

ILAV

A woman with long dark hair, wearing a vibrant, multi-colored patterned dress, is smiling and shaking a silver cocktail shaker. She stands behind a wooden bar counter. On the counter, there is a variety of items: a whole pineapple, a bunch of red grapes, several glasses containing colorful drinks (green, red, blue), a wooden cutting board with sliced citrus fruits, coconuts, pomegranates, and a small metal shaker. The background is a lush green field of tall grasses, and a string of white lights is visible above the woman.

SUSTAINABILITY

REPORT

2022

CONTENTS

03	INTRODUCTION About Our Report Message from the Chairman of the Board Message from General Manager Gürok Group About LAV	
12	SUSTAINABILITY IN LAV: A JOURNEY THROUGH GLASS	
26	BETTER WORLD	
36	BETTER PRODUCTS	
46	BETTER COMPANY	
68	APPENDICES Our Awards Performance Indicators GRI Content Index	



ABOUT OUR
REPORT

As we continue our sustainability journey, we are pleased to share our third sustainability report with you. Through this report, we reveal how we approach sustainability with its environmental, social and economic aspects and how we integrate it into our business processes. The report includes our sustainability strategy as well as our material issues, performance results, future goals and corporate engagements.

Covering the period January 1-December 31, 2022, our sustainability report covers all operations of LAV. This report has been prepared in accordance with GRI Standards. In the report, we have also included the UN Sustainable Development Goals to which we contribute. We aim to carry out our future reporting activities annually by following the same guiding methodology.

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

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

As Gürok Group, we have realized projects that have carried Turkey forward in the industrial, tourism and construction sectors since we started our operations in Kütahya in 1948. Our investments in socio-economic and socio-cultural developments in and around Kütahya have turned into effective contributions for our country over the years.

In the first part of the 21st century, we have become one of Turkey's largest private sector groups with the innovative approach we have brought to all the sectors we have stepped into and the works that have made a difference. We continue to develop products and services that put experience at the center and inspire tomorrow. In this journey, in addition to financial growth, we do our job well every day for the satisfaction of our customers, business partners and employees, and we continue

to support projects that contribute to our society through sustainable investments, develop new ones and protect the environment.

At Gürok Group, we have focused our sustainability approach on 3 main axes; "Think limitlessly for the world", "Act boldly for society", "Do good for people". Thus, we aimed to minimize our negative impacts while increasing our positive impact on the environment and society.

We think limitlessly for our world. With all our institutions and employees, we reduce our carbon footprint every day through responsible resource use, waste management, recycling, and ethical production processes. We take innovative steps for a better future with our sustainability projects for the environment and the world and our investments that contribute to the fight against climate change.

We act boldly for society. We stand by children, women, the elderly, students, families in need and stray animals with our social activities and sponsorships in every field that contributes to society, from education to history, science to culture. We strive to improve our future with the strength that comes from our diversity and the courage we draw from our culture.

We do good for people. Doing our job well is at the heart of all our activities. To this end, at the heart of our corporate culture is unlocking the unique potential of every human being. While supporting women and young talents through social equality and social responsibility projects, we offer equal conditions and opportunities for all our team members. We contribute to the development of all our employees through Gürok Academy's competency-focused trainings and award programs that encourage creativity.

While conducting our activities, we act without compromising the principles of business ethics, and we attach importance to being a transparent and accountable organization. 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 are in line with the conditions of the age.

For a sustainable future, we strive to add value to life and nature with products and services that improve the quality of life. We aim to set an example for all our companies by integrating sustainability into our business strategies. On behalf of myself and our Board of Directors, I would like to thank all our stakeholders for their support in this process.



MESSAGE FROM THE GENERAL MANAGER

Dear stakeholders

We are very pleased to present our 2022 Sustainability Report.

As LAV, in our corporate history of nearly 30 years, we have worked with the understanding of creating long-term value for our stakeholders in the light of Gürok Group’s ethical values. At LAV, we have always maintained our economic growth by considering our social and environmental impacts and worked with a human and environment-oriented business model. We present you the social, economic and environmental outputs of this value creation model with our 2022 Sustainability Report.

2022 was a year in which post-pandemic normalization was felt in all sectors, but economic uncertainties came to the fore. In this turmoil, the Turkish economy also faced the negative effects of global fluctuations and developments.

Despite the fluctuations in the national economy, the Turkish glass industry closed the year 2022 with successful results. Growing by 25 percent in 2021 compared to the previous year, our sector realized exports of over 1.5 billion dollars in 2022 with a growth of 19 percent despite the slowdown in the

global economy, war and energy crisis. Thus, exports in the last 10 years exceeded 12 billion dollars. Our sector has made significant contributions to our economy with a domestic value added rate of 79 percent, that is, leaving 79 dollars of every 100 dollars of exports in our country.

In 2022, extreme weather events caused by climate change continued to cause disruptions in supply chains, logistics processes and operations. These developments make it imperative for companies from all sectors to assess their climate risks. At LAV, we analyze the potential impacts of the transition to a low carbon economy on our operations in terms of risks and opportunities. We aim to develop resilient strategic business plans using alternative scenarios and thus reduce the vulnerability of our operations to climate events.

We assess the impact of all potential risks on our operations, both in terms of financial and non-financial results. We investigate the impact of these risks on the supply chain, product development, R&D, innovation, procurement, production and sales, as well as physical processes such as production facilities and logistics.

The “green economy” brings important opportunities for our industry. Increased hygiene and environmental awareness, especially in the wake of the pandemic, is causing consumers to turn to materials that cause the least harm to nature while maintaining the quality of their products. Glass, which can be recycled infinitely, has an important place in the new recycling economy. At LAV, we see our innovation efforts as our most important strength in reducing the environmental impact of our products and processes, and we focus on environmentally friendly products in our product development efforts.

As a result of the efficiency projects we carried out, we reduced our energy consumption by 9% in 2022 compared to the previous year.

As a production company, we continue to invest in occupational health and safety without compromise. We are implementing numerous projects to make occupational health a culture.

We support gender equality. As one of the leading companies in our sector, we see increasing the ratio of female employees as a sectoral responsibility. We integrate our



gender equality approach into all our processes with the committees we have established in line with the principles of UNWEPs Women’s Empowerment Principles, of which we are a signatory, and we implement practices to improve the conditions of our female employees. As a result of these efforts, we increase the ratio of female employees and managers. In 2022, our white-collar female work rate was 49%, our female manager rate was 14% and our female employee rate was 17%. Our goal is to be among the leading companies in our sector in terms of gender equality.

At LAV, we aim to provide reliable and good products to our customers, to be a good employer for our employees, a good business partner for our suppliers and to make a sustainable contribution to the national economy. We contribute to the construction of a cleaner, peaceful world.

Within the scope of our “Journey through Glass” strategy, which we created with the dream of a better future, we work in line with our goals in the focus areas of “Better Company”, “Better Products” and “Better World”.

We share our sustainability activities with our stakeholders through our LAV Sustainability Scorecard, which includes our performance indicators and commitments.

I would like to thank all our customers and business partners who trusted us on this journey, my colleagues who are the architects of our success with their efforts, and all our stakeholders who accompanied us on our journey. With the trust and support of our stakeholders, we will continue to work with all our strength to achieve better. In this difficult period that our country is going through, we will continue to work for a better future by reflecting all the contribution we can to the field.



Ümit ZOR
LAV GENERAL MANAGER

ABOUT GÜROK GROUP

ABOUT LAV

Founded in 1948 as a family business in Kütahya, Gürok Group is one of the most respected companies in the Turkish industry. With 5,000 employees, Gürok Group carries out its activities in the fields of industry, construction and tourism.



SANAYİ

LAV

GCA

GÜROK
KIREMIT

TURİZM

ALİ BEY
HOTELS & RESORTS

JOALI

YAPI

LAPIS YAPI

Gürok Group Companies

Established in 1948 as a family business in Kütahya, Gürok Group maintains its prestigious position among Turkey's largest private sector groups in the first part of the 21st century. The Group exhibits sustainable growth in different sectors ranging from table glass and glass packaging to roof tiles, tourism and construction. Gürok Group employs approximately 5,000 people with LAV, the world's 5th largest producer of table glass, GCA, which carries its experience in this field to glass packaging, Ali Bey Hotels & Resorts, which has been operating in the tourism sector for 31 years, JOALI Maldives, JOALI BEING, operating in the ultra-luxury segment on two islands in the Maldives, Gürok Tile, one of the leading companies in its field, and Lapis Yapi, where 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 operations in 1996, has grown even more by adding another factory in Kütahya 1st Organized Industrial Zone in 2011 and increased its production capacity by more than 100%. As of 2022, we continue our activities in two production facilities with a closed area of 120,000 m2 on an open area of 300,000 m2 and produce 2 million pieces of glass per day. With our 5,405-item product range and current capacity, we are the world's 5th largest tableware glass manufacturer. We believe that "profitability, agility, recognition and preferability" are the keys to maintaining pleasant partnerships with our stakeholders. In line with this belief, we aim to be the most well-known and admired tableware glass brand in our target market, and we aim 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 carrying out our sales and marketing activities at Lapis Han in Istanbul since 2014. We bring our products and users together with our products through 60 regional distributors in Turkey and approximately 44,500 sales points consisting of retail markets throughout the country. International sales account for approximately 50% of our sales. We export our products to 135 countries around the world, including France, Spain and the UK, as well as Brazil, China and the Philippines.

With our LAV brand, as of 2022, we are producing 2 million pieces of glass per day with two production facilities on 300,000 m² open area and 120,000 m² closed area.

