

WILCON

BUILDING BIG IDEAS

Better



2022 SUSTAINABILITY REPORT

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MESSAGE FROM THE CEO

Sustainable living has always been one of Wilcon's aspirations especially for our customers, as embodied in our mission statement – to help our customers build, improve and refine their homes for a sustainable and comfortable life. Through the years, we have invariably been in the forefront of making available to our customers the latest innovative products that would help them achieve this.

Having been in operation for 45 years doing the same business and an industry leader are testaments of how we have built and strengthened our relationships with our various stakeholders and communities. We could not have delivered excellent service and experience to our customers if we did not take care of our employees. We provide our employees plenty of growth opportunities as well. We have long-standing relationships with our major supplier-partners, many of whom have been supportive and aligned with our sustainability journey. We have had collaborative efforts with some of them in supporting each other's sustainability projects. As of the end of 2022, we were 83-store strong and as such we are a part of as many communities. We have been responsible members of our different communities and have helped out not only in times of disaster but participated in various uplifting projects and events. In our own little ways we have contributed in various environmental projects of civic groups and made a giant leap with our investment in solar energy which we initiated in 2016. To give more focus on our various contributions to environment-related projects, we have articulated and incorporated in our mission statement our commitment to better environmental impacts of our business.



LORRAINE BELO-CINCOCHAN
President and Chief Executive Officer

In 2022, with the sustainability reporting requirement of the SEC as our jump-off point we crafted our five-year sustainability roadmap to organize and give focus to our ESG-related efforts and hence maximize the impact and benefits of these activities. We have been true to our motto of building big ideas for decades and now with our more focused ESG journey, we are building big ideas better.

A handwritten signature in black ink, appearing to read 'Lorraine Belo-Cincochan', written over a faint circular watermark.

LORRAINE BELO-CINCOCHAN
Director, President and Chief Executive Officer

Company Overview

Wilcon Depot, Inc, is the Philippines' leading home improvement and finishing construction supplies retailer. We are a one-stop shop carrying the complete spectrum of home improvement products. We have the most extensive product selection of trusted local and international brands of tiles and flooring, plumbing and sanitary ware, building materials, paints, electrical and lighting, hardware and tools, furniture, houseware and appliances.

In business since 1977, we have built an extensive network of supplier-partners, and a wide customer base of homeowners, professionals and contractors, and property developers.

A pioneer in introducing modern trade in the construction supply industry in the Philippines, we revolutionized our sector by enhancing the customer's shopping experience, evolving our original traditional hardware chain into a network of depot format branches.

After our public listing in March, 2017, we embarked on an aggressive store network expansion program, more than doubling the number of our branches from 36 at the start of 2017 to 83 by the end of 2022.



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 <small>Source: https://edge.pse.com.ph/companyInformation/form.do?cmpy_id=665</small>	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.
Reporting Period	31 December 2022
Highest Ranking Person for this report	Lorraine Belo-Cincochan, President - CEO

INTRODUCTION

Sustainability is built into the business of Wilcon. We have been in the industry for 45 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.

In 2022, to continue to advance our work in this area, we completed a carefully and thoughtfully crafted 5-year Sustainability Strategy, which outlines Wilcon's sustainability action plans and ambitions for 2028.

This Sustainability Strategy was also developed in consideration of the United Nation's Global Goals (the SDGs). These goals were created to help solve the world's toughest challenges such as poverty, inequality and climate change by the year 2030. Internal stocktaking of our operations and activities have enabled us to create positive synergies and conditions that can address several developmental challenges, such as responsible consumption and production, providing decent work, taking action on climate change, sustainably using natural resources, and addressing gender equality.

We believe our Strategy is well aligned with the global goals and we will continue to innovate our operations to demonstrate our support for tackling these compelling issues.



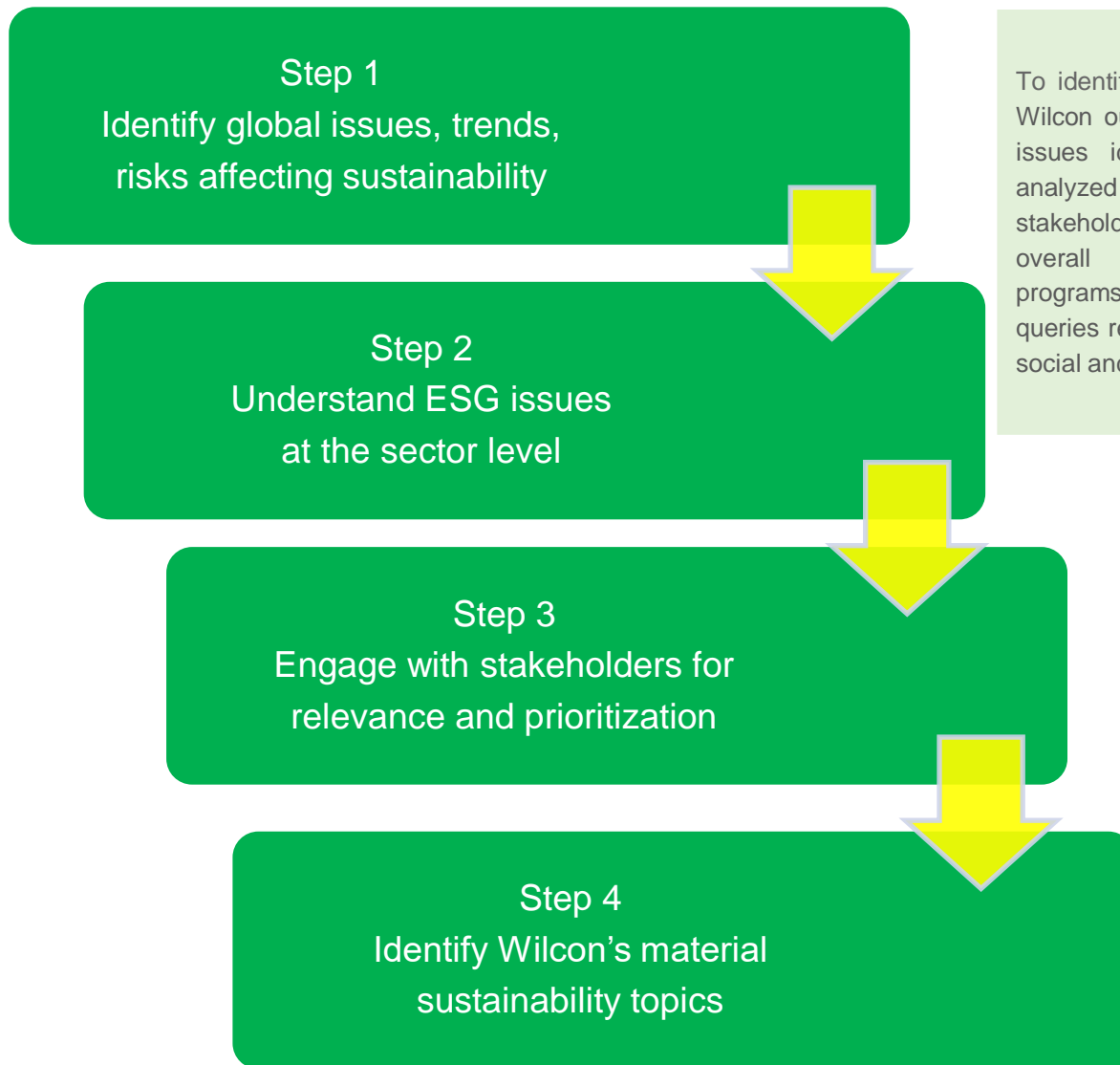
UNDERSTANDING OUR SUSTAINABILITY CONTEXT AND IMPACTS

