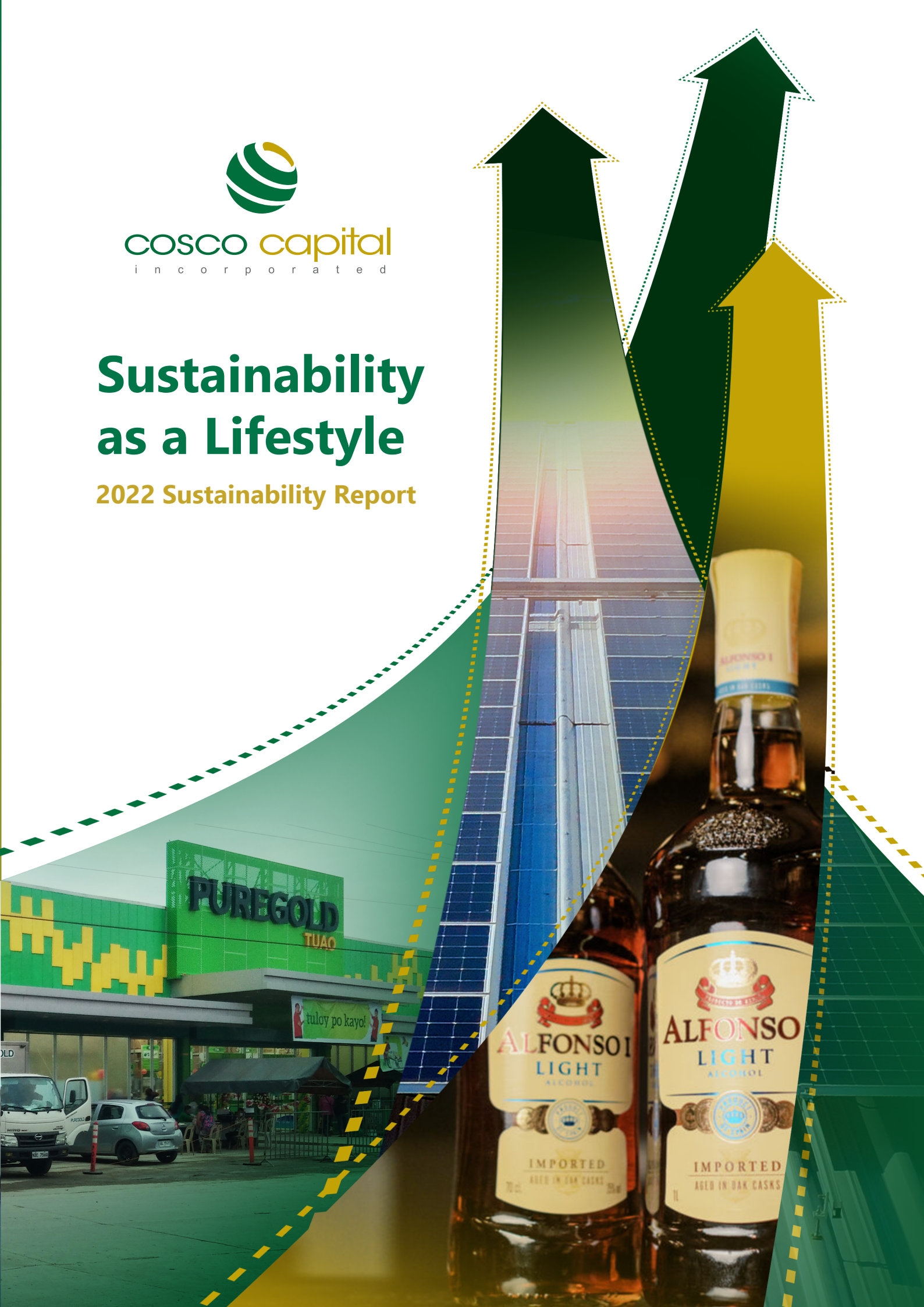




Sustainability as a Lifestyle

2022 Sustainability Report



About the Report


Welcome to our sustainability report for the year 2022, which outlines our performance and achievements on economic, environmental, and social sustainability and our ESG commitments for the future. The data in this year’s report was collected between January 2022 and December 2022. Our sustainability reports thus far were based on the Philippines SEC guidelines; this is our first report that has been prepared in accordance with the Global Reporting Initiative (GRI) Standards (2021). The current report covers performance of all the diversified business segments under Cosco Capital Inc., including:



Grocery Retail
Puregold Price Club Inc.



Kareila Management Corporation
(S&R Membership Shopping and
S&R New York Style Pizza QSR)




Specialty Retail
Office Warehouse



Wine & Liquor Distribution
The Keepers Holdings Inc.
(Montosco Inc., Meritus Prime Distributions Inc.,
Premier Wine & Spirits Inc., Fertuna Distributions,
Inc. and Bodegas Williams & Humbert SA)



Real Estate
Ellimac Prime Holdings, Inc., Fertuna
Holdings Corp., Patagonia Holdings Corp.,
Nation Realty Inc., Canaria Holdings
Corporation, NE Pacific Shopping Centers
Corp., Pure Petroleum Corp.



Oil & Minerals
Alcorn Petroleum and Minerals Corp.

For questions and clarifications regarding the contents of the report, please contact:

John T. Hao,
Investor Relations and Sustainability Officer
Cosco Capital Inc.
john.hao@coscocapital.com

Rey Arr L. Cahaponon
ESG Officer
Cosco Capital Inc.
rey.cahaponon@coscocapital.com

Table of Contents

About the Report	2
Table of Contents	3
Statement from the Leadership	4
About Cosco Capital	5
Awards and Recognitions	15
Sustainability at a Glance	16
Our Sustainability Strategy	18
Business and Ecosystem Viability	38
Economic Growth	39
Disaster Preparedness	41
Technology and Innovation	42
Conscious Conduct of Operations	43
Energy and Emissions	43
Waste and Recycling of Packaging Waste	46
Food Waste	49
Optimising Water Use	49
Sustainable Supply Chain	51
Customer Privacy and Cybersecurity	76
Fair Marketing and Labelling Practices	76
Communities and Livelihoods	77
Respect for the Rule of the Land	78
Governance and Anti-Corruption	78
Compliance to the Law	80
Way Forward on Sustainability	81
GRI Content Index	82



Statement from the Leadership

We are very pleased to present our first GRI standards-based sustainability report for the year 2022. Having the experience from reporting using the Sustainability reporting guidelines of the Philippines Securities Exchange Commission (SEC), this was a good level-up for us as an organization. We cherish every moment spent understanding the guidelines in detail and in assimilating data in accordance with the requirements of GRI. While this report is the end product, the reporting process has greatly helped us reflect on our sustainability priorities, performance, and goals allowing us to formulate a corporate sustainability framework – one that is cognizant of the needs of all our stakeholders.

Cosco Capital's business portfolio is largely retail as well as store-front oriented and we have always accorded immense priority to our customers and other key stakeholders while running the operations. This has led to the adoption of environmental and social sustainability practices alongside our growth journey since 1988. Our recent endeavour towards disclosing our economic, environmental, and social performance has helped us assign more structure to these initiatives. With the learnings from such ESG performance disclosures, we hope to integrate sustainability as a culture into our way of business in the coming years.

2022 was a landmark year in many ways, with several laurels coming our way. Puregold was named as the "Most Chosen Retailer" in the "Fast Moving Consumer Goods" segment in 2022 by Kantar. Cosco received the Golden Arrow Award in the ASEAN Corporate Governance Scorecard Award for 2022 by the Institute of Corporate Directors. In 2021, the S&R Group was recognised among the top 12 companies in the 2021 Search for Sustainable and Eco-Friendly Business Establishments by the City Government of San Fernando.

The total amount we spent on community development projects in the reporting year was around 202.1 Million Philippine Pesos, of which 126.2 million was spent on infrastructure development, 65.4 million was spent on educational scholarships, and 10.5 million on COVID-19 vaccine donations. Over the past couple of years, local hiring by Puregold and S&R have been at 98% and 95% respectively – which has ensured fostering of skills and livelihood promotion among the local communities. Our workforce at Puregold and S&R already comprise an average of 51% women, which reflects the degree of importance we give to gender diversity at the workplace. Moreover, 99% of the employees at Puregold, and 95% of the employees at S&R earn monthly salaries that are well over the prescribed minimum wages.

On the environmental front, Office Warehouse launched the Puno ng Pag-ibig Program in 2022 (a Tree Planting Project partnership with the Department of Environment and Natural Resources). Puregold has implemented a "No Plastic Use" program nationwide called the "Walastik Plastik Program" that is rolled out every Monday and Wednesday, when customers are required to bring their own reusable bags. As of 2022, 63% of our Puregold stores are using paper bags, and 37% are using biodegradable plastic bags. We are still advocating for the use of eco-bags at these stores as well.

The above figures represent a few highlights based on our sustainability performance in the year 2022. A more detailed account of our economic, environmental, and social performance in the year 2022 is provided in further sections of this report. We hope you enjoy reading and gain a deeper understanding of our efforts toward making sustainability integral to our work. Happy reading!

About Cosco Capital

Cosco Capital was incorporated on January 19, 1988 as Alcorn Petroleum and Minerals Corporation. On January 13, 2000, we diversified our business into many segments (described below) and got incorporated as a retail holding company. Our company's vision is to be a leading retail and investment holding company providing quality products and services to communities where we operate, while also pursuing a growth journey that benefits all our stakeholders. We seek to do this through ensuring the affordability and accessibility of products and services that contribute to the healthy lifestyles of our customers (mainly Filipinos). Our core values are encapsulated in the infographic below:



Integrity and Accountability

by ensuring transparency in disclosure on our ESG performance and fostering regular communications with our stakeholders



Genuine Partnership

with regular and global partners who share our values and principles on ESG and general conduct of business



Customer Satisfaction

through regular and frequent communication with customers and emphasis on quality of products and services

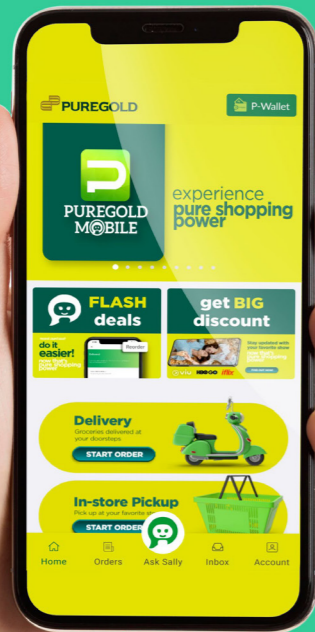


Social Responsibility

through our community engagement endeavours and efforts to improve the lives of the communities surrounding our operations



Choose Pick-up Or Delivery



Grocery Retail Puregold Price Club Inc.

Puregold is Cosco's flagship grocery retail chain, which was opened in Mandayulong City in 1998. Currently, Puregold has 452 grocery stores across the country. The retail chain operates across three store formats:

Apart from this, an online shopping option and an option to pre-book products and pick them up later are available on the Puregold website. Customers can also shop using their mobile phones through the Puregold mobile app.

Puregold's flagship programmes are described below:

Tindahan ni Aling Puring (TNAP)

This program was introduced in 2003 - customized membership program designed specifically for Puregold's primary customers from the Micro, Small and Medium Enterprises (MSME) segment such as the sari-sari stores, minimarts, karinderyas, catering and other types of resellers. Green and Gold Cards are provided under this programme; the former for new and active members of TNAP, and the latter for members who make minimum purchases of 1.3 million annually.

The Puregold "Perks" Card

is a loyalty card program that rewards shoppers with points every time they shop at Puregold Price Club, Puregold Supermarket and Puregold Minimart.

Puregold Price Club

Hypermarkets offering food and non-food products to retail customers and small business owners (stores include mini marts, cafeterias, restaurants, bakeries, pharmacies).

Selling space: between 2,000 to 2,500 sqm



Puregold Supermarket

Smaller stores offering targetted consumer items and a limited variety of general merchandise, with focus on food and fresh products.

Selling space: average 500 sqm



Puregold Minimart

Sale of top-selling brands and products across all categories, with limited number of consumer goods

Selling space: average 250 sqm





Specialty Retail Office Warehouse

This segment mainly deals in products such as office and school supplies, modern functional furniture pieces, and technology used in everyday office functioning. There are a total of 94 stores operating under this segment, offering home delivery and store pick-up services. The Points Plus Loyalty Program is present, which customers can subscribe to exclusive perks and privileges. Our key customers are small and medium businesses, small offices, home offices, and the education market. Our diverse range of products is listed in the table below:

Furniture	Chairs, tables, cabinets & shelves, and safes
Office & School Supplies	Copy & printer paper, Paper supplies, Filing & storage, Writing instruments, Tapes & adhesives, Desk accessories, Art & craft, General supplies, Display boards
Technology	Printers, Ink & toner, Computer accessories, Data storage, Calculators, Biometrics, Paper shredders, Office machines, Thermal & sanitizing equipment

S&R Membership Shopping

S&R membership shopping club's primary aim is to deliver significant value to member-customers based on a system driven by aggressive buying, low-cost distribution, and streamlined operations. S&R started functioning in 2006 with four warehouses. The current number of warehouses is 22. Products from S&R are offered in "club packs", and are mostly sourced from the United States of America. Our product offerings under S&R include:



Fresh produce and fruits

Australian / New Zealand beef
Cereals / Snacks
Soap / Sundries



Imported chocolates

Imported wine and spirits
Consumer electronics and appliances
Health and Beauty Products

In 2014, S&R opened its first four quick service restaurants (QSRs) named S&R New York Style Pizza. As of the end of 2022, there are 51 S&R New York Style Pizza QSRs all over the Philippines.



Wine and Liquor Distribution The Keepers Holdings Inc.

The Keepers owns three of the major players in the Philippine liquor, wine, and specialty beverage distribution industry – Montosco, Inc., Meritus Prime Distributions, Inc., and Premier Wine and Spirits, Inc. Collectively, our group continue to be the largest distributor of imported spirits in the Philippines as of 2022. In 2020, we had a market share of 74.0% based on volume and 66.9% based on retail sales value according to IWSR. A snapshot of the brands that the group imports and distributes is presented below:



Montosco Inc.

Montosco, Inc. is a liquor importer and distributor. Under this segment, we import a range of products including affordable and premium quality labels.

Aside from this, we are exclusive importers and distributors of the brands Gilbey's, Islands, Vino Fontana, Alfonso Brandy, Muga Wines, Diageo, Castel Wines, and Pegoes Seagrams 7 in the Philippines.

Meritus Prime Distributions Inc.

This company is also an exclusive distributor for many international liquor brands in the Philippines. Meritus has put in gradual efforts towards expanding the business, and now also distributes products in the Premium wine category. The brands that we import under this segment are: Beam, Jim Beam, Courvoisier, Sauza Tequila, Pinnacle Vodka, Maker's Mark, Beam Suntory, Auchentoshan, Hibiki, Laphroaig, The Hakushu Single Malt Whisky, The Yamazaki Single Malt Whisky, Suntory Whisky, Treasury Wine Estates, The Little Penguin, Rosemount Estate, William Grant & Sons, Glenfiddich, Grants Blended Scotch Whisky, The Balvenie Single Malt Scotch Whisky, Hendrick's Gin, DGB, Bellingham, Tree Series, Mill Stream, The Saints, Honey Badger, Strawberry Lips, Familia Zuccardi, Santa Julia, and others.

Premier Wine & Spirits Inc.

Premier Wine & Spirits engages in distribution and marketing of imported wine, spirits, beer, and specialty beverage brands. PWSI caters to the premium segment of liquor buyers and has been operating in the Philippines for 20 years. The products distributed by this company include Absolut Vodka, Chivas, Distell, The Glenlivet, Gruppo Campari, Heaven Hill Distilleries, Jagermeister, Jose Cuervo, Marques de Riscal, Martell Cognac, Perrier, Red Bull, Ruffino Dal 1877, Santa Carolina, and Wolf Blass.

Fertuna Distributions, Inc.

Bodegas Williams and Humbert SA

Real Estate

Ellimac Prime Holdings Inc.

Ellimac Prime Holdings, Inc. is the flagship company of Cosco's real estate group. It was formed through the merger of four property companies in December 2012, namely: PILGOR Development Services Corporation, 514 Shaw Property Holdings Inc., Cosco Prime Holdings, Inc. and Pajusco Realty Corporation.

The company owns and operates a portfolio of 55 properties in Metro Manila, Bulacan, Nueva Ecija, Quezon, and Cagayan, mainly serving the commercial retail building segment.

Fertuna Holdings Corp.

