



# BUILDING BIG IDEAS

*Better*

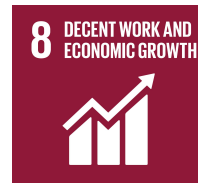
FOR PEOPLE & THE PLANET

**WILCON**

**2019 Sustainability Report**

Sustainability is built into the business of Wilcon. We have been in the industry for 42 years, growing from a humble 60-square-meter shop into the Philippines’ leading home improvement and construction supplies retailer. We achieved this because we understand that a sustainable and comfortable life is the dream of every Filipino family, and we made it our mission to support this aspiration.

With growth and development, dreams and aspirations get bigger. We are committed to contributing the best expertise, knowledge, resources, and skills to promote stronger, safer, and more sustainable homes and buildings for everyone as their lives improve through the long-lasting quality products and solutions we provide. We understand that as Wilcon continues to expand, we must manage our resources responsibly while sharing this growth with our different stakeholders, internal and external, and make sure these partnerships create value for everyone. Over these four decades, we have promoted the growth of our business and in effect cultivated the development and success of our employees within the company.



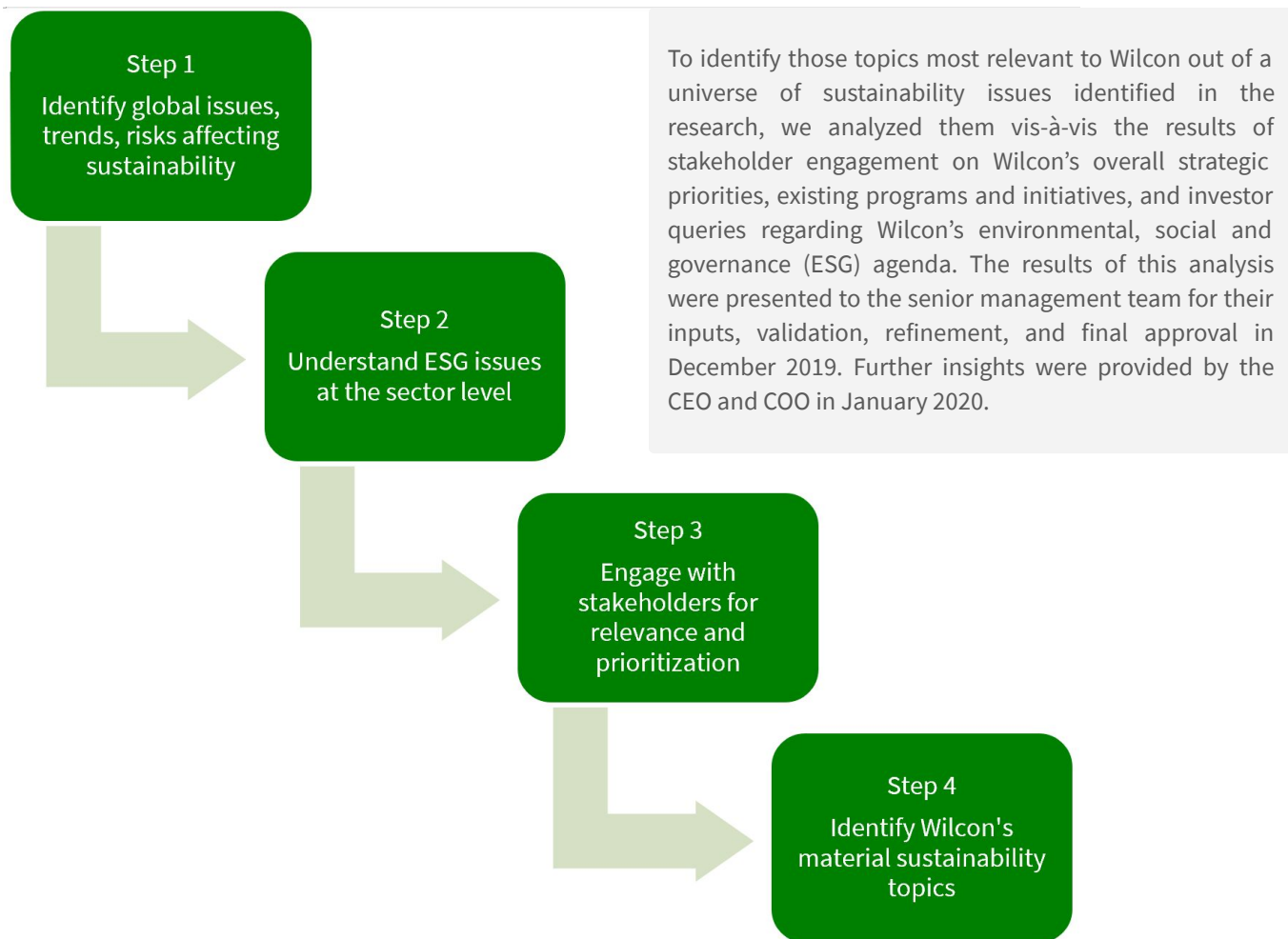
## Company Information

### Company details

Name of Organization	Wilcon Depot (PSE: WLCON)
Location of Headquarters	No. 90 E. Rodriguez Jr. Avenue, Ugong Norte, Quezon City
Location of Operations	See list of locations in Appendix A
Report Boundary: Legal entities included in this report	Wilcon Depot, Inc.
Business Model	2 retail formats – the depot store format and the home essentials store format, which are known under the trade names "Wilcon Depot" and "Wilcon Home Essentials", respectively. <small>Source: <a href="https://edge.pse.com.ph/companyinformation/form.do?cmpy_id=665">https://edge.pse.com.ph/companyinformation/form.do?cmpy_id=665</a></small>
Reporting Period	31 December 2019
Highest Ranking Person for this report	Lorraine Belo-Cincochan, President - CEO

# UNDERSTANDING OUR SUSTAINABILITY CONTEXT AND IMPACTS

The Securities and Exchange Commission’s sustainability reporting requirement among publicly listed companies is an opportunity for Wilcon to take stock of everything that we have done to deliver on our commitment and find ways to build our big ideas better. In 2019, we undertook a rigorous two-month materiality process, which now allows us to focus our energies and resources on a sustainability agenda that is strategic to the business, promotes its growth, manages impacts and minimizes risks, and contributes to sustainable development.




