

# CSR Report 2018



**Logicom**  
Partners in your success

# REPORT PROFILE

This is the annual Corporate Social Responsibility (CSR) report of Logicom Public Ltd (including its subsidiaries, hereafter referred to as "Logicom" or "Logicom Group" or "Company"), issued for the calendar year 2018, which provides information in addition to Logicom's Annual Report. (Most recent previous report was issued for the calendar year 2017). ([GRI 102-50](#), [102-51](#), [102-52](#))

Logicom implements CSR practices based on ISO 26000. This report's content and structure has been prepared in accordance with the GRI Standards: Core option. ([GRI 102-54](#))

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MESSAGE FROM THE MANAGING DIRECTOR



**Dear shareholders, partners, customers and employees,**

Technology affects every part of our daily life and undoubtedly, new technologies have disrupted traditional entrepreneurship and reformed many sectors of the economy and society, consequently creating new opportunities and demands, as well as new challenges.

In this fast-changing world, social responsibility stimulates our growth and strengthens our foundations. Following the ISO 26000 guidelines on social responsibility, Logicom is committed to continue building and operating a sustainable business.

Through our commitment to be the leading technology company in our region, we have the privilege to cooperate with innovative companies that are mapping the future of technology, while remaining true to our core values.

We understand and seek to embody the need for transparency and integrity therefore, we have empowered our stakeholders and asked them to lead the way towards further improvement and the achievement of our goals to benefit the society at large.

In 2017, Logicom drafted its CSR strategy based on directives from our stakeholders, in reference to our performance on Organizational Governance, Labour Practices and Consumer Issues. We are proud of the achievement of our short-term goals, and continue monitoring and working towards the achievement of all the goals we have set for the years ahead. In 2018, following additional feedback from our stakeholders, we also placed emphasis on Human Rights in addition to the above areas. We consider that Data Privacy is a fundamental Human Right, and is very high on our agenda.

Our main goal going forward is to continue the dialogue with our stakeholders through personal contact and structured communication channels, in order to focus on the areas that matter most to them. Thus we will be able to act proactively and fully align our strategy and actions with our stakeholders' expectations.

Employee training on all CSR focus areas, including Human Rights, continues to be high on our agenda. Our aim is to promote awareness among rights holders and those who are potentially impacted by them. We constantly strive to enrich our workforce across our geography by attracting more diverse talent. The introduction of a global Human Rights policy will reflect our philosophy and values across our sphere of influence. Our objective is to educate, not only our employees, but also the other elements of our value chain, thus optimizing the impact of our CSR activity.

At Logicom, we are open to new ideas and we believe in continuous development and lifelong learning. I invite you all to read our report and support our efforts. I also encourage you to provide us with your feedback to further improve and meet your expectations.

**Varnavas Irinarchos**

**Managing Director**

(GRI 102-14)

## ABOUT LOGICOM GET TO KNOW US

### Who we are

Logicom Public Ltd, established in 1987, is an international group of leading information technology companies, listed on the Main Market of the Cyprus Stock Exchange and a member of the FTSE/CySE20 and FTSE-Med indices. Logicom is also a member of the Global Technology Distribution Council since 2014. The Company's headquarters are situated in Cyprus, at 26 Stasinou str., Acropolis 2003, Strovolos, Nicosia, Cyprus. ([GRI 102-1](#), [102-3](#), [102-5](#))

Logicom activities include:

- > the regional wholesale distribution of Technology Solutions and Services,
- > the provision of integrated Business Consulting Services, Business Software and IT Infrastructure Solutions, and
- > investments in two Desalination plants in Cyprus and in Demetra Investment Public Ltd.

**Logicom Distribution**, as a leading regional Distributor of computer systems, networking products, components and peripherals, has developed excellent relationships with the world's leading technology vendors. These include Adobe, APC, Asus, Autodesk, Canon, Cisco, Citrix, Commvault, Corsair, Dell EMC, FSP, HP Inc., HPE, IBM, Intel, Jabra, Kingston Technology, Lenovo, Linksys, Microsoft, MSI, NetApp, Nokia, Oracle, Palo Alto, Philips, Sandisk, Solarwinds, Symantec, Team Viewer, Veeam, VMware, and WD.

Logicom counts on operational excellence and sound long-term relationships with its partners in order to provide customers with the best-in-class products, solutions and the expertise they need to take advantage of every opportunity that lies ahead. Applying the highest standards of professionalism, Logicom is an indispensable link in the technology supply chain, facilitating mutually beneficial relationships with channel partners.

**Logicom Services** is a leading ICT services and solutions integrator in the region that supports organizations in addressing digital disruption and implementing a digital transformation agenda. This is achieved by offering its clients high-quality value adding advisory services to help them identify and unlock new sources of economic value, software solutions designed to meet their business objectives and cutting-edge ICT infrastructures to support and run their business.

Logicom Services has local resources in Cyprus, Greece, Romania, Serbia, Russia and Kuwait, targeting the mid-to-high market in South Eastern Europe, Middle East, Russia and the CIS countries. Its strategic partnership with leading industry vendors and consulting firms ensures that it provides high quality solutions and services across all major business sectors including Government, Semi-Government, Banking/Finance/Insurance, Telecommunications, ISPs, Media, Shipping, Hospitality and SMEs. These include Accenture, CA/Broadcom, CISCO, Dell/EMC, HPE, IBM, Konica Minolta, Lenovo, Microsoft and Oracle.

Logicom's **investments** started in 2008, following partnerships with global leaders to successfully execute BOT (Build Operate and Transfer) desalination projects. Furthermore, Logicom is the largest shareholder of Demetra Investment Public Ltd which holds more than 20% stake in Hellenic Bank Public Company Ltd, one of the main banks in Cyprus. ([GRI 102-2](#), [102-9](#))

### Our core values

We deliver our mission every day guided by our core values:

- uncompromising integrity and honesty,
- commercial agility and efficiency,
- respect for the individual,
- the highest of service quality standards,
- the continuous development of our people, and
- partnering in the success of our clients.

The commitment to Logicom's core values and to ethical and legal conduct, and the special commitment of every employee is very important in order to make this effective. The Code of Business Conduct is an integral part of Logicom's culture which all employees are expected to follow. ([GRI 102-16](#))



# Our countries of operation

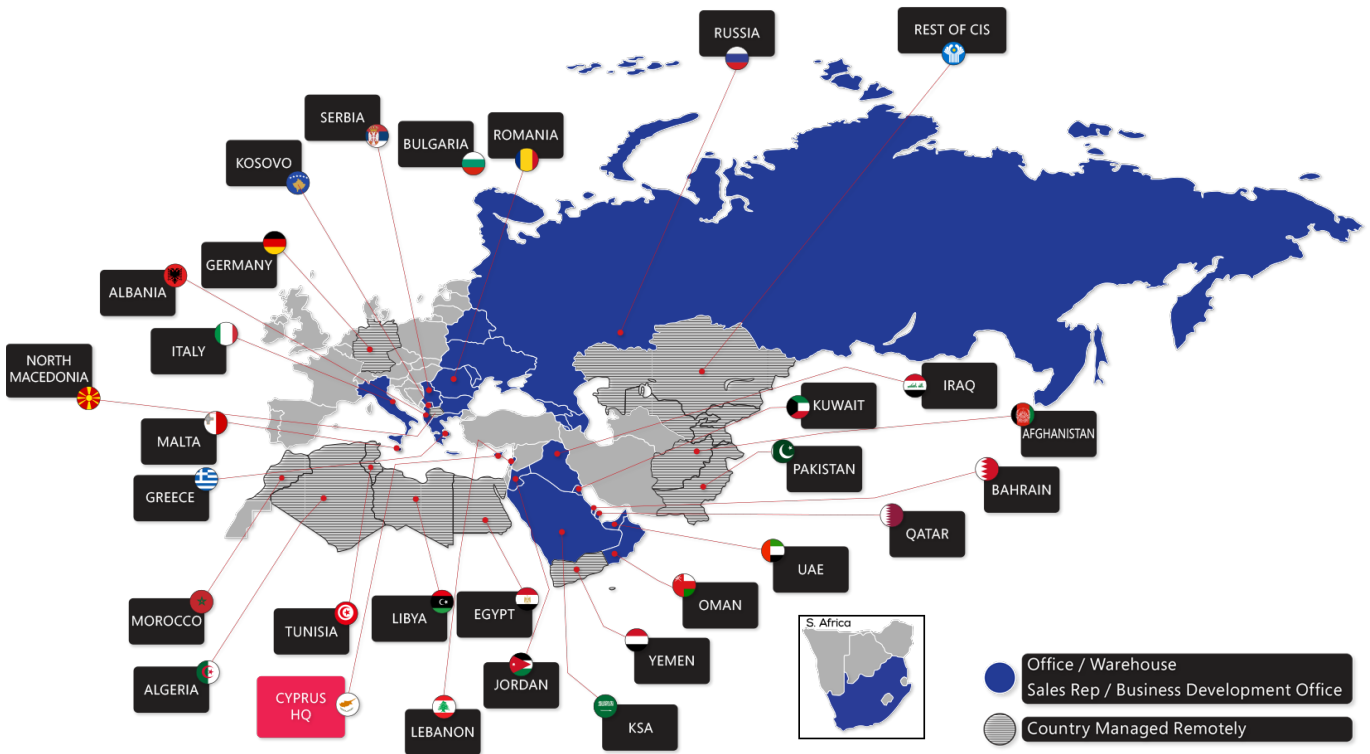


Figure 1: Logicom Group's countries of operation

Logicom operations span across multiple regions with a wide coverage, from Europe to the Middle East, Russia and CIS, South-East Asia, and North and South Africa. [\(GRI 102-6\)](#)

Logicom has physical presence in more than 16 countries and services more than 8,000 customers in 30 countries. [\(GRI 102-4\)](#)

# Our people

Logicom employs 793 professionals, of 37 nationalities, situated in all the areas of operations.

(GRI 102-8)

## Employees by Region

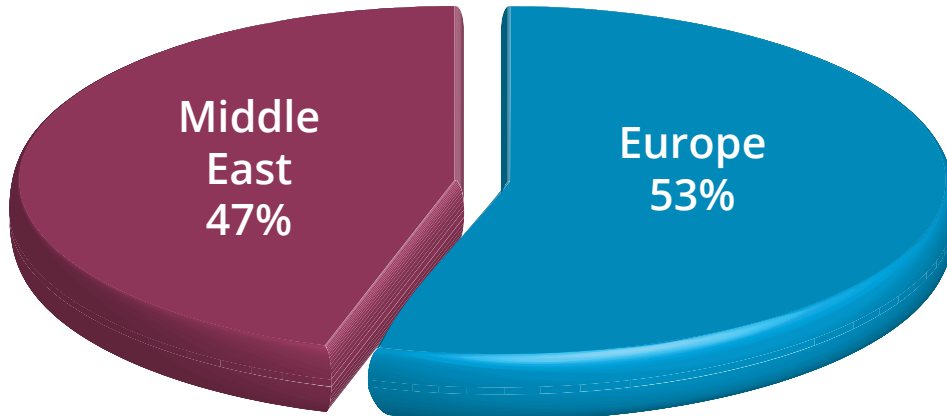


Figure 2: Logicom employees by region (2018)



## Key Financials for 2018

The key financial metrics of Logicom including revenues, capitalization, debt, equity, and assets can be found at the annual *Report and Consolidated and Separate Financial Statements for the Year ended 31 December 2018* located at <https://www.logicom.net/investor-relations/financial-statements/>

(GRI 102-7)

## Significant changes in 2018

During this reporting period there was a significant change in the size of the organization due to the increase of investments of associated companies. The Group acquired through its subsidiary company Logicom Services Ltd, 22,2% of the total share capital of Demetra Investments Public Ltd, increasing it's total shareholding to 29,62%, resulting in the acquiring of significant influence. No other significant changes arose during the reporting period in regards to Logicom's structure, ownership, nature of business, supply chain or any other information. (GRI 102-10)

There were no restatements of information that were given in previous reports. (GRI 102-48)



## ENGAGING WITH THE COMMUNITY

Further to the priorities set out in our CSR strategy, Logicom has also taken up the following initiatives:

### Logicom Graduate Scholarship Program

In Cyprus, during 2018, Logicom has offered 12 scholarships to Postgraduates for their studies in internationally recognized universities.

