





UN GLOBAL COMPACT

COMMUNICATION ON PROGRESS OCTOBER 2018 – OCTOBER 2019



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GENERAL

Period covered by the Communication on Progress (COP)

From: October, 2018 To: October, 2019

Gün + Partners is a full-service institutional law firm with a strategic international vision, providing transactional, advisory and dispute resolution services. It is one of the oldest and largest law firms in Turkey, and is internationally recognised among the top tier legal service providers in the country. The Firm is based in Istanbul, with working and correspondent offices in Ankara and İzmir, and the major commercial centres in Turkey. The Firm advises a large portfolio of clients in numerous fields of activity, including life sciences, energy, construction & real estate, logistics, technology, media and telecom, automotive, FMCG, chemicals, and the defence industries. All lawyers work in Turkish and English, the majority of them also offering fluency in German and French.

Statement of continued support

01/10/2019

To our stakeholders:

I am pleased to confirm that Gun + Partners Law Firm 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 set forth 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 sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Mehmet Gün

Founding Partner of Gun + Partners

I. HUMAN RIGHTS PRINCIPLES

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

• **Principle 2:** Ensure that they are not complicit in human rights abuses.

Assessment, Policy and Goals

Gun + Partners prides itself on promoting and showing deference to international standards, especially the Universal Declaration of Human Rights and the European Convention on Human Rights. We believe that it is important to implement the principles that we passionately stand for in our statements and petitions. We, therefore, ensure that all of our employees are equal before the law, and are entitled, without discrimination, to equal protection of the law.

Additionally, our founding partner, Mehmet Gün, founded the "Better Justice Association" and contributed to the establishment of the "Istanbul Arbitration Association," using the supporting principles of equal protection of the law and the right to a fair trial in Turkey.

The Better Justice Association was established to reform the legal and administrative structure of the Turkish Republic, strengthening the state's rule of law, reinforcing the Turkish Judiciary, and making positive effects on the business and social environments. The Better Justice Association publishes and follows policies on "the Proposal for the Establishment of a Higher Judicial Council Structure to Ensure the Independence of the Judiciary," "Opinion of the Draft Law on Court Appointed Experts," and "Full and Frank Disclosure in Turkish Civil Procedures." The brainchild for the "Better Justice Association" was first introduced in 2014 by Mehmet Gün in his autobiographical book "From Bozkır to the World: Becoming a Lawyer." Subsequently, Mehmet Gün revisited the ideas of judicial independence and accountability of the judiciary, as well as the need for reform in accordance with the Rule of Law in his book entitled "Turkey's Issues with Middle Democracy and the Solutions Thereof: Judiciary, Accountability, Fair Representation," published in April, 2018.

In a similar manner, the Istanbul Arbitration Association (ISTA) was established as the one and only non-governmental organization in Turkey with the focus to transform Turkey, and especially Istanbul, into a reputable, reliable and effective arbitration center, fully recognized in the national and international arenas. To fulfill this aim, the ISTA works tirelessly to promote advantages offered by using Istanbul as a seat of arbitration, to foster arbitration in Turkey, and to ensure that arbitration practices in Turkey are conducted in a fair, efficient and productive manner.

Following its establishment phase, the ISTA shattered records with its large number of founding members, and the number of stakeholders who participated. Indeed, it has

become a cause célèbre amongst lawyers, academics, experts and sectoral specialists. The advisory board of the ISTA, the High Advisory Council, is comprised of the pioneers of arbitration in Turkey, which led the ISTA to be an expert association, bringing together under its umbrella all jurists and non-jurists who are active in the field of arbitration. The ISTA also continues such approach in its cooperation with third-party actors. An important movement the ISTA recently made with great vision and foresight was to introduce the ISTA Arbitrator Ethics Rules as a reliable guideline, which contributes to the fair functioning of arbitration proceedings, and sheds light on the qualities of self-independence and impartiality of the arbitrator.

Finally, Mehmet Gün has co-authored the book titled "How Unconstitutional is the Privileged Immunity of Experts?" wherein he and his colleagues challenge the regulations concerning legal immunity and exclusion of liabilities as granted to the panel of experts, and criticised the dominant position of experts as a legal institution in Turkey.