Initially, the Securities and Exchange Commission's sustainability reporting requirement among publicly listed companies was 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.



To identify those topics most relevant to Wilcon out of a universe of sustainability issues identified in the research, we analyzed them vis-à-vis the results of stakeholder engagement on Wilcon's overall strategic priorities, existing programs and initiatives, and investor queries regarding Wilcon's environmental, social and governance (ESG) agenda.

Toward the end of 2021, management saw the need to take stock of the Company's ESG progress in the light of the disruptions brought about by the Covid-19 pandemic. ESG material topics were likewise assessed, prioritized and updated by the first quarter of 2022.

Up to fifteen internal and external stakeholders' interviews were conducted to update and expand the 2019 materiality process results and findings to include current business targets as well as aligning with future business plans.

We recognize that as we achieve our short-term goals, our longer-term targets may evolve and as such our work plans will be constantly updated. We are confident that this new strategy will consistently provide Wilcon with a roadmap for success and will bring us all closer to *Building Big Ideas Better* and living in a sustainable world.

OUR MATERIAL ESG TOPICS AND MANAGEMENT ACTIONS

ECONOMIC

Business expansion and creating shared value

Impacts of climate change on business performance

Impacts on local communities (job creation, CSR, Infrastructure Development)

Responsible sourcing

Emissions from energy use and transport & delivery

Waste management

ENVIRONMENTAL

People: Training, OHS & D&I

Customer satisfaction and protection (data privacy, H&S)

Technology strategy (big data, cyber security, and e-commerce)

Meaningful communications and market shaping

Ethics and compliance (governance of ESG at Board level, anti-corruption)

SOCIAL & GOVERNANCE

Wilcon's 2019 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.

OUR MATERIAL ESG TOPICS AND MANAGEMENT ACTIONS

ECONOMIC

Business expansion and creating shared value

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SOCIAL & GOVERNANCE

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 2023;
- 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.
- The 2022 ESG materiality re-assessment exercise resulted in the additional focus areas under People on labor rights, gender equality and community development.

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 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 difference 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



EMISIONS FROM ENERGY USE AND TRANSPORT AND DELIVERY

Wilcon's growth translate 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

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

-Cost of technology, know-how and execution of efficiency promoting logistical processes and programs

-Reduce carbon footprint

WASTE MANAGEMENT

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

-Faster product innovation using waste as possible raw material

-Human resources skills available of reasonable cost to implement

PEOPLE DEVELOPMENT

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

-Become the preferred employer for the incoming generation of workforce

-Cost of training

-Cost of new technology

PEOPLE EMPOWERMENT

Wilcon recognizes that in order to successfully execute its growth strategies, its employees need to be empowered to maximize their contribution to the company's growth goals. Equitable opportunities should also be accorded to each of its employees pursuant to the basic labor right of fair and just treatment in the workplace

-Availability of suitable human resource of specific genders for specific functions and responsibilities

-More comprehensive talent pool critical for accelerated growth

-Cost of structure and process change to decentralize control and empower downlines