Fertuna Holdings has established a 6.5-hectare land as a commercial retail complex called "Harbour Point", which Puregold has occupied since 2012. This is located inside the Subic Bay Metropolitan Authority special economic zone in the Central Luzon region, and has tax and duty free importation privileges under the Republic Act 7277.



Patagonia Holdings Corp.

Patagonia owns a total of 1.3 hectares, out of which an S&R Membership has been operating since 2000 with a steady stream of customers visiting the outlet owing to its prime location. This outlet is located at the Bonifacio Global City (BGC).

Nation Realty Inc.

This company engages in mall development. The main project that we run under this brand name is the "999 Shopping Mall" which is located in Binondo. It seeks to provide affordable and quality products to Filipinos who live in this locality.

NE Pacific Shopping Centers Corp.

This company owns and operates the NE Pacific Mall, which is a family shopping and entertainment destination in Nueva Ecija. It is a 12.5-hectare commercial property housing supermarkets, departmental stores, hardware, appliance centres and restaurants. A Puregold Supermarket as well as an S&R Warehouse Club are among its anchor tenants. Regular marketing and promotional events are conducted at the mall along with scouting for more food and retail tenants to make it a preferred destination for customers.

Canaria Holdings Corporation

Oil and Minerals

Alcorn Petroleum and Minerals Corporation

This is a wholly owned subsidiary of Cosco Capital Inc. organized in 2013 to hold and operate its legacy oil and mining exploration assets and related activities. APMC's current projects include:



Service Contract (SC) 14-C2 in the West Linapacan Area and Service Contract 6B in the Bonita-Cadlao Area, are the operational blocks granted by the Department of Energy. These projects are still in the project development stage.



Limestone exploration and development project located in Merida and Isabel Leyte. The renewal of the Mineral Production Sharing Agreement for 25 years was approved on June 14, 2022.

Awards and Recognitions



Puregold was named as the "Most Chosen Retailer" in the "Fast Moving Consumer Goods" segment in 2022 by Kantar.



Cosco received the Golden Arrow Award in the ASEAN Corporate Governance Scorecard Award for 2022 by the Institute of Corporate Directors.



In 2021, the S&R Group was recognized among the top 12 companies in the 2021 Search for Sustainable and Eco-Friendly Business Establishments by the City Government of San Fernando.



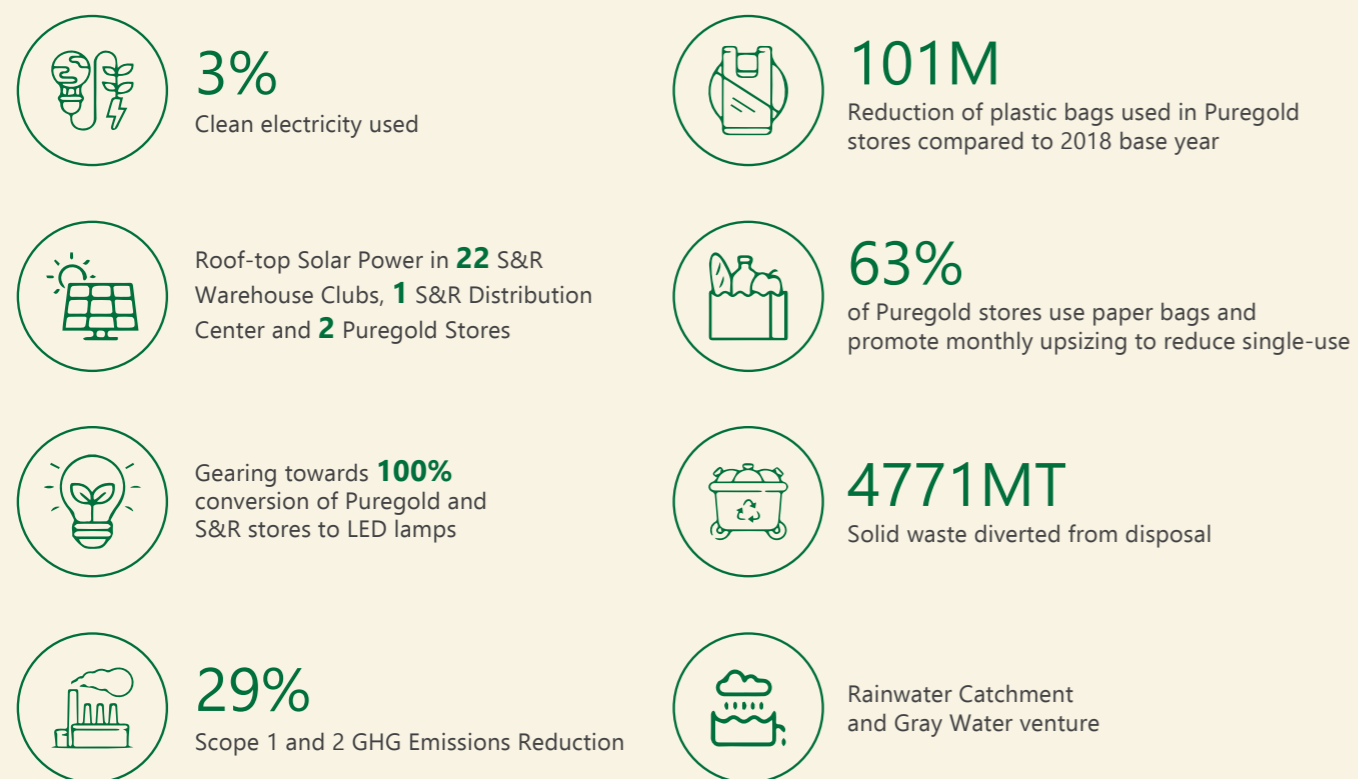
Sustainability at a Glance



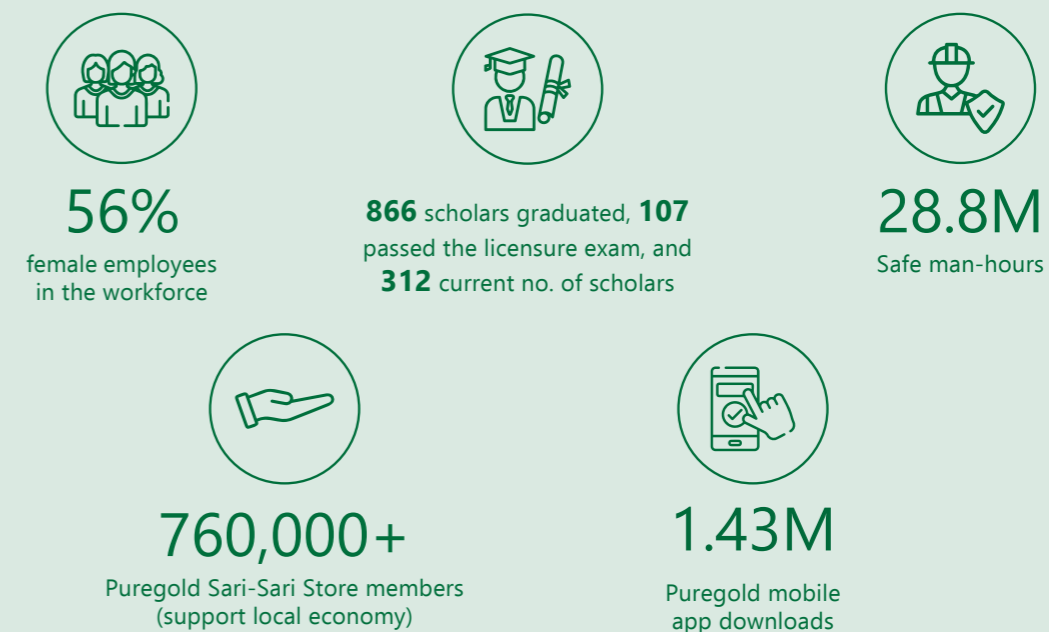
Economic



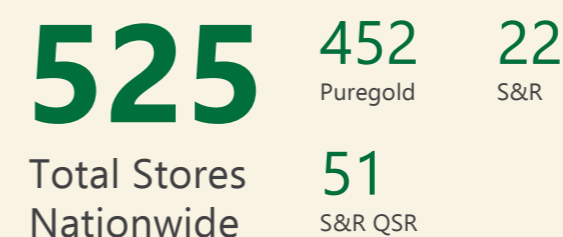
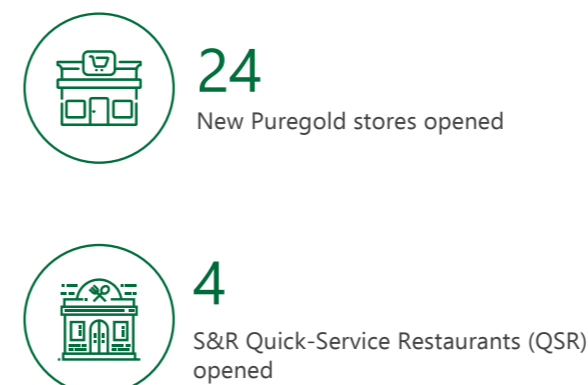
Environmental



Social



Store Network Expansion



Our Sustainability Strategy

At Cosco Capital, our sustainability strategy is driven by four critical areas of focus, which together form our sustainability framework. We use this framework to define key priorities and actions on sustainability going forward.

Business and ecosystem viability

Economic advancement and resilience.

Conscious conduct of operations

Climate change
Sustainable production
Sustainability outside operations



Value for people

Looking after our people
Sustained customer relationships
Ethical practices
Engagement with the community.

Respect to the rule of the land

Governance and Anti-Corruption
compliance to the law



Business and ecosystem viability

The sustained survival of our business and the long-term value creation for all stakeholders in our ecosystem is a primary significant area of focus. We strongly believe that pursuing the achievement of our financial goals in an ethical manner will not only increase our profits, but also improve the livelihoods of people associated with us and contribute to regional economic development. This is because the retail sector is driven by interactions with multiple stakeholders at various touch points along our value chain.

Focus Area	Material Topics	GRI/Non-GRI Disclosures
Economic advancement and Resilience	Economic Growth	GRI 201: Economic performance 202: Market Presence 203: Indirect Economic Impacts 204: Procurement Practices
	Disaster Preparedness	Non-GRI Disaster management frameworks or policies in the company
	Technology & Innovation	Non-GRI Successful initiatives by the company that employ advanced technology



Conscious conduct of operations

As a retail business, the footprint of our operations is extremely widespread, with the presence of multiple branches, warehouses, and locations. Therefore, it is very important for us to adopt sustainable consumption and production practices across our operations and the supply chain, ensure effective waste management practices and align with the need to respond to the climate change crisis. While we already comply with all regulatory requirements in this respect, we seek to go a step further in the next couple of years by adopting industry-leading resource efficient practices on operational sustainability.

Focus Area	Material Topics	GRI/Non-GRI Disclosures
Climate Change	Energy and Emissions	GRI 302: Energy 305: Emissions Non-GRI Any initiatives on energy saving
	Waste and Recycling of Packaging waste	GRI 301: Materials 306: Waste 2020, Effluents and Waste 2016 Non-GRI Waste recycling / treatment initiatives
Sustainable production	Food Waste	GRI 306: Waste 2020, Effluents and Waste 2016 Non-GRI Waste recycling / treatment initiatives
	Optimising Water Use	GRI 303: Water and Effluents Non-GRI Water recycling / saving initiatives
	Sustainable Supply Chain	GRI 303: Water and Effluents 301: Materials 308: Supplier Environmental Assessment
Sustainability outside operations	Sustainable Product Mix	GRI 416: Customer Health & Safety Non-GRI Initiatives to introduce sustainable products



Value for people

As highlighted above, Cosco's very fabric of existence is based on interactions with multiple stakeholders throughout our value chain. Since the inception of our business, we have taken utmost care to ensure the presence of sustained and healthy relationships with all our internal and external stakeholders. With the onset of our ESG journey, we have identified an entirely new host of opportunities to enhance such relationships. In the near future, we aim to promote the adoption of sustainability in the business and lives of our stakeholders – through a combination of capacity building activities and handholding support.

Focus Area	Material Topics	GRI/Non-GRI Disclosures
Climate Change	Employee engagement & diversity	GRI 401: Employment 402: Labour / Management Relations 403: Occupational Health & Safety 404: Training and Education 405: Diversity and Equal Opportunity 406: Non-discrimination 407: Freedom of Association and Collective Bargaining 408: Child Labour 409: Forced / Compulsory Labour 410: Security Practices 411: Rights of Indigenous Peoples Non-GRI Employee engagement practices
	Customer health and safety	GRI 416: Customer Health and Safety
Sustained customer relationships	Promoting sustainable lifestyles	Non-GRI Initiatives to promote sustainable lifestyles among customer groups
	Customer Privacy & Cybersecurity	GRI 418: Customer Privacy
	Fair Marketing and Labelling Practices	GRI 417: Marketing and Labelling
Engagement with the Community	Communities and Livelihoods	GRI 413: Local Communities



Respect for the Rule of the Land

As a business, we have a watertight commitment towards respecting the law of the land. We believe that this will aid business survival and goodwill in the long run, and also that it will help us maintain healthy relationships with the government in the future. This could also help us contribute in a significant manner to local policy dialogue through advocacy endeavours in the future.

Focus Area	Material Topics	GRI/Non-GRI Disclosures
Adhering to the Law	Governance and Anti-Corruption	GRI 205: Anti-corruption 206: Anti-competitive behaviour
	Compliance to the Law	Non-GRI Governance structure for handling compliance management



Stakeholder Engagement

Key Stakeholders	Key Topics/Concerns	Engagement Platforms/Channels	Frequency
Investors	Growth Opportunities	Investors Meetings (Virtual and In-person)	Quarterly As needed
	ESG Performance	Company Website	
	Financial Performance	Emails and Calls	
	Corporate Updates and Strategies	Store Visits	
		Quarterly Briefings	
		Conferences and Non-deal Roadshow	
Shareholders	Transfer of shares	Philippine Stock Exchange	Annual, Quarterly As needed
	Annual Operational and Financial Review	Annual Stockholders Meetings	
	Inquiry on Cash Dividend	Investors Meeting	
	Product availability	Company Website	
	Supply chain resilience	Quarterly Briefings	
	Policy and advocacy, governance	Emails and Calls	
Government / Regulatory Bodies	Compliance	Direct interactions with government agency	As needed, Regular
	Taxes	Periodic Reporting	
	Community Development	Emails and Company Website	
		Store Visits	
		Meetings	

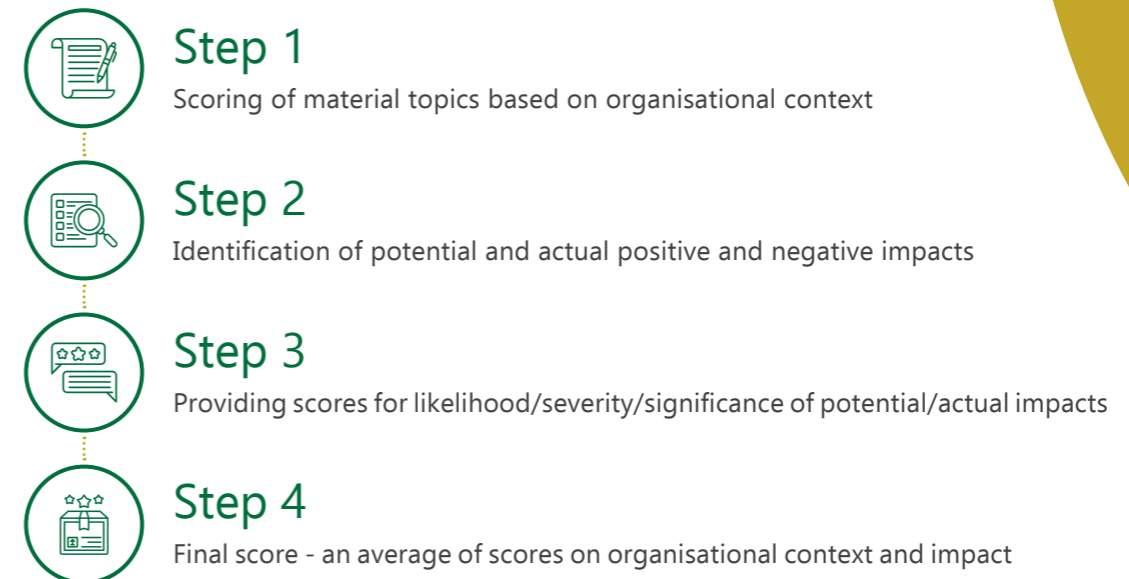
Stakeholder Engagement

Key Stakeholders	Key Topics/Concerns	Engagement Platforms/Channels	Frequency
Customers	Affordability of products	Emails and Calls	As needed, Annually
	Convenient buying options and experiences	In-store customer service/ Membership counter	
	Healthy and safe product options	Social Media	
	Product availability	Company Events or Conventions	
	Data security and cybersecurity		
	Plastic waste		
Suppliers/Vendors	Consumer protection	Meetings	As needed, Regular
	Data security and cybersecurity	Emails and Calls	
	Supply chain transparency		
Employees	Benefits and Compensations	Emails and Chats	Annually, Daily, As needed
	Health and Safety	Meetings	
	Engagement and Retention	Performance Appraisal	
	Training and Development	Periodic Orientation/Seminar	
Local Communities	Job Creation	Emails and Social Media	As needed
	Community Development	Meetings	
Media	Events	Emails and Calls	As needed
	Company Press Release	Meetings	
		Company Events or Conventions	

Materiality Assessment

For the year 2022, we initially conducted an extensive and comprehensive materiality assessment involving key internal stakeholders from all our subsidiaries. Since this is the first time, we are using the new guidance based on GRI Standards 2021 for the materiality assessment, we have collected the views of only those within our company – however, we have ensured that we have fully and fairly considered the welfare of all our stakeholders listed above while conducting the assessment. The assessment was conducted online (through Google Forms), after a detailed workshop for all members on how to fill the materiality assessment questionnaire.