Through this initiative, Logicom is aiming to educate and train future ground breakers who will continue to expand in the field of new technologies development.

Each scholarship includes a funding of up to €10.000: The areas of study include:

- Cloud Computing
- Artificial Intelligence
- Big Data & Analytics
- Cybersecurity
- Internet of Things (IoT)
- Blockchain
- Machine Learning

The students had also the choice to study at Ben-Gurion University of the Negev, which has a special scholarships cooperation agreement with Logicom, in the following subjects:

- Machine Learning and Big Data
- Artificial Intelligence and Autonomous Software Systems
- Cyber Space Security
- Data Science and Business Analytics

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Partners in your success

Join the conversation  
@LogicomDisti

Διεκδίκησε την υποτροφία σου  
και δημιούργησε το μέλλον  
που σου αξίζει.

Υποβολή αιτήσεων μέχρι 31 Ιουλίου 2018

Τομείς σπουδών:

- Cloud Computing
- Artificial Intelligence
- Big Data & Analytics
- Cybersecurity
- Internet of Things (IoT)
- Machine Learning
- Blockchain

Κάνετε την αίτησή σας σήμερα.

Ηλεκτρονική Υποβολή αιτήσεων  
και όροι και προϋποθέσεις:

<http://www.logicom.net/EN/scholarships>

**Logicom Cyprus Marathon**

Logicom has been the official sponsor of the Logicom Cyprus Marathon for 4 consecutive years and it has signed on for two more years as Title Sponsor of the Logicom Cyprus Marathon. With this partnership, Logicom lends its support to wellness, sportsmanship and healthy living, and is engaging with and giving back to the local community. This multi-cultural running festival takes place in Paphos every year, and, as a multi-cultural company, Logicom is proud to continue lending its name to this great event that is set to bring together people from across the world, working towards achieving their fitness goals. The Logicom Cyprus Marathon hosts thousands of runners each year, with Logicom participating as the largest team, made up of employees, partners and vendors both from Cyprus and abroad.



Logicom also participated in the Cyprus Marathon Symposium presenting to the athletes, how technological innovation enhances athletic performance. In this way, Logicom contibuted to the event further, through its field of expertise.



### Logicom presents the Digital Cyprus Conference

Logicom supported the Cyprus Chamber of Commerce and Industry (CCCI) and the Employers and Industrialists Federation (OEB) in conducting a study about the digital transformation of the Cyprus economy and the potential increased contribution to the country's GDP. The Digital Cyprus study was performed by Accenture, who has performed similar studies in many countries, and covered all sectors of the economy. It included in-depth for the promising sectors like public sector, financial services and telecommunications. The results of the study were presented to a 500-people audience in Nicosia, on November 5, 2018, and was followed by a Gala Dinner at the Presidential Palace. The President of the Republic of Cyprus Mr. Anastasiades, in his opening speech, announced the creation of a new Deputy Ministry aiming to organize the Digital transformation efforts of the country. The study presentation was attended by senior executives/speakers from Intel, Cisco, Microsoft and Oracle, as well as, the Ben-Gurion University, Bank of Cyprus and Cyta, which are two of the country's most prominent organizations, co-sponsored the study with Logicom.





**Support to the local communities**

Responding to local community call for support, Logicom helped with cash or in-kind contributions. Cash contributions were given to support Sophia Foundation (supporting children in need), Hope for Children (supporting children's rights), Karaiskaki Foundation (bone marrow donors registry). In-kind contributions from the company and it's employees were given to support families in need during Christmas 2018. Logicom also awarded the top-ranked Computer Science graduate of the University of Cyprus with an Academic Excellence Award.

Logicom's subsidiary in Lebanon ran an e-Commerce incentive to support the Children Cancer Center of Lebanon, where Logicom donated a percentage on e-Commerce sales for a 3-month period, while during Christmas the employees supported families in need with in-kind contributions.

In Dubai, in the holy month of Ramadan, Logicom sponsored Iftar food kits for 500 laborers in their camps with the employees' participation in organizing, distributing the food kits.



**Logicom Jordan hosts annual Logicom Technology Forum (LTF)**

Logicom Jordan LLC, a subsidiary of Logicom Public Ltd, hosted its annual Logicom Technology Forum (LTF) for the year 2018, under the patronage of Her Excellency the Minister of Information and Communication Technology, Mrs. Majd Shweikeh. During the event, Logicom showcased its new portfolio of technology solutions and services that represents the world's leading technology brands. Highlighting Jordan's strong growth in the ICT sector, H.E. commended the Government role in providing incentives to the sector, securing a conducive environment for investment and business, and supporting innovation and entrepreneurship. She also highlighted the importance of employing ICT tools to achieve development, facilitate access to knowledge, deliver services and create new investment opportunities.

As part of Logicom's community responsibility, the company invited and supported the Association of "Goodwill Pioneers for Community Building" which is an educational charity for empowering orphans to have an active role in the community in the future.

# REPORT HIGHLIGHTS ROADMAP

1

What we said – 2017

2

What we achieved – 2018

3

Where we want to go

## ORGANIZATIONAL GOVERNANCE



- Complete and share Equality and Diversity policy.
- Upgrade existing Quality and Environmental Management systems.
- Finalize the Anti-Bribery management system.
- Stakeholders mapping and engagement plan.
- Assign a CSR budget separated from donations.



- ✓ Equality and Diversity policy published.
- ✓ Successful completion of Quality and Environmental Management Systems upgrade for Cyprus based companies
- ✓ Anti-Bribery management system finalized for the parent company.
- ✓ Stakeholders mapped. Engagement & communication plan set.
- ✓ CSR budget assigned on Group level.



- Attract more diverse talent.
- Inclusion of Logicom-wide objectives to address environmental and societal risks identified.
- Communicate and apply the guidelines and principles of Anti-Bribery management system across Logicom subsidiaries.
- Stakeholder engagement event.
- CSR budget assigned on an annual basis to cover Logicom's CSR activities.

## LABOUR PRACTICES



- Complete and share Grievance policy.
- Training of employees on Anti-Bribery and Corruption principles.
- Complete and share whistle-blowing policy.
- Training of employees on Code of Conduct, US Export regulations and Competition law compliance policy.
- Increase employee training hours.



- ✓ Grievance mechanism completed & communicated.
- ✓ Anti-Bribery & Corruption trainings for Cyprus based employees.
- ✓ Policy completion and submission for approval.
- ✓ E-learnings undertaken from all employees on Code of Conduct, US Export regulations, Competition Law compliance policy, Data Privacy.
- ✓ Employee training hours increased compared to base year by 2,24 hours per employee.



- Continuous monitoring of the mechanism function & resolving grievances recorded.
- Anti-Bribery and Corruption trainings for all employees.
- Communication and implementation of whistle-blowing policy and mechanism.
- Continuous training of employees on Code of Conduct, US Export regulations, Competition law compliance policy, Data Privacy.
- Increase training hours per employee with emphasis on developmental trainings.

## REPORT HIGHLIGHTS ROADMAP

1

What we said - 2017

2

What we achieved - 2018

3

Where we want to go

### CONSUMER ISSUES



- Customer satisfaction surveys.
- Evolve existing client communication system.
- Optimisation of energy use in all commercial and public facilities.
- Promote sustainable consumption.



- ✓ Services sector customer satisfaction surveys and results analysis.
- ✓ Redesigned communication system as part of the new website.
- ✓ Measurement of energy consumption in all countries of operations in progress.
- ✓ Sustainability benefits part of the solutions offered to our customers.



- Distribution sector customer satisfaction survey results collection & analysis.
- Optimum client communication channel & systematic analysis of data collection.
- Achieve energy optimization in all our warehouses and offices.
- Promote sustainable consumption through our customer channel.

### HUMAN RIGHTS

1

What we say - 2018



- Draft a unified Human Rights policy.
- Due diligence examination on Human Rights impact.



## OVERVIEW OF LOGICOM OPERATIONS AND VALUE CHAIN

### CORPORATE STRATEGY

Logicom's corporate strategy for 2018 was primarily focused on enhancing stakeholders' value through a sustainable business operation and environment and increasing productivity, efficiency and customer satisfaction.

The main objectives for the Distribution division are:

- to capitalise on existing distribution infrastructure by strengthening product portfolio and covered geography especially in Egypt, Pakistan, Iraq and Central Eastern Europe
- the strengthening of vendor relationships and engagement in new/emerging markets
- the expansion of Logicom's Value Add offering
- the strengthening of Logicom's Cloud offering
- the increase in the take up of e-commerce
- the enhancement of Logicom's Distribution Security and Cyber Security footprint
- the improvement of productivity, efficiency and team development.

The main objectives for the Services division are: the increase of revenue and profitability by promoting recurrent and high value solutions with special focus on service-rich opportunities. These include:

- the significant expansion of business and presence outside Cyprus
- the growth of its Business Consulting Services
- the extended focus on security solutions and offerings
- the increased focus on Cloud and especially hybrid cloud, IoT, Big Data space, Artificial Intelligence and Blockchain
- the introduction of new managed services that will increase recurring revenue
- the enhancement of focus on Banking Sector, Telecom Providers and the Mid-Market
- the strengthening of vendors' partnerships and acquisition of strategic certifications and
- the empowerment of marketing activities and improvement of tools

In regards to CSR, any initiatives and activities Logicom had been involved in prior to this process were focused on social or cultural sponsoring, predominantly involving employees and communities. Following the ISO 26000 verification, Logicom adopted a holistic approach in developing its CSR strategy and framework for its future CSR goals and initiatives.

### S SHAREHOLDER STRUCTURE

Logicom's shareholder structure can be found in the Report and Consolidated and Separate Financial Statements - Year ended 31 December 2018 which is located at <https://www.logicom.net/investor-relations/financial-statements/> (see Note 39).

(GRI 102-5)

## ORGANIZATIONAL STRUCTURE OF THE SUSTAINABILITY MANAGEMENT



Figure 3: Logicom's sustainability management structure

The CSR Committee, appointed by the BOD is made up of directors and is mainly responsible for the formulation of CSR strategy and the definition of CSR primary goals.

Under the direction of the Managing Director, the Executive Management Committee is overseeing Logicom's CSR program. The CSR Operational Team is responsible for the CSR program execution.

The CSR Operational Team is made up of employees from various departments broadly representing Logicom's business operations. It reports to the executive level on progress, achievements and any issues that may arise.

For any further details on the governance structure and composition of the organization, including Committees of the highest governance body, refer to the *Report and Consolidated and Separate financial statements of the Group for the year ended 31 December 2018*, published on Logicom's website. [\(GRI 102-18b\)](#)

## ETHICS AND INTEGRITY

Logicom has excellent reputation, and doing business in an ethical and legal manner is at the center of its core values. Logicom has a formal written Code of Conduct, which sets the standards of business conduct for all its employees, suppliers, consultants and third-party representatives in all the countries of operation. The Code provides information about the standards of integrity that must be followed in fulfilling legal and ethical responsibilities and to assist in making the correct business decisions.

Logicom's commitment to our core values and to ethical and legal conduct is very important but the special commitment of every employee is equally important in order to make this commitment effective. All our employees are expected to follow the Code of Conduct and disciplinary measures apply for certain violations of the code.

