



ARGE CONSULTING COMMUNICATION ON PROGRESS REPORT

2016 - 2017 PERIOD

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CHAIRMAN'S MESSAGE

ARGE's main mission is improving management quality in the business, public sector, and NGOs. ARGE believes that society's well-being can be increased only if management quality of private sector, government, and civil society is improved. The role of a business is to make sustainable improvements in the quality of life in the community. ARGE Consulting, not only helps its clients create value for their own shareholders, customers, and stakeholders, but ARGE is also a catalyst to promote appropriate behaviour for responsible entrepreneurship, thereby increasing the awareness level in the community and helping improve the quality of life.

In 2016 and 2017, we have made contributions on a global scale: (1) Our partners served in B202016 China SME Task Force and B20 2017 Germany in Employment and Education Task Force, Responsible Business Task Force and SME Task Force. (2) We have been active in at IFC's Corporate Governance Advisory Group, and (3) Represented the business world on public governance matters at the OECD to improve the quality of governance throughout the world, as the vice-chair of BIAC Governance Committee (4) Argüden Governance Academy has provided courses to public officials for capacity building in public governance issues and Academy has designed programs for 4th grade students to build capacity from grassroots of society to create awareness on good governance practices .(5) ARGE Partners have lectured on "Fundamentals of Corporate Sustainability Strategy" in Executive MBA program in Boğaziçi University.(6) ARGE has expertise in developing methodologies for awards mechanisms where it developed awards for TAİDER (Turkish Family Business Association) and for PERYÖN (HR Professional Association).

ARGE has also continued her voluntary activities locally, such as serving on the boards of numerous NGOs; managing and providing guidance for the evaluators of award processes of OSGD and Citibank –Micro Credit; writing and sharing articles to introduce new management ideas and concepts to our society. Also in 2016 -and 2017, we continued to contribute the Global Compact activities in the country by having a partner as a board member of of Global Compact Türkiye. The Sectorial Approach, as well as the Leveraging Natural Incentives/Allies Strategy which was developed by ARGE Consulting and implemented by the Turkish Network, has been defined as an important milestone in Global Compact activities.

ARGE partners have assumed leadership roles in different NGOs and they spend at least one day of the week for such activities. Two of our partners served on the Board of OSGD, another one served on the board of UN SDSN Türkiye Network, and yet another was the Chairman of Middle East Quality Association.

Dr.Yılmaz Argüden
Chairman

THE REPORTING PRINCIPLES

We try to improve and share knowledge about good governance with the society by our volunteer activities. With this report, we share our corporate social responsibility activities for the period of the year 2015. This year ARGE's COP has been prepared in accordance with GRI G4 Guidelines. The report has been prepared according to core option principals. The core option provides the background against which an organization communicates the impacts of its economic, environmental, social, and governance performance

The main purpose of the report is to show activities realized by ARGE Consulting for developing sustainable practices in public and private institutions and in the society.

“Sustainability Topics for the Sectors “report has been used as a guide in determining relevant subjects for reporting.

ARGE produces annual reports.

The report has not been assured by a third party.

UN Global Compact and ARGE Consulting

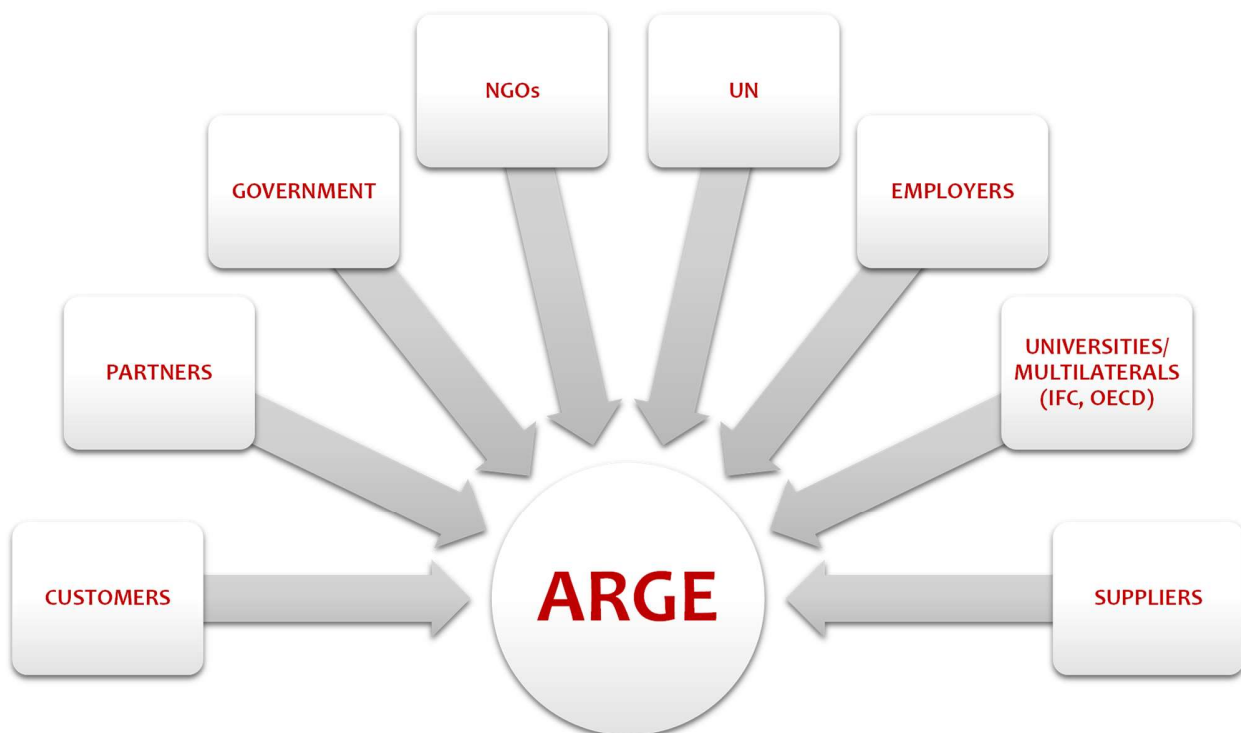
ARGE, has signed the UN Global Compact in 2002 as the first Turkish signatory, becoming a role model for the Turkish business world and has declared to apply the 10 principles concerning human rights, labor, environmental, and anti-corruption. This report also has the feature of Communication on Progress.

