

LAV



SUSTAINABILITY

REPORT

2023

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ABOUT OUR REPORT

We are pleased to present our fourth Sustainability Report. Our sustainability reports show how we approach sustainability in its environmental, social and economic dimensions and how we integrate it into our business processes. In addition to our sustainability strategy, the report covers our material issues, our performance results, our future goals and our corporate commitments.

Our Sustainability Report for the period 1 January - 31 December 2023 covers all of LAV's operations. This report has been prepared in accordance with GRI standards. The report also includes the UN Sustainable Development Goals to which we are contributing.

Our 2023 report consists of 4 main sections. The 'Sustainability at LAV: Journey through Glass' section includes our sustainability strategy, the targets we have set to achieve this strategy, our material issues, our stakeholder relationships, the sustainability initiatives we support and the Sustainable Development Goals to which we contribute.

In the **'Better Products'** section, we have compiled information on LAV's approach to sustainable products, our efforts to ensure customer satisfaction, our investments in R&D, innovation and technology, and our digitalisation journey.

In the **"Better World"** section, we have summarised our efforts to make our world a better place to live. Energy and emissions management, water, the circular economy, our sustainable product approach and performance, our approach to gender equality and our corporate social responsibility activities are our main topics in this section.

In the **"Better Company"** section, we have included a summary of the commitments we have made to become a company of choice for all our stakeholders. Our employee development and employer branding activities, our health and safety practices and our supply chain management structure are the content we share under this heading.

We value the views of our stakeholders to help us improve our sustainability reporting and performance.

You can send us your questions, comments and suggestions about our report at lav@lav.com.tr.



MESSAGE FROM CHAIRMAN OF THE BOARD



Rıza GÜRAL
GÜROK GROUP
CHAIRMAN OF THE BOARD

In 2023, when our Republic celebrates its 100th anniversary, we are proud to celebrate the 75th anniversary of Gürok Group. For 75 years, we have been walking the world by giving the world what we have received from the world.

Esteemed Stakeholders

As Gürok Group, we are among the largest private sector groups of our country with our innovative and original approach in the industry, tourism and construction sectors in which we operate. Since our foundation in 1948, we continue to produce economic and cultural values for Kütahya, the land of our birth and Türkiye. We continue our activities with our deep-rooted corporate culture, ethical and transparent management, and our approach that values people and nature.



In 2023, when our Republic celebrates its 100th anniversary, we are proud to celebrate the 75th anniversary of Gürok Group. For 75 years, we have been walking the world by giving the world what we have received from the world. We look to the future with excitement and hope in all geographies where we have made our name known.

In an effort to transfer our tradition to the future in a better way, we have shaped our investments and strategy with a focus on sustainability. We prioritise environmentally friendly solutions in our R&D and innovation activities. We develop projects and practices that will increase the satisfaction of our customers, business partners and employees and contribute to society. In addition to financial growth, we work with an environmentally and socially sensitive approach and support sustainable development.

We have defined our sustainable development strategy on the basis of three principles: 'Think limitlessly for the world', 'Act boldly for society' and 'Do good for people'. We aim to do our business in the best way with the least environmental impact and with the highest contribution to society.

We adopt the understanding of 'Think limitlessly for the world' with projects and investments that will reduce our carbon footprint. We give importance

to responsible use of resources, ethical production and recycling, and support local and global initiatives operating in this field.

We act boldly for the society in education, culture, history, science and many other areas that contribute to society. We stand by the society with our social activities, sponsorships and support. We are building a better future by getting stronger together.

We do our job well every day with a respectful working environment that encourages new perspectives and creativity. We support women and young talents with our understanding of equal opportunities, and we help our employees unlock their potential through Gürok Academy's competency-focused trainings and award programmes that encourage creativity. With trust in each other, we aim beyond limits and expectations.

We have a transparent and accountable management approach that adheres to ethical principles. We are in effective communication with our stakeholders and respond to their needs and demands in the best way possible. We strive to create sustainable value for all our stakeholders and our world with our products and services. I would like to thank all our stakeholders who have not left us alone on this journey.

MESSAGE FROM THE GENERAL MANAGER



Ümit ZOR
LAV GENEL MÜDÜR

**Gürok Group's
ethical values with
our human and
environment-oriented
business model and
sustainable value
creation approach.**

Dear stakeholders,

In 2023, we are pleased to present you our Sustainability Report, which we published for the fifth time. We continue to operate in the light of Gürok Group's ethical values with our human and environment-oriented business model and sustainable value creation approach. We share with you our efforts to effectively manage our social and environmental impacts while creating economic value with our 2023 Sustainability Report.

We experienced a great sadness as a country with the earthquake disaster.

The 2023 earthquake disaster centred in Kahramanmaraş deeply affected our country. As the LAV family, together with our volunteer colleagues, we have been with our citizens in the earthquake region. We offer our condolences for those who lost their lives and get well soon wishes for our whole country. We continue to heal our wounds rapidly.

We left behind a year of global economic fluctuations.

Geopolitical uncertainties, high inflation and interest rate hikes to stabilise inflation continued to be economically challenging all over the world in 2023. In 2023, economies grew at a slower pace compared to the previous year. The rapid rise in global inflation was replaced by a more balanced and slower inflation environment. The increase in investment expenditures due to the earthquake disaster and the rise in consumption expenditures caused the growth in the Turkish economy to be 4.5% in 2023, above the global growth rate. Inflation, which fell in the first half of the year due to high interest rates, rose again in the second half due to the depreciation of the Turkish lira, tax adjustments and wage increases. While high inflation and the increase in budget expenditures led to an increase in the budget deficit, the decline in energy prices in 2023 was effective in reducing this deficit.

Despite these economic conditions, the Turkish glass industry has managed to increase its exports, especially in the last four years. Glass exports in the Turkish glass industry, which was 1 billion dollars in 2020, increased by 52 percent in 2023 and reached over 1.6 billion dollars.

The importance of sustainable growth is increasing day by day.

The importance of managing environmental and social impacts in economic value creation activities has become even clearer in 2023. Climate change brings many risks such as the decrease in natural and energy resources, increased economic and social tensions, and disruptions in business continuity. In order to prevent all these, new legal regulations that companies are obliged to comply with on a global and local basis continue to come into force. Focusing on sustainability is becoming inevitable for all sectors. As LAV, we monitor these risks at the Board of Directors level as part of our corporate risk map. We manage climate change risks in a professional manner with efforts to ensure the future of our world and our operations. We meticulously follow international standards and new regulations.

We create value with environmentally friendly solutions.

We conduct our R&D and innovation activities on the axis of efficiency and circular economy. In our production processes, we

implement practices aimed at resource efficiency and reducing waste generation, and strive to reduce our energy consumption. We offer environmentally friendly and innovative solutions with glass, our main material, which is a material that can be transformed one hundred per cent and infinitely. We prevent food waste with our products. In 2023, our natural gas consumption decreased by 17% compared to the previous year. Through energy efficiency projects, we achieved 1.4% savings in natural gas and electricity consumption compared to the previous year. We reduced our greenhouse gas emissions by 5.9% and water consumption by 16.8% compared to the previous year. We achieved the target of 7% (2.1 tonnes) plastic reduction by 2023, which we committed to within the scope of the Business World Plastics Initiative.

We offer our employees a safe and happy working environment.

For the health and safety of our employees, we assess and analyse the risks in this area and take the necessary measures. We strengthen the culture of occupational safety through our projects and the trainings we provide. We offer training and development programmes for our employees to reach the best point in their professions and to make a difference in their jobs by exceeding their potential. We strive to increase the satisfaction of our employees by providing a fair, egalitarian and

rights-protected work environment and effective communication opportunities.

We are a role model for our sector in gender and equal opportunities.

We take steps to promote gender equality and equal opportunities in our company and social responsibility projects and support international initiatives in this field. We are a signatory of the UNWEPs Women's Empowerment Principles and we protect gender equality in all our processes with the committees we have established in accordance with these principles. In 2023, we increased our female employee ratio from 20 to 23 per cent. 52 per cent of white-collar employees and 43 per cent of senior managers are female.

We take transparent and confident steps on our sustainability journey.

We work to produce the best value for all our stakeholders and support the sustainable development of our country as a company exporting to 135 countries. We have determined our sustainability vision and roadmap with our 'Journey Through Glass' strategy. We monitor our performance in accordance with this strategy with the LAV Sustainability Scorecard and present it to you, our valuable stakeholders. I would like to thank all our stakeholders for their trust and support in our sustainability journey for a better future.

With love and regards

ABOUT GÜROK GROUP

ABOUT

LAV

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

Founded in 1948 as a family business in Kütahya, the Gürok Group maintains its prestigious position as one of the largest private sector groups in Turkey.



INDUSTRY

LAV

GCA

GÜROK
KIREMIT

TOURISM

ALİ BEY
HOTELS & RESORTS

JOALI

STRUCTURE

LAPIS YAPI

Gürok Group Companies

Gürok Group is a group of companies with sustainable growth in various 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 tableware glass manufacturer; GCA, which brings 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, which operates in the ultra-luxury segment on two islands in the Maldives; Gürok Tile, one of the leading companies in its field; and Lapis Yapi, which implements these projects. The Gürok Group represents our country on the international stage with products and services that are innovative in their field.

Established in 1996 in Kütahya, LAV is the 5th largest table glass manufacturer in the world. We operate on 300,000 m² open area and 120,000 m² closed area in two production facilities and produce 2 million pieces of glass per day.

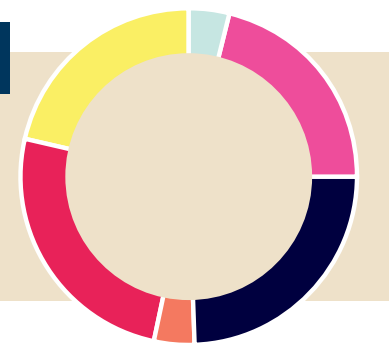
We believe that 'Profitability, Agility, Recognition and Preferability' are the keys to maintaining pleasant partnerships with our stakeholders. We want to be the most recognised and admired table glass brand in the target market and we want to add value to our users with new glass and digital services.

Since 2014, we have been conducting our sales and marketing activities at Lapis Han in Istanbul. We bring our products and users together with our products through our 60 regional distributors and approximately 44,500 points of sale consisting of retail markets across the country. International sales account for approximately 42% of our sales. We export our products to 136 countries around the world, including France, Spain, England, Brazil, China and the Philippines.



