Logo

2021 Integrated sustainability report

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Logo integrated sustainability report 2021

Chairman's message

The COVID-19 pandemic has profoundly affected and irreversibly transformed the individual and social life, the business world, and the global balance in the last three years. One of the main elements in this period is the rapid digital transformation which has significantly supported the growth trend in our industry. Demand for software is expected to continue at an accelerated pace in the periods to come. The difference in the level of digitalization among countries and social segments shows that digital inequality and digital divides will be one of the major problems in the upcoming years. The competitive advantage provided by digitalization helped some economies to grow, whereas others with limited or no access to digitalization remained at pre-pandemic levels or even shrunk. In addition, transferring vital processes to the digital platform increases cyber security risks. For this reason, while discussing the physical, economic, and social traumas caused by the pandemic, we must handle the leap in digitalization with digital risks and inequality perspectives.

Digitalization is an essential tool in tackling the climate crisis, as it brings increased efficiency in business processes and reduces the use of resources. Therefore, equal access to digital tools worldwide is crucial for global action in tackling environmental crises and global development. On the other hand, we need to meet the energy demand, an output of this global trend, by following the transition strategies to a low carbon economy.

Cybersecurity failure and digital inequality are among the risks that threaten the world in the near future, in addition to climate-related risks. To have a positive impact with the tools that digitalization provides us, we must intensify our efforts to increase inclusiveness in digitalization and expand cybersecurity worldwide.

Digitalization is one of the global trends that has the most significant impact on our business. To capitalize on this global trend's enabling and transformative effect and to create value for all of our stakeholders we transform our business with agility. As a result, Logo's sales revenues increased by 1.4 times, and net income increased by 2.3 times in 2021. We strive to build a solid Environmental-Social-Governance (ESG) performance while increasing the value we create for our shareholders. We are a member of Borsa Istanbul Sustainability Index voluntarily. As a signatory of the United Nations Global Compact (UNGC) and Women's Empowerment Principles (WEP), we respond to these organizations' communication requirements with our annual ESG disclosures.

As the leader in our sector, we contribute to the transformation of the software ecosystem. We are also spearheading the transformation in the business world with our leading products and services in rapidly developing areas such as cloud technologies and servitization in line with changing customer expectations and needs. In addition, the operational transformation of our business partners and our customers also helps to implement business processes that directly contribute to the United Nations Sustainable Development Goals as a value created by the Logo ecosystem.

It is critical today to support business models that incorporates stakeholders and society and place them at the core of corporate culture. As Logo, we see our support and investment in education and entrepreneurship ecosystem as our contribution to the economy of the future. We strive to reduce digital and economic inequality by establishing collaborations with our business partners and educational institutions. In this context, we have been giving children, the future software developers, the opportunity to develop their mechanical and analytical skills by organizing robotic coding workshops since 2019. The students attending the training programs offered by the Logo Academy Products and Solutions Training Unit find employment opportunities in the IT sector, where the number of people with certificates is growing every year. Logo Ventures supports entrepreneurs in implementing and strengthening innovative ideas and continues to develop and grow by investing in successful startups in line with Logo's growth strategy. In addition, we encourage the active participation of Logo employees in volunteering activities and prioritize working on new projects to increase the social impact we create.

By adopting the value creation framework in non-financial area, we first created Logo's integrated management model in 2020 and started to prepare integrated reports. I want to extend my thanks to our employees, our business partners as part of the Logo ecosystem, and our stakeholders for their contributions to our progress. I am happy to present our second integrated sustainability report to our stakeholders, in which ESG matters are presented with an integrated perspective.

Yours sincerely,

M. Tuğrul Tekbulut
Chairman of the Board

Vice Chairman and Logo Group CEO's message

We are in a critical period as the whole world starts to benefit from the transformative power of technology. According to S&P Global's research, sustainability risks, handled in the context of the Environmental, Social, and Governance (ESG) framework, constitute the basis of the potential transformation of both industries and societies. While the share of the software industry in this transformation continues to grow day by day, we now know that, as the risks become global, the methods of struggle, adaptation, and improvement must also be managed within an area of influence that expands from local to global. The importance of information technologies in shaping our digital future means it will significantly impact industry's ESG evolution and create a more sustainable and equitable society. S&P Global research also reveals that while companies getting organized around ESG commitments, they regard the procured technology and digital services as contributing elements to their sustainability strategies.

The year 2021 also marked the beginning of a recovery period in which the pandemic's effects began to diminish worldwide. In this transition period, as Turkey's largest local enterprise application software brand, we continued to use the advantages of the agile organizational structure emphasizing adaptation and transformation and continued to develop in this direction.

As we meet the global digital transformation trend and the increasing customer demands, we focus on strengthening Logo ecosystem on a daily basis, relying on our R&D and innovation power. This year, we continued to develop our software ecosystem platform for cloud-based ERP application (PaaS) and software services (SaaS). Users started to experience our human resources solutions in addition to cloud-based ERP solutions and document management services. At the same time, in 2021, we began to develop many innovative projects, products, and services in the field of Banking and Financial e-services, especially FinTech solutions within our subsidiary eLogo. While the ratio of R&D expenditures to our total revenues was 24% in 2020, it reached 27%, 232 million TRY, in 2021 through increasing investments. Compared to the previous year, resources allocated to R&D expenditures increased by 59% on Turkish Lira basis, and the number of employees in R&D units was up by 16% reaching 725 people.

While economic, social, and environmental vulnerability has increased in recent years, we believe that creating a global impact will be possible with cooperation at the micro-ecosystem level and taking action together will bring significant gains as we impact a broad stakeholder ecosystem that includes our customers, business partners, employees, investors, and society. Our goals involve placing the investment in our society, environment, and company's future at the center of the integrated approach and contributing to the sustainable transformation of our ecosystem with innovative products and services. We define the value we create through our stakeholders.

In this context, we continued to implement practices that provide operational efficiency, data-driven business processes, and profitability based on resource efficiency and to reduce the pressure on natural resources by designing systems that integrate digital transformation with the approach of "We are future partners with our stakeholders."

Logo's value creation in the ecosystem consists of contributing to the information technology ecosystem and shaping the digital economy's future. We aim to support the talents in our country and contribute to the production of innovative and original technologies by following local and global digital transformation trends and shaping the future of the digital economy led by the software industry through exemplary projects and applications. In 2021, we reached more than 30,000 people through more than 40 events and conversations about digital transformation. We have reached over 6,000 business partners and customers by organizing more than 150 webinars about product developments and frequently asked questions regarding products and services.

We know that the need for new talents in the business world, where digital transformation sets the agenda, is very essential. Intending to transform the new generation workforce, we redefine the competencies of our current and new colleagues and take steps to improve their skills. Digitalization constitutes the basis of the Logo business model. In this context, due to the transformation that started during the COVID-19 period, we introduced the hybrid work model in 2021 and created an innovative structure for our employees that contains both remote work and office time.

The importance of a human resources approach that focuses on diversity and inclusion in creating a fair working environment and happy employees is a well-known fact. As Logo, we became a signatory of the UN Global Compact (UNGC) Women's Empowerment Principles (WEP) in 2020 to support gender equality in the software industry. As of the end of 2021, 43% of the employees, 36% of the managers, and 50% of the executive management of Logo Group are women.

While climate change is the top priority among global risks, we are at a milestone, where the action and cooperation are inevitable beyond net-zero targets and adaptation policies. Thanks to Logo's existing infrastructure, we could adapt quickly and easily to the digital transformation of business processes accelerated by the COVID-19 pandemic. Many of these applications have now become part of the Logo ecosystem, and we see their impact on environmental performance.

In 2021, local and global collaborations came to the fore during the post-COVID-19 recovery, a period in which Logo made even more progress compared to the previous year and contributed to the transformation with its pioneer applications in the sector. I want to thank our stakeholders, shareholders, employees, business partners, and customers for their unwavering support in this period of uncertainty, and I am pleased to present our 2021 Integrated Sustainability Report.

Yours sincerely,

M. Buğra Koyuncu
Vice Chairman and Logo Group CEO

About the Report

Logo presents to its stakeholders the Environmental, Social and Governance (ESG) and financial data covering January 1 and December 31, 2021, in this second Integrated Sustainability Report according to the Global Reporting Initiative (GRI): Core Standard. Since 2017, Logo has reported ESG data regularly in sustainability reports and created the Logo Integrated Value Creation model in 2020. For the last two years, the company has presented the ESG performance with an integrated thinking approach. In addition to ESG performance, this report includes Logo's strategic priorities, practices for related matters, and the policies developed against global and local risks and opportunities.

The information shared in the relevant sections of this report also meets the requirements of UNGC (United Nations Global Compact) and UN WEPs' (Women Empowerment Principles) signatory status.

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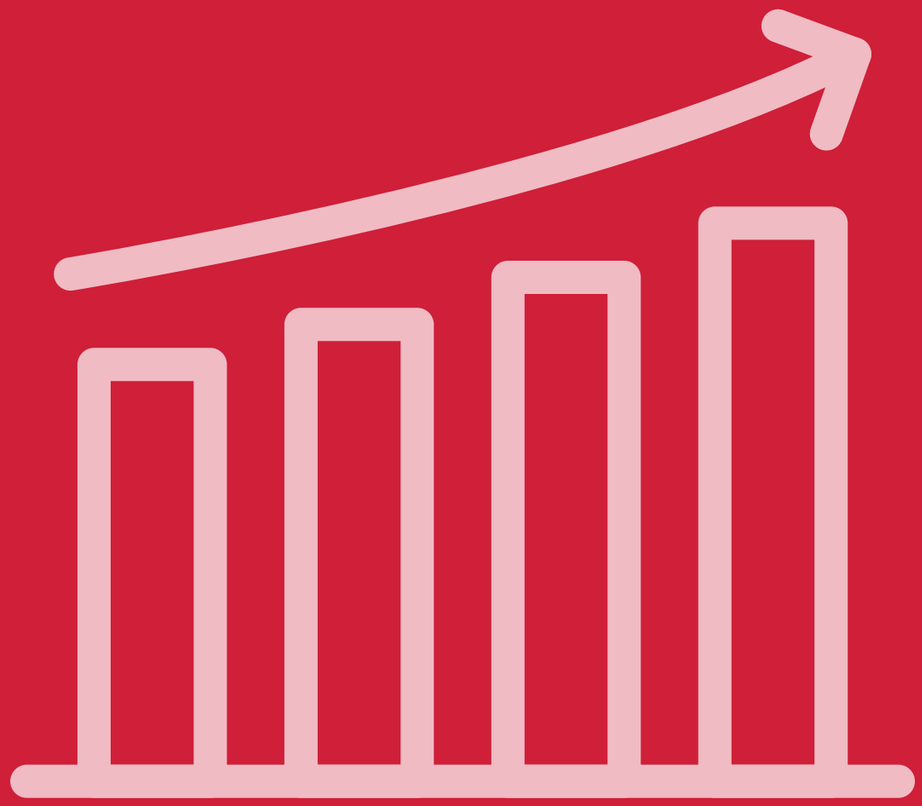
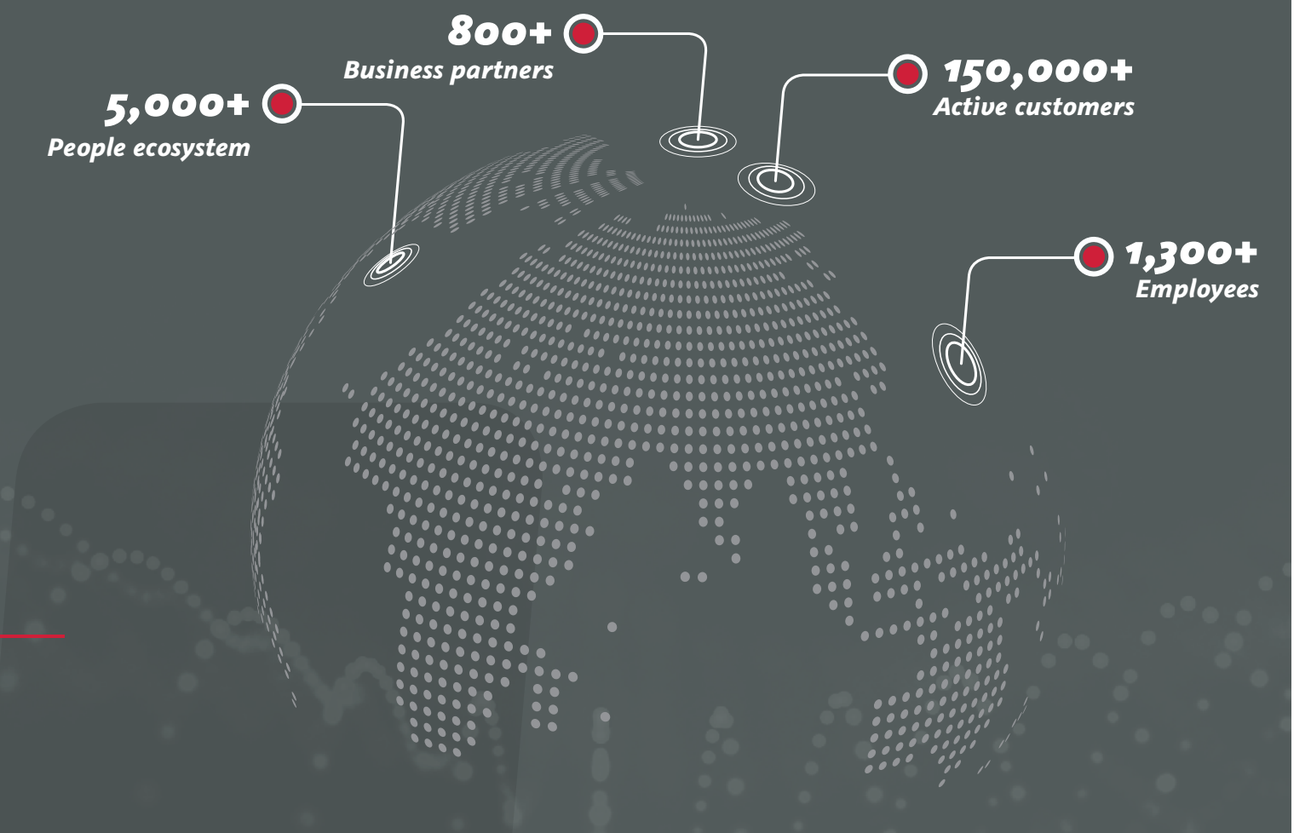


About Logo

Turkey's largest public software company and the leading local enterprise software company, Logo continues its activities as one of the leading companies in the industry since its foundation in 1984. Logo offers application software solutions to enterprises ranging in size from micro to large corporations. Expanding innovation and creativity in its products and services, the company lays the foundation for sustainable success by accompanying many companies from 44 countries on their growth journey, with more than 1,300 employees and 800 business partners in 4 countries and at seven different locations.

In addition to Enterprise Resource Planning, Logo's offering comprises many complementary solutions such as Customer Relationship Management, Human Resources Management, Workflow Management, Warehouse Management Systems, Business Analytics Solutions, Retail Solutions, and e-Government solutions. It also provides digital transformation consultancy and project management services. As the leader of the ERP sector in terms of the number of customers for many years, Logo boasts a large and robust ecosystem that extends from business partners to Logo users and from academics to students and industry professionals. Logo pursues its studies with the vision of coding Turkey's future together thanks to the power it derives from this ecosystem. Logo believes in the dreams of its customers, shares the same goals, and works diligently towards achieving them.



Vision

Coding the future together.

Mission

We create value for our customers with passion and agility.

Principles

Productivity
Logo's products and services focus on improving the productivity of customers' organizations. The company offers information technology tools, solutions, and services to ensure and increase the efficiency and profitability of its customers by considering company-specific features and modern management techniques.

Customer satisfaction
Committed to Total Quality Management as a management philosophy Logo›s main principle is to determine its policies according to market preferences and standards while keeping close contact with its customers. It is of utmost importance that Logo offers high-quality products and services. Logo's priority is absolute customer happiness.

Research and development
Logo believes efficient research and development is the main component of competitiveness in today's ever-changing business environment. Logo allocates the most significant part of its resources to research and development to create new products, improve the capacity of its existing products and incorporate the ever-changing technology and platforms.

Profitability
Logo perceives being a profitable and productive company and using its resources efficiently as an integral part of its responsibilities towards the employees, customers, and society.

Social responsibility
Logo advocates that technology should be developed respectfully towards humans and the environment. Logo's actions are infused with a sense of responsibility towards society and the world and maintain a constructive approach to social problems.

Business ethics
Logo believes in the principles of market economy and acts accordingly. The company is committed to fairness, integrity, transparency, and consistency in its relationship with its customers, business partners, and competitors. It complies with the law and business ethics in all its dealings.

Employee happiness
Logo believes that only qualified and happy employees can produce products and services of good quality. Therefore, Logo places great importance on the continuous training of its employees. The company aims to have happy, productive, and socially beneficial employees by providing them with a good income level, a high-class work environment, occupational health and safety, and participative management.

Equal opportunity
Logo is committed to the principles of equal opportunity in recruitment and evaluates candidates based on their knowledge and experience. Logo assesses performance only in terms of productivity in line with company objectives. As an acknowledgment of its adherence to this principle, Logo is one of the companies in the Top 100 of Capital Magazine's annual lists of Women-Friendly Companies.