OUR OBJECTIVE

To add joy to every moment of life

OUR VISION

To be a widely known and most admired table glass brand in target markets with its profitable and agile structure

OUR MISSION

Creating value for users with innovative glass products and digital services

OUR FOCUS AREAS

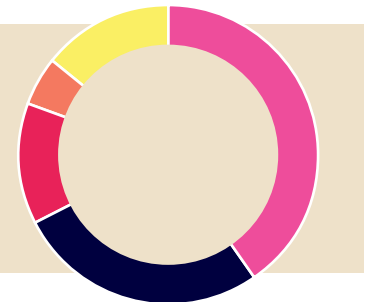
Commercial Success and Growth
Customer Experience
Sustainability and Efficiency
Talent Management

Adding joy to every moment of life;

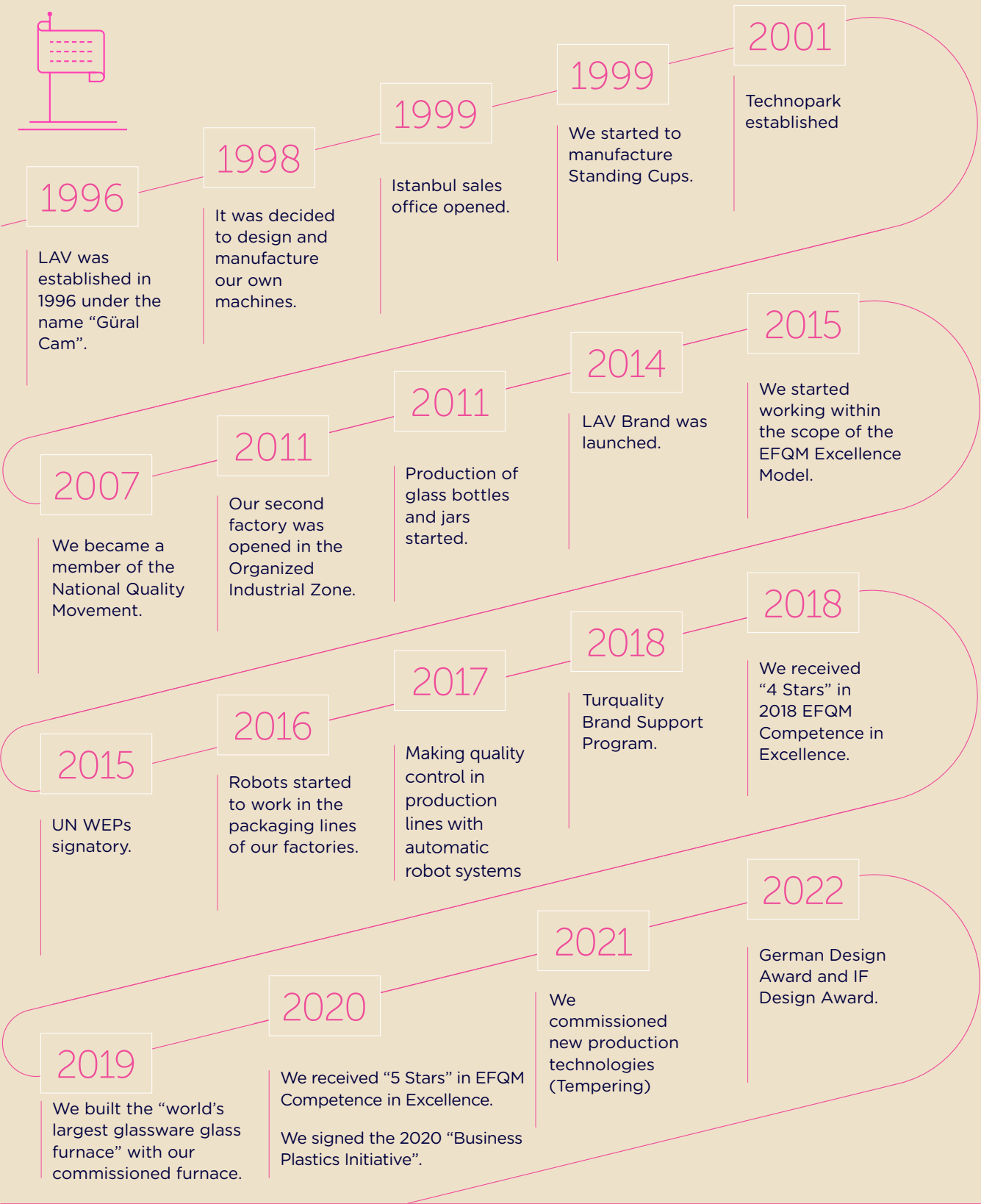
- Sustainability
- Fairness
- Market Responsiveness
- Customer Sensitivity
- Innovation
- Consciousness of being together
- We value the principles of Creating Added Value

REVENUE DISTRIBUTION

- Europe %36
- Balkans and Central Asia %17
- B2B %5
- North & South America %14
- Middle East, Africa, Far East, Australia %28



MILESTONES



LAV
in NUMBERS

2 Million
units/day production

Export to 135 countries

295 business partners in
global markets

250,000 retail
distribution points worldwide

4 Center

49% Proportion of female
white-collar employees

44,500 domestic
distribution points

1,424 employees

99%
Turkey brand awareness score

83.3% Penetration





**SUSTAINABILITY
AT LAV:
JOURNEY
THROUGH GLASS**

12	Our Sustainability Motto: Journey through Glass
14	Lav Sustainability Scorecard
17	Initiatives We Support in the Field of Sustainability
19	Our Contribution to Sustainable Development Goals
22	Relations with Our Stakeholders

OUR SUSTAINABILITY MOTTO:
JOURNEY THROUGH GLASS

We adopt an agile,
participatory, innovative,
reliable, environmentally
sensitive and ethical
management approach

Many of the developments shaping today's business world are not economic issues. According to the World Economic Forum's 2023 Risk Report, climate change is one of the top global risks that concern the whole world. Temperature increases and the resulting extreme weather events make climate change one of the top priorities for organizations. Many environmental and social problems such as risks to the sustainability of resources and global migration are waiting to be solved. The success of an organization is no longer measured solely by financial indicators; the value created as a responsible global citizen is becoming one of the determining factors.

In today's economy, it is of great importance that production processes are carried out in a way that respects people and nature as well as the quality of the product produced in purchasing decisions. A brand new business world is emerging where many components such as compliance with ever-changing and diversifying legal regulations, respect for people and diversity, employee satisfaction, green economy, accessibility, digitalization and artificial intelligence come together. Managing all these components from a larger framework is only possible by adopting an advanced sustainability strategy and approach.



The changing dynamics in the world and in parallel in our country shape the design of our business processes at LAV. We adopt an agile, participatory, innovative, reliable, environmentally sensitive and ethical management approach. We integrate sustainability into our business strategy and activities. We carry out continuous and comprehensive measurements to understand the impact of our products and activities.

In the 2020-2025 period, we defined our sustainability strategy as "Journey through Glass", where we defined our sustainability priorities that LAV focuses on. We built our vision and values, corporate strategy, risks and opportunities, and the integration of sustainability

into our business strategies within this roadmap. In 2022, we reviewed our sustainability priorities and regrouped our material issues.

Our sustainability activities focus on three main areas: "Better Company", "Better Products" and "Better World". We have identified our material issues 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 we want to achieve for all axes, our commitments, performance indicators and targets.

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

BETTER WORLD

- Environmentally Friendly Products and Services
- Energy Efficiency
- Greenhouse Gas Emissions
- Water Management
- Waste Management
- Gender Equality

BETTER PRODUCTS

- Sustainable Products and Services
- Product Responsibility
- R&D, Technology and Innovation

BETTER COMPANY

- Emergency Preparedness and Business Continuity
- Business Ethics and Legal Compliance
- Digital Transformation
- Occupational Health and Safety
- Sustainability in the Supply Chain
- Being the Employer of Choice
- Talent Development

Our Focus
Areas and
Priority
Issues

Sustainable Development Goals

3GOOD HEALTH AND WELL-BEING

4QUALITY EDUCATION

5GENDER EQUALITY

8DECENT WORK AND ECONOMIC GROWTH

9INDUSTRY, INNOVATION AND INFRASTRUCTURE

12RESPONSIBLE CONSUMPTION AND PRODUCTION

17PARTNERSHIPS FOR THE GOALS

Sources we refer to when determining our sustainability strategy:

- Corporate strategies and objectives
- Stakeholder expectations
- Global sustainability trends
- UN Sustainable Development Goals
- Corporate engagements
- Corporate values and ethics
- Risk and opportunity analysis



LAVA SUSTAINABILITY SCORE CARD

We precisely monitor our sustainability performance with our Sustainability Scorecard. The Sustainability Scorecard, which is also a part of the LAV Balanced Scorecard, is one of the components of individual goals and performance evaluation system. The Sustainability Scorecard includes key performance indicators on material issues and targets for 2025. In this way, we ensure that our performance in our sustainability focus areas is reflected in the performance of all our employees and managers.

You can access our Sustainability Scorecard under the main section headings in the report.



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 through our collaborations.

BUSINESS WORLD PLASTIC INITIATIVE

İPG İŞ DÜNYASI PLASTİK GİRİŞİMİ

The Business Plastics Initiative (BPG) is a cooperation platform established by Global Compact Turkey, BCSD Turkey and TUSIAD to encourage concrete actions of private sector organizations towards plastic reduction, to bring together existing efforts in line with the Sustainable Development Goals, to increase awareness and cooperation in this field, to advocate and support communication. Since 2020, we have been among the signatories of the IPG.

In this context, we informed our stakeholders about our plastic reduction commitments until 2023. As of 2021, we have fulfilled our commitment and realized the 7% plastic reduction we targeted for 2022.



BUSINESS SOCIAL COMPLIANCE INITIATIVE (BSCI)



The Business Social Compliance Initiative (BSCI) is a broad-based platform for monitoring and assessing the supply chain for social compliance. The BSCI Code of Ethics requires reporting on performance in many areas such as legal compliance, anti-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 subject to regular independent audits within the BSCI system.

SEDEX

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

SEDEX stores data on responsible business practices and allows this information to be shared with a large number of customers. SEDEX SMETA Audits are a method for ensuring ethical trade. SMETA Audits are based on the ETI Code, which covers environmental, health, safety, business ethics and labor standards in the supply chain. Since 2009, we have adopted SEDEX standards and we continue to work to promote them among our stakeholders.



UN WEPS (UN WOMEN'S EMPOWERMENT PRINCIPLES)

Ensuring women's participation at all levels of working life contributes to more stable and just societies, achieving international goals in the areas of development, sustainability and human rights, improving the quality of life of societies and building strong economies. The UN Women's Empowerment Principles are an initiative to support collective action to achieve gender equality in business.

