendations on compliance policies• Ensuring that DeFacto's compliance with the law is reported at the management and Board level	<ul style="list-style-type: none">• Audit, Risk Management & Revenue Protection Director• Risk, Control & Business Continuity Team• Compliance Team• Independent Consultant• Board Member	Quarterly	4
KVKK Committee	<ul style="list-style-type: none">• To take and have taken all kinds of actions to ensure that the KVKK Compliance Process continues as a living business model within the company• Evaluating all kinds of questions and opinions from the departments and providing the necessary guidance on the subject• To analyze the changes introduced within the scope of the law regarding the KVKK Compliance Process• To ensure routine control within the scope of KVKK Compliance Process	<ul style="list-style-type: none">• Data Protection and Processing Manager• Compliance Team• Legal Team• Internal Audit Unit Manager• Information Technologies Unit Manager• Audit, Risk Management & Revenue Protection Director	Two a month	52
Ethics Committee	<ul style="list-style-type: none">• Auditing the Company on behalf of the Board of Directors in order to establish a controlled working environment that adheres to ethical values, is reliable and compliant with relevant laws and regulations, evaluating denunciations, establishing the necessary preventive/ deterrent processes and reporting the results of evaluations that require sanctions on an individual basis to the Disciplinary Committee• Evaluating the Company's Anti-Bribery and Anti-Corruption Policy, Ethical Principles and Code of Conduct in terms of their currency and development needs, and updating them when necessary• To discuss notifications, reviews and agendas received from the ethics line	<ul style="list-style-type: none">• Human Resources Director• Legal Director• Audit, Risk Management & Revenue Protection Director• Depending on the subject, the unit director and/or senior manager is invited to the Committee.	With ethics notifications	1
Audit Committee	<ul style="list-style-type: none">• To oversee, on behalf of the Board of Directors, the implementation effectiveness and added value of the internal and external audit process, and the functioning and adequacy of accounting, financial reporting and internal control, and the Company's financial and operational activities• Ensuring compliance with legal regulations and internal regulations• Providing the necessary environment for the independent conduct of audit, control and assurance activities• To approve the Audit, Risk and Revenue Protection Directorate regulations• To the Board of Directors for the continuation of the audit activity within the framework of the procedures and principles specified in the Regulations<ul style="list-style-type: none">• compliance of activities with Company policies, plans, procedures and legal regulations, effectiveness and added value• protection, effective and efficient use of institutional assets• provide assurance that operations and programs achieve desired objectives in accordance with established principles <p>The Committee acts within the scope of its authority and responsibility and makes recommendations to the Board of Directors, with the final decision always resting with the Board of Directors.</p>	<ul style="list-style-type: none">• Independent Consultants• Audit, Risk Management & Revenue Protection Director• Compliance Team• Internal Audit Unit Manager• Retail Audit & Loss Prevention Unit Manager	Quarterly	4
Disciplinary Committee	<ul style="list-style-type: none">• In accordance with the provisions of the Disciplinary Regulation, to examine the actions and/or transactions allegedly violated by the personnel, to decide whether to impose sanctions on the personnel within the scope of the Disciplinary Regulation and which disciplinary sanction will be applied• Requesting the initiation of investigations and examinations when necessary• To make authorization or assignment for investigation, examination, and to evaluate the results of the investigation and examination• To give one of the penalties of warning, reprimand or termination of employment contract as a result of the evaluation• Committee members are also authorized to take decisions beyond the sanction items covered in the regulation.	<ul style="list-style-type: none">• HR Assistant General Manager• Audit Risk Management and Revenue Protection Director• Legal Affairs Manager/Director• Payroll and Personnel Unit Manager• Payroll and Personnel Team Worker• HR Business Partner and Unit Manager to whom the Employee Reports	Where necessary	-

POLICIES AND CERTIFICATES

Policies and procedures, through which we determine our principles in our business conduct and create our work culture on relevant issues, guide all our management levels and employees. Thanks to the Quality Policy, Customer Satisfaction Policy, Environmental Policy and Energy Policy we have prepared within DeFacto, we list the steps we need to take on relevant critical issues.

Quality Policy: We are committed to continuously adding value to our suppliers, employees, and all other stakeholders in our national and international operations. We set our criteria for operational excellence through this policy, from in-store customer experience to innovative products, from inventory management to sustainability-oriented production processes.

Environmental Policy: We are committed to conducting all our activities in compliance with applicable environmental laws and standards. We determine our criteria for ecological balance, water consumption, waste management and sustainable textile works through this policy.

Energy Policy: We are committed to carrying out all our activities in compliance with energy-related laws and standards. We determine our criteria for energy efficiency, product and service procurement, designs that support energy efficiency, and awareness-raising activities in this field through this policy.

Customer Satisfaction Policy: When handling customer complaints, we are committed to acting with all our employees, at all our locations, in an open, transparent, impartial, confidential, and trustworthy manner, providing fast and high-quality products and services. We define our criteria for communication regarding complaint situations, senior management reporting processes, and customer request evaluation steps through this policy.

At the same time, the international certifications we hold uphold our working discipline. Thanks to the certificates we have obtained, particularly in the environmental and social focus areas, we ensure the integration of our sustainability perspective into our corporate governance approach, and we design and manage our processes by global standards.

CERTIFICATES

DeFacto

- ISO 9001: Quality Management System
- ISO 14001: Environmental Management System
- ISO 50001: Energy Management System
- ISO 10002: Customer Satisfaction Management System
- ISO 27001: Information Security Management
- ISO 45001: Occupational Health and Safety Management System
- Authorized Economic Operator

Ozon Tekstil

- Organic 100 Content Standards
- Recycled 100 Claim Standard



SUSTAINABILITY MANAGEMENT

We manage our sustainability-related goals, performance, and projects through our sustainability management structure, which is supported by policies and certifications and is a reflection of our corporate governance structure consisting of different layers.

We approach our processes with a holistic approach, aligning with our integrated thinking and sustainability strategy. In this context, our sustainability management structure consists of 2 layers:

- The Sustainability Committee, which reports directly to the Board of Directors, and the **Sustainability Program**, which initiates, organizes, and finalizes sustainability practices within the company.
- **Our Sustainability Committee** to receive the opinions of all relevant departments and to move forward with the contributions of our senior management to achieve the goals we set..

Our Sustainability Committee met twice in 2024 to review our sustainability strategy and plans.

Sustainability Committee

Our Sustainability Committee reports directly to the Board of Directors, informing the Board on sustainability-oriented developments and presenting decisions that will shape our strategy for review and approval by the Board. The Committee is chaired by our CEO and the Sustainability Program Leader carries out its coordination and secretariat.

The Sustainability Committee convenes regularly, twice a year, and organizes additional meetings as necessary. All meetings are held with the participation of the absolute majority of committee members. In 2024, our Committee members met twice to discuss our sustainability-focused agendas, strategy and future plans.

Determining the steps to be taken to achieve our goals with a focus on sustainability, developing projects and preparing the road map are among the duties of the committee. With this perspective, all relevant internal and external stakeholders are included in the processes.

The Sustainability Committee is also responsible for the initiatives we are involved in and the reporting we make within the scope of sustainability. The Committee is also responsible for regularly auditing and improving corporate sustainability goals, policies and practices.

Sustainability Program

Teams within the Sustainability Program develop projects aligned with our sustainability focus and goals and present them to the Sustainability Committee. The relevant teams implement approved projects.

Through the program, objectives are first defined for our issues, updated as necessary, and monitored regularly. Program leaders are responsible for the coordination of working groups affiliated with the Committee, compiling project outputs, and reporting to the Committee. Working closely with the Committee, Program members also play a crucial role in integrating and adopting the sustainability perspective throughout the company.

Teams Involved in the Sustainability Program

- Sustainability
- Strategy
- Law
- Risk Management and Compliance
- Internal Audit and Ethics
- Corporate Communications
- Finance
- Operation
- Marketing
- E-Commerce
- Human Resources
- Administrative Affairs
- Construction and Technical Works
- Occupational Health and Safety
- DeFacto Academy
- Happiness and Human Resources
- Social Compliance and Supply Chain
- Fabric Quality and Supply
- Product Technology and Quality
- Product Management and Planning
- BTO
- Information Technology
- Logistics
- Planning

OUR RISK MANAGEMENT APPROACH

According to the 2025 analysis of the Global Risk Report, published annually by the World Economic Forum, the world is expected to face risks with high environmental and social impact in the short and long term. Especially in the long term, risks such as extreme weather events, loss of biodiversity or natural resource scarcity, which are considered as the effects of the climate crisis, are listed among the risks with very high impact. On the social scale, threats arising from social segregation and inequality are among the 10 high-impact risks in both the short and long term.

While in the past, risks that we would define as direct financial risks were included in global risk lists, in today's world, risks with environmental and social impacts and financial consequences in both the short and long term pose a threat to the business world and individuals.

We work with an integrated risk management approach to sustain our existence against the threats of today and the future in a business world with changing conditions, working patterns, risks and opportunities. Against the risks we identify, we analyze and control these risks and carry out monitoring and prevention activities. In this process, we are guided by our Corporate Risk Procedure while establishing our risk ecosystem, implementing our risk management steps and determining the responsibilities related to the management process.

Furthermore, **as an output of our integrated perspective, we include sustainability and climate risks, internal audit processes, business continuity and information security issues, and customer privacy actions in our risk management approach.**

DeFacto Risk Ecosystem

As a company operating on a global scale, we implement structured, planned, harmonized, and consistent risk management processes at every point and level of our operations. Within the scope of our corporate risk management approach, we define risk as the probability of an event occurring and the impact in the event of its realization. Within the framework of this definition, **we categorize our risks into 5 different types with a focus on their impact. We rate these impacts according to their magnitude. Within the framework of the impact assessment we conducted in 2024, we identified 14 different risks in the DeFacto risk ecosystem.**

While we define and categorize our risks with a focus on their impact, we prioritize them according to the likelihood of the risks occurring in addition to this impact dimension. We score our risks by multiplying these two values. We carry out our Enterprise Risk Management processes not with the responsibility of a single person or team, but with the integration of relevant employees from all levels. From our Board of Directors to our Risk Committee; from the Risk, Control and Business Continuity Team to Senior Management and all our employees, all DeFacto employees take different responsibilities according to our risk levels.

Risk Types	Definition	DeFacto Risk Map
Financial Impact	Negative impact on the company's financial structure and the resources it needs to maintain its financial activities.	<ul style="list-style-type: none">• Currency Fluctuations• Inflation & Hyperinflation• Macroeconomic and Political Uncertainties• Customer Profile, Segment, and Target Audience Management
Reputation Impact	Negative impact on employees, customers, subsidiaries and/or other key stakeholders due to a bad reputation for the company.	<ul style="list-style-type: none">• Green and Pink Washing Risk
Strategic Impact	Potential strategic impact through disruption to management, planning, key initiatives and execution.	<ul style="list-style-type: none">• New Competitors Entering the Market• Negative Demographic Changes• Sharp Increases and Decreases in Demand
Operational Impact	Potential operational impact on sales and marketing, performance, supply chain, production, people, information technology, potential accidents and fixed assets.	<ul style="list-style-type: none">• High Employee Turnover Rate and Critical Employee Loss Risk• Supply Chain Crisis• Energy Crisis• Epidemics• Natural Disasters• Climate Crisis
Harmony Effect	The impact of potential non-compliance with laws, regulations, standards and DeFacto's policies and procedures.	<ul style="list-style-type: none">• Compliance with Legislation

Risk Management Steps

Thanks to our detailed risk management processes, we evaluate the risks we may encounter in all our operations and take the necessary steps. In this process, we focus on identifying potential events that may affect us, finding risks that will affect the creation of corporate values, goals and strategies, determining the positive or negative effects of these risks, and managing risks in accordance with the company's corporate risk appetite. In this focus, we follow **a systematic process consisting of 4 steps.**

Among these steps, some critical steps are particularly relevant to our integrated risk management approach. In particular, identifying, assessing, and rating the impact of risks plays a crucial role in managing our corporate, sustainability, and climate risks.

Financial, reputational, strategic, operational, and compliance impacts are assessed, and risks are graded according to the severity of these impacts.

- **Financial impact:** The impact on the company's financial structure and the resources it needs to sustain its financial activities (EBITDA).

- **Reputation impact:** Impact on company reputation in the eyes of the public
- **Strategic influence:** Impact on governance, strategic plans, key initiatives, and execution
- **Operational impact:** Effectiveness, efficiency, and economy of activities related to sales and marketing, performance, supply chain, production, people, information technology, potential accidents, fixed assets, and impact on employees
- **Compliance impact:** Business losses due to potential non-compliance with laws, regulations, standards and DeFacto's policies and procedures

While we define and categorize our risks based on their impact, we prioritize them based on both the likelihood of occurrence and the impact dimension. We score our risks based on the joint assessment of impact and probability.

We conduct our Enterprise Risk Management processes not with the responsibility of a single person or team, but through the integration of relevant employees from all levels. From our Board of Directors to our Risk Committee, from the Risk, Control and Business Continuity Team to Senior Management and all our employees, all DeFacto employees take different responsibilities according to our risk levels.

Risk Score	Risk Rating	Risk Assessment	Risk Acceptance Approval Authority
25	Critical Risk	The risk is unacceptable; an urgent action plan is needed.	Board of Directors
15-20	High Grade Risk	An action plan for the risk should be determined and controlled.	Senior Management
9-12	Moderate Risk	Controls for the risk should be identified and monitored.	Director/Head
5-8	Low Grade Risk	Risk should be monitored.	Director/Head
1-4	Insignificant Risk	The risk is acceptable.	Unit Manager

Steps	Our aim	Process
① Identifying and Defining Risks	Identifying and defining in detail the risks that may prevent DeFacto from achieving its goals	<ul style="list-style-type: none">• Our Risk, Control and Business Continuity team identifies risks through interviews and workshops with our management team and process owners and enters them into the risk inventory.• In this process, internal and external audit reports are reviewed, sector reports are utilized, company-wide surveys are conducted and operational process analyses are carried out.
② Analyzing and Assessing Risks	Performing probability and impact analysis of the identified risks and making risk assessment	<ul style="list-style-type: none">• A five-point scale is used, with 1 being the lowest and 5 being the highest, for the likelihood and impact of risks.• Analyses and assessments of risks are completed by coming together with our management team and, where necessary, process owners.
③ Prioritization and Management of Risks	Prioritization of risks according to the risk levels resulting from risk analysis and assessment studies	<ul style="list-style-type: none">• Our Risk, Control and Business Continuity team and process owners determine the response to risk, taking into account the company's risk appetite and risk tolerance.• When responding to the risk, root causes are first identified, then existing controls are addressed and evaluated. From this perspective, risks are scored according to critical, high, medium, low and insignificant levels.• When determining the response to risks, care is taken to ensure that the benefit obtained is not less than the resources spent.
④ Monitoring and Reporting of Risks	Evaluating the risk portfolio as a result of changing conditions and/or changes in the way of doing business and determining whether the risk management process is effective	<ul style="list-style-type: none">• The risk inventory created as a result of all steps is updated and reported periodically or instantly when necessary, as a result of meetings with C-Level and/or process owners.• Each identified risk is monitored until it is mitigated or eliminated with action. For accepted risks, monitoring and re-evaluation are carried out within the periods approved by the Board of Directors.• Current risk analysis outputs are shared at periodic Risk Committee Meetings.

OUR PERSPECTIVE ON SUSTAINABILITY AND CLIMATE RISKS

We assess our sustainability and climate risks in accordance with the impact definitions and risk management steps in the risk ecosystem included in our corporate risk management processes. Among the 14 risks we have defined within the DeFacto risk ecosystem, we analyze those that are mapped to our sustainable priorities. In addition to these, we list our sustainability and climate risks linked to our other material issues. While we define success as the environmental, social, and economic value we create for all stakeholders we touch beyond financial performance, we also address our risks from this perspective. Apart from our main risk categories, we categorize risks related to climate change as acute and chronic physical risks.

We assess our sustainability-related risks in line with the guidance of international initiatives and rule-makers, global risk reports, and the environmental and social impacts of our operations. Although sustainability poses risks with an environmental and social focus, sustainability-related risks are evident in almost all of our risk categories, as we assess our risks from an impact perspective. Thanks to this perspective, we integrate sustainability-related risks into our overall risk management process.

When assessing our sustainability and climate risks,
we follow a 4-step procedure.

TREND ANALYSIS

We analyze global and regional trends in our sustainability focus areas.

IMPACT IDENTIFICATION

We identify the sectoral impact of the trends we identify and the challenges they will create.

FINANCIAL IMPACT AND RISK IDENTIFICATION

We identify potential risks by evaluating these definitions and their impact on DeFacto's financial adequacy.

RISK MAPPING

We map the identified risks under our Corporate Risk Management approach into five risk categories and under the heading of sustainability risks.

Trend Analysis

As a result of the analysis we conducted in 2024, we analyzed the trends with global and sectoral impacts in our 3 sustainability focus areas and identified a total of 8 trends in each focus area.

- **Combating the climate crisis, climate-oriented regulations, climate crisis impact on the supply chain within the scope of "Inspired by Nature"**
- **New expectations with workforce transformation and working conditions in the supply chain within the scope of "We Grow with People-Oriented Transformation"**
- **Within the scope of "Creating Economic and Innovative Value", the relationship between changing customer expectations and sustainable products, macroeconomic fluctuations, circularity and innovative designs**

These trends we have identified pose challenges and risks with potential financial impact that we, as DeFacto, need to manage in the sectors and geographies where we operate.

Impact Identification

In each focus area that underpins our sustainability strategy, we identify the challenges that global and industry trends have created and could create around our operations and value chain. Identifying these challenges supports us in our next step, which is to identify the risks arising from these challenges.

Focus Areas	Trends	Impact and Challenges
<div>INSPIRED BY NATURE</div> <div></div>	<ul style="list-style-type: none">• Tackling the Climate Crisis• Climate-Focused Regulations• Climate Crisis Impact on Supply Chain	<ul style="list-style-type: none">• Accurately defining the steps taken to prevent climate change and determining the necessary actions and roadmaps to achieve the targets are critical throughout the entire value chain.• In this process, actions and progress towards the announced targets are expected to be disclosed transparently. Compliance with increasing legal regulations to combat the climate crisis is among the material risks for commercial and operational sustainability.• Responsible management of the supply chain, which has a major role along the textile industry value chain, with a focus on the environment and limiting impacts is expected.• Supply chain management needs to be designed in the most effective way to ensure that sustainable raw material supply is not disrupted by extreme weather events, water scarcity and stress that may be caused by the climate crisis.
<div>WE GROW WITH PEOPLE-ORIENTED TRANSFORMATION</div> <div></div>	<ul style="list-style-type: none">• New Expectations with Workforce Transformation• Working Conditions in Supply Chain	<ul style="list-style-type: none">• Employees are more engaged in companies that take steps to address environmental and social concerns beyond a focus on financial performance.• In addition to the financial benefits provided to employees, ensuring company integration through development, training and communication tools plays an important role in preventing the risk of talent loss today.• In the supply chain, one of the main stakeholders of the sector, human rights, working conditions and traceability come to the fore beyond environmental responsibility. In this context, the adoption of an effective management approach comes to the fore in many areas, from disruption of operations to brand reputation.
<div>WE CREATE ECONOMIC AND INNOVATIVE VALUE</div> <div></div>	<ul style="list-style-type: none">• Customer Expectation and Sustainable Products• Macroeconomic Fluctuations• The Relationship between Circularity and Innovative Designs	<ul style="list-style-type: none">• The global inflationary environment resulting from macroeconomic fluctuations has a significant impact on the financial performance of companies on the one hand and on the purchasing power of customers on the other.• While customers' expectations on products are moving towards sustainable preferences, finding innovative solutions that can be implemented without compromising product safety and quality in order to respond to these preferences stand out as differentiating features in the market.

Financial Impact, Risk Identification and Risk Mapping

After the trend analysis, impact and challenge identification, we take critical steps to identify sustainability and climate-related risks that threaten DeFacto's present and future. Based on the impact and challenge definitions, we identify those threats that turn into risks by evaluating the potential financial impact and probability.

At the same time, we categorize the risks we identify with 5 risk types in order to integrate these risks into our corporate risk management approach. In this process, we evaluate the risks within the DeFacto Risk Ecosystem as well as the additional risks related to our material issues that are at the center of our sustainability strategy.

Risk Type	Risks	Risk Definition
Financial Impact	Macro Economic and Political Uncertainties	Possible negative effects on operations, income, and business targets as a result of macroeconomic and political uncertainties
	Inflation and Hyperinflation	Deviation from company targets, loss of income, negative impact on operations, downsizing, etc., as a result of stagnation of economic growth, continuous increase in prices, and decrease in consumer purchasing power
	Exchange Rate Fluctuations	Increase in production costs due to high, low exchange rates and/or sharp exchange rate movements, negative impact on revenue, deviations from business targets.
	Customer Profile, Segment and Target Audience Management	Loss of turnover as a result of not implementing customer profile, segment, and target audience management correctly
Reputation Impact	Green and Pink Laundering Risk	Loss of prestige due to incomplete or misleading statements about environmental and sustainability actions, or focusing on areas with a small impact
Strategic Impact	New Competitors Entering the Market	Negative impact on targets, sales, and preferability as a result of a new company entering the market and offering similar products/services
	Unfavorable Demographic Changes and Sharp Increases and Decreases in Demand	Changes in the customer base and expectations due to changes in the social structure as a result of internal and external migrations, and the inability to respond appropriately to these changes, failure of the current strategy, and failure to realize the targets
Operational Impact	High Employee Turnover and Critical Employee Attrition Risk	High employee turnover and consequent disruption of business continuity in operations, loss of qualified employees in critical tasks and responsibilities, management of processes by non-experts
	Supply Chain Crisis	Negative impact on business targets as a result of the impact of the global supply chain crisis
	Energy Crisis	Interruption of production and operation in cases such as an energy crisis (power outages, etc.)
	Epidemic Diseases	Negative impact on business objectives, revenues, operations, and employee health as a result of pandemics
	Natural Disasters	Disruptions in operations, stoppages, and capacity problems as a result of natural disasters
	Climate Crisis	Resource crisis and/or difficult access to resources as a result of the climate crisis, changing customer preferences, and inability to adapt to this situation in an agile manner.
Harmony Effect	Possible Non-Compliance with Sustainability Regulations	Losses that may arise as a result of lawsuits and/or criminal sanctions that may be encountered due to non-compliance with the relevant regulations, legislation, and laws

INTERNAL AUDIT

Compliance with the rules that make DeFacto DeFacto is critical to achieving our strategic goals. In our compliance processes, we focus especially on the efficiency of our operations, the reliability of financial and operational information, the protection and regulation of assets, and compliance with policies and procedures.

In this context, our internal audit activities constitute an important element of our corporate governance approach. In our audits, we evaluate the effectiveness of existing internal controls against the risks inherent in business processes. We conduct process audits at our headquarters in Türkiye and in the countries where we operate abroad, in accordance with our annual plans.

We analyze the causes and effects of identified control deficiencies, plan actions to eliminate problems, and follow up on them. All processes, from planning to execution and reporting, are managed by our Internal Audit unit, which reports to the Risk Management and Revenue Protection Directorate. Our audit activities are coordinated in line with the Internal Audit Standards published by the Institute of Internal Auditors (IIA), while our DeFacto Internal Audit Procedure guides our audit processes.

In 2024, we conducted a total of 18 process audits in Türkiye and abroad. While we identified 182 findings during these audits, we classified the findings in internal audit reports as high, medium, and low according to their risk levels. For on-site audits, we conducted 4 country audits in Egypt, Morocco, Northern Iraq, and Southern Iraq. For all findings identified, we create the necessary action plans as well as carry out regular follow-ups.

While we periodically inform our Audit Committee about our internal audit activities that we perform in accordance with international internal audit standards, all our internal audit processes are approved by our Board of Directors.

MERCHANDISING AND RETAIL SUPERVISION

Through our retail and store audits, we identify and correct non-standard practices and take all necessary measures to minimize the loss of company assets.

Our Retail Audit Unit verifies the compliance of sales channels, related departments, and all domestic and international stores with company policies, procedures, instructions, and legal regulations, in accordance with the annual audit plan.

Through these audits, we aim to correct non-standard practices detected, identify risk factors in advance, take precautions, and minimize the loss rates of company assets. During the audit process, we first conduct an annual risk assessment. We base our risk assessment on the risk level of the stores and act in accordance with previous audit findings and identified risk items. Within the scope of audits, we focus on two main issues.

- Understand the design of sales channels' processes and systems, and assess how well the actual situation aligns with existing policies and procedures.
- Understand the internal control system, evaluate the efficiency and adequacy of existing internal controls in addressing structural risks and test the effectiveness of internal controls in practice.

While conducting audit activities, steps are also taken to improve and develop commercial processes. While reporting the tests performed for these controls, the actions to be taken by the process owners are also monitored.

In 2024, within the scope of Merchandising and Retail Audit activities, we conducted a total of 2,337 audits, including on-site and remote store audits. 438 audits were conducted as on-site audits, while 1,899 were conducted remotely. **When examining the distribution of audits in Türkiye and abroad, 64% of the audits were completed in domestic stores, and 36% in foreign stores. As for the audit results, an average store score of 70 points in Türkiye and 82 points abroad was achieved.**

This year, in order to develop a more effective, efficient, and sustainable audit mechanism, we launched an automated audit system based on 8 criteria with algorithm support. In the coming period, we aim to expand the scope of this application and build a more automated audit system.



LOSS PREVENTION AND REMOTE MONITORING AUDIT

We work in partnership with all our units to protect our assets and reduce our cash and physical losses. Through Loss Prevention and Remote Monitoring Audits, we identify, investigate, and prosecute cases of internal irregularities in our central warehouses and stores.

BUSINESS CONTINUITY, INFORMATION SECURITY AND PRIVACY

BUSINESS CONTINUITY

In 2024, we developed a project with three focal points within the scope of business continuity: business continuity risk analysis, continuity of critical processes, and prevention of interruptions in information technology processes.

We ensure our ability to keep our value creation capacity at its usual level in the event of any disaster, crisis, or catastrophe through our business continuity activities. Through these activities, we work to eliminate or minimize all issues that have the potential to negatively impact our operations, business integrity, and customer satisfaction.

We focus on many areas to increase our company's resilience against adverse conditions and ensure its stability. The first of these issues covers the health and safety measures we take to ensure the safety of "people", our most valuable resource. **In 2024, we took necessary steps to establish DeFacto Business Continuity Management System.** Thanks to our ongoing project, we aim to minimize and control the risks that threaten our business continuity as much as possible. In this context, we plan to create crisis scenarios, review them at least once a year, and take action on the points for improvement identified as a result of simulations and drills.

Our second focus is the continuity of critical processes. In this context, we identify potential emergency scenarios and regularly test these scenarios. We also reinforce our strong cooperation with our suppliers to minimize the risks of service interruptions.

Finally, we focus on how to cope with any disruption to our information technology processes. In dealing with interruptions, we aim to return to normal with the least possible loss. By securing the continuity of information systems with information security policies, we ensure that information systems continue to run smoothly thanks to our emergency centers.



INFORMATION TECHNOLOGIES AND SECURITY

In addition to being a fashion and ready-to-wear brand, we also define ourselves as a technology company with our multi-channel sales network and digital solutions. Through our DeFacto Technology company, we provide infrastructure, database management, system management, network and security services within the scope of information technologies.

In 2024, we focused on 8 different projects within the scope of information technologies and invested over 43.6 million TL.

We are aware of our responsibility towards our employees, customers, and suppliers regarding information security and privacy. With this sense of responsibility, we fulfill our existing obligations through our DeFacto Information Security Management System, which we have created around the ISO/IEC 27701:2019 certificate. In this way, we adopt the principle of identifying potential information security breach risks and cases, eliminating them along with their root causes, and maintaining high awareness of information security throughout our entire organization.

In 2024, we focused on 8 different projects within the scope of information technologies and invested over 43.6 million TL.



In order to ensure our business continuity, we continuously improve our systems and components, continuously make infrastructure investments to protect against possible cyber-attacks, and periodically perform scans and tests. Thanks to the up-to-date anti-virus systems, firewalls, intrusion detection and prevention methods we use, and the data masking method applied when necessary, we take the necessary measures against threats within the scope of information technologies. In this way, **we managed to prevent more than 12.3 million malicious e-mails and more than 1.1 million attacks involving data loss in 2024.**

In addition to all these, we conduct penetration tests to support our information technologies process management, use data loss prevention software and Cyber Intelligence System, test our systems through external attack simulation, and organize training for our employees, especially on measures that they can implement themselves. **During the year, we provided 217 employees with 2.48 hours of information security training per employee.** Thanks to topics such as password security, suspicious e-mails, private information belonging to the organization, in-store security, social media security, and wireless network security, we ensured that our employees were informed about information security and possible threats.

In 2024, we launched GovernID, which increases data security and integrity by enabling all our data to be managed on a central platform. At the same time, we switched to Privileged Access Management (PAM), an identity security solution that monitors, detects and prevents unauthorized privileged access to critical resources. With the antivirus application we renewed during the year, we switched to new generation systems and switched to a more reliable software system.

CUSTOMER PRIVACY

We believe that customer privacy, which is a part of our information security processes, plays a key role in ensuring our credibility before all our stakeholders. As a reflection of the trust our customers place in us, we position customer privacy as one of the fundamental principles of our business conduct.

We ensure transparent communication of our decisions, new regulations or rule sets, thus ensuring our accountability. We protect the personal data we obtain from our customers in cases of becoming a member of our website, contacting us through our various channels and placing orders without being a member, in accordance with the decisions, guidelines and public announcements published by the Personal Data Protection Authority (KVKK) in all activities we carry out.