Logo's Technology Solutions

ERP solutions
- Logo j-Platform
- Logo Tiger Wings Enterprise
- Logo Tiger 3 Enterprise
- Logo Tiger Wings
- Logo Tiger 3
- Logo Netsis Wings Enterprise
- Logo Netsis 3 Enterprise
- Logo Netsis Wings
- Logo Netsis 3 Standard

Business analytics solutions
- Logo Mind Insight
- Logo Mind Navigator
- Logo Mind Budget

Retail Solutions*
- Logo Diva Retail
- Logo Diva Service
- Logo Diva Channel
- Logo Diva Shop

CRM solutions
- Logo CRM

Work flow management solutions
- Logo Flow

Warehouse management system
- Logo WMS Platform
- Logo WMS

Field sales management
- Logo Mobile Sales

Document management
- Logo document management

Project solutions
- Logo Treasury Wizard
- Logo B2B
- Data collection

SME solutions
- Logo İşbaşı
- Logo Start 3
- Logo GO Wings
- Logo GO 3
- Logo Netsis Wings Entegre
- Logo Netsis 3 Entegre
- Logo Mali Müşavir 3

Digital transformation services
- Digital transformation consultancy
- Project management
- Project implementation
- Custom software development
- Customization and integration
- Post-Project support service
- System management

e-Solutions
- e-Invoice
- e-Archive invoice
- e-Ledger
- e-Ledger storage
- e-Dispatch
- e-Producer receipt
- e-Self-Employment invoice
- e-Reconciliation
- e-Extract
- Connect Banka
- Connect B2b
- e-Collection
- Banking application in ERP
- Online Account Statement application
- Cheque and invoice discount application
- Social security incentive
- e-Commerce portal
- Pharmacy portal
- Private integrator portal
- Supplier financing application

Human resources solutions
- Logo j-HR
- Logo Tiger HR
- Logo Bordro Plus
- Logo Netsis HR
- Logo Netsis 3 Bordro
- Logo Payroll

Occupational health and safety
- eLogo İSG

Peoplise solutions
- Socialise
- Analyse
- Harmonise
- Casebot
- Talent Management Service

Ecosystem solutions approved by Logo

Logo Total Soft products
- Logo Charisma ERP
- Logo Charisma HCM
- Logo Charisma Analyzer
- Logo Charisma Medical Software
- Logo Charisma Leasing

Logo Infosoft products
- Logo Jugnu - ERP
- Logo j-Platform DMS
- Logo CaptainBiz

Logo Cloud Service based solutions.

** Can be used as cloud or on-prem.*

Milestones of Logo

1984
- Establishment

1986
- Launch of Logo Commercial Systems
- Launch of DOS

1992
- Launch of Logo Gold

1993
- Launch of Logo Alınteri (Great Effort)

1999
- Launch of Logo ERP (Unity & HR)

2000
- Establishment of Logo Investment Holding
- IPO of the shares of Logo Establishment of Logo Product Development Center in GOSB Technopark with an 11,000 square meter in-door area.

2001
- Establishment of Logo Business Software in Germany

2003
- Technological cooperation agreement with IBM

2004
- Launch of e-Products
- Launch of Supply Chain Management

2005
- Launch of Tiger

2006
- Launching of Unity on Demand

2007
- Establishment of Dubai Sales Office
- Launch of GO

2008
- Launch of Start

2010
- Launch of GO Plus
- Launch of Tiger Plus
- Launch of Tiger Enterprise

2011
- Acquisition of Coretech
- Acquisition of the majority shares of World BI
- Launch of Logo BI

2012
- Launch of j-guar
- Launch of Logo Mobile
- Launch of Logo Store
- Launch of Logo e-Ledger
- Launch of Logo e-Invoice

2013
- Acquisition of 34.60% of Logo shares by Mediterra Capital Partners
- Acquisition of Netsis

2014
- Celebration of our 30th anniversary
- Acquisition of Logo Elektronik (eLogo)
- Letter of Intent for the acquisition of
- the shares of Intermat Bilisim.

2015
- Acquisition of Intermat
- Acquisitions of Sempa
- Acquisitions of Vardar

2016
- Launch of 3 series products
- Acquisition of Romania–based Total Soft
- Establishment of Logo Infosof (Logo Infosoft Business Technology Private Limited) software company in India together with GSF Software Labs LLC.
- Establishment of commercial information platform FİGO together with FIT Solutions
- Free float ratio increased from 25% to
- 61% with sale to qualified investors

2017
- Establishment of Logo Ventures private equity investment fund.
- Establishment of Logo Kobi Digital services.
- Launch of Logo Wings products.
- Launch of e-dispatch.
- Launch of Logo Jugnu.

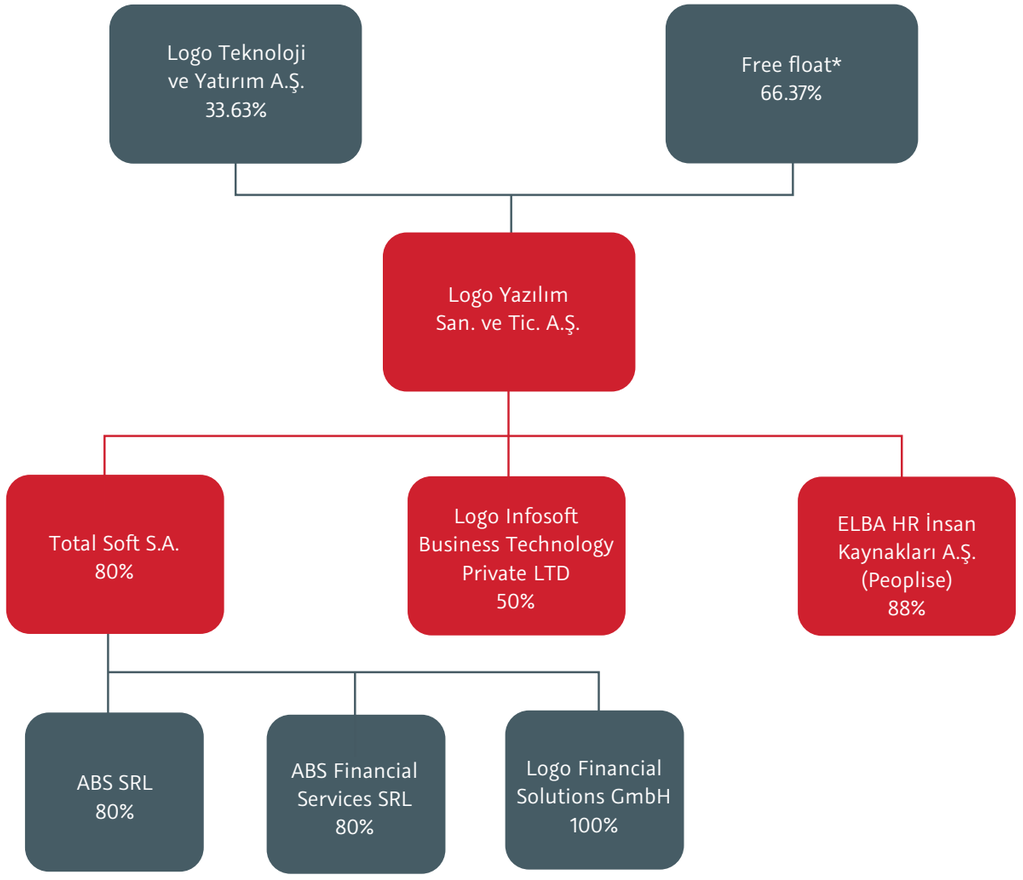
2018
- Launch of Logo Vyapari.
- Acquisition of architected business solutions (abs) by Logo Total Soft.
- Launch of Logo Tiger Wings enterprise.
- Launch of Netsis Wings enterprise.
- Launch of Logo world of opportunities.
- Launch of eLogo ISG (environment, health and safety management).
- Sale of 50% figo shares to the jv partner F.I.T. Solutions.

2019
- Establishment of Digital Transformation Services.
- Celebration of Logo's 35th year.
- Acceptance to Turquality® as the first software company.
- Logo Vyapari became one of 8 software approved by GSTN.
- Launch of Logo WMS Platform.
- Launch of Logo GO Wings.
- Launch of Logo Netsis Wings Entegre.

2020
- Acquisition of Peoplise (Elba HR)
- Launch of Logo j-Construction
- Launch of Logo Payroll

2021
- Establishment of Logo Ventures II private equity investment fund.
- Merger of Logo Elektronik (eLogo) and Logo Kobi Digital Services under Logo Yazılım.
- Launch of cloud based Talent Management and Document Management services.

Shareholder structure



** Includes 3.22% treasury shares.*

You can find the countries where Logo operates and detailed financial information in the **2021 annual report.**

Financial summary

Million TRY	2021	2020
Net sales	766.8	545.0
Gross profit	624.0	445.5
Operating profit	211.8	105.5
Net income before tax	300.1	118.1
Net income	264.6	114.5
Earnings per share (1,000 shares at 0.01 TRY nominal value)	2.74	1.19

Million TRY	2021	2020
Total assets	1,807.5	1,097.5
Current assets	796.3	543.8
Fixed assets	1,011.2	553.7
Current liabilities	742.2	406.4
Long-Term liabilities	231.8	153.4
Equity	833.5	537.8
Paid-in capital	100.0	25.0
Current ratio	1.07	1.34
Total liabilities / Equity	1.17	1.04
Equity / Total assets	0.46	0.49

Sales revenue
766.8 Million TRY

Operating profit margin
27.6%

EBITDA
286.3 Million TRY

EBITDA margin
37.3%

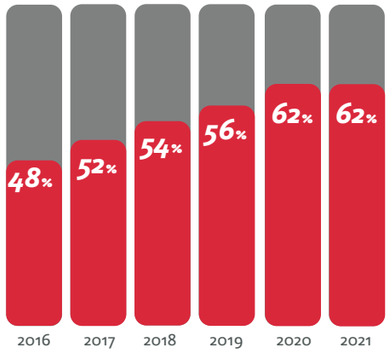
Financial indicators

Million TRY	Domestic sales	International sales	Total sales
2021	495.8	271.0	766.8
2020	359.0	186.0	545.0
2019	275.1	147.0	422.1
2018	206.5	114.6	321.1
Growth 2021/2020	**38%**	**46%**	**41%**

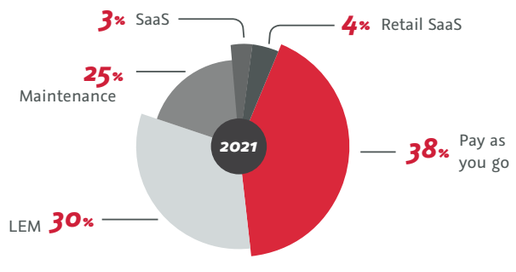
	Geographical breakdown of sales (%)		EBITDA (million TRY)	Net income (million TRY)
	Domestic Sales	International Sales		
2021	65%	35%	286.3	264.6
2020	66%	34%	177.2	114.5
2019	65%	35%	142.3	86.3
2018	64%	36%	101.3	67.7

Recurring revenues

Recurring revenues / Invoice revenues



Recurring revenues breakdown



2021 At a glance

Customers

150,000+ active customers*

1,118 product satisfaction surveys

37,000+ new customers*

Products

3,996 new features

405 new versions

Employees

1,315 employees**

35 average age**

43% female employees**

87 interns

16 hours of training per person

Other Stakeholders

13 award programs

22 recognition and achievements

332 students attended robotic coding workshops

120+ webinars

50+ digital events

16 NGOs cooperation

ESG

- As a result of its ESG performance, Logo has been voluntarily a member of the Borsa Istanbul Sustainability Index since 2017.
- In 2021, R&D expenditures totaled 232 million TRY with a 59% increase compared to the previous year, while the number of employees in this unit is up by 16% to reach 725 people.
- Within Agile Transformation, cloud technologies, advanced language understanding & processing models, and various cognitive services were utilized, while structures built on Logo PaaS and Logo products were established.
- As of the end of 2021, 43% of total employees, 36% of managers, and 50% of Logo Group executive management are women, a signatory of UNGC WEP.
- In 2021, Logo Academy provided 11,495 hours of training to Logo employees in Turkey operations. Access to national and international online learning platforms was also offered to increase digital learning opportunities.
- More than 1,500 students who attended training at the Logo Academy products and solutions unit started their careers in the IT industry. The number of certified alumni has reached 11,625 as of 2021.
- In 2021, Logo cooperated with two universities, four vocational schools, and four private educational institutions.
- Energy intensity decreased by 40% and greenhouse gas intensity by 28% at Logo compared to the previous year, mainly due to remote-work, reduced business trips, and decreased employee commuting during the pandemic.
- In 2021, Logo regained 92% of non-hazardous wastes and recycled 363 kilograms of e-waste in Turkey operations.

* Represents Logo Group data. 38% of active and 76% of new clients involve the Micro SMEs segment. All other data represent operations in Turkey.

** Year-end Logo Group data including India operations. All other figures represent operations in Turkey.

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INPUTS

INNOVATION AND R&D STRENGTH

DIGITAL COMPETENCIES

LOGO ECOSYSTEM

FINANCIAL RESOURCES

STAKEHOLDER COMMUNICATION

TALENT CAPITAL

INTELLECTUAL PROPERTY

NATURAL CAPITAL

BUSINESS MODEL

Identifying customer needs and expectations

Software and Service Development

After-Sales Services

VALUE AREAS

We are coding the future together

Customers — **We are partners of the future with our stakeholders**

We empower our customers with our solutions that provide efficiency and competitive advantage in their businesses and reduce their environmental footprint.

Business Partners — **We spread the culture of innovation and development to our business partners.**

We spread the culture that aims for enhancement with a focus on innovation to our business partners, and we support development.

Employees — **We invest in the future of our employees**

Who are the catalysts of digital transformation and invest in the future of young talents in the sector. We prioritise equal opportunity and diversity.

Investors — **We grow together with our investors through our strong financials.**

We grow together with our investors by ensuring sustainable and profitable growth.

Society — **We contribute to the economy of the future.**

We invest in the future of the industry and provide tools for the development of society's digital skills. We support the development of society through equal opportunity in education.

GLOBAL TRENDS

Technology and Innovation

New Generation Talent Management

Depletion of Natural Resources

Digital Transformation

Climate Crisis

Logo

Logo Integrated Business Model
2021

Integrated management approach: Coding the future together

As a result of the new normal brought by COVID-19, companies have accelerated digital transformation by three to four years. [1]The need for technology solutions is increasing in this new era, where the way of doing business is being transformed and hybrid and flexible working conditions have been created. On the other hand, solutions that increase efficiency in business processes, facilitate data-based management, reduce environmental impact with effective resource management, and provide cost advantages help companies respond to global trends and adapt to emerging conditions.

The software industry has a transformative power that affects financial and non-financial performance across all sectors. In this extensive sphere of influence, responding to customer expectations through products and integrating Environment-Social-Governance (ESG) in all operations contribute to multiplying the value created. At Logo, we focus on ESG issues with a high ability to create value in the short, medium, and long term through an integrated business model. The inputs in the value creation process include Innovation and R&D Power, Digital Competencies, Intellectual Property, Financial Resources, Talent, Stakeholder Communication, Logo Ecosystem, and Natural Resources. These inputs feed into the business model, consisting of three phases: identification of customer needs and expectations, software and service development, and after-sales services. Based on our vision of coding the future together, we have created an integrated management approach. This approach encompasses stakeholder experience, especially for customers and employees, continuous progress by taking strength from R&D and innovation, increased innovation and creativity in business, and leadership position in target corporate solutions segments.

The collaborations and agile structure we have established to achieve our objectives, contribute to the Global Goals and create shared value for all stakeholders constitute critical facilitators in our business. We influence a broad ecosystem of stakeholders, including our customers, business partners, employees, investors, and the community. The integrated approach focuses on investing in our company's society, environment, and future and contributes to our ecosystem's sustainable transformation with innovative products and services. We define the value we create based on our stakeholders

Customers: Technology solutions for products and services we develop provide efficiency and competitive advantage to our customers' business in the digital era. They help our customers reduce their environmental footprint while the ecological problems are deepening in today's world. We create multidimensional value by transforming our customers with our solutions and services.

Business partners: We see our business partners as part of our culture of continuous improvement. We aim to get stronger together by investing in their development. As we take action to support the digital transformation of our business partners, we create value for both the future of their business and the sustainability of the ecosystem.

Employees: In the digital transformation process, the contribution of qualified and talented employees is important as an essential stakeholder in providing solutions. By investing in talent, we create value primarily for our workforce and, in the long run, for the talent capital of the software industry.

Investors: We provide economic benefits for our investors with our strong financial performance, and sustainable and profitable growth. We create sustainable value for responsible investors through our approach in which we integrate ESG and manage our impact on ESG issues 360 degrees.

Society: We position every individual the society as our stakeholder. We aim to spread our digital competencies to the community. We contribute to the long-term digital transformation of large audiences and create value for all segments of society thanks to our investments to develop digital skills in our community.

[1] *How COVID-19 has pushed companies over the technology tipping point—and transformed business forever*

Industry outlook: Global & local risks and opportunities

Between 2011 and 2018, the global data and telecom industry's market cap grew twice the overall market rate. [2]During this period, the Turkish market reached 152.7 billion Turkish liras, whereas the software industry generated 23.4 billion. [3]The total size of the world software market is approximately 659 billion dollars, and 53% of it consists of Enterprise Application Software (EAS), including Enterprise Resource Management (ERM), Customer Relationship Management (CRM), and Supply Chain Management (SCM), and production segment. On the other hand, the size of the Turkish software market is approximately $804 million. The EAS has a 46% share, expected to grow from $241 billion to $334 billion between 2020-2025 with a 6.7% CAGR[4].

In 2019, EAS spending in Turkey amounted to $319 million, ERM being first with 57% and CRM second with 21%. The size of this segment is expected to increase to 372 million dollars, with a CAGR of 3.1% between 2020 and 2024. Main trends include the increase in digital transformation initiatives due to COVID-19, the fluctuation in the exchange rate, big data investments, and the transition to cloud technology applications.[5]

Adapting to the transformation shaped around servitization and SaaS (Software-as-a-Service) in the software industry requires understanding customers' expectations and responding to these expectations in an agile manner. As customers' demand for SaaS products and experience becomes stronger, designing end-to-end user-friendly experiences that meet the needs brings a competitive advantage. The global cloud services (PCS: Public Cloud Services) market is expected to reach $797 billion between 2020-2024, with a CAGR of 20.6%. Looking at cloud services from a deployment model perspective, SaaS (Software-as-a-Service) constitutes the most significant segment, which is followed by IaaS (Infrastructure as a Service) and PaaS (Platform as a Service). Each segment is expected to grow by 15 to 27% in the next four years (IDC Semiannual PCS Tracker, June 2021), PaaS leading the growth.

The software industry in Turkey offers many opportunities with competitive cost of living, geographical and cultural proximity to European countries, mid-developed information technology market, and semi-advanced start-up ecosystem elements. The level of maturity of the Turkish information technologies (IT) market attracts foreign investors while pointing out that domestic companies are building capacity against their global competitors[6]. Servitization (SaaS or hybrid solutions) stands out as a significant trend as cloud technologies develop and customer expectations and needs change. As a result of COVID-19, software suitable for remote working, e-Government solutions, web-based infrastructures, and SaaS solutions gained momentum. Providing instant access to information makes business processes more efficient with improved cost and time savings. On the other hand, thanks to deep learning, the one-way communication between humans and machines has now become two-way with machine learning, triggering an operational transformation in the business world.

