

MOROĞLU ARSEVEN

General

Period covered by your Communication on Progress (COP)

From: December 2014 **To: December 2015**

Statement of continued support

25.12.2015

To our stakeholders:

I am pleased to confirm that Morođlu Arseven reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, 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.

Sincerely yours,

Burcu Tuzcu Ersin
Partner



Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses

Assessment, policy and goals

Description of the relevance of human rights for the company (i.e. human rights risk-assessment). Description of policies, public commitments and company goals on Human Rights.

Moroğlu Arseven shows maximum attention and due care to compliance with international standards and principles related to human rights. We strive to implement practices which exceed bare minimum legal obligations, as we recognize the associated benefits which such practices bring. These principles and standards are integrated into our daily operations, as well as wider human resources and strategic business decisions made by our Executive team. Our Executive team understands and supports the Universal Declaration of Human Rights and the European Convention on Human Rights, abiding by the spirit and letter of these fundamental documents during daily activities and operations.

The United Nations Secretary-General, Mr. Ban Ki-moon, said: *“Human rights belong to every one of us without exception. But unless we know them, unless we demand they be respected, and unless we defend our right - and the right of others - to exercise them, they will be just words”.*

Moroğlu Arseven is a full service law firm, practicing in many complex legal areas, involving Turkish as well as cross-border and international legal elements. Accordingly, we are fully aware of the importance of transparent, predictable and enforceable laws. Therefore, we devote all our professional expertise to ensuring fundamental human rights principles and standards are not *“just words”*. Rather, all possible efforts are made to ensure these are manifested in our daily business, for the ultimate benefit of all members of our firm, clients, as well as external stakeholders.

We believe all members of our law firm are equal, irrespective of their role, seniority, or length of employment. Accordingly, we firmly agree that everybody is entitled to equal treatment, without discrimination or undue preference.

Current human resources practices emphasize and apply universally accepted principles of human rights.

Implementation

Description of concrete actions to implement Human Rights policies, reduce Human Rights risks and respond to Human Rights violations.

In our opinion, respect for human rights relies heavily on the existence of an effective implementation mechanism. In this regard, we apply our best efforts to establish, communicate and execute such mechanisms and tools to strengthen human rights implementation at our firm, as well as prevent violations.

Key examples of our efforts and actions in this respect include:

- An “open-door” and “speak-up without consequence” policy applies for all complaints of reports of unfair treatment. All members of our firm are aware that they can communicate openly with firm leadership and human resource contacts without hesitation and in confidence. All members of our firm are periodically reminded of these policies at annual performance evaluation meetings.
- Members of our firm are also aware that human rights violations will not be tolerated and all appropriate actions will be taken. In this regard, our firm has shown it will not hesitate to take action to terminate employment where employees display discriminative behaviors.
- Our recruitment processes are planned and executed to ensure that no discrimination occurs, or is thought to occur. All candidates are subject to same procedures and selection criteria.
- We regularly advise clients about human rights policies, particularly in the light of the United Nation’s Guiding Principles on Business and Human Rights and the European Convention on Human Rights and the Charter of Fundamental Rights of the European Union. Accordingly, our legal members are aware of the details as well as practical manifestations and strategies related to such principles from an advisory point of view. Such knowledge helps to reinforce their knowledge and confidence to pursue their own rights, within our specific workplace.
- The firm places importance on developing each of our firm’s members’ perspectives and knowledge of human resources and human rights matters through internal and external training.
- The firm has consistently maintained a focus on gender equality. An example of this is that the firm’s 13-member Executive team currently consist of a female majority.

Measurement of outcomes

Description of how the company monitors and evaluates performance.

All members of our firm are aware of fundamental human rights through direct internal communication and training, as well as indirectly through their work advising clients on related topics. Accordingly, the firm’s leadership actively applies a firm-wide monitoring of human rights violations and also encourages all members of our firm to bring any concerns about human rights violations or complicity in such abuses to the attention of the Executive team if these ever arise, to be dealt with accordingly.

Since establishment in 2000, the firm has faced no investigations, complaints, legal cases, rulings or fines related to violations of human rights.

Labour Principles

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

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

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

Assessment, Policy and Goals

Description of the relevance of labour rights for the company (i.e. labour rights-related risks and opportunities). Description of written policies, public commitments and company goals on labour rights.

As a firm as well as individuals, we do not tolerate any type of racial, religious, sexual and physical or mental discrimination. We believe that diversity is an important element in enabling a law firm to find solutions to complex issues. As such, we see non-discrimination as a core value and we embrace diversity as a key tool allowing us to effectively complete our work.

