

ANNEX 1

Sustainability Report

PACIFIC ONLINE SYSTEMS CORPORATION	
Sustainability Report 2022	
1. THE ORGANIZATION AND ITS REPORTING PRACTICES	
Disclosure 2-1	ORGANIZATIONAL DETAILS
	<p>NAME OF THE ORGANIZATION Pacific Online Systems Corporation</p> <p>OWNERSHIP AND LEGAL FORM</p> <pre> graph TD POSC[Pacific Online Systems Corporation] LotoPac[Loto Pacific Leisure Corp. (Loto Pac) 100% Owned] TGTI[Total Gaming Technologies Inc. (TGTI) 98.92% Owned] Pinoylotto[Pinoylotto Technologies Corporation 50% Owned] FRI[Falcon Resources Inc. (FRI) Distribution 100% Owned] TGTIS[TGTI Services Inc. 100% Owned] POSC --- LotoPac POSC --- TGTI POSC --- Pinoylotto TGTI --- FRI TGTI --- TGTIS </pre> <p>LOCATION OF HEADQUARTERS</p> <p>Manila Business Center U2803 A & B East Tower, Tektite Towers, Exchange Road, Ortigas Center, Pasig City, 1605, Philippines</p> <p>Cebu Business Center 16/F Metrobank Plaza, F. Osmena Blvd, 6000, Cebu City</p> <p>Service and Logistics Center J. King Warehouse No. 8, Holy Name St., Mabolo, 6000, Cebu City</p> <p>LOCATION OF OPERATIONS POSC’s scope of operations for its lottery operations is nationwide in the Philippines.</p>
Disclosure 2-2	ENTITIES INCLUDED IN THE ORGANIZATION'S SUSTAINABILITY REPORTING
	<p>Pacific Online Systems Corporation Total Gaming Technologies Inc.</p>
Disclosure 2-3	REPORTING PERIOD, FREQUENCY AND CONTACT POINT
	<p>REPORTING PERIOD This is Pacific Online Systems Corporation’s (POSC or Pacific Online) Sustainability Report outlining the Company’s economic, environmental, social and governance performance from January to December 2022. This report has been prepared in accordance with the GRI 1: Foundation 2021 The companies highlighted in this report include POSC and its subsidiaries.</p> <p>DATE OF MOST RECENT REPORT Annex 1 of 17-A Report of Pacific Online Systems Corporation for the period Jan-Dec 31, 2021, submitted to SEC/PSE March 28, 2022.</p>

	<p>A portion of the Sustainability Report information was also included in the latest 2021 Annual Report seen on the corporate website. (See https://www.loto.com.ph/sustainability)</p> <p>REPORTING CYCLE Annual</p> <p>CONTACT POINT FOR QUESTIONS REGARDING THE REPORT For inquiries on Sustainability: Mischel O. Mendoza Business Development Department Head Email: momendoza@pacificonline.com.ph</p>
<p>Disclosure 2-4</p>	<p style="text-align: center;">RESTATEMENTS OF INFORMATION</p> <p>We re-stated the information aligning with the latest 2021 GRI standards</p>
<p>Disclosure 2-5</p>	<p style="text-align: center;">EXTERNAL ASSURANCE</p> <p>Not applicable</p>
<p>2. ACTIVITIES AND WORKERS</p>	
<p>Disclosure 2-6</p>	<p style="text-align: center;">ACTIVITIES, VALUE CHAIN AND OTHER BUSINESS RELATIONSHIPS</p> <p>PARTNERSHIP POSC has a policy of forming partnerships with other organizations, which complement its own offerings and bring increased benefits to its customers.</p> <p>POSC’s technology partners for the online lottery system are Scientific Games International, Inc. (SGI) and Intralot S.A. Integrated Lottery Systems & Services (Intralot). SGI and Intralot are both leaders in the global lottery and gaming industry with experience of over 40 years and 20 years, respectively. SGI has been working with over 100 lotteries in 50 countries in 6 continents; while Intralot has presence in 57 jurisdictions in 5 continents. Both are members of the World Lottery Association (WLA). They are certified by various international accreditation agencies.</p> <p>POSC entered into a joint venture agreement with Philippine Gaming Management Corporation (PGMC) and International Lottery Totalizator Systems (ILTS) for the 5-year contract to provide a nationwide online lottery system for PCSO. The joint venture known as Pinoylotto Technologies Corporation is expected to commence operations in the latter part of 2023.</p> <p>SUPPLY CHAINS In order to provide our products and services to our customers, a number of important supply chain assets are in place. The major ones are:</p> <ul style="list-style-type: none"> • Lottery Terminals and Draw Equipment • Equipment Spare Parts • Third Party Warehousing/Logistics • Co-location Facilities for Data Center • Subscriber Identity Module (SIM) Cards • Modems and Routers • Leased Lines • System Server and other peripherals • Security system <p>RELATIONSHIP WITH OTHER INTERESTED PARTIES</p> <ul style="list-style-type: none"> • Equipment Maintenance – provision of equipment maintenance and repair services. • Telecommunications – provision of network connectivity between terminals and data center. • Contractors – provision of office improvement services, web site development and other services.

SIGNIFICANT CHANGES TO THE ORGANIZATION AND ITS SUPPLY CHAIN

The organization saw changes in both board and executive levels.

Due to the cessation of operations of Keno in April 2022, TGTI underwent a retrenchment program to reduce the number of employees. The remaining manpower complement were eventually absorbed by POSC in June 2022.

PRECAUTIONARY PRINCIPLE OR APPROACH

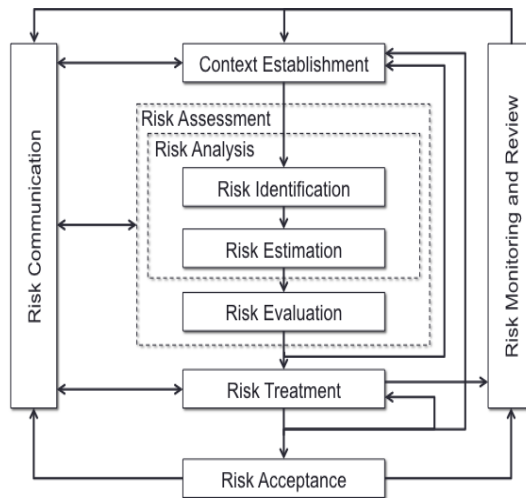
Pacific Online Systems Corporation (POSC) shall consider the external and internal context of the organization and the requirements of interested parties to determine the risks and opportunities that need to be addressed to:

- Ensure the integrated management system can achieve its intended outcomes;
- Prevent, or reduce, undesired effects; and
- Achieve continual improvement.

POSC shall plan actions to address the risks and opportunities and how to:

- Integrate and implement the actions into its integrated management system processes; and
- Evaluate the effectiveness of these actions.