Cloud services market in Turkey is expected to reach $886 million between 2020 and 2025, with a CAGR of 22.8%. [7]Considering the shares based on the deployment model in Turkey, SaaS, IaaS, and PaaS follow each other as in the rest of the world, and PaaS is expected to be the fastest-growing segment.

[2] *The next software disruption: How vendors must adapt to a new era*
[3] *Bilgi ve İletişim Teknolojileri Sektörü, 2019 Pazar Verileri*
[4] *IDC Worldwide EAS Forecast, 2021-2025*
[5] *IDC Turkey EAS Market 2020-2024 Forecast and 2019 Vendor Shares*
[6] *Türkiye'de Yazılım Ekosisteminin Geleceği*
[7] *IDC Semiannual PCS Tracker, Haziran 2021*

Our contribution to the Sustainable Development Goals

Global risks and opportunities	Impact	Logo's response	Contributing to SDGs
Digitalization	Loss of competitive advantage in case of failure to adapt to new technological developments and digitalization in operations	Logo spends approximately 30% of its revenues on R&D every year. The backbone of the company's strategy is servitization in line with the developments in the industry. Logo continues its activities to develop PaaS (Platform as a Service), introduced in 2015 to develop a software ecosystem platform for Cloud-based ERP applications. In addition, R&D investments in prominent topics in the industry such as blockchain, machine learning, big data, and artificial intelligence have gained momentum. Logo aims to move the service quality forward by internalizing these technologies. Logo supports the digital transformation of its customers with technology solutions that increase their competitiveness and efficiency, as well as reduce their environmental impact, thereby shaping the future of the business world and transforming the way of doing business. Logo attaches great importance to the industry's sustainability and raises awareness for the development of the Turkish IT ecosystem. The company leads the industry with its projects and best practices and shapes the digital economy's future by strengthening companies' digitalization reflex. Various events and interviews are organized on digital transformation in cooperation with the leading institutions of the sector to create awareness.	9.2 9.4 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 17.7 17 PARTNERSHIPS FOR THE GOALS

Global risks and opportunities	Impact	Logo's response	Contributing to SDGs
Attracting and retaining talent	Increased hiring cost and possible delays in operations	Logo improves the working experience through digitalization. For the company to achieve its strategic objectives, the employees are equipped with up-to-date competencies in line with today's requirements throughout their career journey at Logo. Employee performance is monitored, and training programs are designed to develop individual and professional competencies required to advance in their careers. Career development is supported, and exchange and rotation programs are offered between countries and functions. Equal opportunity and diversity are essential principles in the business environment.	8.5 8 DECENT WOK AND ECONOMIC GROWTH 5.5 5 GENDER EQUALITY
Climate crisis	Physical effects of climate change, change in market demand, and carbon pricing as a result of the transition to a lower-carbon economy	In 2021, Logo launched the short- and long-term goal-setting process for transition to a zero-carbon economy and reducing its environmental impacts.	13.2 13 CLIMATE ACTION
ESG-related regulations and international sanctions	Cost increase, potential penalties	Logo continues to work towards full compliance with CMB Sustainability Principles Compliance Framework issued in 2020. In addition, preliminary studies have started for product development concerning EU Green Deal's impact on the industries served by Logo.	16.6 16 BARIŞ, ADALET VE GÜÇLÜ KURUMLAR
Corruption related risks	Reputational damage and monetary fines, direct economic loss	Logo's approach to business ethics is based on the company's Code of Ethics, which regulates relations with the employees, suppliers, customers, shareholders, other stakeholders, and the public in general. Internal stakeholders can report non-compliance with ethical principles through the Ethics Hotline. Related processes and policies are available to all employees on the Intranet. The Ethics Committee handles reported incidents.	16.5 16 BARIŞ, ADALET VE GÜÇLÜ KURUMLAR

Corporate governance and business ethics

Logo adopts a governance approach based on fairness, transparency, accountability, and responsibility to maintain the trust of all its stakeholders. The highest governing body of the company, the Board of Directors, consists of six members, three of whom are independent directors. The Chairman of the Board and Chief Executive Officer (Group CEO) are different individuals. Audit Committee, Corporate Governance Committee, Risk Committee, Remuneration Committee, and Nomination Committee are established within the Board of Directors. Logo complies with the mandatory provisions of the Capital Markets Board (CMB) Corporate Governance Principles and makes the utmost effort to comply with the non-mandatory principles. The company also continues to improve its practices for full compliance with the CMB Sustainability Principles Framework published in 2020.

Detailed information on Corporate Governance is available on page 102 of the **annual report.**

Code of ethics

Logo's approach to business ethics is based on the company's Code of Ethical Conduct, which regulates relations with the employees, suppliers, customers, shareholders, other stakeholders, and the public in general. The Board of Directors is responsible for implementing, supervising, and reviewing the ethical principles.

Internal stakeholders can report non-compliance with ethical principles on the Ethics Hotline. Processes and policies are available to all employees on the Intranet. The Committee of Ethics handles reported incidents. The Code of Ethical Conduct violations are evaluated per the disciplinary regulations, and the necessary actions are taken accordingly. In 2021, 14 notifications were received on the ethical line were resolved. There is no notification or case detected within the scope of the fight against corruption. In the upcoming period, Logo plans to provide training to employees on the Code of Ethics and Ethics Hotline.

Code of Ethics is available **here.**

Terms of Reference of the Ethics Committee are available **here.**

Risk management

The ability to tolerate the uncertainty and vulnerability created by risk factors on a global scale and turn them into opportunities is directly related to the effectiveness of today's organizations in risk management. Risk management at Logo is based on the effective management of financial and non-financial risks.

Risk management is carried out under the leadership of the Early Detection of Risk Committee. The Committee's duties include identifying the risk factors that potentially hinder the existence, development, and sustainability of Logo, implementing the measures related to the identified risks, conducting studies on risk management and reviewing the risk management systems at least once a year. The Committee has two members including an independent chairperson and reports to the Board of Directors.

Risk analysis within the company is performed at least once a year in accordance with the standards of ISO 27005 Information Technology Risk Management and ISO 31000 Corporate Risk Management System. The risk analysis is carried out in two categories: enterprise risk analysis and risk analysis for information assets.

The enterprise risk analysis covers financial and operational risks such as technological change, competition, capital risk, debt and collection management, currency risk, market risk, credit risk, liquidity risk, and interest risk.

In the context of risk analysis for information assets, all the assets from software licenses to real estate are evaluated according to environmental risks, hardware risks, intentional or unintentional human threats, malicious coding, message or information leakage, process planning, third parties and software-originated threats and the necessary actions are taken based on the results of this analysis.

Environmental risks and Occupational Health and Safety (OHS) risks are also monitored in the context of non-financial risks. Business continuity as another important risk area is managed in accordance with the ISO 22301 Business Continuity Management System. A Risk Processing Plan is prepared for the risks identified in the risk analysis phase. Likelihood and potential impact are identified, and a Risk Level is defined for each specific risk factor. These factors are evaluated in a risk map according to likelihood, impact and risk value. These risk factors are reviewed annually and revised when necessary, during Management Review Meetings.

Detailed information about Risk Management is available on page 98 in the **annual report.**

ESG management

At Logo, ESG matters are governed at the top level. The Sustainability Committee is responsible for determining the requirements for goal setting in ESG and reviewing, implementing, communicating, and monitoring the progress. The Working Group, which consists of team members from Investor Relations, Marketing & Corporate Brand and Communication, People and Organizational Transformation, and Information Technologies & Business Processes units, supports the Committee in implementing ESG decisions. The Audit Committee's reporting to the Board of Directors on the findings and recommendations regarding compliance with relevant legislation and internal regulations also involves ESG. Logo Group Committee submits the relevant matters to the approval or review board, which are carried out in line with the relevant authorities and duties. All these responsibilities are implemented in compliance with the rules regarding the distribution of authority and duties on occupational health and safety, business ethics and environment, and process management.

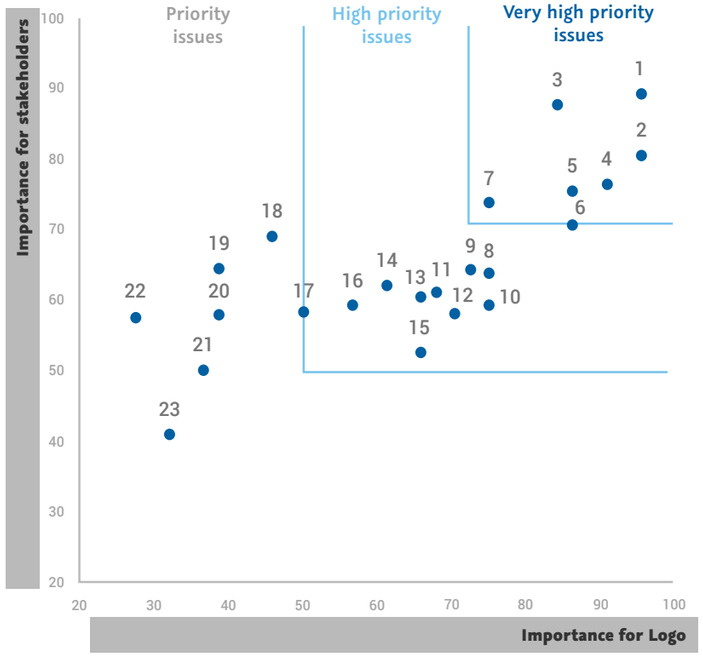
Since 2017, Logo has been voluntarily a member of the Sustainability Index at Borsa Istanbul, thanks to its successful performance.

Material issues

Materiality analysis was carried out based on the sector-specific assessments set forth by organizations such as the United Nations Sustainable Development Goals, the Sustainability Accounting Board Standards (SASB), Digital Europe and the World Economic Forum (WEF), and the AA1000 Stakeholder Engagement Standard. Material issues are handled to create the highest impact for our stakeholders and business, considering our economic and ESG impact. In the materiality matrix, subjects with high priority for our stakeholders and Logo are determined as R&D, Digital Transformation, Customer Privacy and Data Security, Customer Focus, Talent Management, Responsible Products and Services, and Intellectual Property.

Integrated management approach:
Coding the future together

Materiality matrix



Very high priority issues

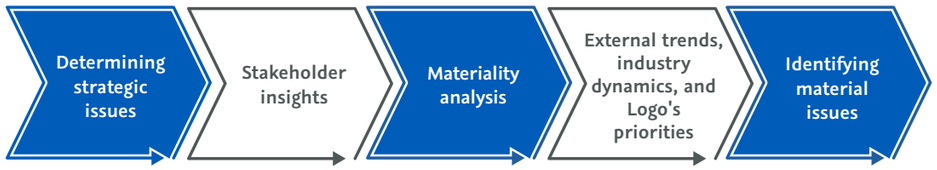
1- Technology and R&D
2- Digital transformation
3- Customer confidentiality and data security
4- Customer centricity
5- Talent management
6- Responsible products and services
7- Intellectual property

High priority issues

8- Business ethics
9- Profitability
10-Transparency
11- Employee well-being and loyalty
12- Supporting entrepreneurship
13- Community investment programs
14- Risk management
15- Occupational health and safety
16- Communication with stakeholders and collaborations
17- Gender equality and women empowerment

Priority issues

18- Climate change and energy
19- Diversity and equality in opportunity
20- Contributionto the local economy
21- Waste management
22- Sustainability in supply chain
23- Water management



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The way of doing business is undergoing a radical transformation with Industry 4.0, enabling the integration of all kinds of business processes into digital ecosystems. As operational efficiency increases through concepts such as the Internet of Things (IoT), artificial intelligence, autonomous vehicles, and cloud computing, the digital transformation of society is triggered by the tools offered. Data-based execution of business processes contributes to resource savings and profitability and reduces the pressure on natural resources.

Digital transformation acts as a catalyst in our operations. This megatrend is addressed by tools developed through Logo's solid intellectual capacity. Logo focuses on creating shared value. The technology solutions offered to stakeholders directly optimize resources and increase business productivity and competitiveness. The solutions provided by digital transformation are processed with Logo technology, and solutions that speed up the data-based decision-making process are created. Logo's technology solutions help the stakeholders reduce their environmental impact and increase the efficiency of their business. While transforming its business through digitalization, Logo also includes its stakeholders and society in this journey.

R&D, innovation and digitalization

Digital transformation has accelerated with the pandemic, and demand for technology solutions has increased on a global scale. Logo ecosystem is also directly affected by this transformation. Logo develops solutions that respond to different needs while aiming to transform its ecosystem by keeping up with the global trends and capitalizing on new technological developments.

Development projects concerning Logo PaaS continued in 2021. Logo introduced PaaS in 2015 to develop a software platform for cloud-based ERP applications. In addition, R&D investments in prominent topics in the industry such as blockchain, machine learning, big data, and artificial intelligence have gained momentum. Logo aims to move the service quality forward by internalizing these technologies. R&D investments lie at the core of business continuity and competitiveness, as they support the digital transformation of Logo customers and change how they do business. In 2021, R&D expenditures totaled 232 million TRY, 27% of its total revenues from 24% in 2020. Compared to the previous year, resources allocated to R&D and innovation increased by 59%, and the number of employees in these units is up by 16% to reach 725 people.

Logo increased its R&D spending by 59% to 232 million TRY, and R&D personnel by 16% to 725.

Logo organizes its R&D activities and R&D budget per three "Time Horizons," classified as short, medium, and long term. 60% of the R&D budget and energy are channeled towards Horizon 1. This approach involves the current product-related developments and improvements implemented based on the feedback of customers and business partners together with internal recommendations. The company's medium and long-term R&D activities are treated under Horizon 2 and Horizon 3. Horizon 2 covers new products in chime with the industry requirements and developments on the latest products in 1,5-2 years. Horizon 3 consists of innovation and R&D studies in the cloud, big data, and machine learning, focusing on digital transformation. Horizons 2 and 3 represent 30% and 10% of the R&D budget, respectively.

Highlights of R&D and innovation in 2021

- The "Smart Convert" infrastructure was implemented to ensure a smooth cloud transformation. Logo j-Platform SaaS ERP transformation has been completed, and the beta release for Cloud ERP has been accomplished to support the SaaS ERP product offering.
- The first phase of the machine learning supported information platform project was completed. The first integration of the platform was made with the SaaS ERP product, which is offered to users in the beta phase. The first phase of the project includes the transfer of product user and support documents to the machine learning platform to improve the quality and efficiency of the support process. This will allow the first-level support services to be addressed with intelligent chatbots integrated into the product. The innovative feature of this phase is the construction of the natural language processing infrastructure in line with the ERP terminology and offering it as a service. All products will be addressed through the central corporate information platform, which involves a first-level support service in the upcoming period. The goal is to increase user satisfaction rate and achieve cost optimization.
- A machine learning-supported domain-specific translation service was developed and integrated into the software development process. This will accelerate and facilitate the introduction of Logo products to the international markets. In addition to time and cost-saving through multilanguage support, a quality increase was also achieved. The innovative feature of the project is the creation of domain-specific machine learning services equipped with the relevant terminology and the design of multilanguage support by producing source files suitable for software development languages.

We are future partners with our stakeholders

- The introduction of the Logo Document Management service marks another significant step in digitalizing document processes. As a complementary service, the machine learning-supported Turkish OCR (optical character recognition) service has been developed and reached the beta stage.
- Developed to support the digital transformation in Logo's ecosystem, the "Low Code" platform enables rapid application development through visual models and drag-and-drop structure, unlike traditional programming. This approach allows the development of applications faster and more reliable with no or minimal coding requirements. Thanks to "Low Code," experts in this field can focus directly on the product without wasting time on the infrastructure, system, or implementation issues. In 2021, the integration of the platform with other products continued.
- Efforts toward using blockchain technology in internal systems also continued in 2021. The license system of business software can be converted into a blockchain-based structure, traced, and processed in the blockchain network, like tangible or intangible assets. The digital wallet concept comes up for license tracking and control. Thus, besides the user-friendly and secure license infrastructure, it is also possible to measure the frequency of usage and quality of services. Furthermore, blockchain technology also ensures the immutability of user tracking records in ERP and HR solutions, which is another critical issue. The activities in this area are also in progress.
- In 2021, centralized identity control was another area where Logo concentrated its efforts. Studies have been carried out to develop an infrastructure enabling access to cloud services and on-prem solutions through a single account. After integrating solutions with central authentication, it will be possible to switch between them thanks to the "Single-Sign-On" mechanism. Moreover, once the on-prem solution integration is completed, the customers and end-users will get support from the chatbot and access information about license and coin usage.
-

Open-source coding

Logo is a firm believer that knowledge grows when shared. With this understanding, Logo's models in machine learning, the components created for mobile development, and the middleware codes designed for PaaS are available as open-source products. Logo's web and mobile component libraries are freely available for the ecosystem in open-source on elements.logo.com.tr. In addition, the Logo UX design language LEDS was documented with all its details and made available as an open-source product. The support received from the open-source ecosystem is reoffered to the ecosystem as open-source solutions.

Logo agile process improvement system

(LAPIS)

LAPIS is an agile software development methodology that focuses on teamwork and customer needs thanks to its dynamic and flexible structure, which constantly improves itself and rapidly adapts to new developments. The basis of LAPIS is formed by periods specific to each product group and a new version is launched for every product along these periods. LAPIS turns a software project into a product or service, which allows the workflow to be processed like an assembly line. In that respect, Logo considers itself a software factory, where most employees work in the R&D field. Through periodic reviews, the company constantly improves its products and services to achieve zero defects. With this rhythm, 405 new versions were released in 2021—these involved 3,996 new features developed by the Product Development team.

The COVID-19 pandemic brought flexible working, effective time management, and remote coworking into prominence. Logo continued its efforts in 2021 to make LAPIS applicable to business (non-IT) teams. Organizational roles and responsibilities are distributed through LAPIS. Shared tools such as Jira, Confluence, and Git are used in LAPIS processes.