Being an industry leader, we wanted to have a more comprehensive view of the sustainability pressures and drivers that shape our business. To ensure this, we conducted a four-step materiality process that covered:

A desktop review of key global drivers, trends and risks identified by international development organizations, multilateral agencies, global sustainability surveys, and sustainability ratings agencies, as well as sector-specific sustainability issues, including benchmarking against the performance of three sustainability leaders in retail and real estate; and

Nine sets of stakeholder interviews, covering internal (permanent employees from different departments of the business and members of senior leadership/C-suite) and external stakeholders (suppliers of varying business size and nature of operations) in terms of their relevant issues with, impacts of, and expectations from Wilcon.

# Our Material ESG Topics and Management Actions

<b>Business expansion and creating shared value</b>	<b>Impacts of climate change on business performance</b>	<b>Impacts on local communities</b> (job creation, CSR, infrastructure development)	<b>Responsible sourcing</b>	<b>ECONOMIC</b>
<b>Emissions from energy use and transport &amp; delivery</b>	<b>Waste management</b>	<b>ENVIRONMENTAL</b>		
<b>People: Training, OHS &amp; D&amp;I</b>	<b>Customer satisfaction and protection</b> (data privacy, H&S)	<b>Technology strategy</b> (big data, cyber security, and e-commerce)	<b>Meaningful communications and market shaping</b>	<b>Ethics and compliance</b> (governance of ESG at Board level, anti-corruption)
<b>SOCIAL &amp; GOVERNANCE</b>				



Wilcon’s assessment process resulted in the above list of sustainability topics that are material to the business and where we create the most impact. All these present Wilcon with opportunities for better and long-term value creation. Conversely, we understand that they may pose risks to the business if we do not monitor and manage our performance on these issues.

Thus, our materiality process provided us with the opportunity to identify the necessary management actions to begin to address the risks and take advantage of the opportunities they present. These are:

- Monitor and analyze markets and macro data to successfully anticipate changes and sufficiently respond to any development on these material topics, while continuing to provide more and varied choices to our customers;
- Provide company leaders and managers with more opportunities to be exposed to the external environment concerning material ESG impacts, and receive proper training to use the information and knowledge in their decision-making during planning and day-to-day operations;
- Provide adequate support to the human resources department to be able to continuously recruit, train, and deploy excellent personnel;
- Strengthen relationships with a strong core of suppliers that can be relied on to deliver up-to-date, relevant, and specifications-compliant products cost-effectively; and
- Provide sufficient lead time in our construction projects.

We look forward to improving our understanding and responses as we further embed sustainability into our strategy and operations. Thus we commit to the following next steps for a fuller picture of our sustainability journey ahead:

- Include other stakeholder groups using existing touch points (e.g., customer management system) and separate engagements for a 360-degree view of our impacts, risks, and opportunities in time for the next report in 2021;
- Establish a regular materiality review every 2 to 3 years under the governance of senior management; and
- Develop internal capacity to apply learnings from the materiality assessment in areas of our business and begin to measure our performance on these material topics.

# OUR MATERIAL ESG AND KEY FINDINGS

## MATERIAL ESG TOPICS



Wilcon's economic growth relies on its ability to open new stores in strategic locations. This growth needs to create value not only for its shareholders but also for its employees, business partners, customers, and communities where we operate.



- Cost of construction and development
- Lack of qualified employees
- Lack of available contractors or construction personnel
- Securing government approvals, permits and licenses in a timely manner
- Significant competition from other more established businesses in new markets

- Increased profitability through new markets
- Growing preference for sustainable products
- Operational efficiencies and better use of resources like materials, energy, fuel, and water



Wilcon has to demonstrate its resilience in the face of risks from climate change

- Impacts on physical assets (e.g., flooding or construction delays from extreme weather), construction schedule, workforce productivity, reputation, and customer behavior and shopping seasonality, which affect our financial performance

- Ability to offer superior, more durable, more sustainable products that can withstand harsh weather conditions
- Position Wilcon as a partner in building and rebuilding
- Shape the market and educate them on the benefits of sustainable products



Wilcon's expansion into key fast-growing cities in areas outside Metro Manila creates jobs and stimulates infrastructure development and economic activities in these areas.

- Cultural differences can hamper acceptance of the brand and working relationship between store management and locally hired personnel

- Lack of acceptance from the communities in new store locations

- Local employment spurring economic growth in emerging cities

- Be recognized as an inclusive brand by the community through appropriate and meaningful marketing



Wilcon must ensure the quality, safety, and sustainability of the products and solutions it offers its customers. Addressing sustainability risks in products requires working with its suppliers in promoting a transparent, fair, and responsible supply chain.