In 2015, we signed the UN WEPS principles. Our aim is to develop internal and external projects for women's empowerment and to increase the ratio of female employees.

WOMEN'S EMPOWERMENT PRINCIPLES

Sustainability Management

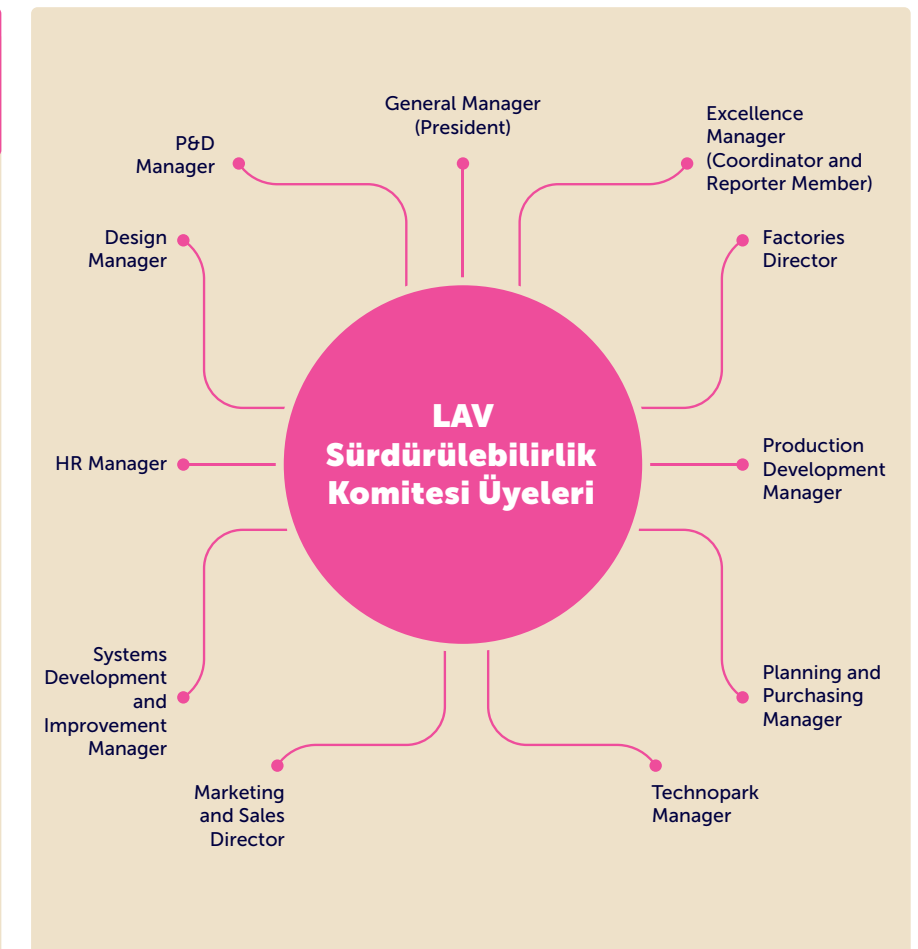
The LAV Sustainability Committee, chaired by LAV General Manager, is responsible for the management of sustainability issues at LAV. The committee convenes quarterly and monitors the current status of targets and practices. Monitoring sustainability priorities and best practices, updating them when

deemed necessary, and sharing them with stakeholders are among the responsibilities of the committee. The Sustainability Committee raises the sustainability awareness of employees and ensures that sustainability awareness has a widespread impact through 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 material 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.

Governance Policies at LAV

- Information Technology Policy
- Environmental Policy
- Digitalization Policy
- Communication Policy
- Human Resources Policy
- Financial Affairs Policy
- Customer Relations Policy
- Marketing & Sales Policy
- Purchasing Policy
- Technology Policy
- Production Policy
- Management Policy



Global Sustainability Trends: Risks and Opportunities

Subject	Description	LAV's Response
Economic instability and high inflation	The world is going through a volatile period, global economic activity is in a broad-based and sharper-than-expected slowdown, and inflation is higher than at any time in several decades. The cost of living crisis, tightening fiscal conditions in most regions, Russia's invasion of Ukraine pose challenges to the overall economic outlook. Economies around the world are in a growth slowdown or outright contraction. Global growth is expected to slow from 6.0 percent in 2021 to 3.2 percent in 2022 and 2.7 percent in 2023. Global inflation is projected to rise from 4.7 percent in 2021 to 8.8 percent in 2022. In an environment of inflation and uncertainty, it is difficult to make production and investment decisions as forecasting becomes difficult. Inflation and rising costs, various financial risks and uncertainty negatively affect production. Increasing inflation and decreasing production negatively affect purchasing power.	<div>*We provide financial support to our business partners.</div> <div>*We maintain an effective cash management.</div> <div>*We prepare action plans according to alternative scenarios</div>
Climate crisis and extreme weather events	<p>The climate crisis is seen as one of the most important risks facing the world today: According to the World Economic Forum's Global Risk Report 2022, the top global risks include failure to act on climate, extreme weather and loss of biodiversity. Without timely action, climate change is estimated to cost the global economy US\$ 178 trillion over the next 50 years.²</p> <p>The transition to a low-carbon economy as part of the fight against climate change confronts companies with a range of operational, economic and reputational risks in terms of adapting green technologies, complying with international and national environmental regulations, and accessing financing. Not only the business world but also society is becoming increasingly concerned about climate change. In 2021, 57% of respondents to a survey on climate change perceptions conducted by Deloitte stated that they "feel concerned about climate change" and 72% "believe that climate change is an emergency".³</p>	<div>*We adapt our facilities against extreme weather conditions.</div> <div>*We reduce our energy consumption by using alternative raw materials.</div> <div>*We constantly check flue gas emission values.</div> <div>*We continue production activities by activating alternative resources against energy cuts.</div> <div>*We conduct drills within the Emergency Action Plan.</div>
Circular economy and waste reduction	The concept of circular economy has been on the agenda more frequently due to the impact of the pandemic, extreme climate events, climate change and the EU's mandatory Green Deal. The Green Deal, which is among the priorities of the EU, includes various customs regulations for all producers producing in Europe, of which carbon intensity is a part. In this process, circular economy studies in Turkey are gaining momentum and the number of supporting organizations is increasing. Companies exporting from Turkey to the EU prefer suppliers that follow circular economy practices.	<div>*We support recycling efforts.</div> <div>*We are working for 100% recycling of process scrap</div>
Digitalization, Industry 4.0, big data and artificial intelligence	With the accelerating impact of the pandemic, digitalization and global data flow have reached unprecedented levels. Technology and regulations for data management are seen to be vital for delivering economic and social value in line with sustainability goals. According to Deloitte's "State of AI in the Enterprise" survey, 94% of business leaders see AI as critical to success in the next five years. PwC estimates that AI will increase global GDP by USD 15.7 trillion by 2030. ⁴ A new forecast from the International Data Corporation (IDC) Worldwide AI Spending Guide shows that global spending on artificial intelligence (AI) will reach approximately \$118 billion in 2022 and exceed \$300 billion in 2026. ⁵	<div>We digitalize our processes and define new processes.</div> <div>*We make technology investments in information security.</div> <div>*We receive cyber security audits from competent external organizations every year.</div> <div>*We improve information security restrictions.</div>

¹ World Economic Outlook, October 2022: Countering the Cost-of-Living Crisis (imf.org)

² ?

³ <https://www.deloitte.com/global/en/Industries/government-public/perspectives/the-world-is-ready-for-climate-action.html>

⁴ <https://www.pwc.co.uk/audit-assurance/assets/explainable-ai.pdf>

⁵ Worldwide Spending on AI-Centric Systems Will Pass \$300 Billion by 2026, According to IDC

Subject	Description	LAV's Response
Conflicts between countries	Conflicts between countries and political turmoil bring many economic, environmental and social risks. Conditions may arise where trade comes to a standstill. Terrorism and wars continue to be among the global risk factors. The Economic Update Report published by the World Bank shows that the ongoing war in Ukraine has diminished post-pandemic economic recovery prospects for emerging and developing economies in Europe and Central Asia.	<div>*We are diversifying our supplier pool.</div> <div>*We are preparing alternative logistics and distribution channels.</div>
Energy crisis	The effects of rising energy prices are felt by all companies. When the continuity of energy, which is one of the critical resources for societies, is threatened or interrupted, the effects spread to both economic and social life. In this respect, the energy crisis is a threat to sustainable development. Energy prices, which have reached record highs, are highly volatile. Before the invasion of Ukraine, wholesale gas prices were about 200% higher than a year ago. In July, gas prices reached over €340 per MWh, more than ten times higher than a year ago. Wholesale electricity prices followed a similar pattern. High gas demand during the post-Covid-19 economic recovery also plays an important role in these high prices. ⁶ Rising energy prices are hampering food security and meeting humanitarian needs.	<div>*We are doing alternative energy research.</div> <div>*We are increasing our number of alternative suppliers and pursue as a target.</div>
Increasing and changing regulations	Economic crises and political uncertainties bring along many regulations for the business world. Along with these regulations, expectations for companies in terms of sustainability and transparency are increasing. This creates a dynamic risk environment for companies. While compliance with regulations requires a high level of effort, non-compliance can result in a lack of stakeholder trust and damage to brand reputation. Regulations such as the EU Green Deal, the Borderline Carbon Regulation mechanism, which is part of the Green Deal, and the <u>Corporate Sustainability Reporting Directive</u> (CSRD), which is a new EU legislation and whose framework is prepared in 2022, bring with them important compliance obligations.	<div>*We meticulously follow all regulations in our region of operation.</div> <div>*We share our ESG performance through our Sustainability Reports published every year.</div>
Labor crises	<p>Labor crises, known as "big resignations" and "silent resignations", which have become more common after the pandemic, affect companies from every sector all over the world.</p> <p>The reflections of this wave in our country are observed as the desire of the qualified labor force to work abroad and the decrease in work engagement rates. In a survey conducted⁷ in Turkey, states that 24 percent of employees are in the process of silent resignation and 46.6 percent are close to this concept due to reasons such as low salary, work-life imbalance, lack of clear job description, closed career paths and long working hours. The rate of those who feel that they belong to their workplace is 18.5 percent.</p>	<div>*We are working to become an institution preferred by new graduates by cooperating with universities.</div> <div>*We create training plans to increase the competence of our employees.</div> <div>*We plan our on-the-job and in-house trainings in line with the changing employment profile.</div> <div>*A training directorate was established within the Group and Gürok Academy was launched on the online platform.</div>

⁶ <https://home.kpmg/fr/fr/blogs/home/posts/2022/03/how-the-russia-ukraine-crisis-impacts-energy-industry.html>

⁷ Türkiye'de dört gençten biri 'sessiz istifa' sürecinde- (bloomberght.com)

OUR CONTRIBUTION TO THE UN SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals (SDGs) are a universal call to action by the United Nations for governments, companies and civil society organizations to work together and take action in areas of critical importance for the common future. The 17 global goals serve to take the right steps today to sustainably improve life for future generations.