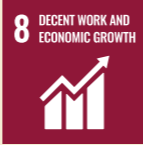




The material topics were identified based on in-depth research on our industry peers, and were prioritised based on the process below:










The output of this materiality assessment was the prioritization of material topics. The table and graph below indicate which are our high, medium, and low-priority material topics:

High Priority	Medium Priority	Low Priority
Economic Growth	Energy and Emissions	Food Waste
Disaster Preparedness	Optimising Water Use	Fair Marketing and Labelling Practices
Technology and Innovation	Waste & Recycling of Packaging Waste	Sustainable product mix
Customer Health and Safety	Communities and Livelihoods	
Customer Privacy, Cybersecurity	Promoting sustainable lifestyles	
Employee Health and Safety	Sustainable supply chain	
Employee Engagement, Diversity		
Governance, Anti-Corruption		
Compliance to the Law		








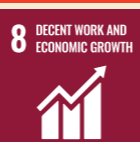
Our Material Topics

Material Topic	Description	Relevant Indicators	Impact Boundary	SDGs
Economic Advancement and Resilience				
Economic Growth	Sustained economic performance drives better sales, revenue, and profits for the company. Apart from ensuring business survival in the long run, focusing on economic growth could also improve the livelihoods of our employees and workers.	GRI 201: Economic performance 202: Market Presence 203: Indirect Economic Impacts 204: Procurement Practices 207: Tax	Within Cosco	 
Disaster Preparedness	Cosco mainly operates within the Philippines, which is a country prone to typhoons and related natural calamities owing to its geography. Fostering preparedness for disasters helps us sustain our performance even during emergencies, while also ensuring that we lend our hand towards helping out communities who suffer during these times.	Non-GRI Disaster management frameworks or policies in the company	Within and outside Cosco	
Technology and Innovation	As a company mainly operating in the retail industry, employing the latest technology for upgrading our offerings is essential so that we stay relevant. We also continuously seek to introduce new and innovative ways of promoting customer retention and loyalty.	Non-GRI Successful initiatives by the company that employ advanced technology	Within Cosco	
Climate Change				
Energy and Emissions	Cosco operates a vast network of retail stores, which consume energy for everyday operations. We believe that making concerted efforts towards reducing energy consumption / replacing with cleaner alternatives in all these stores could contribute significantly to the reduction of GHG emissions and natural resource usage.	GRI 302: Energy 305: Emissions Non-GRI Any initiatives on energy saving	Within and outside Cosco	 






Our Material Topics

Material Topic	Description	Relevant Indicators	Impact Boundary	SDGs
Sustainable Production				
Waste & Recycling of Packaging Waste	Throughout our business segments, packaging is a critical element and its reduction could also minimise waste generation by our customers. We seek to come up with a structured packaging reduction plan in the future, and working towards this is a chief priority for us.	GRI 301: Materials 306: Waste 2020, Effluents and Waste 2016 Non-GRI Waste recycling/treatment initiatives	Within and outside Cosco	 
Food Waste	We aim to target our food (quick service restaurants and bakery) business as a vehicle for minimising and optimising waste generation by using green alternatives to cutlery. In the future, we also aim to redirect our food waste to more environmentally friendly channels such as composting or socially beneficial avenues such as donation.	GRI 306: Waste 2020, Effluents and Waste 2016 Non-GRI Waste recycling/treatment initiatives	Within and outside Cosco	  
Optimising water use	Water consumption at our stores is monitored regularly. Even though our store operations are not water intensive, we have always accorded priority to sensitise our employees on the importance of water conservation.	GRI 303: Water and Effluents Non-GRI Water recycling/saving initiatives	Within and outside Cosco	 




Our Material Topics

Material Topic	Description	Relevant Indicators	Impact Boundary	SDGs
Sustainability outside operations				
Sustainable supply chain	Our supply chain is complex, since we import and source products from multiple international and local suppliers. It is a challenging task to implement sustainable supply chain practices since we stock multiple brands. However, we aim to build internal capacity and awareness on this front and incrementally implement supplier ESG screening as far as possible.	GRI 301: Materials 308: Supplier Environmental Assessment	Within and outside Cosco	 
Sustainable product mix	We always stock products based on our customer needs and preferences. Recent times have seen consumer preferences tilting towards sustainable / organic options that improve customer lives, and our proportion of sustainable products has also increased. We plan to combine advocacy for sustainable products along with increasing green choices so that supply and demand work together to promote customer preference for sustainability.	GRI 416: Customer Health & Safety Non-GRI Initiatives to introduce sustainable products	Within and outside Cosco	 
Looking after our people				
Employee engagement and diversity	Our employees are at the centre of our growth strategy. We have always believed that supporting their individual growth leads to overall productivity and organisational growth. Therefore, we have always accorded maximum importance to treating employees fairly and equally and the workplace, and will continue to explore avenues to improve their experience with us.	GRI 401: Employment 402: Labour/ Management Relations 403: Occupational Health & Safety 404: Training and Education 405: Diversity and Equal Opportunity 406: Non-discrimination 407: Freedom of Association and Collective Bargaining 408: Child Labour 409: Forced/Compulsory Labour 410: Security Practices 411: Rights of Indigenous Peoples Non-GRI Employee engagement practices	Within Cosco	   

Our Material Topics

Material Topic	Description	Relevant Indicators	Impact Boundary	SDGs
Sustained customer relationships				
Customer Health and Safety	Since we engage in the sale of products that are sometimes directly consumed by our customers, we have a critical responsibility towards ensuring watertight quality standards in all the products we stock. Customer health and safety is hence at the heart of our operations, and we always strive to improve our quality monitoring endeavours.	GRI 416: Customer Health and Safety	Within and outside Cosco	
Promoting sustainable lifestyles	As a direct customer-facing business, we realise that we have immense power to influence our customers' choices. While we have already started holding awareness campaigns and programmes on sustainability, we seek to formalise our approach towards promoting sustainability among customers through a structured program.	Non-GRI Initiatives to promote sustainable lifestyles among customer groups	Within and outside Cosco	 
Customer privacy and Cybersecurity	Our grocery retail segment considers the use of customer data to optimize their experience with us as vital to its business. Therefore, we also have a responsibility towards protecting their data against potential cybersecurity risks and related privacy breaches. We are constantly on our toes with regard to compliance with data privacy regulations, and are implementing continuous improvements to our existing data storage security and controls.	GRI 418: Customer Privacy	Within and outside Cosco	
Ethical Practices				
Fair Marketing and Labelling Practices	Marketing and labelling of the products that we sell are largely the onus of our suppliers, even though we ensure that they adhere to all regulatory norms with respect to the labels on our products.	GRI 417: Marketing and Labelling	Within and outside Cosco	

Our Material Topics

Material Topic	Description	Relevant Indicators	Impact Boundary	SDGs
Engagement with the Community				
Communities and Livelihoods	Maintaining healthy relationships with local communities is key to sustained growth and progressive positive reputation. We seek to combine our technical expertise with the monetary / in-kind support we provide to communities surrounding our stores, so that our CSR initiatives are effective.	GRI 413: Local Communities	Within and outside Cosco	
Adhering to the Law				
Governance and Anti-Corruption	Since our inception, we have accorded utmost importance to anti-corruption training among our employees as well as execution of anti-corruption practices and controls. We also prioritise the upholding of our values and principles throughout the course of our everyday operations.	GRI 205: Anti-corruption 206: Anti-competitive behaviour	Within and outside Cosco	
Compliance to the Law	In due course, we seek to contribute to regulatory discourse on sustainability and climate change and act as a policy advocate for ESG. To do this, we understand that strict regulatory compliance and monitoring of breaches is the best way to earn goodwill and reputation for engagement with the government in the future.	Non-GRI Governance structure for handling compliance management	Within and outside Cosco	

Impact Summary Material Topics

Economic Growth

Long-Term:

The pursuit of economic growth and business expansion by Cosco group could foster local employment and income promotion in communities where we operate. Additionally, stable economic performance also ensures sustained, regular payment of taxes from our end to the government. On the flipside, economic growth may also cause erosion of resources from promoting agricultural economy, increased possibilities of pollution without proper focus on sustainability practices.

Short-Term:

One of our main target customer groups is the small and medium enterprise (SME) segment, whom we seek to support by offering products / membership at affordable rates. We believe that our efforts help MSMEs venture and expand; and as an extension, attract investments into the Philippines. The opening of new stores by Cosco group each year also promotes employment opportunities in local regions, and increased tax payments to the government. Currently, we are in a transition period in which we are trying to make our business more sustainable than it already is. This means that our supply chain is an open loop system wherein we still have a significant environmental footprint.

Governance and Anti-Corruption

Long-Term:

Over a period of time, strengthening governance practices could drive better corporate accountability and transparency, lead to zero incidents of corruption, and create a conflict-free workplace. However, poor monitoring of adherence to anti-corruption could lead to reduced stakeholder trust, and frequent conflicts within the workforce.

Short-Term:

Currently, our governance practices promote organisational discipline and contribute to building our reputation, which leads to better productivity / performance of the business. The Cosco group reported no incident of corruption for the reporting year 2022.

Compliance to the Law

Long-Term:

Continued adherence to national and local laws and regulations promotes not only a culture of compliance but primarily harmonious conduct of our business operations within the society we operate. It could likewise result in avoidance of fines and penalties in the near future, in addition to augmenting the incomes of local and national governments in the long run due to regular tax payments. Accumulation of goodwill for the company among investors, customers, and suppliers is also a potential impact of unwavering compliance to the law. On the other hand, gaps in compliance management could lower employee morale and damage relationships with local governments.

Short-Term:

Due to our existing, watertight commitment towards regulatory compliance, we pay no fines/penalties towards non-adherence on any count. This has resulted in continued renewal of customer, investor, and supplier trust. Strict adherence to rules and regulations has also boosted employee confidence in us, and improved our employee retention. A practical challenge we face while updating our compliance registry is the risk of oversight due to too many compliance requirements.

Disaster Preparedness

Long-Term:

We feel that having a proper disaster preparedness plan in place could provide an effective risk management framework for us to follow. It could increase overall organizational efficiency in the long run, and creates a market edge for Cosco. However, poor disaster management practices could lead to human, physical, and opportunity losses, in addition to higher costs of managing inadequate practices and poor technologies that reach obsolescence in a short time.

Short-Term:

Our emergency response plan supported by recent technology updates helps us mitigate losses, promotes faster communication and efficiency. We ensure that proper training and awareness of our emergency response plan and practices are being conducted for new and existing employees of the company. Furthermore, all of the stores and properties are fully insured to cover the risks of financial losses of the company in case of natural calamities or disasters.

Technology and Innovation

Long-Term:

Adoption of new technologies and brainstorming for new ideas from time to time could lead to employee motivation and productivity improvement. However, plans on shifting to technology-based alternatives could also lead to fears about manpower replacement, data security (virus attacks) threats, and extended periods of return or reduced return based on the success of its implementation. This could affect employee confidence.

For the past years, refrigeration and air conditioning technology has become far more advanced than the Freon-powered clunkers of the 1960s. Businesses can significantly increase both their energy efficiency and sustainability by implementing new technologies when it comes to managing, maintaining and retiring refrigeration systems. It's important to consider prioritizing sustainable refrigeration because it can help reduce energy consumption, decrease the risk of global warming and potentially saves lives due to food spoilage.

A few of the most promising, environmentally conscious refrigeration technologies on the horizon that are worth considering are CO2 refrigerant, thermoelectric cooling and magnetic refrigeration

Short-Term:

The efforts that we have taken so far to adopt technology where possible has led to tangible benefits including lesser power consumption due to energy efficiency, improved cost efficiency of operations because of regular data monitoring, and smoother communications through technology-driven platforms. We have also faced issues in this regard, including occasional connectivity problems, and awareness gaps in using the technologies introduced.

Waste and Recycling of Packaging Waste

Long-Term:

With proper planning on recycling of packaging waste and reducing waste generation in general, we could conserve resources over a period of time and also obtain financial gains through reclaimed waste, in addition to preventing health issues among communities located close to landfills. Poor monitoring of such initiatives could lead to improper / inconsistent waste practices due to the possibility of higher priority being accorded to earning from waste.

Short-Term:

Through our existing initiatives on waste management, we have achieved packaging cost reduction and reduced plastic waste through recycling, and reduced hazardous waste generation in general. We regularly monitor our waste disposal practices and seek to continuously improve them by ensuring to comply with all government regulations on waste management.

Food Waste

Long-Term:

Lower food wastes and consequent cost savings are positive impacts that we could garner over time, as a result of implementing an effective strategy for food waste management.

Short-Term:

Our attempts to forecast food waste and efforts to promote paperless transactions at our food joints lead to significant cost savings and a reduction in the amount of waste that we generate.

Energy and Emissions

Long-Term:

With a comprehensive energy management and conservation strategy, we could contribute to reduced emissions and pollution, and reduced consumption of electricity (including added income from selling power back to grids). If energy conservation is not prioritized it could lead to multiple repercussions, including increased pollution, wear and tear on machines not inspected for energy efficiency and increased carbon footprint.

Short-Term:

Our existing energy savings initiatives promote cost efficiency, in addition to helping us reduce carbon emissions and pollution from our end. It also leads to improved air quality and thereafter, a conducive working environment for employees. We have also realized that lack of a structured energy management plan leads to higher operational expenditure, emissions from a diesel-fuelled delivery fleet, increased costs from using non-inverter air conditioners and refrigeration, and more environmental pollution.

Optimising Water Use

Long-Term:

Concerted efforts by businesses such as Cosco to optimize water use could lead to water savings in reserves in the Philippines that are dependent on rainfall. This could lead to an increase in the availability of water for communities that depend on the same source, in addition to reducing water bills for the company. Lesser focus on water efficiency could lead to more operational expenditure and increased water demand. Another potential impact is resistance to adoption of water efficient fixtures due to high capital expenditure on them.

Short-Term:

Our current water conservation and water use reduction initiatives have led to improved cost efficiency, and the availability of additional water for plant and toilet maintenance. Another impact is employee satisfaction as a result of smooth and efficient functioning of water equipment due to regular checks. In the past, our water conservation efforts have been impacted due to increased water demand from new store openings and consumer foot traffic inside the stores.

Sustainable Product Mix

Long-Term:

Over time, consistent endeavours towards creating a sustainable product mix could drive customer preferences towards cleaner and greener alternatives. It could also improve Cosco's brand image and promote customer health and safety. However, the availability of more affordable alternatives could also affect the sales of sustainable products if customers choose the former.

Short-Term:

In the current scenario, we have observed that making sustainable products (such as organic ones) available in our stores helps in satisfying health-conscious customers, and promotes the use of sustainable products within our customer community. However, we have also observed limited sales of sustainable products, stocking issues with products that are demanded more, and higher cost of promotions.

Sustainable Supply Chain

Long-Term:

Though our supply chain is complex, attempting to integrate sustainable supply chain practices could open avenues for more partnerships in the future, improve our ability to meet customer demands on sustainability, and reduce pressure on the environment. However, shifting to sustainable supply chain management could also entail higher costs in the process of supplier adaptation, challenges in monitoring ESG performance across the supply chain, and in finding ESG compliant suppliers.

Short-Term:

Currently, our efforts towards creating a greener and low-waste supply chain has led to the use of more recyclable material in our stores, more planned stock replenishment, more efficient deliveries, and better revenue as a result. An existing challenge that we face is supplier resistance to ESG-related requirements, in addition to higher costs of sustainable raw materials.