- Non-availability of products that meet evolving customer preferences and Wilcon's quality standards

- Inaccurate forecasting of trends in customer behavior and preference and to respond to them in a timely manner

- Unmanaged or unchecked increases in price of more sustainable products and make them unaffordable

- Sustainability as a growing customer preference

- Offer products that are suitable and relevant to the market's taste

- Collaborations on innovations with suppliers to cast a wider sphere of positive impact



# OUR MATERIAL ESG AND KEY FINDINGS

## MATERIAL ESG TOPICS



Wilcon's growth translates to more impacts on the environment, specifically emissions resulting from greater energy use and consumption of fuel for transport and delivery of products, while relying on external providers.

- Non-availability of feasible/ reasonably-priced/financially -sensible fossil-fuel substitutes
- Cost of technology, know-how and execution of efficiency promoting logistical processes and programs

- Use alternative power and fuel sources that are cost-effective in the long run
- Reduce carbon footprint



Wilcon must be able to manage the waste it generates as it grows, specifically how it contributes to packaging waste, pollution, and toxicity.

- Accelerated price increase of new technology that will improve waste management efficiency that will be prohibitive to use by businesses
- Human resource skills available at reasonable cost to implement

- Foster product innovation using waste as possible raw material



# OUR MATERIAL ESG AND KEY FINDINGS

## MATERIAL ESG TOPICS



Wilcon must ensure the development and empowerment of its employees by providing them opportunities for professional growth and economic well-being and protecting their rights in the workplace, including occupational health and safety.

- Availability of trainable and skilled human resource
- Cost of training
- Cost of new technology

-Become the preferred employer for the incoming generation of workforce



As customer preferences and buying patterns evolve, Wilcon must be able to continue to deliver superior quality products and solutions while providing excellent and reliable service.

-Reputational damage from threats to customer wellness and safety

-Leverage Wilcon's positioning for high quality customer shopping experience as differentiator



With big data shaping the growth of retail, Wilcon needs to ensure its ability to optimize its information technology systems to make operations more efficient and reach more customers while remaining proactive against potential systems failures and breaches of security.

-Reputational damage from data breaches and system failures

-Lags and operational delays from data breaches and system failures

-Market expansion without need to put up brick & mortar stores, decreasing capital outlay

-Requires less energy to operate and generates less waste

-Addresses possible shortfall in capable manpower



As industry leader, Wilcon is in a position to shape the industry and the market towards the adoption of more sustainable products, services, and business practices.

-Resistance from consumers to see value for money in sustainable products and services

-Address unmet needs through sustainable products and services

-Enter new customer segments



Increasing ESG regulation and greater expectations for business to contribute to sustainable development while ensuring value creation and long-term resilience require responsible leadership and adoption of sustainability at the Board level

-Subject to fines for noncompliance to future regulations on ESG governance

-Establish a governance structure and management approach towards sustainability

-Ability to better respond to investor queries

## Economic Performance

Direct economic value generated and distributed ((in Php)

Direct economic value generated (Revenue)	24,938,844,778
Direct economic value distributed	
A. Operating costs	5,395,669,570
B. Employee wages and benefits	1,025,194,474
C. Payments to suppliers, other operating costs	24,860,597,137
D. Dividends given to stockholders and interest payments to loan providers	655,956,975
E. Taxes given to government	1,461,032,672
F. Investments to community	11,676,935

## Becoming the Preferred Partner: Our Management Approach

Wilcon's leadership in the home improvement and construction retail space is founded on its vision to become the preferred company in the industry for all its key stakeholders. We do this by differentiating our business, our product offerings, and our services through excellence, trustworthiness, and reliability.

We understand that we are in the business of offering innovative solutions. Thus we have a strong and exclusive lineup of quality, value-priced in-house brands, as well as renowned international and local brands that meet our customers' evolving needs. By being attuned and responsive to the accelerating changes in customer behavior and retail trends, we have revolutionized the home improvement and construction supply industry in the Philippines, taking it beyond "hardware-store" types to well-designed retail spaces and customer-centric business practices that enhance the customer shopping experience.

**No. 1**

Home improvement/  
construction retail  
space

**57**

Stores  
nationwide

**425**

Suppliers

**730,458**

Members of Wilcon's loyalty & rewards program

Three-year Growth Strategy (2017 - 2019) and Goals	Baseline (2017)	2018	2019
Expand store network in fast growing cities, solidify presence in existing markets	41	51	57
Focus on continuous expansion of in-house exclusive brands	44.6%	46.9%	49.5%
Continuous increase in comparable/same store sales	6.0%	8.0%	5.2%
Consistent double digit net sales growth rate	11.2%	18.6%	16.3%

## Working with Sustainable Suppliers

Wilcon's business success is built on our continuing capacity to source and sell the appropriate mix of products that meet our stringent quality standards and satisfy customers' preferences. To help deliver our mission of sustainable homes and buildings, Wilcon proactively supports suppliers that have a sustainability agenda or sustainable products in their portfolio and promotes those that offer more eco-solutions to our customers in our marketing activities. We have dedicated store shelves for green products and regularly train our salespeople to help our customers select home improvement and construction supply solutions that deliver environment-friendly benefits, which has become a customer priority.

During our materiality assessment, we engaged with a diverse range of international and local suppliers of different sizes. We did this to begin the conversation on a sustainable procurement program to understand its potential impacts on them and develop an approach that will manage transition and create value for both Wilcon and its partners. We look forward to reporting on this material aspect of our operations in greater detail in our next report.





## Highlight: Committing to Responsible Business

Our ability to deliver our financial growth target depends on responsible and ethical business practices. Corporate governance protects shareholder value and promotes transparency and accountability at the highest level of our business. They also protect our leadership position in the sector. In this light, the company has revised its Manual on Corporate Governance in accordance the SEC’s mandate to submit a new manual in accordance with its Code of Corporate Governance for Publicly Listed Companies.



