

S U S T A I N A B I L I T Y  
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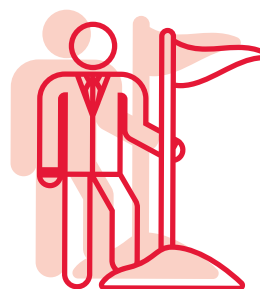
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# CHAIRMAN'S LETTER



*M. Tuğrul Tekbulut*  
Chairman of the Board

Dear Logo Shareholders,

The most important problem both humanity and our civilization face and one of the most challenging issues about our future is global industrial system's ability to find a new direction that will not harm people and our planet. The economic, social and environmental aspects must be considered when steps are taken for economic development and for better quality of life.

Societies expect responsible activities and investment towards a sustainable future not only from governments, but also from profit-driven companies.

Sustainable Development Goals, the call for action of the United Nations to eliminate the poverty in the world, to protect our planet and to ensure that all people live in peace and prosperity, are on the agenda of many countries and companies today.

The purpose of sustainability is to meet the needs of today without jeopardizing the capacity of meeting the needs of future generations. We are aware that an understanding based only on profit maximization is not sustainable.

Today we know that we must both protect the interests of the society we belong to and the nature we live in, prioritize social development and develop sustainable economic models. We are committed to making sustainability principles an integral part of our strategy and operations. In this framework, we improve our business processes, use resources more efficiently and contribute to our stakeholders and society.

As the first public IT company of Turkey, we were included in the BIST Sustainability Index, which has companies traded in the Istanbul Stock Exchange with a high level of sustainability performance, in 2017. Every year we give our best effort to improve our performance. We are committed to raising our competencies in this field, given the importance we attach to corporate governance and sustainability which we see inseparable.

Our first sustainability report, which we have prepared in a reliable and consistent manner, contains a lot of detail on education, environment and productivity. This report, which increased our awareness, has been a great starting point. I believe that Logo Yazılım Sustainability Report will be beneficial to our company, to all our stakeholders and to our country, and I would like to thank everyone who contributed.

Best Regards,

M. Tuğrul Tekbulut  
Chairman of the Board

# CEO'S LETTER



*M. Buğra Koyuncu*  
Chief Executive Officer

Dear Logo Shareholders and Logo Family Members,

The "ethical", "ecological" and "economic" concepts for governments, businesses and societies are shaping the age we live in. In the private sector, the notion of business management, which focuses only on growth and profitability, leaves its place to a more responsible and conscious worldview where many different parameters are involved.

Now companies' operations need to be managed and re-planned from beginning to end, with an approach of sustaining profitability while caring for all stakeholders, society and the natural environment. Sustainability competencies, including all of these items, have become one of the key elements of modern business life and even competition. Companies need to do more than just declaring financial results and to be more transparent and accountable. The best way to do this is through reporting. Sustainability reporting shows the economic, environmental and social performance of a company in line with its sustainable development goals.

As Logo Yazılım, we have continued our activities for 34 years with the mission of contributing to the country's economy by working for the success of entrepreneurs and SMEs in global markets. Our sustainability journey begins with the sustainability of the data which is the reason of existence for our software programs. In this journey, we have published our first sustainability report showing that we have followed and reported our diligent work in this area and committed to making action plans to improve ourselves. As the first information technology company to go public in 2000, also as required by our corporate and transparent management understanding, today we are constructing sustainability structure for all our stakeholders in economic, social and environmental aspects.

Sustainability is a corporate strategy for Logo Yazılım. We have identified our priorities for sustainability management in accordance with this strategy. Our technology and R&D power, our pioneering role in digital transformation, our client-oriented approach and our commitment to customer satisfaction, diversity and equal opportunity, and our contribution to society are among our priorities. Thus, we are mapping out how to manage all sustainability-related work and how to improve it. While we documented our work on sustainability, we made improvements as well.

Logo Academy, one of the important investments that we made for our country's youth, continues to provide software training to high schools, vocational schools, universities and business partners since 2012. Logo Academy trained a 2,206 people in 2017. More than 2,000 students of Logo Academy, which has trained about 4,000 people since its establishment, have found employment in various positions in the information technology sector.

Thanks to the measures we have taken, we saved about 21,000 kWh of energy in 2017 and reduced our water consumption. We contribute to the efficient use of resources by our customers with our products, offering benefits in terms of operational efficiency and environmental management. Thus, we are creating a sustainable ecosystem with our internal and external stakeholders. We share all these studies with our stakeholders through our first sustainability report.

We are pleased to present our sustainability report to all our stakeholders for the first time, explaining the contributions and investments we have made to the sector, to youth, education, neighborhood, society and the future.

The report documenting our sustainability studies is going to give a new direction to our future. I would like to thank all Logo Yazılım employees and business partners who supported the works done in this framework.

Best Regards,

M. Buğra Koyuncu  
Chief Executive Officer

# ABOUT THE REPORT

As Logo Yazılım Sanayi ve Ticaret A.Ş., we are publishing our first sustainability report prepared in line with our sustainability vision and goals. We disclose our environmental, social and economic impact and our performance in these fields publicly via this report.

Data shared in this report covers the performance of the operations in Turkey between January 1 - December 31, 2017, unless otherwise noted.

The report has been prepared with reference to the Global Reporting Initiative (GRI) Standards. In addition, the Sustainability Accounting Standards Board's (SASB) Technology & Communications Standard, the NASDAQ OMX CRD Global Sustainability Index and the Dow Jones Sustainability Index has been used as references.

You can submit any questions, comments and suggestions related to the report to **[sustainability@logo.com.tr](mailto:sustainability@logo.com.tr)**.







# ABOUT US

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**LOGO**

# ABOUT US

As Logo Yazılım, we have been developing enterprise application software for 34 years to increase corporate productivity and profitability. We adopt a fair, transparent and modern management approach. With more than 1,000 employees and more than 800 business partners, we have accompanied the growth journey of more than 200,000 companies, creating a solid foundation for sustainable success. Our large and dynamic ecosystem incorporates Logo users, academicians, students and industry professionals.

We offer application software solutions for companies of different sizes ranging from micro to large enterprises. In addition to Enterprise Resource Planning solutions, our company has many complementary solutions including Customer Relationship Management, Human Resources Management, Business Flow / Process Management, Supply Chain Management and Business Intelligence Solutions, and has been the leader in terms of number of customers for many years.

As the first information technology company to go public in 2000, we are also one of the companies which has the highest free float ratio with 61.3% at Borsa Istanbul.

With the aim of becoming a regional power, in 2016 we acquired Total Soft, Romania's leading company of enterprise application software. We also established Logo Infosoft to operate in India by partnering with GSF Software Labs LLC. We achieved double-digit growth in all product sales in 2017, continuing our steady growth in revenue with a CAGR of 41% in the last 5 years. Our net sales revenue increased by 35% compared to 2016 and reached TL 256.2 million. Our net profit for the period increased by 12% reaching TL 50.8 million.

Turkey's most preferred digital transformation partner eLogo, trading platform FIGO established with the partnership of Logo and Foriba, Logo KOBİ Dijital Hizmetler (Logo SME Digital Services) offering mobile solutions to micro and small companies and Logo Ventures founded as the first corporate venture capital fund within the scope of Private Equity Investment Fund are our companies operating in Turkey.



# VISION, MISSION, RECENT DEVELOPMENTS, SHAREHOLDING STRUCTURE

## VISION

Logo serves the country and humanity by working for the success of entrepreneurs and SMEs in global markets to help increase the production, employment, and welfare.

## MISSION

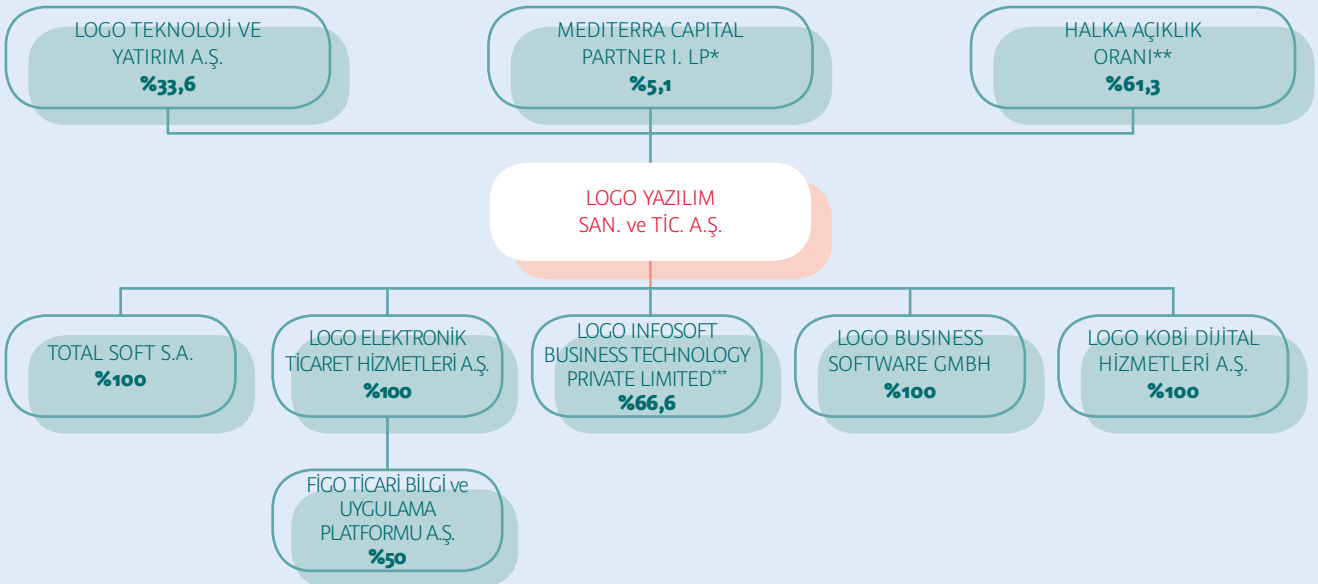
Logo envisions an economic model in global free markets, where SMEs sustain a major role with their entrepreneurial culture, creativity, innovativeness, high added value and employment potential.

