



PLA

SUSTAINABILITY

REPORT

2021

CONTENTS

04

INTRODUCTION

About Our Report
 Message from Chairman of the Board
 Message from the General Manager
 Gürok Group
 About LAV



12

SUSTAINABILITY AT LAV: A JOURNEY THROUGH GLASS



28

BETTER WORLD



38

BETTER PRODUCTS



48

BETTER COMPANY



62

APPENDICES

Our Awards
 Performance Indicators
 GRI Content Index



ABOUT THE REPORT

While we continue our sustainability journey, we are happy to share our 2nd sustainability report with you. Through this report, we reveal our approach on sustainability in all its environmental, social and economic aspects and how we integrate it into our corporate processes. In addition to our sustainability strategy, the report includes our material aspects, performance results, future goals, and corporate engagements.

Covering the period from January 1st to December 31st, 2021, the report encompasses all operations of LAV. This report is prepared in accordance with "GRI Standards: Core option" requirements. In the report, we also included the UN Sustainable Development Goals to which we contributed.

We aim to carry out future reporting works with same guide methodology annually.

You can send all your opinions, suggestions and questions about our report to us at lav_gm@lav.com.tr



MESSAGE FROM CHAIRMAN OF THE BOARD



Rıza GÜRAL
GÜROK GROUP
CHAIRMAN OF THE BOARD

While carrying out our studies, we act without compromising the principles of business ethics, and we care about being a transparent and accountable institution.

Esteemed Stakeholders,

We, as Gürok Group,

We believe in the power of doing our job well every day, for a better tomorrow. We contribute to people, society and the environment with our sustainable production processes and social projects. At the heart of all these activities are 3 basic principles that motivate us: THINK UNLIMITED, BE BRAVE AND DO WELL.

We think unlimited. In all sectors where we produce products and services, there are traces of unlimited thinking at the source of every work we do. With free minds that take their power from the heart, we constantly follow customer needs by going beyond the usual thought patterns. In this way, we discover potential service areas faster, we develop together and bring new ideas to life.

We are brave. As we feed on what we learn, we look to the future with more

courage. By pushing our limits every day and thinking positively under all circumstances, we keep the value of ideas alive through our activities. To bring innovative products and services to life, we take action with an open consciousness and a soul ready to try.

Whatever we do, we focus on doing well. Good service comes from expert teams; expert teams are born from strong cultures. Unlocking the true potential of every talent we work with is at the core of our corporate culture. We do our job well every day, with a respectable work environment that encourages new perspectives and creativity. We aim beyond limits and expectations, trusting each other.

While carrying out our studies, we act without compromising the principles of business ethics, and we care about being a transparent and accountable institution.

We see creating value for our stakeholders as one of the keys to sustainable success. We respond to the demands of our stakeholders with our innovative practices that protect the environment, value people and comply with the conditions of the era. By establishing mutual communication and trust-based relationships with our stakeholders, we closely follow the expectations so that we can take more concrete steps.

We work to add value to life and nature with products and services that increase the quality of life for a sustainable future. We aim to set an example for all our companies by integrating sustainability into our business strategies. Through the sustainability report we published for the 2nd time this year; we share our sustainability activities with our stakeholders in a holistic way. I would like to express my gratitude to all our stakeholders for their unwavering support throughout this process.



MESSAGE FROM THE GENERAL MANAGER

Dear Stakeholders,

We are pleased to present our 2nd sustainability report, which is the LAV 2021 Sustainability Report, to our esteemed stakeholders. With this report, we aim to share our sustainability priorities, performance and targets within the framework of our sustainability strategy, "A Journey through Glass", which we specified to cover the period of 2020-2025.

Continuing its activities in the field of glassware under the umbrella of the Gürok Group, LAV is a well-established institution that has provided added value to the Turkish economy for many years. Today, LAV is in a crucial position to become a world brand as the world's 5th largest glassware producer with a product range of 5,295 items. As of 2021, we are producing 2 million pieces of glass per day in our two production facilities. We maintain our presence in the domestic market with our 44.500 sales points, and in the foreign markets by exporting to 130 countries of the world. About 50% of our sales consists of the sales abroad. We observe that our sustainable business culture and investments play a major role in our success.

We have left behind a year in which we continue to feel the effects of the pandemic worldwide. The pandemic, which brought many changes with it, reminded once again the importance of being prepared for unexpected developments and transformations

and the capacity to adapt. At LAV, we continued to take precautions against possible risks and improve our digital infrastructure during the reporting period. We strengthened the compatibility of our business processes with the remote working model. As in the previous year, we carried out our activities mainly on digital media in 2021. As a learning organization, we continued to support our employees with training and development programs without slowing down. We provided nearly 50,000 hours of training to our employees throughout the year. Thus, we once again underlined the importance we attach to education.

Social, economic and environmental changes experienced globally in recent years, especially climate change, rapid population growth, economic uncertainties, have made sustainability the main agenda of all organizations. The criterion for being evaluated as "good" on the basis of companies has become long-term values created for stakeholders rather than short-term financial gain. Institutions with high environmental sensitivity and that value people have become to be preferred more by consumers.

We, at LAV, identified our sustainability strategy with the theme of "A Journey through Glass". The widespread use of glass, which is a 100% recyclable material that does not harm the environment, makes significant contributions to sustainability. We consider our "A Journey through Glass" strategy, in the light of our values, vision and corporate strategies, as our

roadmap that considers current and potential risks and opportunities, covers all our operational processes and makes sustainability a part of our daily operations.

Within the scope of our "A Journey through Glass" strategy, we have three main focus areas: "A Good Company", "Good Products" and "A Good World". For each of these areas, we have identified our material issues and the SDGs we contribute to. We carry out our sustainability activities under the guidance of our LAV Sustainability Scorecard, which includes our performance indicators, targets and commitments.

We are aware of our responsibility in the fight against climate change. We try to minimize our environmental impacts and carry out practices that will contribute to the circular economy. In 2021, we recycled 4,720 tons of paper and 370 tons of plastic packaging into the economy. By the end of 2021, we have fulfilled our 5% plastic reduction commitment by 2022.

We make sustainable production that is compatible with the circular economy model using environmentally-friendly products with reduced environmental impact and that fully meets the needs of our customers. Every year, we increase the number of our products that use environmentally-friendly paints and have reduced weight.

We adopt the principle of constantly improving the quality and safety of our products. We attach great

5,295
5th largest glassware producer with a product range of 5,295 items.

Within the scope of our "A Journey through Glass" strategy, we have three main focus areas: "A Good Company", "Good Products" and "A Good World".



Ümit ZOR
LAV GENERAL MANAGER

importance to the safety of the chemicals we use in production. We replace hazardous chemicals with less environmentally-friendly or non-hazardous counterparts whenever possible. We carry out our production processes in accordance with national and international quality standards. We provide training to our employees on quality and product safety. Innovation studies constitute an important dynamic of our understanding of quality. We attach great importance to our product development studies that make it possible to preserve food safety for a long time.

One of the issues we focus on within the scope of our sustainability efforts is gender equality. LAV is a brand that has positioned itself in the sector as "a brand that supports women". We believe that social welfare will increase by ensuring

the equal participation of women in all areas of life, and we support the empowerment of women with the works we carry out both within the company and for the society. We adopt the UN Women's Empowerment Principles, to which we have been a signatory since 2015, as a roadmap for our gender equality efforts. With the aim of being a preferred employer for women, we manage the recruitment and remuneration processes on the basis of diversity.

We do not see sustainability as a process carried out only within our own operations, we try to expand it in all elements of our value chain. We act on the basis of sustainability throughout our supply chain. We prefer to work with suppliers that have the same culture as LAV. We meticulously monitor the environmental, social and economic

performances of our suppliers and support supplier development.

We plan our social responsibility activities by measuring social perception and expectations. In this context, we carry out Social Activity Plan and Social Perception Survey studies. As part of the Anatolian Scholars Project, we provide educational support for university students.

With our Sustainability Report, the second of which we published, we present our sustainability perspective, actions we have taken, and prospective goals in line with our strategy of "A Journey through Glass" to the views of our esteemed stakeholders. I would like to express my sincere thanks to all my colleagues, business partners and stakeholders who have been with us in our sustainability journey.

GÜROK GROUP

ABOUT LAV

Gürok Group was established as a family company in Kütahya in 1948 and has become one of the most respected companies in the Turkish industry. Gürok Group continues its activities in industry, construction and tourism with its 4,500 employees.



gürok GROUP COMPANIES

INDUSTRY

LAV

GCA

GÜROK
KIREMIT

TOURISM

ALİ BEY
HOTELS & RESORTS

JOALI

CONSTRUCTION

LAPIS YAPI

ABOUT GÜROK GROUP

Gürok Group, which started its commercial life as a family company in Kütahya in 1948, maintains its respected place among Turkey's largest private sector groups in the first part of the 21st century. The group exhibits a sustainable growth in different sectors, from table glass and glass packaging to tile, from tourism to construction. Gürok Group employs 4,500 people with LAV, the world's 5th largest producer of table glass, GCA which has brought its experience in this field to glass packaging, Ali Bey Hotels & Resorts which has been operating in tourism sector for 31 years, JOALI Maldives and JOALI Being operating in ultra-luxury segment on two islands in Maldives, Gürok Kiremit one of the leading companies in the field and Lapis Yapı where all these projects are realized. Gürok Group represents our country in the international arena with its products and services that bring innovative firsts to its sector.

Our Kütahya Factory, which started its activities in 1996, has grown even more by adding another factory at Kütahya 1st Organized Industrial Zone in 2011, while increasing its production capacity by more than 100%. As of 2021, we continue our activities in two production facilities on an open area of 300.000 m² and a closed area of 120.000 m², and we produce 2 million pieces of glass per day.

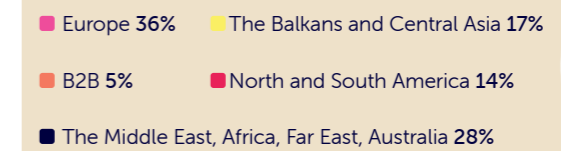
With our product range of 5,295 items and our current capacity, we are the 5th largest glassware producer in the world.

We believe that the key to maintaining pleasant partnerships with our stakeholders is "profitability, agility, awareness and preferability". Within the framework of this belief, we aim to be the most known and admired glassware brand in the target market, and to add value to our users with new glass and digital services. With this vision, we organize our business processes in line with our main strategies.

We have been continuing our sales and marketing activities at Lapis Han in Istanbul since 2014. We bring our products and users together with our 60 regional distributors in Turkey and approximately 44,500 sales points consisting of retail markets throughout the country.

About 50% of our sales consists of foreign sales. We export our products to 135 countries in the world such as Brazil, China and the Philippines, especially France, Spain and England.

REVENUE DISTRIBUTION



As of 2021, we continue our activities in two production facilities on an open area of 300.000 m² and a closed area of 120.000 m², and we produce 2 million pieces of glass per day.

OUR OBJECTIVE

To add joy to every moment in life.

VISION

To be the most popular and widely known glassware brand in target markets with its profitable and agile structure

