

# DRIVING SUSTAINABILITY

The logo for DFNN, featuring a stylized blue 'D' with a yellow triangle on its left side, followed by the letters 'FNN' in a bold, blue, sans-serif font.

**DFNN**

**2019  
SUSTAINABILITY  
REPORT**



## OUR COMPANY

DFNN Inc. (DFNN) is a publicly listed holding company listed in the Philippine Stock Exchange. It is headquartered in Taguig City at the 14th Floor of the PSE Tower. It is a leading I.T. solutions provider and systems integrator, enabling its clients to compete in a highly technology dependent environment. Through its subsidiaries, IEST, DCG, iWave and affiliates, DFNN also possesses licenses for Electronic Gaming Machines (EGMs), a sports betting exchange, and digit and pari-mutuel games with the Philippine Amusement and Gaming Corporation (PAGCOR). The Group operates various sites in Cavite, Clark and Cebu.

The Management and Board of Directors have oversight in the preparation of this report. This is the first Sustainability Report of DFNN, which will be published annually and submitted to the Securities and Exchange Commission every 15th of April together with the Annual Report (SEC Form 17-A).

This is a GRI-referenced Sustainability Report using the GRI Standards Disclosure. This is the digital version. No external assurance provider was engaged for this report.

## CREATING SHARED VALUE THROUGH ESG INTEGRATION

Recognizing the business imperative of contributing to the global effort to minimize the negative impact of environmental degradation, the company strives to integrate sustainable business development principles as well as global best practices in its value chain through the establishment and institutionalization of the five (5) goals it identified, to wit:

1. Plan, manage, evaluate business processes in order to maintain or improve on our identified environmental, social and governance (ESG) risks;
2. Develop strategy and programs based on the triple bottom-line (Profit, People, Planet) thus contributing to help manage our environmental and social impact in collaboration with employees and stakeholders;

3. Mentor and holistically develop future leaders serving as role models in exemplifying the company's core values of *INTEGRITY, TEAMWORK & SERVICE* and *MALASAKIT*;
4. Help drive the company's continued growth through collaboration to achieve professional and personal growth; and
5. Advocate for a sustainable lifestyle by involving employees and stakeholders.



## “CREATING SHARED VALUE THROUGH ESG INTEGRATION”



This framework effectively integrates the current CSR and employee engagement program with sustainability. As such, Management has re-established the DFNN Vanguard from a purely employee engagement program to a sustainability-centric employee-driven framework.

To empower employees to directly contribute to the company's sustainability efforts, a Sustainability Vanguard Committee was constituted to lead sustainability program development and implementation to be composed of volunteer employees. This team of volunteers will be mentored by the Management Sustainability Team to develop future role models in exemplifying the company's core values of *INTEGRITY, TEAMWORK & SERVICE* and *MALASAKIT*.

Members of the Management Committee exercise oversight on the strategic direction and implementation of programs. The DFNN Group Sustainability Team is led by the Chief Technology Officer, Chief Finance Officer, Chief Compliance Officer, Chief HRAD Officer and Investor Relations Officer.

## OUR STAKEHOLDERS

DFNN's stakeholders are our technology partners and clients, site operators, regulators, local government units, investors, supply chain partners and employees.

## STAKEHOLDER ENGAGEMENT

A quarterly Partner's Meeting is held attended by electronic gaming site owners. During this meeting, DFNN's gaming subsidiary IEST reports on its deliverables for the quarter, product updates and developments in the business.

To keep abreast of the dynamic IT space, members of management periodically attend various local and international investor fora, finance conferences as well as gaming expos. True to its commitment to use technology in identifying opportunities from market inefficiencies and challenges, the company tracks developments in the areas of electronic gaming and fintech to produce applications that create growth opportunities for its various business to increase shareholder value.



**OUR ECONOMIC  
PERFORMANCE  
(PROFIT)**

# OUR ECONOMIC PERFORMANCE (PROFIT)

## DIRECT ECONOMIC IMPACT

Total Revenue - Php 1,118,950,487

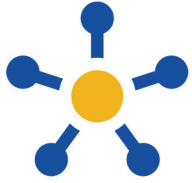
Income Tax Benefit - Php 18,943,040

Total Expenses - Php 1,271,711,341

Pre-Tax Income - (Php 148,840,866)



## OUR BUSINESS



### SYSTEMS INTEGRATION

An integral part of the Company's services is to help companies integrate technology, processes, and people while they focus on their core business and their customers. DFNN and its subsidiaries may be used by customers as project managers for their IT needs as well.