Similarly, we have a Code of Business Conduct and Ethics that guides Wilcon’s directors, officers, and employees when dealing with our various stakeholders throughout the business. We have a zero-tolerance approach to bribery and corruption as reflected in our Anti-Bribery and Anti-Corruption Policy, which outlines in clear detail what constitutes bribery and corruption, how to raise concerns, monitoring and review systems including internal controls by the review committee, and the administration of penalties. The policy applies to all Wilcon employees and relevant third parties in all areas where we operate.



Wilcon also has a Related Party Transactions Charter and Committee to review and ensure proper oversight of all our material related-party transactions (RPT), which we define as RPTs that amount to 10% or higher of the company’s total assets based on its latest audited financial statement. The committee promotes fairness, transparency, and independent reviews and audits, and ensures against conflicts of interest and misappropriation of resources, among others, to protect the long-term interest of our shareholders and the reputation of the company. The Committee consists of three independent directors and conducts an annual review of its performance.



## Environment Performance

### Energy consumption within the organization (in kWh)

Energy consumption (renewable sources)	1,514,227.66
Energy consumption (electricity)	54,709,692.84

### Energy reduction of energy consumption (in kWh)

Energy reduction (electricity)	1,514, 227.66
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### Air emission disclosures (in Tonnes CO<sub>2</sub>e)

Scope 1 GHG emissions	912.01
Scope 2 GHG emissions	38,964.24
Total GHG emission	39,876.24

### Water consumption within the organization (in CBM)

Water withdrawal	162,057
Water consumption	162,057
Water recycled and reused	0.00

### Solid and hazardous waste generated (in kg)

Recyclable (papers & scraps)	5,040
Landfilled	Not collected in 2019
Hazardous waste generated	3,780
Hazardous waste transported	Not collected in 2019

### Environmental compliance

Monetary fines for non-compliance (Php)	285,000
No. of monetary sanctions for non-compliance	0
No. of cases resolved through dispute resolution mechanism	0

#### Did you know?

Wilcon designed their buildings to maximize natural light, only turning on lights in the afternoon.

39,876.24

GHG Emission

Shift towards renewables: solar energy

Target: almost half of energy mix to come from solar

### Improving Environmental Performance: Our Management Approach

Wilcon recognizes our growth and expansion targets translate to more impacts on the environment, specifically in terms of resource use, waste generation, and emissions from construction, operations and logistics. We have updated our mission and vision so that we can begin the process of developing an enterprise-wide environmental policy and formalizing the strategic environmental initiatives we have been undertaking over the years. This allows us to establish a baseline, begin monitoring and evaluating our performance, and eventually adopt and report on science-based targets.

Energy consumption and the resultant emissions from our operations are at the core of our environmental practices, with a strong focus on the use of renewable energy and battery technology in our branches nationwide. Partnerships with sustainable suppliers and market shaping are also critical steps to take so that we expand the reach of our impacts beyond the branches and enable more sustainable living for our customers.

Through a more deliberate environment agenda, we look forward to improving efficiencies in our operations for productivity and cost savings, taking advantage of opportunities in innovations in packaging and resource use, while addressing actual and potential negative impacts of our operations on our immediate environments and the planet. We commit to reporting further developments on this, including the training and development of employees as well as the governance of this important aspect of our business in the next report.

## Shaping the Market Towards Green Solutions

Customers are becoming more conscious about the impacts of their lifestyles. Wilcon has been steadily expanding the green products it offers on its shelves to address this demand. The following are some of the sustainability features we highlight to make it easy for our customers to build and live better for the planet.



- Water-saving fixtures: low flow, dual flush
- Energy-efficient lighting: lower consumption, more light, longer life
- Clean-air paint products: less polluting, no unpleasant smell
- Circular economy: wood from renewable forests, recycled materials

We also sponsor, participate in, and mount various events in partnership with architects and interior designers to promote sustainable solutions in construction and home improvement. These events allow us to share the latest trends, best practices, and innovative solutions on sustainable design and construction. We engage with these industry professionals regularly because they help promote and contribute to environment-friendly, low-impact living, not only among their clients but a broader public. A shift in customer consciousness also means that people look to architects and designers as experts who are able to translate their desire for a more sustainable life into an actual blueprint or plan. In line with this thrust, we supported the following events in 2019:

Green Architecture Advocacy Philippines' 16<sup>th</sup> Green Forum where GreenAP engaged business leaders and professionals from relevant industries as well as the general public to study and adopt sustainable practices in design, construction, operations, and maintenance;

Philippine School for Interior Design's HUGIS ATBP (Homes Using Geometrically Inspired Spaces for Alternative Types of Built Places) Exhibition, which showcased interior design solutions for alternative housing such as the use of materials that are eco-friendly, sustainable, natural, and indigenous; and

Philippine Institute of Interior Designers' Asia Interior Design Institute Association International Students Workshop, which gathered Asian interior design students and country professional representatives in a workshop that focused on solutions that challenge global, social, environmental and cultural status quos.

## Highlight: Working on Waste

We generate minimal waste in our stores and partner with local government units for the sorting of any solid waste materials we generate. We also have partner facilities to treat our hazardous waste such as broken bulbs and other waste like used oils. We have a take-back program with several suppliers so that they can recycle or repurpose inventory that do not meet our quality standards or get inadvertently damaged and rejected to prevent them from ending up in our landfills.