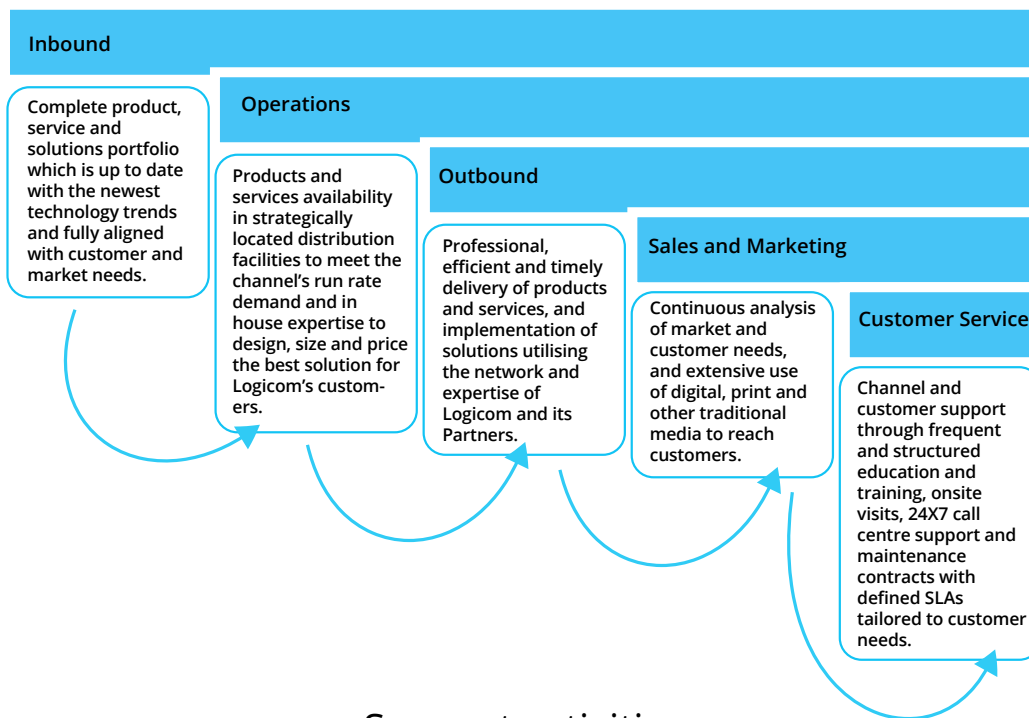
The Code of Conduct includes the standards and norms of behavior that govern Logicom's way of conducting business, and is developed and fully supported by the Executive Management, which maintains the responsibility for them and is approved by the Board of Directors. Training on the Code of Conduct is given to all employees upon hiring during their induction process and annual trainings are conducted through e-learnings. It is also obligatory for all employees to acknowledge and sign the Code principles every six months. The Code of Conduct is written in English which is the official language of communication throughout Logicom and is published on Logicom Group's website.

Logicom relies on its team to communicate our values and ethical conduct in their interaction with business partners.

[\(GRI 102-16\)](#)

# VALUE CHAIN STRUCTURE

## Primary activities



## Support activities

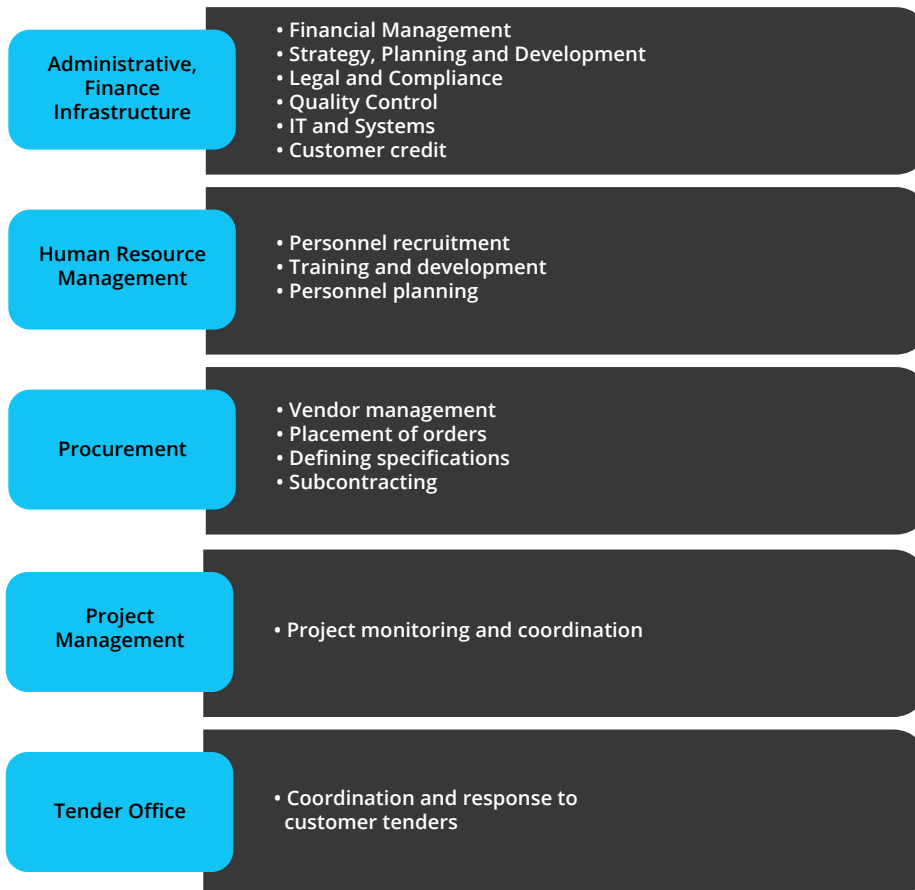


Figure 4: Logicom Group's value chain structure

(based on Porter's value chain model adapted for Logicom)

EVALUATION OF PERFORMANCE OF LOGICOM

For the purposes of this CSR report, Logicom has adopted the guidelines of ISO 26000 standard (which have been verified by an independent third-party) and is conforming its reporting to the GRI Standards. ISO 26000 identifies seven core subjects as integral for managing an organisation's impact in the context of corporate social responsibility. These seven core subjects are outlined in Figure 5. Each core subject covers a number of subsequent issues of interest (41) and key considerations (313).

## The Seven Core Subjects

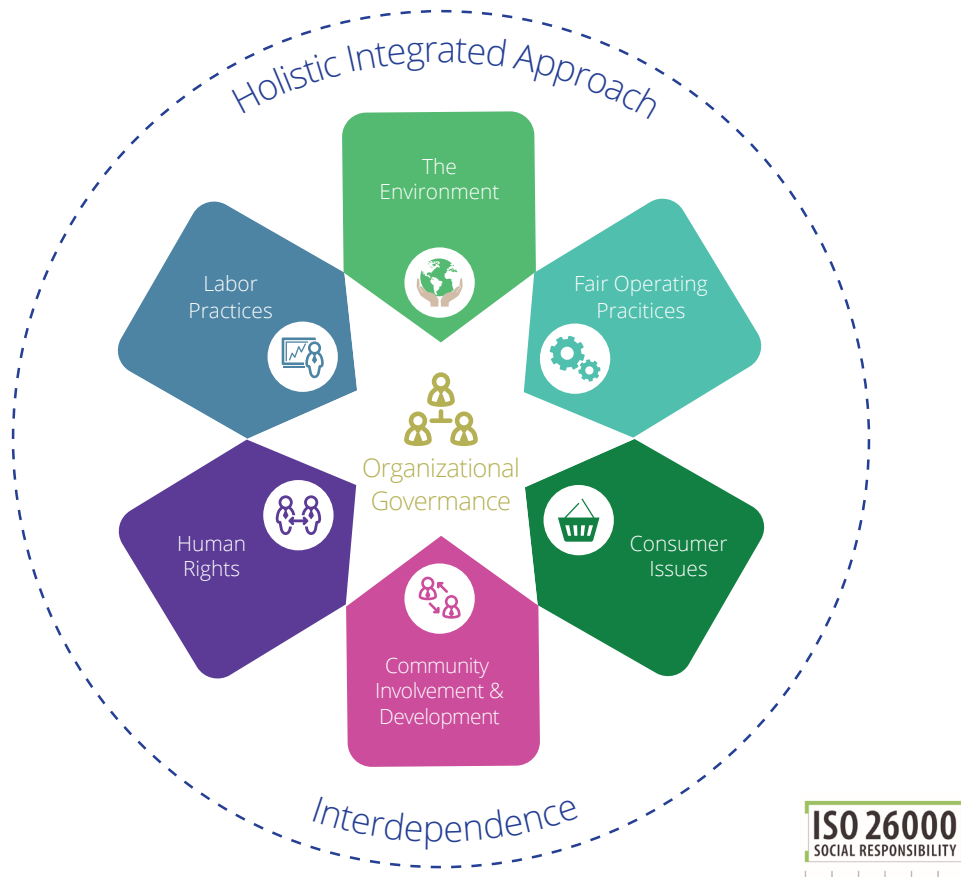


Figure 5: ISO 26000 Core Subjects

In order to determine the current status of Corporate Social Responsibility (CSR) at Logicom, a gap analysis was firstly undertaken, followed by a materiality assessment in order to identify which areas of social responsibility to focus on. Both the gap analysis and the materiality assessment considered all seven core subjects of ISO 26000, including all the issues of interest and key considerations under each core subject.

The aim of the gap analysis was to determine the current status of CSR at Logicom with reference to, and as defined by ISO 26000, in order to comply with the standard and relevant national and international legislation, including the EU Directive 2014/95/EU on non-financial and diversity information by certain large undertakings and groups (transposed into the Company Law Chapter 113 (N. 51 (I)/2017) in Cyprus). The gap analysis was performed in 2017, which was the base year for Logicom's CSR reporting, and formed the basis of the CSR strategy. The achievement of the goals set as the outcome of this analysis have continued to be pursued by the Management in 2018. Accordingly, no gap analysis was performed for this reporting period.

The aim of the materiality assessment was to identify Logicom's material (or most important) issues in order to be in a position to develop a sound CSR Strategy for the company, according to international standards, and to develop a baseline for evaluating future efforts and outcomes related to CSR. The materiality assessment considered the views of Logicom's internal and external stakeholders, through their engagement.

Therefore, the following three core subjects are the action areas that Logicom will focus on, in forming its CSR strategy and sustainability report for the following 12 months.



## Action Areas as identified by 2017 materiality assessment



Organizational governance,



Labour practices, and



Consumer issues

## Action areas identified by 2018 materiality assessment



Organizational governance,



Labour practices, and



Human Rights

[\(GRI 102-47\)](#)

The following core subjects are areas of secondary priority for the Group to address.

## Areas of secondary priority (in no particular order)



Environment,



Fair operating practices, and



Community involvement and development

## Summary of the Evaluation Process

(GRI 102-44, 102-46)

### 1 Determining the Scope of the Evaluation

Logicom has three divisions (Distribution, Services and Infrastructure). Details of all Logicom entities are included in the annual *Report and Consolidated and Separate Financial Statements for the Year ended 31 December 2018*, and are published on the Logicom Group's website. For the purposes of this materiality assessment, the companies in scope are found at <https://www.logicom.net/about-us/group-structure/> ; the Infrastructure sector is excluded. (GRI 102-45)

### 2 Outcomes of the Gap Analysis for Logicom

The gap analysis has indicated that in relation to social reporting and its corporate social responsibilities, Logicom is an advanced organisation with national and international success. Passion for growth, professionalism and attention to detail are amongst the main contributors of its success. It, therefore, plays an important role to the Cypriot economy and society, and to the local economies and societies of the countries we operate, which however comes with a set of responsibilities. Moving the company from having a reactive approach to CSR to a more strategic and proactive approach with a wider perspective on sustainable development, will ensure that the success enjoyed by Logicom so far continues, and that it fosters a win-win relationship with society and the wider communities it operates within. This will help Logicom enter the next stage of CSR in a smooth and effective manner.