We follow our existing personal data security policies and procedures, quickly report and follow up any problems that arise in this regard. We use Data Discovery software for the discovery, anonymization, deletion and masking of information containing personal data. We also take extra security measures for personal data transferred via paper and send the relevant documents in confidential document format.

In 2024, we achieved PCI DSS certification, which demonstrates an organization's commitment to the security and protection of customer data.

This has enabled us to verify the adequacy of our security policies, procedures, systems, and practices.

While our Legal Department and Compliance Departments examine and manage the legal processes related to KVKK together, they request information and documents from other relevant departments when necessary.

In 2024, we achieved PCI DSS certification, which demonstrates an organization's commitment to the security and protection of customer data. In this way, we have verified the compliance of security policies, procedures, systems and practices.

During the year, **7,407 employees benefited from 3.2 hours of KVKK law training per employee and were included in the KVKK Compliance project training program and KVKK compliance project case study.**



BUSINESS ETHICS AND COMPLIANCE

Acting responsibly, ethically, fairly, and transparently towards all our stakeholders forms the basis of our understanding of business ethics. By adopting these basic principles, we take care not to engage in any behavior that may damage mutual trust in our relations with our employees, customers, business partners, suppliers, competitors, and all other stakeholders. We adhere to the principle of complying with national and international legislation in all areas of our operations. **Thanks to all the activities we carry out within the scope of business ethics, we do not have any incidents that may affect the reputation of our company.**

In this context, our code of conduct is determined by - but not limited to - DeFacto Anti-Bribery and Anti-Corruption and Ethics Procedure, DeFacto Business Ethics and Principles Handbook, DeFacto Competition Compliance Policy, DeFacto Economic Sanctions Policy and Intellectual and Industrial Property Compliance Procedure. We manage all issues related to business ethics such as the use of company assets, conducting all kinds of services and activities in a transparent, open and compliant manner, confidentiality, conflict of interest, effective prevention of unfair competition, strengthening corporate and social responsibility awareness among managers, directors and employees in accordance with the rule sets in these documents.

Through the **DeFacto Anti-Bribery and Anti-Corruption and Ethics Procedure**, we support the conduct of all our activities in accordance with laws, regulations, procedures, DeFacto code of ethics, and other regulations, and in an accurate, fair, and honest manner.

Through the **DeFacto Business Ethics and Principles Handbook**, we set out our principles and codes of conduct regarding our relationship with employees, business partners, customers and the environment.

Through the **DeFacto Competition Compliance Policy**, we determine the basic principles and **guidelines** for the operation of all DeFacto activities in compliance with competition law regulations.

Through the **DeFacto Economic Sanctions Policy**, DeFacto conducts its business activities in accordance with Turkish sanctions laws and the sanctions laws of other countries in which it operates.

Thanks to the **Intellectual and Industrial Property Compliance Procedure**, our activities are carried out in compliance with intellectual and industrial property legislation.

All of our employees and suppliers can report any ethical violations by phone or e-mail via **Ethics Hotline, which is managed by an independent organization. Relevant notifications are made by phone via 0212 401 3799 and by e-mail via defactoetik@speak-hub.com**. We take all precautions to prevent any retaliation against the person making the report, and we carry out the necessary investigations in confidentiality.

We expect our employees to conduct all their activities in accordance with the laws, **DeFacto Business Ethics and Principles Handbook**, Disciplinary Regulation and the corporate standards and values specified in all relevant internal documents. In addition, the Ethics Committee, which reports to our Board of Directors and consists of senior managers from the Audit, Risk Management and Revenue Protection, Legal and Human Resources departments, carries out processes such as auditing, evaluating complaints, investigating, taking necessary preventive measures and establishing disciplinary procedures in order to ensure an ethical, reliable working environment in our company in accordance with the relevant laws and regulations.

All reports received by the ethics hotline are forwarded to the **Ethics Committee** by the Audit, Risk Management and Revenue Protection Directorate. A committee meeting is then organized to evaluate the notifications received. The committee collects the necessary evidence and documents related to ethical notifications and evaluates the issues in detail. At the end of all evaluations, it takes the necessary decisions with a common opinion and transmits the results of the evaluation that require sanctions to the Disciplinary Board.



Working together with the Ethics Committee, our Compliance Unit prepares, develops and updates the Anti-Bribery and Anti-Corruption Policy, Business Ethics and Principles Handbook, Competition Compliance Policy, Economic Sanctions Policy and other related procedures, and carries out training activities in this context.

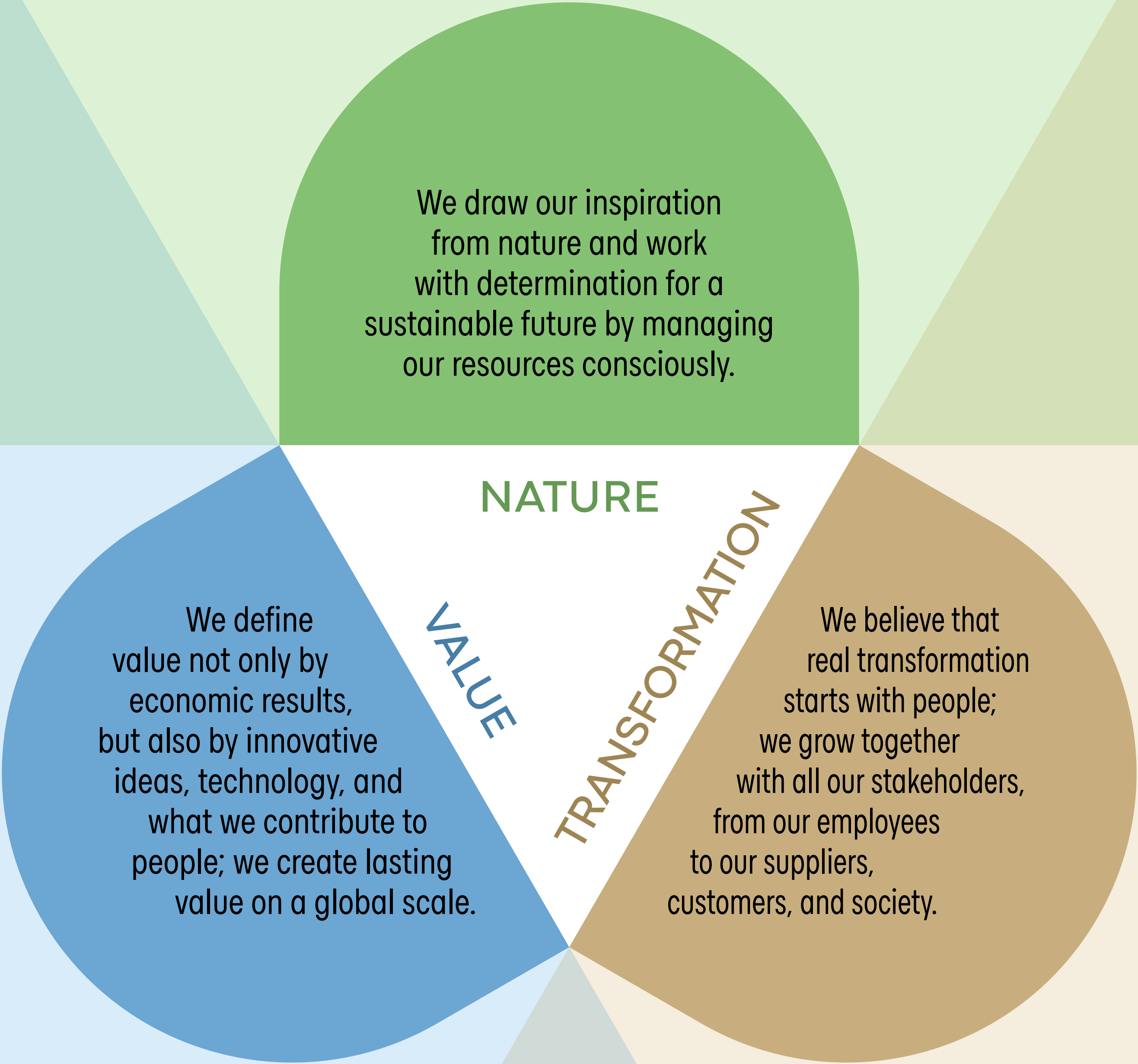
In addition, with the **Competition Compliance Program**, which we implement as part of our management approach, we aim to ensure that our managers and employees are aware of issues that may be considered as competition violations, that they do not engage in anti-competitive behavior in communication with competitors and suppliers, and that our company carries out all its activities in compliance with competition law regulations.

In 2024, we organized trainings on anti-corruption, anti-bribery and ethics to raise awareness in these areas. 898 employees received a total of 22.95 hours of anti-corruption and anti-bribery training and 401 hours of ethics training.

Moving forward with an integrated perspective

We aim to make a difference through our sustainability-focused efforts in our work culture, extending throughout our entire value chain. Behind every moment where we make a difference lies the experience we have gained from our sustainability journey, which has been ongoing for over a decade.

OUR
INTEGRATED
THINKING
APPROACH



From our products to our merchandising approach, from our digitalization steps to our people-oriented business culture, behind every moment we succeed in making a difference is the experience we have gained from our sustainability journey that has been going on for more than ten years.

In today's business world, where competition is increasing day by day, we believe that it is not enough to evaluate success only through financial performance. For us, the definition of success is a balanced performance around economic, environmental, social and innovative values. From our products to our merchandising approach, from our digitalization steps to our people-oriented business culture, behind every moment we succeed in making a difference is the experience we have gained from our sustainability journey that has been going on for more than ten years.

Last year was one of the turning points in this journey. **Based on the transformation movement that our company is going through, we created our integrated thinking model in which our sustainability approach and corporate strategy draw strength from each other.** In 2024, in order to strengthen the foundations of our strategy, we reviewed our material issues by taking the opinions of our stakeholders and turned our sustainability strategy into a motto.

Our sustainability strategy focuses on nature, people, economy, and innovation, and we use our ability to make a difference to create value in these areas.

Every step we take around the three focus areas that make up our sustainability strategy carries us to future successes and our world to a better future. Today, our sustainability journey is being replaced by an integrated transformation journey.

Thanks to our global operations, we have the power to transform and influence a wide ecosystem. By utilizing this transformative power, we aim to increase the sustainability awareness of all stakeholders we touch beyond our own business.

We are working to realize our value creation potential at the highest level in the triangle of "Nature", "Transformation" and "Value". We support this vision with our "Triple D" motto. We aim to effectively share our sustainability goals, projects and performance with our internal and external stakeholders through the "Triple D" motto, which we designed with the initials of our focus areas of Nature, Value and Transformation.

Every step we take around the three focus areas that make up our sustainability strategy carries us to future successes and our world to a better future. Today, our sustainability journey is being replaced by an integrated transformation journey. In this way, we integrate our corporate and sustainability strategies and strive to trigger transformation for the better.

TRIPLE D MOTTO

INSPIRED BY
NATURE



We work to combat the climate crisis and aim to minimize our impact on the environment throughout our value chain. While looking for ways to protect "nature" in every step of our business, we bring our sustainable collections to our customers with the inspiration that nature gives us.

WE GROW WITH
PEOPLE-ORIENTED
TRANSFORMATION



With our people-centered perspective, we create value for all our stakeholders and grow together with them. We aim for every stakeholder we touch - our employees, suppliers and customers - to join us on our journey to make a sustainable difference.

WE CREATE
ECONOMIC AND
INNOVATIVE
VALUE



We see ourselves as a technology company as well as a fashion and ready-to-wear brand. We utilize the power of technology at every stage of our business, from the design stage to customer experience, produce innovative solutions, and aim to create sustainable economic impact for DeFacto and our country.

OUR MATERIALITY ANALYSIS

The world of sustainability encompasses dozens of different topics. Companies, on the other hand, have to decide which issues they should put at the core of their strategies by evaluating the impacts on their own operations, the sector they are in and their value chains. Only if these strategic decisions are made correctly, they have the chance to use their existing financial and non-financial resources in areas where they can create a positive impact or limit their negative impacts.

At DeFacto, we see sustainability as a world of risks and opportunities. To be successful in this world, it is crucial to accurately identify where risks and opportunities are concentrated. **Through our strategy studies, we are looking for the answer to where our potential negative impacts are focusing within our industry and business model, and how to turn this impact into a positive one.**

In 2024, we set out with this understanding and renewed our materiality analysis. We identified high-priority and material issues where we could optimize our impact by considering the opinions of both our internal and external stakeholders. In this context, we proceeded with a project consisting of four steps.

- ①

External Environment Analysis
In order to identify our sustainability-related risks and opportunities and material issues, we reviewed industry-focused international initiatives such as SASB Sector Standards, MSCI Materiality Map, and best practices in our industry. In this way, we identified our potential material issues.
- ②

Stakeholder Analysis
We gathered the opinions of nearly 100 stakeholders from the main stakeholder groups that affect DeFacto's value creation capacity, focusing on material issues. Thus, we categorized our potential material issues into three levels: very high priority, high priority and material.
- ③

Risk-Opportunity Study
With the support of our risk team and sustainability consultant, we analyzed our risks and opportunities around the issues we identified as high priority, and identified their potential impact on DeFacto. We integrated the identified sustainability-related risks and opportunities into our corporate risk management.
- ④

Senior Management Approval
We have received the approval of our senior management, particularly our Sustainability and CSR Chairman, regarding our material issues with different priority levels and the risks and opportunities associated with them.

4 We include the outputs of our Risk and Opportunity Study step under the heading of Our Risk Management Approach.

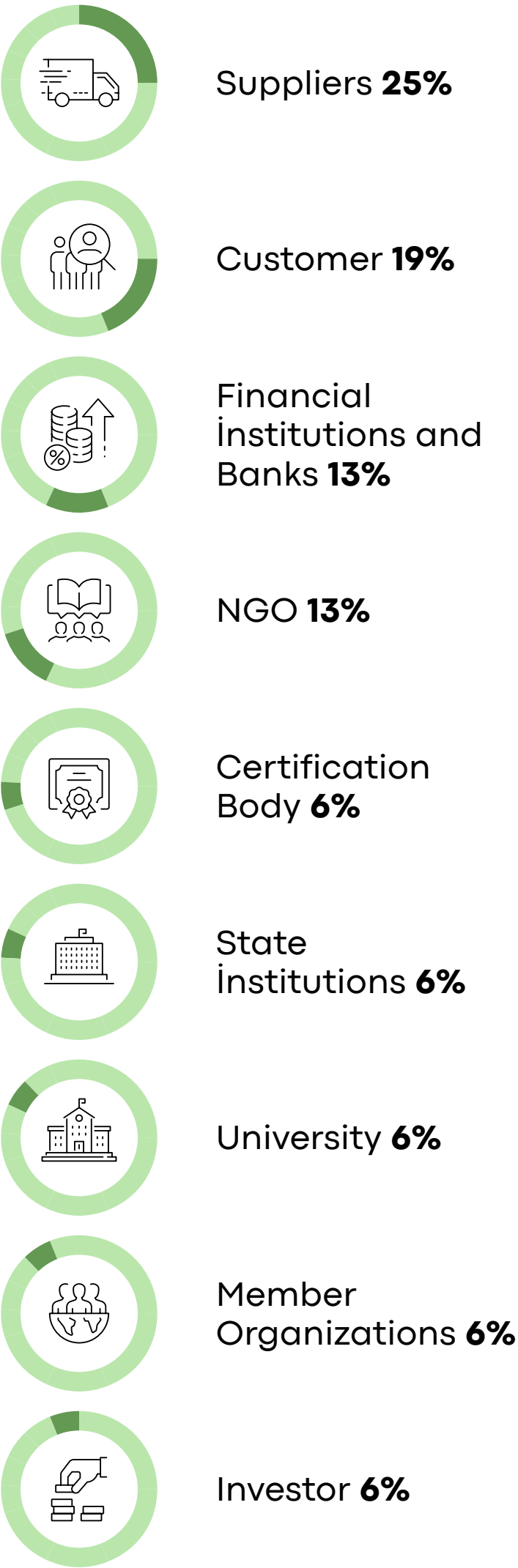
Stakeholder Survey

We reviewed our sustainability priorities by gathering input from approximately 100 stakeholders representing 11 different stakeholder groups.

The most critical step of our materiality analysis, which we renewed this year, was the feedback we received through the stakeholder survey. Thanks to the feedback we received from 11 different stakeholder groups, we had the chance to see our impact on our sustainability focuses and the impact of these issues on DeFacto strategy in detail.

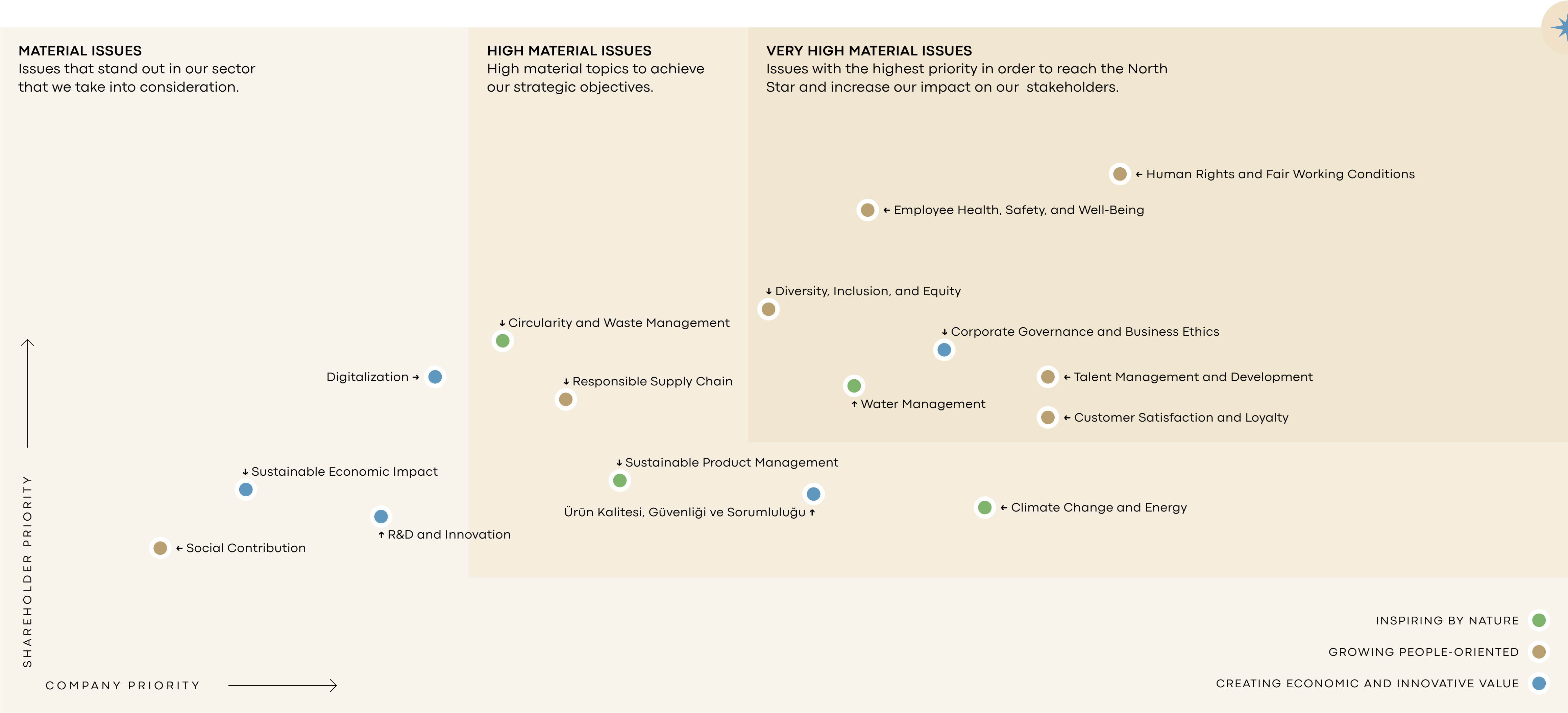
Our internal stakeholders were represented by our employees and senior management, while our external stakeholders consisted of customers, suppliers, financial institutions and banks, universities, certification bodies, non-governmental organizations, investors, government agencies and organizations of which we are a member. Nearly 100 stakeholders participated in the survey, with the highest participation from our employees. Each stakeholder provided feedback on the areas that they consider critical for DeFacto and where we need to focus our efforts. The 16 potential material issues we identified as part of the external environment analysis were evaluated according to the opinions of our stakeholders and their impact on our company.

Stakeholder Survey Participation of External Stakeholders (%)
























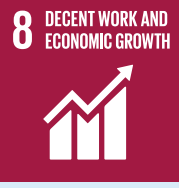


MATERIALITY MATRIX

Thanks to the steps we took throughout the analysis, potential material issues were listed in order of importance and priority. Among these issues, 7 issues were identified as very high priority, 5 as high priority and 4 as priority issues.



INTEGRATION OF MATERIAL ISSUES INTO SUSTAINABILITY STRATEGY

Our integrated thinking ensures that our sustainability strategy and corporate strategy are strengthened around each other. At the same time, it answers the question of how our company transforms its outputs into value for its stakeholders by using its capital elements, which are the sources of value creation. **We combine the strength of our corporate strategy, which has made DeFacto a global fashion brand, with our vision of becoming a sustainable fashion brand.**

Our Focus Area	Our Material Topics	Affected Value Chain Step	Capital Items We Create Value	Contributed SDGs
 <div>NATURE Inspired by Nature</div>	<ul style="list-style-type: none">Climate Change and EnergyWater ManagementCircularity and Waste ManagementSustainable Product Management	<ul style="list-style-type: none">DesignRaw Material SupplyWet and Wet ProcessingDistributionSales through Stores and Online Channels	<div> NATURAL CAPITAL</div> <div> SOCIAL AND RELATIONAL CAPITAL</div>	<div></div> <div></div>
 <div>TRANSFORMATION We Grow with People-Oriented Transformation</div>	<ul style="list-style-type: none">Human Rights and Fair Working ConditionsDiversity, Inclusion, and EqualityTalent Management and DevelopmentEmployee Health, Safety, and WelfareResponsible Supply ChainSocial ContributionCustomer Satisfaction and Loyalty	<ul style="list-style-type: none">Raw Material SupplyYarn SpinningWeavingWet and Wet ProcessingCutting and SewingSales through Stores and Online ChannelsUsage	<div> HUMAN CAPITAL</div> <div> SOCIAL AND RELATIONAL CAPITAL</div> <div> INTELLECTUAL CAPITAL</div>	<div></div> <div></div>
 <div>VALUE We Create Economic and Innovative</div>	<ul style="list-style-type: none">Sustainable Economic ImpactR&D and InnovationProduct Quality, Safety, and ResponsibilityDigitalizationCorporate Governance and Business Ethics	<ul style="list-style-type: none">DesignSales through Stores and Online ChannelsUsageEnd of Life	<div> FINANCIAL CAPITAL</div> <div> MANUFACTURED CAPITAL</div> <div> INTELLECTUAL CAPITAL</div> <div> SOCIAL AND RELATIONAL CAPITAL</div>	<div></div> <div></div>

OUR VALUE CREATION MODEL

Thanks to our integrated transformation journey, we are taking our sustainability efforts, which we have been carrying out for many years, to the next level.

Transformation means continuous renewal and differentiation in the sector for us. Thanks to our integrated transformation journey, we are taking our sustainability efforts, which we have been carrying out for many years, to the next level. From our strategic focuses to our material issues, we create our value creation model as a result of the analyses we carry out in order to build our sustainability strategy on more solid foundations.

As we reveal how we create value for our stakeholders, we are guided in this process by the six capital elements defined by the Integrated Reporting Framework. While aligning our priorities under our "Triple D" focus, we also evaluate which capital elements we use to create value.

One of the critical steps in this process is to define what each capital item means for DeFacto. From DeFacto's perspective, we identify the resources we use in relation to capital items, the indicators that constitute input to these resources, and the outputs generated by our operations.

We believe that there is a link between each of our capital elements that will strengthen each other. For example, we differentiate ourselves within the sector through our R&D investments, one of our intellectual capital inputs, and contribute to profitability, one of our financial capital outputs. Thanks to this transitional movement in all our capital elements, we maximize the contribution and experience of working together between our operations and units.



FINANCIAL CAPITAL

With our investments, strong capital and subsidiary structure, we define our assets that contribute to our multi-channel growth target in all geographies where we are present and where we aim to be, and all financial items that create sustainable economic impact as our financial capital.



SOCIAL AND RELATIONAL CAPITAL

We manage our relationships with all our stakeholders with a value creation perspective. We define our contribution to the development of our suppliers, customers and stakeholders from all segments of society as our social and relational capital.



MANUFACTURED CAPITAL

We define our physical and online stores that enable us to provide uninterrupted service to our customers, our facilities where we carry out our production and design processes, and the tools we use to ensure a fast supply and logistics network as manufactured capital.



INTELLECTUAL CAPITAL

While working with a focus on growth, we see new designs, innovative approaches we develop through collaborations and the steps we take in digitalization as our intellectual capital.



HUMAN CAPITAL

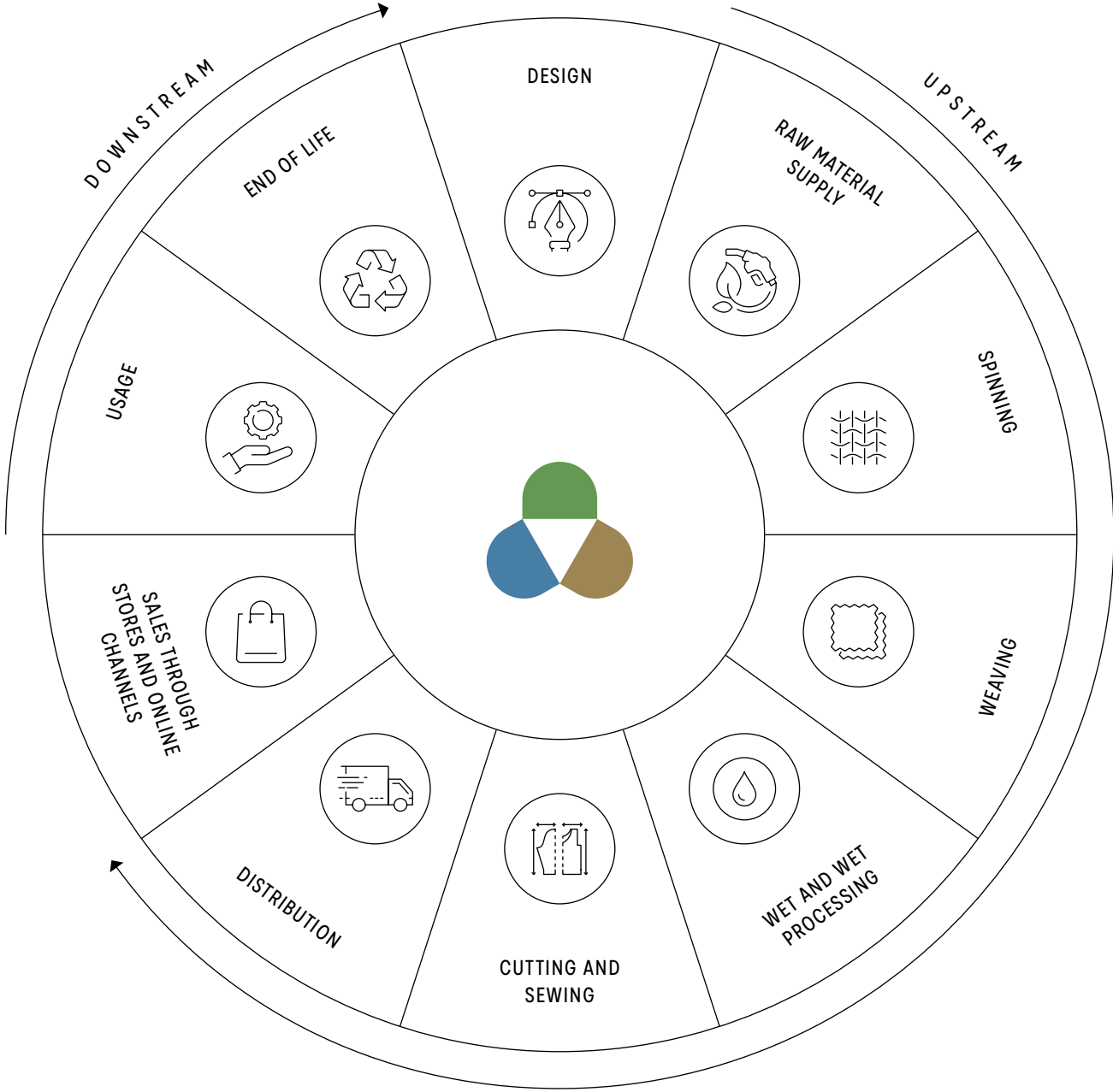
Depending on the principles we define in DeFacto DNA, we define all our investments and projects that we aim to increase the competencies, loyalty and happy moments of our employees as our human capital.



NATURAL CAPITAL

We define all of the natural resources we use in our operations throughout our value chain as our natural capital. We aim to minimize our use of natural capital inputs with our goals and projects that focus on "Inspired by Nature".