REVENUE DISTRIBUTION

- USA & Canada 4%
- Balkans and Central Asia 24%
- Export Promotion 4%
- Middle East, Africa, Far East, Australia 21%
- Europe 21%
- Latin & South America 25%



LAV IN NUMBERS

2 Million
units/day production

Exports to **135** countries

295
partners in foreign markets

250,000
retail outlets worldwide

1,480 employees

4 head offices

44,500
domestic points of sale

99%
Turkey brand awareness

83.3% market penetration

48,449
hours of employee training

34.9
hours of training per employee

23%
female employees among
new hires

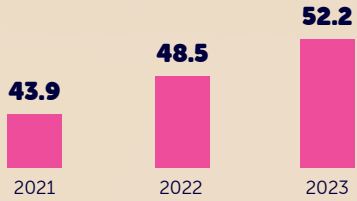
3x increase in environmental
investment



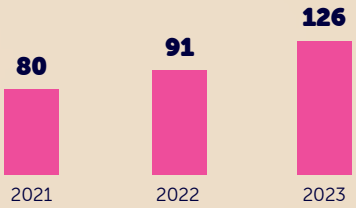
FEMALE EXECUTIVES (%)



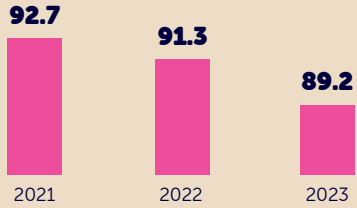
FEMALE WHITE-COLLAR EMPLOYEES (%)



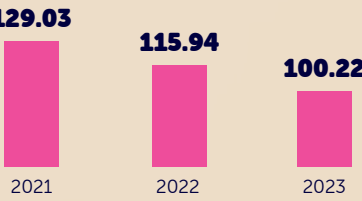
WASTE RECOVERED (TONS)



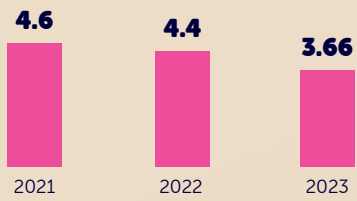
ENERGY INTENSITY (GJ/TON)



SCOPE 1 EMISSIONS (TON CO₂E)



WATER INTENSITY (M³/TON)





SUSTAINABILITY AT LAV: JOURNEY THROUGH GLASS

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SUSTAINABILITY
AT LAV: JOURNEY
THROUGH GLASS

We adopt an agile,
participative, innovative,
reliable, environmentally
responsible and ethical
management approach

Consumers today are more aware than ever of the environmental and social impact of their choices. At LAV, we recognize this shift and are committed to aligning our business practices with the values that drive modern consumer preferences.

We have developed our sustainability strategy in recognition of the growing demand for transparency, environmentally friendly products and ethical operations. We recognize that consumers are looking not only for high quality products, but also for brands that reflect their own values of sustainability and responsibility. In response, LAV's sustainability strategy has focused on integrating environmentally responsible and ethical practices into every aspect of our business. From reducing carbon emissions and minimizing waste to responsible sourcing and improving product lifecycle management, we are committed to meeting and exceeding the expectations of a sustainability-conscious customer base.

At LAV, we recognize that our responsibility as an industry leader extends beyond traditional business objectives to include excellence in environmental management and our social impact. Driven by this responsibility, our Sustainability Strategy is a comprehensive framework designed to guide our activities and decision-making processes in a way that supports long-term environmental balance, economic stability and social equity.

This strategy builds on our commitment to reduce our carbon footprint, optimise our use of resources and foster a culture of innovation that prioritises sustainable practices. By integrating sustainability into every aspect of our business, from supply chain management and product development to community engagement and corporate governance, we aim to not only meet but exceed the expectations of our stakeholders.

Our goal is not just to minimise negative impacts, but to actively contribute to a more sustainable future. Together with our partners, employees and society, we are building a legacy of responsibility to ensure that our success today does not come at the expense of tomorrow's generations.

For the period 2020-2025, we have named our sustainability strategy 'Journey Through Glass', in which we define the sustainability areas on which LAV focuses. We have incorporated our vision and values, corporate strategy, risks and opportunities, and the integration of sustainability into our business strategies into this roadmap.

In 2023, we reviewed our material sustainability issues using a 'double materiality' approach. We assessed the financial implications of our sustainability priorities for our business and the extent to which our business impacts these issues. We reassessed global sustainability trends, risks and opportunities through a series of studies involving all our managers and experts who contribute to our ESG performance. As a result, we have regrouped our material issues.

Our sustainability activities are focused on three strategic 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 are contributing. We have created the LAV Sustainability

Scorecard, which includes the goals we want to achieve for each axis, our commitments, performance indicators and targets.

The LAV Sustainability Scorecard is our corporate guideline for assessing and improving sustainability performance. We monitor our sustainability performance using our Sustainability Scorecard. The Sustainability Scorecard, which is also part of the LAV Balanced Scorecard, is one of the components of the

individual objectives and performance evaluation system. The Sustainability Scorecard includes key performance indicators on material issues and our 2025 targets. In this way, we ensure that our performance in our sustainability focus areas is reflected in the performance of all our employees and managers.

At LAV, we are excited to embark on this journey with a vision to create value for our customers, our communities and our world.



Sustainability Focus Areas

BETTER WORLD

- Climate Risk Management
- Energy and Emission Management
- Water Management
- Circular Economy
- Gender Equality
- Contribution to Social Welfare

BETTER PRODUCTS

- Digital Transformation
- Sustainable Products
- R&D, Technology and Innovation

BETTER COMPANY

- Employee Skills Development
- Business Ethics and Compliance
- Occupational Health and Safety
- Employer of Choice
- Sustainability in the Supply Chain








In 2023, we reviewed our sustainability risks and opportunities through detailed analyses. We assessed different dimensions, such as climate risks, supply risks and risks related to our employees, and conducted various scenario analyses.

Based on the results of the study, we created action plans for areas with high risk and opportunity scores, defined the business objectives to be achieved, reviewed our performance indicators and defined our milestones and key objectives.



Sustainability in life cycle

	Procurement of Raw Materials	Production	Logistics	Use of Products	End of Product Life Cycle
					
Impact Created	Dust emission	Emission and waste generation, OHS risks, Risk of resource depletion due to natural resource use	Emisyon oluşumu, kaza riskleri	Emission generation, accident risks, Risks due to non-compliance with food contact	Waste generation
Managing the Impact	Responsible purchasing practices	Effective environmental management and circular economy understanding, comprehensive OHS culture, employee trainings, Reducing the water drawn from the source through improvements in processes, Feasibility studies to utilise renewable energy sources	Logistics optimization	High quality standards, local and global audits	Reuse and reduction in production with circular economy approach



LAV Sustainability Scorecard

Topic	Our KPIs	Target	2020	2021	2022	2023
Sustainable Products	Total number of products in the product range	Developing a project for longer preservation of food	4,870	5,295	5,405	5,372
	Total number of points of sale (Türkiye)		44,500	44,500	44,500	56,000
	Brand awareness survey (%)	100% success rate of product safety tests	94	99	99	99
	Fines for product safety violations		0	0	0	0
	Number of product safety inspections		9	10	6	4
	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 Sainsbury's 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	>Sainsbury's Technical Audit: 85 >Walmart FCCA Audit: 99.3 >A101 Technical Audit 90 >Migros IFS Audit 96
	Number of products with reduced weight		4	2	2	2
	Digitalization and Industry 4.0	Number of information security violations	0	0	0	0
	R&D, Technology and Innovation	University/industry R&D business number of units	3	3	3	2
		Number of registered designs	3	2	1	3
		Number of trademarks registered	4	4	4	0

Topic	Our KPIs	Target	2020	2021	2022	2023 Gerçekleşmesi
Circular Economy	Raw material consumed (tons)	Identifying ways to save money by determining the plastic usage map	103	107	100	97,41
	Amount of hazardous waste (tons)	Reducing oil consumption	47,928	80,493	91,682	126,601
	Plastic recovery rate (%)		100	100	100	100
Energy and Emission Management	Energy intensity (energy consumption per ton of glass GJ/ton)*	Implementation of one energy efficiency project each year	91.8	93.18	91.3	89.2
	Greenhouse gas emissions (scope 1- tCo ₂ e)*		-	106,460	106,853	100,553
	Number of leaks/spills		0	0	0	0
Gender Equality	Employee turnover rate (%)		0.41	0.41	0.87	1.23
	Rate of female senior executives (%)		18	17	38	43
	Rate of entry-level female salaries to male salaries		1	1	1	1
	Rate of female salaries to male salaries at managerial level		1	1	1	1
Water Management	Water intensity (water consumption per ton glass m ³ /ton)	Maintaining an efficiency project on water saving every year	5.6	4.58	4.4	3.66
Support to Social Welfare	KPIs related to the topic have not yet been determined.					

Topic	Our KPIs	Target	2020 Realization	2021 Realization	2022 Realization	2023 Realization
Employer of Choice	Trainings provided to employees (number of people)	Attending at least 5 career days every year	1,381	1,396	1,515	1,532
	Number of employees given regular performance evaluation feedback	Organizing at least 3 collaborations with universities each year targeting career development	162	191	179	183
Occupational Health and Safety	OHS training provided to employees (person * hour)	Organizing online sustainability trainings for all our employees	15,712	17,790	17,100	20,084
	Injury Rate		75	78	33	76
	Accident Weight Ratio		2,88	1.69	2.05	2.30
	Occupational Disease Rate (ODR)		3	2	2	3
Ethics and Compliance	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	720
	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	6 external audits were conducted. >Inditex Ethics Audit Pass, >Kohl's Responsible Sourcing: Pass, >LCW Social Compliance Audit 97.5 >SMETA 4 Pillar, >TCCC: passing grade >KIK Ethics Audit 88
	Total amount of fines for noncompliance with laws (TL)		0	0	0	0
	Emergency training hours given to employees (person*hour)		16,963	24,501	24,356	19,729

Topic	Our KPIs	Target	2020 Realization	2021 Realization	2022 Realization	2023 Realization
Sustainability in Supply Chain	Total number of suppliers	Increasing the number of alternative suppliers	1,382	1,382	1,382	1,383
	Number of suppliers audited	Reducing the number of imported inputs to support domestic production	55	60	60	60



Sustainability Management



LAV's main sustainability guideline is the LAV Sustainability Policy.

At LAV, sustainability is managed through a multi-agency structure that is integrated into the company's decision-making mechanisms. The LAV Sustainability Committee, chaired by the LAV General Manager, is the highest authority in this area. The committee meets quarterly and monitors the status of targets and practices. The committee's responsibilities include monitoring competitors' practices and best practices in the area of sustainability,

updating targets when deemed necessary, communicating performance to stakeholders and raising sustainability awareness among employees.

LAV's main sustainability guideline is the LAV Sustainability Policy. Our Sustainability Policy, which summarizes our approach in all material areas and the goals we want to achieve, can be found at www.lav.com.tr. In addition to the Sustainability Policy, we manage our business processes through several 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



INITIATIVES WE SUPPORT IN THE FIELD OF SUSTAINABLE DEVELOPMENT

We believe that sustainable development can only be the result of a collective effort. We support local and global initiatives and work together to find the most rational solutions.

We follow developments and become part of the solution processes through our corporate memberships, which are aligned with our material issues.

THE BUSINESS PLASTICS INITIATIVE



The Business Plastics Initiative is a collaborative platform established by Global Compact Turkey, BCSD Türkiye and TUSIAD to promote concrete actions by private sector organizations to reduce plastics, increase awareness and cooperation in this field and support communication.

We have been a signatory of the IPG since 2020.

BUSINESS SOCIAL COMPLIANCE INITIATIVE (BSCI)



The Business Social Compliance Initiative is a broad-based platform for monitoring and assessing supply chains for social compliance. The BSCI Code of Ethics requires reporting on performance in a number of areas including legal compliance, anti-discrimination, working conditions, occupational health and safety, prohibition of child labour, prohibition of forced and compulsory labour, and environmental and safety issues.