DETERMINATION OF MATERIAL ISSUES

Identification of material topics for the company is key to prepare a good quality sustainability report. The material topics need to cover the important issues for; the sustainability of the company and economic, social, and environmental impacts on the stakeholders created due to the activities of the institution. Therefore, the first step while preparing of this report is determining the stakeholders for ARGE Consulting.

STAKEHOLDERS

The stakeholders of ARGE Consulting have been reviewed and analyzed. Based on the review, stakeholder map of ARGE is;



ARGE is a management consulting company. ARGE creates its impact through projects with clients, its voluntary activities in national and international NGOs, and through its policy recommendations for the government.

Partners play an important role in shaping and creating this impact through their efforts and know-how transfer in the projects. ARGE supports the awareness raising activities in the business and also in the society. The company takes active role in establishing, leading and

improving governance structures of NGOs, and collaborates with the universities to share its know-how.

ARGE's Chairman served as the chair of Global Compact Local Network in Türkiye, as well as the chair of LNAG and board member of UNGC. ARGE has worked with numerous UN agencies such as UNIDO, UNDP, UN Women in awareness raising activities.

ARGE has expertise on corporate governance issues and share this expertise with IFC & OECD.

MATERIAL ISSUES FOR ARGE CONSULTING

Material issues have been determined according to the feedbacks obtained from stakeholders and ARGE's own view and vision. ARGE has an open and transparent relation based on trust with its stakeholders, as evidenced by the resources and networks she could mobilize. Although a specific stakeholder meeting has not been organized, the stakeholders share their views at during and end of each projects. ARGE reaches a large number of stakeholders' views through projects with NGOs.

Based on these experiences, material issues for ARGE are;

MATERIAL FOR STAKEHOLDERS	HIGH			VALUE CREATION FOR CUSTOMERS VALUE CREATION FOR THE SOCIETY SELF DEVELOPMENT AND FOLLOWING THE AGENDA HUMAN RIGHTS AND SAFETY REPUTATION
	MEDIUM			
	LOW		NATURAL RESOURCE USAGE	
		LOW	MEDIUM	HIGH
		MATERIAL FOR ARGE		

The report has been prepared in accordance with above materiality table.

ARGE CONSULTING

- At the crossroads between Europe and Asia, Türkiye is not only experiencing the highest GNP growth rates among OECD countries, but is also realizing the benefits of her privileged ties to European, Middle Eastern, and Central Asian countries.
- Realizing the growth potential for international business in the Turkish and related markets, **ARGE** was **founded in 1991** to provide **advisory services** in the areas of business strategy development and implementation, business excellence methodologies, evaluation and development of investment projects, development of organizational infrastructure, change management, and good governance.
- ARGE's consultants are recruited based on several factors some of which are unconventional for such firms. For example, ARGE prefers employees who are either current members of NGOs or who wish to undertake such social commitments outside of work to ensure that its employees are in tune with the social environment, as well as the business environment.
- ARGE has been a pioneer in setting a benchmark for corporate volunteerism by asking consultants to devote a full day of each working week for voluntary work in NGOs. This practice then has become a part of the performance evaluation of ARGE consultants, who are asked to report once every two weeks on how they allocated their time. This practice is in line with ARGE's use of the Balanced Scorecard methodology to ensure that its strategies are applied throughout the organization. With this methodology, all of the employees' actions are observed with scorecards and timetables. Also, each ARGE consultant receives up to one month of training per year to keep abreast of the latest developments in his/her field of specialization.

ARGE is committed

- To add **value** to the business of its clients,
- To provide the **right team of experts** for each project,
- To provide **solutions that differentiate** its clients in the marketplace, with special emphasis **on implementation under local conditions**,
- To retain its objectivity and independence of its views, and to protect client confidentiality.
- Industry expertise in areas such as **energy, financial services, textiles, automotive, FMCG, manufacturing, distribution, and construction** is a fundamental strength of the company. **ARGE** also has a network of collaboration arrangements with organizations and affiliates in Türkiye, Europe, and USA to bring together relevant necessary experience to its ongoing projects.