-Cost of training



STAKEHOLDER VIEW



ESG RISK



ESG OPPORTUNITY

OUR MATERIAL ESG AND KEY FINDINGS

MATERIAL ESG TOPICS



CUSTOMER SATISFACTION AND PROTECTION

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



TECHNOLOGY STRATEGY

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

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

-Lags and operational delays from data breaches system failures

-Requires less energy to operate and generate less waste

-Addresses possible shortfall in capable manpower



MEANINGFUL COMMUNICATION AND MARKET SHAPING

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



ETHICS AND COMPLIANCE

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



STAKEHOLDER VIEW



LEGEND

ESG RISK



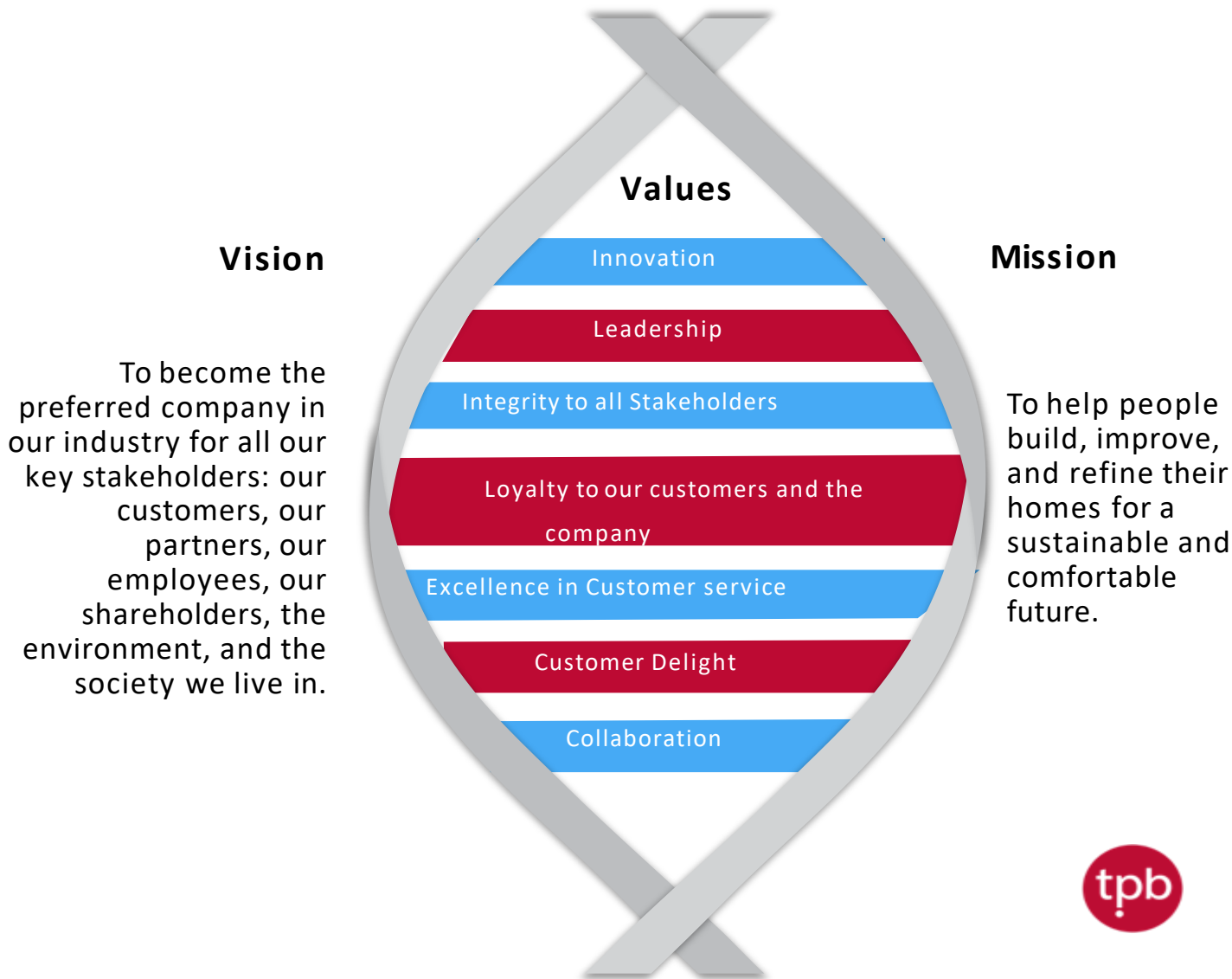
ESG OPPORTUNITY

STRATEGIC AMBITION AND FRAMEWORK

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.

By integrating our long-standing mission of *Building Big Ideas Better* into our strategic sustainability ambition, we aim to lead our industry's evolution to genuine sustainability by helping our customers build, improve, and refine their homes for a more sustainable and comfortable life. As such, we are committed to contributing the best expertise, knowledge, resources, and skills that promote stronger, safer, and more sustainable spaces from the long-lasting, quality products and solutions we provide.

Our principles of integrity, true value, and doing the right thing all make this possible.



Vision for 2028

To lead our industry and continually enhance the customer experience by innovating to offer more sustainable products, reducing our footprint, and taking care of our people and communities.

All of which is underpinned by strong sustainability governance standards embedded across our operations.

Strategy Framework



Innovate for More Sustainable Products – By 2028 we will...

Focus Areas

- **Product quality and safety**
- Supply chain management and engagement
- Product innovation, design and life cycle management

Commitments

- Ensure the best customer experience
- Provide employees with the knowledge they need to implement supply chain innovation efforts
- Expand availability of locally made, sustainable products
- Empower customers via transparent product information



Innovate and expand our offering to include more sustainable, ethically made and safe products for customers by nurturing supplier relationships and considering the full product lifecycle.

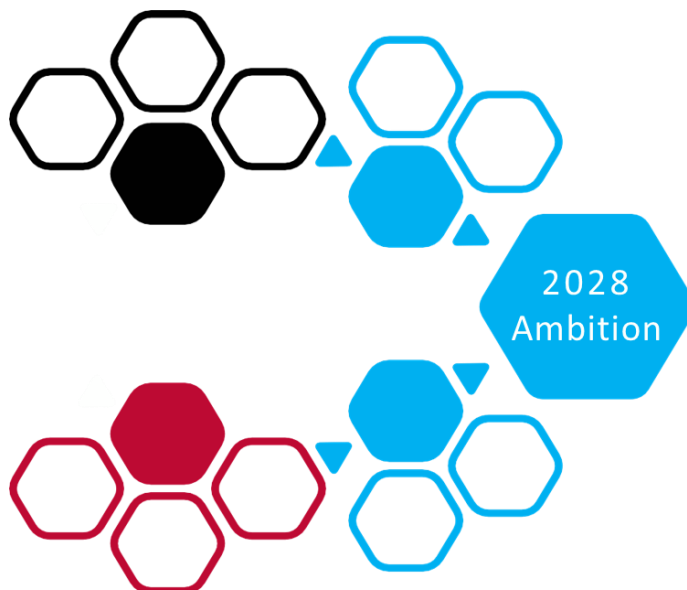
Take Care of our People and Communities – By 2028 we will...

Focus Areas

- **Employee health and safety**
- Employee training and development
- Workplace culture, engagement and wellbeing
- Labor rights and employee welfare
- Community development

Commitments

- Consistently instill a sense of psychological and physical safety and security for our team
- Continue to be the best by developing from within and nurturing the best talent
- Promote excellence in the workplace by sustaining a caring culture where safety comes first
- Meaningfully serve the local communities to which we belong



Enable our people to champion sustainability and community engagement with the confidence that comes from working in a safe, collaborative, and caring working environment.

Reduce Our Footprint – By 2028 we will...

Focus Areas

- Climate change adaptation
- Energy use and emissions management
- Waste management
- Water consumption and management



Limit the ecological footprint of our operations by reducing our reliance on natural resources and decreasing waste and emissions.

Commitments

- Reduce the environmental impact of the products we sell
- Minimize our operational requirements for energy, water, and waste
- Reduce emissions across our operations and encourage the same across our value chain



Embed Sustainability – By 2028 we will...

Focus Areas

- Corporate Governance
- Business Ethics



Create a corporate culture of ethics, integrity, and sustainability by following sound corporate governance practices.