### 3 Identifying Logicom's Stakeholders

In order for Logicom to identify its most important stakeholders with whom to engage for the purpose of the materiality assessment, the factors that were taken into consideration were:

- to whom it has legal obligations
- who can be affected by its decisions and activities throughout its value chain
- who would be disadvantaged if excluded from the engagement and
- who is likely to express concerns about Logicom's decisions and activities.

The types of stakeholders identified as important to engage with for the purposes of social responsibility are shown in Figure 6. (GRI 102-40). The internal stakeholders are the members of the Board of Directors and the Employees. All the rest are considered as external stakeholders.

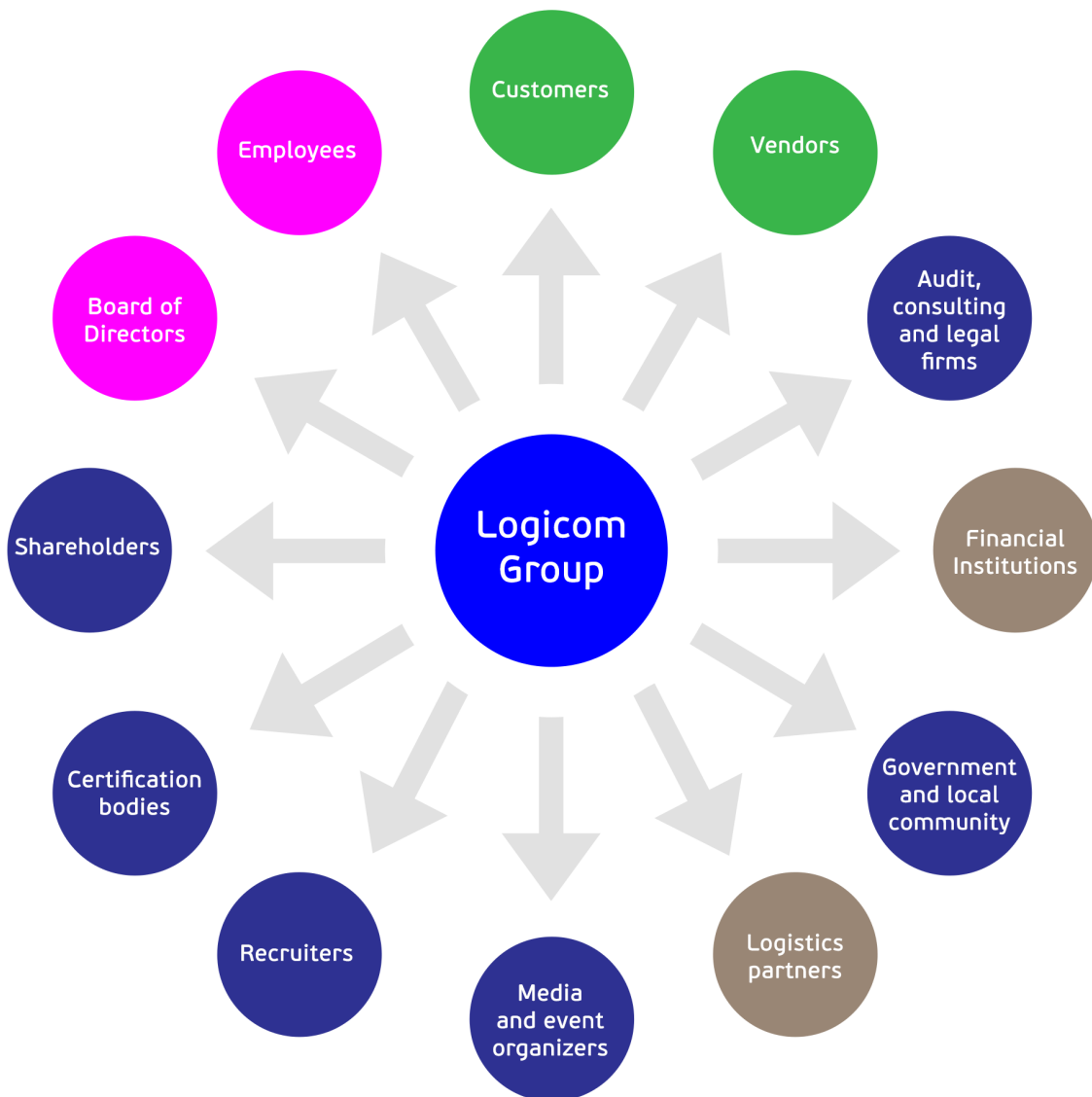


Figure 6: Logicom's most important stakeholders

The identification and selection of stakeholders with whom to engage was the result of a workshop attended by representatives of Logicom's employees from all areas of operations. Each group of employees from different departments were requested to map their stakeholders in order to produce a list with the significant stakeholders' groups that affect and are affected by the company's operations. More over each group of stakeholders was classified in three different classes of importance depending on how critical the stakeholder group is perceived for the company's operations. (GRI 102-42)

As part of the Group's CSR strategy, the majority of the identified stakeholders are engaged once per year through surveys circularized aiming to understand how they perceive Logicom and what expectations they currently have towards our business. The customers are engaged more often through customer satisfaction surveys. To strengthen the company's approach, the accomplishment of a stakeholder's engagement event is considered necessary. (GRI 102-43).



## 3a Internal Stakeholders Engagement: Web-based Survey

The Board of Directors and the employees of Logicom were identified as the internal stakeholders. A total of 34 internals were requested to complete the survey. The sample was designed to include non-executive directors, and employees whose views were considered in the base year assessment and extending the sample further, more employees from different countries and departments of operation were also included. The aim of the survey was to assess whether the internal stakeholders are aware of Logicom's current CSR activities and commitments and give their views with regards to the areas that they deem as material for Logicom to focus on. The internal stakeholders concluded on the following ranking of the core subjects:

1. Human rights
2. Tie between Organizational governance and Labour practices
3. Fair operating practices
4. Environment
5. Community involvement and development
6. Consumer issues

## 3b External Stakeholders Engagement: Web-based Survey

In order to consider the views of the main external stakeholders, a web-based CSR survey was drafted to elicit how external stakeholders perceive Logicom and what expectations they currently have towards Logicom's CSR strategy and action plan. The survey link was circulated via personalised emails to a total of 53 external stakeholders from all the significant stakeholder categories identified, where the purpose of the survey was explained. The core subjects were ranked in order of importance, as listed below:

1. Organizational governance
2. Human rights
3. Labour practices
4. Consumer issues
5. Community involvement and development
6. Environment
7. Fair operating practices

The surveys' response rate reached 55%. [\(GRI 102-43\)](#)

## 4 Outcomes of the Materiality Assessment for Logicom

The three core subjects, which were considered to be highly relevant by both the internal and the external stakeholders are the priority areas that Logicom has chosen to focus on for its CSR strategy and CSR / Sustainability report.

These three core subjects and their relevant issues of interest are shown in Figure 7.

It is evident from the above procedure that the three core subjects of Organizational Governance, Labour Practices and Human Rights are considered to be equally relevant and important for both stakeholders' groups which reinforces the need of focusing on the same. The external stakeholders continue to value this year the subjects that could be perceived as more relevant to internal stakeholders, that is, the Organizational governance and Labour practices. It is also worthy to note that the same two core subjects were ranked equally important for the prior year which is the base year of this report whereas the core subject of Human rights which was not ranked highly in the base year results, appears in the top three subjects in the current year.

Community involvement and development was ranked sixth by internal stakeholders and fourth by external stakeholders. Compared to the previous year results where it was ranked first by external stakeholders, this shows that they now have a better understanding of what CSR is and have shifted from viewing CSR exclusively as community and charitable events to something broader. (GRI 102-44, 102-46,102-47)

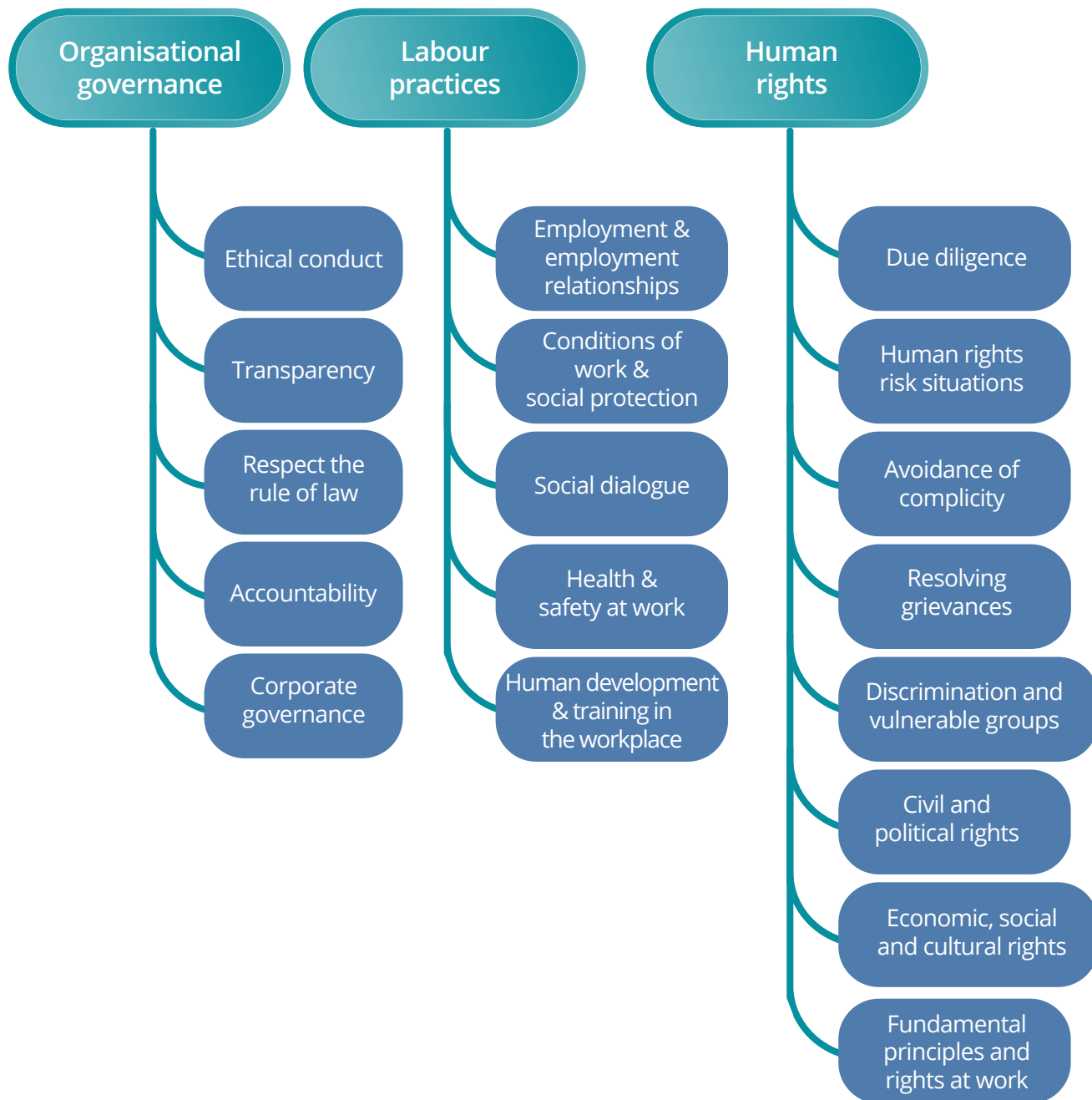


Figure 7: Logicom's key material core subjects

The **materiality matrix** derived for Logicom is shown in *Figure 8*.