- **ARGE's** strives to achieve a **major improvement in its clients' business outcomes**. We believe that there are four main factors that affect business results. These are the business strategy and business excellence methodologies that are necessary for effective implementation of the strategy, human resources, and technology management. Sustainable business results are achieved only when these four factors are considered as a whole and in a well-balanced way. Our approach is to try and balance all the four factors to suit the requirements of our clients in order to achieve the best, world-class results.

ARGE's Mission

To create value by improving management **quality**.

& Vision

To be a role model in **creating value for its clients** and **with its contributions to the community**.

ARGE Values & Principles



Our mission is to create value.

ARGE continuously strives to add value to the business of its clients. We do our utmost to provide 'the best' solutions in every project we undertake



Our most important asset is the trust of our clients.

ARGE is committed to keeping the interests of the client above all. Protecting client confidentiality, maintaining the objectivity and independence of our views, and avoiding any conflict of interest are our key principles. We demonstrate the same integrity, business ethics, and diligence in our work, in community services, and in our personal lives.



The assurance of our work is the quality of our people.

ARGE strives to attract the best people and to create an environment of mutual trust and team spirit to foster continuous development of its people. We expect each member of our team to demonstrate self-respect, respect for others and the environment



The assurance of our future is our passion for learning.

ARGE supports the development of knowledge, competence, and creative abilities of each team member; and expects them to do so, both on an individual and organizational level. We strive for effective utilization of the ultimate non-renewable resource, time



Science and technology are essential in improving the quality of life.

ARGE continuously strives to anticipate the ever-changing needs of its clients, and to keep abreast of scientific and technological developments as well as best benchmarks, to meet those needs.



Imagination is the key to creativity and leadership.

ARGE recognizes that its clients need creative solutions and thus strives to develop implementable solutions that differentiate its clients in the marketplace



The key to success is achieving sustainable improvements in competitiveness.

ARGE realizes that sustainable improvements can only be achieved through teamwork with clients. We believe that our clients' success will lead to a better quality of life for the community and humanity.

ARGE's impact on the business and social networks can be observed under below topics.



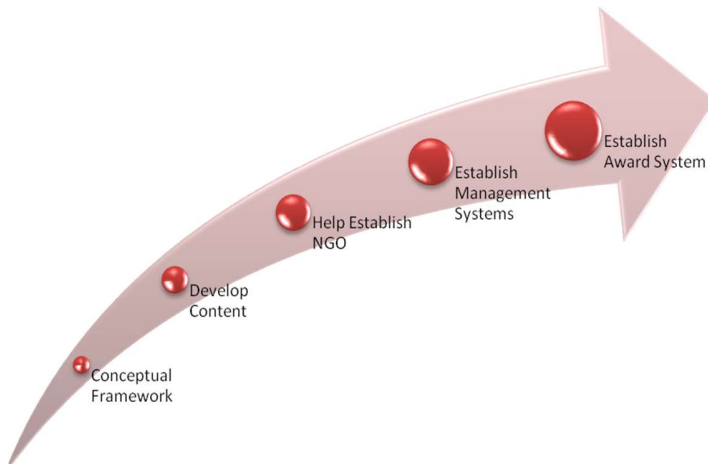
1. **Bringing Management Quality to Türkiye;** ARGE has been instrumental in initiating the National Quality Movement and preparing its clients' management systems that led Turkish companies to consistently be among the top two European Quality Award winners (EFQM)
2. **Promoting Corporate Volunteerism in the Business World:** It is our policy to encourage our employees to spend one day a week on a pro-bono basis for improving the effectiveness of non – profit organizations. ARGE has been recognized for the impact on the society of its CSR activities:
 - a. At the European Parliament by Generation Europe to be among the top three firms to “Shaping the Future”
 - b. By the European Commission to be the only Turkish company featured in “Responsible Entrepreneurship” publication
 - c. As a CSR case study by the Boğaziçi University and
 - d. Taken as a “Best Practice CSR” by CSR4U

ARGE has also been instrumental in encouraging major firms operating in Türkiye to improve their own volunteer efforts by helping establish the Corporate Volunteers Association (OSGD-CVA) and developing and running a Volunteer Awards Scheme under the aegis of CVA.

3. **Leading the UN Global Compact:** ARGE has been the first Turkish company to sign the UN Global Compact, and last year our Chairman served as the Chairman of Global Compact Türkiye, as well as the Global Chair of Local Networks Advisory Group and as a member of the UNGC Board. ARGE has developed an innovative Sectorial Approach and Leveraging Natural Incentives/Allies Strategy to increase the number of signatories of the UNGC Local Network.
4. **Developing a world class Corporate Governance methodology:** ARGE values the sustainability of institutions highly and helps them with their governance implementations. We have developed a methodology to measure effectiveness of corporate governance and conducted numerous board self-evaluation studies. Our article “Responsible Boards for a Sustainable Future” was published by the IFC. Also, our Chairman has served a member of IFC’s Private Sector Advisory Group and as BIAC’s Governance Vice Chair, representing the business world at the OECD.
5. **Developing Award Principles and Managing the Process**
 - a. **Developing the Competitiveness Award** for increasing the competitiveness level of Turkish Corporations: ARGE consultants took active part in the development, preparation and launch of the Competitiveness Award in Türkiye, run by SEDEFED and REF. The award has become a regular event at the annual Competitiveness Congresses which have been supported by ARGE partners since its initiation. This award will be highly instrumental in encouraging and increasing the competitiveness levels of Turkish Companies.
 - b. **Developing Human Resources Award** for improving management of human resources in the country: ARGE Consultants developed a sound model and selection process for the Association of Human Resources Managers, on a pro-bono basis. This award will become a critical part of the National Congress of HR Managers.