POSC shall apply an information security risk assessment process, which also applies to any opportunities identified on the information assets:



EMPLOYEES

INFORMATION ON EMPLOYEES AND OTHER WORKERS

Total Group Headcount	Quantity	% Dec.
2021	170	-30%
2022	138	-19%

2022 BREAKDOWN (POSC & TGTI)

By Company	2022		2021	
	Quantity	% to Total	Quantity	% to Total
POSC	138	100%	135	79%
TGTI	0	0%	35	21%
TOTAL	138	100%	170	100%

Disclosure 2-7

By Gender

By Gender	2022		2021	
	Quantity	% to Total	Quantity	% to Total
Male	108	78%	132	78%
Female	30	22%	38	22%
TOTAL	138	100%	170	100%

By Age

By Age	2022		2021	
	Quantity	% to Total	Quantity	% to Total
Below 30 Years Old	16	12%	32	19%
30-50	111	80%	126	74%
OVER 50	11	8%	12	7%
TOTAL	138	100	170	100%

By Region

By Region	2022		2021	
	Quantity	% to Total	Quantity	% to Total
NCR	31	22%	73	43%
Luzon	21	15%	3	2%
Visayas	78	57%	84	49%
Mindanao	8	6%	10	6%
TOTAL	138	100%	170	100%

By Rank

By Rank	2022		2021	
	Quantity	% to Total	Quantity	% to Total
Rank-and File	95	69%	116	68%
Junior Management	24	17%	29	17%
Middle Management	9	7%	12	7%
Senior Management	10	7%	13	8%
TOTAL	138	100%	170	100%

WORKERS WHO ARE NOT EMPLOYEES

Disclosure
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Headcount	Quantity	% Dec.
2021	4	0%
2022	4	9%

	Consultant	Contractual Staff	Janitorial Personnel	Security Personnel	Total
2021	1	0	2	1	4
2022	0	1	2	1	4

3. GOVERNANCE

GOVERNANCE STRUCTURE AND COMPOSITION

GOVERNANCE STRUCTURE

At Pacific Online, we believe in balancing the interests of the many stakeholders and upholding shareholders' value. Our aim is to have equilibrium between economic and social and between individual and communal goals. With this in mind, our Board of Directors has established corporate governance principles to ensure accountability, fairness and transparency in the organization.

Board of Directors

The principal roles of the Board of Directors of Pacific Online are to oversee how management serves the interests of the shareholders and other stakeholders, and to ensure that the latter are adequately and timely informed of all relevant information about the Company. Towards this end, the Board has adopted corporate governance principles to ensure its independence and keep itself fully-informed of the key risks and strategic issues facing Pacific Online.

BOARD COMMITTEES

To assist the Board of Directors in ensuring compliance with good corporate governance principles, the following committees have been formed:

DIRECTOR'S NAME	DESIGNATION	DIRECTORSHIP
Willy N. Ocier	Chairman	Non-Executive Director
Jackson T. Ongsip	Member	Executive Director
Armin Antonio B. Raquel Santos	Member	Non-Executive Director
Tarcisio M. Medalla	Member	Non-Executive Director
Henry N. Ocier	Member	Non-Executive Director
Regina O. Reyes+	Member	Non-Executive Director
Raul B. De Mesa	Member	Non-Executive Director
Laurito E. Serrano	Independent	Lead Independent Director
Ma. Gracia M. Pulido Tan	Independent	Independent Director
*Roberto C.O Lim	Independent	Independent Director
Roberto V. Antonio	Independent	Independent Director

**Note: Raul B. De Mesa is a new director elected June 8, 2022 replacing Regina O. Reyes+ (deceased) and Roberto V. Antonio elected September 13, 2022 replacing *Roberto C.O Lim who resigned*

Executive Committee

The Executive Committee which exercises, in between meetings of the Board, all the powers of the Board (except those powers expressly reserved by applicable law to the Board) in the management and direction of the business and conduct of the affairs of the Company, subject to any specific directions given by the Board.

Willy N. Ocier	Chairman
Jackson T. Ongsip	Director
Armin Antonio B. Raquel Santos	Director

Audit Committee

The Audit Committee assists the Company's Board in discharging its responsibilities with regard to financial reporting, external and internal audits and controls, including reviewing Pacific Online's quarterly and annual financial statements, considering the scope of the Company's annual external audit, approving the Company's internal audit program, advising on the appointment of external auditors, and reviewing the effectiveness of the

Disclosure
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Company's internal control systems and risk management systems.

Laurito E. Serrano	Chairman/Independent Director
Ma. Gracia M. Pulido Tan	Independent Director
Tarcisio M. Medalla	Director
*Roberto C.O Lim	Independent Director
Roberto V. Antonio	Independent Director

**Note: Roberto V. Antonio elected as new director September 13, 2022 replacing Roberto C.O Lim who resigned*

Board Risk Oversight Committee

The Risk Committee will assist the Board in providing framework to identify, assess, monitor and manage the risks associated with the Company's business. It helps the Board to adopt practices designed to identify significant areas of business and financial risks and to effectively manage those risks in accordance with Company's risk profile.

Ma. Gracia M. Pulido Tan	Chairman/Independent Director
Laurito E. Serrano	Independent Director
Tarcisio M. Medalla	Director
*Roberto C.O Lim	Independent Director
Roberto V. Antonio	Independent Director

**Note: Roberto V. Antonio elected as new director September 13, 2022 replacing Roberto C.O Lim who resigned*

Corporate Governance Committee

The Corporate Governance Committee is tasked with ensuring compliance with, and proper observance of, corporate governance principles and practices.

Roberto V. Antonio	Chairman/Independent Director
*Roberto C.O Lim	Independent Director
Laurito E. Serrano	Independent Director
Ma. Gracia M. Pulido Tan	Independent Director

**Note: Roberto V. Antonio elected as new director September 13, 2022 replacing Roberto C.O Lim who resigned*

Related Party Transactions

The Committee shall be responsible for reviewing all material related party transactions of the Company and ensuring that all RPTs are conducted on a fair and arms-length basis. Transactions considered material are subject to review by the Committee prior to Board approval and Management execution.

Roberto V. Antonio	Chairman/Independent Director
Laurito E. Serrano	Independent Director
Ma. Gracia M. Pulido Tan	Independent Director
*Roberto C.O Lim	Independent Director
Regina O. Reyes+	Director
Raul B. De Mesa	Director
Henry N. Ocier	Director

**Note: Raul B. De Mesa is a new director elected June 9, 2022 replacing Regina O. Reyes+ (deceased) & Roberto V. Antonio elected September 13, 2022 replacing *Roberto C.O Lim who resigned*

NOMINATION AND SELECTION OF THE HIGHEST GOVERNANCE BODY

**Disclosure
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Refer to our **Manual on Corporate Governance - section 2.8 Nomination and Election of Directors**
<https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20CG.pdf> (page 12-13)