Figure 8 shows how the materiality assessment of the ISO 26000 core subjects by the external stakeholders is compared to the materiality assessment by the internal stakeholders. This materiality matrix will form the basis of Logicom's CSR strategy.



Figure 8: Materiality Matrix for Logicom for 2018

Logicom intends to focus on raising awareness on these three core subjects, which were selected as being highly relevant to both its internal and external stakeholders, and educate its stakeholders regarding CSR more widely.

As a result of the procedure discussed above and the material areas that this procedure has concluded, the scope of this report has evolved compared to prior year to include the core subject of Human Rights. However, Consumer Issues will remain as an area of focus since this core subject was taken into consideration when forming Logicom's CSR strategy in the base year and the Management considers it would be prudent to continue its efforts towards the achievement of the goals set. (Logicom does not deal with consumers directly. The term "consumer" refers to those individuals or groups that make use of the output of the organization decisions and activities.) (GRI 102-49)

## CSR STRATEGY AND ROADMAP

### ORGANIZATIONAL GOVERNANCE

(GRI 103-01, GRI 103-02, GRI 103-03)



Organisational governance is the system by which an organisation makes and implements decisions in pursuit of its objectives. Organisational governance can comprise both formal governance mechanisms based on defined structures and processes, and informal mechanisms that emerge in connection with the organisation's culture and values, often influenced by the persons who are leading the organisation. Organisational governance is a core function of every kind of organization as it is the framework for decision making within the organisation.

At Logicom, strong corporate governance is the foundation of our long-term success. The Logicom Board of Directors sets high standards for Logicom's employees, officers, and directors. Logicom has implemented the Cyprus Stock Exchange Corporate Governance Code, as part of its duty to serve as a prudent fiduciary for shareholders and to oversee the management of Logicom's business.

Governance can only be as good as the Board of Directors behind it. At Logicom, each Board member brings a plethora of skills and experience to the table and we are fully engaged and committed to providing management and guidance to the Company's executive management team. We maximize shareholder value by taking a long-term view and are in constant pursuit of value creation. The Board is vigilant in its system of checks and balances, and its assessment and management of risk.

The effectiveness of the Board is vital to the success of Logicom and the strategic direction that it provides, and we undertake a rigorous evaluation each year in measuring how well we are performing in relation to our shareholders, partners and employees. The benefits arising from the diversity in the composition of the Board are recognized. The Board should be composed by members of high academic training and successful professional background taking also into account that the experience is a significant element of the perception and fair judgement. The necessity for diversity in the training and specialization of the directors to optimally cover the requirements of Logicom's areas of operations also exists. In the evaluation of these criteria, no discrimination is made in regards to the gender.

Logicom's Board of Directors is comprised of six members, three of whom are independent non-executive directors, one is non-independent non-executive director and two are executive directors. The Corporate Governance Committees are the Nomination Committee responsible for recommending and appointing new directors, the Remuneration Committee responsible for the directors remuneration packages, the Audit Committee responsible for supervising the quality and accuracy of the financial statements and the competency of the auditors, and the Risk Management Committee responsible to supervise the risk management systems.

(For more information on the composition of the Board of Directors, please refer to the annual *Report and Consolidated and Separate Financial Statements for the year ended 31 December 2018*, located at the Logicom Group website). (G102-18)



WHERE WE STAND

Diversity of governance bodies and employees (GRI 405-1)

Board of Directors

Board of Directors by age

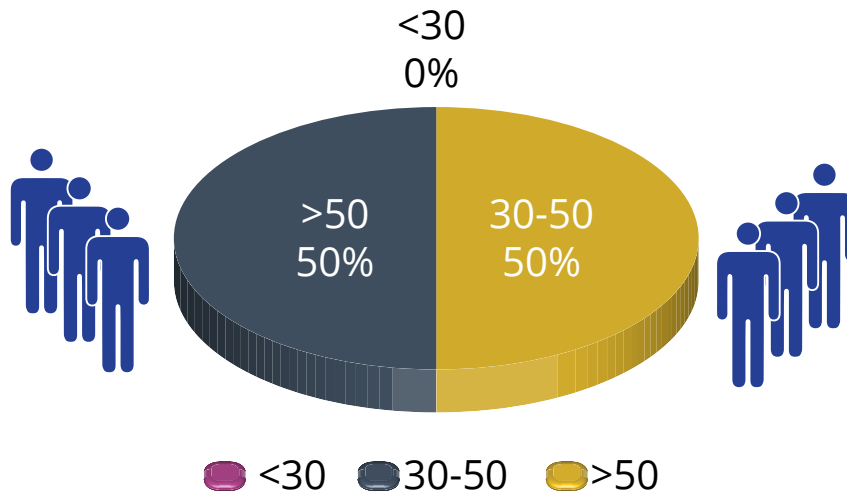


Figure 9: Composition of the Board of Directors by age and gender

All members of the Board of Directors are male members and Cypriot citizens. 50% of the members are older than 50 years old, and 50% of the members are between 30 to 50 years old.

The members of the Board are chosen based on numerous criteria in order to achieve as much diversity as possible, however, the availability of suitable candidates with experience and expertise in our sector is always a critical factor in establishing diversity.

Management personnel

The composition of managerial personnel throughout Logicom is: male employees – 79% and female employees -21%. As per Figure 10: managerial personnel below 30 years of age are split equally in genders, 76% of managerial personnel between the ages of 30-50 are male while this percentage increases to 95% for the managerial personnel who are greater than 50 years old.

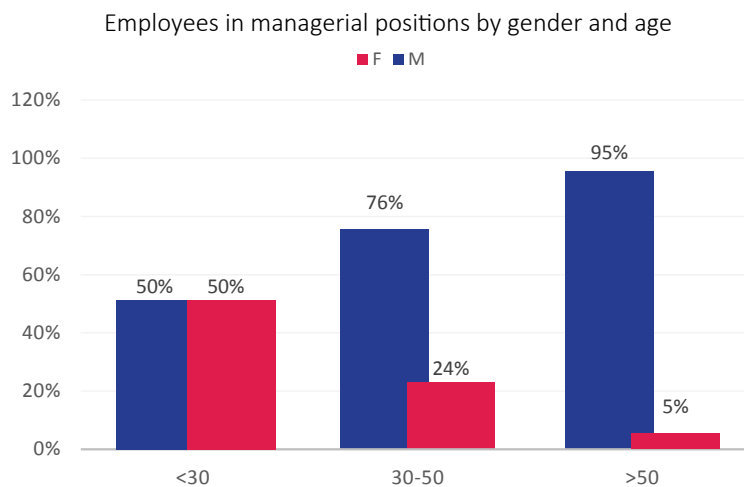


Figure 10: Logicom Employees in managerial positions by gender and age (2018)

Compared to the base year, there is an increase in female employees in managerial positions in the age categories of under 30 and between 30-50 years old and a decrease in the age category over 50 years old.

## Employees

The total number of Logicom employees at 31 December 2018 were 793.

- Employees by employment contract and gender (GRI 102-8a, 8b): The majority of the Group employees (99%) are employed under permanent/indefinite term contracts. Only 1% of the Group employees are employed under fixed term/temporary contracts, out of which 75% are based in Europe and 25% in the Middle East and are split equally in genders.
- Permanent employees by employment type and gender (GRI 102-8c): The majority of the Group permanent employees (99,6%) are full time employees. The employees under part-time employment represent only 0,4% of the permanent employees and are all female.
- Work performed by self-employed workers or contractors does not form a substantial portion of the Group's work. (GRI 102-8d). The total workforce of 793 employees refers only to employees' category, no supervised workers exist.

### GENDER GROUPS

Out of the 793 employees of Logicom, 73% are male and 27% are female.

### REGION GROUPS

Considering the different regions where the employees are placed, the split between Europe and Middle East is:

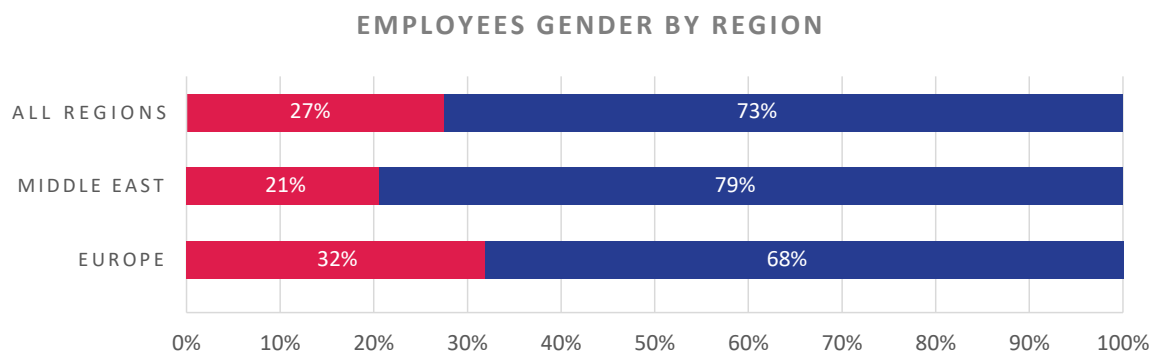
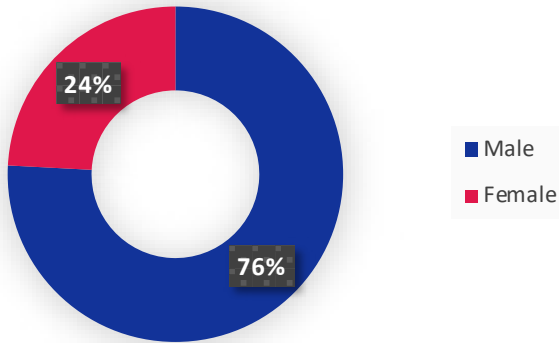


Figure 11: Logicom employees' gender by region

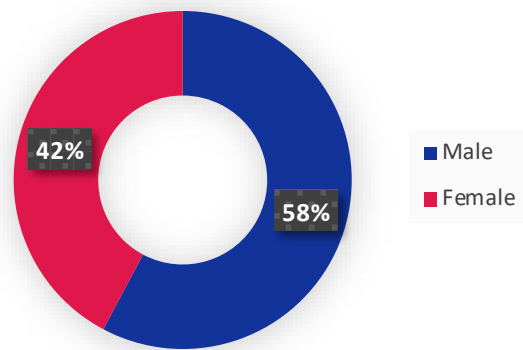
419 employees are based in Europe (53%), out of which 68% are male vs 32% female employees.

374 employees are based in Middle East (47%), out of which 79% are male vs 21% female employees.

### Primary Activities



### Support Activities



The allocation of employees to primary and support activities is based on the Group's value chain as presented in figure 4.

Figure 12: Logicom employees' gender by department

In 2018, the presence of female employees increased in the departments of Warehouse and Logistics, Human Resources, Administration and Sales & Marketing.

Overall, Logicom as an IT Group of companies, tends to attract more male employees, especially in the primary activities' departments of IT, Technical, Warehouse and Sales & Marketing. Another factor also affecting the gender equality is the geographical dispersion of employees, with 47% of Logicom employees being located in the Middle East, where the gap between male and female employees inevitably widens. The ratio of skilled female vs male workforce in the Middle East is lower than other regions we operate and this also affects the gender equality factor. However, even under these circumstances Logicom's Management endeavours have achieved the employment of a significant number of females in the Middle East countries and especially in Saudi Arabia.