MISSION

Creating value for users with innovative glass products and digital services

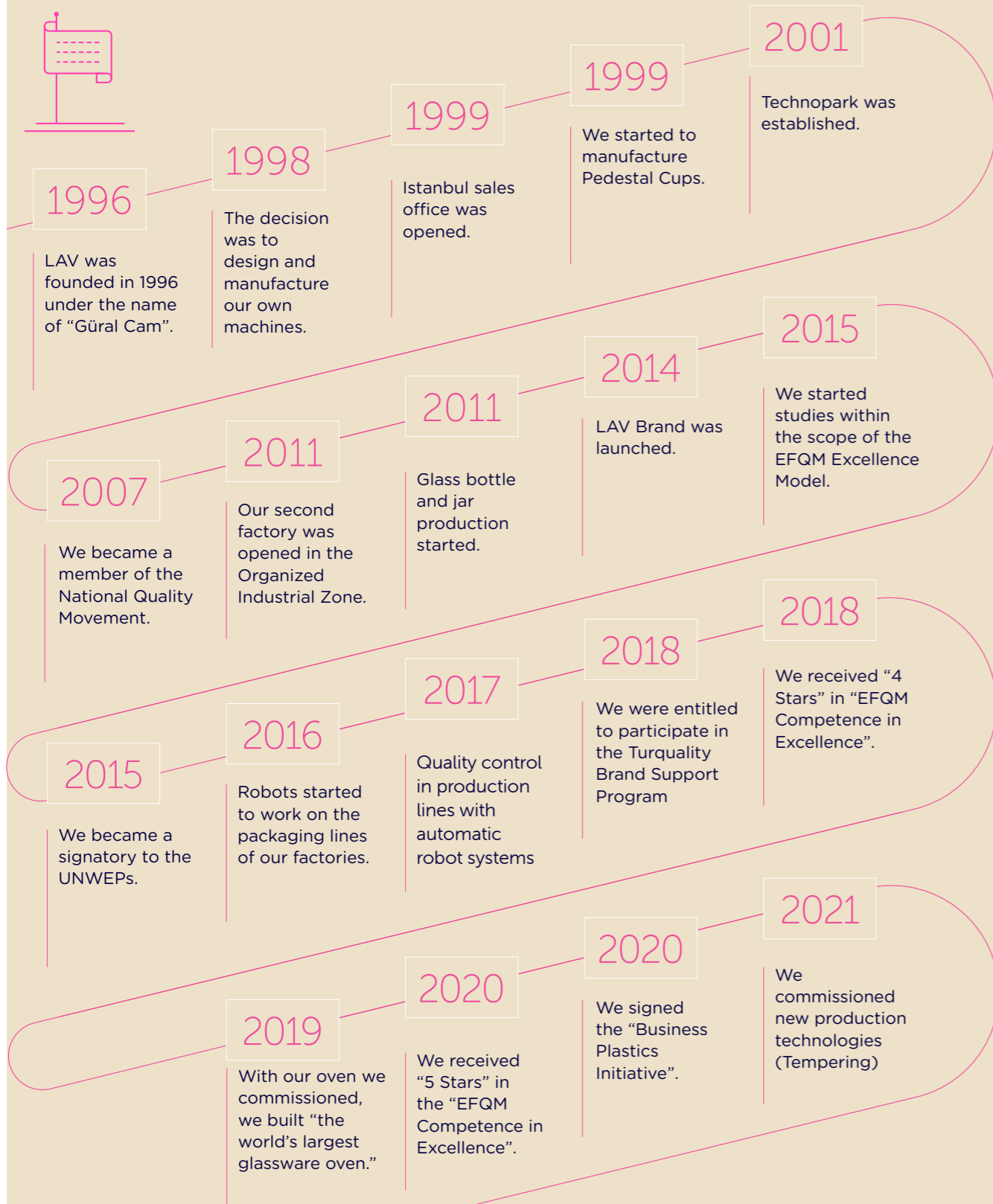
OUR MAIN STRATEGIES

Increasing operational efficiency
Increasing institutional maturity
Ensuring brand-oriented sustainability and profitability

Adding joy to every moment of life;

- Sustainability
- Being Fair
- Market Sensitivity
- Customer Sensitivity
- Innovation
- Consciousness of being together and
- We value the principles of Creating Added Value.

OUR MILESTONES



LAV in Numbers

2 Million
units/day production

Exporting to **135** countries

295 business partners in foreign markets

250,000 retail distribution points worldwide

4 centers

44% white-collar female employee rate

44,500 distribution domestic distribution points

1,401 employees

99% Turkey brand awareness score

83.3% Penetration





SUSTAINABILITY AT LAV: A JOURNEY THROUGH GLASS

- 12 Initiatives We Support In the Field of Sustainability
- 14 Our Sustainability Motto: A Journey Through Glass
- 17 Our Sustainability Priorities
- 19 Lav Sustainability Score Card
- 22 Support We Provide to Sustainable Development Goals
- 24 Our Relations with Stakeholders



Climate change is one of the megatrends that concern the whole world today. Changes in the balance of nature due to the increase in temperature and climate change are among the issues that should be dealt with as a priority for institutions. Many environmental and social problems, such as risks on the sustainability of resources, epidemics, global migration, are waiting to be resolved. The business world also has great responsibilities at this point. Corporate organizations are working to contribute to the solution of these problems by making the issue of sustainability the main agenda. The success of an organization is not only measured in financial indicators, the value created as responsible global citizens becomes one of the identifying factors.

We adopt an agile, participatory, innovative, reliable, environmentally-friendly and ethical management approach.

In addition to the quality of the products produced, it is of great importance that the production processes are carried out in a way that respects human and nature. A brand-new business approach emerges where many components come together such as compliance with constantly changing and diversifying legal regulations, respect for people and differences, employee satisfaction, consumer expectations, green economy, accessibility, digitalization, and sustainable finance. Managing all these components from a larger framework is possible by adopting an advanced sustainability strategy and approach.

Changing dynamics in the world and in our country in parallel shape the design of our business processes at LAV. We adopt an agile, participatory, innovative, reliable, environmentally-friendly and ethical management approach. We integrate sustainability into our business strategy and operations. We conduct continuous and comprehensive measurements to understand the impacts of our products and activities.

INITIATIVES WE SUPPORT IN THE FIELD OF SUSTAINABILITY

We believe that sustainable development can only be the product of a joint effort. We support local and global initiatives, and work to produce the most rational solutions together with the collaborations we have established.

BUSINESS PLASTIC INITIATIVE

İPG İŞ DÜNYASI PLASTİK GİRİŞİMİ

The Business Plastics Initiative (IPG) is a collaboration platform created by Global Compact Turkey, SKD Turkey and TUSIAD to encourage concrete actions by private sector organizations to reduce plastics, to bring together existing studies in line with the Sustainable Development Goals, to increase awareness and cooperation in this field, and to advocate and support communication. As of 2020, we are among the signatories of the IPG.

In this context, we have informed our stakeholders about our plastic reduction commitments until 2023. By 2021, we have fulfilled our commitment and achieved 5% plastic reduction, which we targeted for 2021.

BUSINESS SOCIAL COMPLIANCE INITIATIVE (BSCI)

The Business Social Compliance Initiative (BSCI) is a broad-based platform established for social compliance monitoring and evaluation of the supply chain. BSCI Code of Ethics requires performance reporting on many issues such as legal compliance, non-discrimination, working



conditions, occupational health and safety, prohibition of child labor, prohibition of forced and compulsory labor, environmental and safety issues.

Since 2012, we have been working on establishing a management system in LAV within the scope of BSCI's requirements. In this process, we gradually harmonized our existing management systems with BSCI requirements with the steps of occupational safety and environment, fair remuneration, evaluation of our suppliers with BSCI self-assessment surveys, on-site evaluation of our suppliers, and adding BSCI requirements to supplier selection and evaluation criteria. Since 2012, we have been subject to regular independent audit studies within the BSCI system.

SEDEX

Supplier Ethical Data Exchange SEDEX Program is an audit system designed to help businesses improve the performance of their supply chains.

SEDEX stores data about responsible business practices and allows this information to be shared with multiple customers. SEDEX SMETA Audits are a method used to ensure ethical trading. SMETA Audits are based on the ETI Codes, which include environment, health, safety, business ethics and labor standards in the supply chain. We continue to work to generalize SEDEX standards, which we have adopted since 2009, among our stakeholders.



UN WOMEN'S EMPOWERMENT PRINCIPLES (UN WEPs) Ensuring

WOMEN'S EMPOWERMENT PRINCIPLES

the participation of women at all levels of working life contributes to the formation of more stable and just societies, to the achievement of international goals in the fields of development, sustainability and human rights, to the improvement of the quality of life of societies and to the construction of strong economies. The UN Women's Empowerment Principles is an initiative created to support joint action to achieve gender equality in business life.

We signed the UN WEPs guidelines in 2015. Our aim is to develop internal and external projects for the empowerment of women and to increase our female employee rate.

Sustainability Management

LAV Sustainability Committee is responsible for the management of sustainability issues at LAV. The committee, which meets quarterly under the leadership of the General Manager, monitors the current status of targets and practices. The committee is also responsible for following up on sustainability priorities and good practices, updating them when necessary, and sharing them with stakeholders. The Sustainability Committee increases the sustainability awareness of the employees and ensures that the sustainability awareness affects a wider population through the employees.



LAV's main guide in the field of sustainability is the LAV Sustainability Policy. You can access our Sustainability Policy, which summarizes our approach in all our priority areas and the goals we want to achieve, at www.lav.com.tr. In addition to the Sustainability Policy, we manage our corporate processes with many corporate policies.



Policies that Regulate Corporate Life at LAV

- Information Technology Policy
- Environment Policy
- Digitalization Policy
- Communication Policy
- Human Resources Policy
- Financial Affairs Policy
- Customer Relationship Policy
- Marketing & Sales Policy
- Procurement Policy
- Technology Policy
- Production Policy
- Management Policy



OUR SUSTAINABILITY MOTTO: A JOURNEY THROUGH GLASS

We have determined our sustainability strategy as "A Journey through Glass", and we have built our vision and values, our corporate strategy, possible risks and opportunities, and the integration of sustainability into our business strategies within this roadmap. "A Journey through Glass" defines our sustainability priorities in the focus area of LAV for the period 2020-2025. In 2021, the sustainability priorities were reviewed and no changes were deemed necessary.

Our sustainability activities focus on three main areas: "A Good Company", "Good Products" and "A Good World". We have identified our material aspects corresponding to each area and the UN Sustainable Development Goals to which we contribute. We have prepared the LAV Sustainability Scorecard, which consists of the goals, commitments, performance indicators and targets we want to achieve for all axes.

The LAV Sustainability Scorecard serves as a guide to measure and improve sustainability performance.

BETTER WORLD

- ← Combating Climate Change
- ← Resource Efficiency and Circular Economy
- ← Gender Equality

BETTER PRODUCTS

- ← Environmentally Friendly Products and Food Safety
- ← Brand Recognition and Response to Consumer Expectations
- ← Product Safety
- ← R&D and Innovation

BETTER COMPANY

- ← Emergency Action Plan and Business Continuity
- ← Business Ethics
- ← Digitalization and Industry 4.0
- ← Occupational Health and Safety
- ← Sustainability in the Supply Chain
- ← Becoming a Preferred Employer



Sustainable Development Goals



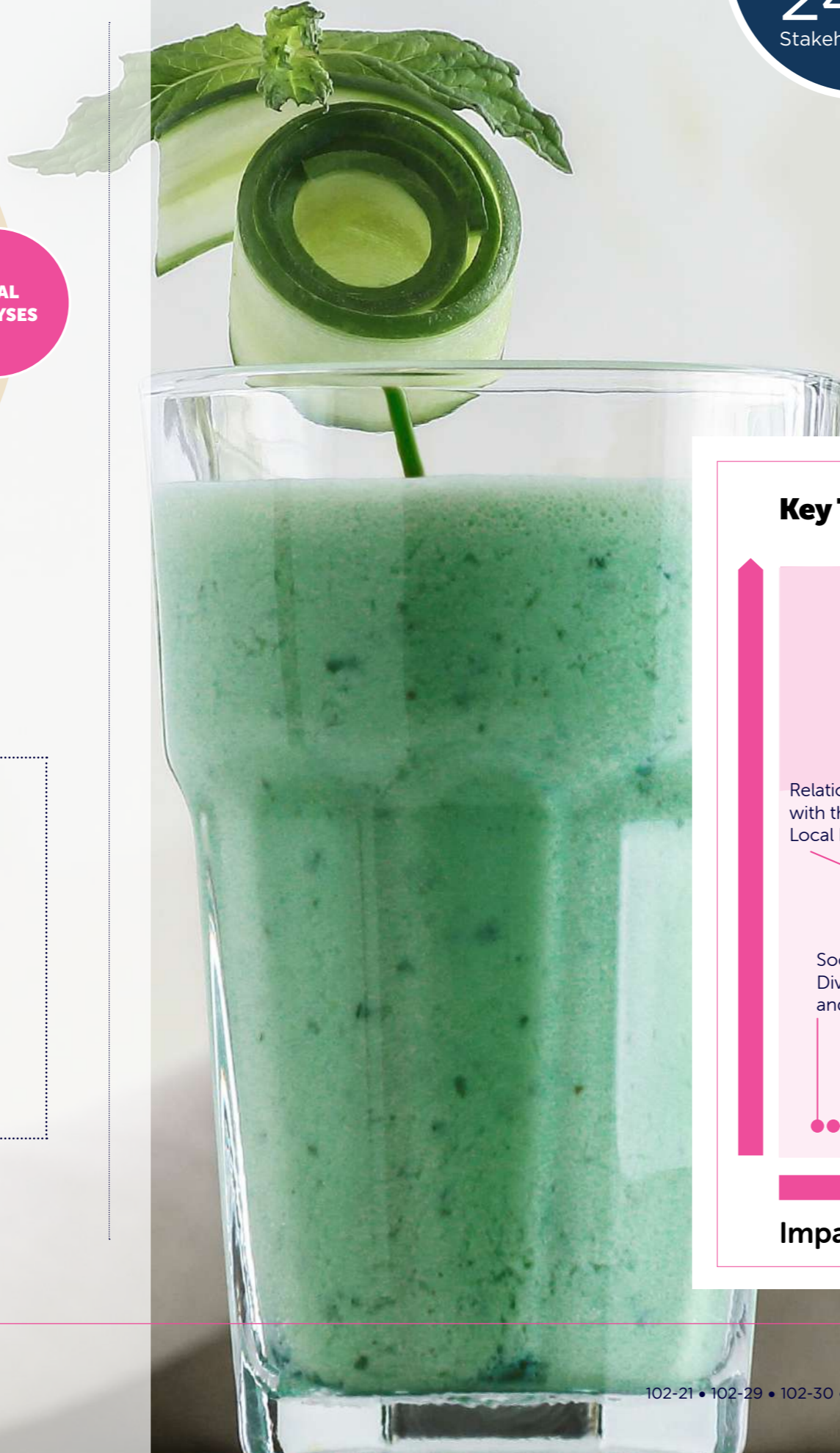
216
Employees
24
Stakeholders

216 employees and 24 stakeholders participated in the survey.