Promoting Sustainable Lifestyles

Long-Term:

Over the long term, promoting sustainable choices by customers could promote customer loyalty and improve brand reputation. It could also motivate more customers to save resources in their everyday lives. Yet, promoting behaviour and lifestyle changes among employees and consumers is a challenging and time-consuming process given that sustainable products are priced higher, and also because it is essential to keep up with changing trends.

Short-Term:

Our sustainability advocacy efforts so far have helped customers realize the value of optimal resource use, and have also helped employees be more productive as a result of living sustainably. However, the lack of a regulatory framework to promote sustainability among communities makes it difficult to create change. Moreover, additional time taken to conduct sustainability awareness sessions among employees cuts into their time for working and pushes them to work more hours to compensate for the actual tasks required in their roles.

Employee Engagement and Diversity

Long-Term:

Building on our current emphasis on employee engagement and prioritising diversity and inclusion among employees could promote equal employment opportunities for those who wish to join Cosco group, better engagement and creativity of employees, a diverse talent pool, and better retention and productivity. However, if less attention is paid to engagement and diversity, it could lead to incidents of discrimination, low morale, high employee turnover, and additional costs of team building activities.

Short-Term:

Our existing team-building activities are leading to more involved, engaged, and creative employees who are more productive. It has also led to the creation of a gender-equal workforce. But in instances where there was poor employee communication due to unavoidable reasons, this has led to low employee morale. Additionally, we face higher financial costs as a result of more employee engagement activities implemented by us.

Employee Health and Safety

Long-Term:

Over a period of time, high priority to employee health and safety will eventually increase employee satisfaction and security, and improve employee morale and accountability. Not managing occupational health and safety matters well could lead to more injuries, disabilities, and a high attrition rate.

Short-Term:

Our attention to detail with respect to occupational health and safety has led to better employee efficiency, productivity, lesser instances of absenteeism, and better awareness of health protocols among employees. However, an existing challenge with respect to health and safety restrictions is lower opportunities for engagement by employees. Higher costs of obtaining and maintaining OHS management systems certifications are also a challenge.

Fair Marketing and Labelling Practices

Long-Term:

Ensuring that all products we source follow strict standards on marketing and labelling increases customer satisfaction in the long run, and promotes a safe customer experience at stores due to public confidence in products. Not including quality checks in place (for marketing and labelling) could affect customer loyalty and lead to regulatory issues, in addition to posing challenges in meeting changing government regulations.

Short-Term:

Our strict adherence to quality requirements on marketing and labelling has led to customer loyalty, minimal customer complaints, and no regulatory fines / penalties in this regard.

Customer Privacy and Cybersecurity

Long-Term:

We realise that ensuring strict protocols on data security could increase customer trust and help us use the data better and form partnerships driven by the use of data. However, leaving gaps in cybersecurity practices could make our data prone to hacking, phishing, and identity theft.

Short-Term:

With strict protocols in place, we have been able to use customer data for improving the membership shopping experience, our online and mobile sales have improved, and better communication protocols have been established with customers.

Communities and Livelihoods

Long-Term:

The creation of shared value in the long term through our community support initiatives helps more and more SME entrepreneurs venture and expand, promotes job creation among local communities, and leads to lessened income inequalities. If CSR programs are not managed properly, this could affect relations with local communities.

Short-Term:

Our CSR initiatives have promoted job creation among local communities, and ensured the availability of affordable office and school supplies to members of the local community.

Business and Ecosystem Viability

This thematic area concerns our economic and financial performance over a period of time, considering all factors in the ecosystem that influence this – including natural calamities and disasters, procurement practices, latest technologies, and others. We believe that maintaining sustained financial performance is the first step towards being able to ensure the welfare of our stakeholders. Our performance in this regard is outlined in the sections below.



Economic Growth

At Cosco Capital, finance teams in individual subsidiaries are responsible for overseeing matters related to financial reporting, budgeting, and setting revenue targets. We also have an internal audit mechanism to monitor our performance. Our economic performance for the year is encapsulated in the table below:

Particulars	2022 (Philippine Peso in Million)	2021 (Philippine Peso in Million)	2020 (Philippine Peso in Million)
Direct Economic Value Generated			
Revenues	200,324,008,737	177,670,401,306	180,474,149,423
Revenue from financial investments and other sources	805,978,804	494,616,068	696,109,532
Grand Total	201,129,987,541	178,165,017,374	181,170,258,955
Direct Economic Value Distributed			
Operating costs	23,574,161,211	21,461,844,669	20,147,712,147
Employee wages and benefits	3,139,628,016	3,038,541,961	2,571,143,840
Payment to provider of funds	None	None	None
Interest payment made to provider of loans	527,169,296	697,383,984	440,335,510
Dividends to all shareholders	2,791,727,089	1,669,896,000	1,865,088,832
Sub total	30,032,685,612	26,867,666,614	25,024,280,329
Payments to government (taxes)	4,981,210,761	4,253,790,186	5,291,309,846
Community Investments	202,100,000	10,670,000	25,125,192
Reinvested to maintain and develop operations:			
Depreciation and amortisations	4,315,783,633	4,624,580,000	4,152,877,300
Retained profit	71,597,332,975	65,943,338,000	58,915,686,000
Deferred Tax	1,245,673,897	882,764,000	758,131,000
Sub total	82,342,101,266	75,715,142,186	69,143,129,338
Grand Total	313,504,774,419	280,747,826,174	275,337,668,623

With respect to salaries and wages, we always set a competitive hiring rate based on the region’s minimum wage law and industry rate. 99% of the employees at Puregold, and 95% of the employees at S&R earn monthly salaries higher than the minimum wage prescribed. This convention is followed across our subsidiaries. Our local hiring rates stand at 100% for Puregold and The Keepers Holdings, for whom “local” means native Filipinos. 68.5% of the senior management were hired locally by S&R, wherein “local” refers to areas surrounding the stores.

In 2022, the Cosco group spent Php 9.2 billion for infrastructure investments on capital expenditure for new store openings, repairs and maintenance, and IT investment (this is a 100% increase from the year 2021). These investments impact communities in a positive manner given the opening of new stores creates more local employment, and improves the standards of living of our employees and their families.

Local procurement is always prioritized by Cosco Capital, across our subsidiaries. We try to go local in order to support the regional economy; however, in our retail stores, we include a lot of imported brands as well to satisfy the wants of our customers. Our local procurement data (for 2022) is provided in the table below:

Subsidiary	% of spending on local suppliers
Puregold Price Club Inc.	90%
S&R Membership Shopping	60%
The Keepers’ Holdings	8%
Real Estate Group	100%
Office Warehouse	90%

We also contribute to local economic growth by paying our taxes in full and on-time, in accordance with our tax strategy that is applicable for all subsidiaries. Our strategy is based on tracking and payment of whatever taxes are applicable to us. The President of the group reviews every tax payment that is made, ensuring accountability in this regard. We embed the principle of on-time tax payments amidst our employees by regularly tracking the websites of Tax Authorities for new policies and regulations, and encouraging them to attend seminars related to these. Once tax payments are processed, these are evaluated for gaps / improvements needed, if any. All our tax obligations and payments are properly disclosed in the audited financial statements.



Disaster Preparedness

Given the widespread footprint of our operations that could be affected in case natural calamities occur, we have a group contingency plan that outlines procedures to be followed in such situations. The guidelines describe how the security team, employees, and civilians should respond to emergency situations during the occurrence of various disasters (the definitions for which are also provided in the plan). A snapshot of these points is provided in the table below:

Calamity / Disaster	Response Plan
Earthquake	Security team to secure access points, guide civilians and employees, and stay alert; employees to exit based on company’s instructions; civilians to exit calmly.
Storm, Typhoon and Flood	Since these disasters usually have forewarnings, security teams stay in for prolonged periods to protect life and property, and respond according to pre-planned contingency plans for such situations.
Fire	Preventive measures outlined: smoking prohibition, checking flickering lights, not storing disposable materials unnecessarily, making firefighting accessories available, firefighting personnel / staff to be trained. In case of fire occurrence, the security team follows a contingency plan, calls the fire department immediately, decides on evacuation only if needed, and evacuates employees through designated points.
Sabotage & Bomb Threat	Nature of such incidents are outlined, along with procedures on how to respond in case threats are received on the phone.

Apart from this, Puregold also has a separate Critical Incident Management manual outlining guidelines on the role of the Critical Incident Management Committee, activities of the Emergency Operation Center, evacuation and relocation, damage assessment and recovery, and the emergency management cycle.



PUREGOLD MOBILE

CHOOSE FROM IN-STORE PICK-UP OR DELIVERY SERVICE

SHOP USING THE SEARCH FEATURE OR BY BARCODE SCANNING

PAY VIA P-WALLET GCASH

BUY Globe ALING PURING SUPER SUKI SIM PREPAID LOAD SERVICES (REGULAR, MOBILE DATA & COMMERCIAL)

Don't have an app yet? Scan here to download!

SHOP ANYTIME AND ANYWHERE!



Conscious Conduct of Operations

The sheer number of stores that we operate means that we create significant environmental impact through our resource consumption for everyday activities. We recognise the multiple opportunities to reduce our resource use and recycle waste at all our stores. Our actions in this regard influence many stakeholders including our employees and our customers; therefore, we hold ourselves responsible for setting the right example.

Technology and Innovation

As a customer-facing business, we are constantly on the mission to innovate and improve our methods of engagement and diversify the products that we offer. Technology has been a key enabler in this process, especially after the pandemic. The top management constantly drives the group towards market expansion and innovation by encouraging the establishment of new supermarkets and warehouse clubs nationwide, helping the group gradually expand its footprint to reach out to more customers. Our recent innovations to improve customer satisfaction (some of them integrating technology) are listed below:

Puregold mobile application, which addressed customer concerns on safety and mobility during the pandemic. As of 2022, 1.43 million users have downloaded this application.

Tindahan ni Aling Puring program, that provides market offers and best value on money deals for supporting small businesses local to the Philippines. 760,000+ TNAP members are a part of this program, offered through the "Sari-Sari" stores of Puregold.

Puregold Perks Program, provision of access to groceries for 1.5 million Puregold Perks customers even during the pandemic, through online shopping, door-to-door delivery delivery options and other methods (through caravans / shopping on wheels).

Our initiatives led to Puregold winning the **"Most Chosen Retailer"** award in 2022 for the FMCG sector, based on the consumer reach points method.

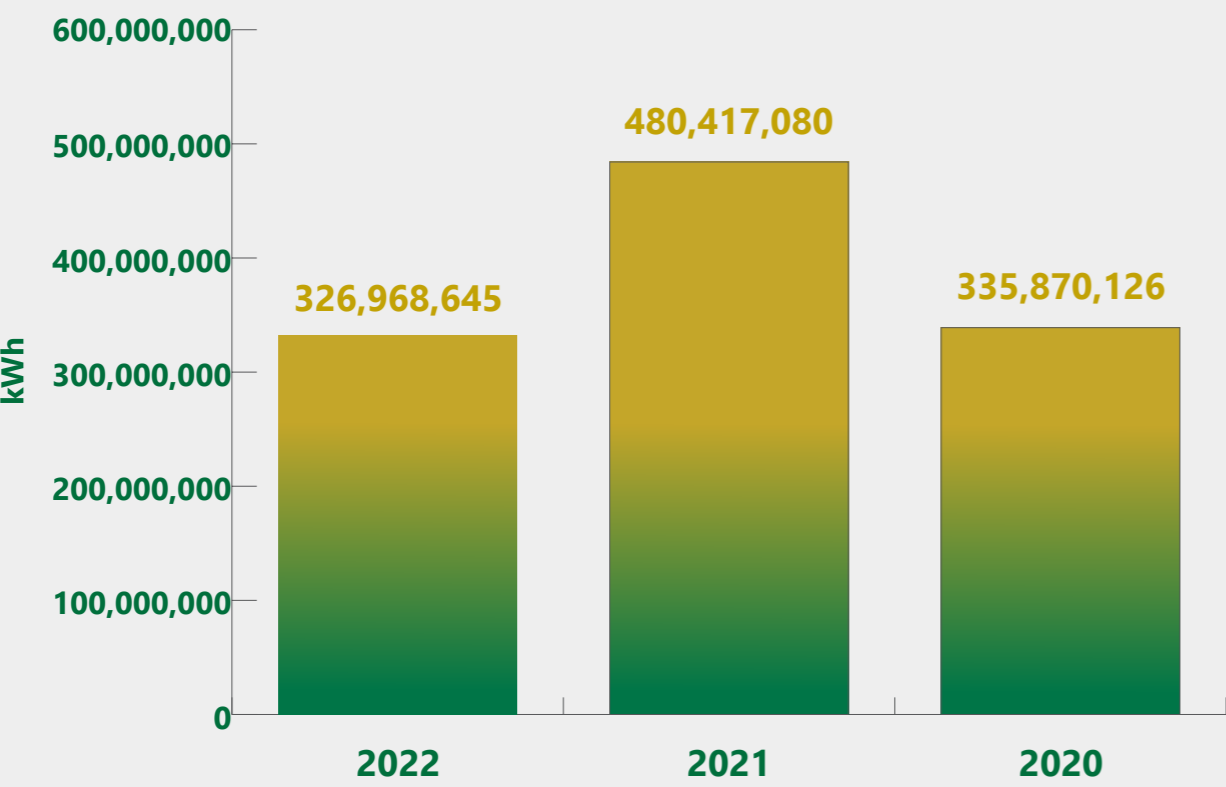
Energy and Emissions

Our operations team in each subsidiary is responsible for energy management and monitoring energy data. Our energy consumption is mainly from diesel and gasoline for power generators and for trucks that load / unload our sticks, and liquified petroleum gas for cooking in the stores that sell food.

Our total energy consumption over the past three years is presented in the table below:

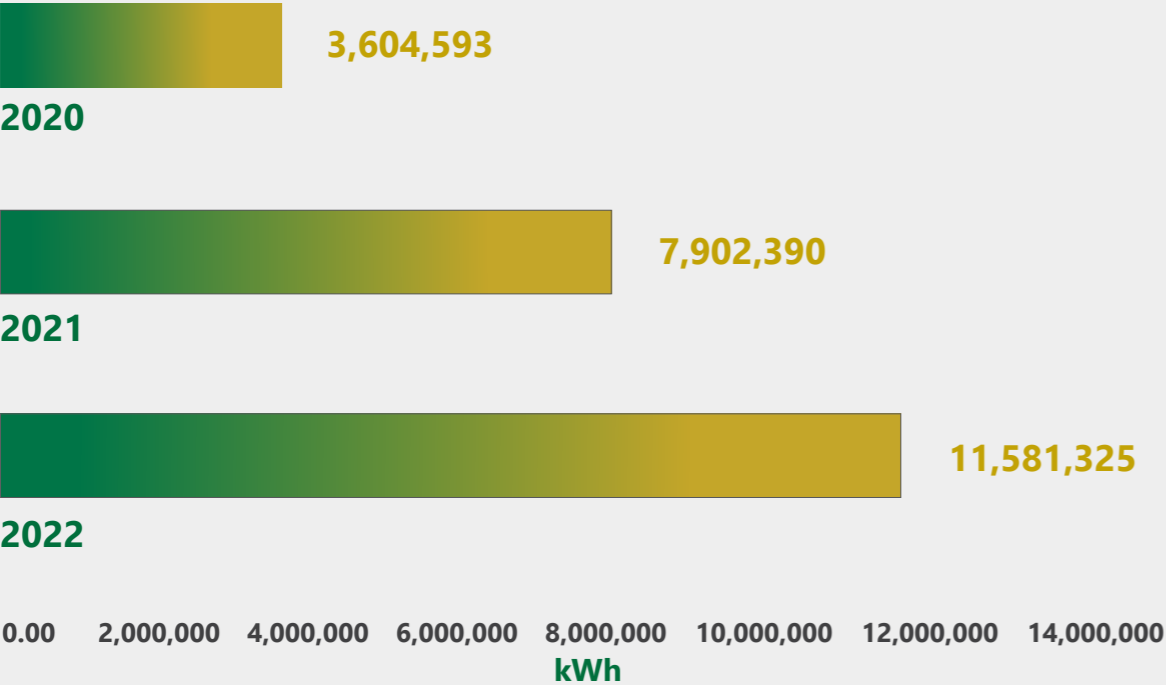
	Sources of Energy within the organization	Unit	2022	2021	2020
1	Diesel	GJ	2,115,266	5,794	3,759
2	Gasoline	GJ	178,913	9,205	4,794
3	LPG Gas used in Canteen in KG	GJ	2,016,683	69,355	191,240
4	Renewable energy	kWh	11.58 million	7.9 million	3.6 million
5	Electricity from Grid	kWh	326.97 million	480.42 million	335.87 million

Data on electricity purchased is provided in the graph below (we purchase from Meralco electricity):



There has been a decrease in electricity purchased in 2022 as compared to 2021, the reduction in energy consumption can be attributed to the implementation of energy conservation programs and the company's growing production of renewable energy despite new store expansion, resumption of normal operations, and increased foot traffic inside the stores.