Disclosure 2-11	<p style="text-align: center;">CHAIR OF THE HIGHEST GOVERNANCE BODY</p> <p>Refer to our Manual on Corporate Governance - section 2.5 The Chairman of the Board of Directors https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20CG.pdf (page 10-11)</p>
Disclosure 2-12	<p style="text-align: center;">ROLE OF THE HIGHEST GOVERNANCE BODY IN OVERSEEING THE MANAGEMENT IMPACTS</p> <p>Refer to our Manual on Corporate Governance - section 2.18.1 The Executive Committee https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20CG.pdf (page 18-19)</p>
Disclosure 2-13	<p style="text-align: center;">DELEGATION OF THE RESPONSIBILITY FOR MANAGING IMPACTS</p> <p>Refer to our Manual on Corporate Governance - section 2.18.4 Board Risk Oversight Committee https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20CG.pdf (page 27-29)</p>
Disclosure 2-14	<p style="text-align: center;">ROLE OF THE HIGHEST GOVERNANCE BODY IN SUSTAINABILITY REPORTING</p> <p>Refer to our Manual on Corporate Governance - section 2.4 Roles and Responsibilities of the Board https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20CG.pdf (page 8-10)</p>
Disclosure 2-15	<p style="text-align: center;">CONFLICTS OF INTEREST</p> <p>Refer to our Conflict-of-Interest Policy https://www.loto.com.ph/sites/default/files/POLICY%20ON%20CONFLICT%20OF%20INTEREST_1.pdf</p>
Disclosure 2-16	<p style="text-align: center;">COMMUNICATION OF CRITICAL CONCERNS</p> <p>Hazard identification, risk assessment, and incident investigation A Risk Assessment is conducted by the Company to ensure business continuity in times of certain negative events. Threats and Vulnerabilities are measured and offset with controls in place to arrive at an acceptable level of risk.</p> <p>Incidents are screened for information security breaches and documented in an Incident Report. Non-conformities are followed up by the auditor until a correction and corrective action is deemed acceptable. Regular audits are conducted to ensure that such incidents are not repeated.</p> <p>Refer to our Manual on Corporate Governance - section 2.18.3 Audit Committee https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20CG.pdf (page 25-26)</p> <p>Refer to our Whistle-Blowing Policy https://www.loto.com.ph/sites/default/files/WHISTLE%20BLOWING%20POLICY%204.11.23.pdf</p> <p>Refer to disclosure 2-6</p> <p>PRECAUTIONARY PRINCIPLE OR APPROACH</p>

COLLECTIVE KNOWLEDGE OF THE HIGHEST GOVERNANCE BODY**CONTINUING EDUCATION FOR DIRECTORS AND OFFICERS**

POSC's continuing education program enables its Directors and Officers to stay current with the latest development on corporate governance topics. The corporate training programs are important components in fostering board effectiveness.

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Willy N. Ocier	20-Jul-22	Annual Corporate Governance Seminar	BDO Unibank Inc.
Jackson T. Ongsip	20-Jul-22	Annual Corporate Governance Seminar	BDO Unibank Inc.
Armin Antonio B. Raquel Santos	20-Jul-22	Annual Corporate Governance Seminar	BDO Unibank Inc.
Tarcisio M. Medalla	5-Aug-22	Corporate Governance	Risks, Opportunity, Assessment & Management, Inc
Henry N. Ocier	20-Jul-22	Annual Corporate Governance Seminar	BDO Unibank Inc.
Laurito E. Serrano	20-Jul-22	Annual Corporate Governance Seminar	BDO Unibank Inc.
Ma. Gracia M. Pulido Tan	20-Jul-22	Annual Corporate Governance Seminar	BDO Unibank Inc.
Raul B. De Mesa	21-Oct-22	Corporate Governance	Risks, Opportunity, Assessment & Management, Inc
Roberto V. Antonio	21-Oct-22	Corporate Governance	Risks, Opportunity, Assessment & Management, Inc
Mischel O. Mendoza	20-Jul-22	Annual Corporate Governance Seminar	BDO Unibank Inc.
Grace L. Gatdula	20-Jul-22	Annual Corporate Governance Seminar	BDO Unibank Inc.
Maria Neriza C. Banaria	20-Jul-22	Annual Corporate Governance Seminar	BDO Unibank Inc.
Anna Josefina G. Esteban	20-Jul-22	Annual Corporate Governance Seminar	BDO Unibank Inc.
Michelle Angeli T. Hernandez	20-Jul-22	Annual Corporate Governance Seminar	BDO Unibank Inc.

**Disclosure
2-17**

EVALUATION OF THE PERFORMANCE OF THE HIGHEST GOVERNANCE BODY

**Disclosure
2-18**

Refer to our **Manual on Corporate Governance- section 2.17 Board Evaluation/Assessment & 2.18.2.1 Corporate Governance Committee**

<https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20CG.pdf> (page 18-20)

REMUNERATION POLICIES

**Disclosure
2-19**

The compensation of the Group's key management personnel is included in the "Personnel costs" as disclosed in Note 15 and 20 of the audited consolidated financial statements.

Audit Committee members receive a per diem of Fifty Thousand Pesos (₱50,000.00) each per Audit Committee meeting attended while other directors receive a per diem of Ten Thousand Pesos (₱10,000.00) each for Board and other Board Committee meetings. Each director is given a per diem in the amount mentioned regardless of the number of meetings during the same day.

There is no compensatory plan or arrangement, including payments to be received from the Company, with respect

	<p>to any of its executive officer, which will result from the resignation, retirement or any other termination of any of its executive officer’s employment with the Company and its subsidiaries or from a change-in-control of the Company or in any of its executive officer’s responsibilities, following a change- in-control and the amount involved, including all periodic payments or installments, which exceeds P2.5 million.</p> <p>Refer to our Manual on Corporate Governance - section 2.18.2.2 Compensation of Directors/Officers/Employees https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20CG.pdf (page 23-25)</p>																																
Disclosure 2-20	<p style="text-align: center;">PROCESS TO DETERMINE REMUNERATION</p> <p>Refer to our Manual on Corporate Governance - section 2.18.2.2 Compensation of Directors/Officers/Employees https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20CG.pdf (page 23-25)</p>																																
Disclosure 2-21	<p style="text-align: center;">ANNUAL COMPENSATION RATIO</p> <p>Ratio of the annual total compensation for the organization’s highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual) is 2.65:1</p> <p>Ratio of the percentage increase in annual total compensation for the organization’s highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) is 3.76:1</p> <table border="1"> <thead> <tr> <th></th> <th>2022</th> <th>2021</th> <th>Inc/(Dec)</th> </tr> </thead> <tbody> <tr> <td>Employee wages and benefits</td> <td>82.62</td> <td>118.41</td> <td>-30.23%</td> </tr> <tr> <td>Total for President and 4 most highly compensated Executive Officers</td> <td>7.79</td> <td>15.66</td> <td>-50.26%</td> </tr> <tr> <td>Total No. of employees</td> <td>138</td> <td>170</td> <td>-18.82%</td> </tr> <tr> <td>Employee wages and benefits excluding 5 highest paid officers</td> <td>81.06</td> <td>115.28</td> <td></td> </tr> <tr> <td>Ave. wage and benefits per employee</td> <td>0.59</td> <td>0.68</td> <td>-13%</td> </tr> <tr> <td>Ave. compensation of 5 highest paid officers</td> <td>1.56</td> <td>3.13</td> <td>-50%</td> </tr> <tr> <td>Ratio</td> <td>2.65</td> <td>4.62</td> <td>3.76</td> </tr> </tbody> </table>		2022	2021	Inc/(Dec)	Employee wages and benefits	82.62	118.41	-30.23%	Total for President and 4 most highly compensated Executive Officers	7.79	15.66	-50.26%	Total No. of employees	138	170	-18.82%	Employee wages and benefits excluding 5 highest paid officers	81.06	115.28		Ave. wage and benefits per employee	0.59	0.68	-13%	Ave. compensation of 5 highest paid officers	1.56	3.13	-50%	Ratio	2.65	4.62	3.76
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4. STRATEGY, POLICIES AND PRACTICES																																	
Disclosure 2-22	<p style="text-align: center;">STATEMENT ON SUSTAINABLE DEVELOPMENT STRATEGY</p> <p>STATEMENT FROM SENIOR DECISION MAKER</p> <p>Despite the setback of the closure of Keno operations and reduced manpower, POSC has been able to bounce back from the negative effects of the pandemic through improved lotto revenues and tighter cost measures in 2022. The company continued to focus on streamlining operations and maximizing strengths in order to thrive as a lean business.</p> <p>With the publication of its fourth annual Sustainability Report, prepared in accordance with Global Reporting Initiative (GRI) standards, POSC reaffirms its commitment to promote transparency, efficiency, and accountability to its various stakeholders.</p>																																
Disclosure 2-23	<p style="text-align: center;">POLICY COMMITMENTS</p> <p>VALUES, PRINCIPLES, STANDARDS, AND NORMS OF BEHAVIOR</p> <p>Mission Create Hope. Live Life.</p> <p>Vision To Be the Gaming Partner of Choice.</p>																																