- Broken tiles are recycled as raw materials
- Rejected cement boards are sent back and turned into recycled input
- Paints are reprocessed to prevent obsolescence



## Highlight: Greening Our Branches

Our stores, because of their big formats, have intense energy requirements. To promote greater cost savings while minimizing our carbon footprint, Wilcon has started to roll out solar power solutions in 2016, including renewable energy into the energy mix of all our branches. We also use high-volume low-speed fans to minimize the use of air-conditioning while still making the branches comfortable for our customers and our staff. At the same time, our stores are designed to bring in as much natural light as possible and use forklifts that run on batteries rather than diesel. Below are the highlights of several in-store initiatives that make our operations more environment-friendly.

- 100% of branches to include solar power by 2023
- 5 branches with solar power systems
- 27 branches for installation of solar power systems by 2020

# SOCIAL DATA

## Employee Data

Employee data	Female	Male
Employees by gender	1266	1426
Employee benefits (% who availed)	Female	Male
SSS	13.48%	17.02%
PhilHealth	1.15%	0.63%
Pag-ibig	15.02%	20.01%
Parental leaves:		
Maternity / Paternity Leave	7.64%	12.08
Solo Parent	96.43%	3.57%
Magna Carta	0.36%	
Vacation leaves	39.28%	46.98%
Sick leaves	6.02%	4.57%
Medical benefits (aside from PhilHealth)	21.33	19.75
Housing assistance (aside from Pag-ibig)	0.00%	0.00%
Retirement fund (aside from SSS)	0.00%	0.08%
Further education support	0.00%	0.00%
Company stocks option	0.00%	0.00%
Telecommuting	0.00%	0.00%
Flexible-working hours	67.53%	32.47%
Employee training and development	Female	Male
Total training hours provided	80	56
Ave. training hours provided	11.42	11.2
Labor Management Relations		
% of employees covered in CBA		29%
Number of consultations conducted with employees concerning employee-related policies		4

**47%**

Female employee

**53%**

Male employee

**50:50** Female:Male

Employee in Key Management Positions

**8** DECENT WORK AND ECONOMIC GROWTH



### Developing Our People: Our Management Approach

In this period of continuous expansion and ambitious targets, Wilcon is committed to creating an environment that respects the dignity of our employees, cultivates their knowledge and talent, and empowers them to be the best they can be through continuous career and development opportunities available to everyone year-round. We have a strong recruitment, selection, training, and deployment program with targets and metrics to address the pool of talent needed for our growth, including outsourced floor staff and promo-merchandisers at the stores.

Central to our vision for our employees is our compensation and benefits program and Work Life Integration Program, both of which protect and promote our employees' advancement, productivity, fair treatment, physical and mental health, safety, and well-being. Apart from statutory benefits, we also provide company-initiated benefits that are not required by law such as allowances and subsidies, different types of insurance as well as incentives. We do this because it is management's responsibility to ensure duty of care and dignity of person, and maintain a culture of compassion all throughout our operations.

Because we are a large company with a network of 57 branches nationwide as of 2019, it is important for employee development and well-being to be cascaded to all levels. Empowerment is key, especially down the line, and our Human Resources department works with operations managers at the branch level who are regularly trained in human resources principles and practices, where they have the power to make decisions on matters and/or grievances concerning the staff, customers, and suppliers, as well as incidents concerning occupational health and safety and ethical practices. We have voice mechanisms that allow for daily communication between individuals and across different functions, including a whistleblower policy and grievance mechanisms for our labor unions.

# SOCIAL DATA

Workplace conditions, labor standards, and human rights	Female	Male
Safe Man-Hours	136	205
No. of work-related injuries*	7	56
No. of work-related fatalities	0	0
No. of work related ill-health	0	0
No. of safety drills	392	
Labor Laws and Human Rights		
No. of legal actions or employee grievances involving forced or child labor	0	
Forced labor (y/n)	Y	
Child labor (y/n)	Y	
Human rights (y/n)	Y	
Supply Chain Management	Does Wilcon consider the following when accrediting suppliers	
Environmental Performance	Y	
Forced labor	Y	
Child labor	Y	
Human rights	Y	
Bribery and corruption	Y	

\*Minor injuries requiring basic first aid treatment only. 0 hospitalized or confined incidences

<b>5.83%</b>	<b>54%</b>	<b>0</b>
Attrition	Covered by OHSAS	Employees from IP

**Did you know?**  
100% of store leadership and 95% enterprise-wide of management of Wilcon grew organically from the ranks.

### Highlight: Prioritizing Health and Safety

Wilcon invests in creating safe stores and working spaces. We understand that home improvement and construction supplies stores, with their large and bulky moveable items, machine-powered lifts, and constant foot traffic, can pose safety risks on our floor staff and customers. The following initiatives help us minimize hazards and prevent injuries at the branches:

- A health and safety governance structure consisting of occupational health and safety officers and pollution officers;
- Safety assessment for product displays and regular checkup on equipment and stocks for safety and maintenance;
- Use of caution ropes and signages for warning zones;
- Procedures for immediate action should accidents occur and incident reporting;
- Personal protective equipment when constructing and installing solar panels; and
- Review and requirement of safety policies among contractors.

At the corporate level, we have trained first aiders and a company doctor who is available for daily and monthly checkups. Our company’s occupational health and safety manual is based on the Department of Labor and Employment’s requirements. To minimize the stresses on our employees associated with the heavy traffic in the metropolis, we now offer a compressed workweek with flexible working hours. We also have a private lactation area for breastfeeding mothers in the workplace.