### PROGRAMMING AND CUSTOMIZATION

We customize solutions to fit our clients' required end applications and automation of business processes.



### CONSULTANCY

This includes technical consultation, project management of online and networking systems, hardware and system integration, software system development, software package distribution, software system implementation, system maintenance and training.



### GAMING SOLUTIONS & DEVELOPMENT

DFNN's gaming solutions span the capability for wireless gaming, game creation, and gaming related project management and software outsourcing. DFNN is willing to cater its gaming products to the needed business processes of legal gaming entities operating in legal gaming jurisdictions. The Company also designs and customizes various gaming platform solutions and products.



**OUR CONTRIBUTIONS TO  
ENVIRONMENTAL  
PRESERVATION  
(PLANET)**



# SUSTAINABILITY VANGUARDS

Management has re-established the DFNN Vanguard from a purely employee engagement program to a sustainability-centric employee-driven framework. This new group is known as the DFNN Group Sustainability Vanguard or simply "Sustainability Vanguard".

To empower DFNN's employees to directly contribute to the company's sustainability efforts, a Sustainability Vanguard Committee was constituted in September to lead sustainability program development and implementation to be composed of volunteer employees. This team of volunteers is mentored by the Management Sustainability Team to develop future role models in exemplifying the company's core values of INTEGRITY, TEAMWORK & SERVICE, and MALASAKIT.



**DFNN**

**SUSTAINABILITY VANGUARDS**



### BLOOD DONATION

DRIVING SUSTAINABILITY



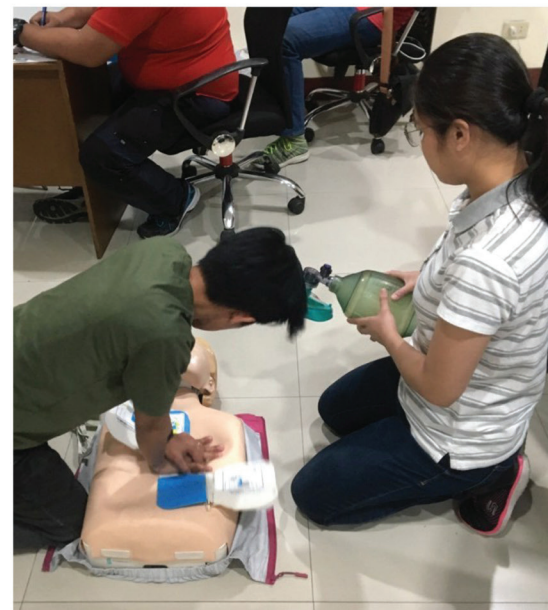
**HIKE AND TREE NURTURING ACTIVITIES**



**PHILIPPINE RED CROSS TRAINING**



**DRIVING SUSTAINABILITY**





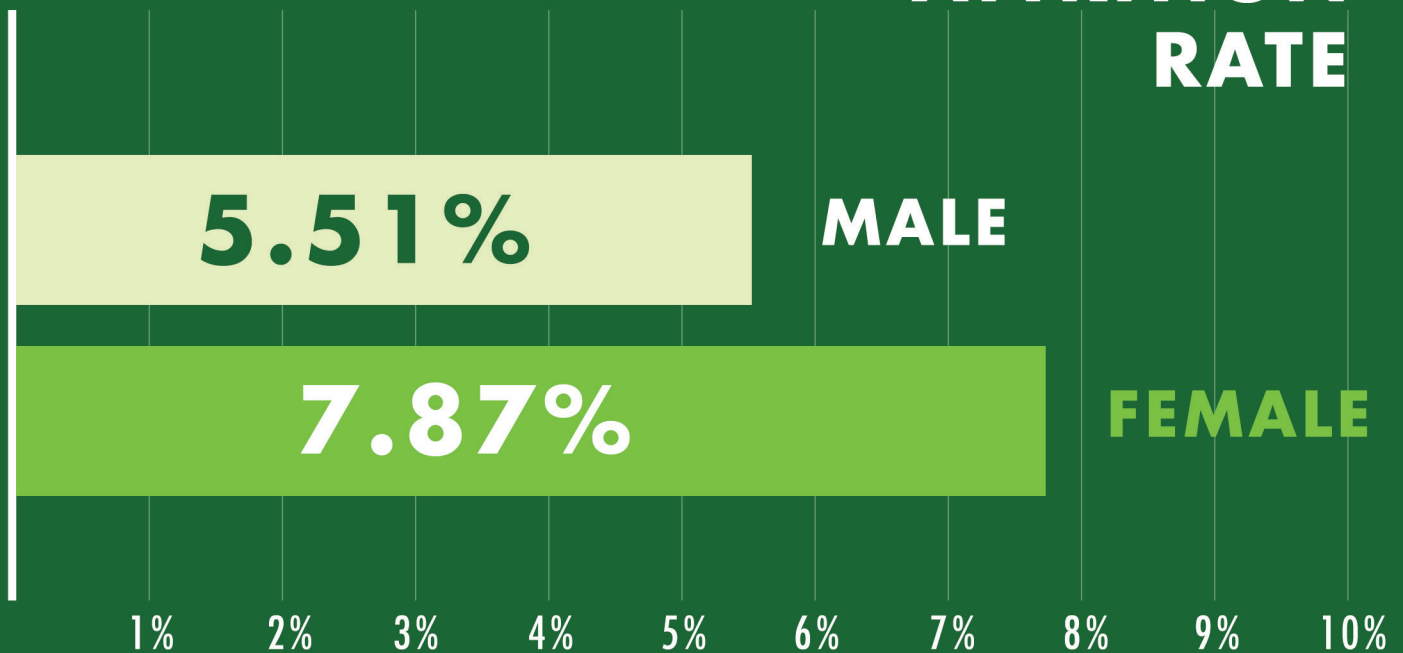
**EMPLOYEE ENGAGEMENT  
AND SOCIAL IMPACT  
(PEOPLE)**