The resources we resort while determining our sustainability strategy:

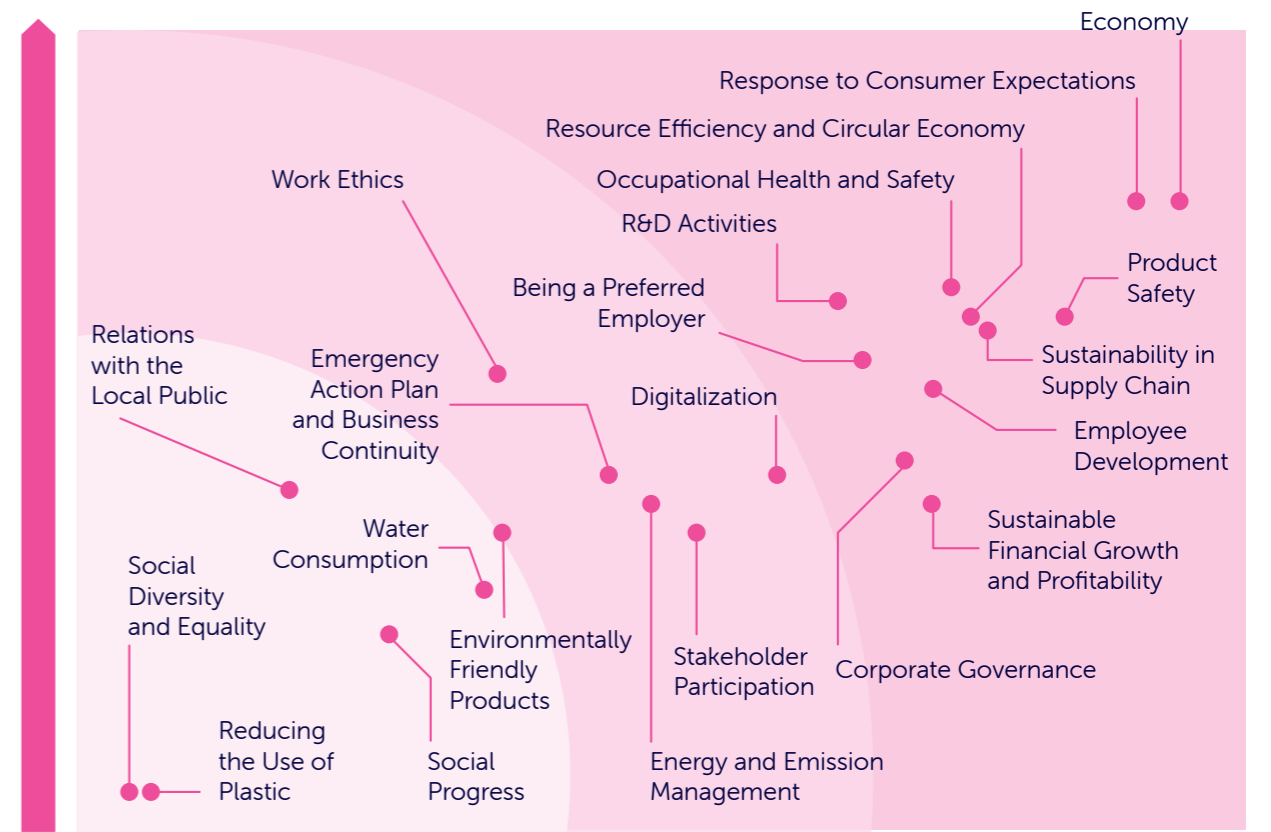
- Corporate strategies and goals
- Corporate Values and Ethics
- Stakeholder expectations
- Risk and Opportunity Analysis
- Global sustainability tendencies)
- UN Sustainable Development Goals
- Corporate engagements



OUR SUSTAINABILITY PRIORITIES

We established our sustainability priorities in 2020 with a series of studies we carried out within the scope of strategy determination. While determining our priorities, we first researched global trends and exemplary good practices in the field of sustainability. Considering our corporate strategy, we have created a comprehensive subject universe consisting of 40 subjects. As a second step, we evaluated the issues in the subject universe in terms of the effects on company operations, the risks and opportunities that the subject may create, and prepared our material list consisting of 22 subjects. Afterwards, we presented the list of topics for the evaluation of our employees and stakeholders through a survey study. While preparing the survey, the UN Sustainable Development Goals, which we are expected to contribute to, were taken into consideration. The survey results were evaluated and finalized by the Sustainability Committee. The identified priority issues formed the basis of the LAV Sustainability Strategy "A Journey through Glass".

Key Topics Matrix



Impact on operations at LAV

Sustainability Expectations by Shareholder Groups

	Employees	Group Companies	Shareholders	Customers	Suppliers	Business Partners
Emergency Action Plan and Business Continuity						✓
R&D Activities					✓	✓
Waste Management						✓
Employee Development	✓			✓		
Eco-Friendly Products				✓		
Digitalization	✓			✓		
Energy and Emission Management					✓	
Business Ethics			✓	✓		
Occupational Health and Safety	✓	✓		✓	✓	
Resource Efficiency	✓		✓	✓	✓	
Corporate Governance				✓		
Brand Awareness	✓	✓	✓	✓	✓	✓
Sustainable Financial Growth and Profitability	✓		✓			✓
Sustainability in Supply Chain	✓		✓		✓	✓
Being a Preferred Employer			✓			
Response to Consumer Expectations	✓		✓	✓	✓	✓
Product Safety	✓		✓		✓	



Global Sustainability Trends: Risks & Opportunities

Subject	Description	LAV's Response: Internal and External Studies
Epidemics	The year 2021 has shown that the impact of the pandemic is very broad and touches every aspect of development. While it created debt crises for developing economies, it brought many serious problems for low-income countries.	<ul style="list-style-type: none"> *We have ensured the continuity of the COVID 19 Safe Production Certificate. *We maintain a hybrid working order. *We continued to use remote working systems actively. *We carried out information activities.
Economic Instability	According to the World Bank , the global COVID-19 pandemic in 2021 had disproportionate economic impacts on different regions and social groups. Differences in economic recovery between high-, low- and middle-income economies became evident. Although there have been some positive developments thanks to increasing vaccination rates and economic openings, inflation, high food and commodity prices continue to be among the main agenda topics.	<ul style="list-style-type: none"> *We provide financial support to our business partners. *We maintain an effective cash management. *We prepare action plans according to the alternative scenarios.
Circular Economy	It is observed that circular economy practices are becoming more and more widespread in Turkey. The concept of circular economy has started to be on the agenda more frequently since the beginning of 2021, due to the impact of the pandemic, extreme climate events, climate change and the EU's mandate of the Green Deal. The Green Deal, which is among the priorities of the EU, covers various customs regulations for all manufacturers producing in Europe, of which carbon intensity is also a part. In this process, while the circular economy studies in Turkey are gaining momentum, the number of supporting organizations is also increasing. Companies exporting from Turkey to the EU prefer suppliers that follow circular economy practices.	<ul style="list-style-type: none"> *We support recycling studies. *We are working for 100% recycling of process scrap.
Digitalization and Industry 4.0	Digitization and global data flow reached unprecedented levels in 2021 as the pandemic accelerated digital transformation. It is seen that technology and regulations regarding data management have a vital importance in terms of providing economic and social value in line with sustainability goals.	<ul style="list-style-type: none"> *We digitize our processes and define new processes. *We are making technology investments in information security.
Natural Disasters	According to CRED (Centre for Research on the Epidemiology of Disasters) , natural disasters affected more than 100 million people worldwide in 2021 and caused more than \$250 billion in economic losses. Both the number of disasters and their economic impact have increased. In 2021, climate change-based disasters such as floods, storms, droughts and heat waves took the lead among natural disasters in terms of impact and number.	<ul style="list-style-type: none"> *We conduct drills within the scope of the Emergency Action Plan.
Disputes Between Countries	Disputes between countries and political turmoil bring many economic, environmental and social risks. Conditions may arise in which trade comes to a standstill. Terrorism and wars continue to be among the global risk factors.	<ul style="list-style-type: none"> *We are diversifying our supplier pool. *We are preparing alternative logistics and distribution channels.
Climate Change and Extreme Weather Conditions	Climate change and extreme weather events pose operational, economic and reputational risks for companies. Combating climate change emerges as a fundamental area of responsibility for organizations. Young generation customers and employees attach importance to climate sensitivity in brand and employer preference. Compliance with environmental regulations requires a qualified effort for companies.	<ul style="list-style-type: none"> * We make our facilities suitable for extreme weather conditions. * We reduce our energy consumption by using alternative raw materials. *We are constantly checking the flue gas emission values. *We continue our production activities by activating alternative sources against energy cuts.

Subject	Description	LAV's Response: Internal and External Studies
Food Crises	According to the FAO , the number of people facing acute food insecurity and in need of urgent food assistance has increased at an alarming rate over the past year. In 2021, nearly 193 million people experienced acute food insecurity in 53 different countries and regions in 2021. The main causes of food insecurity in 2021 included conflicts between countries, extreme weather conditions and economic shocks.	<ul style="list-style-type: none"> *We carry out informative activities to ensure that our consumers preserve food for a long time and in a healthy way. *We work to reduce food waste. *We continue to add products to our product range, where foods can be stored healthily.
Differences in the Quality of Education	The long-lasting pandemic has also had devastating effects in the field of education. According to data from the World Bank , inequalities in education and learning poverty intensified in 2021. It is stated that especially disadvantaged groups are affected by this. It has been documented that the share of 10-year-olds unable to read a basic text due to prolonged school closures and the low learning effects of distance education can reach 70% in low- and middle-income countries.	<ul style="list-style-type: none"> *We develop education-oriented projects within the scope of our social responsibility activities. *We work to be an institution preferred by new graduates by cooperating with universities. *We create training plans to increase the competence of our employees.
Internet and Infrastructure Deficiencies	In 2021, almost half of the world's population was without internet access. With many essential services such as schooling and banking being moved to online platform, the pandemic has brought internet coverage to remote or deprived areas, making accessibility a global priority. According to the data revealed by the WEF , although the number of active mobile internet subscriptions worldwide reaches 6 billion, approximately 450 million people live in regions where this technology cannot reach. More than three billion people do not have online opportunities due to infrastructure shortages and the economic situation.	<ul style="list-style-type: none"> *We receive audits from competent external organizations every year to keep our information technology infrastructure up to date and secure.
Increase in the Expectation of Quality of Life	The expanding middle class around the world, the narrowing of living spaces, the decrease in the population in families, and the differing lifestyles also affect consumption habits. The demand for minimal and environmentally-friendly products is increasing. In order to gain a competitive advantage, companies must be able to respond accurately to consumer expectations.	<ul style="list-style-type: none"> *We design new products suitable for changing consumption habits in target markets.
Unemployment	According to the report prepared by the ILO , it is predicted that global employment will not reach pre-pandemic levels until at least 2023. According to the United Nations assessment; although the global economy gradually recovered throughout 2021, the pace of job creation has generally lagged behind to make up for earlier job losses, particularly in emerging economies. On the other hand, against the background of the global labor market shortage in 2021, many advanced economies faced acute labor shortages in certain sectors. The uneven regeneration momentum of the global economy in different sectors triggered this situation by causing shifts in labor demand.	<ul style="list-style-type: none"> *We plan our on-the-job and in-house trainings in line with the changing employment profile. *The training directorate was created within the group and Gürok Academy was launched on the online platform.
Privacy of Information and Cyber Attacks	In 2021, there is an increase in cases of complex, high-impact malware attacks against critical infrastructure and industries globally. Access to private networks through phishing, rental cybercrime services seem to be becoming commonplace. While cyber-attacks remain as a worrying factor, companies that follow advanced technologies in cybersecurity gain a competitive advantage.	<ul style="list-style-type: none"> *We receive cyber security audits from competent external organizations every year. *We are improving information security restrictions.

SUPPORT WE PROVIDE TO SUSTAINABLE DEVELOPMENT GOALS

Sustainable Development Goals (SDGs) are a universal call to action by the United Nations for governments, companies and non-governmental organizations to work collaboratively and take action in areas critical to the common future. The 17 global goals that have been determined serve to take the right steps today to improve life for future generations in a sustainable way.

At LAV, we adopt and support the United Nations Sustainable Development Goals. We see our contributions to SDGs as an essential component of our sustainable value creation process. We contribute directly to the 7 sustainable development goals with the activities we carry out.



Good Health and Well-Being: As a manufacturing company, we manage the health and safety of our employees as our business priority. We follow the highest standards in occupational health and safety, and organize various training programs. By contributing to the correct storage of food, we help our customers to have a healthy diet.