Since 2012, we have been subject to regular independent audits under the BSCI system.



UN WEPs (UN Women's Empowerment Principles) WOMEN'S EMPOWERMENT PRINCIPLES

The UN Women's Empowerment Principles are an initiative to support collective action to achieve gender equality in business.

We signed the UN WEPs in 2015. Our aim is to develop internal and external women's empowerment projects and to increase the proportion of female employees.

SEDEX



SEDEX is an audit system designed to help companies improve the performance of their supply chains.

SEDEX stores data on responsible business practices and allows this information to be shared with a wide range of customers. SEDEX SMETA Audits are a method of ensuring ethical trade. SMETA Audits are based on the ETI Code, which covers the environment, health, safety, ethics and labour standards in the supply chain.

Since 2009, we have been a signatory to the SEDEX standards and we continue to work on their dissemination to our stakeholders.

BCSD Turkey skd TÜRKİYE

BCSD Turkey is an initiative serving the UN Sustainable Development Goals to increase business awareness and impact on sustainable development and works with Turkey's leading companies on sustainability. As part of Gürok Group, a member of BCSD, we participated in BCSD's Value Chain Transformation and Circular Products and Materials 2023 working groups and received ESG Masterclass training.

Global Sustainability Trends: Risks and Opportunities

Climate Crisis

Failure to mitigate the impacts of climate change, natural disasters, biodiversity loss and environmental degradation represent five of the top 10 risks for our world, according to the World Economic Forum 2023 Global Risks Report. Climate change is triggering a series of interconnected global risks, including economic tensions, energy and food supply shortages, increases in the cost of living and debt servicing capacity.

As the final declaration of the 28th Conference of the Parties (COP28) of the United Nations Framework Convention on Climate Change held in Dubai demonstrates, global performance in this area needs to be improved and efforts need to be accelerated. According to the final declaration, the most important and urgent need for increasing climate resilience, meeting climate damages and the transformation economy is access to financial resources.

In the COP28 declaration, countries party to the Framework Convention on Climate Change were called upon to 'move away from fossil fuels in energy systems in an orderly and equitable manner, accelerate actions in this critical decade and thus achieve net zero by 2050'. Türkiye, has not yet announced its National Climate Action Plan and has not yet enacted its Climate Law, declared that it would like to benefit from the Loss and Damage Fund.

How do we manage?

- At LAV, we monitor climate-related risks at Board level as part of our corporate risk map. In this context
- ✓ Ensuring that our facilities are suitable for extreme weather conditions.
 - ✓ We reduce our energy consumption by using alternative raw materials.
 - ✓ We are constantly monitoring flue gas emissions.
 - ✓ We continue production activities by activating alternative resources against energy cuts.
 - ✓ We invest in new technologies to reduce our water consumption.
 - ✓ Within Gürok Group, we support the research of renewable energy sources such as GES, blue and green hydrogen.
 - ✓ We conduct drills within the Emergency Action Plan.

New regulations and risk management

In parallel with global regulations, efforts to create local climate change and sustainability legislation in our country are accelerating. In 2024, the Turkish Sustainable Reporting Standards and the European Sustainability Reporting Standard are expected to come into force. These regulations increase companies' obligations to manage sustainability risks, especially climate risks.

Many developments, such as climate change, new business models and artificial intelligence, expose companies to a volatile risk environment and the regulatory requirements that arise from these risks. Companies need to monitor the constantly evolving risk environment and take a proactive approach. While macro-economic risks such as inflation and uncertain growth expectations pose potential credit challenges, risks such as changing regulations, cyber-attacks, the integration of artificial intelligence into systems and ever-changing climate risks are important new areas of risk.

How do we manage?

- ✓ At LAV, we closely follow new regulations such as the Turkish Sustainable Reporting Standard (TSRS), the European Sustainability Reporting Standard (ESRS) and the Carbon Border Adjustment (CBAM). We share our ESG performance through our annual sustainability reports.



Economic instability and high inflation

In 2023, geopolitical uncertainties persisted, while economic growth remained relatively weak around the world. Although global inflation lost momentum, it remained above central bank targets. According to the IMF, the global economy, which grew by 3.5% in 2022, is estimated to have closed 2023 with a growth rate of 3.1% and is expected to show a similar outlook in 2024.

The Turkish economy will grow by 4.5% in 2023, thanks to the continued strong performance of consumption expenditure and the contribution of the increase in investment expenditure due to the earthquake disaster. Despite the positive development of budget revenues, increased budget expenditures due to the earthquake disaster and high inflation caused the budget deficit to widen rapidly in 2023. In 2023, the decline in energy prices is effective in reducing the external deficit.

Annual inflation, which declined in the first half of the year due to the high base effect, regained momentum from June onwards in line with the depreciation of the TL, tax adjustments and wage increases. In December, annual CPI inflation rose to 64.77%, while D-PPI inflation stood at 44.22%.

How do we manage?

- ✓ We provide financial support to our business partners.
- ✓ We maintain effective cash management.
- ✓ We prepare action plans for alternative scenarios.

Access to talent

One of the most important components of creating competitive advantage for organizations around the world is access to talented people and ensuring they stay with the organization. The demand for employees with technical skills is increasing, particularly in the areas of artificial intelligence and big data. People with these skills are in high demand across all sectors.

Another requirement of technological transformation is for organizations to increase the technological literacy of their existing workforce. Increasing digitization in all areas, the integration of artificial intelligence, and large data processing systems integrated into decision-making mechanisms require all employees to have a minimum level of knowledge in these areas. These developments require an increase in technology content in employee development programmes.

How do we manage?

- We are working to become a preferred employer for new graduates by working with universities.
- ✓ We create training plans to increase the competence of our employees. We start developing the skills of our employees during the orientation period. We prepare an individual orientation programme for new employees. We provide behavioural skills training through Gürok Academy's Personal Leadership Programme. We support our employees during their career with technical competence development training, technical trips, fairs, congresses and seminars.
 - ✓ We plan our on-the-job and in-house training according to the changing job profile. In this way, we increase the flexibility of our business and enable employees to develop their skills to meet new business needs. We enable our employees to develop horizontally or vertically In the event of a change of position, we initiate the training process for the behavioural skills required for the new position.
 - ✓ A Training Directorate has been established within the Group and Gürok Academy has been launched on the online platform. Our employees can see the training in the training plan of the SAP LMS module and follow the training they will attend.



Our Contribution to The Un Sustainable Development Goals



Our relationship with our stakeholders

At Lav, we strive to create a participatory, collaborative, learning and winning ecosystem. For this reason, we carry out numerous communication activities that enable two-way and transparent communication with our key stakeholders.

Stakeholder	Basic Expectation	LAV's Response	Communication Method
Our Employees	A fair working environment that supports development; an organization that provides its employees with the competencies of the day; adoption of new working models	LAV has defined its policies and procedures to be a fair employer. LAV strives to be the employer of the new generation with trainings developed for employees at all levels and models such as agile working and hybrid working.	Satisfaction Survey, Bizbize Magazine Social Media
Customers	Products with a low environmental impact, which are responsive to needs	At LAV, customer feedback is analyzed and integrated into decision-making processes.	Surveys Website press section Magazines and newspapers Social media Fairs
Suppliers	Fair selection and evaluation processes; fast and easy communication; institutional capacity building	LAV manages a large and competent pool of suppliers through supplier selection, evaluation and development systems.	Face-to-face meetings Exhibitions Fairs E-mail Factory Visits Social Media
Shareholders	To have first-hand, fast access to developments about LAV, to use partnership rights	LAV regards providing timely information to its shareholders as its fundamental responsibility.	Board of Directors Meeting
Gürok Group Companies	Protection and enhancement of the Group's reputation, joint projects and exchange of information	LAV realizes projects that will create synergy with Group companies.	Bizbize Magazine
Public and Regulatory Authorities	Full compliance with legislation; exchange of ideas on new regulations	LAV submits its opinions to the regulations related to the sector and carries out all its activities with the understanding of full compliance.	Bulletins Social Media
Non-Governmental Organizations and Academia	Quick response to information requests; Opportunities for joint project development	LAV carries out joint projects with many non-governmental organizations in line with its corporate values.	Bulletins Social Media





BETTER PRODUCTS

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- 39 Strong Communication with Our Customers
- 41 R&D, Technology and Innovation
- 41 Digitalization and Industry 4.0



At LAV, our mission is to deliver products that enhance our customers' lives and share their enjoyment. To achieve this, we carry out research and development without compromising our quality standards, utilize technology and strive to minimize the environmental impact of our production processes and products.

Sustainable Products

Quality and Trust Together at LAV

For LAV, a manufacturer of food contact products, quality and trust are paramount. This is why we continue our efforts in quality and safety, which started with the ISO 9001 quality management system and accelerated with the adoption of the EFQM Excellence Model as a management approach in 2015.

As LAV, we value not only our customers, but also all our stakeholders. We are aware of our environmental and social responsibilities and strive to build a sustainable future. In this context, we use environmentally friendly methods in our production processes and continuously improve their quality.

Product Quality at LAV and Safety:

- ✓ We ensure our product quality and safety in accordance with the strictest standards, including the principles of EU Council Directive (EC) 2023/2006.
- ✓ Our Quality Management System and processes comply with international standards such as the British Retail Consortium Global Standards (BRC), which guarantee food safety and product safety.
- ✓ In order to ensure perfect quality and durability in every detail of our products with a wide range of analyses and tests, we put all our products through five different quality control tests: hot control, cold control, tension tests, product control and quality control.
- ✓ We continue to protect our sensitivity on product safety with the trainings we organise for all new employees.

Food contact compatibility

We ensure that all food contact materials used in our products, such as plastic and silicone closures, are tested by independent accredited laboratories. We test in accordance with the methods and limits set out in EU legislation, the REACH Directive and internationally recognised ISO standards.

Continuous Development and Independent Assesments

As part of LAV's commitment to continuous improvement, our product safety and quality management system is regularly evaluated every year by third party organisations designated by our customers. Necessary actions are taken based on the results of both internal and independent assesments.

Supplier Quality and Safety Performance

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 our Supplier Evaluation Plan, we monitor the quality and safety performance of suppliers through ethical, social and technical audits. We carry out audits to measure the performance of our suppliers.

During the reporting period, we conducted 4 product safety audits and we were not penalised for product safety violations.

Decor and Spray With Food in Paints Contact Compatibility

In terms of suitability for food contact compatibility, 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 is no SVHC substance of high importance. We regularly check the suitability of our decorated and spray painted products for food contact with accredited third party laboratory analyses.

Quality Culture

During the reporting period, 682 employees received quality training and 920 employees received product safety training.



Plan and application area

Plan	Application Area
Infrastructure and Working Environment Plan	Infrastructure and working environment
Input Validation Plan	Suitability and control of inputs to be used in products
Identification and Traceability Plan	Traceability
Internal Audit Plan	Monitoring the conformity 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 my 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	Emergency situations that may affect product safety, human health and the functioning of our processes
Product Safety Defence Plan	Product safety controls to be carried out in and around the facility



We are working to prevent food waste.

To combat food waste, we offer a wide range of storage containers that will ensure long-term and healthy storage of food. With portable storage containers, we make it easier to transport and safely consume healthy home-cooked meals.