Detailed information on LAPIS 2021 activities is available here in **Logo annual report 2021.**

Agile transformation

In the context of Agile Transformation, Logo aims to realize the projects with the "cross-functional team" approach using the existing in-house resources. It contributes to the organizational learning process and speeds up the completion of corporate development projects thanks to the dynamic way of doing business. With this approach, the Dissemination of new tools and technologies throughout the company gains momentum. In the context of this project, cloud technologies, advanced language understanding & processing models, and various cognitive services were utilized, while structures built on Logo PaaS and Logo products were established. The service will be offered initially to the platform users within Cloud ERP.

Technology solutions

Companies that integrate sustainability into their business strategy focus on creating environmental, social, and economic benefits in their operations and the products and services they offer. This allows companies to manage their effects holistically within the ecosystem. With the services it offers to its customers, Logo provides labor and time savings as well as financial savings; with end-to-end digital solutions, it also helps companies reduce their environmental impact. Many products and services, such as Enterprise Resource Planning (ERP), cloud-based systems, and digital transformation services, allow customers to improve digitalization, automation, and operational efficiency in all their business processes.

In addition to offering technological solutions to its customers in different fields with R&D and innovation investments, Logo also contributes to the increase in efficiency in business processes, the reduction of environmental impacts, and the impact management of risks and resources with these applications. Enterprise Resource Planning (Enterprise Resource Planning-ERP), Customer Relationship Management (CRM), Human Resources Management, Workflow Management, Warehouse Management System (WMS), and Business Analytics (BI) applications are among the technological solutions developed by Logo.

Technology solutions	New features
ERP	In 2021, Logo developed the MRP (Material Requirements Planning) as part its ERP solutions in line with customer requests by adding new features such as visual cash flow, VAT report, and advanced production planning script applications.
Logo Mind Navigator	Logo's Business Analytics portfolio provides visualization, analysis, and reporting of all data collected by companies. Web-based and mobile applications are also available, allowing businesses to make plans with more confidence. This portfolio also enables the automation of budgeting processes, improving budget reliability and financial results. In 2021, a new wizard was developed as a new module, making the reports created in the business analytics solution Logo Mind Navigator accessible on web browser and mobile application. This feature also allows the reports created in ERP solutions to be viewed on the browser and mobile application through Logo Mind Navigator.
Logo Flow	Logo Workflow Management solution allows for more effective workflow management through workflow diagrams that can be easily observed and reported. As a business process program, Logo Flow also facilitates authorization, automates the allocation of tasks and staff, and centralizes management. Logo Flow business process program enables completele digital process management, eliminating paper and ink costs. Tracking and management of approvals are also handled easily through digitalized business processes. The program is enriched with new features such as the ability to initiate workflows via e-mail in 2021, thereby providing functional benefits for users.

Technology solutions	New features
Logo Diva RETAIL	Logo Retail solutions work in an integrated manner with Enterprise Resource Planning (ERP), Customer Relationship Management (CRM), and different payment and campaign systems. This creates a more robust database and an ecosystem for effective process management. Offering a unique solution for the after-sales services in retail, Logo enables central or multiple service networks to be managed most efficiently. In 2021, Logo Diva RETAIL was launched with brand new features such as multi-channel sales, successful campaign applications, mobile payment integrations, and an uninterrupted customer experience.
Ecosystem solutions approved by Logo	Ecosystem solutions approved by Logo are a solution family developed by Logo's solution development business partners and delivered to prospective customers upon Logo's approval. In 2021, "Narbulut data backup solution" was added to this category. By storing data in the cloud, the data backup solution prevents data loss due to lost files on computers or servers, cyber-attacks, system or hardware failures. As of 2021, there are 15 ecosystem solutions approved by Logo, such as virtual store integration, online bank statement transfer, restaurant management solution, cash register integration approved by the Revenue Administration, and fuel management.
Logo İşbaşı	Founded as a start-up within Logo to contribute to the digital transformation of microenterprises, Logo İşbaşı offers pre-accounting and e-invoice solutions developed with cloud technologies as Software as a Service. Microbusinesses can quickly and easily issue invoices/e-invoices from anywhere with access to the Internet on Logo İşbaşı and send them to their customers instantly. In addition to Banking Integration, Smart Invoice Scanning Integration, and Financial Advisor Panel Integration, the e-commerce Integration launched in April 2021 aims to improve the e-commerce application of companies. In 2021, the number of subscribers and revenues of Logo İşbaşı increased by four times.

New technology solutions	New features
Cloud services	Each year, Logo has expanded its cloud solution family with R&D investments made throughout the years. In addition to the cost advantages, Logo cloud services also offer convenience and unlimited access. Thanks to its cloud-based user infrastructure, it creates rapid solutions for the needs of companies and ensures adequate data security. The beta version of the cloud-based ERP solution was introduced in 2021. The advantages of Logo cloud ERP service include adequate inventory and cost tracking, convenience in purchasing and order processes, instant accounting, comprehensive payment and collection methods, income-expense balance tracking in company operations, efficient management of fixed assets, effective management, and analysis of budgets, advanced financial transactions, fast production, and foreign trade transactions. e-Transformation applications are also integrated with Logo cloud services.
Logo Payroll ve Talent Management Service	Logo offered two new HR solutions to users in 2021 for businesses that implement a modern and dynamic process to adapt to changing Human Resources trends: Logo Payroll and Logo Talent Management. Logo Payroll is designed to manage main HR processes digitally with features such as payroll calculation, wage calculation, personnel management, organization management, leave management, legal institution integrations, flexible reporting, and efficient data transfer. Logo Talent Management combines all HR processes on the cloud, where various activities such as training management, performance management, and survey management are carried out on a single platform. Talent Management Service supports objective and competence-oriented talent management, the ability to design an end-to-end learning journey for the employees, learning agility and complete adaptation to learning organization culture, process-based performance management.
Cloud-based document management service	Cloud-based document management solution was released in 2021, where companies can manage, store and track all their information, documents, and visual materials through different channels.
Logo Cloud Support Team	Logo customers can benefit from the Logo Support Service for their questions, assistance, or information requests regarding the Logo products they use. A dedicated support line service scope has been created for Logo cloud service subscribers. Special service packages are offered to users of Logo cloud services for new purchases or upgrades.

e-Services platform: eLogo

eLogo is an e-Service company that provides technology solutions and guidance to various industries and customers and offers solutions as a system for the digital transformation journey. These solutions reduce paper, printing, archiving, labor, and distribution costs and operational workload while accelerating financial processes and ensuring data security in the digitalization process.

Offering e-Invoice, e-Archive, e-Ledger, e-Dispatch, and storage services approved by the Revenue Administration, eLogo provides services to the companies that use Logo solutions and those which use different enterprise application software. These services are further strengthened with value-added applications such as e-Reconciliation, e-Commerce portal, e-Producer Receipt, Occupational Health and Safety solution, and Social Security Incentive Application.

Maintaining its leading position in the market for e-Government solutions in 2021, eLogo developed value-added banking and financial technologies. Offering end-to-end financial solutions to users with products and services designed to respond to customer needs, eLogo has carried out various communication activities using different channels such as TV, radio, and digital media to raise awareness on changes in the relevant communiqués and regulations. Encouraging voluntary transition to e-Document products and implementing mass transition projects, eLogo increased the number of its customers by 68% to reach 89,000. eLogo rapidly expands its operations with innovative projects, products and services in the Banking and Financial Services e-services field, especially with FinTech solutions.

Detailed information on eLogo's 2021 activities is available in **Logo annual report 2021.**

Digitalization transformation services

Digital transformation consultancy provided by Logo offers end-to-end technology solutions in line with customers' needs and expectations. Consultancy and support services provided by Logo's expert project teams allow for customization of solutions according to specific requirements, in addition to integration development services.

In 2021, a new digital transformation project was launched with an agricultural equipment company in Turkey. The company aims to digitalize its ecosystem with this project to improve the business processes of its dealers and authorized services for increased efficiency. The integrated software is designed in line with the commercial needs of dealers and authorized services, and it will be used in different operations such as new vehicles, used vehicles, spare parts and maintenance services. The objective of the project is to provide end-to-end services including purchasing, sales, finance, accounting, e-transformation, payroll, scoring and wage calculations with Logo j-Platform, the ERP software developed by Logo for holdings and large enterprises.

Data and information security

The expansion of the online world, acceleration of technological developments, and the rise of digitalization, mainly due to COVID, increase the cyber risk factors, which requires more effective information security management. As digitalization speeds up and global cyber risks intensify, investing in R&D and innovation, Logo develops sound applications to protect customers' information and data security.

International management systems are applied to manage cyber security and business continuity. First, by adopting ISO 27001 Information Security Management System, the company aims to ensure business continuity, minimize the damages, and risks due to security breaches, manage risks against information created, processed, and stored on the technology infrastructure, and take the necessary measures to protect all physical and electronic information assets.

In 2021, the company also planned a detailed adaptation process to the Information and Communication Security Audit Guidelines by the Presidency of the Republic of Turkey Digital Transformation Office and other international Information Security Guidelines. Most new IT investments made by Logo in 2021 were related to Information Security, and the company also plans to maintain this focus in 2022. The Information Security projects included regular monthly studies to raise the awareness of end-users working remotely, increased Penetration Tests with a broader scope, integration of information security activities in the product development process, and regular scanning of all cloud services for existing and new security vulnerabilities. In addition, the ISO 22301 Business Continuity Management System is applied concerning the events such as disasters and emergencies that may occur outside the company's control. ISO 22301 standard primarily aims to ensure the life safety of employees and visitors in all offices, meet the expectations and requirements of customers and investors uninterruptedly, take quick and correct action in case of a potential interruption, prevent financial losses and damages to the company's reputation.

Cloud transformation renders data security more critical. That is why Logo has established a "Data Security" unit under the umbrella of Software Architecture, which carries out Application Penetration and Vulnerability Tests. In addition, "Static Application Security Testing" (SAST) processes were added to the "Continuous Integration/ Continuous Deployment" (CI/CD) processes, and dissemination efforts were made throughout Logo.

International operations

Logo Total Soft operates globally while standing out in the Romania market with ERP, human resources, payroll software solutions, and health services applications. The company has around 800 active customers who are leaders in various industries, including financial services, retail, distribution, production, construction, agriculture, energy, healthcare, and services. Logo Total Soft develops and delivers business software solutions under Logo Charisma brand umbrella and structures its flagship product, Logo Charisma ERP, as a universal solution with specialized industry-based modules. Total Soft has added new customers to its portfolio with top-line projects for all its solutions – Logo Charisma ERP, Logo Charisma HCM, Logo Charisma Leasing, Logo Charisma Medical - but also for Total Soft Business Services and Software on Demand services.

During a year where COVID-19 impact on the local and international market economies continued, Total Soft achieved its growth targets. The company's focus on operational efficiencies resulted in margin improvement. In 2021, revenues grew by 10% in Euros (46% in TRY), and the EBITDA margin reached 37%.

In 2021, Logo Total Soft achieved its growth targets. Revenues grew by 10% in Euros (46% in TRY) and EBITDA margin reached 37%.

In 2021, Logo Total Soft continued to invest in its well-known products - Charisma Financial Services, Charisma HCM, and Charisma Medical Software to re-code existing modules to achieve improved performance and adopt new technologies. The company continued to invest in new products, including the Charisma EveryWare digitization platform. At Logo Total Soft R&D studies focus on the development of new products with fully automated decision support systems and adopting new technologies by transferring solutions to the cloud. The company emphasizes the development of specific solutions that will increase the sustainability performance of customers. Charisma EveryWare digitization platform is cloud-ready and offers customizable workflows and scalability. The first product completed and available on this platform was Leasing Origination, a credit initiation solution that supports decision automation and ensures a digital experience for customers. Currently, the platform integrates with over 20 such applications.

Logo Infosoft was established in 2016 as a joint venture in India by GSF Software Labs (USA) and Logo. Logo Infosoft aims to improve the core operations of SMEs through the innovative use of technology. The product portfolio of Logo Infosoft includes Goods and Services Tax (GST) - ready JUGNU ERP, j-Platform DMS (previously called SMART DMS&SFA) and mobile-friendly "CaptainBiz" – making business operations easy, on-the-go, for customers. The second COVID wave was much more severe and widespread than the first one in India in the second quarter of 2021. India enforced another three-month-lockdown to deal with this wave. Logo Infosoft continued to work remotely during this lockdown phase and followed the rules and guidelines issued by the Government of India. There was no disruption in operations.

Detailed information on Logo Total Soft ve Logo Infosoft's 2021 activities are available in **Logo 2021 annual report.**

We are future partners with our stakeholders

Customere experience and value creation of Logo Ecosystem

Logo integrates digitalization and technology, global means of development, into the business model, considering the dynamics of the software industry and global trends. The increase in customers' business performance also adds environmental, social, and economic value to the process. It is essential to determine what the company desires to offer as customer experience. The digital transformation processes are designed to help Logo grow in terms of customer experience, business model, and technology. Creating a seamless digital experience for customers is a priority. Constant value is created by improving technology and providing an adaptable model aligned with business objectives, allowing sustainable long-term customer relationship. While considering customer needs, transparency, customer confidentiality, and data security are priorities that ensure customer trust.

Developing robust and scalable digital products creates value. Logo considers the unique structure of each sector and each company while following modern management techniques. The company aims to transform value chains, provide higher productivity and create new market-oriented channels with the digital solutions offered to make businesses more productive and profitable.

While supporting both local and global technology-oriented competent workforce, Logo contributes to the development and efficient growth of the Turkish technology ecosystem. Developing the IT ecosystem, Logo aims to pioneer sustainability in digital transformation by establishing partnerships with the sector's leading organizations and raising awareness. The company strives to produce innovative and original technologies. This helps Logo shape the digital economy's future and become more competitive.

Customer experience

Logo provides solutions to customers' requests and negative feedback in a transparent, fast, and reliable way. In line with the demands and suggestions from customers and employees, the company determines the improvement opportunities in products, services, systems, and processes and carries out studies in this direction. Exploring customer expectations and suggestions help Logo provide customer-oriented solutions and maintain customer satisfaction. The company carefully, fairly, and objectively reviews negative customer feedback on all topics and develops alternative solutions. Communication channels established with relevant parties ensure efficient information flow and traceability. Prioritizing training programs for business partners ensures that customers' problems are resolved quickly and accurately. Regular reviews are carried out to identify improvement areas, increase efficiency and ensure continuous improvement in order not to avoid repeated complaints. Customer data is protected inline with the Information Security Policy.

Customer relations standards at Logo are determined by International Certificates. The customer satisfaction process, a key element of Logo's customer-oriented approach, is effectively managed at ISO 10002 Customer Satisfaction Management System standards. customer requests and notifications are evaluated, inline with the legal regulations, therefore the system is constantly improved to create customer satisfaction and measure effectiveness. Logo is committed to resolving all negative feedback from customers in a customer-oriented manner in line with customer satisfaction principles. In 2021, a customer satisfaction survey was conducted with 460 customers in the SMEs category, 568 customers in the ERP segment, and 90 key account customers. A total of 5,144 new users were contacted to welcome and extend the company's thank you message.

Logo Wings ERP solutions support remote work. Users are able to manage their work from anywhere, anytime, without being tied to a place. The solution removes the necessity of going to the offices, saves time and prevents carbon emissions by eliminating the need for travel.

We are future partners with our stakeholders

In 2021, 1,118 customers participated in the Product Satisfaction Survey. The net recommendation score of 31 was achieved. A telephone survey is conducted with the sample group of customers who use Logo products. A survey is sent via e-mail to other customers not included in the sample group. In 2021 Q4, a project was initiated to integrate surveys into the product and transfer the entire process to the digital platform. This ensures that all users participate in the survey, and the data is recorded, managed, tracked, and reported.

Customers and companies who need business application software may reach Logo at the call center number 444 56 46 (444 LOGO) and the corporate website www.logo.com.tr. Customers' feedback is resolved in line with customer satisfaction principles. In 2021, 96% of 133 negative feedback instances were resolved.

Service and business development for strategic customers

The Strategic Accounts team offers customers a different brand experience in line with Logo's customer-oriented approach. The team's activity is oriented toward enhancing customer satisfaction, conducting sales of Logo products to key accounts and new customers, reinforcing customer loyalty, and generating opportunities for business model, product, and brand collaborations.

In 2021, Logo focused on preserving customer loyalty by expanding the scope of strategic customers and ensuring continuous communication with them. Customers with many users who opt for high brand value or upper segment products were reached.

Logo Business Development Team conducts penetration activities to provide customers with solutions catering to their needs through collaboration with Turkey's leading manufacturers and associations. Customer needs are assessed comprehensively with Logo Business Partners, Logo Digital Transformation Services Team, and different stakeholders in the Logo ecosystem. Following a needs analysis performed in the entire ecosystem with the suppliers and dealers of the customers, Logo designs the most suitable project to create an end-to-end solution addressing these needs. Thus, all Logo customers' needs are treated as an integrated digital transformation journey.

Value creation of Logo Ecosystem: Contributing to informatics ecosystem and steering digital economy

Since its foundation, Logo has worked towards the development and sustainability of the information technology ecosystem, raising awareness, and creation of unique, innovative technologies by supporting the digital transformation with local capabilities. It aims to strengthen companies' digitalization reflex by disseminating good practices that shape the future of the digital economy while leading the digital transformation of the business world by promoting more model projects and approaches created in the Logo ecosystem.

Brand and industry perception studies, which are conducted annually, reveal that the white-collar employees, especially in the SME segment, are not entirely aware of the benefits of software companies and the enterprise application solutions, how they change the day-to-day operations, and how they help companies carry out the tasks much easier and faster with a different approach in the digital environment compared to the traditional methods. Logo shapes the future of digital transformation by increasing society's awareness of information technology. The company aims to contribute to Turkey's digital economy and raise awareness through various projects.

Logo expands its sphere of influence by organizing 'Digital Transformation' events and interviews with the industry's leading institutions. In 2021, the company participated in more than 40 events and interviews, reaching out to more than 30,000 people. The discussions on digital media attracted more than 1.5 million views. More than 150 webinars were organized to present development activities regarding products and services and address Frequently Asked Questions, reaching out to more than 6,000 business partners and customers. In 2021, Logo collaborated with influencers to talk about its 'digital transformation' story and reach different target audiences. These influencer events attracted approximately 600,000 views. On the other hand, the content series and articles strengthened Logo's opinion leader position in the industry and reached an audience of 2 million people.

