ARGE Consulting Integrated Report

2020 2021 PERIOD

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2020-2021 ARGE COP

ABOUT THE REPORT

This report is the first Integrated Report prepared by ARGE Consulting. We aim to communicate a holistic picture of our value creation model and history by explaining our strategy, policies, activities, and the value we would like to create for all our stakeholders.

ARGE has been established in 1991. The company has created value for over 500 clients with more than 1500 projects during the last 30 years. Furthermore, ARGE Consulting's policy of donating one-day-a-week for non-profit work has made a significant difference in the development of numerous NGOs. ARGE performs projects on strategy, business excellence, human and intellectual resources development, governance, sustainability, risk management, board evaluations, Integrated Reporting, organizational development, impact assessment studies, and performance management.

The content of this report has been determined in line with materiality approach. The topics are identified according to issues raised by stakeholders and issues that have been considered as significant for sustainability of ARGE. The connection between company's strategy and material issues has been formed. The report has ... chapters of ...

The report has been prepared in accordance with Integrated Reporting Framework and GRI Core option. The core option provides the background against which an organization communicates the impacts of its economic, environmental, social, and governance performance

Company Executive team and Chairman of the board played an active role through reviewing the progress in regular manner and made recommendations to improve reporting process.

This report covers business activities performed by ARGE Consulting in 2020 and 2021.

The report has not been assured by a third party.

CHAIRMAN'S MESSAGE

We are proud to have celebrated our 30th anniversary in 2021 as a globally recognized Turkish management consulting firm. During these 30 years ARGE has

* Carried out over 1500 projects for more than 500 clients across numerous sectors to improve their profitability and help them win National and European Awards for business excellence and focused on four areas its projects:

- O Strategy (doing right the thing)
- o Quality (doing things right)
- o Institutional development (sustainability of the institution)
- o Good governance (culture & climate for enhancing management quality)

* Made leading contributions to the community:

- 0 National Quality Movement that influenced numerous sectors throughout the country
- o Founding the Turkish Network and assuming the global leadership of the Local Networks of UN Global Compact, the largest global sustainability platform
- o Diffusion of corporate volunteering approach (Private Sector Volunteers Association)
- o Enhancing good governance across public, private, and civil society

* Won European Awards with the development of exemplary practices; made contributions to international standards established by institutions such as the United Nations, G20, OECD, World Bank, IFC, EBRD, and World Economic Forum

* Intellectual contributions at globally recognized publications such as the Harvard Business Review, INSEAD Knowledge and books at publishers such as Palgrave Macmillan and Wiley

Dr. Yılmaz Argüden Chairman





ARGE CONSULTING

ARGE Consulting 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.
- 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.

Our Purpose

To improve quality of life.

Our Mission

To create value by improving management quality.

Our Vision

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







СОР

ARGE's mission is to create value by improving management quality. ARGE Consulting's Values & Principles are:

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.

V 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.

$\tilde{}$ 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.

lphaScience 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.

$\boldsymbol{\delta}$ (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.

Our business model enables to implement our strategy and create value for all our stakeholders and the company itself.



ARGE CELEBRATES 30TH ANNIVERSARY

ARGE CELEBRATED ITS 30TH ANNIVERSARY With an online international organization held by Harvard Business Review—Türkiye

The panel is moderated by HBR Türkiye Editor Serdar Turan with the participation of Russell Longmuir, CEO of European Foundation for Quality Management (EFQM), Dr. Jeremy Osborn, Director of Value Reporting Foundation, and Dr. Yılmaz Argüden, Chairman of ARGE Consulting.

ARGE Consulting presented the Sustainable Success Model book with ARGE's 30 years of experience, global outlook, and ability to develop and deploy business models

JUNE 21, 2021

APRIL 9, 2021

https://arge.com/en/arge-in-the-news/arge-consulting-30th-anniversary-hbr



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, good governance, board evaluation, sustainability strategy development, Integrated Reporting, risk management system, and impact assessment studies.

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 its commitment to apply the 10 principles concerning human rights, labor, environmental, and anti-corruption. ARGE's Chairman has played important role in foundation of UNGC Türkiye Network and became the first Chairman of the Türkiye Network. He has been elected as the Chairman of UNGC Local Networks in 2014 and has served UNGC Board as the Chairman of UNGC Local Networks.



ARGE Consulting - Management Team



ARGE has been selected to be a Knowledge Partner on "Governance and Sustainability Theme" in B20 2015 Türkiye, to achieve the status of being the only local consulting firm to be serve as a B20 Knowledge Partner since inception of G20 processes so far. ARGE partners has been serving as members of different Task Forces of B20 processes and contributed to policy development activities since then.







One of ARGE partners has served as a member of advisory group that guided the development of EFQM 2020 model. ARGE is a Knowledge Partner and a Certified Advisory Organization of EFQM. The company has been accredited by EFQM as a training and advisory partner.







ARGE Consulting continues to contribute to the promotion of integrated thinking **ARGE CONSULTING:** and integrated reporting in Türkiye and in the world. **FIRST TURKISH INSTITUTION** TO BECOME CERTIFIED TRAINING PARTNER

In 2015, as the B20 Knowledge Partner, ARGE was instrumental in incorporating <IR> to the B20 recommendations. Helping Argüden Governance Academy becoming

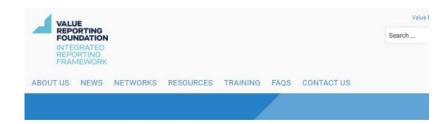
the first Turkish institution to publish an Integrated Report and in advising Kadıköv Municipality to publish its 2017 results as an Integrated Report. becoming the first municipality to do so globally.

2020

OF THE IIRC



ARGE has been confirmed as a Training Partner of International Integrated Reporting (IIRC) in 2020. International Counsel Integrated Reporting Counsel and Sustainability Accounting Standards Board has been merged in June 2021 and formed Value Reporting Foundation. The company is one of the 17 Training Partners in the world. VRF has stated in its website that "As part of our commitment to drive high-quality integrated reporting globally, we have appointed <IR> Training Partners across the world to deliver our training. These partners have been appointed because of their knowledge and understanding of Integrated Reporting, so that you can have confidence in the training you receive.".





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Aarohan Communications

AAROHAN India

AICL Communications

AICL India, Malaysia, Singapore, Indonesia, Sri Lanka, Bangladesh and the UAE

ARGE Consulting



ARGE contributes policy development processes of OECD, IFC, EBRD, VRF, European Commission, EU, Republic of Türkiye and B20.





ARGE Consulting has founded Argüden Governance Academy in 2014. Argüden Governance Academy is a non-profit foundation to promote good governance in private, public, and civil sectors in Türkiye and the world. The Academy conducts education programs and research to develop original content to achieve its goals.

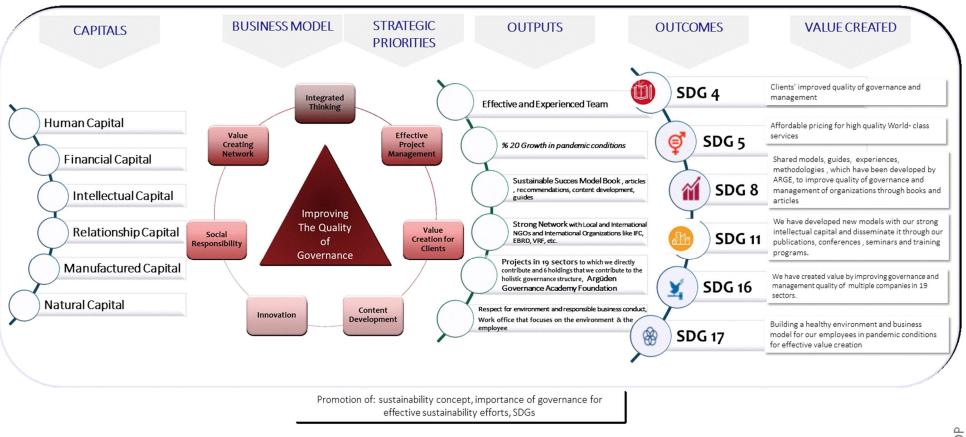
He Academy has a strong advisory board whose members are well known experts on governance.

ARGE Consulting'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 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.



STRATEGY AND VALUE MODEL





We work on the basis of seven

basic dimensions for improving the

quality of governance for all

organizations

- 1. Integrated Thinking
- 2. Effective Project Management
- 3. Value Creation for Clients
- 4. Content Development
- 5. Innovation
- 6. Social Responsibility
- 7. Value Creating Network

We can summarize the outputs we achieved in the relevant period covered by the report as follows:

- Effective and Experienced Team
- % 20 Growth in pandemic conditions
- Sustainable Success Model published, articles, recommendations, content development, guides
- Strong Network with Local and International NGOs and International Organizations like IFC, EBRD, VRF, etc.
- Projects in 19 sectors to which we directly contribute and 6 Holding companies that we contribute to their holistic governance structure, Argüden Governance Academy Foundation
- Respect for environment and responsible business conduct, Work office that focuses on the environment & the employee

Our contributions to the SDGs through our work

SDG 4, SDG5, SDG 8, SDG 11, SDG 16, SDG 17

By clearly revealing the approaches that will contribute to the SDGs with the content, models and guides we have developed, we provide an effect that facilitates the awareness of institutions and their implementation. We have helped the 'UN Global Compact Network to adopt a Calendar Day for Each SDG' initiative to provide better focus on diverse SDGs.

With the methodologies that put sustainability and the 17 SDGs as the main focus in all the projects we carry out, we develop tools for institutions to use the world's resources with a sustainability perspective. We multiply our influence with projects

With our business model, we develop content, models, and guides, as well as take the role of catalyst in management consultancy projects and practices.

Thus, we have the opportunity to understand different industry dynamics and experience the difficulties in practice. These experiences enable us to create value with globally effective products by increasing our content production performance and quality. We can summarize the value and impact we created in the 2020-2021 period, which constitutes the content of the reporting, as follows.

We multiply the development of our intellectual knowledge with our projects

and bring them to our clients.

We are expanding our sphere of impact

- Clients' improved quality of governance and management
- Affordable pricing for high quality world-class services
- Shared models, guides, experiences, methodologies, which have been developed by ARGE, to improve quality of governance and management of organizations through books and articles
- We have developed new models with our strong intellectual capital and disseminate it through our publications, conferences, seminars, and training programs
- We have created value by improving governance and management quality of multiple companies in 19 sectors.
- Building a healthy environment and business model for our employees in pandemic conditions for effective value creation



- Considering that the subject of governance constitutes the main framework of sustainability, to undertake pioneering practices that will improve the governance performance in institutions. (by consulting projects and articles)
- To provide our clients with the Sustainable Success Model we have developed as an application guide. (Through consulting projects, for different sectors, Focusing on priority sectors that will be affected by the Green Deal)
- ↗ To increase the number of practitioners with training and seminars that will increase awareness on Integrated Thinking and Integrated Reporting. (minimum 3 training course)
- Activating our network on sustainability and strengthening cooperation with effective projects on the subject
- **7** Continuing to support the improvement of society through voluntary work
- Developing new practices in order to protect the physical and psychological health of employees and to take care of work-life balance



MATERIALITY

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.

Material issues for ARGE Consulting

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

	HIGH			VALUE CREATION FOR CLIENTS
				VALUE CREATION FOR THE SOCIETY
				SELF DEVELOPMENT AND FOLLOWING THE TRENDS
				BUILDING RELATIONSHIPS
MATERIAL FOR				HUMAN RIGHTS AND SAFETY
STAKEHOLDERS				REPUTATION
	MEDIUM			
	LOW		NATURAL RESOURCE USAGE	
		LOW	MEDIUM	HIGH

MATERIAL ISSUE	WHY IT IS IMPORTANT	HOW WE MANAGE IT
VALUE CREATION FOR CLIENTS	A consulting company would be able to conduct projects if it can create value for its clients. Then Clients would recommend consulting company to their stakeholders and award new projects. Value creation is important for success of the company and is key for business continuity.	ARGE has strong relations with its clients and a pioneer in developing new model, methodologies and monitor the trends in the ecosystem. It conducted more than 1500 projects with more than 500 clients in 30 years period. ARGE aims to create highest value and provide tailor made solutions to its clients.
VALUE CREATION FOR THE SOCIETY	Organizations must create value for the society. The experience shows that the most successful businesses are the ones that create value for society and share the benefits with them. Such organizations help to improve societies' knowledge base, to support economic growth and to manage and mitigate risks which improves resilience of society.	ARGE always support creating value for the society. ARGE partners spend one day of the weeks for NGOs to create value for the society. ARGE forms partnerships with NGOs in content development projects. ARGE has founded Argüden Governance Academy which is a non-profit NGO to promote good governance practices in private, public and civil sectors. It conducts projects and share the results with public in its website. ARGE also shares the developed content with its stakeholders in its website.
SELF DEVELOPMENT AND FOLLOWING THE TRENDS	A consulting company must monitor the new trends in the world. Self-development of partners and employees would enable to implement new solutions for the clients. Self- development is important for sustainability and business continuity of the company.	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 Partners contribute by making recommendation of policy development of institutions like OECD, IFC, VRF, EC, EU, central government institutions, local and international NGOs. Such an opportunity creates a chance for shaping new trends.
BUILDING RELATIONSHIPS	Building strong and trust-based relationships with different stakeholder groups and partners is important for a consulting company. Relationship would help to build a network through which partnerships could be formed to conduct projects. New business could be developed through the network.	ARGE has strong and trust-based relations with international organizations like OECD, IFC, EBRD, EC, VRF, and NGOs like Turkish NGOs of TUSIAD, TUYID, YKD, TKYD, OSGD, SKD, TIDE, and its partners, and business partners.
HUMAN RIGHTS AND SAFETY	Every responsible organization must respect human rights in its office, activities. The organization must ensure a secure working environment for its employees.	ARGE respects human rights and support and promote respect for j-human rights. ARGE served in Responsible Business Conduct Task Forces of B20 since 2016. ARGE provides a secure work environment for its employees. No work-related accident has occurred since its inception.



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MATERIAL ISSUE	WHY IT IS IMPORTANT	HOW WE MANAGE IT
REPUTATION	Reputation is essential for a business to sustain. Good reputation for a consulting company: attract new talent and new clients, create client loyalty where new projects could be conducted with existing clients. Reputation is key for business continuity.	ARGE is aware of the importance of reputation and aware that trust of its stakeholders could be lost easily. ARGE's business principles include 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. We spend maximum effort to provide 'the best' solutions in every project we undertake.
NATURAL RESOURCE USAGE	Natural resources are scare. Organization must spend maximum effort to use minimum natural resources and improve efficiency when conducting its operations. This approach is key for a sustainable future and prosperity of future generations.	ARGE is a boutique consulting firm with less than 50 3mployees. Our environmental footprint is limited. After the pandemic we have minimized business trip and conduct our projects in mostly with the help of digital media. Paper utilization printed materials have been minimized. Communication and meetings with and report presentations to clients have been conducted through digital means. Minimum paper has been used for in office communication.



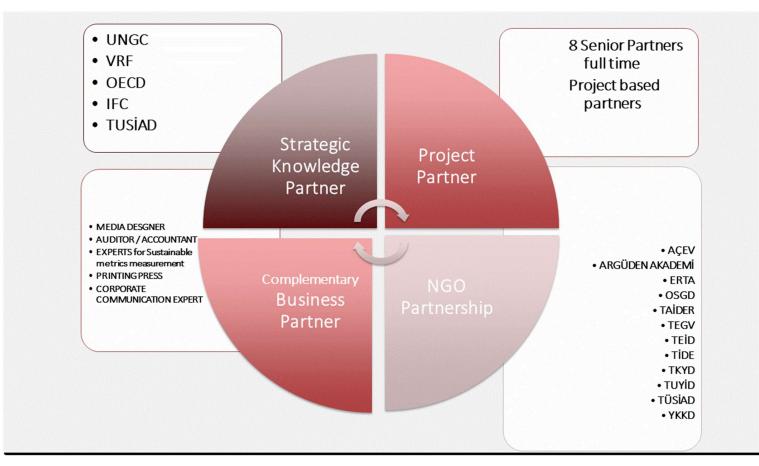
STAKEHOLDERS

The stakeholders of ARGE Consulting have been reviewed and analyzed. The stakeholders of ARGE are.

STAKEHOLDER	WHY IS IT IMPORTANT	HOW WE ENGAGE
CLIENTS	Clients are key for sustainability of the company. Clients would prefer to work with a consulting company which creates value for them.	ARGE has strong and trust- based relationship with its clients. The company has conducted more than 1500 projects with more than 500 clients since 1991.
GOVERNMENT	Government institutions affect and shape our daily life through regulations. Government institutions need to engage with stakeholders in designing regulations. Government institutions need consultancy services for improving the efficiency of their services. Having good relations with government institutions would help to improve quality of life of the society.	ARGE has good relations with government institutions. The company provide views and recommendations to government institutions directly and through civil society organizations when required. ARGE also have conducted successful projects for government institutions since 1991.
LOCAL AND INTERNATIONAL NGOS	An organization must create value for the society. NGOs are important partners in delivering value to the society. Joint projects could be conducted for creating value to the society as well.	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. ARGE supports NGOs and conducts joint projects to create value for the society and improve quality of life of people.
EMPLOYEES	Employees are the most important assets of the company. The quality of employees and their motivation are important factors for successful conduct of consulting business.	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. 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. ARGE consultant receives up to one month of training per year to keep abreast of the latest developments in his/her field of specialization.
INTERNATIONAL ORGANIZATIONS	International organizations are import partners for a consulting company. These organizations develop policies, methodologies for improving the governance quality of countries, businesses, societies. Partnership with such organizations creates an opportunity to affect these policies through recommendations and creates a learning opportunity of new policies, techniques, and methodologies.	ARGE has strong relations with international organizations. ARGE makes contributions to the policy development processes of OECD, IFC, EU, EBRD, VRF, etc. The company is the founding partner of UNGC Türkiye Network.



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Network building is a critical issue for ARGE. ARGE's network management approach is:

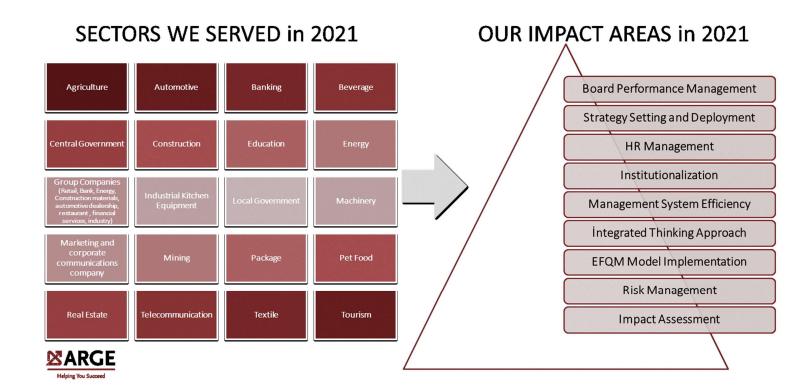


VALUE CREATION FOR CLIENTS Business Impact

ARGE Consulting has performed projects in 19 sectors in the years of 2020 and 2021. The clients are role model in their industries.

ARGE's focus is to leverage its management and governance expertise to help its clients and partnered NGOs to maximize their impact on the community as well.

The sectors that we created value through our projects have been:





SUSTAINABLE SUCCESS MODEL©

Since 1991, ARGE Consulting has not only been helping the development of these concepts, but also has been a role model with its commitment to implement them. ARGE has adopted a policy of;

- investing one-month-a-year for innovations and continuous education of its consultants to develop its human and intellectual capitals and
- encouraging all its consultants to dedicate one-day-a-week for non-profit work to help develop the community through numerous NGOs to develop its social and relationship capitals.

Sustainable success can be achieved through integrated thinking, effective implementation, and proper communication of value creation and value capture model.

Sustainable Success Model: with such an understanding and experience, ARGE Consulting has developed a Sustainable Success Model© that incorporates the key understandings from integrated thinking (strategic and responsible leadership), EFQM Model (deployment throughout the organization for effective implementation), and value reporting (for better governance and gaining the trust of stakeholders). In a nutshell, sustainable success requires broadening our perspectives for decision making in four dimensions: time (from short term to long term), place (from where we operate to all the places that our activities make an impact), capitals (not only financial but also intellectual, manufactured, natural, human, and social and relationship), and stakeholders (direct and indirect). In this book we are providing a detailed explanation of this Model for the use of all types of organizations to help improve the quality of life in a sustainable fashion.

The model has revealed the approaches to be implemented for Sustainable Success with five main components: Vision, Approach, Learn, Unify, and Ecosystem. This working method offered by the model is a tool to create VALUE and create the assurance of Sustainable Success.





Sustainable Success Model:

- Adopts the philosophy of Integrated Thinking,
- Is shaped by bringing together the systematics of the EFQM 2020 Model's direction, application, and measurement approaches,
- Highlights the importance of the Sustainable Development Goals that shapes the understanding of sustainability,
- Defines the continuous learning cycle covering the whole ecosystem,
- Is structured and integrated with strong experience in governance and implementation.



Sustainable Success Model©

V	A	L	U	E
Vision	Approach	Learn	Unify	Ecosystem
1 What is your Philosophy? Define Purpose, Mission, Vision	7 Define your Strategy	13 Measure your Operational Performance and Perception	19 Assess Needs for Different Resources and Understand Expectations of	25 Identify Stakeholder Impact Area & Relationship Strategy
Values, Principles 2 Define Value to be Created	Define your Organization Structure	14 Measure Board Performance	Resource Owners 20 Update Strategy with Learning	26 Identify Stakeholder Priorities
3 Define your Governance Model	Define your Process Hierarchy	15 Conduct Internal and External Audit	21 Address Gaps	27 Measure and Manage Perceptions
4 Define your Ecosystem and Stakeholders	10 Define Resource Management Approach	16 Perform Reporting Activities	22 Communicate Internally and Externally with	28 Measure and Manage Outcomes
5 Define and Align your Business Model with the SDGs	11 Define KPI Set, Performance Management and Reporting Structure	17 Evaluate and Implement Lessons Learned	Focused Messages 23 Manage Stakeholders	29 Communicate Goals and Results
6 Share your Experiences, Invest on your Intellectual Capital	12 Share your Experiences, Invest on your Intellectual Capital	18 Share your Experiences, Invest on your Intellectual Capital	24 Share your Experiences, Invest on your Intellectual Capital	30 Share your Experiences, Invest on your Intellectual Capital

This model utilizes Integrated Thinking and Integrated Reporting as well as EFQM 2020 Model and the SDGs

In Sustainable Success Model (SSM), the creation of an integrated thinking philosophy and a value-oriented perspective are defined at the start.

The model aims to realize VALUE with the approaches and practices that contribute to the EFQM 2020 Model and the Sustainable Development Goals. Integrated Reporting in the model indicates the strong realization of communication and performance presentation for the whole ecosystem. Strong communication and value-oriented performance delivery support the element of trust in the ecosystem. The concept of Governance forms the framework in which the model operates.

SSM identifies governance as the top view for securing sustainability. And the most critical element of the model is the emphasis on the continuous realization of the learning cycle under the umbrella of governance. Strong communication and value-oriented performance delivery support the element of trust in the ecosystem.

The Model SSM offers a roadmap to institutions with 30 steps distributed to the five components. In the model description, definitions of each step, the recommendations of the SSM regarding the critical points in the implementation of this step, and the methods used are presented. General concepts and application suggestions explained in each component are accompanied with good examples as well. The relationship between IR - Integrated Thinking and EFQM is

defined at each stage, to improve the quality of management and ensure the sustainability of success regarding the ways and methods to be followed. It was emphasized that contributing to the Sustainable Development Goals (SDGs) will bring an important perspective in all approaches and goal setting stages. Therefore, studies related to the SDGs are shared as good examples.



VALUE CREATION FOR SOCIETY

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

ARGE Consulting has established "Argüden Governance Academy" in 2014. Argüden Governance Academy is a non-profit foundation dedicated to improving governance quality in public, non-profit, private, and international organizations to create sustainable value for institutions and society.

ARGE supports the UN Global Compact and integrates the 10 principles of the UN Global Compact in its operations, as the first Turkish signatory. ARGE Partner Dr. Erkin Erimez is a member of UN Global Compact Türkiye Board.

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.

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 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 organizations and integrate its management consultancy experience within its projects in partnership with its network of clients and other NGOs.



ARGÜDEN GOVERNANCE ACADEMY

Argüden Governance Academy has conducted projects for improving quality of life of the society.

<u>Sustainability Governance Scorecard</u>: Argüden Governance Academy has been conducting this impact-research since 2018 to review the financial and sustainability disclosures of about 200 Global Sustainability Leaders from 7 countries through a governance lens. While the sustainability performance of various companies is difficult to compare, as such performance is context specific, their approach to governance of sustainability efforts provides important insights for everyone.

Governance is providing guidance and oversight to management to ensure sustainability of the organization by gaining the trust of all stakeholders. Therefore, good governance is about creating a climate in which a culture for building value and trust nourishes. Good governance needs to ensure that the organization has the right people, processes, information, and values to create value and trust. Happiness and success come from aligning our thoughts, words, and deeds. Academy promotes the need for changing the terminology

of ESG to G(EES) to instill a proper understanding of Good Governance that needs to encompass evaluation of the impacts of management decisions on the Economic, Environmental, and Social domains.

<u>Governance 101</u>: The Governance101 (GOV101) is an interesting and youthoriented training program for university students, who will be the leaders of the future, with the aim of helping students to understand and adopt good governance culture.

<u>Governance for Children</u>: This is a children-oriented program for children at the age of 10. This program aims to help students to understand and adopt good governance culture.



<u>Holistic Social Service Governance for Resilient Cities</u>: Argüden Governance Academy developed the "Holistic Social Service Governance for Resilient Cities" model with the support of Marmara Municipalities Union and in collaboration with the Municipalities of Sultanbeyli and Maltepe. In the model, it has been investigated and reported how planning and administration are needed to be carried out during incidents such as COVID-19 in the world and in our country.



Local Development Guide for Business: This Guide has been developed and prepared in cooperation with TÜRKONFED to help improve the quality of the policy climate through evidence-based policymaking with inclusive stakeholder engagement. The main aim of the Guide is to support a decision-making climate where economic, environmental, and social concerns are properly evaluated for sustainable development. It advocates a pro-competitive, transparent, predictable, and quality regulatory decision-making framework that support businesses, entrepreneurship, and innovation with minimum administrative burden. It also provides participatory policy development tools and best practices in this field to strengthen participatory democracy and to support local development.

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.

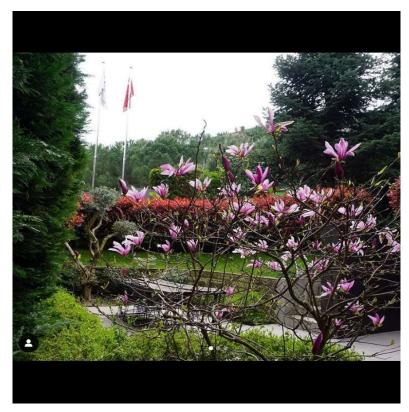
ARGE consultants have been trained on new EFQM2020 model and Integrated Reporting as part of development of employees' program.

ARGE fulfils its legal requirements on health and safety issues.









'a moment from our office window'



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 to sustainable building concept to minimize energy consumption. Water efficiency is also a concern in rebuilding process.

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

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



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