

Good Governance for Quality of Life

Argüden Governance Academy

Integrated Report 2018



**ARGÜDEN
GOVERNANCE
ACADEMY**

Good Governance for
Quality of Life

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Arguden Governance Academy Integrated Report 2018



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ABOUT THIS REPORT

This Integrated Report covers the 2018 activities carried out by non-profit Argüden Governance Academy. The Report is prepared in accordance with the fundamental concepts and guiding principles of the International Integrated Reporting <IR> Framework of International Integrated Reporting Council (IIRC).

Integrated Reporting helps both internal and external stakeholders gain an insight into the mission, vision, and strategy of the organization, and improves its governance performance. Through Integrated Reporting, the institutions communicate with their stakeholders more **transparently**, demonstrate the **continuity** of their activities, and by providing indicators about their **effectiveness** they provide material evidence of their resource utilization patterns in a **responsible, fair, and consistent** manner. This results in better **deployment** of their strategy and improve their **accountability** towards their stakeholders.

Our Academy has set an example, particularly for our country and other NGOs globally, by publishing the first Integrated Report in Türkiye in 2015 and becoming the first non-profit organization globally to adopt the International Integrated Reporting <IR> Framework from its first full year of operations.

This Report provides comparative data for 2018 against 2017, as well as plans for the upcoming year.

ABOUT US

Argüden Governance Academy was founded in İstanbul, Türkiye dedicated to help improving the quality of governance in public, nonprofit, private, and international organizations. Conducting its operations under the aegis of Boğaziçi University Foundation (BÜVAK), the Academy operates education, research and communication activities that comprise all segments of society (from public and corporate institutions and, NGOs) as well as childhood and youth.

This Integrated Report shows the mobilization and utilization of our resources to improve awareness, understanding, and implementation of good governance.

The Report includes our financial data and Impact Report which were subject to an independent third-party audit by Ernst&Young. Our Academy is also committed to promote integrated thinking, as the founding member of the Integrated Reporting Network of Türkiye (ERTA).

FROM THE BOARD CHAIR



Dear Stakeholders,

A higher quality of life and a sustainable future can only be achieved by increasing the quality of governance, which is inextricably linked to trust in institutions. As Argüden Governance Academy, we organize activities to increase this trust in order to achieve a more livable and sustainable future. To that end, we carry out our efforts with the vision of becoming an exemplary organization both locally and globally in terms of

our excellence and expertise in good governance practices.

This year, we continued our efforts in every sector in order to spread the culture and climate of “Good Governance”. In these efforts, we supported the improvement of the quality of governance on a global scale in the public and private sectors and non-profit organizations by collaborating with national and international organizations. We planted the seeds of “good governance”, and nourished these seeds with various education, research and communication efforts involving children, the youth, and adults alike.


Municipality
Governance
Scorecard
pg. 53

In 2018, we completed our project called “**From a Citizen’s Perspective: Governance Scorecard of Municipalities for İstanbul Districts**®” in order to help the widespread adoption of the culture of good governance in local governments. By using publicly available documents accessible by citizens, we have examined the quality of governance in 37 district municipalities in Istanbul that are obliged to prepare strategic plans. In order to foster an environment of continuous learning and development among municipalities, we have presented and highlighted different good practices from each municipality. Then, we have been invited to different national and international platforms to share our innovative approach. We have also organized workshops for municipalities and NGOs to benefit from our Municipality Governance Scorecard®.

After having our first alumni in 2016, we completed the second session of our “**Good Governance in the Public Sector**” certificate program this year. Our program was organized in collaboration with Boğaziçi University Lifelong Learning Center and hosted by the National Library. In this session, over 100 branch managers, heads of departments, internal auditors and experts from leading public institutions and universities received their certificates. We congratulate all of our participants and wish them success in the future.


Good
Governance in
Public Sector
Certificate
Program
pg. 52


Good
Corporate
Governance
Program
pg. 68

We also completed our “**Good Corporate Governance**” certificate program, which was one of our objectives for 2018. The program, which brought together leading experts in corporate governance around the world and representatives from the boards of directors of Türkiye’s leading companies, was received with great interest. Our advisory

committee member, director of the Rotman School of Management Conway, founder of the Coalition for Good Governance, and International Corporate Governance Network Lifetime Achievement Award Winner David R. Beatty gave a seminal presentation as the program's guest of honor. Additionally, Alexey Volynets, the corporate governance expert of IFC contributed to the Program with workshops that helped the participants adopt different perspectives. Dr. Yılmaz Argüden, the Founder of our Academy, also presented his knowledge and experience to the participants.

The importance of lawyers and legal experts for the adoption of good governance keeps increasing every day. Because of this, we continued our **“Corporate Sustainability for Legal Counsels”** conference series this year as well. Hosted by Galatasaray University, this year's conference was attended by lawyers, counsels, business representatives and university students. Bearing the importance of sustainability for our country and the business world in mind, we started to plan our next conference.

 Corporate Sustainability for Legal Counsels
pg. 71

After developing the Municipality Governance Scorecard® for the public sector, we started to develop our **“Sustainability Governance Scorecard®”** Model for companies in the private sector. We are pleased to maintain our innovative approach for the “Sustainability Governance Scorecard®” Model, which will include companies from different countries and industries around the world. We aim to present the findings of this project to the public in the first half of 2019.

 Sustainability Governance Scorecard®
pg. 69

“If your plan is for one year, plant rice. If your plan is for ten years, plant trees. If your plan is for one hundred years, educate children.”

Confucius

When the seeds of good governance germinate during childhood, sustainability and the quality of life increase naturally. Thus, family relationships based on consistency, responsibility, accountability, fairness, transparency, effectiveness and participation naturally improves the individual, the family, and the society alike. With this vision, we continued our **“Good Governance for Kids”** training program this year. More than 750 children experiences our training programs organized in collaboration with the Educational Volunteers Foundation of Türkiye (TEGV), Eskişehir Metropolitan Municipality Winter School, Corporate Volunteer Association (ÖSGD), Sabancı University Civic Involvement Project, KalDer İzmir and ITU Development Foundation İzmir Schools (İTÜGVO).

 Good Governance for Kids
pg. 60

As Argüden Governance Academy, we continue our mission to be a pioneer in the areas of **Integrated Thinking** and **Integrated Reporting**, both nationally and internationally. At the events we participated in or organized, we have continued to advocate for integrated thinking and integrated reporting practices. Consequently, we paved the way to increase the recognition of our country in the world with our recent developments.

We have been pleased and proud to see our proposal in the Municipality Governance Scorecard® to “make local governments adopt integrated thinking” implemented by municipalities. In 2018, the Municipality of Kadıköy decided to share its activities as an Integrated Report and became the first municipality in the world to do so. By guiding all of our efforts with the perspective of integrated thinking, we have worked with all stakeholders both inside and outside our team in a way that values consistency, responsibility, accountability, fairness, transparency, effectiveness and participation. Through our national and international collaborations, the impact of our work has increased. By avoiding isolated efforts and taking collective action, we have become even stronger.

“Only by working together can we achieve great success and important breakthroughs.”

Mustafa Kemal Atatürk

With the knowledge that women always enrich and add value to wherever they are, we continued our training sessions on **Gender Equality**. In 2018, we maintained our advocacy efforts for gender equality, which is one of the most important factors of social progress, with the workshops we organized in collaboration with the Turkish Society for Quality (KalDer) and Eczacıbaşı Holding our training we organized in cooperation with one of the most important issues of social progress. Additionally, we continued to promote and communicate our message for the development of the idea of gender equality on all platforms we participated in, especially on the TV programs we were invited to.

We also continued to spread the culture of good governance globally at the international conferences, forums and symposiums that we have been invited to. We have been invited by prominent international organizations such as **OECD, the United Nations, World Bank, and the Council of Europe** to introduce our various projects and efforts. We had the tremendous honor of having our work received with great interest and described as a “valuable contribution from Türkiye to the world”.

With our mission of adopting good governance for a sustainable future and a better quality of life, we plan our future without losing our vision of being a “**center of excellence in good governance and the first point of contact**”, which we continuously uphold in every effort we make.

With this vision, we create value for our stakeholders, and offer our library as an open source. We hope that this approach will benefit the widespread adoption of the culture and climate of good governance.

We would like to thank TIRSAN, Garanti Bank, Akkök Holding, Borusan and ARGE Consulting, as well as all of our individual donors, volunteers, and the institutions we have collaborated with, for their faith in our mission and vision.

I hope we will continue to walk the path to good governance and increase the quality of life together.

Best regards,

Prof. Dr. Metin ÇAKMAKÇI
Chairman

THE ACADEMY 2018 - AT A GLANCE



EDUCATION

305 HOURS OF EDUCATION WITH
1.214 PARTICIPANTS IN **18** PROGRAMS

RESEARCH

17 PUBLICATIONS, REPORTS, ARTICLES
4.052 PUBLICATION DISSEMINATION



COMMUNICATION

5.393 PEOPLE CONTACTED
INDIVIDUALLY IN **41** EVENTS



OUR MISSION AND VISION

Our mission is to improve governance quality in public institutions, NGOs, corporations, and international organizations to create sustainable value for the institutions and society. Our vision is to deploy good governance both locally and globally as a center of excellence and a reference point.

We encourage institutions and society to work together for a more sustainable and inclusive future. We combine our world-class expertise with a holistic view of governance and enter into partnerships to realize our goals, and to improve quality of life for current and future generations.

In accordance with our targets, our programs aim to:

- **Improve awareness** about the role of good governance for sustainable and inclusive development by means of education, 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 education 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 areas;
- **Collaborate** with other similar initiatives both locally and globally through joint projects to deepen the understanding of the key role of good governance in improving quality of life and sustainability of the planet.

THE “CRAFTED” PRINCIPLES OF GOVERNANCE



OUR BUSINESS MODEL AND OUR STRATEGY

We perform education, training, and communication activities to achieve our mission.

Why good governance, and for which sector?



PUBLIC

- Raise public sector leaders' level of competency in implementing democratic governance principles to develop evidence-based public policies.
- Ensure stakeholders' active participation in government bodies' decision-making processes to increase the level of transparency and accountability in the public sector.



CIVIL SOCIETY

- Raise the level of civil society organizations' transparency, accountability, fairness, participation, responsibility, consistency, to make them more trustworthy by increasing their governance capacity.
- Improve their competencies in being a better cooperation partner in government bodies' decision-making processes.
- Effectively mobilize resources.
- Develop new cooperation opportunities.



PRIVATE SECTOR

- Increase the level of their trustworthiness to contribute to their sustainability.
- Build an environment of trust through proper guidance and supervision.



GLOBAL ACTORS

- Become “the right cooperation partner” for the world's leading organizations to jointly develop solutions to global challenges.
- Ensure that our views and suggestions for adoption of good governance principles gain global acceptance.
- We increase the number of “best examples”, share our knowledge and experience, and raise awareness by spreading our international experience we have built under the guidance of our Advisory Board.



We create value for all our stakeholders to increase our resources and partnership opportunities by growing our reputation, visibility, and recognition both nationally and internationally.

We plan our training, research and communication activities in line with our strategy. We care for our own sustainability as well as our stakeholders'. We make the best use of the “leverage effect” by mobilizing the resources which are most economical for everyone. Alongside with a core full-time team at the Academy, we also employ several experts on project basis, drawing on their knowledge and experience.

We do our best to benefit more from our Advisory Board and Academic Board’s competencies. We conduct education, research, and communication activities to increase awareness about the importance of governance, train future leaders, and spread and reward best practices.

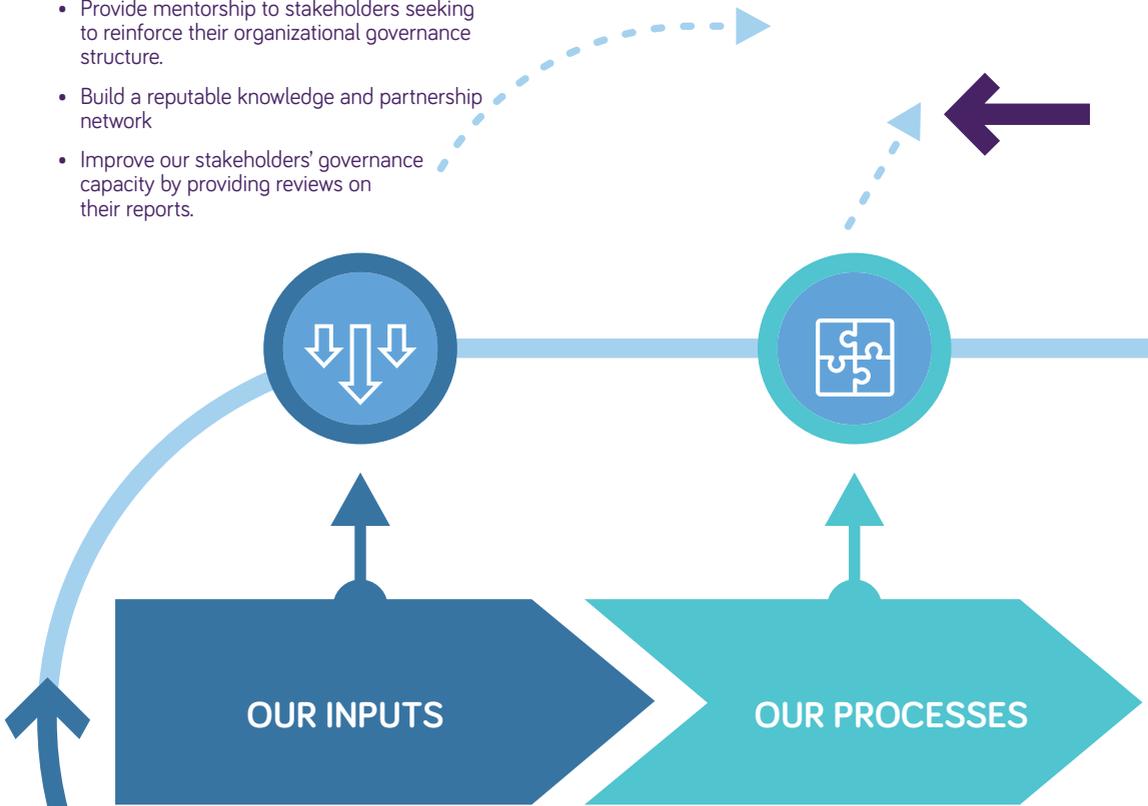
We believe that good governance is a “climate” and “culture”. To disseminate the good governance culture for both individual and organizational level, we adopt a wholistic approach. By promoting good governance principles of active participation in decision making processes, transparency, effectiveness, fairness, consistency, responsibility and accountability, and inspiring new governance practices, we contribute to the efforts for raising the citizens’ quality of life, and generate value in the short, medium and long term.

FOR OUR STAKEHOLDERS



- Increase the spread of good governance practices and support individuals carrying out studies in this field to raise the quality of life
- Contribute to 11th Development Plan to create stronger NGOs and improve the citizens' quality of life
- Provide mentorship to stakeholders seeking to reinforce their organizational governance structure.
- Build a reputable knowledge and partnership network
- Improve our stakeholders' governance capacity by providing reviews on their reports.