	<p>Core Values Pacific Online is a LEARNING organization composed of diverse individuals with unity of purpose and a shared vision. We strive for EXCELLENCE in all we do. We fully accept ACCOUNTABILITY for all our actions, decisions, and responsibilities. We create our future driven by a DYNAMIC team of professionals. We always aim for EFFICIENCY in all aspects of our work. We accord everyone due RESPECT and carry ourselves in a professional manner. We nurture relationships by providing quality SERVICE to all stakeholders.</p> <p>Quality Policy and Objectives Pacific Online Systems Corporation is committed to continuously improve the quality management system and meet all requirements of the stakeholders in providing reliable, efficient and effective online lottery systems.</p> <ul style="list-style-type: none"> • To be fully responsive to the requirements of stakeholders. • To maintain and continuously develop a competent workforce. • To maintain and continuously improve financial, operational and administrative control systems to achieve the company's goals and objectives. • To comply with statutory and regulatory requirements. <p>Information Security Policy and Objectives Pacific Online Systems Corporation is committed to safeguard the confidentiality, integrity and availability of all physical and electronic information assets of the company to ensure that regulatory, operational and contractual requirements are fulfilled.</p> <ul style="list-style-type: none"> • To comply with statutory and regulatory requirements. • To comply with requirements for confidentiality, integrity and availability for employees and other users. • To establish controls for protecting company information and information systems against theft, abuse and other forms of harm and loss. • To ensure that employees maintain the responsibility for, ownership of and knowledge about information security, to minimize the risk of security incidents. • To sustain continuity of operations at all times. • To ensure that external service providers comply with the company's information security needs and requirements. <p>Refer to our Code of Conduct Policy https://www.loto.com.ph/sites/default/files/CODE%20OF%20CONDUCT_1.pdf</p>
<p>Disclosure 2-24</p>	<p style="text-align: center;">EMBEDDING POLICY COMMITMENTS</p> <p>Refer to disclosure 2-29 APPROACH TO STAKEHOLDER ENGAGEMENT</p> <p>ENTITIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS Pacific Online Systems Corporation and subsidiaries (Refer to Disclosure 2-2)</p>
<p>Disclosure 2-25</p>	<p style="text-align: center;">PROCESSES TO REMEDIATE NEGATIVE IMPACTS</p> <p>Refer to disclosure 2-16 Hazard identification, risk assessment, and incident investigation and refer to our Whistle Blowing Policy https://www.loto.com.ph/sites/default/files/WHISTLE%20BLOWING%20POLICY%204.11.23.pdf</p>
<p>Disclosure 2-26</p>	<p style="text-align: center;">MECHANISM FOR SEEKING ADVICE AND RAISING CONCERNS</p> <p>Refer to disclosure 2-6 PRECAUTIONARY PRINCIPLE OR APPROACH</p>

COMPLIANCE WITH LAWS AND REGULATIONS											
Disclosure 2-27	<table border="1"> <thead> <tr> <th style="text-align: center;">INSTANCES OF NON-COMPLIANCE</th> <th style="text-align: center;">INCIDENTS</th> </tr> </thead> <tbody> <tr> <td>Instances of non-compliance for which fines were incurred</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Instances of non-compliance for which non-monetary sanctions were incurred</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Fines for instances of non-compliance with laws and regulations that occurred in the current reporting period</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Fines for instances of non-compliance with laws and regulations that occurred in previous reporting periods</td> <td style="text-align: center;">0</td> </tr> </tbody> </table>	INSTANCES OF NON-COMPLIANCE	INCIDENTS	Instances of non-compliance for which fines were incurred	0	Instances of non-compliance for which non-monetary sanctions were incurred	0	Fines for instances of non-compliance with laws and regulations that occurred in the current reporting period	0	Fines for instances of non-compliance with laws and regulations that occurred in previous reporting periods	0
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MEMBERSHIP ASSOCIATIONS											
None											

