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UN GLOBAL COMPACT COMMUNICATION ON PROGRESS REPORT 2008

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1. STATEMENT OF THE SUPPORT for the GLOBAL COMPACT

The United Nations Global Compact was instituted to give a better understanding to social and ecological standards in a world of globalization. The aim is the acceptance of our responsibility for each of us. If this awareness can be obtained in,

- Governments, who defined the principles on which the initiative is based
- <u>Companies</u>, whose actions it seeks to influence; labors, in whose handle the concrete process of global production takes place
- <u>Civil organizations</u>, representing the wider community of stakeholders
- <u>Citizenship</u>, awareness of human's responsibility all around
- <u>United Nations</u>, the world's only truly global political forum, as an authoritative convener and facilitator

The ten basic principles of the Global Compact are our guidelines. This takes place within a framework of partnership with the customer, with shareholders and with employees, with this social responsibility toward the environment, because only a company which focuses its own social and ecological development, and not only its economic performance, will be successful in the long term.

This is the precisely the commitment BUTEK has made in joining the Global Compact.

2. COMMUNICATION ON PROGRESS (COP)

2.1 Human Rights (Social and Ethical Principles 1 and 2)

BUTEK observes national, European and international law and is bound to protect human rights and the Turkish Basic Rights. With this statement we're providing ethical guidelines binding on all employees, together with a safe, health and fair work environment.

Our principle involving in processing a transparent and democratic working environment where all employees could express their views on any issues related with BUTEK. Beginning with training program for staff from the beginning up, till to ensuring the highest standards such as lightning, heating, ventilation and air-conditioning.

Assisting in employee improvement and participation principle in offering possibilities in encouraging each of them.

Education will create the way of keeping human rights. Besides Scholarships for employees children and for many other students, BUTEK is supporting schools in helping them for easier and better fulfilling of their educations duties.

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2.2 Labor Standards (Rights, Elimination of Force, Child Labors and Discrimination Principles 3, 4, 5 and 6)

BUTEK's working terms and conditions are transparent and clear. The employment policies and practices codify our support for a fair and safe workplace.

BUTEK is supporting the freedom of association and the effective recognition of the right to collective bargaining.

We're ensuring non-discrimination. Given all employees a work environment that is free from harassment and free from discrimination including that of race, color, national origin, ancestry, religion, marital, age or gender. Seeking of full integration of our employees. All employees are accorded equal opportunities to develop the knowledge, skills and competence that are relevant to their job. We're supporting all training programs for our staff according to specific role's training needs. All forms of forced and compulsory labor are unacceptable.

The abolition of the problem of child labor worldwide should be effective. BUTEK is against child labor and is very sensitive regarding this topic, in avoiding to work with companies which uses child labor.

2.3 ENVIRONEMENT (Challenges, Responsibility and Development Principles 7,8 and 9)

I, you, we - everyone is responsible for the environment and each ones challenge is to protect it.

Continual progress in environmental protection is one of our aims of our management system. Environmental friendly clean technologies, together with the management systems, environmental standards and collaborating with local, national and international organizations to exchange informations.

Reducing paper consumption to increase paper and other materials and avoiding unnecessary expenses. Electronic issues is the regular communication art which our staff is using. Parallel to this the importance of water and electricity reduction is an other subject which is important for us.

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2.4 ANTI-CORRUPTION (Against Corruption Principle 10)

BUTEK is against corruption in all its forms including extortion and bribery. By making our social and environmental operations public, we're increasing our openness and transparency with our stakeholders.

As Turkey's very first company, BUTEK was nominated as a member of SME Venture Capital Investment Trust Inc. Honored with this title which is predicative about our philosophy, i.e. transparentness, clearness and correctness in all our businesses, which we expressed with this report.

3. ABOUT BUTEK

BUTEK Machinery Inc. is situated in Bursa/Turkey. Founded in 1996, BUTEK is showing a continuous increasing tendency in the sector of manufacturing in sheet metal working machinery, recycling machinery and as well as in its metal working department.

Convinced all its staff which are working in fully accordance of the Quality Management System 9001:2000 and the European Machinery Directives 96/37/EC.

Member of:

- European Committee for the Cooperation of the Machine Tool Industries
- Association of Turkish Machine Manufacturers
- SME Venture Capital Investment Trust Inc.
- D-U-N-S Registration
- UN Global Compact Project

BUTEK is focusing on international markets, under the aspect the worldwide approach of the markets. Our namable customers international all around the continents are benchmark for our reliability. The main of them are as we are, convinced of the UN Global Compact Project and are members of this worldwide network project, presented by former UN Secretary-General Kofi Annan.

BUTEK MACHINERY Inc.

CEO: Mr. Namik Kemal MEMIS Contact: Mrs. Betul COKER

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Company Registration No: 44975 / 53437 VAT Registration No: Nilufer 191 051 2447