VALUES



- Syllabus
- Educational materials
- Educators
- Sectoral experts

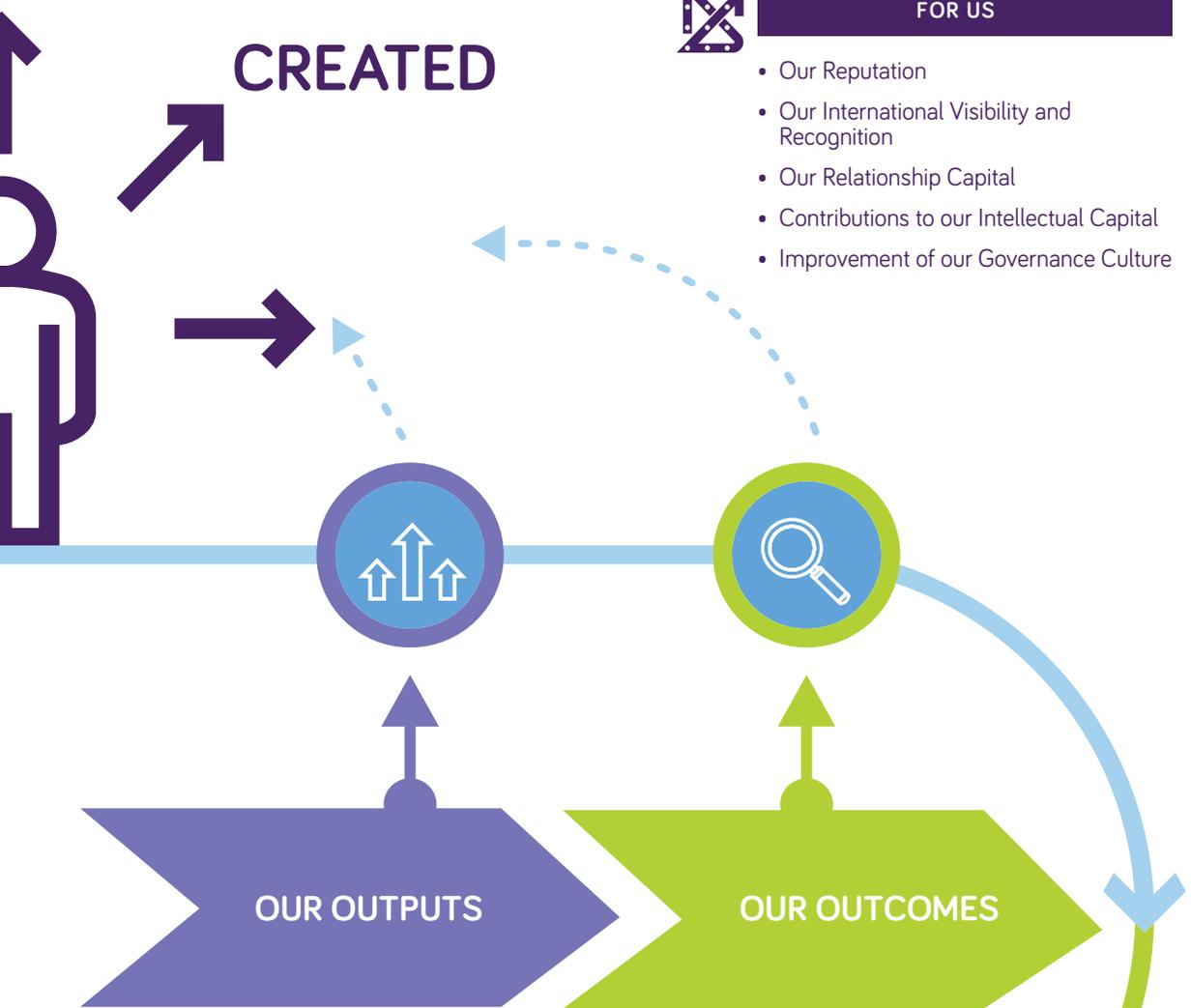


- Literature scanning
- Questionnaire results
- Experts
- Experts' opinions
- Workshops
- Major international sources



- Speakers/Experts
- Presentation materials
- Social media interactions
- Issuing newsletters
- Press Releases
- Sharing Integrated Reports





FOR US

- Our Reputation
- Our International Visibility and Recognition
- Our Relationship Capital
- Contributions to our Intellectual Capital
- Improvement of our Governance Culture

OUR OUTPUTS

OUR OUTCOMES



- Results of Program Evaluations
- Number of Graduates
- Number of Participants Who Get Participation Certificates
- Increased Governance Knowledge of Participants



- Publications
- Articles
- Survey Analysis
- International Sources Translated to Turkish
- Increased Governance Knowledge of People Who Follow our Research
- Number of People whom we shared our Publications as hard copy
- Reviews about the Research of International Institutions (OECD, IFC, etc.)



- Presentations
- Knowledge Partnership Protocols
- Number of People Reached via Social Media
- Number of People Reached via Newsletters
- Number of People Reached via Printed Media
- Increased Governance Knowledge of Participants
- Publications of our Scholars

Improvement in Our Stakeholders' Awareness

Registration of Our Review Reports by Related Institutions (OECD, etc.)

Citations

Impact Created by our Knowledge Partnerships

Network of Governance Experts

Our Team Members' Studies on Governance

Supporting Students Who are Eager to Do Research on Governance

OUR CAPITALS

Our capitals which we turn into value for corporate and social life in order to conduct our public, civil society, private sector, and global activities are:



Our Intellectual Capital

- The governance principles we adopt
- Diversity of our team and our network
- Our culture of inclusive collaboration
- Our knowledge and experience
- Our publications at national and international level



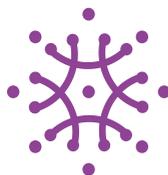
Our Financial Capital

- Corporate and individual donations
- Resources obtained from grant projects
- Our achievements from “leverage effect”
- Earnings within our economic enterprise



Our Human Capital

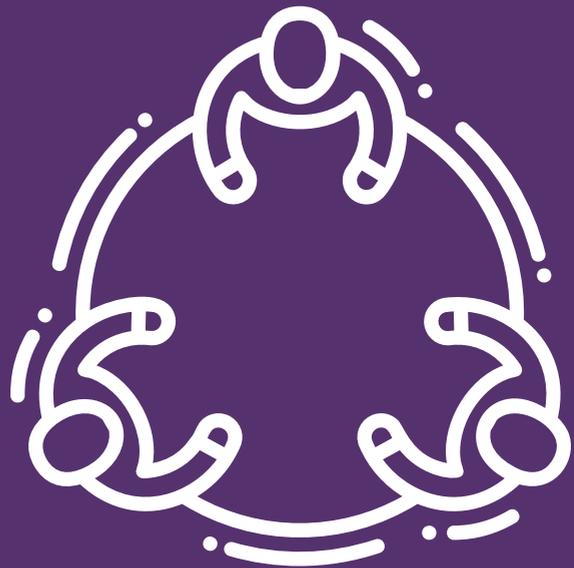
- Our Advisory Board
- Our Board of Directors
- Our Academic Board
- Our Team
- Our Volunteers
- Our Lecturers



Our Social Capital

- Our partnerships with stakeholders
- Our knowledge partnerships
- Synergy derived from our relationships

We gain more knowledge, resources, and impact through “collaborations” rather than “acting alone”.



OUR MATERIALITY

To discuss the material issues of 2018 in comparison with those of 2017, we conducted an internal process with our Board of Directors and our operational team and set up our “Materiality Matrix” based on the issues which carry low, medium, and high materiality for us, as well as the issues which have low, medium and high impact for our stakeholders in relation with themselves and with our Academy. In addition, we have integrated those material issues with different elements of our capital and risks, and defined the ways with which we managed the corresponding risks.

In the process of the evaluation of our “material” issues and related impact level, we took as basis the below aspects:

- Elements of our mission and vision which have the potential to create value;
- Elements of high impact on our different forms of capital that are indicated in International Integrated Reporting Framework; and
- The potential risks stemming from these elements and how we managed these by considering the competencies we need to best perform our tasks.

| MATERIALITY MATRIX | | | | |
|---------------------|--|--|--|---|
| | Lower Material Ranking | Medium Material Ranking | Higher Material Ranking | |
| High Impact Level | | 9 Quality of Internal Process  | 3 Diversity of Board of Directors and Advisory Board  | 1 Corporate Culture  |
| | | 10 Collaboration with Local NGOs  | 4 Relations with Stakeholders  | 2 Quality  |
| | | 11 Collaboration with International Academic Institutions  | 5 Reputation  | 6 Efficient Use of Resources  |
| Medium Impact Level | 12 Leveraging Other Resources  | | 7 Capacity Building  | 8 Following the Governance Agenda  |
| | | 13 Collaborations with Foreign NGOs  | | |
| Low Impact Level | | | | |
| | | | | |
| | | | | |

| CODE | MATERIAL ISSUE | DESCRIPTION | RELATED RISK | RELATED CAPITAL |
|------|---|--|---|---|
| M1 | Corporate Culture | As good governance is a culture, a climate and set of behaviors displayed throughout the organization, we pay special attention to adopt good governance principles and deploy the culture within our Academy. |  |  |
| M2 | Quality | All the activities and research conducted by our Academy should have solid academic and evidence base. |   |   |
| M3 | Diversity of Board of Directors and Advisory Board | The diversity in the organizational structure strengthens the corporate culture. For this reason, we consider having a diverse Board of Directors and an independent Chairman is a significant issue. We also believe in the value of the guidance we receive from our Advisory Board composed of leaders in their respective areas. |    |  |
| M4 | Relations with Stakeholders | Each stakeholder must ensure that cooperation creates value for both sides. We are committed to transparency and fairness in our relations with our stakeholders as an essential prerequisite for a long-term environment of trust. |   |  |
| M5 | Reputation | Trust in our organization on the part of all our stakeholders is vital for us. |   |   |
| M6 | Efficient use of resources | We believe efficient and effective use of resources and accountability in this respect is a must for our Academy to attain its goals and to fulfil its mission and vision. |    |  |
| M7 | Capacity Building | We attach great importance to improving our capacity to produce quality content; closely following the major developments and carrying out work on topical issues; and supporting personal development of staff members for them to acquire higher intellectual capacity for the fulfilment of our goals. |   |  |
| M8 | Following the Governance Agenda | It is a necessity to follow closely the national and international governance agenda; produce content to clarify and comment on the major agenda items; and inform stakeholders accordingly. |    |   |
| M9 | Quality of Internal Processes | It is important to have a sound organizational structure for all our activities and for their performance throughout our internal processes. High quality internal process is vital to sustain trust. |   |  |
| M10 | Collaboration with local NGOs | Collaboration with local NGOs yields greater impact and bigger resources to mobilize. |    |   |
| M11 | Collaboration with national and International academic institutions and think tanks | Working with national and international academic institutions and thought-provoking organizations such as IFC and OECD enables achieving successful results with sound foundations and generate multiplier effect. |    |    |
| M12 | Leveraging Other Resources | Effective use of stakeholders' resources in spreading good governance culture by using their time, their support, their financial resources, their means of communication, their media facilities to reach more people. This will create important resources in kind which will leverage the outcome. |   |  |
| M13 | Cooperation with foreign NGOs | We believe cooperating with foreign NGOs in our activities will generate greater impact and mobilize greater resources |    |    |

Our Capitals

Our Risks

| | | | | | | | | | |
|---|---|---|---|---|---|---|--|---|---|
|  |  |  |  |  |  |  |  |  |  |
| Our Intellectual Capital | Our Financial Capital | Our Human Resources Capital | Our Social Capital | Operational Risks | Political Risks | Reputational Risks | Financial Risks | Compliance Risks | Strategic Risks |

RISK MANAGEMENT

Defining our low, medium and long-term risks and the way to manage them is defined as one of our main responsibilities.

The risks that may cause damage to the Academy were evaluated by our Board of Directors at the end of 2017. The risks that may occur in 2018 are also identified and discussed.

| RISKS | DESCRIPTION | TERM | RISK MANAGEMENT |
|--|---|---------------------------|--|
|  Reputational Risks | The weakening of trust towards our Academy and loss of reputation. | Medium Term | Pay special attention to have transparent, effective, accountable and participatory decision-making mechanism, build a varied range of areas/stakeholders, control the quality of projects, improve awareness of the team on importance of reputation. |
|  Strategic Risks | Withdrawal of donors, decline in the intention to support good governance | Medium Term | Search for other donors, always find different and interesting ways to underline the importance of governance and its contributions to the quality of life in the community and implement them. |
|  Political Risks | Stakeholders (institutions and individuals) may decide not to collaborate due to changes in political climate | Medium Term | Search for substitute collaborators and enrich the list of activities to perform collaboration, convince political actors and foster communication. |
|  Financial Risks | Volatility in exchange rates, withdrawal of donation commitments, too much over-deviation in estimated budget, fiscal imbalance. | Short Term Medium Term | Avoid transactions in foreign currencies, search for other donors, prepare alternative budgets, review and update activities and planning. |
|  Compliance Risks | Compliance to different legislation that non-profit organizations are subject to, damage on reputation and operation due to in-compliance | Medium Term Long Term | Pay special attention to compliance rules and improve the knowledge of our team on the implementations of compliance, follow updates on legislations. |
|  Operational Risks | Abdication of lecturers, transportation risks (flight cancelation and delay, etc.), delays in publication process, inconsistencies with project time-plans. | Short Term | Keep substitute lecturers' lists, arrange make-up courses for postponed lectures, contact with different publishers and designers, finish the reviews in publication process as soon as possible, review and update project time-plans based on new conjuncture. |



Alongside with our risks, we focus on the below opportunities to create sustainable value:

- New donors and potential donors
- Emerging new demands on us for implementation of good governance practices which will widen our area of impact
- New incentive & grant programs announced by donors, governments, NGOs, etc.
- New volunteers
- New partners to cooperate.

OUR KEY PERFORMANCE INDICATORS (KPIs)

For continuous improvement, we should measure and evaluate our performance. In our planning process, which we believe is of great importance and necessity, we set important and challenging goals in our primary areas of operation. We have continuously reviewed our goals for 2018, updating when necessary. We then compared our KPIs with our performance in the previous year and identified the areas needing improvement. Thus, in 2018:



- We increased the number of alumni and the duration of training in our training sessions, thanks to the spread of our “Good Governance for Kids” training program. We have organized 18 different training programs for a total of 305 hours, and **568** participants received **graduation or attendance certificates**.



- We increased the **diversity** among our educators and instructors and brought industry expertise to our participants.



- We continued to increase our number of participants in our trainings, having **1.214** participants in all training sessions in 2018.

- In order to contribute to the national and international community with our research, we produced **17 publications/reports**.



- We developed the **Municipality Governance Scorecard®** as a unique methodology to increase the quality of governance in local governments.



- By significantly increasing the number of people we can reach with our publications, we have reached over **4.055** people with our printed and digital publications.



- We reached out and communicated face-to-face with **8.640** people in the communication activities we organized with the focus of good governance.



- We used printed press, social media, bulletins and newsletters more effectively, increasing the number of people we have reached with these contents to **2.585.890**.



Additionally, in order to increase our accountability, we shared our Impact and Integrated Reports for 2017 in both English and Turkish. As a team, we give feedback to each other on how to improve our individual and collective performance. We also greatly appreciate and consider external feedback on our work as it provides us with opportunities to develop new ideas, resolve problems, and improve the quality of our work.



| | EDUCATION  | RESEARCH  | COMMUNICATION  | MANAGEMENT  |
|--------------|---|--|---|--|
| 2017 2018 | Number of education programs we developed | Number of publications | Number of "Knowledge Partnerships" established | Number of reports published |
| | Number of education programs delivered | Number of research conducted | Number of conferences & discussion panels organized or contributed | Mobilizing resources (donations, grants, in-kind contributions) |
| | Number of participants | Number of experts contributed to research/publications | Number of participants to conferences & discussion panels organized | Ensuring appropriate use of donations |
| | Number of graduates* | Number of surveys conducted | Number of panelists participated to the conferences & discussion organized | Stakeholder relations |
| | Number of lecturers in education programs | Number of respondents to the surveys | Number of communication activities we made contribution | Registering all the traceable data (volunteer hours, in-kind contributions, etc.) |
| | Number of participation certificates delivered | Number of institutions collaborated for research | Number of institutions collaborated for communication activities | |
| | Number of institutions collaborated for education | Percentage of in-kind contribution used to realize research | Number of volunteers | |
| | Percentage of in-kind contribution used to realize education programs | Number of people reached via research / publications | Percentage of in-kind contribution to realize communication activities | |
| | Quality of education material developed | Quality of research / publication / survey | Number of people reached via newsletters | |
| | Effort for building collaborations with other institutions | Quality of translation | Number of social media interactions | |
| | | Percentage of open rate in our newsletters | | |

* Graduates who are entitled to receive Certificate.

** In 2018, no survey was required.

- ✓ is assessed as performed by Board of Directors.
- ✗ is assessed as not performed by Board of Directors.

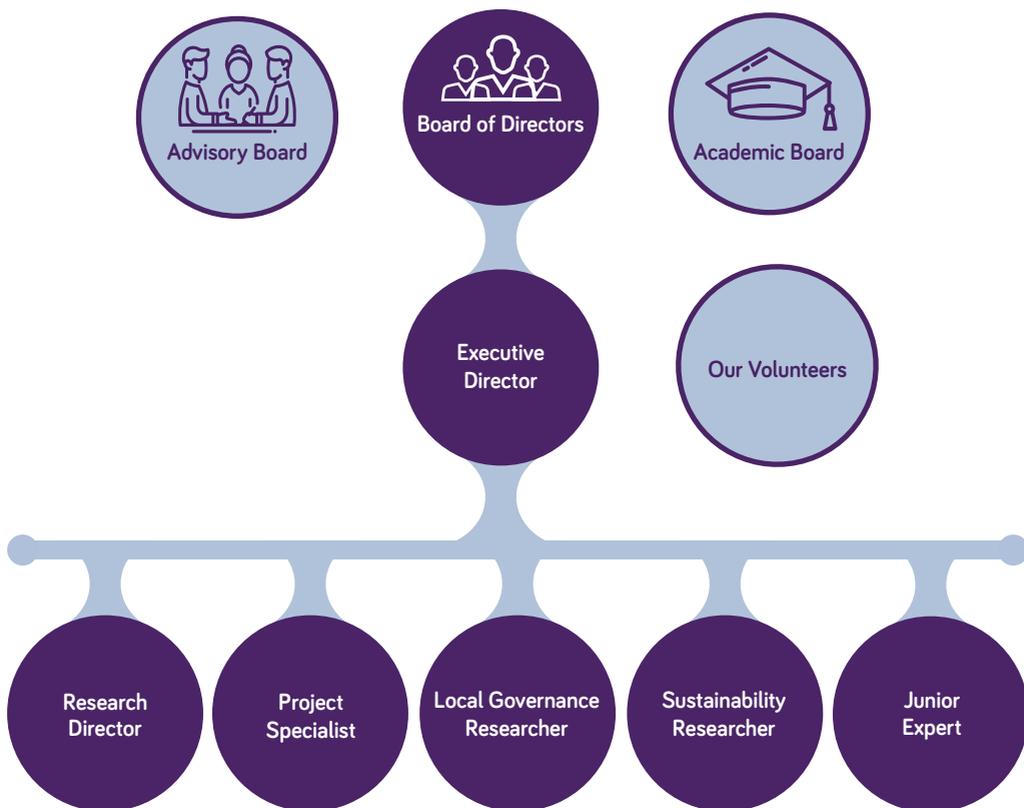
What gets measured, gets improved.

OUR ORGANIZATIONAL STRUCTURE



The most important component of our intellectual capital is our human resources. We generate value from the experience and knowledge of our Board of Directors, Advisory Board and Academic Board.

In 2018 we received the invaluable support of our Advisory Board and Academic Board, particularly in the measurement of good governance perception in the public sector; and the organization of conferences, trainings, panel discussions and round table meetings about responsible leadership, Integrated Thinking and Reporting, decision making processes in public bodies, and good governance in general.



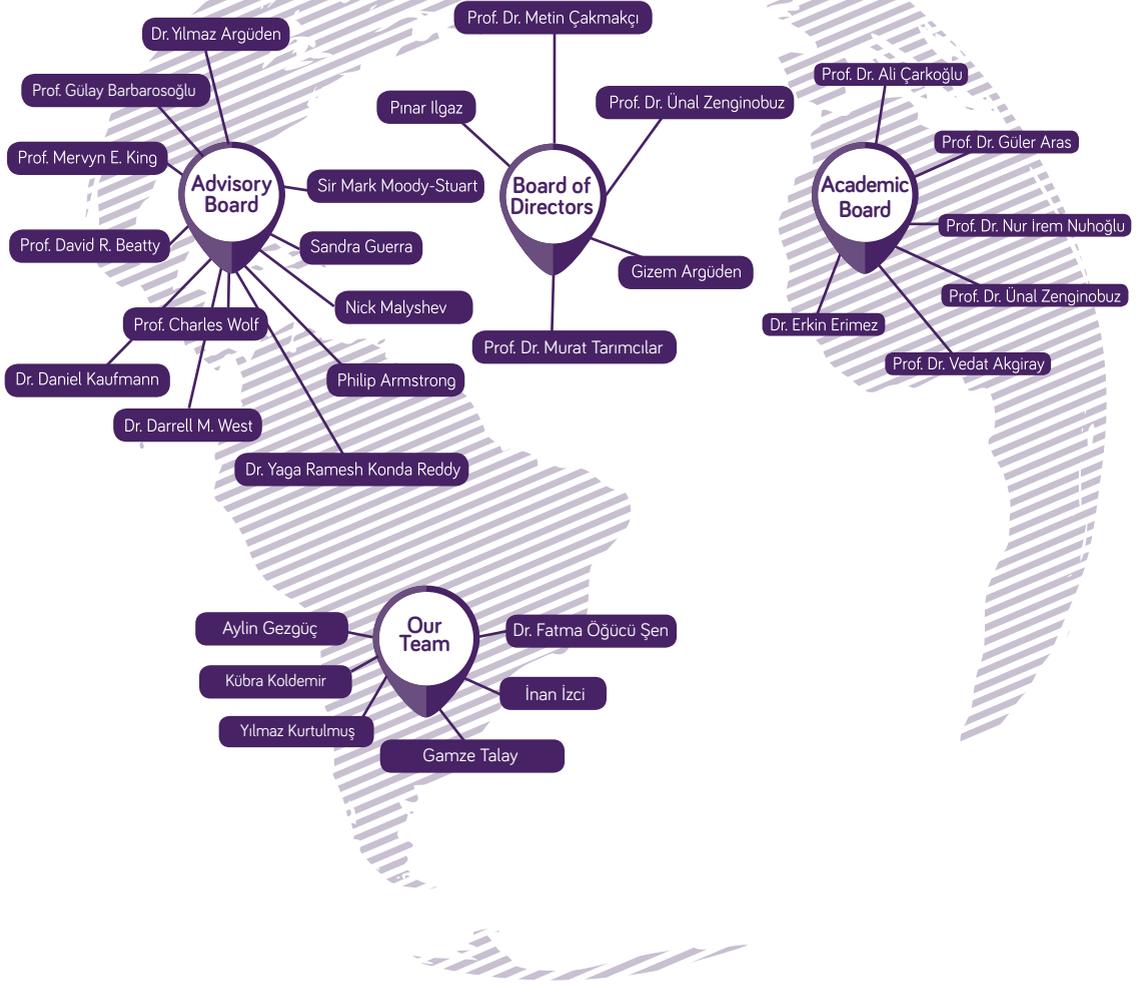
- Provides expert guidance on governance topics.
- Consists of internationally renowned members with varied backgrounds.



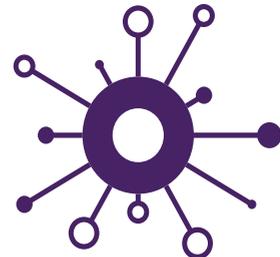
- Responsible for the organization's assets and activities.



- Provides expert guidance on education and research programs.
- Consists of local academic experts.



We prosper with
differences and diversity.





OUR ADVISORY BOARD

We believe that following current global trends helps us improve and communicate our experiences more effectively. As an exemplary NGO operating in the four main areas of governance, we aim to promote and share, especially in Türkiye and the surrounding regions, our Advisory Board's studies, publications, and contributions about governance.

 Good Corporate Governance Program pg. 68

We invited Prof. David R. Beatty, founder of the Coalition for Good Governance, as our guest of honor at the Good Corporate Governance Program organized in collaboration with the International Finance Corporation. There, we have listened to his insight and experience with executive boards. At the same Program, Dr. Yılmaz Argüden made valuable contributions with his experience in and suggestions for effective boards. Dr. Argüden also represented our Academy by participating in the Horasis Global Forum, OECD Forum 2018, and KalDer Talks (KalDer Sohbetleri) 2018. We benefited greatly from the vision and experiences of our Advisory Board in our two projects, the Municipality Governance Scorecard and Sustainability Governance Scorecard, both of which were developed as contributions from Türkiye to the world and received with praise and interest both nationally and internationally. Throughout our processes and activities, we shared information with all of our Advisory Board members and improved our work with their opinion and suggestions.

 Municipality Governance Scorecard pg. 53

 Sustainability Governance Scorecard® pg. 69



Dr. Yılmaz ARGÜDEN
ARGE Consulting,
Chairman



Sir Mark MOODY-STUART
Global Compact Foundation,
Chairman



Prof. Mervyn E. KING
International Integrated
Reporting Council, Chairman



Prof. David R. BEATTY
Coalition for Good Governance,
Founder



Prof. Gülay BARBAROSOĞLU
Boğaziçi University
Former President



Sandra GUERRA
Better Governance - Brazil,
Founding Partner



Philip ARMSTRONG
Global Corporate Governance
Forum, Head



Dr. Darrell M. WEST
Governance Studies, Vice
President and Director



Dr. Daniel KAUFMANN
Natural Resource Governance
Institute, Founder and President



Prof. Charles WOLF
We remember with love
Pardeew Rand Graduate School,
Distinguished Chair
in International Economics



Nick MALYSHEV
OECD Regulatory Policy,
Division



Dr. Yaga Ramesh Konda REDDY
Academy of Corporate Governance,
Founder and President



OUR ACADEMIC BOARD

We attach great importance to reflecting our Academic Board's experiences to our studies with various activities, researches, education programs in our country and the world to dissemination of good governance culture.

In 2018, We have received valuable support from our Academic Board in the dissemination of our Municipality Governance Scorecard®.

We consulted to the opinions and experiences of our Academic Board members in our Sustainability Governance Scorecard® as we did in the Municipality Governance Scorecard®.


Sustainability
Governance
Scorecard®
pg. 69


Municipality
Governance
Scorecard
pg. 53



Prof. Dr. Ali ÇARKOĞLU
Koç University



Prof. Dr. Güler ARAS
Yıldız University



Prof. Dr. Nur İrem NUHOĞLU
Boğaziçi University



Prof. Dr. Ünal ZENGİNOBUZ
Boğaziçi University



Prof. Dr. Vedat AKGİRAY
Boğaziçi University



Dr. Erkin ERİMEZ
ARGE Consulting



OUR BOARD OF DIRECTORS

Our Board of Directors, formed in line with the Good Governance principle of diversity, is composed of an Independent Chairman, representatives of our founding donors, a representative of Boğaziçi University Foundation, and one independent member. Our Board Members have experience in at least 2 sectors, which broadens our vision in developing our strategy and building cooperations. The Board of Directors, which undertook the task of creating a strategy and was structured with the importance of “diversity”, shaped the way and the methods that the Academy will follow in the future by taking the opinion of the whole team through 5 Board meetings held in 2018.

Our Future
Expectations
pg. 86

As the Academy, we organized strategy workshops in which we discussed the evaluation of the first 5 years and the objectives and plans of the next 5 years while completing our 5th year. With the valuable opinions and suggestions of our Board Members, we have determined our strategic targets for the upcoming period.



Prof. Dr. Metin ÇAKMAKÇI

Board Chair (Independent member)

The Founding Chairman and Board Member of the Quality in Healthcare Association, Prof. Çakmakçı is also a member of the Board of Trustees at Acıbadem University, the Founding Board Chair of the Association for Improving Quality in Health System (SKİD), Founding Chair of the Surgical Infection Association, and the former Term Chairman of the Surgical Infection Society of Europe, all of which played a role in his comprehensive perception of and his deep insight into the functioning of the civil society. Furthermore, his being a Board Member of the Anadolu Medical Center enriched his managerial experience in the private sector.

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Pınar ILGAZ

Vice-Chair

Managing Partner at ARGE Consulting, our founding donor, Ms. Ilgaz is an expert on HR systems, setting up organizational structure, and Total Quality Management. She has served as the Vice-Chair of the Management Consultants Association, and is one of the founders of Corporate Volunteers Association. In addition to her studies on NGOs and volunteerism, she has participated in Women on Board Program, and works in Women on Board Association’s Strategic Alliance Committee. She is the co-author of “ARGE Corporate Governance Model” and “Management of Volunteer Organizations”.



Prof. Dr. Ünal ZENGİNOBUZ

Board Member

Sitting at our Board as the representative of Boğaziçi University, Ünal Zenginobuz is Professor of Economics, the Director of the Center for Economic Design, and the Director of the Institute for Graduate Studies in Social Sciences at Boğaziçi University. He served as the Secretary General of the Association of Southern European Economics Theorists (ASEET). His academic and policy-oriented research on public economics, industrial economics, tax policy, competition policy, regulation, and independent regulatory agencies have been published in many national and international journals and edited volumes.



Gizem ARGÜDEN

Board Member

Gizem Argüden, who is the representative of the founding donor family, serves as a management consultant at McKinsey&Company. She is specialized on the strategy, sustainability, organization and operational structure of non-profit organizations. While at Wharton, she wrote her thesis on “Cross-National Differences in Corporate Governance”. She led and coordinated the founding efforts of Argüden Governance Academy on voluntary basis, primarily focusing on development of education and research programs, managing partnerships, and establishing the organization.



Prof. Dr. Murat TARIMCILAR

Board Member

Sitting at our Board of Directors as independent member, Prof. Dr. Murat Tarımcılar graduated from the Boğaziçi University, Industrial Engineering and received his Master’s and Doctoral degrees at Louisiana State University. There he worked as a lecturer and conducted researches on Data Analysis, Statistics, Production Management, and Models of Decision Making. Alongside with his academic career, Tarımcılar also worked as a consultant in the fields of Process Design and Corporate Management for government bodies such as US Secretary of Defence, and Venezuela Health Ministry, and for private companies such as Bose Corporation and BSA International. Currently he is a Professor of Management Sciences at George Washington University, School of Business. He did significant contribution to the inclusion of the Business Ethics and Corporate Social Responsibility as must courses in the academic schedule in GWU during his term at the University as the Dean of MBA programs. In the same period, he started “Ethical MBA” campaign which led to the inclusion of these two courses in the graduate program. Tarımcılar is also a cofounder of Institute of Corporate Sustainability and founding members of Boğaziçi University and Robert College International (BURCIN) Association in Türkiye and Turkish American Scientists and Scholars Association (TASSA) in the US.

BOARD SKILLS MATRIX

| BOARD MEMBER | FEATURES | | | |
|---|---|-------------|-----|--------|
| | OTHER ADMINISTRATIVE POSITIONS | YEAR JOINED | AGE | SEX |
|  <p>Prof. Dr. Metin Çakmakçı</p> | <ul style="list-style-type: none"> Hacettepe University Faculty of Medicine, Faculty Committee and Faculty Executive Committee Member (1994-1996) Hacettepe University Adult Hospital, Chief Physician (1996-2000) Hacettepe University Hospital Directorate of Circulating Capital, Director (1997-2000) European Society of Surgical Infections, Board Member (1998-2008) Acıbadem Healthcare Group, Medical Director and Board Member (2000-2007) Acıbadem Sigorta, Board Member (2003-2005) Anadolu Medical Center, Director of Medical Services (2007-2012) Anadolu Medical Center, Board Member (2007-Present) European Society of Surgical Infections, Chairman (2008-2009) Ethics and Reputation Society (TEID), Chairman (2010-2012) Ethics and Reputation Society (TEID), Board Member (2010-2014) Republic of Türkiye Undersecretariat of Treasury, Licensed Angel Investor (2012-Present) | 2014 | 63 | MALE |
|  <p>Pınar Ilgaz</p> | <ul style="list-style-type: none"> ARGE Consulting, Managing Partner (1995-Present) Corporate Volunteers Association, Board Member (2004-2016) Corporate Volunteers Association, Vice Chairwoman (2018-Present) Management Consultants Association, Board Member (2012-2015) Management Consultants Association, Vice Chairwoman (2015-2016) | 2014 | 54 | FEMALE |
|  <p>Prof. Dr. Ünal Zenginobuz</p> | <ul style="list-style-type: none"> Association of Southern European Economic Theorists (ASSET), Vice President (2019-Present) and President-elect (2021-Present) Boğaziçi University, Executive Board Member (2018-Present) Argüden Governance Academy, Academic Committee Member (2015- Present) Boğaziçi University, Senate Member (2013-Present) Boğaziçi University Institute for Graduate Studies in Social Sciences, Director (2013- Present) Association of Southern European Economic Theorists (ASSET), Secretary-General (2013-2017) Social Policy Forum, Board Member (2008-Present) Boğaziçi University Center for Economic Design, Director (2003-Present) | 2014 | 58 | MALE |
|  <p>Gizem Argüden</p> | <ul style="list-style-type: none"> McKinsey & Company Management Consultant (2010-Present) | 2014 | 32 | FEMALE |
|  <p>Murat Tarımcılar</p> | <ul style="list-style-type: none"> GST Associates Management Consulting Firm, Founding Partner (1993-1996) George Washington University School of Business, Associate Dean for Graduate Programs (2008-2011) George Washington University School of Business, Deputy Dean and Dean of Programs and Education (2011-2013) TED University, President (2015-2016 & 2016-2017) George Washington University School of Business, Decision Sciences Department Chair & Professor (2018-Present) | 2018 | 61 | MALE |

SKILLS

| GOVERNANCE | SUSTAINABILITY | QUALITY | ETHICS | FINANCE | PUBLIC SECTOR EXPERIENCE | NGO EXPERIENCE | PRIVATE SECTOR EXPERIENCE | INTERNATIONAL EXPERIENCE |
|------------|----------------|---------|--------|---------|--------------------------|----------------|---------------------------|--------------------------|
| ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| ✓ | ✓ | ✓ | | ✓ | | ✓ | ✓ | |
| ✓ | | | | ✓ | ✓ | ✓ | ✓ | ✓ |
| ✓ | ✓ | ✓ | | | | ✓ | ✓ | ✓ |
| ✓ | | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ |



OUR TEAM

We carry out our efforts and activities in the most effective way possible thanks to our team members, each of whom are experts in their respective fields and experienced, qualified, enthusiastic and professional in all fields we operate in. We believe that governance is a culture; thus, we pay special attention to apply the principles of good governance in our work environment, first and foremost. We plan all our activities together and ensure the continuous communication of results and outcomes. We encourage our colleagues to take more initiative and be more proficient by supporting them to increase their competency in their areas of responsibility. We also create value for our team by having them participate in training programs.



Aylin GEZGÜÇ - Executive Director

Aylin Gezgüç is the Executive Director of Argüden Governance Academy. With her company Arbor Impact Design, she has provided consultancy to NGOs and UN organizations. She also carried out awareness campaigns and conducted research on the topic of gender equality with McKinsey & Company and Turkish Industry and Business Association (TÜSİAD). For 14 years, she worked at the Republic of Türkiye Undersecretariat of Treasury. She designed and ran the “Ülkem İçin” (For My Country) and “Meslek Lisesi, Memleket Meselesi” (Vocational Education: A Crucial Matter for the Nation) projects in collaboration with Koç Holding. Furthermore, Gezgüç served as a Board Member at the Turkish Foundation for Combating Soil Erosion (TEMA) for two years. She also contributed significantly to the establishment of the United Nations Global Compact Local Network and worked at its board for eight years. Gezgüç graduated from Ankara University Faculty of Political Science, Department of Business Administration and completed her master’s degree at Haas School of Business at the University of California, Berkeley.



Dr. Fatma ÖĞÜCÜ ŞEN - Research Program Manager

Dr. Fatma Ögücü Şen is responsible for our research programs, publications, educational curricula and content quality. Her position is supported by her proficiency and experience gained at several national and international research projects that are frequently referenced in the field of governance. Having worked as an executive editor in international journals, she receives invitations to present her work in the field of corporate governance. She has conducted research at the University of Greenwich, as well as in projects supported by the Scientific and Technological Research Council of Türkiye (TÜBİTAK). After providing consulting services in Mazars Denge in the areas of corporate governance and process improvement, she still holds training sessions in stakeholder engagement and integrated thinking. After graduating from Sabancı University, Department of Production Systems Engineering with a merit-based scholarship, she received her master’s degree in Economics & Finance from Boğaziçi University and her PhD in Business Administration with a thesis on the relationship between corporate governance and financial reporting.



İnan İZCİ - Local Governance Researcher

İnan İzci works as a Local Governance Researcher at Argüden Governance Academy. After working in England for four years on the issues of civil rights and citizen advocacy, he returned to Türkiye and carried out various duties in different public institutions. He has conducted studies and made publications on participative local governments and development.

He is also experienced in corporate sustainability and social responsibility. In order to share his insight and experiences, he receives invitations from international organizations such as the UN and OECD to participate in their events. After receiving his bachelor's degree in Economic and Social Policy from the University of London, he completed his master's degree in European Public Policy there. Currently, he is a PhD candidate in Political Science at the Free University of Brussels.



Yılmaz KURTULMUŞ - Project Specialist

Yılmaz Kurtulmuş is responsible for the organization and planning of the Academy's accounting, finance, administrative affairs, events, grants and educational projects. His career background and experience reflect and support his duties at the Academy. Kurtulmuş began his professional life as an Event Manager at Boğaziçi University Alumni Association (BÜMED) and continued as the Quality Development Manager at the association. Then, he served as a coordinator and expert in many projects at the Women Entrepreneurs Association of Türkiye (KAGİDER) as the Director of Administrative and Financial Affairs. He has completed his education at Boğaziçi University in the Business Administration and Electronics departments. He has also completed the following certificate programs: "Process Management and Development" at KalDer, "Internal Management of Ethics" at the Ethical Values Center of Türkiye (TEDMER), and "Corporate Ecological Literacy" at the Turkish Foundation for Combating Soil Erosion (TEMA).



Kübra KOLDEMİR - Sustainability Researcher

Kübra Koldemir is a Sustainability Researcher at Argüden Governance Academy. At the Academy, she has been primarily contributing to the creation of the Sustainability Governance Scorecard. As a team member of this project, she conducts research analysis and supports marketing efforts. Kübra started her financial career in 2006 working as an investment analyst in NYC, first at a long-only fund and later at a hedge fund of AUM \$1bn specialized in financial service companies. With a focus on international investments, she assessed strategy and results of numerous multinational corporations across several sectors. She reported on macroeconomic developments in Emerging Markets, analyzed and interpreted international macro-economic data contributing to country allocation in global portfolios. Since 2017, Kübra has been contributing articles about sustainability to the international corner at the Turkish Investor Relations Society magazine. Kübra holds a B.A. in International Relations from Mount Holyoke College and an Executive MBA degree from the University of Texas in Austin.



Gamze TALAY - Junior Expert

Gamze Talay started her professional career as an Event and Project Assistant at Argüden Governance Academy, and she is currently responsible for the digital communication activities within the Academy. She manages our Digital Learning Platforms and social media accounts and sends out our event notices and newsletters. Alongside these duties, she also provides assistance in all of our activities, especially our events and publications. Talay has received her bachelor's degree in Political Science and Public Administration from Hacettepe University and completed the "Good Governance for the Civil Society" and "Good Governance for the Public Sector" certificate programs at the Boğaziçi University Lifelong Learning Center.

OUR VOLUNTEERS

The individual or corporate contributions of our volunteers from various occupations and fields of expertise are of utmost value for us. Our group of volunteers consisting of senior experts in their respective fields support the promotion and widespread adoption of the principles of consistency, responsibility, accountability, fairness, transparency, effectiveness, and mutual engagement. Our aim is to empower the civil society and promote the practice of volunteering. To do so, we focus on emphasizing the importance of voluntary work and accurately calculating the monetary equivalent and added value of volunteer efforts.

In our reports, publications, events and conferences alike, we always acknowledge and praise the value created by our esteemed volunteers with their precious contributions. We also regularly keep track of the time and value of the in-kind-contributions made by our volunteers. Then, we ensure that these records are audited and verified by independent auditors and document their validity.

 Audit Report
2018
pg. 84

VOLUNTARY CONTRIBUTIONS



| VOLUNTEER | AREA OF EXPERTISE | VOLUNTEER WORK |
|--------------------------|--|--|
| Dr. Yılmaz Argüden | Management consulting | Representation at meetings and activities, support in research, training, support in content creation |
| Pınar Ilgaz | Management consulting | Projects, support in research, representation at meetings and activities |
| Prof. Dr. Metin Çakmakçı | Governance and ethics | Representation at meetings and activities |
| Dr. Erkin Erimez | Corporate governance and sustainability consulting | Support in communication efforts, representation at meetings and activities |
| Tolga Yalnız | Business development | Support in communication efforts, representation at meetings and activities, support in content creation |
| ⋮ | ⋮ | ⋮ |

By raising our volunteers' awareness about good governance practices, we enable them to join a distinguished network. We aim to create value for them by presenting them with venues and opportunities where they can contribute to the enrichment of public knowledge and realize their social responsibility goals and projects.

In 2018, we made use of the valuable contributions of our volunteers in many of our activities. Therefore, we thank all of volunteers that represented our Academy in various national and international platforms and events, gave speeches in conferences and symposiums, and aided our research projects with their efforts and experience this year. In all of our activities in 2018, we received a total of 546 hours of voluntary contribution.



We aim to firmly establish the practice of volunteering and draw attention to the importance of a strong and well-developed civil society in our country.



| ORGANIZATIONS PROVIDING IN-KIND CONTRIBUTIONS | TYPE OF ORGANIZATION | IN-KIND CONTRIBUTIONS |
|---|--|---|
| ARGE Consulting | Management and strategic consulting firm | Academy office filing cabinet, rent and fixed expenses Advisory Board travel and accommodation expenses |
| Güney Independent Audit and SMMM A.Ş. (EY) | Management and strategic consulting firm | Validation of Impact Report data and auditing |
| National Library of Türkiye | Public institution | Conference hall and catering expenses |
| International Finance Corporation | International corporation | Educators and training venue |
| OECD | International economic organization | Travel and accommodation expenses |
| ⋮ | ⋮ | ⋮ |

STAKEHOLDER RELATIONS

Governance entails all stakeholders and not only the policy makers. To achieve our mission, we believe in long-term collaborative partnerships and joint initiatives. We create value for our stakeholders by disseminating methodology and experience in this area, putting them in contact with the right audience, raising their awareness on good governance implementations, contributing to their network, improving their visibility and recognition, and enriching their knowledge and resources.

In line with our business model, we mainly build 3 kinds of partnerships:

- **Knowledge partnership:** We serve as a source of knowledge for our partners and learn from them mutually. We are knowledge partners with the Turkish Ethics and Reputation Society (TEİD), Corporate Governance Association of Türkiye (TKYD) and Investment Relations Association of Türkiye (TÜYİD) under the protocols signed with them. In 2018 we plan to increase the number of our knowledge partners by signing new knowledge partnership protocols.
- **Impact partnership:** We create an added value for and with our partners by disseminating good governance to different segments of the society. We try to announce all our cooperation partners' governance-related activities through our own channels. Moreover, we provide content and speaker support to boost their impact while we draw attention to the benefits of the collaboration culture.
- **Resource partnership:** We generate additional resources in cash and in-kind for our activities by providing resources to our partners or making use of theirs.

Many of our cooperations are developed by means of all these three partnership forms, because of which we develop a method whereby knowledge, impact and resources are utilized in a more cost-effective manner by their shared use. It is our principle to give priority to the resources which is less costly, and which is most compatible with our partner's budget utilization strategy.

The services we obtain without allocating a budget (leverage effect) enable us to generate greater value with less financial resources. It is for this reason that we prefer to work together with national and international partners, rather than doing it all by ourselves.



In order to ensure high reputation for and sustainability of our programs we always seek to cooperate with the most appropriate partners.



While developing collaborations we bring together all stakeholders, i.e. the public sector, civil society, and private sector organizations, to generate synergy and develop exemplary models:



Our academic partners provide us knowledge which enable exchange of information about the latest developments and act as a bridge in our efforts to promote good governance practices in public sector, civil society and private sector:



To fulfil our mission, we believe in long-term collaborative partnerships and joint initiatives.



We are always eager to collaborate with International Organizations and NGOs to promote the understanding, implementation and effectiveness of good governance practices within and across public, non-profit, and private institutions. Our joint initiatives include workshops, surveys, awarenessbuilding activities and implementation projects:



We carry out our activities with the help of the donations provided by foundations, independent organizations and individuals who have trust in our goals and who aim to promote good governance principles at all levels of the society. We are thankful to Garanti Bank, Akkök Holding, ARGE Consulting and most of all TIRSAN for their invaluable support.



We cooperate with good governance volunteers for a better future. Throughout 2018 our volunteers invested 546 hours (equivalent to TL 152,880) in our activities. We succeeded in mobilizing donations in kind to cover our various expenditures such as communication bills, training, meeting room rentals, lecturer fees, airline tickets, accommodation fees, service fees, etc. without any budget allocation.

 Our Volunteers
pg. 37

| CATEGORY | LEVERAGE TL | VOLUNTARY CONTRIBUTION | |
|---------------|----------------|------------------------|------------|
| | | TL | HOURS |
| EDUCATION | 223.362 | 3.920 | 14 |
| RESEARCH | 0 | 91.560 | 327 |
| COMMUNICATION | 281.784 | 52.360 | 187 |
| MANAGEMENT | 107.505 | 5.040 | 18 |
| TOTAL | 807.651 | 152.880 | 546 |

OUR IMPACT REPORT

We had shared our Impact Report with our donors and stakeholders at the end of 2018 as we did in 2017. The Report covers our activities performed in 2018, including the funds we used from our own budget, the resources we mobilized, our volunteers' contributions and donations in-kind.

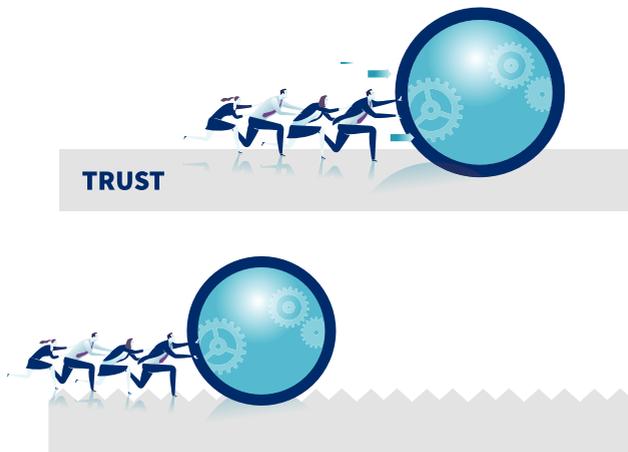
In line with the principle of accountability which we attach great importance, in 2018, we periodically visited our donors as was the case with the previous years, to explain how we utilized their donations and the impact we created.

We shared with them our Impact Report which was audited pro-bono by Ernst&Young, one of the four biggest auditing companies, and was assessed as “**reliable**”, and informed them of the key activities we planned for 2018.

Our Impact Report is prepared and shared both in Turkish and English, and helps us to;

- Demonstrate in concrete terms how governance culture and climate progressed,
- Increase our accountability,
- Enhance our capacity to measure outputs we deliver,
- Maintain sustainable improvement and progress,
- Motivate our donors and stakeholders to support deployment of governance culture,
- Encourage future donors to support the activities of the Academy. The Report showed us that we mobilized voluntary contributions and donations in-kind corresponding to a value **1.7** times greater than our actual budget.

A society's progress will be hindered if there is no trust in its institutions. Deficiency in governance acts like a friction coefficient. When friction is high, much more energy is needed to accomplish the same amount of work which in turn damages competitiveness.



IMPACT REPORT 2018

Dear Stakeholders,

We have performed various activities to raise awareness and disseminate "Good Governance", with your supports since the foundation of the Academy. We are glad to present our Impact Report including our activities performed in 2018.



COLLABORATIONS



546
VOLUNTARY HOURS



54
NATIONAL AND INTERNATIONAL COLLABORATIONS



DONORS

TIRSAN

Garanti

**AKKÖK
HOLDING**

BORUSAN

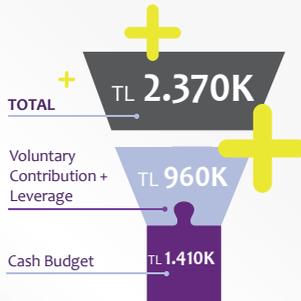
ARGE
Helping You Succeed

ACTIVITIES

■ Activities Completed ■ Ongoing Activities ■ Activities Participated E: Education R: Research C: Communication

| Category | Activities |
|---|---|
| PUBLIC | E 01 Municipality Governance Scorecard Workshop - Adana |
| | E 02 Municipality Governance Scorecard Workshop - Istanbul |
| | E 03 Good Governance in Public Sector Certificate Program |
| | E 04 Municipality Governance Scorecard Workshop - Trabzon |
| | R 01 "From A Citizen's Perspective Governance Scorecard of Municipalities for Istanbul Districts" Project |
| R 02 "From A Citizen's Perspective Governance Scorecard of Municipalities for Istanbul Districts" Publication | |
| R 03 "Good Governance and Local Governments" Publication | |
| C 01 11th Development Plan - Specialised Commission on Civil Society in the Process of Development | |
| C 02 11. Development Plan - Publicity Meeting | |
| C 03 Supporting Methods of Value-Added in Internal Audit's | |
| C 04 Municipality Governance Scorecard Conference | |
| C 05 Graduation Ceremony of Good Governance in Public Sector Certificate Program | |
| CIVIL SOCIETY | E 01 Good Governance for Kids: Volunteer Training TEV |
| | E 02 Gender Equality Training - KalDer |
| | E 03 Good Governance for Kids: Volunteer Training ÖSGD |
| | E 04 Good Governance for Kids Volunteer Training - İTÜGVO |
| | E 05 Municipality Governance Scorecard and NGOs Workshop |
| | E 06 Good Governance for Kids Education Program TEV |
| | E 07 Good Governance for Kids Education Eskişehir Metropolitan Municipality |
| | E 08 Good Governance for Kids Education Program Sabancı University |
| | E 09 Good Governance for Kids Education Program ÖSGD |
| | E 10 Stakeholder Engagement Lecture |
| | E 11 Good Governance for Kids: Volunteer Training Sabancı University |
| | E 12 Good Governance for Kids Education Program İTÜGVO |
| | C 01 11th Corporate Governance Summit |
| | C 02 The Effect of Rating System to Education in Türkiye and the World |
| | C 03 Investor Training'18 |
| | C 04 STK Clinique |
| | C 05 KalDer Talks |
| C 06 NGO Governance | |
| C 07 Corporate Volunteerism Awards | |
| C 08 Mass Communication from the Gender Equality Perspective | |
| C 09 The Next 10 Years of Social Innovation | |
| C 10 Microsoft NGO Cloud Day: Digital Transformation Meeting | |
| C 11 Horasis Global Meeting 2018 | |
| C 12 The North Star: Sustainability in Family Companies Awards | |
| C 13 Sivil Düşün Advisory Board Meeting Women Rights and Gender Equality | |
| C 14 KalDer Board Meeting | |
| C 15 Needs Analysis Workshop for Capacity Building of NGOs | |
| C 16 Cyber Security | |
| C 17 Altınbaş Foundation Celebration for 10th Years | |
| C 18 Friedrich Naumann Stiftung 60th Years Meeting | |
| C 19 The Unbearable Attraction of Diversity | |
| C 20 The Protection of Personal Data Regulation | |
| C 21 Digital Leadership | |
| C 22 TESEV Budget Transparency Meeting | |
| C 23 Good Governance for Kids Introductory Meeting | |
| C 24 Good Governance for NGOs Seminar | |
| C 25 Executive on Board | |
| C 26 Istanbul Meetings 2018: Agenda, Discourse, Activity and Program in Ecological Crisis | |
| C 27 Integrated Reporting Training | |
| C 28 Banderma University Global Relations Society - Conference on Good Governance for Quality of Life | |
| C 29 Koç University - ECON TALKS | |
| C 30 Sustainability Summit | |
| C 31 Excellence Marathon | |
| C 32 Kids Sensitive Policies for Inclusive Local Governance | |
| CORPORATE | E 01 Gender Equality Training - Eczacıbağ |
| | E 02 Good Corporate Governance Certificate Program |
| | R 01 Good Governance for Kids Education Program İTÜGVO |
| C 01 Conference on Corporate Sustainability for General Counsels | |
| C 02 ESBAŞ Excellence Summit 2018 | |
| GLOBAL | C 01 OECD Forum 2018 |
| | C 02 Public Service Forum |
| | C 03 Asian Public Governance Forum |
| | C 04 Negotiation Program |
| | C 05 Munich Visitation |
| C 06 Global Forum 2018 | |
| C 07 Municipality Governance Scorecard - World Bank | |
| C 08 14th Strategic Public Governance Symposium | |
| C 09 14. Interdisciplinary Intellectual Capital Conference | |
| TV Program: Medyascope Şehir Hepimizin | TV Program: Kanal Ekonomi |
| TV Program: NTV News | TV Program: Ebru Emre ile İş ve Yaşam |

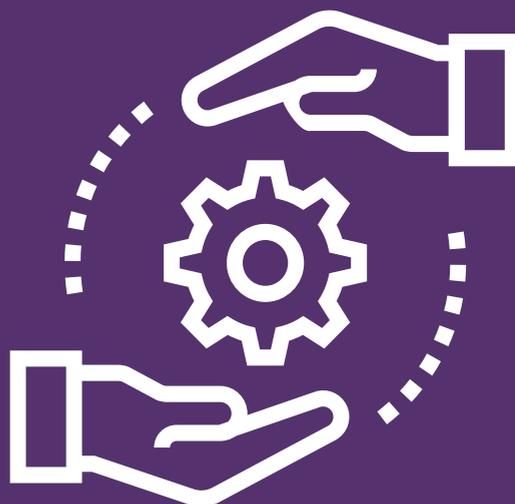
We have achieved **1.7** times resource mobilization.



| CATEGORY | EXPENDITURE TL | LEVERAGE TL | VOLUNTARY CONTRIBUTION | |
|---------------|------------------|----------------|------------------------|------------|
| | | | TL | HOURS |
| EDUCATION | 413.472 | 223.362 | 3.920 | 14 |
| RESEARCH | 397.139 | 0 | 91.560 | 327 |
| COMMUNICATION | 371.597 | 476.784 | 52.360 | 187 |
| MANAGEMENT | 227.773 | 107.505 | 5.040 | 18 |
| TOTAL | 1.409.982 | 807.651 | 152.880 | 546 |

RESOURCES

OUR ACTIVITIES IN 2018



OUR ACTIVITIES IN 2018

Just as we did in 2017, we carried out training, research, and communication efforts to raise awareness about “good governance” in 2018. We aimed to instill and increase “trust in institutions” in the public and corporate sectors as well as NGOs. To that end, we:

- educated **1.214** people in our **18** training programs.
- reached **4.055** people with **17** publications, reports, and articles.
- communicated in person with **8.640** people at **41** different events.



Our Key Performance
Indicators KPIs
pg. 25

In order to use our sources as efficiently as possible and generate the greatest value and impact, we plan our activities for the following year in the fall of the current year. The activity plan we made at the end of 2017 based on current developments and need-oriented analyses was approved by our Board.



Every six months, we share our activities with our stakeholders via our newsletters in both Turkish and English. In addition to these semiannual newsletters, we also send out special bulletins to highlight some of our activities. In line with our commitment to the principle of accountability, sharing these newsletters with our donors and stakeholders is of great importance to us. We keep track of the impact we create with this means of communication by examining the reach and view rate of our bulletins and report it regularly to our Board. In 2019, we also plan to share our activities more frequently on social media.

2018 MONTHLY ACTIVITY CALENDAR

| | | PUBLIC | | NGO | | CORPORATE | | GLOBAL | | | | | | |
|--------------------|--|--------------------------|----------|-------|---------------------|-----------|---------------|--------|--------|-------------------------|------------------------|----------|---------------------|--|
| | | JANUARY | FEBRUARY | MARCH | APRIL | MAY | JUNE | JULY | AUGUST | SEPTEMBER | OCTOBER | NOVEMBER | DECEMBER | |
| TRAINING | | | | | | | | | | | | | | |
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| | | BÜYÜK Activity Report | | | | | | | | | | | | |
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| | Remote Learning Platform | | | | | | | | | | | | | |
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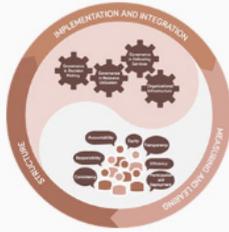


**MUNICIPALITY
GOVERNANCE
SCORECARD**

A guideline to
local government officials and municipalities
A measurement methodology for
supervisory bodies in assessing their governance performance
A perspective for
citizens and stakeholders for local decision-making processes

We organized the "Governance Scorecard for Municipalities" Conference on April, 16th at Istanbul Metropolitan Municipality – Ali Emrîri Efendi Cultural Center and took a very important step to trigger learning through measurement.

A participatory, data-driven, integrated governing approach, and continuous learning philosophy is key to improve citizens' quality of life



As we implemented our Municipality Governance Scorecard Model in Istanbul District Municipalities, the overall scores varied between 300-450 points. Despite the fact that there are best practices at each municipality, there is significant room for improvement at all of the municipalities including the ones with the highest scores.

[Check the Scorecards](#)

f t c in Türkiye

**ARGÜDEN
GOVERNANCE
ACADEMY**
Good Governance for
Quality of Life

Public NGOs Corporate Global

Our 2018 Journey

- "Municipality Governance Scorecard®"** creates value locally and globally.
- "Good Corporate Governance Program"** has an important effect on boards.
- "Good Governance for Kids! Program"** lays the base of Good Governance Culture.
- Breaking the New Ground for Integrated Reporting: Municipality Integrated Report**

Creating Value and Impact for a Sustainable Future

With our education, research and communication activities, we help spread the Good Governance Culture. In 2018, the Academy made a global impact by developing unique methodologies and with its education programs for all sectors.



"This program is very useful to understand roles and responsibilities of stakeholders, shareholders and executives for institutional development."

POLAT GÜLMAN
Gülman Group, CEO



"The ones who are aiming to create value for the society and are taking in top management must attend this program."

AYŞENUR NUHOĞLU
Tirsan Treyler, Board Member

Our Model Attracts Attention

Asian Public Governance Forum on Multi-level Governance and Decentralization

OECD

We are invited to the "Asian Public Governance Forum".



"I recommend this program to all the board members and executives who interact with the boards."

EMRE ZORLU
Zorlu Holding, Board Member



"Managers can break their routine this productive and useful organization. Thanks to the Academy for enabling."

FEYYAZ ÜNAL
Batçim, Chief Committee Member



"Tools and instruments to assess governance quality is a very important issue both for practitioners and scholars. The Model developed by Argüden Governance Academy is cutting edge."

Shabbir Cheema,
HARVARD Kennedy School
Ash Center for Democratic Governance and Innovation

Quotes from the Conference



Jutta Gützkow
European Council
Head of Good Governance Division

"Municipality Governance Scorecard is the first research that transformed governance principles into the implementation at this scale."



Prof. Hubert Heinelt
Professor at Technische Universität
Darmstadt Institute of Political Science

"Evaluations of good practices adopted in this research will accelerate reciprocity learning."



PUBLIC GOVERNANCE



OUR PUBLIC GOVERNANCE JOURNEY

“Good Governance in Public Sector” Publication

In the panel discussion organized with the participation of OECD Regulatory Policy Division Head Nick Malyshev we discussed Good Governance and Quality of Decisions in Public Sector.



Good Governance in Public Sector Certificate Program

We developed a training program for decision making officials in the public sector with the aim of ensuring adoption of good governance principles in the central governing bodies. We completed the first and second modules of our Good Governance in Public Sector Certificate Program with the participation of 78 public sector leaders from 19 different institutions, imultaneously in two groups.

- Good Governance in Public Sector
- Scientific Methods in Regulatory Reforms and Public Policies

2015

“Corporate Governance of State-Owned Enterprises” Publication



The Turkish translation of the book “OECD Guidelines on Corporate Governance of State-Owned Enterprises, 2015 Edition” the original version of which is in English and French, contains recommendations on good governance practices in line with the internationally

adopted principles of transparency, fairness, accountability and responsibility by considering the local circumstances of the state-owned enterprises.

Good Governance for State-owned Enterprises Conference

We discussed the importance of management of state-owned enterprises in line with good governance principles for the quality of life, sustainable success and national economy in the conference we organized in cooperation with TKYD with the support of the Under secretariat of Treasury, Prime Ministry and Turkish Union of State-owned Enterprises.



Our First Graduates of our Good Governance in Public Sector Certificate Program



We completed our third and fourth modules of Good Governance in Public Sector Certificate Program with the participation of 47 public representatives from 19 public institutions. Our first graduates of 2016 Program received their diplomas.

Conference on OECD Assessment Report of Decision Making Processes in Public Sector



In collaboration with Turkish Industry and Business Association (TÜSİAD) and joined by the Head of OECD Regulatory Policy Division and Member of our Advisory Board Nick Malyshev, Prof. Dr. Ersin Kalaycıoğlu, Prof. Dr. Muhittin Acar, Dr. Emin Dedeoğlu and Eray Akdağ, we discussed and evaluated the decision-making processes in the public sector.

Following the programs we carried out for decision making government officials we went deep into the mechanism of public administration and developed a project for the adoption of good governance principles in local governments.

Municipality Governance Scorecard



We publicly announced the Municipality Governance Scorecard, which is aimed to be a contribution from Türkiye for a better world. Drawing national and international interest, we received invitations from several platforms to present our project.

“Good Governance in the Public Sector” Certificate Program Graduation Ceremony



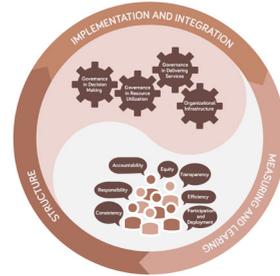
After having our first alumni in 2016, we offered our “Good Governance in the Public Sector” Certificate Program again in 2018. 164 public sector leaders participated in the 96-hour program.

2017

From a Citizen's Perspective: Governance Scorecard of Municipalities for İstanbul Districts

Adoption of good governance principles by local governments is directly linked with the citizens' quality of life. It was for this reason that we developed our project From a Citizen's Perspective: Governance Scorecard of Municipalities for İstanbul Districts and assessed the implementation of good governance principles by the 39 district municipalities of İstanbul by means of the methodology we devised for this purpose.

2018



We organized a series of workshops in order to promote the Municipality Governance Scorecard in Anatolia. During these workshops organized in İstanbul, Adana, İzmir, and Trabzon, we came together with the municipalities from the four important regions of our country. After the Municipality Governance Scorecard, the Municipality of Kadıköy decided to publish its activities in 2017 as an Integrated Report. Thus, we contributed to the preparation of the first Integrated Report by a local government in the World. We collaborated with the Association for the Support and Training of Women Candidates (KA.DER) by sharing our methodology, and we started to prepare the Inclusive Municipality Governance Scorecard for local governments promoting gender equality and inclusive action.

PUBLIC GOVERNANCE

We believe that good governance should be approached holistically by considering the public and corporate sectors and non-governmental organizations, as well as the global context. While the relationship between citizens and public administration undergoes a reconstruction, the implementation of good governance practices in the public sector also changes. While incentivizing engagement in the public sector, good governance also creates a public administration that is consistent, transparent, and accountable. While enabling a fair and effective approach in decision-making mechanisms and actions, it also ensures mutual participation, predictability and transparency in public policy. By adopting this exact approach, we supported the improvement of the quality of public governance with our efforts in 2018.



“Good Governance in the Public Sector” Certificate Program and Graduation Ceremony

We had the first alumni of our “Good Governance in the Public Sector” Certificate Program in 2016. In 2018, the second round of participants have graduated. Our program, participated by directors, branch managers, experts, and internal auditors from prominent public institutions, was hosted by the National Library of Türkiye in collaboration with the Boğaziçi University Lifelong Learning Center (BÜYEM).

In the first module, the main theme was “Good Governance and Sustainability in the Public Sector”. The concepts of good governance, sustainability, the relationship between the public sector and NGOs, integrated thinking and integrated reporting were explored in this module. This was followed by the second module, which had the theme of “Scientific Methods in Regulatory Reforms and Public Policies”. This module included the topics of regulatory reforms, a holistic approach to the state, impact analysis, social analysis, good governance practices in public policies, and strategic management and planning. The third module aimed to increase the knowledge and competency of the participants in the areas of “Participatory Democracy and Open State”. In the last module, the importance of an active and innovative approach in the public sector was discussed, and the topics of

problem solving, public-corporate-NGO collaboration, social entrepreneurship, cybersecurity applications, and behavioral economics were explored. After this module, our 80 participants from various public institutions completed the 96-hour program and were awarded their Certificate of Expertise in the graduation ceremony.


Our Future
Expectations
pg. 86

We aim to reach even more people in our next session by increasing the online accessibility of our program which seeks to increase the quality of life of all citizens through better governance in the public sector. With our increasing number of collaborations and partnerships, we plan to spread the culture of good governance in the public sector as effectively as possible.

Municipality Governance Scorecard Project®



As Argüden Governance Academy, we have been conducting and communicating impactful research since the day we were founded. In 2018, we shared the Municipality Governance Scorecard Model, which we developed with the contributions of the esteemed members of our Advisory Board. This project, in which we investigated municipalities from a citizen's perspective by using only publicly available data, motivates mutual development and peer learning by highlighting important policy suggestions and good practices for district municipalities. While the conducted research especially investigates 37 district municipalities in İstanbul, the obtained results are generalizable across the entire country.

As the result of our evaluations, we published the "Municipality Governance Scorecard". This publication includes the results and methodology of the research, suggestions, and the governance scorecards of 37 district municipalities in İstanbul that were analyzed within the scope of this project. As a quantitative model about the governance climate in municipalities, this study also serves as a guidebook for local government officials and municipalities alike. In addition to this publication, we also published "Local Governments and Good Governance", which is a collection of articles written for local governments by prominent figures in their respective fields of expertise. This publication includes useful knowledge about the history of governance, neighborhood administrations and muhtar-municipality relations, international approaches to local governance, and the evaluation of audits and legislation in municipalities.

Municipality Governance Scorecard Conference

We shared the results of the Municipality Governance Scorecard in a conference hosted by İstanbul Metropolitan Municipality. We had discussions about good governance in municipalities with distinguished speakers such as the Head of the Council of Europe Good Governance Division Jutta Gützkow, TU Darmstadt Institute of Political Science Faculty Member Prof. Dr. Hubert Heinelt, and Deputy Director-General of the Turkish General Directorate of Local Administrations M. Fatih Serdengeçti.



Municipality Governance Scorecard Workshops

In order to spread the word of the benefits and insight of the Municipality Governance Scorecard across the country, we organized several Municipality Governance Scorecard Workshops. Our workshop began with the presentations of our Public Governance Specialist Fikret Toksöz, Academic Board Member Dr. Erkin Erimez, and Local Governance Specialist İnan İzci, and continued with group activities. At the end of each workshop, the participants were awarded a Certificate of Participation. With the knowledge exchange facilitated in various regions of Türkiye by the Municipality Governance Scorecard Workshops, we aim to increase the quality of governance of local governments and therefore increase the quality of life of all citizens.

İstanbul Workshop



We held our first workshop in collaboration with the Marmara Union of Municipalities. Municipalities represented within the Union have participated in the workshop.

NGO GOVERNANCE



OUR NGO GOVERNANCE JOURNEY



Membership to C20 Governance Working Group

We were invited to join as a member to the C20 (Civil Society 20) working group which is an

advocacy and idea development platform where civil society representatives communicate their policy recommendations to the world leaders in areas such as economic growth and development. We organized a panel discussion at the C20 Summit on the importance of the civil society in the efforts to attain UN Sustainable Development Goals. We published an Assessment Report where we compiled our views expressed during the panel discussion.



Participatory Democracy: Suggestions to Empower NGOs

We prepared a questionnaire for 94 NGOs in 19 cities in Türkiye to collect their suggestions on the current challenges they have been facing in their fields of activity and their suggestions for solution.



We organized our workshops on this topic in Adana, Ankara and İstanbul in partnership with Adana City Council, Sivil Düşün EU Program and Friedrich-Ebert-Stiftung (FES) respectively.



We published our book 'Katılımcı Demokrasi: STK'ları Güçlendirme Önerileri (Participatory Democracy: Suggestions for Empowering NGOs) covering a comprehensive bibliography on civil society and an outlook on the current situation of the civil society in Türkiye. We gathered our suggestions under the below six topics:

- The need to expand the scope of freedom
- Government-civil society cooperation
- Financial resources
- Settlement opportunities
- Supervision
- The need for human resources

2015

The role of G20 countries in achieving the UN Sustainability Development Goals (UNSDGs)

Our Academic Board members Prof. Dr. Vedat Akgiray and Dr. Erkin Erimez discussed the role of G20 countries in achieving UNSDGs.



2016

We shared the important points expressed in this conference with NGO representatives in our workshops organized in Adana, Ankara and İstanbul, and listened to their views on the relevant aspects. We compiled our suggestions drawn from these discussions and the questionnaire results in our publication about "Participatory Democracy" book.



Seminars in Anatolian cities

To promote cooperation amongst the public sector, civil society and private sector we organized our "Seminars in Anatolian Cities" where we shared with the participants our suggestions contained in our Participatory Democracy book. We continued to contribute to the achievement of the 17 Sustainable Development Goals through our workshops in Bursa and Adana.



Strengthening Corporate Governance in Civil Society

We prepared and published the Corporate Governance Compliance Rating Report for NGOs in partnership with Corporate Governance Association of Türkiye (TKYD) NGO Working Group and Kobirate.

2017

We continued to work on our Corporate Governance Compliance Ratings for NGOs and completed our assessment of TOG (Social Volunteers Foundation), KalDer (Quality Association) and TEGV (Education Volunteers of Türkiye Foundation).

Good Governance Meetings in Anatolian Cities

To contribute to the promotion of cooperation among public sector, civil society and private sector we organized Good Governance Meetings in Yalova and Gaziantep.



We are a determined supporter of the Civil Society

Our training programs and activities strengthened our advocacy position in support of the civil society. This became even more apparent in the increased number of invitations we received for the various events organized in connection with the empowerment of the civil society. We thus took part in EU Ministry Civil Society Conference and the Preparatory Workshop on Capacity Building Program for NGOs.

Good Governance for Kids



GOOD GOVERNANCE
FOR KIDS

We continued the deployment of our “Good Governance for Kids” (Öğrenen Çocuk: Sorumlu Birey) Program. In collaboration with the Corporate Volunteer Association (ÖSGD), (Health and Education Foundation) SEV Üsküdar, SEV Tarsus, SEV İzmir, Eskişehir Metropolitan Municipality Children’s Rights Division, Educational Volunteers Foundation of Türkiye (TEGV), Sabancı University Civic Involvement Project, KalDer İzmir, and ITU Development Foundation İzmir Schools (İTÜGVO), we reached more than 750 children.

Good Governance in Civil Society Certificate Program

We completed our work on the curriculum of our Good Governance in Civil Society Certificate Program, which we carried out in consultation with the Hertie School of Governance and the Baruch College.

First Civil Society Graduates

Our Good Governance in Civil Society Certificate Program completed in collaboration with Adana City Council in Adana and Friedrich-Ebert-Stiftung in İstanbul covering 22 courses gave its first graduates in 2017.

58 graduates received their “Certificate of Expertise” and 92 participants were presented their “Certificate of Participation”.



We became a member of the Special Commission / Working Group formed during the 11th Development Plan, which aims to bring Türkiye closer to realizing its development vision. There, we joined the Special Commission on the Role of Non-Governmental Organizations in Development.

Marmara University Stakeholder Engagement Lecture

We came together with the students of Marmara University via the Stakeholder Engagement Lecture. We shared our publication titled “İstişare: Paydaşların Kararlara Katılımı” (Turkish translation of Cranfield University’s “Stakeholder Engagement” guide).



2018

NGO GOVERNANCE

NGOs play a pioneering role in enabling individuals and organizations to participate in governance mechanisms, in order to ensure participation in decision making and increase the quality of life. In 2018, we continued our efforts to support the fulfillment of this role.

Good Governance for Kids

By coming together with children, who are the leaders of our future, in Eskişehir, İstanbul, Tarsus and İzmir, we raised the number of children that we reached with our program to over 750 in 2018. Before the start of each school term, our educators participated in the “Volunteer Training Program” which includes instructions about the concept of childhood, communication with children, and activities within the Good Governance for Kids program.

We came together with children for the first time in 2018 at the Eskişehir Metropolitan Municipality Winter School, with the assistance of the municipality’s Children’s Rights Division. In this winter school program, we explored the topics of Human Rights, Children’s Rights, Democracy, Participation in Decisions, Living Together, and Gender Equality.

We continued the implementation that was being conducted in collaboration with the Corporate Volunteer Association (ÖSGD) in the second term as well. We completed the program with a total of 27 volunteers. Thus, we sowed the seeds of good governance with the children educated in the concepts of collaboration and volunteering, social responsibility, financial literacy, media literacy, access to safe information, and environmental awareness.

We applied our education modules in collaboration with the Educational Volunteers Foundation of Türkiye (TEGV). We met with children at the İpek Kırac Learning Unit and Ferit Aysan Education Park. Our young learners at the İpek Kırac Learning Unit prepared to create value both for their own lives and for their surroundings with the knowledge they gained in the Financial Literacy and Media Literacy modules. At the Ferit Aysan Education Park, we came together with our



learners to explore the topics of Human Rights, Children’s Rights, Democracy, Participation in Decisions, Living Together, and Gender Equality. Within the Civic Involvement Projects of Sabancı University, we came together with children in a summer school session and motivated experiential learning with the Good Governance for Kids Program.

We introduced our Good Governance for Kids Program to the students of ITU Development Foundation İzmir Schools in the 2018-2019 Academic Year. The first term implementation, made within the scope of the MiniKal Project developed by KalDer İzmir, was completed. A total of 59 students from 3 classrooms of the 9-10 age group currently participate in the program, which is run by 9 volunteer educators. We are currently forming further partnerships for the deployment and impact analysis of the program for the following year.

Gender Equality

During the week of March 8, International Women’s Day, we came together with KalDer for a meaningful meeting. We met with the employees of KalDer’s member organizations and discussed the topic of Gender Equality. We communicated the experiences of equality and inequality with the participants via group activities. We are happy and proud to support women in their professional lives and organize events that promote gender equality, with the awareness that the participation of women adds enrichment and empowerment.



Marmara University Stakeholder Engagement Lecture

We were invited by Marmara University to talk about Stakeholder Engagement for the Urban and Regional Planning course. In this lecture where we came together with undergraduate students, we shared our insight and knowledge about participation in decision-making processes and the role of stakeholders. We also shared our publication, “İstişare: Paydaşların Kararlara Katılımı” (Stakeholder Engagement), with the students. We maintain our efforts to ensure the widespread awareness and adoption of the culture of good governance in all age groups and generations. For her invitation that enabled us to meet the students of Marmara University, we thank Associate Prof. Dr. Yasemin Çakırer Özservet.



Municipality Governance Scorecard Workshop for Local Democracy

Collaboration between NGOs and local governments based on the principles of good governance is one of the most important factors that increase the quality of life of the citizens. In order to serve the purpose of facilitating such collaborations, we offer our Municipality Governance Scorecard© project to the benefit of all institutions and organizations. With this offering, we aim to increase the quality of life of the community by contributing to the development of good governance in local governments. In the European Local Democracy Week, we organized a workshop in collaboration with the Marmara Union of Municipalities to initiate the discussion and evaluation of good governance at the local level. This workshop was attended by the representatives of various NGOs based in İstanbul.



17th Annual Education Symposium

We were invited as a main speaker for the 17th Annual Education Symposium held in Antalya by the Turkish Private Schools Association (TÖZOK). In the symposium where Prof. Dr. Ziya Selçuk from the Cabinet of the 67th Government of Türkiye was also a main speaker, our founder Dr. Yılmaz Argüden gave a speech titled “Another Way is Possible” (Başka Türüsü de Mümkün) and talked about our Good Governance for Kids Program. With this program, we envision a more sustainable future where good governance is the rule and not the exception.



Civil Society Governance Seminar

We organized a Civil Society Governance Seminar in collaboration with the Federation of Western Anatolia Industrialists' and Businesspeople's Associations (BASİFED) and Aegean Young Businesspeople Association (EGİAD). Experts and directors from various NGOs based in İzmir and its surrounding cities participated in the seminar. Along with introducing the concepts of integrated thinking and integrated reporting, as well as the link between NGOs and good governance, we also shared our Academy's own journey of integrated reporting.



KalDer Talks

We were invited to “KalDer Talks” organized by Turkish Society for Quality İzmir (İzmir KalDer). In his speech, our founder Dr. Yılmaz Argüden emphasized the importance of good governance in the development of communities. Enriched by examples from the private sector and NGOs as well as his own experiences, the insight he shared about the relationship between good governance and the quality of life was received with great interest.



CORPORATE GOVERNANCE



OUR CORPORATE GOVERNANCE JOURNEY

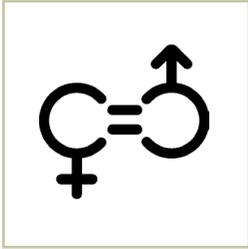


We are committed to the promotion of Gender Equality which is No. 5 of UN Sustainable Development Goals (UNSDGs) involving the empowerment of all girls and women.

We undertook to mobilise resources for UNSDGs in line with the Good Governance principles of “Inclusiveness” and “Fairness”.

Gender Equality Training Program

The program aims to raise awareness around gender equality within the framework of companies’ commitment to good governance. Our trainings started with Eczacıbaşı Group of Companies in November 2015.



We continued with our Gender Equality Training Program and provided training to 41 private sector employees.

2015

Women on Boards of Directors Program



Within the framework of this project which we launched in 2015 we contribute to the preparation of training programs for increasing the number of women board members, organize trainings and provide mentorship. In line with our strategy in this context we attach great importance to collaboration with other actors and work in cooperation with Türkiye’s leading institutions such as Praesta, Boğaziçi, Bilgi, Koç and Özyeğin Universities.

50 women executives graduated from our Women in Boards of Directors in 2016.

2016

“Social Responsibilities of Board of Directors” Publication



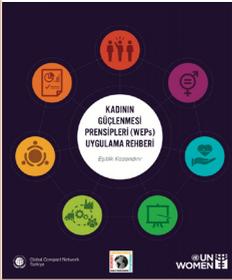
The book dealing with the responsibilities of Boards of Directors for a sustainable future, supported by current examples, underlines the need for an increased number of women board members and the importance of UNSDGs.

Women's Empowerment Principles

We were invited as a speaker to BASİFED's Women's Empowerment Principles meeting in İzmir and talked on WEPs and Gender Equality. We joined as a member TÜSİAD's WEPs Training, Mentorship and Monitoring Working Group and started voluntary work for the adoption of these principles.

Collaboration of the Academy and BPW

We undertook to perform voluntary work for one year for the Good Governance Mentorship Program for Women Entrepreneurs launched jointly by ILO, İŞKUR (Turkish Employment Agency), and BPW. We gave a seminar on Good Governance for Gender Equality at the December 2017 BPW meeting.



Sustainability Governance Scorecard®



With the objective of raising awareness about the Sustainability Development Goals, we will evaluate the sustainability efforts of global sustainability leaders through the lens of good governance. We will accelerate peer learning between stakeholders by highlighting good practices, add another methodology to our array of methodologies, and continue to generate value for the world.

2017

Women Enrich our Lives

Our founder Dr. Yılmaz Argüden participated in the "10'dan Sonrası" TV program on CNN Türk channel presented by Ahu Özyurt, speaking on and giving statistical data about Women Board Members, and stressing the need for greater women participation for social development.



2018

World Leaders of Global Governance in Türkiye



By organizing the Good Governance in the Private Sector Program in collaboration with the International Finance Corporation for the first time in Türkiye, we brought the board members of the leading companies at their respective areas in Türkiye and the world leaders in corporate governance together.

CORPORATE GOVERNANCE

The private sector has a key role in the generation of value for a sustainable future. Companies that adopt the principles of governance within their corporate structures increase their quality of management and gain the trust of their stakeholders and the public. Institutions that gain the trust of their stakeholders can mobilize more resources to attain sustainable success. In 2018, we supported the adoption of responsible work principles in the private sector in various platforms.

Good Corporate Governance Program

Appropriate and high-quality corporate management is necessary to ensure a sustainable future. Thus, we organized the Good Corporate Governance Program to make our future more sustainable and to increase the quality of life. We organized this program, where we gathered together the executive officials of leading Turkish companies and the leaders of good governance, in collaboration with IFC.



The Program's guest of honor was a member of our Advisory Board, Prof. David R. Beatty. Prof. Beatty is the recipient of the University of Toronto Rotman School of Management's "Officer of the Most Excellent Order of the British Empire" and International Corporate Governance Network's "Lifelong Achievement" awards. He has also served as a Board Member in over 40 companies and as a Chair in 9 different publicly held corporations. Prof. Beatty is a member of the Private Sector Advisory Group of IFC. He shared with our participants some tips about becoming an effective board chair.



Another guest at the Program was Alexey Volynets, who holds training sessions all over the world on his area of expertise as the Corporate Governance Expert at IFC. He communicated his insight and experience on the topics of the transformation of strategic decision-making processes over time, becoming a company preferred by qualified professionals, internal audit for professional risk management, creating an

effective executive board, and corporate governance in family businesses. He also helped the participants gain hands-on experience by group activities.



Also among the educators was our founder Dr. Yılmaz Argüden, who is a global pioneer in corporate governance and a Global Governance Advisory Board Member at IFC. Dr. Argüden shared his knowledge about effective executive boards, along with his experiences as a board member of over 60 companies throughout his career, with the participants.

ARGE Consulting Managing Partner Dr. Erkin Erimez, İstanbul Bilgi University Law School Faculty Member Prof. Dr. Veliye Yanlı, and the former Coordinator of our Academy F. Müjde Çetin were also among our educators.

Sustainability Governance Scorecard®



In order to identify how the leading companies conduct their sustainability efforts, we are developing the Sustainability Governance Scorecard® by investigating the spread of the culture of sustainability within the institutions. With this study that highlights good practices, provides companies with benchmarking opportunities, and accelerates peer learning, we aim to motivate the business world to take action for a sustainable future.

The methodology of this research was developed by our Academy, and over 180 companies in 10 different industries from the stock exchanges of the United States, Germany, the United Kingdom, People's Republic of China, South Africa, India, and Türkiye were investigated for the project. We believe that our research will serve as a guide for the creation and implementation of effective sustainability governance mechanisms.

We are preparing the Sustainability Governance Scorecard© according to 350 criteria from 4 different areas of evaluation, which are executive boards, stakeholder engagement in decision making, responsible leadership, and the approach of integrated thinking.



Gender Equality

At its core, the culture of good governance has an inclusive approach, and it aims to reduce the inequality between genders as much as possible. As the Academy, we have been taking action to that end in various forms ever since the day we were founded. Since 2015, we have been coming together with employees of Eczacıbaşı Holding to talk about the key concepts in gender equality, ways to provide gender equality, and the required discourse. In these meetings, we also share experiences about gender equality and inequality with group activities, and work toward increasing the awareness of gender roles.

As the Academy, we envision and work toward a future where women and men can have a higher quality of life in a fairer and more equal environment.



Corporate Sustainability for Legal Counsels

Legal counsel has important duties regarding the corporate sustainability of companies. To assist with these duties as the Academy, we held the second session of our “Corporate Sustainability for Legal Counsels” conference series in collaboration with Galatasaray University, the first of which we held in 2017 in collaboration with the Turkish Industry and Business Association (TÜSİAD).

The conference was attended by the students of the Law School, who are the lawyers and legal experts of the future, as well as lawyers and other interested individuals. At the conference, we talked about the role of legal counsel in corporate sustainability, the sustainability awareness of companies, ways to raise this awareness, approaches in Türkiye for a more sustainable future, the governance mechanisms required for sustainability, and the duties of legal counsel in crisis and risk management. We also gave some advice to the lawyers and legal counsel of the future. At the panel moderated by UN Global Compact Board Member and our Academic Board Member Dr. Erkin Erimez, the esteemed panelists were Coca-Cola Beverage Chief Legal Counsel Ertuğrul Onur, Founding Partner of ELİG&Gürkaynak Law Office Gönenç Gürkaynak, and Founding Partner of Boden Law Office Değer Boden.



GLOBAL GOVERNANCE



OUR GLOBAL GOVERNANCE JOURNEY

Building stone of the Academy: Integrated Thinking

Argüden Governance Academy was founded by ARGE Consulting, our first donor in 1991. Since its foundation it has been committed to building up a social capital by doing voluntary work one day a week, and to boosting the intellectual capital by investing energy and time one month a year to develop and disseminate knowledge.



Our recommendation to G20 Leaders: Integrated Reporting

During the G20 process where ARGE was selected as the Knowledge Partner we, as Argüden Academy, undertook the role of C20 Governance Working Group membership. We made a significant contribution to the recommendation of Integrated Reporting to the G20 leaders.



Türkiye Network of Integrated Reporting (ERTA)

At the foundation stage of ERTA where we, together with ARGE, joined as two corporate members, two of our Academic Board members became ERTA's individual members. Our Academy and TÜSİAD were designated as the co-chairs of ERTA Education Committee.



Responsible leaders embracing integrated thinking

Our founder Dr. Yılmaz Argüden, who was elected as the Chairman of Global Compact Local Networks contributed to the global deployment of Integrated Thinking with his work in boards of directors.

2014



"Many thanks for your consistent and determined support to UN Global Compact, National Networks and Integrated Reporting."

Sir Mark Moody-Stuart, Chair, UN Global Compact Foundation

Mervyn King and Integrated Thinking

We hosted Prof. Mervyn King, our Board of Advisors member, in the first of our The Luminary Talks where we invite opinion leaders who are experts in their respective fields. It was a very inspirational talk on Integrated Thinking.

2015



"Thank you very much for your visionary guidance for a higher quality reporting, and your support to Integrated Reporting."

Paul Druckman
CEO (2011-2016), International Integrated Reporting Council

Türkiye's first Integrated Report

We were one of the first 10 NGOs in the world to issue an Integrated Report for our first operational year. Our Integrated Reporting experience was cited on the website of the International Integrated Reporting Council as an example for NGOs.

2016

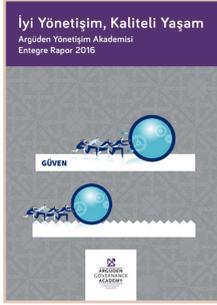


"You have displayed a holistic approach that motivates decision making authorities to adopt Integrated Thinking – which is just what is needed. I celebrate your Academy for this wonderful learning process and exemplary experience in this respect."

Prof. Mervyn King
President of the International Integrated Reporting Council

The Essence of Good Governance: Trust

We released our Integrated Report where we highlighted the importance of the concept of trust and shared our evaluation of our activities in comparison with the previous year.



2017

Why Integrated Thinking?

We published our book Entegre Düşünce (Integrated Thinking) with the aim of deployment of this concept which we embrace and set an example for. We invited the International Integrated Reporting Council CEO, Richard Howitt, to Türkiye and organized conferences in İstanbul and Ankara.



*Richard Howitt
International Integrated
Reporting Council (IIRC), CEO*

Global Impact with Locally-Focused Research

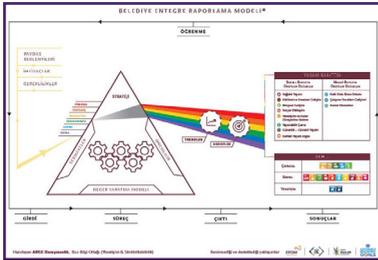
With the Municipality Governance Scorecard, we advised municipalities to adopt a management approach involving continuous learning and data-based, participatory integrated thinking.



BELEDİYE YÖNETİŞİM KARNESİ

An Innovative Approach to Integrated Reporting

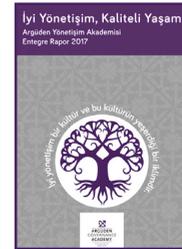
By combining <IR>, EFQM, OECD Better Life Index and the SDGs, our founding organization ARGE Consulting developed the Municipality Integrated Reporting Model[®] which generates value for the life of the citizens.



2018

Good Governance is a Culture and the Climate Where It Thrives

Argüden Governance Academy is the first NGO in the world that has published all of its activities since its foundation as an Integrated Report.



Integrated Report by the Municipality of Kadıköy Sets a Global Example

The suggestions and teachings of the Municipality Governance Scorecard[®] are being implemented.



GLOBAL GOVERNANCE

Global governance is the development of mutual solutions to global problems, and the necessity of the adoption of good governance principles not only in our own governments and institutions, but also in those around the world. In 2018, we shared our governance experience and know-how in various global platforms.

Asian Public Governance Forum

We were invited to OECD's annual Global Forum on Public Governance, which is attended every year by representatives from many countries around the world. The theme of the forum was "For Better Multi-level Governance Reform in Asia-Pacific Region", and the Municipality Governance Scorecard© model was introduced to the participants. Our model was received with great interest by the participants, who came from South Korea, Germany, the United States of America, People's Republic of China, the Philippines, Thailand, Türkiye, and Vietnam. One of the experts from Harvard University John F. Kennedy School of Government, Shabbir Cheema commented: "The tools and instruments to assess governance quality is a very important issue both for practitioners and scholars. The model developed by Argüden Governance Academy is cutting-edge."



The Municipality Governance Scorecard© is a contribution from Türkiye to the world.



United Nations Public Service Forum

We have been invited by the United Nations Economic and Social Affairs Administration to the Public Services Forum held in Marrakech, Morocco, with the theme of “Yönetim Yaklaşımını Gerçekleştirmek için Sürdürülebilir Kalkınma Hedefleri”. In the Forum we were invited to introduce our methodology of Municipal Governance Report © to the localization of the Sustainable Development Goals.

We talked about how good governance approach should be and the contribution of Municipal Governance Report ©. We were re-invited for the next year at the Forum, where our presentation attracted a lot of attention.



World Bank Meeting

Starting from our country, the Municipality Governance Scorecard© generates value for the entire world. Its methodology is received with interest by prominent organizations around the world, and it sets an example for the world to see. We presented our model at the meeting organized by the World Bank Ankara Office and talked about the benefits of the model. The meeting was broadcast live to the other offices of the World Bank, and we responded to the questions from the other offices as well.



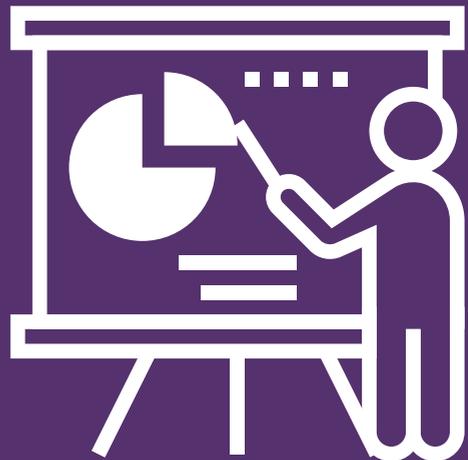
Council of Europe Meeting

We presented the Municipality Governance Scorecard to divisions associated with the European Union. We explained our model and answered questions at the citizen rights, governance, internal and external affairs divisions working under the Committee of the Regions, which deals with the areas of governance, freedom, security, justice, immigration policies, basic rights and citizen participation. Within the European Commission, we gave presentations at the European Neighbourhood Policy and Enlargement Negotiations Commission, and at the Directorate of Regional and Urban Development, which deals with issues related to growth, investments, domestic markets, immigration, energy and climate. In addition to these institutions, we also introduced the Municipality Governance Scorecard to the European Citizen Action Service, an NGO that works in Europe on citizen rights and supports the creation of mechanisms for democratic participation. We then shared information about our model at the European Committee of the Regions.

We will continue to spread the teachings of the Municipality Governance Scorecard[®] via the partnerships we establish with institutions and organizations in Europe.



FINANCIAL HIGHLIGHTS



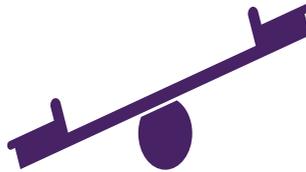
FINANCIAL HIGHLIGHTS

| FINANCIAL DATA | | | |
|------------------------|------------------|------------------|------------------|
| | 2016 (TL) | 2017 (TL) | 2018 (TL) |
| INCOME | 1.223.838 | 818.895 | 1.483.490 |
| EXPENSES | 827.291 | 1.169.180 | 1.409.982 |
| Training | 183.736 | 266.285 | 413.472 |
| Research | 270.653 | 421.226 | 397.139 |
| Communication | 89.776 | 188.060 | 371.597 |
| General Administration | 283.126 | 293.609 | 227.773 |
| REMAINING | 396.547 | -350.285 | 73.508 |

In 2018, %79 of our total income of 1.483.490 TL (including the surplus from previous terms) consisted of the contributions of our individual and corporate donors, 2% of the service fees earned by our commercial enterprise, and %19 of foreign exchange earnings.

This year, we made use of our financial resources of 1.409.982 TL as efficiently as possible. Along with the ever-increasing number of our Academy's activities, our expenses increased by %21 compared to the previous year.

We conduct regular research on receiving new donations or grants and endeavor to establish new contacts and partnerships. In the future, we aim to create a sustainability model in which the revenues from our commercial enterprise will increase, and our Academy will be self-sufficient in covering its costs.



In order to utilize the resources provided by our donors in the most efficient manner, we benefit from leverage in every service possible.

| EXPENSES BY ACTIVITY | | | |
|------------------------|------------------|------------------|-------------|
| ACTIVITY | 2017 (TL) | 2018 (TL) | Değişim (%) |
| TRAINING | 266.285 | 413.472 | 55% |
| RESEARCH | 421.226 | 397.139 | -6% |
| COMMUNICATION | 188.060 | 371.597 | 98% |
| GENERAL ADMINISTRATION | 293.609 | 227.773 | -22% |
| TOTAL | 1.169.180 | 1.409.982 | 21% |

Looking at the total real resources we have allocated from our budget compared to the previous year:

- In 2017, we provided 276 hours of training with 11 training programs whereas in 2018, we provided 305 hours of training with 18 training programs in 2018. In line with the increase in training time and programs, the allocated budget for education has increased.
- We released 9 publications/research reports/articles in 2017, and 17 in 2018. In 2017, we allocated more resources to the dissemination of existing publications and made 7,392 printed publications. Because we made 3,927 printed publications in 2018, the amount of resources used has decreased when compared to the previous year.
- We participated in 47 events in 2017 and 41 events in 2018. We communicated in-person with around 9,700 people in 2017, and 8,600 people in 2018. We reached around 1.400.000 people in 2017 and 2.600.000 people in 2018 via print media, social media, and newsletters to increase the visibility of governance principles. As our reach has doubled, the budget we allocated has increased proportionally.
- Despite the increase in all our activities and expenses, our general administrative costs have decreased compared to those of the previous year. This is an important indicator of the fact that, despite all in-kind contributions, we gave greater priority to allocating resources for our activities rather than our general administrative overhead.



Our Impact Report pg. 41



Our Impact Report pg. 41

| RESOURCE USE FROM GRANT PROJECTS | | | |
|----------------------------------|---------------|---------------|-------------|
| ACTIVITY | 2017 (TL) | 2018 (TL) | Değişim (%) |
| TRAINING | 44.665 | 0 | - |
| RESEARCH | 23.959 | 0 | - |
| COMMUNICATION | 10.305 | 14.162 | -37 |
| GENERAL ADMINISTRATION | 0 | 0 | - |
| TOTAL | 78.929 | 14.162 | -82 |

The resources obtained from grant programs are of great importance for the budgets of NGOs. In 2017, two of our projects were funded for 78,929 TL with the resources provided by Friedrich-Ebert-Stiftung (FES). For the conference we organized for the ongoing “From a Citizen’s Perspective: The Governance Scorecard of İstanbul District Municipalities” project in 2018, we received 14.162 TL of funding from FES in order to cover simultaneous translation and technical system expenses, as well as the expenses made for the speakers coming from abroad.

| LEVERAGE EFFECT (VOLUNTARY & IN-KIND CONTRIBUTIONS) | | | |
|---|----------------|----------------|-------------|
| FAALİYET | 2017 (TL) | 2018 (TL) | Değişim (%) |
| TRAINING | 139.696 | 227.287 | 63 |
| RESEARCH | 151.766 | 91.560 | -40 |
| COMMUNICATION | 257.863 | 529.144 | 105 |
| GENERAL ADMINISTRATION | 221.502 | 112.545 | -49 |
| TOTAL | 770.827 | 960.531 | 25% |

In 2017, we mobilized 1,7 times more resources than our actual budget 1,169,180 TL by carrying out activities of a total value equivalent to 1.940.007 TL. In 2018, we similarly mobilized 1,7 times more resources than our actual budget of 1.409.982 TL by carrying out activities of a total value equivalent to 2,370,512 TL.

In order to help spread the awareness of good governance, our volunteers spent a total of 546 hours for us. With their precious time and volunteer work, they made contributions equivalent to 152.880 TL. We kept track of the pro bono assistance our volunteers provided us in terms of the number of hours spent. In order to increase the quality of life, we have taken every opportunity to benefit from the experience, insight, and knowledge of our volunteers. Our methods and conduct have set an example for many other NGOs as well. We guided the assessment and estimation of the volunteer activities as well as the impact and leverage effect of the resulting contributions. In order to share our approach and methods, we are attending as a speaker to the Intellectual Capital and Public Sector Conference in Munich, which will be held between September 20-21, 2018 by EIASM (European Institute for Advanced Studies in Management).

| CATEGORY | VOLUNTARY CONTRIBUTIONS  | |
|------------------------|---|------------|
| | TL | HOURS |
| TRAINING | 3.920 | 14 |
| RESEARCH | 91.560 | 327 |
| COMMUNICATION | 52.360 | 187 |
| GENERAL ADMINISTRATION | 5.040 | 18 |
| TOTAL | 152.880 | 546 |

In order to set examples for the society and to show how precious all contributions are to us, we have paid special attention to express our gratitude at our events and on our publications for the valuable contributions made to us. Since we make use of the resources granted to us by our donors, we have made it our principle to be as efficient and sensitive as possible in our spending, and to benefit from the leverage effect by providing every possible service as an in-kind contribution. As an indicator of our sense of responsibility and principle of accountability, we have regularly accounted for our activities and budget to our donors even when they did not request it.



In 2018, we benefited from a significant amount of volunteer support, especially while carrying out our research projects. In line with this difference in 2018, our activities under “Research” became the function in which we benefited the most from the knowledge and experience of our volunteers.

| TOTAL COST OF ACTIVITIES | | | |
|--------------------------|------------------|------------------|------------|
| ACTIVITY | 2017 (TL) | 2018 (TL) | Change (%) |
| TRAINING | 405.981 | 640.754 | 58 |
| RESEARCH | 572.992 | 488.699 | -15 |
| COMMUNICATION | 445.923 | 900.741 | 102 |
| GENERAL ADMINISTRATION | 515.111 | 340.318 | -34 |
| TOTAL | 1.940.007 | 2.370.512 | 22 |

In addition to the real budget we used in order to carry out our activities, we also calculated our total cost in order to assess the value of the voluntary and in-kind contributions under our total resources. In 2017 and 2018, we used a total economic value of 1.7x the real budget every year. Thus, for every 1 TL our donors entrusted to us, we created almost twice as many resources.

In line with our budget strategy, we channeled our real budget into more nonmaterial/intellectual services and tried to cover the logistics and catering expenses from the budget of our collaboration partners as much as possible.

2018 INDEPENDENT AUDIT REPORT

In line with our principle of accountability we have our Impact Report content and our financial data audited by an independent auditing agency and shared the outcome with our donors even regardless of whether they expected of us or not. Our 2015 report was audited on voluntary basis by Deloitte, and 2016, 2017 and 2018 reports were audited and verified, again on voluntary basis, by Ernst&Young.



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(Convenience translation of the report of applying agreed upon procedures originally issued in Turkish)

Report of independent auditors on Applying agreed-upon procedures

To the Management of Argüden Governance Academy,

We have performed the procedures based on the agreement date on February 12, 2019 and enumerated below with the respect to the operations of Argüden Governance Academy ("the Academy") in 2018, set forth in the accompanying Schedules. Our engagement was undertaken in accordance with the Turkish Standards on Related Services 4400 "Engagements to Perform Agreed-Upon Procedures Regarding Financial Information" issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey applicable to the agreed-upon procedures engagements.

The procedures were performed solely to assist you in evaluating the validity of the data and the "Resources" table disclosed and published in the Annual Impact Report 2018 of the Academy and are summarized as below:

1. To understanding the business and operations conducted during the study, detailed discussions with the process owners were conducted. The Impact Report for the financial information /data verified on selected samples and supporting written information/documentation were examined.
2. We have requested the confirmations of bank accounts with the Academy's records as of December 31, 2018. In accordance with "Conditional Donation Agreement" signed between the Academy and Boğaziçi University Foundation (BÜVAK) in December 1, 2014, BÜVAK has authorized to collect donations under the "Argüden Governance Academy Conditional Donation Fund". All monetary transactions such as received donations and expenses incurred are carried out through banks. Donations and expenses match with provided bank statements. Since all of the accounting related and financial transaction are conducted by the staff of Boğaziçi University Foundation (BÜVAK) and all the donations to the Academy are transferred to BÜVAK's bank account; the audit of balances were performed through reports presented by BÜVAK and it is observed to be in accordance with the tables. No procedures has been applied by us on BÜVAK records. BÜVAK has been audited by Directorate General of Foundations and another independent auditor.
3. The numbers listed in the "Resources" table of the Impact Report 2018 consists of two groups; "Expenditures" incurred in real terms and "Voluntary Contributions" calculated based on relevant data. "Expenditures" incurred for the group have been tested and confirmed by randomly selected 32 invoices amounting to TRY 361.811. Calculations of the "Voluntary Contributions" group is based on "the estimated monetary value of the activity" have been determined/verified by written quotes obtained for similar activities or declared by volunteers and registered by the Academy staff and monetary value of the volunteer time is calculated according to the standards set by Board of Director Decision dated December 15, 2018 the Academy's Board. Regarding Voluntarily Contribution Hours, 5 projects were selected by sampling from the Voluntary Hours of "General, Public, Private Sector and Civil Society" among the classifications made on sector basis by the Academy and monetary value of the volunteer time has been verified by the Decision of the Board of Directors.

During the independent audit, all our corporate and operational processes were also examined. Our rapid response and taking actions to fulfill Ernst&Young's recommendations played an important part in improving our processes.



Because the above procedures do not constitute either an audit or review made in accordance with Turkish Standards on Auditing or Turkish Standards on Review Engagements (or relevant national standards or practices), we do not express any assurance on the "Resources" table as of December 31, 2018.

Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with Turkish Standards on Auditing or Turkish Standards on Review Engagements, other matters might have come to our attention that would be reported to you.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose. This report relates only to the accounts and items specified above and does not extend to any financial statements of the Academy, taken as a whole.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

A handwritten signature in blue ink is written over a circular blue stamp. The stamp contains text in Turkish, including 'Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi' and 'Ethem Kutucular'. The signature is written in a cursive style.

Ethem Kutucular
Engagement Partner

April 2, 2019
İstanbul, Türkiye

OUR FUTURE EXPECTATIONS

As Argüden Governance Academy, we have been carrying out efforts to achieve our primary goal of “spreading the culture and climate of good governance” since the very beginning of our journey. As such, we will continue our training, communication, and research activities to increase trust in the institutions of the public and private sectors, in NGOs, and in organizations around the world in 2019 as well.

In 2019, we will continue to share the insight and suggestions arising from the findings of the Municipality Governance Scorecard, which we developed in 2018 as a contribution from Türkiye to the world. Next year, we will complete our second original impact research, which is the Sustainability Governance Scorecard. While communicating the results of these contributions we make from Türkiye to the world, we will also aim to reach as many people as possible.

As of the end of 2018, 536 people have completed our “good governance” programs in the public sector, civil society, and private sector, and they have been awarded their certificates. In order to spread the culture of good governance to all parts of society, we aim to promote our Good Governance for Kids Program in 2019 to reach over 1.500 children in total. In addition to this, we also think that the promotion of the culture of good governance among the youth is of great importance. Thus, in 2019, we will make much faster progress in the good governance training program that we started developing in 2018 for the youth, in order to increase the spread of the culture and climate of good governance. We are also making plans to maintain interaction and communication with all of our certificate program alumni in 2019.

In order to help realize our vision of a business world continuously striving for improvement and making use of peer learning, we are evaluating sustainability leaders in Türkiye and the rest of the world and currently developing the Sustainability Governance Scorecard. In this study, we assess how sustainable the sustainability policies of over 180 companies from 10 different industries and 7 different countries, by using only publicly available data. To share our model for the first time, we have been invited to the global conference that will be organized by the International Integrated Reporting Council in 2019. With this project, we will continue to make contributions from Türkiye to a more sustainable future for the entire world.

After translating the OECD Regulatory Policy Outlook 2015 Report to Turkish in 2016, we discussed our “Kamu Düzenleme Kalitesi ve Yaşam Düzeyi” (Quality of Regulatory Policy and Quality of Life) publication in collaboration with TÜSİAD. Next year, we are planning to translate the OECD Regulatory Policy Outlook 2018 Report and thus continue our “Kamu Düzenleme Kalitesi ve Yaşam Düzeyi” series of publications.

With the motto “Women’s Participation is Enrichment”, we have continued to work in 2018 for the widespread adoption of gender equality across all parts of the society. As one of the impacts we made with our Municipality Governance Scorecard project, we will complete the Inclusive Municipality Governance Scorecard developed in collaboration with the Association for the Support and Training of Women Candidates (KA.DER) in 2019. With this project, we aim to empower women in the society by strengthening their position in the public institutions with the closest point of contact with the citizens, which are the municipalities.

In 2019, we will continue organizing our regular events such as the Corporate Sustainability for Legal Counsel Conference and The Luminary Talks. After collaborating with TÜSİAD and Galatasaray University for the first and second sessions respectively, we will organize the Corporate Sustainability for Legal Counsel Conference for the third time in collaboration with Altınbaş University.

Last but not least, we aim to have a stronger and more active presence in digital platforms in 2019 and maintain our efforts to spread the concept of good governance through various platforms to people of all ages.

ACRONYMS

| | |
|-------------------|--|
| <IR> | Integrated Reporting |
| ASEET | Association of Southern European Economics Theorists |
| BÜVAK | Boğaziçi University Foundation |
| BÜYEM | Boğaziçi University Lifelong Learning Center |
| C20 | Civil Society 20 |
| ERTA | Integrated Reporting Türkiye |
| FES | Friedrich-Ebert-Stiftung |
| IIRC | International Integrated Reporting Council |
| KalDer | Turkish Society for Quality |
| KPIs | Key Performance Indicators |
| KOBİRATE | International Credit Rating and Corporate Governance Service Inc. |
| OECD | Organisation for Economic Cooperation and Development |
| ÖSGD | Association of Private Sector Volunteers |
| SDGs | Sustainable Development Goals |
| SKİD | Association for Improving Quality in Health System |
| TCDD | Turkish State Railways |
| TEDMER | The Turkish Ethical Values Center of Türkiye |
| TEGV | The Educational Volunteers Foundation of Türkiye |
| TEİD | Turkish Ethics&Reputation Society |
| TEMA | Turkish Foundation for Combatting Soil Erosion for Reforestation and the Protection of Natural Habitatsı |
| TEPAV | The Economic Policy Research Foundation of Türkiye |
| TESEV | Turkish Economic and Social Studies Foundation |
| TİDE | The Institute of Internal Auditing - Türkiye |
| YKKD | Women on Boards |
| TKYD | Corporate Governance Association of Türkiye |
| TL | Turkish Lira |
| TÜSİAD | Turkish Industry and Business Association |
| TÜYİD | Turkish Investor Relations Society |
| UN | United Nations |
| UNGC | United Nations Global Compact |

Good Governance for Quality of Life