As for energy produced by us, we have started installing rooftop solar facilities in 24 stores and 1 distribution center. This has led to a marked increase in the solar energy produced by us, mainly due to the rooftop solar units introduced by Puregold in 2022, in addition to S&R's solar energy production. This is represented in the graph below (in kWh):



We have implemented several initiatives towards energy conservation in 2022, which are listed below

- Strict implementation of energy conservation programs such as turning off the lights during lunch break, maintaining room temperature 25+/-1 degree celsius in air conditioners, by Cosco Group.
- Incandescent bulbs were converted to LED bulbs, neon building ID signage were converted to LED signage by Puregold, S&R and Office Warehouse, in addition to specifying guidelines and procedures for switching off lights and air conditioners as per schedule.
- Solar PV panels have been installed in 22 S&R warehouse and 1 S&R distribution center since 2018, of which 41,027.48 GJ of energy has been saved to date.
- Puregold is gearing towards 100% LED main lighting in all stores.
- Conversion of water-cooled ACU using R22 refrigerant to Air-cooled Inverter type using R410 refrigerant.
- Installation of solar photovoltaic panels in 2 stores of Puregold in September 2022 led to 315,780 kWh of electricity being saved. The details are provided in the below two tables:

Particulars (completed projects)	Phase 1	
	North Commonwealth Store	Sucat Store
System Size (Solar Capacity, KWp)	366.24	296.4
Project Completion	Sep 2022	Sep 2022
No. of Days of Operation	168	159
Total Generated from Solar Facility (Kwh)	156,406	159,374
Average Daily Savings (KwH)	931	1,002

Particulars (completed projects)	Phase 2	
	Qi – Central Store	Taguig Store
System Size (Solar Capacity, KWp)	752.40	673.20
Project Start Date	December 2022	December 2022
Targeted Completion Date	Apr 2nd week 2023	Apr 4th week 2023
Projected % Savings upon completion	23%	20%

Our GHG emissions for the reporting year and the previous two years are shown in the table below:

Carbon Emissions	2022	2021	2020
Total Scope 1 Emissions in tCO2e	13,586	5,977	5,577
Total Scope 2 Emissions in tCO2e	232,868	342,155	239,206

Our Scope 1 emissions are mainly from our energy consumption, and this has increased in 2022 compared to the previous years 2021 and 2020. Scope 2 emissions are from electricity purchased. While we have not tracked Scope 3 emissions in 2022, we intend to identify priority categories under Scope 3 and implement appropriate practices to include them in the GHG inventory and sustainability accounting process moving forward. In 2021, Puregold reduced its CO2 emissions by 36% as a result of 25% of business being handled by cross-dock operations, which led to distribution efficiency. Between 60-80% of Puregold's refrigeration/chillers/ACUs have now been converted to R400 series, which is the more environmentally-friendly HCFC. Our emissions intensity for 2022 is 0.0015%.

Waste and Recycling of Packaging Waste



At Cosco, we believe in reducing the amount of materials used in our operations and thereafter. Reducing the amount of waste that we generate could be beneficial for building a closed loop system wherever possible, thereby advancing our part in promoting a circular economy. We do not track data on raw materials for most of our subsidiaries since we import various brands and resell them in the local market. We record material consumption data for S&R since they source plastic packaging in pieces. The amount of plastic packaging sourced in 2022 was 45,751,274 pieces, as compared to 52,064,567 pieces in 2021 – a 12% decrease in 2022 relative to 2021. The procurement team is responsible for matters related to material sourcing. Waste management is according to our Hazardous Waste Management Plan and the Solid Waste Management Plan.

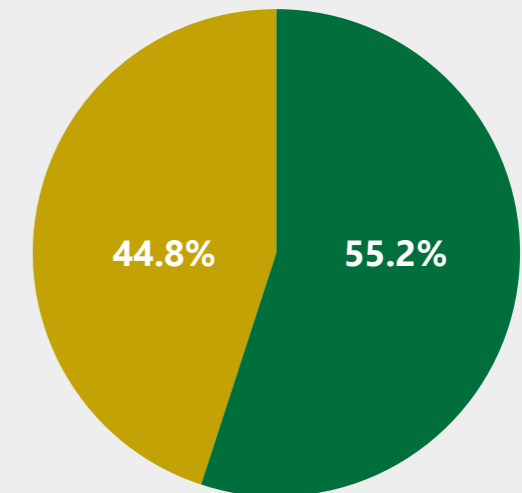
Our solid waste management process is rigorous and comprehensive. An outline of this process (at Puregold) is presented in the infographic below:



The operations team is responsible for tracking waste data, which is shown in the chart and paragraph below (in metric tons):

Non Hazardous Waste

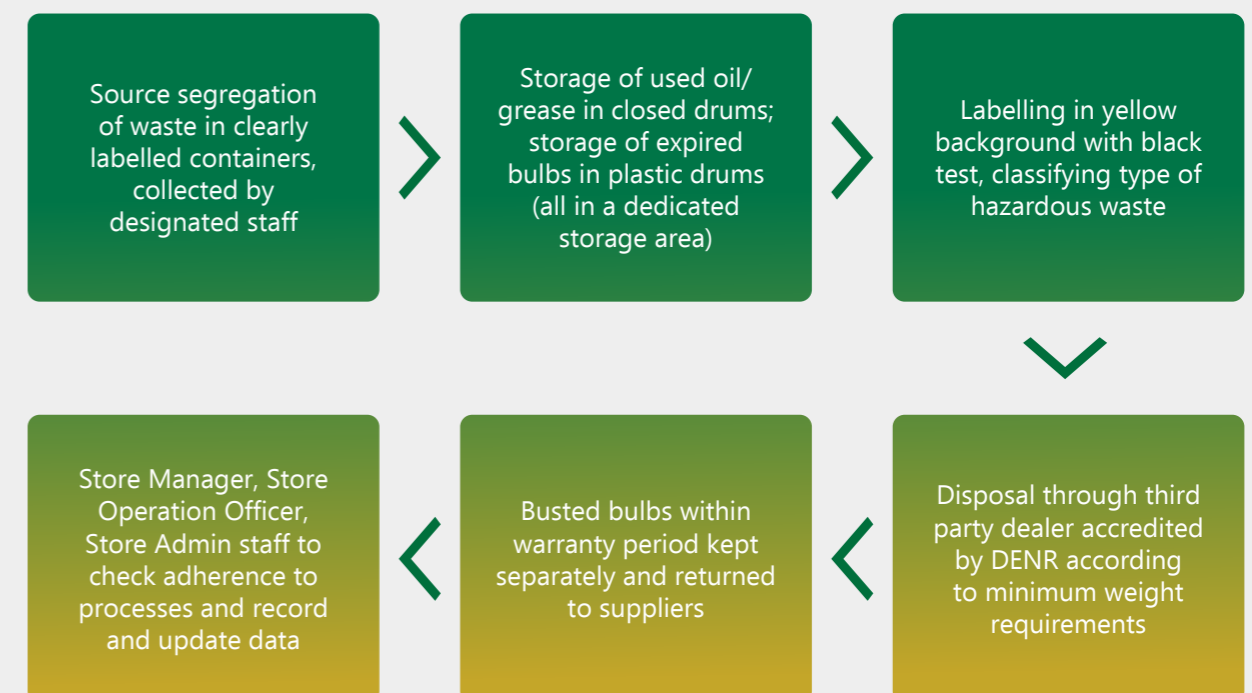
- Waste directed to disposal
- Waste diverted/reused on-site/recycled



Of the total non-hazardous waste generated by NE Pacific, Puregold, and S&R Membership Club, the majority comes from food, metal, glass, plastic, and paper. Most of it is directed to disposal (for recycling by a third party), while some of it is reused on-site for packaging of purchased goods by consumers (i.e. use of cartons as packaging).

Hazardous waste is mainly generated from Puregold and S&R (busted fluorescent lamps, used oils from generator sets, busted LED lamps, genset batteries, and grease wastes). In 2022, 536.72 MT of hazardous waste was generated and sent to an accredited third party that collects hazardous wastes. Puregold generates a small amount of electronic waste due to printers, copies, and credit card machines. 2.34 MT of electronic waste was generated in 2022 (this was sent to junk shops).

The hazardous waste management process followed by Puregold is outlined in the infographic below:





We are constantly on the lookout for new and unique initiatives to manage and reduce waste generated by us, apart from ensuring compliance to the local Solid Waste Act. Some of our initiatives implemented in 2021 and 2022 are listed below:

- Puregold aims to reduce its plastic use by launching a “No Plastic Use” program nationwide called Walastik Plastik Program that is applicable every Monday and Wednesday, where customers can bring their own reusable bags. Through this and other initiatives, Puregold and S&R have achieved a reduction of 100 million plastic bags in 2021 itself. Compared to five years ago, Puregold has reduced its plastic shopping bags usage by almost 50% despite the addition of more than 150 stores for the same period. Currently, 65% of Puregold stores use paper bags and promote monthly upsizing to reduce single-use plastic. S&R, as of 2022, has completely stopped the purchase of plastic bags.
- Reviving Puregold’s recycling program, where customers can exchange their recyclable materials such as plastic bottles, cans, cartons, and newspapers for Puregold gift certificates.
- S&R group introduced a recycling program to reuse and resell carton boxes and plastics, use of recyclable containers for oils, reusable plates, and cutlery in the food service program, and has stopped the purchase of plastic since the second half of 2021.
- As of 2022, 1,203 tonnes of solid waste generated was reused on site, while 900 tonnes was composted (for Cosco Capital as a whole).

Food Waste

Food wastes and other solid waste are generated from the food and fresh section of S&R, where the group processes meat, fish, and other poultry products. The scraps coming from the preparation of this food are sent to third-party accredited solid waste haulers, who send this waste to the landfill.

Optimising Water Use

Our water use is also monitored by the Operations team. While our activities are not water intensive, we consume water for drinking, cleaning, and washing – across our subsidiaries. We source our water from a third party, and our total water consumption for the year 2022 was 1914.2 megalitres. 90% of Puregold’s water consumed is later discharged into septic tanks and sewage treatment plants. 157 wastewater treatment facilities of Puregold are compliant with the Clean Water Act with respect to effluent release. Additionally, Puregold also implements water conservation measures such as rainwater harvesting, water recycling, and low-flow fixtures and waterless urinals. Puregold’s grey water strategy aims to reduce the potable water demand of the operation by using the treated wastewater for flushing and cleaning.



Case Study

Puregold's Building Sustainability Initiatives

Apart from all the above initiatives, we have a building design and material optimisation policy that seeks to reduce resource consumption in all our Puregold stores. Some aspects of this policy are outlined below:

Design

- Site potential optimisation which includes assessing a potential side for maintaining vegetation, for solar viability, reuse potential of existing fixtures, and proximity of customers / residents / employees to the site
- Energy Use Optimisation through use of LED lighting, high efficiency IE2 in water pump motors for energy efficiency
- Recycled STP water and recycled rain water to be used for flushing, gardening, landscape irrigation
- Use of concrete and steel for strong and solid buildings that can withstand extreme temperatures, severe storms, floods and other natural disasters.

Materials

- EIFS (Exterior Insulation and Finish System) - Reduces solar heat gain on walls and leads to approximately a 25% improvement in cooling within the building
- Double bubble double foil roof insulation with high R-value - Reduces solar heat by an estimated 15%.
- White roof coating, which has a solar reflective index of 80-90%
- HVLS (High-Volume, Low-Speed) Fans - They require little energy/electricity for large commercial and warehouse areas.
- Waterless urinals - They save an estimated 30,000 to 40,000 gallons of water per year, per urinal, compared to the standard flush-valve type.
- Use of water efficient toilet fixtures such as self-closing faucets that regulate the flow and release of water and low-capacity flush tanks.
- Use of cement/concrete - Provides long-life cycle, lower life-cycle costs and resilience following natural and man-made disasters.
- ACP (Aluminum Composite Panels) -. Recycling aluminium saves 95% of the energy required to produce Aluminum from raw materials.
- Use of steel, which is 100% recyclable.

Equipment

- Refrigeration Equipment - R404 Freon used is non-CFC (Ozone layer friendly)
- Use of inverter type air conditioning units, refrigeration equipment, and inverter type escalators, moving walks, and passenger elevators for lower energy consumption and lower electricity bill.

Aside from these, new stores being identified are structurally designed to carry solar panels, and to accommodate sewage treatment plants.

Sustainable Supply Chain

The group-wide supplier code of conduct outlines principles and guidelines to be followed by suppliers while engaging with us. The procurement team is responsible for promoting adherence among the suppliers. Though we do not conduct full-fledged vendor assessments on environmental and social aspects, we administer a supplier self-assessment questionnaire that covers environmental and social aspects including their taxpaying record, SEC registration, and other such aspects. Logistically, it is a challenge for us to implement supplier screening on ESG even for our Tier 1 suppliers, given the number of brands we import (for our retail store and liquor segments).

However, we seek to explore this option for our real estate and office supplies segment in the near future. 21 new suppliers were added in 2022 (for the S&R membership shopping club).



Value for People

The stakeholders that we are associated with throughout the course of our value chain are crucial elements to the success of our business. The commitment of our employees to organisational values and principles, customer loyalty and trust, and cooperation from the community that surrounds our operations are indispensable to the long term survival of Cosco Capital. We therefore have a host of programs and policies in place to ensure the wellbeing of these stakeholders, outlined in the sections below.

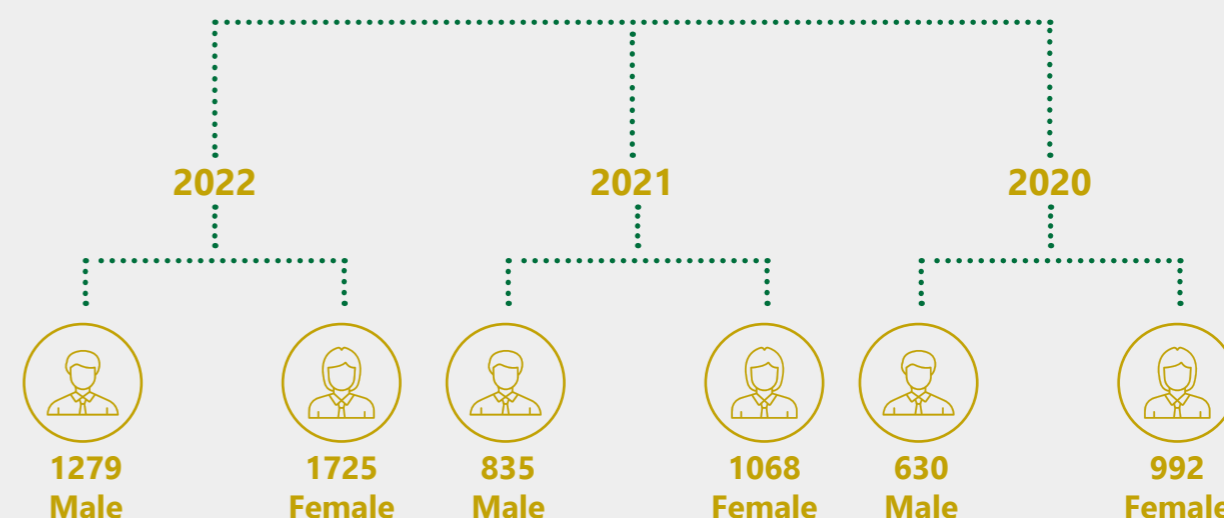


Employee Engagement and Diversity

Our group HR manual covers all matters with respect to our employees at all subsidiaries of Cosco Capital. The manual covers the following policies:

- **Company Safety Policies:** Outlines guidelines for observation of safety regulations, safety responsibilities of the employee and supervisor, worksite precautions for the entire company, offices and stockroom areas, and SOPs for safety inspection.
- **Drug-Free Workplace Policy:** Provides definitions of different types of illegal and legal drugs, norms for drug testing at the workplace (to prevent the use of illegal drugs at the workplace), and guidelines on disciplinary action against unauthorised use of illegal drugs.
- **Rules and Regulations against Sexual Harassment:** Description of what could constitute sexual harassment, guidelines on maintaining proper decorum, and investigation procedures for cases of sexual harassment (if any).
- **Workplace Policy and Program on Paternal Leave:** The policy covers all married male employees – 7 days for the first four deliveries with full pay.
- **Company Policy and Rule on STD / HIV / AIDS:** Mentions that the company will fully extend all rights and liberties of people tested with such diseases, and a strict stand against discrimination based on these aspects will be adopted.
- **Workplace Policy and Program for Special Leave for Women:** Outlines instances in which women can be granted special leave – for procedures that could include, but are not limited to dilation and curettage, and those involving reproductive organs.
- **Workplace Policy and Program on Maternity Leave:** A maternity leave of 105 days is granted for normal or caesarean delivery and additional 15 days for single mothers.
- **Workplace Policy and Program on Solo Parents:** Benefits that single parents (who turned single due to many possible causes) are entitled to, are outlined in this policy. Flexible work arrangements are also outlined.
- **Workplace Policy and Program on Hepatitis B:** Covers company's goals on education, preventive strategies, non-discriminatory policies and practices, confidentiality, work accommodation and arrangements, screening, diagnosis, test referrals, and compensation for affected employees.
- **Workplace Policy and Program on Tuberculosis Prevention and Control:** Guidelines are similar to the Hepatitis B policy – seeking to prevent and control cases of tuberculosis at the workplace, and to support those with TB.
- **Worksite Lactation Program and Policy:** To reduce barriers in breastfeeding for employees and their family members. This includes awareness programs, a culture of support for breastfeeding employees, and making private areas available for breastfeeding.