Quality Education: We invest in the professional and personal development of our employees and prepare them for the future. We establish partnerships with universities. With the social benefit investments we make in the field of education, we contribute to children's access to education.



Gender Equality: We support women's participation in social and economic life. We are a signatory to the UN Women's Empowerment Principles. We develop applications to increase our female employee and manager rates. We will implement social responsibility projects to ensure that gender equality spreads to the whole society.



Decent Work and Economic Growth: We increase the economic added value we create with our investments in R&D and innovation. We develop practices to prevent child and forced labor and to ensure fair working conditions in our supply chain. With the importance we attach to local supply, we increase our contribution to the country's economy and support the development of domestic companies. We follow international standards in order to provide our employees with the working conditions they deserve. We contribute to social welfare with our social benefit investments.



Industry, Innovation and Infrastructure: We make investments to produce products with low environmental impact and high added value. We carry out many collaborations in the field of R&D and innovation. We provide competitive advantage by producing our own machines. We follow the requirements of Industry 4.0 and digitize our processes.



Responsible Production and Consumption: We strive to produce better products by consuming less resources, without compromising on quality and safety. We share accurate information about our products. We support the circular economy. We support the efforts to increase the recycling of glass and look for ways to reduce our plastic consumption.



Partnerships for the Goals: We closely follow all developments in the field of sustainability. We are partners and supporters of many sectoral, national and global initiatives. We believe in the power of joint action in sustainable development.

Relations with Our Stakeholders

We care about informing our stakeholders completely and on time. We maintain uninterrupted stakeholder communication with communication platforms specific to different stakeholder groups. We see corporate memberships and supporting various initiatives as a part of stakeholder communication. We are in close communication and cooperation with non-governmental organizations, sectoral and global initiatives.



Our Stakeholders and Communication Methods

Our Stakeholders	Communication Platform	Communication Purpose / Subject	Communication Frequency
Customers	Surveys Website press section Magazines and newspapers Social media Fairs	Endorsing the developments in the company, sector and technology	Continuous
		Announcement of innovations about the company with bulletins added to the website	Continuous
		Management of LAVmood communication campaigns in social media	Continuous
		Supply chain customer conversations	Six times a year
		Announcement of innovations about the company with bulletins and interviews in domestic and foreign publications	Continuous
		Meetings with existing and new customers	Continuous
Employees	Satisfaction Survey BizBize Magazine Social Media	Announcement of important developments about the company	Four times a year
		WhatsApp contact line	Continuous
		Internal communication meetings within the department	Once a year
		Interdepartmental internal communication meetings	Once a year
		Providing information about the company	Continuous
		Communicating important developments	When required
		Sharing the developments in LAV by the General Manager	Twice a year
		Evaluation of the previous year and conveying the vision of the next year	Once a year
		Strategy Workshops	Once a year
Wishes and Requests Platform	Continuous		
Employees	Satisfaction Survey BizBize Magazine Social Media	Transfer of company, products, developments and news	Continuous
		Discussing commercial matters	Continuous
		Supply chain supplier negotiations	Six times a year
		Audits	Several times a year
Shareholders	Board of Directors Meeting	Transfer of developments and news about the company, products	Continuous
		Providing information about the company and conveying important developments	Two times a month
Local Community and Administrations/ Public and Regulatory/ Non-Governmental Organizations/ Media	Newsletters Social media	Announcing important developments about the company through the media	When required
		Announcement of important developments about the company	Several times a year
		Announcing important information	Continuous
		Transfer of developments and news about products	When required
Group Companies	Bizbize Magazine	Announcing important information	Four times a year



BETTER WORLD

- 29 We Embrace Circular Economy
- 32 Business Plastics Initiative (IPG)
- 32 We Support Combating Climate Change
- 34 We Support Gender Equality
- 35 We Develop Projects to Support Social Welfare



At LAV, we dream of a fairer, cleaner, better world. We are aware of our responsibility for a better world. We reduce our environmental impacts, contribute to ensuring gender equality, and strive to increase the welfare level of the society we live in with social responsibility projects.



200
m³/day water treatment plant available

We have a 200 m³/day domestic wastewater treatment plant for the treatment of domestic wastewater.

Key Topic	KPIs We Follow	Goal	Date	Realized Goals for 2020	Realized Goals for 2021
Circular Economy	Amount of raw material consumed (tons)	Determining the ways of saving by identifying the plastic usage map	2021	103	107
	Water density (m ³ /ton of water consumption per ton of glass)	Maintaining an efficiency project related to water saving every year	2030	5.6	4.58
	Hazardous waste amount (tons) *	Reducing oil consumption	2030	47,928	80,493
	Amount of plastic used (tons)			220	55
Energy and Emission Management and Combating Climate Change	Energy density (energy consumption GJ/ton of glass per ton) **	Implementation of an energy efficiency project every year	2030	91.8	93.18
	Greenhouse gas emissions (scope 1- tCO ₂ e) **			94.12	129.93
	Number of leaks/spills			0	0
Social Gender Equality	Employee turnover rate (%)		2025	0.41	0.87
	Female manager ratio (%)		2030	45	45
	Ratio of entry-level female employee salaries to male employee salaries			1	1
	Ratio of executive level female employee salaries to male employee salaries			1	1

*The reason for the double increase in the hazardous waste amount is the intensive cleaning process of tanks and pools during the period.
**Indexed according to the year 2018=100.

We Embrace Circular Economy

%100
Recovery and recycling rate of scrap materials

In 2021, we brought 6,500 tons of paper and 110 tons of plastic packaging into the economy.

The circular economy is an economy model based on the principle of natural circular system innovation, in which resources are used responsibly, waste and pollution are eliminated at the design stage, and products and resources participate in the reproduction process without producing waste. It is based on the principle that limited resources produce value in a sustainable way with rational solutions. It is one of the important materials of the

circular economy as a "continuous material" that can be transformed endlessly.

At LAV, products that do not comply with quality standards are detected at various stages of quality control and collected and reintroduced into the production process. At LAV, we are working on increasing the amount of recycled glass in production, as well as developing projects for more efficient and sustainable use of resources.

In this regard;

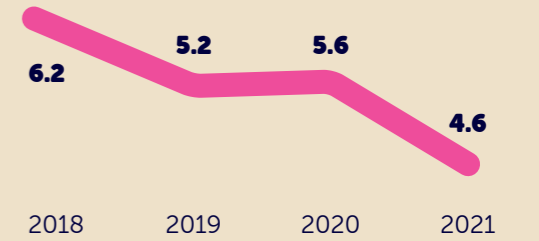
- We attach great importance to the sustainability of water, which is the main source for glass cooling in the production process. We recycle and reuse all of the industrial wastewater generated during the production process.
- We have a 200 m³/day domestic wastewater treatment plant for the treatment of domestic wastewater.
- Within the scope of the Wastewater Treatment Plant Improvement Project in 2021, we have activated our investment budget of 50,000 Euros for 2022.
- We recycle waste packaging and bring it back to the economy.
- In 2021, we brought 6,500 tons of paper and 110 tons of plastic packaging into the economy. Our recovery rate was 100%.
- We use the waste heat generated in the production processes for the heating of business and administrative offices.
- We collect waste batteries in our businesses and administrative offices.
- As a result of digital needs analysis, we carry out digitalization projects that encourage the use of paperless offices.

Productivity Improvement Projects

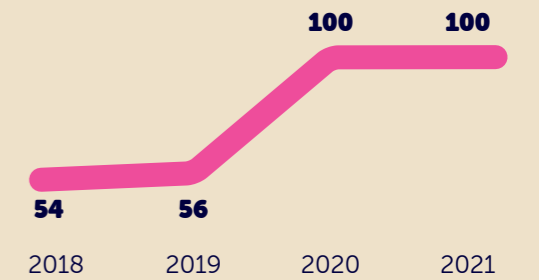
Within the scope of our productivity increase projects, we aim to improve time-wise benefit and efficiency by using less resources in our production processes. In the projects we started in 2021, to date, we have achieved a total improvement of 0.3% in production parameters.



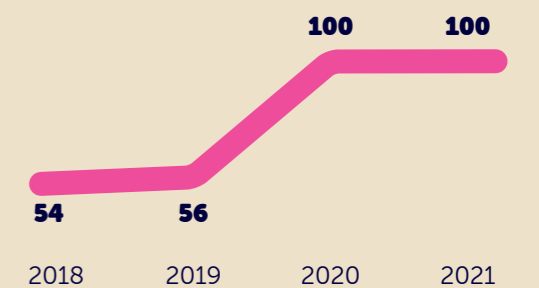
WATER INTENSITY (M³/TON)



PAPER RECOVERY RATE (%)



PLASTIC RECOVERY RATE (%)





Business Plastic Initiative (IPG)

Plastic is a versatile and durable material and takes place in many areas of our daily lives. Plastic packaging protects products, helps to reduce carbon emissions by reducing transportation costs. Ease of use and advantage have made plastic an integral and important part of the global economy. However, the fact that plastic production is high and reuse and recycling is relatively low has made plastic waste a global problem.

Burning or sending non-recycled plastic waste to landfills causes serious greenhouse gas emissions.

Plastics mixed with nature both threaten biodiversity and potentially turn into microplastics, spreading to the entire ecosystem and threatening environmental health.

Founded in 2019 by Global Compact Turkey, SKD Turkey and TUSIAD, IPG works with the vision of realizing the circular economy for plastics. Continuing its work on a voluntary basis, IPG is the first and only initiative in Turkey that brings together plastics value chain actors, local governments and public affiliates, investors, NGOs, academia and citizens, namely multiple stakeholders of the entire plastics value chain.

As an IPG signatory company, we also support the international Common Vision, which consists of widely accepted international principles. Within the scope of IPG, we aimed to reduce plastics by 5% (1.5 tons) until 2022 and by 7% (2.1 tons) until 2023. We achieved our reduction target of 5% (1.5 tons) at the end of 2021.

We Support Combating Climate Change

Glassware production is an energy-intensive industry. About 30% of the cost consists of the energy use. Energy efficiency is an important issue for the industry. Increasing energy efficiency in LAV is one of the important priorities.

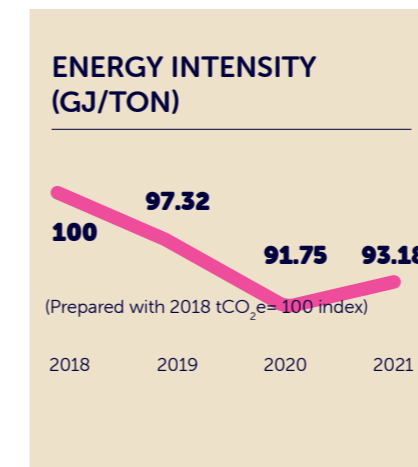
We aim to increase the competitiveness of our company by enhancing energy efficiency and to contribute to combating climate change. We meticulously monitor the possible impacts of climate change on our operations and evaluate environmental risks in our risk maps.

The Energy Directorate unit, which specializes in energy management, is responsible for the energy management of LAV. It is the responsibility of this unit to make measurements, follow up the targets, and implement the legislation and improvement studies.

We support the Turkey phase of the "Partnership for Market Readiness - PMR", which was created by the World Bank in combating climate change to support the efforts to reduce greenhouse gas emissions and to ensure the effective use of market-based emission reduction mechanisms.

In the glass production process, the highest energy is used for melting raw materials at temperatures between 1,300 and 1,650°C. In LAV, we use natural gas in this melting process. In 2021, with the initiation of new production processes, glass traction increased

by 9.2%. Accordingly, our natural gas consumption increased by 9.6% compared to the previous year. Accordingly, there has been an increasing trend in our total energy consumption. We carry out raw material replacement and efficiency studies to reduce our natural gas consumption.



Energy Efficiency Projects

In projects initiated to reduce the total energy consumption consumed during production, we saved 1% in energy consumption in 2021. Saving natural gas in the melting process and improving compressed air systems are among the targets of the projects in the future.





We Support Social Gender Equality

LAV is a brand that has positioned itself in the sector as "a brand that supports women". LAV believes that the equal participation of women in all areas of society will increase social welfare and supports the empowerment of women both within the company and in its works for the society.

We became a signatory to the UN Women's Empowerment Principles (UN WEPs) in 2015 in order to carry the importance we attach to gender equality to international standards. Within the scope of our UN WEPs roadmap, it is among our goals to establish a gender equality working group. With this working group, we aim to better understand the demands and problems of our female employees and to produce solutions, as well as to develop social responsibility projects.

At LAV, we aim to be the employer preferred by women in their work life. We manage the remuneration, career opportunities, selection and placement processes according to the diversity principle. 44% of our white-collar employees are women.

We are developing projects to increase our female engineer ratio. We encourage our male employees with babies to use paternity leave. As part of our COVID 19 measures, we have given administrative leave to our employees who are pregnant and on maternity leave.

As part of the "Anatolian Scholars Project", we provide educational support to two female students from Koç University.

We Develop Projects to Support Social Welfare

At LAV, we continue our social responsibility projects in the presence of data by making use of research studies. Since 2015, we have been regularly making a "Social Activity Plan" and organizing a "Social Perception Survey" (SPS).