# SOCIAL DATA



## Highlight: Learning Continuous Improvement

Continuous training is available to all employees to provide them the opportunity to lead and excel in the workplace and remain enthusiastic about delivering superior solutions. We are proud of the fact that 100% of store leadership and 95% enterprise-wide of management grew organically from the ranks.

We identify and develop high-potential employees into future company leaders through structured training programs on leadership and management, soft and technical skills, sales, marketing, customer service skills, and the core values that are important to Wilcon. We have functional on-the-job learning as well as formal training sessions, including 23 technical training modules that our employees can access anytime using our e-learning platform.

We understand that labor contracting is a key risk in the fast-paced and competitive retail sector, as such we do not use contractual labor in our business. We do have outsourced manpower such as independent contractors hired on a per-need basis and promo-merchandisers, whom we include in our strategic training activities so that they are able to grow and upgrade their skills during their assignment at Wilcon, improving their chances at better job opportunities. These include regular meetings and talks with security and staff on the floor, education sessions on how to market products in collaboration with suppliers, and product orientations that focus not only on the features but also the benefits so that they can emphasize our products' value for money, especially those with environment-friendly features.

# SOCIAL DATA

## Ensuring Customer Satisfaction and Service Excellence: Our Management Approach

Customer behavior and preferences are shifting at an unprecedented pace, hastened by rapid technological innovations, growing environmental and social pressures, consolidation of competition, and increasing regulation. Our ability to maintain our status as industry leader and preferred partner depends on a strong commitment to deliver products and solutions of superior quality and provide excellent and reliable service to our customers consistently.

We have a strong track record of anticipating the needs of the market, and sourcing and developing products that meet these needs, allowing us to evolve over the past four decades. We were the first home improvement and construction supply store in the country to improve customer experience in our branches, departing from the traditional “hardware” type of stores and designing them to provide a comfortable atmosphere that enhances the shopping experience and to foster satisfaction and loyalty. Wilcon was also the first to proactively offer and highlight more sustainable products and solutions. In 2019, Wilcon launched its online shopping platform to cater to customer convenience and to provide a seamless shopping experience, integrating both our physical and digital presence. Such pioneering initiatives show that we are well-positioned to adapt to the changing times, and we expect this sustainability agenda to help us manage the transition better.

Innovation, customer satisfaction, and service excellence are the values that define our Customer Relationship Management (CRM) program. Our customers range from middle-income and high-income households to independent contractors and project developers. We have a CRM strategy with target , and monitoring and evaluation mechanisms. This includes a customer service platform available on our website, where customers can send queries, suggestions, comments or complaints.

Our recent rapid expansion nationwide demonstrates our ability to bring our products to different markets using innovative marketing strategies developed by an in-house marketing team. We have policies and procedures on advertising, marketing and communication that guide the campaigns and promotions of brands and products, our interactions with various media outlets, and collaborations with industry professionals, academe, and resource persons from relevant institutions. These policies and procedures seek to ensure integrity with every interaction. To further strengthen brand awareness and visibility as well as our reputation as pioneer and industry leader, we participate in national and regional exhibits and conventions on retail, construction, and home improvement.

### Customer Management

#### Customer Satisfaction

#### Score

Customer Survey

n/a

### Health & Safety

#### Quantity

No. of substantiated complaints on products or services health and safety

14

No. of complaints addressed

14

### Marketing & Labeling

#### Quantity

No. of substantiated complaints on marketing & labelling

3

No. of complaints addressed

3

### Customer Privacy

#### Quantity

No. of substantiated complaints on customer privacy

0

No. of complaints addressed

0

No. of customers, users and account holders whose information is used for secondary purposes

0

### Data Security

#### Quantity

No. of data breaches, including leaks, thefts and losses of data

0

# SOCIAL DATA

## Our Broad Range of Products: Fit For Every Need

We have over 2000 brands and products across different product categories translating to 48,406 SKUs that make it easy and convenient for our customers to find their home improvement and construction needs under just one roof.



Plumbing and sanitary wares (bath and shower mixers, bath fillers, faucets, shower, water systems, bathtubs, bidet, bowl, lavatory, pedestal, shower enclosure, urinal, water closet and other accessories)



Hardware and tools products (door essentials, hand tools and hardware accessories, pipes, sundries, power tools and hand tools)



Tiles/Flooring (locally made and imported tiles in various sizes and types such as ceramic, glass block, porcelain, and vinyl)



Electrical and lighting (electrical accessories and supplies, lamps, wiring devices, LED and lights)



Furniture, furnishings and houseware (furniture products found in the bedroom, dining, kitchen, living room, office, and outdoor; decorative items, organizers, wall hang decors, curtains, and blinds)



Paints (a wide range of paints for different surface types)



Appliances (air coolers, air conditioners, electric fans, entertainment appliances, kitchen appliances, washing machine, and vacuum cleaner)



Building materials (building decors and supplies, ceiling and wall, floor and roofing)



## Award-winning Customer Service

Our customers are well informed, know what they want, and prioritize speedy and convenient shopping and transactions. As such, we make sure our people on the floor are well trained and knowledgeable when it comes to all our products and services, including the latest design trends and consumer behavior so that they can be conversant, offering informed options and helping them find satisfactory solutions. We also work with our suppliers who extend customer support to help with installation and repairs.

To meet the increasing demand for faster, seamless, and more customer-oriented shopping, we use technology in various ways, allowing us to add value to the experience of our customers and industry partners. We have an online store for a selected range of products, mostly DIY items, decors, and basic household items with different payment options, a Wilcon Loyalty Mobile App that allows customers to earn, check, and convert points to rewards, and decentralized delivery centers for faster delivery and greater efficiency. We also offer Design Hub, a service available in all our depots, which allows customers to create 3D layouts of their desired interiors through a computer software along with a product list and cost estimates.