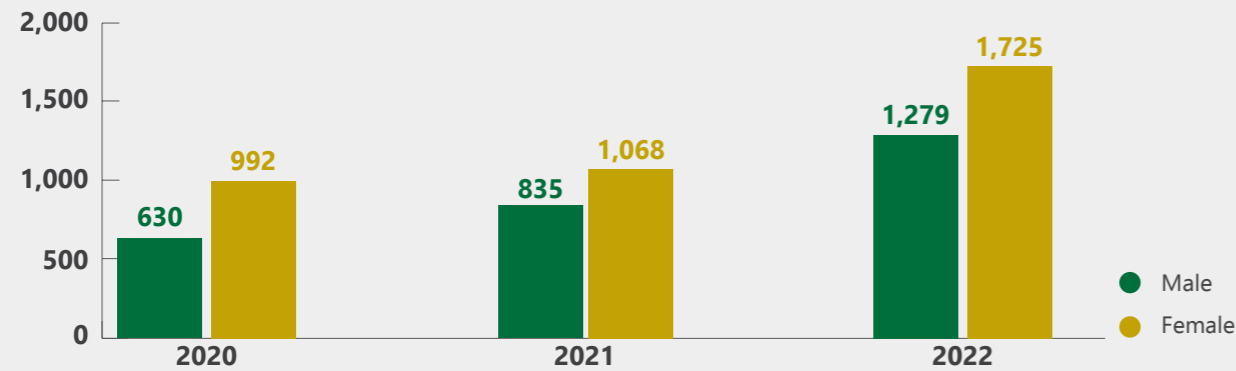
Employee Turnover



Our employee turnover by gender is represented in the figure above. The high turnover numbers (around 91% of the total turnover) can be attributed to junior staff members and non-supervisors, most of them who work on these jobs part-time, alongside their education. Challenges associated with handling customers and low possibilities of career growth in these roles are also potential reasons for employee turnover.

As of 2022, around 50.7% of our workforce is less than 30 years old, and around 48% is between the ages of 30 and 50 years old. Around 1.11% is greater than 50 years old. In 2021, 59% belonged to the less than 30 years old category, 38.4% belonged to the 30-50 years old category, and around 1.7% belonged to the >50 years category. These percentages were around 58%, 38%, and 4% respectively in 2020.

Our new joinee data is represented in the figure below:

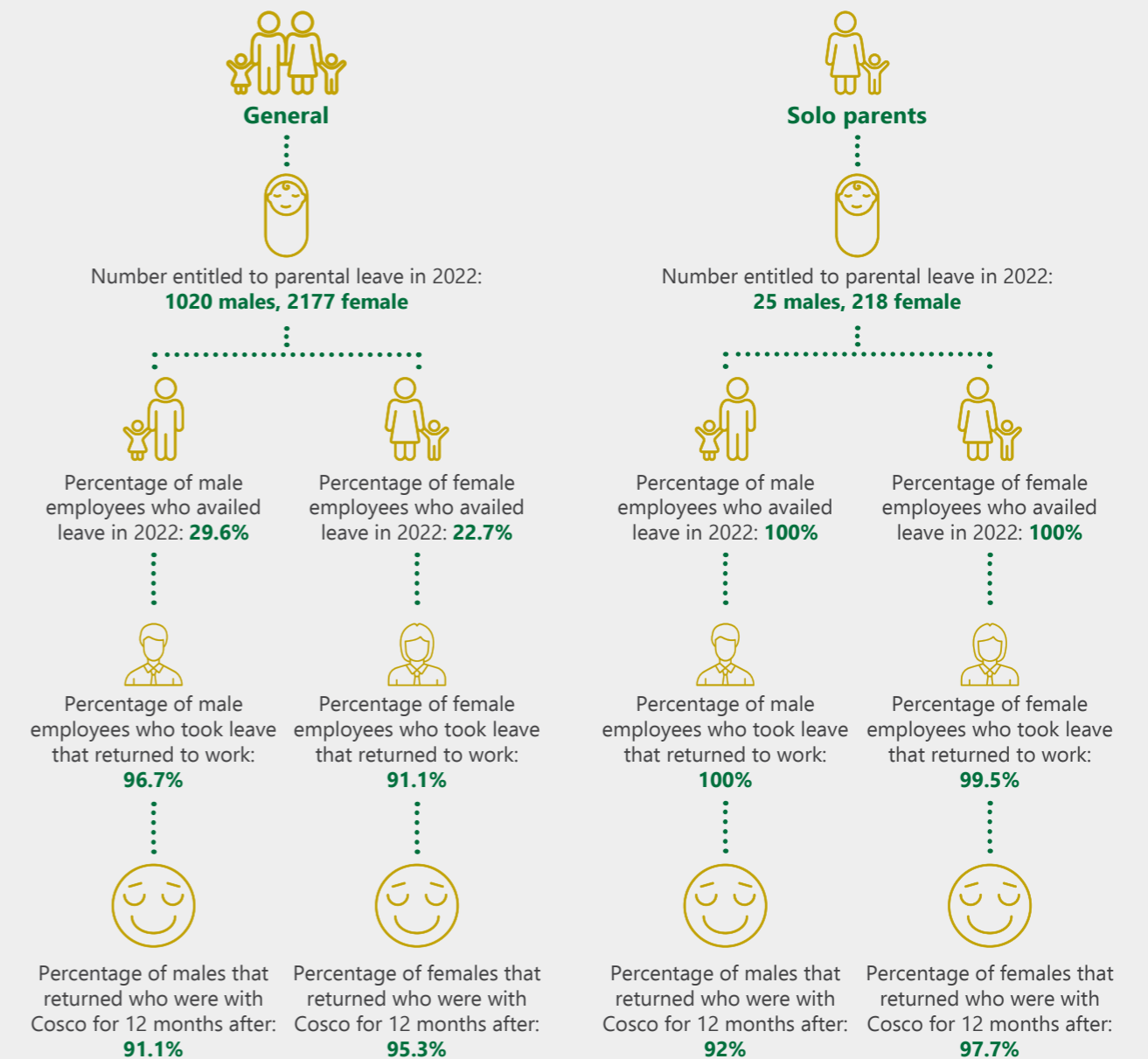


New Joinees	2022	Turnover %	2021	Turnover %	2020	Turnover %
By gender						
Male	1366	23.6	898	17.1	757	17.7
Female	1687	21.2	1167	17.3	944	22.7
By age						
<30 years	1973	20.2	1371	18.5	1084	20.8
30 - 50 years	1073	26	691	14.9	573	15.4
>50 years	7	2.1	6	2.2	4	1.4

The opening up of more stores and revival of the economy post pandemic has increased the number of new joinees in 2022, as compared to 2021 and 2020. The number of female new joinees is higher than males, and the maximum number of joinees was in the lesser than 30 years age category.

Parental leave policies are applicable to married men and women, and for solo parents. A paternity leave period of 7 days is allowed for the first four deliveries. For women, a maternity leave of 105 days is given for normal and C-section delivery with an additional 15 days for single mothers. 100% of the benefits are provided in all cases. Parental leave of 7 days is provided to solo parents, in addition to being able to access flexible work schedules.

This year's parental leave data is presented in the chart below:



For workers, the minimum number of weeks' notice typically provided to employees and their representatives prior to the implementation of significant operational changes that could substantially affect them ranges between 1 week and 1 month depending on the situation.

The benefits provided to our full-time employees are different for various subsidiaries, as shown below:

Puregold

Applicable Benefits	Employment Category			
	Senior Management	Middle Management	Junior Management	Workers
Health Insurance	✓	✓	✓	✓
Personal Accident Insurance /Group Personal Accident	✓	✓	✓	✓
Life Insurance	✓	✓	✓	✓
Dependent Insurance	✗	✗	✗	✗
Employees' Pension Scheme (EPS) - Part of PF	✗	✗	✗	✗
Employees' Provident Fund Scheme (EPFS) - Part of PF	✗	✗	✗	✗
Employees' Deposit Linked Insurance Scheme (EDLIS) - Part of PF	✗	✗	✗	✗
Bonus (if any)	✗	✗	✗	✗
Car Lease - (OYCS)	✗	✗	✗	✗
Employee Stock Option	✗	✗	✗	✗

Applicable Benefits	Employment Category			
	Senior Management	Middle Management	Junior Management	Workers
Employees State Insurance - Applicable as per ESI act at covered units	✗	✗	✗	✗
Group Life Insurance - Employee Contribution Scheme)	✗	✗	✗	✗
Health Maintenance Insurance	✓	✓	✓	✓
Meal Allowance (applicable to Operations employees and management initiated transfers/in cases of Official Business)	✓	✓	✓	✓
Transportation Allowance (applicable to Operations employees and management initiated transfers/in cases of Official Business)	✓	✓	✓	✓
Laundry Allowance	✗	✗	✗	X
Uniform Allowance	✗	✗	✗	✗
Benovalant Fund - Employee Contribution Scheme)	✗	✗	✗	✗
Scholarship of employee's children	✓	✓	✓	✓

Minimum benefits that are standard for full-time employees of the organization, but are not furnished to temporary or part-time employees by significant locations of operation	Unit
Group Personnel Accident Policy	All direct employees, upon hiring
Group Health Insurance Policy	Upon regularization
Joint Group Personnel Accident Policy	N/A
Stock ownership	N/A
Retirement provision	Upon retirement
Any other benefits - Group Life Insurance	Upon regularization

S&R

Applicable Benefits	Employment Category			
	Senior Management	Middle Management	Junior Management	Workers
Health Insurance	✓	✓	✓	✓
Personal Accident Insurance /Group Personal Accident	✓	✓	✓	✓
Life Insurance	✓	✓	✗	✗
Dependent Insurance	Voluntary (Charge to Employee)	Voluntary (Charge to Employee)	Voluntary (Charge to Employee)	Voluntary (Charge to Employee)
Employees' Pension Scheme (EPS) - Part of PF	✗	✗	✗	✗
Employees' Provident Fund Scheme (EPFS) - Part of PF	✗	✗	✗	✗

Applicable Benefits	Employment Category			
	Senior Management	Middle Management	Junior Management	Workers
Employees' Deposit Linked Insurance Scheme (EDLIS) - Part of PF	✗	✗	✗	✗
Bonus (if any)	✓	✓	✗	✗
Car Assignment	✓	✗	✗	✗
Employee Stock Option	✗	✗	✗	✗
Employees State Insurance - Applicable as per ESI act at covered units	✗	✗	✗	✗
Group Life Insurance - Employee Contribution Scheme)	✗	✗	✗	✗
Health Maintenance Insurance	✗	✗	✓	✓
Meal Allowance	✓	✓	✓	✓
Transportation Allowance	✓	✓	✓	✓
Laundry Allowance	✗	✗	✗	✗
Uniform Allowance	✗	✗	✗	✗
Benovalant Fund - Employee Contribution Scheme)	✗	✗	✗	✗
Bereavement Fund	Voluntary Contribution	Voluntary Contribution	Voluntary Contribution	Voluntary Contribution

Minimum benefits that are standard for full-time employees of the organization, but are not furnished to temporary or part-time employees by significant locations of operation	Unit
Group Personnel Accident Policy	Regular employees
Group Health Insurance Policy	Regular employees
Joint Group Personnel Accident Policy	no
Stock ownership	no
Retirement provision	Regular Employees 60 Y.O - Voluntary 62 Y.O - Mandatory

The Keepers Holdings

Applicable Benefits	Employment Category			
	Senior Management	Middle Management	Junior Management	Workers
Health Insurance	✓	✓	✓	✓
Personal Accident Insurance /Group Personal Accident	✓	✓	✓	✓
Life Insurance	✓	✓	✓	✗
Dependent Insurance	✗	✗	✗	✗
Employees' Pension Scheme (EPS) - Part of PF	✗	✗	✗	✗

Applicable Benefits	Employment Category			
	Senior Management	Middle Management	Junior Management	Workers
Employees' Provident Fund Scheme (EPFS) - Part of PF	✗	✗	✗	✗
Employees' Deposit Linked Insurance Scheme (EDLIS) - Part of PF	✗	✗	✗	✗
Bonus (if any)	✓	✓	✓	✓
Car Lease - (OYCS)	✗	✗	✗	✗
Employee Stock Option	✗	✗	✗	✗
Employees State Insurance - Applicable as per ESI act at covered units	✗	✗	✗	✗
Group Life Insurance - Employee Contribution Scheme)	✗	✗	✗	✗
Health Maintenance Insurance	✗	✗	✗	✗
Meal Allowance	✓	✓	✓	✓
Transportation Allowance	✓	✓	✓	✓

Real Estate

Applicable Benefits	Employment Category			
	Senior Management	Middle Management	Junior Management	Workers
Health Insurance	✓	✓	✓	✓
Personal Accident Insurance /Group Personal Accident	✓	✓	✓	✓
Life Insurance	✓	✓	✓	✓
Dependent Insurance	✗	✗	✗	✗
Employees' Pension Scheme (EPS) - Part of PF	✗	✗	✗	✗
Employees' Provident Fund Scheme (EPFS) - Part of PF	✗	✗	✗	✗
Employees' Deposit Linked Insurance Scheme (EDLIS) - Part of PF	✗	✗	✗	✗
Bonus (if any)	✗	✗	✗	✗
Car Lease - (OYCS)	✗	✗	✗	✗
Employee Stock Option	✗	✗	✗	✗
Employees State Insurance - Applicable as per ESI act at covered units	✗	✗	✗	✗

Applicable Benefits	Employment Category			
	Senior Management	Middle Management	Junior Management	Workers
Group Life Insurance - Employee Contribution Scheme)	✗	✗	✗	✗
Health Maintenance Insurance	✓	✓	✓	✓
Meal Allowance	✗	✗	✗	✗
Transportation Allowance	✓	✓	✗	✗
Laundry Allowance	✗	✗	✗	✗
Uniform Allowance	✗	✗	✗	✗
Benovalant Fund - Employee Contribution Scheme)	✗	✗	✗	✗
Minimum benefits that are standard for full-time employees of the organization, but are not furnished to temporary or part-time employees by significant locations of operation				Yes / No
Group Personnel Accident Policy				✓
Group Health Insurance Policy				✓
Joint Group Personnel Accident Policy				✗
Stock ownership				✗
Retirement provision				✗
Any other benefits				✓

NE Pacific

Applicable Benefits	Employment Category			
	Senior Management	Middle Management	Junior Management	Workers
Health Insurance	✓	✓	✓	✓
Personal Accident Insurance /Group Personal Accident	✓	✓	✓	✓
Life Insurance	✓	✓	✓	✓
Dependent Insurance	✗	✗	✗	✗
Employees' Pension Scheme (EPS) - Part of PF	✗	✗	✗	✗
Employees' Provident Fund Scheme (EPFS) - Part of PF	✗	✗	✗	✗
Employees' Deposit Linked Insurance Scheme (EDLIS) - Part of PF	✗	✗	✗	✗
Bonus (if any)	✗	✗	✗	✗
Car Lease - (OYCS)	✗	✗	✗	✗
Employee Stock Option	✗	✗	✗	✗
Employees State Insurance - Applicable as per ESI act at covered units	✗	✗	✗	✗