The principle of Natural Justice underpins our approach to labour rights, applying equally to informal day-to-day activities, as well as to more formal performance management aspects. All stakeholders are treated equally and given fair opportunity to represent themselves, with active efforts taken to prevent bias or undue factors influencing human resources decisions, or appearing to influence them. We recognize the unique risks which a young and quickly growing/developing organization faces in this context. Accordingly, extra effort is taken to ensure all parties understand their rights and obligations when structural and operational changes have a material impact on an individual's labour rights or role.

Moroğlu Arseven supports individuals' rights to freedom of association, as well as collective bargaining. Neither political allegiances, union membership, nor other professional or personal affiliation would necessarily prevent an individual being employed by the firm.

We intend always to promote and take active steps to support the individual social and economic welfare of all members of our firm. We respect their private life and the importance of establishing a work-life balance. As a result, we do our best to ensure working hours are consistent and reasonable, with as little overtime work as possible.

Our operations are conducted in a predominantly low-risk environment with regard to physical health and safety. Members of our firm are generally either located within our office, court houses, or our clients' offices. Therefore, while the members of our firm face limited physical risks in this respect, we endeavor to identify and mitigate any risks to employee health and safety which are within our control, engaging external professional help to identify such risks and remedies.

The substantive requirements of our work mean that adult staff are required for our operations. Therefore, while child labor issues are not directly relevant to our firm, use of under-aged employees is definitely unacceptable in our view.

Current human resources practices emphasize and apply universally accepted labour rights.

Implementation

Description of concrete actions taken by your company to implement labour policies, reduce labour risks and respond to labour violations

Human Resources functions are allocated to specific lead Partners within the firm, including decision-making and operational input from Counsel-level staff in some aspects. This approach ensures that key members of our firm are widely known and ensures that communication processes for staff concerns

and related decision-making is centralized, to be as efficient and timely as possible. Having said that, significant labour-related decisions are subject to majority approval among the Executive team, reflecting the firm's generally democratic approach.

Moroğlu Arseven firmly supports the importance of women's participation in social and business life. We are proud to say that as far as we are aware, we have one of the highest female employment ratios in the legal sector. We intend to submit our contribution to the United Nations Women's Empowerment Principles in the near future.

Moroğlu Arseven conducts operations in compliance with workplace safety legislation and the firm's physical office environment is inspected on an annual basis by workplace safety professionals accredited by Turkish authorities. Inspections address topics such as physical office layout, as well as our compliance with minimum legislative requirements. If safety reports recommend action be taken, we immediately take steps to remedy any deficiencies. We also put pressure on our building's management to address deficiencies in this respect, to the benefit of other tenants.

All members of our firm annually receive workplace safety training, addressing all topics related to an employee working in an office environment - from sitting form through to fire extinguishing.

All members of our firm receive comprehensive private health insurance as part of their compensation package. The private insurance is in addition to the compulsory Social Security insurance, which we also contribute to.

Our compensation and bonus schemes are as transparent as possible, involving the utmost attention paid to eliminating risks of discrimination, bias, or favoritism between employees. We aim to provide fair and proportionate remuneration for comparable work.

We are in the process of simplifying and streamlining time entry and expense recordal systems, to ensure better use of our staff's personal time as well as ensure checks and balances are appropriate and sufficiently transparent for all members of our firm as well as clients.

We respect opinions of all members of our firm and consider these suggestions and ideas while shaping the firm's future. Accordingly, we regularly organize surveys of our employees, allowing members of the firm the opportunity to express opinions anonymously and to be included in wider decision-making processes. Input is also frequently sought face-to-face, during team meetings, annual performance appraisals and other less formal methods, to ensure a range of points of view are considered during decision-making. We place priority on ensuring that any concerns about working conditions are both known and addressed.

Our office layout includes a range of environments and all members of the firm are equipped with laptops. The combination enables increased mobility, allowing members of the firm to choose a working environment where they feel most comfortable and productive.

All lawyers are encouraged to pursue activities which develop their careers, such as completion of LL.M. programs. We regularly hold jobs open for Associate staff members to undertake such study, returning to the firm on completion. On a case-by-case basis, we also support staff pursuing higher education, through financial support and other approaches. Similarly, the firm encourages junior staff involvement in networks, associations and events which interest them.

