

PROGRESS REPORT

Escudo Group Incorporated Company is an international company founded in Gaziantep / Turkey on June 24, 2015. In addition, Escudo Group has completed its establishment in Iraq, Syria and Jordan and continues its activities there. Escudo Group aims to grow by taking part in the humanitarian supply chain especially for the United Nations and similar organizations, thereby taking its activities in many parts of the world in this respect and making research and development work. In this sense, as it can be clearly understood from the works and activities carried out so far, it maintains both its human and commercial activities by actively taking part in the supply chain in projects aimed at especially asylum seekers and refugees, which survive in difficult conditions in many places of the world.

Escudo Group puts to be connected to universal values in terms of working philosophy and perspective, open to development, and integrated with the world continuously at the center of its goal. In doing so, it proceed on its way by confirming its commitment especially to the 10 principles of progress that the UN Global Compact has identified. Since the UN Global Compact is an initiative urging companies to operate in a responsible manner and encourage the community, we are pleased to announce that it is also supported by our company and our commitment to the membership process for this reason. From this point forth, if it is needed to analyze by our company on 10 principles determined by UN Global Compact;

HUMAN RIGHTS

1- The Business World Should Support The Declared Human Rights And Respect The Rights.

It is the 30-point notice which is prepared by the United Nations Commission on Human Rights in June 1948 and adopted in the session of the UN General Assembly in Paris on December 10, 1948, after several amendments were made. It is clearly stated that the recognition of equal and inalienable rights with the honor of the natural structure of all members of the human family is based on liberty, justice and peace in the world. UNIVERSAL DECLARATION OF HUMAN RIGHTS United Nations General Assembly; proclaims this Universal Declaration of Human Rights, which sets common ideal measures for all folks and nations for striving to improve the respect to these rights and liberties through education and training, to provide the effective recognition and enforcement of these rights by the world between both the folks of the member states and the folks of the countries under their control with ever increasing national and international precautions, always bearing in mind this Declaration for all individuals and organizations of the humanity community.

As Escudo Group Inc., we affirm that we are committed to all these principles and that all our employees are committed to and acting in accordance with the Universal Declaration of Human Rights. The Universal Declaration of Human Rights comes at the forefront of the issues that are needed to be primarily addressed and prioritized all over the world and under all circumstances. Therefore, it is one of our indispensables to carry out activities and support the studies while adhering to this declaration. It is not possible for any country or community that does not possess the Universal Declaration of Human Rights and its values to be respected internationally. We are aware that this process, in which each individual of our company is trained separately, is very important. It is extremely inexact to evaluate companies only in terms of economic functioning. Companies are also in the mirror position of the communities and the countries they represent. For this reason, it is essential that all companies operating in international operations and working in the local area adhere to Human Rights. Our Company's primary goals include promoting and respecting Human Rights. Our company, which is very sensitive about human rights with a system based on human beings, also endeavors to make human rights be more applicable and spread in the World.

Principle 2: Business World Should Not Be a Crime Partner of Human Rights Violations

Escudo Group Inc., as it is against the violation of human rights, cannot be considered to be a crime partner in any way. One of its main aims is to protect and defend human rights and liberties, our company has never been in any behavior contrary to human life and honor. Violations of human rights are not only a violation of human rights, but they also constitute a crime. The Escudo Group has always been in the face of criminal acts and activities. For this, employees are given a special training and sensitivity in this issue is being expressed on every platform. It is clear that all of us should fight against human rights violations, when considered that they are very intensely experienced today unfortunately. As an individual and the company, we always need to stand up against human rights violations. In addition, the philosophy and experience our company acquired anticipate not working with individuals and companies that violate human rights.

Our company is sensitive in this regard and maintains its works in this direction. Until today, this sensitivity has always been observed in all the studies done and prioritized by our company. Companies must not be complicit in violations of human rights, and they must also stand against them. A structure in which human rights violations are ignored means implicitly the consent of human rights violations. It is a duty of all of us at the same time to stand up against the human rights violations that have taken place all over the world. At this point we sustain our efforts and works to increase our cooperation, to strive for minimizing human rights violations, to take precautions to prevent complicity and even to overcome them. Human rights violations are in no way acceptable. Sanctions must certainly be imposed on companies acting in this direction and complicit in human rights violations. Our company, which has completed its third year, will always be sensitive in this regard.

WORKING STANDARDS:

Principle 3: Business World Should Support Employees' Freedom of Unionization and Collective Bargaining

Escudo Group supports all kinds of freedoms of employees. Employees' freedoms for unionization and collective bargaining are among our defended values. It will always continue to support employees to have better conditions and increase their standards of living, and to enhance their rights and liberties.