Applicable Benefits	Employment Category			
	Senior Management	Middle Management	Junior Management	Workers
Group Life Insurance - Employee Contribution Scheme)	✗	✗	✗	✗
Health Maintenance Insurance	✗	✗	✗	✗
Meal Allowance	✓	✓	✓	✓
Transportation Allowance	✗	✗	✗	✗
Laundry Allowance	✗	✗	✗	✗
Uniform Allowance	✗	✗	✗	✗
Benovalant Fund - Employee Contribution Scheme)	✗	✗	✗	✗
Minimum benefits that are standard for full-time employees of the organization, but are not furnished to temporary or part-time employees by significant locations of operation				Yes / No
Group Personnel Accident Policy				✓
Group Health Insurance Policy				✓
Joint Group Personnel Accident Policy				✗
Stock ownership				✗
Retirement provision				✗
Any other benefits				✗

Office Warehouse

Applicable Benefits	Employment Category			
	Senior Management	Middle Management	Junior Management	Workers
Health Insurance	✓	✗	✗	✗
Personal Accident Insurance /Group Personal Accident	✓	✓	✓	✓
Life Insurance	✓	✗	✗	✗
Dependent Insurance	✗	✗	✗	✗
Employees' Pension Scheme (EPS) - Part of PF	✗	✗	✗	✗
Employees' Provident Fund Scheme (EPFS) - Part of PF	✗	✗	✗	✗
Employees' Deposit Linked Insurance Scheme (EDLIS) - Part of PF	✗	✗	✗	✗
Bonus (if any)	✗	✗	✗	✗
Car Lease - (OYCS)	✗	✗	✗	✗
Employee Stock Option	✗	✗	✗	✗

Applicable Benefits	Employment Category			
	Senior Management	Middle Management	Junior Management	Workers
Employees State Insurance - Applicable as per ESI act at covered units	✗	✗	✗	✗
Group Life Insurance - Employee Contribution Scheme)	✗	✗	✗	✗
Health Maintenance Insurance	✗	✗	✗	✗
Meal Allowance	✗	✗	✗	✗
Transportation Allowance	✗	✗	✗	✗
Laundry Allowance	✗	✗	✗	✗
Uniform Allowance	✗	✓	✓	✓
Benoalant Fund - Employee Contribution Scheme)	✗	✗	✗	✗

Occupational Health and Safety

As outlined above, the company safety policy outlines guidelines for safety management for the entire group. The HR department is primarily responsible for implementing guidelines in this regard. The occupational health and safety practices followed by our various subsidiaries are summarized below:



Puregold

PPCI is committed to comply with the requirements of RA 11058 and DOLE Department Order 198-18 (its Implementing Rules and Regulations) and the applicable provisions of the Occupational Safety and Health Standards (OSHS) (for all workers across all stores, including agency and indirect workers). PPCI ensures a safe and healthful workplace for all working people by affording them full protection against all hazards in their work environment. The following initiatives are implemented according to compliance requirements:

- All workers including new hires are provided with orientation and information on all types of hazards in the workplace.
- Provision for, and use of personal protective equipment
- Safety signage and devices that warn workers and the public on hazards at the workplace
- Implementation of Occupational Safety & Health Program
- Presence of a structured Safety & Health Committee (comprising a Safety Officer, a First Aider, a Chairperson, a Secretary, and Members). The Safety Officer is chiefly responsible for OHS-related offers.
- Safety Officer of the company attends a mandatory forty (40)-hour basic OSH training course as prescribed in the OSH standard.
- Trained First Aider is certified to administer first aid by the Philippine Red Cross
- Regular submission of Occupational Safety & Health Reports
- Free welfare facilities for employees and workers all workers, including agency and indirect workers
- Workers are not required to return to work if they feel imminent danger exists in their jobs
- Frequent monitoring and inspection of health or safety aspects of the store operations being undertaken with the participation of the officers and the employees
- Assistance to government inspectors in the conduct of safety and health inspection
- Transport is available on standby to transport injured personnel to the nearest clinic/hospital
- Regular direct employees are provided with HMO and accident, health insurance benefits
- Only authorized personnel have access to employee health records
- Issuance of Work Stoppage Order when necessary, based on the requirements and procedures provided by the OSH standards

S&R

S&R also follows local compliance requirements with respect to OHS. Continued improvement is pursued on OHS related matters by conducting regular trainings, seminars and drills annually. Periodic safety assessments are also conducted. Hazards and risk management processes are based on recognized standards. Recommendations based on incident investigation are made to eliminate hazards and minimize the risk of their occurrence, in addition to spot audits. Occupational health seminars are conducted according to legal requirements, and partnerships are built with health clinics to facilitate annual check-ups (for which transport is also arranged for employees if required). S&R adheres to the regulations under the Data Privacy Act, which requires maintaining confidentiality of personal information about workers, including their medical records. Workers are required to participate in all awareness activities with relation to occupational health and safety, which includes orientation, trainings, and drills. Employees exercise their respective functions and duties in formal committee meetings, and any disputes in related processes should be resolved by the officers of the committee. There are two OHS trainings that are provided regularly by S&R to all employees, which are described below:

- **The Basic Occupational Safety and Health Training (BOSH)** is a 40-hour course providing safety officers with a clear and concise explanation of their various responsibilities with regard to Occupational Safety and Health Standards. Trainees participate in a group discussion, a workshop and perform case analyses. Furthermore, the program aims to equip employees with detailed knowledge on OSH concepts, principles and practices applicable to the S&R clubs. Written and practical exams were administered and certificates of completion are awarded, which are valid for 5 years.
- **Basic Life Support and First Aid Training** is a 16-hour course. This training provides trainees with the knowledge and skills necessary to respond to breathing and cardiac emergencies. First Aid training teaches employees to recognize and care for a variety of first aid emergencies such as burns, cuts, scrapes, sudden illnesses, head, neck, back injuries, heat and cold emergencies. The employees who successfully passed and completed the course receive a first aider license valid for 2 years.

Real Estate Group

- The real estate segment follows rules set by the Department of Labor and Employment for the Occupational Safety & Health Standards. A Safety Officer and First Aider is present, who are trained on being certified first aid providers and safety officers. These employees usually belong to the Administrative, or Engineering & Maintenance Department. BOSH for SO1 is an 8-hour OSH orientation plus 2-hour Training of Trainers designed to impart knowledge and skills on basic concepts and principles of occupational safety and health to enable potential safety officers (SO1-certification) to implement their respective company's safety and health program.
- For NE Pacific mall, there are two safety officers (full-time employees of Cosco) and an accredited Pollution Control Officer (PCO) (on contract). This segment adheres to the guidelines of the Department of Labor and Employment, and the Department of Environment and Natural Resources. The safety officers are from the Operations Department, and the first aider is from the Leasing Department. Daily inspection and monitoring of all restricted areas of establishment are carried out. Workers also have the right to discuss any assignment that the feel are unsafe performing, with their supervisors. Since medical files of employees contain sensitive and confidential information, the files are saved appropriately with access only available for the HR staff. Workers' access to non-occupational medical services is facilitated through accident and health insurance provided by the company.

The possibility of safety incidents at Office Warehouse and The Keepers Holdings is negligible. At a group level, 51,838 employees and workers are not employed by Cosco, but are in the system because their work is controlled by Cosco.

Our OHS data (at a group level) is provided in the tables below:

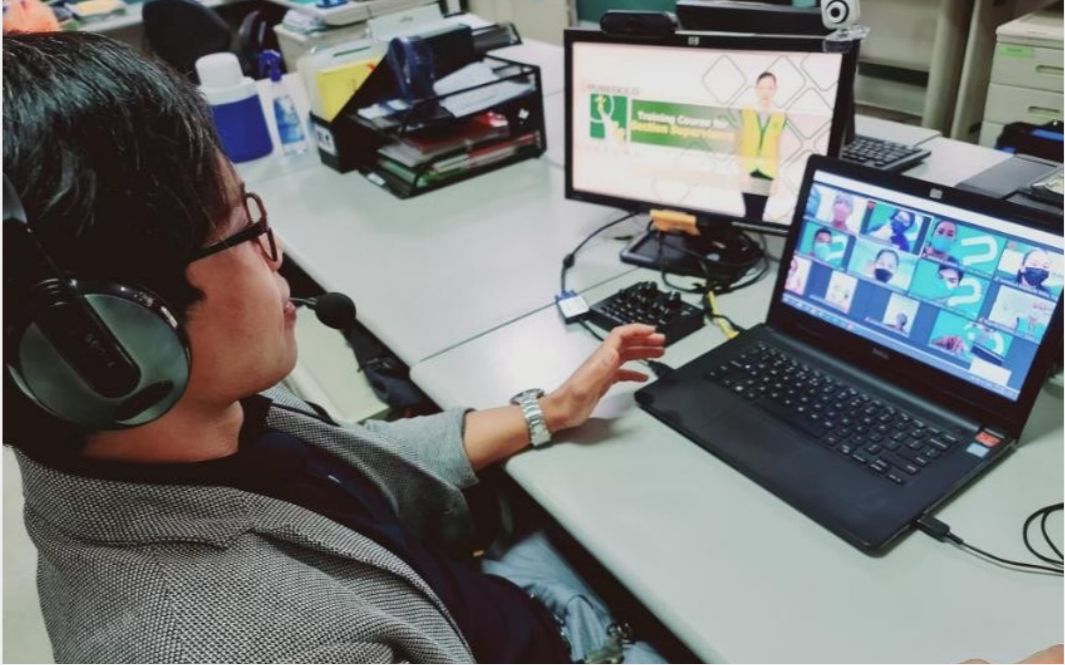
Safety Data for Employees				
Description	Unit	Male*	Female*	Total
Fatalities as a result of work related-injury	Number	0	0	0
Fatalities as a result of work related-injury	Rate	0	0	0
High consequence of work-related injuries (excluding fatalities)	Number	1	0	0
High consequence of work-related injuries (excluding fatalities)	Rate	1	0	0
Recorded work related injuries	Number	12	1	13
Recorded work related injuries	Rate	12	1	13
Man-hours worked	Hours	12,655,200	16,212,000	28,867,200

*Except for S&R, all subsidiaries have zero work-related injuries

*Zero work-related injuries for contract workers

Safety Data for Employees					Description about main type of work-related ill health
Description	Unit	Male*	Female*	Total	
Fatalities as a result of work related-ill health	Number	0	0	0	
Cases of recordable work-related ill health	Number	0	0	0	

*Zero work-related ill health for contract workers



Training and Education

At Cosco, training and education for all our employees and workers is one of the top priorities. The group focuses on keeping both employees and workers enabled with the skills required to ensure their maximum productivity at work, while also keeping in mind that it should improve their knowledge and professional expertise in the long run. In a nutshell, the focus is not only on improving their performance at Cosco, but also on furthering their careers.

Our training data for the year is represented in the table above. Average number of training hours has increased in 2022 from 2021, given the opportunities for in-person and online training.

Average hours of training			
	2022	2021	2020
Male employees	239,514	140,480	267,406
Female employees	201,439	221,615	249,362
Senior management	49	19	36
Middle management	188	77	136
Junior management	927	376	675
Workers (Permanent)	1,103	440	825
Non Supervisors	3,431	1,401	2,541
Contractual workers	0	0	0
Overall average training hours	55,831	45,551	65,123

The list of trainings provided by the group include:

Type and scope of programs implemented and assistance provided to upgrade employee skills	
Puregold	
Onboarding programs	New employee orientation program, Customer Service Standards, Departmental training course, Training course for section supervisor, management trainee, store managers, area managers,
Technical programs	HR upskilling program, Basic accounting for store operations, Supply Chain Module, Basic Work Management, People Management Coaching, Reliability (for accountability), Conversation Matters (for communication)
Essential Skills	Laws of Leadership, Managing your Team, Customer Service Program, "The Leader in Me", Internal Theft, Shoplifting
S&R	
Internal Developmental Trainings	Professional Image, Improving member service experience, Actions by Staff at touchpoints
Communication	Basic Grammar, Effective Presentation
Leadership	Effective Leadership, Basic Supervisory Skills, Basic Managerial Skills, On-the-job orientation
Customer Engagement Programs	Ring the Bell (during Christmas season) and Star Magic board (to build relationships with customers)
Technical Trainings	Front end Trainers Certification program, Touch points trainer certificate program, Membership trainers' certification program, Bakery training, CCTV Operators Certification Training, Fire Safety Training, Forklift Operators Training, Wholesale Telemarketers' Training
External Trainings	Basic OHS training, Red Cross First Aid with Basic Life Support Training, Forklift training (TESDA Certificate NCII), Tire Training
Apart from this, an official newsletter, " S&R Connect ", is issued twice a year to employees	
Office Warehouse	
Technical trainings	Product Knowledge Training, Furniture and Assembly Training, Customer Service Training, Sales Audit Training, Inventory Training, Safety Training, First Aid Training, Earthquake and Fire Drill Training, Team Building Training, Supervisory Training, Leadership Training, Financial Literacy Training

Transition assistance programs provided to facilitate employability and the management of career endings resulting from retirement or termination of employment	
Office Warehouse	Job Orientation Training
	Turnover training
	Coaching and counselling

All our employees undergo performance appraisals, which follow different conventions for various subsidiaries as follows:

- **Puregold:** Twice a year, the performance of regular employees is evaluated by their immediate supervisor. The assessment is in July for the period of January to June, and in January for the period of July to December. Web-based performance reviews are conducted through an online portal, with the intent of providing timely performance feedback, and for promoting communication and healthy working relationships that will improve productivity and efficiency.
- **S&R:** Performance appraisals are issued to regular employees on a semi-annual basis, similar to Puregold's procedure. For probationary employees, performance appraisal is done in the 3rd and 5th month of joining.
- **Real Estate and NE Pacific:** The performance review schedule begins after the probation period (in the 4th month of hiring). Annual performance reviews are conducted in November each year.
- **Office Warehouse:** All employees undergo performance reviews every year. Key performance indicators include job knowledge / productivity, communication, affiliation, organizational sensitivity, work traits, sales, inventory, product knowledge, merchandise display, stock ordering and arrangement, store policy compliance, grooming, attendance, work attitude, customer service.

The group HR policies reflect Cosco's commitment towards diversity and inclusion at the workplace. The number of women in the group's governance body and employee payroll has consistently been higher than the number of men. Data in this regard is presented in the table below:

Diversity of governance bodies and employees			
Year	2022	2021	2020
Male	5273	4834	4739
Female	6755	6409	6178
Total Employees	12,028	11,243	10,917
% of Female Employee	56%	57%	57%
<30 years	4566	4545	4188
30 - 50 years	7141	6431	6446
> 50 years	321	267	294

The male-female remuneration ratio is 1:1 for Cosco Group.

Moreover, as highlighted above in the list of policies, there is a strict stand against discrimination on any grounds across the group. In the year 2022, there were no incidents of discrimination at Cosco, and there were no instances of child labour or forced / compulsory labour. At the time of recruitment, the age of applicants is scrutinized closely. In the reporting year, workers' rights to exercise freedom of association or collective bargaining were not violated or at significant risk, and there were no incidents signifying violation of indigenous rights.

Customer Health and Safety

As a business operating in the retail industry, we recognize the immense responsibility we have towards ensuring the highest quality and safety standards in the products that we sell since these are sometimes directly consumed/used by customers. We have strict quality standards in place that are supposed to be met by our suppliers, and we closely monitor complaints/issues raised by our customers, if any, in this regard.

None of our products is currently assessed for health and safety impacts since they are all supplied by top multinational and local suppliers and they already possess the required certifications. There were no incidents of non-compliance with customer health and safety standards in the reporting year.



Promoting Sustainable Lifestyles

Cosco Group recognize the importance of promoting sustainable lifestyle to our customers, employees and all stakeholders. The following programs and initiatives are implemented and highly encouraged within the group:

- Bring your own eco-bag
- No plastic days on Mondays and Wednesday on all Puregold Stores.
- Eliminate use of single plastics by encouraging purchase bigger size SKUs rather than sachets.
- Promote cash for trash by exchanging recyclable packaging materials for cash rebates.
- Selling energy-efficient and solar powered products in our stores.

Relevant GRI Indicators: 3-3: Management of material topic

Non-GRI: Initiatives to promote sustainable lifestyles among customer groups

Customer Privacy and Cybersecurity

Collecting customers data is an integral part of Cosco's operation, especially for membership shopping and retail store businesses. Customer data helps us optimize the products and experience we offer to them. In this process, we ensure we adhere to the highest accountability standards with respect to maintaining the confidentiality of this data. Across the group, we adhere to the local Data Privacy Act. All employees across all stores are trained on data security practices by the HR department. In the year 2022, there were no complaints received from outside parties and from regulatory bodies, and no identified threats, leaks, or losses of customer data. The respective IT Heads and data privacy officers per business unit are in-charge for the customer privacy and cybersecurity.