## AGE GROUPS

### Employees age by gender

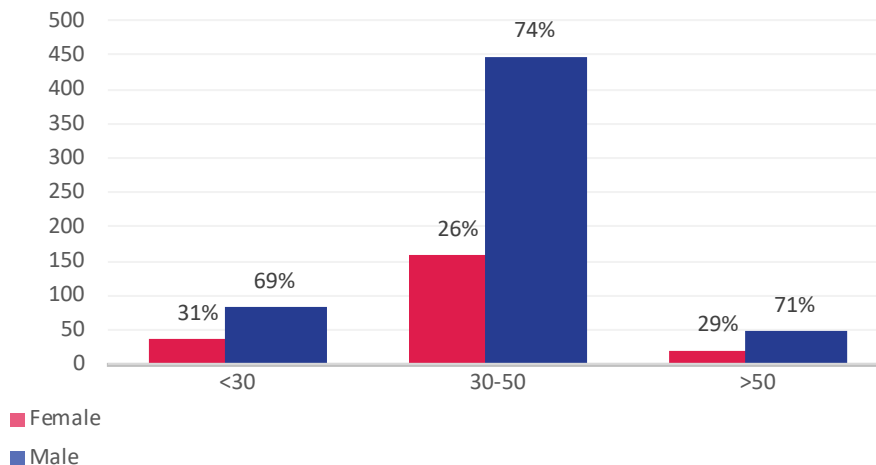


Figure 13: Logicom employees age by gender

119 employees are under 30 years old, of which 69% are male vs 31% female employees.

606 employees are between the ages of 30 to 50 years old, of which 74% are male vs 26% female employees.

68 employees are over 50 years old, of which 71% are male and 29% are female employees.

No significant changes are noted compared to the base year.

- Logicom's operations are not affected by seasonality therefore, there are no significant variations in employment numbers throughout the year. (GRI 102-8e)
- Logicom does not employ any personnel under collective bargaining agreements. (GRI 102-41)

## NATIONALITIES

The nationalities of the employees are shown in Figure 14

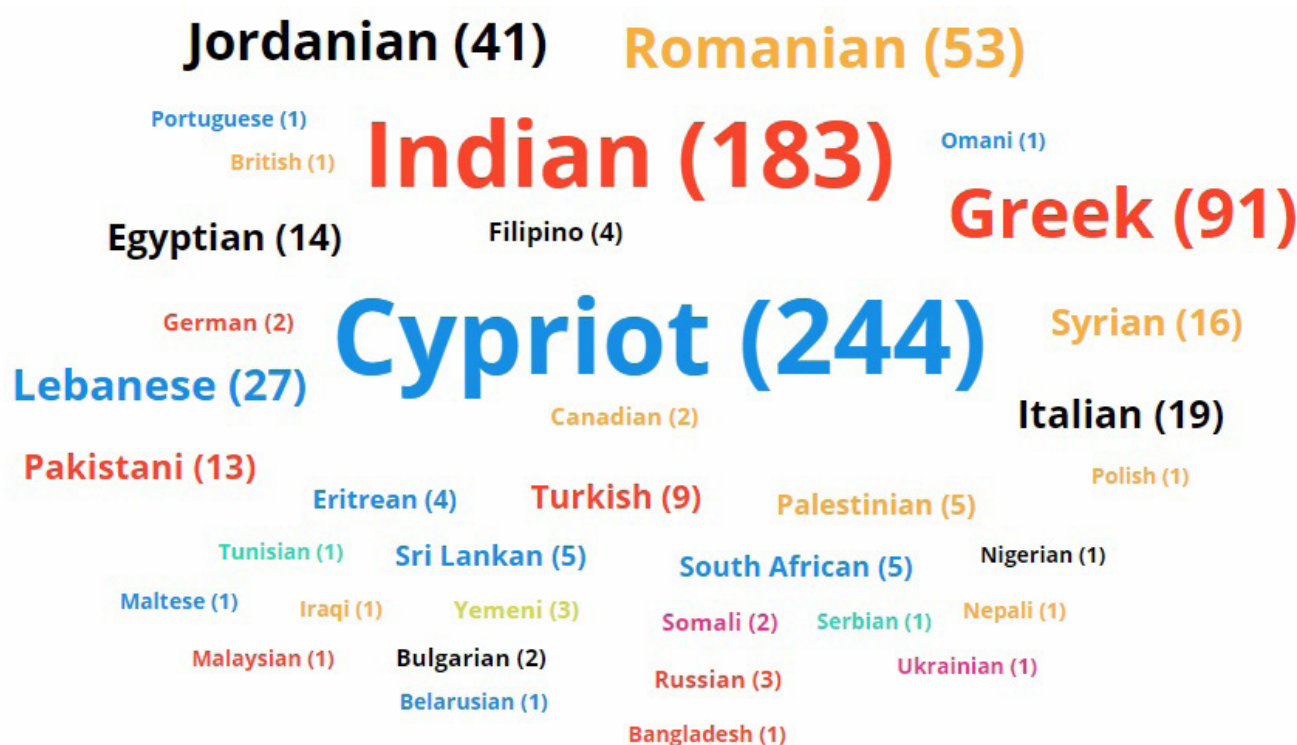


Figure 14: Nationalities of employees (2018)

## COMPILATION OF DATA

All the data that were used to produce the above statistics that refer to the Logicom's employees and the application of the Group's policies were provided by the Human Resources Department. (GRI 102-8f)

## STAKEHOLDER ENGAGEMENT

During the procedure of determination of the material areas for Logicom CSR strategy, a survey was sent to key stakeholders to elicit how internal and external stakeholders perceive Logicom and what expectations they currently have towards Logicom's core business activities. (see section "Evaluation of Performance of Logicom" above).

It is worth noting that the views of both internal and external stakeholders who responded to this survey converge, in comparison to prior year materiality process results where the two stakeholder groups had significantly diverse views as to what they considered an area of priority for Logicom. This drastic shift is considered a positive step forward for Logicom as this means that the stakeholders have a better understanding of what CSR is and have shifted from viewing CSR exclusively as community and charitable events to something broader.

## LOGICOM'S RESPONSE TO THE PRECAUTIONARY APPROACH (GRI 102-11)

Logicom through its operations does not have a significant effect on the environment. However, as it is very conscious of the role it plays towards contributing to the environment, Logicom Public Ltd has adopted the ISO14000 series of standards as an overall framework for addressing environmental issues and its related impacts in a systematic and holistic manner.



## LOGICOM'S SUBSCRIPTION OR ENDORSEMENT TO EXTERNALLY DEVELOPED ECONOMIC, ENVIRONMENTAL AND SOCIAL CHARTERS, PRINCIPLES OR OTHER INITIATIVES (GRI 102-12)

Logicom Public Ltd has endorsed the external initiatives driven by the Cyprus Chamber of Commerce and Industry (CCCI) for the establishment of the non-for profit organizations: AFIS Cyprus, WEEE Cyprus and Green-Dot Cyprus. The principal activities of these organizations are the management of batteries waste, electrical and electronic equipment waste and packaging materials waste. The Company is a founding member of these organizations.

## LOGICOM'S MEMBERSHIPS OF ASSOCIATIONS (GRI 102-13)

Logicom is a member of the following associations:

- Nicosia Chamber of Commerce and Industry: Logicom participates, through a company official, in the Board of Directors and the Chamber's Services Committee. The Company is a frequent sponsor of events/ actions initiated by the Chamber of Commerce and Industry, which promote good business practices, compliance with legislation or EU Directives and global trends. Recent examples include the sponsorship of the awareness campaigns for the implementation of the GDPR (General Data Protection Regulation) and the sponsorship of a study ran by Accenture regarding the digital transformation of Cyprus.
  - The Employers and Industrialists Federation (OEB), in which Logicom, through a company's official, participates in the Board of Directors.
  - The Cyprus Information Technology Enterprises Association (CITEA): The Association is housed by the Employers and Industrialists Federation of Cyprus. Logicom participates, through a company's official, in its Board of Directors.
  - The Federation of Hellenic Information Technology & Communications, Enterprises (SEPE).
  - Amcham Cyprus (American Chamber of Commerce in Cyprus), in which Logicom, through a company official, is a member in its Board of Directors.
  - Global Technology Distribution Council (GTDC): GTDC is a worldwide industry association dedicated to defining and promoting the role of wholesale distribution in a successful and healthy information technology channel. The Council is comprised of the information technology industry's top distributors dedicated to serving "the channel", a network of skilled solution providers, Internet resellers and retailers focused on providing hardware, software and services to businesses and consumers around the globe. The GTDC is governed by its Executive Committee and Board of Directors, which consists of senior management representatives of the organisation's members. Logicom participates, through a company's official, in the Board of Directors.
- 
- The company has a written **code of conduct** and overall ethics program, which provide a solid safeguard to the organisation. Logicom is also fully compliant with all national and local laws and regulations that apply to the Group in all the countries in which it operates.
  - Strong **communication of values** inside and outside the organisation are very important in establishing the company as a strong and reliable business partner to all of our clients.
  - **Transparency:** Logicom ensures all communication is kept simple, lucid and transparent in a manner that it is understandable by its entire stakeholder community.
  - At Logicom, corporate governance is driven collectively by the Board of Directors (BOD). The committees that fall under the BOD which are responsible for decision making are the Audit Committee, the Risk Management Committee, the Remuneration Committee and the Nomination Committee. Full details on the formation and duties of the Committees and of the BOD are described in Logicom's Corporate Governance Report which is part of the annual *Report and Consolidated and Separate Financial Statements for the year ended 31 December 2018* located on Logicom Group website.

## FOCUS AREAS

In dealing with **accountability** within the organisation, the gap analysis has indicated that the existing Risk Management Committee and the Audit Committee exhibit the Board's determination to be accountable in all areas.

An anti-harassment policy is in place and a **non-discrimination policy** was introduced during the year.

**Risk management** across the company is currently evolving to strengthen the handling of environmental and societal risks. It is noted that Cyprus-based Logicom companies have implemented ISO 9001:2008 (International Standard on Quality Management) and Logicom Public Ltd has implemented the ISO 14001:2004 (International Standard on Environmental Management). The Group Policies and Procedures Manual is the vehicle through which common quality processes are deployed in all countries.

Regarding **gender equality**, 73% of employees are men and 27% are women. Mainly this is due to the nature of the business, which is more likely to attract male employees and due to the geographical spread of its employees with 47% based in the Middle East where the gap between genders inevitably widens.

**Stakeholder engagement** for Logicom has been applicable so far to the group of closely related stakeholders. In this changing world, the Company recognises the fact that its decisions and activities impact even more individuals or groups than ever before, either directly or indirectly. There is a requirement for a systematic **stakeholder mapping and engagement plan** alongside with a **communication plan** that will help the company identify all of its stakeholders and risks in a proactive manner, allowing us to mitigate them in a strategic manner. The gap analysis dictates the creation of a **CSR policy** and a **CSR roadmap** to address CSR-related training and development of key employees, who will then pass on the company's philosophy to other colleagues and partners. Separate **budgets** for sponsorships/charity and core CSR activities are being prepared, as it should be clear that the charity budget is directed outwards while the CSR budget is related to our core business.

## WHAT WE ACHIEVED IN 2018

✓ Diversity and inclusion non-discrimination policy completed and shared with Logicom employees and management. Refers to "Equality and Diversity policy" document published on the Logicom internal website (Intranet).

✓ Upgrading of the existing ISO 9001:2008 Quality Management System and ISO14001:2004 Environmental Management System (Logicom Public only) against the revised ISO9001:2015 and ISO14001:2015 to manage the risk arising from Logicom's operations, completed successfully for the Cyprus-based companies.

✓ Stakeholders' engagement: Mapped our stakeholders and set up an engagement plan, alongside with a communication plan. To enforce this step Logicom is preparing its first stakeholder engagement event to further strengthen its efforts to act proactively in the identification and mitigation of risks in a strategic manner.

