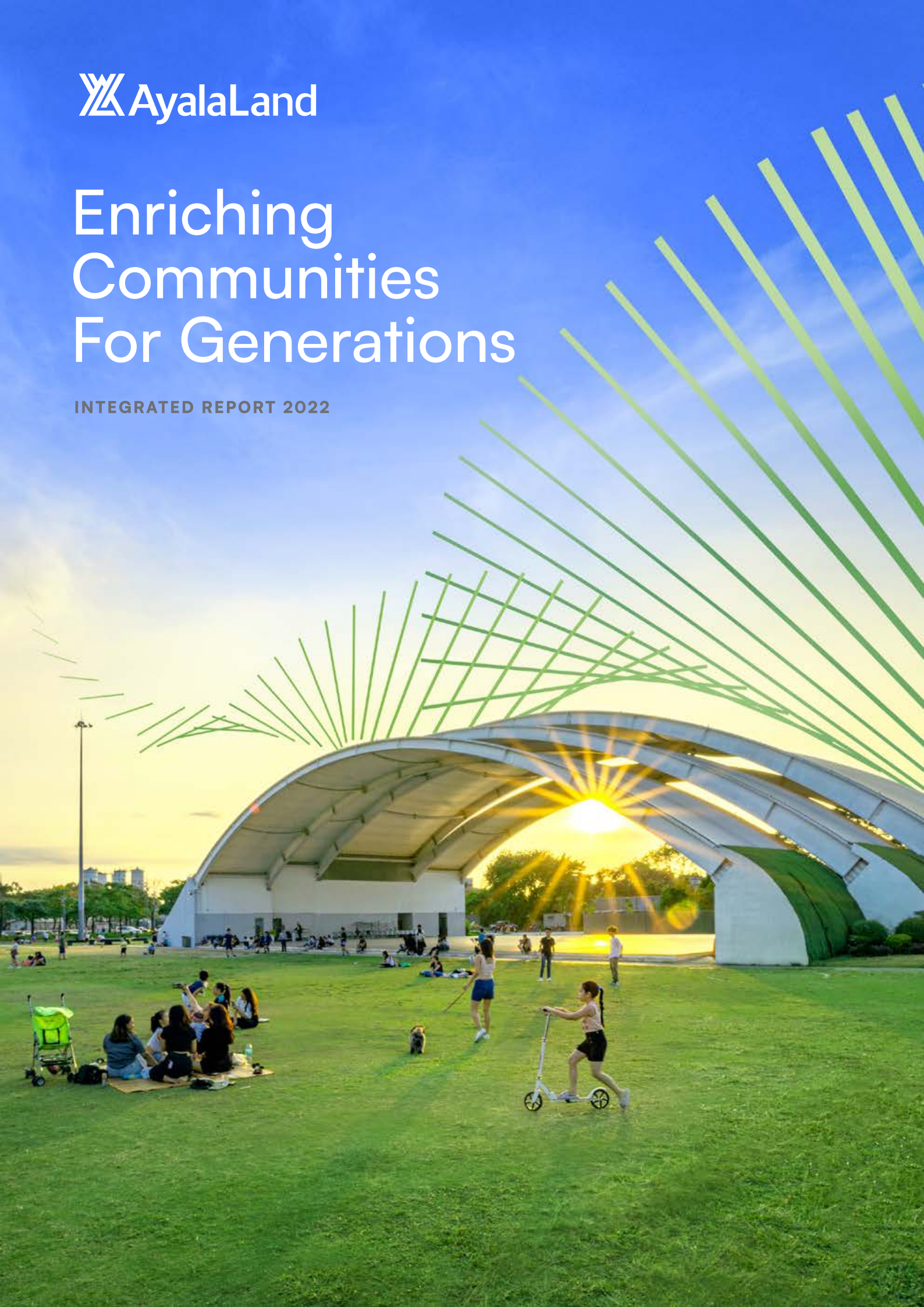




Enriching Communities For Generations

INTEGRATED REPORT 2022



At the heart of our business lies
a commitment to building and
enriching communities that will
last for generations to come.



The Globe Circuit Makati Event Grounds can host sporting events, concerts, and festivals while providing an open area to the community for convergence and recreation.



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About this Report

Ayala Land's Integrated Report is made available to its stakeholders and the public on the same day as the Annual Stockholders' Meeting.

Released on April 26, 2023, it covers the results of operations ending December 31, 2022.

The report follows the International Integrated Reporting <IR> framework, developed by the International Integrated Reporting Council, referencing the Global Reporting Initiative (GRI) Principles, industry-specific standards of the Sustainability Accounting Standards Board (SASB), and recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). It also discusses the corporate governance practices following the ASEAN Corporate Governance Scorecard.

The reporting index on page 162 contains the material topics, and corresponding global standards or recommendations addressed. Except for employee data, it excludes the sustainability information of MCT Bhd. and Mercado Supermarket.

Ayala Land commissioned DNV AS Philippine Branch (DNV) to undertake an independent assurance of the sustainability disclosures in this report. DNV used its assurance methodology, VeriSustain, and global best practices such as the International Standard on Assurance Engagements (ISAE) 3000 Revised, the GRI Principles for Defining Report Content, the Report Quality Standards, and SASB industry-specific standards. DNV was not involved in developing this publication or any of its contents.

Stakeholders may download the PDF version at <https://ir.ayalaland.com.ph> and read the Environmental Stewardship and Social Engagement sections in conjunction with the environmental and social data packs on <https://ir.ayalaland.com.ph/sustainability/sustainability-data-and-performance>.

For more information on Ayala Land's sustainability strategy, management approach, and targets, please view <https://ir.ayalaland.com.ph/sustainability>.

In case of questions or clarifications, kindly get in touch with investorrelations@ayalaland.com.ph.



About Ayala Land

VISION

Enhancing land and enriching lives for more Filipinos

VALUES "LIVEM"

Leadership

We allow people to make decisions within their limits of authority and to be accountable for their actions.

Integrity

We do the right thing.

Vision

We build with the future in mind.

Excellence

We give our best in all that we do.

Malasakit (Compassion)

We care enough to go the extra mile.

OPERATING PRINCIPLES

We Build a Strong Brand.

There is an Ayala Land in each of us. We represent the brand. The brand exemplifies integrity, professionalism, and excellence. We design, build, and operate quality products and create enriching experiences for our customers.

We Empower Our People.

We develop and support our people and instill a strong sense of ownership in delivering our products and services.

We Make Things Simple and Easy.

We do things in a straightforward manner and put more value on efficiently delivering quality products and effective solutions.

We Create Value for the Community.

Beyond delivering fair returns, we create value over time for our communities so that they can enjoy a well-lived life for generations to come.

We are Stewards of the Business.

We invest and use company resources prudently. We take care of what is entrusted to us.

Ayala Land Inc. is the largest property developer in the Philippines, with more than 12 thousand hectares of land bank and an impressive track record in developing large-scale, integrated, mixed-use, and sustainable estates.

With a footprint spanning 49 estates nationwide, Ayala Land offers its diverse portfolio of complementary businesses primarily in the development of residential, office, commercial, and industrial properties for sale; as well as commercial leasing through shopping centers, offices, hotels, resorts, factory buildings, warehouses, co-living, and co-working spaces. Additionally, Ayala Land provides various related services such as construction, property management, retail energy supply, and airlines; and has strategic property-related investments.

Building on the success of the Makati Central Business District (Makati CBD), Ayala Alabang, Cebu Park District, Bonifacio Global City (BGC), and Nuvali, Ayala Land prioritizes sustainability standards and practices in all its developments setting industry-standards for responsible and environmentally conscious practices. The company operates with integrity, foresight, and prudence as a responsible corporate citizen.

Inspired by its vision of "enhancing land and enriching lives for more Filipinos," Ayala Land remains committed to delivering high-quality products and services that generate long-term value for all stakeholders.

Business Lines



ESTATE DEVELOPMENT

Mixed-Use Estates

Flagships

- Makati CBD** (1948) | 950 ha, Makati, Metro Manila
- Ayala Alabang** (1970) | 670 ha, Muntinlupa, Metro Manila
- Cebu Park District** (1990) 78 ha, Cebu, Cebu
- Bonifacio Global City** (2003) | 240 ha, Taguig, Metro Manila
- Nuvali** (2009) | 2,290 ha, Santa Rosa, Laguna



Metro Manila

- Circuit Makati** (2012) | 21 ha, Makati
- South Park District** (2012) | 7 ha, Muntinlupa
- Vertis North** (2012) | 29 ha, Quezon City
- Arca South** (2014) | 74 ha, Taguig
- Cloverleaf** (2015) | 11 ha, Quezon City
- Cerca** (2017) | 7 ha, Muntinlupa City
- Parklinks** (2018) | 35 ha, Quezon City and Pasig City
- The Junction Place** (2019) | 11 ha, Quezon City



Luzon

- Marquee** (2008) | 44 ha, Angeles, Pampanga
- Altaraza** (2014) | 109 ha, San Jose del Monte, Bulacan
- Alviera** (2014) | 1,800 ha, Porac, Pampanga
- Vermosa** (2015) | 700 ha, Imus and Dasmariñas, Cavite
- Evo City** (2017) | 236 ha, Kawit, Cavite
- Broadfield** (2019) | 120 ha, Biñan, Laguna
- Cresendo** (2019) | 290 ha, Tarlac, Tarlac
- Areza** (2022) | 92 ha, Lipa, Batangas
- Crossroads** (2022) | 83 ha, Plaridel, Bulacan



Visayas and Mindanao

- Abreeza** (2011) | 10 ha, Davao, Davao del Sur
- North Point** (2011) | 215 ha, Talisay, Negros Occidental
- Atria Park District** (2014) | 20 ha, Mandurriao, Iloilo
- Capitol Central** (2015) | 9 ha, Bacolod, Negros Occidental
- Centrio** (2016) | 4 ha, Cagayan de Oro, Misamis Oriental
- Gatewalk Central** (2016) | 17 ha, Mandaue, Cebu
- Azuela Cove** (2017) | 25 ha, Lanang, Davao
- Seagrove** (2017) | 14 ha, Mactan, Cebu
- Habini Bay** (2018) | 526 ha, Laguindingan, Misamis Oriental
- South Coast City** (2020) | 26 ha, Cebu, Cebu



Tourism Estates

Lio (2014) | 325 ha, El Nido, Palawan
Sicogon Island (2016) | 1,100 ha, Carles, Iloilo