5. STAKEHOLDER ENGAGEMENT

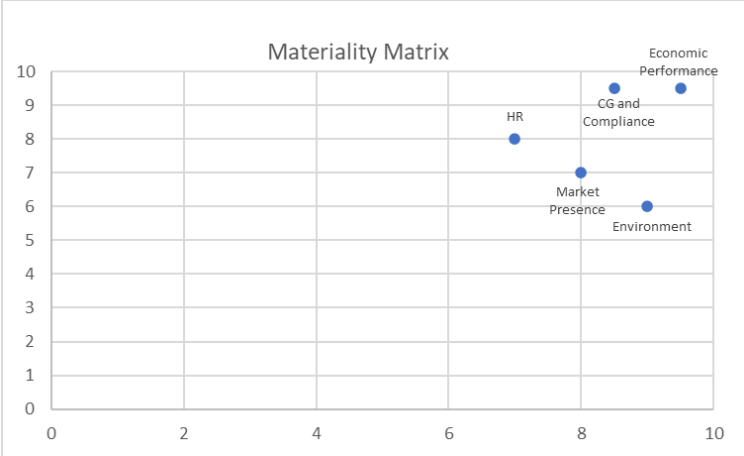
APPROACH TO STAKEHOLDER ENGAGEMENT																									
Disclosure 2-29	<table border="1"> <thead> <tr> <th style="text-align: center;">Stakeholder Group</th> <th style="text-align: center;">Description</th> <th style="text-align: center;">Channels of Engagement</th> </tr> </thead> <tbody> <tr> <td>Investors/ Shareholders</td> <td>Financial backers and sources of vital funding who allow POSC to achieve intended results, substantial returns, and shared value</td> <td>Annual stockholders' meetings, one-on-one dialogues, website, investors / media briefings</td> </tr> <tr> <td>Board of Directors & Management</td> <td>Final decision makers of POSC who direct the company's path to sustainability</td> <td>Regular meetings, one-on-one dialogues, management reports</td> </tr> <tr> <td>Employees</td> <td>Dynamic team of professionals who are the lifeblood of POSC and share a unity of purpose according to the corporate vision, mission and objectives</td> <td>Internal communications, human resource dialogues, performance reviews, training workshops</td> </tr> <tr> <td>External Providers</td> <td>Suppliers and providers of software, hardware and outside services who partner with POSC</td> <td>Business meetings, contracts, policies, external provider accreditation and evaluations</td> </tr> <tr> <td>Customer – PCSO</td> <td>Lessee of POSC's lottery system and maintenance</td> <td>Letters, business meetings, satisfaction surveys, contracts</td> </tr> <tr> <td>Indirect Customer – Lottery Agents & Lottery Players</td> <td>End-users of POSC's services</td> <td>Satisfaction surveys, hotline calls, field service visits</td> </tr> <tr> <td>Government Bodies/ Regulators</td> <td>Collaborators in the pursuit of social progress and sustainability</td> <td>Compliance, formal meetings, timely and accurate disclosures</td> </tr> </tbody> </table>	Stakeholder Group	Description	Channels of Engagement	Investors/ Shareholders	Financial backers and sources of vital funding who allow POSC to achieve intended results, substantial returns, and shared value	Annual stockholders' meetings, one-on-one dialogues, website, investors / media briefings	Board of Directors & Management	Final decision makers of POSC who direct the company's path to sustainability	Regular meetings, one-on-one dialogues, management reports	Employees	Dynamic team of professionals who are the lifeblood of POSC and share a unity of purpose according to the corporate vision, mission and objectives	Internal communications, human resource dialogues, performance reviews, training workshops	External Providers	Suppliers and providers of software, hardware and outside services who partner with POSC	Business meetings, contracts, policies, external provider accreditation and evaluations	Customer – PCSO	Lessee of POSC's lottery system and maintenance	Letters, business meetings, satisfaction surveys, contracts	Indirect Customer – Lottery Agents & Lottery Players	End-users of POSC's services	Satisfaction surveys, hotline calls, field service visits	Government Bodies/ Regulators	Collaborators in the pursuit of social progress and sustainability	Compliance, formal meetings, timely and accurate disclosures
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<p>LIST OF STAKEHOLDER GROUPS</p> <ul style="list-style-type: none"> • Investors / Shareholders • Board of Directors & Management • Employees • External Providers • Customer – PCSO 																									

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Disclosure 2-30	COLLECTIVE BARGAINING AGREEMENTS
	Not applicable

GRI 3: MATERIAL TOPICS 2021

Disclosure 3-1	PROCESS TO DETERMINE MATERIAL TOPICS			
	EXPLANATION OF THE MATERIAL TOPIC AND ITS BOUNDARY			
	Critical Factors	Material Topics	Boundaries	Definition and Relevance
	To embed sustainability in employment practices and financial & administrative operations	Economic Performance	Within POSC, business partners, regulators, local communities	How the Company cements its standing as a market leader in gaming and delivers positive economic returns to its stockholders and ensures the future and continued growth of its operations.
		Market Presence		How the Company contributes to the economic well-being and growth of local communities, and practices fair and just labor standards, according employees their due respect.
Environmentally responsible business operations - Energy - Effluence and Waste		How the Company practices efficient utilization of its resources such as energy, minimizes waste and practices environmentally-friendly disposal with accredited external providers.		
To be a learning organization composed of diverse individuals with unity of purpose and a shared vision	Human resource development & welfare - Employment - Occupational Health and Safety - Training & Education	Within POSC	How the Company develops and retains its employees, provides training and skills development, defines career path and succession planning for its employees and provides a secure and conducive working environment.	
To adhere to compliance requirements in order to be the gaming partner of choice	Corporate governance and compliance	Within POSC, business partners, regulators	How the Company practices accountability for all its actions, decisions and responsibilities through forward-looking corporate governance and checks and balances, and through faithful compliance with regulators.	

	<p>OUR MATERIALITY PROCESS</p> <p>Our team reviewed the critical factors affecting our business and its impact on our stakeholders. From there, we were able to generate a list of material topics relevant to the Company.</p> <p>EVALUATION OF THE MANAGEMENT APPROACH</p> 
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LIST OF MATERIAL TOPICS	
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Disclosure 3-2	<ul style="list-style-type: none"> - Economic Performance - Market Presence - Environmentally responsible business operations <ul style="list-style-type: none"> o Energy o Effluence and Waste - Human resource development & welfare <ul style="list-style-type: none"> o Employment o Occupational Health and Safety o Training & Education o Diversity and Equal Opportunity - Corporate governance and compliance
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MANAGEMENT OF MATERIAL TOPICS	
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Disclosure 3-3	<p>THE MANAGEMENT APPROACH AND ITS COMPONENTS</p> <p>Our sustainability journey began with the mandate of our Board of Directors to take a more active role in improving the Company’s corporate governance and sustainability programs. Headed by our Management team, POSC continues to establish, maintain, and improve the sustainable practices of the Company through target setting, progress monitoring, and analysis of our outputs.</p> <p>POSC’S SUSTAINABILITY FRAMEWORK</p> <p>The Company is able to achieve sustainable development through 3 major pillars:</p> <ul style="list-style-type: none"> • Partnership Enhancement <ul style="list-style-type: none"> o Improving our services for the benefit of the PCSO and its agents o Partnering with accredited external providers for responsible disposal o Compliance with standards of our regulators • Resource Optimization <ul style="list-style-type: none"> o Prudent fiscal management o Sustainable operating models o Business continuity planning and disaster recovery protocols o Re-use of equipment and parts to maximize machines and minimize waste
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- o Implementation of electronic systems to reduce paper consumption
- Value Creation
 - o Economic value generation and distribution
 - o Good governance and risk management
 - o Human capital development
 - o Creation of systems to improve data analysis for efficient operations

GRI 201: ECONOMIC PERFORMANCE 2016

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

in PHP millions	2022	2021
	Economic Value Generated	519.05
Economic Value Distributed	343.32	544.15
Operating Costs	256	413.94
Employee wages and benefits	82.62	118.41
Payments to the government	4.7	11.80
Economic value retained (lost)	191.1	(140.74)

Disclosure 201-1

DEFINED BENEFIT PLAN OBLIGATIONS AND OTHER RETIREMENT PLANS

	2022	2021
Net retirement liability	442,153	16,062,627

Disclosure 201-3

The retirement plan is fully funded by the Company with no mandatory contribution from the employee. The retirement liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, difference between interest income and return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which these arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in the profit or loss on the earlier of the date of the plan amendment or curtailment, and the date that the Group recognize related restructuring costs. Plan assets are assets that are held

by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Actuarial valuations are made with sufficient regularity that the amounts recognized in the consolidated financial statements do not differ materially from the amounts that would be determined at the reporting period.

