

2010

**COMMUNICATION ON
PROGRESS**



**NMT CONSULTANCY
AND TRAINING
CENTER**

10.12.2010

TABLE OF CONTENTS

| | |
|--|----|
| <i>Message of Managing Director</i> | 3 |
| <i>About NMT</i> | 4 |
| <i>NMT's Commitments</i> | 5 |
| <i>NMT's Vision and Mission</i> | 5 |
| <i>NMT's Values and Principles</i> | 6 |
| <i>Corporate Memberships</i> | 7 |
| <i>Corporate Social Responsibility Projects</i> | 8 |
| <i>NMT'S Actions for Global Compact Principles in 2010</i> | 9 |
| <i>1-Human Rights</i> | 9 |
| <i>2-Labor</i> | 12 |
| <i>3-Environment</i> | 15 |
| <i>4-Anti Corruption</i> | 18 |
| <i>NMT's Plans for 2011</i> | 21 |

LIST OF TABLES

| | |
|------------------------|----|
| <i>Table 1.0</i> | 11 |
| <i>Table 1.1</i> | 14 |
| <i>Table 1.2</i> | 17 |
| <i>Table 1.3</i> | 19 |

MESSAGE OF MANAGING DIRECTOR

At 11 December 2010 NMT Consultancy and Training Center made its first attempt to participate in Global Compact initiative. With this fresh start NMT Team concentrated their efforts to adopt business practices into the ten principles of Global Compact. NMT team worked really very hard to develop new ideas that would foster the principles of human rights, labor, environment and anti-corruption in the workplace and in the content of their services provided to the clients.

Participating to Global Compact initiative brought our team a great deal of dynamism and encouragement. We now feel ourselves as members of a huge international community devoted to common values of corporate governance. We internalize ten principles of Global Compact as a framework that defines our corporate policy of internationalization.

In 2011, NMT will celebrate its 15th anniversary. It has been a long way since we first established our company on the ideal of bringing New Management Techniques to our clients to the point that we are standing today. We are pleased with the point of effectiveness that we have reached today. By forging the culture of democracy and corporate responsibility not only within our humble organization but also in our clients' organizations we are aware of the fact that members of NMT Team are acting as the main agents who would bring about change and promote ten principles of global compact in their individual and corporate spheres of influence.

We are aware of the fact that the actions that we have taken this year were encouraging but yet not enough; we will keep on maintaining our support to the common principles and will increase our dialogue with the local network to develop better projects that would reach wider spheres of influence.

Didem Esen

*Managing Director-CMC
NMT Consultancy and Training Center*

ABOUT NMT

NMT Consultancy had been founded in 1996 in order to maintain direct and tangible management solutions for small and medium sized enterprises in manufacturing industry. During this initial period, NMT's consultants have serviced over 100 companies and directly supported their clients' in developing their industrial capabilities.

In 1998, NMT Consultancy becomes the member of association of management consultants (YDD).

In 1998, on demand of its clients NMT Human Resources group had been established to support clients in their search and selection processes.

In 1999, NMT Training Center had been established so as to provide professional training programs on quality management.

In 2000, NMT had been added into the UNIDO database

In 2001, NMT Started its institutionalization projects for family owned businesses

In 2002, NMT undertaken the consultancy project of EU Business Centers in Turkey

In 2004, NMT Training Group developed various new programs in strategic management, business continuity management and personal development

In 2005, NMT divided its activities into two corporate bodies as NMT Consultancy and Training Center and NMT Human Resources

In 2007 NMT adopted the vision of internationalization and thus NMT Human Resources signed the partnership contract with Feige Business Advisors GmbH

In 2010, NMT become NMT is working with a 25 consultants all of which have professional experiences in various industries such as construction, automotive, durable consumer goods, logistics and services.

NMT'S COMMITMENTS

- ⊕ Provide High Quality Services
- ⊕ Respect Confidentiality of Clients' Information
- ⊕ Impartiality and Independence
- ⊕ Promote the Ultimate Interest of the Clients
- ⊕ Maintain Sustainability and Good Governance Practices
- ⊕ Maintain Measures Against Anti-Discrimination and respect to human rights
- ⊕ Protect and promote environmental friendly solutions in all operational processes

NMT'S VISION

Become an internationally recognized institution that transforms the concept of "quality" into a way of life.

NMT'S MISSION

Continuously and apparently improve the value that we add to our clients' organizations, to our employees, to the society and environment by means of our efficiency, honesty and dynamism.