Commitments

- Ensure the highest levels of accountability across all staff and leadership levels
- Adhere to our principles of integrity, true value and doing the right thing



**Php
860.9M**

Dividends given to
stockholders

10 MW

of Solar Power

339,478

Recyclable
Papers & Scraps
(in kg)

Php 2.2B

Taxes given to
government

**Php
566.1M**

TOTAL SOLAR
CAPEX TO DATE

51,267

GHG Emission
(in Tonnes CO2e)

Php 20.5M

Investments to
Community

**Php
386.4M**

TOTAL SOLAR
SAVINGS TO DATE

1,980

No. of Safety Drills

43

Branches with
Solar System

14,858,324

Energy consumption
Renewable sources
(in kWh)

100%

Covered by
OHSAS

Economic Performance

Direct economic value generated and distributed (in Php)

	2021	2022
Direct economic value generated (Revenue)	27,864,110,064	33,994,029,730
Direct economic value distributed		
A. Operating costs	6,731,570,788	7,879,337,131
B. Employee wages and benefits	1,369,296,922	1,437,492,006
C. Payments to suppliers, other operating costs	27,202,407,825	31,508,131,854
D. Dividends given to stockholders and interest payments to loan providers	491,967,335	860,942,064
E. Taxes given to government	1,616,050,200	2,171,199,486
F. Investments to community	20,550,473	20,505,987

Collaboration to Create Value

Record 2022 revenues and earnings were not an accident for Wilcon. These outstanding results were the product of years of building relationships and collaborating with our various stakeholders, particularly with our partner suppliers.

As a management approach, we have built long-term, mutually beneficial relationships with our partner suppliers, aligning our strategic goals to support the realization of our respective missions and visions.

In 2022, we've laid out initiatives and objectives, which included critical collaborations with partner suppliers focusing on product quality and safety, supply chain management and engagement and product innovation, design and lifecycle.



No. 1

Home improvement/
construction retail space

83

Stores
nationwide

660

Suppliers

892,704

Members of Wilcon's loyalty & rewards program

The Preferred Partner of Stakeholders

Wilcon's thrust of differentiating our business, our product offerings and services through excellence, trustworthiness and reliability to realize our vision to become the preferred company in the industry for all of our key stakeholders has sustained and seen us through these past two challenging years of operating amid the COVID-19 pandemic.

In the second year of the pandemic, amid global supply chain challenges, we were again able to adapt and serve our customers as we have consistently maintained fair and mutually supportive relationships with our various suppliers.

Our core values shone through our response to this pandemic, hence we were able to likewise quickly adapt our operations to conform to the changed consumer behavior and constant shift in health protocols and restrictions. Our large, well-designed retail spaces and customer-centric business practices made us the home improvement store of choice by consumers.

Maintaining Sustainable Suppliers

Our long-standing, mutual-growth enabling relationship with our various suppliers has allowed us to continue to carry the same breadth and variety of product offerings. We were able to continue supporting suppliers with sustainable products in their offerings. 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.

We have initiated our planning process for our Five-Year Sustainability Plan in the fourth quarter of 2021. We look forward to enhancing our collaboration with sustainable suppliers to grow our sustainable product offerings.

Top of Mind

A stellar sales performance is testament to our proven reliability in terms of offering quality products and excellent customer experience. We were the home improvement store of choice by customers during the pandemic and more so in 2022 when mobility restrictions were lifted.

Wilcon's thrust of differentiating our business, our product offerings and services through excellence, trustworthiness and reliability to realize our vision to become the preferred company in the industry for all of our key stakeholders resulted in industry-best performance during and after the pandemic.



Wilcon Depot wins International Recognition as Domestic Retailer of the Year in the Philippines

We were awarded the Domestic Retailer of the Year in the 2022 Retail Asia Awards.

The award was in recognition of our solid performance as a brick-and-mortar retailer delivering exceptional value to our customers amid industry challenges such as the ever-changing customer preferences and e-commerce boom.

Environment Performance

Energy consumption within the organization (in kWh)

	2021	2022
Energy consumption (renewable sources)	10,173,138	14,858,324
Energy consumption (electricity)	62,517,150	70,725,240

Energy reduction of energy consumption (in kWh)

Energy reduction (renewable sources)	10,173,138	14,858,324
Energy reduction (electricity)	62,517,150	70,725,240

Air emission disclosures (in Tonnes CO₂e)

Scope 1 GHG emissions	928	897
Scope 2 GHG emissions	44,543	50,371
Total GHG emission	45,471	51,267

Water consumption within the organization (in CBM)

Water withdrawal	268,926	455,003
Water consumption	268,926	455,003
Water recycled and reused	0.00	0.00

Solid and hazardous waste generated (in kg)

Recyclable (papers & scraps)	377,722	339,478
Landfilled	Not collected in 2021	Not collected in 2022
Hazardous waste generated	15,546	11,292
Hazardous waste transported	Not collected in 2021	Not collected in 2022*

Environmental compliance

Monetary fines for non-compliance (Php)	153,990*	300,000**
No. of monetary sanctions for non-compliance	0	0
No. of cases resolved through dispute resolution mechanism	0	0

Did you know?

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

51,267

GHG Emission

Shift towards renewables: solar energy

Target: almost half of energy mix to come from solar

Environmental Performance: Business Comeback and Baseline Setting

In 2022, the great majority of our business and support units are back to the office with the lifting of mobility restrictions. For the second year in a row, we also opened ten branches, the most number in a year. It was expected that power and water consumption will further rise in view of the increased activities and number of people in our branches and head office. Power consumption on an average per store basis remained steady while water consumption significantly increased given the rise in the number of users in the company's premises and branches.

As committed, we crafted a more deliberate environment agenda with the goal of reducing our footprint by focusing on climate change adaptation, energy use and emissions management, waste management and water consumption and management. The roll out is scheduled to commence in 2023. In preparation, we started housekeeping efforts, backtracking and correcting documentation gaps on over ten-year old store buildings for a smoother implementation of our planned programs and projects.

We continue to 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.

*Agreement with transporter on - going

**late submission of supporting documents

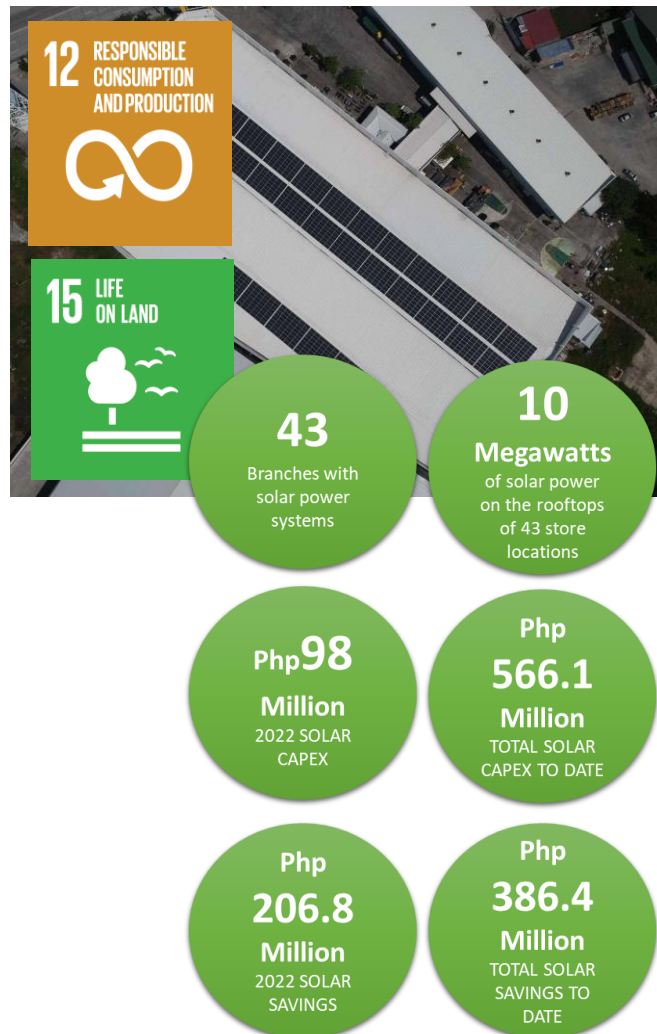
Highlight: Greening our Branches

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.

As we pursued our expansion plans, we likewise continued to roll out our solar power project, adding seven more branches with installed solar panels in 2022 for a total of 43 solar-powered branches. The power generated from the seven additional installations resulted in a corresponding increase in energy consumption from renewable sources, which is equivalent to a reduction in electricity consumption.

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.

- 100% of qualified branches to include solar power by 2024
- 20 additional branches for installation of solar power systems in 2023



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 including water-saving fixtures, energy-efficient lighting, clean-air paint products and wood from renewable forests and recycled materials, among others.

In our continuing mission to help our customers build and refine their homes for a sustainable life, we crafted a revised sustainability framework having product quality and safety as one of its pillars. The goal is to innovate and expand our product offering to include more sustainable, ethically made and safe products for customers by nurturing supplier relationships and considering the full product life cycle.

Waste Reduction

We generated lower recyclable materials in 2022 as we continue to introduce efficiency improvements in our processes. We continued to partner with local government units for the sorting of any solid waste materials we generated. Programs such as the 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 continued after its resumption in 2021.



SOCIAL DATA

Employee Data		
Employee data	Female	Male
Employees by gender	1,544	1,762
Employee benefits (% who availed)	Female	Male
SSS	30.64%	29.30%
PhilHealth	4.21%	1.53%
Pag-ibig	40.61%	45.01%
Parental leaves:		
Maternity / Paternity Leave	6.28%	10.49%
Solo Parent	0.73%	0.00%
Magna Carta	0.26%	0.00%
Vacation leaves	88.96%	90.10%
Sick leaves	2.01%	1.36%
Medical benefits (aside from PhilHealth)	19.85%	11.20%
Housing assistance (aside from Pag-ibig)	0.00%	0.00%
Retirement fund (aside from SSS)	0.33%	0.07%
Further education support	0.00%	0.00%
Company stocks option	0.00%	0.00%
Telecommuting	11.01%	11.12%
Flexible-working hours	25.06%	19.58%
Employee training and development	Female	Male
Total training hours provided	175.5	183.5
Ave. training hours provided	20.38	17.71
Labor Management Relations		
% of employees covered in CBA		21%
Number of consultations conducted with employees concerning employee-related policies		2

47%
Female employee

53%
Male employee

8 DECENT WORK AND ECONOMIC GROWTH



All Female C-Suite

5:1
Female: Male
Senior Management

48% vs 52%
Female Male
in Key
Management Positions

I Am Wilcon : Mentoring Future Leaders

Wilcon nurtures its employees from hiring and develops those with potential into future leaders. As an offshoot of our aggressive expansion program, there have been more opportunities for outstanding employees to move up the organization faster. In our core business units, we only source managers from our current pool of talents. We provide leadership training and mentoring programs, participated no less by our top management team members including our founder.

Gender Equality and Fair Treatment in the Workplace

In our recent workshop for our 5-year Sustainability Strategy, SDG 5 – Gender Equality came out as one of our focus areas. In 2022, we initiated the crafting of an anti-discrimination policy, which was subsequently approved and implemented in the first quarter of 2023. Our business as it is related to the construction industry has always been perceived as a male-dominated business. Our commitment to uphold our value of integrity to all stakeholders and its practical application of fair treatment in the workplace is manifested in the make of our leadership team. Our key management positions are 46% occupied by women while we currently have an all-female C-Suite and five out of six of our senior management team are all women. Meanwhile, our board of directors is composed of 28% women (two out of seven), both of whom are executive directors.

Highlight: Learning and Development Uninterrupted

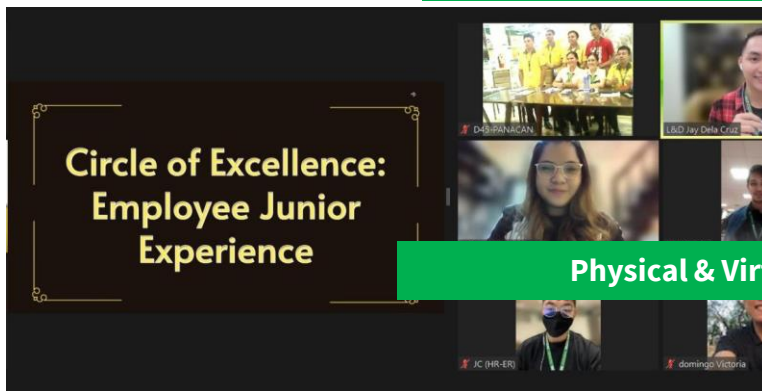
Continuous training is available to all employees to provide them the opportunity to lead and excel in the workplace and remain enthusiastic about delivering superior solutions. We are proud of the fact that 100% of store leadership and 95% enterprise-wide of management grew organically from the ranks.