✓ Less Packaging Waste

We have increased the number of products that can be placed on a pallet with the Standard Pallet Arrangement Project we carried out during the decor production process, thus reducing the use of pallets, stretch, nylon and duralite. In online orders, we use recycled paper separator from scrap paper instead of plastic separator, and crop filling material from scrap packaging instead of plastic origin material.

✓ Efficient Painting

With electrostatic painting technology, we ensure less paint consumption in fully painted products.

✓ Energy Saving

We save natural gas with the Infrared Oven technology in the decor production process.

✓ Alternatives to Single Use Plastics

In order to reduce the demand for disposable products, we promote the consumption of home-made food.

Long Lasting Products and Environmentally Friendly Steps at LAV

At LAV, we continue to strengthen communication with our customers, improve our products and services and add new ones to our sustainability efforts to build a sustainable future with all our stakeholders.

In this journey towards a sustainable future with environmentally friendly production and innovative solutions, we are taking new and important steps in many areas from combating food waste to R&D investments. We prefer environmentally friendly paint for environmentally friendly production. We reduce emissions during transportation by optimising product weights.

We keep an inventory of the chemicals we use in production and record their use. We prefer environmentally friendly chemicals as much as possible.

LAV, with its understanding of quality and trust, always prioritises the satisfaction and health of our customers. We continue to add elegance and confidence to your tables with our products that you can use with peace of mind.



In 2023:

→ With the combustion gas project in thermoplastic furnaces, we achieved 8% energy saving by directing the waste hot gas back to the furnaces.

→ We reduced wastage in automatic packaging lines by 25% with the Kobetsu Kaizen project carried out in 2023.

→ We achieved 6% paint savings by using a dosing system instead of manual paint addition in spray conventional lines.

→ We recycled 98% of the wax raw materials in the candle production waste packaging and made them ready for reuse.

→ We took a step towards reducing the use of white treated chrome cardboard by offset printing on testliner paper. We applied this solution in LAV HORECA packaging and some PL demands.

→ We shipped our products to Nocilla, our filling customer, with pallets and plastic partitions. In this way, we ensured that our products were sent with minimum packaging consumption.

Strong Communication with Our Customers

At LAV, we offer a wide range of innovative products with our 5,045 product range and adopt a customer-oriented approach. We closely follow the developing trends and consumer demands and continuously improve our products and services.

We always offer fast and easy ways of communication for our customers; we are accessible through various channels to provide fast and effective solutions for all kinds of questions and problems related to products. We respond to our customers, who can reach us through many channels such as telephone, website, portal, şikayetvar.com and social media, as soon as possible and with solution suggestions. We scrutinise incoming complaints meticulously with our Customer Complaints Board and take necessary corrective and preventive actions (CPA).

LAV at 56,000 Points of Sale

We offer our LAV products for sale at 56,000 sales points throughout Turkey, 98,000 sales points abroad and lav-us.com in 50 states in the USA. Thanks to the wide access network we provide, we provide all our customers with the opportunity to reach our products from the nearest sales point.

In the USA, we have a 16,000 SQ warehouse and distribute in 50 states through online, retail and HORECA sales channels. We aim to work with Rep groups for HORECA sales in 26 regions in the next year.

We offer our LAV products for sale in 56,000 points of sale in Turkey, 98,000 points of sale abroad and lav-us.com in 50 states in the USA. 98 thousand

98
thousands
overseas point
of sale

41 Madison Newyork

With our showroom in New York, we aim to bring a breath of fresh air to the American market, strengthen the LAV brand perception and establish close communication with our customers to understand their demands and expectations. In this way, we aim to keep customer satisfaction at the highest level in the global market.



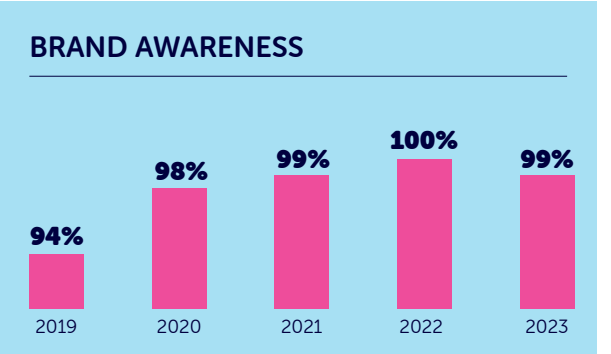
Our Customer Satisfaction Oriented Studies

Customer satisfaction is our number one priority. To this end, we measure the extent to which we meet our customers' expectations through the Customer Satisfaction Survey (CSS), which we conduct every two years. We share the survey results with senior management and relevant units and take necessary actions. We continue to improve ourselves by taking the opinions of our customers on issues such as product, packaging, presentation, shipment, customer relations, communication, problem solving, image and loyalty.

We strengthen our brand awareness:
Meet Your Most Stylish Friend LAV

We actively use social media platforms to communicate directly with our customers and get their opinions. In this way, we improve ourselves by following the feedback about our products and services.

As LAV, we consider ensuring brand-oriented sustainability as one of our main strategies. To achieve this goal, we pay special attention to increasing our brand awareness by interacting with our existing and potential customers under our motto 'Your Most Stylish Friend'.
Our Multi-Channel Strategy
We endeavor to improve our brand awareness through many different channels such as fairs, events, social media, PR and sponsorships and market research.



FAIRS WE PARTICIPATED IN 2023:

- Inspired Home Show - Chicago
- National Restaurant Association Show Chicago
- Ambiente Fair - Frankfurt
- Host Milano
- Host the Balkans - Tirana
- Züchex Fair - Istanbul
- Gastromasa – Istanbul

EVENTS:

- We organize special events on special days as part of our brand communication activities.

SOCIAL MEDIA:

- We run social media activities throughout the year and undertake special digital projects.

PR AND SPONSORSHIPS:

- For PR, event and sponsorship activities, we carry out news monitoring activities throughout the year, and we carry out PR events and advertorial activities at various times.

MARKET RESEARCH:

- As part of brand communication, we carry out market research such as availability studies, checkout, focus groups, brand awareness and image ratings.
- We carry out brand awareness and image values studies throughout the year.

R&D, Technology and Innovation

At LAV, sustainability is not limited to focusing on the materials and processes we use in production. We focus on developing and implementing innovative solutions that we believe are key to building a sustainable future. At this point, R&D and innovation are at the heart of LAV's sustainability journey.

With regular innovation meetings and a culture that supports the innovative ideas of our employees, we develop new products and processes that take sustainability into account. By creating a pool of technical knowledge on machinery and glass technology and developing innovative projects, we closely follow technological developments in the field of production and reconcile these developments with our sustainability goals.

Our work on alternative raw materials and formulations ensures lower environmental impact and competitive costs. We focus on developing products that are lightweight, environmentally friendly, innovative and durable, and we rigorously protect our intellectual property rights. In 2023, we saved 1.3% compared to the previous year by switching to alternative materials and reusing scrap as a contribution to the circular economy, and 3 of our designs were registered.

As LAV, we not only reduce our environmental impact through our investment in R&D and innovation, but also aim to provide our customers with the highest quality products. In this way, we continue to lead the way towards a sustainable future.

Digitalization and Industry 4.0

We closely follow new technologies, the development and transformation of technologies in our industry and in different sectors. We manage our digitalisation and Industry 4.0 activities within the framework of our digitalisation policy. We assess the risks and opportunities of Industry 4.0 transformation and work to integrate technological innovation into our business processes.

Our Information Technologies Directorate is a unit that reports directly to the Board of Directors. LAV has an Information Technologies Director in charge of this area, as well as a Digitalisation Committee under the leadership of LAV's General Manager.

We aim to continuously improve our mastery of information technologies and are committed to increasing our digital maturity within the organisation.

Momentum

In the last quarter of 2023, with PwC under the leadership of Gürok Information Technologies Directorate" We launched the "Glass Industry Commercial Functioning Model Evaluation Study". With the project called "Momentum", we launched a three-phase transformation plan.

We provide information security training to our employees, carry out efforts to digitalize our business processes, and ensure that our services are available in the digital environment.

We are working to prevent information security and privacy risks brought about by digitalization. We ensure the information security of our business partners and customers. In 2023, we did not encounter any complaints regarding information privacy violations.





BETTER WORLD

- 44 Climate Risk Management
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As LAV, we dream of a cleaner, fairer and better world for everyone. We direct our operations with the awareness of our responsibility for a better world. We reduce our environmental impact, work to ensure gender equality and contribute to the welfare of society through social responsibility projects.

Climate Risk Management

The glass industry is one of the sectors directly affected by climate change. Due to its high energy consumption and dependence on natural resources, the industry faces climate change-induced disasters such as droughts, floods and increasing energy costs. This situation both creates difficulties in production processes and weakens the industry's competitiveness. In addition, stricter environmental regulations and changes in customer preferences require the industry to transform itself for sustainability.

Difficulties in Production Processes

Increasing Energy Costs: The increase in the prices of fossil fuels used in production weakens the competitiveness of the industry by increasing production costs.

Difficulties in Raw Material Supply: Natural disasters such as droughts and floods caused by climate change may cause problems in the supply of basic raw materials such as sand and soda.

Diminishing Water Resources: Glass production is a water-intensive process. Water scarcity can bring production to a standstill and increase production costs.

Energy Intensity: Glass production is an energy-intensive process that takes place at high temperatures. Rising temperatures with climate change could complicate production processes and increase energy consumption.

Market and Demand Impacts

Regulatory Changes: Stricter environmental regulations to combat climate change may affect the industry's production processes and products.

Changes in Customer Preferences: Consumers with increased environmental awareness may demand glass products produced with more sustainable production methods.

New Competitive Environments:

The emergence of competitors that adapt to climate change and develop more sustainable production methods may increase competition in the sector.

Physical Risks

Extreme Weather Events: Extreme weather events such as hurricanes, floods, heat waves can damage production facilities and halt production.

Sea Level Rise: Production facilities in coastal areas may be exposed to flood risk due to sea level rise.

Financial Risks

Increased Insurance Costs:

As extreme weather events become more frequent, insurance costs may increase.

Changes in Asset Values:

The value of facilities exposed to climate change risk may decrease.

Carbon Border Adjustment Mechanism (CBAM)

The glass industry is expected to be subject to the CBAM in 2026, a trade mechanism in the European Union that aims to reduce greenhouse gas emissions and prevent carbon leakage.

At LAV, we meticulously follow the developments within the scope of the CBAM. In this regard, we support the Turkish phase of the "Partnership for Market Readiness" (PMR), which was established to support the efforts of the Ministry of Environment, Urbanization and Climate Change to reduce greenhouse gas emissions and to ensure the effective use of market-based emission reduction mechanisms.

We carry out carbon footprint calculation studies. Every year, we carry out projects including energy saving, alternative energy research and alternative raw material research.

What do we do at LAV?

Energy Efficiency: We use new technologies to increase energy efficiency in production processes.

Sustainable Raw Material Sources: We seek more sustainable raw material sources and increase recycling rates.

Water Management: We develop new technologies to optimize water use.

Reducing Carbon Footprint: We develop various strategies to reduce carbon emissions in production processes.

Risk Management: We create risk management plans to increase their resilience to climate change risks.