# TOTAL NUMBER OF EMPLOYEES

**127**



## ATTRITION RATE

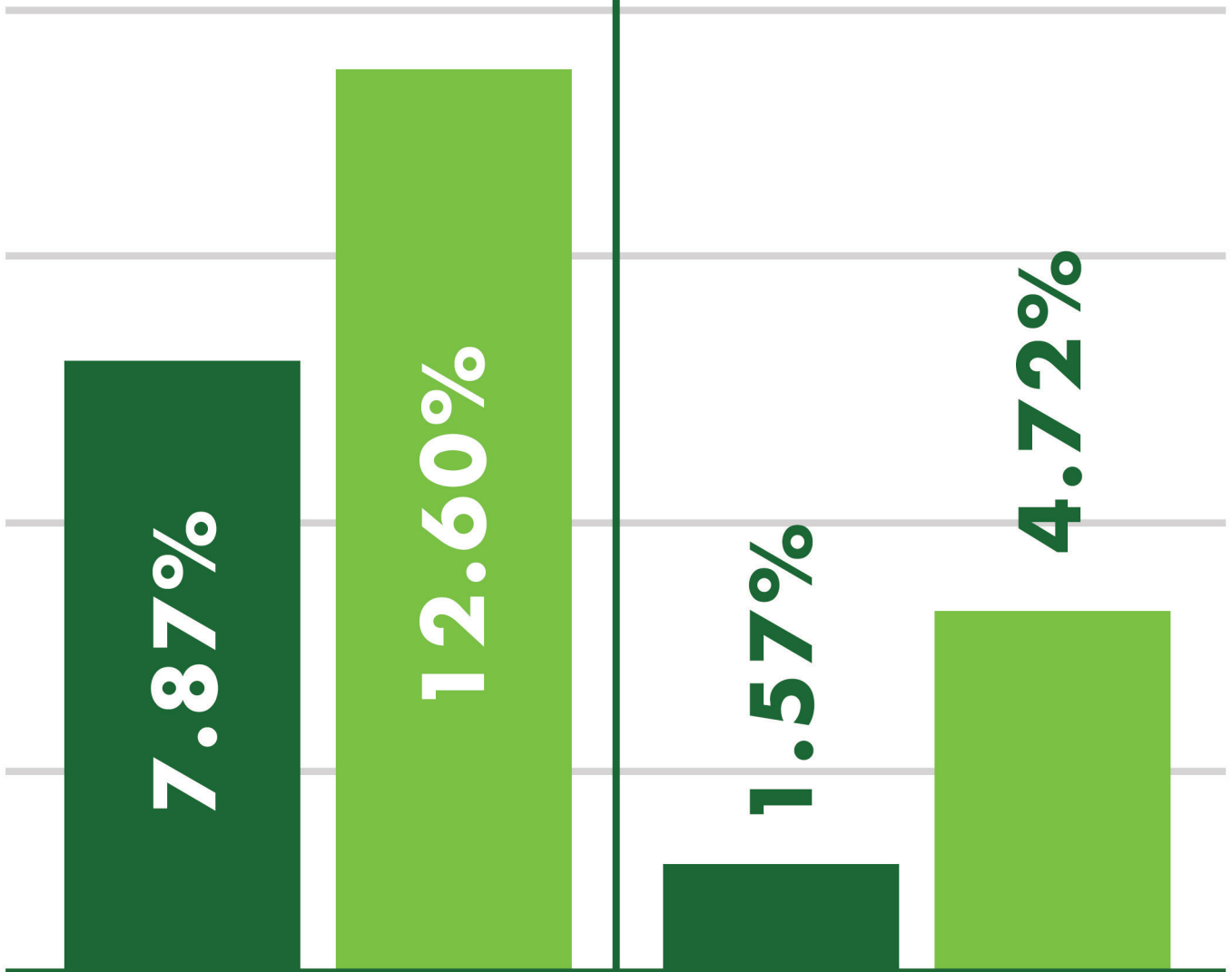


### AVAILMENT OF SSS BENEFITS

**20.47%**

### AVAILMENT OF PHILHEALTH BENEFITS

**6.29%**



■ MALE

■ FEMALE

# AVAILMENT OF PARENTAL LEAVES

3.14%

1.57% MALE

1.57% FEMALE

# AVAILMENT OF PAG-IBIG BENEFITS

11.02%

6.30% MALE

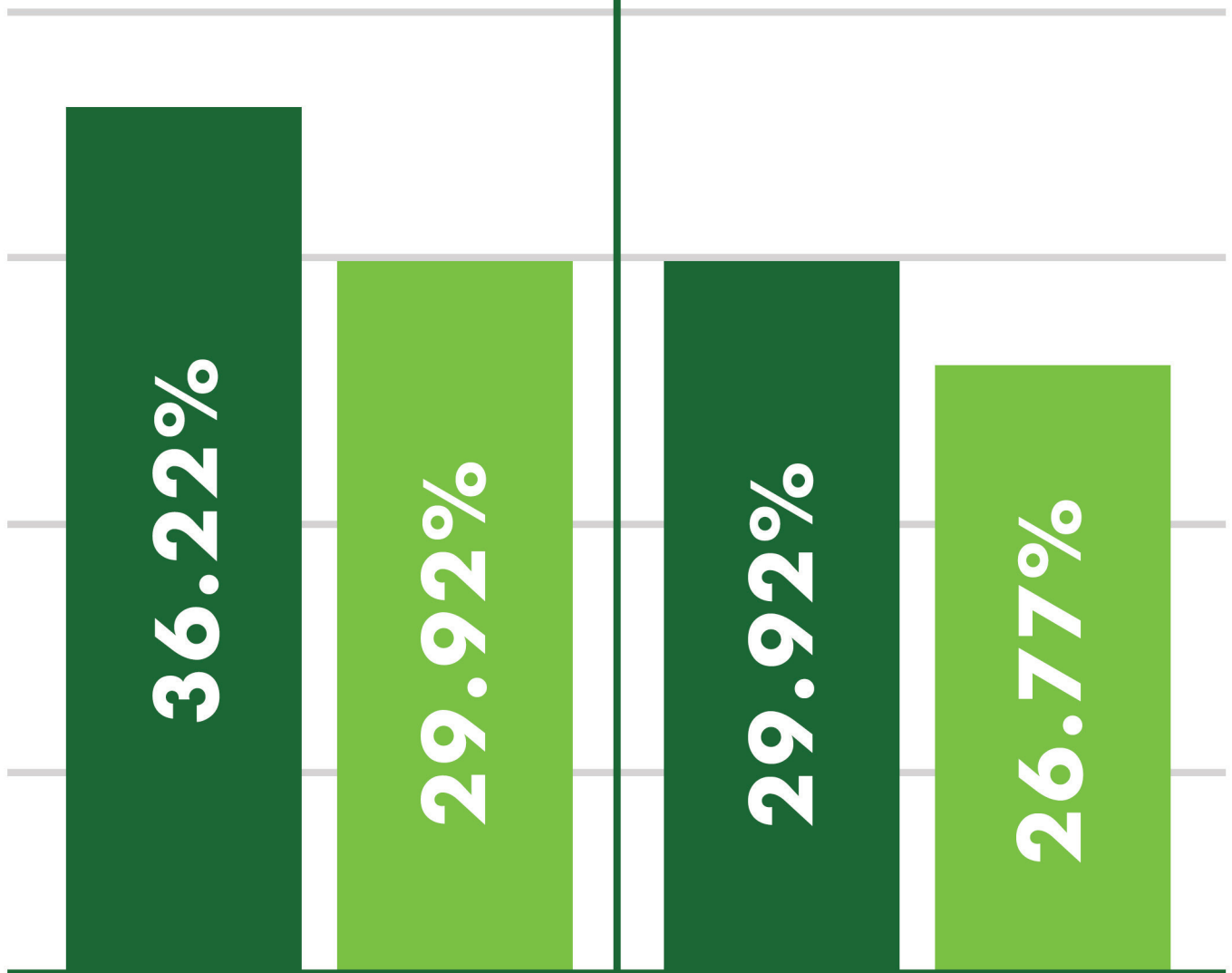
4.72% FEMALE

### AVAILMENT OF VACATION LEAVES

**66.14%**

### AVAILMENT OF SICK LEAVES

**56.69%**

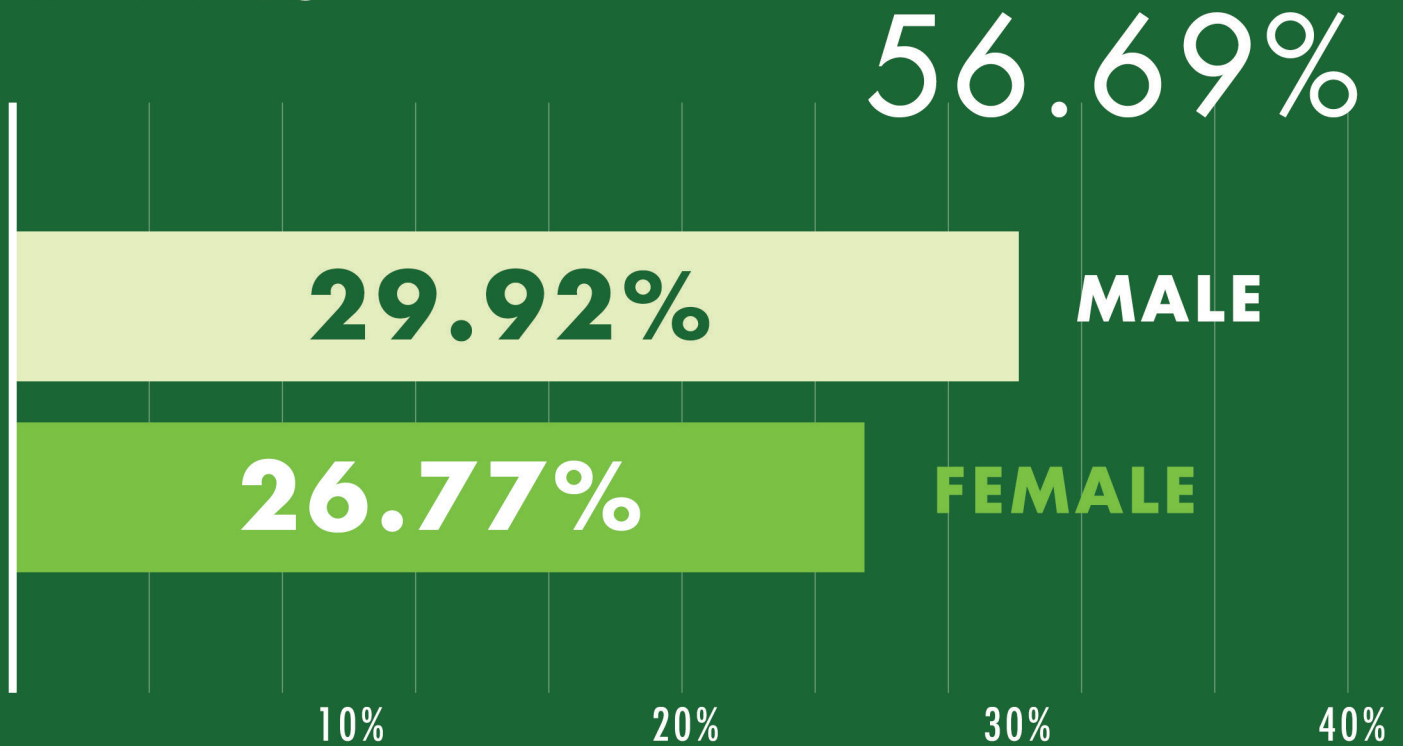