Implementation

In order to promote an environment where employees feel their freedom of expression is protected, Gun + Partners implements the speak-up system in which there are designated speak-up delegators, and the lawyers of our firm can "speak-up" to them about any matter they feel is contrary to their personal rights or rights as an employee. This setting of healthy communication is emphasized through the convening of Common Wisdom Meetings in which every single employee of our firm, despite their seniority, and including secretaries and staff, is given a platform to share their views or comments regarding the policies and goals of our firm.

As the Chairman of the Executive Board of the Better Judiciary Organization, Mehmet Gün made a presentation regarding the Proposal for the Establishment of a Higher Judicial Council Structure to Ensure the Independence of the Judiciary during the "Independence of the Judiciary Following the Constitutional Amendment" panel dated 15 November 2017. The presentation pointed out the *de facto* dependence of the Supreme Board of Judges and Prosecutors ("HSK") on the executive powers, such as the Minister of Justice, in performing its supervisory functions, as well as proposing an alternative to the competence of the executive by introducing a Higher Judicial Council. This proposed council is envisaged to have an inclusive election process, ensuring the representation of all segments of the society. The organization has also published informational notes on the "Progress Report of the European Union," as well as the "Judicial Reform Strategy for 2019 and Better Judicial Priorities Information Note," in June of 2019. The organization's Report on the Judicial Reform Strategy for 2019 also received media coverage in the reputable Turkish newspapers "Dünya Gazetesi" on 04.09.2019 and "Sözcü Gazetesi" on 03.09.2019. In addition to the printed media, Mehmet Gün participated in the discussion program called "Erhan Ertürk ile Müzakere," broadcast by Media Global on 09.09.2019, and in the special programme of Medyascope on 05.09.2019, to talk about the findings of the report. The summary of the said report can be found in English under

https://www.mehmetgun.com/wp-content/uploads/2019/09/Judicial-Reform-Strategy-2019.pdf.

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Moreover, the organization has continued to hold its regular conferences, such as the 8th Publicity Meeting of , "The Dilemma of Turkey; Issues of the Middle East and the Middle Democracy Policy Notes," in Safranbolu. The information provided in this meeting was also presented to the Delegation of the European Union SivilDüşün Programme on July 24, 2019. Finally, Mehmet Gün, acting as the Chairman of the Board of Directors of the Better Judiciary Association, as well as the Vice Chairman of TÜRKONFED ("Turkish Enterprise and Business Confederation"), participated in the meeting with the Directorate General for Strategy Development of the Ministry of Justice on July 25, 2019, in order to discuss strategies in regard to the proposed judiciary reform.

As mentioned above, the Istanbul Arbitration Association (ISTA), the founding chairman of which is Mehmet Gün, focuses its activities on ensuring that arbitration practices in Turkey are conducted in a fair, efficient and productive manner, and in conformity with high ethical values. For that purpose, the ISTA Arbitrator Ethics Rules were published on November 16, 2018 to bridge an important gap, and these Rules were adopted as a pre-condition for acceptance to the list of ISTA Arbitration Practitioners. Additionally, the ISTA worked on the establishment of a comprehensive list of arbitration practitioners in order to ensure visibility and credibility, and announced arbitrators' required qualifications for inclusion in this list. The said list provides convenience to the parties of disputes in terms of appointing arbitrators and brings qualified practitioners to the forefront.

The ISTA carries out relevant activities through its commissions; namely, "Arbitration and Training," "Activities and Publications," and "Promotion and Cooperation." All members are welcome to take part in the Commission activities.

The ISTA has published the "Arbitration Practitioners Qualification Criteria" for the purpose of choosing the arbitrators who are to be included on the "List of Arbitration Practitioners." Practitioners must comply with the mandatory criteria specified in order to be included on the list, such as committing to abide by the ISTA Arbitrator Ethics Rules.

Aside from its aforementioned efforts for the promotion of arbitration in Turkey, as per the ISTA Bylaws, the ISTA may collaborate with national and international non-governmental organizations, public, quasi-public, or private institutions and agencies, and arbitration and other alternative dispute resolution centers that are engaged in its areas of activity, and with respect to any topics related thereto to exchange ideas, experience, and know-how for academic progress, in order to achieve its goals.

One of the main collaborators of the ISTA in terms of fostering arbitration in Turkey, and to ensure the fair functioning of arbitration proceedings in Turkey is, indisputably, the Istanbul

Arbitration Center ("ISTAC"). The ISTAC Arbitration and Mediation Rules, entered into force on 26 October 2015 and, up to the present date, ISTAC has received more than 100 cases.