Across such platforms, we protect the data entrusted to us by our customers, backed by our policy on data privacy and information systems that manage and maintain all customer information (whether collected electronically and physically), and ensure that only authorized Wilcon personnel have access to these data.

For industry professionals, we have the ABCDE Lounge, launched in 2015, which Architects, Builders, Contractors, Designers, and Engineers can use to meet with their clients and fellow professionals, conceptualize design and construction projects, and save time by allowing them to immediately browse through Wilcon's extensive product catalog and compare their options with ease. The lounge is designed to be both comfortable, professional, and strategically located. At present the lounge can be found in 36 Wilcon branches and has received positive feedback from its users. We expect to increase the number of ABCDE Lounges to 45 by 2020.

Given these customer-centered initiatives, we were recognized by the Federation of Asia-Pacific Retailers Association (FAPRA) with the International Award for Excellence in Customer Service in 2019. An international body, FAPRA recognizes individuals, companies, and associations for their outstanding achievements in retail, specifically in five categories: most innovative retail concept, best marketing campaign, green retailer, best effort in retail employee training and customer service excellence.



## Relationship with the community

Wilcon extends financial assistance to Eastern Regional Organization: for Planning and Human Settlements (EAROPH) Philippines with their efforts to promote a better understanding of Human Settlements and encourage excellence in planning, development and management to improve the quality of life and sustainability of human settlements in their 2<sup>nd</sup> National Convention.



**i-Love Foundation:** *WDI donated 3 Million worth of Wilcon items and Gift Certificates*

### Donation to St. John Bosco Church Restroom

*WDI and Grohe donated 110K worth of products for St. John Don Bosco Church for their restroom project*

### Donation for Wilcon Foundation

*WDI donated Php500K to Wilcon Foundation during 5th Wilcon Cup*

### Truck Donation

*WDI donated a Truck to Quezon City Hall DPOS compound*

## Highlight: Improving Local Communities

As a home improvement and construction supplies retailer, our entry into provincial centers nationwide can mean that the local economies in these areas are primed for greater activity, which can indirectly lead to more infrastructure and more job opportunities. Our stakeholders agree that our expansion has the potential to decentralize growth and development and bring it outside the traditional urban centers.

At the same time, our stakeholders shared with us the growing need for more skilled workers in construction, which can have an impact on our ability to expand and fulfill our target number of branches. Similarly, any manpower shortage that our suppliers experience can impact on their ability to deliver products that we need for our catalog.

Currently Wilcon channels its community development programs through the Wilcon Builders' Foundation to help address the decreasing availability of skilled construction workforce. We have a technical school in Montalban with three strategic programs accredited by the government's Technical Education and Skills Development Authority (TESDA), specifically on masonry, carpentry, and electrical installation and maintenance. Because we target indigent communities, we offer scholarships that require no bonds and then provide them with opportunities for on-the-job training with our suppliers. In 2019, 92% of our 373 graduates received TESDA certification and 69% are already employed.

"I feel very blessed to have a decent job with a well-known company," said Orly Recosana, who was able to receive free training in 2018 and was later absorbed by Wilcon because he demonstrated hard work, discipline, values, and an eagerness to learn. Prior to taking Wilcon's training course, Orly would be in and out of jobs back in Ormoc, Leyte. Other technical-vocational graduates find work in leading corporations like Mark Gyver Bulatao who is now a technician with a telecommunications service provider.

# Appendix A: List of operations location

	Branch Name	Branch	Location
1	ALABANG	D01	8003 REAL ST., ALABANG ZAPOTE RD., ALMANZA UNO, LAS PIÑAS CITY
2	BALINTAWAK	D02	1274 EDSA A. SAMSON, QUEZON CITY
3	LIBIS	D03	90 E. RODRIGUEZ JR. AVE., BRGY. UGONG NORTE, DISTRICT 3, QUEZON CITY
4	MAKATI	D05	2212 CHINO ROCES AVE., SAN LORENZO, MAKATI CITY
5	QUIRINO	D06	L119 C-1 MINDANAO AVE., TALIPAPA, QUEZON CITY
6	FILINVEST	D07	L1 B29 ALABANG ZAPOTE RD. COR. BRIDGEWAY AVE., FILINVEST CORPORATE CITY, ALABANG, MUNTINLUPA CITY
7	MEXICO	D08	GAPAN-OLONGAPO ROAD, LAGUNDI, MEXICO, PAMPANGA
8	SUCAT	D09	DR. A. SANTOS AVENUE, SAN DIONISIO, PARAÑAQUE CITY
9	FAIRVIEW	D10	16 COMMONWEALTH AVE., BRGY. COMMONWEALTH, QUEZON CITY
10	TARLAC	D11	MC ARTHUR HIGHWAY, SAN RAFAEL, TARLAC CITY
11	DAU	D12	MC ARTHUR HI-WAY, DAU, MABALACAT, PAMPANGA
12	SAN FERNANDO	D15	FREEWAY STRIP OLONGAPO-GAPAN ROAD, DOLORES CITY OF SAN FERNANDO, PAMPANGA
13	CALAMBA	D16	NATIONAL ROAD, BRGY. HALANG, CALAMBA CITY, LAGUNA
14	BATANGAS	D17	LOT 2687-A DIVERSION ROAD, ALANGILAN, BATANGAS CITY
15	TAYTAY	D18	MANILA EAST ROAD, BRGY. SAN JUAN, TAYTAY, RIZAL
16	ANTIPOLO	D19	MARCOS HIGHWAY, BRGY. MAYAMOT, ANTIPOLO CITY, RIZAL
17	BALIUAG	D20	KM. 48 DRT HIGHWAY, BRGY. TARCAN, BALIWAG, BULACAN
18	DASMARIÑAS	D21	GOVERNOR'S DRIVE, PALIPARAN 1, DASMARIÑAS CITY, CAVITE
19	LAOAG	D22	AIRPORT ROAD, BRGY. 50, BUTTONG, LAOAG CITY
20	MANDAUE	D23	U.N. AVENUE, UMAPAD, MANDAUE CITY, CEBU
21	TALISAY	D24	LOT 2359, LAWA-AN II, TALISAY CITY, CEBU
22	KAWIT	D25	CENTENNIAL ROAD, MAGDALO, PUTOL, KAWIT, CAVITE
23	VALENZUELA	D26	292 MC ARTHUR HI-WAY, DALANDANAN, VALENZUELA CITY
24	SAN PABLO	D27	DOÑA MARIA VILLAGE PHASE 2, BRGY. BAGONG BAYAN, SAN PABLO CITY, LAGUNA
25	VILLASIS	D28	NATIONAL HIGHWAY, BRGY. BACAG, VILLASIS, PANGASINAN
26	QUEZON AVE.	D29	24 QUEZON AVE., LOURDES, QUEZON CITY
27	DAVAO	D30	MC ARTHUR HIGHWAY, MATINA, DAVAO CITY
28	IT HUB	D31	PASONG TAMO EXTENSION, BRGY. BANGKAL, MAKATI CITY
29	MOLINO	D32	BACoor BOULEVARD, BRGY. MAMBOG IV, CITY OF BACoor
30	STA. ROSA	D33	TAGAYTAY ROAD, BRGY. PULONG, STA. CRUZ, STA. ROSA, LAGUNA
31	CDO	D34	ZONE 5 , BRGY. CUGMAN, CAGAYAN DE ORO CITY
32	BACOLOD	D35	MATAB-ANG TALISAY CITY, NEGROS OCCIDENTAL
33	BUTUAN	D36	BRGY. BAAN, KM. 3, BUTUAN CITY
34	CABANATUAN	D37	LOT 2040-C-3-B & Lot 2040-C-4, SUMACAB ESTE, MAHARLIKA HIGHWAY, PUROK 6, SUMACAB ESTE, CABANATUAN CITY
35	ILOILO	D38	NORTH DIVERSION ROAD, BRGY. DUNGON-B, JARO, ILOILO CITY

# Appendix A: List of operations location (cont.)

	<b>Branch Name</b>	<b>Branch</b>	<b>Location</b>
36	TACLOBAN	D39	PUROK SANTOL, BRGY 80 MARASBARAS, TACLOBAN CITY, LEYTE
37	SILANG	D40	PUROK 9, BRGY. LALAAAN II, SILANG, CAVITE CITY
38	ZAMBOANGA	D41	LOT 2235C I-A BOALAN, ZAMBOANGA CITY
39	NAGA	D42	BRGY. DEL ROSARIO, NAGA CITY
40	LIPA	D43	BRGY. BUGTONG NA PULO, LIPA BATANGAS
41	PANACAN, DAVAO	D45	BUNAWAN: BRGY. PANACAN VALLE VERDE, DAVAO CITY
42	TAYABAS	D46	BRGY. ISABANG, TAYABAS QUEZON
43	GEN. SAN.	D47	PALEN, BRGY. LABANGAL, GENERAL SANTOS CITY
44	PUERTO PRINCESA	D48	BRGY. SICSICAN, PUERTO PRINCESA CITY, PALAWAN
45	GENERAL TRIAS	D49	BRGY. SAN FRANCISCO, GENERAL TRIAS CITY, CAVITE
46	STA. BARBARA, ILOILO	D50	LOT 506B BRGY. BOLONG OESTE, STA. BARBARA, ILOILO
47	OPOL, MISAMIS ORIENTAL	D51	ZONE 2A BRGY. BARRA, OPOL, MISAMIS ORIENTAL
48	STO. TOMAS, BATANGAS	D52	MAHARLIKA HIGHWAY, BRGY. STA. ANASTACIA, STO. TOMAS, BATANGAS
49	ANTIPOLO II	D53	LOT 2-A BRGY. SAN ISIDRO CIRCUMFERENTIAL RD. ANTIPOLO CITY
50	IGUIG, CAGAYAN	D56	BRGY. BAYO, IGUIG, CAGAYAN VALLEY RD.
51	ALIMALL	HO2	LG003/LG004 LOWER GRD FLR. ALIMALL II, ARANETA CENTER, SOCORRO, D3, CUBAO, QUEZON CITY
52	WCC	HO3	ANCHOR 1, 121 VISAYAS AVE., BAHAY TORO, QUEZON CITY
53	STA. MESA	HO5	425 PIÑA AVE., BRGY. 585 ZONE 057, SAMPALOC, MANILA
54	MINDANAO AVE.	HO6	L-5 B-7 MINDANAO AVE., BAHAY TORO I, QUEZON CITY
55	MUÑOZ	HO7	1066 EDSA, BAHAY TORO, QUEZON CITY
56	PASAY	HO8	16 C JOSE ST. COR. EDSA, MALIBAY, PASAY CITY
57	ILOILO	HO9	GROUND FLOOR UNIT A25-A26, FESTIVE WALK MALL, ILOILO BUSINESS PARK, MANDURRIAO , ILOILO CITY