Inputs		Value Created	Stakeholder Group for which Value is Created
Financial Capital	<ul style="list-style-type: none"> Equity capital Total investment expenditures Diversity of financing Effective and systematic risk management approach 	<ul style="list-style-type: none"> 41.4 Billion TL in revenue Export Contribution of 4.5 Billion TL 153 million TL corporate tax, 400 million TL VAT refund payment 	<ul style="list-style-type: none"> Senior Management Investors Financial Institutions and Banks State Institutions
Manufactured Capital	<ul style="list-style-type: none"> 504 stores in total, 32% of which are abroad 9 sub-brands Widespread and efficient warehouse network with 12 warehouses Robotic systems in warehouses, large storage areas and digital sorter systems 	<ul style="list-style-type: none"> Meeting DeFacto products with customers in 100 countries Storage capacity of 30.9 million units in the Çerkezköy warehouse complex and 9 million units in our Istanbul e-commerce warehouse 	<ul style="list-style-type: none"> Customers Employees
Natural Capital	<ul style="list-style-type: none"> Total energy consumption SBTi compliant emission reduction targets Transition to renewable energy Green logistics studies Resource efficiency and waste reduction efforts Sustainable use of raw materials Better Cotton membership Sustainable collection studies 	<ul style="list-style-type: none"> 231.9 MWh energy savings with air conditioning automation system Amount of emissions avoided A total of 2,788.26 MWh of clean energy use with planned renewable energy projects 46.08 tons CO₂e greenhouse gas emissions avoided through green logistics efforts Saving over 23 tons of paper with digital sales documents, financial savings close to 2.6 million TL 35% of the products in DeFacto ready-to-wear collections are sustainably sourced 25% Better Cotton use in cotton consumption Regenerative Denim Collection 	<ul style="list-style-type: none"> Customers Suppliers Certification Bodies
Intellectual Capital	<ul style="list-style-type: none"> Over 147 million TL R&D and Design Center incentives Over 243 million TL R&D budget 67-member Design Center team Smart design warehouse investment 39 license rights Over TL 43.6 million information technologies investment Our Digitalization and Digital Innovation Practices Product, store and customer-oriented technology investments 	<ul style="list-style-type: none"> 20 completed projects of R&D nature Nearly 250 small-scale development and product development activities 8 patents, 8 design registrations and 8 copyrights 5.5 million licensed product sales Completed 8 information security and cyber security projects Blocked more than 12.3 million malicious emails and more than 1.1 million data loss attacks Turnover impact of over 7.3 million TL with Scan&Go application Over 1,8 million sales made with the Pay in Store app 	<ul style="list-style-type: none"> Employees Customers Universities Business Organizations
Social and Relational Capital	<ul style="list-style-type: none"> The social responsibility approach we created with the Happiness Ambassadors Group (MEG) Local and efficient supplier network 516 suppliers actively working with Sustainable Supplier Working Principles Supplier development, evaluation and audit programs Apps that deliver seamless customer experience Applications that increase customer loyalty with DeFacto Gift Club Customer Satisfaction Policy Over 2 million TL in product donations 	<ul style="list-style-type: none"> 55% local suppliers 45 suppliers evaluated within the scope of Technical and Social Compliance audits 886 suppliers included in the traceability audit Total turnover impact of over TL 1.5 billion with omnichannel applications Reached with DeFacto Gift Club <ul style="list-style-type: none"> 17.3 million members 9 million active shoppers 100% of customer feedback resolved 	<ul style="list-style-type: none"> Civil Society Organizations Associations and Member Institutions Suppliers Customers
Human Capital	<ul style="list-style-type: none"> 11,955 employees Our understanding of Diversity, Inclusion and Equality Türkiye's first Happiness Directorate 7.2 million TL investment in competent and individualized education programs Transparent and fair performance management tools "Right job, right person" philosophy Proactive employee health and safety actions 	<ul style="list-style-type: none"> 61% female employees, 43% female managers 438,246 hours of training in total and 26.31 hours per employee Successful filling of vacancies with internal talent 1,862 employees are subjected to full-scale performance evaluation 5.36 accident frequency rate 	<ul style="list-style-type: none"> Employees Universities





NATURE

Inspired by nature

“We are inspired by nature” as we look for ways to use our existing resources more efficiently. In 2050, we set out with the goal of becoming net zero in our own operations; we continue to run towards our goals focused on water consumption, sustainable raw material use and sustainable packaging.

How do we make a difference?

The climate crisis is much more than a crisis of some sectors, countries, or units; it is a global crisis. This crisis, on which the future of the world depends, poses a significant threat to the sustainability of the business of companies that only pursue financial performance in the medium and long term. With this understanding, we prioritize taking steps to combat the climate crisis that will set an example for our industry and our country.

As DeFacto, we are constantly working to build a sustainable future by utilizing the sphere of influence of fashion. While our sustainability journey has been going on for more than 10 years, we are one of the first companies to take initiative in this field. In this context, we became one of the first two companies in the ready-to-wear and fashion industry in Türkiye to sign the United Nations Global Compact (UN Global Compact) in 2014.

We care about the commitments we make to ourselves and all our stakeholders in the field of sustainability. Accordingly, we adopt

corporate sustainability as a core value of our corporate culture and carry out studies in this field. In order to combat the climate crisis, we have SMART targets in many areas from our raw material preferences to our designs, from energy and water use to waste reduction. In line with these goals, we aim to become a net zero company by 2050. **In 2024, we will take these goals one step further by launching our commitment process following the approval of our targets by the Science-Based Targets Initiative (SBTi) on January 24, 2025, in line with our 2030 and 2050 targets.**

We have been inspired by nature in our products and designs, and we have achieved firsts in minimizing the environmental impact. With our apple, olive, and finally tea leather collections, we create vegan and sustainable collections by producing plant-based leather as an alternative to animal leather. Thanks to our collections, we provide an environmentally friendly production process by reducing the carbon footprint, as well as extending the service life of our products with the use of more durable plant-based leather.

In addition, we are working to prevent the global climate crisis by using **Wiser Wash technology**, which reduces water consumption, or **regenerative cotton**, which supports the formation of regenerated land.

With the understanding that we are inspired by nature, we are moving towards our goals in many focuses, **from the sustainability of our collections to the use of renewable energy sources and the reduction of water use in our supply chain.**

Our 2030 and 2050 Targets

2030
Ensuring that 90% of our ready-to-wear collections are sustainable
Reduce our Scope 1 and 2 greenhouse gas emissions by 55
Reduce our Scope 3 greenhouse gas emissions by 51.6% per TL value added within the scope of purchased products and services
Reduce the water impact in our supply chain by 25%
To obtain 100% of the electricity used in our operations from renewable sources
2050
Zero emissions from our operations
Become a climate-positive brand in the following periods



CLIMATE CHANGE AND ENERGY

We see the climate crisis, which the United Nations defines as a "red alert for humanity", as one of the most serious problems facing the world. As one of the leading players in the apparel and fashion industry, we take responsibility to prevent the deepening of the crisis, adapt to the changing conditions caused by climate change and minimize its impact.

In order to reduce the impact of the climate crisis within the scope of our operations, we carry out the necessary measurements, monitor and carry out efficiency studies to minimize this impact in locations where we have emission and energy impact, such as our Headquarters, stores and warehouses we own.

We manage all environmental issues in accordance with our Environmental Policy. This framework, which defines our basic criteria for combating climate change, enables us to work with the same discipline in all our operations.

You can also access our [Environmental Policy](#) via the link below.



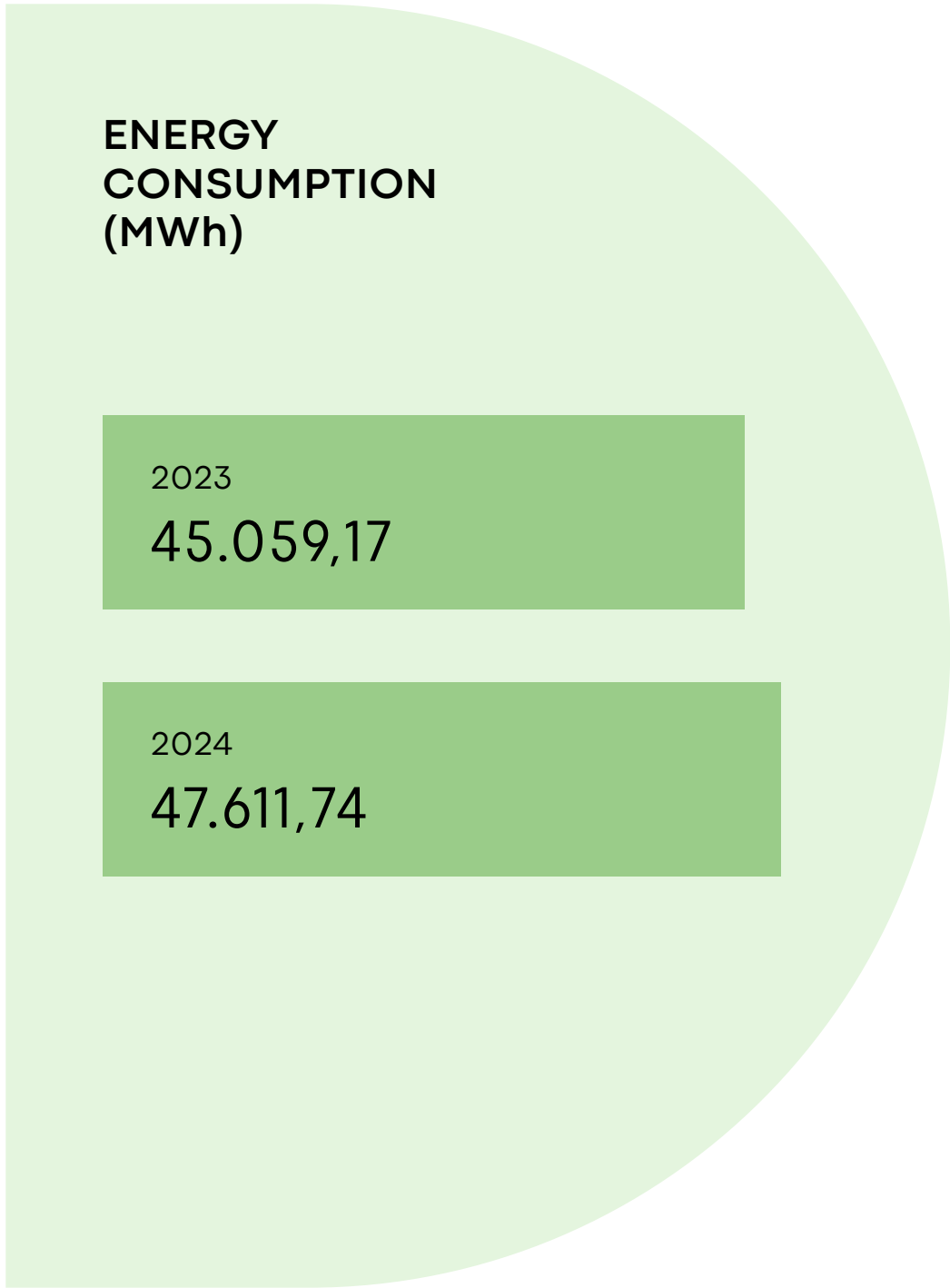
ENERGY MANAGEMENT, EFFICIENCY AND CLEAN ENERGY USE

We believe that one of the most effective ways to realize our climate-oriented goals is to manage our energy consumption. With this understanding, we advance our energy management processes in accordance with the ISO 50001 standard, and we consider [our Energy Policy](#), which we have created in accordance with these criteria, as a guide to support our operations.

We aim to minimize our environmental impact resulting from our activities that generate value for all our stakeholders and to improve our performance in this area continuously. Although there is an EIA (Environmental Impact Assessment) exemption for our own production facilities, we act with the awareness of our environmental responsibilities and ensure relevant compliance. In this context, we have not caused any damage to the environment, nor have we encountered any complaints or public lawsuits.

We attach importance to regular data monitoring within the scope of energy consumption reduction and efficiency. Within the scope of our operations, we monitor our energy consumption on a location basis. We identify our energy-intensive steps and prioritize these areas. In 2024, our total energy consumption was 47.611,74 MWh.

To reduce energy consumption from our own operations, we focus on energy efficiency in lighting and air conditioning in our stores and buildings, and lighting and automation systems in our warehouses.



Transition to Renewable Energy

We are working on renewable energy solutions to reduce our energy consumption from fossil fuels, one of the most important causes of climate change. Thanks to the renewable energy investments we made in our Çerkezköy warehouse and Basın Ekspress Cadde store, we added clean energy solutions to DeFacto's energy consumption distribution. With the solar energy systems (GES) on the roof of our warehouse and store, we consumed 1,603 MWh of renewable energy during the year.

In 2025, we plan to increase the scope of our SPP investments. In our initial planning, we plan to switch to renewable energy with the installation of solar energy systems on the roof of our Yassıören warehouse and in 11 domestic and international stores. In this way, we aim to provide 1,144.79 MWh of clean energy transition in Yassıören warehouse, 1,271.82 MWh in domestic stores, and 371.65 MWh in international stores.

Air Conditioner Automation System

As a growth-oriented company, we carry out store transformation activities to keep our energy consumption within a certain limit as the number of our stores increases. The use of energy-efficient air conditioning systems is one of the main steps we take in this context. With an investment of over 4.8 million TL in 2024, we have launched an air conditioning automation system that enables us to centrally control the climate settings in our 102 stores, aiming to reduce electricity consumption. Thanks to the project, we achieved 231.9 MWh of energy efficiency in 2024. Next year, we aim to increase the number of stores included in the transformation to 152, with 50 additional stores, and increase the total energy efficiency to 943.5 MWh annually.

Energy Monitoring System in Domestic and International Stores

In 2025, we aim to expand our energy monitoring system, which we completed planning in 2024 and commissioned at our Iraq store. This enables us to remotely monitor store electricity consumption and provide alerts regarding issues such as off-hours consumption and excessive energy use, with the goal of bringing consumption under control. Thanks to this project, we plan to achieve 437.8 MWh of efficiency next year.



Ozon Tekstil continued its energy management and clean energy efforts in 2024. In order to reduce energy consumption from fossil fuels and lower greenhouse gas emissions, the aim is to source the energy used in production processes at factories from renewable sources. In 2024, 1,000 KWh of I-REC certified green energy was used, and the goal is to achieve 100% renewable energy use by 2025.


GREENHOUSE GAS EMISSIONS AND MITIGATION EFFORTS

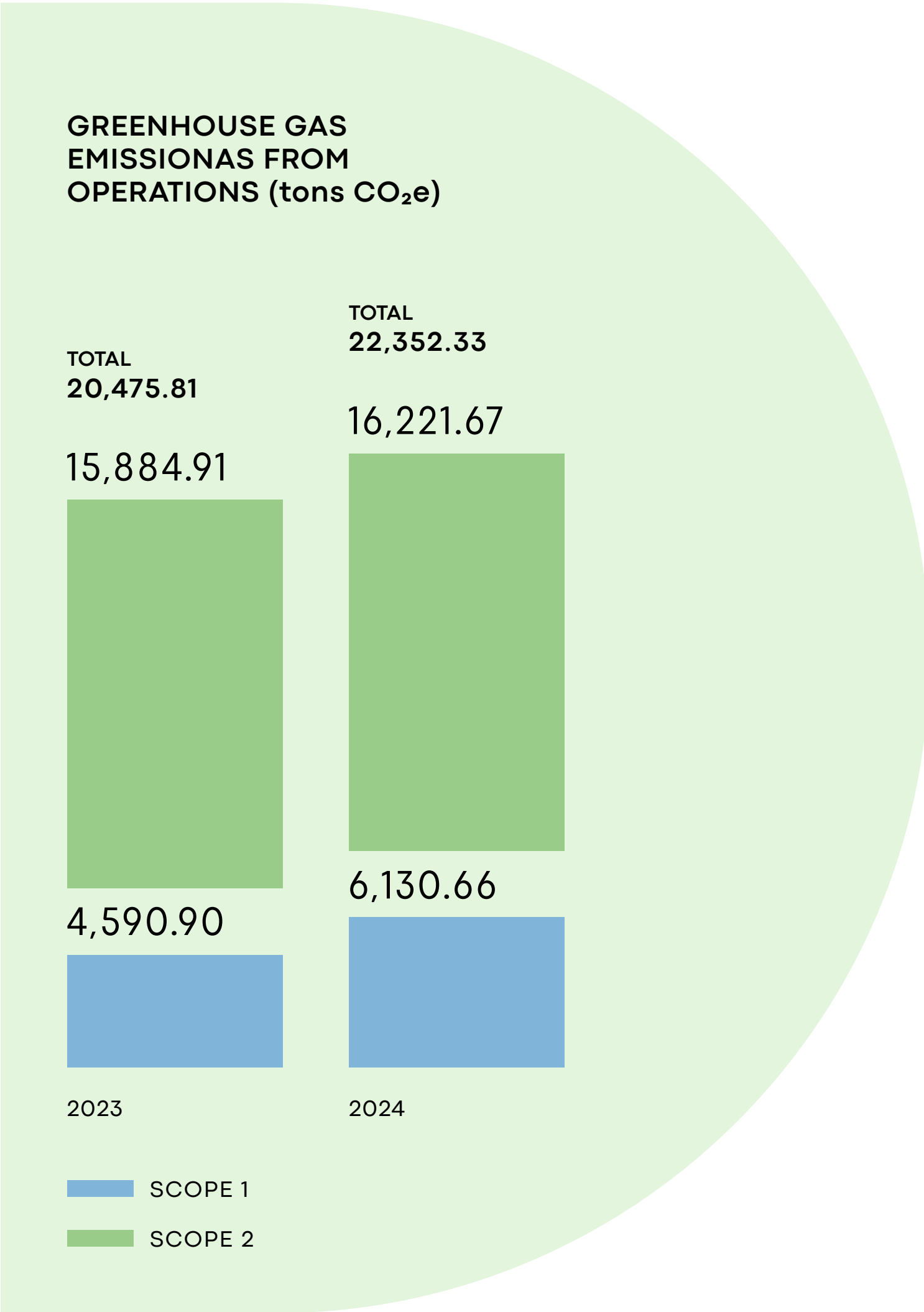
Reducing greenhouse gas emissions, one of the leading causes of climate change, is at the heart of our strategy to combat the climate crisis. In this context, we analyze our impact not only in our own operations but also throughout our value chain and work to minimize it.

Scope 1 and 2 Emissions

We apply our management approach, which adheres to standards in energy consumption, to the management of greenhouse gas emissions. We calculate our emissions in accordance with the ISO 14064 standard. Within the scope of our annual calculations, we also receive independent assurance from an audit institution and take our controls to the next level.

In 2024, we emitted 6,130.66 tons of CO₂e Scope 1 and 16,221.67 tons of CO₂e Scope 2 emissions within the scope of our operations. Total emissions from our operations amounted to 22,352.33. While there was a slight increase in Scope 1+2 emissions compared to the previous year, action plans were prepared to prevent this upward trend.

 Within the scope of Ozon Textile, emissions are calculated in accordance with the ISO 14064 standard. In 2024, Scope 1 and Scope 2 emissions from operations were 724 tons CO₂e and 474 tons CO₂e, respectively.



Scope 3 Emissions

In addition to our emissions from our operations, we measure our emissions throughout our value chain and carry out mitigation efforts. While measuring our Scope 3 emissions in 12 different categories, we also include these emissions in our understanding of science-based targets.

In total for all categories, our Scope 3 emissions were 387,020.08 tons of CO₂e. The Purchased Products and Services category had the highest share in our total emissions with a share of 69%, followed by the Use of Leased Assets category with a share of 13%.

With our goals focusing on 2030 and 2050, we aim to achieve net zero emissions in the entire value chain by 2050.

GREENHOUSE GAS EMISSIONS FROM OUR VALUE CHAIN (tons CO₂e)

2023

395,027.88

2024

387,020.08

Science Based Target Initiative (SBTi) Aligned Target Studies

At the center of our efforts to combat climate change is the Paris Agreement's goal of limiting the global temperature increase to 1.5°C. In 2024, we took a very important step to target this strategic perspective and develop our work in this direction. For 2030 and 2050, we have initiated efforts to have our existing targets recognized and approved by the Science Based Target Initiative (SBTi). In this way, we demonstrate that our emission reduction efforts and targets are in line with international climate science.

In the focus of these efforts, we have set 3 important goals in the short and long term, including both our own operations and our value chain. With our goals focusing on 2030 and 2050, we aim to achieve net zero emissions in the entire value chain by 2050. We have made history in the Turkish textile retail sector by completing the approval process for our targets at the beginning of 2025.



Our Operations		Value Chain
Short Term Goals	<ul style="list-style-type: none">• By 2030, we are committed to reducing our direct (Scope 1) and indirect energy consumption (Scope 2) emissions from our operations by 55%.	<ul style="list-style-type: none">• By comprehensively addressing emissions from products in our value chain (Scope 3, Purchased Products and Services), we aim to reduce emissions by 51.6% per million TL of added value by 2030.
Long Term Goals	<ul style="list-style-type: none">• By 2050, we aim to reduce our Scope 1 and Scope 2 emissions by 90%.	<ul style="list-style-type: none">• We aim to achieve a 97% reduction in Scope 3 emissions per million TL of added value by 2050.• As part of these goals, we are committed to achieving net zero emissions across the entire value chain by 2050.
<p>5 Our Scope 3 target in 2050 covers the categories of purchased goods and services, fuel and energy-related activities, business travel, upstream leased assets, and end-of-life transactions of products sold.</p>		

CDP Climate Reporting

In 2024, we responded to the Carbon Disclosure Project (CDP) Climate Program, whose methodology and reporting scope were updated. CDP reporting provides discipline to combat climate change and guides us to understand our place in the industry's focus. It also guides us on greenhouse gas emission reductions and ways to reduce our climate impact along our value chain.

In the program, which we participated in for the second time this year, we managed to raise our score by two levels and achieve a B rating, which is above the sector average. In addition to the average score of the CDP Climate Program, we care about and analyze our performance in the 16 categories in which it evaluates companies. In this year's evaluation, we are very proud that we managed to get the grade of A or A-, which represents the leadership level in 11 of the 16 categories .

We have initiated the necessary work to improve our score to an A level in the remaining 6 categories and the overall average. We believe that these efforts will not only raise our rating in the CDP Climate Program but also take us further in the fight against the climate crisis.

In this year's evaluation, we are very proud that we managed to get the grade of A or A-, which represents the leadership level in 11 of the 16 categories.

Green Logistics Studies

Thanks to our green logistics efforts, we prevented 46.08 tons of CO₂e greenhouse gas emissions and took on the responsibility of preventing the emissions of 2,095 trees.

We support green logistics activities to limit our greenhouse gas emissions. We cooperate with contracted logistics companies to use transportation models with lower greenhouse gas emission impact.

We aim to reduce our environmental impact by following intermodal transportation practices using at least two different modes of transportation without changing the transport container. In 2024, we acted with a green logistics perspective in our transportation activities with Mars Logistics. We took advantage of intermodal transportation options that offer optimum models by using many transportation methods together. Thanks to our green logistics efforts, we prevented 46.08 tons of CO₂e greenhouse gas emissions and took on the responsibility of preventing the emissions of 2,095 trees.



WATER MANAGEMENT

We adopt a systematic approach to reduce our water consumption both in our own operations and at every stage of the product life cycle.

Protecting water resources remains one of our critical priorities in the fight against the climate crisis. Accordingly, we adopt a systematic approach to reduce our water consumption both in our own operations and at every stage of the product life cycle . Our strategy is based on two main axes: reducing our operational water consumption and choosing raw materials and production processes that consume less water in our collections.

With our management approach based on accurate data, we comprehensively measure our water footprint and set our targets based on this data. In 2022, as part of the water footprint studies we initiated, we analyzed the water consumption used by our headquarters building, logistics centers, high street stores, and suppliers in product production. In 2024, we continued these measurement activities and evaluated our water management performance from a broader perspective.

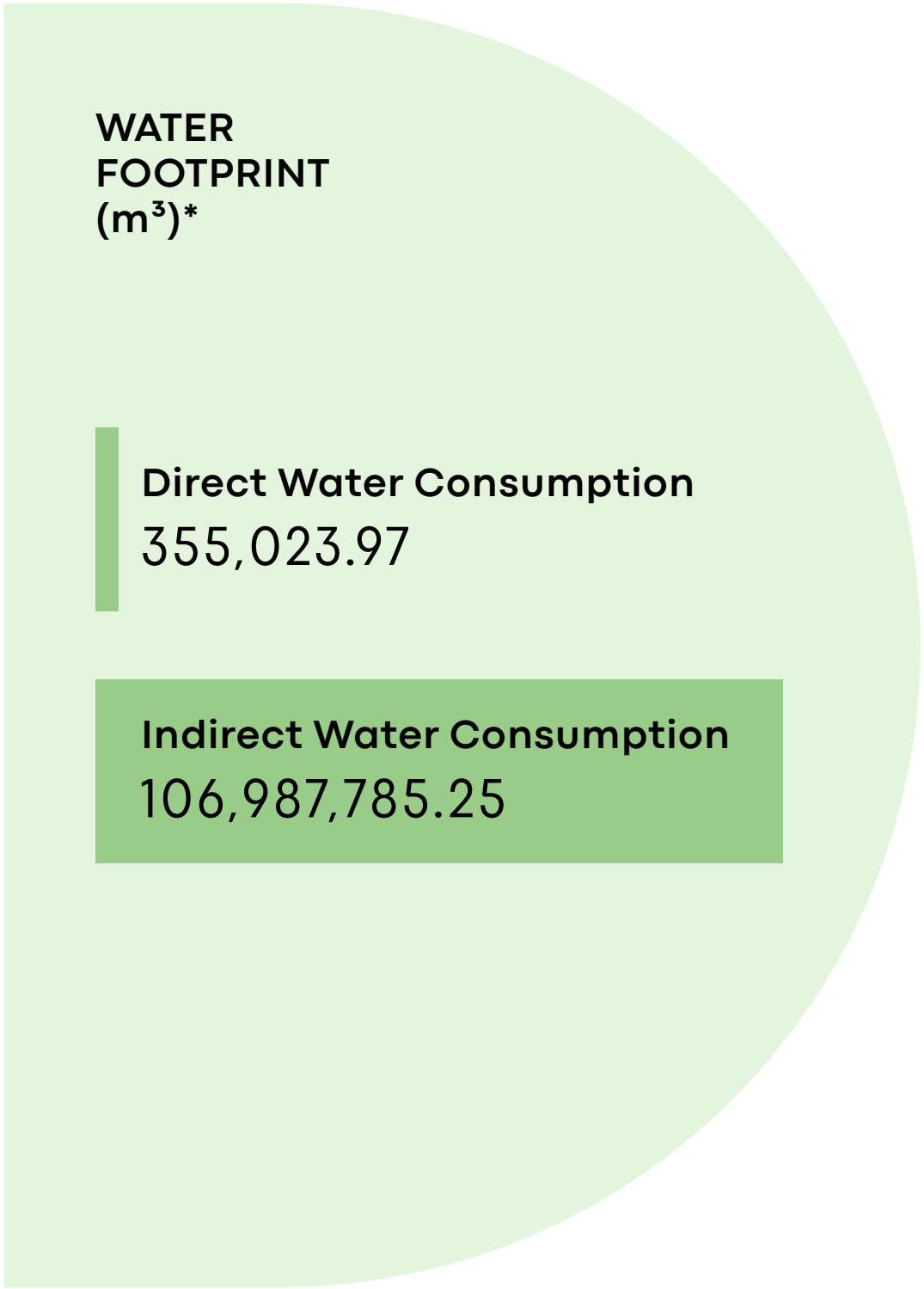
Water efficiency is our priority from raw material procurement. We include fibers produced with lower water consumption in our collections and prefer certified and environmentally friendly materials. Materials that reduce water consumption, such as LENZING™ ECOVERO™ viscose, European Flax™ flax, become a priority in the product design phase. In production processes, we support techniques that enable production with less water and encourage our manufacturers in this field with innovative solutions.

In 2024, we extracted 235,840.84 m³ of water for our own operations and discharged 92,883.85 m³ of water. Based on these extraction and discharge values, we consumed 142,956.99 m³ of water. In addition to water consumption resulting from our operations, we analyze our direct and indirect water footprint to calculate our broader water-related impact. In this context, our direct water consumption in 2024 amounted to 355,023.97 m³, while our indirect water consumption reached 106,987,785.25 m³, including water used in products sold, packaging, disposal processes, and wastewater treatment.

We not only reduce water consumption, but also focus on reducing our environmental impact through effective wastewater management practices. We ensure full compliance with the legislation by directing domestic wastewater generated at our Headquarters and logistics centers to the treatment systems of the relevant municipalities.

We are moving towards our goal of reducing the water impact of our supply chain by 25% by 2030.

In order to achieve this goal, we aim to develop a common awareness on water and wastewater management with our suppliers, increase technical capacity, and co-sign projects that will reduce water use.



* DeFacto's direct and indirect water consumption for its 2024 activities has been calculated without any impact assessment based on the established model. All water withdrawals in the life cycle inventory established with OpenLCA 2.0 and Ecoinvent 3.9.1 were subtracted from all water discharges, and the remaining amounts constitute water consumption.

CDP Water Security Reporting

In 2024, we adapted to the holistic reporting approach of the Carbon Disclosure Project (CDP) and reported for the first time within the scope of Water Security. We aimed to evaluate our own performance in the field of water management as well as the approach we have developed to ensure water security with our products and services. Despite reporting for the first year, we managed to receive an A or A- grade, which represents the leadership level, in 4 categories of the questions we answered in 11 different categories. Our average score was B.

We have started to identify our gaps in order to increase our score to the leadership level in the coming period. We aim to realize our water management in the most accurate way with effective projects in this field.



Ozon Tekstil, which conducted a water footprint study to calculate the broad impact of water use, directly consumed 5,371.41 m³ of water from our supplier partners. Ozon Tekstil has achieved significant improvement in this regard, reducing consumption by 27% compared to the previous year.

CIRCULARITY AND WASTE MANAGEMENT

Another inspiration point of our "Inspired by Nature" approach is circularity. Circularity plays a key role in the transition to a textile system that delivers better economic, social and environmental outcomes. Research shows that by truly transforming the way products are designed, sold and used, an economic opportunity worth 500 billion dollars can be realized through circularity.