■ MALE

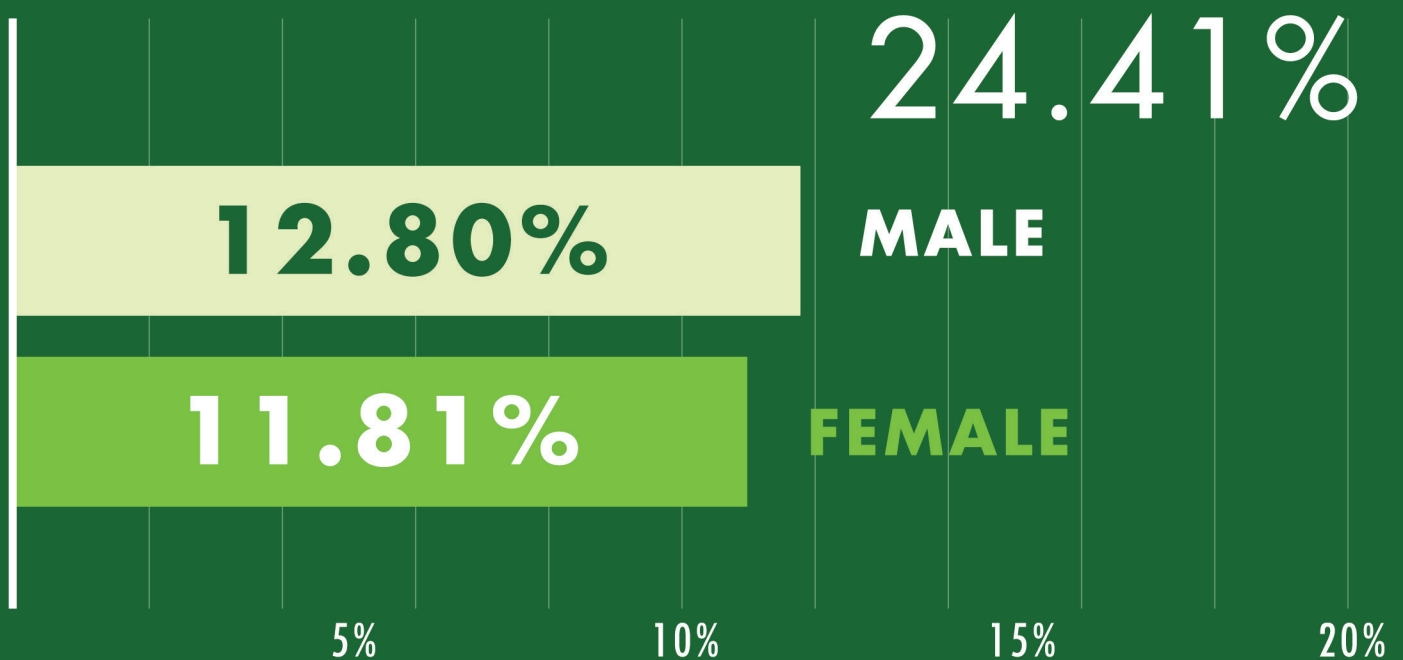
■ FEMALE



## AVAILMENT OF OTHER MEDICAL BENEFITS



## AVAILMENT OF FLEXIBLE WORKING HOURS



# EMPLOYEE TRAINING AND DEVELOPMENT

## TOTAL TRAINING HOURS

**MALE**  
**35**  
HOURS

**FEMALE**  
**35**  
HOURS

**MALE**  
**5.83**  
HOURS

**FEMALE**  
**5.83**  
HOURS

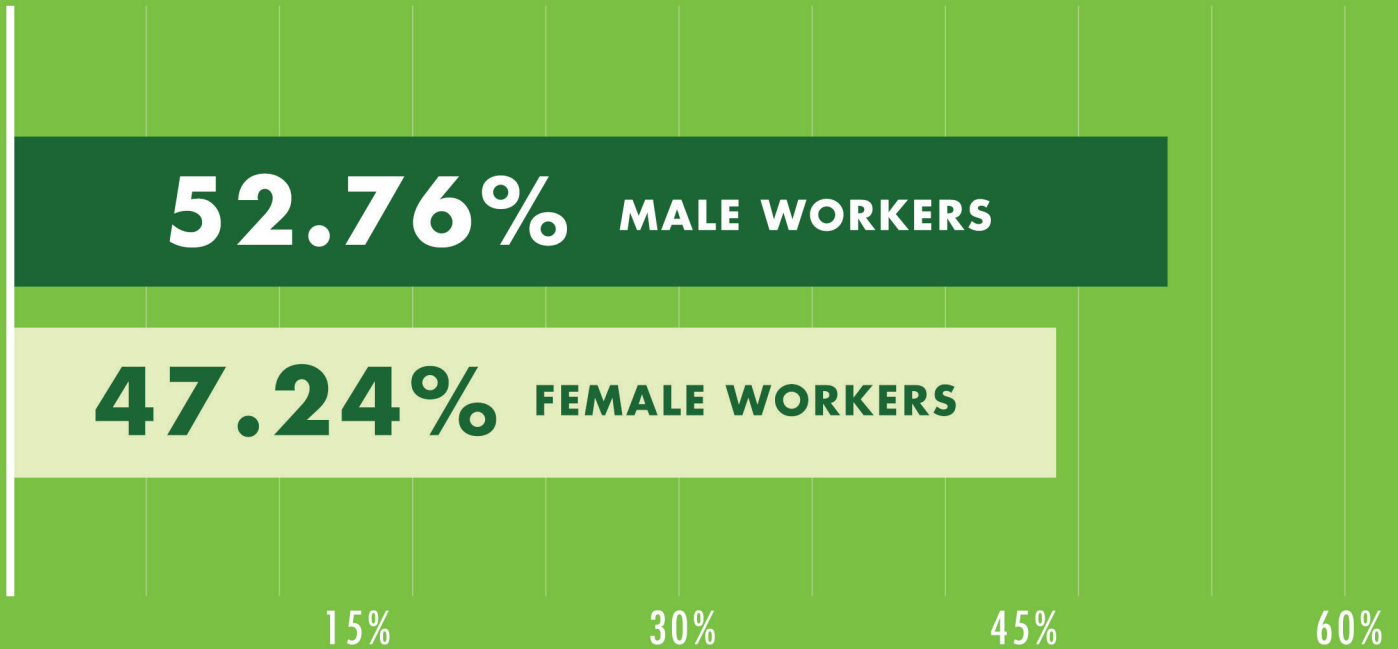