Our Community Activity Plan is updated every year under the headings of "Impact on Society", "Preventing Inconveniences and Damages" and "Protection of Resources". With SPS, we measure social perception and expectations on the topics in the Social Activity Plan. We use the SPS results as the input for the next year's Community Activity Plan.

AĞAÇKÖYÜ EDUCATION PROJECT

We support primary and secondary school students' Arduino Robotic Coding and Lego Mindstorm Robotic programming trainings in Kütahya Ağaçköy with the project we carry out in partnership with GCA. In the project that started in 2018, 94 students met with programming and robotic coding. Students exhibited their projects at the TUBITAK Science Fair held in March 2020.





BETTER PRODUCTS

- 39 We Listen to Our Customers
- 41 We Produce Quality and Reliable Products
- 44 We Design Environmentally Friendly Products
- 45 We Work to Prevent Food Waste
- 45 We Invest in R&D and Innovation



Key Topic	KPIs We Follow	Goal	Date	Realized Goals for 2020	Realized Goals for 2021
Response to Consumer Expectations and Brand Awareness	Total number of products in the product range	Developing a project for longer preservation of food	2022	4,870	5,295
	Total number of sales points (Turkey)			44,500	44,500
	Brand awareness research (%)		94	99	
Product Safety	Penalties for product safety violation	Product safety tests success rate is 100%	2030	0	0
	Number of product safety inspections			8	9
	Product safety audit scores			Walmart FCCA Audit: 88.2 FCCA Audit: 89.5 Sainsbury's Technical Audit: 97 Nestle GMP Audit: Compatible Morrison's Technical Audit: 95 BİM Technical Audit: 88 A101 Technical Audit: 90 Migros IFS Audit: B	Walmart FCCA Audit: 99,2 (Kütahya Factory) Walmart FCCA Audit: 88.2 (Organized Factory) Carrefour Technical Audit: 90 Sainsbury's Technical Audit: 96 Nestle GMP Audit: Compatible A101 Technical Audit: 86.6 BİM Technical Audit: 88 Migros IFS Audit: 95.51 John Lewis Technical Audit: B-Satisfactory
Environmentally-Friendly Products and Food Protection	Number of products with reduced weight			4	2
R&D and Innovation	Number of university/industries R&D collaborations			3	3
	Number of registered designs			3	2
	Number of registered brands			4	4

WE LISTEN TO OUR CUSTOMERS

One of the important factors that strengthen our position in the market is our effective customer relationship management. For this reason, meeting consumer expectations is among LAV's sustainability priorities. Today, rapidly changing trends also affect consumers' expectations and purchasing preferences. We respond to changing expectations and preferences with the products and services we have developed. We offer collections suitable for consumers' preferences and expectations. We focus on a different theme in each of our product groups.

WE HAVE 5,295 TYPES OF PRODUCTS

We listen to our customers with an understanding of communication where we can take quick steps to solve product-related problems. We listen to customer requests and complaints through various channels (phone, website, portal, sikayetvar.com, face-to-face, social media accounts, etc.) and offer appropriate solutions to customers accordingly. Complaints received at LAV are evaluated by the "Customer Complaints Board" and when necessary, CPA (Corrective Preventive Action) is opened and transferred to the relevant unit.

At LAV, we use social media platforms to increase customer satisfaction. With the campaigns we run through these channels, we better understand and analyze the opinions and preferences of the consumers. We consider these analyses and views as insights while identifying our own strategy. We have reached 147 million views on our Instagram account in Turkey and 12 million views on our USA account.



44.500

Yurtiçi Satış Noktası

Yurtiçindeki 44.500 satış noktamızın yanı sıra e-ticaret sitelerimiz üzerinden tüm Türkiye'ye; lav-us.com ile ise ABD'nin 50 eyaletine ürünlerimizi ulaştırıyoruz.

In addition to our 44.500 domestic sales points, we reach all around Turkey through our e-commerce sites; and with lav-us.com, we deliver our products to all 50 states of the U.S.

We organize a Customer Satisfaction Survey (CSS) every two years to measure how well we meet our customers' expectations. We share the analysis of the survey results with the senior management and relevant departments, identify the issues that need to be reviewed and improved, and take the necessary actions. In the last survey conducted in 2021, there were 22 questions consisting of topics such as products, packaging and product presentation, samples, shipment, customer relations and communication, problem solving/ complaint management, image and reputation, and loyalty.



We reached 147 million views on our Instagram account in Turkey and 12 million views on our US account.

41 Madison Newyork

Over the past few years, we have visited countless American homes and experienced the daily routines first hand in order to exceed expectations for glassware products. Our desire and passion are to bring a new perspective to the U.S. market, to shake the ordinary habits surrounding the glass and to reveal it with a new energy. Based on this, we designed a showroom that we believe will reflect the LAV brand in the most accurate way with an area of 206 m2 in 41 Madison buildings in New York, where the world's leading glassware manufacturers are located. While raising the LAV brand perception in line with our target country strategies, we communicate with our customers and manage their demands and expectations.

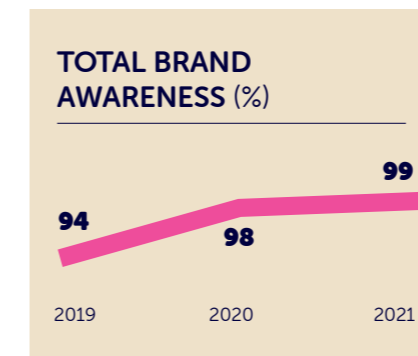
We Are Working to Increase Our Brand Awareness

Ensuring brand-oriented sustainability and profitability is one of LAV's main strategies. In this direction, we attach special importance to brand awareness efforts at LAV.

We organize visits, fairs and focus groups for our current and potential customers with the motto "Your Best Friend". We regularly attend international fairs such as Chicago – International Home & House wear Show, Frankfurt- Ambiente, The New York Tabletop Show and HOMI

The Lifestyle Trade Fair. We organize special events within the scope of brand communication activities on special days. We carry out social media activities throughout the year and carry out special digital projects. We conduct news follow-up studies throughout the year for PR, event and sponsorship activities, and we carry out PR events and advertorial studies at various times.

Within the scope of brand communication, we conduct market research such as availability, checkout, focus group, brand awareness and image values. We carry out checkout brand awareness and image values throughout the year.



WE PRODUCE GOOD QUALITY AND RELIABLE PRODUCTS

Since our products come into contact with food, they affect human health. Therefore, quality and safety are essential elements for LAV. Our quality and safety studies, which started with the ISO 9001 Quality Management System, gained momentum in 2015 with the adoption of the EFQM



Excellence Model as a management approach. We continue our efforts to continuously improve product quality.

At LAV, we ensure product quality and safety with national and international standards. We produce in accordance with the principles

of the EU Council Directive (EC) 2023/2006. Our Quality Management System and processes comply with applicable standards that ensure product safety, such as BRC (British Retail Consortium Global Standards). We organize trainings for our newly recruited employees on product safety.

We measure the quality and durability of our products with a wide series of analyses and tests. All of our products go through five different quality control tests: hot control, cold control, tension tests, product control and quality control.

Product quality and safety studies at LAV

Plan	Area of Application
Infrastructure and Working Environment Plan	Infrastructure and working environment
Input Validation Plan	Compliance and control of the inputs to be used in the products
Identification and Traceability Plan	Traceability
Internal Audit Plan	Monitoring the compliance status of processes
Management Review Plan	Annual review of management systems and process management
Recall Plan	Determining what to do in case of a situation that may threaten consumer health during the use of the products
Waste Plan	Disposal of wastes that may occur as a result of our activities
Production Phase Monitoring and Measurement Plan	Determining which controls and methods will be used in our processes during the production phase
Final Control Plan	Final checks of our packaged products
Emergency Plan	Emergencies that may affect product safety, human health and the functioning of our processes
Product Safety Defense Plan	Controls regarding product safety to be made in and around the facility



We inspect the compatibility of parts such as plastic and silicone covers used in our products for contact with food, through tests performed in accredited third-party test laboratories. The methods and limits in the EU legislation, the European Norms REACH Directive and the internationally valid ISO standards are taken into account in the tests.

Regarding the decor paints and spray paints we use in our products in terms of suitability for contact with food, we obtain documents from our suppliers, regarding especially that the chemicals in the EU Directive (EC) 1907/2006 Annex XVII are not used, and whether there is SVHC, that is, a substance of high concern. We regularly check the suitability of our decorated and spray-painted products for food contact with accredited third-party laboratory analyses.

At LAV, which aims at continuous improvement, our Product Safety and Quality Management System is regularly evaluated every year by third-party organizations determined by our customers. We take the necessary actions regarding the findings revealed in both our internal evaluations and independent evaluations.

The quality control of semi-finished products is carried out by using quality control machines that we design and produce in-house, and by using optical methods with machines purchased from global glass quality control machine manufacturers. The quality acceptance of the products is determined by using the narrowest limits in the industry.

We also attach importance to the quality and product safety performance of our suppliers, from which we purchase materials that directly affect our final products. As part of the Supplier Evaluation Plan, we monitor the quality and safety performance of suppliers through ethical, social and technical audits. We carry out audit studies to measure the performance of our suppliers. During the reporting period, we did not have a product recalled due to a product safety violation.



653
Employees received quality training

During the reporting period, 653 employees received quality training while 11 of our employees received product safety training.



%50
We reduced paper consumption

In 2021, we reduced paper consumption in offset boxes by 50% on an m² basis.

WE DESIGN ENVIRONMENTALLY-FRIENDLY PRODUCTS

On our way to design durable and need-oriented products, we implement projects that reduce the environmental impact of our products. We make sustainable production that is compatible with the circular economy model using environmentally-friendly products with reduced environmental impact and that fully meets the needs of our customers. Every year, we increase the number of our products that use environmentally-friendly paints and have reduced weight.

We attach great importance to the safety of the chemicals we use in production. We keep an inventory of every chemical we use and record their use. We replace hazardous chemicals with less environmentally-friendly or non-hazardous counterparts whenever possible.



Long-lasting Products and Environmental Steps

- ✓ We increased the number of products that can be put on a pallet with the Standard Pallet Arrangement Project that we carried out during the decor production process. In this way, we use 30% less pallets, stretch, nylon and hardboard.
- ✓ In online orders, we use recycled paper separator from scrap paper instead of bubble plastic separator, and scrap filling material from scrap packaging instead of plastic-based air bed. Thus, we significantly reduce our consumption of single-use plastic.
- ✓ With electrostatic painting technology, we provide 10% less paint consumption in fully painted products.
- ✓ We save 25% natural gas with the Infrared Oven technology, which is included in the decor production process.
- ✓ In order to reduce the demand for disposable products, we carry out incentives for home-made food consumption.

WE WORK TO PREVENT FOOD WASTE

Food waste is one of today's global problems. Increasing food waste creates many social, environmental and economic problems. As a company that produces food contact products, we carry out various studies at LAV to prevent food waste. In this context, we expanded our portfolio of storage containers in which food can be stored for a long time and in a healthy way. In this way, we contributed to the prolongation of the lifespan of foods. Thanks to our portable storage containers, we help our customers to carry their healthy home meals with them as they wish and to consume them safely.



WE INVEST IN R&D AND INNOVATION

At LAV, we follow production-oriented technological developments and trends in order to gain competitive advantage and create a difference in the glassware market. With the innovation and new technology development meetings we organize periodically, we create a technical knowledge pool for machinery and glass technology and develop innovative projects.

We support the innovative ideas of our LAV employees and provide the appropriate technological confidentiality environment to present sustainable solutions in our center that hosts innovative products and processes.

We provide lower environmental impact and competitive costs in our products with alternative raw material and formulation studies. Creating lighter products, environmentally-friendly, innovative and high-strength products are our strategic priorities in our R&D and innovation approach.

We follow intellectual property rights meticulously, and apply trademark and industrial design registration procedures for every innovative project we develop.

Approximately one third of the food produced annually in the world is wasted, increasing food waste brings many environmental, economic and social problems. As a company that produces products that contact with food, we believe that we have an important place in preventing food waste, and with this awareness, we develop studies to prevent food waste.

We have expanded our portfolio of storage containers in which food can be stored for a long time and in a healthy way, thus contributing to the prolongation of the lifespan of food. With our portable storage containers, we help our customers to easily carry their healthy home meals with them and consume them safely.



BETTER COMPANY

- 49 Developing Our Perception of Being the Preferred Employer
- 52 We do not compromise on Occupational Health and Safety
- 53 We are committed to our Business Ethics Principles
- 53 We Follow the Developments in Industry 4.0
- 54 We Assure Our Business Continuity
- 55 Sustainability in Supply Chain
- 56-57 Precautions We Take in the Scope of COVID-19

At LAV, we aim to provide a fair, equitable and peaceful working environment for our employees. We constantly support our human resources in order to be a workplace where people are happy to work. In this direction, we closely follow the innovations brought by the digital age and quickly adapt to changing conditions. We adopt a working approach that prioritizes the health and safety of our employees. We aim to spread our sustainability understanding throughout the value chain we influence.