Emergencies within the framework of the Environmental Emergency Action Plan;

- » Spillage of wastes into water,
- » Spillage of wastes into the soil,
- » Chemical spill,
- » Mixing of wastewater with soil due to overflow of the treatment plant,
- » Mixing of raw materials into the soil by dusting,
- » High emission release,
- » Contact of waste generated during the pandemic with people and soil
- » Discharge of treated wastewater during the pandemic period without disinfection

We adopt a proactive approach in managing climate risks. We monitor the possible impacts of climate change and evaluate environmental risks in our risk map.

We define risk definitions with a risk score of "5 High" in the LAV Corporate Risk Inventory as "emerging risks". Considering their realization status, we update and monitor the current status checkpoints every year. Within the scope of the inventory, we defined the risk of "production disruption as a result of not meeting the need for water use in production as a result of a decrease in water resources or external restrictions on water use" and identified existing control points accordingly.

At LAV, we conduct environmental dimension analysis studies that are updated every year on the basis of processes. We also identify emergencies within the scope of the Environmental Emergency Action Plan and plan actions to prevent these emergencies.

We closely follow the current changes and regulations regarding climate change in the world and in our country and advance our work within the scope of combating climate change.



Energy and Emissions Management

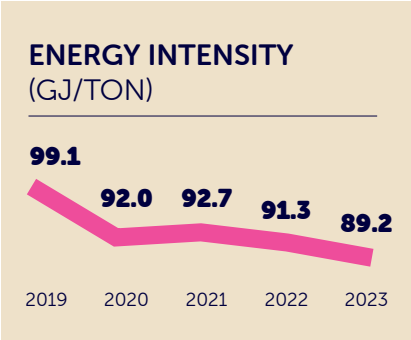
As a company operating in an energy-intensive industry, our energy management is among our top priorities. We support our energy-intensive operational processes with energy efficiency projects with a focus on sustainability and realize our investment plans accordingly.

The Energy Management Unit specialized in energy management is responsible for energy management. This unit is responsible for making measurements, monitoring targets, compliance with legislation and implementing improvement efforts.

In the glass production process, most energy is used in the melting of raw materials at temperatures between 1,300 and 1,650 °C. At LAV, we use natural gas as an energy source in this melting process. In 2023, our natural gas consumption decreased by 17% compared to the previous year and amounted to 85.9 m3 . Accordingly, our total energy consumption also decreased. We carry out raw material substitution and efficiency studies to reduce our natural gas consumption.

In 2023, we achieved 1.4% savings in total natural gas and electricity consumption compared to the previous year through improvement projects to increase energy efficiency.

At LAV, we regularly monitor and measure carbon emissions resulting from production activities and carry out efforts to reduce them. We utilize methods and technologies that are facilitating for our industry while realizing our actions on emission reduction. Our greenhouse gas emissions decreased by 5.9% compared to the previous year.



5.9%
Decrease in greenhouse gas emissions

Our greenhouse gas emissions decreased by 5.9% compared to the previous year.

Our Carbon Footprint Study

We started our corporate carbon footprint calculations in 2023 to calculate and declare greenhouse gas emissions arising from our production processes. We will use the corporate carbon footprint study in determining and managing our company's climate change targets, managing climate-oriented investments, Carbon Disclosure Project (CDP) declaration and greenhouse gas emission indicators declared in sustainability reports.

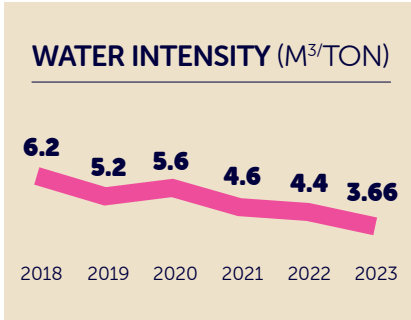
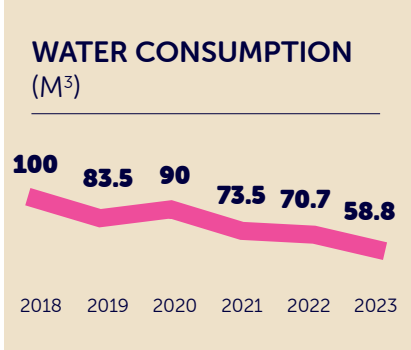
Our corporate carbon footprint calculations cover all direct and indirect activities of our company within the framework of Scope 1, 2 and 3 (GHG Protocol) and Category 1, 2, 3, 4, 5, and 6 (ISO 14064 -1). Scope 1 emissions include direct impacts from the company's activities such as stationary and mobile combustion, Scope 2 includes emissions from purchased electricity and other energy sources, and Scope 3 includes indirect emissions from purchased raw materials, employee services, business travel.

Water Management

We are aware that the climate crisis, which increases its impact on a global scale every day, triggers extreme weather events such as droughts and floods, creating water stress on a global scale. Accordingly, we know that effective water management is critical in the process of combating climate change and we consider water management among our material issues.

At LAV, we carry out efforts to reduce water consumption in our operations. We attach great importance to the sustainability of water, which is the main resource especially in our production processes. We recycle and reuse all of the industrial wastewater generated in our production processes.

We have a domestic wastewater treatment plant with a capacity of 200 m³/day for the treatment of domestic wastewater. In 2023, our water consumption amounted to 58.8 m³. Compared to the previous year, our water consumption decreased by 16.8%.



2023 water intensity was realized as 3.66 m³/ton.



Circular Economy

As LAV, we direct our operations by adopting the circular economy approach, which acts with the

As LAV, we dream of a cleaner, fairer and better world for everyone. We direct our operations with the awareness of our responsibility for a better world. We reduce our environmental impact, work to ensure gender equality and contribute to the welfare of society through social responsibility projects.

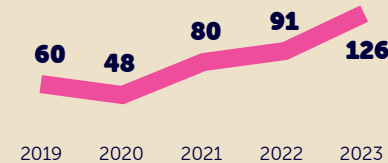
principles of reduce-reuse-recycle, as opposed to the take-use-dispose approach of the linear economy.

We identify and collect products that do not comply with the circular economy model, which is based on the principle that limited resources produce value sustainably with rational solutions, at various stages of quality control and reintroduce them into the production process.

Glass, our main material at LAV, is a material that can be recycled infinitely and used as a "continuous material". With this awareness, we continue our efforts to increase the amount of recycled glass in production, while developing projects for more efficient and sustainable use of resources.

As LAV, we are a signatory of the Business Plastics Initiative (BPG), which works with the vision of realizing the circular economy for plastics and carries out its work on a voluntary basis. We support the international Common Vision consisting of internationally recognized principles. Within the scope of the BPG, we aimed to reduce plastic by 5% (1.5 tons) by 2022 and 7% (2.1 tons) by 2023. We achieved our 2023 reduction target of 7% (2.1 tons) at the end of last year. In 2023, we saved 1.3% compared to the previous year by switching to alternative materials and reusing scrap as a contribution to the circular economy.

AMOUNT OF RECOVERED WASTE (TON)



Productivity Improvement Projects

In 2023, we improved temporal benefit and efficiency by using fewer resources in our production processes with our efficiency improvement projects, resulting in a gain of 0.8% compared to the previous year.

In 2023, we revised the pallet arrangement of products and carried more products with less plastic material. We increased efficiency by reducing downtime through maintenance activities.

Gender Equality

At LAV, we are proud to be a "brand that supports women". We believe that social welfare will increase with women's equal participation in all areas of life. We support women's empowerment both within the company and in our social responsibility activities.

Since 2015, we have been a signatory of the UN Women's Empowerment Principles (UN WEPs). We carry our sensitivity on gender equality to the international arena and support efforts that support women's participation in

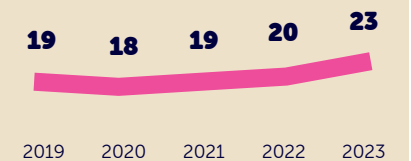
economic life in every sector and at every level.

We aim to be the employer of choice for women in working life, and accordingly, we manage remuneration, career opportunities, selection and placement processes according to the principle of diversity. Women make up 52% of our white-collar employees and 43% of our senior managers.

We are developing projects to increase the ratio of female employees in engineer positions. We aim to be a "mother-friendly" brand by encouraging our employees who have babies to use their parental leave.

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

FEMALE EMPLOYEE RATIO



We signed a protocol with Kütahya Chamber of Commerce and Industry for the "Women's Hand in Industry Project", which aims to increase women's employment in the industrial sector, encourage women's participation in industry and ensure gender equality in this field.



Support to Social Welfare

As LAV, we are aware of our responsibility towards society and with this awareness, we take care to realize projects that create social value. We carry out our social responsibility projects by utilizing research studies and accompanied by 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.



What did we do in 2023?

We celebrated the 75th anniversary of Gürok Group.



New Year Event

To increase the motivation of our employees, we entered the new year with all our employees.



We Celebrated Mother's Day
We celebrated Mother's Day with all our female employees.



We participated in the Inter-Institutional Volleyball Tournament.



We Helped Earthquake Victims
On February 6, after the earthquake disaster, we sent our volunteer colleagues to the earthquake zone. Our Board of Directors gave awards to our colleagues who volunteered in the earthquake zone.

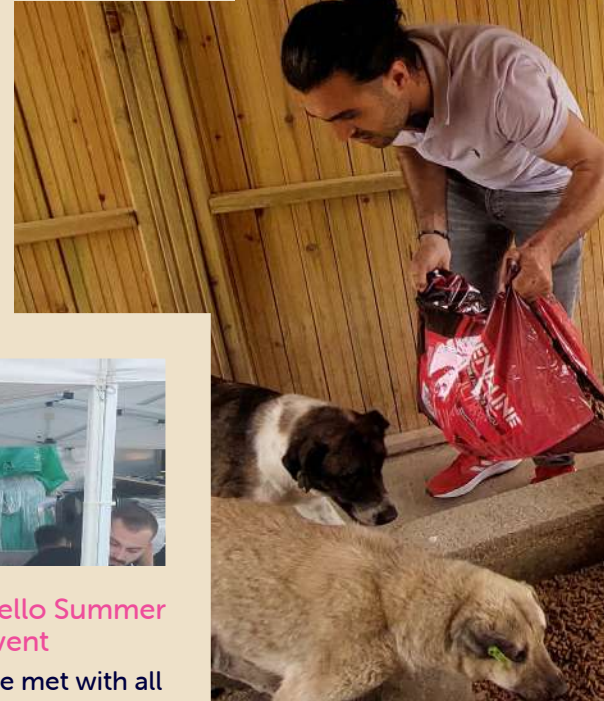


Backgammon Tournament Event

We participated in an inter-company backgammon tournament organized by Kütahya OSB.

Paw Friends

We fed our pawed friends with our volunteer employees.



Hello Summer Event

We met with all our employees at the summer hello event.



June 5th Environment Day

On June 5, we celebrated World Environment Day.



We Celebrated Ramadan Eid

We organized our traditional Eid celebration with our employees.

Visits to Girne American University and Eskişehir Anadolu University

Girne American University and Eskişehir Anadolu University visited our company for cooperation studies.

Atatürk Technical and Vocational High School Visit

A technical tour was organized with the students of Atatürk Technical and Vocational High School in our Kütahya factory.