NMT'S VALUES AND PRINCIPLES

Honesty

NMT embraces the principle of honesty and mutual trust in all dimensions of its operations. NMT believes that developing realistic and sincere solutions that would best fit to its clients' corporate culture and industrial position is the utmost way of value creation.

Innovation

NMT Team is dedicated to develop original solutions instead of duplication. By developing tailor-made solutions we are trying to frame up the future.

The Value of "One"

NMT Team is aware of the fact that unless we hear the voice of an individual, we will not be able to hear the voice of the group.

Continuous Development

NMT Team's major concentration is to keep on developing services and do our job better than yesterday. By promoting a culture of continuous development among the agents and organizations in our sphere of influence we believe to develop a culture of continuous quality.

CORPORATE MEMBERSHIPS

KALDER- Turkish Quality Association

NMT, as a company which contains the idea of quality in its founding principle, is the member of Kalder and joined various occasions concerning process and quality management

PERYON- Turkish Association for Personnel Management

NMT becomes the member in 2010 and NMT Consultants had been functioned in the national occupational standards identification project team for recruitment job group

YDD- Turkish Association of Management Consultants

NMT is the member of this organization since 1998 and Managing Director of NMT Ms. Didem Esen received Certified Management Consultant Certificate in 2009

CORPORATE SOCIAL RESPONSIBILITY PROJECTS IN 2010

NMT's Managing Director and Head Trainer Ms. Didem Esen realized the training "Strategic Planning Process" to the members of the World Aging Council (DUNYAK) Turkish division on May 2010



NMT's Recruitment Projects Manager Ms. Elif Salkaya gave the seminar on "Job Hunt and Interview Techniques" at Istanbul University Mechanical Engineering Technology Club on April 2010



NMT'S ACTIONS FOR GLOBAL COMPACT PRINCIPLES IN 2010

NMT, in the first year of its participation to Global Compact effort to take quick steps that would internalize ten principles in the daily operations. However, it has soon become clear that our employees' knowledge on certain principles were very inadequate. In that respect, we save the year 2010 as the commencement period and concentrated on developing the knowledge of our staff.

In order to achieve this goal, we have established various work groups among the employees who would act as informative agents for their colleagues. An increased culture of interaction and knowledge sharing community has thus been formed within the organization.

1-HUMAN RIGHTS

NMT supports and protects internationally proclaimed principles of human rights and works on elimination of any actions or practices that might give way to complicity to human rights abuses. The issue of human rights abuses is being publicly discussed in Turkey concerning the applications in public spheres such as schools, police stations or jailhouses. However, there is very limited number of sources mentioning about the contemporary practices that would promote human rights and eliminate hate speech in the work place. In addition to these, we found out that members of NMT Team were not totally aware of the importance of human rights abuses and their potential role in case of complicity.

Due to these reasons we decided to start from the very beginning. In April 2010, we have adopted the Human Rights principles of Global Compact into our corporate HR hand book. This action is followed by the establishment of an internal Human Rights Awareness Group.

Human Rights Awareness Group, having meetings weekly basis, has prepared a two hour informative seminar on “Human Rights and Business” as part of our corporate orientation program.

In order to increase the level of awareness, this seminar had been given to all NMT employees and 4 new personnel who have joined our team 3 months ago.

In addition to these, Human Rights Awareness Group is continuing its efforts to research for best practices globally and develop internal projects to adopt them into NMT’s corporate practices. Even in cases that could not be applied; they are organizing lunch break meetings with the staff on monthly basis in which they are sharing what is going on in other companies and in different industries.

As it has been mentioned above, there are very limited sources in Turkish on the subject, by virtue of the efficient actions developed by Human Rights Awareness Group, NMT staff who does not know English had the chance to get informed about the contemporary practices.

As a result of these efforts, NMT employees put corporate support and respect to human rights on their list of the items that they totally agree and evaluated human rights among first 3 subjects that they think very important to learn last year in NMT Employee Satisfaction Survey held on November 30, 2010.

These above mentioned framework provided NMT for an efficient start. However, we are aware that there are a lot of things to be done for the upcoming year we will develop further internal projects that would improve the safety and health standards of the working conditions and NMT management team will contribute to those internal efforts by participating to national or local NGO’s that are working against child labor and non-discrimination.