In 2021, Logo also launched the '1:0 Ahead' project, a 360-degree integrated communication campaign to increase brand awareness for Logo and raise awareness of enterprise application solutions. The business world was reached through digital and traditional media channels, including television. The message was that the software makes business life easier and strengthens both individuals and institutions, giving them a 1:0 lead in the competition and business environment. A "Digital Consultant" was also integrated into this communication campaign. A chatbot quickly addresses all questions about digital transformation. It provides all the information about what needs to be done to manage the company efficiently using enterprise software in line with the legal regulations.

Logo business partnership model

Logo Business Partnership model defines the Business Partners' status according to the segments of the available products. This model categorizes partners as Business Partners, SME Business Partners, and Corporate Business Partners according to the product group and segment. Furthermore, Business Partners, who develop applications using Logo technologies, are referred to as Solution Development Business Partners. SME Business Partners and Corporate Business Partners have different responsibilities and privileges determined according to various factors, including tenure in the previous status, financial status, the number of certified personnel, physical office conditions, revenue target, and growth potential.

Business partners' corporate transformation and customer experience

Logo carries out various initiatives to support its business partners' growth and corporate transformation. In 2021, Business Partners of Logo from different regions in Turkey were deemed worthy of a Corporate Image Achievement Award based on a thorough evaluation process. The awards were presented to the Business Partners who have set good examples by increasing their visibility in the digital media and physical environments, thereby contributing to the corporate brand integrity of Logo. This also helped strengthen a rewarding culture and encourage best practices by creating examples for other business partners. In addition, a set of criteria has been determined for the institutionalization of business partners, and a corporate scorecard was created for each Business Partner, which is reviewed through regular reports.

On the other hand, using scorecards concerning the Customer Experience Improvement Program, business partners were ranked according to their customer experience development capabilities. The results obtained in this system will be differentiating Business Partners in terms of training or referring sales opportunities.

Channel development

Evaluation and acceptance of Logo business partners is carried out within the scope of "Channel Development" activities managed by the Channel Development Unit. The candidate companies are subject to a detailed evaluation with various criteria to fulfill. Once the assessment and the required training are completed and the turnover targets are met, the candidate is accepted as a new business partner. At the end of this process, which approximately takes a year, the successful candidates in terms of new customer acquisition, achieving sales targets, customer satisfaction, and compliance with Logo's working principles are included in the Logo ecosystem. In 2021, the Channel Development Activities involved regional communication campaigns targeting technology entrepreneurs and IT professionals in the potential Logo dealer pool.

International channel activities

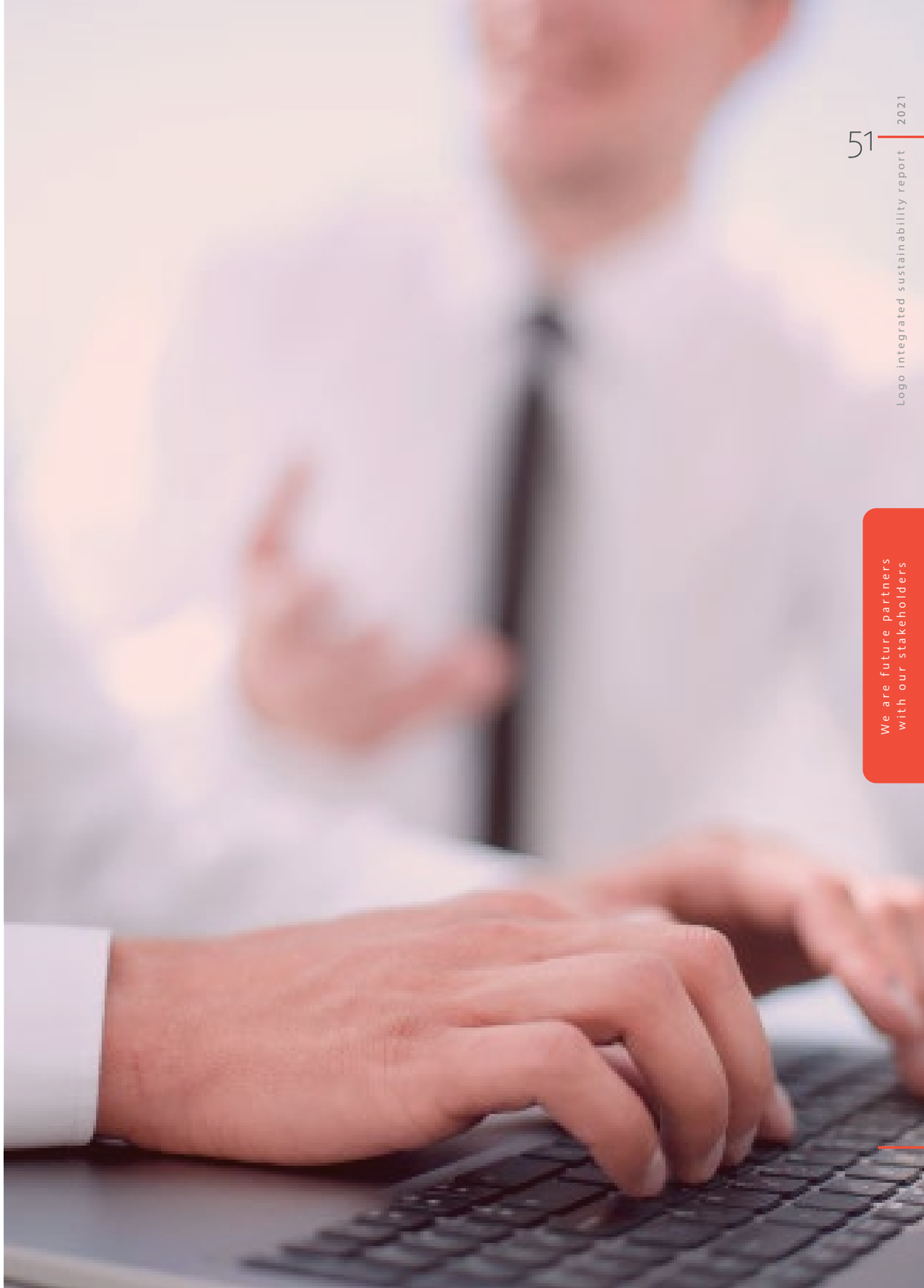
Logo firmly believes that superior quality in support services is one of the most important criteria for customer satisfaction. In line with this philosophy, the company resolves the support requests received from all regions worldwide, especially Asia, the Middle East, Arabian Peninsula, North Africa, and Central Europe, as quickly as possible. In 2021, in addition to new business and ecosystem partnerships, the industry leaders in different countries, including Azerbaijan, Kosovo, Kazakhstan, Egypt, and Germany, decided to embark on a long journey with Logo. Online training and demonstrations in English, Arabic, and Turkic languages. Significant progress was made in customer retention, thanks to the localization initiative launched in Europe in the previous year, especially in Germany. LEM memberships, customer penetration, and annual rentals/subscriptions, a new generation service, went up. In 2021, the company also started its activities to offer Logo WMS (Warehouse Management Systems) to the global market as another functional solution.

Corporate and commercial cooperations

Logo cooperates with many non-governmental organizations in Turkey in line with its domestic and global growth targets. It creates projects to participate in Turkey's software exports on many platforms, including the Service Exporters' Association Software Committee. Logo executives also take part in the management of various non-governmental organizations to support Turkey's development through multiple channels, including especially TÜBİSAD (Informatics Industry Association), TOBB (The Union of Chambers and Commodity Exchanges of Turkey), TAYSAD (Association of Automotive Parts and Components Manufacturers), TOSYÖV (Turkish Small and Medium Enterprises, Self-Employed and Managers Foundation) Turkish Informatics Foundation, Turkish Informatics Association, and YASAD (Software Industrialists Association). Logo ecosystem involves more than 800 business partners. Logo loyalty program, Logo World of Opportunities, continues in addition to TOBB 'Smart SME' project.

Operational excellence in support services

Based on information sharing, accessibility, and business continuity principles, the Channel Sales Support Services Unit emphasizes Operational Excellence for Logo and its stakeholders. The unit provides support services to promptly solve customer and solution partners' problems by encompassing a customer satisfaction-oriented approach to increase customer loyalty. Support teams that follow these principles effectively communicate with business partners and customers through Logo Portal, launched in 2021. During the pandemic, communication became even more critical, and Logo managed to carry out intensive communication activities through webinars, video, and online meetings to support its customers and business partners. In 2021, 143,011 instances of remote support services were provided, 599 of which were provided to international customers. Logo support teams have successfully addressed 96% of the service requests received over the phone. According to customer surveys, the level of satisfaction with the services the Logo support teams provides reaches 4.46 out of 5.



Transforming the new generation workforce

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Developments in technology and digitalization change the needs of industries and the workforce on a global scale. It is inevitable for companies to act proactively against the risk of talent shortage and adopt human resources practices that involve existing and new employees in digital transformation. As a result of global trends that shape the future of work, especially digital transformation, the workforce's competencies need to be redefined, and skills need to be reshaped.

Logo believes that only qualified and happy employees can produce products and services of good quality. Based on this, investments are made in the future of employees and young talent, who are the building blocks of digital transformation. Equal opportunity and diversity are prioritized, and a work environment is offered where all employees are happy and engaged. Inclusion is the focus of Logo's innovative recruitment campaigns.

The existing skill sets of employees at Logo are reshaped. Employees are encouraged to work with new methods brought by digitalization and technology. Adopting the philosophy of open communication, Logo encourages employees to express their views about systems or processes. Employees are supported to evaluate their conditions and provide insight on employee development.

Group companies and the main product and service lines that operate autonomously are positioned as Business Units within the Logo Group umbrella:

- Logo Turkey
- eLogo
- Logo Retail Solutions
- Logo SME Digital Services
- Logo Digital Transformation Services

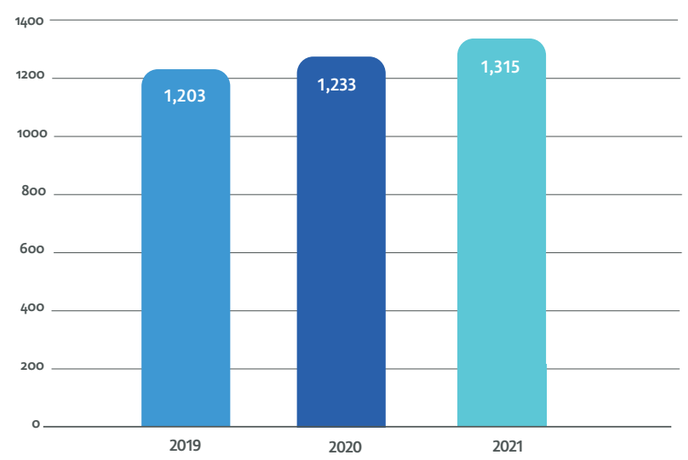
In addition to these business units, the functions that support all group companies and determine the main strategies in their respective fields are also configured as Logo Group Functions. These functions involve finance, technology, people and organizational transformation, information technologies & business processes, and agile transformation. In 2021, group marketing and group strategy functions were added to the Logo Group functions. Logo Group also launched the new hybrid work model at the end of 2021.

Investing in talent

The effects of the COVID-19 pandemic have accelerated the need for digital transformation. Logo includes all its employees in the digital transformation journey by using technology. While providing employees with new skills, Logo equips them with digital tools and capabilities and prepares them for the future. Thus, the employees offer creative solutions that respond to the demands and needs of customers and society.

Logo invests in employee talent using automation, data analysis, artificial intelligence (AI), and other emerging technologies. This helps the company develop the existing talents and acquire new talent. In line with its strategic goals, Logo provides personal and vocational training programs to its employees in their career journeys, enabling them to develop competencies in line with the requirements of the new era. The company conducts potential and performance evaluation studies covering all employees in the talent management process. In 2021, Logo started to prepare succession scenarios to discover new talent and create talent pools.

Number of Employees per Year*



Headcount per year represents year-end figures including India operations.

Diversity and inclusion

Diversity and inclusion hold an essential place in Logo's human resources approach. Having built a strong and creative workforce by nurturing diversity, supports equality at work and in all areas of life, especially gender equality. By incorporating diversity into decision-making processes, the inclusive culture in Logo enables agile adaptation to market changes. Discrimination against employees based on gender, race, language, religion, or sexual orientation is not tolerated in the company. Decent working conditions are provided per the Universal Declaration of Human Rights and the ILO (International Labor Organization) Declaration of Fundamental Principles and Rights at Work.

Logo's human resources policy is based on diversity and equal opportunity. Recruitment, training and development, performance and career management, remuneration, and promotion decisions are based on technical and personal competencies. The company implements a performance-based promotion system that focuses on equal opportunity. Employee performance and achievement are prioritized, and continuous studies are carried out on employee development and preparation for higher positions.

The agile team built under the People and Organizational Transformation (POD) examined the studies on gender equality. They created an empathy map that reveals the problems that employees may experience in business and private life and offered solutions. Efforts are underway to incorporate these studies into the in-house training system.

Gender equality is supported to remove the barriers that make it difficult for women to participate in business life on equal terms. As a signatory of the UN Global Compact Women's Empowerment Principles (WEP) as of 2020, Logo demonstrates its determination in this regard. Logo is committed to increasing the representation of women among the employees and managers. As of the year-end 2021, 43% of the total workforce, 36% of the managers, and 50% of Logo Group senior management are women.

As of the end of 2021, 43% of all employees, 36% of the managers, and 50% of the senior management are women at Logo, a signatory of UNGC WEPs.

Logo is also a participant in the Business Against Domestic Violence Project organized by Sabancı University since 2019. The in-house trainers trained in this context carried out presentations and awareness activities within the company.

During the pandemic, the Diversity and Inclusion Working Group was launched in 2021 and implemented projects, particularly for parents at Logo. The "Hard Times" program was launched in October, designed for all Logo employees and parents in cooperation with All Children Are Ours Association and Logo Academy. Logo employees and the parents of children in the relevant age group participated in six seminars and two workshops, which lasted about a month. In 2021, Logo also participated in The Million Women Mentor (MWM). The Program was launched as a mentoring movement that aims to bring together young women (15-25 years old) and industry leaders studying or working in STEM fields (Science, Technology, Engineering, and Mathematics) on a digital platform. MWM's objectives are to mobilize institutions and individuals that make a difference, to gather the mentorship programs that high school and college students and young women studying in the STEM field can participate in on a digital platform, and to create a space for collaborations in the ecosystem by bringing together the leading STEM mentorship program stakeholders. The movement aims to make 1 million mentoring connections in the next ten years.

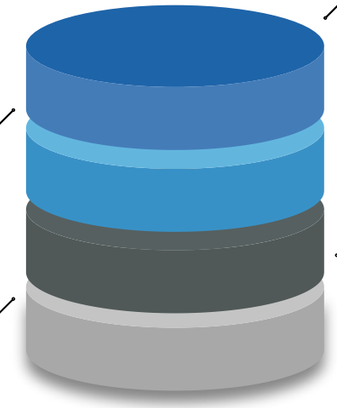
The MWM is carried out by the Women in Business Working Group of the US-Turkey Business Council at the US Chamber of Commerce in cooperation with TurkishWIN and the Union of Chambers and Commodity Exchanges of Turkey (TOBB). Bringing together STEMconnector's global experience and TurkishWIN's expansive network of mentors and mentees on the BinYaprak digital platform, the MWM program is implemented with the contributions of Logo as one of the founding supporters.

Digital employee experience

Logo aims to become an employer brand that encompasses agility, creativity, innovation, efficiency, and continuous progress, implementing the People and Organizational Transformation (POD) Strategy. This strategy focuses on employee experience and aims to create role model leaders that develop teams through coaching. The three dimensions influencing employee experience include building leadership capacity, adopting a cultural work environment perspective, and maintaining the alignment of structures, systems, and processes with the vision and objectives. Logo has a model consisting of four focus points regarding digital transformation parameters that will support the POD strategy. Covering the topics of Perspective and Skills, Knowledge, Agility, and Processes, this model provides a framework for the spread of digital thinking within the organization and the development of digital competencies, adaptation to the remote working model, and the alignment of Logo processes with digitalization.

1. Perspective and skills: Increasing digital literacy by focusing on social and emotional intelligence to develop digital thinking and perspectives is the first focal point of the digital transformation model.

2. Knowledge: Dijital It consists of developing digital business competencies and providing development and increasing the level of knowledge on issues such as data security, technological infrastructure, cyber security and detailed information about Logo products.



3. Agility: It consists of facilitating adaptation to remote-work model, developing agile software, project management and gaining the ability to establish an organization.

4. Processes: The final focal point, which consists of understanding what has changed, from customer processes to Logo's processes, adapting them according to new needs and providing employees with an efficient working experience during the on-going remote work process.

Logo Agile Process Improvement System (LAPIS) was developed by Logo in 2008 based on lean production philosophy and agile methodologies. It is an agile model used by development units in a wide range of fields, including capacity planning, project management, quality, and productivity measurement. LAPIS was also adapted to different departments on the same principles for business (non-IT) teams. The process designed as LAPIS for Business aims to make the uncertain, complex, and variable parameters clearer, simpler, and more suitable for planning through main principles. These principles involve time management, transparency, adaptation, and continuous improvement. In 2020, all People and Organizational Transformation department units became LAPIS for Business users. The department's responsibilities involve Corporate Governance, Quality Management, Measurement, Process Design, Process Evaluation, Process Improvement, Human Resources Management, Training, Knowledge Management, Infrastructure, and Audit. All these areas have successfully passed an independent firm's TS ISO IEC 15504 SPICE Capability Determination audit. These processes are certified at Level 5 Capability Level, making Logo Turkey's first IT company to obtain a Level 5 certificate. The Process dimension includes the relevant procedures' purpose, scope, inputs, and outputs, and the Ability dimension defines the process attributes.

Performance and career management

Effective career and performance management are critical factors in achieving strategic objectives. Logo performance management not only determines the work outputs and contributions of employees and managers but also serves as the primary tool to initiate and support personal development plans. Logo offers employees a working environment where achievement is rewarded, and development is supported. Employee performance is evaluated annually, and progress is monitored regularly. Training programs are designed under the umbrella of the academy and school to develop technical and functional skills, leadership, and personal traits of employees and to help them develop digital and technological competencies required by technological innovations.

In 2021, the new cloud-based human resources solution "Logo Talent Management" started to be used for the annual performance cycle. In the first phase, performance management and instant feedback modules were launched. This new product improved user experience and the functionality of performance infrastructure.