As LAV, we embrace and support the United Nations Sustainable Development Goals. We see our contributions to the SDGs as a fundamental component of our sustainable value creation process. We directly contribute to 7 sustainable development goals through our activities.



Good Health and Wellbeing: 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 proper storage of food, we help our customers eat healthy and contribute to food sustainability.



Quality Education: We invest in the professional and personal development of our employees and prepare them for the future. We establish partnerships with universities. We contribute to children's access to education through our social benefit investments in 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 practices to increase the ratio of female employees and managers. We will realize 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 through our investments in R&D and innovation. We develop practices to prevent child labor and forced labor in our supply chain and to ensure fair working conditions. With the importance we attach to local procurement, we increase our contribution to the national economy and support the development of local companies. We take international standards as a guide 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 realize many collaborations in the field of R&D and innovation. We gain competitive advantage by producing our own machines. We follow the requirements of Industry 4.0 and digitalize our processes.



Responsible Production and Consumption: We strive to produce better products by consuming fewer resources without compromising on quality and safety. We share accurate information about our products. We support the circular economy. We support 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 a partner and supporter 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 in a complete and timely manner. We maintain uninterrupted stakeholder communication through communication platforms specific to different stakeholder groups. We see corporate memberships and supporting various initiatives as part of stakeholder communication. We are in close communication and cooperation with non-governmental organizations, sectoral and global initiatives.



Stakeholders and Communication Methods

Our Stakeholders	Communication Platform	Communication Purpose / Subject	Communication Frequency
Customers	Surveys Website Press Section Magazines and Newspapers Social Media Fairs	Transferring developments in the company, sector and technology	Continuous
		Announcing new developments about the company through newsletters added to the website	Continuous
		Management of LAVmood communication campaigns on social media	Continuous
		Supply chain customer conversations	Six times a year
		Announcing news about the company through bulletins and interviews in local and foreign publications	Continuous
		Meetings with existing and new customers	Continuous
Employees	Satisfaction Survey Bizbize Magazine Social Media	Announcing important developments related to the company	Announcing important developments related to the company
		Whatsapp contact line	Continuous
		Internal communication meetings within departments	Once a year
		Internal communication meetings between departments	Once a year
		Providing information about the company	Continuous
		Communicating important developments	When needed
		Sharing the developments in LAV by the General Manager	Twice a year
		Evaluating the previous year and conveying the vision for the next year	Once a year
		Strategy Workshops	Once a year
		Wish Wish Platform	Continuous
Suppliers	Face-to-face Meetings Fairs E-mail Factory Visits Social Media	Discussion of commercial issues	Continuous
		Supply chain supplier negotiations	Six times a year
		Inspections	Several times a year
		Communicating developments and news about the company, products	Continuous
Shareholders	Board of Directors Meeting	Board of Directors Meeting	Twice a month
Local Community and Governments/ Public and Regulatory/ Civil Society Organizations/ Media	Newsletters Social media	Announcing important developments related to the company through the media	In case of need
		Announcing important developments related to the company	Several times a year
		Announcement of important information	Continuous
Group Companies	Bizbize Magazine	Communicating developments and news about products	In case of need
		Announcement of important information	Four times a year



BETTER WORLD

- 29 We Embrace Circular Economy
- 32 We Support the Fight Against Climate Change
- 34 We Support Gender Equality
- 35 We Develop Projects to Support Social Welfare



As LAV, we dream of a fairer, cleaner, better world for everyone. We are aware of our responsibility for a better world. We reduce our environmental impact, contribute to gender equality, and strive to improve the welfare of the society we live in through social responsibility projects.

Material Topic	KPIs we track	Target	History	2020 Realization	2021 Realization	2022 Realization
Water and Waste Management	Raw material consumed (tons)	Identifying ways to save money by determining the plastic usage map	2021	103	107	100
	Water intensity (water consumption per ton glass m³/ton)	Maintaining an efficiency project on water saving every year	2030	5.6	4.58	4.40
	Amount of hazardous waste (tons)	Reducing fat consumption	2030	47,928	80,493	91,682
	Amount of plastic used (tons)			220	55	35
Energy and Emissions Management	Energy intensity (energy consumption per ton of glass GJ/ton)*	Implementation of one energy efficiency project each year	2030	92	92.7	91.3
	Greenhouse gas emissions (scope 1- tCo2e)*			94.12	129.03	115.94
	Number of leaks/spills			0	0	0
Gender Equality	Employee turnover rate (%)		2025	0.41	0.41	0.87
	Proportion of female managers (%)		2030	45	45	45
	Ratio of entry-level female salaries to male salaries			1	1	1
	Ratio of female salaries to male salaries at managerial level			1	1	1

*Indexed according to 2018=100.
**Indexed as 2017=100.



We have a **200** m³ /day water treatment plant.

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

We Embrace Circular Economy

100%
Recovery and recycling rate of all the materials we remove as scrap: 100%

In 2022, we recycled 5,500 tons of paper and 120 tons of plastic packaging.

The circular economy is an economic model based on the principle of system innovation, where resources are used responsibly, waste and pollution are eliminated at the design stage, and products and resources are re-produced without waste, as opposed to the linear economy based on the use-and-dispose principle. It is based on the principle that limited resources produce value sustainably with rational solutions.

Glass is one of the important materials of the circular economy as a “continuous material” that can be recycled infinitely.

At LAV, non-compliant products are identified at various stages of quality control and are collected and reintroduced into the production process. At LAV, in addition to increasing the amount of recycled glass in production, we also develop projects for more efficient and sustainable use of resources.

In this context;

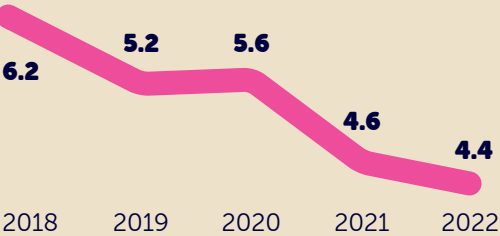
- We attach great importance to the sustainability of water, which is the main resource for glass cooling in the production process. We recycle and reuse all of the industrial waste water generated during the production process.
- We have a domestic wastewater treatment plant with a capacity of 200 m³ /day for the treatment of domestic wastewater.
- We recycle waste packaging and bring it back into the economy.
- In 2022, we brought 5,500 tons of paper and 120 tons of plastic packaging into the economy. Our recovery rate was 100%.
- We use the waste heat generated during production processes to heat the business and administrative offices.
- We collect waste batteries in our businesses and administrative offices.
- As a result of digital needs analyses, we carry out digitalization projects that encourage the use of paperless offices.
- As a contribution to the circular economy, we saved nearly 3% compared to 2020 by switching to alternative materials and reusing scrap.

Productivity Improvement Projects

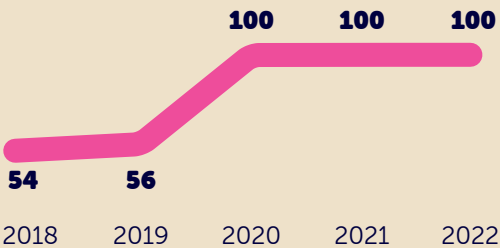
Within the scope of our productivity improvement projects, we aim to improve temporal benefit and efficiency by using fewer resources in our production processes. In the projects we launched in 2020, we have achieved a total improvement of 0.6% in production parameters so far.



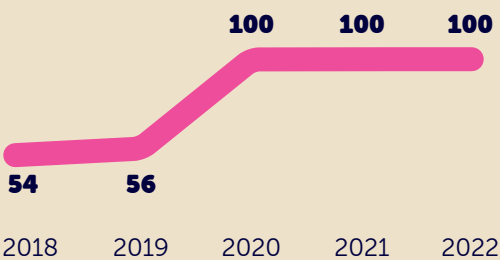
WATER INTENSITY (M³/TON)



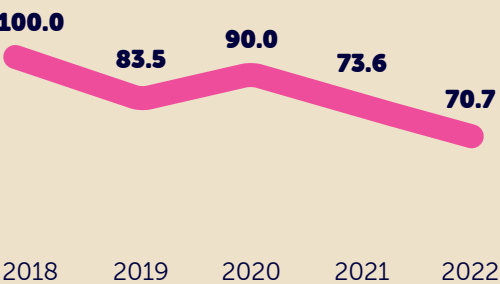
PAPER RECOVERY RATE (%)



PLASTIC RECOVERY RATE (%)



WATER USE (M³/TON)





Business Plastics Initiative (BPG)

Plastic has an important place in the global economy thanks to its ease of use, light-weight and durability. However, the lack of reuse and recycling of plastic has made plastic waste a global problem. Incinerating unrecycled plastic waste or sending it to landfills causes significant greenhouse gas emissions. Plastics mixed into nature threaten biodiversity and potentially turn into microplastics, spreading throughout the ecosystem and threatening environmental health.

Established in 2019 by Global Compact Turkey, BCSD Turkey and TUSIAD, iPG works with the vision of realizing circular economy for plastics. It continues 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 subsidiaries, investors, NGOs, academia and citizens, i.e. multiple stakeholders of the entire plastics value chain.

As a signatory company of the iPG, we support the international Common Vision, which consists of internationally recognized principles. Within the scope of the iPG, we aimed to reduce plastic by 5% (1.5 tons) by 2022 and 7% (2.1 tons) by 2023. We achieved our reduction target of 7% (2.1 tons) by the end of 2022.