Table 1.0

| GLOBAL COMPACT PRINCIPLES | NMT'S COMMITMENT AND ACTIONS TAKEN | RESULTS |
|---|---|---|
| <p><i>Businesses should support and respect the protection of internationally proclaimed human rights</i></p> | <p><i>*Human Rights principles of Global Compact adopted into our corporate HR hand book</i></p> <p><i>*NMT Human Rights Awareness Group is established</i></p> | <p><i>*Total degree of awareness on human rights issues developed among the NMT Team.</i></p> <p><i>*According to the data gathered from NMT Employee Satisfaction Survey held on November 30, 2010; Employees of NMT put corporate support and respect to human rights on their list of the items that they totally agree and evaluated human rights among first 3 subjects they think very important to learn last year</i></p> |
| <p><i>Businesses make sure that they are not complicit in human rights abuses</i></p> | <p><i>*Seminar on Human Rights and Business had been given to all NMT personnel</i></p> <p><i>*Continuous feedbacks on best practices are given in regular lunch meetings</i></p> <p><i>*Employees are being informed about the cases that might bear the risk of complicity to human rights abuses</i></p> | |

2- LABOR

NMT declares its adherence to the principles of freedom of association and the effective recognition of the right to collective bargaining. NMT is against all forms of compulsory labor and supports all civil initiatives for abolition of child labor. NMT is eager to put forward all the necessary measures that would foster the application of ILO Declaration on Fundamental Principles and Rights at Work. NMT is fully aware of its obligation in developing the standards of working life within its sphere of influence.

NMT complies with all legal requirements arising from the Turkish Labor Law and embraces the principle of being an “equal opportunities employer” In all human resources processes. Especially in alternative areas that might involve complicity to discrimination, NMT human resources team developed effective safe guards within their code of conduct.

In terms of recruitment; for almost 10 years, our recruiters avoid asking questions about the race, religion, socio-political views of the candidates and in vacancy advertisements of NMT we do not mention items referring to gender, age or physical condition of the candidates. By this way, NMT has always enjoyed the chance to work with great talents who had enriched our team and inspired our business.

In terms of remuneration; NMT is applying equal pay for equal job principle for all of its employees

In terms of Performance Management and Training; NMT is developing an internal program that would assure full compliance to the global compact labor principles and its work structure. The program will be launched in 2011.

In terms of occupational health and safety; NMT provides the right tools and working conditions to all of its employees in order to guarantee internationally recognized standards.

In accordance to the Turkish Labor Law and Global Compact Labor Principles NMT is providing maternity protection for the personnel who have children.

In addition to these NMT is encouraging its personnel to stand against maltreatment and/or mobbing. Managers are obliged to take necessary actions within 2 days after they have received the written or oral complaint of an employee. By virtue of this system, we managed to identify 2 individual cases of mobbing during the last 3 years and we were able to develop timely and effective measures to get over this.

Table 1.1

| GLOBAL COMPACT PRINCIPLES | NMT'S COMMITMENT AND ACTIONS TAKEN | RESULTS |
|---|--|--|
| <i>Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;</i> | <p><i>*NMT adhere to principle of association and right of collective bargaining</i></p> <p><i>*NMT is against all forms of compulsory labor</i></p> | <p><i>*NMT enjoys working with talents to enrich its team and inspire its business</i></p> <p><i>*NMT managed to develop timely and effective measures to get over</i></p> |
| <i>Elimination of all forms of forced and compulsory labor</i> | <p><i>*NMT is against child labor</i></p> <p><i>*Anti discriminatory clauses are being detached from vacancy ads and recruitment processes</i></p> | <p><i>*Employees enjoyed working within a safe and democratic environment that respect and promotes human dignity and individuality</i></p> |
| <i>Effective abolition of child labor</i> | <p><i>*Promoting the idea of Equal Opportunities Employer</i></p> <p><i>*Promote Equal Pay For Equal Job</i></p> | |
| <i>Eliminate discrimination in respect of employment and occupation</i> | <p><i>*Corporate policy against mobbing is applied</i></p> | |

3-ENVIRONMENT

NMT embraces the environmental dimension of Global Compact initiative and declares its adherence to the principles set on Agenda 21. We believe and support the idea that; policies and operations of business and industry can play a major role in reducing the impacts on the use of resources and the environment. NMT, with its entire employees, works to promote greater environmental responsibility in our business practices and promoting green office applications internally. NMT is supporting projects that would maintain the use of environment friendly technologies.

NMT has adopted the preliminary steps to adopt green office applications. At the beginning of 2010, with the initiative of management, first green office project team had been established. This group, comprised of 3 people, have reviewed all current energy consumption items and developed a detailed agenda to improve energy efficiency and waste management system.

