





UN GLOBAL COMPACT

COMMUNICATION ON PROGRESS OCTOBER 2019 – SEPTEMBER 2020



+

Kore Şehitleri Cad. 17 Zincirlikuyu 34394 İstanbul, Turkey

T: +90 (212) 354 00 00 F: +90 (212) 274 20 95 E: gun@gun.av.tr

www.gun.av.tr

GENERAL

Period covered by the Communication on Progress (COP)

From: October, 2019 To: September, 2020

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 recognized among the top tier legal service providers in the country. The Firm is based in Istanbul, with working and correspondent offices Ankara, 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 telecoms, automotive, FMCG, chemicals and the defense industries. All lawyers work in Turkish and English and majority of them also offering fluency in German and French.

Statement of continued support

25/09/2020

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, 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 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:** make sure 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. Therefore, we make sure that all our employees are equal before the law and are entitled without any 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" supporting the principles of equal protection of the law and a 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 of the rule of law, reinforcing Turkish Judiciary, and making positive their effects on the business and social environment. Better Justice Association publishes and follows up 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 the Turkish Civil Procedure". The idea 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, 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 a record with its large number of founding members and the number of stakeholders that 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 with 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 the 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 challenged the regulations concerning legal immunity and exclusion of liabilities as granted to the panel of experts and criticized 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 against 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 upcoming 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 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 2019. The organization's Report on the Judicial Reform Strategy for 2019 also got media coverage in the reputable Turkish newspapers "Dünya Gazetesi" on 04.09.2019 and "Sözcü Gazetesi" on 03.09.2019. In addition to 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 said report can be found

in English under <u>https://www.mehmetgun.com/wp-content/uploads/2019/09/Judicial-</u> Reform-Strategy-2019.pdf.

+ + + + + + + + +

+ + +

+ + + + + + + + +

+ +

+ + + + + + + +

+

+ + + + +

+ + +

+ + +

Moreover, the organization has continued to hold its regular conferences such as the "Structural Reforms Panel" jointly organized by Better Justice Association and TURKONFED, held in Kars on Jan 9, 2020 and in Zonguldak on March 13, 2020. The information provided in this meeting was also presented in the "The Role and Importance of Lawyers in Structural Reforms Webinars" held on April 30, 2020 and May 11, 2020.

In March 2020, a committee comprised of Gün + Partners employees was found to serve as a think-tank in preparing draft legislations and policies regarding the judicial reform as set out by the Better Judiciary Organization. This has allowed employee participation and engagement with the proposal for the establishment of a higher judicial council and court to ensure the independence of the judiciary, as well as reforms in the unions for legal professionals.

As mentioned above, 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, 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. Said list provides convenience to the parties of disputes in terms of appointing arbitrators and brings qualified practitioners to the forefront.

ISTA carries out relevant activities through its commissions; namely, "Arbitration and Training", "Activities and Publications", "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 to be included on the "List of Arbitration Practitioners." Practitioners must comply with the mandatory criteria specified to be entered 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, 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 ensuring 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 present, ISTAC 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 Istanbul to be 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.

On July 30, 2020, Gün + Partners published the statement following the continuing discussions with respect to the Istanbul Convention on preventing and combating violence against women and domestic violence. The statement firmly emphasizes that the Istanbul Convention should be fully and effectively applied in order to prevent domestic violence, protect victims of abuse, and end the impunity of perpetrators. A copy of the statemen can be found under this <u>link</u>.

Measurement of Outcomes

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

Gün + Partners has also continued its social responsibility projects to promote the protection of human rights such as right to education, health and principle of equality and nondiscrimination. As part of these activities, Gün + Partners employees raised donations for the Berdi Primary and Secondary schools in Şanlıurfa, Büyüktokaç Village and collected funds for the procurement of necessary class furniture, fixtures, stationaries, electronics and a selection of 1207 books and magazines. Our founder Mehmet Gün has also continued to award the scholarships he has been giving out for a long time to young students, especially girls, in his hometown with insufficient economic conditions, in order to help them attend their preferred high school and universities. As a result of these scholarships, all of the successful students in the village who normally would not have the sufficient funds to participate in high school and higher education finished their studies and went onto acquiring professions such as teachers, nurses and so forth. Moreover, for International Women's Day on March 8, our firm donated to "Mor Çatı Women's Shelter Foundation" on behalf of all its employees to support solidarity in violence against women and gender inequality.

+ + + + + + + + +

Finally, Gün + Partners sponsored the "<u>destekbizden</u>" project of Tridi, an İTÜ Ari Teknokent initiative, developed to eliminate the equipment shortage in hospitals during the COVID-19 outbreak. Accordingly, our firm has contributed to the production and supply of PPE masks from a total of 5000 Decathlon "easybreath" diving masks for doctors to be delivered to hospitals in need.

When it comes to the ISTA, we are proud to say that it has effectively brought arbitration specialists under the same roof with 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 by 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 ISTA, the popularization of arbitration and bringing Istanbul to the fore as an arbitration centre could bring back an approximately 1 billion US Dollar that is spent abroad on international arbitration.