In line with the overlapping goals of the ISTA and the ISTAC, on 18 July 2018, these two actors signed a protocol in order to establish collaboration in developing arbitration in Turkey, increasing the professional qualifications required of the arbitrators, expansion of membership and connection networks and, most importantly, implementing ethics rules to arbitration. With this protocol, which includes cooperation in many aspects, both institutions plan to develop joint projects in order to ensure that Istanbul is introduced as a preferred seat of arbitration in the international arena, the development of arbitration expertise in Turkey, and to ensure that arbitration practices in Turkey are conducted in a fair, efficient and productive manner.

Measurement of Outcomes

Our employees report feeling that their freedom of expression is respected, owing to the Common Wisdom Meetings. These meeting not only have raised awareness in creating a democratic model of business, but also show the needs and requirements for our firm in an efficient manner. The speak-up system is also a great success, both for our employees and for the development of the firm, and it has propelled us to prepare and implement a firm policy with regard to holidays with pay, in order to ensure that our employees enjoy their "right to respect private and family life."

When it comes to the ISTA, we are proud to say that it has effectively brought arbitration specialists under the same roof with the options of individual, institutional and international membership, and is currently offering significant advantages to both its members and other arbitration practitioners who do not prefer to become a member. It also offers its members and other practitioners the opportunity to be among those who lead arbitration as a rapidly flourishing sector in Turkey.

Alongside the promotion of advantages offered in Istanbul, by raising awareness regarding the subject of ethics with the recently launched Arbitrator Ethics Rules, the ISTA has also contributed to international credibility of the arbitration system in Turkey, and has a very important function in making Istanbul one of the world's leading arbitration centers. This difference created by the ISTA, and supported through its cooperation, especially with the ISTAC, has surely placed it in a leading position in Turkey. According to the calculations made by the ISTA, the popularization of arbitration and bringing Istanbul to the forefront as an arbitration centre could bring back an approximately 1 billion US Dollars that is currently spent abroad on international arbitrations.

II. 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 labor;

- **Principle 5:** the effective abolition of child labor; and
- **Principle 6:** the elimination of discrimination in respect of employment and occupation.

Assessment, Policy and Goals

Gun + Partners has continued to address labor rights within our internal policies. We are a firm that does not condone child labor or discrimination in any work place. Although the legal sector is infamous for lengthy working hours, our firm gives utmost importance to the separation between work and private life and to keeping both at the same level. We know that our firm cannot exist without our lawyers and other employees; therefore, we give utmost importance to their social and economical welfare.

Gün + Partners embraces the value of equality with the belief everyone must contribute to the struggle for a society freed from any kind of gender inequality. Regardless of seniority of their position, the majority of our employees are female, who are paid as equally as their male colleagues for their work of equal value. Accordingly, our firm takes necessary steps to make their maternity leaves and breastfeeding breaks as convenient and flexible as possible.

Implementation

In order to comply with the UN Labor Principles, we have implemented several different models, systems and activities, the examples of which are provided, below:

- We continue to implement a 360-degree feedback system for our performance evaluations, where the employees are given performance reviews from their subordinates, supervisors and peers and, as well, provide a self-evaluation.
- We have introduced "Mutual Learning Interviews" where senior and junior associates are given the opportunity to reciprocally review and inform each other with respect to the files they work on together.
- We provide a discount for gym membership, which we have agreed to provide on a yearly basis, to preserve our employees' health.
- We have expanded our Human Resources team within the firm.
- We have allocated matters with regard to the division of labor to two of our partners within the firm.

• We continue to host outing and motivation events for all employees.

• We have provided occupational health and safety education to all of our employees.

- We have secured the services of an occupational doctor to be present at the firm one day a week.
- We have implemented the policy of scholarships within the firm, in order for our lawyers to attain their master's degrees.