The reason for our high impact is the approach we take;

1. First we focus on developing a **conceptual framework** for the issue at hand



2. Then, we **develop content**, examples, and case studies to help our network understand the issue well. At this stage we write articles, books, give speeches, and identify and recruit key players who are likely to walk the talk about the issue at hand and act as role models.

3. At this stage we **help establish** a specific **NGO** whose sole goal is to promote the issue at hand and gather support to the idea rather than promoting our own efforts or interests. Issue comes before interests of any player.

We also focus on the proper governance of the NGO to sustain intellectual and financial support to the issue by a broad group of institutions. Generally, one ARGE consultant serves on the board of the relevant NGO to ensure appropriate guidance and oversight.

4. In order to promote the right kind of behaviour around the issue, we establish a credible **award scheme** that is judged independently but according to a specific criterion (generally developed by ARGE). Providing feedback to both the winners and losers is a key element of improving future performance. Also a condition for winning the award is to behave as a role model for the issue and allocate resources to promote the issue for at least a year.



5. We measure progress and improve the methodology and our reach through successful implementers to continue to promote the right kind of behaviours and achieves significant development throughout the community

Regardless of the content of the issue (Quality, volunteerism, CSR, competitiveness, human resources management, governance), this methodology helps to mobilize the community around desired behaviours and achieves significant development throughout the community.

VALUE CREATION FOR CUSTOMERS

Business Impact

ARGE Consulting has performed more than 50 projects in 2016 and 2017 with clients who are role models in their industries.

ARGE's focus is to leverage our management expertise to help our clients and NGOs maximize their impact on the community.



We also should add that ARGE sees each project as a new opportunity not only to make business better but also to open new windows, widen directors and managers' perspectives about environmental and social issues. We draw attention to these issues especially in our interviews and meetings.

Examples of projects that were conducted in 2016 and 2017 to improve implementation of good governance practices in business:

Project No	Sector	Project Name
1	Beverages	Board Evaluation
2	Beverages	Board Evaluation
3	Pulp Industry	Sustainability Risk Assessment and Strategy Development
4	Automotive Distributorship	Board Evaluation
5	Aviation	Board Evaluation
6	Beverages	Sustainability Strategy Development and Alignment with Business Strategy
7	B2o China SME Task Force	Task Force Member
8	B2o Germany Employment and Education Task Force Member	Task Force Member
9	Education	Organization and performance management
10	Machinery	Institutionalization
11	Food	Institutionalization
12	Food Packaging	Institutionalization
13	Export Processing Zone Management	Corporate Governance

ARGE's BUSINESS MODEL

Strategy	Business Excellence	Institution Building	Shaping the Future	Sustainability	Risk Management
Strategy Development	Assessment of Business Effectiveness	Human Resources Management Systems	Structuring Community Contribution	Strategy Development	Definition of Risk and Risk Assessment
Strategy Implementation (Balanced Scorecard)	Total Quality Management	Organizational Structuring	Developing Partnership	Strategy Alignment (Balanced Scorecard)	Risk Management Strategy
Strategic Alliances	Process Efficiency	Corporate Governance	Social Governance	LCA Analysis and Consultancy	Risk Analysis
Post-Merger Integration	Value Management	Institutional Development for Family Businesses	NGO Effectiveness	IIRC Methodology Support	Risk Management Systems
Scenario Planning	Reengineering	Intellectual Capital Management	Social Support Projects		
Country Strategy					

VALUE CREATION FOR SOCIETY

Value creation for the society is one of the core values of ARGE's governance perspective.

ARGE's Chairman has established "**Argüden Governance Academy**" in 2014 with the support of ARGE Consulting. Argüden Governance Academy is a non-profit initiative dedicated to improve governance quality in public, non-profit, private, and international organizations to create sustainable value for institutions and society. The Academy operates under the aegis of Boğaziçi University Foundation. In 2015, the Academy has published books, articles, and organized a conference on "Good Governance in the Public Sector" in collaboration with the OECD and the World Bank. The Academy has also initiated a Certificate program for future leaders of the public sector, in collaboration with numerous Civil Servants' Associations and Public Institutions.

ARGE supports the **Global Compact** and integrates the 10 principles of the UN Global Compact in its operations, as the first Turkish signatory. The chairman of ARGE is the chairman of UN Global Compact Türkiye. Dr. Argüden was elected as the Chairman of Local Networks in UN Global Compact and served on the UN Global Compact Board, as well as on its Nomination Committee.