Ekomat Awards

The award ceremony of the glass recycling project was held with the contributions of all our work.

Nursing Home Visit

We visited a nursing home with our volunteer employees.

Visit to Kütahya Chamber of Commerce and Industry Vocational and Technical Anatolian High School

We visited Anadolu University Glass Department.

We visited Afyon Kocatepe University.

Celebrated October 29th Republic Day.

On NOVEMBER 10, we commemorated our ancestor.

Turquoise Awards

We met for the Achievement Awards at Dumlupınar University.

School Coloring

5 volunteer LAV employees painted Kütahya Emine Arıoğlu Primary School.

İşkur Officials Visited LAV.

We visited Yıldırım Beyazıt Primary School.



Father's Day

We celebrated Father's Day for all fathers and father candidates.

Nature Walk

We organized a nature walk with the participation of our employees.





BETTER COMPANY

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58	Employee Communication
59	Occupational Health and Safety
60	Employer of Choice
61	Sustainability in Supply Chain
62	Business Ethics and Compliance
63	Business Continuity
64	Our Governance Structure



We aim to be a workplace of choice, providing employees with a safe, fair, equal and peaceful working environment. We support our employees in all areas and operate with an understanding that the health and safety of our employees is paramount. We adapt quickly to the innovations of the digitalized world and aim to extend our sustainability approach to our entire value chain.

Skill Development

At LAV, we continually improve the quality of our business by supporting the development of our employees. Through training and development programmes, we ensure that our employees are constantly learning and improving themselves and their work.

We monitor employee performance and development plans through the Performance Evaluation System. We develop training plans in line with the development needs identified in the Performance Evaluation System and the strategic goals of the company.

We conduct performance evaluation interviews with our employees twice a year. We conduct interim evaluation interviews with the Grow Model and end-of-period interviews with the Coin method. In 2023, we provided feedback to 184 white-collar employees during the performance period.

With SAP (SuccessFactors) 4 modules, which started testing in 2022 and went live in 2023, we offer a development-oriented employee experience environment where employees can realise their

potential at the highest level. We use recruitment, performance, training and career modules within SAP.

We have ensured the integration of this platform, which we use to monitor, evaluate and improve the performance of our employees through target and competency-based evaluation, with annual development plans.

With the SAP LMS module, where we manage the training and development needs of our employees, we have a tool where both our employees and their management teams can plan and monitor their development. With the integration of the Enocta e-learning platform, which we have been using since 2022, our employees can follow their training and development activities on a single platform.

Gürok Academy, established in 2021, plans training for both white-collar and blue-collar employees through development programmes. We plan training at all levels with Developing Leadership, Professional Excellence and Sustainability programmes.

Leadership programmes developed include 'The Executive's Leadership Journey' for managers, 'Inspirational & Strategic Leadership' for managers and above, and 'Personal Leadership' for sub-managers.



The Managers' Leadership Journey programme consists of 6 modules (Me as a Leader, Representing the Company with Business Ethics, Situational Leadership, Coaching the Leading Leader, Seeing the Big Picture from a Strategic Perspective ('Decision Base' simulation)). In 2023, 27 participants attended the 11-day programme. The 4-module Strategic Leadership Programme (Leader Creating a Sense of Meaning, Leading the Team, Developing and Leading the Team, Workshop) was completed in 7 days with 26 participants. The 2023 Leadership Programme Graduation Ceremony was held in July with the participation of the Board of Directors.

We support our leaders with 'Executive Coaching' programmes for managers and higher positions.

Within the scope of the Professional Excellence Programme, Sales Development trainings were intensively included in 2023. In 2023, we started the 'Lean Supply Chain Programme'. A 'Lean Engineering Programme' was

held for engineers, and a 'Lean Field Leadership' programme was designed for blue-collar employees. In addition to the Lean Engineering Programme, we organised model factory tours to give participants the opportunity to observe production processes on site, learn best practices, and see lean production techniques, making them a part of the training programmes. Polyvalence study for blue-collar employees was completed. The behavioural competency training catalogue for white-collar employees was integrated with the e-learning platform Enocta, and the training catalogue of technical competencies started to be created in digital environment.

In 2023, we also participated in the 'Turquality Executive Development Programme', which is an important training programme for our company that wants to increase our brand power at the international level.

We have commenced on-the-job practice process for our blue-collar employees. Upon completion of

the on-the-job training programme, we conducted on-the-job practice exams and status changes to evaluate the knowledge and skills acquired by the participants..

We engaged with our blue-collar employees through the 'Master's Compensation Programme'. This initiative equipped our employees with both theoretical knowledge and practical skills, enabling them to obtain a master's certificate and facilitating career progression for 245 individuals.

In our recruitment process, we design a personal orientation programme lasting an average of 6 months based on competency-based evaluation processes. First day orientation, location (Kütahya and Istanbul) orientations, department orientation, rotation, behavioural and technical competencies development programmes offer our employees both fun and developmental 6 months.

We took part in the 'Mentoring Project with 100 Mentees in the 100th Year of Our Republic', a joint initiative by the Kütahya Chamber of Commerce and Industry (KUTSO) and Kütahya Dumlupınar University (KDPÜ). As part of the project, three faculties and four vocational schools from Kütahya Dumlupınar University and 17 companies from the Kütahya business community collaborated. LAV had the highest participation with 32 mentee and mentor matches. The project contributed to qualified employment and supported an important social responsibility project with experience sharing.

Training Hours per Person
- Blue-Collar: 25,4 hours

Training Hours per Person
- White-Collar: 83,8 hours

Employee Engagement

Employee satisfaction is one of the most important factors affecting employee loyalty. As LAV, we measure and monitor the satisfaction level of our employees through biannual employee surveys. We create and implement annual action plans based on employee satisfaction surveys. In 2023, our employee satisfaction rate was 49.1% for white-collar employees and 55.6% for blue-collar employees.

We believe that the benefits we offer our employees contribute positively to employee retention. Our blue-collar and technical employees start receiving bonuses as soon as they start work and receive bonuses every month. Non-technical employees who complete their 4th month of employment are also eligible for bonuses. Seniority bonuses are paid to employees with 5 or more years of service. We also have an attendance bonus and a service bonus. Holiday allowance is paid twice a year and fuel allowance once a year. Special plans are in

place for marriage, birth and death. Our employees receive a market card during Ramadan, work clothes and shoes twice a year, personal hygiene products and a glass gift box containing our products.

Our white-collar employees receive an annual performance bonus and each white-collar employee is provided with private health insurance. Sales bonuses are paid every 3 months to our employees in the sales units and foreign language bonuses are paid every month to employees who pass the TOEFL exam. We provide a travel and catering allowance, a clothing allowance for employees attending events such as fairs and exhibitions, a communication allowance depending on their position, and entitlements such as phones, tablets and cars. Our white-collar employees can work remotely one day a week, and during Ramadan they also benefit from a market card, personal hygiene materials and a glass gift pack containing our products. A football tournament is organized every year to motivate our employees and enrich their sporting lives.

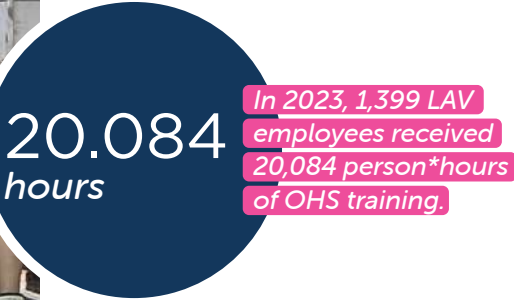


Employee Communication

We believe that effective and accurate communication plays an important role in ensuring loyalty to the company. To communicate effectively, we use communication channels that keep our employees in constant contact with the company and each other. Through these channels, our employees can share their opinions and suggestions with management and contribute their valuable ideas to our business.

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 the communication boxes located at the factory site and offices.

Suggestion system	
Number of suggestions from employees	55
Number of employees sharing suggestions	135
Number of suggestions realized	15
Financial benefits of employee suggestions (TL)	16.784.764,30



We organize trainings to strengthen the OHS culture and raise employee awareness on health and safety issues. In 2023, 1,399 LAV employees received 20,084 person*hours of OHS training.

At LAV, there is an OHS Board and 12 OHS Committees consisting of employee representatives and members. The OHS Board convenes once a month, except in extraordinary circumstances.

We keep the working environment of our employees under constant control and evaluate the physical, chemical and biological risk factors that they may encounter while working. We continuously make improvements with the Corrective and Preventive Actions System against the identified hazards and risks.

Thanks to our meticulous and preventative approach to health and safety at work, there were no accidents in our operations in 2023 that resulted in fatalities or the loss of limbs.

Occupational Health and Safety

Occupational health and safety (OHS) is one of our priorities and we manage it carefully. Our 'safety first' approach provides a safe and healthy working environment for our employees. We establish and manage health and safety policies based on legal requirements and internationally recognized standards. We expect all subcontractors to comply with these policies.

Identifying risks is essential to effective health and safety management. Risk analysis studies are carried out by our risk assessment team within the legal deadlines. Necessary improvements are made as a result of the analysis. Our risk assessment team consists of occupational safety specialists, occupational physicians, employee representatives, risk support officers and employer representatives. Near-miss boxes, where employees can report hazards and risks they may encounter, are located in many parts of the factories and all employees are informed about these risks.

OHS Indicators	2020	2021	2022	2023
Accident Severity Rate	2.88	1.69	2.05	2.3
Accident Frequency Rate	22.1	28.73	31.98	30.02

Employer of Choice

As LAV, we act with the vision of being the employer preferred by qualified human resources. With our practices that ensure employee satisfaction and the support we give to employee development, we establish long-lasting business relationships with our employees.



LAV Employer Brand

We carefully manage the reputation and awareness of our employer brand. We are working with universities to become a preferred employer for graduates.

One of our primary goals is to ensure that young talent stays with LAV for many years. In this direction, we have plans in place to both attract potential candidates and enhance the working experience of our current employees. We support the professional and personal development of our employees through training and development activities tailored to their needs. We support young talent, whom we see as our potential employees, in business life. We listen to the needs of young talent and share our experience at events such as online and face-to-face career fairs and careers days. We work with universities to run project-based internship programmes during the summer months. Students who participate in the Project Internship Programme can experience both business life and employment opportunities.

We branded our internship programmes as InternStellar and our new graduate programmes as TalentStellar.

We organize events for university and high school students throughout the year. With the activities we organize for our interns, we aim to both improve the social skills of our interns and strengthen our internal relations.

We support students' internship programmes and on-the-job training by maintaining active communication with technical high schools. We offer career opportunities after graduation by ensuring their development in technical and social fields. We support technical skills (in the field of pneumatic and hydraulic system installation) through our technical school trips and school projects.

Career Fairs We Attended in 2023:

İKAF, Boğaziçi, ODTÜ, İTÜ, YTÜ, Hacettepe, EGEKAF

Sustainability in Supply Chain

We strive to spread our sustainability approach throughout our supply chain and extend our sphere of influence. We prefer to work with suppliers who have a similar sensitivity to sustainability as LAV.

Our principles of working with suppliers are within the scope of ethical procedures. We select suppliers in accordance with the

Supplier Selection and Evaluation Procedure. 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, co-operation and communication.