Residential Estates

Ayala Westgrove Heights (1998) | 400 ha, Silang, Cavite
Ayala Greenfield Estates (2000) | 350 ha, Calamba, Laguna
Anvaya Cove (2008) | 620 ha, Morong, Bataan
Serin Tagaytay (2012) | 5 ha, Tagaytay, Cavite
Portico (2013) | 4 ha, Pasig, Metro Manila



Commercial Estates

UP – Ayala Land Technohub (2008) | 20 ha, Quezon City, Metro Manila
Baguio Technohub (2010) | 12 ha, Baguio, Benguet
UP Town Center (2016) | 7 ha, Quezon City, Metro Manila
The 30th (2017) | 2 ha, Pasig, Metro Manila
Ayala Land Manila Bay (2019) | 12 ha, Paranaque, Metro Manila



Industrial Estates

Laguna Technopark (1989) | 471 ha, Santa Rosa and Binan, Laguna
Alviera Industrial Park (2015) | 62 ha, Porac, Pampanga
Cavite Technopark (2015) | 166 ha, Naic, Cavite
Laguindingan Technopark (2019) | 105 ha, Laguindingan, Misamis Oriental
Pampanga Technopark (2019) | 192 ha, Mabalacat, Pampanga



PROPERTY DEVELOPMENT

Residential Brands

Ayalaland Premier (Luxury)
Alveo (Upscale)
Avida (Middle Income)
Amaia (Entry Level)
BellaVita (Socialized Housing)

Office for Sale

Offered by Ayalaland Premier, Alveo, and Avida

Commercial Lots for Sale

Located at Alviaera, Arca South, Areza, Broadfield, Cresendo, Evo City, Nuvali, South Coast City, and The Junction Place estates and Westborough Town Center and Park Square at Silang, Cavite

Industrial Lots for Sale

Located at Alviaera Industrial Park, Cavite Technopark, Laguna Technopark, Laguindingan Technopark, and Pampanga Technopark

COMMERCIAL LEASING

Shopping Centers

Managed by Ayala Malls

32 malls, 63 retail amenities | 2.1M sqm of GLA

Offices

Managed by Ayalaland Offices

65 BPO, 8 HQ-type offices | 1.4M sqm of GLA

Hotels and Resorts

Managed by Ayalaland Hotels and Resorts

- Three branded hotels, 660 rooms | Holiday Inn, Fairmont, and Raffles at Ayala Center, Makati
- 11 SEDA Hotels, 2,804 rooms | Abreeza Davao, Atria Park Iloilo, Ayala Center Cebu, BGC Taguig, Capitol Central Bacolod, Central Bloc Cebu, Centrio Cagayan de Oro, Lio Palawan, Nuvali Santa Rosa Laguna, Residences at Ayala North Exchange Makati, and Vertis North Quezon City
- Circuit Residences, 255 rooms
- Three resorts, 339 rooms | El Nido Resorts, Lio, and Sicogon B&Bs



Co-Working Spaces

Clock-In

Eight branches, 1,411 Seats | Alabang Town Center, Ayala North Exchange, BGC Technology Center, Bonifacio High Street, Lio, Makati Stock Exchange, The 30th, and Vertis North

Co-Living Spaces

The CityFlats

Three branches, 2,032 Beds | 5th Avenue, BGC, Amorsolo, Makati, and Sacred Heart, Makati

Factory Buildings and Warehouses

Managed by Ayalaland Logistics Holdings, Corp. (ALLHC)

- Six sites, 309,000 sqm GLA | ALogis Calamba, ALogis Sto. Tomas, Alviera Industrial Park, Cavite Technopark, Laguna Technopark, and Tutuban
- Cold Storage, 10,300 pallet positions | ALogis Artico 1 and 2, Laguna, and ALogis Artico Cebu

SERVICES

Construction

Makati Development Corporation

Property Management

Ayala Property Management Corporation

Energy Supply

Direct Power Services, Inc.
Ecozone Power Management, Inc.
Philippine Integrated Energy Solutions, Inc.

Airlines

AirSWIFT

STRATEGIC INVESTMENTS

International (Malaysia)

MCT Bhd | 66%

Real Estate Logistics

AyalaLand Logistics Holdings, Corp | 72%

Real Estate Development

Ortigas Land | 21%

Real Estate Investment Trust (REIT)

AREIT, Inc. | 66%

Retail

Merkado Supermarkets | 50%



Performance Highlights

	2022	2021	2020
Statement of Income (In Php million)			
Total Revenues	126,556	106,143	96,273
EBITDA*	46,205	36,729	32,163
Net Income (attributable to equity holders of Ayala Land, Inc.)	18,617	12,228	8,727
Statement of Financial Position (In Php million)			
Cash and Cash Equivalents	12,508	14,998	18,361
Total Assets	779,655	745,464	721,494
Total Borrowings	236,039	223,097	211,951
Stockholders' Equity	293,665	270,502	260,179
Statement of Cashflows (In Php million)			
Net Cashflow provided by Operating Activities	26,348	7,926	(12,507)
Net Cash used in Investing Activities	(22,925)	(26,229)	(3,215)
Net Cash provided by Financing Activities	(5,537)	14,837	12,674
Capital Expenditures (In Php million)			
	72.38	63.98	63.67
Financial Ratios			
Current Ratio	1.78	1.58	1.62
Debt-to-Equity ratio	0.80	0.82	0.81
Net Debt-to-Equity ratio	0.76	0.77	0.74
Return on Equity (Average Equity)	7.0%	5.4%	4.0%
Return on Assets (Average Assets)	2.9%	2.1%	1.5%
Stock Information As of 31 December			
Market Capitalization (In Php billion)	463	544	603
Stock Price (In Php)	30.80	36.70	40.90
Earnings per Share (In Php)	1.25	0.83	0.59
Operational Highlights			
Sales Reservations (In Php billion)	104.9	92.2	81.9
Malls GLA (In million square meters)	2,126	2,119	2,119
Offices GLA (In million square meters)	1,365	1,317	1,231
Hotels and Resorts (No. of rooms)	4,058	4,030	4,030
Sustainability Highlights			
Economic Value Distribution (In Php million)			
Economic Value Generated			
Total Revenues	126,556	106,143	96,273
Economic Value Distributed			
Payments to suppliers/contractors	57,149	52,055	41,921
Payments to employees	9,085	3,896	6,092
Payments to providers of capital	15,509	15,101	16,752
Payments to governments	4,768	8,853	9,233
Payments to communities	15	39	58
Economic Value Retained	40,031	26,199	22,216
Environmental and Social Indicators			
Net GHG Emissions - Commercial Properties (t-CO2e)**	45,248	-	23,292
% of energy consumption in RE - Commercial Properties	77%	67%	54%
Total ALI Employees (Direct and Indirectly Hired)	47,747	41,687	33,040
UN SDG Contribution			
Affordable Units Launched	3,159	3,632	1,619

*Earnings Before Interest, Taxes, Depreciation and Amortization

**To undergo third-party verification in 2022

Chairman's Message

JAIME AUGUSTO ZOBEL DE AYALA
Chairman



Amidst a challenging operating environment over the past two years, Ayala Land remained steadfast in its commitment to enhancing land and enriching the lives of Filipinos across various communities nationwide. I am proud of how the company continued to uphold the well-being of our broader stakeholders while being a financially strong institution and striving to be a positive force in society.

Reopened Economy

We entered 2022 with much optimism as greater mobility allowed economic activity to return. Unfortunately, the COVID Omicron variant slowed down the country's momentum in the first quarter, adding uncertainty to what would have been a clear growth trajectory.

Despite this setback, with most of the population vaccinated, the quarantines were swiftly loosened, and the country was back on track to reopen fully. The full-year GDP growth of 7.6% beat analyst estimates, buoyed by strong domestic consumption. The country also benefitted from Overseas Filipino remittances of US\$36.1 billion, up 4%, and the contribution of BPO revenues of US\$32.5 billion, 10% higher year-on-year. These drivers were offset by high inflation and interest rates, which businesses like ours had to navigate and adjust to.

Capturing Opportunities

The macroeconomic headwinds did not deter Ayala Land from posting strong financial results, with revenues of P126.6 billion, up 19%, and a net income of P18.6 billion, 52% higher than last year.

Residential sales reservations also accelerated 14% to P104.9 billion, fueled by resilient demand, despite high-interest rates. With growth prospects in sight, we ramped up our capital expenditures to P72.4 billion, 13% more than in 2021, with 50% spent on the build-out of residential projects, 19% for land acquisition, 16% for estate development, 11% for commercial leasing, and 4% for other general uses.

Last January 2023, AC and Mermac, Inc. completed the transfer of assets valued at P17.3 billion in exchange for shares of ALLI, increasing 'AC's ownership in Ayala Land to 50.6%. We believe that Ayala Land is in the best position to maximize

“Ayala Land remained steadfast in its commitment to enhancing land and enriching the lives of Filipinos across various communities nationwide.”

the value of these assets and will supplement its growth in the medium term.

The reopened economy also allowed us to expand our nationwide footprint by launching two new estates: Areza and Crossroads. The 92-hectare Areza is our first estate in the province of Batangas. Located in Lipa, we envision the estate as the city's new downtown. It comprises commercial, retail, and institutional establishments geared to harness the province's strengths in agriculture, manufacturing, and tourism. Meanwhile, the 83-hectare Crossroads estate in Plaridel, Bulacan, will offer new opportunities for local enterprises and leisure spaces for the community. We see Crossroads bringing an influx of fresh commercial investments and developments to support its solid base of commercial and industrial businesses.

We are investing P15.2 billion for the initial development of these two estates over the next few years. We believe they will spur economic activity in these emerging localities, maximize synergies among our product lines, and enable us to deliver value to these local economies and their

It is great to see that the company is embracing transformation and placing the customer at the center of its decision-making process. This mindset will contribute to Ayala Land's long-term success and strengthen its relevance in an ever-changing business landscape.

stakeholders. As the country's growth continues to gain momentum, we will accelerate the rollout of our large-scale, mixed-use, and sustainable estates. With 49 estates across the country, we see these as additional growth platforms for ALI and as catalysts for economic progress for the communities we serve.

Community Engagement

Furthermore, we expanded the reach of our Alagang AyalaLand program, which now supports close to 1,600 social enterprises (SEs) across Ayala Malls nationwide.

Many are integrated into our supply chain, providing goods and services to Makati Development Corporation and Ayala Property Management Corporation through horticultural supplies to estates and transport services to office employees. Several SEs also support our hotel and resort business by supplying vegetables, livestock, and seafood.

We also provided other platforms for SEs to showcase their products, such as the Sinag Sari-Sari Store, a partnership between Ayala Land, BPI Foundation, and Bayan Academy in Trinoma and Glorietta. In addition, we supported the Department of Trade and Industry's One Town One Product (OTOP) program by establishing six rent-free OTOP Hubs in our malls nationwide. These are meaningful initiatives to support micro and small entrepreneurs and promote local products.