UN Global Compact Principles are accepted as minimum norms at ARGE. The UN Global Compact Principles compose a fundamental part of ARGE's vision, since ARGE is founded with the vision to strengthen corporate social responsibility. Beyond ARGE's alignment with the ten UN Global Compact Principles, ARGE's activities are intended to promote and develop the Corporate Social Responsibility concept and corporate governance principles in companies and NGOs, throughout Türkiye.

For this purpose, we have some keys for success;

- **For Value Creation** – Utilize skills and/or systems developed to improve management quality by establishing focus in line with corporate values and mission.
- **For Impact** – Cooperate with NGOs and develop their institutional capabilities for better acceptance and mobilization of larger resources. Projects conducted *vis-à-vis* NGOs are widely accepted rather than just being individual company actions.
- **For Sustainability** – Apply good governance principles to CSR projects and NGOs.
 - Being creative and proactive in thinking.
 - Working with the parties that implement the Global Compact.
 - Working on a project or with a party if there is a potential to add value.
 - Improve Recognition of Best Practices.

ARGE supports the Turkish UN SDSN Network. One of the partners of ARGE, Dr. Erkin Erimez serves on the Board of Turkish Network. The Sustainable Development Solutions Network mobilizes scientific and technical expertise from academia, civil society, and the private sector in support of sustainable-development problem solving at local, national, and global scales. This Solutions Network accelerates joint learning and helps to overcome the compartmentalization of technical and policy work by promoting integrated approaches to the interconnected economic, social, and environmental challenges confronting the world. The SDSN works closely with United Nations agencies, multilateral financing institutions and other international organizations.

One of ARGE's major tools to promote corporate social responsibility is its partnership with several NGOs that are very effective in their areas of operation in Türkiye. As a result of its vast amount of experience in the area of management consulting, ARGE supports the operations of NGOs in the areas of institution building, strategy formation, and total quality management. In this respect, in line with its mission and vision, ARGE aims to promote corporate social responsibility among other organisations and integrate its management consultancy experience within its projects in partnership with its network of clients and other NGOs.

ARGÜDEN GOVERNANCE ACADEMY ACTIVITIES IN 2016 and 2017

Argüden Governance Academy is a non-profit initiative, established by a donation from ARGE Consulting, which helps to improve the quality of governance in public institutions, non-governmental organizations, and corporations to create sustainable value for the institutions and society

The Academy envisions a world where institutions and society work together to create a more sustainable and inclusive future. The Academy brings together world-class expertise, adopt a holistic view of governance across institutions, and form partnerships to improve quality of life for current and future generations.

To achieve its mission, the programs aim to:

- Improve awareness of the role of good governance for sustainable and inclusive development by research, dissemination of successful examples and awards;
- Create a knowledge platform to enable representatives of government, civil society, and business to be informed about the recent global developments on governance through training programs, seminars, and peer to peer learning;
- Conduct research in cooperation with international organizations, universities, public agencies, and non-governmental organizations on various governance related subject areas

- Cooperate with other similar initiatives both locally and globally through joint projects to raise the understanding of the key role of good governance in improving quality of life and sustainability of the planet

The Academy focuses on four areas;

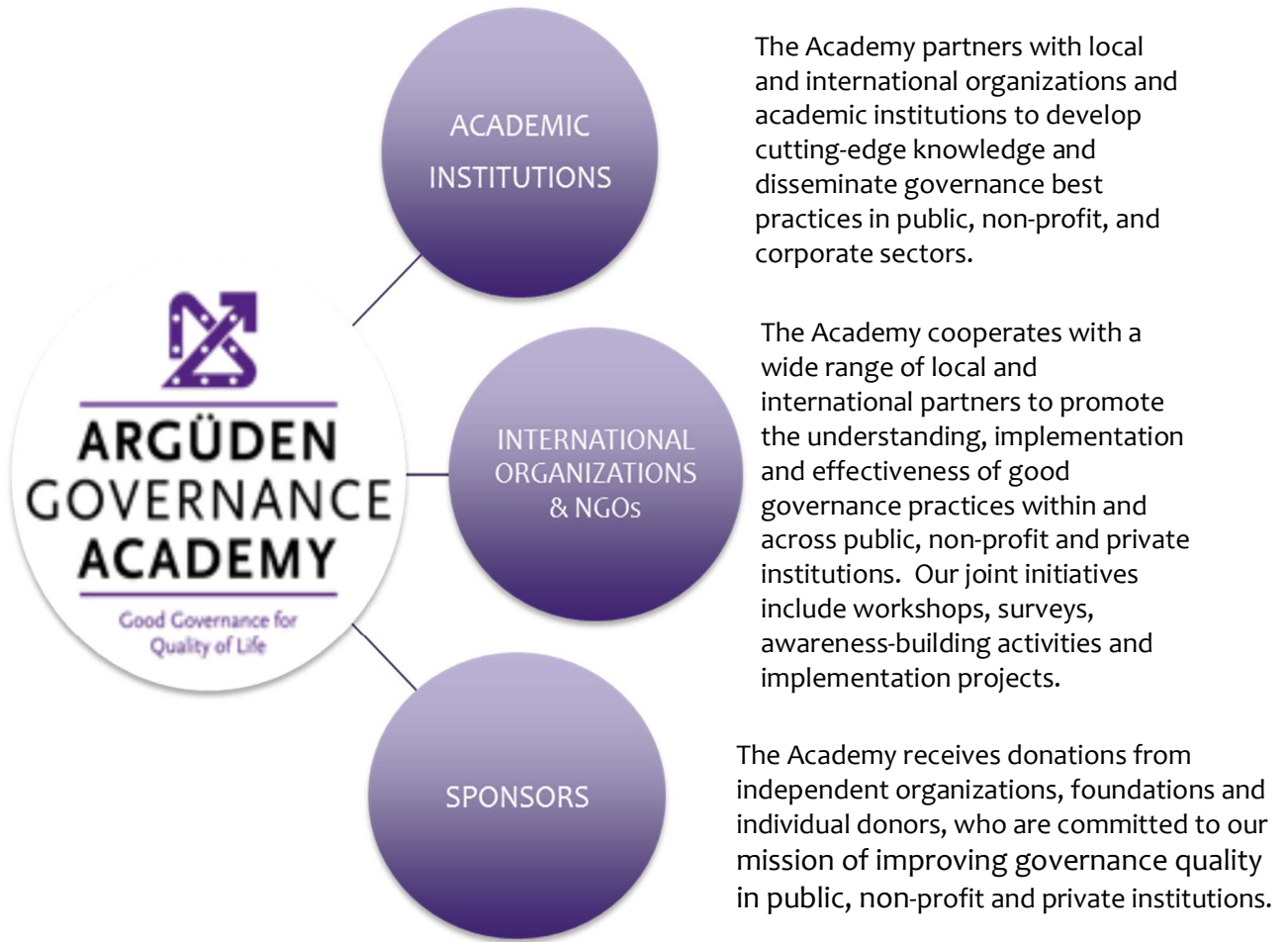
Public Governance; To improve the effectiveness of public service delivery, enhance trust in the public sector and foster civic participation in decision-making through evidence-based policy making, whole-of-government approaches and increased accountability at the local and global level