GRI 202: MARKET PRESENCE 2016

RATIOS OF STANDARD ENTRY LEVEL WAGE BY GENDER COMAPARED TO LOCAL MINIMUM WAGE

	Min Wage Male	Min Wage Female	Total Min Wage Employees	Total Employees	% Min Wage Employees
2022	0	0	0	138	0%
2021	0	0	0	135	0%

POSC has no minimum wage earners. Entry rates are higher than the local minimum wage.

POSC	Minimum Wage	POSC Entry Rate	% Higher	Ratio of POSC Entry Rate to Min. Wage
Manila	12,379.50	13,000.00	5%	1.05:1
Cebu	9,461.25	10,500.00	11%	1.11:1

Disclosure 202-1

PROPORTION OF SENIOR MANAGEMENT HIRED FROM THE LOCAL COMMUNITY

POSC employs its personnel from the local communities. All senior managers located in the Cebu office were hired from Cebu.

	Total Senior Management	Senior Management from local community				
		Luzon	Visayas	Mindanao	Total	%
2022	10	7	3	0	10	100%
2021	12	8	4	0	12	100%

Disclosure 202-2

GRI 302: ENERGY 2016

ENERGY CONSUMPTION WITHIN THE ORGANIZATION

Over-all, the company has decreased its consumption of diesel mainly due to the cessation of Keno operations and reduction of vehicles.

Fuel Consumption

	Diesel, in L	Gasoline, in L
YE 2022	26,722	21,044
YE 2021	35,239	22,270

Disclosure 302-1

Over-all, the company has decreased its consumption of electricity and water mainly due to the cessation of Keno operations.

Electricity Consumption By Region

in kWh	Luzon	Visayas	Mindanao	Total
YE 2022	78,489	354,172	1,493	434,163
YE 2021	148,466	345,279	4,639	498,384

Total Water Consumption

	Total, in cu. m.
YE 2022	2,212
YE 2021	2,791

ENERGY INTENSITY

Disclosure 302-3

	Fuel (in L)	Electricity (in kWh)	Water (in cu. m)
YE 2022	47,766	434,163	2,212
Ave. consumption per employee 2022	346.13	3146.11	16.03
Ave. consumption per employee (monthly)	28.84	262.18	1.34

GRI 306: EFFLUENTS AND WASTE

WASTE BY TYPE AND DISPOSAL METHOD

We recognize that as a business that is centered on systems maintenance, there must be measures to mitigate the waste products. Our company practices recycling of the parts of terminals, to ensure that not everything goes to waste and to prolong the life of the equipment. We also partner with DENR accredited suppliers for waste management to ensure that the parts and waste that are indeed unusable for us go into the right hands for proper disposal or reuse.

The publication of our sustainability report aligned to the GRI standards is part of a country-wide practice to adopt sustainable practices and integrate this information into our reporting and disclosures. This as part of a bigger movement will hopefully encourage not just the publicly-listed companies, but all companies in the Philippines to understand and adopt the mindset and practice of sustainability.

Total volume of hazardous wastes (old terminals, e-wastes) hauled by DENR-accredited hauler/charitable institutions

	Total, in kgs
YE 2022	93,130
YE 2021	9,498

Pacific Online regularly disposes its waste through DENR accredited facilities. Majority of its waste is from lottery terminals and peripherals.

The cessation of Keno operations led to the pull-out of multiple terminals and peripherals nationwide. Prior to the retrenchment of TGTI personnel, the company conducted a massive clean-up of its warehouses and disposed waste.

Disclosure 306-2

GRI 401: EMPLOYMENT 2016**NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER****NEW HIRES**

TOTAL NEW HIRES – 10

BY GENDER	Count	%
MALE	5	50%
FEMALE	5	50%

BY AGE GROUP	Count	%
BELOW 30 YRS OLD	6	60%
30 - 50	4	40%
OVER 50	0	0%

BY REGION	Count	%
NCR	0	57%
LUZON	2	20%
VISAYAS	7	70%
MINDANAO	1	10%

HIRING RATE

ENTIRE GROUP – 7%

EMPLOYEE SEPARATIONS

TOTAL EMPLOYEE SEPARATIONS – 42

BY GENDER	Count	%
MALE	30	71%
FEMALE	12	29%

BY AGE GROUP	Count	%
BELOW 30 YRS OLD	14	33%
30 - 50	23	55%
OVER 50	5	12%

BY REGION	Count	%
NCR	22	52%
LUZON	5	12%
VISAYAS	13	31%
MINDANAO	2	5%

TURNOVER RATE

ENTIRE GROUP – 30%

The high turnover rate in 2022 was due to the closure of TGTI operations and retrenchment of personnel.

Disclosure
401-1

Disclosure 401-2	BENEFITS PROVIDED TO FULL-TIME EMPLOYEES THAT ARE NOT PROVIDED TO TEMPORARY OR PART-TIME EMPLOYEES																	
	<p>1. Full HMO coverage (room & board and maximum benefit limit based on rank) of all employees upon hiring. Benefit package includes preventive healthcare, out-patient care and hospitalization, emergency care, dental care, and financial assistance.</p> <p>2. Life Insurance coverage upon hiring, amount of insurance is based on rank. Benefit coverage includes basic life, accidental death, dismemberment & disablement, total & permanent disability, unproved murder & assault, and accident medical reimbursement.</p> <p>3. Group Accident Insurance coverage upon hiring. Benefit coverage includes accidental death, dismemberment & disablement, total & permanent disability, unproved murder & assault, accident medical reimbursement, accident burial benefit, and daily hospital income.</p> <p>4. Wellness Benefit Allowance for Managers-Up while all staff below manager rank personnel were provided PPE (face masks)</p> <p>5. Clothing Allowance for all employees</p>																	
Disclosure 401-3	PARENTAL LEAVE																	
	<p>1. Breakdown of Availment of Maternity and Paternity Leaves</p> <table border="1" data-bbox="276 720 1144 800"> <thead> <tr> <th></th> <th>Male</th> <th>Female</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Employee Headcount</td> <td>2</td> <td>0</td> <td>2</td> </tr> </tbody> </table> <p>2. Total Number of Employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender</p> <table border="1" data-bbox="276 898 1144 978"> <thead> <tr> <th></th> <th>Male</th> <th>Female</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Employee Headcount</td> <td>2</td> <td>0</td> <td>2</td> </tr> </tbody> </table>				Male	Female	Total	Employee Headcount	2	0	2		Male	Female	Total	Employee Headcount	2	0
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GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018																		
Disclosure 403-1	OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM																	
	<p>OCCUPATIONAL HEALTH AND SAFETY POLICY</p> <p>Pacific Online Systems Corporation is committed to provide safe, healthy and environmentally friendly areas for all its employees. It promotes fair, safe and productive work practices in all its business aspects. Pacific Online Systems Corporation will at all times comply with all regulatory requirements of the Philippines, its customers and other external parties.</p> <p>At POSC, we intend:</p> <ul style="list-style-type: none"> • To maintain safe and healthy working conditions; • To provide and maintain safe office equipment; • To prevent accidents and cases of work-related illnesses; • To provide information, instruction and supervision for employees; • To ensure all employees are competent to do their tasks and to give them adequate training; • To consult our employees on matters affecting their health and safety; • To provide adequate control of the health and safety risk arising from our work activities; • To review and revise the policy as necessary regular intervals. <p>Structure and Functions of OSH Committee</p> <p>Overall and final responsibility for health and safety is that of the General Services Department Head. Ensuring that this policy is put into practice and this task is delegated to the Safety Officer.</p>																	