Fair Marketing and Labelling Practices

Many of the products that Cosco sources for all its subsidiaries are imported from external brands, who all follow local and (in some cases) international regulations on marketing and labelling. Adherence in this respect is closely monitored by the procurement team whenever Cosco engages with new suppliers, and also during the course of regular interactions with suppliers. All products that are being sold at Puregold and S&R stores comply with food and drug regulations in the Philippines. There were no incidents of non-compliance with marketing / labelling regulations in the year 2022.

Communities and Livelihoods

Co-existence with communities surrounding our operations is an essential element of Cosco's stakeholder engagement strategy, since it is people from these communities that help us thrive by buying our products and coming back to our stores for the experience that we seek to provide. Therefore, Cosco has always sought to understand the needs of this community to give back to them in ways that help them achieve collective advancement as a society. Our CSR initiatives in the year 2022 are listed below:

- Office Warehouse has launched the Puno ng Pag-ibig Program that staged the Tree Planting Project partnership with DENR and the Essay Writing Contest for students on September 30, 2022.
- Cosco Group has donated money for setting up a school in the University of Caloocan with 15 classrooms and 5 laboratories, at a total cost of Php 68 Million.
- Cosco Group has also donated money to Laoag – for constructing school buildings and a fire protection building with total costs of Php 58.2 Million.
- Cosco Group has donated 10.5M Php for a total of 16,000 doses of COVID-19 vaccines
- A total of 1,178 scholarship grants was given through LCCK Foundation amounting to Php 65.4 million.

Our total CSR spending for the year 2022 was Php 202.1 million compared to Php 10.7 million in 2021.

Respect for the Rule of the Land

Since our inception, we have tracked changing regulatory requirements and ensured strict compliance with them. We believe that following local and national rules and regulations is essential for the smooth running of our operations and for maintaining good relationships with local authorities. This is an essential element in building our reputation and goodwill over a period of time, which establishes trust in our brand.



Governance and Anti-Corruption

Our corporate governance committee is composed of three members, all of whom are independent directors, including the Chairman. It is headed by an independent director, Mr. Oscar S. Reyes. The Corporate Governance Committee is responsible for nomination and selection of this director. The committee also nominates and selects and appoints a "Group Sustainability Officer" who is responsible for overseeing management of sustainability impacts (ESG) by identifying and managing climate risks. The Governance Committee is closely involved in the review of the sustainability report along with the IACGR (Integrated Annual Corporate Governance Report).

The Conflict-of-Interest Policy is applicable to the Directors, Officers and Employees of Cosco Capital, Inc., who are expected to act and perform their duties in the interest of the Company. They should not receive personal gain, benefit, grant, gift or any advantage by virtue of their position in the Company. They must immediately disclose to the Board or to their immediate superior any possible occurrence of conflict of interest or any offer of cash, gift or any benefit from customer, supplier or third-party contractor of the Company. Any violation of this policy invites serious disciplinary action and / or dismissal from work. Critical concerns or audit findings are raised during monthly risk management meetings before these are forwarded to the Board for action. Group-wide sustainability performance is evaluated through annual sustainability reports and reviewed during governance seminars which includes topics on sustainability.

Policy commitments made by Cosco Capital in 2022 are as follows:

- No plastic wastes in all S&R warehouse
- Reduce plastic consumption in all Puregold stores
- Promote recycling in all Puregold stores
- Increased reliance on solar energy consumption.

In order for employees to realise the importance of adhering to these commitments, we conduct training and awareness seminars for all employees such as anti-corruption policy training, health and safety training, disaster preparedness training, etc. In order to remediate negative ESG impacts, we are currently in the process of developing an ESG Policy Manual that is awaiting approval.

We have a simple mechanism in place for employees to report grievances, wherein they first talk to their immediate supervisor, who raises the concern with the human resources department or the corporate governance department. 100% of Cosco Group's employees have received communication on anti-corruption, and there were zero incidents of corruption / anti-competitive behaviour in the

reporting year. Our anti-corruption policies and clauses based on our code of conduct are outlined in the table below:

ANTI-CORRUPTION POLICIES BASED ON CODE OF CONDUCT	
Corruption is defined as abuse of entrusted power for private gain, as well as instances of dishonesty, deceit, fraud, misconduct, falsification, manipulation, bribery, crime, exploitation, extortion, fraud, graft, nepotism, and other similar violations.	
Article D - Misconduct Sanction - Suspension up to Dismissal	
Section 21	Using company time and/or use of company property to do an unauthorized work for personal or other's gain
Section 22	Engaging in any form of gambling/lottery/game of chance while on or off duty within the company premises
Section 32	Commission of any criminal offense against a customer or a non-company personnel
Section 36	Rendering services for another employer during working hours or while in active employment for the company without the knowledge or approval from Management
Section 39	Engaging in lending or personal business for profit within the company premises

ANTI-CORRUPTION POLICIES BASED ON CODE OF CONDUCT	
Section 44	Soliciting/accepting contribution or items for any purpose without prior authorization from the Management;
	Soliciting from any supplier, business/trade partner any gift, contribution or support in any form without prior approval from Management
Section 52	Malversation of company funds
Section 53	Abuse of position/authority for personal gain or advantage
Section 54	Stealing
Section 55	Commission of a crime or offense
Section 59	Fraud or wilful breach of the trust and confidence reposed by the Management
Section 61	Accepting or offering money, gift, anything of value, commission, preferential treatment, promise, in consideration of any act, contract, decision or service connected with the discharge of employee's work
Section 63	Using Company's name in personal transaction or business for personal profit/gain

Compliance to the Law

In case of instances related to fines/non-compliances that are to be reported, this is done with the Office of the Corporate Secretary for corporate matters, and with the Administrative Office and the EHS Department for environmental concerns.



Way Forward on Sustainability

We hope this sustainability report provides a reasonable insight into our sustainability performance for the year 2022, and our intent to pursue industry leadership in sustainability initiatives and disclosure in the future.

In order to identify our direction when it comes to sustainability initiatives in the next few years, we completed an internal assessment of our existing practices and priorities under each of our organizations. Based on this assessment, we have identified several actions to be pursued in the short term (less than 1 year), medium term (1-2 years) and long term (3+ years).

Below are a few select areas that will be pursued based on the assessment:

- Establishing effective data management practices for ESG performance
- Prioritizing GHG emissions and Energy efficiency measures across operations
- Adopting an enterprise-wide risk management framework that integrates ESG risks
- Promoting capacity building among key staff and top suppliers on sustainability practices
- Levelling up internal awareness on workplace sustainability actions
- Establishing a structured approach to CSR management for greater impact

Cosco Group commits to achieving net zero carbon emissions across its operation by 2050 in support of international agreements for climate action such as the United Nation's Paris Agreement and Glasgow Climate Pact.

In the next 5 years, we see ourselves working rigorously to scaling new heights when it comes to sustainability actions, performance and positive impact. Pursuing this journey could significantly improve our understanding of the ESG ecosystem, provide our employees and key stakeholders a rejuvenated purpose while staying within the Cosco Capital family and set an example for the rest to follow.

GRI Content Index

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			
			REQUIREMENT OMITTED	REASON	EXPLANATION	
General disclosures						
GRI 2: General Disclosures 2021	2-1 Organizational details	Pages 5 - 15	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	2-2 Entities included in the organization's sustainability reporting	Page 2				
	2-3 Reporting period, frequency and contact point	Page 2				
	2-4 Restatements of information	NA				
	2-5 External assurance	NA				
	2-6 Activities, value chain and other business relationships	Pages 5 – 15				
	2-7 Employees	pages 16-17, page 73				
	2-8 Workers who are not employees	pages 16-17, page 73				
	2-9 Governance structure and composition	Page 78				
	2-10 Nomination and selection of the highest governance body	Page 78				
	2-11 Chair of the highest governance body	Page 78				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			
			REQUIREMENT OMITTED	REASON	EXPLANATION	
GRI 2: General Disclosures 2021	2-12 Role of the highest governance body in overseeing the management of impacts	Page 78	Omitted	Data not available since there are no sustainability focused training programs for the governance body at present	We have been adhering to local SEC guidelines for sustainability reporting. The past 2-3 years have helped us understand where we are on sustainability and through learnings from our first GRI based sustainability report, we have identified actions for the future which includes training programs on sustainability for all employees	
	2-13 Delegation of responsibility for managing impacts	Page 78				
	2-14 Role of the highest governance body in sustainability reporting	Page 78				
	2-15 Conflicts of interest	Page 78				
	2-16 Communication of critical concerns	Page 78				
	2-17 Collective knowledge of the highest governance body		Omitted	This data is confidential	This data is confidential	
	2-18 Evaluation of the performance of the highest governance body		Omitted	This data is confidential	This data is confidential	
	2-19 Remuneration policies		Omitted	This data is confidential	This data is confidential	
	2-20 Process to determine remuneration		Omitted	This data is confidential	This data is confidential	

GRI Content Index

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			
			REQUIREMENT OMITTED	REASON	EXPLANATION	
GRI 2: General Disclosures 2021	2-21 Annual total compensation ratio	Page 73				
	2-22 Statement on sustainable development strategy	Pages 18 - 22				
	2-23 Policy commitments	Page 78				
	2-24 Embedding policy commitments	Page 78				
	2-25 Processes to remediate negative impacts	Throughout the report				
	2-26 Mechanisms for seeking advice and raising concerns	Page 78				
	2-27 Compliance with laws and regulations	Pages 78 - 80				
	2-28 Membership associations	None				
	2-29 Approach to stakeholder engagement	Pages 23, 24				
	2-30 Collective bargaining agreements	Page 73				
Material topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Pages 25-30	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	3-2 List of material topics	Pages 25-30				
Economic performance						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 38				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			
			REQUIREMENT OMITTED	REASON	EXPLANATION	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Pages 38, 39				
	201-2 Financial implications and other risks and opportunities due to climate change	NA	Omitted	Not currently tracked	Planned to be tracked in the next 2 years	
	201-3 Defined benefit plan obligations and other retirement plans	Page 40				
	201-4 Financial assistance received from government	None				
	Market presence					
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 38				
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Page 73				
	202-2 Proportion of senior management hired from the local community	Page 40				
Indirect economic impacts						
GRI 3: Material Topics 2021	3-3 Management of material topics	NA				

GRI Content Index

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT OMITTED	REASON	EXPLANATION
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	None			
	203-2 Significant indirect economic impacts	None			
Procurement practices					
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 40			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Page 40			
Anti-corruption					
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 78			
GRI 205: Anti- corruption 2016	205-1 Operations assessed for risks related to corruption	Page 78			
	205-2 Communication and training about anti- corruption policies and procedures	Pages 78, 79, 80			
	205-3 Confirmed incidents of corruption and actions taken	Pages 78, 79			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			
			REQUIREMENT OMITTED	REASON	EXPLANATION	
Anti-competitive behavior						
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 78, 79				
GRI 206: Anti- competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Pages 78, 79				
Tax						
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 39, 40				
GRI 207: Tax 2019	207-1 Approach to tax	Page 40				
	207-2 Tax governance, control, and risk management	Page 40				
	207-3 Stakeholder engagement and management of concerns related to tax	Page 40				
	207-4 Country- by-country reporting	NA				
Materials						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 46				

GRI Content Index

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT OMITTED	REASON	EXPLANATION
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Page 46	Omitted	Data not tracked	Sourced from multiple brands
	301-2 Recycled input materials used	Page 46			
	301-3 Reclaimed products and their packaging materials	Page 46			
Energy					
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 43			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Page 43			
	302-2 Energy consumption outside of the organization	Not tracked	Omitted	Not tracked	We currently do not have the infrastructure in place to track energy data outside our operations
	302-3 Energy intensity	Page 44			
	302-4 Reduction of energy consumption	Page 45			
	302-5 Reductions in energy requirements of products and services	None			
Water and effluents					
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 49			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT OMITTED	REASON	EXPLANATION
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Page 49			
	303-2 Management of water discharge-related impacts	Page 49			
	303-3 Water withdrawal	Page 49			
	303-4 Water discharge	Page 49			
	303-5 Water consumption	Page 49			
Biodiversity					
GRI 3: Material Topics 2021	3-3 Management of material topics	Not applicable			
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not applicable			
	304-2 Significant impacts of activities, products and services on biodiversity	Not applicable			
	304-3 Habitats protected or restored	Not applicable			
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not applicable			

GRI Content Index

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			
			REQUIREMENT OMITTED	REASON	EXPLANATION	
Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 45				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Page 45				
	305-2 Energy indirect (Scope 2) GHG emissions	Page 45				
	305-3 Other indirect (Scope 3) GHG emissions		Omitted	Not calculated yet	We currently do not track the data but plan to do so in the next couple of years	
	305-4 GHG emissions intensity	Page 45				
	305-5 Reduction of GHG emissions	Page 45	Omitted	Not calculated yet	We currently do not track the data but plan to do so in the next couple of years	
	305-6 Emissions of ozone- depleting substances (ODS)	Not available	Omitted	Not tracked	Insignificant	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Not available	Omitted	Not tracked	Insignificant	
Waste						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 46				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			
			REQUIREMENT OMITTED	REASON	EXPLANATION	
GRI 306: Waste 2020	306-1 Waste generation and significant waste- related impacts	Pages 46-48				
	306-2 Management of significant waste- related impacts	Pages 46-48				
	306-3 Waste generated	Pages 46-48				
	306-4 Waste diverted from disposal	Pages 46-48				
	306-5 Waste directed to disposal	Pages 46-48				
Supplier environmental assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 51				
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Page 51				
	308-2 Negative environmental impacts in the supply chain and actions taken	Page 51				
Employment						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 52				

GRI Content Index

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT OMITTED	REASON	EXPLANATION
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Page 53			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Pages 56-67			
	401-3 Parental leave	Page 55			
Labor/management relations					
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 55			
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Page 55			
Occupational health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 68			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Pages 68-70			
	403-2 Hazard identification, risk assessment, and incident investigation	Pages 68-70			
	403-3 Occupational health services	Pages 68-70			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT OMITTED	REASON	EXPLANATION
GRI 403: Occupational Health and Safety 2018	403-4 Worker participation, consultation, and communication on occupational health and safety	Pages 68-70			
	403-5 Worker training on occupational health and safety	Pages 68-70			
	403-6 Promotion of worker health	Pages 68-70			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pages 68-70			
	403-8 Workers covered by an occupational health and safety management system	Pages 68-70			
	403-9 Work-related injuries	Pages 68-70			
	403-10 Work-related ill health	Pages 68-70			
Training and education					
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 71			

GRI Content Index

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT OMITTED	REASON	EXPLANATION
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Page 71			
	404-2 Programs for upgrading employee skills and transition assistance programs	Page 72			
	404-3 Percentage of employees receiving regular performance and career development reviews	Page 73			
Diversity and equal opportunity					
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 73			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Page 73			
	405-2 Ratio of basic salary and remuneration of women to men	Page 73			
Non-discrimination					
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 73			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Page 73			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			
			REQUIREMENT OMITTED	REASON	EXPLANATION	
Freedom of association and collective bargaining						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 73				
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Page 73				
Child labor						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 73				
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Page 73				
Forced or compulsory labor						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 73				
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Page 73				
Security practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	NA				
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	NA				

GRI Content Index

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			
			REQUIREMENT OMITTED	REASON	EXPLANATION	
Rights of indigenous peoples						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 73				
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Page 73				
Local communities						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 77				
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Page 77				
	413-2 Operations with significant actual and potential negative impacts on local communities	Page 77				
Supplier social assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 51				
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Page 51				
	414-2 Negative social impacts in the supply chain and actions taken	Page 51				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			
			REQUIREMENT OMITTED	REASON	EXPLANATION	
Public policy						
GRI 3: Material Topics 2021	3-3 Management of material topics	NA				
GRI 415: Public Policy 2016	415-1 Political contributions	NA				
Customer health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 74				
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Page 74				
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Page 74				
Marketing and labeling						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 76				

GRI Content Index

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT OMITTED	REASON	EXPLANATION
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Page 76			
	417-2 Incidents of non-compliance concerning product and service information and labeling	Page 76			
	417-3 Incidents of non-compliance concerning marketing communications	Page 76			
Customer privacy					
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 76			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 76			



cosco capital
i n c o r p o r a t e d

Sustainability as a Lifestyle

2022 Sustainability Report

