

ETHICS AND REPUTATION SOCIETY OF TURKEY
COMMUNICATION ON ENGAGEMENT



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About Ethics and Reputation Society (TEİD)

The Ethics and Reputation Society (TEİD), established in 2010 with the collaboration of 22 companies, is a non-profit organization that aims to increase awareness towards business ethics and ensure that the business ethics culture is the keystone of the written culture of the entire companies in the Turkish Business World. TEİD has over 135 corporate members who manage 15% of the GDP in Turkey and have over 250.000 employees.

TEİD not only guides the companies to create their business ethics policies and principles, but also helps them adapt these values to their administrative and commercial functions.

In addition to the works done in Turkey, TEİD also has International Partnerships and Memberships;

- B20 Anti-Corruption Network Membership
- B20 Turkey Anti-Corruption Task Force and Working Group Membership
- Turkey Representative of the TRACE International
- Regional Representative of the Global Ethics Network
- European Business Ethics Network Membership
- Basel Institute on Governance Working Group Membership
- OECD Anti-Corruption Working Group and Regional Advisory Committee Membership



In a short amount of time after it was established, TEİD was accepted as a Global Compact Member; therefore, immediately upon establishment, TEİD started to consider the Global Compact Ten Principles in every action. In addition, TEİD motivated its members to adopt the Global Compact Ten Principles and consider these principles in their daily business life.

The most significant application to impose these principles upon its members, TEİD prepared the TEİD Cross-Sectoral Declaration of Ethics to be signed by each of its members in order to declare their commitment to the principles of TEİD and Global Compact. With this bond, they announce their responsibility to abide by these principles in every administrative and commercial activities they lead, as well as spreading these principles to their employees and shareholders.

To define TEİD's sphere of influence... the total annual income of our 135 members represents %15 of Turkish GDP and their total number of employees exceeded 250,000.

TEİD letters of Commitment

29.06.2010

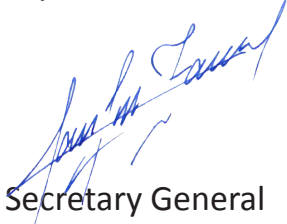
H.E. Ban Ki-moon
Secretary-General United Nations
New York, NY 10017
USA

Dear Mr. Secretary-General,

I am pleased to confirm that Ethics and Reputation Society (TEİD) of Istanbul/Turkey supports the ten principles of the UN Global Compact with respect

With this commitment, we express our intent to advance these principles within our sphere of influence, and will make a clear statement of this commitment to our stakeholders and the general public. We also pledge to take part in the activities of the UN Global Compact where appropriate and feasible – through, for instance, participation in Country/Local Networks; involvement in specialized initiatives and workstreams; engagement in partnership projects; and reviewing and providing commentary to participating companies on their Communications on Progress.

Tayfun Zaman



Secretary General

27.10.2017

To our stakeholders:

I am pleased to confirm that TEİD – Etik ve İtibar Derneği (Ethics and Reputation Society of Istanbul/Turkey) reaffirms its support to the United Nations Global Compact and its Ten Principles in the areas of Human Rights, Labour, Environment and Anti-Corruption. This is our Communication on Engagement with the United Nations Global Compact. We welcome feedback on its contents.

In this Communication of Engagement, we describe the actions that our organization has taken to support the UN Global Compact and its Principles as suggested for an organization like ours. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Asım Barlın



President of the Board

TEİD Leading Advocacy on Transparency Through Collective Actions

To disseminate the Principles of Global Compact, TEİD also works with other NGOs.

TEİD continues to create platforms for collective actions. Following the Customs Brokers Declaration of Ethics, TEİD have prepared on January the 13rd 2016 a gala dinner where TEİD's 120 corporate members have renewed their commitment to TEİD Declaration of Integrity. Additionally, on the very same day the Integrity Principles for Publicly Traded Companies is launched which have been prepared with KOTEDER. This event marked the first step towards the legal obligation for publicly traded companies to have an ethics reporting and to publish it.



The “Ethics and Compliance Management for SMEs Toolkit Turkey” has been launched during the same gala dinner with the participation of the “Combating Corruption for SMEs” co-chair from IBLF Global M. Brook Horowitz, the Deputy Consul General of the United Kingdom M. Rafe Courage.

The Turkish version of the SME toolkit can be found on <http://tr-smetoolkit.com>

Our most recent collective action is The Principles of the ethical standards for investors, have been prepared with TUYİD, Association of International Investors. The participants of this declaration also agree to abide by the TEİD'S and Global Compact's principles. The launch event is held on the 23rd of May, 2017.



In addition to its commitment to the Global Compact Principles, TEİD is also one of the participants of “The Call to Action” which is an appeal by the private sector to governments to promote anti-corruption measures and to implement policies that will establish systems of good governance. “The Call to Action” urges governments to underscore anti-corruption and good governance as fundamental pillars of a sustainable and inclusive global economy.

Global Compact Principles: Anti-Corruption

According to World Bank data, the money paid for bribery in the world each year is more than 1 billion dollars. It is a fact that the existent corruption in the world leads to a 20% increase in cost of business in developing countries’ economies. Therefore, in order to ward off bribery, private sector and the state should work together as it is a common enemy.

As TEİD, we are aware of the importance of this situation for our country and for the world, and we are leading many national and international practices to stop corruption.

B20 Anti Corruption Task Force

TEİD, was one of the B20 Anti-Corruption Task Force members in B20 Berlin Conference this year. More than 300 people from G20 countries attended the B20 meeting in Berlin on 1-2 December 2016. The meeting organized by the motto “Resilience, Responsibility and Responsiveness - Towards the Future-oriented, Sustainable World Economy”, Risk and Resistance, Future Orientation and Sustainability issues were discussed in two separate panels. In addition, focus groups such as Employment and Education were established in parallel sessions of Digitalization; Energy, Climate and Resource Efficiency.

Within the framework of B20, TEİD’s Anti-Corruption Task Force has been maintaining its functioning; during Berlin B20 meeting, our proposal which we gave to the B20 Fight Against Corruption Working Group and which was removed from the program during the Chinese presidency on re-establishment of the Fighting Against Corruption in Customs Working Group and the expansion of this group’s impact area by conjoining them with B20 Trade and Investment Development Task Force has been accepted. In this regard, our influence and communication network as TEİD has been expanded to include members from Fighting Against Corruption to Trade and Investment Development Task Force.

TEİD is also the co-writer of two tangible deliverables of the Turkish B20 Anti Corruption Taskforce:

- Combatting Corruption in Customs with Collective Action Toolkit
- Combatting Corruption in SMEs Toolkit

International Ethics Summits

International Ethics Summit that has been held each year since 2011, has approached many issues such as business ethics, anti-corruption, ethical leadership and has hosted experts of these topics.

- 2011 Affect of the Ethical Management to the Corporate’s Values
- 2012 Changes of Paradigm and Affects to the Ethics Management
- 2013 Affect of the Ethical Management to the Corporate’s Values
- 2014 Ideals and Realities
- 2015 Understanding Today, Inspiring Tomorrow
- 2016 Surviving The Flood
- 2017 As Waters Recede



Turkish Integrity Center of Excellence – TICE

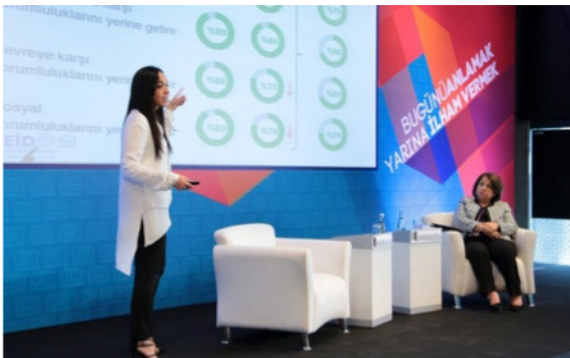


Turkish Integrity Center of Excellence (TICE) aims to level the playing field by inclusion of the private sector into combatting corruption.

Businesses seldom have appropriate expertise to implement internationally developed anti-corruption and good governance guidelines and standards. Assessment of improvement is hardly possible due to non-existing coherent data regarding socio-economic effects of corruption on leading sectors of the local economy.

Many companies have some sort of ethical standards but what they don't have is a compliance program to turn those standards into the very basis of their written corporate culture. Consequently, business ethics remain a soft skill for the companies rather than a value and an asset to be measured, reported and effectively managed. Our vision in this project is to create a cultural change in the Turkish Private Sector and train compliance officers who will effectively manage integrity risks for their companies.

TICE is a platform that will impact the Turkish Business both nationally and internationally in increasing its compliance standards.



We do not only act as a point of reference for the private sector companies assisting them to implant the principles of business ethics but we also work closely with the legislator in the pursuit of a socio- economic environment where companies act in compliance with those principles do not lose their competitiveness but gain advantages.

Education, Trainings and Professional Certification

To produce and deliver courses and online training modules and runs “Compliance Officers Certification Programs” for the education and certification of relevant private sector professionals and produces tools for the use of compliance officers.

In parallel with the Ethics and Compliance Manager Certification Program, which started on November 5, 2016, TEİD was appointed by the Ministry of Labor and Social Security, Turkish Vocational Qualifications Authority to prepare the Occupational Standards of Ethics and Compliance Managers. After being published in the Official Gazette in 2017, this vocational standard will now be recognized as a profession in Turkey.

Business Ethics Research and Application Center



Aside from these works, TEİD also realizes the importance of Academia. With the collaboration of Istanbul Bilgi University, TEİD has opened the “Business Ethics Research and Application Center” last February. This center includes certificate programs as well as 2-year programs that will consist of topics of ethics and compliance program, ethical risk management, anti-corruption regulations.

Communications and Publications

To create stakeholder engagement, TEİD strategize and execute the communications plan and do event management for higher visibility and effective communications.

INbook

INbooks are complimentary books for our members and shareholder about business ethics, ethics and compliance management, anti-corruption etc. They are prepared in order to increase the awareness about these topics and as a contribution to Turkish literature.

Our INbook collection:

- Dan Ariely, “The Honest Truth About Dishonesty: How we Lie to Everyone- Especially Ourselves
- Micheal J. Sandel, “What Money Can’t Buy: The Moral Limits of Markets”
- “How to Pay a Bribe”, a TRACE book by Alexandra Wrage and Severin Wirz with contributions of Jeffrey D. Clark, Musikilu Mojeed, Matteson Ellis, Barnaby Pace, Andrew Feinstein, Ken Silverstein, Kathleen Hamann, Daniel Jordan Smith, Paul Holden, Amy L. Sommer
- “Social Responsibilities of the boards of management”, TEİD – Arguden Academy (Dr. Yılmaz Argüden, Former President of Board of Global Compact Turkey)

INexlibris

INexlibris is an online library that includes all kind of researches, dilemmas, guides etc about ethics and compliance programme, anti-corruption, business ethics, corporate governance etc.

INmagazine

INmagazine, is the first business ethics, compliance and integrity themed magazine, a quarterly published in Turkey. We have now 11 issues of INmagazine.

INguide

Our series of guides to guide Ethics and Compliance managers in their daily lives; We published a total of 10 guides:

- Conflict Of Interest
- Hotline and Whistleblowing Mechanisms Guide
- Ethics Committee Guide
- Ethics Culture
- Ethics Reporting Guide
- Gifts and Hospitality Policies
- Fight Against Corruption in SMEs
- Collective Action
- Cyber Ethics and Compliance Guide
- Case Studies

Advocacy

To facilitate collective actions, to create a point of leverage before the regulators, to affect regulatory change in combatting with corruption and effective management of integrity risks, to enhance the commitment of the private sector with a strong advocacy program and to become a point of reference for business ethics and compliance related matters.

Summary of the Main Activities between October 31st 2015 - October 31st 2017

- “B20 SME Toolkit Turkey”, launched on January 2016 in order to help the SMEs of Turkey on their ethics and compliance management, is the extension of the tangible product of 2015 B20 Combatting Corruption in SMEs taskforce. TICE aimed to reach not only biggest corporations in Turkey but also small and medium sized business in Turkey.
- Cross Sectoral Collective Action with the signature of the Declaration of Integrity by 120 TEİD corporate members in January 2016 (representing more than 15% of Turkish GDP and over 200.000 employees). The number of TEİD corporate members who have signed the Declaration of Integrity increased from 120 to 135 in one year.
- Signature of the Integrity Principles for Publicly Traded Companies in association with KOTEDER, in order to have a higher impact on regulatory change for publicly traded companies.
- INsummit 2016 of June the 13th 2016 with international speakers: Over 300 participants and over 2.000 live broadcast followers around the theme of “Surviving the Floods” dealing with how to avoid an integrity crisis and if not, how to manage it.
- INsummit 2017 of June the 16th with international speakers: Over 400 delegates and over 3.000 live broadcast followers around the theme of “As Waters Recede” with international speakers such as Prof. Dr. Nikos Passas, Monty Raphael QC and the Curitiba Prosecutor of Lavo Jato Unit Ms. Jerusa Burmann Viçeli.
- TICE is preparing with the Turkish Republic’s Profession Standardization Institution the standards of the Ethics and Compliance Manager profession. At the ratification of this draft standard, the Ethics and Compliance Manager profession will be officially among the professions recognized by the Turkish authorities. This will have a leverage effect on the certification program participations and on TICE/TEİD’s reputation nationally.
- INscuola – The Ethics and Compliance Managers’ Certification Program with two different editions (the first one from November to December 2016 with 25 graduates, the second from April to June 2017 with 13 graduates), around 40 Ethics and Compliance Managers got certified from Turkey’s first ever Ethics and Compliance Certification Program in association with the Istanbul Bilgi University.
- The Integrity Game INgame, an online compliance game from the UN Global Compact game model has been developed to an online platform with 2 kind of users: individual players and corporate players. INgame is used as an e-learning tool by companies and a networking platform for Ethics and Compliance professionals.
- Realization of a Professional Collective Action with the preparation of the professional ethics standards of the Investors Relations Professionals have been written in association with TUYİD and launched on May the 23rd 2017 in Grand Hyatt Hotel Istanbul.

- Data collection with yearly corruption perception surveys (2015 - 2016 and 2017) in the Turkish private sector, a sectoral survey conducted for Customs in 2016 and in 2017, a compliance program effectiveness survey conducted among 63 compliance officers
- INplatform: Compliance officers' roundtables for networking and professional development opportunities to stay informed about the new trends and issues with an increasing number of attendants.
- Several awareness events such as The Compliance Officers' Day on September the 26th 2017 and Publications to increase awareness of ethics with INmagazine, INbooks, INguide and EtikBlog

Annex 1 – Declaration of Ethics



Annex 2 – Professional Collective Action in association with TUYİD

Investor Relations is a two-way communication channel between companies and capital markets players. Investor Relations practice aims to reflect fair market value of companies by sharing the ongoing operational and financial performance and future growth potential of a company with current and potential investors and analysts in the most accurate manner. It enables the company to act in compliance with the Corporate Governance Principles. It is also important and necessary for Investor Relations practices to be ethical, in order to raise the ethical standards of the professionals to the highest level and to maintain the effective operation of the Capital Markets.

Within this perspective, TUYİD (Association of International Investors) and TEİD have prepared the Principles of the ethical standards for investors. The outcome of this collective action is launched on the 23th of May. The launching event took place at Hyatt Regency Taksim.