✓ CSR budget to cover the core CSR activities has been assigned by the Management at a Group level during the annual budgeting process of the organization and will be reassessed annually based on the short-term CSR strategy. The CSR budget excludes any amounts destined for donations and sponsorships.

✓ The Anti-Bribery Management System for the parent company was finalized and the audit procedure for the ISO37001:2016 certification is routed to take place in 2019.

**Note: ✓ Goals completed**

**○ Goals in progress**

**• Goals planned**

## WHERE WE ARE HEADING

### SHORT-TERM GOALS

- Stakeholders' engagement: Organize stakeholders' event as a way to further engage our stakeholders, educate them and be educated by them in identifying and understanding their views and priorities.
- Upgrading of Logicom's onboarding procedures for business associates to place special care on ethics and integrity principles, Anti-bribery and Corruption principles, Data Protection, Competition Law and US and EU export regulations.
- Implementation of Ethics and Compliance manual summarizing all key compliance obligations and policies for our employees.

### MID-TERM GOALS

- CSR trainings: Training and development of key employees who will further transmit the philosophy to their colleagues and teams.
- To communicate and apply the guidelines and principles of ISO37001:2016 Anti-Bribery Management System to all Logicom companies.

### LONG-TERM GOALS

- Inclusion of key performance indicators (KPIs) for environmental and societal risks identified.
- To continue working towards attracting more diverse talent.



**LABOUR PRACTICES**

(GRI 103-01, GRI 103-02, GRI 103-03)



The labour practices of an organisation encompass all policies and practices relating to work performed within, by or on behalf of the organisation, including subcontracted work. Labour practices extend beyond the relationship of an organisation with its direct employees or the responsibilities that an organisation has at a workplace that it owns or directly controls.

Labour practices include the recruitment and promotion of workers, disciplinary and grievance procedures, the transfer and relocation of workers, termination of employment, training and skills development, health, safety and industrial hygiene, and any policy or practice affecting conditions of work, in particular working time and remuneration.

Our employees are the driving force behind our success and our diverse workforce is the source of our strength for achieving our objectives.

Logicom treats its people with dignity and respect and is an equal opportunity employer. It does not discriminate against anyone based on gender, race, colour, religion, age, mental or physical disability, political beliefs or any other legally protected trait. Harassment, violence and bullying of any form are not tolerated by any means.

Logicom takes the health, safety and welfare of its employees very seriously and as such it seeks to minimise the risk of accidents in the workplace and does all it can to protect and sustain the health of all personnel.

**WHERE WE STAND**

**HIRES AND RESIGNATIONS**

- Proportion of Senior Management hired from the local community at significant locations of operation: [\(GRI 202-2\)](#)

Senior Management term refers to the highest level of managers in Logicom, like Directors and General Managers. Local community refers to the country where each Logicom subsidiary company is based. The most significant areas of operation for Logicom based on the % of total revenues are UAE, Saudi Arabia, Greece, and Cyprus.

In total, 66% of our total senior management (includes all directors, senior managers and general managers) are locals (as per the GRI definition), where the remaining 34% come from other than local communities compared to 64% local vs 36% foreigners in base year.

In Cyprus and Greece 100% of the senior management are hired from the local community, whereas in the UAE all senior management are expatriates.

- Total number and rate of new employee hires during 2018, by age group, gender and region [\(GRI 401-1a\)](#):

During 2018, 164 people left the company and 202 were newly recruited (1:1,23) compared to (1:1,25) in base year. (Positions that have been cancelled are excluded).

52% of the new hires were based in Europe and 48% in the Middle East.

Out of the 202 new hires, 74% were male and 26% female employees. (Base year: 72% male, 28% female)

During 2018, Logicom in collaboration with one of its major vendors employed young associates within the scope of the "X-Sell" program. The program is a Development and Sales practice initiative under which these associates are being trained by the vendor and apply the acquired skills in the field for a period of 14 months, after which they assume a position within Logicom. During 2018 this program was implemented in UAE, Saudi Arabia and Qatar.

Logicom has also a periodic internship program in collaboration with the local universities under which students are employed for the summer season in relevant positions in any of the Logicom subsidiaries depending on the business needs of the current year.

- Total number and rate of employee turnover by age group, gender and region [\(GRI 401-1b\)](#):

During 2018, the turnover ratio was 22% (Base year (2017): 20,8%) (leavers divided by the total number of employees at the beginning of the year).

Out of the employees that left the company the breakdown of the turnover total by age group is as follows:

At the age group of under 30, the turnover is 21% (base year: 13%), at the age group of 30 to 50, the turnover is 77% (base year: 84%), and at the ages over 50, the turnover is 2% (base year: 3%).

Out of the total employees that left the Group, 31% were female compared to 69% male employees and 52% were from the Middle East region and 48% from Europe.

### Employee turnover by region, gender and age

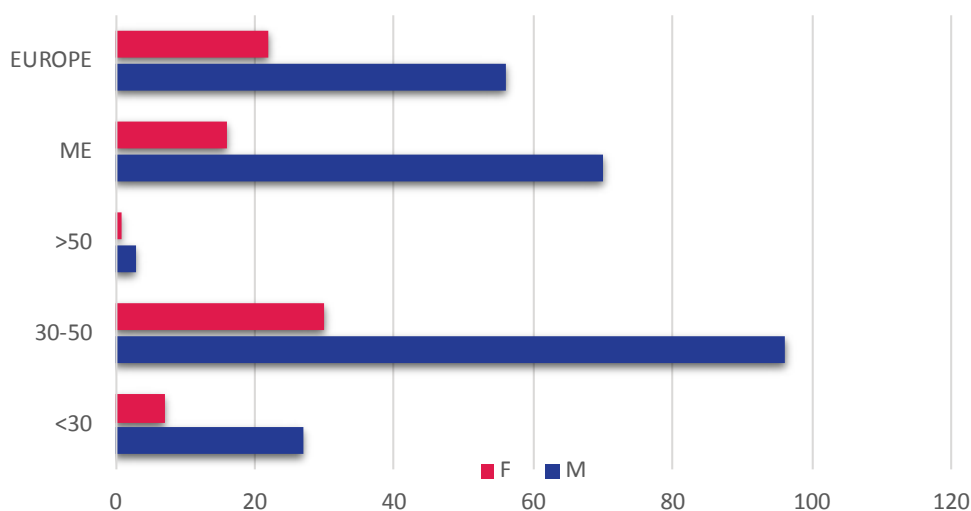


Figure 15: Employees turnover by region, gender and age (2018)

### EMPLOYEE REMUNERATION

- Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation ([GRI 405-2](#)):

The employees' categories by department and level were split based on the human resources system into the departments of sales, finance, operations, technical and administration for each company across Logicom Group.

However, due to the fact that most positions are unique and part of small departments (in terms of headcounts) it makes it impossible to provide salary information without revealing the employees' identity.

- All benefits provided to full time employees are also provided to temporary or part-time employees. ([GRI 401-2](#))
- Ratio of standard entry level wage by gender compared to local minimum wage. ([GRI 202-1](#)):

The wage level offered by the Group to its employees in all countries of operation is equal or higher than the local minimum wage irrespective of gender.

In particular, in the significant areas of operation the ratios are: Cyprus 1,09, Greece 1,15, UAE 1 and Saudi Arabia 1,67 (refers only to Saudi nationals).

### EMPLOYEE RELATIONS

- Total number of incidents of discrimination and corrective action taken ([GRI 406-1](#)):

No incidents of discrimination were recorded in any of Logicom's areas of operation.

The development of a formal procedure for recording discrimination incidents and corrective actions taken was an achieved goal for 2018. The policy was communicated to the employees and was fully implemented in the year.

- Parental leave ([GRI 401-3](#))

Logicom employees are entitled to parental leave in accordance with the local law requirements. Figure 16 below shows the parental leave ratios.

## Parental Leave

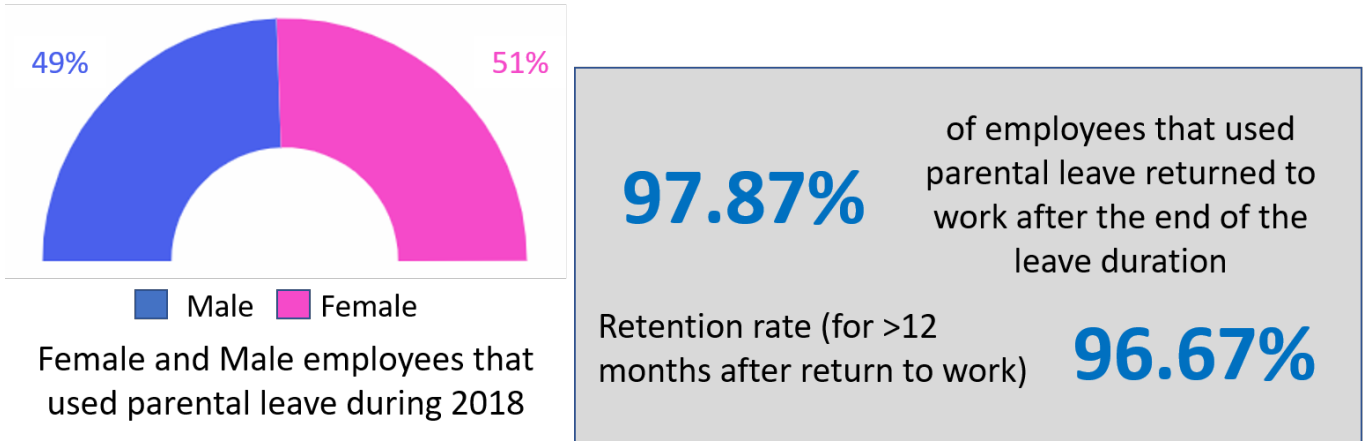


Figure 16: Parental Leaves

### SUPPLY CHAIN RESPONSIBILITY

- Significant actual and potential negative impacts for labour practices in the supply chain and actions taken:

Logicom's four major suppliers were assessed for their impact on labour practices. All of them are major corporations operating in a fully transparent manner, report on their CSR practices and make extensive references to their labour practices and their employees' welfare. Therefore, none of them were identified as having significant actual and potential negative impacts.

### HEALTH AND SAFETY OF EMPLOYEES

- Type of injury and rates of injury, occupational diseases, lost days and absenteeism, and total number of work related facilities, by region and gender:

No health and safety accidents were recorded in 2018.

No work related injuries or work related ill health recorded in 2018.

Logicom is very sensitive in the health, safety and welfare of its employees, as far as is reasonably practicable. As such, Logicom aims to minimize the risk of accidents and does all it can, in its power, to protect and sustain the health of all personnel.

Logicom policies and procedures manual outlines the procedures for the development of emergency response plans and the organization of emergency response drills and trainings. (GRI 403-1 to 403-10)

### EMPLOYEE DEVELOPMENT

- Average hours of training per employee by gender for 2018 year (GRI 404-1i):

Total average training hours per employee: 9,51

Total average training hours per female employee: 6,16

Total average training hours per male employee: 10,76

The total hours of trainings have increased compared to base year by 2,24 hours per employee, 0,13 hours per female employee and 3,02 per male employee.



Average yearly training hours per employee category: (GRI 404-1 ii)

Departments	Average training hours by employee category 2018
INTERNAL AUDIT	12,8
HR	1,8
ERP	0,9
TECHNICAL	34,7
WAREHOUSE & LOGISTICS	0,7
PLANNING & DEVELOPMENT	1,3
MANAGEMENT	3,1
IT	18,2
IMS	23,5
PURCHASING	4,2
SALES & MARKETING	6,6
ADMINISTRATION	6,7
ACCOUNTING & FINANCE	1,6
LEGAL & COMPLIANCE	3,9

Table 2: Total and average training hours per employee by department (2018)

Logicom has a formal procedure to be followed by the employees in order to request, attend and subsequently evaluate trainings.