NGO Governance; To increase governance quality in the non-governmental sector and to promote its role in establishing participatory democracy for solving social, economic and environmental problems

Corporate Governance; To promote the role of the Boards in managing sustainability issues and to establish social, economic and environmental sustainability as an integral part of the company's strategy for managing risk, improving performance and contributing to positive change in their communities

Global Governance: Enable governments, NGOs and international organizations to develop and enforce trans-national governance structures to address complex global challenges. Promote collaboration between diverse actors in markets and networks to effectively solve transnational problems.

To achieve Academy's mission, long-term collaborative partnerships and joint-initiatives have been developed



An Advisory Council has been formed for the Academy. Advisory Council of the Academy comprises well-known names on governance.



The Academy has established a donation fund under Boğaziçi University Foundation to mobilize resources for its activities to improve governance standards and support academic research.

The Academy has performed a number of activities in 2016 and 2017.

- A Public Governance training program has been developed in collaboration with Boğaziçi University Life Long Learning Center. First and second modules of trainings have been performed in Ankara to civil servants. The training program has been realized in collaboration with Civil Servants' Associations and Public Institutions.

Public Governance Certificate Program

Module 1: Good Governance and Sustainability in the Public Sector 1. Governance and Participatory Democracy in the Public Sector 2. Modernizing Government 3. Future Trends: Population Growth, Resource Scarcity, Climate Change 4. Economic Development 5. Sustainability and Integrated Governance 6. Increasing Trust in the Public Sector 7. Measuring Governance Quality: Governance Indicators 8. Global Governance: Issues, Approaches and Institutions	Module 2: Regulatory Reform and Empirical Methods in Policy-Making 1. Regulatory Reform and Whole-of-government approaches 2. Strategic Management and Planning 3. Empirical Methods in Public Policy 1: Decision Theory and Analysis 4. Empirical Methods in Public Policy 2: Regulatory Impact Analysis 5. Empirical Methods in Public Policy 3: Social Network Analysis, Simplification, Participation 6. Empirical Methods in Public Policy 4: Measurement and Evaluation 7. Managing Capacity and Administrative Burden 8. Effective Implementation of Public Policy
Module 3: Participatory Democracy and Open Government 1. Evolution of democracy: Participatory Democracy 2. Stakeholders and Collaborative Problem-Solving – Implementation Cycle 3. Increasing Citizen Participation and Communication 4. Role of Local Governments in Increasing Citizen Participation 5. Transparency and Ethics in the Public Sector 6. Tools for Good Governance in Participatory Democracy 1: Development Maps 7. Tools for Good Governance in Participatory Democracy 2: Spending Analysis 8. Tools for Good Governance in Participatory Democracy 3: Citizen Satisfaction Surveys	Module 4: Effectiveness and Innovation in Public Service Delivery 1. Effective Problem Solving and Implementation in the Public Sector and NGO Partnerships 2. Effective Problem Solving and Implementation 1: Private Sector Governments 3. Effective Problem Solving and Implementation 2: Performance Management and Learning Culture 4. Innovation in Public Service Delivery 5. Innovation in Public Service Delivery 1: e-government 6. Innovation in Public Service Delivery 2: Social Entrepreneurship 7. Innovation in Public Service Delivery 3: Behavioral Economics and Nudge

- Good governance in Civil Society Training program has been developed and performed. The main aim is to contribute to the development of civil society's capacity.