We Support the Fight Against Climate Change

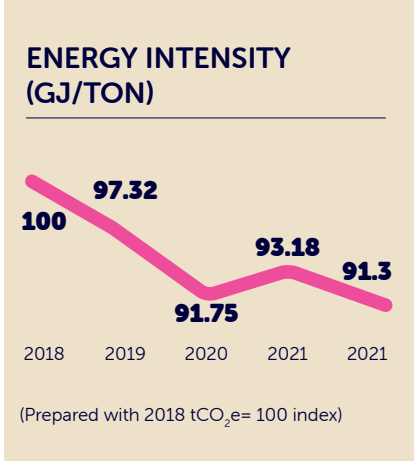
Glass production is an energy-intensive industry. Energy use accounts for approximately 30% of the production cost in our industry. Energy efficiency is an important issue for our industry for both environmental and economic reasons. At LAV, energy efficiency is one of the important issues prioritized. We meticulously monitor the possible effects of climate change on our operations and evaluate environmental risks in our risk maps.

The Energy Management unit specialized in energy management is responsible for LAV’s energy management. Measurements, monitoring of targets, compliance with legislation and realization of improvement works are under the responsibility of this unit.

We support the Turkey phase of the “Partnership for Market Readiness for Carbon Markets” (Partnership for Market Readiness - PMR), which was prepared by the World Bank to support efforts to reduce greenhouse gas emissions and to ensure the effective use of market-based emission reduction mechanisms in the fight against climate change.

In the glass production process, the most energy is used to melt raw materials at temperatures between 1,300 and 1,650 °C. At LAV, we use natural gas in this melting

process. In 2021, glass shrinkage increased by 9.2% due to the commissioning of new production processes. Accordingly, our natural gas consumption increased by 9.6% compared to the previous year. Accordingly, there was an increasing trend in our total energy consumption. We are conducting raw material substitution and efficiency studies to reduce our natural gas consumption.



Energy Efficiency Projects

With the projects of saving natural gas in the melting process and improving compressed air systems, which were initiated with the aim of reducing the total energy consumption consumed during production, 2.1% savings have been achieved since 2020.

In 2022, with the efficiency projects we realized, we achieved a 9% improvement in our energy consumption compared to the previous year.





We Support Gender Equality

LAV is a brand that “supports women”. It believes that social welfare will increase with equal participation of women in all areas of life and supports women’s empowerment both within the company and in its activities for the society.

In 2015, as a signatory of the UN Women’s Empowerment Principles (UN WEPs), we brought our sensitivity in this area to the international arena. Establishing a gender equality working group within the scope of our UN WEPs roadmap is among our goals .

At LAV, we aim to be the employer of choice for women in working life. We manage remuneration, career opportunities, selection and placement processes according to the principle of diversity. Women make up 48.5% of our white-collar employees and 14% of our managers.

We develop projects to increase the ratio of female engineers. We encourage our male employees who have babies to use their paternity 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 carry out our social responsibility projects with the benefit of research studies and data. Since 2015, we have been regularly organizing a “Social Perception Survey” (SPS).

Our Community Action Plan is updated every year under the headings of “Impact on Society”, “Prevention of Discomfort and Harm” and “Conservation of Resources”. With TMA, we measure social perception and expectations on the topics in the Social Effectiveness Plan. We use the TMA results as input for the following year’s Social Efficiency Plan.

AĞAÇKÖY VILLAGE EDUCATION PROJECT

In partnership with GCA, we support the Arduino Robotic Coding and Lego Mindstorm Robotic programming trainings of primary and secondary school students in Kütahya Ağaç Köy. 94 students were introduced to programming and robotic coding in the project that started in 2018. The students exhibited their projects at the TÜBİTAK Science Fair held in March 2020.





BETTER PRODUCTS

- 39 We Listen to Our Customers
- 41 We Produce Quality and Reliable Products
- 44 We Design Sustainable Products and Services
- 45 We Invest in R&D, Technology and Innovation



WE LISTEN TO OUR CUSTOMERS

At LAV, we owe our brand recognition and strong position in the market to our understanding of consumer expectations. We respond to changing preferences with the products and services we develop and offer collections that meet the expectations of consumers. We focus on a different theme in each product group.

WE HAVE 5,405 PRODUCT TYPES

We have a communication infrastructure where we can take quick steps to solve problems related to products. We listen to requests and complaints from our customers through various channels (such as telephone, website, portal, şikayetvar. com, face-to-face channels, social media accounts) and offer appropriate solutions. The “Customer Complaints Board” evaluates the incoming complaints and, if necessary, opens a Corrective Preventive Action (CPA) and transfers it to the relevant unit.

We use social media platforms to increase customer satisfaction. We better understand and analyze the opinions and preferences of consumers through the campaigns we run on these channels. We take these analyzes and opinions into consideration when determining our strategies.

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



Material Topic	KPIs we track	Target	History	2020 Realization	2021 Realization	2022 Realization
Sustainable Products and Services	Total number of products in the product range	Developing a project for longer preservation of food	2022	4,870	5,295	5,405
	Total number of points of sale (Turkey)			44,500	44,500	44,500
	Brand awareness survey (%)				94	99
Product Responsibility	Fines for product safety violations	100% success rate of product safety tests	2030	0	0	0
	Number of product safety inspections			8	9	3
	Product safety audit scores			Walmart FCCA Audit: 88.2 FCCA Audit: 89.5 Sainsbury's Technical Audit: 97% Nestle GMP Audit: Compliant Morrison's Technical Audit: 95 BIM 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: Compliant A101 Technical Audit: 86.6 BIM Technical Audit: 88 Migros IFS Audit: 95.51 John Lewis Technical Audit: B-Satisfactory	Sainsbury's Technical Audit: 85 Walmart FCCA Audit: 99.3 Nestle GMP Audit: Compliant
Sustainable Products and Services	Number of products with reduced weight			4	2	2
R&D, Technology and Innovation	University/industry R&D business number of units			3	3	3
	Number of registered designs			3	2	1
	Number of trademarks registered			4	4	4

44,500 Sales Points in Turkey

In addition to our 44,500 sales points in Turkey, we deliver our products all over Turkey through our e-commerce sites and to all 50 states of the USA through lav-us.com.

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We organize a Customer Satisfaction Survey (CSS) every two years to measure how well we meet our customers' expectations. We share the analyses of the survey results with senior management and relevant departments, identify the issues that need to be reviewed and improved, and take the necessary actions. The last survey, conducted in 2021, included 22 questions on topics such as product, 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

With our showroom in the 41 Madison building in New York, where the world's leading table glass manufacturers are located, we aimed to bring a breath of fresh air to the American market, to increase the perception of the LAV brand, and to closely understand the demands and expectations of our customers by communicating with them.

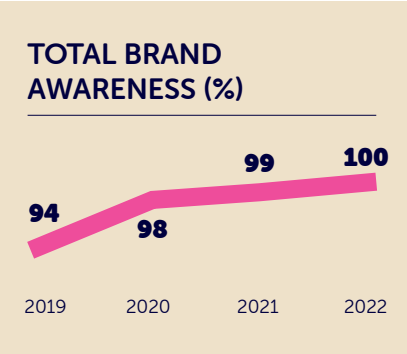
Working to Increase Our Brand Awareness

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

We organize visits, fairs and focus groups for our existing and potential customers with the motto "Your Most Stylish Friend". We regularly participate in international fairs such as Chicago - International Home & Housewear Show, Frankfurt - Ambiente, The Newyork Tabletop

Show and HOMI The Lifestyle Trade Fair. We organize special events on special occasions as part of brand communication activities. We carry out social media activities throughout the year and carry out special digital projects. For PR, event and sponsorship activities, we carry out news monitoring throughout the year, and we organize PR events and advetorial activities at various times.

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



WE PRODUCE HIGH QUALITY AND RELIABLE PRODUCTS

Our products contact with food. Therefore, quality and safety are essential elements for LAV. Our quality and safety efforts, which started with the ISO 9001 Quality Management System, accelerated 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 EU Council Directive (EC) 2023/2006.

Our Quality Management System and processes are compliant with applicable standards that ensure product safety, such as BRC (British Retail Consortium Global Standards). We organize trainings on product safety for our new employees.

We measure the quality and durability of our products through a wide range of analyzes and tests. All our products undergo five different quality control tests: hot check, cold check, tension tests, product control and quality control.

Product quality and safety studies at LAV

Plan	Application Area
Infrastructure and Work Environment Plan	Infrastructure and working environment
Input Validation Plan	Appropriateness and control of inputs to be used in 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 should be done in case of a situation that may threaten consumer health during the use of 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 which 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	Product safety checks to be carried out in and around the facility



We have the suitability of parts such as plastic and silicone caps used in our products for contact with food audited by independent, accredited test laboratories. In the tests, we take into account the methods and limits in the EU legislation, REACH Directive and internationally recognized ISO standards.

In terms of suitability for contact with food, we obtain documents from our suppliers regarding the decor paints and spray paints we use in our products to ensure that the chemicals listed in Annex XVII of EU Directive (EC) 1907/2006 are not used and that there are no SVHC-highly hazardous substances. We regularly check the suitability of our decorated and spray-painted products for food contact through accredited third-party laboratory analysis.

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

We also attach importance to the quality and product safety performance of our suppliers from whom we purchase materials that directly affect our final products. Within the scope of the Supplier Evaluation Plan, we monitor the quality and safety performance of suppliers through ethical, social and technical audits. We conduct audits to measure the performance of our suppliers. During the reporting period, we did not have any product recalled due to product safety violations.

1,052
employees received
quality training

During the reporting period,
1,052 employees received quality
training and 460 employees
received product safety training.



Long Lasting Products and Green Steps

- ✓ We increased the number of products that can be placed on a pallet with the Standardized Pallet Arrangement Project we carried out during the decor production process. In this way, we use 30% less pallets, stretch, nylon and duralite.
- ✓ For online orders, we use recycled paper separator from scrap paper instead of plastic separator, and we use filler material from scrap packaging instead of plastic-based material. Thus, we significantly reduce our single-use plastic consumption.
- ✓ With electrostatic painting technology, we provide 10% less paint consumption in fully painted products.
- ✓ We save 25% natural gas with the Infrared Oven technology in the decor production process.
- ✓ To reduce the demand for disposable products, we are promoting the consumption of homemade food.

