



COMMUNICATION ON PROGRESS

YEAR: 2009

Statement of Continued Support

“As of August 6th, 2009, we declare continued support of the Ten Principles of the United Nations Global Compact organization. We believe it is every company’s duty to respect the society and the environment in its operations, and to advocate sustainability both locally and globally.”

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Director

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Company

Dağlı Trading Ltd. is a leading importer and distributor of supermarket and catering items in North Cyprus, Europe since 1983. We represent well-known international food producers in the North Cyprus market, and we carry out sales, distribution and merchandising of their products throughout the country. Our distribution network covers hypermarkets and chains, small and medium sized markets, hotels, restaurants, cafes/bars, hospitals and other institutions (over 700 sales points) with perfect penetration in all cities and regions of North Cyprus.

Several brands which we represent in North Cyprus on sole basis include:

1. McCain frozen potatoes from Canada
2. Green Isle frozen pizza and fish from Ireland
3. Marines frozen seafood from Turkey
4. Siblou frozen seafood from Lebanon
5. Erpilic frozen chicken from Turkey
6. La Vache Qui Rit processed cheeses from France
7. Uniekaas cheeses from Holland
8. Sutas cheeses and fruit yogurts from Turkey
9. Maret sausages and frozen meat from Turkey
10. Baco foils, films and bin liners from UK
11. Soke Flour from Turkey
12. Fidan tomato paste and canned food from Turkey
13. Meica pork sausages from Germany
14. Peyman nuts and dried fruits from Turkey
15. Rauch fruit juices from Austria
16. Perrier mineral water from France
17. Kimberly Clark paper products from USA

Besides our wide range of imported products, Dağlı Trading Ltd. is also manufacturer of liquid and powder home cleaning and personal care products since 1998 with annual sales over 2200 tonnes. We work together with multinational chemicals suppliers such as Ciba, Cognis, IFF and Sassol, and we produce quality products under our own brand names. Currently we are controlling 35% of the local home cleaners market.

In 2004 we acquired BS EN ISO 9001:2000 certification for our quality management system in an effort to upgrade quality and customer satisfaction in our services. In August 2006, we declared support for the Ten Principles of the United Nations Global Compact organization, and we became a founding member of the Turkish Cypriot Global Compact network. We uphold sustainability and social responsibility in our business operations.

Global Compact Principles

Dağlı Trading Ltd. supports the Ten Global Compact Principles. Since joining the organization in August 2006, we committed ourselves to these principles and started taking action and receiving outcomes on some. Below you will find how far we have come regarding each principle.

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence.

Commitment: Dağlı Trading Ltd. respects the rights of its employees, of consumers and of the society, and Dağlı expects its clients and its suppliers to do the same.

Principle 2: Businesses should make sure they are not complicit in human rights abuses.

Commitment: Dağlı respects human rights.

Action: Top management is instructed to consider human rights in all relevant management decisions.

Outcome: Dağlı has no history of human rights abuse and never received any such complaint or conviction. (If there is ever any complaint, Company Director is responsible for listening to the complaint, evaluating its truth and acting upon if necessary.)

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

Commitment: Dağlı respects its employees' right for association.

Principle 4: Businesses should eliminate all forms of forced and compulsory labor.

Commitment: Dağlı is against forced and compulsory labor and expects its clients and its suppliers to reject such abuse.

Outcome: Dağlı has no history of forced or compulsory labor and never received any such complaint or conviction. (If there is ever any complaint, Company Director is responsible for listening to the complaint, evaluating its truth and acting upon if necessary.)

Principle 5: Businesses should abolish all forms of child labor.

Commitment: Dağlı is against child labor and expects its clients and its suppliers to reject child labor.

Action: It is company policy that individuals below 18 years old (local legal working age) are not hired at Dağlı.

Principle 6: Businesses should eliminate discrimination in respect of employment and occupation.

Commitment: Dağlı does not discriminate on the grounds of gender, race, age, religion, sexual orientation, disabilities or any other basis.

Action: It is company policy that all job candidates are given equal opportunities during hiring and that they are evaluated on the basis of their education, prior work experience and skills only. Same is true for employees of the company during promotion.

Outcomes:

The table below is prepared in light of GRI measures LA13 and LA14, and it suggests there is no discrimination of employees on the basis of gender or age at Dağlı Trading Ltd.

		Age								Total	
		18-30		30-40		40-50		above 50			
		avg salary (YTL)	no of employees	avg salary (YTL)	no of employees	avg salary (YTL)	no of employees	avg salary (YTL)	no of employees	avg salary (YTL)	no of employees
Gender	male	1359,1	11	1275,0	8	1287,5	4	2400,0	5	1510,7	28
	female	1200,0	10	1225,0	12	1583,3	6	3500,0	2	1440,0	30
Total		1283,3	21	1245,0	20	1465,0	10	2714,3	7	1474,1	58

The table lists the number of employees and the average salary falling into each age and gender category. It should be noted that the numbers of employees in each age category follow the population trend suggesting no discrimination on the basis of age. Similarly there is no evidence of gender-based discrimination as women and men are hired at Dağlı in similar numbers and with well-matching salaries.

Principle 7: Businesses should support a precautionary approach to environmental challenges.

Commitment: Dağlı takes a precautionary approach in considering environmental risks of its chemical raw material purchases.

Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.

Commitment: Dağlı is willing to do its part in solving environmental problems of North Cyprus.

Action: Recently in 2009, we applied to the Care4Future organization in North Cyprus (<http://www.care4future.org/>) to assist our company in recycling paper waste. We will collect and sort our paper waste in separate containers, which the Care4Future organization will pick up and handle the paper's recycling. We expect to start working with this organization in one month. We believe this is not only an "environmentally-good" step to take in reducing the company's waste, but it will also enhance the company personnel's, customers' and guests' care and responsibility for environmental issues.

Outcome: We are yet to hear from the Care4Future organization, but we expect to start paper-recycling in a month's time.

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

Commitment: Dağlı is determined to introduce environmentally friendly technologies into all its operations and particularly into its manufacturing operation.

Action: The process of manufacturing bottled household cleaning and personal care liquids for consumer use is 100% efficient and it does not yield any by product dangerous to the environment. Therefore the business does not have any production related wastes.

Besides the immediate wastes, we are also considering the full life cycle of our products. In order to make sure detergent liquid used by the consumer does not stay in the environment forever, we are working closely with our suppliers to introduce 100% biodegradable formulations into our products as much as it is financially feasible and as much as the market allows us.

Outcome: Our first 100% biodegradable product is a dishwashing liquid with the name “Quick Losyon”. We applied for the EU Ecolabel for this product in Cyprus, however our application was not processed due to the political conflict between the Greek Cypriot and the Turkish Cypriot authorities.

We have also investigated whether it is possible used bottles are collected from homes and recycled. There is a Çevko “Green Dot” system in Turkey where companies finance municipalities for the collection and recycling of packaging. However the North Cyprus municipalities are yet to join this system and to offer waste recycling services.

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

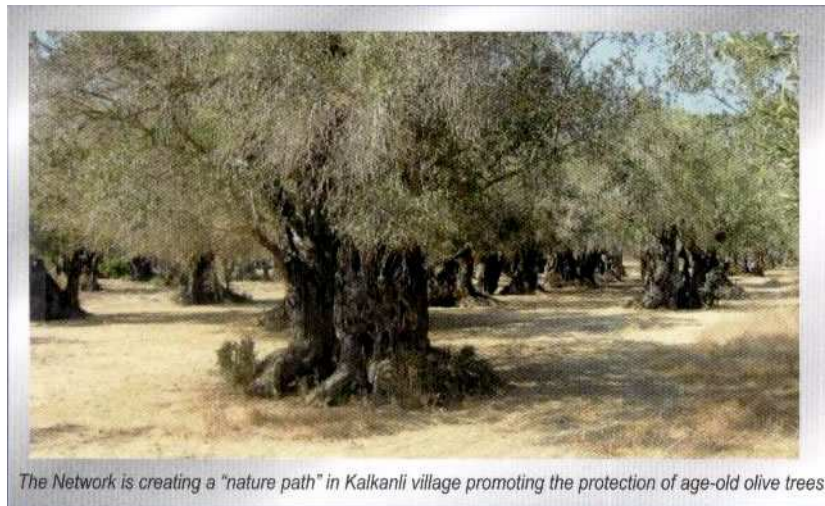
Commitment: Dağlı does not allow corruption in its business operations, and expects its clients and its suppliers to do the same.

The network consists of sixteen companies and two chambers (Chamber of Industry and Chamber of Commerce). Dağlı Trading Ltd. takes an active role in the network and contributes to the planning, organization and financing of the joint events of the network.

Besides contributing to these activities, Dağlı represented the network (along with three other network members) in the 2007 Global Compact Leaders Summit in Geneva, Switzerland.

Below is a list of the joint events organized by the Turkish Global Compact Network since it was launched in August 2006.

1. The network produced and distributed magnets with “environmentally friendly tips” to the public on the occasion of World Environment Day.
2. The network created a “nature path” in Kalkanli village in North Cyprus, highlighting the need to protect the natural environment and in particular the age-old olive trees (which date back more than three centuries).



3. The network (in collaboration with the United Nations) organized seminars on environmental matters such as ISO 14001, Integrated Products Policy, Life Cycle Assessment, Eco-design and Eco-labeling.
4. The network sponsored a one-month EqualSkills course program for 18 unemployed women. EqualSkills is a short, staged training and assessment program by the European Computer Driving License Foundation, with a certificate awarded upon successful completion in order to acknowledge achievement. The course taught computing skills and information technology topics for the beginner, in an effort to create new employment opportunities for the participating unemployed women.



5. The network organized an “energy saving project” in six primary schools, thanks to financing by the United Nations. The project aimed to motivate students into energy saving habits. It was concluded with a picnic day in the nature where all students received certificates for participating in the project.

Below is a list of the joint events planned by the Turkish Global Compact Network for the year 2009.

1. The network will organize informational seminars on the Global Compact initiative in order to invite more members to the Local Network in North Cyprus.
2. The network will cooperate with the local IT Club (Bilişim Derneği) in offering ‘ECDL’ European Computer Driving License courses to unemployed women.
3. The network will organize courses to teach women in rural areas how to use computers and the internet.
4. The network will prepare ‘Corporate Social Responsibility’ questionnaires and survey Northern Cypriot companies on their commitment to CSR.

Final Note: This COP is made available to all stakeholders via our website www.dagli.com.