Measurement of outcomes

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Together with all of the improvements stated, above, we have become one of the most applied to law firms in Istanbul, and this shows that we are one of the most sought-after law firms in Turkey. Our employees have stated their positive feedback to the implemented systems and activities, and we will continue to implement better systems and organize better projects. The 360-degree feedback and the Mutual Learning Interview systems have created further clarity and foreseeability for our employees in terms of their performance evaluations and an overall healthy communication in the workplace. As a result of the inclusive hiring practices and benefits provided to employees, 59% of employees, and 58% of Partners, at Gün + Partners are female, almost double the figures quoted for the US and Britain. It is our belief in equality that led to us being awarded the IP Stars Prize of the Thomson Reuters Managing IP Magazine, the leading publishing group in the world in the intellectual property field, for four years, successively. Each year, this Magazine assesses law firms in 81 countries, in areas such as specialization and expertise, workload, market reputation / follower records, results obtained for clients, and exemplary practices in terms of unmatched and unique cases. Gün + Partners has established a model based on gender equality and influence of women in management, standing as an example, not only for other law firms, but also for the broader business community.

III. ENVIRONMENT

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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

GUN + PARTNERS continues to take the initiative to protect the global environment and prioritize environmental consideration and awareness. We are committed to meet the standards and comply with all legislation in this regard. We understand that we must raise awareness among our employees in order to minimize our damage to our natural resources.

Implementation

We have trained all employees in order to raise their awareness with regard to the environment. We have calculated our employees' entire carbon footprints by hiring a professional team, and we have determined ways to reduce the overall carbon footprint of our firm. Accordingly, we have reduced our electricity usage and compensated our carbon footprint by financially supporting the Climate Volunteers-Yuntdağ Wind Power Plant. We have recycling points within our office and, with the help of the municipality, we give all our recyclable waste to recycle facilities. Moreover, we have obtained additional glass disposal bins to further separate our recyclable waste products and have trained our cleaning staff, in detail, with respect to usage of these new recycling bins.

We understand that our profession is, unfortunately, still very much paper-based; however, we try to counteract this disadvantage by urging our employees to reuse paper/documents as much as possible.

Measurement of outcomes

Our carbon footprint has substantially decreased as a result of the above-mentioned measures. Since our training program has significantly raised awareness, we have increased recurrence of employee training, and have extended our training to the cleaning staff, as well.

IV. ANTI-CORRUPTION

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• **Principle 10:** Businesses should actively stand against corruption in all of its forms, including extortion and bribery.

Assessment, Policy and Goals

Accountability, efficiency and objectivity are our main principles, both within and outside of our firm. Our clients' success is at the heart of our own success and, therefore, it is very important to be transparent to our clients. We have a zero-tolerance policy for corruption, bribery and extortion. As we act as the intermediaries of our clients in Turkey, and we are subject to relevant advocacy legislations, and all of our employees are aware of the risks and sanctions. In the long run, our company goal is to minimize the risk of corruption, bribery and extortion in all areas.

In recent years, Gun + Partners has also expanded its Business Crimes and Anti-Corruption practice departments, which are now comprised of 3 partners, 2 managing associates and 6 qualified lawyers. These departments provide expertise in anti-bribery & corruption, anti-money laundering, white collar crime, investigation, sanctions and compliance matters, and deal with both internal and external investigations. Our firm has Insurance and Reinsurance, Life Sciences, Energy and Natural Resources, Technology, Media and Telecom, Construction and Real Estate, as well as Competition practice groups who deal with the implementation and auditing of regulatory compliance structures in a more a specialized manner.

Implementation

- We have a strict and high-level policy on accountability and, therefore, as intermediaries of our clients, we sign FCPA and UK Bribery Act declarations showing that GUN + PARTNERS is in full compliance with the relevant legislation.
- We have implemented a billing system in which we send our statements, together with spreadsheets showing how much time and expenses were put into the relevant work/business files in the most transparent manner.
- We have implemented an expense-reporting system in which it is not possible to show expenses without accompanying invoices or other documents in the same nature.
- We continue to provide training with regard to the above to all of our employees.
- As part of our legal services regarding Compliance, we assist our clients to carry out internal investigations and, more importantly, give compliance training to raise awareness within the organization. We also provide proactive legal assistance in order to comply with regulations in regulated markets, and provide insight about extraterritorial effects of laws, such as the FCPA and UKBA. Given our strong ties

with reputable and large law firms in Europe and the USA, we collaborate with UK and US-based law firms to handle those types of matters.

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Measurement of outcomes

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As a result of our success in the practice area of Anti-Corruption, Gun + Partners has become a Tier 1 law firm under "Compliance" according to the Legal 500 rankings.

While the current implementation of our anti-corruption policies are valid, when it comes to fighting corruption, we know that taking measures are never enough, unless they are implemented to their very core; therefore, we repeat these trainings to every new employee of our firm and document the training.



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