To ensure continuity of supply,

we make long-term purchasing decisions and stick to these prices in a way that does not penalise our suppliers, regardless of price movements.

We carry out on-site audits of our raw material suppliers as part of the Supplier Evaluation Plan, which is prepared in accordance with quality and product safety standards. Based on the results of the audits, we conduct evaluations at various intervals and implement supplier development practices. By 2034, we aim to raise the carbon footprint awareness of all our suppliers and improve their performance.

We aim to increase the number of alternative suppliers to strengthen sustainability in the supply chain and reduce the number of imported inputs to support domestic production. We prioritise local suppliers to support local economic development.

In 2023, our local supplier ratio was 90%, while 85% of our procurement budget was allocated to local procurement.

We design new processes and products together with our suppliers and adopt a mutual learning and winning approach.



90%
local supplier
rate

In 2023, our local supplier ratio was 90%, while 85% of our procurement budget was allocated to local procurement.

Business Ethics and Compliance

The main basis of our business ethics approach and practice is the LAV Code of Business Ethics Procedure. Our Code of Business Ethics has been prepared within the framework of local laws, international standards and LAV's Social Responsibility Policy. Our employees are expected to comply with ethical rules with the awareness of the responsibility they have.

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 very first moment of their employment and to strengthen the awareness of business ethics for existing employees.

We regularly organise Corporate Social Responsibility Training every year to inform our employees about legal rights and unethical behaviour. We ensure that our employees are informed about what to do if 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 generalise our ethical approach throughout our value chain. In line with this goal, 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.

Human rights are part of our Corporate Social Responsibility (CSR) management system and ethical principles. Issues such as establishing a framework and how our employees should act in the event of an ethical violation, and how to report such situations, are defined in our management systems. Such issues are also part of our risk identification process. As a result of the risk assessment, risks with an unacceptable risk score are subject to the 'preventive action' process. During the assessment, every process that involves human labour is included in the assessment.

The evaluation of the conformity of our management system, including human rights issues, is carried out by independent third parties, taking into account the external evaluation, SMETA 4 Pillar, Amfori BSCI and ICS conditions, and in case of non-conformity, the 'corrective action' process is carried out. As part of the gradual impact, our suppliers are recommended to certify the conformity of their management systems with one of the Amfori BSCI, SEDEX (SMETA) or ICS requirements. Our suppliers who have not achieved certification are included in the scope of our 'Social Compliance Audit' process, which is established within our management system.



Business Continuity

We carry out emergency preparedness and business continuity activities to maintain uninterrupted and safe operations and to strengthen our operational reliability.

We maintain our emergency preparedness through training and drills. We organise emergency training on what to do in the event of an emergency and raise awareness among our employees. This training is part of the annual employee health and safety training. We organise emergency drills to prepare for and minimise the impact of natural disasters such as earthquakes, floods and fires, and risks such as power cuts. Emergency drills are conducted once a year at all our sites in accordance with the emergency plan. During emergency drills, we support employees with information training.

In order to ensure the security and continuity of supply to our customers, we continuously monitor production and uptime targets. If we detect a situation that negatively affects the targets, we take appropriate action.

The operability of information systems is one of the most important factors in ensuring business continuity. We structure and manage information systems to support our strategic plans.

We provide information technology equipment to employees according to their role descriptions. We create 'disaster recovery' scenarios for operating systems without

interrupting our business processes and take precautions against possible problems.

We provide physical conditions (air conditioning, fire extinguishing, uninterrupted power supply) for the storage of information that are not affected by environmental factors. We protect the places where information is stored and the cables and systems through which it is transported from unauthorised access, damage and power failures.

We also aim to ensure operational security and business continuity throughout our supply chain.

Compliance with the Global Security Verification (GSV) and Walmart Supply Chain Security audit programmes;

We have established physical security controls for employees, visitors, incoming vehicles and cargo. We have defined the area where products are stored as a sensitive area and controlled entrances and exits. We have installed security cameras in various parts of the factory. We carry out 7-point checks and keep records on the security of containers and transport vehicles. We use seals in accordance with container sealing standards. Within the scope of the Threat Awareness Programme, we regularly provide training to both newly recruited and existing employees.

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 Gürok Group in the human resources process, from the Finance Directorate for 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, 5 Directorates reporting directly to the General Manager and one directorate. Our directorates consist of Human Resources, Financial Affairs, Corporate Performance, Finished Goods Warehouses and Dispatch, System Development and Improvement directorates.

LAV's institutionalisation journey, which started with ISO 9001 studies in 1997, 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 excellence journey continues with the activities of the change project called "Volkan"19. As part of the excellence studies, the process management approach was adopted in 2017 to manage the work with a process perspective and all processes were redesigned.

Performance Management

At LAV, our corporate performance is monitored and measured through the Balanced Scorecard and Process Performance Indicators.

Since 2008, we have been measuring our corporate performance with the Corporate Scorecard application. A Balanced Scorecard is prepared according to the corporate priorities that emerge from the strategy development studies that are carried out each year. Our Balanced Scorecard application was updated in 2015 to cover all stakeholders and is linked to the individual performance 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 to provide strategic input.

LAV publishes a 'Strategic Management Calendar' in September each year, which includes annual strategic management activities. An annual strategy workshop is organised with the participation of managers and executives at manager level and above. The workshop identifies opportunities (O) and threats (T) related to the external environment and strengths (S) and weaknesses (W) related to internal performance. Strategies are obtained by grouping the strategic discourses created.

At the end of 2023, we were included in the Turquality programme, one of the export support programmes of the Ministry of Trade.



Risk Management

We conduct our corporate risk management with a risk inventory that includes strategic, operational, financial, human resources and digitalisation issues. We evaluate the issues according to their impact, risk, probability and openness scores and follow up by determining the current control points. We also evaluate our sustainability priorities such as digitalization, water management and emergency management within this inventory.

We carry out activities to increase the risk culture in our company. Within the scope of our process risk management, we prepare risk and opportunity studies for each sub-process, and we ensure that our Corporate Performance Department provides informative trainings on risk management to process owners. In 2023, we digitalized the management of process risks and made them trackable on the portal. We provide risk management training to our employees and managers on topics such as what is risk, how to define it, how to evaluate it, what is risk-based thinking, and what is an opportunity.

Responsibilities, authorities and job descriptions relating to sustainability risks and opportunities are set out in our Sustainability Committee work instruction. According to the charter, the Sustainability Committee is responsible for monitoring, managing and auditing sustainability risks and opportunities. We inform our governance bodies and employees about sustainability risks and opportunities through our annual sustainability report and ecosystem analyses within the scope of Strategy Workshops held every year.

We consider sustainability risks and opportunities in our company strategy and decisions. We identify opportunities and risks by taking into account global trends in the Ecosystem module as part of the annual strategy setting process, match them with our strengths and weaknesses with the Match-Transform methodology, and define the projects and targets to implement the main strategy in the Strategy Workshop. We use the Hoshin Kanri method to ensure ownership of the strategic goals and projects and to establish and monitor links with the 5-year strategies.

For the past two years, one of the focus areas we have identified as part of our Strategic Business Plan is compliance with the UN Sustainable Development Goals. In this context, we have set strategic targets for the sustainability issues we have identified as priorities. We monitor the achievement of these targets through the GRI Effectiveness Score, which is included in the LAV Balanced Scorecard and reviewed and monitored every six months. This performance indicator in the LAV Balanced Scorecard and the Strategic Business Plan, which is monitored monthly, are also part of our system for evaluating individual performance.

As part of our 2024-2029 strategic plan, we have set long-term targets such as 'saving at least 1% of energy each year', 'reducing carbon emissions by 0.5%' and 'increasing the number of female employees by 10%' in the area of gender equality.

PERFORMANCE INDICATORS

SOCIAL PERFORMANCE INDICATORS					
EMPLOYEE DEMOGRAPHICS	2019	2020	2021	2022	2023
Total number of employees	1,288	1,343	1,401	1,424	1,389
Number of employees by gender					
Total number of female employees	206	208	223	237	258
Total number of male employees	1,082	1,135	1,179	1,186	1,131
Rate of female employees (%)	19	18	19	20	23
Number of employees by status					
White-collar female	73	79	84	97	118
White-collar male	92	99	107	103	108
Number of white-collar employees	165	178	191	200	226
Rate of female white-collar employees (%)	44.2	44.4	44.0	48.5	52.2
Blue-collar female	133	129	139	140	140
Blue-collar male	990	1,036	1,071	1,084	1,023
Number of blue-collar employees	1123	1165	1210	1224	1163
Rate of female blue-collar employees (%)	11.8	11.1	11.5	11.4	12.0
Number of employees by age groups					
Number of employees under 30	384	401	314	357	385
Number of employees aged 30-50	879	918	1,038	1,013	1,004
Number of employees aged 50 and over	25	24	49	53	46
Total number of senior managers	24	23	36	32	38
Number of senior managers by gender					
Total number of senior female executives	5	5	4	4	16
Total number of senior Turkish executives	24	23	23	28	38
Rate of female managers (%)	20.8	21.7	17.4	14.3	42.1
Number of senior executives by age group					
Number of managers under 30	0	0	0	0	6
Number of managers between 30-50 years old	24	23	23	28	61
Number of managers aged 50 and over	0	0	3	5	1

EMPLOYEE DEVELOPMENT	2019	2020	2021	2022	2023
Employee trainings - number of participants (person)					
Blue collar	1,209	1,221	1,317	1,346	1,284
White collar	172	175	198	208	248
Female	225	213	242	255	264
Male	1,156	1,183	1,273	1,299	1,216
Total number of trained employees	2,762	2,792	3,030	3,108	3,012

EMPLOYEE DEVELOPMENT	2019	2020	2021	2022	2023
Employee trainings - total hours (personhours)					
Blue-collar female	3,142	2,835	3,421	3,496	3,225
White-collar female	5,842	5,269	7,269	7,636	4,656
Blue-collar male	28,892	23,265	31,189	32,864	27,756
White-collar male	6,429	3,658	4,396	4,485	2,821
Total training hours	44,305	35,027	46,275	48,481	38,458
Training hours per employee	16.0	12.5	15.3	15.6	12.8
Number of employees given regular performance evaluation feedback					
White-collar female	70	76	84	85	99
White-collar male	79	86	107	94	84

EMPLOYEE TURNOVER	2019	2020	2021	2022	2023
Recruited employees					
Total number of female employees hired	15	14	48	41	69
Total number of male employees hired	108	113	166	180	228
Total	123	127	214	221	297
Rate of female employees hired (%)	12.2	11.0	22.4	18.6	23.2
Number of employees under 30 hired	67	94	169	167	136
Number of employees hired between 30-50 years of age	53	31	43	54	140
Number of employees aged 50 and over hired	3	2	2	0	17
Departing employees					
Total number of female employees who quit their jobs	25	10	30	35	34
Total number of male employees who quit their jobs	115	54	129	163	162
Number of employees under 30 who quit their jobs	67	35	86	110	17
Number of employees aged 30-50 who leave their jobs	69	26	70	81	88
Number of employees aged 50 and over who left their jobs	4	3	3	7	17

EMPLOYEE RIGHTS	2019	2020	2021	2022	2023
Return to work and retention rate after maternity leave by gender					
Number of female employees on maternity leave	5	6	8	8	4
Number of male employees on maternity leave	74	52	71	57	58
Number of female employees returning from maternity leave	5	5	6	8	4
Number of male employees returning from maternity leave	74	52	71	57	58

OCCUPATIONAL HEALTH AND SAFETY	2019	2020	2021	2022	2023
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	13	13	13	13	13
Occupational health and safety trainings					
Total hours of OHS training (personxhour)	17,104	15,712	17,790	17.1	20,084
Number of employees trained on OHS (person)	1,069	982	1,359	1,345	1,399
Occupational health and safety indicators					
Injury rate	73	75	78	33	76
Accident severity rate	1.39	2.88	1.69	2.05	2.30
Accident frequency rate	-	22.11	28.73	31.98	30.02
Occupational disease rate	3	3	2	2	3
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	1,014	1,131	1,176

	2023		2023
Rate of the lowest employee wage to the minimum wage by gender (%)		Rate of female employees in the highest salary quartile (%)	40.00%
Female	4.77%	Rate of female employees in the upper-middle salary quartile (%)	23.31%
Male	0.71%	Rate of female employees in the middle-lower salary quartile (%)	18.42%
Rate of female employees in information technology positions (%)	7	Rate of female employees in the lowest salary quartile (%)	16.24%
Rate of female employees in engineering positions (%)	3.49%	Number of female employees benefiting from the right to part-time work after childbirth	2
Rate of female employees among employees promoted during the year (%)	21.78%	Rate of facilities with milk room	2
Rate of female employees promoted to managerial positions for the first time during the year (%)	22.22%	Number of employees working remotely or hybrid	
Average length of time employees stay in the same position (waiting for promotion) (years)	2	Female	104
Female	2	Male	85
Male	2	Remote or hybrid working hours (person*hour)	
Rate of female employees in the top 10% of highest paid employees (%)	34.48%	Female	39936
		Male	32640
		Total working hours (person*hour)	3,814,970

ECONOMIC PERFORMANCE INDICATORS				
	2020	2021	2022	2023
Number of registered designs	3	2	2	3
Number of trademarks registered	4	4	4	0
Number of active suppliers	1,382	1,382	1,382	1,383
Proportion of total local procurement in procurement budget (%)	85%	85%	85%	85%
Total local suppliers in procurement budget (%)	90%	90%	90%	90%

ENVIRONMENTAL PERFORMANCE INDICATORS					
	2019	2020	2021	2022	2023
Material Usage					
Production efficiency	100.53	101.05	98.83	99.06	100.25
Amount of raw materials consumed (tons)	98.39	103.17	106.51	100.17	97.41
Amount of recycled/recovered raw materials used as inputs					
Glass cullet (%)	100	100	100	100	100
Paper and cardboard (tons)	2,565	4,500	6,500	5,600	5,500
Paper recovery rate (%)	56	100	100	100	100
Plastic (tons)	325	365	110	70	217
Plastic recovery rate (%)	56	100	100	100	100
Energy and Emissions					
Total energy consumed within the organization	106.4	103.64	114.02	105.1	89
Direct energy consumption					
Natural gas-m³	105.33	103.18	113.1	103.5	85.9
Indirect energy consumption					
Electricity-kwh	114.5	107.3	120.9	116.5	110.9
Energy intensity (energy consumption per ton of glass - GJ/ton)	99.1	92.0	92.7	91.3	89.2
Greenhouse gas emissions (scope 1- tCo₂e)	94.6	94.12	129.03	115.94	100.22
Water Consumption					
Total water withdrawal amount by source (m³)					
Well water	83.5	90	73,6	70,7	58,8
Water intensity (water consumption per ton of glass - m³/ton)	5,2	5,6	4,6	4,4	3,66
Rate of recycled and reused water (%)	-	100	100	100	100
Wastes					
Amount of hazardous waste (kg)	59.16	47.93	80.49	91.68	126.60
Recovery	59.60	47.80	80.36	91.43	126.43
Waste site	0.22	0.28	0.13	0.25	0.171
Amount of non-hazardous waste (tons)	1,310	1,122	1.564	693.8	665
Number of significant leaks and spills	0	0	0	0	0
Environmental Trainings					
Total hours of environmental training provided to company employees	-	1,300	1,200	1,100	1,179
Number of employees receiving environmental training	-	1.472	1,090	1,018	1,063
Environmental Management					
Environmental expenditures (TL)	-	2,700,000	2,800,000	2,080,700	8,350,117

GRI CONTENT INDEX



Statement of Use: LAV has prepared its report covering the period January 1, 2023 - December 31, 2023 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
Genel Açıklamalar					
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, page:74			
	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 Activities, value chain and other business relationships	About Gürok Group, page:8; About LAV, page:9			
	2-7 Employees	Performance Indicators, page:66			
	2-8 Workers who are not employees	GRI Content Index: Services such as cleaning and catering are provided by outsourced employees. The number of outsourced employees is 73			
	2-9 Governance structure and composition	Our Management Structure, page:64			
	2-10 Nomination and selection of the highest governance body	GRI Content Index: In accordance with our company’s information confidentiality policy, this information cannot be shared.	2-10 a; 2-10 b	Con-fiden-tiality con-straints	
	2-11 Chair of the highest governance body	Message From Chairman of The Board, page:4			
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability Management, page:22			
	2-13 Delegation of responsibility for managing impacts	Sustainability Management, page:22			
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Management, page:22			

For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders. 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	2-15 Conflicts of interest	GRI Content Index: In accordance with our company's information confidentiality policy, this information cannot be shared.	2-15 a; 2-15 b	Confidentiality constraints	
	2-16 Communication of critical concerns	Strong Communication with Our Customers, page:39; Business Ethics and Compliance, page:62, Employee Communication, page:58			
	2-17 Collective knowledge of the highest governance body	Sustainability Management, page:22			
	2-18 Evaluation of the performance of the highest governance body	Sustainability Management, page:22			
	2-19 Remuneration policies	GRI Content Index:Wages are determined within the scope of balanced and fair wage remuneration policy by obtaining wage research reports from the market.			
	2-20 Process to determine remuneration	GRI Content Index:Wages are determined according to knowledge, skills, problem solving and responsibility criteria.			
	2-21 Annual total compensation ratio	GRI Content Index: The company's remuneration rates are considered confidential and sensitive information and are therefore not disclosed.	2-21 a; 2-21 b; 2-21 c	Confidentiality constraints	
	2-22 Statement on sustainable development strategy	Message From The General Manager, page:6-7; Sustainability at LAV: Journey Through Glass, page:13-17			
	2-23 Policy commitments	Sustainability Management, page:22			
	2-24 Embedding policy commitments	Sustainability Management, page:22			
	2-25 Processes to remediate negative impacts	LAV Sustainability Scorecard, page:18-21; Better World, page:43-48			
	2-26 Mechanisms for seeking advice and raising concerns	Strong Communication with Our Customers, page:39; Business Ethics and Compliance, page:62, Employee Communication, page:58			
	2-27 Compliance with laws and regulations	Business Ethics and Compliance, page:62			
	2-28 Membership associations	Initiatives We Support in the Field of Sustainability, page:23			
	2-29 Approach to stakeholder engagement	Relations with Our Stakeholders, page:30			
	2-30 Collective bargaining 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	Sustainability at LAV: Journey Through Glass, page: 14-17			
	3-2 List of material topics	LAV Sustainability Scorecard, page:18-21			
Digitalization and Industry 4.0					
GRI 3: Material Issues 2021	3-3 Management of material topics	Digitalization and Industry 4.0, page:41			
Sustainable Products					
GRI 3: Material Issues 2021	3-3 Management of material topics	Sustainable Products, page:34-38			
R&D, Technology and Innovation					
GRI 3: Material Issues 2021	3-3 Management of material topics	R&D, Technology and Innovation, page:41			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	R&D, Technology and Innovation, page:41			
Energy and Emissions Management					
GRI 3: Material Issues 2021	3-3 Management of material topics	Energy and Emissions Management, page:46			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Performance Indicators, page:69			
	302-3 Energy intensity	Energy and Emissions Management, page:46; Performance Indicators, page:69			
	302-4 Reduction of energy consumption	Energy and Emissions Management, page:46			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Performance Indicators, page:69			
Water Management					
GRI 3: Material Issues 2021	3-3 Management of material topics	Water Management:47			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Management:47			
	303-3 Water withdrawal	Performance Indicators, page:69			
	303-5 Water consumption	Water Management, page:47; Performance Indicators, page:69			
Circular Economy					
GRI 3: Material Issues 2021	3-3 Management of material topics	Circular Economy, page:48			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Performance Indicators, page:69			
	301-2 Recycled input materials used	Circular Economy, page:48; Performance Indicators, page:69			
	301-3 Reclaimed products and their packaging materials	Circular Economy, page:48; Performance Indicators, page:69			

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			Requirement (S) Omitted	Reason	Explanation
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Circular Economy, page:48			
	306-2 Management of significant waste-related impacts	Circular Economy, page:48			
	306-3 Waste generated	Performance Indicators, page:69			
	306-4 Waste diverted from disposal	Performance Indicators, page:69			
	306-5 Waste directed to disposal	Performance Indicators, page:69			
Gender Equality					
GRI 3: Material Issues 2021	3-3 Management of material topics	Gender Equality, page:49			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Performance Indicators, page:66			
	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.			
Support to Social Welfare					
GRI 3: Material Issues 2021	3-3 Management of material topics	Support to Social Welfare, page:50-53			
Business Ethics and Compliance					
GRI 3: Material Issues 2021	3-3 Management of material topics	Business Ethics and Compliance, page:62			
GRI 205: Anti- corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Business Ethics and Compliance, page:62			
	205-3 Confirmed incidents of corruption and actions taken	GRI Content Index: There was no case of corruption in the reporting period.			
Occupational Health and Safety					
GRI 3: Material Issues 2021	3-3 Management of material topics	Occupational Health and Safety, page:59			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety, page:59			
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety, page:59			

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			Requirement (S) Omitted	Reason	Explanation
GRI 403: Occupational Health and Safety 2018	403-3 Occupational health services	Occupational Health and Safety, page:59			
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety, page:59; Performance Indicators, page:68			
	403-5 Worker training on occupational health and safety	Occupational Health and Safety, page:59; Performance Indicators, page:68			
	403-6 Promotion of worker health	Occupational Health and Safety, page:59			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety, page:59			
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety, page:59			
	403-9 Work-related injuries	Occupational Health and Safety, page:59; Performance Indicators, page:68			
	403-10 Work-related ill health	Occupational Health and Safety, page:59; Performance Indicators, page:68			
Employer of Choice					
GRI 3: Material Issues 2021	3-3 Management of material topics	Employer of Choice, page:60			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Performance Indicators, page:67			
	401-3 Parental leave	Performance Indicators, page:67			
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			
Sustainability in Supply Chain					
GRI 3: Material Issues 2021	3-3 Management of material topics	Sustainability in Supply Chain, page:61			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Sustainability in Supply Chain, page:61; Performance Indicators, page:68			
GRI 308: Supplier Environmental Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	Sustainability in Supply Chain, page:61			
GRI 414: Supplier Social Assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	Sustainability in Supply Chain, page:61			

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