On the basis of the findings of the green office project team, NMT staff had been informed about the current conditions and had been trained about the new practices of transformation to green office.

By changing the lightening devices at certain points of our office we managed to save %2 of electricity consumption. This followed by the replacement of plastic or paper single-use cups with glass and ceramic cups. By this way, we managed to reduce our wastes by 10% and reduced office expenses to the amount of 1500TL. We consider these are as humble but yet very encouraging steps to align our business into the global standards of environmental protection and waste minimization. We have minimized our use of paper in our daily operations and added notes to our emails and the printable documents that we sent to our clients mentioning to consider their environmental responsibility before printing.

In addition to these, we have placed waste paper and plastic recycling bins into our office so that our personnel would use it for their daily recycling obligations. After three months we have happily observed that all of the employees started to bring additional waste papers that they have saved in their homes. On the basis of this increased interest to the issues of environment protection, we are planning to initiate ISO14001:2004 Environmental Management System in 2011.

Table 1.2

| GLOBAL COMPACT PRINCIPLES | NMT'S COMMITMENT AND ACTIONS TAKEN | RESULTS |
|--|---|---|
| <i>Business should support a precautionary approach to environmental challenges</i> | <i>*Green Office Project Team had been established</i> | <i>*Save %2 of electricity consumption.</i> |
| <i>Undertake initiatives to promote greater environmental responsibility</i> | <i>*NMT staff had been trained on transformation to Green Office Applications</i> | <i>*Reduce wastes by 10% and reduced office expenses to the amount of 1500TL.</i> |
| <i>Encourage the development and diffusion of environmentally friendly technologies.</i> | <i>*Paper and Plastic wastes had been minimized</i> | |
| | <i>*Energy saving lightening devices had been put into service</i> | |
| | <i>*Use of paper cups had been stopped</i> | |

4- ANTI CORRUPTION

NMT is aware of the fact that corruption has played a major part in undermining the world's social, economic and environmental development which leads ultimately to the improper and unfair allocation of resources and prevents development of societies. NMT supports all the national and international efforts to fight against corruption and declares its full commitment to the anti corruption principle of Global Compact.

NMT reaffirms that; fighting against corruption at every stage of our business operations and values is not only the key to develop an understanding of belonging to the global corporate citizenship initiative but also it is a contemporary necessity of good governance.

NMT encourages that the managerial decisions should be taken independently and should always reflect national and global legal requirements, business necessities and objective data. NMT management assures that all decisions are open to legal and corporate audits and they accept to be held fully accountable of their actions.

NMT promotes the idea of transparency and tries to develop a democracy culture among its staff and within the organizations of its clients. Consultants who are working for the institutionalization of family businesses projects are obliged to inform their clients on the necessity of adopting anti corruption principles into their corporate practices. As a result of our efforts 17 companies that have taken consultancy service from NMT have adopted anti-corruption principles into their corporate practices.

Table 1.3

| GLOBAL COMPACT PRINCIPLES | NMT'S COMMITMENT AND ACTIONS TAKEN | RESULTS |
|--|--|--|
| <p><i>Business should work against corruption in all its forms including extortion and bribery</i></p> | <p><i>*NMT supports all the national and international efforts to fight against corruption and declares its full commitment to the anti corruption principle of Global Compact.</i></p> <p><i>*NMT management assures that all decisions are open to legal and corporate audits and they accept to be held fully accountable of their actions.</i></p> <p><i>*Consultants who are working for the institutionalization of family businesses projects are obliged to inform their clients on the necessity of adopting anti corruption principles into their corporate practices.</i></p> | <p><i>17 family owned companies operating in different industries had adopted principles of anti corruption into their corporate practices</i></p> |

NMT'S PLANS FOR 2011

NMT is planning to develop continuously its corporate policies and practices in accordance to the Global Compact principles. We are eager to enhance the effects of the corporate practices into a wider sphere of influence to our suppliers and clients

We are very much determined to increase our activities within NGO's so that we can inspire and be able to maintain a spillover effect of good practices in terms of corporate governance

Through applying the standards of ISO 14001:2004 Environmental Management System and OHSAS 18001 Occupational Health and Safety Management System we are expecting to achieve an upper level of commitment to environmental protection and labor.

We are planning to enhance our human rights program to a wider sphere that would include our suppliers and clients

In 2011 we will be launching a corporate program on performance management. Items that would assure full compliance to Global Compact labor principles.