WE DESIGN SUSTAINABLE PRODUCTS and SERVICES

We make sustainable production for products that have reduced environmental impacts, are environmentally friendly, comply with the circular economy model and fully meet the needs of our customers. We are increasing the number of our products that use environmentally friendly paints and have reduced weight every year.

We attach utmost importance to the safety of the chemicals we use in production. We keep an inventory of every chemical we use and record their use. As far as possible, we replace hazardous chemicals with their less environmentally damaging or non-hazardous counterparts.

Food waste ranks among the top global problems of today. Increasing food waste creates many social, environmental, and economic problems. At LAV, as a company that produces products in contact with food, we carry out various activities to prevent food waste. In this context, we are expanding our portfolio of storage containers for long-term and healthy storage of food. With our portable storage containers, we help our customers carry their healthy home-cooked meals with them as they wish and consume them safely.



WE INVEST IN R&D AND INNOVATION

At LAV, we closely follow technological developments in the field of production. With the innovation and new technology development meetings we organize periodically, we create a pool of technical information on machinery and glass technology and develop innovative projects.

We support the innovative ideas of our LAV employees and provide the appropriate technological privacy environment to create sustainable solutions in our center, which hosts innovative products and processes.

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

We meticulously protect our intellectual property rights; we apply trademark and industrial design registration procedures for every innovative project we develop.





BETTER COMPANY

- 49 We are Working to Become an Employer of Choice
- 52 We Do Not Compromise on Occupational Health and Safety
- 53 We are Committed to our Business Ethics Principles
- 53 We Follow Developments in Industry 4.0
- 54 We Secure Our Business Continuity
- 55 We Care About Sustainability in Supply Chain

At LAV, we aim to provide our employees with a fair, equitable and peaceful working environment. We continuously support our human resources in order to be a workplace where it is a pleasure to work. 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 approach throughout the value chain we impact.

Material Topic	KPIs we track	Target	History	2020 Realization	2021 Realization	2022 Realization
Becoming the Employer of Choice	Trainings provided to employees (number of people)	Attending at least 5 career days every year	2030	2,792	3,030	3,108
	Number of employees given regular performance evaluation feedback	Organizing at least 3 collaborations with universities each year targeting career development		162	191	179
Occupational Health and Safety	OHS training provided to employees (person*hour)	Organizing online sustainability trainings for all our employees	2030	15,712	17,790	17.1
	Injury Rate			75	78	33
	Accident Weight Ratio			2.88	1.69	2.05
	Occupational Disease Rate (ODR)			3	2	2
	Lost Day Rate (LDR)			3.53	1.58	0
Business Ethics	Business ethics trainings given to employees (number of people)	Increasing the rate of participation in signed or supported economic, environmental and social agreements, principles and other initiatives and monitoring new initiatives		787	763	790
	Number of external audits received and external audit score			4 external audits conducted. BSCI A, ICS 91, SMETA 4 Pillar, TCCC passing grade	9 external audits were conducted. FCCA- 99.2; ICS 90; NESTLE GMP compliant	3 external audits were conducted. Sainsbury's Technical Audit: 85, Walmart FCCA: 99.3, Nestle GMP Audit: Compliant
	Total amount of fines for non-compliance with laws (TL)			0	0	0
Digitalization Transformation	Number of information security breaches			0	0	0
Emergency Preparedness and Business Continuity	Emergency training hours given to employees (person*hour)		2022	35,027	36,000	36,500
Sustainability in the Supply Chain	Total number of suppliers	Increasing the number of alternative suppliers	2030	1,382	1,382	1,382
	Number of suppliers audited	Reducing the number of imported inputs to support domestic production	2030	55	60	60



WE WORK TO BE THE EMPLOYER OF CHOICE

We strive to be a preferred workplace for qualified employees and to ensure that employees work with us for many years by supporting them to realize their potential. We adopt a transparent and open communication approach and work to improve employee loyalty and satisfaction.

LAV EMPLOYER BRAND

‘BEING THE CHOICE OF YOUNG TALENTS IS OUR MOST FAVORITE GOAL!’

We see it as our primary goal to support the technical and behavioral competencies of young talents with training and development activities in line with their needs in order for them to realize their potential, and to ensure that they remain with us for many years. For this reason, we make plans both to attract potential candidates and to improve the working experience of our active employees. We continue our efforts to develop a working environment where diversity is our energy, open-door communication is the cornerstone of our culture and agility is more than a value.

We take care to touch young talents who are our potential employees. Since our establishment, we have been in the field with many tools to reach the talents we target and to promote our company in the best way possible. We conduct activities

such as online and face-to-face career fairs, company promotion days, where we listen to the needs of young talents and share our experiences with them.

This year, we gathered our internship programs under one roof and branded them as InternStellar and our new graduate programs as TalentStellar.

We took our relations with Dumlupınar University in Kütahya, the land of our birth, one step further and brought 32 undergraduate and associate degree mentee candidates together with 24 of our mentors who are working as managers, executives and leaders at the MentorMentee workshop. We are happy to be a part of this program, where we will support 100 students in the 100th anniversary of our Republic, and to design the experience here.

EMPLOYEE DEVELOPMENT

We aim to increase both individual and organizational quality by supporting employee development. We strive to provide our employees with the competencies of the future. At LAV, we support our employees to continuously learn and improve themselves and their work through training and development programs.

We monitor the performance and development planning of our employees in line with the Performance Evaluation System. We prepare Training Plans in line with the development needs identified within the scope of the Performance Evaluation System. While creating these plans, we take into account both the needs of the employee and the strategic goals of the company.

We support the development of our managers with the "Executive Development Program". We attach importance to internal training of our managers and rotation. We aim to offer our employees a career map with different options with the practice of first announcing internal vacancies within the company, which we will implement in the coming years.

We measure the leadership styles, competencies and effectiveness of our employees.

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

We provide feedback to employees through performance evaluation meetings held twice a year. In 2022, we provided performance feedback to all of our white-collar employees. We provided "Coaching for Performance" training to all white-collar employees.

According to the needs of our employees; in addition to technical, social, cultural and psychological training, we also organize training on topics that improve business and management skills and increase organizational effectiveness . Strategic Leadership and Lean Engineering Program are among our prominent training programs in 2022.

Training Hours per Person

(Blue Collar): 2,75

Training Hours per Person

(White Collar): 62,19



EMPLOYEE ENGAGEMENT

One of the most important factors that increase employee loyalty is ensuring employee satisfaction. We monitor the satisfaction level of employees through employee satisfaction surveys we organize every two years. As a result of the 2021 survey, the employee satisfaction level 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.

48,481
person*hours of training

In 2022, we provided
48,481 person*hours of
training to LAV employees .

EMPLOYEE COMMUNICATION

We believe that proper communication with employees plays an important role in strengthening corporate loyalty. We use effective communication channels that enable our employees to stay in constant contact with both the company and each other. These channels also contribute to the process of receiving and learning from our employees' opinions and suggestions.

We manage employee communication within the framework of the Internal Communication Process Plan and Communication Policy. Within the scope of the wishes, wishes and complaints procedure, employees can contact the Human Resources Department anonymously or anonymously through communication boxes located at the factory site and offices.

WE DO NOT COMPROMISE ON OCCUPATIONAL HEALTH AND SAFETY

We adopt an “occupational 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 based on legal requirements and internationally recognized standards. We expect not only LAV employees but also all subcontractor employees to comply with these rules.

Identifying risks is of great importance in effective occupational health and safety management. Our Risk Assessment team consists of occupational safety experts, workplace physicians, employee representatives, support staff knowledgeable about risks and employer representatives. The team conducts risk analysis studies within the periods specified in the legislation. Necessary improvements are made as a result of the analysis.

There are near-miss boxes at many points in the factories for the hazards and risks that employees may encounter and all employees are informed about this issue.

At LAV, training activities are organized in order to strengthen the OHS culture and raise employee awareness on health and safety issues. In 2022, we provided 1,345 LAV employees 17 .1 person*hour OHS training.

There is an OHS Board and 12 OHS Committees operating at LAV, including employee representatives and members. During the reporting period, 17 volunteer members served in the committees. At LAV, we organize an OHS Committee meeting once a month, except for extraordinary circumstances.

We evaluate the physical, chemical and biological risk factors that our

employees face depending on their working environment and keep the working environment under constant control. We continuously make improvements against identified hazards and risks through the Corrective and Preventive Actions System.

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

OHS Indicators	2020	2021	2022
Accident Weight Ratio	2.88	1.69	2.05
Accident Frequency Rate	22.11	28.73	31.98
Lost Day Rate	3.53	1.58	1.47

WE ARE COMMITTED TO OUR PRINCIPLES OF BUSINESS ETHICS

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

The LAV Ethical Principles Guide, created by the LAV Ethics Committee, aims to ensure that new employees are informed about the Ethical Principles from the first moment of their employment and to strengthen the awareness of business ethics for existing employees.

We regularly organize Corporate Social Responsibility Training every year to inform our employees about their legal rights and unethical behavior. We ensure that they are informed about the path to follow when they encounter unethical situations. All LAV employees can submit their complaints to the Ethics Committee in case of a violation. Notifications made to the Ethics Committee are communicated

only to the Chairman of the Ethics Committee and in case of an investigation, confidentiality principles are followed.

We aim to gradually spread our ethical approach among our employees and subsequently throughout our value chain. In line with our goal of gradual diffusion of impact, Corporate Social Responsibility Assessment parameters 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.

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WE FOLLOW DEVELOPMENTS IN THE FIELD OF INDUSTRY 4.0

We closely follow the development and transformation of technologies both in different sectors around the world and in our own sector. We direct our digitalization and Industry 4.0 activities within the framework of our Digitalization Policy. While Industry 4.0 offers new opportunities, it also poses various risks. At LAV, we are working to integrate the technological innovations brought by Industry 4.0 into our business processes and business conduct. We aim to continuously improve our command of information technologies.

We work 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 complaints regarding the violation of customer information confidentiality in 2022.

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



WE SECURE 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 functioning of our operations and reinforce our operational reliability.