	<div style="text-align: center;"> <pre> graph TD A[Chairman GSD Head] --- B[Safety Officer] A --- C[Treasury Officer] A --- D[Business Dev't Manager] A --- E[Online Lottery Representative] </pre> </div> <p>To ensure health and safety standards are maintained / improved, the Department Heads shall ensure compliance in their respective departments/areas.</p> <p>All employees have to:</p> <ul style="list-style-type: none"> • Cooperate with their Immediate Superior and Department Head on health and safety matters; • Not interfere with anything provided to safeguard their health and safety; • Take reasonable care of their own health and safety; Report all health and safety concerns to Immediate Superior or Safety Officer.
<p>Disclosure 403-2</p>	<p style="text-align: center;">HAZARD IDENTIFICATION, RISK ASSESSMENT AND INCIDENT INVESTIGATION</p> <p>Hazard identification, risk assessment, and incident investigation</p> <p>A Risk Assessment is conducted by the Company to ensure business continuity in times of certain negative events. Threats and Vulnerabilities are measured and offset with controls in place to arrive at an acceptable level of risk.</p> <p>Incidents are screened for information security breaches and documented in an Incident Report. Non-conformities are followed up by the auditor until a correction and corrective action is deemed acceptable. Regular audits are conducted to ensure that such incidents are not repeated.</p>
<p>Disclosure 403-3</p>	<p style="text-align: center;">OCCUPATIONAL HEALTH SERVICES</p> <p>Refer to Disclosure 403-1 and 403-2</p> <p>OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM and HAZARD IDENTIFICATION, RISK ASSESSMENT AND INCIDENT INVESTIGATION</p>
<p>Disclosure 403-4</p>	<p style="text-align: center;">WORKER PARTICIPATION, CONSULTATION, AND COMMUNICATION ON OCCUPATIONAL HEALTH AND SAFETY</p> <p>Refer to Disclosure 403-1</p> <p>OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM</p>
<p>Disclosure 403-5</p>	<p style="text-align: center;">WORKER TRAINING ON OCCUPATIONAL HEALTH AND SAFETY</p> <p>POSC SEMINARS/TRAININGS:</p> <p>1. Occupational First Aid Training with basic life support</p> <p>This is a 2-day session on Occupational First Aid with basic life support as part of the requirement Department of Labor and Employment. The seminar tackled on first aid techniques and how to assist employees during emergency cases</p>
<p>Disclosure 403-6</p>	<p style="text-align: center;">PROMOTION OF WORKER HEALTH</p> <ol style="list-style-type: none"> 1. Full HMO coverage (room & board and maximum benefit limit based on rank) of all employees upon hiring. Benefit package includes preventive healthcare, out-patient care and hospitalization, emergency care, dental care, and financial assistance. 2. Annual Physical Exam / Executive Check-Up – this is being scheduled annually to check the employees’ health condition and suitability to perform their job. 3. Health and wellness activities are being conducted to help employees improve further their health and well-being.

	POSC SEMINARS/TRAININGS: 1. Mindset & Motivation This is a 1-hour session as part of the Health & Wellness Activity for the employees. The seminar tackled the meaning of mindset and motivation, enumerated the different types of mindsets that can be beneficial to a person and discussed how mindset and motivation can be the true barometers of happiness.																													
Disclosure 403-7	PREVENTION AND MITIGATION OF OCCUPATIONAL HEALTH AND SAFETY IMPACTS DIRECTLY LINKED BY BUSINESS RELATIONSHIPS																													
	Refer to Disclosure 403-2 HAZARD IDENTIFICATION, RISK ASSESSMENT AND INCIDENT INVESTIGATION																													
Disclosure 403-8	WORKERS COVERED BY AN OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM																													
	100% of the Company's employees are covered by the Occupational Health and Safety (OSH) Management System. All OSH incidents are investigated internally. The Company does not utilize a third-party auditor for OSH issues.																													
Disclosure 403-9	WORK-RELATED INJURIES																													
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Disclosure 403-10	WORK-RELATED ILL HEALTH																													
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GRI 404: TRAINING AND EDUCATION 2016																														
Disclosure 404-1	AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE																													
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	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">Rank & File</th> <th style="text-align: center;">Junior Mngt.</th> <th style="text-align: center;">Middle Mngt.</th> <th style="text-align: center;">Senior Mngt.</th> <th style="text-align: center;">Total</th> </tr> </thead> <tbody> <tr> <td>Total No. of Training Hours Recorded</td> <td style="text-align: center;">32</td> <td style="text-align: center;">80</td> <td style="text-align: center;">64</td> <td style="text-align: center;">147</td> <td style="text-align: center;">323</td> </tr> <tr> <td>No. of Employees Trained</td> <td style="text-align: center;">2</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> <td style="text-align: center;">6</td> <td style="text-align: center;">10</td> </tr> <tr> <td>Average Training Hours</td> <td style="text-align: center;">16</td> <td style="text-align: center;">80</td> <td style="text-align: center;">64</td> <td style="text-align: center;">24.5</td> <td style="text-align: center;">32.3</td> </tr> </tbody> </table>							Rank & File	Junior Mngt.	Middle Mngt.	Senior Mngt.	Total	Total No. of Training Hours Recorded	32	80	64	147	323	No. of Employees Trained	2	1	1	6	10	Average Training Hours	16	80	64	24.5	32.3
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PROGRAMS FOR UPGRADING EMPLOYEE SKILLS AND TRANSITION ASSISTANCE PROGRAMS																
Disclosure 404-2	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Training Type/ Classification</th> <th style="text-align: center;">Specific classes/sessions included in this training category</th> <th style="text-align: center;"># of sessions conducted</th> </tr> </thead> <tbody> <tr> <td>Core/Business Compliance</td> <td>1. Orientation on Pag-Ibig Benefits (1) 2. Various Internal Audit Related Topic (6) 3. Orientation on New Employees (11) 4. Occupational First Aid with Basic Life Support & AED (2) 5. BDO Corporate Governance Seminar (1) 6. ICD Corporate Governance Seminar (1)</td> <td style="text-align: center;">22</td> </tr> <tr> <td>Job- based/Professional Skills</td> <td>1. IIA-P Meeting (1) 2. Rootcon (1)</td> <td style="text-align: center;">2</td> </tr> <tr> <td>Leadership</td> <td>N/A</td> <td></td> </tr> <tr> <td>Others, please specify</td> <td>SEC Sustainability Seminars</td> <td style="text-align: center;">1</td> </tr> </tbody> </table>	Training Type/ Classification	Specific classes/sessions included in this training category	# of sessions conducted	Core/Business Compliance	1. Orientation on Pag-Ibig Benefits (1) 2. Various Internal Audit Related Topic (6) 3. Orientation on New Employees (11) 4. Occupational First Aid with Basic Life Support & AED (2) 5. BDO Corporate Governance Seminar (1) 6. ICD Corporate Governance Seminar (1)	22	Job- based/Professional Skills	1. IIA-P Meeting (1) 2. Rootcon (1)	2	Leadership	N/A		Others, please specify	SEC Sustainability Seminars	1
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Others, please specify	SEC Sustainability Seminars	1														
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Unit: In Philippine pesos	FY JAN-DEC 2022															
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Disclosure 404-3	PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS															
	The Company practices yearly performance review for all regular employees.															
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016																
Disclosure 405-1	DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES															
	<p>We believe in a just and equitable vision for the country, without discrimination against all women and girls and ensuring them equal opportunities for leadership. In Pacific Online Systems Corporation, while the proportion of women in the workforce is only 22%, 67% of women hold top positions in the organization. The company's Board of Directors also has 1 female member, who is an Independent Director.</p> <p>Refer to Disclosure 2-7 Employees</p>															
Disclosure 405-2	RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN															
	Refer to Disclosure 202-1 RATIOS OF STANDARD ENTRY LEVEL WAGE BY GENDER COMPARED TO LOCAL MINIMUM WAGE															