Key Topic	KPIs We Follow	Goal	Date	Realized Goals for 2020	Realized Goals for 2021
Being a Preferred Employer	Training given to employees (number of people)	Attending at least 5 career days each year	2030	2,792	3,030
	Number of employees given regular performance evaluation feedbacks	Organizing university collaborations aiming at least 3 career development every year		162	191
Occupational Health and Safety	OHS training given to employees (person*hour)	Organizing online sustainability trainings for all our employees	2030	15,712	17,790
	Injury Rate			75	78
	Accident Severity Rate			2.88	1.69
	Occupational Disease Rate (ODR)			3	2
	Lost Day Rate (LDR)			3.53	1.58
Business Ethics	Business ethics training given to employees (number of people)	Increasing the participation rate of signed or supported economic, environmental and social agreements to principles and other initiatives and monitoring new initiatives		787	763
	Number of external audits received and external audit score			4 external audits were carried out. BSCI A, ICS 91, SMETA 4 Pillar, TCCC pass	9 external audits were carried out. FCCA-99.2, ICS 90, Compliant with NESTLE GMP
	Total amount of fines for non-compliance with laws (TL)			0	0
Digitalization and Industry 4.0	Number of breaches in information security			0	0
Emergency Action Plan and Business Continuity	Emergency training hours given to employees (person*hour)		2022	35.027	36.000
Sustainability in Supply Chain	Total number of suppliers	Increasing number of alternative suppliers	2030	1.382	1.382
	Number of audited suppliers	Supporting local production reducing number of imported input	2030	55	60



WE IMPROVE OUR PERCEPTION OF BEING THE PREFERRED EMPLOYER

We work to be a preferred workplace for qualified employees, to support them in realizing their potential, and to enable them to work within our organization for many years. We adopt a transparent and open communication approach in employee communication, and we carry out studies to improve employee loyalty and satisfaction. We provide a fair, respectful, safe, diverse and development-supported working environment for our employees.

LAV EMPLOYER BRAND

We see young talents as our potential employees and we take care to establish good relations with them. Since our establishment, we have been in the field with many tools in order to reach the talents we have targeted and to introduce our company in the best way. During the pandemic, our ways of reaching talent have changed, as have our ways of doing business. During this period, we had the opportunity to meet with our potential employees by participating in online career fairs organized by universities. With the effect of the pandemic conditions diminishing, we are guiding our efforts quickly to come together with our target student audience in the field. We have a career event organized by METU, and we look forward to introducing our potential employees to our Project Intern Program and the New Graduate Engineer Program, of which we are a stakeholder within the Gürok Group.

We started the Mentor-Mentee workshop in order to take our relations one step further with Dumlupinar University in the province of Kütahya, where we were born. We are happy to be a part of the career paths of our engineering students in our process, which will start with the mentors selected within our departments in 2022.

EMPLOYEE DEVELOPMENT

We aim to have human resources with high job satisfaction and happy working at LAV. We aim to increase both individual and organizational quality by supporting employee development.

Attaching great importance to education as a requirement of being a learning organization, LAV has adopted the principle of continuous development and adapting to changes. At LAV, we support our employees' continuous learning, continuous improvement of themselves and their work, through training and development programs.

Performance monitoring and development plans of the employees are made in line with the Performance Evaluation System. At LAV, we prepare a Training Plan for employees in line with the development needs determined within the scope of the Performance Evaluation System. When creating these plans, we consider both the needs of the employee and the strategic goals of the company.

We support the development of our managers with the "Manager Development Program". We attach importance to the internal training and rotation of our executives. We aim to present our employees with a career map that includes different options, with the practice of firstly announcing the vacant positions within the company that we will put into use in the coming years.

Developing the leadership skills of our employees is important to us. For this reason, we provide the measurement of leadership styles, competencies and effectiveness of employees.

We cooperate with some universities in Turkey and carry out project-based internship programs during the summer months. Students participating in the Project Internship Program both have the opportunity to experience business life and have employment opportunities.

We provide feedback to our employees through performance evaluation meetings that we hold twice a year. In this context, we provided performance feedback to all our white-collar employees in 2021. We also provided "Coaching for Performance" Training to all white-collar employees.

In addition to technical, social, cultural and psychological trainings according to the needs of our employees, we also provide training on subjects that improve business and management skills and increase organizational effectiveness.

With the onset of the pandemic in 2020, our employees intensively participated in webinars and online trainings. In 2020-2021, we have provided pandemic and Covid information trainings, technical trainings, manager development trainings, foreign trade trainings, excel trainings, gamified agile&scrum trainings, storytelling, presentation skills and power point, sales trainings, quality awareness trainings, design thinking trainings, and trainings on dealing with situations and difficult people for our employees. In addition, information and awareness trainings are planned for all our employees in 2022 by taking part in the business world against domestic violence project and receiving gender equality trainer training.

EMPLOYEE LOYALTY

One of the most important factors that increase employee loyalty is ensuring employee satisfaction. We monitor the satisfaction level of our employees with the employee satisfaction surveys we organize every two years. As a result of the survey conducted in 2021, the level of employee satisfaction was determined as 45 points for white-collar employees and 55 points for blue-collar employees. We create and implement annual action plans based on employee satisfaction surveys.

Our annual traditional football tournament is one of our efforts to increase the motivation of our employees and enrich their sportive lives.



46,275
person*hours of training

In 2021, LAV employees received 46,275 person*hours of training.

EMPLOYEE COMMUNICATION

We believe that the right communication with the employees plays an important role in strengthening the mutual commitment. We use effective communication channels that enable our employees to stay in constant contact with the company and with each other. These channels also contribute to the process of receiving the opinions and suggestions of our employees and learning from them. We manage employee communication within the framework of the Internal Communication Process Plan and Communication Policy. Within the scope of the wishes, requests and complaints procedure, employees can communicate with the Human Resources Department, either by name or anonymously, through the dialog boxes in the factory site and offices.

Within the scope of our employee communication practices in 2021,

- 12 people expressed their views on working conditions to the WhatsApp communication line, which we established in 2020 as a platform where employees can convey their suggestions, requests and new ideas to Human Resources more quickly in 2021.
- All of our employees were provided with Covid-19 information trainings in small groups together with their families.
- We continued to share the developments and news about the company with our employees online with our corporate magazine Bizbize (Us to Us), published both in Turkish and English.
- On April 23rd and May 19th, we held online meetings with the participation of the members of the Board of Directors in order to remember the meaning and importance of the day together and to reinforce the unity and solidarity of all employees. The Speech (Nutuk) book was given as a gift to the children of all our employees on April 23rd.
- We held general evaluation meetings under the moderation of our General Manager, where department managers took the floor. In the meetings held over online platforms with the participation of all employees, information was given about targets, strategies, new developments, and the general situation of the company during the pandemic.
- We prepared videos for our employees who could not attend the information meetings due to their shift work schedule. We informed our employees about the process with the videos broadcast on the televisions available in the locations.
- BIT (Internal Communication within the Department) - BAIT (Internal Communication between the Departments) meetings were held face to face.



WE DO NOT COMPROMISE ON OCCUPATIONAL HEALTH AND SAFETY

We adopt the "job safety first" approach in all our processes. We offer our employees a safe working environment where employee health is protected. We determine and manage occupational health and safety rules on the basis of legal requirements and internationally accepted standards. We expect not only LAV employees, but also all subcontractor employees to comply with these rules.

Defining risks is of great importance in effective occupational health and safety management. Our Risk Assessment team consists of occupational safety experts, workplace doctors, employee representatives, support staff who are knowledgeable about risks, and employer representatives. The team carries out risk analysis studies within the periods determined by the legislation. Necessary improvements are made as a result of analysis studies. Near-miss boxes have been created at many points in the factories for the dangers and risks

that employees may encounter, and all employees are informed about this issue.

Training activities are organized at LAV in order to strengthen the OHS culture and raise the awareness of employees on health and safety issues. In 2021, we provided 17.79 person*hour OHS training to 1,359 LAV employees.

We prioritize the health and well-being of our employees as well as their safety. Before starting the job, the health status of the candidate employees is evaluated by the workplace physicians and the candidates are given occupational health training.

An OHS Board consisting of employee representatives and members and 5 OHS Committees operate in LAV. During the reporting period, 17 volunteer members and 10 employee representatives took part in the committees. At LAV, we hold an OHS Board meeting once a month, except in extraordinary circumstances.

We evaluate the physical, chemical and biological risk factors that our employees face depending on their working environment, and we keep their working environments under constant control. We are constantly making improvements with the Corrective and Preventive Actions System against the identified hazards and risks.

Thanks to our meticulous and preventive approach to occupational health and safety, there were no accidents resulting in death or loss of limb within our operations during the reporting period.

OHS Indicators	2020	2021
Accident Severity Rate	2.88	1.69
Accident Frequency Rate	22.11	28.73
Lost Day Rate	3.53	1.58

WE ARE COMMITTED TO OUR BUSINESS ETHICS PRINCIPLES

The main basis for business ethics approaches and practices at LAV is the LAV Business Ethics Rules Procedure. Our business ethics rules have been prepared within the framework of local laws and international norms and LAV Social Responsibility Policy. Employees are expected to act in accordance with ethical rules with the awareness of their responsibilities.

The LAV Ethical Principles Guide, created by the LAV Ethics Committee, aims to provide new employees with information about the Ethical Principles from the first moment, and to strengthen the awareness of business ethics for existing employees.

We regularly organize Corporate Social Responsibility Training every year in order to inform our employees about legal rights and unethical behaviors. We ensure that they have information about the path they will follow when they

encounter unethical situations. All LAV employees can submit their complaints to the Ethics Committee if they encounter a violation. Notifications made to the Ethics Committee are only forwarded to the President of the Ethics Committee, and in case of investigation, confidentiality is followed.

We have a goal of gradually spreading our ethical understanding among our employees and subsequently within our value chain. In line with our aim to spread impact gradually, the parameters of Corporate Social Responsibility Evaluation are also included in the selection and evaluation criteria of our suppliers. The results obtained by our suppliers within the scope of systems such as SMETA, BSCI, ICS are also among our evaluation criteria.

Our Corporate Social Responsibility (CSR) management system in our factories is evaluated by independent international organizations in terms of SMETA 4 Pillar, BSCI, ICS compliance criteria. Nonconformities detected as a result of independent evaluations and internal audit studies are eliminated with necessary action plans. In this way, continuous improvement is ensured.

Resource Saving Projects

As a result of the projects to increase resource efficiency by using alternative materials, a saving of 2.5% was achieved compared to 2020.

WE FOLLOW THE DEVELOPMENTS IN INDUSTRY 4.0

We closely follow the development and transformation of technologies both in different sectors and in our own sector in the world. We are guiding our digitalization and Industry 4.0 activities within the framework of the Digitalization Policy. While Industry 4.0 offers new opportunities, it also contains various risks. At this point, the issue of how information technologies are managed becomes a priority. At LAV, we are working to integrate the technological innovations brought by Industry 4.0 into our business processes and business processes. We aim to continuously improve our dominance of information technologies.

We carry out studies to prevent information security and privacy risks created by digitalization. We protect the information of our customers and business partners with great care. As a result of this sensitivity, we did not receive any complaint regarding the violation of customer information privacy in 2021.

We attach importance to increasing in-house digitalization maturity. Our digitalization efforts also include our efforts to digitize our business processes. We ensure that our services take place in the digital environment.



WE ASSURE OUR BUSINESS CONTINUITY

One of the critical components of organizational success is operational reliability. With our emergency preparedness and business continuity efforts, we ensure the uninterrupted functionality of our operations and strengthen our operational reliability.

Trainings and exercises are of great importance in maintaining preparedness for emergencies. We organize emergency trainings for employees to learn how to act in the face of emergencies. These trainings are included in the occupational health and safety training curriculum given every year. We organize emergency drills in order to minimize the negative effects of natural disasters such as earthquakes, floods, fires and risks such as power cuts. Emergency drills are held once a year in all our campuses in accordance with the Emergency Plan. We support employees with information trainings during emergency drills.

In order to ensure the security and continuity of supply of our customers, we constantly monitor the indicators of production and downtime targets. When we detect a situation that negatively affects the targets, we take appropriate actions.

One of the important elements that will support business continuity is the operability of information systems. We configure and manage information systems to support our strategic plans. We provide information technology equipment to employees in accordance with their role definitions. We create "disaster recovery" scenarios for the operation of systems in a way that does not interrupt processes. We provide physical conditions (air conditioning, fire extinguishing, uninterrupted power supply) that will not be affected by environmental factors for the storage of information. We protect the places where the information is stored, the cables and systems on which it is carried, from the intervention of unauthorized persons and from any damage and power interruption.

We aim to ensure security in the supply chain as well as LAV operations.