Once the strategic objectives are determined at the beginning of the year, goal-setting/strategy workshops are organized with a participative approach to set team and individual goals in line with company strategies. The performance cycle continues by cascading down the strategic targets to the employee level and then entering the targets into the system. If the targets are updated after the goal-setting period, the system allows changes throughout the year until September.

At the end of the year, after Logo employees evaluate themselves based on targets and competencies, the leaders hold performance interviews with all team members. Mutual feedback is shared in these development-oriented meetings. When necessary, a personal development agenda is created together. The outputs of the Performance Management System are used in career development, succession planning, learning & development activities, compensation management and constitute the input for the "Logo GROW Learning-Oriented Career Development Model".

Thanks to the feedback module introduced this year, instant and regular feedback can be exchanged over the system infrastructure as an essential part of the performance cycle. All users can request and provide feedback from their managers, agile project leaders, and team members.

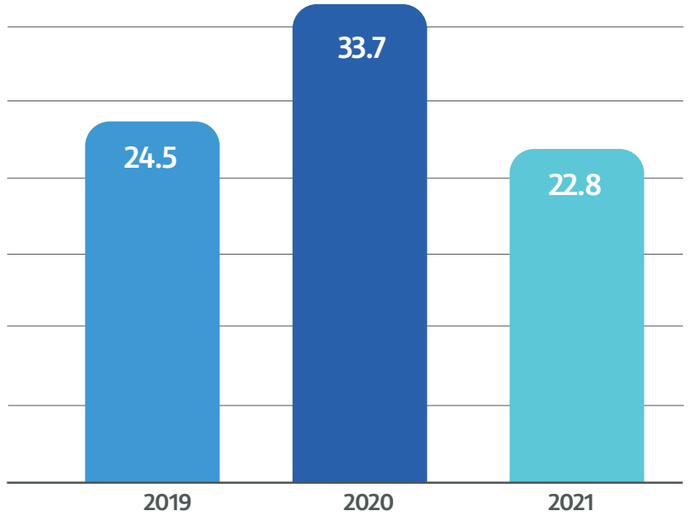
In 2021, 82% of the employees in Turkey and Romania were included in the performance and career development evaluations. 92% of the employees in Turkey completed the evaluation process based on multidimensional, formal benchmarks and measurable targets.

Logo GROW

The outputs of the performance and career management process that reveal the employees' personal and professional development needs are taken as input for the Logo GROW Learning-Oriented Career Development Model. Launched in January 2020, Logo GROW is based on four main pillars: performance management, career development, learning and development, and succession. The model is focused on how Logo employees can design their career paths and take a more active role in this journey. Hence, the motto "The steering wheel of your career is in your hands!"

As a result of the internal recruitment process carried out within the scope of Logo GROW, the rate of closing vacancies internally is around 25%. The average training hours per employee was 23 in 2021.

Training Hours per Employee*



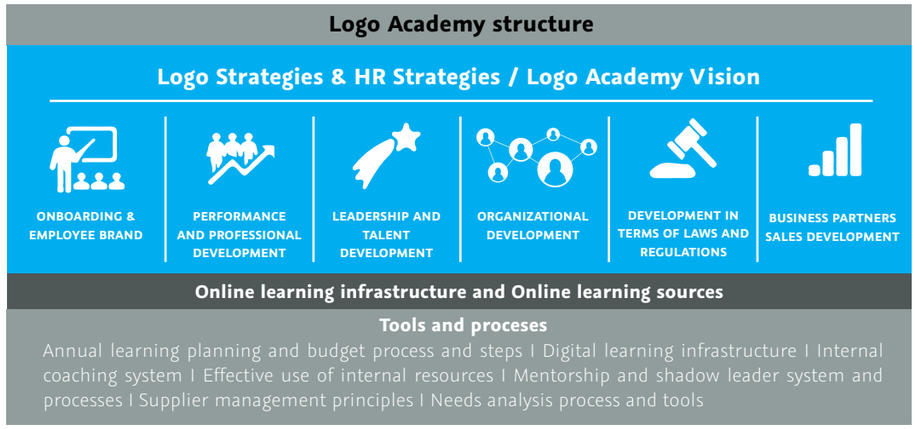
**Includes training hours offered to employees in Turkey and Romania. 2020 offers a high base due to additional training and webinars related to the pandemic and transition to remote-work.*

Learning and development

The objectives of learning and development activities include establishing academy and school structures, creating technical, leadership, and competency training curricula, supporting personal development, creating personal development agendas within the scope of talent management activities, and offering all employees the option to choose courses on the online training platform.

Logo Academy expands its ecosystem as an organization that learns and, simultaneously, teaches with expert trainers in their fields. Logo Academy was restructured and integrated with HR to bring together Logo Group training and development activities under the same roof. Instead of keeping the academy as a training platform, Logo aims to take it to an entirely new level. Expert trainers develop a strategic perspective in learning by defining new business methods and conducting research.

In 2021, Logo Academy provided 11,495 hours of training to Logo employees in Turkey operations. Access to national and international online learning platforms was also offered to increase digital learning opportunities. In 2021, Logo Academy offered 16 hours of training per person to Logo employees. Furthermore, 400 employees benefited from online training programs by enrolling in a maximum of two courses on the Udemy platform.



Logo Academy programs	Scope
In-House trainer program	The in-house Trainer Program was launched to establish the implementation standards for the training programs organized within Logo Group based on employees' expertise. The in-house training process was formalized to define the terms of reference, required qualifications, expected behavior standards, and the required training topics for employees. This allowed the standardization of the trainer selection and compensation criteria to ensure the in-house training system's continuity. The target audience includes all employees. Currently, 35 in-house trainers have completed the In-house Training Program. Training sessions for new in-house trainer candidates and advanced programs for existing in-house trainers continue.
Hybrid-work skills catalogue	Logo prepared a competency development catalog for all employees to support the working culture during and after the pandemic. Analyzing the most required skills in the digital era and during the pandemic and their adaptation to Logo culture helped identify the competencies. Workshops were held to determine the needs primarily on eight training topics employees may need regarding technical skills and competencies during the hybrid office period. These workshops provided support to 12 employees. After designing the content, the training catalog was presented in August 2021. 16 employees participated in the program, which started with negotiation skills training.
Diversity and inclusion	Training programs and resource identification to provide academic input for the Diversity and Inclusion working group continued in 2021. The "Hard Times" program was launched in October, designed for all Logo employees and parents in cooperation with All Children Are Ours Association and Logo Academy. Logo employees and the parents of children in the relevant age group participated in six seminars and two workshops, which lasted about a month.
Digital orientation and adaptation process	Logo digitalized the orientation process for newly recruited employees in June 2021. Digital orientation training sessions were automatically assigned to the new hires on the Training Management System. The program includes e-training modules required by regulations and various reference documents. Harmonise product by Peoplise was used to digitalize the orientation activities.
Logo Academy talent acquisition and development project	The project's main objective was digitalizing the product training offered to Logo business partners. The digital orientation materials for business partners were also completed during the program.
Personal development agenda	Personal development agenda meetings were held with 46 managers and employees, and the 2021-2022 development calendar was created. Logo Academy contributed to development of both the leaders and their teams through the leadership academy, skills catalog for the hybrid-work model, and the technical training programs in other academies and schools.

Developing the leadership competencies of managers and employees is one of the main priorities of Logo. Training programs for leadership development are a part of the employee experience and are provided both in the classroom and online.

Leadership Academy trainings	Scope
Fundamental and advanced leadership training	The Extraordinary Leadership in Challenging Situations Training was launched during the pandemic and integrated within the scope of fundamental leadership training. This year, 39 new Logo leaders completed the Fundamental Leadership Program, covering remote leadership during the pandemic (VUCA world and uncertainty) and agile leadership topics. 85 leaders have completed the Fundamental Leadership Program and participated in the Advanced Leadership Program launched for the first time in 2021. Unlike the fundamental level, the Advanced Leadership Program includes coaching and mentoring procedures, case studies, and group studies. The Fundamental Leadership Program focused on managerial skills, while the Advanced Leadership Program provided the participants with the opportunity to develop their coaching and mentoring skills.
Digital performance workshops, performance seminar, and resources	Digital Performance Development Workshops prepared entirely in-house aimed to improve Logo leaders and all Logo employees' learning paths during the pandemic. In 2021, these workshops were updated according to the performance model and then delivered to the leaders. The workshops took the form of a learning path with seven main modules, 32 topics, eight e-learning modules, supported by various webinars and reading materials. Additionally, articles, books, and videos on performance improvement were recommended.
Logo coaching system	Logo Leadership Academy created a process for leaders who need coaching support. The coaching system consists of 8 sessions, including kick-off, closing, and six one-on-one sessions. A personal development agenda is implemented for each participant.

Sales and support academy

Sales and Support Academy offers a learning journey that combines agility, holistic perspective, peer learning, on-the-job training, self-learning, instant learning, and instant access to information and adopts the learning organization approach. This learning journey was explicitly designed for the support and sales teams based on 27 observations and interviews and offered at three levels: entry, intermediate and advanced. The training modules included Discovery House, Communication House, Performance House, and Idea House.

Technology academy

In 2021, the Technology Academy was established in cooperation with the CTO, and all relevant technical units and priorities were identified. As a result of prioritization analysis, DevOps, Test and Quality Management, Business Analysis, Front-End Development, Mobile, UX, and Data Analysis topics were determined. In 2021 a total of 15 needs analysis meetings were held with the Information Technologies team. The Technology Academy defined each topic's placement process, development journey, joint modules, and evaluation process. The courses will be offered in 2022.

Logo Academy Schools	Scope
Marketing School	Marketing School The Marketing School was launched in 2021 to cater to the development needs of all marketing teams. A comprehensive needs analysis was conducted on individual competencies, leadership traits, and technical competencies for each position in the Digital Marketing, Solutions Marketing, Corporate Marketing, and Corporate Brand and Communication teams. Following the evaluations with consultants, the training content was designed for each specific role to be delivered in 2022. Each team in the marketing department benefited from the joint training plan implemented in 2021. The entire marketing team of 22 employees participated in teamwork, advanced Excel skills, and brand management seminars.
People and Organizational Transformation School	A needs analysis was completed with team members concerning all the People and Organizational Transformation (POT) department positions. The training started in 2021 on the subjects with the highest priority. A three-phase POT Team Meeting was launched to foster the ability to operate as "one team" and address the 26 participants' development needs. Furthermore, 9 team leaders participated in the "Pro-coach Certificate Program," a coaching training for POT team leaders held between November 2021 and April 2022.
Finance and Law School	The Finance and Law School includes training modules specific for different positions in the teams of our Finance and Law departments. The training content includes relevant competencies and leadership skills. Interviews with both groups helped identify technical and personal competencies. Meetings with consultants and curriculum design are in progress as of the beginning of 2022. The program will start in March 2022 for both schools.

Talent acquisition

Competencies required in the future business world are determined in line with the workforce composition, work model, and the corporate culture of Logo. The changing dynamics of the industry are examined and emerging needs and changing skills are taken into account in determining job profiles. Action plans align with the strategies determined to meet the workforce needs. The recruitment process is carried out equally, fairly, and inclusive in line with the company strategy. Young talents and women candidates are also prioritized in the evaluations, which are focused on knowledge and experience. General Aptitude Tests and Personality Inventories are implemented in a user-friendly digital environment to attract more candidates and enhance the candidate experience. New employees also attend onboarding and orientation processes entirely online.

LOG-in Internship Program is organized to identify high potential candidates for Logo young talent pool.

Activities attended in 2021 for young talent acquisition:

- Internship Days by Kariyer.net
- Logo experts spoke at the Self Improvement Fair organized by Sabancı University Industrial Engineering Society (IES)
- Logo internship program was promoted at the Digital Engineering Day event organized by Youthall.
- Gebze Technical University IEEE GTU Student Club 8th Science and Technology Days
- Code of Revolution Digital Transformation Summit organized by Marmara University Business Club
- Logo People and Organizational Development Director was the speaker at the Digital Steps '21 event organized by Uludağ University Human Resources Community.
- Tech Career Day by Kariyer.net
- Logo set up a stand at Middle East Technical University R&D Club Interview Days to promote the internship program.
- An event was held with Atılım University Industrial Engineering Student Community.
- eLogo General Manager Başak Kural was invited to TurkishWIN Young Women's Career Week.
- Optimum Club ERP Training Program was organized for college students under the leadership of Logo's 'Program Manager.'
- Logo Data Scientist attended the EESTEC LC Izmir Hard Skills Academy 'Data Science with Python training event to contribute to the students' personal development.
- Logo CTO İsmail Duran was a speaker at Digital Engineering Career Summit.
- Logo held interview simulations with 40 students at Bilkent University Headhunter program. Suitable candidates joined the internship process.

Logo internship program: LOG-in

Logo Group launched its LOG-in internship program on digital platforms during the pandemic to reach young talents. In 2021, the focus was on expanding the Log-in umbrella brand. Log-in Winter, Log-in Junior, and Log-in Bootcamp processes were designed and launched. Logo announced Log-in Summer internship program on Youthall and Kariyer.net.

8,919 candidates applied, and as a result of all the evaluations, 87 trainees started the internship program at Logo, 55% women, and 45% men, under our diversity and inclusion approach.

A total of 58 successful students who completed Log-in Winter application process will start the internship program in 2022. On the other hand, Log-in Junior is a program that involves 15 successful students who continue their high school education at Mehmet Tuğrul Tekbulut Informatics Technical Vocational High School.

Interns working remotely due to the pandemic were provided with interactive training offering in-depth information. The studies to give the interns a real remote working experience resulted in a high internship satisfaction rate of 94%.

Engaged employees

Logo places great importance on job satisfaction, career development, performance improvement, and participation. The company aims to continuously increase employee engagement through various practices and strategies such as remuneration, benefits, motivation, and compensation. An employee engagement survey is conducted biennially at Logo. The Employee Engagement Survey (EES) results conducted at the end of 2020 were shared transparently with all Logo employees in 2021. Improvements of up to 12% were achieved in all indices measured in the study compared to the previous survey. The most crucial element of the survey designed explicitly for Logo relates to 6 scales that measure the Logo employees' opinions on management culture, loyalty, empowerment, diversity, satisfaction with Logo products, and digital maturity. In 2021, 21 focus groups were formed with 167 participants based on business units, and 124 focus group meetings were held to examine the issues identified as development areas in depth. Furthermore, in the cross-functional focus groups where all business units were represented, the development areas of the Logo were discussed. 121 short and medium-term action proposals for development areas were created, and 53 actions were prioritized and implemented for 2021.

Practices and extensive benefits provided to support employees

Practice	Scope
Flexible working hours	Logo launched a flexible working arrangement to improve the employee experience. All employees shall be active between 10:00 and 16:00 while they can choose when they start and finish the work as long as they complete the required hours per day. The Logo Flexible Time System allows the employees to convey a request to their managers. Logo also provided the employees with a user's manual on the necessary details and features of the flexible working arrangement. The employees determine their schedule daily, weekly, and monthly basis.
Expecting mothers project	Logo supports its employees who are expectant mothers with the relevant information and access to the necessary resources they will need during the whole process from the beginning of their pregnancy to their leave period until their return to work..
LEAP Employee Support Program	Employee Support Program ensures that employees and their families receive reliable support from experts six times a year on a face-to-face basis and 24/7 via the call center for any difficulty they may face in their professional or personal lives. LEAP caters to various needs, including psychological counseling; medical advice, marriage, family, children, and adolescent counseling; mother and baby program; legal, financial, and regulatory consultancy; training consultancy, wellness program, and concierge services.
Advance payment in installments	Logo offers its employees an advance salary option to be paid back in installments. Employees can request an advance payment up to twice their net salary subject to specific criteria. This helps employees meet their immediate needs, such as military service or tuition.
Company phoneline and mobile device	At the beginning of 2020, Logo provided all employees with a base model mobile device. Employees can also choose an alternative model by undertaking the additional cost. All employees are now supplied with a company mobile phone and number.
Birthday leave	Employees can take a day off on their birthday or any other day during the same month.
Employer-sponsored retirement plan	Logo offers every employee a private health insurance package with different coverage options as of the starting date of their employment, even during the trial period. Following the trial period, all employees are provided with an employer-supported private pension plan (BES).
LogExtra Discounts	All Logo employees can benefit from the corporate discount platform LogExtra. Logo collaborated with new partners to offer new online shopping opportunities during the remote-work period. Logo employees can benefit from discounts of up to 50% at various stores.

Recognition platform Vay be!

Vay be! program (Wow program) was launched in 2020 to enhance employee experience, and it includes Instant Recognition, Budur (That's It) Award, and Value Award categories. Logo employees can access the program on the company intranet. Apart from these categories, various awards were presented to employees for their commitment and contributions to social responsibility projects. 116 managers and 643 employees received 3,148 Instant Recognition awards during the year.

Logo ethics hotline

Logo Ethics Hotline focuses on the principles of internal transparency and trust. Employees can notify ethical breaches of corporate business principles that they identify and voice their concerns on the Ethics Hotline, which operates on a 24/7 basis. The system is outsourced to an independent third party. In 2021, 14 complaints were received on the Ethics Hotline about unfair practices related to promotion and appointment decisions.

Occupational health and safety

Occupational Health and Safety (OHS) issues are vital for Logo and directly impact employee satisfaction, well-being, job quality, and corporate culture. It is essential to act proactively and adopt best practices for mental and physical health according to legislation and relevant global best practices to ensure a safe and healthy work environment. In addition to eliminating risks regarding employee health and safety and developing related, digital OHS solutions are also offered to other industries. All OHS practices and policies are carried out following legal regulations. Logo's Occupational Health and Safety Policy is available here.

The People and Organizational Transformation Group Director is the top executive in charge of OHS and reports directly to the Board of Directors.

COVID-19 remained the biggest threat to occupational health and safety for all sectors and companies in 2021. The Employee Health Safety and Business Continuity Desk works in cooperation with the Occupational Health and Safety Committee and continued its activities in 2021. We prepared "Emergency Plans for the Pandemic" for each office space with OHS experts and on-site doctors and made the necessary revisions following the regulatory changes. The measures and modifications implemented in this field are available in this report's Digital Employee Experience section.