Trainings and drills are of great importance in maintaining readiness for emergencies. We organize emergency trainings for employees to learn how to act in case of emergencies. These trainings are included in the curriculum of employee health and occupational safety trainings given every year. We organize emergency drills to minimize the negative effects of natural disasters such as earthquakes, floods, fires and risks such as power outages. Emergency drills are carried out once a year at all our campuses in accordance with the Emergency Plan. During emergency drills, we support employees with informative trainings.

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

One of the important elements to support business continuity is the operability of information systems. We structure and manage information systems to support our strategic plans. We provide information technology equipment to employees in line with their role definitions. We create "disaster recovery" scenarios to ensure that systems are operated in a way that will not interrupt processes. We provide physical conditions (air conditioning, fire extinguishing, uninterrupted power supply) for storing information that will not be affected by environmental factors. We protect the places where information is stored and the cables and systems through which it is transported from unauthorized intervention, damage and power outages.

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

Global Security Verification (GSV) and Walmart Supply Chain Security (Supply Chain Security) audit programs;

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



WE CARE ABOUT SUSTAINABILITY PRACTICES IN THE SUPPLY CHAIN

We act on the basis of sustainability throughout our supply chain, not limited to LAV operations. We prefer to work with suppliers with a culture identical to LAV.

We select our suppliers according to the Supplier Selection and Evaluation Procedure. Our principles of working 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 long-term relationships with our suppliers based on 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 audits of our raw material suppliers within the scope of the Supplier Evaluation Plan prepared in accordance with quality and product safety standards. In line with the scores obtained from the audits, we conduct evaluations in different periods and carry out supplier development practices.

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

We prioritize local suppliers in our supply chain to support local economic development. In the 2022 period, 90% of our suppliers were local suppliers, while 85% of our procurement budget was allocated to local procurement.

OUR MANAGEMENT STRUCTURE

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

LAV receives support from the Human Resources Directorate within G rok Group in the human resources process, from the Finance Directorate in financial management in the Financial Affairs process and from the IT Directorate in the Information Systems process.

At LAV, there are five directorates, namely Factory (production), Sales, Marketing, Marketing, Technopark and Planning & Purchasing, and 5 directorates and one directorate reporting directly to the General Manager. Our directorate units consist of Human Resources, Financial Affairs, Corporate Performance, Finished Goods Warehouses and Shipment, System Development and Improvement directorates.

LAV's institutionalization journey, which started in 1997 with ISO 9001 studies, was enriched with the Total Quality approach in 2013 and accelerated with the adoption of the EFQM Excellence Model as a management approach in 2015.

The journey to excellence continues with the efforts within the scope of the "Volkan'19" change project. Within the scope of excellence efforts, a process management approach was adopted in 2017 in order to manage the business from a process perspective and all processes were redesigned.

PERFORMANCE MANAGEMENT

At LAV, corporate performance is monitored and measured through "Balanced Scorecard" and "Process Performance Indicators". The Balanced Scorecard is prepared in light of the corporate priorities that emerge from the strategy development studies conducted every year. In 2015, the Balanced Scorecard, which has been in place since 2008, was updated to include all stakeholders and linked to the individual performances of employees.

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

LAV publishes a "Strategic Management Calendar" in September each year, which includes annual strategic management activities. An annual Strategy Workshop is organized with the participation of managers and executives at manager level and above. At the workshop, opportunities (O) and threats (T) related to the external environment and strengths (S) and weaknesses (W) related to internal performance are identified. Strategies are obtained by grouping the strategic discourses created.

In the last quarter of 2022, LAV has completed its Strategic Business Plan, which will guide us in the next 5 years.



AWARDS WE HAVE RECEIVED

Felis 2016 Marketing Impact Category
Real Estate & Decoration & Construction
(Strategic Impact - New Product Launch) -
“Make Room for Her in Your Life”

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

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

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

Plaques given by the Kütahya Treasurer’s
Office for ranking in the top three in the
Corporate Income Tax tax record holder
ranking every year since 2014



PERFORMANCE INDICATORS

SOCIAL PERFORMANCE INDICATORS					
Employee Demographics	2018	2019	2020	2021	2022
Total number of employees	1,364	1,288	1,343	1,401	1,424
Number of employees by gender					
Total number of female employees	221	206	208	223	237
Total number of male employees	1,143	1,082	1,135	1,179	1,186
Number of employees by status					
White-collar woman	76	73	79	84	97
White-collar male	89	92	99	107	103
Blue-collar woman	145	133	129	139	140
Blue-collar male	1,054	990	1,036	1,071	1,084
Number of employees by age groups					
Number of employees under 30	411	384	401	314	357
Number of employees aged 30-50	925	879	918	1,038	1,013
Number of employees aged 50 and over	28	25	24	49	53
Total number of senior managers	21	24	23	36	32
Number of senior managers by gender					
Total number of senior female executives	4	5	5	4	4
Total number of senior Turkish executives	21	24	23	23	28
Number of senior executives by age group					
Number of managers under 30	0	0	0	0	0
Number of managers between 30-50 years old	21	24	23	26	25
Number of managers aged 50 and over	0	0	0	3	5
Employee Development	2018	2019	2020	2021	2022
Employee trainings - number of participants (person)					
Blue collar	1,296	1,209	1,221	1,317	1,346
White collar	176	172	175	198	208
Woman	256	225	213	242	255
Male	1,216	1,156	1,183	1,273	1,299
Employee trainings - total hours (personhours)					
Blue-collar woman	3,753	3,142	2,835	3,421	3,496
White-collar woman	4,818	5,842	5,269	7,269	7,636
Blue-collar male	26,849	28,892	23,265	31,189	32,864
White-collar male	5,793	6,429	3,658	4,396	4,485
Number of employees given regular performance evaluation feedback					
White-collar woman	67	70	76	84	85
White-collar male	86	79	86	107	94

Employee Turnover	2018	2019	2020	2021	2022
Recruited employees					
Total number of female employees hired	57	15	14	48	41
Total number of male employees hired	228	108	113	166	180
Number of employees under 30 hired	139	67	94	169	167
Number of employees hired between 30-50 years of age	144	53	31	43	54
Number of employees aged 50 and over hired	2	3	2	2	0
Departing employees					
Total number of female employees who quit their jobs	45	25	10	30	35
Total number of male employees who quit their jobs	190	115	54	129	163
Number of employees under 30 who quit their jobs	96	67	35	86	110
Number of employees aged 30-50 who leave their jobs	131	69	26	70	81
Number of employees aged 50 and over who left their jobs	8	4	3	3	7
Employee Rights	2018	2019	2020	2021	2022
Return to work and retention rate after maternity leave by gender					
Number of female employees on maternity leave	5	5	6	8	8
Number of male employees on maternity leave	78	74	52	71	57
Number of female employees returning from maternity leave	3	5	5	6	8
Number of male employees returning from maternity leave	78	74	52	71	57
Occupational Health and Safety	2018	2019	2020	2021	2022
Occupational health and safety committees					
Number of OHS committees	12	12	12	12	12
Number of committee members	17	17	17	17	17
Number of employee representatives	10	13	13	13	13
Occupational health and safety trainings					
Total hours of OHS training (personxhour)	17,168	17,104	15,712	17,79	17.1
Number of employees trained on OHS (person)	1,073	1,069	982	1,359	1,345
Occupational health and safety indicators					
Injury rate	67.11	73	75	78.00	33.00
Accident severity rate	0.55	1.39	2.88	1.69	2.05
Accident frequency rate	-	-	22.11	28.73	31.98
Occupational disease rate	2	3	3	2	2
Lost day rate	1.32	1.01	3.53	1.58	1.47
Number of work-related deaths	0	0	0	0	0
Number of people working in environments or tasks with a high risk of accidents or occupational diseases	947	947	947	1,014	1,131

ECONOMIC PERFORMANCE INDICATORS					
	2018	2019	2020	2021	2022
Number of registered designs	44	19	3	2	2
Number of trademarks registered	1	-	4	4	4
Number of active suppliers	-	-	1,382	1,382	1.382
Proportion of total local procurement in procurement budget (%)	-	-	85%	85%	85%
Total local suppliers in procurement budget (%)	-	-	90%	90%	90%
ENVIRONMENTAL PERFORMANCE INDICATORS					
Material Usage*	2018	2019	2020	2021	2022
Production efficiency	100	100.53	101.05	98.83	99.06
Amount of raw materials consumed (tons)	100	98.39	103.17	106.51	100,17
Amount of recycled/recovered raw materials used as inputs					
Glass cullet (%)	100	100	100	100	100
Paper and cardboard (tons)	2,641	2,565	4,500	6,500	5,600
Paper recovery rate (%)	54	56	100	100	100
Plastic (tons)	388	325	365	110	70
Plastic recovery rate (%)	54	56	100	100	100
Energy and Emissions*	2018	2019	2020	2021	2022
Total energy consumed within the organization	100	106.4	103.64	114.02	105.09
Direct energy consumption					
Natural gas-m ³	100.05	105.33	103.18	113.1	103,5
Indirect energy consumption					
Electricity-kwh	100	114.5	107.3	120.9	116.5
Energy intensity (energy consumption per ton of glass - GJ/ton)*	100	97.32	91.75	93.18	91,3
Greenhouse gas emissions (scope 1- tCo ₂ e)*	100	94.6	94.12	129.03	115.94
Water Consumption	2018	2019	2020	2021	2022
Total water withdrawal amount by source (m ³)*					
Well water	100	83.5	90	73.6	70.7
Water intensity (water consumption per ton of glass - m ³ /ton)	6.2	5.2	5.6	4.6	4.4
Proportion of recycled and reused water (%)	-	-	100%	100%	100%

Wastes	2018	2019	2020	2021	2022
Amount of hazardous waste (kg)	154,482	59,816	47,928	80,493	91,682
Recovery**	154,410	59,600	47,800	80,360	91,430
Waste site	72	216	278	133	252
Amount of non-hazardous waste (tons)	701	1,310	1,122	1,564	693.8
Number of significant leaks and spills	0	0	0	0	0
Environmental Trainings	2018	2019	2020	2021	2022
Total hours of environmental training provided to company personnel	-	-	1,300	1,200	1,100
Number of employees receiving environmental training	-	-	1,472	1,090	1,018
Environmental Management	2018	2019	2020	2021	2022
Environmental expenditures (TL)	-	-	2,700,000	2,800,000	2,080,700

*Indexed as 2018=100.