Principle 4: Forced and Compulsory Labor Application Must Be Stopped

Forced and compulsory labor is a human rights violation in itself. Article 4 of the European Convention on Human Rights brings a prohibition on slavery and forced labor. As stated in the second paragraph of Article 4, no one shall be required to perform forced or compulsory labor. Escudo group, as being opposed to forced and compulsory labor, has been a follower of that issue at the same time in the process. It has ended relations with those performing forced and compulsory labor, especially with the established workplaces.

Therefore, everyone has important duties in this regard. In the works and operations to be done, it is absolutely unnecessary not to let the factories or the companies to perform forced and compulsory labor in this way. Necessary precautions should be taken and also information should be given to the relevant places.

Unfortunately, with increasing migration and number of asylees, we see that there has been an increase especially in forced and compulsory labor rates in recent years. Special work should be done on this subject and necessary steps must be taken about those violators.

Principle 5: All Kinds of Child Labor Must Be Terminated

One of the most important problems of today is the increasing number of child laborers. The number of child laborers in Turkey is not fully known. One of the most important reasons for this is the lack of research made, the lack of statistics on illegal working children, the concealment of the majority of employees, and the fact that children work in very different segments.

As Escudo group, as we are against child labor, we do not work with those employing child laborers in this way and we certainly take the necessary precautions in this regard. In our country where the number of child laborers has gradually increased, we should be in search for being able to avert and minimize this. In this respect, sufficient public opinion could not be established as well as the studies carried out are insufficient. The essential thing for the children is not the labor, but the education. In particular, the state needs to take very serious precautions in this regard. As a private sector, we are always ready to give support. As Escudo Group, not to employ child laborer strictly and to terminate our works with them in case we detect such working places are found among our working principles. Only the economic development of community does not mean much by itself. At the same time, serious progress should be made in educational, socio-cultural and artistic directions. Otherwise, it always remains in the background in terms of respectability in the international community. For this reason, it is duty of all of us to direct children to education areas, not to working areas in particular. Escudo Group will always continue to oppose the child labor on the basis of this idea.

Principle 6: Discrimination in Job Employment and Placement Must Be Stopped

Escudo Group is against all kinds of discrimination. As it does not discriminate on job employment and placement, it also employs every staff member without any discrimination. Being gender equality at the first place, it approaches everyone equally in terms of all kinds of languages, races, religions, colors, sects and genders. There is no question of any discrimination between anyone. Escudo group strongly rejects discrimination all over the World and is always striving to keep its sensitivity in this regard. It does not handle absolutely any discrimination between its employees. In particular, half of its employees are women. In this regard, it constitutes a good example.

ENVIRONMENT**Principle 7: Business World Should Support Precautionary Approaches to Environmental Issues**

The business world should support sensitivity and precautionary approaches to environmental issues under all platforms and conditions. The Escudo Group is extremely sensitive to environmental issues and avoids approaches harming the environment and the nature.

Today, when environmental issues are rising, everyone and every segment should exhibit a precautionary approach to environmental issues. One of today's most important issues is the environmental issues. Any product that is not sensitive to the environment should not be preferred. We should always be cautious and exhibit the necessary counter-stance against productions and approaches away from environmental sensitivities.

Principle 8: All Kinds of Formations and Activities to Enhance Environmental Responsibility Should Be Supported

Environmental responsibility is one of the most important issues today. Without environmental responsibility, we cannot talk about the world being more livable. To this end, especially those companies that are based on production should support all kinds of activities and formations that will increase environmental responsibility. Escudo Group, is also a member of the Tema Foundation operating in Turkey. It also supports every activity that enhances the environmental responsibility. All employees are provided to act with environmental responsibility awareness.

Principle 9: The Development and Diffusion of Environment-Friendly Technologies Should Be Supported

Nowadays, when technology makes progress very rapidly, we should give up the non-environmentally friendly and environmentally damaging technological approaches. The fact that technology dominates daily life without regard to environmental sensitivity will cause serious problems for the future. For that reason, we need to enable environmentally friendly technologies as possible.

FIGHT AGAINST CORRUPTION**Principle 10: Business World Should Fight Against All Kinds Of Corruption Including Bribery And Tribute.**

Corruption is one of the most serious problems of today's world. Related to this, very serious numbers can be mentioned. The important thing is that you should show this sensitivity in yourself, object to corruption and fight seriously. Today, we face a serious corruption problem unfortunately in many of the world's systems and locations. Escudo Group, as well as being against all kinds of corruption, sees these acts, which do not respect others' rights, as a violation of human rights. Our company, which operates with an understanding based on transparency in all its works carried out up till today, is ready to share information and documents with all interested institutions and organizations. From the time of taking to the end of the work, it is acted with a very transparent management mechanism.

As a company that has always cared for human sensitivity in dozens of humanitarian relief works we did, our goal is to reach as many people as possible on the World, especially in poor and difficult circumstances. For this, all our employees continue to work uncompromisingly at the point of fighting bribery, tribute and corruption. Fight against corruption is one of our company's top priorities.

Best regards,**Mehmet İhsan KALKAN****Chairman of the Board of Directors**

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