Risks are grouped and managed effectively, and all the required measures are taken. In addition to the risk measures, OHS training is offered to the employees to increase awareness and create a safe and healthy working environment. A total of 111 hours of OHS training was delivered to new employees, and 648 hours of fundamental OHS training was provided to 191 employees. An awareness training by AFAD (Disaster and Emergency Management Presidency) was shared with all employees. Gebze, Ankara, Izmir, and Istanbul offices operate by the ISO 45001:2018 Occupational Health and Safety Management System. On the other hand, Logo Total Soft Office operates by the ISO 9001:2015, ISO 14001:2015, ISO 27001:2017 ve OHSAS 45001:2018 standards.

Contributing to the economy of future

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Considering the rapid change and transformation that the Fourth Industrial Revolution brought, the "business as usual" approach to solving social and environmental problems remains insufficient. Companies are at a time when they need to make social impact a part of their core business model and look out for the interests of their stakeholders. [8]The software and technology sector affects many stakeholders with products and services and enables projects to accelerate digital transformation in many sectors. With the effect of global trends, the development and employment increase in Turkey's software and technology sector continues to gain momentum.

Logo is growing by adding value to its industry in the Turkish market and increasing the number of sectors and stakeholders it influences by increasing customer volume. The company contributes to all stakeholders and the society with the stakeholder capitalism approach, and the transformation of social impact into a value proposal of companies led to a significant transformation. Logo continues to support the development of new talents, especially by investing in education. The company is shaping the software world of tomorrow by making investments for the future of the industry in Turkey through various corporate social responsibility projects.

Logo products and solutions training unit and Logo business partner trainings

For many years, Logo has continued its training programs for universities, vocational schools, high schools, and business partners. The primary purpose of these training programs, which are offered throughout Turkey with Logo products, is to "bring qualified human resources to the IT sector." All training activities are organized under the umbrella of Logo Academy.

Logo Academy continues to invest in training Logo Solutions experts and developing social competencies in digital technologies and software. The competencies of companies' employees who use Logo products and services are increased, enabling them to make a difference in their business processes. Logo Business Partners and Logo Specialist candidates receive training on Logo Solutions and personal development topics in the training programs delivered by experienced and expert staff.

Logo Academy's product and solution training unit also implements projects that create employment to increase qualified human resources in the IT industry and to reduce the impact of talent gap risk that has emerged in recent years. The aim is to spread these projects throughout Turkey, which help many people to find job opportunities. In 2021, a total of 2,828 people received training. Thus, the number of people trained in Logo Academy since its inception exceeded 9,000 people. More than 1,500 students found employment opportunities in the IT industry, and the number of certified alumni has reached 11,625 as of 2021.

[8]*WEF, This start-up made doing good a business priority – and flourished*

Partnership with educational institutions

Logo Academy cooperates with universities, vocational schools, and private educational institutions. It supports the Qualified Information Technology Specialist Program offered by İŞKUR (Turkish Employment Agency) of the Ministry of Family, Labor, and Social Services. The number of universities and vocational schools teaching with Logo ERP products has increased. In 2021, Logo cooperated with two universities, four vocational schools and four private educational institutions cooperated with Logo.

Business partners – Number of training programs	110
Business partners – Training participants	1.983
Business partners – Number of certified people	1.026
Authorized Training Centers in Turkey	24
Authorized Training Centers – Training participants	130
Authorized Training Centers - Number certified people	115
Number of new hires through İŞKUR (Turkish Employment Agency) support program	20
Number of universities and vocational schools using Logo ERP packages in curriculum	125
University and vocational school students who participated in training programs	540

Entrepreneurship

The startup ecosystem corresponds to approximately 0.6% of Turkey's 2021 GDP, which doubled its share compared to 2020. [9]In recent years, Logo has consistently supported the entrepreneurship ecosystem in Turkey and contributed to the IT sector's growth by ensuring the development of entrepreneurship culture.

Logo Ventures

Logo Ventures, a corporate venture fund in Turkey, constitutes one of the most significant long-term oriented investment initiatives of Logo. Logo Ventures Fund I was founded with a 20% partnership of Logo and an investment target of 10 million TRY in the second half of 2017. In 2017, Logo Ventures invested in Vispera, which has developed image recognition technologies for retail companies. In 2018, Logo Ventures invested in V-Count, a company that produces hardware and software such as people counting, heatmap analysis, and cash register queue analysis that can be used in many areas from retail to exhibitions and airports to libraries. Logo Ventures Fund II was established in the first half of 2021 with Logo's 88.63% stake and a resource commitment of 12.6 million USD. The second Venture Capital Investment Fund reflects Logo's innovation focus. In line with the business-to-business (B2B), servitization (SaaS), verticalization, and internationalization strategy, Fund II focuses on local and international technology ventures with high growth potential through debt and/or capital investment and similar vehicles. The goal is to create long-term value by providing strategic support to these companies and helping them to reach their growth targets. In 2021, the fund invested in SportsERP, Wask, Inooster and Evreka. SportsERP enables Sports Clubs to manage all their activities using data integration and digital contract management systems customized for the industry based on automation and innovation. Wask is an intelligent management solution that allows professional social media users to manage their advertising accounts from one place. It supports users in both analytics and content development. Inooster is a technology company that offers performance management and loyalty applications with gamification-based new generation motivation solutions. Evreka, on the other hand, is a software platform that provides smart infrastructure and supply chain solutions for waste management. Logo Ventures will continue to support entrepreneurs to realize and strengthen different ideas.

Corporate social responsibility and social impact

Logo formulated its corporate social responsibility strategy as a roadmap in 2018, including the stakeholder ecosystem. As a result of interviews and surveys involving all stakeholders in the Logo ecosystem, which consists of more than 1,200 employees, more than 800 business partners, and more than 5,000 people, "education" was determined as Logo's top priority in the field of corporate social responsibility. The other goals that expand Logo's sphere of influence include raising awareness of education within the Logo ecosystem, raising awareness of volunteering, and creating a new culture with this transformation.

[9] *KPMG, Turkish Startup Investments Review, 2021*

Contributing to the economy of future

Logo continues to develop corporate social responsibility projects focused on education together with its employees and business partners. The company donated a total of 688.718 TRY to various non-governmental organizations in 2021.

Logo Volunteers

Logo has been a pioneer for both employees and business partners to adopt volunteering activities by promoting corporate volunteering programs that have been a part of the company culture for 36 years. Voluntary contributions and sharing of employees' expertise in cooperation with non-governmental organizations (NGOs) are essential in establishing sustainable partnerships and creating a positive impact on both sides. Logo announces every project that employees volunteer and provides information about their contributions to promoting similar initiatives. This also supports employee satisfaction and motivation, increasing productivity and brand awareness. In 2021, 74 employees participated in volunteer work, and 1,400 hours were allocated to volunteer projects.

Volunteer projects at Logo include the following:

Logo has participated in the STEPtember event organized in cooperation with Cerebral Palsy Turkey to support children's education with Cerebral Palsy and collect donations. In addition to creating awareness, Logo achieved the second-highest donation in 2021 with 14,771,179 steps.

The Anatolian Scholars project aims to spread qualified education all over the country. Two female students at Koç University studying Computer Engineering since 2017 received the Logo Scholarship.

A total of 30 trainers completed the In-House Trainer Project, launched in 2019, to transfer knowledge between the teams within the organization and develop a peer learning culture.

The Million Women Mentors Program was launched in 2021 in cooperation with TurkishWIN and the Union of Chambers and Commodity Exchanges of Turkey (TOBB). The program brings together industry leaders and young women between 15 and 25 working in STEM (Science, Technology, Engineering, and Mathematics) areas. The goal is to assign mentors to 1 million women in 10 years.

Logo employees continued to lecture the students at M. Tuğrul Tekbulut Informatics Technical Vocational High School outside the class hours in a volunteer program that started before the pandemic. The lectures involve Computer Culture, MS Office, HTML, and CSS. Moreover, gifted students attend extracurricular Python and Introduction to Data Sciences courses in Gebze Bilsem (Science and Art Education Center).

Since its establishment in 2006, Logo Sailing Team has turned from a mere sponsorship into a sports club with regular investments. It consists of 18 people who boast many national and international achievements. Logo Sailing Team draws attention as part of the company's support for sports and its social impact. In 2021, the team participated in 28 races and won 25 trophies. Trained for 60 hours, the team raced 25 different routes and covered 2,000 miles throughout the year. The team participated in the Presidential International Yacht Race in Bosphorus in Istanbul and drew countrywide attention. Logo Sailing Team came third in the #IRC2 division in the Istanbul lap of the Presidential International Yacht Race.

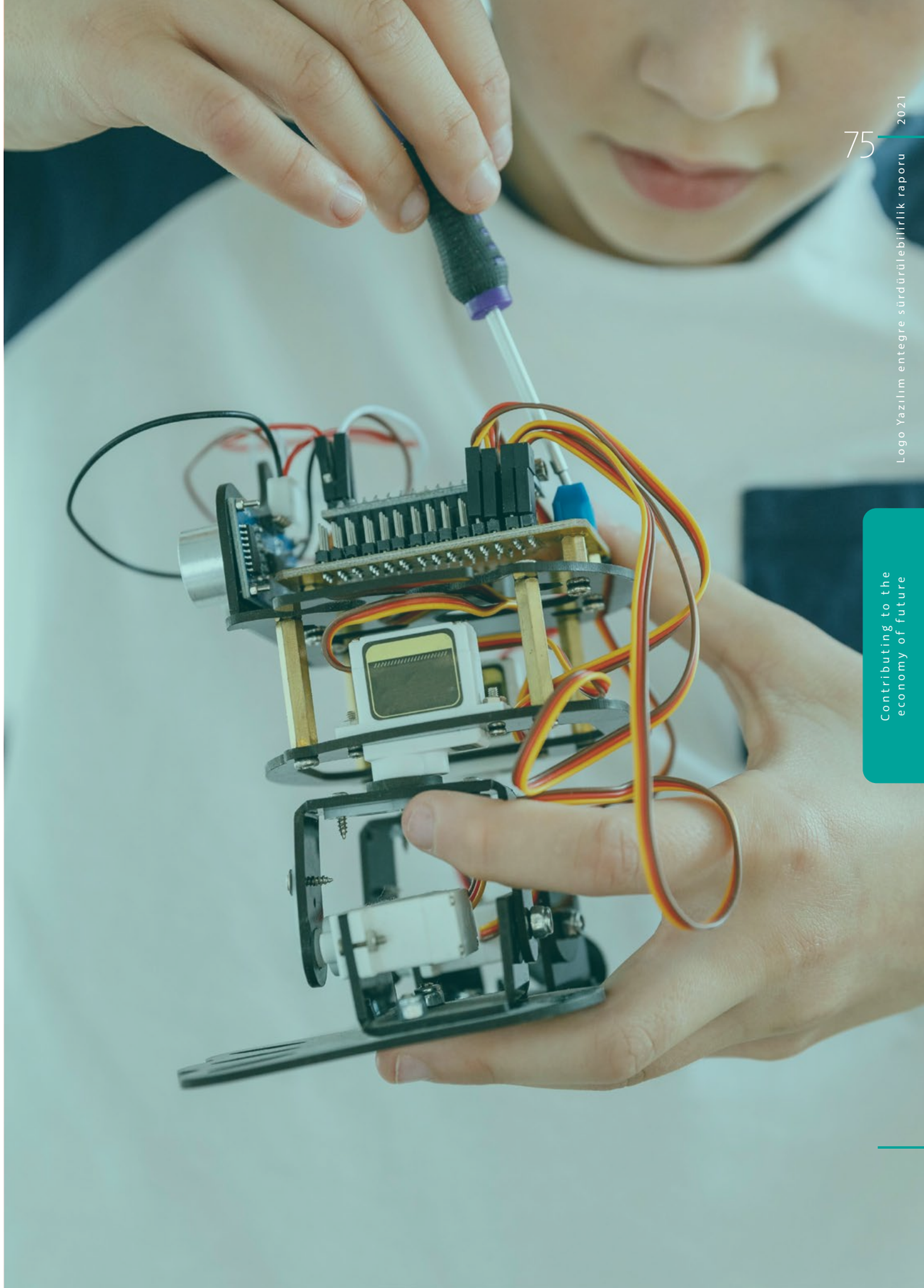
Robotics coding workshops

In 2019, Logo started to provide robotic coding training to provide 21st-century competencies to children who are future software developers. This initiative aims to inspire future software developers and is carried out with the contributions of the All Children are Ours Association (BÇBD) and Atölye Vizyon. The robotic coding workshop focuses on teamwork and teaches children to code with fun and different methods. The workshop also develops imagination, mechanical abilities, and analytical skills. Children between the ages of 8 and 10 receive training for 32 weeks on 3D design, different drawing methods, creating algorithms, organizing 3D materials, producing robots using sensors, and controlling expressions in robotic coding. Practical studies are carried out on subjects such as understanding the "if...then" logic, creating interactive games and stories, and using graphical programming blocks.

During the pandemic, the workshops continued online. A Maker Set consisting of sensors and modules such as a computer, internet package, Pinoo card, light sensor, RJ-11 cable, and consumables such as cardboard, craft paper, and silicone was sent to each student. Logo has reached more than 2,000 students to date and aims to spread this project beyond Gebze, Elazığ, and Antalya to train the teachers in the relevant schools, inspire future software developers, and expand its sphere of influence.

In 2021, in cooperation with the All Children Are Ours Association, Logo established a team of seven boys and seven girls, former workshop attendees, to ensure the project's continuity. The 3rd-grade students selected for the team participate in four-hour workshops to receive Coding, Robotics, Maker, and STEM+A training every week throughout the year. During the workshops, students develop projects on various themes and receive coding and design training. They will participate in competitions at province, district, and municipality levels, TÜBİTAK projects (Scientific and Technological Research Council of Turkey), and national competitions such as Teknofest and MEB – Ministry of National Education, and e-Twinning projects organized by Chambers of Commerce, NGOs, and museums. After 9 to 10 months of training, the Robotics Coding Team will expand the sphere of influence of workshops and carry them to the future through developing thematic projects on agriculture, animal friends, environment, energy, health, and disabled and senior citizens.

Logo supports the following Sustainable Development Goals and shapes its Corporate Social Responsibility activities in this direction: Quality Education (SDG 4), Gender Equality (SDG 5), Decent Work and Economic Growth (SDG 8), Industry, Innovation and Infrastructure (SDG 9), Reducing Inequalities (SDG 10) and Partnerships for the Goals (SDG 17).



We are coding

environmental

sustainability

Climate crisis and energy 78

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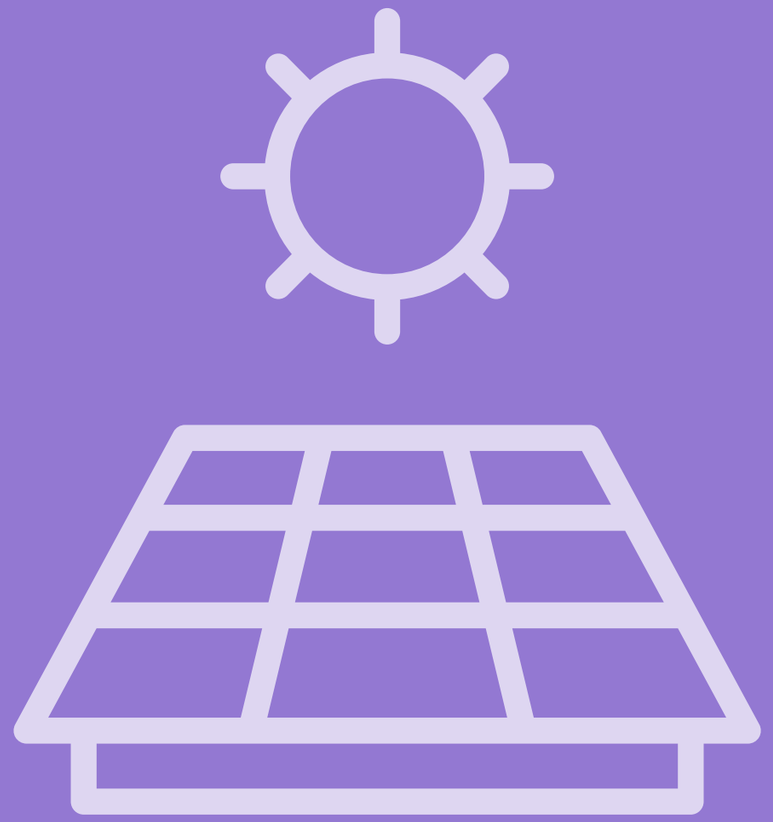


Over a 10-year horizon, "climate action failure," "extreme weather," and "biodiversity loss" rank as the top three most severe environmental risks and long-term threats that are most potentially damaging to people and the planet. Placing digitalization at the core of green transformation, the European Green Deal perceives digital technologies as the essential sustainability tool to reduce carbon footprint and energy use and encourages investments in this field.

In addition to playing a vital role in the road to a net-zero carbon World, technology will also be critical in building resource efficiency gains across all sectors from energy to food, water, and urban infrastructure. The software industry is seen as an important tool in solving environmental problems. At the same time, the problem of the need to use and store data creates an environmental impact. Energy consumption and electronic waste are among the main environmental effects of the technology industry.

Logo contributes to reducing the environmental impact of its customers due to resource use through innovative technologies, digital solutions, and services. The Environmental Policy guides the implementation of practices involving all stakeholders in managing environmental impact. The Environmental Policy is prepared, implemented, and monitored under the leadership of the Board of Directors. ISO 14001 Certificate covers Turkey operations and Logo Total Soft in Romania.

Environmental awareness among the employees is essential in the environmental management approach. Accordingly, 207 hours of environmental and zero waste awareness training were provided to 541 employees in 2021.

Climate crisis and energy

The COVID-19 pandemic led to an unprecedented 5.4% drop in greenhouse gas emissions in 2020. Due to global economic recovery, emissions have rapidly bounced back to pre-COVID levels. The impact of 2030 pledges remains insufficient to decrease GHG emissions. Due to the increase in global energy demand, the transition to clean energy is becoming increasingly important. Policy action and technology innovation are key enablers in making this transition possible.

Logo takes responsibility by working on applications that create value for the sector and its customers in transitioning to a low-carbon economy. The technology solutions offered by Logo help reduce emissions indirectly by reducing the resource usage of its customers. Since Logo does not have a data center, there is no direct energy consumption connected to the data center. However, Logo selects data center providers by considering their environmental practices.