Waste management, reuse and recycling are at the heart of our circularity strategy. We are aware that the waste generated by the nature of the textile industry poses a global threat with both environmental and economic impacts. With this awareness, we develop solutions that will minimize waste at every stage of the product life cycle and allow us to use our resources more efficiently.

We see waste not only as a result, but also as a resource that can be reused and we integrate this approach into our operations and supply chain. We take steps to prevent waste by preferring recyclable and reusable materials, especially from the product design stage. We also review our packaging designs, increase the proportion of recyclable materials and optimize the use of resources.

During 2024, a total of 1115.49 tons of hazardous and non-hazardous waste was generated in our operations. Paper and cardboard packaging accounted for 99% of the 59% of non-hazardous waste. We meticulously carried out the processes of sorting, collecting and recycling waste. Ozon Tekstil, one of our business partners, reported the generation of 11.85 tons of hazardous waste, 472.23 tons of non-hazardous waste and 426.01 kilograms of textile waste in 2024.

Waste Amount (tons)			
	2022	2023	2024
Hazardous Waste	7.5	15.05	11.1
Non-Hazardous Waste	259.1	759.9	1104.4
Textile Waste	0.035	0.18	0.39



In 2024, Ozon Tekstil generated a total of 484.08 tons of waste, including 11.85 tons of hazardous waste and 472.23 tons of non-hazardous waste. All of the non-hazardous waste generated by Ozon Tekstil, i.e., 100%, was recycled. In total, 98% of the waste was reintroduced into the economy.

An important part of our waste management strategy is to raise awareness about textile waste and to be open to reuse opportunities. In this context, we aim to expand recycling practices in our internal processes while increasing the number of collaborations we carry out with our external stakeholders. We also donate our unsold products, thus preventing them from turning into textile waste. In 2024, we donated 18,406 products with a total value of over 2 million TL.

In order to conserve our resources, reduce our environmental impact, and build a more sustainable future, we adopt circularity not only as a production model but also as a value understanding. We reuse products that can be recycled in all our operations and locations.

With the Zero Waste principle, we work to ensure that all waste, including textile waste, generated in our head offices, logistics centers, and stores is recycled or reused. The basis of our understanding of circularity is to reuse waste as products and resources as much as possible before sending it for final recycling. When this is not possible, we recycle our waste in a way that does not have a negative impact on the environment. We dispose of our wastes containing or contaminated with residues of hazardous substances resulting from our activities in accordance with the relevant legal regulations.

With our resource efficiency perspective, we carry out various activities to reduce packaging before it turns into waste. In this context, we prioritize the reduction of cardboard boxes, paper, and plastic packaging used in our shipment processes.

6 Ellen MacArthur Foundation, A new textiles economy: Redesigning fashion's future (2017).



Digital Waybill and Digital Sales Document

One of the most important projects among the steps taken is our project to reduce the use of paper delivery notes to zero at warehouse exits. In 2024, we cut over 3.5 million waybills in B2B processes and 9.8 million waybills in B2C processes as e-waybills with fully digital methods, saving money while significantly reducing the negative impact of this process on nature.

At the same time, **with the Digital Sales Document project developed** in direct proportion to DeFacto Technology's digital merchandising focus and the principle of "It's your world, treat it well", **we increased our rate of sending digital sales documents to 71% of all sales in 2024.** In this way, by sending a total of 18,240,739 digital sales documents, we saved over 23 tons of paper and achieved financial savings of nearly 2.6 million TL.

Packaging Reduction in Our Warehouses and Facilities

We took steps to improve the products we use and the waste generated in our facilities. By removing the printers used on the packaging desks in the warehouses, we eliminated the process of printing out and putting them into packages and parcels at the warehouse exits, thereby reducing maintenance costs and electricity use.

We also continued our efficiency efforts to limit our use of new parcels. In 2024, approximately 3,539,308 parcels of products, excluding non-commercial, were shipped to all channels, while new parcel intake represented 29% of total parcels used.

SUSTAINABLE PRODUCT MANAGEMENT

SUSTAINABLE RAW MATERIALS

All materials have an impact on the environment, from their production to their use and ultimately to their end-of-life and disposal. As DeFacto, **we aim to sustainably source 90% of our ready-to-wear collections by 2030** in order to reduce our environmental impact and increase the sustainability of the raw materials used in the production of our products.

In this target journey **In 2024, the share of these sustainably sourced products in all DeFacto ready-to-wear collections increased by 14% compared to last year and reached approximately 35%.**

In 2024, the share of sustainable collections increased to 35% of all DeFacto ready-to-wear collections.

Sustainable Accessories and Labels

In addition to our ready-to-wear products, we also care about the sustainable features of our accessories and product labels.

We prioritize our trims and metal buttons within **sustainable accessories**. By 2024, 100% of our metal buttons are produced from recycled materials and we sustainably source approximately 70% of all trims. In 2027, we aim to sustainably source 100% of our trims.

To strengthen the sustainable features of our labels, we focus on washing instruction labels and price label cards. All of our cardboard price tag cards are FSC-certified and sustainable. In addition, we supply 100% of the washing instruction labels from recycled materials from our existing textile accessories. We also provide our customers with 100% recycled shopping bags.

Organic Cotton

Ecologically grown cotton is grown without chemical pesticides or fertilizers and does not contain genetically modified organisms (GMOs). This helps preserve seed biodiversity and soil fertility. This process reduces water consumption and greenhouse gas emissions, helping to tackle the climate crisis.

Working with the awareness of these benefits of organic cotton, DeFacto uses only ecologically grown cotton certified by the Organic Content Standard (OCS) or Global Organic Textile Standard (GOTS), which controls the entire process from raw material to the final product.

Better Cotton

We are the second Turkish member of Better Cotton, a non-profit organization that educates farmers on the principles of honorable work, efficient water use, and soil and natural environment protection. Better Cotton is sourced through a chain of custody model called mass balance, where Better Cotton farmers benefit from demand for Better Cotton in volumes equivalent to the quantities sourced.

As Defacto, we became the second brand in Türkiye to become a Better Cotton member by launching our Better Cotton membership in 2022. In this way, we are proud to support the implementation of sustainable agricultural principles in cotton production that support environmental health and the development of cotton farmers.

By the end of 2024, we increased our total cotton consumption by 9% compared to the previous year and realized 25% of our cotton consumption as Better Cotton . We aim to increase this rate to 50% in 2027.

Recycled Cotton and Polyester

Another issue in our sustainable raw material focus is the use of recycled cotton and polyester, which is also an indicator of our circularity approach. Thanks to these raw materials, which are made from textile residues from production or post-consumer textile waste from collected garments, we reduce the use of virgin materials used in raw material production.

We work in collaboration with our suppliers to create a circular system that enables textile waste to be used in new garments. In this context, we use recycled raw materials certified by the Global Recycled Standard (GRS) or Recycled Content Standard (RCS), which ensures control of the entire process from raw material to the final product.

Sustainable Viscose

Sustainable viscose, an all-natural material derived from industrially grown trees grown in a controlled manner and with programs that guarantee reforestation, plays an important role in our sustainable raw material approach. This sustainable raw material, whose production process is water-friendly and reduces greenhouse gas emissions, helps us protect biodiversity and prevent climate change.

We use viscose fibers from renewable wood sources certified by the Forest Stewardship Council® (FSC) or LENZING™ ECOVERO™ through an environmentally responsible production process that controls the entire process from raw material to final product.

SUSTAINABLE COLLECTIONS



Collection Design from Tea Leather

In 2024, we added our tea leather collection, which emerged with a circularity approach and a production process that reduces carbon footprint, to our work under the umbrella of sustainability. With our tea leather collection, we develop sustainable and environmentally friendly fashion products by utilizing the waste of the tea plant. Within the scope of the collection, we used vegan leather produced from Wastea fabric obtained from 100% domestic tea plant as a result of our cooperation with Çaykur. In this way, we bring plant wastes to the textile industry, take our understanding of producing plant-based leather as an alternative to animal leather to the next level and combine it with circularity.

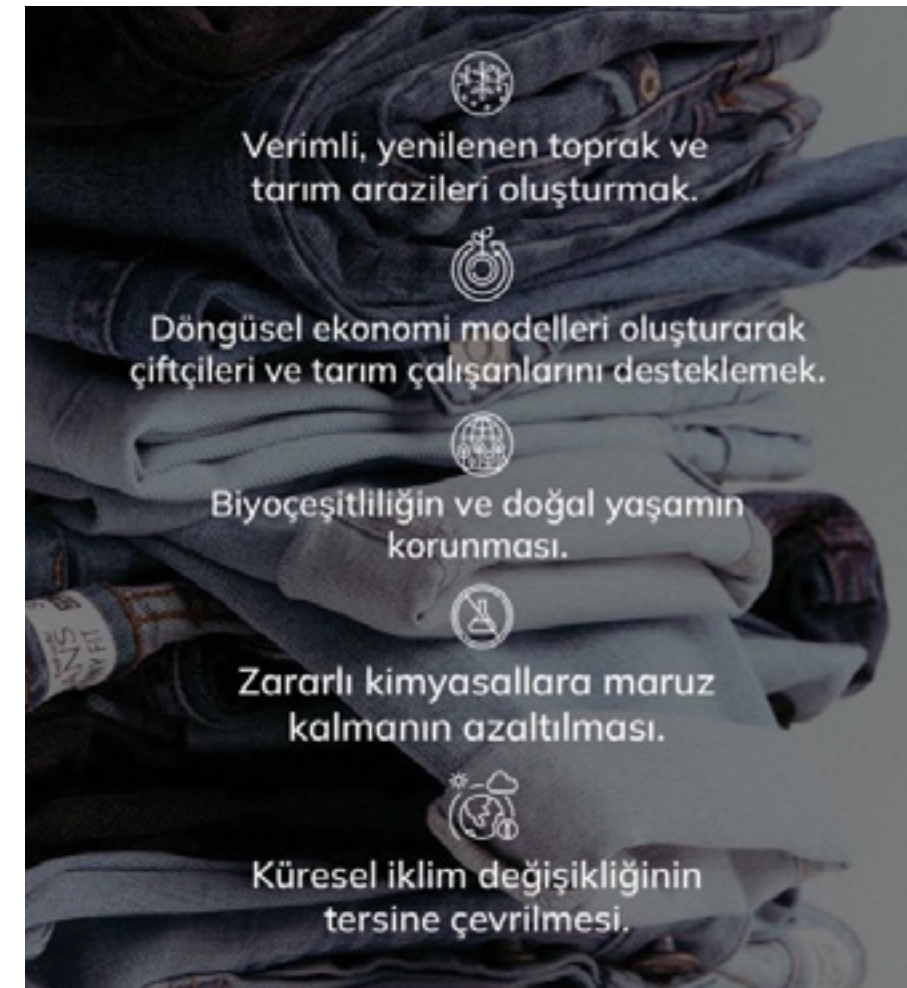


With the collection, we provide an environmentally friendly production process by reducing the carbon footprint, as well as extending the lifespan of our products with the use of more durable plant-based leather. These fabrics are also 97% recyclable in nature.

Regenerative Denim Collection

Since 2010, regenerative agricultural practices, the newest chain link in sustainable production, have focused on improving a farm's natural resources, increasing nutrient levels, water holding capacity, soil organic matter and soil health, helping to sequester more CO₂ from the atmosphere and increasing soil biodiversity.

Regenerative agriculture practices have been one of the important opportunities for our industry. In 2024, we created a denim collection made from regenerative cotton in collaboration with Maritaş Denim, Türkiye's first denim fabric manufacturer that directly supports green agricultural practices in cotton production.



Thanks to the collection designed with fabrics containing natural cotton, we minimize the use of chemicals, support the self-repair of the soil and use fabrics woven with cottons obtained from environmentally friendly agriculture that contribute to sustainability.

We offer 5 different jean models to our customers in the regenerative denim collection, which is part of our men's collection. In the collection, where we aim to add new product options in the following periods, the cottons used in weaving the fabrics are certified by Control Union, which has been conducting inspections and certifications in more than 70 countries for more than 100 years.

Olive Skin Collection

In line with our vision of being a "climate-positive brand", we care about developing sustainable alternative textile raw materials and raising environmental awareness by increasing the use of vegan leather in collections. In our Olive Leather collection, which we designed with 100% vegan and recyclable materials, we used artificial leather produced from olive waste.



Our collection also included pieces such as bags, wallets, belts, and shoes in natural and classic colors with vegan olive leather, which does not contain any animal fibers such as wool, fur, and silk, and at the same time does not use animal substances at any stage of the production process.

Our vegan leather belt, part of our olive leather collection, has been honored with the "Best Vegan Belt" award in the fashion category at the PETA Fashion Awards 2024 by PETA (People for the Ethical Treatment of Animals), a global non-profit organization dedicated to advocating for the rights of animals.

We also reduced greenhouse gas emissions during the production phase by 94% with the use of vegan leather.

Wiser Wash Sustainable Denim Collection

Thanks to our collection, where we use Wiser Wash technology, which limits the environmental impact of denim fabric production, we offer more sustainable denim products to our customers by reducing the ecological and water footprint of our products.

Thanks to its special treatment process, Wiser Wash significantly reduces water and energy consumption without affecting the desired result. While it normally takes 16 liters of water to bleach a pair of jeans, this process reduces it to just one glass of water. It also reduces climate change impacts by 59%.





TRANSFORMATION

We grow with people-oriented transformation

Thanks to the collaborations we realize throughout our value chain, the insights we gather and the support of our employees, we “Strengthen with our stakeholders”. We continue to create “value” for our employees and all our stakeholders with our human-centered perspective.

How do we make a difference?

By focusing on employee happiness, we develop together with our employees who make DeFacto. We believe that our employees provide the greatest support behind our potential to create value for all our stakeholders. Listening to our employees, acting in accordance with their needs, and supporting both their professional and personal development helps us differentiate ourselves in the sector. One of our practices that makes a difference in this process is **our Happiness Directorate, a first in Türkiye**. Thanks to the Happiness Directorate, we realize projects and practices based on the demands and suggestions of our employees by saying "Happiness Suits Us!".

Another differentiating strength is **our understanding of diversity, inclusion, and equal opportunity**. With the responsibility one of the pioneering companies in Türkiye to sign the United Nations Women's Empowerment Principles (WEPs) in our sector in Türkiye, we work to increase the representation of female employees at all levels within our ecosystem and to encourage women's participation in business life.




EMPLOYEE ECOSYSTEM

Our employees are our most important supporters in achieving our future goals and realizing our strategic plans. Our employees' talents, commitment, and capacity to adapt to changes play a critical role in DeFacto's transformation and continuous growth.

We invest in our human capital in all geographies where we operate and aim to provide our employees with an equitable, creative, and innovative work environment where they can develop their potential. In order to transform this understanding into a culture, **we offer training opportunities that support the professional and personal development of our employees; we support gender equality, employment of young and disabled individuals with our principle of equality and inclusion; and we guarantee the safety, health and well-being of our employees through consistent and encouraging practices.**

By the end of 2024, we became a big family of 11,955 people. Our full-time employees make up 67% of our colleagues. White-collar and blue-collar employees make up 93% and 7% of our employee ecosystem, respectively. When we look at our employee distribution according to main task breakdowns, 75% of our employees work in our stores, 14% in our head offices, 8% in our warehouses and logistics centers, and 2% in information technologies. As a result of our operations around the world, 74% of our employees represent DeFacto values in Türkiye and 26% in our other operation countries abroad.

2023			2024 	
	Number of Employees	%	Number of Employees	%
By Task Type				
Store	9,716	74.8	9,015	75.4
Headquarters	1,853	14.3	1,641	13.7
Warehouse and Logistics	1,062	8.2	1,008	8.4
Information Technology	350	2.7	291	2.4
By Location				
Domestic	9,522	73	8,863	74
Abroad	3,459	27	3,092	26
Europe (excluding Türkiye)	812	6	433	4
Asia	1,373	11	843	7
MENA	1,258	10	1,816	15
According to Operation Type				
White Collar	12,049	93	11,066	93
Blue Collar	932	7	889	7
According to Age Distribution				
Under 30	9,371	72	8,355	70
Between 30-50 Years	3,507	27	3,492	29
Over 50 Years	103	1	108	1
By Gender				
Woman	7,798	60	7,287	61
Male	5,183	40	4,668	39



In 2024, Ozon Tekstil employs 277 people. In this employee ecosystem, 81% of which are blue-collar employees, all employees work full-time. All of the employees work at Ozon Tekstil factory and headquarters in Türkiye. When we look at the distribution of employees by age, 72% of employees are 30-50 years old, 16% are under 30 years old and 12% are over 50 years old.

DIVERSITY, INCLUSION AND EQUALITY

Creating an inclusive and fair work environment that respects equal opportunities is among our top priorities. **By creating an inclusive work culture, we aim to ensure that every employee feels valued, respected, and has a sense of belonging.** We define our Diversity, Inclusion, and Equal Opportunity approach in three different focuses: ensuring gender equality at all levels, youth participation in business life, and employment of disabled people. In this context, we do not discriminate on the basis of gender, age, religion, ethnic origin, sexual orientation, gender identity, marital status, disability in human resources and recruitment processes, and we manage all our processes with an egalitarian perspective based on the principle of equal opportunity.

By creating an inclusive work culture, we aim to ensure that every employee feels valued, respected, and has a sense of belonging. In this way, we are able to incorporate different experiences, different know-how, and different talents into the DeFacto family. We see the differentiated demographics of our employees as an input that will increase our capacity to create value; we aim to take DeFacto even further by benefiting from the experience of each of our employees

GENDER EQUALITY

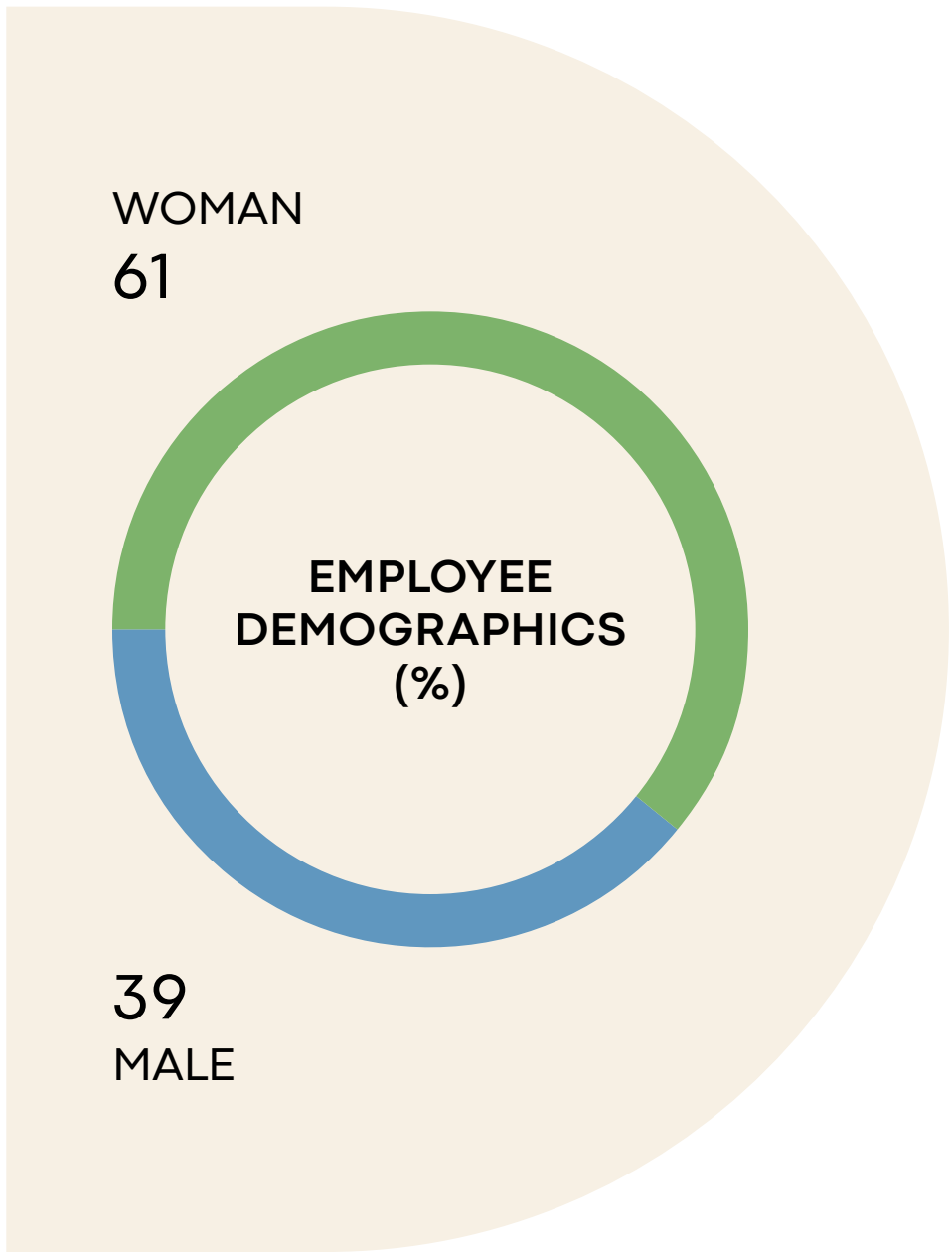
As DeFacto, we make it our mission to empower women in the business world while increasing our success. In this direction, we are working to increase the ratio of female employees at all levels within our employee ecosystem and to encourage women's participation in business life.

In 2024, we raised our female employee ratio by 1% to 61%. While this ratio increased to 64% in Türkiye, it remained at 52% abroad. When we look at gender equality within the scope of our white and blue collar employees, we have 61% female representation in white collar and 55% in blue collar.

There are some indicators that we believe are critical when measuring our performance in gender equality. We do not only monitor the ratio of female employees in employee representation; we also closely monitor the representation of female employees in decision-making roles, senior management and STEM roles.

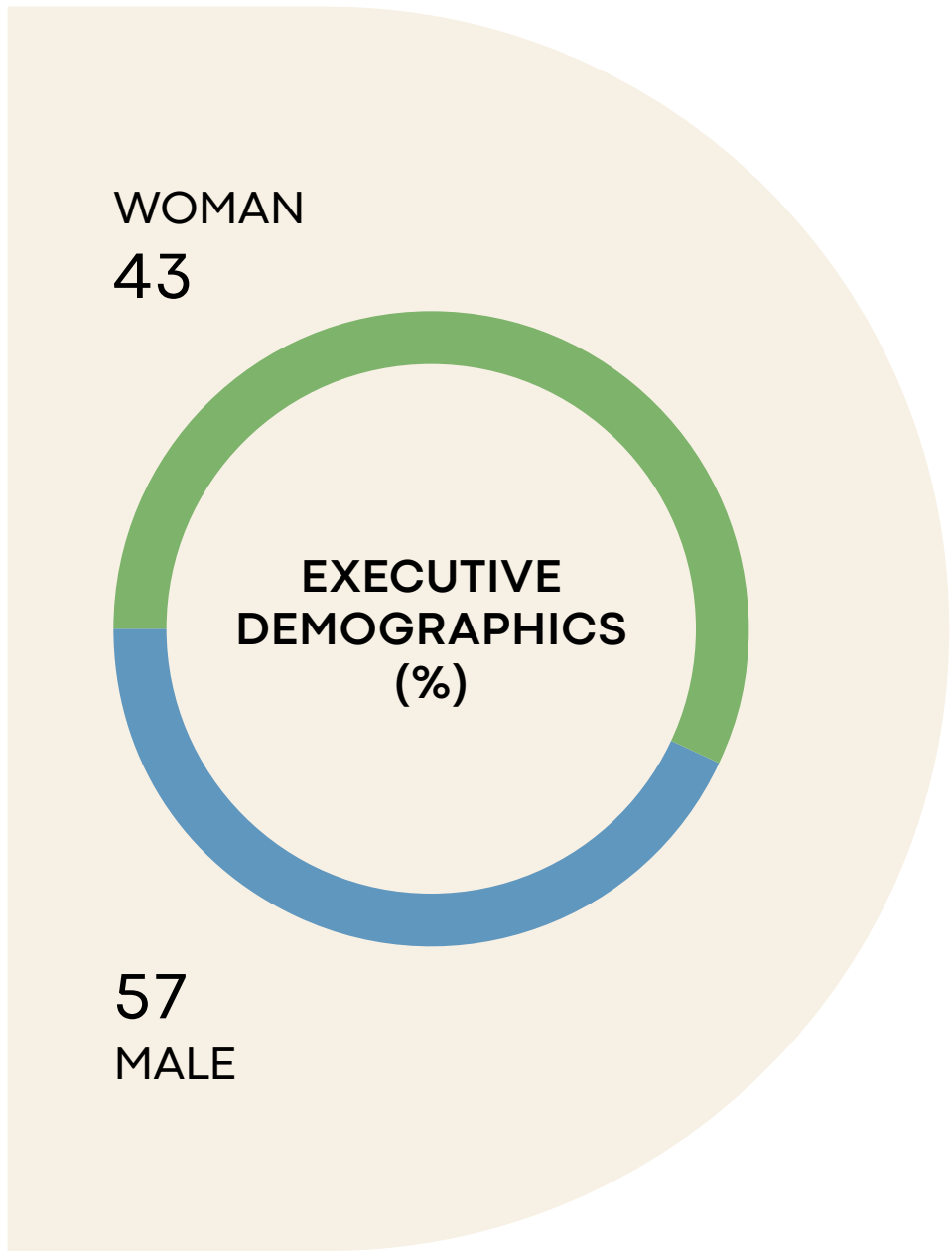
This year, as in the previous year, the ratio of female managers among all our managers was 43%, while this ratio increased to 31% among senior managers. My teammates working in the R&D department In STEM roles, which we evaluate through, 69 of our 244 employees in total are women.

In addition to supporting female employees within our existing employee ecosystem, we contribute to women's employment with newly recruited employees and strive to increase female employment in all age groups. In this context, 68% of our new hires during the year were women.



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Within Ozon Tekstil, diversity and inclusion is accepted as part of the human resources strategy. Benefiting from the present of diversity, Ozon Tekstil displayed a successful performance in many indicators related to women's representation in 2024.

The proportion of female employees increased by 4 points compared to the previous year and reached 56%, while the representation of female managers was 38% among total managers and 36% among senior managers.



7 Detailed data on employee demographics can be found in the Social Performance Indicators section.
8 It covers all DeFacto employees in total, both domestic and international employees.
9 Our senior managers include c-level, deputy general managers, head of (department leaders) and directors.

In 2024, a total of 455 employees went on maternity leave and 290 employees returned to work. 64% of our employees who returned to work continued to work for DeFacto after 12 months.

Within the scope of this movement, we also provide pregnant employees working in our stores with additional breaks in addition to their legal rights. All our parent employees are entitled to half a day off to be with their children on the first day of school and on report card day.

In addition to all these, in order to increase the representation of women in the executive demographic, we form Executive Training Groups consisting only of women. In this way, our female managers provide guiding advice to management candidates and have the chance to benefit from each other's experiences.

	2023		2024 ✓	
	Number of Employees	%	Number of Employees	%
Maternity Leave				
Employees on Maternity Leave	403	-	455	-
Woman	291	72	327	72
Male	112	28	128	28
Employees Returning from Maternity Leave	276	-	290	-
Woman	158	57	164	57
Male	118	43	126	43
Employees Continuing to Work 12 Months After the End of Maternity Leave	167	-	185	-
Woman	87	52	87	47
Male	80	48	98	53



YOUTH PARTICIPATION IN THE WORLD OF WORK

Another focus of our focus on diversity, inclusion and equal opportunity is the participation of young people in the workforce. **93% of our 10,430 employees hired in 2024 are under the age of 30.** In order to increase the effectiveness of young people within DeFacto, we care about the ideas of young people being on the agenda of our managers. With the Reverse Mentoring Practice we have implemented in this context, we ensure that our managers who make strategic decisions on behalf of DeFacto benefit from the ideas of young people.

We provide internship opportunities for both university and vocational high school students to gain experience in the business world. University students have the opportunity to do full-time internships during the summer semester and vocational high school students have the opportunity to do part-time internships at our head office three days a week during the winter semester.

Young Leaders Promotion and Development Program

We designed the Young Leaders Promotion and Development Program to provide opportunities for talented teammates among final-year university students under the age of 25 working in stores. The program enables direct transfer from customer service or an area manager to a second store manager. Thus, we both increase the employee loyalty of our young talents and offer options that will give our new young colleagues an advantage.

EMPLOYMENT OF PERSONS WITH DISABILITIES

Disability employment represents another focus of our understanding of inclusion and equal opportunity. We believe that the active participation of people with disabilities in business life contributes positively both to their individual lives and to our company's diversity and employee loyalty performance.

To this end, we keep in touch with employment agencies and closely monitor opportunities to provide employment to disabled individuals. In line with our increasing employment needs in direct proportion to our growth, our quota of disabled employees is constantly increasing.

As of 2024, DeFacto has 250 disabled employees and 6 disabled managers at the management level. While we hired 47 disabled employees during the year, our disabled employees have 2% representation in our total employee ecosystem . We aim to increase this rate to 5% in the coming period.



Ozon Tekstil employs 9 disabled employees and has 1 disabled manager.



TALENT MANAGEMENT AND DEVELOPMENT


We work to create a work environment where our employees can develop themselves individually and professionally, receive the right feedback to improve their performance, and develop projects for their happiness. Retaining the existing talents within DeFacto and finding the skills we need to play a critical role in the continuity of our success. Accordingly, we group our talent management and development approach under three main focuses.

- With **fair and transparent performance management**, we ensure that our employees adapt themselves to a more effective working order in each new period.
- Thanks to **our training and development programs** that we develop in line with the expectations of our employees, we ensure that they acquire the skills needed in the changing business world.
- In addition to increasing employee loyalty through our **employee happiness** practices, we ensure that our employees start each new working day with happiness.

