

Statement of Continued Support by the Chief Executive Officer

To our stakeholders:

I am pleased to confirm that Standart reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of human rights, labour, environment and anti-corruption. In this annual Communication on Progress we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Yours sincerely

Hüseyin CANKURTARAN
Chairman

Human Rights

Human Rights Principles

Businesses should support and respect the protection of internationally proclaimed human rights; and make sure they are not complicit in human rights abuses.

Assessment, Policy & Goals

Our most valuable asset is our employees that make our company one of the leading real estate valuation firms in Turkey. We respect the rights of our employees and we are committed to implement the human rights in the company. We apply an approach that encompasses all areas of working life from recruitment, performance assessment to terminating of employment. At Standart, we also put great emphasis on equal pay for equal work. We are in the progress of setting up our promotion schedule and performance evolution codes in the company. Assessment of our employees is not based on their religion, gender, language or political opinion but on their professional qualification and skills that required for a relevant position. One of the areas that we are sensitive of is gender discrimination. We do not discriminate our employees in terms of gender, salary and promotion.

Every employee is entitled to compensated vacation in line with local regulation governing labour rights. We believe that education is a key for our employees to realize their full potential. Two of our employees enrolled at a professional development course last year. All their expenses were shouldered by the company. In addition, we have provided to the students studying in the area of valuation and paid internship opportunities in 2103, one intern had a chance to work at our company between 8 to 12 weeks.

Implementation

We have successfully completed the company code of conducts related to human and labour rights and explicitly state human rights in it. In order to achieve that goal, we have formed a human resource department that is also responsible for completing a code of conducts in Human and Labour rights issues. The policy states that all employees are given "Code of Conduct Induction Training" upon joining and refresher training every six months thereafter.

Measurement of outcomes

There have been no Human Rights violations identified by the Company's management.

Labour

Assessment, policy and goals

Standart is committed to implement the UN Global compact in the area of Labour Rights. We support the ILO's 1998 declaration as well as its four principles and rights at work. Our company policy follows the rules set out by the Turkish Employment code which among other right states that Turkish workers have the right to unionize or join existing labour unions, there is a nominal 45-hour workweek, and the amount of overtime that employers may request is limited.

All activities related to social security and pension rules are regulated within the framework of the codes. Employees are insured by the state insurance and monthly premiums are calculated based on salary as required by law and employees' pensions are prepared in accordance with government regulations. We go beyond these laws because Standart also provides other non compulsory benefits such as transportation and meals or compensation.

The main goal is to provide tools conditions and mechanism for staff to perform assigned duties, create social atmosphere, and stimulate professional and academic growth. To achieve these aims, we do the following:

- ✓ Organize and finance social and recreational events for staff members;
- ✓ Encourage the employees to attend events and courses related to their work field and pay the fees of these events.
- ✓ In addition, we support our employees to become a member in professional associations, obtaining and maintaining licenses and certifications such as Association of Appraisers of Turkey and Royal Institute of Chartered Surveyor;
- ✓ Provide free commuted service or reimbursement of travel expenses for our employees and give SIM cards and Mobile telephones.

Despite any incident related to workplace discrimination raised so far, we take this issue very seriously and are in the progress of setting up rules regarding work discrimination. None of the employees is a member of labour union as this issue is governed by the Labour Law No. 4857.

Our company points out that all these policies and rules are implemented properly. We have established a human resource department along with continuing to provide an orientation program for our new employees and prepare workshops regarding labour rights.

Implementation

In order to achieve and ensure its sustainable corporate success, Standart focuses on the following issues in the conduct of its human resources practices:

- Manage human resources in line with Valuation policies,
- Discover and develop employee potential at the group level as well as individually,
- Engage in an interactive and in-depth dialogue with human resources concerning Standart's activities and objectives.

Measurement of outcomes

In 2013 we have successfully implemented 3 goals in terms of human resources as planned in 2012

- ✓ established human resource department
- ✓ established quality management system
- ✓ set up placement and promotion standard

At Standard monitoring performance on the issue of labour rights, it is very important for to the company because of the relationship between a content workforce and high productivity. The management of the company tries to mitigate all issues with a proactive stance. As of the time of application, there was no incident of violations of the Global Compact Labour principals.