## RECENT DEVELOPMENTS

We continued to boost our competitive edge with the new companies we established and the new products we launched in 2017. We have established Logo KOBİ Dijital Hizmetler (Logo SME Digital Services) and Actus Portföy Yönetimi A.Ş. Logo Ventures Private Equity Investment Fund to accompany the digital transformation of SMEs and support entrepreneurs in line with our vision. We also launched the new products of ERP Solutions Tiger Wings and Netsis Wings that allow users to manage their business through a web browser. We have also developed solutions for e-invoice and e-dispatch that are used upon changes in regulations.

In our sales, we have achieved significant growth in international sales. International sales increased by 158% reaching TL 79 million and domestic sales reached 177.2 million TL in Turkey with a growth of 11%. Our total sales increased by 35% to TL 256.2 million.

## SHAREHOLDING STRUCTURE



\* EAS consists of S.a.r.l. 4.96% and other. \*\* Including 2.77% treasury shares. \*\*\* The ownership percentage is as of 31.12.2017. The current ownership is 57.14%.

# CONSOLIDATED FINANCIAL INDICATORS

<b>(Million TL)</b>	<b>2017</b>	<b>2016</b>
Net Sales	<b>256,2</b>	190,4
Gross Profit	<b>244,1</b>	185,6
Operating Profit	<b>59,8</b>	51,1
Financial Income	<b>2,8</b>	4,0
Financial Expenses	<b>(8,6)</b>	(3,8)
Net Income Before Tax	<b>52,9</b>	51,2
Net Income	<b>50,8</b>	45,3
Earnings Per Share (1,000 Shares at 0.01 TL Nominal Value)	<b>20,3</b>	18,1

Sales Revenue  
**256,2 million TL**

Operating Profit Margin  
**23%**

EBITDA  
**82,6 million TL**

<b>(Million TL)</b>	<b>2017</b>	<b>2016</b>
Total Assets	<b>383,2</b>	327,5
Current Assets	<b>162,2</b>	139,5
Fixed Assets	<b>221,0</b>	188,0
Current Liabilities	<b>115,0</b>	148,8
Long-Term Liabilities	<b>58,9</b>	14,6
Equity	<b>208,5</b>	160,8
Paid-In Capital	<b>25,0</b>	25,0
Current Ratio	<b>1,41</b>	0,94
Total Liabilities / Equity	<b>0,83</b>	1,00
Equity / Total Assets	<b>0,55</b>	0,50

EBITDA Margin  
**32%**

# LOGO YAZILIM AT A GLANCE

Ecosystem of  
**5,000+** People



**1.000+**  
Employees



**800+**  
Business  
Partners



**60+**  
Products



Net Profit of TL  
50.8 million with  
**12% increase**



**90,000+**  
Active  
Customers



**1.000+**  
Integrated Solutions



**TL 256.2 million** Revenue With  
**35% Growth**



Operations in **50+ countries**



# LOGO YAZILIM TURKEY IN 2017





# SUSTAINABILITY APPROACH AND MANAGEMENT STRUCTURE

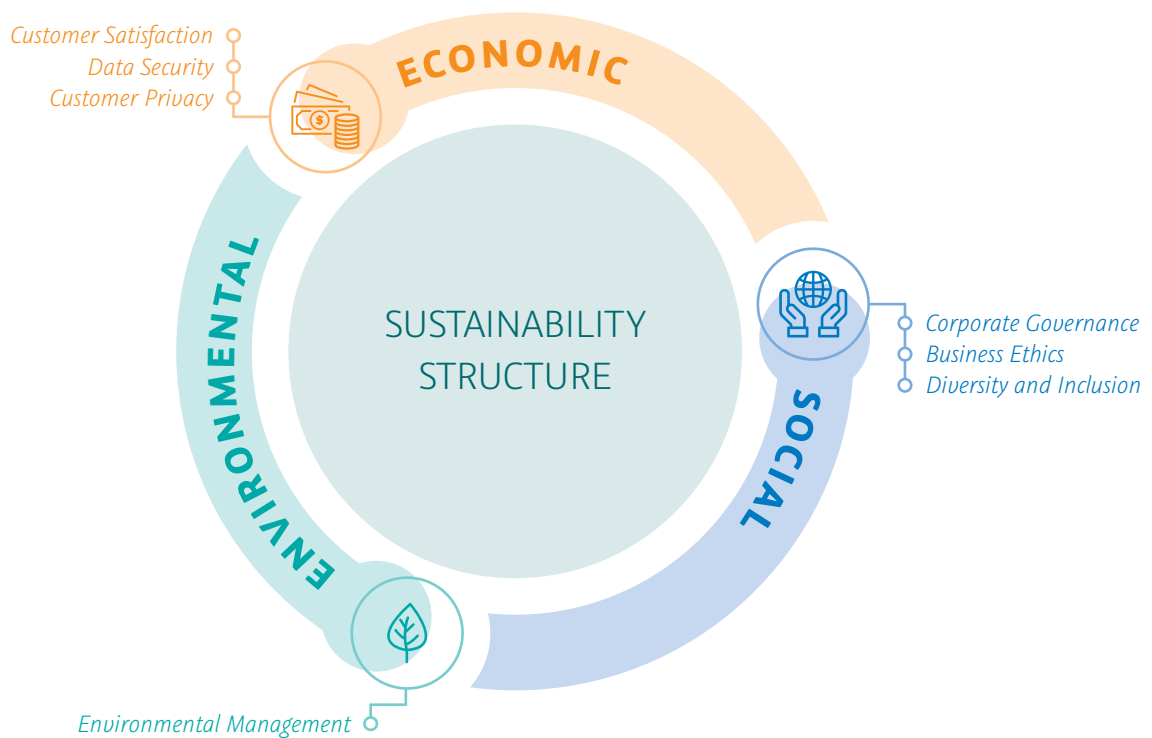
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**LOGO**

# SUSTAINABILITY MANAGEMENT AND STRUCTURE

As a company that is on its way to globalization and becoming a regional power, we are committed to creating lasting added value in our activities. As per our role in technological transformation we are helping companies to operate more efficiently and adapt to the current competitive environment by producing solutions which create value for industry 4.0 or cloud systems. We are driving sustainable transformation both in our own operations and in our ecosystem, especially in the developing markets. Accordingly, we have identified the focal point of our sustainability strategy as investing in the community, the environment and the future of our company and contributing to the sustainable transformation of our ecosystem with innovative products and services. Our company mission is very important in terms of integrating sustainability with a systematic approach to all our activities and in creating high value-added solutions.



We manage the sustainability issues under the leadership of our senior management. Executive Committee members are responsible for the sustainability issues. The committee within its authority determines the required actions to be taken to set goals concerning sustainability issues and the needs for the process of implementation, rules, communication, monitoring and auditing. In addition, the Executive Committee ensures the implementation and follow-up of the related works within its authority.