TALENT RETENTION AND FINDING THE TALENT NEEDED

We carry out our recruitment processes with the philosophy of "Right Person for the Right Job"; we meticulously evaluate the suitability of candidates for the position, role and responsibilities required by the role.

We take care to ensure that our new teammates who will join DeFacto are suitable for the DeFacto culture and are selected from people who will adopt DeFacto DNA. We carry out our recruitment processes with the philosophy of "Right Person for the Right Job"; we meticulously evaluate the suitability of candidates for the position, role and responsibilities required by the role. **While 10,430 people joined us in 2024, 68% of our new teammates were women.**

Newly Recruited Employees	2023		2024 	
	Number of Employees	%	Number of Employees	%
Woman	5,911	64	7,060	68
Male	3,313	36	3,370	32
Employees Under 30	8,669	94	9,734	93
Woman	5,614	61	6,619	63
Male	3,055	33	3,115	30
30-50 Age Employees	525	5.7	676	6.5
Woman	284	3.1	426	4.1
Male	241	2.6	250	2.4
Employees Over 50	30	0.3	20	0.2
Woman	13	0.1	15	0.1
Male	17	0.2	5	0.1

In addition to bringing the right and needed talents to our team, one of our most important issues within the scope of talent management is to succeed in retaining our talents. We monitor our performance in this direction through the employee turnover rate indicator. **In 2024, our voluntary employee turnover rate, which we calculated based on our employees who left their jobs voluntarily, was 38%. Our total employee turnover rate was measured at 48%.**



Talent Estimation and Profiling Studies

We realized two important projects during the year in finding talent and placing the right talent in the right positions. With the "Talent Forecasting" application, we aim to discover the talents we need during the candidacy process. In this process, based on our current talent coding, we estimate the probability that the candidates evaluated in the external recruitment process will be the talent we need.

Thanks to the "Profiling Studies" project, we focus on DeFacto's internal talents as well as external candidates. Within the scope of product management teams, we perform talent profiling by measuring with certain criteria. By measuring both internal and external candidates, we determine the suitability of our existing talents to the relevant profile and plan development processes accordingly. In 2024, we conducted 38 internal evaluations and started to make development plans for our employees closest to the skills we need.

PERFORMANCE MANAGEMENT

While recruiting new talent, we work to keep their competencies at the highest level at all times. With the DeFacto Performance Management System, we effectively manage our performance management processes and evaluate the performance of all our employees at regular intervals. **This year, a total of 1,862 employees in Türkiye and abroad were included in the full-scale performance evaluation process.**

In this process, we ask our employees to set two different "SMART" goals: individual and leadership, and we monitor their performance towards these goals. We conduct mid-term and year-end evaluations and hold discussions with our employees regarding the progress in their goals. During mid-term evaluations, our employees review their goals with their managers, receive feedback, and determine their personal development plans. In year-end evaluations, corporate and individual goal realization is assessed, while the outputs provided in the performance management system provide input to talent management, remuneration, and rewarding processes.

In 2024, we launched a new application that enables our employees to evaluate themselves during the performance evaluation process. With the "My Way" application, we enable our employees to identify their own focus areas and determine development plans based on these focuses. We create development plans using self-assessment templates and a targeting method.

Pricing

We base our remuneration management approach on a fair, innovative, and competitive system that is based on the duties and responsibilities undertaken by our employees and rewards high performance. We customize our remuneration processes in line with the dynamics of our domestic and international operations.

We regularly participate in various global and Turkish wage surveys every year, and closely monitor sectoral and changing socio-economic conditions in the wage survey reports provided. When determining the salaries of our employees, we take into account salary surveys, market data, economic indicators, the company's solvency, internal salary balances, and individual performance results within the framework of the job level of the role they hold. At the same time, we evaluate and review the determined salaries at least once a year.

Promotion and New Career Opportunities

We care that our employees take responsibility within the organization in accordance with their skills and are evaluated according to their development in promotion processes. Through our Talent Committee, we conduct performance evaluations of our employees, analyze their potential, and create talent pools.

In this context, while we offer career opportunities to our employees through horizontal and vertical movements within the company, we have the chance to find the talents we need from within our own team. **This year, we had a total of 273 open positions in our domestic and international operations, and we filled many of these positions from within our own talent.**

We offer promotion opportunities for our Head Office employees once a year and for our store employees in various periods when the need arises. Especially in our retail operations, we prioritize the training of company leaders within our own talent. **As a result of evaluations in accordance with the DeFacto Performance Management System, a total of 431 employees were promoted during the year. The share of female employees among these employees reached 53%. ✓**

MyWay - Forward Feeding Development Platform

We have developed a platform that enables employees to create their own development plans based on company principles and role-based functional competencies, with a focus on development, in order to ensure employee engagement and organizational sustainability. In this process, we have adopted the feed-forward method and provided all our managers with the necessary training in this context. Thanks to our development planning platform, our employees determine their development focus in line with their own career journey and the contributions they can make to the company; they can create a development plan for themselves according to the feed-forward they receive from their managers and stakeholders. Our managers, on the other hand, can instantly monitor their employees' development plans through the system and guide them through the platform.

Currently, 1,850 of our employees are benefiting from the program we implemented this year. In the following periods, we aim to expand the system and use it actively in all our operations.

Digital Era in Appreciation and Rewarding

At DeFacto, we continue to develop innovative solutions that increase the motivation of our employees and strengthen our corporate culture. In collaboration with Empactivo, we launched a digital platform to increase employee loyalty and spread the culture of appreciation and reward. The platform supports our sustainable ways of doing business and contributes to the long-term success of our company by maximizing the employee experience.

Thanks to Empactivo, an important part of our Sustainable Human Resources Management strategy, we support a strong bond between teams by providing a transparent and accessible communication environment. Through the platform:

- **We Strengthen the Culture of Appreciation:** We enable our employees to share their achievements and motivate each other instantly.
- **We Contribute to the Environment with Digitalization:** We reduce our carbon footprint by minimizing paper-based processes.
- **We Support Diversity and Inclusion:** We create an inclusive work environment where all our employees feel valued.
- **We Strengthen Internal Communication:** We manage internal announcements, interactions, and social responsibility projects on a single platform.

Leadership Score Measurement

We aim to measure the effectiveness of leaders in our company and guide their development through our Leadership Score Measurement project, which we laid the foundations of this year. In 2025, we plan to implement a measurement methodology that will enable us to measure the leadership skills of our managers in the short term and implement development plans for low-scoring leaders in the medium term.

TRAINING AND DEVELOPMENT PROGRAMS

In 2024, we offered a total of 438,246 hours of training opportunities to our employees.

We build our training and development programs on a system where our employees can access the knowledge and skills they need for their development. We listen to the needs and expectations of our employees, evaluate their performance and organize the training plans we create throughout the year accordingly.

We strive to design more effective and efficient training processes every year. **In 2024, we provided 438,246 hours of training to our employees in total, both in Türkiye and abroad, while our training hours per employee amounted to 26.31 hours/employee.** Thanks to the training programs we organize in many different fields, we focus on raising the awareness of our employees, while aiming to increase their experience around topics that are critical for our company.

In addition to the trainings we provide to our own employees, we also offer training opportunities to our subcontractors. This year, we provided 7,397 hours of training to a total of 679 employees of our subcontractors.

Employee Trainings	Trained Employee		Training Hours 	
	Hours/Number	%	Hours/Number	%
Total	16,654	-	438,246	-
Woman	10,634	64	298,536	68
Male	6,003	36	139,710	32

Distribution by Education Types (%)



Our trainings consist of 5 main topics: professional development, personal development, occupational health and safety, sustainability and environment, competition, business ethics, and law.

In this context, we provided our employees with 375,407 hours of professional development, 18,920 hours of occupational health and safety, 17,781 hours of personal development, 5,723 hours of sustainability and environment, 3,726 hours of competition, business ethics and law, and the remaining 16,000 hours of training on many subjects that our employees need.

We conduct our training through many different learning methods such as classroom, virtual classroom, on-the-job training, coaching, mentoring, observation, and distance learning. Thus, we increase our employees' participation in training and learning curves.

We conduct our training and development programs under the roof of DeFacto Business Academy. While designing the programs at DeFacto Business Academy, we aim for our employees to be fashion retailers who live by our company values, move forward with a leadership vision, carry out sensitive work with social responsibility awareness, have high team awareness, and have strong professional equipment. We support our employees with different content suitable for all levels. Within the scope of the Academy, we categorize our programs with the FIT theme and nurture talents with training content suitable for each employee group. We have 5 different FIT programs created in this direction.

Original Fit

We convey our corporate culture, principles and strategy to our employees.

Our new colleagues receive all the training they are legally required to receive through this program.

Business Fit

It represents 6 school modules focusing on how we do business: Merchandising, Product Management, Supply Management, Franchise, E-Commerce and Internal Training.

Personal Fit

It focuses on employees' personal development and interests.

Leaders Fit

Focusing on the leadership skills of employees, it consists of programs suitable for the roles of current and new leaders within the organization.

Talent Fit

We focus on promotion and young talent programs to develop the talents of our employees.

Internal Trainer System

Another issue we focus on in employee training and development is training internal trainers. Especially in our Business Fit Programs, our internal trainers are one of our strongest sources of knowledge and experience transfer.

With the internal trainer system, we record corporate memory, strengthen internal communication and support the development of employees in their areas of expertise. In 2024, we have 169 internal trainers who contribute to the development of our employees. Thanks to this system, our employees benefit from the knowledge of our internal trainers, and our internal trainers have the chance to add new competencies to their career journey.

Leadership Competency Development Programs

We care about the development of the leadership skills of our employees and managers. **This year, we provided a total of 6,071 hours of training to our managers.** In this context, we launched three new programs during the year. Thanks to the "Unit Managers Development Program", "Manager Development Program", and "Lead Up - Leadership Development Program", we aim to create leaders who gain the trust of the stakeholders they work with, make an impact on people, and add value to our customers.

In addition to these 3 programs focusing on leadership competencies, we try to create a working environment where all our employees learn from each other, transfer their skills to each other, and receive regular feedback about our mentoring program.

Unit Agile Coach Training Program

We launched the "unit agile" coach training program to ensure that the transformation movement, which is one of the critical processes for DeFacto, is successful and sustainable, as well as its integration within the company. In this context, we trained a total of 45 volunteer agile coaches, 20 last year and 25 this year.

During the program process, which starts with a voluntary application, employees who apply are included in competency-based interviews. Employees whose interviews are evaluated positively are included in a development program consisting of 14 modules and lasting 60 hours in total. After the training program, the program is completed with at least 3 supervision practices and feedback sessions.

We offer different resources to the employees participating in the program within the framework of the blended learning model during the training period, and enable them to improve their competencies and knowledge through assignments. At the same time, we measure the impact of agile coaches trained in-house on the agile skills of teams within the company using team maturity assessments in team observation surveys.

Programs Focusing on Our Employees Abroad

It is of great importance in our training and development approach that our employees in our international operations improve themselves, follow the developments in the sector and their locations, and acquire the skills they need. This year, we designed 2 trainings focusing on our international headquarters and store employees.

This year, we extended the internal training program, which we have successfully carried out in our Türkiye operations for many years, to our overseas operations. With the "Overseas Internal Training Program", we aim to transfer the knowledge and experience of employees who are experts in their fields to other employees abroad, to increase in-class and face-to-face trainings, and to reduce dependency on outsourced trainings. With the "Store Manager Development Program", we focused on the development of our store employees abroad. In this program, which focuses on filling open positions at the Regional Manager level abroad more quickly with internal talents, we focus on creating a global talent pool of high potential store managers and developing the leadership competencies of the people in this pool.



Employees' talent development and access to the training they need play an important role in Ozon Tekstil's human resources strategy. In 2024, a total of 220,958 hours of employee training was organized. While 98% of these trainings focused on professional development, the remaining part was designed in the fields of OHS, Sustainability and Environment.

While the internal trainer system in DeFacto was successfully implemented within Ozon Tekstil, 4 internal trainers continued their work during the year.

In the Employee Experience Survey, 61% of Ozon Tekstil employees participated, and their evaluations of the employee experience were 53%. Employee loyalty was 40%, motivation was 66%, and the recommendation rate was 65%.

EMPLOYEE HAPPINESS

As the first company in Türkiye to have a Happiness Directorate, we attach great importance to the satisfaction of our employees and ensuring that they have a working life in which they feel good. With the motto "Happiness Suits Us!", we realize projects and practices based on the demands and suggestions of our employees.

In 2024, we organized activities to increase our employees' communication and sense of belonging. We organized workshops, competitions, and festivals where our employees had fun and produced together. In addition, we organized a "Summer Party" that brought all our employees together and a gathering where we reinforced the happiness of our employees with concerts, knowledge games, and other games.

We collect insights on how our employees view DeFacto through regular employee experience and engagement surveys. Through these surveys, we analyze employee expectations and recommendations and work on how to integrate them into our business plans. This feedback also allows us to see areas and opportunities where we can improve ourselves.

CULTURE TRANSFORMATION

At DeFacto, we define "culture" as the totality of the experience lived in the organization, using it as an enabling force that brings strategy to life.

As a company with an employee ecosystem of nearly 12,000 people and extensive operations in 100 countries, it was very important for us to ensure that DeFacto's strategic transformation, which has been ongoing for more than 2 years, is adopted internally, integrated into business practices, and understood correctly in all areas. At this point, we launched the Culture Transformation movement to ground DeFacto culture and to act in line with today's talent expectations in the transformation journey.

At DeFacto, we define "culture" as the totality of the experience lived in the organization, using it as an enabling force that brings strategy to life. Based on the perspective of diversity, equality, and inclusiveness in culture studies, we both receive opinions from senior management and make progress by taking the opinions of employees.

At the same time, our "Culture and Agile Transformation" Department has been working since 2022 to accelerate the cultural transformation and manage it in a coordinated manner across the company, with the aim of making a sustainable difference. Thanks to this department, which reports directly to the CEO, we raise awareness among all our colleagues, monitor attitudes and behaviors in line with company principles, and ensure that all actions requiring process, system, structure and human transformation are taken for the targeted culture.

CULTURE TRANSFORMATION PROGRAM STEPS



Discovery Phase

We gathered insights using a variety of methods in order to accurately analyze the differences between the current culture and the desired culture.

- Organizational Culture Survey
- One-on-one interviews with the CEO and 12 senior management members



Identification Phase

Based on all the work carried out during the discovery phase, we identified the main themes for cultural transformation as customer and employee focus, agility, efficiency, and data-driven decision-making.



Implementation Phase

We formed a group of 40 cultural ambassadors consisting of volunteer team members who are highly skilled in communication and influencing, open to change, and working in different departments.

We formed teams focused on customer focus, employee focus, efficiency, data-driven decision making, and agile organization from among the selected cultural ambassadors.



Our Culture and Agile Transformation Department, which has been operating since 2022, works to accelerate cultural transformation and create sustainable impact across the company.

Culture Transformation Program Teams

MISSION AND RESPONSIBILITIES	DEFACTO DNA	INITIATIVES IMPLEMENTED
<div>CUSTOMER ORIENTATION TEAM</div> <div><ul style="list-style-type: none">Developing processes and services that emphasize a customer-oriented approach by moving away from a business-centered perspective in all operations and processesPeriodically analyzing the feedback, problems and expectations of our domestic and international customers, and identifying improvement and development pointsDeveloping new applications and processes that will add value to the customer</div>	<div>Make Your Customer Fall in Love</div> <div></div>	<div><ul style="list-style-type: none">The "Super Powers" model was developed to ensure holistic language unity in customer interaction in our stores and to clearly describe behaviors.AMIGOs (Communicate with Your Customer with Love Sitting), consisting of volunteers working at the Head Office, visit stores. This allows them to get to know their customers better, learn about their needs firsthand, and identify requests more quickly and forward them to the center.Stores with high customer satisfaction rates are visited by senior management to show their support.Internal Customer Satisfaction was designed to keep the principle of "Your Customer, Make Him Fall in Love" alive within the company, improve interdepartmental cooperation, measure our internal customer focus and receive feedback from each other. In 2024, our company-wide internal customer satisfaction score increased by 7 points compared to the previous year and reached 63.Thanks to the Happy Customer Stories App, we share the good experiences we have had with our customers on our internal communication portal to inspire and guide all our colleagues.<div>Initiatives in other sections of our report</div><ul style="list-style-type: none">Voice of the CustomerApps for Customer Experience Day</div>
<div>EMPLOYEE FOCUS TEAM</div> <div><ul style="list-style-type: none">Responding to employees' expectations in terms of recognition and reward, feed-forward and development planning, diversity, equality and inclusion</div>	<div>Your Team, Travel Together</div> <div></div>	<div><ul style="list-style-type: none">With the 21-Day Appreciation Habit, we aimed to raise senior management's awareness on appreciation and ensure that they see appreciation opportunities by creating a habit every 21 days.<div>Initiatives in other sections of our report</div><ul style="list-style-type: none">Forward Feeding Development PlatformDigital Era in Appreciation and RewardingEmployee Experience Survey</div>
<div>PRODUCTIVITY TEAM</div> <div><ul style="list-style-type: none">Making work more efficient in all departmentsManaging time properly and contributing to more efficient work of employees</div>	<div>Use Your Power Efficiently</div> <div></div>	<div>Thanks to the Meeting Management application, my meeting rules have been updated in order to manage time correctly and contribute to our employees working more efficiently.</div> <div><ul style="list-style-type: none">We achieved 35% efficiency and improvement by simplifying the meetings of our senior management teams, especially at CEO-1 level.We have set meeting days for all our teams in accordance with their functions. We reserve Mondays and Tuesdays for commercial functions and Wednesdays, Thursdays and Fridays for meeting planning for commercial functions.At the same time, we aim to make our teams use their time more efficiently before the meeting by producing templates that facilitate preparation for meetings.<div>With this cloud-based solution, we aim to enable employees to collaborate regardless of time and place by providing employees with access from anywhere.</div></div>
<div>DATA CENTRICITY TEAM</div> <div><ul style="list-style-type: none">Establishing the company's data-driven decision-making systems</div>	<div>Your Way to Data</div> <div></div>	<div><ul style="list-style-type: none">Data policies were established, a glossary of data definitions was created, data owners were identified, roles and responsibilities were defined, and measures were taken to ensure data quality and security.Alert mechanisms were started to be created to prevent users from getting lost in reports, and 25 Power Users received 40 hours of training in total. The training included modules such as Python, Power BI, BigQuery, SQL, decision making with data and Data Visualization.The data maturity score was meticulously monitored throughout the year. One-on-one meetings were held with departments with low scores to identify areas for improvement.</div>
<div>AGILE ORGANIZATION TRANSFORMATION TEAM</div> <div><p>To create an organization that focuses on the customer, can quickly bring products to market, is independent of hierarchy, has strong cooperation between the field and headquarters, can make decisions on its own, is transparent, continuously learns, and works with collective consciousness</p></div>	<div>Your court, get in the game</div> <div></div>	<div><ul style="list-style-type: none">We first started implementing agile organizational transformation steps in commercial functions and IT teams.In 2024, we organized a survey in which coaches evaluated the agile maturity of the teams. The agile maturity score, which was evaluated in 5 main dimensions consisting of Customer Focus, Continuous Learning, Autonomy, Collective Consciousness, Vision & Prioritization, was measured as 3.15 out of 5 in 2024.<div>Initiatives in other sections of our report</div><ul style="list-style-type: none">Unit Agile Coach Training Program</div>


EMPLOYEE HEALTH, SAFETY AND WELFARE

We support a safe working environment for all employees working within DeFacto and creating value for DeFacto throughout our value chain. With this understanding, we take responsibility, proactively identify our risks, and work to take preventive steps.

We follow occupational health and safety (OHS) processes in all our operations in accordance with the relevant legal regulations. In our warehouses and logistics centers, we carry out our processes in accordance with our ISO 45001 certificate. We ensure that we always keep our occupational health and safety performance at the highest level with our existing performance indicators and the audits we conduct in this area.

In 2024, 644 occupational accidents occurred at all our locations. As an indicator of our OHS efforts, there were no fatal accidents or occupational diseases during the year. Within the scope of our subcontractors, 100 accidents occurred during the year, while no fatal accidents or occupational disease cases were encountered.

Raising awareness on employee health and safety is of great importance to us. In addition to the measures we take ourselves, we care that our employees and suppliers have the necessary knowledge in this area and act accordingly. We take regular and systematic actions to raise the awareness of our employees and to spread our occupational health and safety culture to all our operations. During the year, **we organized a total of 18,920 hours of training to raise OHS awareness** within the scope of our own operations.

OHS Indicators	DeFacto 	Subcontractors
Number of Work Accidents	644	100
Fatal Work Accident	0	0
Number of Occupational Diseases	0	0
Accident Frequency Rate	5.36	1.06



RESPONSIBLE SUPPLY CHAIN

We are aware of the importance of responsible and sustainable supply chain management in the fashion and apparel industry. Our sustainable supply approach covers many steps from the efficient use of raw materials and natural resources to sustainable packaging; from the transportation of products to stores and customers to the evaluation of waste generated after use. At the same time, one of the foundations of our responsible supply chain approach is that the employees of our suppliers work in a way that respects human rights and has fair working conditions.

SUPPLIER ECOSYSTEM

We work arm in arm with our suppliers, one of the most essential parts of our value chain, to create social, environmental, and innovative value in steps such as production, raw material supply, sales, and distribution. While supporting the operational and financial growth of our suppliers, we manage their social and environmental impacts with our responsible and sustainable supply chain approach.

We develop business models in which we communicate intensively by creating trust-based processes and proactively managing the capacities of our suppliers. **In 2024, we have 516 suppliers that we actively work with, while we define 59 suppliers as our strategic suppliers in this supplier ecosystem.**

Our 284 suppliers, representing 55% of our suppliers, are local suppliers originating from Türkiye. Among all our suppliers, Ozon Tekstil, a DeFacto subsidiary, is our largest supplier, with whom we work in cooperation.

516
active suppliers

59
strategic suppliers

%55
local suppliers

43
local and strategic suppliers

%69
local supplier representation in total supplier payments

Supplier Map

	2023		2024	
	Number of Suppliers	%	Number of Suppliers	%
Bangladesh	17	4	30	5.8
China	42	11	130	25.2
Egypt	23	6	49	9.5
India	4	1	6	1.2
Morocco	7	2	10	1.9
Pakistan	3	1	5	1.0
Türkiye	293	75	284	55.0
Uzbekistan	1	0.3	0	0
Spain	3	1	0	0
Portugal	0	0	1	0.2
Taiwan	0	0	1	0.2
Total	393	100	516	100

Distribution of Suppliers by Category

	Number of Active Suppliers Purchased	Number of Factories Purchasing through Suppliers	Number of Suppliers in the Supplier Pool but Not Used
Europe*	1	9	0
America	0	2	0
Asia	219	285	8
Africa	12	118	0
Türkiye	284	3,282	8
Total	516	3,696	16

*Except Türkiye

SUSTAINABLE SUPPLY MANAGEMENT

We define our sustainable supply chain approach as the integration of our effective supply management with our sustainability approach. As DeFacto, it is critical for our suppliers to recognize and correctly understand our "Triple D" sustainability strategy, which we have built around 3 foci, and we care that our suppliers work in a way to serve the goals we set in these foci.

In order to guide our suppliers in this process, DeFacto Sustainable Supplier

We share the Code of Conduct with them. We expect our suppliers to act by adopting these principles as well as complying with the responsibilities imposed by legislation and laws without exception. **These principles, which represent our understanding of corporate and ethical business ethics, consist of 11 main headings. We explain our most basic expectations from our suppliers and underline the areas where they should show sensitivity.** In this context, before we start working with our suppliers, we expect them to commit to full compliance with our Sustainable Supplier Code of Conduct.

If we encounter any non-compliance in these areas during our regular supplier audits, we immediately terminate our business relationship with our supplier.

In line with their commitment, our leading suppliers are regularly subjected to third-party audits by SEDEX, BSCI, and accredited institutions. In this way, we ensure transparency and accountability of our suppliers' sustainability performance. When we identify situations that do not comply with our principles, we give our suppliers a certain time for improvement and carry out the necessary controls.

Through DeFacto Sustainable Supplier Code of Conduct

- Compliance with Laws and Regulations
- Prevention of Child Labor
- Prevention of Forced Labor
- Prevention of Discrimination
- Humanitarian Approach
- Wages and Social Benefits
- Working Hours
- Freedom of Association
- Healthy and Safe Workplace and Worker Working Conditions
- Environmental Protection
- We focus on Anti-Corruption issues.

As DeFacto, it is critical for our suppliers to recognize and correctly understand our “Triple D” sustainability strategy, which we have built around 3 foci, and we care that our suppliers work in a way to serve the goals we set in these foci.



Supplier Evaluation and Identification Process

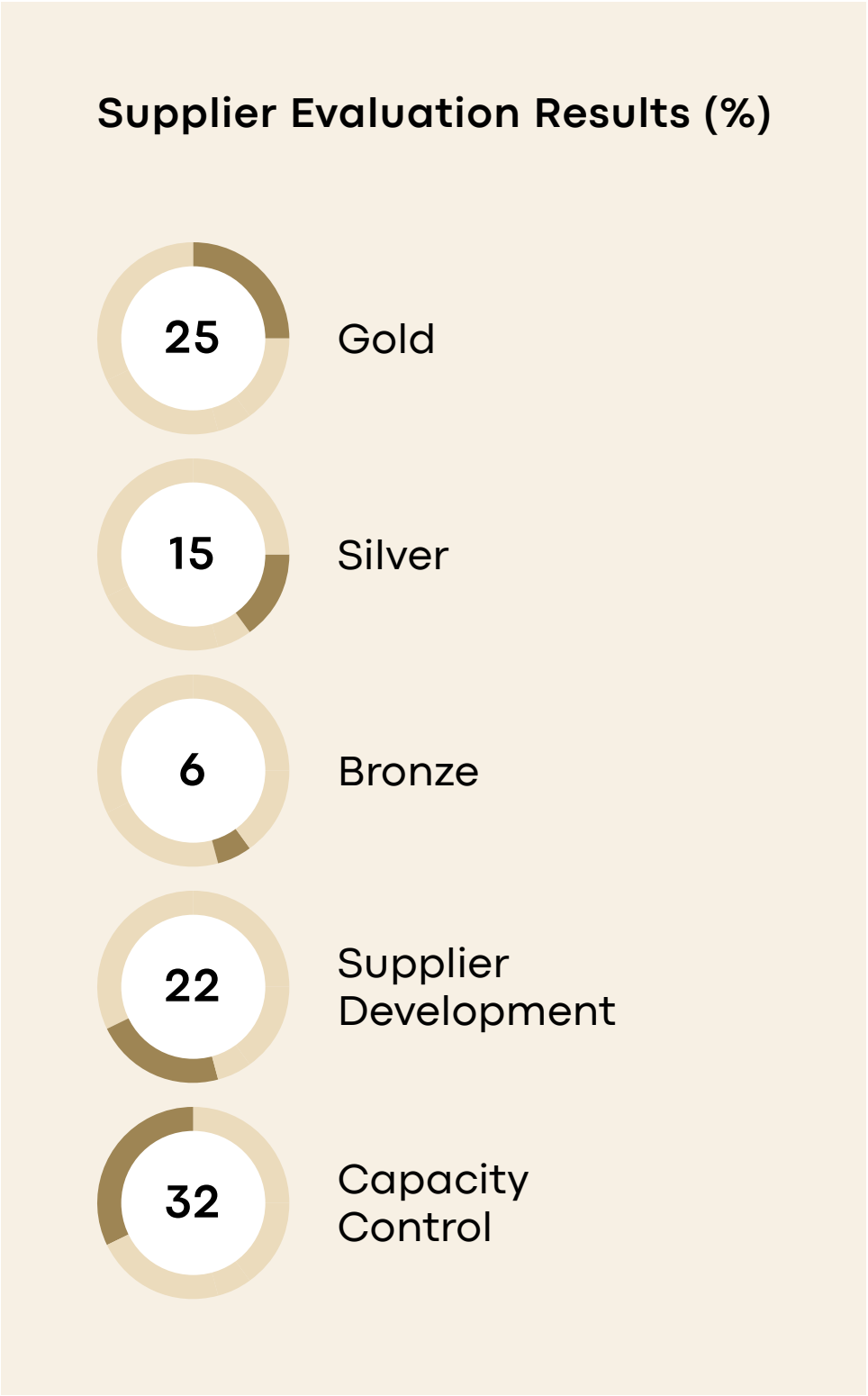
In addition to our principles and red lines that determine our rules for working with our suppliers, another process that constitutes our responsible supply chain approach is the supplier evaluation and identification step.

In this process, we aim to regularly monitor and evaluate the performance of our suppliers and keep them at the expected level, and we strive to build a sustainable structure in our product and service quality. **In the evaluations we carry out every month, we evaluate and record our orders coming to the warehouse according to order delivery, inspection performance and average purchase price.** As a result of these evaluations, we determine the performance scores of our suppliers. The scoring weight of the criteria is calculated based on the impact of 40% order delivery, 40% audit performance and 20% average purchase price.

While we comply with our criteria with our suppliers in the **Gold, Silver and Bronze** categories, we demand improvement from our suppliers in the **Supplier Development** process scale in areas where they are deficient. We terminate our relationship with our suppliers in the **Capacity Control** process.

As a result of all evaluations, we classify our suppliers in 5 categories and share the results transparently with all our suppliers.