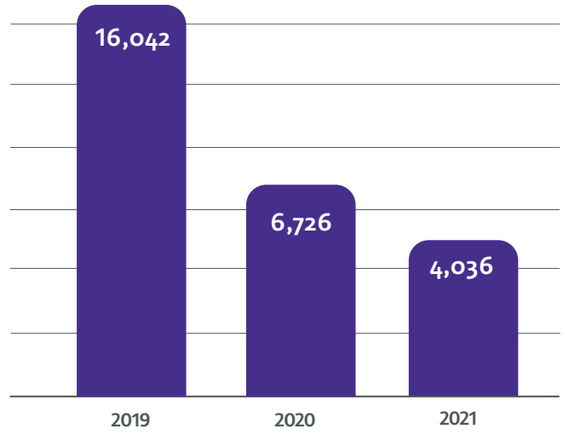
In 2021, Logo started TCFD (Task Force on Climate-Related Financial Disclosures) based preliminary assessment of the climate crisis in transition to a zero-carbon economy and effective management of climate risks, which also involves short-term and long-term target setting to reduce environmental impacts.

Energy consumption in the offices and R&D centers and emissions during transportation are the main areas of the environmental impact of Logo's current operations. In recent years, the value of renewable energy sources has increased considerably. Logo has solar panels with a capacity of 20 kW on the rooftop at Logo Gebze campus. The company also promotes digital work environments to minimize the environmental impact caused by employee commuting and business travel.

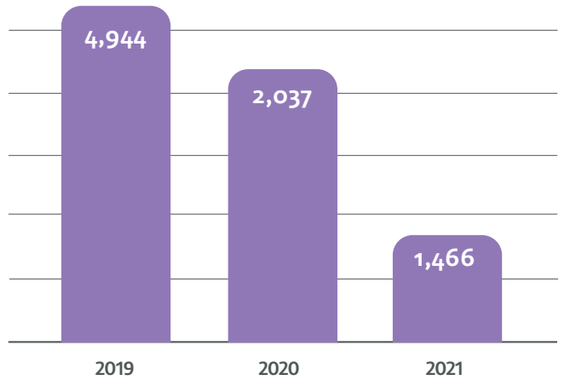
Compared to the previous year, energy intensity decreased by 40% and greenhouse gas intensity by 28%. The remote working model and the decrease in business travels and telecommuting during the pandemic played a significant role in this performance.

[10] *WEF, The Global Risks Report, 2022*
[11] *European Commission, Green digital sector*
[12] *WEF, Technology can help solve the climate crisis – but it will need our help*
[13] *UNEP, Emission Gap Report, 2021*
[14] *IEA, World Energy Outlook, 2021*

Energy intensity (MWh/Revenues - Billion TRY)



GHG intensity (CO_2-ton/Revenues -Billion TRY)

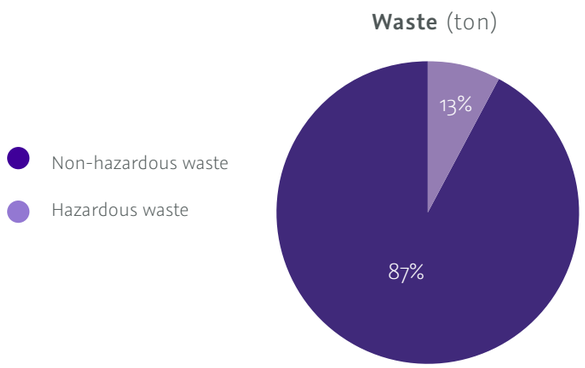


Waste

Global e-waste generation is growing annually by 2 million or about 3 to 4%, a problem attributed to higher consumption rates of electronics, shorter product lifecycles, and limited repair options. World Health Organization states that toxic substances in e-waste disposal centers affect the health of children and women who work informally in these areas in low-income countries. Therefore, circular economy practices are critical.

Logo recycles wastes with a focus on circular economy and reduces environmental impact by turning e-waste into an economic value. 87% of the wastes arising from the operations of Logo are non-hazardous domestic waste. In 2021, 92% of non-hazardous wastes were recycled. In 2021, a total of 363 kg of e-waste in Turkey operations was recycled. Logo strives to reduce the amount of e-waste by extending the usage period of electronic devices.

Waste (ton)



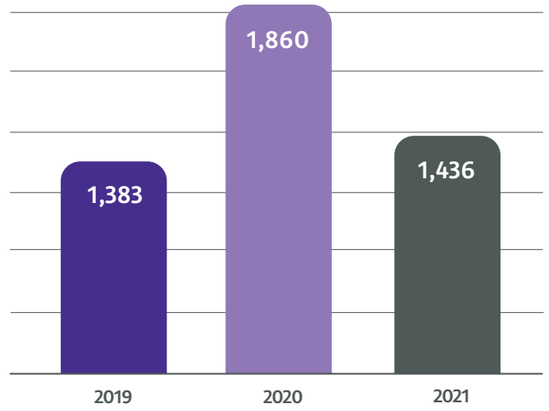
[15] *WEEE, International E-Waste Day: 57.4M Tonnes Expected in 2021*

[16] *WHO, Soaring e-waste affects the health of millions of children, WHO warns, 2021*

Water

Logo's impact on water resources is minimal. Due to the lack of a data center, the water-related environmental impact is only caused by the use of water in offices and R&D centers. Reducing water consumption is still a consideration. As of 2020, the amount of water consumption in the offices decreased compared to the pre-pandemic period with the transition to the remote-work model.

Water usage (m^3)



**Water usage (m3) formula is calculated with the following formula: Total water withdrawal (m3) – Total water discharge (m3). 2019 and 2020 data in 2021 Integrated Report are recalculated with the updated formula.*

*** Water usage data for 2019 in Logo Romania includes the updated figure.*

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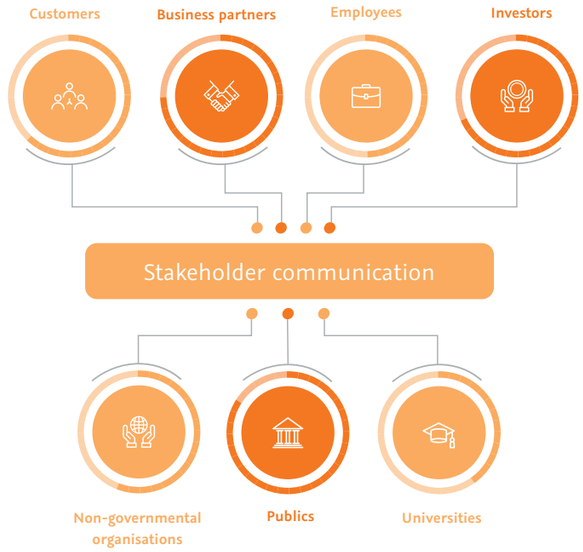
Stakeholder communication

Logo establishes a solid two-way communication with its stakeholders. By creating strategic communication channels specific to each stakeholder group, the company reaches stakeholders, including employees, business partners, customers, investors and analysts, the media, and universities through an online questionnaire. The company seeks their opinions on their strategic priorities.



Stakeholders	Means of communication
Customers	· Traditional channels (Television, radio, cinema, outdoor, magazines) · Digital media and the Internet (logo.com.tr, blog. logo.com.tr, logoakademi.com.tr, etc.) · Social media · Events and sponsorships (Business partnership meeting, Logo events, third party events) · Mailing · Logo portal · Call center (444 56 46 - 444 LO GO) · Direct communication (customer visits through CRM) · Annual report and integrated sustainability report
Business partners	· Traditional channels (Television, radio, cinema, outdoor, magazines) · Digital media and the Internet (logo.com.tr, blog. logo.com.tr, logoakademi.com.tr, etc.) · Social media · Events and sponsorships (Business partnership meeting, Logo events, third party events) · Mailing · Logo portal · Direct communication (customer visits through CRM) · Customer services, sales team communication · Call center (444 56 46 - 444 LO GO)

Stakeholders	Means of communication
Employees	· Traditional channels (Television, radio, cinema, outdoor, magazines) · Digital media and the Internet (logo.com.tr, blog. logo.com.tr, logoakademi.com.tr, etc.) · Social media · Human resources events · Annual report and integrated sustainability report
Investors	· General Shareholders Meetings · Investor meetings and presentations · Teleconference · Company website, e-Mail, newsletters and blog · Notifications on the Public Disclosure Platform · Annual report and integrated sustainability report · Call center (444 56 46 - 444 LO GO)
Non-governmental organizations	· Meetings · e-Mail, company website and blog · Sponsorships and events
Public institutions	· e-Mail · Events and trainings
Universities	· Project partnerships · Events and trainings · e-Mail

Corporate memberships

- ITO (Istanbul Chamber of Commerce)
- TÜBİSAD (Informatics Industry Association)
- Blockchain Platform
- All Children Are Ours Association
- Cerebral Palsy Turkey
- Integrated Reporting Network
- Türkonfed (Turkish Enterprise and Business Confederation)
- Corporate Governance Association of Turkey
- KOTEDER (Listed Companies Association)
- BÜMED (Boğaziçi University Alumni Association)
- Darüşşafaka Cemiyeti (Darüşşafaka Society)
- TAYSAD (Association of Automotive Parts and Components Manufacturers)
- Turkish Informatics Foundation
- TOSYÖV (Turkish Small and Medium Enterprises, Self-Employed and Managers Foundation)
- TurkishWin
- Turkish Informatics Association
- TÜYİD (Turkish Investor Relations Society)
- WTech (Women in Technology Association)
- YASAD (Software Industrialists Association)
- TOBB (The Union of Chambers and Commodity Exchanges)
- HİB (Service Exporters Association)

Environmental performance indicators

Energy consumption (MWh)	2019	2020	2021
Electricity	1,371	821	735
Electricity purchased	1,371	821	735
Fixed burning	1,126	847	149
Natural gas	1,126	847	149
Fuel Oil	0	0	0
Diesel	0	0	0
Coal	0	0	0
Generator (Diesel)	0	0	0
Vehicle fuel	4,261	1,984	2,197
Diesel	3,320	1,512	1,423
Gasoline	941	472	774
Renewable Energy	14	14	14
Solar	14	14	14
Total	6,772	3,666	3,095

Greenhouse Gas Emissions (ton CO_2)	2019	2020	2021
Scope 1	1,427	742	774
Vehicles	1,144	533	583
F-gases	54	37	161
Fuel consumption in buildings	228	172	30
SF6	1	0	0
Generators (diesel)	0	0	0
Scope 2	660	368	350
Electricity	660	368	350
Total	2,087	1,110	1,124
Scope 3*	454.6	31	17.64

**Scope 3 data covers operations only in Turkey.*

Water consumption (m^3)	2019	2020	2021
Water use	**1,383**	**1,860**	**1,436**
Total withdrawn water	7,219	3,696	2,042
Total discharged water	5,836	1,836	606

Water use (m^3) is calculated with the formula of [Total withdrawn water (m^3) - Total discharged water (m^3)]. The 2019 and 2020 data given in the 2021 Sustainability Integrated Report have been recalculated by using this updated formula. Logo Romania 2019 water use data has been updated, and involved in the calculation.

Waste (tonne)	2019	2020	2021
Hazardous waste	0.7	0.275	0.947
Non-hazardous waste	10.3	3.3	5.7
Recycled waste	10.8	3.18	6.11

Social performance indicators

	2019		2020		2021	
	Women	**Men**	**Women**	**Men**	**Women**	**Men**
Total number of employees***	532	644	539	667	556	736
	1,176		1,206		1,292	
Employees covered by collective bargaining agreements	0	0	0	0	0	0
Number of employees with disabilities	3	14	4	14	6	15

****It covers the end of period data of Turkey and Romania operations. The number of employees at the end of the period including India operations are 1,203 in 2019, 1,233 in 2020, and 1,315 in 2021. ELBA HR (Peoplise) data is included in total employee data in 2021, whereas it is only included in total employee number in 2020.*

	2019	2020	2021
Number of employees subject to regular performance evaluation	1,068	1,157	1,068

	2019		2020		2021	
Management	**Women**	**Men**	**Women**	**Men**	**Women**	**Men**
Under 30 years old	2	4	1	1	0	2
Between 30 and 50	43	101	48	104	64	118
Over 50	4	10	5	9	7	9
Board members	0	6	0	6	0	6

	2019		2020		2021	
Parental leave	**Women**	**Men**	**Women**	**Men**	**Women**	**Men**
Number of employees granted birth/parental leave	25	21	35	22	47	20
Number of employees returning to work after birth/ parental leave	20	21	21	22	44	20

	2019		2020		2021	
Subcontractors	**Women**	**Men**	**Women**	**Men**	**Women**	**Men**
Number of subcontractors by gender	21	22	19	33	22	76
	Full-Time	**Part-Time**	**Full-Time**	**Part-Time**	**Full-Time**	**Part-Time**
Number of subcontractors by working hours	43	0	42	10	88	10

Trainings*	2019	2020	2021
Total training hours	28,821	40,123	29,495
Average training hours per employee***	24.5	33.7	22.8

****It covers the training hours given to employees in Turkey and Romania.*

OHS Data	2019	2020	2021
Number of accidents	0	0	0
Number of fatal cases	0	0	0
Number of occupational diseases	0	0	0
Incident rate (IR)	0	0	0
Occupational disease rate (ODR)	0	0	0
Lost days rate (LDR)	0	0	0
Absenteeism rate (AR)	0	0	0
OHS Trainings			
Total OHS training hours	4,088	4,630	2,624

Occupational disease number and Occupational disease rate (ODR) have been updated retrospectively for 2019 and 2020.

GRI Standards	Disclosures	References	Omission
GRI 101: Foundation 2016			
General disclosures			
GRI 102: General disclosures 2016	**Organizational profile**		
	102-1	12	
	102-2	14, 15	
	102-3	https://www.logo.com.tr/en/logo-contact	
	102-4	12	
	102-5	18	
	102-6	12-15	
	102-7	12, 14-21, 55, 88	
	102-8	88, 89	
	102-9	36	
	102-10	During the reporting period, there were no significant changes in the boundaries of the organization and the supply chain.	
	102-11	30, 31	
	102-12	84, 85	
	102-13	85	
	Strategy		
	102-14	4-7	
	102-15	30, 31	
	Ethics and integrity		
	102-16	13, 30	
	102-17	30	
	Governance		
	102-18	31	
	102-19	31	
	102-20	31	
	102-21	31	
	102-23	31	
	Stakeholder engagement		
	102-40	84, 85	
	102-41	88	
	102-42	84, 85	
	102-43	84, 85	
	102-44	32, 84, 85	
	Reporting practice		
	102-45	19, 20	
	102-46	8	
	102-47	31, 32	
	102-49	31, 32	
	102-50	8	
	102-51	1 January-31 December 2020	
	102-52	8	
	102-53	8	
	102-54	8	
	102-55	90-93	
	102-56	No assurance	

GRI Standards	Disclosures	References	Omission
GRI 200: Economic			
	Economic performance		
GRI 103: Management approach 2016	103-1	19, 20	
	103-2	19, 20	
	103-3	19, 20	
GRI 201: Economic performance 2016	201-1	19, 20	
GRI 300: Environmental			
	Energy		
GRI 103: Management approach 2016	103-1	78	
	103-2	78	
	103-3	78	
GRI 302: Enerji 2016	302-1	86	
	302-3	79, 86	
	302-4	78, 86	
	Water		
GRI 103: Management approach 2016	103-1	81	
	103-2	81	
	103-3	81	
GRI 303: Water 2016	303-1	81, 87	
	303-3	87	
	Emissions		
GRI 103: Management approach 2016	103-1	78	
	103-2	78	
	103-3	78	
GRI 305: Emissions 2016	305-1	86	
	305-2	86	
	305-3	86	
	305-4	79	
	305-5	78, 86	
	Effluents and wastes		
GRI 103: Management Approach 2016	103-1	80	
	103-2	80	
	103-3	80	
GRI 306: Effluents and wastes 2016	306-2	87	

GRI Standards	Disclosures	References	Omission
GRI 400: Social			
	Employment		
GRI 103: Management approach 2016	103-1	54	
	103-2	54	
	103-3	54	
GRI 401: Employment 2016	401-2	65-67	
	401-3	88	
	Occupational health and safety		
GRI 103: Management approach 2016	103-1	67	
	103-2	67	
	103-3	67, 89	
GRI 403: Occupational health and safety 2018	403-1	67, 89	
	403-2	67, 89	
	403-3	67, 89	
	403-4	67, 89	
	403-5	67, 89	
	403-6	67, 89	
	403-7	67, 89	
	403-9	89	
	Training and education		
GRI 103: Management approach 2016	103-1	54, 57-63	
	103-2	54, 57-63	
	103-3	54, 57-63	
GRI 404: Training and education 2016	404-1	55, 56, 88, 89	
	404-2	58-63	
	404-3	58, 59, 88	
	Diversity and equal opportunity		
GRI 103: Management approach 2016	103-1	55, 56	
	103-2	55, 56	
	103-3	55, 56	
GRI 405: Diversity and equal opportunity 2016	405-1	55, 56, 88, 89	
	Non-discrimination		
GRI 103: Management approach 2016	103-1	55, 56	
	103-2	55, 56	
	103-3	55, 56	
GRI 406: Non-discrimination 2016	406-1	55, 56	
	Local communities		
GRI 103: Management approach 2016	103-1	70	
	103-2	70	
	103-3	70	
GRI 413: Local communities 2016	413-1	70-75	

GRI Standards	Disclosures	References	Omission
Material issues			
	Technology and R&D		
GRI 103: Management approach 2016	103-1	36	
	103-2	36	
	103-3	36	
	Digital transformation		
GRI 103: Management approach 2016	103-1	36	
	103-2	36	
	103-3	36	
	Customer privacy and data security		
GRI 103: Management approach 2016	103-1	46, 47	
	103-2	46, 47	
	103-3	46, 47	
	Customer centricity		
GRI 103: Management approach 2016	103-1	46-48	
	103-2	46-48	
	103-3	46-48	
	Responsible products and services		
GRI 103: Management approach 2016	103-1	39-43	
	103-2	39-43	
	103-3	39-43	
	Intellectual property		
GRI 103: Management approach 2016	103-1	38	
	103-2	38	
	103-3	38	

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