Training and learning activities pivoted to pure online in 2020 and continued to be the training channel in 2022 albeit on-the-job functional training has resumed. Prior to the onset of the pandemic in 2020, we have already started rolling out our e-learning platform hence, our Training Team was able to quickly convert the rest of our learning modules into an online set up and has constantly updated and improved materials.

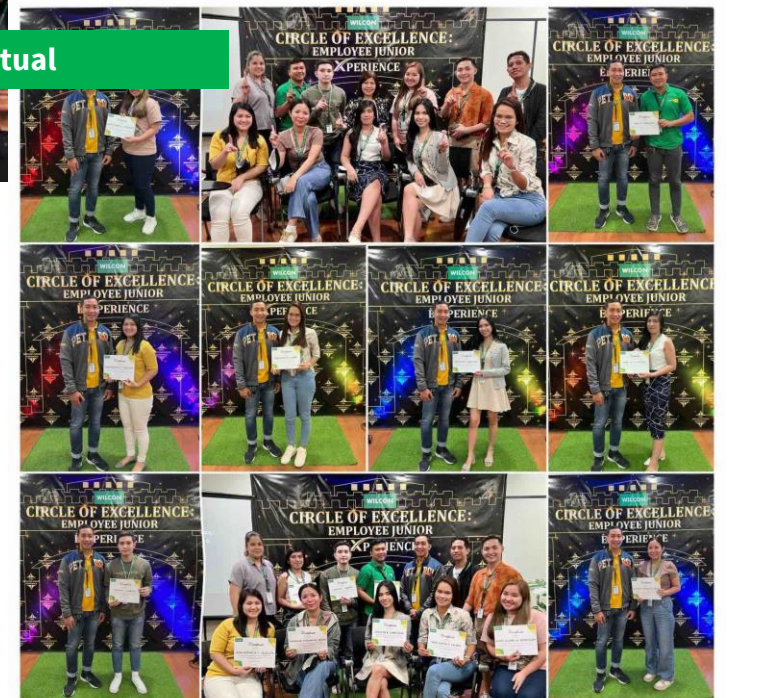
We provide online various technical training on the different products that we offer. We also provide skills training to equip our people so they can effectively carry out their respective functions such as sales, marketing and customer service skills. We provide as well values and character formation training in line with our wholistic development approach. We identify and develop high-potential employees into future company leaders through structured training programs on leadership and management.



Wilcon Depot Gears up for continued Leadership and Transformation



Circle of Excellence: Employee Junior Experience



Workplace conditions, labor standards, and human rights	Female	Male
Safe Man-Hours	1,544	1,762
No. of work-related injuries*	16	63
No. of work-related fatalities	0	0
No. of work related ill-health	0	0
No. of safety drills	1,980	
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

Year	Attrition Rate
2019	5.83%
2020	8.63%
2021	6.84%
2022	14.94%

100%

Covered by OHSAS

0

Employees from IP

Taking Care of Our People

Wilcon was not spared by the global phenomenon of manpower shortage with employees opting to leave current employment largely after a "Return-to-Office" policy. There was scarcity of suitable replacements also with the proliferation of alternative income sources in the advent of the digital economy boom during the pandemic.

Improvements in efficiencies and investments in technology and training have cushioned the impact of the doubling of our attrition rate. Our philosophy of nurturing and taking care of our people stood solid. We remain to be committed to our mission of creating an environment that respects our employees' dignity as persons, cultivates knowledge and talent, and empowers them to be the best they can be through continuous career and development opportunities.

We continuously invest in creating safe stores and working spaces. We practice more stringent safety measures with our large and bulky moveable items, machine-powered lifts, and constant foot traffic, which can pose safety risks on our floor staff and customers.

To help us minimize hazards and prevent injuries at the branches, we continue to implement a health and safety governance structure consisting of occupational health and safety officers and pollution officers. We conduct regular assessment on equipment and stocks for safety and maintenance and installed safety signages for warning zones. We continuously engaged with contractor-suppliers on our safety policies and requirements including the use of safety gears and equipment.

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. We also have a private lactation area for breastfeeding mothers in the workplace.

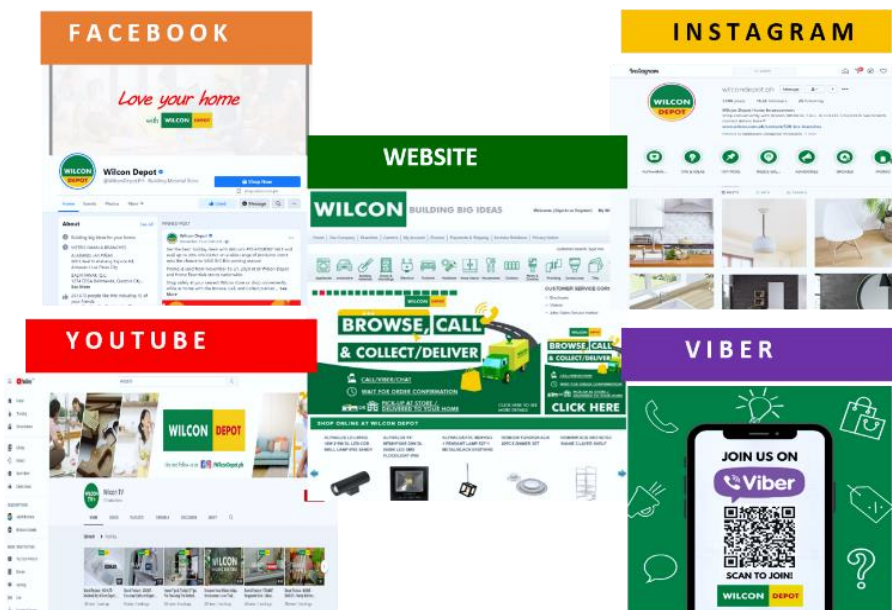
Excellence in Customer Experience

Wilcon Depot is known for creating a personalized and customer-based in-store experience. Through the years we have actualized our responsibility to be a reliable, trustworthy and excellent source of innovative solutions for the homes and buildings of our customers. Fully embracing our corporate responsibility starts with being attentive to the needs of our customers as a critical stakeholder in our business. In good times and in crisis, we have time and again shown this commitment as manifested by our continued leadership position in the industry and notable performance even during the pandemic.

We launched our e-commerce platform in 2019 and re-launched an enhanced, integrated platform in May, 2021. We continue to improve our online channel to be up to speed with our in-store customer experience standards. We increased the number of our online sales agents to provide our customers the same in-store personalized service. Our online platform is designed not to replace our brick-and-mortar outlets but to provide our customers with flexibility depending on their immediate shopping preference.

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.

Customer Management	
Customer Satisfaction	Score
Customer Survey	On – going*
Health & Safety	
	Quantity
No. of substantiated complaints on products or services health and safety	0
No. of complaints addressed	0
Marketing & Labeling	
	Quantity
No. of substantiated complaints on marketing & labelling	0
No. of complaints addressed	0
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



*On – going collaboration with third party provider/s.

Our Broad Range of Products: Fit For Every Need

We have over 1,600 brands and products across different product categories translating to 60,000 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)



Selected in-house brands of the Company



Responsible and Reliable Member of 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.

This also means that with an expanded store network, we now become a member of various local communities that we aspire to mutually grow with. In this time of crisis, we were given the opportunity to serve more meaningfully the local communities we belong in.

We continue to be a reliable member of our various local communities extending assistance in times of natural disasters, giving financial support to aligned advocacies of the various local government units and agencies and to various civic and professional groups.

Some of the entities we provided support and assistance to were ABS-CBN Foundation, Philippine Center for Entrepreneurship Foundation Inc., various local government units, agencies and some parishes.



Embedding Sustainability

Aligned with our strategic ambition to create a corporate culture of ethics, integrity, and sustainability by following sound corporate governance practices, we continuously monitored, updated and revised when necessary and re-oriented our employees on these policies and practices.

In 2022, we have initiated the implementation of our revised anti-bribery and corruption policy. We required all our new domestic trade and non-trade suppliers to submit an anti-bribery sworn undertaking as a pre-requisite to a supply or service contract. The plan is to roll this requirement out to all our existing suppliers.

Pursuant to our target to incorporate ESG risks into risk management systems and protocols by identifying and quantifying ESG risks through workshops, we conducted several trainings and workshops on business continuity management.

We also conducted our annual corporate governance seminar for our board and top management. To achieve a more robust corporate governance culture within the company, corporate governance trainings are also planned for all staff each year.



Appendix A: List of Operations Location

	Branch Name	Location
1	ALABANG	8003 REAL ST., ALABANG ZAPOTE RD., ALMANZA UNO, LAS PIÑAS CITY
2	BALINTAWAK	1274 EDSA A. SAMSON, QUEZON CITY
3	LIBIS	90 E. RODRIGUEZ JR. AVE., BRGY. UGONG NORTE, DISTRICT 3, QUEZON CITY
4	MAKATI	2212 CHINO ROCES AVE., SAN LORENZO, MAKATI CITY
5	QUIRINO	L119 C-1 MINDANAO AVE., TALIPAPA, QUEZON CITY
6	FILINVEST	L1 B29 ALABANG ZAPOTE RD. COR. BRIDGEWAY AVE., FILINVEST CORPORATE CITY, ALABANG, MUNTINLUPA CITY
7	MEXICO	GAPAN-OLONGAPO ROAD, LAGUNDI, MEXICO, PAMPANGA
8	SUCAT	DR. A. SANTOS AVENUE, SAN DIONISIO, PARAÑAQUE CITY
9	FAIRVIEW	16 COMMONWEALTH AVE., BRGY. COMMONWEALTH, QUEZON CITY
10	TARLAC	MC ARTHUR HIGHWAY, SAN RAFAEL, TARLAC CITY
11	DAU	MC ARTHUR HI-WAY, DAU, MABALACAT, PAMPANGA
12	SAN FERNANDO	FREEWAY STRIP OLONGAPO-GAPAN ROAD, DOLORES CITY OF SAN FERNANDO, PAMPANGA
13	CALAMBA	NATIONAL ROAD, BRGY. HALANG, CALAMBA CITY, LAGUNA
14	BATANGAS	LOT 2687-A DIVERSION ROAD, ALANGILAN, BATANGAS CITY
15	TAYTAY	MANILA EAST ROAD, BRGY. SAN JUAN, TAYTAY, RIZAL
16	ANTIPOLO	MARCOS HIGHWAY, BRGY. MAYAMOT, ANTIPOLO CITY, RIZAL
17	BALIUG	KM. 48 DRT HIGHWAY, BRGY. TARCAN, BALIWAG, BULACAN
18	DASMARIÑAS	GOVERNOR'S DRIVE, PALIPARAN 1, DASMARIÑAS CITY, CAVITE
19	LAOAG	AIRPORT ROAD, BRGY. 50, BUTTONG, LAOAG CITY
20	MANDAUE	U.N. AVENUE, UMAPAD, MANDAUE CITY, CEBU
21	TALISAY	LOT 2359, LAWA-AN II, TALISAY CITY, CEBU
22	KAWIT	CENTENNIAL ROAD, MAGDALO, PUTOL, KAWIT, CAVITE
23	VALENZUELA	292 MC ARTHUR HI-WAY, DALANDANAN, VALENZUELA CITY
24	SAN PABLO	DOÑA MARIA VILLAGE PHASE 2, BRGY. BAGONG BAYAN, SAN PABLO CITY, LAGUNA
25	VILLASIS	NATIONAL HIGHWAY, BRGY. BACAG, VILLASIS, PANGASINAN
26	QUEZON AVE.	24 QUEZON AVE., LOURDES, QUEZON CITY
27	DAVAO	MC ARTHUR HIGHWAY, MATINA, DAVAO CITY
28	IT HUB	PASONG TAMO EXTENSION, BRGY. BANGKAL, MAKATI CITY
29	MOLINO	BACOR BOULEVARD, BRGY. MAMBOG IV, CITY OF BACOR
30	STA. ROSA	TAGAYTAY ROAD, BRGY. PULONG, STA. CRUZ, STA. ROSA, LAGUNA
31	CDO	ZONE 5 , BRGY. CUGMAN, CAGAYAN DE ORO CITY
32	BACOLOD	MATAB-ANG TALISAY CITY, NEGROS OCCIDENTAL
33	BUTUAN	BRGY. BAAN, KM. 3, BUTUAN CITY
34	CABANATUAN	LOT 2040-C-3-B & Lot 2040-C-4, SUMACAB ESTE, MAHARLIKA HIGHWAY, PUROK 6, SUMACAB ESTE, CABANATUAN CITY
35	ILOILO	NORTH DIVERSION ROAD, BRGY. DUNGON-B, JARO, ILOILO CITY
36	TACLOBAN	PUROK SANTOL, BRGY. 80 MARASBARAS, TACLOBAN CITY, LEYTE

Appendix A: List of Operations Location (cont.)