Supplier Evaluation Categories	
Category	Score
Gold	>85%
Silver	85%-75%
Bronze	75%-70%
Supplier Development	70%-60%
Capacity Control	>60%



In the evaluations we conducted in 2024, we included all our suppliers in this evaluation;

- 131 suppliers, representing 25% of Gold,
- 75 suppliers representing 15% of Silver,
- 32 suppliers representing 6% Bronze,
- 112 suppliers representing 22% Supplier Development,
- 166 suppliers, representing 32%, were produced by our suppliers with Capacity Control status.

We carry out sub-supplier identification processes to increase the capacities of our suppliers that have reached the **Gold level**, and we update the production capacities of our **Silver and Bronze level** suppliers according to their performance throughout the year. We reduce the purchasing capacities of our suppliers whose average for the last three months has decreased and who do not take the agreed actions. We also subject our suppliers to quality and Sustainable Supplier Code of Conduct compliance assessments during the time they produce for us.

Supplier Audits

In addition to evaluating the performance of our suppliers, we also attach great importance to supplier audits. In our audit processes, we aim to understand how much DeFacto vision, quality, and sustainability understanding is adopted by our suppliers.

Throughout the year, we conduct regular audits within the scope of our suppliers who are already working with us and those who have recently joined the supplier ecosystem. In this context, we include our suppliers in two different audits: "Technical and Social Compliance" and "Traceability". **We monitor product quality and criteria related to production processes through technical compliance audits, compliance with our social-oriented principles through social compliance audits, and value chain assessments through traceability audits.** Thanks to these audits, we manage our supply processes without compromising DeFacto standards.

We have field audits conducted by DeFacto teams as well as audits conducted by third parties. All our main suppliers are visited by our Technical and Social Compliance teams before they start working with us, and an overall assessment is made in terms of quality and social compliance. In this evaluation, we determine conformity regarding apparel quality, especially our Red Lines. Companies with valid points are approved and can start production.

45 suppliers involved in the Technical and Social Compliance Audit

886 suppliers involved in traceability audits

We include our suppliers in two different audits: "Technical and Social Compliance" and "Traceability".

Social Audit Criteria

In our Technical and Social Compliance Audits, the social topic provides us with critical insights into how well our sustainability approach is accepted by our suppliers. While we conduct technical audits on the compliance of our products with the design, quality, and safety perspectives, we carry out evaluations under 10 different headings with a focus on social compliance.

The audits, which focus on many issues from forced and compulsory labor to the right to organize, from wage compliance to working hours, also question suppliers on their environmental awareness.

In 2024, we included 45 suppliers in the Technical and Social Compliance audit process, while all our audits were conducted by third parties. Of these audits, 14 were carried out by our contracted audit firm and 31 were carried out by evaluating the reports obtained from internationally recognized accredited audit firms such as SEDEX, SMETA, INTERTEK, etc.

In order to carry out our audits regularly, effectively, and efficiently, we have created our Social Compliance Scoring System, which we use to evaluate our suppliers based on DeFacto Sustainable Supplier Code of Conduct and Commitment. After completing our evaluation through this system, we categorize our suppliers into 3 groups as "Green", "Yellow", and "Red" in accordance with the results.

Technical and Social Compliance Audits

- Compliance with Laws and Regulations
- Prevention of Child Labor
- Prevention of Forced Labor
- Prevention of Discrimination
- Human Approach
- Wages and Social Rights
- Working Hours
- Freedom of Association
- Healthy and Safe Workplace and Workers
- Working Conditions
- Environmental Protection
- Anti-Corruption

categories with a focus on social compliance.

After completing our evaluation through this system, we categorize our suppliers into 3 groups as "Green", "Yellow", and "Red" in accordance with the results.

As a result of the audits we conducted in 2024

- 71% of our suppliers are in the Green category,
- 9% of our suppliers are in the Yellow category,
- 20% of our suppliers were in the Red category.

In traceability audits, we included 886 suppliers in the process, thus taking measures against risks and threats along the value chain.

For us, the audit processes we carry out go far beyond putting our suppliers to the test; it means showing them the areas where they can improve themselves. Thanks to this system, our suppliers can now clearly see the progress they have made by evaluating their performance compared to when we first initiated audits in 2017.



Environmental Compliance Audits

In 2024, we added a new step to our audit processes. In environmental compliance audits, which is an additional procedure of the Technical and Social Compliance Audit, we check whether DeFacto has production and service processes in line with the "Inspired by Nature" approach. We asked questions and conducted site visits to 45 suppliers that we included in the Technical and Social Compliance Audit within the scope of environmental compliance.

Supplier Development Programs

As a result of our supplier evaluation and audit processes, we not only identify the suppliers we will work with, but also contribute to their development through the improvement programs we define for our suppliers. As a result of supplier evaluation processes, we identify areas for improvement and share the results with our suppliers. We determine the actions that will improve their performance together, and we observe whether the actions are implemented and their results through recurring audits.

Our industrial engineers regularly visit our suppliers and provide guidance for capacity studies. We also hold one-on-one meetings with our stakeholders during our field visits.

As a result of the training we provide to our suppliers, we ensure that they move forward with us in the steps we take as DeFacto. Our suppliers benefit from our supplier-focused training on the DeFacto Business Academy platform, which includes our training and development programs. We expect our suppliers to decide to work together to complete the audit, fabric quality, fabric supply, and supplier development trainings assigned to them within a week. In 2024, we offered our suppliers training programs in 17 different categories in total.

At the same time, we examine the creations of our suppliers together and exchange ideas through the Supplier Days we organize for the development of our suppliers.

SOCIAL CONTRIBUTION

“Together for Social Good”

While contributing to economic development and job creation in every geography where we operate, we also carry out social responsibility projects that prioritize social benefit. Especially in our country, we focus on areas such as social aid, education, environmental awareness and animal rights, and we carry out these projects in cooperation with non-governmental organizations.

The biggest power of this journey is our volunteer employees. Founded in 2015 on the basis of volunteerism, the Happiness Ambassadors Group (MEG) is a special platform that combines DeFacto's social responsibility with the hearts of its employees. In order for our employees to take an active role in social projects, we further encourage this participation with our "2 days social responsibility leave" practice, which we include in our leave definitions.

Happiness Ambassadors develop projects within the company or under the DeFacto brand, with teams they form as volunteers or with non-governmental organizations, and engage in activities that benefit society and the environment.

Our Social Benefit Activities in 2024

School Aid Project

In line with our goal of creating social benefit, we extended a helping hand to two schools in Van Viranşehir and Muş in order to contribute to equal opportunity in education. Together with DeFacto volunteers, we carefully prepared aid packages consisting of stationery and shoes in our Headquarters building. Then, we delivered these packages to the students in the region, supporting their educational journey and putting a smile on their faces.

Birthday Certificate Donation

We not only celebrate our employees' birthdays, but also turn special occasions into meaningful social responsibility opportunities. We make donations to the 100th Year Village project of the Laughter Heals Association in Hatay through birthday certificates, adding goodness to every new age together.

DeFacto Cat Village Project

We created a safe and comfortable living space called "Cat Village" for our little friends that we host in our office. Together with our volunteer teammates, we built the area and created a warm home for our cats by considering all the details from food and water bowls to playgrounds. With this project, we both increase sensitivity to stray animals and encourage volunteerism among our employees.

TEMA Foundation Donation

Beyond standing by our teammates in the face of loss, we also wanted to leave a lasting mark on nature. In this context, we continue to donate saplings to the TEMA Foundation on behalf of our employees who have lost their relatives. We both share our employees' pain and contribute to respect for nature and sustainability.

World Agenda Project

On special days when awareness is raised on a global scale, we bring the theme of sustainability to the agenda through our DF Life portal. On days such as Forest Week, World Water Day and World Meteorology Day, we offer informative content with specially prepared designs and QR codes, and mobilize DeFacto wearers for conscious consumption and environmental awareness.

April 2 World Autism Day Project

In order to raise autism awareness, we collaborated with Tohum Autism Foundation on April 2, World Autism Day. We prepare content for this special day and support raising social awareness by providing visibility on social media and in-house platforms.

April 23 "Fairy Tale Hero" Project

On April 23rd National Sovereignty and Children's Day, we present the fairy tales we sing to children who are being treated in hospital or at home due to health problems in order to cheer them up. As DeFacto volunteers, we touch the imagination of children and experience the joy of the holiday with them.

Sustainable Cup Project

In order to make environmental sustainability a part of our business culture, our Çerkezköy Warehouse Human Resources team displayed an exemplary behavior. Thanks to our employees gifting mugs to each other to reduce the use of cardboard cups, the consumption of disposable products was reduced and sustainability awareness was raised.

Buy Adopt Project

As the living conditions of street animals become more difficult in hot weather, we take care of the cats living in our office together with our volunteers. In addition to meeting their food, water and veterinary needs, we also carry out adoption activities to provide them with permanent homes.

"We are here Hatay" Donation Project

While explaining the supply disruptions experienced during the Ramadan Feast period to our employees, we turned this situation into a social responsibility movement. With the donation made to the "Buradayız Hatay" project, we supported post-earthquake reconstruction efforts and once again demonstrated the power of solidarity.

"Let's Hold the Hand of Our Future Together!" Project

We organized an online seminar in cooperation with the Ministry of Family and Social Services to raise awareness about foster care and contribute to more children finding a warm home. With this seminar, we both informed our employees and shared social responsibility.

Istanbul Marathon - KEDV Support

We ran the 46th Istanbul Marathon for the Women's Empowerment Foundation (KEDV) to support gender equality. With the campaign we participated in, we collected a record donation and supported the production journey of 37 women, thus contributing to increasing women's economic power.

"Our Tomorrow is for Children, Building Today" Project

Happiness Ambassadors, consisting of our volunteer employees, completely renovated an unused room in a public school in Tuzla, Istanbul, and turned it into a modern library for students. Thanks to this space enriched with book donations and colorful designs, children gain the habit of reading and have an environment to develop their imagination.

CUSTOMER SATISFACTION AND LOYALTY

At DeFacto, we focus on customer experience and aim to build strong and sustainable bonds with our customers at every point of contact. As a global brand, we develop data-driven approaches to understand the expectations and needs of our millions of customers in different geographies and respond in the best way.

By taking advantage of the opportunities offered by digitalization and technology, we continuously improve our customer relationship management and aim to increase customer satisfaction through personalized services. We proactively evaluate customer feedback and shape our product and service processes.

In this direction, we make sense of the insights we obtain through DeFacto Gift Club and other interaction channels with detailed analysis and develop strong strategies for customer loyalty and satisfaction. We are committed to producing innovative projects to maximize customer experience and to push ourselves further every year.

OUR APPLICATIONS PROVIDING UNINTERRUPTED CUSTOMER EXPERIENCE

With digitalization and the rapid development of technology, customer expectations are also transforming. As speed, easy access and flexibility become increasingly important in the shopping experience, we strive to meet these expectations of our customers in line with our omnichannel strategy.

As one of the fashion brands that use omnichannel applications most widely in Türkiye, we develop innovative mobile and web-based solutions. By offering systems that seamlessly integrate our customers' online and physical store experiences, we make the shopping process more fluid and accessible.

In this context, we continue to develop omnichannel solutions such as **"Pay in Store," "Pick Up in Store" and "Ship from Store"** and aim to continuously improve the customer experience with new generation digital applications. We move forward with the support of technology to offer a faster, more personalized and flawless shopping experience at every point.

In addition to our omnichannel practices, we follow many practices that enhance the customer experience and make our customers feel valued at DeFacto. In particular, we develop projects to design every step of the customer experience in line with the expectations of our customers, collect customer feedback on these projects and practices, and make the necessary improvements.

Omnichannel Implementation		2024 Performance
Pay in Store	We provide our customers with a connected shopping experience between online sales platforms and stores, enabling customers to easily access the product, color or size they are looking for for products that are not in store stocks.	Over 650 thousand transactions Over 1.8 million products sold Over TL 775 million turnover contribution
Store Pickup	We offer our customers the opportunity to pick up their e-commerce orders from the store of their choice.	Over 550 thousand transactions Over 180 million TL turnover contribution
Shipping from the Store	We ensure that e-commerce and Pay from Store orders are shipped from stores where products are available.	Nearly 1 million transactions Nearly 600 million TL turnover contribution

Personalized Shopping Experience

We aim to increase customer satisfaction and loyalty by offering our customers a special and personalized shopping experience. By analyzing customer behavior in digital and physical store channels, we offer suggestions tailored to individual preferences and habits.

In 2024, we carried out our work under three main headings, namely "**Multi-Channel Personalized Targeting**," "**Personalized Communications by Segments**" and "**Personalization in Online Channels**" and implemented a total of nine different projects. As a result of the studies and collaborations, we brought our system to the testing phase.

This year, our sales consultants started using the My Customer 360 application to make our communication with customers in our stores more intimate and personalized. In this way, they further improved the shopping experience of our customers with the service they offer.

Gifts from DeFacto

As DeFacto, we aim to offer our customers the best experience in gift shopping with the motto "**Gifts are bought from DeFacto**". In this context, while creating a wide range of gift products that appeal to different customer segments, we make gift shopping more special with personalized suggestions and stylish packaging options. At the same time, we increase the visibility of gift products in-store and online platforms, and make the process practical with conveniences such as fast shipping and in-store pick-up.

As a result of these efforts, while **462,414 customers** exchanged gifts in **2024**, we accompanied our customers' special moments by offering **a total of 809,650 gift packages**.



October 1 is Customer Experience Day

We aim to make October 1st Customer Experience Day special for our customers in order to win one more heart with every interaction. We define this day as a day when we once again reinforce our customer-oriented approach and explain what our customers mean to DeFacto in every interaction. We remember the value of the experiences we offer to our customers and aim to build long-lasting relationships by exceeding their expectations thanks to the practices we carry out specially for Customer Experience Day.

This year, we realized 8 different applications special for this day.

- With our **Customer Welcome** application in our **stores**, we add an area where customers can take photos and a chocolate treat to their store experience.
- To celebrate the day, we make in-store **celebration announcements**, prepare **celebration videos** with our senior management and share them on social media, publish mobile pop-up messages and **celebration messages** on the homepage of the website.
- In this context, we thank our employees with small treats containing customer-oriented messages and deliver a message from our CEO to all our employees celebrating the day. We emphasize the importance of customer orientation and customer experience **with the Customer Experience Seminar** organized specifically for our employees.



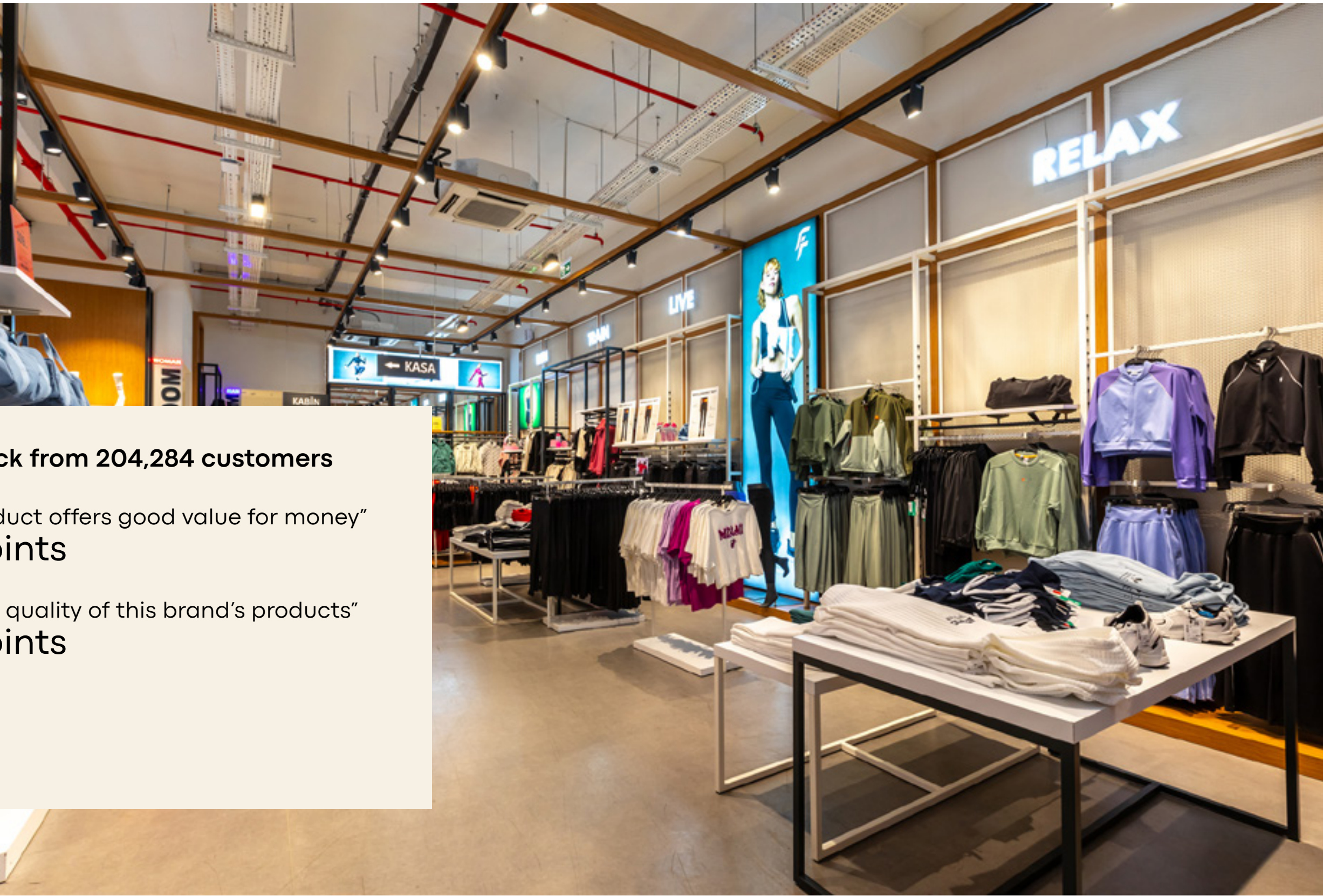
CUSTOMER LOYALTY

Measuring customer satisfaction and loyalty, making sense of the data obtained and taking strategic steps are among the priorities for DeFacto. Every year, we continue our efforts to improve the customer experience and shape our customer-oriented strategies with the analyzes we conduct. In this context, we create Customer Loyalty, Communication and Sustainability reports by analyzing DeFacto Gift Club insights in detail. In addition, our Customer Big Data team focuses on continuously improving the customer experience by developing innovative projects to increase customer satisfaction and maximize the quality of service we offer.

We closely monitor customer satisfaction and the data on the customers we reach. In this context, customers registered in our database, visits to our website and usage rates of our applications guide us. **As of year-end 2024, the number of unique customers, which we measure based on the customers in our customer database, reached 21,879,542 in Türkiye.** Our website visits during the year and daily, which is a critical indicator for our online sales channels, showed a significant increase compared to the previous year. During the year, total visits to our website increased by 13% to more than 180 million, with the highest increase of 16% in Türkiye. At the same time, the usage of our app increased by 20% year-on-year, reaching approximately 164 million.

As part of our customer satisfaction efforts in 2024, we received feedback from a total of 204,284 customers through online and offline channels. Based on the measurements taken, the statements “Product quality-price performance is good” and “I like the product quality of this brand” each received an average score of 8.5. These results indicate that our customers have developed a strong sense of satisfaction with our product quality and price-performance ratio. To evaluate customer experience more comprehensively, we also track the Net Promoter Score (NPS) alongside these KPIs. This score measures customers' willingness to recommend our brand to others, serving as a critical indicator of both satisfaction levels and loyalty.

Customer satisfaction and loyalty are of great importance to us. We measure our customer satisfaction continuously and regularly using different measurement tools.



By the end of 2024

Over 21.8 million
unique customers

Over 180 million
website visits

Over 164 million
app visits

Feedback from 204,284 customers

“The product offers good value for money”
8.5 points

“I like the quality of this brand’s products”
8.5 points

DeFacto Gift Club

Launched in 2021, DeFacto Gift Club reinforces the strong bond we have established with our customers and plays an important role in increasing their loyalty. By offering personalized advantages and special campaigns, we add value to our customers and make their shopping experiences more enjoyable.



With DeFacto Gift Club, we add value to our customers by offering personalized advantages and special campaigns, making their shopping experience more enjoyable.

We analyze DeFacto Gift Club insights to better understand customer behavior and provide the most appropriate service to their expectations, and continuously improve the customer experience by developing data-driven strategies.

DeFacto Gift Club achieved significant success in 2024 with its continuously developing strategies to increase customer loyalty. Thanks to the special campaigns, communication activities and point actions we implemented for customer recovery, **we reduced the rate of customers who did not shop for 9-18 months or more from 51% to 48%.**

In addition, we successfully achieved our goal of strengthening customer loyalty by **reaching 60.3% in converting users defined as "half members" into full members** under the program.

By the end of 2024, we reached **17.3 million members** and **9 million active shoppers** with DeFacto Gift Club. **88% of** our members preferred our **physical stores**, while **12%** interacted with our brand using **online shopping channels**.

As of 2024, the number of feedback and complaints received from our customers decreased by 22% compared to 2023. This development shows the positive impact of our efforts for customer satisfaction.

DeFacto on Social Media

We believe that social media platforms play a critical role in our customer communication. We share innovations, products and services about DeFacto with our customers and prospective customers through all our platforms. Through platforms, we build a stronger bond with our customers and reach more people every day

As the interest in DeFacto on social media platforms grows every year, our total number of followers reached 8,017,068 people **in 2024**, representing a 32% growth compared to the previous year.







3.6 million new customers with DeFacto Gift Club during the year



Customer Feedback and Improvements

At DeFacto, we see customer complaints as an opportunity for improvement and development, and we carry out our complaint management processes with a transparent, **systematic and solution-oriented** approach. We aim to provide a service beyond expectations while managing the processes of receiving, evaluating and finalizing customer notifications in accordance with the **TS ISO 10002 Guide and the Consumer Law**. Guided by [our Customer Satisfaction Policy](#), we determine how to effectively manage complaints received from our customers, and follow the **"Complaint Management Procedure"** to standardize and increase customer satisfaction. **In 2024, we received a total of 50,950 customer feedbacks and resolved 100% of these notifications.**

"We see customer feedback as an opportunity for improvement."

Platform	Takipçi Sayısı
	3.8 million
	3.3 million
	325 thousand
	195 thousand
	186 thousand
	116 thousand



VALUE

Creating economic and innovative value

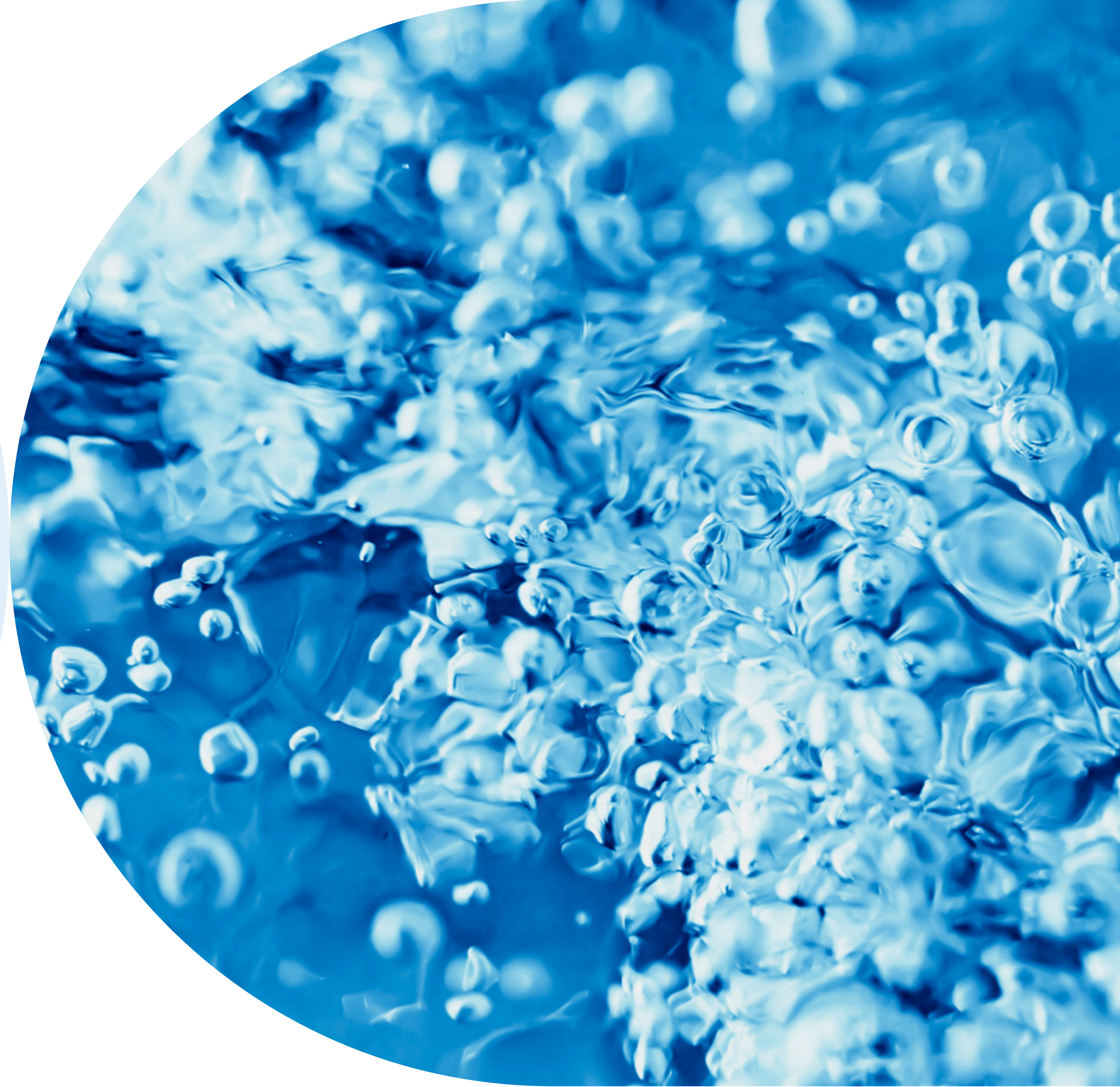
“We create economic and innovative value” with the innovative products we launch and our operations around the world. We believe that innovation and digitalization play a key role in achieving all our goals, and we focus on creating sustainable impact for the “future” as well as improving our economic performance.

How do we make a difference?

Since the day we were founded, we have been working with the vision of representing Türkiye and our industry all over the world. In this journey, we see our understanding of creating innovative value as one of the forces behind our successful performance.

Beyond being a textile retail company in our sector, we act as a technology company with DeFacto Technology, and we use the power of technology in many areas from digital solutions that increase efficiency to innovative solutions we use in stores and customer experience. In our products, stores and in many areas focusing on customer communication, we offer solutions that have not been tried in our industry.

This year, we added a new focus to our sustainable economic impact approach consisting of tax approach, financial performance, grants and supports. Under the heading of sustainable finance, we realized a new cooperation in which we achieved the financial contribution of our successful sustainability performance. With this cooperation, we have again broken new ground in our sector by using sustainability-related loans.



SUSTAINABLE ECONOMIC IMPACT

OUR TAX APPROACH

At DeFacto, we define our tax approach as our support for social security and sustainable development. We believe that tax is the most fundamental source of financing to influence the components of sustainable development by being used for economic, social and environmental purposes and to realize the Sustainable Development Goals of the United Nations on behalf of our country.

With this sense of responsibility, we base our tax strategy on transparent, ethical and reliable principles. We follow this strategy with a robust structure through the audits and controls of our financial advisors and independent audit companies from which we receive consultancy in Türkiye and abroad.

In 2024, we paid over TRY 152.8 million in corporate tax and over TRY 400 million in VAT refunds. In Türkiye, all our financial processes are carried out by our certified public accountants within the scope of full attestation audit and by independent audit companies within the scope of independent audit, ensuring all controls.

Abroad, our financial advisors and independent auditors in each country provide the necessary controls in accordance with the legal regulations of the countries in which we operate. In all countries where we operate, we organize our processes according to the local tax legislation practices of the relevant country and act accordingly.

While all our units maintain a working order in line with the determined tax strategy, practices affecting our tax payments are monitored by our Financial

Affairs and Finance Unit. In order to minimize the risk in all our processes, we take full and complete fulfillment of tax obligations as a basis. Our Internal Audit Unit and Ethics Committee within our organization examine all processes in Türkiye and abroad and perform the necessary controls in this context.

In addition, all controls are carried out by certified public accountancy and independent audit companies to prevent risk. Within the framework of our responsible taxation approach, we fulfill all our duties and responsibilities in order to contribute to the national economy and development.

GRANTS AND SUPPORTS

Since 2013, we are among the companies benefiting from Turquality®, the world's first and only state-sponsored branding program managed by the Ministry of Trade of the Republic of Türkiye. In this context, we benefited from TL 148,256,288 incentives in 2024 . In this context, we use incentive support in our domestic and international investments in the areas of promotional support, warehouse rents, store rents, store installation, decoration, office rents and management consultancy. **This year, store rent expenses accounted for the highest share in our incentive expenditure distribution with 72%, followed by promotional support with 19.6% and store installation and decoration expenditures with 7.6%.**

¹⁰ Calculated in 2024 based on the expenditure amounts for which payment instructions were given.



SUSTAINABLE FINANCE

By integrating our sustainability performance into our search for financial resources, we have utilized sustainable finance instruments for the first time this year. Thanks to this syndication, in which we include a sustainability perspective alongside the financing perspective, we share sustainable value in our growth journey.

In this process, we used a multi-term Sustainability-Linked Term Financing facility worth 125 million dollars in cooperation with HSBC.

This first sustainability-linked financing includes a set of KPIs aligned with key aspects of our sustainability strategy and expectations in our textile retail sector. We have made commitments for the next 3 years on our Scope 1 and 2 greenhouse gas emissions, female employee and female manager ratios.