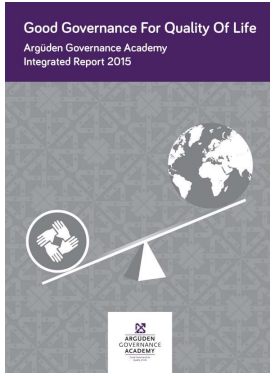
Key Role of General Counsels for Corporate Sustainability; In collaboration with Global Compact Türkiye, we conducted the “Conference for General Counsels on Corporate Sustainability” at TÜSİAD, İstanbul. In the conference, we emphasized the crucial role of the General Counsels for the sustainability of institutions.



Our Integrated Report Training has Started! As a founding member of the Integrated Reporting Türkiye Network, we completed our first Integrated Report Training. We have developed the content of the program in collaboration with TÜSİAD and shared our experience in preparing the first Integrated Report in Türkiye,



- Academy has issued Integrated Reports for 2015 and 2016. Academy was the first organization that produces Integrated Report in Turkey and one of the first 10 NGOs in the World.



- Academy represented Türkiye in Asian Public Governance Forum; As an invitee of OECD Korea Policy Centre, we participated to the Asian Public Governance Forum, in which 136 representatives from more than 10 countries were present. Dr. Fatma Öğücü Şen, our Research Program Manager, shared the structure and decision making mechanisms of local governments in Türkiye.



- Academy believes that children must be raised as responsible individuals, embracing good governance culture in their lives, as they are the leaders of today and tomorrow. In collaboration with Corporate Volunteers Association; following an intense 2-day training with their volunteers, we conducted a 10-week activity program with 4th grade primary school students.



- Youth unemployment is one of the major problems that the youth face in the Middle East & North Africa. As the region experiences one of the highest youth unemployment rate in the world, the Co-Opinion Network has embraced this topic and focused "Youth Empowerment" on the 2nd Annual Youth Summit. We emphasize at every opportunity that children and young people are today's and future's leaders as we do in the Good Governance for Kids project that we launched in 2017. Hence, we wanted to support Co-Opinions project. Thereby, we hosted one of the consultation workshop sessions and trained young representatives of civil society organizations from Middle East & North Africa on good governance



- Founder, Dr. Argüden moderated the Annual Global Meeting of Horasis: The Global Vision Community under the theme of "Building Togetherness" and shared his insights with International Chamber of Commerce Secretary General, John Danilovich.



- The Academy started to give trainings on “Gender Equality”.



- The Academy committed to mobilize more than \$1 million to support Sustainable Development Goals #16 & #17.

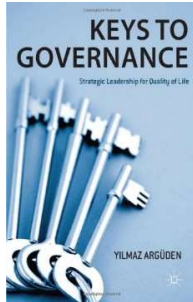


UN GLOBAL COMPACT ACTIVITIES IN 2016 and 2017

- Dr Erkin Erimez has been elected as a Board Member of f UN Global Compact Türkiye.
- 5th Sustainable Finance Forum has been organized in collaboration with Turkish Business Counsel for Sustainable Development Association and UNEP FI on September 29, 2017 in Zorlu Performans Center with the participation of Deputy Prime Minister Mehmet Şimşek. Dr. Yılmaz Argüden has moderated a panel.



PUBLICATIONS;



KEYS TO GOVERNANCE STRATEGIC LEADERSHIP FOR QUALITY OF LIFE Dr. Yılmaz ARGÜDEN

Good governance is the key to sustainability of our organizations and success of humanity in improving quality of life for all citizens of our world. Governance is much more than just the structure, processes, and rules of decision making and controls. **Good governance is a culture and a climate** of Consistency (predictability), Responsibility, Accountability, Fairness, Transparency, and Effectiveness that is Deployed (subsidiarity¹) throughout the organization (the 'CRAFTED' principles of governance.)

With both meanings of the word subsidiarity: (i) As a principle of social doctrine that all social bodies exist for the sake of the individual and therefore social institutions should not take over what individuals can do by themselves, and (ii) In political systems, the principle of devolving decisions to the lowest practical level, empowerment.

Good governance starts with the individual and is applicable in all types of organizations, starting from the family and extending throughout the community, company, non-governmental organizations, governments at all levels, all the way to global institutions.

This book elaborates the keys to good governance. What is interesting is that these principles, despite different forms of application, are common regardless of the size, complexity, and jurisdiction of an organization. Furthermore, it requires an understanding of “regarding the others, as you regard yourself” to become prevalent. This understanding transcends the individual’s interests and requires considering not only interests of others that we share our planet with, but also interests of future generations. Good governance is the key to effective utilization of our limited resources and not only improves the quality of life, but also ensures sustainability of life on our planet.

The essence of good governance is ensuring trustworthy relations between the institution and its stakeholders. Trust is the foundation of sustainable development. Good governance is the key to establish common expectations, to devise effective policies and processes in order to achieve desired performance levels in a sustainable fashion. Governance involves the rights

and processes of decision making and exercising controls in an organization to achieve mutual goals. In short, governance is about performance.