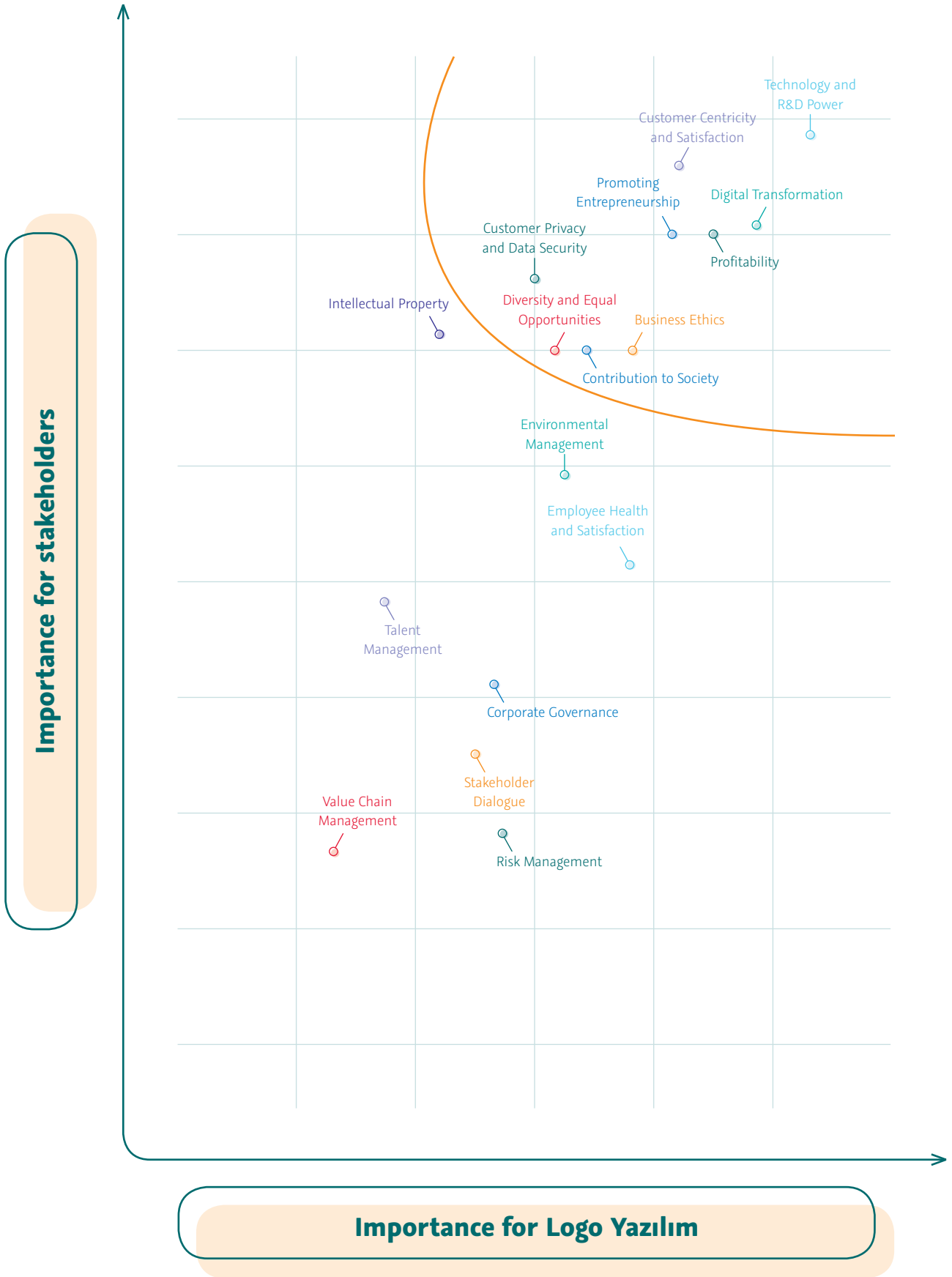


The Audit Committee, which reports on the findings and recommendations regarding the compliance of company activities with legal regulations and internal regulations, reports to the Board of Directors on sustainability issues. The matters that require the knowledge or approval of the Board of Directors are submitted by the Executive Committee and the items approved by the Board of Directors are completed within the specified powers and duties. All these activities are carried out in compliance with the **Rules on Sustainability Issues** we established in 2017, which include our approach, distribution of authority and duty, process management and related definitions of business ethics, occupational health and safety and environmental sustainability.



We were included to Borsa Istanbul Sustainability Index in 2017 with our sustainability performance. We have also been included in the FTSE Russell Index as of March 2017, which is followed up by many global stock exchange funds.

# MATERIAL ISSUES



In order to determine the framework of our first sustainability report and to contribute to the development of our sustainability strategy, we conducted an analysis evaluating external trends that are specific to the software sector. In this context, first we have established a list of the areas, where the companies operating in the software sector are focusing on in terms of sustainability management. We assessed the issues in this list in terms of the areas that the software industry was most affected by and has most impact on Sustainable Development Goals, the industry-specific standards created by Sustainability Accounting Standards Board (SASB), DigitalEurope and World Economic Forum (WEF) and their evaluations and studies.

We have finalized our material issues by comparing the results of external trend evaluation with that of the material issues that we have determined, in line with our business strategy. The areas that were most material in both fields consisted of Technology and R&D Power, Digital Transformation, Customer Centricity and Satisfaction, Business Ethics, Promoting Entrepreneurship, Profitability, Contribution to Society, Customer Privacy and Data Security, Diversity and Equal Opportunities constituted our material issues.

### MATERIAL ISSUE

Technology and  
R&D Power  
Digital  
Transformation

### SDGs THAT WE CONTRIBUTE



### OUR ACTIVITIES

- Increased Investments in R&D and Innovation
- Employment in R&D
- Contribution to Economic Efficiency Through Sustainable Solutions

# MATERIAL ISSUES

MATERIAL ISSUE	SDGs THAT WE CONTRIBUTE	OUR ACTIVITIES
Customer Centricity and Satisfaction		<ul style="list-style-type: none"> <li>Contribution to Sustainable Industrialization With Sustainable Products and Services That are Developed in Line With Customer Expectations</li> </ul>
Business Ethics	 	<ul style="list-style-type: none"> <li>Human Resources Practices Based on Equal Opportunity and Diversity</li> <li>Corporate Governance in Line With Fairness, Transparency, Accountability and Responsibility Principles</li> </ul>
Profitability, Promoting Entrepreneurship		<ul style="list-style-type: none"> <li>Growth in Revenue and Net Profit With Leading Products and Services</li> <li>Logo KOBİ Dijital Hizmetler (Logo SME Digital Services)</li> <li>Logo Ventures - Private Equity Investment Fund</li> </ul>

MATERIAL ISSUE	SDGs THAT WE CONTRIBUTE	OUR ACTIVITIES
Contribution to Society	 	<ul style="list-style-type: none"> <li>• Cooperation With Organized Industrial Zones and Insurance Companies</li> <li>• Educational Support Through Scholarships Provided</li> <li>• Our Training Programs, Mainly Through Logo Academy and LogoEdu</li> </ul>

MATERIAL ISSUE	SDGs THAT WE CONTRIBUTE	OUR ACTIVITIES
Customer Privacy and Data Security		<ul style="list-style-type: none"> <li>• R&amp;D and Innovation Investments</li> <li>• ISO27001 Information Security Management and ISO22301 Business Continuity Management Systems</li> </ul>

MATERIAL ISSUE	SDGs THAT WE CONTRIBUTE	OUR ACTIVITIES
Diversity and Equal Opportunities	 	<ul style="list-style-type: none"> <li>• Increased Employment of Women and the Percentage of Women in Senior Management</li> <li>• Human Resources Practices Based on Equal Opportunity and Diversity</li> </ul>

# COMMUNICATION WITH STAKEHOLDERS

Due to our approach of creating value for our stakeholders, understanding the experiences, opinions and feedback of stakeholders involved in our ecosystem and establishing an effective dialogue with them is one of the topics we attach importance to, within the scope of our sustainability activities. Our main channel of communication with major stakeholders, apart from the sustainability reports which we will regularly start publishing along with our annual reports, are as follows:

## STAKEHOLDER CATEGORY

## MAIN COMMUNICATION METHODS

### CUSTOMERS



Traditional channels (TV, radio, cinema, outdoor, magazines), digital media - websites (logo.com.tr, blog.logo.com.tr,

logoakademi.logo.com.tr etc.), social media, events and sponsorships (Logosphere, partner meetings, Logo events, third party events), mailing, direct communication (customer visits, contact via customer relationship management)

## STAKEHOLDER CATEGORY

## MAIN COMMUNICATION METHODS

### INVESTORS



General Assembly meetings, investor meetings, teleconferences, presentations, websites and blogs, bulletins, e-mails, KAP (Public

Disclosure Platform) notifications

## STAKEHOLDER CATEGORY

## MAIN COMMUNICATION METHODS

### EMPLOYEES



Traditional channels (TV, radio, cinema, outdoor, magazines), digital media, web sites (logo.com.tr, blog.logo.com.tr,