We took our first step within the scope of Sustainable Finance and benefited from the Sustainability-Linked Term Finance instrument worth 125 million dollars in cooperation with HSBC.

VALUE / OUR OPERATIONS

DIGITALIZATION

We increase our technology investments day by day; we realize innovative projects in many areas from artificial intelligence-supported systems to data analytics, from virtual reality to automation solutions.

Digitalization has become not only a transformation in today's business world, but also a key driver of sustainable growth and competitive advantage. At DeFacto, we see digitalization as an indispensable tool that increases operational efficiency, improves customer experience and enables us to produce innovative solutions in line with our strategic goals. With this perspective, we increase our technology investments day by day; we realize innovative projects in many areas from artificial intelligence-supported systems to data analytics, from virtual reality to automation solutions . We make all our processes smarter, more agile and sustainable by integrating digitalization not only with technology, but also with our culture and way of doing business.

Under the roof of DeFacto Technology, which makes us a technology company beyond being a fashion retail company, we develop projects with this understanding and **realize many innovative projects focused on customer experience and operations.**



DIGITALIZATION PROCESSES

We build our digitalization approach on making our business processes more efficient and effective, managing our financial resources more intelligently and maximizing customer satisfaction. With this perspective, we increased our investments in digitalization by 71% compared to the previous year and invested approximately TL 247 million in digitalization. Thanks to these investments, we launched 68 different digitalization-focused developments throughout the year. We successfully completed 57 of these developments and continued to work on the remaining 11 developments.

As part of our digitalization vision, we develop in-house digital products that will make our way of doing business leaner, more integrated and agile. With each new development, we transform DeFacto into a smarter, faster and more effective organization.

Digitalization Focus	Project	Scope
Operations	Retail Master	<ul style="list-style-type: none">Thanks to our Retail Master application, we are able to instantly present the stock information of all our products and stores to our customers within approximately 0.95 milliseconds. At the same time, as of this year, we can now perform all in-store "Pay in Store" transactions through Retail Master.
	Smart Warehouse	<ul style="list-style-type: none">We develop efficient and fast storage systems thanks to our robots, large storage areas and digital sorter systems in Çerkezköy, Türkiye's first fully automated garment warehouse, and our Istanbul e-commerce warehouses with smart transformation. We achieve very high accuracy rates in our stock control and product counting processes with our advanced technology automation systems.We have a warehouse capacity of 30.9 million units in the Çerkezköy warehouse complex and 9 million units in our Istanbul e-commerce warehouse. In 2024, we invested TRY 23.3 million, especially in our Istanbul warehouse for product removal, increasing shelf capacity and packaging Click&Collect orders.
Customers	DeFacto App	<ul style="list-style-type: none">We see it as an innovative software solution that enables our customers to shop easily and quickly through the DeFacto mobile application.We aim to develop this application, which was previously developed by a third-party software company, with our own internal resources by integrating it into DeFacto Technology with advanced technologies. As of 2024, the number of active users of DeFacto App reached 14.6 million in Türkiye and abroad, we continue to continuously improve the customer experience with its user-friendly interface and fast transaction capability.
	DeFacto Gift Club	<ul style="list-style-type: none">The number of DeFacto Gift Club members, where we offer a digital and innovative loyalty experience to our DeFacto customers, increased to 17.7 million by the end of 2024. Thanks to the application, we facilitate our customers' shopping experiences and bring them together with personalized advantages.

HIGHLIGHTS OF THE DIGITALIZATION JOURNEY IN 2024



Refabric Studio

With the Refabric Studio project, we aim to produce fully digital and personalized visuals in e-commerce content. Within the scope of the project, we utilize artificial intelligence tools; by combining innovative technologies such as artificial intelligence-supported mannequins, Virtual Try-On and background editing, we both improve customer experience and provide efficiency in operational processes.

Thanks to AI-powered mannequins, we integrate our inclusivity approach into the display of our products and offer more inclusive content that appeals to everyone with AI-powered mannequins with different ethnicity, body type or style.

With the Virtual Try-On application, we are able to offer content that is closer and more engaging to each customer group. At the same time, only product images are used for "dressing" in the digital environment, thus eliminating the need for physical mannequin shoots and saving time and cost.



Refabric Design

We actively use the Refabric Design module to support our design teams to develop more innovative, trend-compliant and fast designs. Thanks to this digital tool, we are able to produce dynamic and easily editable designs in line with current fashion trends. With the application, we make our design processes more efficient by using our past projects, documentation and current trend data in an integrated manner.

We use this system in a closed internal environment accessible only to our design teams, ensuring privacy and efficiency at the same time. In this way, we quickly realize creative ideas and continue to make a difference in design. Thanks to Refabric Design, we saved 540,000 TL.

Internal Chatbot

We are launching our Internal Chatbot project to facilitate the daily business processes of our headquarters employees and save time. We are developing this digital assistant, which will be accessible to approximately 1000 employees, in a fully integrated manner with in-house systems. By connecting with tools such as Jira, HR systems, Purchasing, Google Meets, Big Query, Power BI and Cube, we make it possible for our employees to manage their work on a single platform. We fulfill commands via chatbot, take notes in meetings, and respond to voice questions instantly.

We are currently continuing the development process of the application, and we plan to put this smart assistant into the service of our employees by starting our pilot applications very soon.

Artificial Intelligence Assisted Product Labeling and Identification

To digitize the product labeling process, we developed an automated labeling solution powered by visual processing technology and artificial intelligence. In the current process, products are labeled manually and this process causes significant time and labor costs for thousands of products. In our newly developed solution, we analyze the images of the products with advanced artificial intelligence algorithms and automatically create the necessary attributes for each product.

This process makes manual labeling much faster and more efficient. Our product teams review the attributes we create, and we correct missing or incorrect attributes and record them in the system. This speeds up the labeling process and minimizes the need for manual intervention.

Also, thanks to our **Chat GPT Product Description** technology, our product teams have been working more efficiently by automating product descriptions since February. Now, instead of being written manually by the content team, product stories are created by ChatGPT and automatically translated into all languages. Thanks to this project, we managed to save 1,200,000 TL during the year.

Customer Review Summary

Within the scope of the Customer Review Summary project, which we completed in 2024 and developed entirely with in-house resources, we analyze customer comments within the application with artificial intelligence and turn them into a single summary comment. In this way, we aim to positively influence customers' purchasing decisions and reduce return rates by directing them to the right size preferences.

Our Activities within the Scope of Digital Transformation 3D

We aim to emphasize sustainability and innovation by creating more efficient processes both creatively and technically in the fashion industry. In line with this vision, we took important steps this year within the scope of the "Digital Transformation 3D" project, which aims to digitize manual sample approval processes. Thanks to 3D Fit Technology, which offers the opportunity to model, simulate and analyze the clothes in a digital environment, we aimed to save both time and costs, as well as speed up production processes.

With the "Digital Transformation Sample Approval Processes" activities we launched in 2022, we aim to digitize all sample approval processes carried out throughout the company. By enabling flexible sample creation independent of time and location, we are contributing to delivering products to customers on time. By reducing physical samples, we are increasing efficiency and lowering costs.

In the "Weaving Group 3D Fit" study completed in 2024, we digitally prepared and evaluated the first fits of a total of 497 models. By stopping the arrival of two samples for each model and canceling 994 sample processes in total, we saved a total of 1,292,000 TL in fabric, labor, sewing, shipping and fit costs.

In order to disseminate and support the digital transformation of fit processes within the company, we launched "Digital Transformation Training at DeFacto" in 2024. In these trainings organized in cooperation with Bilim Soft, we inform our employees about 3D fit making and its outputs.

The digital transformation rate of fit processes in our company reached **12% in 2024**, and we aim to increase this rate to **20% in 2025**.



In addition, we launched the "DFFIT Store Training" process within the scope of in-store information activities, and ensured that our store employees receive training on 3D models indicating the retractive features of the products. Thus, we aim for our employees to communicate with our customers correctly and make more conscious product guidance.

Finally, we integrated the digital transformation process into the store experience with the "Mall of Istanbul DeFacto FitTech Store Opening 3D Model Studies", which was completed in 2024. During the opening, we highlight the models with different 3D visuals used on led screens and draw customer attention to these products.

DeFacto Fit World

According to the Gartner report, 26% of retail customers are expected to make their purchases through the metaverse in 2026. As a part of this transformation, we continue to add value to our users with the new opportunities offered by the digital world. As DeFactoFit, we evaluate the opportunities offered by the digital world and take our place in the metaverse universe. With DeFactoFit World, which we implemented on the Spatial.io platform, we designed an interactive island where users can participate by personalizing their avatars, make voice and video calls, and organize various events.

In this world, we showcase digital DeFacto apparel, allowing users to explore digital NFT versions of physical products. We also offer an interactive experience with playgrounds, avatar clothes, limited edition NFT designs and collection presentations. With this project, where we bring the physical store experience to digital, we also create virtual stores where users can shop through their avatars.



DeFactoFIT: Digital Platform for Healthy Living

DeFactoFIT, a digital platform that supports healthy living in every aspect, offers more than 4,000 free video lessons and over 200 live streaming lessons every month in nearly 20 areas such as fitness, pilates, yoga, breathing, meditation, dance, martial arts, nutrition and physiotherapy.

Users can filter courses, apply ready-made plans, or get personalized recommendations with the AI-powered "Ask Coach" feature.

DeFactoFIT also serves as a marketplace with more than 50,000 products. DeFacto Fit members can access sports equipment, vitamins, gluten-free foods, cosmetics and grocery products from a single point.

A total of **200,000** registered users and **60,000** active users per month with DeFacto Fit

Video content with a total of **1,125,000 minutes** watched and live broadcasts reaching over **10,000** participants

PRODUCT SAFETY AND QUALITY

We adopt the principle of continuous development with our innovative and dynamic perspective, and strive to offer our customers products at affordable prices, in a variety suitable for every moment of the day and with the expected quality in all our sales channels.

While working with this vision, ensuring the quality and safety of our products is more than a necessity for us, it is a responsibility. Our understanding of quality and safety starts from the design process, when we begin to envision our products, and covers all value chain steps, from the raw materials we supply to the use of our products by our customers.

We define our understanding of quality as the proper management of customer health and environmental impacts. In this context, while we are guided by [our Quality Management System Policy](#), we take international quality systems and standards as a reference and proceed in accordance with the regulations and legal regulations of all countries where our products meet consumers. Thanks to all the steps we have taken and our regular control and safety studies, we managed to reduce the number of recalled products by 9% this year.

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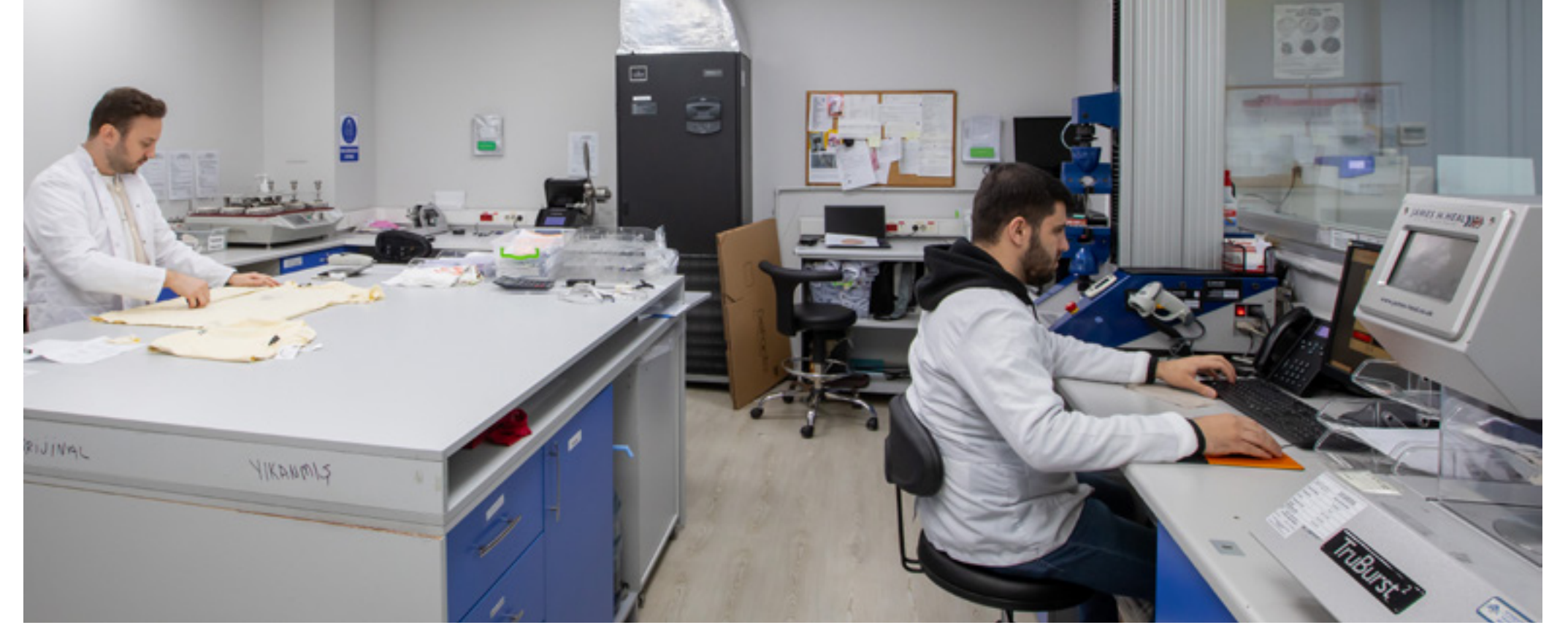
PRODUCT SAFETY

We are committed to ensuring that our customers can safely use the products they purchase and that we take all measures to ensure this. To this end, we conduct numerous tests and safety practices beyond meeting legal requirements to ensure product safety.

We follow the legal regulations regarding the use of chemical substances such as dyes or adhesives that we use in clothing and accessory products, and as a result of the controls we carry out on our final products that meet with our customers, we use far below the chemical substance limit specified in the legal regulations. In this way, we ensure that none of our consumers pose a risk to their health and safety.

We carry out this process with the tests we perform in our laboratories, and we do not ship any of our products to our stores if the residue amount is above the required level. We restrict the use of phthalates, azo colorants and similar chemicals in our products that are classified as proven or suspected harmful to human health by the World Health Organization. We assure all these processes with the tests we perform in our laboratories.

At the same time, we provide trainings to our manufacturers and employees on the use of materials regarding DeFacto's product safety and quality standards and the steps to be taken to meet these standards. We also provide our employees and suppliers with guidance on all our product quality and assurance principles and processes through the DeFacto Product Safety Handbook.



PRODUCT TESTING



We conduct our product tests with two focuses: physical tests and analytical tests. Within the scope of physical tests, we subject the fabrics and accessories to textile-oriented physical tests to be used in our ready-to-wear and accessory products. We perform an average of 100 fabric and 100 finished product tests per day such as color fastness, pilling, pilling, dimensional stability and strength tests. We also include our accredited dyehouses in the testing processes.

In analytical tests, we analyze harmful chemicals that may arise from raw materials and production conditions in our textile and accessory products.

We ensure consumer health and product safety by subjecting our products to tests and controls in our laboratories. We test and inspect the quality and ecological standards of our products in our laboratories in line with the Registration, Evaluation, Authorization and Restriction of Chemicals (KKDIK) Regulation in Türkiye and the customs legislation of the countries that are based on REACH Annex VII and OEKO - TEX Standard 100 criteria abroad. We conduct all our tests in accordance with our high quality, safety and health standards. Thanks to these tests, we make sure that products that will put human and environmental health at risk do not go on sale.

In the physical and chemical tests of the fabrics coming from our suppliers, we act by taking into account the legal obligations of the countries where the products will be sent. We also receive fiber analysis test reports from accredited laboratories from our suppliers and check the accuracy of the fiber content information on the product labels during the quality control of the products.

Thanks to these tests, we also detect errors arising from production in advance, identify remedial steps for operational excellence, and aim to minimize the customer return rate.

Thanks to the presence of our test laboratories within our own organization, we carry out production-approval processes more efficiently, thereby increasing product safety and supplier satisfaction.

Physical Laboratory Tests	Number of Samples Processed in Bulk and Gold Seal Test Process in Physics Laboratory	21,210
	Number of Bulk Test Samples Performed by Accredited Dyehouses	3,104
	Number of Reports Uploaded to the System by Foreign Suppliers	6,922
	Number of Samples Processed in DMY and Pre-Production Test Process in Physics Laboratory	2,529
	Timely Completion Rate of Tests	99%
Analytical Laboratory Tests	Number of Tests Performed in Analytical Laboratories	193.645
	Number of Samples Processed in Gold Seal and Pre Production Test Process in Analytical Laboratory	21.443
	Number of Reports Uploaded to the System by Foreign Suppliers	7.130
	Timely Completion Rate of Tests	%99

BABY AND CHILDREN PRODUCTS

Our product group where our responsibility for product quality and safety is at the highest level is our baby and children's products. While we produce innovative products in this category with our innovative approach, we carry out many tests and controls regarding their quality and safety.

In this context, we work in compliance with special safety requirements in Turkish and European Union legislation such as TS EN 14682 and TS EN 17394-1,2,3 and 4 Safety Standards for Children's Clothing. With the DeFacto Product Safety Handbook, we publish the required technical apparel standards and detailed information about the production methods to be followed to meet these standards.

R&D AND INNOVATION

We continue to invest in R&D and innovation to shape the fashion of the future today.

We continue to invest in R&D and innovation to shape the fashion of the future today. Changing consumer expectations and the rapidly transforming fashion industry make it imperative to develop innovative solutions and continuous improvement. Our R&D and innovation efforts range from sustainable production to digitalization, from customer experience to new product development.

We continue to lead the industry by optimizing product design, material use and production processes with technology and data-driven strategies. With innovative projects that combine fashion, sustainability and technology, we both increase operational efficiency and develop solutions that will best meet customer expectations.

DEFACTO TECHNOLOGY

Founded in 2015, DeFacto Technology is one of the leading brands in the ready-to-wear and fashion industry to establish its own technology company.

Founded in 2015, DeFacto Technology is one of the leading brands in the ready-to-wear and fashion industry to establish its own technology company. Operating in Istanbul Technopark and developing technology and innovation with 291 employees, DeFacto Technology produces R&D solutions in many areas from digital infrastructure services to business intelligence, e-commerce solutions to information technologies system and database management. Thus, we develop many applications used in the sector ourselves.

In 2024, we continue our R&D projects without slowing down and continue to produce innovative solutions by increasing our technology investments. While we successfully completed 20 R&D projects during the year, we also accelerated our digital transformation processes by implementing nearly 250 small-scale development and product development activities.

We continue to benefit from important incentives within the scope of our R&D projects and increase our competitiveness in the sector. In 2024, we benefited from over TL 147 million in technology development-oriented incentives.



DEFACTO DESIGN CENTER

DeFacto Design Center accelerated its activities by receiving "Design Center" approval from the Ministry of Industry and Technology as of 2023. With our team of 67 experts, we develop projects that are sustainable, environmentally sensitive, digitalization and customer-oriented innovations.

In line with our goal of creating added value in design and production, we increase university and industry collaborations and prioritize sustainability through innovative projects.

In this context, we continue our investment and incentive utilization without slowing down. **In 2024, our budget spent increased by 182% to TL 243.3 million, while the amount of incentives received increased by 120% to TL 108.3 million.**

Within the scope of our R&D and innovation approach, we offer our customers experience-oriented products using innovative, customer-friendly, fabric and yarn technologies that have never been tried before, as well as a focus on digitalization.

In addition to technology reflections in our products and services, we include our operation and customer-oriented digitalization efforts in the [Digitalization](#) section of our report.

PRODUCT-ORIENTED TECHNOLOGY USE

Sports Collection with Airtech Technology

While creating our collections, we support innovation not only with digital systems but also with fabric and yarn technologies. We aim to increase performance criteria such as fast drying, breathability and sweat control with our Airtech fabrics. These fabrics, which we developed using yarn twisting techniques, help to keep body temperature in balance by allowing moisture to evaporate quickly. Thus, we offer maximum comfort and an ideal wearing experience for athletes and users who adopt an active lifestyle.

Technology Impact on Skiing and Outerwear Collections

In our ski collections and outerwear, we include technical features that provide waterproofing, water repellency and a certain degree of heat protection. These details provide extra protection in extreme weather conditions and make it possible to stay warm and dry without compromising freedom of movement. Thanks to the innovative fabric and coating technologies we have developed, we maximize the user experience and contribute to our goal of providing long-lasting and functional products.

Heated Coat Project

Developed in 2023, our heated jackets continue to be an important part of our innovative approach to wearable technology. Following the prototype work and field tests we conducted in cooperation with TÜBİTAK MAM last year, we took our products to a more advanced stage in 2024. The products we delivered to TÜBİTAK in May 2024 were developed with a focus on sustainability, user comfort and energy efficiency.

A lightweight and functional outerwear product that keeps warm without restricting mobility in cold climates, the heated jacket series offers adjustable temperature levels according to the needs of the users thanks to the localized internal technical heating system.

Heated jackets create ease of use by providing portable battery support with USB input area. At the same time, it provides high protection against external weather conditions with its waterproof and windproof fabric technology, while offering comfort by increasing mobility thanks to its lightweight and ergonomic design.

Thanks to our Heated Coat project, we became the first clothing brand to take part in Teknofest.

The prototypes developed within the scope of our collaboration with TÜBİTAK MAM were tested by the research team working in the Arctic and provided important feedback on the durability and functionality of our product.



Store and Customer Experience
Oriented Technology Use



Digital VM (Visual Merchandising) Store

With our Digital VM Store project, we optimize store layout and interior design processes by digitalizing them. Thanks to 3D modeling of denim models and placing them in the digital store, we can pre-plan the interior design of our stores in a virtual environment.

Presenting denim clothes with realistic models in the navigable 3D digital store provides great convenience in in-store arrangements. In addition, we offer VR experience through Spatial by preparing three-dimensional visuals and videos of denim areas to be designed in stores. In this way, we accelerate the decision-making process of our design team and save time.

Virtual Orientation Island: Fast and Efficient
Integration

In order to ensure that new employees adapt to the company culture quickly and effectively, we launched the gamification-based Virtual Orientation Island project. This innovative platform facilitates the internal adaptation process by offering a more efficient and interactive orientation process for new employees.

Thanks to the virtual island created, while employees have a more impressive and memorable experience with gamified trainings, it becomes possible for 500 employees to interact and complete the orientation process together. With interactive orientation methods, we aim to increase the retention of learning by 50% and strengthen employee loyalty.

According to Gartner's report, more than 70% of Global 2000 organizations are expected to have at least one gamification project. Gamification provides a 90% retention increase in learning processes, while 87% of employees become more productive thanks to gamified trainings, according to the TalentLMS survey.

Virtual Orientation Island offers personalized learning paths and enables our employees to have an adaptive training experience according to their individual needs. At the same time, by offering a low-cost and modular structure, we create a sustainable and expandable training model within the company. Thus, we both accelerate employee adaptation and increase the productivity of our company.



Our Digitalization and Digital Innovation Practices

As DeFacto, we continue to produce innovative solutions that improve customer experience in line with our vision of being the pioneer of digital transformation in the retail industry. With our Fijital Store concept, which combines physical and digital shopping, we offer our users the opportunity to see and try the products closely in the store and provide a unique shopping experience by accelerating the purchasing process with digital solutions.

- Thanks to the **Scan&Go** application, our customers can shop quickly and practically without queuing at the cash register by using new generation payment methods via the mobile application. With this system, which combines offline retailing with online shopping experience, we aim not only to save time but also to strengthen brand loyalty by increasing customer satisfaction. **As of 2024, we sold 16,839 products with 7,209 orders within the scope of Scan&Go and achieved a total turnover of TL 7,314,975.**
- In addition, with the **KabinQR** application, which we launched to improve the customer experience in our physical stores, our customers can quickly and easily reach customer advisors by scanning the QR code when they want to get support in the trial booths. **As of 2024, nearly 190 thousand KabinQR support requests were created in total, 162,090 of which we successfully finalized and provided support to our customers within 2 minutes.** Our overall performance was 85%. Nearly 60 thousand KabinQR support requests were received in 15 countries abroad and we successfully finalized 64% of these requests.
- We have started **to install new generation people counting devices powered by artificial intelligence technology** in our stores. Thanks to these devices, we can quickly and accurately track the number of customers entering our stores and how many

of these customers make purchases. This artificial intelligence-based system enables us to make our sales strategies more data-driven by analyzing customer density and shopping conversion rates.

At the same time, we can analyze performance by comparing customer entry and exit data with shopping conversion rates. Moreover, since the counting accuracy provided by artificial intelligence is much higher and faster compared to manual systems, we increase operational efficiency. Thanks to this innovative system, we can better analyze customer behavior in our stores and make our sales strategies smarter.

Protection of Intellectual Property Rights

We attach great importance to the protection of our intellectual property rights while conducting our R&D activities. We make copyright applications for every R&D project we complete, register our designs and continue our efforts to increase our license rights.

Thanks to our R&D and design work to date, we have increased the number of patent applications we have filed to 8. We have also registered 8 design applications.

In addition, as DeFacto, we have many licenses to use in our products. In 2024, we increased the number of our license rights to 39, while the number of sales of our licensed products approached 5.5 million.

In this process, we increase our competitiveness and strengthen DeFacto's leading position in the sector by protecting our innovative projects. Together with our R&D team, we continue to encourage innovation and provide added value to the sector by taking our intellectual property management even further.

This year, we also launched the Trademark, Design Research and Monitoring Software project. Thanks to this project, we conduct more comprehensive trademark design research beyond the Turkish Patent and Trademark Office research database, and we ensure the control and sectoral traceability of new design applications.

In 2-week periods, we share Design Bulletins with the entire company, thus ensuring that sectoral design applications are monitored and infringement of rights is prevented.



We have received 8 patents as DeFacto until today.

1. A system we developed for color detection applied on fabric
2. Product personalization through the use of QR codes in the apparel industry
3. Using microcapsules on the textile surface in the garment industry
4. Wearable textile products and accessories that act as chargers with solar panels on them
5. Spreading the color changing technique in sunlight over the entire textile ground
6. The use of sequins in the textile industry for color and pattern diversity on a product
7. Color and shape changing textile prints
8. Product Sorting Device

We received royalties for 8 projects in 2024.

1. DfApi Next Generation Infrastructure Platform Project
2. CIS QR Project
3. Change Data Capture Project
4. B2B and Online Product Data Platform Project
5. Same Day Delivery
6. Parcel-Based MarketPlace CrossDock Parcel Inventory Setup Project
7. Scan & Go (Fast Payment) Project
8. Virtual Reality Orientation Project

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STAKEHOLDER COMMUNICATION AND EXPECTATIONS

As DeFacto, we are strengthening our vision of becoming a global fashion brand day by day thanks to the relationships we have established with our stakeholders and we are moving towards our goals without slowing down. We base our stakeholder relations on transparency, trust and mutual benefit, and interact with all our stakeholders through many communication channels. We support our business partners and stakeholders in line with our globalization, digitalization and sustainability goals.