We have a young and dynamic staff who also enjoy to spend time together outside of work hours. During 2015, we began a monthly happy-hour, as well as weekly breakfast activities. These initiatives have both been positive in supporting staff morale and team-building.

We recently contributed pro bono legal advice to the [STOP THE TRAFFIK](#) initiative in conjunction with the Financial Times, aiming to bring greater knowledge and awareness of human trafficking to a global audience. Our support involved analysis of how Turkish legislation could be amended to introduce an obligation on shareholders to disclose compliance with human rights considerations within supply chains (similar to an obligation which exists within the UK's [Modern Slavery Act 2015](#)).

Measurement of outcomes

Description of how the company monitors and evaluates performance.

Feedback is regularly sought through anonymous surveys of our employees, as well as face-to-face, during team meetings and less formally. We aim to understand pain-points and concerns for our employees, as well as address individual issues, ensure system and process efficiencies, as well as understand the impact of wider decision-making on individuals.

Key performance indicators with respect to the effectiveness of our labour-related policies and initiatives include:

- Our employees generally work with us on a long term basis; our staff turnover rate is one of the lowest in the Turkish legal sector.
- Since establishment in 2000, Moroğlu Arseven has never faced any labor-related lawsuit, fine, complaint or investigation.

Environmental Principles

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

Principle 8: undertake initiatives to promote greater environmental responsibility; and

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

Assessment, Policy and Goals

Description of the relevance of environmental protection for the company (i.e. environmental risks and opportunities). Description of policies, public commitments and company goals on environmental protection.

Environmental protection as well as public health and safety are among Moroğlu Arseven's primary objectives. We believe that we must adopt all available measures to protect the environment, to the maximum extent possible. We believe that our status as a professional service-focused entity, rather than an industrial company, does not excuse us from environmental obligations, nor prevent us from undertaking green initiatives.

Moroğlu Arseven is committed to meeting national and international standards and principles in this context. Our collective awareness of environmental considerations has increased in recent years,

particularly regarding the importance of sustainable development. We have made an effort to include our staff, clients, as well as external stakeholders in our efforts to increase public awareness about environmental protection.

Implementation

Description of concrete actions to implement environmental policies, reduce environmental risks and respond to environmental incidents.

Our collective awareness about environmental issues has increased markedly in recent times, including knowledge of the range of small and relatively low cost changes possible within an office workplace which can make a significant environmental difference. Accordingly, we have adopted practical environmental protection measures during expansion of our office space, as well as within the context of day-to-day operations.

We aim to reduce our carbon footprint through measures to reduce use of paper, energy, heavy metals and CO₂ emissions. These measures directly reduced our associated costs over relatively short time-frames. Recent such initiatives include:

- Installing energy efficient curtains. These reduce our reliance on heating and cooling systems, in turn reducing the amount of electric energy consumed by our office.
- Using LED lamps, rather than incandescent or fluorescent lamps to light 800m² of office space. These protect our staff and equipment from certain toxic chemicals and UV lights generated by incandescent or fluorescent lamps, as well as reduce our consumption of electric energy.
- Selecting environmentally friendly and energy-efficient high technology devices. Such equipment improves our productivity and helps us to reduce related costs, saving money as a result and allowing reallocation of such funds into beneficial and favorable areas.
- Placing boxes to recycle paper and batteries around the office, as well as collaborating with our building's management and local Municipality. Improperly discarded batteries can have dangerous health consequences and we are actively seeking to reduce these risks. Recycling paper reduces waste and improves our efficiency.
- Reusing wastepaper for internal printing, to ensure both sides are used. These reduce our amount of paper consumption and related costs.
- Using encrypted and high technology printers. These reduce our amount of paper consumption as well as allow more efficient use of ink and toner cartridges, which often include unsanitary and dangerous heavy metals.
- Using teleconference and videoconference facilities to communicate, rather than air travel. Our number of flights has considerably decreased and we are also saving staff time and increasing productivity by choosing not to travel. Our collective CO₂ emissions volume has reduced proportionally.
- Using new technologies to more effectively filter heavy metals for drinking water. The technology allows us to disengage from the cycle of plastic bottle production and consumption, which is a particular environmental problem in Turkey. Our in-house filtration system allows us to remove ourselves from this cycle, whilst also simultaneously allowing increased control over the quality of drinking water provided to our staff.

We have been advocating replacement of our office building's exterior insulation for many years. Recently, we were advised the 18 story building's entire exterior will be replaced with a heat insulation

friendly technology, with renovations beginning in January 2016. We intend to follow these developments closely, as we have in the past.