logoakademi.logo.com.tr, etc.), social media, events, Human Resources activities

## STAKEHOLDER CATEGORY

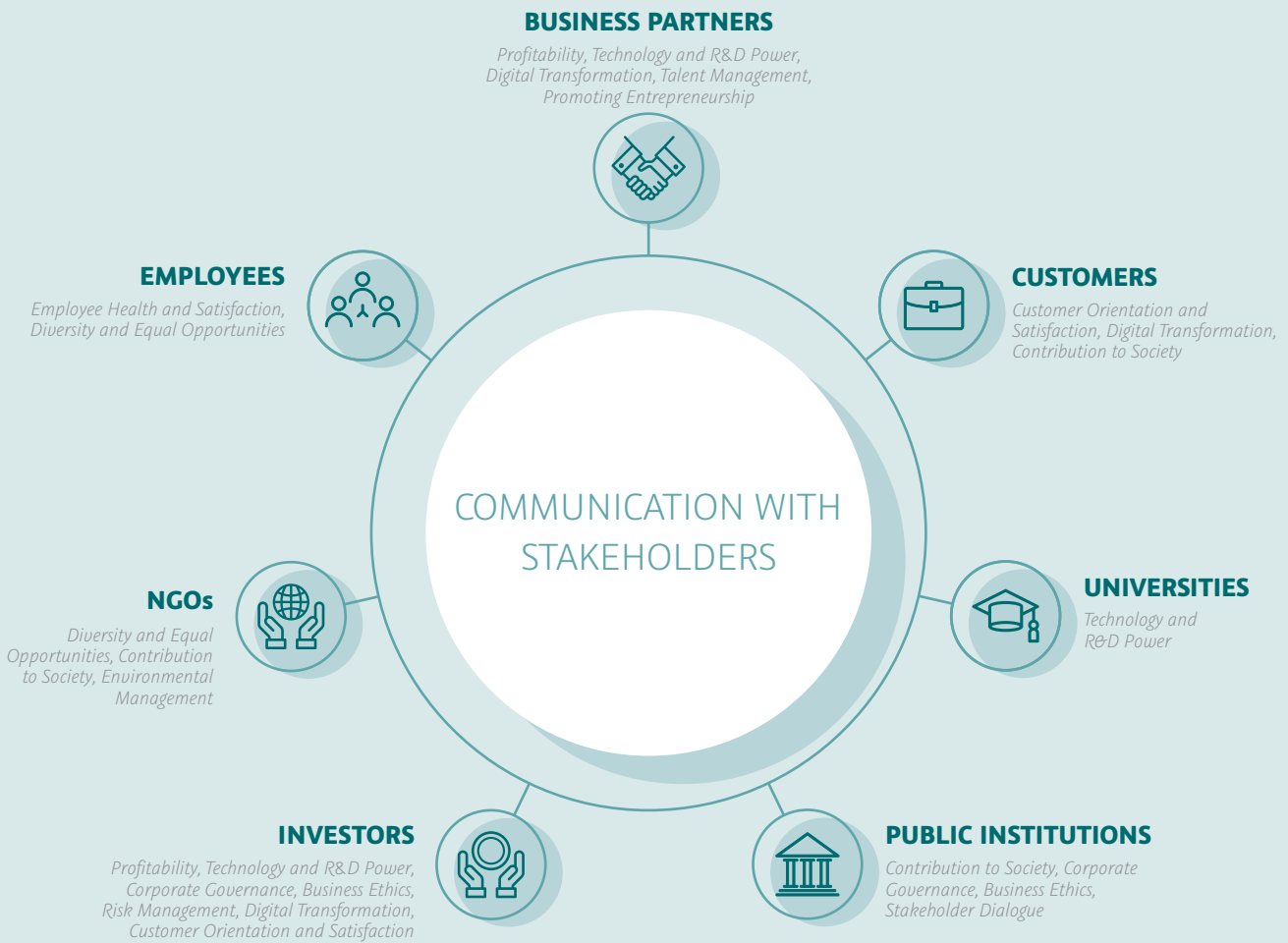
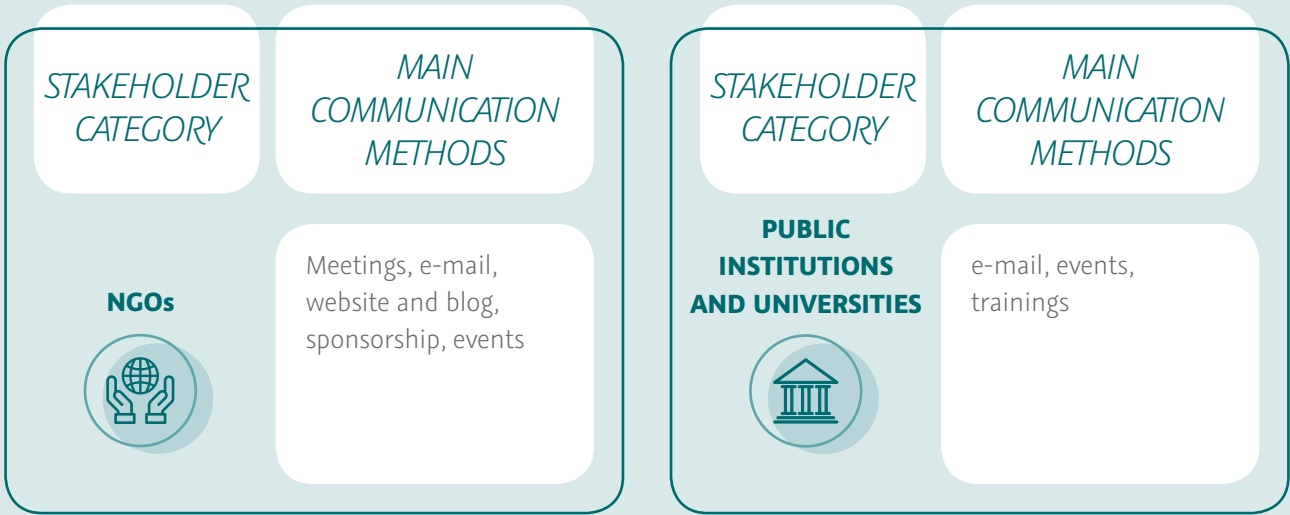
## MAIN COMMUNICATION METHODS

### BUSINESS PARTNERS



Traditional channels (TV, radio, cinema, outdoor, magazines), digital media, websites (logo.com.tr, blog.logo.com.tr, logoakademi.

logo.com.tr etc.), social media, events and sponsorships (Logosphere, partner meetings, Logo events, third party events), mailing, direct communication (customer visits, contact via customer relationship management), customer services, communication with sales teams



# COMMUNICATION WITH STAKEHOLDERS

Additionally, we complement our communication with stakeholders via methods like collaborations, memberships and participations in several platforms. As of 2017, these organizations are as follows:

- **BTSO** (Bursa Chamber of Commerce and Industry)
- **Çorlu TSO** (Çorlu Chamber of Commerce and Industry)
- **GOSB** (Gebze Organized Industrial Zone)
- **GGOSB** (Gebze Guzeller Organized Industrial Zone)
- **GEPOSB** (Gebze Plastics Organized Industrial Zone)
- **TOBB** (Union of Chambers and Commodity Exchanges of Turkey)
- **YASAD** (Software Industry Association) Board of Directors
- **İZTO** (Izmir Chamber of Commerce) 39. Professional Committee Software Group Membership
- **KSO** (Kocaeli Chamber of Industry)
- **GTO** (Gebze Chamber of Commerce)
- **İMMİB** (Istanbul Mineral and Metals Exporters' Association)
- **TÜYİD** (Turkish Investor Relations Association)
- **TKYD** (Corporate Governance Association of Turkey)
- **Digit4Turkey** (Digitalization and Industry 4.0 Association)



# EFFECTIVE RISK MANAGEMENT

In an environment where technology is developing at an accelerated pace, it is necessary for the companies operating in the software sector to accurately understand change and to adapt quickly to maintain their competitive edge. As Logo, we are aware of the importance of an effective risk management approach in preparing for the risks and opportunities associated with these conditions and in maintaining the steady growth.

Thus, we carry out our risk management works under the leadership of Risk Committee, which aims to identify in advance the risks that may compromise the Company's assets, development and continuation; to implement measures related to the identified risks; to conduct risk management studies and to review risk management systems at least once a year. The Committee, working in line with **Risk Committee Terms of Reference** has two members and the chairman of the Committee must be an independent member.

By running risk management and internal control systems proactively and continuously, we manage the risks effectively. We conduct risk analyses at least once a year and when new processes are added or changes are made in practices. We revise these practices along with the department managers and members of the Executive Committee before the annual Management Review Meeting.

We conduct risk analyses in two basic categories: Corporate Risk Analysis and Risk Analysis for Information Assets. Within the scope of Corporate Risk Analysis, we follow up major financial and operational risks such as stocks, debt management, technological change, competition, collections and currency fluctuations, and we carry out control activities accordingly. Under Risk Analysis for Information Assets, we evaluate all our assets from real estate to software licenses based on threats from environment, hardware, human-intentional or unintentional-, malware code, message or information leakage, process planning, third party and software, and we act depending on the outputs.

Detailed information on risk management perception and work carried out can be accessed through the **2017 Corporate Governance Compliance Report** and **2017 Logo Annual Report**.

# BUSINESS ETHICS

We regard ethical business approach as an integral part of Logo Culture. As a corporate citizen, we are also aware of our social and economic vital role, taking into consideration the purpose of developing society and economy while continuing our activities. We are in the BIST Corporate Governance Index and World Corporate Governance Index (WCGI) covering 150 countries, with our corporate governance rating of 9.08 in the reporting period.

We conduct our activities in line with the **Code of Ethics** that we have built on fairness, transparency, accountability and responsibility. The Code of Ethics that we prepared in accordance with the Corporate Governance Principles sets out the relations with employees, suppliers, customers, shareholders, other stakeholders and the public.

The Board of Directors monitors the implementation, supervision and review of the Code of Ethics with the reports and processes in the scope of these rules. The Ethics Committee, consisting of one independent member from both the Audit and Corporate Governance Committees, the member of the Executive Committee responsible for Human Resources, a lawyer and an employee representative, is responsible for presenting tEthics Report o the Board of Directors on which contains the results of reviews, information, findings and recommendations regarding the implementation of the Code of Ethics.

We apply the Code of Ethics according to the scope of the Labor Code. The company attorney manages the channel that possible violations of the Ethics Code can be communicated through. In the event of a violation, we evaluate the situation and process it according to the disciplinary regulations when necessary. There were no reports or ethical issues in 2017. In addition, no disciplinary action was taken regarding ethical issues on anti-corruption and bribery issues. There is no penalty or ongoing lawsuit on anti-corruption and bribery.



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**LOGO**

# DIGITAL TRANSFORMATION

Digital transformation that drives the present and the future is at the forefront as a subject that must be closely monitored by all sectors. Concepts such as cloud technologies, Internet of Things and Software as a Service (SaaS) are rapidly becoming indispensable technologies for the business world during the transition to Industry 4.0. Technological developments and digitalization provide companies with benefits in a variety of areas ranging from increased productivity to competitiveness. Digital transformation and innovation play a key role in achieving the 17 goals set under the Sustainable Development Goals.

As Turkey's largest independent software company, we provide guidance to companies in the digitalization process with our leading role in the information technologies industry. For a sustainable future, we support economic and social development by reducing the environmental impact of companies' activities with our solutions.

By synthesizing different user experiences, we develop digital solutions in accordance with technological innovations and increase the productivity and profitability of our customers. We aim to transform the opportunities of technological developments into sustainable business models. Within this scope, investing in R&D and innovation, developing products that contribute to the sustainable transformation of our customers and guaranteeing data security are among our priorities.

# R&D AND INNOVATION

As an information technologies company, we follow technological developments closely to differentiate from competition and offer innovative products and services to meet customers' needs. Accordingly, our most important source for developing products and providing sustainable solutions is R&D and innovation.

Customer-oriented R&D and innovation is at the heart of our corporate culture. For developing superior products with new generation technologies for our customers, we allocate significant share of our human resources and revenue to R&D and innovation. In our Turkey operations, the share of R&D spending in total revenues was 32% in 2017 and we spent 60 million TL on our investments and expenses in this area.



## 73% of Work Force in R&D

We define all kinds of technology, product development, quality, analysis, design processes and related activities in our company as R&D. Our team in Turkey has 585 people and 73% of them are working in the field of R&D. We are one of the leading companies that has the largest R&D investments in Turkey.

We transfer technological know-how and experience of the companies that we acquire. Within the scope of our R&D activities, we adapt their products to our standards to increase their efficiency and quality.