In the new millennium, societies demonstrate and experience highly creative and efficient forms of governance and they learn lessons from them. In this context, a new type of citizenship consciousness emerges. This new citizenship consciousness symbolizes a new identity that acknowledges its own problems, demands higher standards but at the same time plays an active role in the formation and realization of these standards, that creates solutions from within and that forms the necessary structures for this purpose: in short, this new identity has a determination to shape its own future.

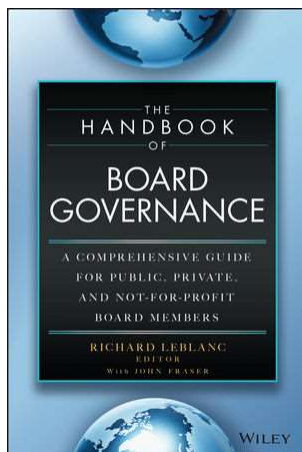
To establish these structures, consistency is necessary at a global scale. Global consistency requires a convergence on implementing common values in all aspects of life. The solution has to start at grassroots: if transformation and change can be inspired at all levels of society, the process to shape the future begins. The role of those who do not take part in the process will be limited in a future shaped by others. Thus, for sustainability of our institutions we need to consider new ways of involving all stakeholders in governance mechanisms.

The basic element of any community or organization, is the individual. Therefore, the domain of governance starts from the individual and extends all the way to all of humanity, global governance. Good governance takes place at four levels in societal life: 1) Individual, 2) Corporate, 3) NGO, and 4) Public Sector, which in turn has three layers: i) Local, ii) National, and iii) Global. At all these levels, if the stakeholders are driven by common values of having an open mind for continuous learning (**curiosity**); an open heart for sharing (**responsibility**); a quest for effective utilization of resources for **value creation**; and accountability, consistency, transparency, and fairness for **building trust**, then the fundamentals are in place for establishing the rules of engagement for good governance, paving the path for shaping their own future.

This book argues that good governance is key to sustainable development of quality of life, the values and behaviors that drive good governance are similar for all types of institutions, and if we are to shape our own future, we need to start from the individual and our education systems.

It is my sincere wish that this book will be useful in the development of good governance culture, throughout the world and contribute to the establishment of trustworthy relationships between all types of organizations and their stakeholders, thereby ensuring effective, sustainable, and equitable resource utilization to improve the quality of life throughout the globe.

<http://www.amazon.com/Keys-Governance-Strategic-Leadership-Quality/dp/0230278140>



The Handbook of Board Governance

Since the adoption of Sustainable Development Goals by United Nations and the issues discussed at the Climate Summit COP 21, many countries have been committed to support these Goals. With this approach, Board of Directors need to engage in embedding these responsibilities to the corporations. In the chapter that Dr. Argüden committed for 'The Handbook of Board Governance', he shared his experiences on the Responsible Boards for a Sustainable Future. The chapter with best practices examples, insights and Sustainability Checklist for Boards to ask themselves, provides a guideline on Good Governance for all executives.

RESPONSIBLE BOARDS – ACTION PLAN FOR SUSTAINABLE FUTURE – Dr. Yılmaz Argüden



A sustainable global economy is one that combines long-term profitability with ethical behavior, social justice, and environmental care. Companies can play a fundamental role in creating a sustainable future by embracing this challenge as an opportunity for innovation and long-term value creation. This paper discusses steps that companies can take to craft the sustainability vision, build sustainable boards, and integrate sustainability into the organization.

“The Hand Book of Board Governance” 2016

“Good Governance for Sustainable Development” 2016

“Keys to Governance” 2011

“Boardroom Secrets” 2009

“Benchmarking” 2009

“Data Mining” 2008

“ARGE Corporate Governance Model” 2007

“Management of Voluntary Organisations” 2006

“Intellectual Capital” 2005

“Change Management” 2004

“Strategic View” 2003

“Reputation Management” 2003

“Corporate Social Responsibility” 2002

“Value Management” 2001

“Balanced Scorecard” 2000



HUMAN RESOURCE AND HEALTH AND SAFETY

ARGE's policy is to attract the best people and to create an environment of mutual trust and team spirit to foster continuous development of its people. We expect each member of our team to demonstrate self-respect, respect for others and the environment.

ARGE supports the development of knowledge, competence, and creative abilities of each team member; and expects them to do so, both on an individual and organizational level. We strive for effective utilization of the ultimate non-renewable resource, time.

ARGE believes in leading by example. We demonstrate our corporate social responsibility, by encouraging all our consultants to devote a full day of each week for voluntary work in NGOs to improve the quality of life in our community with a local, national, and global perspective.

ARGE fulfils its legal requirements on health and safety issues.

NATURAL RESOURCE USAGE

ARGE is trying to minimize its natural resource usage in the organization.

ARGE moved to a new building in 2013. This building has been rebuilt according sustainable building concept to minimize energy consumption. Water efficiency is also a concern in rebuilding process.

A video conference facilities has been installed to minimize the travelling requirements and make online meetings with customers.

However it is not easy to reach an optimum level of resource consumption due to needs and expectations of customers.

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