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 workplace. Although the legal sector is infamous for lengthy working hours, our firm gives utmost importance to the separation between work and private life and 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 economic 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 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 have continued implementing a 360-degree feedback system for our performance evaluations, where the employees are given performance reviews from their subordinates, supervisors and peers as well as providing a self-evaluation.
- We have introduced the "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 with a gym, which we have agreed on a yearly basis, for preserving our employees' health.
- We have expanded our Human Resources team within the firm.
- We have allocated matters with regards to labor to two of our partners within the firm.
- We have continued to prepare outing and motivation events for all employees.
- We have provided occupational health and safety educations to all our employees.
- We have agreed with an occupational doctor to be present at the firm one day a week.
- We have implemented the policy of scholarships within the firm, to the lawyers in their master's degrees.

During the COVID-19 outbreak, our firm took swift and effective measures to protect the health of its employees and transitioned to remote working system as early as March 16, 2020. The remote working procedures are still intact during the "normalization" period as the number of cases has not yet decreased. Throughout this period, the Human Resources department of our firm provided our employees with all necessary work equipment, detailed information regarding provision of health insurance and online support through certified psychologists and experts.

Measurement of outcomes

Together with all the improvements stated above, we have become one of the most applied law firms in Istanbul and this shows that we start to be one of the favored law firms in Turkey.

Our employees have stated their positive approach 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 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 wider business community.

Also as a result of the above practices, our firm participated in the "Great Place to Work" certification process for the first time this year, where all our employees were surveyed anonymously, and was recognized in this research-based list of Best Workplaces in 2020. Moreover, our firm won "Deloitte Turkey's Best Managed Companies Award", becoming the first and only law firm to receive this recognition in Turkey. The Deloitte Best Managed Companies Award recognised our firm for our clear principles of equality and diversity, providing fair opportunities for all, and, in particular, protecting and promoting women in the firm. The Award also highlights our innovative management processes, such as the use of automation and AI, as well as our self-developed Günce software and other software solutions which allow us to instantly monitor business intelligence, making forecasts and projections in real time.

III. ENVIRONMENT

+ + + +

+ +

+ + + +

+

• **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 any all legislation in this regard. We understand that we must raise awareness among our employees in order to minimize our damage to the natural resources.

Implementation

We have trained all employees in order to raise their awareness with regards to environment. We have calculated our employees' entire carbon footprint by hiring a professional team and we 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 and have informed our cleaning staff in detail with respect to use of these new recycling bins.

We meet and fully abide by all applicable regulatory standards on environment. We provide training to all of our employees with the aim of increasing their environmental awareness. We take care to minimize the damage to natural resources.

To this end, we participate in a planting program every year and instill a love of nature in students by planting new trees every year as well as making plant donations. Our founder Mehmet Gün has so far planted approximately 10,000 saplings in the remote Anatolian village where he grew up, and he has created a small forest with 1,500 cedar saplings which he has planted to replace the trees that were sacrificed for his education when he was a young boy as far as he can. He donates plants to this region every year.

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. Moreover, our firm is also proud to be leading the digitalization

movement in legal profession. In this respect, Gün + Partners, with its growing IT and software department, has developed a customized law firm management software named "Günce" and launched it in the market for the use of lawyers this year. More information can be found under <u>https://www.gunce.com/about</u>.

+ + + + +

+ + +

+ + + + + + + + +

+ +

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 the trainings and extended our training to the cleaning staff as well.

IV. ANTI-CORRUPTION

+ + + + + + + +

• **Principle 10:** Businesses should work against corruption in all 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, 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 the recent years, Gun + Partners has also expanded its Business Crimes and Anti-Corruption practice departments which now consist 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, Competition practice groups who deal with implementation and audit of regulatory compliance structures in more a specialized manner.

Implementation

- We have a strict and high-level policy on accountability, therefore and intermediaries of our clients, we sign FCPA and UK Bribery Act declarations showing that GUN + PARTNERS has fully in compliance with the relevant legislation.
- We have implemented a billing system in which we send our statements together with the spreadsheets showing how much time and expense were put into the relevant work/business in the most transparent way.
- We have implemented an expense-reporting system in which it is not possible to show expense without its invoice or other documents in the same nature.
- We continue to provide trainings with regard to the above to all our employees.
- As part of our legal services regarding Compliance, we assist our clients to carry out their internal investigations, and more importantly, give compliance trainings to raise awareness within the organization. We also provide proactive legal assistance in order to comply with regulations in regulated markets and provide insights about extraterritorial effect of laws such as FCPA and UKBA. Given our strong ties with reputable big law firms in Europe and USA, we team up with UK and US based law firms to handle that kind of matters.

Measurement of outcomes

+

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 is valid, when it comes to fighting corruption, we know that taking measures are never enough, unless they are implemented to their core. Therefore, we repeat these trainings to every new employee of our firm and document the trainings.



Kore Şehitleri Cad. 17 Zincirlikuyu 34394 İstanbul, Turkey

T: +90 (212) 354 00 00 F: +90 (212) 274 20 95 E: gun@gun.av.tr

www.gun.av.tr