The rent-free spaces we provide open a significant advantage for the SEs since they may not have the resources to grow their business. It is essential to provide platforms to showcase their products and increase their visibility, especially in malls where foot traffic is high. Through these partnerships, we bring more resources and expertise to the program, which can benefit participating entrepreneurs and contribute to the development of local communities.

Environmental Stewardship

I am also pleased to report that we have taken significant steps towards our medium-term commitment of reducing and removing 100% of controllable emissions by 2030. This goal aligns with the Ayala group's net zero greenhouse gas emissions target by 2050.

As of the end of end-2022, most of ALI's commercial buildings now source renewable energy, equivalent to 91% of malls and offices' gross leasable area. We reduced emissions by nearly 250,000 tons of CO₂. Our 586-hectare carbon forests, of which 445 hectares have been revegetated, have also contributed to this effort. Since 2018, we have planted more than 216,000 trees in these forests. We remain committed to this ambitious sustainability journey and continue to explore initiatives focused on environmental stewardship and fostering a more dynamic and inclusive society.

Partners for Renewed Growth

Reflecting on the past two years, I am immensely proud of Ayala Land's steadfast commitment to enriching our host communities and enhancing the well-being of the stakeholders that we touch.

We are excited to harness the potential within our estates and diverse product lines to further accelerate the country's ongoing recovery. There is much to be hopeful for as we continue to see positive signs of sustained growth amidst a volatile and unpredictable environment.

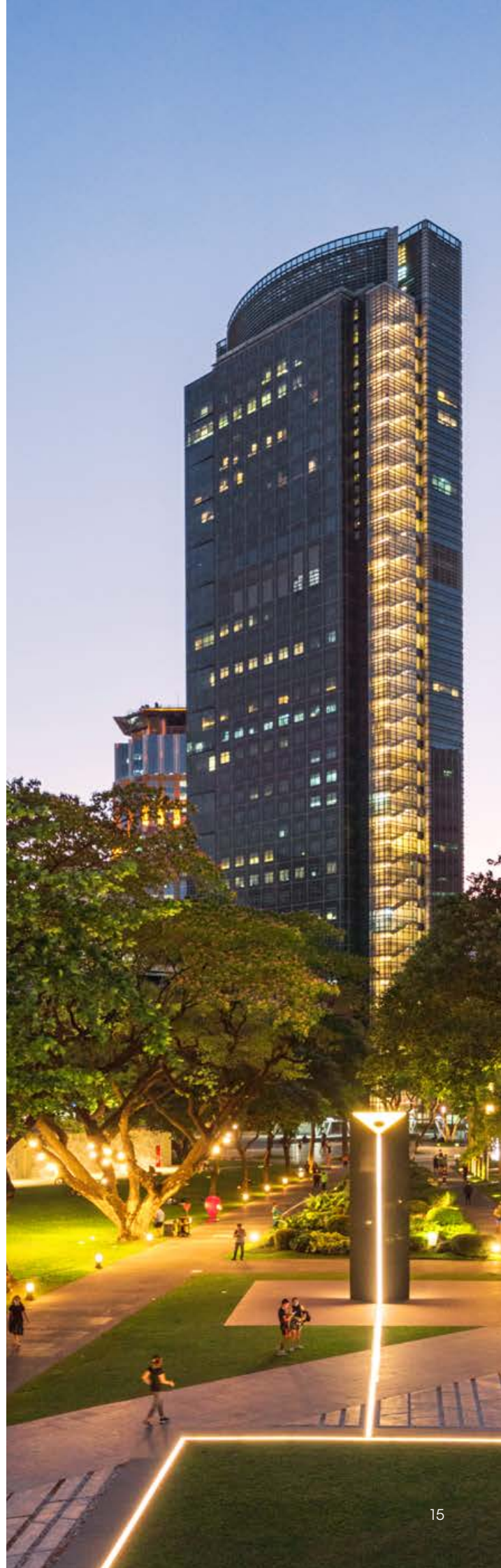
At Ayala Corporation (AC), we are encouraged by Ayala Land's growth prospects and ability to deliver value to the Parent Company. We are confident that Ayala Land will continue to be the country's premier real estate company, maintaining its status as the leading developer while also making strides in substantially growing its commercial leasing business. It is great to see that the company is embracing transformation and placing the customer at the center of its decision-making process. This mindset will contribute to Ayala Land's long-term success and strengthen its relevance in an ever-changing business landscape.

I thank Ayala Land's management team and employees, who are integral to the company's growth and mission, especially during such a challenging period in our history. I remain excited by the numerous opportunities to support a stronger nation and significantly impact the well-being of both present and future generations.

I also thank our Board of Directors for their wisdom and leadership in steering our strategic course and supporting our aspirations. Finally, I thank our shareholders and stakeholders for your continuing trust and confidence in Ayala Land. We are committed to serving you and contributing to a more robust and resilient economy in this post-pandemic era.



JAIME AUGUSTO ZOBEL DE AYALA
Chairman



Building communities that enrich the lives of more people has always been at the core of our business. We are committed to providing relevant and responsive environments to our fellow Filipinos. By meaningfully investing our resources and introducing new offerings, we strive to foster strong and resilient communities that last for generations.

The year 2022 provided us with an opportunity to revitalize our business lines. With the full reopening of the Philippine economy, our diversified real-estate portfolio delivered consolidated revenues of P126.6 billion, a 19% increase year-on-year, and a net income of P18.6 billion, a 52% increase over the previous year.

Our well-capitalized balance sheet enabled us to fund P72.4 billion in capital expenditures and secure financing at an all-time low average cost of debt of 4.4% with a duration of 5.3 years. Our net debt-to-equity ratio ended slightly better than last year at 0.76:1.

As a result of these achievements, we distributed P4.0 billion in dividends or P0.2707 per share, representing 33% of our 2021 earnings.

Sustainable Communities and Estates

As a testament to our commitment to expanding our nationwide presence and enriching more lives, we launched two new estates: Areza at Lipa City, Batangas, and Crossroads at Plaridel, Bulacan.

Covering 92 hectares, Areza is Ayala Land's first master-planned, mixed-use estate in Batangas that will feature a blend of residential and commercial properties with complementary facilities such as a food terminal, a public market, and retail areas. We are excited that the estate's first locator, the new Lipa City Hall, broke ground in July 2022. Meanwhile, Crossroads, spanning 83 hectares, is an integrated mixed-use master-planned estate featuring residential and commercial components in the emerging enterprise zone on the eastern corridor of Bulacan.

Adding Areza and Crossroads brings all our estates to a total of 49, serving as platforms for our property development and commercial leasing products and contributing to the growth of the



President's Report

BERNARD VINCENT O. DY
President and CEO

local economy for multi-generations of Filipino families.

We likewise continued to invest in our established and emerging estates. Among the notable ones include the opening of the One Ayala Avenue Terminal at the Makati CBD, along the corner of EDSA and Ayala Avenue, designed to enhance the commuting experience of the public. In addition, we completed the East Tower of One Ayala to cater to the stable demand for BPO prime office space. We also opened the 1,500-seat Samsung Performing Arts Theater at Circuit Makati to



support talent, host local and international shows and promote arts and culture in our country.

At BGC, we installed the Philippines' largest "naked eye" 3D LED screen at One Bonifacio High Street along 5th Avenue. Previously seen only at global landmarks such as Times Square, London Piccadilly, and Shibuya, it has attracted large crowds, especially on weekends. We also opened the Parklinks Bridge in our 35-hectare Parklinks estate to connect Quezon City and Pasig City over the Marikina River, create new access, and help ease vehicular traffic in the eastern Metro Manila

corridor. Furthermore, we rolled out 21 electronic vehicle (EV) charging stations in our various developments to reinforce our commitment to the environment as we anticipate the broader adoption of EV vehicles in the country in the coming years.

We also brought back many much-loved and anticipated in-person activities in the estates, which brought people together after a two-year hiatus due to the pandemic. These included weekend markets, sports activities, and Christmas light shows such as the Ayala Triangle Gardens Festival of Lights at Makati CBD and the Nuvali Fountain of Lights, which were highly patronized.

Property Demand Resilience

Despite the challenging high inflation and interest rate environment, our various property development products continued to generate significant demand. Commercial lot sales from Arca South, Nuvali, and Broadfield estates totaled P11.7 billion, a 65% increase from the previous year, as we addressed investors seeking long-term value. We also received strong interest for industrial lots, with P2.5 billion in sales from our industrial parks in Batangas, Cavite, Laguna, Pampanga, Tarlac, and Misamis Oriental, as more companies expanded operations due to strong consumer demand in the country.

Our residential business recorded robust reservation sales, affirming the market's resilience. Fourth-quarter sales accelerated by 24% year-on-year to P27.6 billion, driving annual sales to grow by 14% to P104.9 billion. While demand remained stable among local Filipinos, we saw a significant increase from overseas Filipinos and other nationalities, with sales surging by 59% and 39%, respectively.

To manage inventory levels, we ensured that annual sales exceeded the total value of projects launched during the year, which increased to P91.4 billion from P75.3 billion in the previous year. We allocated 58% to horizontal projects to seize the ongoing preference for suburban locations, with the balance for vertical projects in Metro Manila as demand for condominiums regained traction with commercial revitalization in the city.

With construction capacity back at 100%, we successfully fulfilled our project delivery commitments to buyers by handing over 11,504 completed units, an 11% increase from the previous year. We take pride that 98% of these units were immediately accepted by buyers upon delivery.

Commercial Leasing Reemergence

With the gradual resumption of mobility and consumption to pre-pandemic levels, our commercial leasing businesses posted strong growth as revenues increased by 62% to P33.4 billion, driven by our shopping centers, which saw a doubling of revenues to P16.1 billion. The domestic travel revival and the return of foreign tourists have also led to a doubling of hotel and resort revenues, which amounted to P6.2 billion. In addition, office leasing revenues grew by 13% to P11.1 billion, reflecting the stable rent escalations and increased occupancy from 81% to 88%

Our focus on customer satisfaction, operational excellence, and innovation while managing risks and creating shareholder value will continue to guide our endeavors as we strive for sustained growth.

of our available space. Our commercial leasing portfolio expanded with the opening of The Shops at Ayala Triangle Gardens, which offers 7,000 sqm of retail space; the One Ayala Avenue East Tower that provides 40,000 sqm of office space; and the new wing of SEDA Nuvali, which features 92 hotel rooms.

Ancillary Business Growth

Our listed subsidiaries also made notable advancements throughout the year. AyalaLand Logistics Holdings Corporation (ALLHC) added 86,700 sqm of warehouse space in Calamba, Cavite, and Batangas and a 3,000-pallet cold storage facility in Cebu. They also collaborated with Flow Digital Infrastructure to establish a data center with a capacity of 36 megawatts in Biñan, Laguna, to address the rising demand for data centers in the ASEAN region. Moreover, our property-for-share swap with AREIT involving six properties based in Cebu, worth P11.3 billion, received approval from the SEC. This transaction propelled AREIT's leasing portfolio to 673,000 square meters and assets under management to P64 billion.

Community Engagement and Sustainability

We are pleased with our business achievements in 2022. While profitability and market presence are vital, our success is also measured by the value we contribute to society and the footprint we leave on the environment. I am proud that our various business lines have created a multiplier effect on employment, with our construction business alone employing over 50,000 workers and our mall and office locators providing 441,000 jobs nationwide. Moreover, our Alagang AyalaLand program supported close to 1,600 social enterprises offering socially and ecologically sustainable products by providing rent-free space in our malls nationwide. This initiative has generated more than 10,000 jobs, benefiting numerous Filipino families. It is an honor to contribute to the success of these socially responsible businesses, and we remain committed to creating inclusive business environments within our communities.

In addition, we made significant strides in reducing our environmental footprint. We achieved carbon neutrality covering scopes 1 and 2 emissions in our commercial properties, as we committed back in 2017. Today, approximately 91% of our mall and office leasing spaces use renewable energy, reducing nearly 250,000 tons of CO₂ in 2022. In addition, we have collected more than 240 tons of clean and dry plastics from our malls, offices, and estates since 2019, which MDC has repurposed into ready-mix concrete and eco products for sidewalks, perimeter fences and plastic pallets. These efforts reinforce our commitment to ESG practices and our mission to provide sustainable environments for Filipinos.

Meaningful Milestones and Recognitions

We are immensely grateful for our numerous accomplishments and accolades over the year. We received a total of 311 awards in product excellence, energy efficiency, property design and development, residential projects, marketing, people management and tourism.

Of particular note, we take pride in sharing that Ayala Land is the first Philippine real estate company to complete scopes 1, 2 and 3 emissions inventory. This accomplishment is an essential step to our broader goal of achieving Net Zero greenhouse gas emissions by 2050.

We have also been accorded an A- rating for leadership in mitigating climate change by the Carbon Disclosure Project (CDP), making us the

top-rated Philippine company in this category. Furthermore, our commitment to transparency, accountability, and ethical conduct has earned us a place in the top three companies in the Philippines and the top 20 in ASEAN on the ASEAN Corporate Governance Scorecard.

2023 Outlook

As we look back on the challenges of 2022, including the pandemic, geopolitical conflict, rising inflation, and higher interest rates, we realize that our accomplishments from the past year have instilled hope and optimism for the future. We are inspired by our customers' unwavering support and the meaningful resurgence of our various business lines.

Our successes in 2022 are a testament to our unwavering commitment to enriching communities and our team's determination in the face of adversity. I am proud of my colleagues for their relentless efforts in achieving our goals, and I am grateful for their loyalty and dedication to Ayala Land.

As we move forward to 2023, we remain positive in our outlook and are excited to introduce new offerings that will address the evolving needs of our markets. Our focus on customer satisfaction, operational excellence, and innovation while managing risks and creating shareholder value will continue to guide our endeavors as we strive for sustained growth.

I wish to express my gratitude to our Board of Directors for their guidance, active involvement, and trust. Likewise, I am thankful to our shareholders and stakeholders for their unwavering support as we strive to reach out to more Filipinos and contribute to the advancement of our country.



BERNARD VINCENT O. DY
President and CEO

CFO's Report

AUGUSTO D. BENGZON
Chief Finance Officer and Treasurer



Our businesses have steadily recovered since the pandemic, supported by our strategies to strengthen liquidity and utilize capital efficiently. These efforts have provided our diversified portfolio with the flexibility to capture opportunities from the reopened economy and deliver significant earnings growth, despite macroeconomic headwinds brought about by elevated inflation and rising interest rates.

Financial Performance and Margins

Our consolidated revenues grew by 19% to P126.6 billion. Despite this growth, we managed costs prudently, with expenses increasing by only

15% to P98.4 billion. As a result, our general and administrative expenses (GAE) ratio improved to 5.7%, compared to 6.2% in the previous year, and our earnings before interest and taxes (EBIT) ratio increased to 33.1%, up from 31.5% in 2021. This strong recovery across our business lines resulted in a net income of P18.6 billion, which represents a hefty 52% increase year-on-year.

Capital Efficiency

We increased investments commensurate to increasing business activity, with P72.4 billion spent on capital expenditures (CAPEX) during the year, P8.4 billion more than in 2021. Our CAPEX



a long-term basis at a blended interest rate of 4.4% with an average tenor of 5.3 years—a stable and solid debt profile amidst a rising interest rate environment.

We successfully raised P15.3 billion from accounts receivable sales, with an effective discounting cost which was 46 basis points better than the comparable borrowing rate for an average period of 3.4 years.

As part of our capital recycling initiatives, we sold 87.37 million AREIT shares and raised P3.5 billion of gross proceeds which were utilized to fund our ongoing development projects.

In line with our disciplined capital management program, we distributed P4.0 billion in dividends to our shareholders and bought back P2.1 billion worth of shares.

We ended the year with a current ratio of 1.77:1 and a net debt-to-equity ratio of 0.76:1, ensuring that we retained the highest investment-grade rating in the domestic debt market.

Decision Support

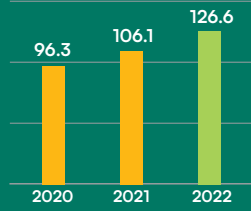
Our finance group provided timely and comprehensive monthly performance reports to the Management Committee, empowering them to make quick decisions and adjust strategies to capitalize on emerging opportunities during the year. We launched 30 residential projects worth P91.4 billion in the year in response to increased demand and to sustain our recovery trajectory. Benchmarking reports also provided significant insights into peers, helping us fine-tune our strategies and address investor concerns.

We initiated several operational enhancements to improve business efficiency which included the implementation of 33 digitalization projects to automate processes, enhance customer engagement, and introduce a new digitally enabled business. Additionally, our Enterprise Technology Division completed significant cybersecurity initiatives, including intensifying our anti-phishing campaign across the group during the Virtual Security Awareness Day. We implemented a beyond-perimeter defense system with cyber threat intelligence, and conducted penetration testing (pen test) and breach preparation activities.

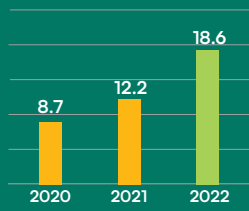
was allocated across the portfolio, with 50% dedicated to completing residential projects, 19% for land acquisition commitments, 16% for estate development, 11% for developing new commercial leasing properties, and the balance for general corporate uses.

To support our CAPEX requirements, supplement our operating cash flows and refinance maturing debt, we raised P45.5 billion from the debt capital markets with credit spreads that were 44% lower than our peers and drew on our bilateral bank facilities amounting to P14.5 billion. Our debt financing initiatives enabled us to lock in 97% on

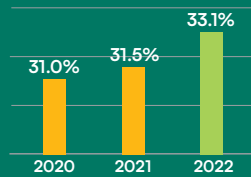
Revenues
(in Php Billions)



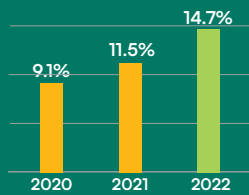
Net Income
(in Php Billions)



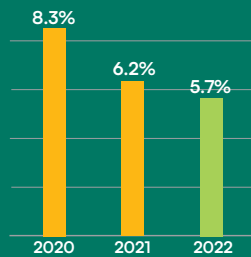
EBIT Margin



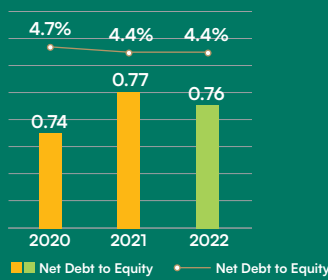
NIAT Margin



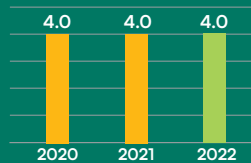
GAE Ratio



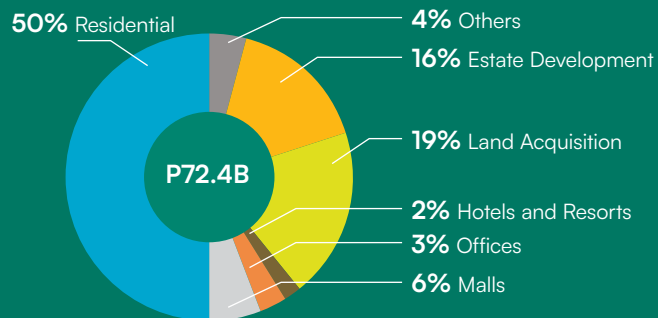
Net Gearing & Cost of Debt



Dividends Paid
(in Php Billions)



CAPEX



Debt Profile

MATURITY	INTEREST RATE	CURRENCY
97% Long-term	90% Fixed	98% Peso
3% Short-term	10% Floating	2% Foreign

“I am confident that Ayala Land will sustain its strong recovery in 2023, driven by the resurgence of local business and consumer activity, a rebound in both local and international tourism, a growing BPO sector, steady overseas remittances and continuing urbanization trends.”

Our captive BPO providers AMICASSA and Aprisa Business Process Solutions continued to deliver efficient services to support our business operations. AMICASSA processed and released 18,630 titles, while Aprisa Business Process Solutions executed 1.3 million transactions involving payments, billings, procurement, bookkeeping, and financial reporting.

Investor Engagement

To solidify Ayala Land's (ALI) visibility in the investor community, we actively renewed our physical participation in local and overseas roadshows and conferences, attending ten face-to-face broker events that complemented ten virtual conferences. We met with 219 funds, a significant increase from only 126 in 2021, and facilitated 69 meetings with local and foreign analysts and fund managers, compared to only 41 in 2021. Moreover, we hosted 11 property tours in various ALI projects for foreign investors and analysts.

Recognitions

Our unwavering commitment to corporate governance standards was recognized once more in 2022. Ayala Land ranked in the Top 3 in the Philippines and Top 20 in the ASEAN based on the 2021 ACGS assessment by the ASEAN Capital Markets Forum and the Institute of Corporate Directors. This recognition is meaningful to our Board, Management, and fellow employees as it affirms that our standards and corporate values are aligned with regional peers and that we uphold the rights of our minority shareholders.

We are also proud to have been recognized by Frost and Sullivan as the Philippines' Integrated

Property Development Company of the Year. Finally, our Treasury Team was recognized as the Best Treasury Team in Asia by Corporate Treasurer in its 2022 Marquee Awards, outperforming world-class organizations in Australia, New Zealand, China, Hong Kong, and the rest of Southeast Asia.

Outlook

In 2022, Ayala Land navigated the economic reopening and made significant progress throughout the year. Despite the persistent geopolitical and macroeconomic challenges, I am confident that Ayala Land will sustain its strong recovery in 2023, driven by the resurgence of local business and consumer activity, a rebound in both local and international tourism, a growing BPO sector, steady overseas remittances and continuing urbanization trends. These key economic drivers will continue to provide a foundation for the growth and expansion of our diversified real estate business.

Overall, we are pleased with our financial performance during the year and remain committed to our long-term growth strategy. Our strong balance sheet, disciplined capital management practices, and focus on innovation and customer satisfaction position us well for sustained success.



AUGUSTO D. BENGZON
Chief Finance Officer and Treasurer



Business Review

LUPANG HINIRANG

Bayang magiliw,
Perlas ng silanganan,
Alab ng puso
Sa dibdib mo'y buhay.
Lupang hinirang,
Duyan ka ng magiting,
Sa manlulupig.
Di ka pasisil.
Sa dagat at bundok,
Sa simoy at sa langit mong bughaw,
May dilag ang tula
Al awit sa paglayang minamahal.
Ang kislap ng watawat mo'y
Tagumpay na nagniningning;
Ang bituin at araw niya,
Kailan pa ma'y di magdidilim.
Lupa ng araw, ng luwalhati't pagsinta,
Buhay ay langit sa piling mo;
Aming lgaya na pag may mang-aapi,
Ang... dahil sa iyo.

Estate Development

As of the end of 2022, Ayala Land had 49 estates across the country, ranging from mixed-use, tourism, residential, commercial, and industrial formats, that address the social and economic needs of various segments of the Philippine real estate market. With a substantive landbank of over 12,000 hectares, and a view on continued economic recovery, Ayala Land is well-positioned to meet the growing demand for high-quality real estate in the Philippines. Looking ahead, Ayala Land is optimistic about the continued economic recovery of the country and plans to launch more estates in 2023.

NEW ESTATES

The reopened economy also allowed us to expand our nationwide footprint by launching two new estates: Areza and Crossroads.

Areza

Our first estate in the province of Batangas was launched in November and covers 92 hectares of prime real estate. This dynamic new development has been dubbed as the “The New Downtown of Lipa City” and is easily accessible via the Star Tollway. It will host the new 5-hectare Lipa City Hall and will also feature a 1.4-hectare fresh market and a 1.6-hectare trading center for the Department of Agriculture. The estate will have a total development cost of P10 billion for its initial phase. We have already begun selling 69 commercial lots within the estate, with 33% of these already sold. This indicates strong interest in the project and underscores our commitment to creating high-quality, innovative developments that meet the needs of our customers.

Crossroads

In December, we launched the 83-hectare Crossroads estate in Plaridel, Bulacan that has been regarded as the cornerstone of Central Luzon’s progressing east. With an allocation of P5.2B in capital expenditures for the first phase,



Areza estate groundbreaking held in November 2022



Crossroads groundbreaking held in December 2022

Crossroads is set to be a major investment for Ayala Land. Crossroads is also just 40 minutes away from the planned new Manila International Airport, making it an attractive destination for both residential and commercial developments.

We envision the estate to contribute meaningfully to the economic progress of Plaridel, Bulacan, through our planned residential and commercial developments. As we continue to develop Crossroads, we remain committed to creating sustainable, innovative developments that will help drive the growth and progress of the region.

METRO MANILA

Makati Central Business District (CBD)

We completed flagship projects at the Makati Central Business District that further add value to our first mixed-use estate. In March, we completed the East Tower of One Ayala Avenue, a 40,000 sq. meter office building to cater to the growing demand for BPO space.

We also opened the One Ayala Avenue Terminal located at the corner of EDSA and Ayala Avenue.

This innovative intermodal transport hub spans 309,000 sq. meters and is designed to enhance the commuting experience of the public. With covered and elevated walkways and three terminal floors, the One Ayala Terminal serves buses, Asian utility vehicles (AUVs), and modern jeepneys and will cater to the needs of the almost one million daily commuters of the Makati CBD.



The One Ayala Avenue Transport Hub

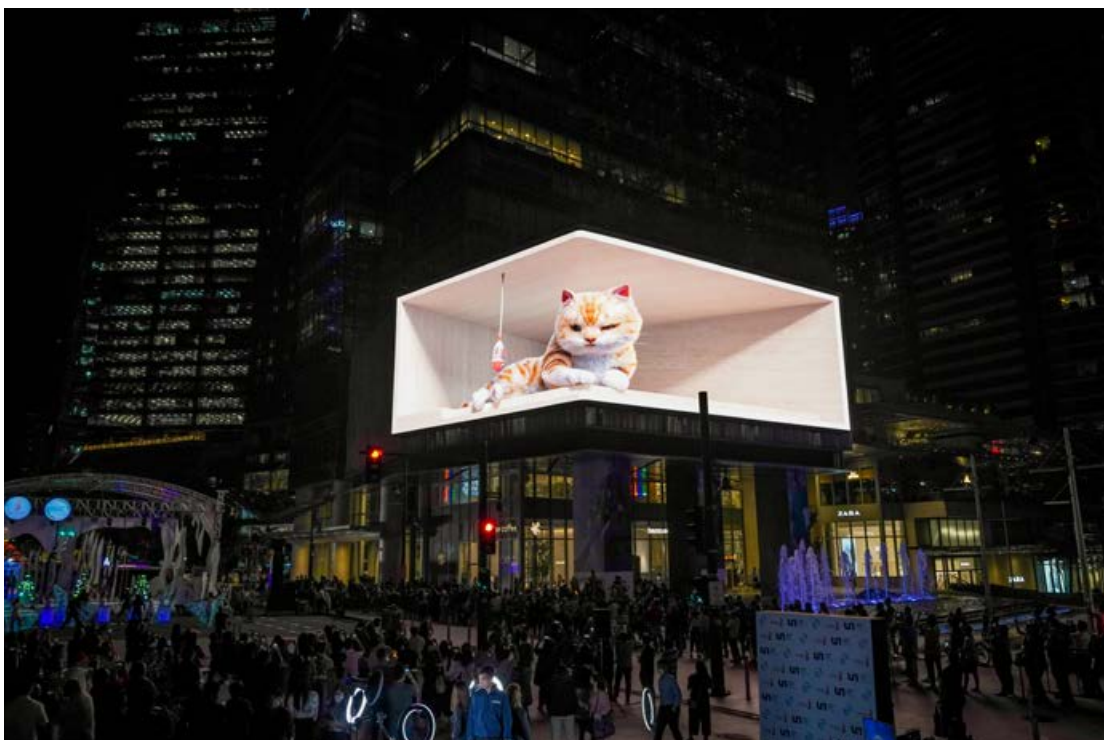
Additionally, we were delighted to resume Festival of Lights at Ayala Triangle. The 2022 edition was staged in partnership with Kroma and The Acid House and featured three medleys that were enjoyed by visitors to the area.

Bonifacio Global City (BGC)

In 2022, Bonifacio Global City (BGC) continued to uphold its reputation as a hub for innovative and unique experiences with the opening of several key establishments. Central Square welcomed the country's first and only Muji Café and the largest Nike Store in Southeast Asia, following a major renovation. Premium pet shop Pretty Bubble Boutique and BBQ Chicken restaurant, both from South Korea, also inaugurated their pilot branches.

Adding to the immersive experience, BGC unveiled the largest "naked eye" 3D LED display in the country at One Bonifacio High Street. Comparable to the iconic screens in Times Square, New York, Piccadilly, London and Shibuya, Tokyo, this game-changing attraction offers an engaging experience for customers.

The estate also launched the Agri-Roof project, which transformed some building rooftops into green spaces where fresh herbs and vegetables were cultivated and distributed to the community in exchange for plastic waste. The collected plastic recyclables were then transformed into additives



BGC's 'naked eye' 3D LED screen at One Bonifacio Highstreet

that are mixed with asphalt and used to repair the estate's roads. Moreover, Project Bins, a weekend trash-to-cash program, collected an average of 2,800 kgs of recyclables per month. Customers earned "green points" that they could use to buy fresh produce from the BGC Bus Mobile Market. This initiative not only promotes environmental sustainability but also provides livelihood opportunities for displaced workers.

Arca South

Arca South's commercial developments gained momentum in 2022 with the completion of several buildings by its locators. Manta Corporate Center, a commercial and office tower by Manta Equities, was completed in the third quarter of 2022, while the first tower of the Savva Financial Center, a LEED and BERDE-certified office condominium development was completed in the fourth quarter.

More exciting developments are expected to be completed in the 74-hectare estate by 2023, including Alveo's Tryne Enterprise Plaza, a three-tower LEED-certified office-for-sale development; Daiichi Properties' 56 Central office development; and the Bamberton Center office tower by Ever Bilena Cosmetics.

Furthermore, Arca South is set to welcome AC Health's Healthway Cancer Care Hospital, the country's first comprehensive cancer specialty facility, by mid-2023. The estate will also be home to a Landers Superstore, located along Arca Boulevard, and within walking distance of the estates' parks and residential towers.

Circuit Makati

Circuit Makati celebrated its 10th year anniversary in 2022, with the launch of its premiere Samsung Performing Arts Theatre last July. The state-of-the-art facility boasts 1,500 seats divided into four sections: orchestra, lodge, and two balconies, and was designed by US-based Theatre Projects Consultants, and sound design experts Akustiks, in partnership with GF & Partners Architects and architects from Calliston RTKL.

Additionally, in partnership with GOMO, Circuit Makati opened the GOMO Skate Park providing another recreational venue for both residents and visitors.

Adding to the estate's residential offerings, Alveo launched the Astela condominium project in June, offering over 400-units for sale. This new inventory complements the estate's vision of providing a live-work-play environment for its residents.



The Parklinks Bridge Inauguration held in December 2022

Parklinks

The highly anticipated Parklinks Bridge, an iconic symbol of the greenest urban estate, finally opened its doors to the public. Connecting the cities of Pasig and Quezon over the Marikina River, the bridge offers designated lanes for motorists, pedestrians, and cyclists, providing a safe and convenient commute within and around the estate. The Parklinks Bridge serves as a new route, easing vehicular traffic in the northeast and east of Metro Manila, and paving the way for a sustainable future.

Amidst increased economic activity, the estate also welcomed the launch of AyalaLand Premier's (ALP) Parklinks South Tower, a luxury condominium project that marks the brand's first launch since the pandemic began. With a total of three residential towers available to residents, Parklinks provides a serene, nature-inspired living environment that prioritizes sustainability and green living.

The Junction Place

In May 2022, WaltherMart, one of the country's leading retail anchors, opened its doors at The Junction Place, offering a wide array of appliances, department store items, and fresh produce to cater to the needs of the community. In addition, road infrastructure within the estate was completed, including the opening of the Tandang Sora entrance, which provides



The 1,500-seat Samsung Performing Arts Theatre at Circuit Makati

a convenient connection between the two main highways, Quirino and Tandang Sora. The completion of this entrance further enhances accessibility and connectivity within the estate, making it easier for people to navigate around the area.

Vertis North

Vertis North continues to attract more residents as the turnover of residential towers continues. Homebuyers have received units from Avida Towers Sola and Alveo's High Park. More residents are expected once Alveo's Orea Place is completed within 2023.

Construction of commercial developments within the estate is also in full swing. One Vertis Plaza, ALP's first office-for-sale offering, has 372 units of headquarter-type office condominiums. Meanwhile, Bloomberry's Solaire North is set to capture the gaming market in Northern Metro Manila and the nearby provinces of Bulacan and Pampanga. To improve accessibility, the Sola Drive and Astra Road connection was opened for public access last April 2022.

Vertis North also prioritizes green spaces, with the completion of Phase One of the two-hectare Vertis North Garden project in 2021. The multi-purpose park, lined with trees, serves as the green lung of the estate and a convergence area for the community.

LUZON

Nuvali

The 2,400-hectare eco-city Nuvali welcomed the opening of various offerings which enhance the living experience of its residents and nearby communities. In November, retail brand Uniqlo opened its third standalone roadside store in the country which spans more than 1,400 sq. meters. In the same month, Seda Nuvali opened its new wing and introduced 92 new rooms to guests and tourists. Additionally, McDonalds opened its fifth flagship Green and Good Store in December, marking its 700th store in the country.

To meet the growing demand for commercial lots, Nuvali launched its newest commercial district, the Central Bloc, which is anchored by the Merrymart group and is set to open in 2024. The district is strategically located near the Xavier School Nuvali Campus and offers commercial lots for sale starting at 900 sq. meters.

The Nuvali Fountain of Lights water show was also relaunched in November, just in time for the holidays. It will continue its shows in select months of 2023 from April to June, September and October, and November and December, providing visitors with an unforgettable visual spectacle.



The Nuvali Fountain of Lights reopened in November 2022

It also launched its new Play Park, an outdoor concept of the estate which will provide more outdoor activities. Its components include biking trails, a dog park, a driving range and a garden center.

In 2023, the estate will host even more stores including Coffee Bean and Tea Leaf and a Landers Superstore.

Alviera

Alviera, located in the province of Pampanga, is a thriving estate that continues to expand its residential and industrial offerings, boosting economic activity in the area. In the past year, two more gated villages from the Alveo and Avida brands were launched, namely Versala and Vermont Settings Alviera, adding to the seven existing villages in the estate.

The 64-hectare Alviera Industrial Park continues to receive interest from locators, with three locators starting construction of their warehousing facilities at Alviera Industrial Park 1, and another two locators for warehousing and assembly at Alviera Industrial Park 2.

Furthermore, the Miriam College Alviera campus is set to welcome its first students in 2023 for school year 2023-2024, providing top-notch education for residents in the area.

Cresendo

Ayala Land's first estate in the province of Tarlac, Cresendo, is well underway with its initial amenity locators set to open and prime the community.

The estate is set to launch its first Shophouse product in 2023. In addition, a standalone MerryMart Supermarket, spanning 2,100-sq. meters, and a McDonalds NXTGEN store are also slated to open within the year. The Don Bosco Cresendo Campus will also begin accepting its first batch of senior high school students in 2023.

Furthermore, Cresendo will house a 32-hectare industrial park that will host light-to-medium non-polluting industries. An initial 21 lots spanning 1-hectare will be opened for locators ranging from manufacturing, warehousing, logistics, and standard factory establishments, which will provide around 2,000 job opportunities for young professionals and skilled workers.

Vermosa

Vermosa continues to prioritize the development of projects that benefit the community. In 2022, significant progress was made with key projects that enhance the estate's liveability. The construction of a dedicated 15 kV-34.5kV substation by Meralco began in May, which will provide adequate capacity to accommodate new and additional load applications in the area

Moreover, in July, Vermosa, in cooperation with its parent company Ayala Corporation, broke ground for additional facilities at the Ayala Vermosa Sports Hub. These facilities include the athlete's dormitory and the multi-purpose field. With these world-class facilities, Ayala further commits to developing Filipino athletes by providing venues that will enhance their training and development.



Groundbreaking for the expansion of the Ayala Vermosa Sports Hub held in July 2022



Cyclists at Vermosa following its Bike Smart program

In 2023, Vermosa is excited to open the 43-thousand sq. meter AyalaMalls Vermosa. With these new developments, Vermosa continues to demonstrate its commitment to providing a high-quality living experience to the community.

VISAYAS AND MINDANAO

South Coast City

Launched last 2020, the buildout of South Coast City is underway. Land development works at South Coast City were completed in June 2022.

Azuela Cove

Azuela Cove is poised to elevate the retail experience in the estate with the forthcoming addition of Azuela High Street. The groundbreaking ceremony held in October 2022 marked the start of construction for this new lifestyle district, which will be seamlessly linked to the estate's future boardwalk experience. With a total gross leasable area of 3,800 square meters, Azuela High Street will offer an array of dining and shopping destinations to complement the existing The Shops anchored by the Gaisano Group's G-Market and G-Center.

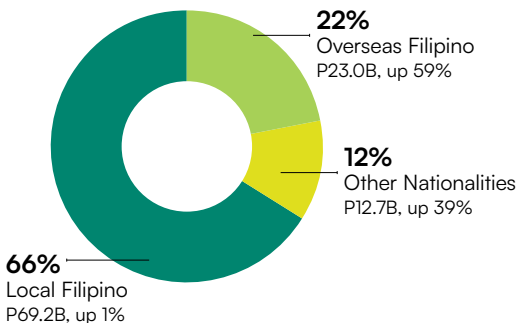
Property Development

Solid commercial lot sales bolstered property development revenues, which rose 7% to P81.2 billion. This business segment made a significant contribution to the total real estate revenues, accounting for 66% of the overall figure.

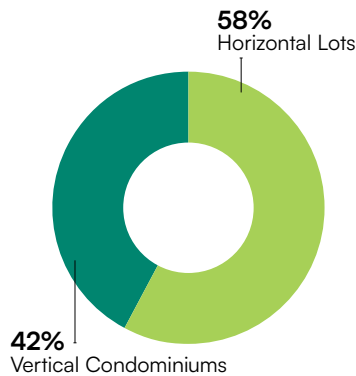
Residential

Despite the need to compete using stretched downpayment terms, the residential segment's revenues reached P63.5 billion (slightly below the previous year) thanks to construction progress and bookings.

Resilient demand amid the higher interest rate environment led to P104.9 billion in reservation sales, a commendable 14% increase from last year. Notably, our digital selling channels played a significant role as it contributed P25.5 billion or 24% of sales reservations. In terms of sales mix, 66% of sales were made to local Filipinos, which was 1% higher than last year. Meanwhile, sales to overseas Filipinos (OF) and other nationalities saw a substantial year-on-year increase of 59% and 39% year-on-year, respectively, accounting for 22% and 12% of the total. The encouraging take-up from overseas Filipinos is due to our increased deployment of sales teams to the Middle East, the United States, Hong Kong, and Singapore where a large population of OFs reside.



During the year, we launched 30 projects with a consolidated value of P91.4 billion, 21% higher than last year. In terms of mix, 58% of the launch value was from lots and house-and-lot offerings, while 42% was from vertical condominiums.



A majority of AyalaLand Premier's launches focused on horizontal lot offerings in gated communities located in the Southern and Central Luzon regions, given the continuing demand from the luxury market. It also launched its first luxury condominium since the pandemic with the South Tower at Parklinks in Quezon City. Similarly, Alveo also focused on the horizontal product segment with launches in the provinces of Batangas, Cavite, Laguna, and Pampanga, supplemented by the launch of two vertical condominium projects in the cities of Makati and Cebu. Avida had a balanced launch of horizontal and vertical projects with new two new villages at Alviera, Pampanga, and Vermosa, Cavite, along with two condominium towers, Patio Madrigal in Pasay City and the fourth tower of Serin East in Tagaytay. Amaia's launches were sequel horizontal projects in Central and Southern Luzon, as well as Iloilo and Cagayan de Oro. Bellavita offered additional inventory in its ongoing projects in Laguna, Batangas, and Camarines Sur for the socialized housing segment.

Furthermore, 11,504 residential units were turned over to buyers, 29% more than in 2021. Notably, 59% of these turnovers were done physically as mobility restrictions were lifted.

	AyalaLand Premier	Alveo	Avida	Amaia	Bellavita
Sales Take-up	P26.5B +11%	P29.0B -3%	P28.9B +26%	P18.3B +33%	P2.2B +24%
Launches	P39.2B 12 projects	P29.0B 7 projects	P15.9B 5 projects	P6.6B 6 projects	P0.7B 1,508 units
Projects	<ol style="list-style-type: none"> Anvaya Seaside Point Morong, Bataan Anvaya Cove Parkgrove Morong, Bataan Arcilo Nuvali, Laguna Ayala Greenfield Estates Woodland Terraces Calamba, Laguna Ciela Phase 1A Tranche 2 Carmona, Cavite Ciela Phase 2A Tranche 1 Carmona, Cavite Lanewood Hills Phase 3 Batch 1 Silang, Cavite Lanewood Hills Phase 3 Batch 2 Silang, Cavite Miravera Altaraza, Bulacan Parklinks South Tower Parklinks, Quezon City The Courtyards Phase 2B South Vermosa, Cavite The Courtyards Phase 3B Batch 2 Vermosa, Cavite 	<ol style="list-style-type: none"> Astela Circuit, Makati Cerule Cebu Business Park Hillside Ridge Phase 3 Silang, Cavite Mondia Expansion Nuvali, Laguna South Palm Grove Lipa, Batangas Versala Alvia, Pampanga Verdea Silang, Cavite 	<ol style="list-style-type: none"> Patio Madrigal Tower 1 Pasay City Serin East Tower 4 Tagaytay City, Cavite Vermont Settings Alvia, Pampanga Vermosa Parklane Settings Sections 1 and 2 Vermosa, Cavite Vermosa Parklane Settings Sections 3 and 4 Vermosa, Cavite 	<ol style="list-style-type: none"> Scapes Cagayan de Oro Section 2 Cagayan de Oro, Misamis Oriental Scapes Gen. Trias Section 5 Gen. Trias, Cavite Scapes Iloilo Section 2A San Miguel, Iloilo Scapes Pampanga Section 3 Mexico, Pampanga Scapes Trece Martires Trece Martires, Cavite Series Nuvali Section 2 Nuvali, Laguna 	<p>Additional inventory at:</p> <ol style="list-style-type: none"> Bellavita Alaminos 2 Laguna Bellavita Lian Batangas Bellavita Naga Camarines Sur Bellavita Pila Laguna Bellavita Rosario Batangas
Projects Completed	9	9	1	1	1
	<ol style="list-style-type: none"> Alvia Park Estates Ph 1 Alvia, Pampanga Andacillo Tranche 1 Nuvali, Laguna Andacillo Tranche 2 Nuvali, Laguna Anvaya Cove S2B Morong, Bataan Anvaya Cove N12 Morong, Bataan Arbor Lanes Tower 3 Arca South, Taguig City Ayala Greenfield Estates P8C Calamba, Laguna Garden Tower 1 Makati CBD The Courtyards Vermosa Phase 4A Vermosa, Cavite 	<ol style="list-style-type: none"> Ardia Phases 2 and 3 Vermosa, Cavite Brownstone Villas Pasig City Evo City Commercial Lots 1 Evo City, Cavite High Park Tower 2 Vertis North, Quezon City Hillside Ridge Commercial Lots Silang, Cavite Stiles Tower 2 Circuit Makati The Residences at Evo City Evo City, Cavite Veranda Tower 2 Arca South, Taguig Venido Binan, Laguna 	<ol style="list-style-type: none"> Avida Towers Turf Tower 2 BGC, Taguig City 	<ol style="list-style-type: none"> Steps Alabang Esperanza Las Pinas City 	<ol style="list-style-type: none"> Bellavita Cagayan de Oro Cagayan de Oro, Misamis Oriental
Units Turned Over	1,577	2,014	4,323	2,026	1,565



ALP's Parklinks South Tower was launched in September 2022



Office-for-sale offerings at One Vertis Plaza in Vertis North



Commercial lots for sale at Nuvali

Office for Sale

Revenues from the sale of office condominiums fell by 16% to P3.2 billion, due to the full completion of Alveo's Park Triangle Tower at BGC, which contributed significantly to our previous year's revenue, and the moderate take-up on remaining inventory.

Commercial and Industrial Lots

Despite the challenging inflation and interest rate environment, demand from investors seeking long-term value remained. Sales of our commercial lots at our estates such as Arca South, Nuvali and Broadfield, among others, totaled P11.7 billion. This success was complemented by sales of industrial lots in our various industrial parks located in Batangas, Cavite, Laguna, Pampanga, Tarlac and Misamis Oriental, generating P2.5 billion in sales. Overall, total revenues recognized amounted to P14.5 billion, a 75% jump from P8.5 billion in 2021.

Commercial Leasing

Revenues from our commercial leasing assets accelerated by 62% to P33.4 billion with normalized mall rents and foot traffic, the contribution of new office spaces, and higher hotel room rates which benefitted from the reopened economy. This segment contributed 27% to total real estate revenues.

Shopping Centers

Shopping Center revenues more than doubled reaching a total of P16.1 billion, largely driven by the resurgence of foot traffic and mobility as the economy reopened. Notably, in the fourth quarter, footfall and tenant sales exceeded pre-COVID levels, reaching 108% and 110%, respectively. This significant improvement brought the average footfall and tenant sales to 87% of 2019 levels.

We achieved an average occupancy of 81%, while the lease-out rate was at 90%. This performance can be attributed to several factors, including the expansions of existing tenants, the opening of first-to-market concepts such as Footlocker and Sukiya, and new merchant sign-ups. In total, we were able to sign an equivalent of 125 thousand sqm of new leases.

AyalaMalls completed 7,000 sqm of gross leasable area (GLA) in 2022 with the opening of The Shops at Ayala Triangle. As of year-end, our total GLA was 2.1 million sqm, with another 243 thousand sqm under construction.



The country's first Footlocker store at Glorietta



Mall foot traffic in December exceeded pre-COVID levels in line with the reopening of the economy.

Offices

Our office leasing portfolio generated P11.1 billion in revenues, a 13% increase from the previous year, primarily driven by the contribution of the newly completed One Ayala East and West Towers in Makati Central Business District (CBD).

Occupancy rates improved significantly, reaching 88% compared to 81% in 2021, with the signing of 137 thousand sqm of new leases during the year.

AyalaLand Offices (ALO) completed the second of three office towers in the One Ayala Avenue mixed-used development. The One Ayala East Tower added 40,000 sqm of GLA to our portfolio, which now stands at 1.4 million sqm. Further, 160 thousand sqm of new office space are currently under construction and will be completed in the next 5 years.



The East Tower at One Ayala Ave. added 40,000 sqm of office GLA.

Hotels and Resorts

The lifting of travel restrictions coupled with higher room rates due to demand fueled the performance of our hotels and resorts. We achieved revenues of P6.2 billion, more than double its 2021 levels. This resurgence in demand was driven by solid domestic travel, with occupancy rates reaching 59% and 29% for hotels and resorts, respectively. The relaxed travel requirements also allowed us to reopen our Sicogon Island resort, welcoming tourists back to our Visayas tourism estate.



Seda Nuvali new expansion wing opened in November 2022



With relaxed travel restrictions, Sicogon Island Resort was reopened to the public in January 2022.

In 2022, we opened the first 92 rooms at the new wing of Seda Nuvali. Our total hotels and resorts portfolio now stands at 4,058 rooms, with another 1,504 rooms under construction.

Standard Factory Building and Warehouses

Our listed subsidiary, AyalaLand Logistics Holdings Corp. (ALLHC), expanded its portfolio of standard factory buildings and warehouses under the ALogis brand. With the acquisition of a ready-built facility in Batangas rebranded as ALogis Sto. Tomas, and the completion of new facilities in ALogis Calamba in Laguna and ALogis Naic 2 in Cavite, ALLHC’s GLA grew by 38% from 224,000 sqm to 309,000 sqm. It also entered the cold storage space in Cebu with the acquisition of a 3,000-pallet position facility, which was rebranded as ALogis Artico Mandaue. This expanded the total cold storage space to 10,300 pallet positions.

Co-living Space (The CityFlats)

The Flats was rebranded to The CityFlats - positioning itself as the premier choice for safe and convenient co-living in urban areas. Last November, we opened our third branch, The CityFlats Sacred Heart in Makati, offering an initial 32 rooms with a total of 60 beds. The remaining 56 rooms are slated to open in May 2023. As of end-2022, our total number of beds across our three branches at Amorsolo Makati, Sacred Heart Makati, and 5th Ave BGC reached 2,032. Upcoming branches include The CityFlats Circuit Makati offering an initial 172 rooms with a total of 260 beds within 2023, with the remaining 430 rooms and 1,720 beds slated to open in 2024.

Co-working Space (Clock In)

Clock In has expanded its footprint across eight strategic locations in Makati CBD, BGC, Ayala Alabang, Vertis North, The 30th, and Lio estates, providing flexible workspaces that cater to the needs of various clients ranging from single proprietorships to Fortune 500 companies. At the end of 2022, Clock In had a total of 1,411 seats in its portfolio. The brand’s convenient locations and reliable facilities that offer a mix of private offices, meeting rooms, co-working seats, and virtual office services have made it a top choice for entrepreneurs and businesses looking for flexible and dynamic workspace solutions.



ALogis Artico has a total cold storage capacity of 10,300 pallet positions.



Clock In at Ayala North Exchange



The CityFlats at Sacred Heart, Makati City, opened in 2022

Services

Total revenues from the service businesses reached P8.4 billion, 32% higher than the previous period owing to the Makati Development Corporation (MDC) external projects, higher patronage of AirSWIFT, parking usage, and retail energy demand. The segment contributed 7% to total real estate revenues.

Makati Development Corporation (MDC)

MDC achieved consolidated gross revenues of P42.5 billion in 2022, a 7% increase from the previous year, driven by new contracts and the expanded scope of work of existing projects. The country's largest construction company completed 29 new projects: 20 residential projects; two commercial buildings; four commercial land developments; one estate land development; a dormitory; and the performing arts theater. MDC achieved a 98% acceptance rate at first inspection for units turned over to residential owners, indicating a high level of customer satisfaction.

In 2022, MDC maintained a 38% Design for Modular Construction (DfMC) adoption rate for 52 vertical and 20 horizontal residential projects, consistent with its 2021 operations. MDC's implementation of DfMC has resulted

in higher productivity, quality consistency, and safer execution, given less manpower is required on-site.

MDC managed 282 projects, with 91 at the pre-construction stage and 191 in construction. The company rendered 135.3 million construction-related manhours (102 projects exceeding 1 million safe man-hours) and handled 45 design-and-build projects.

MDC is the first Philippine construction firm to simultaneously receive three world-class, integrated ISO certifications for their Integrated Management System. To date, MDC is certified for the following standards:

- ISO 9001:2015 for Quality Management Systems
- ISO 14001:2015 for Environmental Management Systems
- ISO 45001:2018 for Occupational Health and Safety Management Systems
- ISO 19650:2018 Parts 1 and 2 for BIM Management Systems

Likewise, MDC's four subsidiaries successfully passed the re-certification audit for ISO 9001:2015; ISO 14001:2015, and ISO 45000:2018.



Construction was in full swing for MDC, completing 29 projects in 2022

Ayala Property Management Corporation (APMC)

APMC recorded total revenues of P2.8 billion, a 21% increase from the previous year, due to higher car park patronage in its managed properties.

APMC recorded its fourth consecutive year of zero major fire incidents due to its fire and life safety programs. An estimated 124 potential incidents were prevented through their preventive maintenance, training, and technical safety audits. APMC conducted 52 operations and communication drills and 14,680 weekly drills to further enforce safety practices. APMC passed the ISO surveillance audit for four certifications covering Occupational Safety and Health, Quality, Environment, and Energy. It also passed the International Safety Certification (ISO 45001 Health and Safety), reflecting that practices are consistently in line with global standards.

APMC received a 100% satisfaction rating from newly moved-in residential customers (Welcome Home Survey) and a 93.1% rating in its online customer survey. The company also achieved a 96% rating with 2,441 commendations from customers for its COVID-19 efforts.

APMC managed 269 accounts, consisting of 419 buildings and projects across residential condominiums and villages, malls, offices, and estates in its portfolio in 2022.

AirSWIFT

AirSWIFT, a leading air transport service provider, has played a significant role in serving the air transport requirements of the Resorts group for guests of El Nido, Lio, and Sicogon estates and flights to other tourist destinations across the country. With the lifting of travel restrictions and the resurgence of leisure travel, revenues more than tripled to P1.2 billion in 2022. Notably, total flights more than doubled to 5,330 from 2,573, and an almost ten-fold increase in passengers to 213 thousand compared to the previous year. AirSWIFT also relaunched all flight routes previously halted due to the pandemic: Manila-



APMC managed 419 properties in 2022



Airswift added the Manila-Tablas (Romblon) route during the year.

to-Coron, Manila-to-Sicogon, El Nido-to-Boracay, Cebu, Coron and Tagbilaran- and Clark-to-El Nido. It also added a new route: Manila to Tablas (Romblon), and vice versa in 2022.

To enhance customer experience, AirSWIFT launched an online check-in and seat selector feature on its website and a loyalty program for frequent patrons, SWIFT Rewards Club.

Power Service Companies

Power Distribution subsidiaries Direct Power Services, Inc. (DPSI), Ecozone Power Management, Inc. (EPMI), and Philippine Integrated Energy Solution, Inc. (PhilEnergy) serve the power requirements of the commercial leasing assets and industrial park locators. In 2022, they delivered 826.5 gigawatts (GW) of energy to 147 clients, 5% less than the prior year. Total net revenues registered at P1.4 billion, up 28% from 2021. DPSI served 118 clients and delivered 697.0 GW; EPMI, 24 clients and 72.9 GW; and PhilEnergy, 5 clients and 56.7 GW.

Strategic Investments

Ayala Land’s strategic investments complement its core operations and provide additional channels to capitalize on growth opportunities in emerging sectors in the real estate industry.

AREIT, Inc. (AREIT)

AREIT recorded revenues of P5.1 billion and Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) of P3.6 billion in 2022, representing year-on-year increases of 53% and 52%, respectively. The company’s stable operations, with a 98% occupancy rate and strong collection performance, contributed to this growth. AREIT’s full-year net income reached P2.9 billion, including a net fair value change in investment properties of -P549 million on account of the higher interest rate environment. Excluding the net fair value change in investment properties, net income registered at P3.4 billion, 55% higher year-on-year.

In December 2022, AREIT received the approval of the Securities and Exchange Commission (SEC) for the property-for-share swap with Ayala Land in exchange for six Cebu-based office buildings: eBloc Towers 1 to 4 located at Cebu IT Park, ACC Tower, and Tech Tower located at Ayala Center Cebu. The infused assets increased AREIT’s total gross leasable area (GLA) to 673 thousand sqm, up from 549 thousand sqm in 2021, and Assets Under Management (AUM) to P64 billion from P53 billion in the previous year. The transaction enabled AREIT to declare fourth-quarter dividends of P0.52 per share, 6% higher than the previous quarter’s dividends, resulting in full-year dividends of P1.98 per share, 12% higher year-on-year.

AREIT outperformed its target to reach P60 billion in AUM by 2022; it plans to grow its portfolio by adding an annual average of 100,000 sqm of GLA from 2023 to 2025. This will translate to an estimated increase of P10-15 billion in its AUM annually during the period. The company maintains its thrust to grow and diversify its asset portfolio by sector, location, and income contribution and achieve a total shareholder



AREIT’s Ebloc 4 at Cebu IT Park, part of the asset-for-share swap with parent ALI

return range of 10-12%. The company has a solid balance sheet with a net gearing of 0.05:1.

AyalaLand Logistics Holdings, Corp. (ALLHC)

ALLHC posted revenues of P4.2 billion and a net income of P1.0 billion, 29% higher year-on-year, on account of resilient operations and the country’s reopened economy.

Our listed logistics real estate player expanded its footprint in the dry and cold storage leasing space through acquisitions and the buildout of new facilities. The company grew its dry warehousing GLA by 38% to 309,000 sqm with the acquisition of ALogis Sto. Tomas and completions at ALogis Calamba and ALogis Naic 2. The cold storage pallet position, in turn, grew by 42% to 10,300 by year-end with the acquisition of its third facility in Mandaue, Cebu. The warehouse leasing and cold storage portfolio generated P648 million and P120 million in revenues, up 44% and 144%, respectively.

In May, ALLHC acquired a 55-hectare land parcel in Padre Garcia, Batangas, which will be developed into the Batangas Technopark, the 6th industrial estate under the Ayala Land group. Moreover, the company ventured into



Groundbreaking of ALLHC and FLOW's 36MW data center held in December 2022

the emerging data center business with its partnership with FLOW Digital Infrastructure, which will develop data center campuses nationwide starting with the delivery of a three-building campus facility with a 36MW IT capacity in Binan, Laguna, with an initial roll-out of 6MW by end-2024.

MCT Bhd (MCT)

Listed Malaysian subsidiary MCT registered total revenues of P2.8 billion, a 29% decline from 2021, due to inventory sellout and full project completion and incremental sales bookings and percentage of completion (POC) of newly launched projects such as Aetas and Casa Bayu.

Notwithstanding post-pandemic business recovery challenges, MCT was able to launch four new projects to drive growth in the coming years: Alira Phase 2 at Metropark Subang, Casa Embun Serviced Apartments, Sanderling at Lakefront Cyberjaya, and commercial retail shops at Cybersouth. These new launches generated sales of P6.3 billion, 2% higher year-on-year.

MCT acquired a land parcel in the Bangi, Selangor area as it continues its expansion within the Klang Valley area. It ended the year with a total land bank of 196 acres.

Merkado

Supermarket chain Mercado is Ayala Land's 50-50 joint venture with the Puregold group, with three stores in UP Town Center, Vertis North, and Avida Asten in Makati City. Conveniently located as a retail amenity, these stores serve the consumer needs in our developments.



MCT's Aetas project in Petaling Jaya, Selangor, Malaysia

Ortigas Land Corp. (OLC)

OLC generated revenues and a net income of P11.0 billion and P2.6 billion, posting solid growth rates of 32% and 48%, respectively, driven by the higher incremental POC of its residential business, supplemented by higher mall sales owing to the economic reopening.

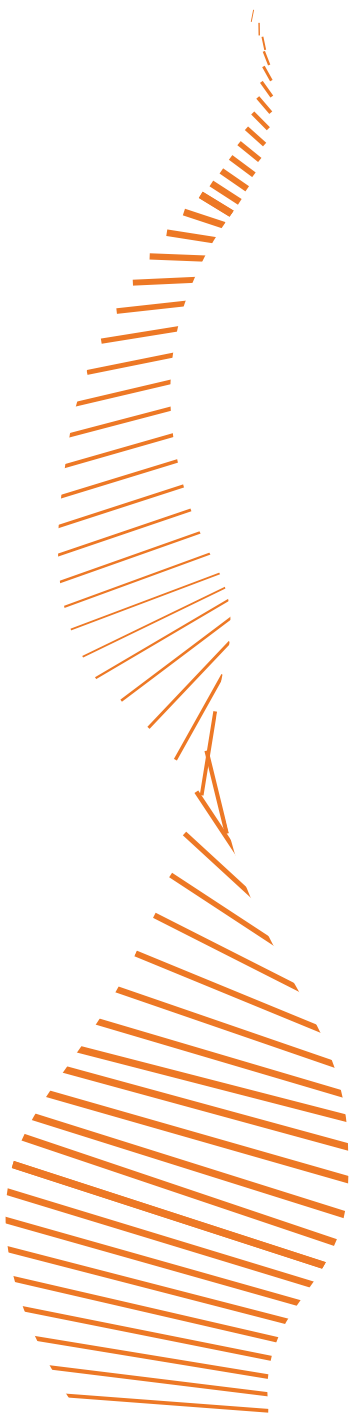
Sales reservations grew by 20% to P2.0 billion as OLC focused on selling its existing inventory. During the year, two projects were completed and turned over to buyers: The Imperium, located at Capital Commons and The Glaston Tower at Ortigas East, both in Pasig City.



OLC's Glaston Tower at Ortigas East

#BrigadangAyala

Ayala group employees bring holiday cheer to 6,000 families in 6 provinces



Last December 17, over 500 employee–volunteers from the WeAreAyala Business Club (WAABC) went to 15 locations in 6 provinces to distribute noche buena packs to 6,000 families.

Each noche buena pack contained ₱1,000 worth of grocery items that could feed a family of five. The beneficiaries were selected from vulnerable communities in Pampanga, Cebu, Negros, Iloilo, Cagayan de Oro, and Davao.

The noche buena packs were distributed by various WAABC chapters, comprising employees from the different Ayala group business units. In the areas they are present, WAABC chapters drive the pillars of business synergy, community engagement, external relations, and culture building.

In December 2021, #BrigadangAyala implemented a 12-week food distribution program for 10,000 families in select locations across Metro Manila. These families were provided a weekly supply of rice, vegetables, and fruits. Beneficiaries consisted of families whose breadwinners lost their livelihood during the pandemic.

#BrigadangAyala serves as the banner under which social development and corporate social responsibility initiatives across the Ayala group of companies are implemented. The initiatives covered under #BrigadangAyala range from disaster relief and response, assistance for public education, championing of social enterprises, and public health advocacy, among others.



WAABC Central Luzon

#BrigadangAyala volunteers from WAABC Central Luzon Chapter lead the noche buena distribution in Pampanga.



WAABC CDO

A senior citizen from Cagayan de Oro City shakes the hand of an Ayala group employee as she receives her noche buena pack.



WAABC Cebu

Trucks of noche buena in #BrigadangAyala bags are distributed in Barangay Sudlun in Cebu City and Looc in Mandaue City.



WAABC Iloilo

Volunteers from WAABC Iloilo Chapter don Santa hats during the #BrigadangAyala noche buena distribution.



WAABC Davao

Davao-based Ayala group employees lead the distribution of 1,000 noche buena packs in Davao City.



WAABC Negros

Residents of Talisay and Bacolod City in Negros Occidental receive noche buena packs from WAABC Negros Chapter.

Our Leaders





Board of Directors



Jaime Augusto Zobel de Ayala
Non-Executive Director, