

Ref: 15/730-99- 8962
Subject: "A statement of Continued Support"



**ISTANBUL
STOCK
EXCHANGE**

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Mr. George KELL
Executive Director
United Nations Global Compact Office
United Nations,
New York, N.Y. 10017
USA

September 22, 2008

Dear Mr. KELL,

Please kindly note that the Istanbul Stock Exchange (ISE) is pleased to participate and honored to be part of the United Nations Global Compact which is the world's largest corporate citizenship initiative. With this regard, I would like to confirm our commitment to continue to support the principles of the UN Global Compact which we adhered to on October 26, 2005.

Since its establishment, the ISE has supported numerous social and cultural programs indicating the importance that the ISE has given to social responsibility activities. Within the scope of the "Contribution to National Education Project", the ISE has made donations for the support of the eight-year primary education project. Up to now, 321 fully functional and equipped schools have been constructed which serve approximately 179.000 students. In January 2008, a protocol for the fourth phase of the project was signed with the Ministry of National Education, within the context of which, the total number of schools built will increase to 400 with 220.000 students having education in these schools.

With its high growth potential, the ISE aims to be one of the leading exchanges in the near future. In achieving this goal, the global common virtues such as environmental and ecological friendly projects, labour and human rights, anti-corruption and transparency have always been the core corporate values of the ISE. Enclosed please find the ISE's "Communication on Progress (COP)" report for 2008.

Sincerely yours,

ISTANBUL STOCK EXCHANGE

Hüseyin ERKAN
Chairman and CEO

AS/ESK/EP/FS

Istanbul Stock Exchange – ISE
Communication on Progress – 2008

<p style="text-align: center;">Human Rights</p> <p>Principle 1 : Business should support and respect the protection of internationally proclaimed human rights</p> <p>Principle 2: Business should make that they are not complicit in human rights abuses.</p>		
Commitment	Systems/Activities	Performance
<p>The ISE is committed to protect human rights and freedom as part of its social responsibility. ISE believes that everyone should be given the liberty and security, the right to express himself/herself freely, the right to have respect in private life. In this context, ISE strives to ensure a safe, free and healthy environment for its employees and its members.</p>	<p>The recruitment and personnel policy of the ISE is in line with the human rights principles. The ISE policies prohibit discrimination based on sex, race, religion, and color, political or other opinion and social origin. The ISE recruits also disabled staff.</p> <p>The ISE staff must sign an ethics code of conduct, which is in line with the human rights principles. The ethics code of conduct is based on social work's core values of service, honesty, fairness, non-discrimination and alike.</p>	<p>The ISE did not receive any negative feedback regarding human rights violation. Number of recruited disabled staff has reached 16 in year 2008, from 14 in 2007.</p>
	<p>Contributions to ensure a healthy corporate life: The ISE has been computing and disseminating the Corporate Governance Index since 2007. The index measures the price and return performances of the ISE traded companies. A rating of compliance with corporate governance principles is an independent, unbiased and fair evaluation and classification of corporations' and capital market institutions' compliance with the corporate governance principles set by the Capital Markets Board of Turkey. Rating grades</p>	<p>The ISE Corporate Governance Index comprises 12 companies. In 2007, 5 companies were included in the relevant index.</p>

	<p>ranging between 1 and 10 shall be assigned on the compliance with corporate governance principles as a whole and individually with respect to the topics such as; shareholders, public disclosure and transparency, stakeholders, board of directors.</p> <hr/> <p>ISE's Social Responsibility Activities</p> <ul style="list-style-type: none"> • Within the framework of the "Contribution to National Education Project", the ISE provided financial support to the Ministry of National Education for the construction of schools and social complexes as well as dormitories. • The ISE participated to the donation campaign "Save an Athlete" to encourage mentally disabled youth to participate in sporting activities. • The ISE has contributed and organized numerous meetings, conferences, projects, training programs, concerts, cultural activities, art exhibitions and sports activities. The ISE contributed to the restoration of cultural and educational centers, donations to the social services institutions. 	<hr/> <p>Within four phases of the "Contribution to National Education Project", the ISE has provided approximately 1 billion US\$ of funds to the Ministry of National Education for the construction schools, social complexes as well as dormitories.</p> <p>321 schools were constructed (<i>primary schools, secondary schools, vocational schools, fine arts schools , etc.</i>) with the financial support of the ISE. The construction of additional 79 schools is in progress.</p>
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Labour

Principle 3 : Business should uphold the freedom of association and the effective recognition of the right to collective bargaining

Principle 4 : Business should uphold the elimination of all forms of forced and compulsory labour

Principle 5 : Business should uphold the effective abolition of child labour

Principle 6 : Business should uphold the elimination of discrimination in respect of employment and occupation

Commitment	Systems/Activities	Performance
The ISE respects and supports professional and healthy relationship with the employees' union. The ISE is also committed to offering democratic and equal working environment to its employees and members in addition to its non-discriminating recruitment and service policies.	The ISE personnel regulations enable the staff to be organized and being members of Associations, foundations, etc for social activities.	The collective agreement was signed between the ISE and "Tez-Koop. İş-Commercial and Official Employees Union" in 2007. Collective bargaining will start for 2009 and onwards at the end of 2008.
	The ISE staff have the right to be members of employees union and to engage in collective bargaining.	<p>The total number of members of "Tez-Koop. İş- Commercial and Official Employees Union" is 424.</p> <p>The ratio of union membership to the total number of employees is 99%.</p> <p>The total number of members of "The Association of ISE Employees" is 357.</p> <p>The total number of members of "The ISE Foundation" is 210.</p> <p>A "Tez-Koop. İş- Commercial and Official Employees Union" representative is also in the ISE personnel committee.</p>
	The ISE is against the use of child labour.	The minimum age for employment is 18 years.
	The ISE takes into account principle of equal treatment for all of its employees and provides a fair working environment and conditions with the human resource regulations.	The ISE did not receive any negative feedback regarding the human rights violation.

Environment

Principle 7 : Business should support a precautionary approach to environmental challenges

Principle 8 : Business should undertake initiatives to promote greater environmental responsibility

Principle 9 : Business should encourage the development and diffusion of environmentally friendly technologies

Commitment	Systems/Activities	Performance
The ISE is committed to the protection of environment and resource saving and actively supports and participates in ecological protection, promotes an environmental responsibility in most of its infrastructural and administrative systems.	The ISE building was constructed in line with the new technologies considering environmental protection. Natural gas is used for heating.	<p>The ISE employees are diligent to integrate environmental management and control in their daily life and administrative activities.</p> <p>The ISE has contributed to forestations of 155 thousand square meters area.</p> <p>To reduce energy consumption and to save energy, efficient air conditioning systems and energy saving light bulbs are being used in the ISE premises.</p>
	Recycling To protect the environment, waste papers, batteries and recyclables are collected.	

Anti-Corruption Principle 10 : Business should work against corruption in all its forms, including extortion and bribery		
Commitment	Systems/Activities	Performance
<p>The ISE does not allow any violation of laws/regulations and dishonesty or unethical behavior. Any illegal act such as bribery, abuses by employees or executives are strictly prohibited.</p>	<p>The ISE rules and regulations require that the employees are not allowed to offer, give or take any presents in any form in cash or in kind, directly or indirectly from any person, institution, public officials, etc.</p>	<p>Suspicious transactions and markets abuses activities are reported to the Turkish Capital Market Board by the ISE.</p>
	<p>The surveillance department of the ISE monitors the trading activities for any unusual price/volume changes in order to detect illegal practices such as manipulation, insider trading and any other market abuses.</p>	