	Branch Name	Location
37	SILANG	PUROK 9, BRGY. LALAN II, SILANG, CAVITE CITY
38	ZAMBOANGA	LOT 2235C I-A BOALAN, ZAMBOANGA CITY
39	NAGA	BRGY. DEL ROSARIO, NAGA CITY
40	LIPA	BRGY. BUGTONG NA PULO, LIPA BATANGAS
41	PANACAN, DAVAO	BRGY. PANACAN VALLE VERDE, BUNAWAN, DAVAO CITY
42	TAYABAS	BRGY. ISABANG, TAYABAS QUEZON
43	GEN. SANTOS	PALEN, BRGY. LABANGAL, GENERAL SANTOS CITY
44	PUERTO PRINCESA	BRGY. SICSICAN, PUERTO PRINCESA CITY, PALAWAN
45	GENERAL TRIAS	BRGY. SAN FRANCISCO, GENERAL TRIAS CITY, CAVITE
46	STA. BARBARA, ILOILO	LOT 506B BRGY. BOLONG OESTE, STA. BARBARA, ILOILO
47	OPOL, MISAMIS ORIENTAL	ZONE 2A BRGY. BARRA, OPOL, MISAMIS ORIENTAL
48	STO. TOMAS, BATANGAS	MAHARLIKA HIGHWAY, BRGY. STA. ANASTACIA, STO. TOMAS, BATANGAS
49	ANTIPOLO II	LOT 2-A BRGY. SAN ISIDRO CIRCUMFERENTIAL RD. ANTIPOLO CITY
50	CALUMPIT	BRGY. PIO CRUZCOSA, CALUMPIT, BULACAN
51	IGUIG, CAGAYAN	BRGY. BAYO, IGUIG, CAGAYAN VALLEY RD.
52	SAN JOSE, BULACAN	BRGY. TUNGKONG MANGGA, SAN JOSE DEL MONTE CITY, BULACAN
53	COMMONWEALTH II	MATANDANG BALARA CAPITOL, QUEZON CITY
54	ORMOC	BRGY. SAN ISIDRO, ORMOC CITY, LEYTE
55	MAYAMOT, ANTIPOLO III	MARCOS HI-WAY, BRGY. MAYAMOT, ANTIPOLO
56	ALBAY	BRGY. PEÑAFRANCIA, DARAGA, ALBAY
57	TAGUM, DAVAO	BRGY. CANOCOTAN, TAGUM, DAVAO DEL NORTE
58	CORDON, ISABELA	BRGY. MALAPAT, CORDON, ISABELA
59	PILA, LAGUNA	BRGY. STA. CLARA SUR, PILA, LAGUNA
60	AKLAN	BRGY. CALANGCANG, MAKATO, AKLAN
61	OLONGAPO	NATIONAL ROAD, BRGY. BARRETTO, OLONGAPO CITY, ZAMBALES
62	TAYTAY II	RIZAL AVE., ILOG PUGAD BRGY. SAN JUAN TAYTAY, RIZAL
63	CABUYAO, LAGUNA	BRGY. SALA, CABUYAO, LAGUNA
64	LA UNION	BRGY. PARINGAO, BAUANG, LA UNION
65	SORSOGON	BRGY. MACABOG, SORSOGON CITY, SORSOGON
66	GAPAN, NUEVA ECIJA	STO. CRISTO NORTE, GAPAN NUEVA ECIJA
67	MALAYBALAY, BUKIDNON	SAN JOSE, MALAYBALAY CITY, BUKIDNON
68	BOHOL	BRGY. BINGAG, DAUIS, BOHOL
69	CALAPAN, ORIENTAL MINDORO	PUTING TUBIG, CALAPAN CITY, ORIENTAL MINDORO
70	BANTAY, ILOCOS SUR	AGGAY, BANTAY, ILOCOS SUR
71	LEMERY, BATANGAS	BRGY. TUBIGAN, LEMERY, BATANGAS
72	ABUCAY, BATAAN	BRGY. CAPITANGAN, ABUCAY, BATAAN
73	SAN JOSE, NUEVA ECIJA	BRGY. MANICLA, SAN JOSE CITY, NUEVA ECIJA

Appendix A: List of Operations Location (cont.)

	Branch Name	Location
74	PANIQUI, TARLAC	BRGY. APULID, PANIQUI, TARLAC
75	ALIMALL	LG003/LG004 LOWER GRD FLR. ALIMALL II, ARANETA CENTER, SOCORRO, D3, CUBAO, QUEZON CITY
76	WCC	ANCHOR 1, 121 VISAYAS AVE., BAHAY TORO, QUEZON CITY
77	STA. MESA	425 PIÑA AVE., BRGY. 585 ZONE 057, SAMPALOC, MANILA
78	MINDANAO AVE.	L-5 B-7 MINDANAO AVE., BAHAY TORO I, QUEZON CITY
79	MUÑOZ	1066 EDSA, BAHAY TORO, QUEZON CITY
80	PASAY	16 C JOSE ST. COR. EDSA, MALIBAY, PASAY CITY
81	ILOILO	GROUND FLOOR UNIT A25-A26, FESTIVE WALK MALL, ILOILO BUSINESS PARK, MANDURRIAO , ILOILO CITY
82	SAN FERNANDO	MC ARTHUR HIGHWAY, BRGY. SAN NICOLAS, SAN FERNANDO, PAMPANGA
83	TAGAYTAY	BRGY. FRANCISCO, TAGAYTAY CITY