Employees are encouraged to continuously upgrade their skills through training programs offered either by external parties or internally which are funded by the company.

Additional to the above numbers reported, the Logicom employees attend conferences and other events through which they receive education training. These hours are not tracked and are not included in the above metrics.

Currently Logicom has no transition assistance programs for retired employees. (GRI 404-2)

- Percentage of employees receiving regular performance and career development reviews (GRI 404-3):

Logicom has a formal performance appraisal procedure in place which is mandatory for all employees on an annual basis.

**FOCUS AREAS**

*Employment and Employment Relationships, Conditions of Work and Social Protection and Social Dialogue issues are managed very well.* Logicom has an excellent relationship with its workforce and provides the best possible working conditions. Logicom organizes leisure activities and events for its employees.

*Health and safety at work* is taken very seriously. All procedures and guidelines are practised at all places of operations, to ensure that risks are minimised. These guidelines are reviewed on a regular basis and monitored by Management to ensure that they are implemented in all of Logicom's facilities.

*Human Development and Training in the Workplace:* Training programs and an employee development policy are of high importance to the organisation. Recently the existing appraisal system was reviewed and relaunched to help maximize employee performance.

**WHAT WE ACHIEVED IN 2018**

- √ Grievance mechanism completed and communicated.
- √ Anti-Bribery and Corruption trainings for employees based in Cyprus.
- √ Education of employees on company's Code of Conduct.
- √ Education of employees on US Export Controls Compliance Regulations, Competition Law compliance policies, and Data Privacy and Protection.

**WHERE WE ARE HEADING**

**Note:** ✓ Goals completed

○ Goals in progress

• Goals planned

**SHORT-TERM GOALS**

- Anti-Bribery and Corruption trainings for all employees.
- Whistle-blowing policy: Establish and communicate a policy to encourage the employees to report suspected misconduct or illegal acts.

**MID-TERM GOALS**

- Anti-Bribery and Corruption policy e-learning course.

**LONG-TERM GOALS**

- Training hours: increase the training hours per employee with emphasis on developmental trainings.
- Improvement of health and safety monitoring procedures.



## MAN RIGHTS

(GRI 103-01, GRI 103-02, GRI 103-03)



Human rights are the basic rights to which all human beings are entitled. There are two broad categories of human rights. The first category concerns civil and political rights and includes such rights as the right to life and liberty, equality before the law and freedom of expression. The second category concerns economic, social and cultural rights and includes such rights as the right to work, the right to food, the right to the highest attainable standard of health, the right to education and the right to social security.

To respect human rights, organizations have a responsibility to exercise due diligence to identify, prevent and address actual or potential human rights impacts resulting from their activities or the activities of those with which they have relationships.

Logicom has the utmost respect for Human Rights and all other policies and procedures are developed on this basis.

## WHERE WE STAND

### DUE DILIGENCE, AVOIDANCE OF COMPLICITY, ECONOMIC SOCIAL AND CULTURAL RIGHTS

Prior to engaging into a business relationship with a prospective supplier or subcontractor, the Management ensures that these are screened based on numerous criteria. These include:

- Suppliers' or subcontractors' company profile (in terms of reputation, market position and share)
- Brand name (in terms of quality)
- Impacts to the Group's profile in the case of choosing to do business with the supplier /subcontractor, negative or positive
- Environmental criteria (materials used in production and packaging, recycling, use of renewable sources of energy, Compliance with the ROHS Directive)
- Anti-Bribery and Corruption criteria

All the contracts signed between Logicom and its major distribution and services suppliers are based on the Suppliers' terms and conditions. Our major suppliers are international organizations of great reputation, well known for their Social Responsibility practices. All the contracts signed and accepted by Logicom include clauses for Environmental compliance, Corruption and Anti-Piracy and customer Data Privacy.

In the same way, Logicom declares its compliance to Anti Money Laundering laws, Anti-corruption and International Labour Laws in regards to Child labour and forced labour when signing public tenders.

The contracts signed between Logicom and Cloud marketplace suppliers are mostly initiated by Logicom and signed as accepted by the supplier, contain compliance clauses in regards to Anti-trust, anti-corruption laws, laws of the International Labour Organization for child labour and clauses prohibiting connections to terrorists and criminal organizations.

To the best of our knowledge, none of Logicom's suppliers was identified as having significant negative impacts on the society and the environment, nor as having significant risk for incidents of child labour, forced or compulsory labour, and human rights abuses. (GRI 407-1, 408-1, 409-1, 414-2, 308-2)

All the new supplier contracts signed in 2018 were screened according to the procedures as mentioned above. (GRI 414-1, 308-1). No significant or potential negative environmental impacts were identified in the supply chain. Criteria for impacts on society, human rights and labour practices were not part of the screening procedure as specific areas, however, they are taken into consideration when determining the supplier's company profile. (GRI 408-1, 409-1, 414-2, 308-2)

There were no significant investment agreements and contracts in the year that underwent human rights screening. An investment is considered to be significant if it exceeds 5% of Logicom's Total Assets, or if approval is required at a BOD level due to its strategic importance. (GRI 412-3)

## FUNDAMENTAL PRINCIPLES AND RIGHTS AT WORK, CIVIL AND POLITICAL RIGHTS, DISCRIMINATION AND VULNERABLE GROUPS

Currently Logicom is in the process of introducing a global Human Rights Policy that reflects Logicom's philosophy and values based on which all the employees will be trained. (GRI 412-2) Following the completion of the Human Rights Policy, a due diligence examination on Human Rights impacts will be conducted to track Logicom's performance across its areas of operation. (GRI 412-1).

Logicom's workforce currently does not include any indigenous people. (GRI 411-1)

### FOCUS AREAS

A unified **Human rights policy** will work as a catalyst for the organization in tracking the company's performance related to human rights, integrating this process into the **due diligence process** regarding our channel sales network.

The **training** of our people on the global Human Rights Policy and subsequent checks on its implementation and application of corrective actions where necessary.

## WHERE WE ARE HEADING

Note: ✓ Goals completed

○ Goals in progress

• Goals planned

### MID-TERM GOALS

- Draft a unified Human Rights Policy.

### LONG-TERM GOALS

- Due diligence examination on Human Rights impacts.



## CONSUMER ISSUES

(GRI 103-01, GRI 103-02, GRI 103-03)



Organisations that provide products and services to consumers, as well as other customers, have responsibilities to those consumers. These responsibilities include:

- Providing education and accurate information to our consumers using fair, transparent and helpful marketing information and contractual processes
- Promoting sustainable consumption, and
- Designing solutions that provide access to all and cater, where appropriate, for the vulnerable and disadvantaged.

**Logicom does not deal with consumers directly.** The term 'consumer' refers to those individuals or groups that make use of the output of the organisations' decisions and activities and does not only refer to consumers who pay money to purchase products and services. Company responsibilities to their consumers also involve minimising risks from the use of products and services, through design, manufacture distribution, information provision, support services and withdrawal and recall procedures. Many organisations also collect or handle personal information and have a responsibility to protect the security of such information and the privacy of consumers.

Logicom has very strong adherence standards to all regulations that are applicable to its industry and ensures the risk emanating on this front is managed effectively and proactively.

Logicom is partnering in the success of its clients by delivering its services with quality, responsibility and care, to ensure customer satisfaction.

## WHERE WE STAND

### CONSUMER SERVICE, SUPPORT AND COMPLAINT AND DISPUTE RESOLUTION

- Customer satisfaction surveys:

During 2018, customer satisfaction surveys were run by the Services sector companies to measure the call satisfaction, yearly customer satisfaction and the level of meeting the customers' needs and expectations.

### Customer Satisfaction Surveys



#### Key Performance Indicators (KPIs):

- Yearly Total Performance: 4.84/5
- Business Solutions and Services Projects: 4.6/5
- Technology Solutions and Services Projects: 4.8/5
- Meet customer needs & expectations:  
✓ Objective: 85%, Result: 90.35%

#### Additional KPI's are in place for:

- Average call customer satisfaction survey: 4.84/5
- Project evaluation by customer: 4.09/5
- Project evaluation by project manager: 4.43/5



Figure 17: Customer satisfaction surveys results for Services

- For the Distribution sector, customer feedback is obtained through regular customers' visits and through the preparation of 'lost business' analysis (which analyses the customers with 10% decrease compared to the previous year). This analysis aims to understand the reasons for the loss of business for each individual customer, to identify patterns and to provide the sales team with information so that it may tailor its strategy and operation model towards that customer, customer group or the entire customer base.



## CONSUMER DATA PROTECTION AND PRIVACY

- Customer complaints: Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data

No complaints were received for loss of customer data or breaches of privacy. (GRI 418-1)

## FAIR MARKETING, FACTUAL AND UNBIASED INFORMATION AND FAIR CONTRACTUAL PRACTICES, PROTECTING CONSUMERS HEALTH AND SAFETY

- Requirements for product and service information and labeling lay with our vendors, however Logicom during the process of vendors' screening it assesses the existence of adequate information about the impacts of products which includes information on the safe use of the product, its disposal and sourcing of its components. (GRI 417-1)
- Compliance: Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.

Logicom had zero fines for non-compliance and no claims were raised against it regarding the provision of products and services, (GRI 417-2) or marketing communications. (GRI 417-3)

## SUSTAINABLE CONSUMPTION

- Energy consumption: The Logicom companies located in Cyprus measure their premises and warehouses energy consumption as part of their compliance to the environmental ISO. The rest of the Logicom companies are also sensitive on the energy consumption and effort is made to enable energy savings across Logicom's areas of operations. The energy consumption differs from country to country due to various conditions like climate, number of personnel, IT equipment in the company, the energy efficiency of the building and so on.

## FOCUS AREAS

The issues of **Fair marketing, Factual and unbiased information and fair contractual practices, Protecting consumers' health and safety, Consumer service, support and complaint and dispute resolution, Access to essential services, Education and awareness** are well managed. Logicom has a strong culture in adhering to all regulations and standards that are applicable to its industry and is ensuring the risk emanating on this front is managed effectively and proactively.

Logicom is developing a strategy for promoting **sustainable consumption** and the need to optimise energy use in its commercial and public facilities.

Providing our customers with truthful and accurate information has always been a way for Logicom to gain trust and credibility, as well as, differentiation in the market. Logicom has taken all necessary measures to ensure the timely implementation of the requirements of the **General Data Protection Regulation (GDPR)**. In 2018, Logicom introduced and implemented the Logicom Data Privacy Policy.

## WHAT WE ACHIEVED IN 2018

√ Customer satisfaction surveys for the services sector were ran and the results has been evaluated and a survey for the Distribution and e-commerce clients has been released. The deadline for the collection of responses is end of June 2019. The results of this survey will be discussed in the next CSR report.

**Note: √ Goals completed**

**○ Goals in progress**

**• Goals planned**

## WHERE WE ARE HEADING

### SHORT-TERM GOALS

- Evaluate the results of the customer satisfaction surveys ran for the Distribution sector and take actions on the results.

### MID-TERM GOALS

- Evolve the existing communication line to enable the direct and centralised recording and processing of customer complaints.
- Optimisation of energy use in commercial and public facilities of the Group, such as its premises and warehouses.

### LONG-TERM GOALS

- Sustainable consumption: promote sustainable consumption through Logicom customer channel.

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**OBLIGATION UNDER CYPRUS COMPANIES LAW CAP.113**

This report is published pursuant to Section 151B (9)(b) of the Cyprus Companies Law Cap.113

*"This report has been provided to the Company's Statutory Auditors".*

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