APPENDIX 1. GRI CONTENT INDEX IN ACCORDANCE

Statement of use	PACIFIC ONLINE SYSTEMS CORPORATION has reported in accordance with the GRI Standards for the period January 1 – December 31, 2022
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOC	OMMISION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMMITED	REASON	EXPLANATION	
GENERAL DISCLOSURE						
GRI 2: General Disclosures 2021	2-1 Organizational details	1				
	2-2 Entities included in the organization's Sustainability reporting	1				
	2-3 Reporting period, frequency and contact point	1-2				
	2-4 Restatements of information	2				
	2-5 External assurance	2				
	2-6 Activities, value chain and other business relationships	2-3				
	2-7 Employees	3-4				
	2-8 Workers who are not employees	4				
	2-9 Governance structure and composition	5-6				
	2-10 Nomination and selection of the highest governance body	6				
	2-11 Chair of the highest governance body	7				
	2-12 Role of the highest governance body in overseeing the management of impacts	7				
	2-13 Delegation of responsibility for managing impacts	7				
	2-14 Role of the highest governance body in sustainability reporting	7				
	2-15 Conflicts of interest	7				
	2-16 Communication of critical concerns	7				
	2-17 Collective knowledge of the highest governance body	8				
	2-18 Evaluation of the performance of the highest governance body	8				
	2-19 Remuneration policies	8-9				
	2-20 Process to determine remuneration	9				
	2-21 Annual total compensation ratio	9				
	2-22 Statement on sustainable development strategy	9				
	2-23 Policy commitments	9-10				
	2-24 Embedding policy commitments	10				
	2-25 Processes to remediate negative impacts	10				
	2-26 Mechanisms for seeking advice and raising concerns	10				
	2-27 Compliance with laws and regulations	11				
	2-28 Membership associations	11				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOC	OMMISION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMMITED	REASON	EXPLANATION	
	2-29 Approach to stakeholder engagement	11				
	2-30 Collective bargaining agreements	12				
MATERIAL TOPICS						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	12-13				
	3-2 List of material topics	13				
	3-3 Management of material topics	13-14				
ECONOMIC PERFORMANCE						
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	14				
	201-2 Financial implications and other risks and opportunities due to climate change		201-2-a-i 201-2-a-ii 201-2-a-iii 201-2-a-iv 201-2-a-v	Not applicable	The Company does not have risk and opportunities due to climate change	
	201-3 Defined benefit plan obligations and other retirement plans	14-15				
	201-4 Financial assistance received from government		201-4-a-i 201-4-a-ii 201-4-a-iii 201-4-a-iv 201-4-a-v 201-4-a-vi 201-4-a-vii 201-4-a-viii 201-4-b 201-4-c	Not applicable	The Company does not receive financial assistance from government	
MARKET PRESENCE						
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	15				
	202-2 Proportion of senior management hired from the local community	15				
ENERGY						
GRI 302: Energy 2016	302-1 Energy consumption within the organization	15-16				
	302-2 Energy consumption outside of the organization		302-2-a 302-2-b 302-2-c	Not applicable	The Company does not have energy consumption outside of the organization	
	302-3 Energy intensity	16				
	302-4 Reduction of energy consumption		302-4-a 302-4-b 302-4-c 302-4-d	Not applicable	The Company does not have energy reduction initiatives at present	
	302-5 Reductions in energy requirements of products and services		302-5-a 302-5-b	Not applicable	The Company does not have	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOC	OMMISION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMMITED	REASON	EXPLANATION	
			302-5-c		any energy reduction initiatives at present for sold services	
EFFLUENTS AND WASTE						
GRI 306: Effluents And Waste	306-1 Water discharge by quality and destination		306-1-a-i 306-1-a-ii 306-1-a-iii 306-1-b	Not applicable	The Company has no activity involving water bodies and related habitats	
	306-2 Waste by type and disposal method	16				
	306-3 Significant spills		306-3-a-i 306-3-a-ii 306-3-a-iii 306-3-a-iv 306-3-b 306-3-c	Not applicable	The Company has no activity involving potential oil spills	
GRI 306: Effluents And Waste	306-4 Transport of hazardous waste		306-4-a-i 306-4-a-ii 306-4-a-iii 306-4-a-iv 306-4-b 306-4-c	Not applicable	The Company does not transport hazardous waste	
	306-5 Water bodies affected by water discharges and/or runoff		306-5-a-i 306-5-a-ii 306-5-a-iii	Not applicable	The Company has no activity involving water discharges and/or runoff	
EMPLOYMENT						
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	17				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	18				
	401-3 Parental leave	18				
OCCUPATIONAL HEALTH AND SAFETY						
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	18-19				
	403-2 Hazard identification, risk assessment, and incident investigation	19				
	403-3 Occupational health services	19				
	403-4 Worker participation, consultation, and communication on occupational health and safety	19				
	403-5 Worker training on occupational health and safety	19				
	403-6 Promotion of worker health	19-20				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	20				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOC	OMMISION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMMITED	REASON	EXPLANATION	
	403-8 Workers covered by an occupational health and safety management system	20				
	403-9 Work-related injuries	20				
	403-10 Work-related ill health	20				
TRAINING AND EDUCATION						
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	20				
	404-2 Programs for upgrading employee skills and transition assistance programs	21				
	404-3 Percentage of employees receiving regular performance and career development reviews	21				
DIVERSITY AND EQUAL OPPORTUNITY						
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	21				
	405-2 Ratio of basic salary and remuneration of women to men	21				

TOPICS IN THE APPLICABLE GRI SECTOR STANDARDS DETERMINED AS NOT MATERIAL	
TOPIC	EXPLANATION
GRI 11: Oil and Gas Sector 2021	The Company does not engage in activities related to the Oil and Gas Sector
GRI 12: Coal Sector 2022	The Company does not engage in activities related to the Coal Sector
GRI 13: Agriculture Aquaculture and Fishing Sectors 2022	The Company does not engage in activities related to the Agriculture Aquaculture and Fishing Sectors

GRI CONTENT INDEX WITH REFERENCE

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