Within the scope of compliance with Global Security Verification (GSV) and Walmart Supply Chain Security audit programs;

- We have established physical security controls for employees, visitors, incoming vehicles and cargo.
- We defined the area where the products are stocked as a sensitive area, and we took the entrances and exits under control.
- We have installed security cameras in various parts of our factory.
- We conduct 7-point checks and keep records in terms of container and transportation vehicle safety.
- We use standard-compliant seals for container sealing.
- As part of the Threat Awareness Program, we regularly provide training to both our newly recruited and existing employees.



SUSTAINABILITY IN SUPPLY CHAIN

Our understanding of sustainability includes the supply chain as well. We are not limited to LAV operations, we act on the basis of sustainability throughout our supply chain. We prefer to work with suppliers that have the same culture as LAV.

We select our suppliers according to the Supplier Selection and Evaluation Procedure. Our working principles with suppliers are within the scope of ethical procedures. We monitor and report the environmental, social and economic performance of our approved suppliers on a monthly basis.

We establish relationships with our suppliers based on long-term mutual trust, cooperation and communication. We support the development of our suppliers by providing continuous feedback through supplier audits and evaluations.

We conduct on-site inspections for our raw material suppliers within the scope of the Supplier Evaluation Plan, which is prepared in accordance with quality and product safety standards. In line with the scores obtained from the audits, we make evaluations in different periods

and carry out supplier development practices.

We aim to increase the number of alternative suppliers in order to strengthen sustainability in the supply chain, and to reduce the number of imported inputs in order to support domestic production.

We prioritize local suppliers in our supply chain to support local economic development. In 2021, while 90% of our suppliers are local suppliers, 85% of our purchasing budget is allocated to local purchasing.

OUR MANAGEMENT STRUCTURE

LAV is a family company with 100% domestic capital. One independent member serves on the LAV Board of Directors. LAV adopts a process-based management structure.

LAV is receiving support from the Human Resources Directorate within Gürok Group in the human resources process, the Finance Directorate in the Financial Affairs process, and the IT Directorate in the Information Systems process.

At LAV, there are five directorates including Factory (production), Sales, Marketing, Technopark and Planning & Purchasing, 5 Managements reporting directly to the General Manager, and an administration (Stores and Copyrights). Our department units consist of Human Resources, Financial Affairs, Corporate Performance, Finished Warehouses and Shipping, System Development and Improvement departments.

The institutionalization journey that started with ISO 9001 studies in LAV in 1997 was enriched with the Total Quality approach in 2013 and gained momentum in 2015 with the adoption of the EFQM Excellence Model as a management approach.

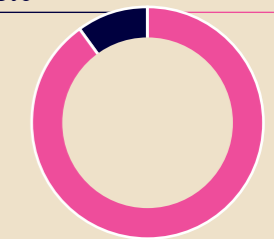
The journey of excellence continues with the work within the scope of the change project called "Volkan'19". Within the scope of excellence studies, a process management approach was adopted and all processes were redesigned in order to manage the works with a process perspective.

As of 2021, the process plans have been updated and included in the system.



LOCAL SUPPLIER RATE

10% 90%



Local Supplier Foreign Supplier

PERFORMANCE MANAGEMENT

At LAV, corporate performance is monitored with the "Corporate Scorecard" and "Process Performance Indicators" and measured through the "Corporate Scorecard".

The Scorecard is prepared in the light of the institutional priorities that emerge during the strategy development studies carried out every year. The Corporate Scorecard application, which has been ongoing since 2008, was updated in 2015 to include all stakeholders and was associated with the individual performances of the employees.

Process Performance Indicators (KPIs) enable corporate performance to be monitored on the basis of sub-processes. This data pool, which includes leading and lagging indicators, is reviewed annually as a strategic input.

LAV publishes the "Strategic Management Calendar", which includes the annual strategic management activities, in September each year. The Strategy Workshop, which is held annually, is held with the participation of managers and above. If the workshop is related to the external environment, opportunity (O) and threats (T) are identified; and if it is related to internal performance, our strengths (S) and weaknesses (W) are determined. "Main Strategies" are obtained by grouping the strategic expressions.

We Support Declaring 2022 as the International Year of Glass

At LAV, together with GCA, we support 2022 to be the "International Year of Glass" to emphasize the sustainable, economic, technological and scientific importance of glass today. In this context, we are working with many countries, academia, industrial organizations and the International Glass Commission (ICG) to declare 2022 as the "International Year of Glass" at the United Nations (UN).

We believe that glass, which makes a difference with its use in different areas, has an important potential for a sustainable future for many UN Sustainable Development Goals, such as healthy and quality living, quality education, gender equality, clean water and sanitation, accessible and clean energy, industry, innovation and infrastructure, sustainable cities and communities, responsible production and consumption, climate action and living in water.



PRECAUTIONS WE TAKE IN THE SCOPE OF COVID-19

The year 2021, when the pandemic continued, made it necessary to take brand new health and safety measures for institutions. At LAV, we have ensured the health and safety of our employees in our offices and factories during the COVID-19 period, with many precautions we have taken. By providing all the necessary health and hygiene conditions in our factories, we were entitled to receive the TSE COVID-19 Safe Production Certificate. Annual audits are ongoing for document validity.

In Shared Spaces:

- We displayed the images about "14 Rules and Correct Hand Washing" in common areas.
- We changed the seating arrangement in the dining halls.
- We laid paper on food trays, and offered spoons, forks and knives in paper packages.
- We switched to disposable cardboard cups instead of glass cups, and started to use single-use packaged water. Instead of common sauces and seasonings, we offered disposable salt and spices.
- We started to use hand disinfectants widely in our factories and offices.
- We have placed apparatuses that can be opened and closed with feet so that the washbasin doors can be opened without hand contact.

- We placed posters about hand washing in our toilets in our buildings.
- We placed digital print warnings on the floor to draw attention to the social distance rule.
- As part of the measures taken in the services, disinfection and cleaning works, the services of our blue-collar employees were sprayed every day, and the shuttles of our white-collar employees were sprayed at night.
- In order to observe the social distance rule, we increased the number of services and only one person was allowed to sit on the seats.
- We have placed the images about the correct use of masks in the places that attract attention.
- We have published important messages about COVID-19 measures to inform our employees from the screens at the business entrances.
- We tried to detect potential risks beforehand by measuring body temperature at the entrance to all our working environments.

Human Resources Practices:

- At LAV, we included epidemics among our OHS risks and created an action plan. We informed our employees about the measures that can be taken during the pandemic period.
- In addition to our ongoing private health insurance privileges, we announced the new services to our employees.
- Within the scope of the decisions taken within the scope of the product warehouse and shipment directorate, the undertaking titled "COVID-19 Protection Instructions for Foreign Personnel" has been published for its implementation in warehouse and shipping areas considered as risky areas.



AWARDS WE HAVE RECEIVED SO FAR

Felis 2016 Marketing Impact Division
Real Estate & Decoration & Construction
(Strategic Impact - New Product Launch)
Category Championship – “Make Space for It
in Your Life”

2016 Transform Awards Mena - Best Brand
Development to Reflect Changed Mission /
Values / Positioning - Silver (Lanfor for its
work with Gurallar LAV)

Effie 2017 Turkey in the category of “Durable
Goods, Small Home Appliances, Glassware,
Toys” Bronze Effie

International Home & Housewares Show –
DineDecor category “Excellence in Booth
Design Awards”

Plaques given by the Kütahya City Tax Office
for being in the top three in the Corporate
Tax record holder list every year since 2014.



PERFORMANCE INDICATORS

SOCIAL PERFORMANCE INDICATORS

Çalışan Demografisi	2018	2019	2020	2021
Total Number of Employees	1.364	1.288	1.343	1.401
Total Number of Employees by Gender				
Female	221	206	208	223
Male	1,143	1,082	1,135	1,179
Total Number of Employees by Status				
White-Collar Female	76	73	79	84
White-Collar Male	89	92	99	107
Blue-Collar Female	145	133	129	139
Blue-Collar Male	1,054	990	1,036	1,071
Total Number of Employees by Age Group				
18-30	411	384	401	314
30-50	925	879	918	1,038
50+	28	25	24	49
Total Number of Senior Executives	21	24	23	36
Total Number of Senior Executives by Gender				
Female	4	5	5	4
Turkish Citizen Executives	21	24	23	23
Total Number of Senior Executives by Age Group				
18-30	0	0	0	0
30-50	21	24	23	26
50+	0	0	0	3
Employee Development	2018	2019	2020	2021
Employee Trainings- Participation (number of people)				
Blue- Collar	1,296	1,209	1,221	1,317
White-Collar	176	172	175	198
Female	256	225	213	242
Male	1,216	1,156	1,183	1,273
Employee Trainings- Total Hours (person*hour)				
Blue-Collar Female	3,753	3,142	2,835	3,422
White-Collar Female	4,818	5,842	5,269	7,269
Blue-Collar Male	26,849	28,892	23,265	31,189
White-Collar Male	5,793	6,429	3,658	4,395
Number of Employees Provided Performance Feedback				
White-Collar Female	67	70	76	84
White-Collar Male	86	79	86	107

Employee Turnover	2018	2019	2020	2021
Newly Hired Employees (Number)				
Female	57	15	14	48
Male	228	108	113	166
18-30	139	67	94	169
30-50	144	53	31	43
50+	2	3	2	2
Leaving Employees (Number)				
Female	45	25	10	30
Male	190	115	54	129
18-30	96	67	35	86
30-50	131	69	26	70
50+	8	4	3	3
Employee Rights	2018	2019	2020	2021
Rate of returning to and staying at work after maternity leave by gender				
Number of Female Employees on Maternity Leave	5	5	6	8
Number of Male Employees on Paternity Leave	78	74	52	71
Number of Female Employees Returning from Maternity Leave	3	5	5	6
Number of Male Employees Returning from Paternity Leave	78	74	52	71
Occupational Health and Safety	2018	2019	2020	2021
Occupational Health and Safety Committees				
Number of OHS Committee	5	5	5	5
Number of OHS Committee Members	17	17	17	17
Number of Employee Representatives in OHS Committee	10	10	10	10
Occupational Health and Safety Trainings				
OHS Trainings- Total Hour (person*hour)	17,168	17,104	15,712	17,79
OHS Trainings- Participation (number of people)	1,073	1,069	982	1,359
Occupational Health and Safety Indicators				
Injury Rate	67.11	73	75	78.00
Accident Severity Rate	0.55	1.39	2.88	1.69
Accident Frequency Rate	-	-	22.11	28.73
Occupational Disease Rate	2	3	3	2
Lost Workday Rate	1.32	1.01	3.53	1.58
Fatalities	0	0	0	0
Number of People Working in Environments or Tasks with a High Risk of Accident or Occupational Disease"	947	947	947	1.014

ECONOMIC PERFORMANCE INDICATORS				
	2018	2019	2020	2021
Number of Registered Designs	44	19	3	2
Number of Registered Brands	1	-	4	4
Number of Active Suppliers	-	-	1,382	1,382
Ratio of total local purchases in the purchasing budget (%)	-	-	85%	85%
Total local suppliers in the purchasing budget (%)	-	-	90%	90%

ENVIRONMENTAL PERFORMANCE INDICATORS				
Material Use	2018	2019	2020	2021
Raw materials usage (ton)*	100	98.39	103.17	106.51
Recycled/Recovered Raw Material Used as Input				
<i>Broken Glass Usage Rate (%)</i>	100	100	100	100
<i>Paperboard (ton)</i>	2,641	2,565	4,500	6,500
<i>Paper Recovery Rate (%)</i>	54	56	100	100
<i>Plastic (ton)</i>	388	325	365	110
<i>Plastic Recovery Rate (%)</i>	54	56	100	100

Energy and Emissions	2018	2019	2020	2021
Total Energy Consumption	200.92	205.1	209.19	240.6
Direct Energy Consumption				
<i>Natural Gas-m³</i>	100.05	105.33	103.18	113.1
Indirect Energy Consumption				
<i>Electricity-kwh</i>	100.87	99.77	106.01	127.5
Energy Intensity (energy consumed per ton of glass- GJ/ton)*	100	97.32	91.75	93.18
Greenhouse Gas Emissions (scope 1- tCo2e)*	100	94.6	94.12	129.03

Water Consumption	2018	2019	2020	2021
Water Withdrawal by Source (m ³)*				
Underground Water	100	-	91.1	92.2
Water Intensity (water consumed per ton of glass- m ³ /ton)	6.2	5.2	5.6	4.6
Recovered and Reused Water Rate (%)	-	-	100%	100%

Waste Generation (ton)	2018	2019	2020	2021
Hazardous waste Output (ton)	154,482	59,816	47,928	80,493
Total Recovery	154,410	59,600	47,800	80,360
Disposal	72	216	278	133
Non-Hazardous Waste Output (ton)	701	1,310	1,122	1,564
Number of Significant Spills and Leakage	0	0	0	0
Environmental Trainings	2018	2019	2020	2021
Environmental trainings (hours/year)	-	-	1,300	686
Environmental trainings- Participation (number of people)	-	-	1,472	739
Environmental Management	2018	2019	2020	2021
Environmental Expenditures	-	-	2,700,000	2,800,000

*The year 2018 is indexed as 100.