Stakeholder Groups	Communication Management	Communication Frequency	Stakeholder Priorities
Employees	<ul style="list-style-type: none">Employee Satisfaction Survey,DeFacto Business Academy,Information BulletinsEthical LineOpen DoorMeetings	Continuous	<ul style="list-style-type: none">Human Rights and Fair Working ConditionsEmployee Health, Safety and WelfareTalent Management and DevelopmentDiversity, Inclusion and EqualityCorporate Governance and Business Ethics
Management and Shareholders	<ul style="list-style-type: none">Management MeetingsShareholder MeetingsPublic Disclosure PlatformsAnnual Reports	Regular and Continuous	<ul style="list-style-type: none">Climate Change and EnergyCustomer Satisfaction and LoyaltyProduct Quality, Safety and ResponsibilityTalent Management and DevelopmentCorporate Governance and Business Ethics
Customers	<ul style="list-style-type: none">Wish-Complaint Suggestion SystemCustomer Experience SurveysCustomer Experience Days and Amigo ActivitiesExperience MerchandisingOnline SurveysText, Emails, Phone, Social Media Interactions	Regular	<ul style="list-style-type: none">Human Rights and Fair Working ConditionsEmployee Health, Safety and WelfareWater ManagementDiversity, Inclusion and EqualityCircularity and Waste Management
Suppliers	<ul style="list-style-type: none">Supplier AssessmentsSupplier DaysEmpowerment and Education ProgramsMeetingsE-Mail and PhoneOnline Surveys	Regular and Continuous	<ul style="list-style-type: none">Diversity, Inclusion and EqualityEmployee Health, Safety and WelfareTalent Management and DevelopmentHuman Rights and Fair Working ConditionsCorporate Governance and Business Ethics
Investors	<ul style="list-style-type: none">Public Disclosure PlatformsAnnual ReportsIntegrated Reports	Regular	<ul style="list-style-type: none">Diversity, Inclusion and EqualityHuman Rights and Fair Working ConditionsClimate Change and EnergyEmployee Health, Safety and WelfareCircularity and Waste Management

Stakeholder Groups	Communication Management	Communication Frequency	Stakeholder Priorities
Financial Institutions and Banks	<ul style="list-style-type: none">Public Disclosure PlatformsAnnual ReportsFinancial Statements	Regular	<ul style="list-style-type: none">DigitalizationR&D and InnovationSustainable Economic ImpactResponsible Supply ChainCustomer Satisfaction and Loyalty
Certification Bodies	<ul style="list-style-type: none">InspectionsMeetings	Regular	<ul style="list-style-type: none">Human Rights and Fair Working ConditionsDigitalizationEmployee Health, Safety and WelfareSustainable Product ManagementCircularity and Waste Management
Universities	<ul style="list-style-type: none">MentoringTrainingsConferences and PromotionsR&D and Design Centers Collaborations	Regular	<ul style="list-style-type: none">Human Rights and Fair Working ConditionsTalent Management and DevelopmentEmployee Health, Safety and WelfareCorporate Governance and Business EthicsSocial Contribution
Civil Society Organizations	<ul style="list-style-type: none">WorkshopsProjects	Regular	<ul style="list-style-type: none">Water ManagementClimate Change and EnergyResponsible Supply ChainProduct Quality, Safety and ResponsibilityCircularity and Waste Management
State Institutions	<ul style="list-style-type: none">ConferenceProjectsFace-to-Face MeetingsInspectionsReporting	Continuous and Regular	<ul style="list-style-type: none">Circularity and Waste ManagementWater ManagementHuman Rights and Fair Working ConditionsEmployee Health, Safety and WelfareResponsible Supply Chain
Member Organizations	<ul style="list-style-type: none">TrainingsSeminarsMeetingsJoint ProjectsNewsletters	Regular	<ul style="list-style-type: none">Customer Satisfaction and LoyaltySustainable Economic ImpactDiversity, Inclusion and EqualitySocial ContributionDigitalization

PERFORMANCE INDICATORS

ECONOMIC PERFORMANCE INDICATORS

Economic Performance (TL)	DeFacto		Ozon Textile	
	2023	2024	2023	2024
Income	30,365,526,431	40,682,661,179	365,784,029	671,444,774
Revenue from Online Channels	4,886,413,715	6,773,846,534	-	-
Total Store Capex	787,000,000	995,110,576	-	-
Equity Capital	8,245,284,453	9,851,410,986	313,851,576	600,577,685

ENVIRONMENTAL PERFORMANCE INDICATORS

Energy Consumption (MWh)	DeFacto		Ozon Textile	
	2023	2024	2023	2024
Total Energy Consumption	25,335.92	24,473.24	5,141.54	4,258.93
Natural gas	16,659.80	19,487.62	3,106.37	2,350.59
Diesel (fixed)	4,471.21	715.88	14.51	7.47
Diesel (on-road)	1,375.71	848.13	620.79	822.89
Diesel (off-road)	80.3	-	1.48	6.01
Gasoline	2,478.92	3,421.61	0	0
Electricity Consumption	117,612.24	119,269.79	1,398.39	1,071.98
Network	117,343.06	117,667	1,278.39	72
Renewable Energy	269.18	1,603	120	1,000

Water Consumption (m³)	DeFacto		Ozon Textile	
	2023	2024	2023	2024
Water drawn	-	235,840.84	7,527	4,508
Mains Water Usage	-	235,840.84	7,527	4,508
Underground Water	0	0	0	0
Surface Water Use	0	0	0	0
Waste Water	0	92,883.35	6,774.3	4,057.2
Total Water Consumption	-	142,956.99	752.7	450.8

Greenhouse Gas Emissions (tons CO ₂ e)	DeFacto		Ozon Textile	
	2023	2024	2023	2024
Total Emissions (from Operations)	20,475.81	22,352.32	1,438.99	1,198
Scope 1	4,590.90	6,130.66	825.10	724
Scope 2	15,884.91	16,221.67	613.89	474
Total Value Chain (Operations + Value Chain)	415,503.69	409,347.02	69,146.39	84,178.73
Scope 3	395,027.88	387,020.08	67,707.39	82,981.15
Products and Services Purchased	269,568.08	266,342.48	41,258.62	53,894.52
Capital Goods	6,134.39	6,550.87	-	-
Fuel and Energy Related Activities	6,467.72	6,196.50	203.09	192.88
Upstream Transportation and Distribution	13,940.14	12,198.07	683.68	963.96
Waste Generated During Operations	38.28	21.10	12.12	3.94
Business Travel	2,114.35	1,329.61	13.35	6.66
Employee Transportation	6,635.49	4,211.04	80.96	52.83
Upward Leased Assets	46,849.13	48,318.22	-	-
Downstream Transportation and Distribution	7,691.63	8,746.82	1,347.15	1,413.24
Processing of Sold Products	-	-	-	-
Use of Sold Products	26.39	32.79	23,116.36	25,447.59
End-of-Life Processes for Sold Products	30,561.38	26,682.32	-	-
Assets Leased Downward	-	-	-	-
Franchises	3,560.61	5,192.67	-	-
Investments	1,440.39	1,197.59	-	-
Other Emissions	-	-	-	-

→ ENVIRONMENTAL PERFORMANCE INDICATORS

Waste Amount by Type (tons)	Ozon Textile	
	2023	2024
Total Waste Amount	503.34	484.08
Non-Hazardous Waste	486,76	472.23
Paper and Cardboard	52.66	34.37
Wood	-	-
Plastic	18.56	11.84
Textile Waste	415,543	426.01
Metal	-	-
Other Non-Hazardous Wastes	-	-
Hazardous Waste	16.58	11.85
Recycled Non-Hazardous Waste	486.76	472.23

Waste Amount by Type (tons)	DeFacto	
	2023	2024
Total Waste Amount	775.03	1,115,490
Non-Hazardous Waste	759.98	1,104,377
Paper and Cardboard packaging	-	655,530
Wooden packaging	-	23,488
Plastic packaging	-	48,950
Mixed Packaging	-	290,694
Textile Waste	0.18	385
Metal	-	5,140
Paper and Cardboard	-	79,690
Plastics	-	500
Hazardous Waste	15.05	11,113
Waste by Processing Status - Hazardous Waste		
Recycled	0	-
Reused or Reconsidered	0	-
Disposed	15.05	11,113
Burned for Energy Generation	0	-
Burned without Energy Generation	0	-
Other	0	-
Number of Locations with Zero Waste Certificate	100	95

SOCIAL PERFORMANCE INDICATORS

	DeFacto			Ozon Textile		
	2022	2023	2024	2022	2023	2024
Total Number of Employees	13,604	12,981	11,955	802	677	277
Woman	8,054	7,798	7,287	353	353	156
Male	5,550	5,183	4,668	449	324	121
White Collar Employee	12,554	12,049	11,066	309	213	52
Woman	7,541	7,322	6,802	139	98	19
Male	5,013	4,727	4,264	170	115	33
Blue Collar Employee	1,050	932	889	493	464	225
Woman	513	476	485	469	255	137
Male	537	456	404	454	209	88

Employees by Age Group	DeFacto			Ozon Textile		
	2022	2023	2024	2022	2023	2024
Employees Under 30	10,277	9,371	8,355	240	171	44
Woman	6,274	5,862	5,352	108	116	27
Male	3,953	3,509	3,003	132	55	17
Employees between 30-50 Years of Age	3,294	3,507	3,492	535	451	200
Woman	1,754	1,897	1,883	230	209	105
Male	1,540	1,610	1,609	305	242	95
Employees Over 50	83	103	108	27	55	33
Woman	26	39	52	15	28	24
Male	57	64	56	12	27	9

	DeFacto			Ozon Textile		
	2022	2023	2024	2022	2023	2024
Full Time Employee	8,836	8,418	7,962	8,418	677	277
Woman	4,916	4,747	4,536	4,747	353	156
Male	3,920	3,671	3,426	3,671	324	121
Part-Time Employee	4,768	4,563	3,993	4,563	0	0
Woman	3,138	3,051	2,751	3,051	0	0
Male	1,630	1,512	1,242	1,512	0	0

New Recruits	DeFacto			Ozon Textile		
	2022	2023	2024	2022	2023	2024
Total Recruited Employees	10,452	9,224	10,430	191	33	57
Employees Under 30	9,729	8,669	9,734	81	20	26
Woman	6,132	5,614	6,619	56	11	16
Male	3,597	3,055	3,115	26	9	10
Employees between 30-50 Years of Age	702	525	676	104	12	29
Woman	360	284	426	53	4	16
Male	342	241	250	51	8	13
Employees Over 50	21	30	20	5	1	2
Woman	12	13	15	1	1	2
Male	9	17	5	4	0	0

→ SOCIAL PERFORMANCE INDICATORS

Employees by Duration of Employment	DeFacto			Ozon Textile		
	2022	2023	2024	2022	2023	2024
0-5 Years	11,411	10,536	2,599	-	376	114
Woman	6,958	6,499	1,428	-	226	67
Male	4,453	4,037	1,171	-	150	47
5-10 Years	1,790	483	464	-	198	67
Woman	950	174	185	-	56	19
Male	840	309	279	-	142	48
Over 10 years	403	1,962	29	-	103	96
Woman	146	1,125	10	-	71	70
Male	257	837	19	-	32	26

Disabled Employees	DeFacto			Ozon Textile		
	2022	2023	2024	2022	2023	2024
Total	273	265	250	24	22	9
Woman	80	68	64	5	5	3
Male	193	197	186	19	17	6

Employee Trainings	DeFacto			Ozon Textile		
	2022	2023	2024	2022	2023	2024
Total Training Hours	511,460	456,089	438,246	8,312	2,483	220,958
Training Hours per Employee	37.60	35.14	26.31	35.14	3.67	797.68

Maternity Leave	DeFacto			Ozon Textile		
	2022	2023	2024	2022	2023	2024
Number of Employees on Maternity Leave	354	403	455	8	10	2
Woman	265	291	327	8	10	2
Male	89	112	128	0	0	0
Number of Employees Returning from Maternity Leave	265	276	290	8	1	1
Woman	178	158	164	8	1	1
Male	87	118	126	0	0	0
Total Number of Employees Continuing to Work 12 Months after the End of Maternity Leave	138	167	185	5	1	1
Woman	57	87	87	5	1	1
Male	81	80	98	0	0	0

Occupational Health and Safety Indicators	DeFacto			Ozon Textile		
	2022	2023	2024	2022	2023	2024
Number of Accidents	-	411	644	12	-	-
Accident Frequency Rate	-	2.34	5.36		-	-
Number of Occupational Diseases	-	0	0	0	-	-
Number of Fatal Accidents	-	0	0	0	-	-
OHS Training Hours Provided to Employees	-	21,250	18,920	2,216	-	-

ASSURANCE STATEMENTS

INDEPENDENT ASSURANCE STATEMENT

To: DEFACTO PERAKENDE TİCARET A.Ş.

Introduction and objectives of the work:

Bureau Veritas Certification has been engaged by DEFACTO PERAKENDE TİCARET A.Ş. to provide independent assurance over the “Selected Information” listed below included Integrated Annual Report 2024
This limited assurance report applies to "Selected Information" within the scope of the work described below.

Scope of Work:

The scope of the work was limited to assurance over information included in the Integrated Annual Report 2024 for the reporting period January 1, 2024 to December 31, 2024. "Selected information" specified in the (Global Reporting Initiative-GRI) Sustainability Reporting Standards, the explanations of which are included in the Annexes section.

The scope of the indicators marked on the following pages of the Integrated Annual Report 2024, which is the subject of our limited assurance work, is as follows as of the year ended December 31, 2024;

Selected Information	
Topic	Disclosure
GRI 401-1: New Employee Hires and Employee Turnover GRI 102-8: Information on Employees and Other Workers	Number of employees (aggregated data)
GRI 404-1 Average Hours Of Training Per Year Per Employee	Total Hours of Training (Person X Hours)
GRI 403-5 Worker Training On Occupational Health And Safety	Total OH&S training hours
GRI 403-9: Work-Related Injuries	OH&S incident frequency rate

Water Consumption:

Location	Usage Type	Draft (m3)	Discharge (m3)	Consumption (m3)
Türkiye Head office	Mains Water	10.523,44	5.261,72	5.261,72
Çerkezköy Warehouse	Mains Water	3.025,00	2.722,50	302,5
Yassıören Warehouse	Mains Water	11.668,01	5.834,01	5.834,01
Defacto Technology	Mains Water	53	47,7	5,3
Türkiye Stores	Mains Water	37.993,17	34.193,85	3.799,32
Overseas Offices	Mains Water	1.689,99	1.520,99	169
Overseas Warehouse	Mains Water	4.443,14	3.998,83	444,31
Overseas Store	Mains Water	35.504,70	31.954,23	3.550,47
Overseas Franchise	Mains Water	8.166,70	7.350,03	816,67
Türkiye Head office	Drinking water	154,36	0	154,36
Çerkezköy Warehouse	Drinking water	237,88	0	237,88
Yassıören Warehouse	Drinking water	191,56	0	191,56
Türkiye Stores	Drinking water	79.810,76	0	79.810,76
Overseas Offices, Warehouse, Store	Drinking water	28.046,93	0	28.046,93
Overseas Franchise	Drinking water	14.332,21	0	14.332,21
TOTAL	-	235.840,84	92.883,85	142.956,99



Criterion

The Company has used the principles defined in the relevant documents regarding the activities carried out within the scope of Integrated Management Systems while preparing the "Selected Information" specified in the Global Reporting Initiative (GRI) Sustainability Reporting Standards, which are described in the Appendices of the 2024 Integrated Annual Report.

Assessment standard

The assurance process was conducted in line with the requirements of the International Standard on Assurance Engagements-ISAIE 3000 Revised, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and International Standard on Assurance Engagements.

Reporting principles

The following principles have been taken as basis in the preparation of this report:

- Appropriateness and robustness of key reporting systems and processes used to collect, analyse and review reported information;
- Evaluation of the report according to the main principles of ISAIE 3000 International Standard for Assurance Engagements (Revised)
 - Professional Scepticism
 - Professional Judgment
 - Assurance Skills and Techniques
- Evaluation of the report according to the principles of conformity, completeness, reliability, objectivity and intelligibility defined in ISAIE 3000 International Standard for Assurance Engagements

Limitations and Exclusions:

"Selected Information" in this study covers all fields of activity of DEFACTO PERAKENDE TİCARET A.Ş.

The reliability of the reported data depends on the accuracy of the location-level data collection and monitoring arrangements that are considered as part of this assurance.

Excluded from the scope of our work is the following:

- Information related to activities outside the defined reporting period or scope;
- Company position statements (including any expression of opinion, belief, aspiration, expectation, aim or future intent);
- Historic text which was unchanged from previous years and did not relate to ongoing activities;
- Financial data;
- Appropriateness of commitments and objectives chosen by to DEFACTO PERAKENDE TİCARET A.Ş.;

This moderate level assurance engagement relies on a risk based selected sample of the Selected Information and the associated limitations that this entails.

This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist.



Responsibilities:

The preparation and presentation of the Selected Information in the Integrated Annual Report 2024 are the sole responsibility of the management of to DEFACTO PERAKENDE TİCARET A.Ş.
Bureau Veritas Certification was not involved in the drafting of the related the Report Responsibilities were to:

- To provide assurance on the accuracy, reliability and objectivity of the "Selected Information" in the Integrated Annual Report 2024 in accordance with ISAE 3000 and Global Reporting Initiative (GRI) Sustainability Reporting Standards,
- Form an independent conclusion based on the assurance procedures performed and evidence obtained;
- Report our detailed conclusions and recommendations in an internal report to DEFACTO PERAKENDE TİCARET A.Ş. management.

Methodology:

As part of our independent assurance, our work included:

1. Conducting employee interviews regarding the scope of work involved;
2. Process analysis of collecting and reporting the information included;
3. Review of documentary evidence produced by DEFACTO PERAKENDE TİCARET A.Ş.
4. Recalculation of examples in accordance with the evidence documents used to prepare the information included
5. Remote Audit
6. Implementation of analytical procedures on the final reported data

The work is based on current best practices in independent assurance; It was conducted in accordance with Bureau Veritas Certification standard procedures and ISAE 3000 International Assurance Audits Standard requirements.
The work was planned and conducted to provide independent limited assurance.

Limited Assurance Conclusion

As a result of the evidence obtained, no contradiction has been detected that the Selected Information in the Annex Section of the DEFACTO Integrated Annual Report 2024 for the year ended 31 December 2024 has not been prepared in all material respects in accordance with the Reporting Principles and Tables section.
This report has been prepared for the Company's Board of Directors to assist in the reporting of the Company's activities, including its outcome. We allow this report to be included in the Integrated Annual Report 2024 for the year ended December 31, 2024, in order to enable the Board of Directors to demonstrate that it has fulfilled its responsibilities on the subject by having a limited independent assurance report on Selected Information prepared.

Statement of Independence, Impartiality and Competence

Bureau Veritas is an independent professional services company that specializes in quality, environmental, health, safety and social accountability with over 190 years history.
Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day to day business activities. We are particularly vigilant in the prevention of conflicts of interest.
No member of the assurance team has a business relationship with DEFACTO PERAKENDE TİCARET A.Ş. its Directors or Managers beyond that required of this assignment. We have conducted this verification independently, and there has been no conflict of interest.
The assurance team has extensive experience in conducting assurance over health and safety and social rights, systems and processes, has many experience in this field and an excellent understanding of Bureau Veritas standard methodology for the Limited Assurance.



Bureau Veritas Gözetim Hizmetleri Ltd. Şti.
30 May 2025
Gürhan UZUN
Lead Verifier

S. Özge GÖKMEN ŞAHİNKAYA
Verifier

İbrahim TAGAY
Certification Manager



TSE

TÜRK STANDARDLARI ENSTİTÜSÜ

HEAD OF INSPECTION AND SUPERVISION DEPARTMENT

GHG PROTOCOL GREENHOUSE GAS VERIFICATION STATEMENT

Certificate Number

Report Number

Issued Date

Company Title

Company Address

SER.006.2025/B00051

SER.006.2025/R00037

07/07/2025

DeFacto Perakende Tic. A.Ş.

DeFacto Plaza, Basın Ekspres Yolu, Bahariye Cad. No:31 34303 Küçükçekmece / İstanbul

Purpose of Verification

Verification Methodology

Verification Procedure

Verifying that the Greenhouse Gas Statement dated 02/07/2025 of the company has been prepared according to GHG Protocol Corporate Accounting And Reporting Standard (2015) for the period from 01/01/2024 to 31/12/2024 and that the Greenhouse Gas Statement is free from material misstatements at "Reasonable Level of Assurance" according to the requirements of the TS EN ISO 14064-3:2019 standard.

Verification of the Greenhouse Gas Statement has been carried out in accordance with requirement of TS EN ISO 14064-3:2019 standard.

Greenhouse gas information system controls and greenhouse gas data / information are evaluated by document review, site visits and recalculation methods and on the basis of the evidence of Greenhouse Gas Statement is verified.

Greenhouse Gas Statement Preparation Criteria/Program

Verification Period

Base Year

Organizational Boundaries

01/01/2024 - 31/12/2024

2023

Annex II. Organizational boundaries

Types of Greenhouse Gases

Verified GHG Emissions and Removals¹

CO₂, CH₄, N₂O, HFC, SF₆

Scope 1

Direct Greenhouse Gas Emissions

6,130.66 tons CO_{2e}

Scope 2

Electricity Indirect Greenhouse Gas Emissions (Located Based)

16,221.67 tons CO_{2e}

Scope 2

Electricity Indirect Greenhouse Gas Emissions (Market Based)²

- tons CO_{2e}

Scope 3

Indirect Greenhouse Gas Emissions

387,020.08 tons CO_{2e}

Direct Emissions from Biomass

No emission due to biomass

Greenhouse Gas Removals

Not quantified by the organization

Carbon Credits

Not presented by the organization

Level of Assurance

Verification Opinion

Reasonable Assurance Level

Verified as Satisfactory

Mehmet EROĞUN

Director of Sustainability and Climate Change

The distribution of the greenhouse gas emissions in relation to the sub-scopes is provided in the Annex of this Statement.

2 According to the GHG Protocol Corporate Accounting and Reporting Standard (2015), if the organization uses contractual instruments, including renewable energy certificates, for the greenhouse gas emission attributes, the Electricity Indirect Greenhouse Gas Emissions (Market-Based) are reported by subtracting from Electricity Indirect Greenhouse Gas Emissions (Location-Based) since they are treated as emission reductions.

https://basvuru.tse.org.tr/uye/QRKodDogrulama?code=912C3A You can query this address to check the accuracy and validity of the document.

* Yüzüncü Yıl Bulvarı Cevat Dündar Caddesi 1236. Sokak No:1 Yenimahalle/ANKARA

* Tel: (0312)- 592 51 35 Fax: (0312)- 592 51 85 e-posta: cevreselgozetim@tse.org.tr

15.01.66.FR.002/08.10.2024-5

TSE

TÜRK STANDARDLARI ENSTİTÜSÜ

HEAD OF INSPECTION AND SUPERVISION DEPARTMENT

GHG PROTOCOL GREENHOUSE GAS VERIFICATION STATEMENT

ANNEX - DISTRIBUTION OF THE GREENHOUSE GAS EMISSIONS IN RELATION TO THE SUB-SCOPES

SCOPE 1 DIRECT GREENHOUSE GAS EMISSIONS

Direct Emissions from Stationary Combustion

Direct Emissions from Physical and Chemical processes

Direct Emissions from Leakage

Direct Emissions from Mobile Combustion

Direct Emissions due to Biomass

1,040.92 tons CO_{2e}

- tons CO_{2e}

3,970.78 tons CO_{2e}

1,118.95 tons CO_{2e}

- tons CO_{2e}

SCOPE 2 ELECTRICITY INDIRECT GREENHOUSE GAS EMISSIONS

Indirect Emissions from Imported Electricity

Indirect Emissions from Imported Energy (Steam, Heating, Cooling, Compressed Air)

16,221.67 tons CO_{2e}

- tons CO_{2e}

SCOPE 3 INDIRECT GREENHOUSE GAS EMISSIONS

Category 1

Category 2

Category 3

Category 4

Category 5

Category 6

Category 7

Category 8

Category 9

Category 10

Category 11

Category 12

Category 13

Category 14

Category 15

Purchased goods and services

Capital goods

Fuel- and energy-related activities (not included in scope 1 or scope 2)

Upstream transportation and distribution

Waste generated in operations

Business travel

Employee commuting

Upstream leased assets

Downstream transportation and distribution

Processing of sold products

Use of sold products

End-of-life treatment of sold products

Downstream leased assets

Franchises

Investments

266,342.48 tons CO_{2e}

6,550.87 tons CO_{2e}

6,196.50 tons CO_{2e}

12,198.07 tons CO_{2e}

21.10 tons CO_{2e}

1,329.61 tons CO_{2e}

4,211.04 tons CO_{2e}

48,318.22 tons CO_{2e}

8,746.82 tons CO_{2e}

- tons CO_{2e}

32.79 tons CO_{2e}

26,682.32 tons CO_{2e}

-tons CO_{2e}

5,192.67 tons CO_{2e}

1,197.59 tons CO_{2e}

https://basvuru.tse.org.tr/uye/QRKodDogrulama?code=912C3A You can query this address to check the accuracy and validity of the document.

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* Tel: (0312)- 592 51 35 Fax: (0312)- 592 51 85 e-posta: cevreselgozetim@tse.org.tr

15.01.66.FR.002/08.10.2024-5

TSE

TÜRK STANDARDLARI ENSTİTÜSÜ

HEAD OF INSPECTION AND SUPERVISION DEPARTMENT

GHG PROTOCOL GREENHOUSE GAS VERIFICATION STATEMENT

Annex II. Organizational boundaries

Atatürk Mah. Bahariye Cad. No: 31 DeFacto Plaza 34303, Halkalı - Küçükçekmece/ İstanbul adresinde bulunan Genel Müdürlük,

Karaağaç Mah. Uğur Mumcu Cad. No: 134/1, 59520 Kapaklı/Tekirdağ adresinde bulunan Çerçevköy depo,

Yassıören Mah. Dolunay Sk. No: 28 İç Kapı No: 1 Arnavutköy/İstanbul adresinde bulunan Yassıören depo,

İkitelli OSB Mah. Atatürk Blv. YTÜ Teknopark İkitelli Kampüsü No: Z12, 34203 İkitelli OSB, Başakşehir/İstanbul adresinde bulunan DeFacto Teknoloji Hizmetleri Ofisi,

Yurtiçinde bulunan tüm mağazalar,

Yurtdışında bulunan ofisler,

Yurtdışında bulunan depolar,

Yurtdışında bulunan tüm mağazalar ve franchise mağazaları

https://basvuru.tse.org.tr/uye/QRKodDogrulama?code=912C3A You can query this address to check the accuracy and validity of the document.

* Yüzüncü Yıl Bulvarı Cevat Dündar Caddesi 1236. Sokak No:1 Yenimahalle/ANKARA

* Tel: (0312)- 592 51 35 Fax: (0312)- 592 51 85 e-posta: cevreselgozetim@tse.org.tr

15.01.66.FR.002/08.10.2024-5

DEFACTO INTEGRATED REPORT 2024

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GRI CONTENT INDEX

Declaration of Use	Defacto Retail Trade Inc. (DeFacto) has prepared this report in accordance with the GRI Standards for the period from January 1, 2024, to December 31, 2024.
GRI 1 Used	GRI 1: Core Principles 2021

GRI Standard	Notifications	Place of Notification	Page Number, Source and/or Direct Answers
GENERAL NOTIFICATIONS			
GRI 2: General Notifications 2021	2-1 Organizational Details	About the Report	Page 4
	2-2 Companies Included in Reporting	About the Report	Page 4
	2-3 Reporting Period, Frequency and Contact Person	About the Report	Page 4
	2-4 Restatement of Information	There is no revised declaration for the previous period report.	
	2-5 External Assurance	About the Report Assurance Statement	Page 101-104
	2-6 Operations, Value Chain and Other Business Relationships	About the Report About DeFacto	Page 4 Page 8-18
	2-7 Employees	Employee Ecosystem Social Performance Indicators	Page 61 Page 98
	2-8 Other Workers	Employee Ecosystem Social Performance Indicators	Page 61 Page 98
	2-9 Governance Structure and Composition	Corporate Governance Structure	Page 25-28
	2-10 Nomination and Selection of the Highest Governance Body		Not included in the current reporting year.
	2-11 Chair of the Highest Governance Body	Corporate Governance Structure	Page 25
	2-12 The Role of the Highest Governance Body in Overseeing the Management of Impacts	Corporate Governance Structure	Page 25-28
	2-13 Delegation of Responsibility for Managing Impacts	Corporate Governance Structure	Page 25-29
	2-14 The Role of the Highest Governance Body in Sustainability Reporting	Sustainability Management	Page 29
	2-15 Conflict of Interest	Business Ethics and Compliance	Page 39

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GRI 2: General Notifications 2021	2-16 Communicating of Critical Concerns	Our Risk Management Approach Business Ethics and Compliance	Page 30-34 Page 39
	2-17 Collective Knowledge of the Highest Governance Body	Corporate Governance Structure	Page 25
	2-18 Evaluation of the Performance of the Highest Governance Body		Not included in the current reporting year.
	2-19 Remuneration Policies	Pricing	Page 66
	2-20 Process to Determine Remuneration	Pricing	Page 66
	2-21 Annual Fee Rates		Due to personal data protection and privacy reasons, detailed information on the annual total wage rate cannot be reported.
	2-22 Senior Management Statement on Sustainable Development Strategy	CEO Message Message from the Head of Sustainability and CSR	Page 5 Page 6
	2-23 Policy Commitments	Business Ethics and Compliance Corporate Governance Structure	Page 39 Ethical Principles Policy
	2-24 Integration of Policy Commitments within the Organization	Business Ethics and Compliance Corporate Governance Structure	Page 39 Ethical Principles Policy
	2-25 Processes to Remediate Negative Impacts	Business Ethics and Compliance Stakeholder Communication and Expectations	Page 39 Page 94
	2-26 Mechanisms for Seeking Advice and Raising Concerns	Business Ethics and Compliance Stakeholder Communication and Expectations	Page 39 Ethical Principles Policy
	2-27 Compliance with Laws and Regulations	Business Ethics and Compliance	Page 39
	2-28 Member Institutions	Memberships and Signatory Initiatives	Page 17
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	301-3 Recycled Products and Related Packaging Materials	Sustainable Raw Material Circularity and Waste Management	Page 56 Page 57
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GRI 3: Material Issues 2021	3-3 Management of Material Issues	Climate Change and Energy	Page 50
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	302-4 Energy Consumption Reduction	Energy Management, Efficiency and Mitigation	Page 51
	302-5 Reductions in Energy Requirements of Products and Services	Energy Management, Efficiency and Mitigation	Page 51
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	305-2 Indirect (Scope 2) Greenhouse Gas Emissions	Greenhouse Gas Emissions and Mitigation Efforts Environmental Performance Indicators	Page 52-53 Page 96
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	305-5 Greenhouse Gas Emission Reduction	Greenhouse Gas Emissions and Mitigation Efforts	Page 52-54
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	306-4 Wastes Sent to Disposal	Circularity and Waste Management Environmental Performance Indicators	Page 56 Page 97

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GRI 303: Water and Wastewater 2018	303-1 Interactions on Shared Water Resources	Water Management	Page 55
	303-2 Management of Impacts Related to Water Discharge	Water Management	Page 55
	303-3 Water Withdrawal	Water Management Environmental Performance Indicators	Page 55 Page 96
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DeFacto

For more detailed information about DeFacto Integrated Report and to send your comments and suggestions:

Elif Çam
Head of Global Sourcing, Sustainability and CSR

Halide Pişken
DeFacto Sustainability and CSR Unit Manager

Fatma Özarslan
DeFacto Sustainability and CSR Specialist

sustainability@defacto.com.tr


DeFacto Plaza, Basın Ekspres Yolu
Bahariye Caddesi, No: 31
34303 Halkalı - Küçükçekmece / İstanbul
T: +90 850 333 22 86


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Sustainability Reporting Consultant

Sustaineer Consulting

info@sustaineeco.com

www.sustaineeco.com

Report Design

Editorial

editorial@editorial.com.tr

www.editorial.com.tr