Greenhouse gas emissions are calculated based on our furnaces subject to environmental permit. In 2021, greenhouse gas emission values increased due to the new furnaces commissioned.

**The amount of waste increased due to cleaning of fusion wells.

GRI

CONTENT INDEX
ESSENTIALS SERVICE

2023

GRI CONTENT INDEX

Statement of Use: LAV has prepared its report covering the period January 1, 2022 - December 31, 2022 in accordance with GRI Standards.					
GRI 1 Used: GRI 1: Foundation 2021					
Applicable GRI Sector Standard(s): /					
GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			Requirement(S) Omitted	Reason	Explanation
General Disclosures					
GRI 2: General Disclosures 2021	2-1 Organizational details	About LAV, page: 9			
	2-2 Entities included in the organization's sustainability reporting	About Our Report, page: 3			
	2-3 Reporting period, frequency and contact point	About Our Report, page: 3 ; Contact, 67			
	2-4 Restatements of information	GRI Content Index: There is no restated information in the report.			
	2-5 External assurance	GRI Content Index: No external audit was received.			
	2-6 Faaliyetler, değer zinciri ve diğer iş ilişkileri	About Gürok Group, page: 8; About LAV, page: 9			
	2-7 Employees	Performance Indicators, page: 58			
	2-8 Contractor employees	GRI Content Index: Services such as cleaning and catering are provided by outsourced employees. The number of outsourced employees is 67.			
	2-9 Management structure and composition	Management Structure, page: 55			
	2-10 Nomination and election of the highest governance body	GRI Content Index: Board of Directors Election and Service Procedure.			
	2-11 Chair of the highest governance body	GRI Content Index: Chairman of the Board			
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability Management, page: 19			
	2-13 Delegation of responsibility for managing impacts	Sustainability Management, page: 19			
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Management, page: 19			
	2-15 Conflict of interest	GRI Content Index: The processes for preventing conflicts of interest are governed by the Shareholders' Agreement.			

For the Content Index - Essentials Service, GRI Services reviewed that the GRI content index is presented clearly and consistently with the standards and that references to disclosures 2-1 to 2-5, 3-1 and 3-2 are consistent with the relevant sections of the report. This service was performed on the Turkish version of the report.

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			Requirement(S) Omitted	Reason	Explanation
GRI 2: General Disclosures 2021	2-16 Communicating critical concerns	Relations with Our Stakeholders, page: 24-25			
	2-17 Collective knowledge of the highest governance body	Sustainability Management, page: 19			
	2-18 Assessing the performance of the highest governance body	Sustainability Management, page: 19			
	2-19 Remuneration policies	GRI Content Index:Managed by procedures under the Human Resources Directorate of the parent company.			
	2-20 Wage determination process	GRI Content Index:Managed by procedures under the Human Resources Directorate of the parent company.			
	2-21 Annual total remuneration rate	GRI Content Index: Not disclosed due to confidentiality.	2-21 a; 2-21 b; 2-21 c	Confidentiality constraints	
	2-22 Statement on sustainable development strategy	Our Sustainability Motto: Journey with Glass, page: 14-17			
	2-23 Policy commitments	Sustainability Management, page: 19			
	2-24 Embedding policy commitments	Sustainability Management, page: 19			
	2-25 Processes to remediate negative impacts	Lav Sustainability Scorecard, page: 17			
	2-26 Mechanisms for seeking advice and raising concerns	Listening to Our Customers, page 39; Employee Communication, page: 51			
	2-27 Compliance with laws and regulations	We are Committed to our Business Ethics Principles, page: 53			
	2-28 Memberships	Initiatives We Support in the Field of Sustainability, page: 18			
	2-29 Stakeholder engagement approach	Relations with Our Stakeholders, page: 24-25			
	2-30 Collective Labor Agreements	GRI Content Index: There is no collective bargaining agreement at LAV.			

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			Requirement(S) Omitted	Reason	Explanation
Material Topics					
GRI 3: Material Issues 2021	3-1 3-1 Process to determine material topics	Our Sustainability Motto: Journey with Glass, page: 14-17			
	3-2 List of material topics	Our Sustainability Motto: Journey with Glass, page: 14-17			
Environmentally Friendly Products and Services					
GRI 3: Material Issues 2021	3-3 Management of material topics	We Embrace Circular Economy, page: 29-31			
GRI 301: Materials 2016	301-1 Raw materials used	Better World, page: 28; Performance Indicators, page: 60			
	301-2 Recycled raw materials	We Embrace Circular Economy, page: 29-31; Performance Indicators, page: 60			
	301-3 Recycled products and their packaging materials	We Embrace Circular Economy, page: 29-31			
Energy Efficiency					
GRI 3: Material Issues 2021	3-3 Management of material topics	We Support the Fight Against Climate Change, page: 32-33			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Performance Indicators, page: 60			
	302-3 Energy intensity	We Support the Fight Against Climate Change, page: 32-33; Performance Indicators, page: 60			
	302-4 Reducing energy consumption	We Support the Fight Against Climate Change, page: 32-33			
Greenhouse Gas Emissions					
GRI 3: Material Issues 2021	3-3 Management of material topics	We Support the Fight Against Climate Change, page: 32-33			
GRI 305: Emissions 2016	305-1 Scope 1 emmissions	Performance Indicators, page: 60			
Water Management					
GRI 3: Material Issues 2021	3-3 Management of material topics	We Embrace Circular Economy, page: 29-31			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	We Embrace Circular Economy, page: 29-31			
	303-3 Water withdrawal	Performance Indicators, page: 60			
	303-5 Water consumption	We Embrace Circular Economy, page: 29-31; Performance Indicators, page: 60			
Waste Management					
GRI 3: Material Issues 2021	3-3 Management of material topics	We Embrace Circular Economy, page: 29-31			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	We Embrace Circular Economy, page: 29-31; Business Plastics Initiative (BPG), page: 31			
	306-2 Management of significant waste-related impacts	We Embrace Circular Economy, page: 29-31; Business Plastics Initiative (BPG), page: 31			
	306-3 Waste generated	Performance Indicators, page: 61			
	306-4 Waste diverted from disposal	Performance Indicators, page: 61			
	306-5 Waste directed to disposal	Performance Indicators, page: 61			

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			Requirement(S) Omitted	Reason	Explanation
Gender Equality					
GRI 3: Material Issues 2021	3-3 Management of material topics	We Support Gender Equality, page: 34			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Performance Indicators, page: 58			
	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.			
Sustainable Products and Services					
GRI 3: Material Issues 2021	3-3 Management of material topics	We Design Sustainable Products and Services, page: 44			
Product Responsibility					
GRI 3: Material Issues 2021	3-3 Management of material topics	We Produce Quality and Reliable Products, page: 41			
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: 41			
	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: There were no such violations 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.			
R&D, Technology and Innovation					
GRI 3: Material Issues 2021	3-3 Management of material topics	We Invest In R&D And Innovation, page: 45			
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			
Emergency Preparedness and Business Continuity					
GRI 3: Material Issues 2021	3-3 Management of material topics	We Secure Our Business Continuity, page: 54			
Business Ethics and Legal Compliance					
GRI 3: Material Issues 2021	3-3 Management of material topics	We are Committed to our Business Ethics Principles, page: 53			
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	We are Committed to our Business Ethics Principles, page: 53			
	205-3 Confirmed incidents of corruption and actions taken	GRI Content Index: There was no case of corruption in the reporting period.			
Digital Transformation					
GRI 3: Material Issues 2021	3-3 Management of material topics	We Follow Developments in Industry 4.0, page: 53			

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			Requirement(S) Omitted	Reason	Explanation
Occupational Health and Safety					
GRI 3: Material Issues 2021	3-3 Management of material topics	We Do Not Compromise on Occupational Health and Safety, page: 52			
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: 52			
	403-2 Hazard identification, risk assessment, and incident investigation	We Do Not Compromise on Occupational Health and Safety, page: 52			
	403-3 Occupational health services	We Do Not Compromise on Occupational Health and Safety, page: 52			
	403-4 Worker participation, consultation, and communication on occupational health and safety	We Do Not Compromise on Occupational Health and Safety, page: 52; Performance Indicators, page: 59			
	403-5 Worker training on occupational health and safety	We Do Not Compromise on Occupational Health and Safety, page: 52; Performance Indicators, page: 59			
	403-6 Promotion of worker health	We Do Not Compromise on Occupational Health and Safety, page: 52			
	403-8 Workers covered by an occupational health and safety management system	We Do Not Compromise on Occupational Health and Safety, page: 52			
	403-9 Work-related injuries	We Do Not Compromise on Occupational Health and Safety, page: 52; Performance Indicators, page: 59			
	403-10 Work-related ill health	We Do Not Compromise on Occupational Health and Safety, page: 52; Performance Indicators, page: 59			
Sustainability in the Supply Chain					
GRI 3: Material Issues 2021	3-3 Management of material topics	We Care About Sustainability Practices In The Supply Chain, page: 55			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	We Care About Sustainability Practices In The Supply Chain, page: 55; Performance Indicators, page: 60			
GRI 308: Supplier Environmental Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	We Care About Sustainability Practices In The Supply Chain, page: 55			
GRI 414: Supplier Social Assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	We Care About Sustainability Practices In The Supply Chain, page: 55			
Employer of Choice					
GRI 3: Material Issues 2021	3-3 Management of material topics	We Work To Be The Employer Of Choice, page: 49			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Performance Indicators, page: 59			
	401-3 Parental leave	Performance Indicators, page: 59			
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 The Un Sustainable Development Goals, page: 22-23			
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 The Un Sustainable Development Goals, page: 22-23			
Talent Development					
GRI 3: Material Issues 2021	3-3 Management of material topics	Employee Development, page: 50			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Employee Development, page: 50; Performance Indicators, page: 58			
	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Development, page: 50			
	404-3 Percentage of employees receiving regular performance and career development reviews	Employee Development, page: 50; Performance Indicators, page: 58			

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LAV