The calculation of greenhouse gas emissions is made through our furnaces, which are subject to environmental permits. In 2021, greenhouse gas emission values increased due to the installation of new furnaces.

GRI CONTENT INDEX

Disclosures	Descriptions and Page Numbers
GRI 101: Foundation 2016	
GRI 102: General Disclosures 2016	
Corporate Profile	
102-1	About Our Report, page:3
102-2	About LAV, page: 9-10
102-3	Contact, page: 71
102-4	About LAV, Page: 9
102-5	About LAV, Page: 9
102-6	About LAV, Page: 9
102-7	About LAV, page: 9-11; Key Performance Indicators, page: 62
102-8	Key Performance Indicators, page: 62
102-9	Sustainability in Supply Chain, page: 57;Key Performance Indicators, page: 64
102-10	GRI Content Index: LAV 2021 Sustainability Report is the second report of LAV.
102-11	Global Sustainability Trends: Risks and Opportunities,page: 22-23;We Assure Our Business Continuity, page: 56
102-12	Initiatives We Support In The Fields Of Sustainable Development, page: 14-15
102-13	Initiatives We Support In The Fields Of Sustainable Development, page: 14-15
Strategy	
102-14	Message from Chairman of the Board, page: 4; Message from the General Manager, page: 6-7
102-15	Global Sustainability Trends: Risks and Opportunities,page: 22-23
Ethics and Integrity	
102-16	About LAV, page: 9; We Are Committed To Our Business Ethic Principles, page: 55
102-17	We Are Committed To Our Business Ethic Principles, page: 55
Governance	
102-18	Our Management Structure, page: 57
102-19	Sustainability Management, page: 15

Disclosures	Descriptions and Page Numbers
102-20	Sustainability Management, page: 15
102-21	Relations with Our Stakeholders, page: 27, page: 26-27; Our Sustainability Priorities, page: 19
102-29	Our Sustainability Priorities, page: 19
102-30	Our Sustainability Priorities, page: 19
102-31	Our Sustainability Priorities, page: 19
102-32	Sustainability Management, page: 15; Our Sustainability Priorities, page: 19
Stakeholder Engagement	
102-40	Relations with Our Stakeholders, page: 27
102-41	GRI Content Index: There is no collective bargaining agreement at LAV.
102-42	Relations with Our Stakeholders, page: 27
102-43	Relations with Our Stakeholders, page: 27
102-44	Our Sustainability Priorities, page: 19;Sustainability Expectations by Stakeholder Group, page: 20; Relations with Our Stakeholders, page: 27
Reporting Practices	
102-45	About LAV, page: 9
102-46	About Our Report, page:3
102-47	Our Sustainability Priorities, page: 19
102-48	GRI Content Index: No change.
102-49	GRI Content Index: No change.
102-50	About Our Report, page:3
102-51	GRI Content Index: LAV 2021 Sustainability Report is Silverline's second report. LAV 2020 Sustainability Report is the previous report.
102-52	GRI Content Index: Reporting is carried out annually.
102-53	About Our Report, page:3
102-54	About Our Report, page:3
102-55	GRI Content Index, page: 66
102-56	GRI Content Index: No external audit received.

Material Issues		
Standard	Disclosures	Descriptions and Page Numbers
Combating Climate Change		
GRI 103: Management Approach 201	103-1 Explanation of the Material Topic and its Boundary	We Support Combating Climate Change, page:34
	103-2 The Management Approach and its Components	We Support Combating Climate Change, page:34-35
	103-3 Evaluation of the Management Approach	We Support Combating Climate Change, page:34-35

"For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.This service was carried out through the Turkish version of the report."

Standard	Disclosures	Descriptions and Page Numbers
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Global Sustainability Trends: Risks and Opportunities,page: 22-23
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG Emissions	Key Performance Indicators, page: 64
GRI 302: Energy 2016	302-1 Energy Consumption within the Organization	Key Performance Indicators, page: 64
	302-2 Energy Consumption outside of the Organization	Key Performance Indicators, page: 64
	302-3 Energy Intensity	Key Performance Indicators, page: 64
	302-5 Reductions in Energy Requirements of Products and Services	We Embrace Circular Economy, page: 31
Resource Efficiency and Circular Economy		
GRI 103: Management Approach 201	103-1 Explanation of the Material Topic and its Boundary	We Embrace Circular Economy, page: 31-33
	103-2 The Management Approach and its Components	We Embrace Circular Economy, page: 31-33
	103-3 Evaluation of the Management Approach	We Embrace Circular Economy, page: 31-33
GRI 301: Materials 2016	301-1 Materials Used by Weight or Volume	Key Performance Indicators, page: 64
	301-2 Recycled Input Materials Used	We Embrace Circular Economy, page: 31-33; Key Performance Indicators, page: 64
GRI 303:Water and Effluents 2018	303-1 Interactions with Water as a Shared Resource	We Embrace Circular Economy, page: 31-33
	303-3 Water Withdrawal	Key Performance Indicators, page: 64
	303-5 Water Consumption	We Embrace Circular Economy, page: 33; Key Performance Indicators, page: 64
GRI 306: Waste 2020	306-1 Waste Generation and Significant Waste-related Impacts	We Embrace Circular Economy, page:31-32; Business Plastics Initiative (IPG), page:34
	306-2 Management of significant waste-related impacts	We Embrace Circular Economy, page:31-32; Business Plastics Initiative (IPG), page:34
	306-3 Waste generated	Environmental Performance Indicators, page:65
		Environmental Performance Indicators, page:65
	306-5 Waste directed to disposal	Environmental Performance Indicators, page:65
Gender Equality		
GRI 103: Management Approach 201	103-1 Explanation of the Material Topic and its Boundary	We Support Gender Equality,page: 36
	103-2 The Management Approach and its Components	We Support Gender Equality,page: 36
	103-3 Evaluation of the Management Approach	We Support Gender Equality,page: 36
GRI 202:Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	GRI Content Index: There is no discrimination in our wages based on gender. We act with the principle of equal pay for equal work for all our employees.
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Key Performance Indicators, page: 62
	405-2 Ratio of basic salary and remuneration of women to men	GRI Content Index:There is no salary difference on the basis of gender at LAV. The principle of equal pay for equal work is applied.

Standard	Disclosures	Descriptions and Page Numbers
Product Safety		
GRI 103: Management Approach 201	103-1 Explanation of the Material Topic and its Boundary	We Produce Quality and Reliable Products, page: 43-45
	103-2 The Management Approach and its Components	We Produce Quality and Reliable Products, page: 43-45
	103-3 Evaluation of the Management Approach	We Produce Quality and Reliable Products, page: 43-45
"GRI 416: Customer Health and Safety 2016"	416-1 Assessment of the health and safety impacts of product and service categories	We Produce Quality and Reliable Products, page: 43-45
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	GRI Content Index: No such non-compliance has occurred during the reporting period.
GRI 417: Marketing and Labeling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	GRI Content Index: No such non-compliance has occurred during the reporting period.
	417-3 Incidents of non-compliance concerning marketing communications	GRI Content Index: No such non-compliance has occurred during the reporting period.
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	GRI Content Index: No such penalty was received during the reporting period
Business Ethics		
GRI 103: Management Approach 201	103-1 Explanation of the Material Topic and its Boundary	We Are Committed To Our Business Ethic Principles, page: 55
	103-2 The Management Approach and its Components	We Are Committed To Our Business Ethic Principles, page: 55
	103-3 Evaluation of the Management Approach	We Are Committed To Our Business Ethic Principles, page: 55
GRI 205: Anti-Corruption	205-1 Operations assessed for risks related to corruption	GRI Content Index: There was no case of corruption in the reporting period.
	205-2 Communication and training about anti-corruption policies and procedures	We Are Committed To Our Business Ethic Principles, page: 55
Sustainability in the Supply Chain		
GRI 103: Management Approach 201	103-1 Explanation of the Material Topic and its Boundary	Sustainability in the Supply Chain, page: 57
	103-2 The Management Approach and its Components	Sustainability in the Supply Chain, page: 57
	103-3 Evaluation of the Management Approach	Sustainability in the Supply Chain, page: 57
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Sustainability in the Supply Chain, page: 55; Key Performance Indicators, page: 62
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Better Company, page: 50
Being a Preferred Employer		
GRI 103: Management Approach 201	103-1 Explanation of the Material Topic and its Boundary	We Are Developing Our Perception of Being a Preferred Employer, page: 51-53
	103-2 The Management Approach and its Components	We Are Developing Our Perception of Being a Preferred Employer, page: 51-53
	103-3 Evaluation of the Management Approach	We Are Developing Our Perception of Being a Preferred Employer, page: 51-53

Standard	Disclosures	Descriptions and Page Numbers
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	GRI Content Index: All senior executives are Turkish Citizens.
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Key Performance Indicators, page: 63
	401-3 Parental Leave	Key Performance Indicators, page: 63
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	GRI Content Index: Legal notice periods are taken into account for important operational changes.
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Employee Development, page: 52; Key Performance Indicators, page: 62
	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Development, page: 51-52
	404-3 Percentage of employees receiving regular performance and career development reviews	Key Performance Indicators, page: 62
GRI 406: Non-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	GRI Content Index: There was no case of discrimination during the reporting period.
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Our Contribution to Sustainable Development Goals, page: 25
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Our Contribution to Sustainable Development Goals, page: 25
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Our Contribution to Sustainable Development Goals, page: 25
Occupational Health and Safety		
GRI 103: Management Approach 201	103-1 Explanation of the Material Topic and its Boundary	We do not compromise on Occupational Health and Safety, page: 54
	103-2 The Management Approach and its Components	We do not compromise on Occupational Health and Safety, page: 54
	103-3 Evaluation of the Management Approach	We do not compromise on Occupational Health and Safety, page: 54
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	We do not compromise on Occupational Health and Safety, page: 54
	403-2 Hazard identification, risk assessment, and incident investigation	We do not compromise on Occupational Health and Safety, page: 54
	403-3 Occupational health services	We do not compromise on Occupational Health and Safety, page: 54
	403-4 Worker participation, consultation, and communication on occupational health and safety	We do not compromise on Occupational Health and Safety, page: 54; Key Performance Indicators, page: 63
	403-5 Worker training on occupational health and safety	We do not compromise on Occupational Health and Safety, page: 54; Key Performance Indicators, page: 63
	403-6 Promotion of worker health	We do not compromise on Occupational Health and Safety, page: 54
	403-8 Workers covered by an occupational health and safety management system	We do not compromise on Occupational Health and Safety, page: 54
	403-9 Work-related injuries	We do not compromise on Occupational Health and Safety, page: 54; Key Performance Indicators, page: 63
	403-10 Work-related ill health	We do not compromise on Occupational Health and Safety, page: 54; Key Performance Indicators, page: 63

Standard	Disclosures	Descriptions and Page Numbers
Digitalization and Industry 4.0		
GRI 103: Management Approach 201	103-1 Explanation of the Material Topic and its Boundary	We Follow the Developments In Industry 4.0, page: 55
	103-2 The Management Approach and its Components	We Follow the Developments In Industry 4.0, page: 55
	103-3 Evaluation of the Management Approach	We Follow the Developments In Industry 4.0, page: 55
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	GRI Content Index: A case of breach of customer privacy and losses of customer data during the reporting period has not occurred.
R&D and Innovation		
GRI 103: Management Approach 201	103-1 Explanation of the Material Topic and its Boundary	We Invest in R&D and Innovation, page: 47
	103-2 The Management Approach and its Components	We Invest in R&D and Innovation, page: 47
	103-3 Evaluation of the Management Approach	We Invest in R&D and Innovation, page: 47
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	We Invest in R&D and Innovation, page: 45; We Develop Projects to Support Social Welfare, page: 35
Other Material Issues		
Environmentally Friendly Products and Food Protection		
GRI 103: Management Approach 201	103-1 Explanation of the Material Topic and its Boundary	We Design Environmentally Friendly Products, page: 46
	103-2 The Management Approach and its Components	We Design Environmentally Friendly Products, page: 46
	103-3 Evaluation of the Management Approach	We Design Environmentally Friendly Products, page: 46
Emergency Preparedness and Business Continuity		
GRI 103: Management Approach 201	103-1 Explanation of the Material Topic and its Boundary	We Assure Our Business Continuity, page: 56
	103-2 The Management Approach and its Components	We Assure Our Business Continuity, page: 56
	103-3 Evaluation of the Management Approach	We Assure Our Business Continuity, page: 56
Brand Awareness and Response to Consumer Expectations		
GRI 103: Management Approach 201	103-1 Explanation of the Material Topic and its Boundary	We Are Working to Increase Our Brand Awareness, page: 42-43
	103-2 The Management Approach and its Components	We Are Working to Increase Our Brand Awareness, page: 42-43
	103-3 Evaluation of the Management Approach	We Are Working to Increase Our Brand Awareness, page: 42-43

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