Measurement of outcomes

Description of how the company monitors and evaluates environmental performance.

We have seen clear and concrete financial results from our environmentally focused changes. Our carbon footprint has significantly reduced.

Anti-Corruption

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

Assessment, Policy and Goals

Description of the relevance of anti-corruption for the company (i.e. anti-corruption risk-assessment). Description of policies, public commitments and company goals on anti-corruption.

We believe it is the responsibility of private sector actors to take initiatives against corruption on an individual basis. Such actions should occur through establishing and implementing proportionate and solid corporate compliance programs within their respective organizations. Collaborative efforts can also be planned and executed together with government, private sector and civil society entities, in order to leverage and improve corruption standards and practices which cultivate a wider business culture that fights against corruption.

Moroğlu Arseven pays the utmost attention and due care to conducting our operations and activities in an accountable and transparent manner. We have a strict zero-tolerance policy towards corruption, as well as a deep awareness of the importance of abiding by local and international legislation in this regard.

Within Moroğlu Arseven's role as a law firm, we have a strong practice advising clients on [Anti-Corruption](#), [Anti-Money Laundering](#) and related compliance matters, including whistle-blowing and related obligations from both the employer and employee points of view. Our advice to clients includes preventative training, drafting policies, as well as diagnostic audits and developing risk mitigation strategies.

Implementation

Description of concrete actions to implement anti-corruption policies, address anti-corruption risks and respond to incidents.

We provided anti-corruption compliance training to all of our staff, including specific education about UN Global Compact and related obligations.

We have been member of [Turkish Ethics and Reputation Society](#) for many years and conducted our activities in accordance with its mission and vision, as well as donated time to support their activities.

Similarly, one of our Partners is a member of the Turkish chapter of Transparency International ([Uluslararası Şeffaflık Derneği](#)), actively involved in activities and mentoring.

As a firm, we aim to make all possible contributions to increase awareness of corruption issues within the private sector, as well as educate about possible risks and sanctions in this regard. We regularly provide legal service to NGOs and educational institutions on a pro-bono basis, including support related to corruption factors.

For instance, in 2015, we made contribution to SME Anti-Corruption Toolkit. The Anti-corruption Toolkit for Small and Medium-sized Companies was commissioned by the G20 and the B20 Anti-Corruption Task Force to help SMEs around the world to identify and combat corruption. This practical resource has now been published and can be accessed [here](#). The Toolkit was designed for SMEs with limited time, resource, or prior knowledge about corruption. However, the resource may also be useful for larger companies as well. Moroğlu Arseven is proud to contribute to developing this resource, receiving specific acknowledgment from the publishers for the level of contribution.

In October 2015, our firm jointly hosted a conference with Ernst & Young Turkey and K&L Gates LLP, focusing on the construction and infrastructure industries. Leading companies from these sectors attended and our firm made a presentation to around 120 people present regarding anti-corruption and the importance of compliance ([more](#)).

Our firm is a thought leader across a range of legal topics, including anti-corruption and related legal practice areas. We regularly publish articles on a variety of mediums and distribution channels, Recent articles on this topic include:

- [The Role And Liabilities Of The Private Sector In Combatting Foreign Bribery In Turkey](#)
- [Anti-corruption: Combatting Public Enemy Number One in Turkey](#)
- [Whistleblower Policies in Turkey: The Employment, Criminal Law, and Data Protection Perspectives](#)
- [Update on Anti-Corruption](#)

Our involvement with foreign entities has meant an increased focus on compliance with extra-territorial legislation like the Foreign Corrupt Practices Act and the United Kingdom Anti-Bribery Act. Being potentially subject to these legislative instruments in some contexts has encouraged discussion of compliance programs and whistle-blower policies.

Documented proof of expenses is required in all cases and expense claims are subject to a thorough checks and balances system to ensure they are correct and also processed in a timely fashion so as not to cause our staff any undue hardship.

Our transparent billing practices to clients match the best market standards, outlining expenses with documented proof, as well as detailed accounts of how members of our firm spent the time which the client is invoiced for.

Measurement of outcomes

Description of how the company monitors and evaluates anti-corruption performance.

Since establishment in 2000, Moroğlu Arseven has not been involved in any case or investigation regarding corruption, bribery, extortion or money laundering.

Our firm is known for clean-handed operations and putting ethics before profits. We provide legal advice to many clients regarding compliance, anti-corruption and whistle-blowing matters.