TRAINING SESSION	HRAD LEARNINGS 8 ESSENTIALS TO A WINNING PERSONA 1.0	HRAD LEARNINGS 8 ESSENTIALS TO A WINNING PERSONA 2.0	PERSONAL EFFECTIVENESS WORKSHOP	CUSTOMER SERVICE TRAINING	PHILIPPINE RED CROSS TRAINING
NO. OF PARTICIPANTS	<b>11</b>	<b>12</b>	<b>30</b>	<b>71</b>	<b>20</b>

## NUMBER OF CONSULTATIONS CONDUCTED WITH EMPLOYEES CONCERNING EMPLOYEE-RELATED POLICIES FOR 2019: 8 SESSIONS

TOWN HALLS: **5**      1-ON-1 CONSULTATIONS: **3**

TYPE OF SESSION	DATE
TOWN HALL	JANUARY 22 FEBRUARY 27 APRIL 24 JUNE 26 NOVEMBER 13
1-ON-1 CONSULTATIONS	DECEMBER 9 DECEMBER 10 DECEMBER 13

# DIVERSITY AND EQUAL OPPOTUNITY



## NUMBER OF SAFETY DRILLS: 2

SAFETY DRILL	DATE
NATIONWIDE EARTHQUAKE DRILL	NOVEMBER 14
BUREAU OF FIRE PROTECTION FIRE DRILL	MAY 21

## DATA SECURITY

There has been no incidence of security breach, data leak, theft or loss. The Company has appointed Atty. Cyrus R. Montesa as Data Privacy Officer to manage and monitor the proper handling of information in conformity with the Data Privacy Act.



## Contributions to the UN Sustainable Development Goals

### Blood Donation Drive in partnership with The Philippine Red Cross

Dates: March 14 – 16, 2019  
November 6, 2019

Impact:

Total number of Volunteers – 138 volunteers composed of 50 volunteers from February 28, and 88 volunteers from November 6

Total blood donated – 22,500mL composed of 9,000mL from the February 28 drive, and 13,500mL from the November 6 drive.