Environment

Assessment, policy and goals

Standart is dedicated to implement the UN Global Compact in the area of Environmental Protection. We are aware that a human being has enormous impact on the environment and unless we proactively take an action to protect our environment or at least mitigate the impact on environment, it might be too late to prevent environmental destruction.

The global warming is one of the environmental problems we have faced in recent times. In our role of reducing carbon emissions, which cause global warming, we actively advocate green building developments. As an appraisal company, we try to integrate green building features in our appraisal process. This is important because the connection between green building features and the financial benefits are not understood yet.

Our mission as an appraisal company is to raise the awareness of investors, occupiers and developers by pointing to the financial benefits of green buildings in our valuation reports. To achieve this aim, we encourage our employees to gain necessary qualifications such as LEED Green Associate, BREAM assessor, main green building rating systems. As a result, green buildings are to be valued more effectively and their benefits to be distinguished from non-green buildings.

In our office, we are discussing all necessary steps to create an environmentally friendly environment. We have replaced office equipment with ones consuming less energy, "A" energy rating. Although, their payback period is a few years, we have already seen our electric consumption has reduced %10 already. We also have sent the equipments to electronic waste recycling company. As of 2013, this practice was voluntary, but in 2014 consumers must dispose electronic equipments according to new regulations & laws.

As an appraisal company, we consume significant amount of paper. Last year we have reduced the paper consumption by % 20 by re-use the paper for the non-official use. For 2014 our aim is to reduce paper consumption by another % 10 and recycle it as much as possible in our office. Unfortunately, we could not send our appraisal reports as a soft copy because of the by law but we are now using double sided printers in order to reduce consumption. Apart from printing hard copy valuation report, we are using soft copy of documents in our correspondence as much as possible.

Implementation

In order to achieve our goals in terms of our environment policy, we are meeting with our employees and discussing the goals. We have placed recycling waste bins for plastic, paper, and glass. However, there is still no municipality service to collect recycled waste yet in our area but after our enquiry local municipality assured us that the collection of the recycled waste will start in 2014.

Measurement of outcomes

- Electric consumption has reduced %10
- Paper consumption has reduced by % 20

Anti-Corruption

Assessment, policy and goals

Standart is determined to implement the UN global Compact in the area of Anti-Corruption. In line with current international and local laws and regulations, Standart will not promise or offer to make any payment or gift to a government official or private party to influence them to act favourably towards us. Turkey has signed and ratified several international treaties and conventions related to corruption including the United Nation's Convention Against Corruption, OECD Anti-Bribery Convention and the Council of Europe Criminal Law Convention on Corruption. In addition, in accordance with Turkish Criminal Code No. 5237 of 2005 as well as Law No. 3628 Concerning the Declaration of Assets and Combating Bribery Standart has made a private and public commitment to anti-corruption. Moreover, after Turkey's EU membership process started, the civil society is has been very active in fighting against corruption in Turkey including the Transparency Association (TI Turkey), the Association for Combating Corruption and the Association for the Protection of Citizens' Taxes (VAVEK). There are also some associations focused on good governance such as the Corporate Governance Association of Turkey and the Corporate Social Responsibility Association of Turkey. In particular, the necessity for transparent real estate markets in which we are operate is increasingly recognized by government and industry bodies. While steady progress in real estate transparency has been made over the past two years, much still needs to be done.

Implementation

Internally, we plan to create a set of rules and standards for our employees, as understanding anti-bribery and anti-corruption laws is not always easy. Therefore our employees will be familiar with the rules described in the policy and regularly refresh their understanding of relevant law and regulations. The rules and standards will outline acceptable and non-acceptable behaviours to ensure compliance with anti-corruption laws; This includes compliance with all laws, domestic and foreign, prohibiting improper payments, gifts or inducements of any kind to and received from any person, including officials in the private or public sector, customers and suppliers.

Measurement of outcomes

Standart has not been involved in any legal cases, rulings or other events related to corruption and bribery.