## OUR AGILE PROCESS IMPROVEMENT SYSTEM: LAPIS

For the past 34 years, while we have been developing enterprise software to increase the productivity and profitability of enterprises and to contribute to our sector's development, we also have been developing our own business processes. Starting in 2008, inspired by the philosophy of lean manufacturing, we designed LAPIS (Logo Agile Process Improvement System), a process that encompasses every aspect of our software development process, including capacity planning, project management, quality and productivity measurements.

LAPIS, is an agile software development methodology that develops continuously, provides adaptation to innovations, and focuses on team work and customer needs with its dynamic and flexible structure. Paper on LAPIS was published in 2014.

By producing meaningful outputs in a short time with LAPIS, thanks to its fast and continuous feedback flow, we minimize the risks in product development and project processes, always keeping highest level of quality. We are launching new versions of each product in seven-week periods which are the basis of LAPIS and the pulse of Logo. With this pace, we released 137 versions in 2017. For these versions, we have introduced 1,371 new features only for our ERP products in 2017.

Logo Yazılım is truly a software factory with 73% of employees working in R&D field. Thanks to LAPIS, we are constantly checking, improving and developing our products and services at every step of our development process so that this factory can continue to grow without a hitch.

# SUSTAINABLE PRODUCTS AND SERVICES

We develop sustainable products and services to enable our customers to create added value and efficiency in their business processes through effective use of resources. We aim to create economic, social and environmental value through our solutions that make life easier for companies and employees.

We are developing a variety of application software including Enterprise Resource Planning (ERP), Customer Relationship Management (CRM), Human Resources Management, Workflow Management, Supply Chain Management (SCM), Business Intelligence Solutions (BI) and Retail Solutions. We improve the productivity of our customers and ensure traceability; help our customers reduce resource consumption and environmental impact, improve risk management and increase customer and employee satisfaction.

With our cost-effective, fast and flexible solutions, we help our customers improve their operational efficiency. Companies that use our Enterprise Resource Planning solutions increase their profitability by reducing costs and increasing their revenue, use their human resources more effectively, improve order management and provide better service to their customers through faster information flow.

We developed the Automatic Participation System (OKS) module within the scope of the Automatic Participation in Private Pension regulation which has come into effect this year. The OKS module is integrated with our payroll solutions (Netsis 3 Bordro and Payroll Plus) to help companies reduce the workload of human resources employees and ensure fault-free process management. Thus, our customers can transfer data to individual pension companies with whom Logo has partnership (AvivaSA, Anadolu Emeklilik and Allianz Yaşam ve Emeklilik), faster and more accurately.

We also support companies to reduce their paper consumption and manage their processes more effectively by migrating their billing operations to the online system. In this context, we added e-Prescription and e-Dispatch products to our portfolio in 2017. As the changes in regulations have made the use of e-Prescription obligatory and e-Dispatch optional, we completed all integration works for both and launched the products. We are the market leader with approximately 25% market share in E-Invoice Private Integrator services, in terms of number of companies that we provide services.

## Our Solutions and Their Contribution to Our Customers

### UNILEVER

Since 2002, Unilever has benefited from our products in their various business processes, managing 195 distributors from a single center and meeting ERP requirements. It provides inventory management for more than 200,000 ice cream cabinets in the field.

### HDI SİGORTA

After HDI started using our human resources solutions Logo Netsis HR and Netsis 3 Enterprise Payroll, a more dynamic and electronic structure for all human resources processes have been provided. There has been 50% reduction in their payroll process workload.

### KOÇAK BAKLAVA

Using Logo GO 3, customer satisfaction has increased with high accuracy rate of meeting the orders given online. Workload has been reduced thanks to shorter reporting duration.

### ERSAN AMBALAJ

By using our Logo GO 3 which provides special solutions to SMEs, all processes within the company, especially production planning, have become more efficient. Reporting has become more accurate and faster. Also 25% time saving was achieved.

### GÜNEYDOĞU CAM

With Logo Netsis 3 Entegre, a product specific to specific to SMEs, a 20% increase in production efficiency and a 50% reduction in the workload of departments, especially accounting, have been observed. As a result, employee satisfaction increased.

### İTAL MAKİNA

After using Logo Neon, which provides productivity in the supply chain, the correct shipping rate has increased to 99% by reducing the human-induced errors in the order collection and shipment processes. Work loss worth of a week in the counting process was avoided and the shipping costs caused by incorrect shipping have been eliminated.

### ISISAN

The material automation system developed with Logo Tiger 3 Enterprise supporting sustainable productivity in medium and large-scale enterprises, saved about TL 60,000 per year. Error rates have fallen below 1% thanks to systematic recording of problems about suppliers and products. Delays in deliveries fell from 15% to 3%. Warehouse inventory shrank by nearly 50%. With the ERP-integrated screen in the billing confirmation process, all data is monitored from a single point, thus reducing the approval time to a few hours.

### LVG OKULLARI

ERP solution Logo Tiger 3 has provided up to 100% efficiency in the business processes for student and parent services. Procurement processes were shortened by 50%. With the product's integration with e-Transformation solutions, billing process costs were reduced by 8 times and workload was reduced by 20 times. Monthly education invoices for 4,000 students became ready to be sent to the parents' e-mail addresses within an hour. Error margin for monthly invoice transactions fell to 1%.

# DATA SECURITY

Along with the acceleration of digital transformation, companies sharings in digital media is increasing and sharing channels are being diversified with cloud and mobile technologies. In this environment where data security is one of the biggest risks on companies' agendas, we develop products and services, with the support of R&D and innovation, that guarantee the confidentiality of our customers.

We constantly improve our quality management systems and we apply international standards to ensure the confidentiality of our company, employees, business partners and customers' information and to provide reliable products.

Within the scope of ISO 27001 Information Security Management System and ISO22301 Business Continuity Management Systems, we take necessary precautions to ensure business continuity in all our locations, to minimize losses and risks arising from security breaches, to ensure our company's internal integrity and to protect all physical and electronic information assets. We protect the information that is generated, processed and stored on the technology infrastructure and the systems where this information is generated, processed and stored against the related risks. We protect all kinds of data belonging to our company and our customers along with the applications and systems where these data are created, processed and stored.

We organize trainings to increase employee awareness on information security and information assets protection. Our employees can access the training module on data security via our online education platform LogoEdu. We also provide data security training during the new employee orientation program.







# OUR CONTRIBUTION TO THE ECOSYSTEM

- » GROWING CHANNEL STRUCTURE **33**
  - LOGO ACADEMY **34**
- » CUSTOMER SATISFACTION **34**
  - SUCCESS STORIES **35**
- » ENTREPRENEURSHIP **36**



**LOGO**

## OUR CONTRIBUTION TO THE ECOSYSTEM

We work to create added value for all of our stakeholders in the ecosystem comprising our customers, business partners, employees and suppliers. With our products and services developed in line with technological developments, we become a strategic solution partner in the digital transformation journey of the companies including entrepreneurs and small and medium-sized enterprises (SMEs). In this journey we support close to 90,000 customers with more than 1,000 employees, over 800 partners and our products and integrated solutions.

We rank among the 50 fastest growing technology companies in Turkey. Over 4,500 new customers and 85 new business partners have been added to our growing ecosystem this year. In addition, we manage our processes responsibly together with 80 suppliers.

We are investing abroad in the direction of our goal of becoming a regional power by carrying our achievements beyond borders. We aim to increase our competitiveness in Europe and Asia by focusing on our activities particularly in the Romanian and Indian markets. In other countries where we operate, we are growing with our distribution network established under the business partnership system. As a result of our strategic acquisitions and partnership activities, we transfer products and expertise of the acquired companies. Consequently, we touch more customers with our widening product range and business partners.

In order to create a positive impact the ecosystem, we expand our partnership network with our channel development activities, we improve our products in line with the opinions of our customers and we develop new products according to their needs. We also support entrepreneurs with special solutions for their needs.

We organize various events to bring our ecosystem together under one roof. With our information and technology platform Logosphere, where we have reached more than 1,000 participants, we bring together professionals from the information technology sector, academicians and students. In our 2017 event under the theme of "Coding the Future", 76 speakers who are experts in their fields met with audience in 34 sessions and 15 panels, where digital transformation, enterprise resource planning (ERP), customer relationship management (CRM), retail, human resources, supply chain management (SCM), cyber security, mobile sales, workflow management and business intelligence (BI) solutions were discussed. We also organize Business Partners Meeting every year with our business partners. Over 800 business partners take part in the event. During the two-day event, while discussing sectoral developments, we also share our company's medium and long-term strategies with the participants. At the end of the meeting, we present the awards to the most successful business partners of the year. While NETPRO Bilişim from İzmir received the "Enterprise Solution Partner of the Year" award in 2017, APEKS Yazılım was awarded the "Solution Partner of the Year". In the "Best Project" category, Simge Bilgi İşlem was awarded the first prize with the Balkan Dairy Project.

# GROWING CHANNEL STRUCTURE

As we grow our network of qualified partnerships in sales and marketing to manage our expanding ecosystem effectively and to add value, we also implement a variety of different applications to support the development of our business partners.

Within the scope of our channel development activities, we evaluate candidate companies for business partnership according to various criteria such as market potential in the corresponding city, sales capacity, number of certified employees in the corresponding city. Candidates that are assessed as positive are included in the partnership process once we have completed the necessary trainings. At the end of one-year period, we accept candidates as our business partners that are successful in achieving new customer acquisitions, meeting turnover targets, providing customer satisfaction and complying with our company's operating principles. Throughout the evaluation process, we raise business partners' work standards.

Under the scope of Functional Partnership System, we set the status of business partners according to product segments. With our trained and expert distribution network, we aim to bring the right solutions to the right users. Our Functional Business Partners serve our customers in all matters requiring expertise in the fields of Business Intelligence, Customer Relationship Management, Human Resources and Supply Chain Management solutions.

We have been carrying out the project and support processes in our company for the last three years under the same roof. In this context, we implemented Project Status Monitoring application in 2017. The sales specialists follow up the development of their affiliated business partners closely and guide them according to the company's strategies. Thus, goal-driven business partners can make more effective planning.

Recently, our sales specialists are attending customer visits with their business partners more often to get more effective feedback from our customers. This practice, which enables us to strengthen the dialogue with our stakeholders, also increases the satisfaction of our customers and positively affects potential customers' decisions.

Within the partnership model, we are helping our business partners develop, while enhancing customer satisfaction, thus providing multi-faceted benefits.

## LOGO ACADEMY

We established Logo Academy in 2012 to support our business partners' specialization in the field and to train qualified people in the information technologies industry. We trained a total of 2,206 people in 2017, including 1,256 business partners, 950 high school and vocational school students. While Logo Academy has trained close to 4,000 people since its establishment, more than 2,000 students of the academy have found employment in various positions in the IT industry.

Logo Academy invests in information technology solutions and personal development issues to adapt to the dynamics of the changing business world. We group trainings in two categories: corporate and individual. The trainings given by our seasoned and expert team take place in Logo Academy classes at Logo Yazılım's Gebze campus as well as in training centers in Adana, Ankara, Antalya, Gaziantep, İzmir and Samsun. Moreover, Logo solutions are part of lectures in various universities and vocational schools in Turkey. Apart from our collaboration with universities and colleges, we assist the project of İŞKUR's Qualified Information Technologies Specialist Training Program supported by the Ministry of Labor. In 2017, we were instrumental in the employment process of 231 people who completed these trainings. We also provide Logo training sets to the Lifelong Learning Centers of Istanbul Metropolitan Municipality. Within the scope of all these trainings, we certified competencies of 1,347 people in 2017.

## CUSTOMER SATISFACTION

We are committed to strong communication to always keep high level of customer satisfaction. In order to follow customer trends and lead the digital trends, we evaluate the feedback of all our stakeholders and reflect them into our operations. Taking customer satisfaction to the core of our business processes, we serve close to 90,000 active customers from various sectors including retail, tourism, food, apparel, maritime, furniture and telecommunication. In the context of our customer satisfaction policies, we review all feedback in an impartial and fair manner; we protect customer information in accordance with the Information Security Policy; we develop transparent, fast and reliable solutions and improve our products to ensure any dissatisfaction not to be repeated. We provide customer-focused innovative solutions by anticipating users' expectations and synthesizing different customer experiences.

We inform all of customers about the services they have with the product license. In addition, we make sure our active users get most out of the product with our membership system LEM (Logo Enterprise Membership) that ensures customers to benefit from new specifications that are not offered separately as a module. We offer our customers a variety of advantages when they receive the LEM (Logo Enterprise Membership) package. We make it possible for those customers to get the most out of the product in the context of innovations made with respect to product specific developments and legislative amendments.

We conduct customer satisfaction surveys on newly launched products. We execute surveys to measure customer satisfaction about the product, to determine the direction of product improvement and to create the required action plan and to learn customers' opinions on the competency of the other services such as the integration and education that is provided with the product. We analyze survey outputs to enhance and to improve our solutions. In this context, the surveys play an important role in perfecting our operations and increasing customer satisfaction.

Our customers can contact us via our corporate web page at <https://www.logo.com.tr/en/get-to-know-us/contact-us> and call center **444 56 46** to report any opinions, suggestions and complaints. We record feedbacks with a registration number in our system and evaluate them according to our customer satisfaction principles. The Customer Relations and Loyalty Management department reviews the feedbacks and provides fast and convenient solutions to the customers.

## SUCCESS STORIES

To strengthen communication with our customers, we have implemented the Success Stories Project. We publish the stories which customers share their product experience on our corporate web site as videos and written texts. Our stakeholders can learn about our products' advantages to users such as operational efficiency and profitability.

Success Stories can be reached from [here](#).

# ENTREPRENEURSHIP

As Logo Yazılım, we support entrepreneurs within the aim of empowering entrepreneurial culture and giving opportunity to creative and innovative ideas that can create value. Accordingly, we have taken new steps during the reporting period to create new synergies in our ecosystem and to pave the way for technology companies.

In 2017, we established Logo KOBİ Dijital Hizmetler (Logo SME Digital Services). We contribute to the growth of SMEs by digitalizing their activities with the solutions that create value through our wholly owned subsidiary Logo KOBİ Dijital Hizmetler. We develop cloud-based micro-services for companies for SMEs and one-person consultancy companies. We provide individuals and small businesses with the information technology services they need to continue their operations.

We have established Actus Portföy Yönetimi A.Ş. Logo Ventures Private Equity Investment Fund, in which Logo has a 20% ownership, to support start-up companies with high growth potential operating in the field of technology. Logo Ventures' first initiative with \$ 1.2 million investment was Vispera, which develops technology that focuses on image recognition for retail companies. With our long years of experience in the field of information technology, we provide strategic support to companies to achieve their growth goals. We aim to encourage entrepreneurs in our country through the fund which is an corporate venture capital fund and to inspire more investment in R&D and innovation.



# LOGO CULTURE

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- » COMPETENCE DRIVEN MOTIVATION **40**
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**LOGO**

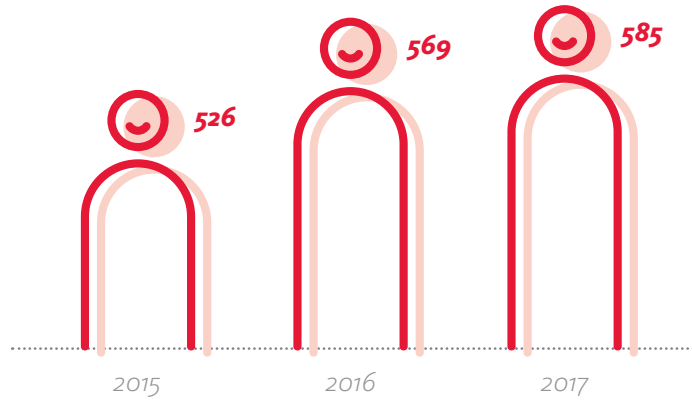
# LOGO CULTURE

At Logo Yazılım, we owe our sector leadership, with the competitive edge provided by our innovative product and services, to our qualified work force. We design our human resources processes to protect and develop the most valuable resource we have; human and information capital.

We give priority to creating a safe and healthy work environment that values diversity, offers equal opportunities and development opportunities based on employee competencies to ensure employee satisfaction.

In line with our growing operations, we are also expanding our human resource by adding new talents to our team. Our Human Resources team attends career days of universities every year to promote Logo's internship and career opportunities. This year we have received nearly 600 internship applications from these events and offered internship to 13% of the applicants an internship. At the end of the internship period, 16% of these students started working at Logo. In our operations in Turkey, the number of employees increased by 11% compared to 2015, reaching 585. In total, we employ 1,051 people at Logo together with our international operations in Logo.

*Number of Employees (Turkey)*



We communicate with our employees based on transparent and mutual interaction and we care about their ideas. Approximately 20% of the employees who started working in the reporting period were hired within the scope of the "Refer a Friend" program, in which our employees refer suitable candidates. Through our Feedback System in our Intranet platform called Sosyalogo, we provide our employees with the opportunity to share their opinions and suggestions. In 2017, we received 40 feedbacks on human resources processes. We had 80% success rate in resolving these feedbacks.

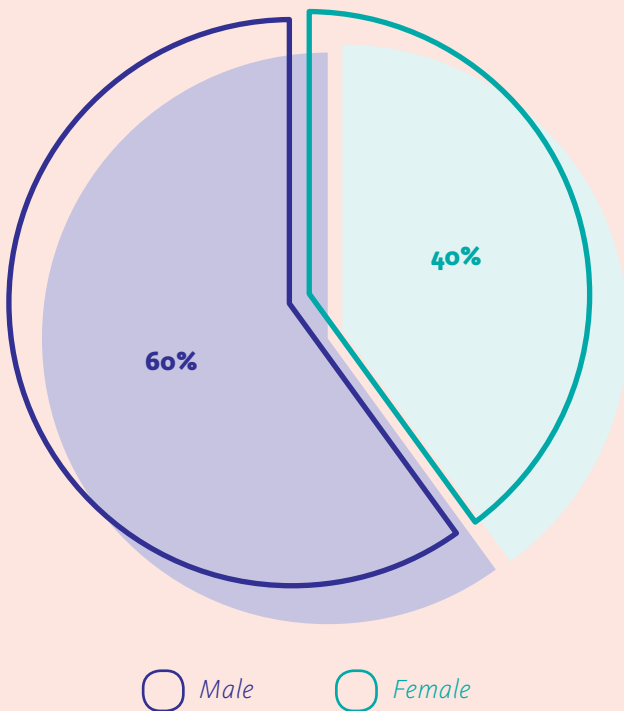


# DIVERSITY AND EQUAL OPPORTUNITIES

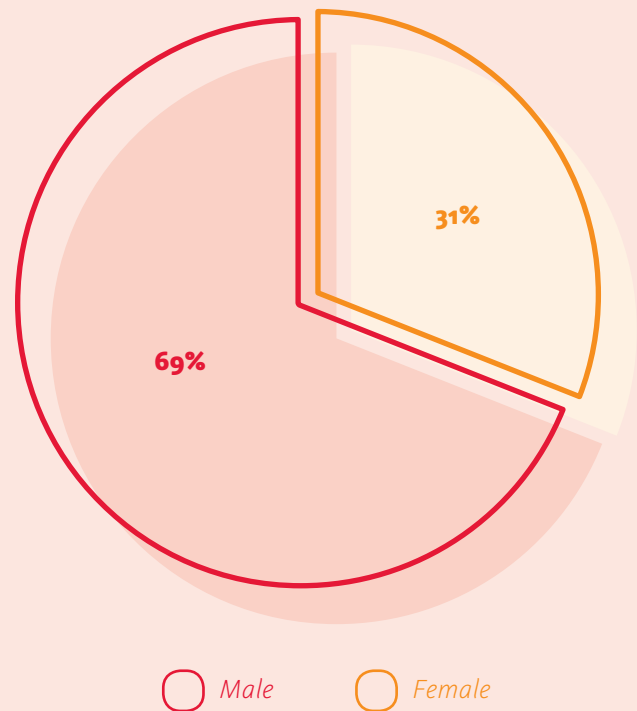
We believe that our differences enrich us, and we do not tolerate any kind of discrimination. For employee satisfaction, we offer all employees equal opportunities in all our human resources processes, especially performance and career management.

We attach great importance to women's presence in all areas of society, especially their participation in business life. The ratio of female employees has reached 40% and the ratio of female employees working in senior management was 31%. The 8-member Executive Committee has 3 female members.

*Employees by gender*



*Senior management by gender*



## COMPETENCE DRIVEN MOTIVATION

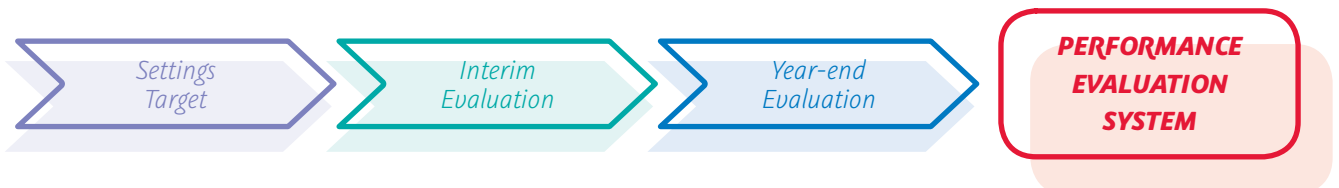
With highly motivated employees, we believe that we can make a difference in the information technologies sector that requires rapid change and agility. Accordingly, we continue to invest in the development of our employees.

We design our human resources processes to uncover the potential of our employees and to develop their competencies. We assess employee performance in a transparent and a fair manner and provide each employee with talent and career development solutions.

In addition, we attach great importance to our employees' work-life balance. While we support our employees to become more social, we also strengthen the team spirit with social clubs. Our rowing team which participated in the Dragon Festival, one of the largest corporate events that brings companies together, won the Dragon Honor Award in boat racing this year. Our sailing team ranked first at Istanbul Yelken Club Trophy, ranked second at Turkey Offshore Sailing Club Trophy and ranked first at Bosphorus Cup, Istanbul Cup, Marmara Cup and Admiral Cup events. We also organize football, bowling and chess tournaments for our employees.

## PERFORMANCE AND CAREER MANAGEMENT

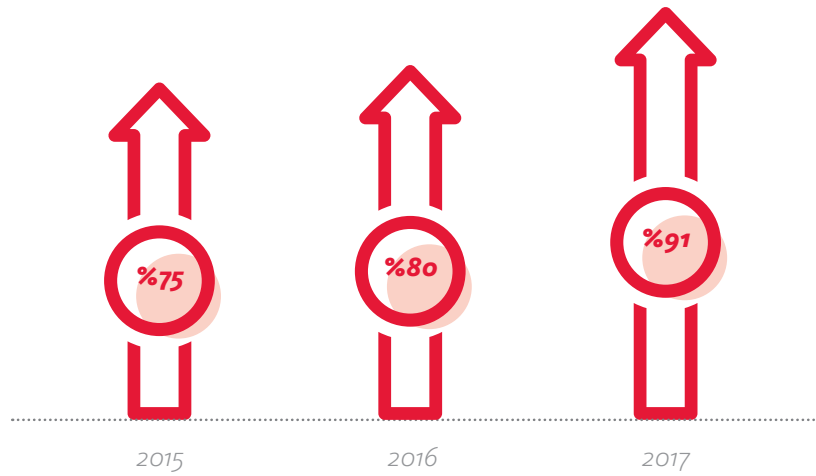
We execute performance and career management by focusing on the employee development, considering the changes and the needs of the sector. With our Performance Evaluation System called Logo Force, we aim to increase the individual success of employees to contribute to the overall success of the company. The system supports high performance culture by evaluating competence and targets. We assess our employees every year in the context of a performance system consisting of three main phases: goal setting, interim evaluation and year-end evaluation.



The evaluation results help us to identify the training and development needs of employees and to make career planning in accordance with their competencies. Logo Force has development, improvement and feedback phases that support employees to realize their own potential.

Employees who are regularly subjected to performance evaluation reached 91% of total number of employees in 2017.

### *Ratio of Employees Subjected to Performance Evaluation*

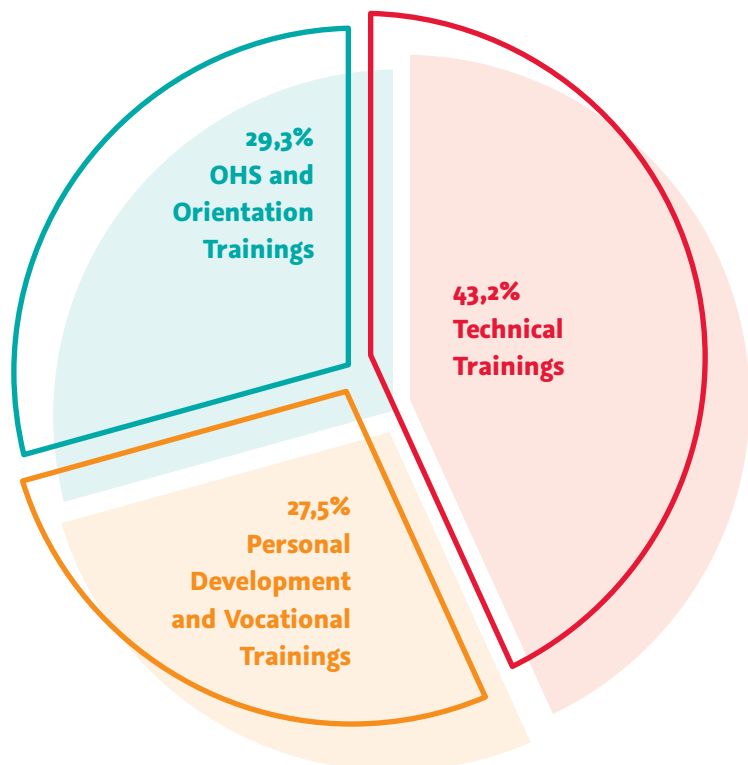
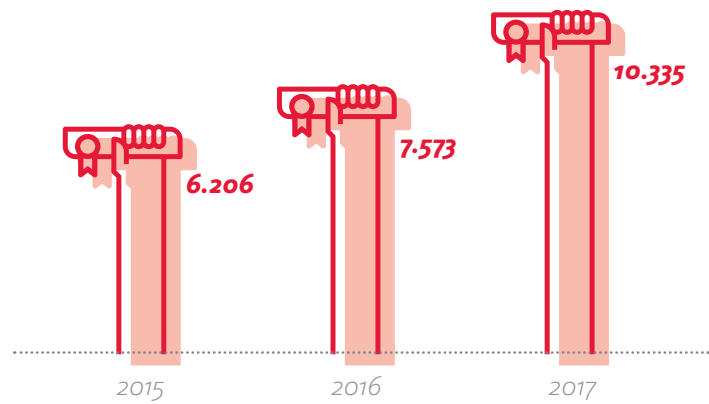


We determine the employee bonuses according to the performance evaluation results. In addition, the scope of our compensation and benefits policy is based on employees' competencies, the tasks and responsibilities, training and work experience of the employees. We give wage raise every year by using the internationally accepted Hay system in line with the targeted positioning and salary surveys in the market. We offer our employees additional benefit packages which varies according to positions.

# TRAINING AND DEVELOPMENT

We conduct trainings that support personal and professional development considering the talents, knowledge, skills and preferences of employees. Since 2015, we have increased our training hours by 67%, and this year we have provided a total of 10,335 person x hours training. Training per employee doubled in the same period to 18 hours. These trainings include Occupational Health and Safety (OHS), on-boarding, orientation, technical subjects, personal development, managerial development and leadership trainings. We aim to give at least one training to our employees during the year.

*Total Hours of Training  
(person x hours)*



We organize 3-day-trainings within the orientation program called Loading for newly hired employees. We provide information on corporate culture, Logo products, organizational structure and management team, human resources processes, information technology processes, occupational safety issues to support employee adaptation to the company.

We also implemented e-learning platform LogoEdu this year so that training and development opportunities can be reached regardless of time and space. The platform, which is open to the use of all employees, has more than 30 training contents. In 2017, the number of users who entered LogoEdu system was 618 while the training time per person was 14.5 hours.

Our employees attend various seminars and summits to improve their knowledge and skills during the year. Thus, employees can follow new developments in their areas of expertise.

We also train our subcontractors. We especially provided training for cleaning staff on Safe Working with Chemicals, Storage of Chemicals, Material Safety Datasheets, Personal Protective Equipment Used while Working with Chemicals.

## OCCUPATIONAL HEALTH AND SAFETY

Occupational health and safety is very important for us to ensure a safe and accident-free environment for our employees. In this context, we comply with the occupational health and safety requirements in accordance with legislations and standards. We are working with the Health and Safety Coordination Board, which we have established with the participation of our volunteer employees, to manage the opportunities and risks in this regard. The highest level OHS responsible is the member of Human Resources and Administrative Affairs Executive Board and reports directly to the Board of Directors.

We provided a total of 464 person x hours OHS training, per employee training reaching 0.79 hours. We also check the compliance of our subcontractors with occupational health and safety standards. Over the past three years there were no fatalities and accidents in terms of occupational health and safety. In addition, the number of occupational diseases, occupational disease rate, accident frequency rate and lost day rate have been zero in the last three years.

## OUR SOCIAL CONTRIBUTION

As Logo Yazılım, having the responsibility of being one of the leading companies in the information technology sector, we act with a strong consciousness about social benefit and we are committed to driving appropriate dynamics in line with this mindset within our company since our establishment.

Our corporate traditions and habits are rooted in our social consciousness that have existed since the very first day of our culture. That is why we execute many socially beneficial projects and activities with our employees' and with our managers' efforts and active participation.

In this context, Logo employees supported Soma Women's Labor Association and actively participated in Turkcell's Dialog in the Dark Museum. In addition to financial support we also provided various aids to the regions affected by Soma disaster and 1999 earthquake. After the Van earthquake, we went to the region with a team of Logo employees and actively supported the earthquake victims. The support we provided in these disasters was generally directed at women and children.

We procured some of the gifts to send our employees on special occasions via the Soma Women's Labor Association. As Logo Yazılım, we care to continue to supply our corporate gifts in a similar way and to maintain our active position in eliminating social traumas.

At April 23rd Logo Children's Festival, which has been going on for five years and is now traditional, we organize many creative and entertaining activities from design workshops to contests, dance events to paintings for our employees' children.

As Logo Yazılım, we provide Logo Scholarship for two female students studying at Koç University through the Anadolu Scholarship project. We will continue this project, which is one of the supports we provide for the dispersion of qualified training.

## SOCIAL BENEFITS OF OUR ACTIVITIES

We are aware of our responsibility regarding our services and products serving the development of employment in our country, the optimization of resource utilization and the direct or indirect service of innovation.

Our field of activity is Enterprise Resource Planning (ERP) within the IT sector. This is the natural consequence of the services we provide primarily to SMEs and to support productivity and employment growth.

We take it as a necessity and obligation of social transformation towards the future. In this framework, the contribution of our products and services to SMEs and other sectors creates a strong social benefit.

Our headquarters at Logo Gebze Campus has music rooms, sports fields, common social areas etc. In this way we respect the social life of our employees, invest in qualified human resources and contribute to social sustainability.

## SOCIAL IMPACTS WE CREATE

As in most of economic activities, the economic and administrative support we provide in various fields, leads to strong social effects.

As Logo Yazılım, we founded Logo Sailing Team in 2006. Logo Sailing Team is a sports club that we established with direct budget support and we regularly invest in.

We see the 16-person Logo Sailing Team that has won many national and international successes in the field, as part of our support to the sports and the social impact we have created in this area.

## SOCIAL IMPACTS WE CREATE

Tuğrul Tekbulut, the founder of our company, the Board Members and the executive management have a clear and active consciousness towards social problems. In addition, a significant proportion of company employees are engaged in non-governmental organizations.

As a natural consequence of this situation, the increase in social consciousness within our institution and the willingness to participate in such projects in within the whole organizationa creates a significant social impact.

Likewise, the establishment of Tuğrul Tekbulut Informatics Technical Vocational School in cooperation with Ministry of Education and investments made in various startup companies, are both examples of the social side effects of our company.







# ENVIRONMENTAL SUSTAINABILITY

- » ENERGY AND GREENHOUSE GAS EMISSIONS **49**
- » WATER AND WASTE MANAGEMENT **50**



**LOGO**

# ENVIRONMENTAL SUSTAINABILITY

Rapidly changing and developing technology changes the world and everyday life, and traditional methods leave their place to digitalized processes. Digitalization, which has an expanding place in human life is also contributing to the reduction of environmental impact. Through our products, we enable different processes to be converted into digital platforms, thereby enable our customers to improve their environmental performance in energy, greenhouse gas emissions and waste management.

At the same time, private companies have great responsibilities with regards to global climate change, rapid population growth and increasing need for natural resources. As a player of the information technologies sector, we develop our technological products in a respectful manner to humans and to the environment.

Our framework of Operational Excellence, which is our basic production strategy, expresses the creation of higher value with less inputs by using the resources efficiently during the production stages. Due to our simple organization structure we group similar products together and use these source codes as the base for new product development. In this way, we keep energy and resource expenditures at a minimum level especially in the processes of new product development requiring repetition, and get faster and more efficient results. Operational Excellence and simple organization structure which is at the heart of how we do business make a significant contribution to our environmental performance.

We manage our product design and all our operations in an environmentally sensitive manner, and we monitor our activities within the framework of both legal requirements and internal policies. All our employees are responsible for internal policies within the scope of our environmental impact management. Human Resources and Administrative Affairs Executive Committee member carry out the works in this regard and reports directly to the Board of Directors.

**Logo Yazılım Environmental Policy** defines each of our corporate targets, including energy efficiency, greenhouse gas emissions reduction, efficient use of resources, and reduction of waste generation and recycling. Our Environmental Policy is regulated, implemented and supervised under the leadership of the Board of Directors.

We include the views of our stakeholders in our decisions and approaches within the framework of our responsibility to the environment and, consequently, to society. In this way, we comprehensively manage our direct or indirect environmental impact both through our operational activities and through our products.

# ENERGY AND GREENHOUSE GAS EMISSIONS

Efficient use of energy and reduction of greenhouse gas emissions are becoming increasingly important to minimize the effects of global climate change. Energy management in the information technologies sector, and thereby the reduction of greenhouse gas emissions is at the forefront of efficient use of resources.

We aim to reduce greenhouse gas emissions by choosing renewable energy sources in our company. Accordingly context, we replaced our uninterruptible power supply system with inverters that can operate with solar energy and we supported them with photovoltaic solar panels. With this system, we prevent the emission of 30 tons of carbon dioxide gas per year. This is equivalent to planting 780 trees a year. We produce renewable energy with 20 kW capacity solar panels installed on the roof of our Gebze campus. Such a solution is a first in its field. In addition, thanks to the improvements we have made in our technological infrastructure, we provide significant savings. As a result of virtualizing our server infrastructure, we are running 50 servers over only four servers. Thus, not only we optimized the use of energy, we also reduced the need for cooling. We prevented the purchase and consumption of 21 MWh of energy in 2017 with our applications such as solar energy production, improvements in our technological infrastructure, photocell lighting in various areas of our Gebze building. As a result, we saved as much as the annual electricity consumption of seven people.

We monitor our environmental performance and we reduce our environmental impact while growing. We have reduced energy and greenhouse gas density thanks to the projects that we have developed.

# WATER AND WASTE MANAGEMENT

We monitor our water usage and waste in line with our environmental policy and reduce consumption by making improvements in our infrastructure. We are particularly careful to reduce paper consumption and to contribute to the recycling of the paper consumed.

Our primary goal is to minimize waste at the first stage. We recycle more than 1,000 kg of electronics per year by recycling our old computers, electrical and electronic waste. As a result, we recycle an amount of electronic waste equivalent of annual waste caused by over 150 people. We collected about two tons of waste including paper, glass and metal wastes and sent it to recycle. At the same time, we believe that responsible water consumption and water conservation is important; therefore, we regularly monitor our water use. We organize events to increase employee awareness and we use flow rate reduction devices in the faucets to prevent waste. Through our work, we consumed 1,896 m<sup>3</sup> less water than in 2016, saving the amount of water equivalent of a washing machine consumes running 10,700 times. We have integrated the Virtual Shipping System and the Logosphere Order System into our processes as a result of digitalization and technological transformation. We prevented the use of paper by transferring the processes to digital platforms. Through our products, we support the technological transformation of our solution partners and contribute them in reducing their consumptions.



# PERFORMANCE TABLES

<b>Energy Consumption (MWh)</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Electricity	855	933	936
Fixed Combustion	751	1,007	1,524
Vehicle Fuel Oil	1,385	1,941	2,454
Renewable Energy	21	21	21
<b>Total</b>	<b>3,013</b>	<b>3,903</b>	<b>4,934</b>

<b>Amount of Hazardous Waste by Type (Tons)</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Reused (Waste Motor Oil)	-	-	0.13
Recycled Waste	0.97	3.0	0.73
Other (Florescent Lamps)	-	-	0.04

<b>Water Consumption (m³)</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Municipal Water	8,070	9,340	7,444
Wastewater amount (m³)	6,493	6,541	6,132

<b>Greenhouse Gas Emissions (ton CO<sub>2</sub>e)</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Scope 1</b>	<b>646</b>	<b>1,034</b>	<b>1,126</b>
Vehicles	375	525	664
F-Gases	117	303	152
Fuel Used in Buildings	150	202	307
SF <sub>6</sub>	1	1	1
Generators (Diesel)	3	3	3
<b>Scope 2</b>	<b>472</b>	<b>459</b>	<b>479</b>
Electricity	472	459	479
<b>Total</b>	<b>1,118</b>	<b>1,493</b>	<b>1,605</b>

<b>Amount of Non-Hazardous Waste by Type (Tons)</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Recycled Waste	0.5	0.2	0.96
Regularly Sent to Landfill	32.1	32.8	32.1

# GRI

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	102-3	<a href="https://www.logo.com.tr/en/get-to-know-us/contact-us">https://www.logo.com.tr/en/get-to-know-us/contact-us</a>
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	102-54	Report has been prepared in accordance with the GRJ Standards: "Core" option.
	102-55	52-53
	102-56	No independent assurance was sought for this report.

GRJ 102:  
General Disclosures 2016

<i>GRI Standard</i>	<i>Disclosure</i>	<i>Page Numbers and/or URLs</i>	<i>Omission</i>
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