### Occupational First Aid Training in partnership with The Philippine Red Cross

Dates: April 24 – 25, 2019

Impact:

Total Number of Attendees – 23 attendees

Topics covered –

- Occupational First Aid
- Cardiopulmonary Resuscitation (CPR)
- Automated External Defibrillator (AED)



### Hike & Tree Nurturing in partnership with Balagbag Environmental Society Inc.

Date: November 16, 2019

Impact:

Total Number of Volunteers – 16 employee-volunteers

Total Number of Seedlings Nurtured – Over 50 seedlings located in Mt. Balagbag

Other notable contribution/s – DFNN also donated basic food items and tools to the Bantay Gubat forest rangers.



### Outreach Program in partnership with Education Under the Bridge

Date: December 6, 2019

Impact:

Total Number of Volunteers – 24 employee-volunteers

Total Number of Recipients – 105 children of the Bulongan community

Other notable contribution/s – DFNN distributed hygiene kits and sets of school supplies to the 105 underprivileged children of the Bulongan community.

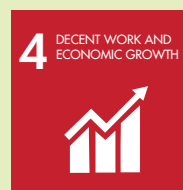


### Sustainability Vanguard

Established: September 2019

Impact:

Through the Sustainability Vanguard, the above activities were made possible producing a number of employees that has been identified with leadership and other valuable soft skills.



Explanations		
	Category	Remarks
I.	Anti-Corruption	
	a. Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	Company will start to track data in 2020.
	b. Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	
	c. Percentage of directors and management that have received anti-corruption training	
	d. Percentage of employees that have received anti-corruption training	
II.	Incidents of Corruption	
	a. Number of incidents in which directors were removed or disciplined for corruption	Company will start to track data in 2020.
	b. Number of incidents in which employees were dismissed or disciplined for corruption	
	c. Number of incidents when contracts with business partners were terminated due to incidents of corruption	
III.	Environment	
	Energy consumption (LPG) in GJ	Not Applicable
	Energy reduction (gasoline) in GJ	Comparative data available for 2020 report.
	Energy reduction (LPG) in GJ	
	Energy reduction (diesel) in GJ	
	Energy reduction (electricity) in kWh	
	Energy reduction (gasoline) in GJ	
IV.	Environmental impact management	
	Air Emissions - Energy indirect (Scope 2) GHG Emissions in Tonnes CO2	Company will start to track data in 2020.
V.	Solid and Hazardous Wastes	
	Total solid waste generated	Company will start to track data in 2020.
	Reusable	
	Recyclable	
	Composted	
	Incinerated	
	Residuals/Landfilled	
VI.	Hazardous Waste	
	Total weight of hazardous waste generated	Company will start to track data in 2020.
	Total weight of hazardous waste transported	Company will start to track data in 2020.
VII.	Employee Data	
	Ratio of lowest paid employee against minimum wage	Data unavailable
VIII.	Employee Benefits	
	Housing assistance (aside from Pag-IBIG) - % of female employees who availed for the year	Currently, the Company does not provide additional housing assistance.
	Housing assistance (aside from Pag-IBIG) - % of male employees who availed for the year	
	Retirement fund (aside from SSS) - % of female employees who availed for the year	The Company follows the government mandated retirement program.
	Retirement fund (aside from SSS) - % of male employees who availed for the year	

	Further education support - % of female employees who availed for the year	Pending favorable financial conditions, the Company will look into providing additional employee benefits.
	Further education support - % of male employees who availed for the year	
	Company stock options - % of female employees who availed for the year	The Company is developing its employee stock options plan.
	Company stock options - % of male employees who availed for the year	
	Telecommuting - % of female employees who availed for the year	The Company will develop a telecommuting policy.
	Telecommuting - % of male employees who availed for the year	
	Flexible-working Hours - % of female employees who availed for the year	Company will start to track data in 2020.
	Flexible-working Hours - % of male employees who availed for the year	
	Others - % of female employees who availed for the year	Company will start to track data in 2020.
	Others - % of male employees who availed for the year	Company will start to track data in 2020.
IX.	Labor Management Relations	
	Percentage of employees covered with Collective Bargaining Agreements	There is no Collective Bargaining Agreement entered into by the Company and its employees.
X.	Supplier Chain Management	
	Do you have a supplier accreditation policy?	The Company will develop a supplier accreditation policy.



# CORPORATE INFORMATION



## The Sustainability Reporting Team:

### **Investor Relations & Corporate Communications**

Abigail A. Garcia  
Reiko G. Yaeo

### **Human Resources & Administration**

Victor C. Asuncion  
Patrick Palma  
Kyle Bendijo  
Roxan Delgado

### **Finance and Accounting**

Elisare T. Lacson  
Lerma C. Tolentino



For inquiries regarding this Sustainability Report, please contact:

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Corporate Communications

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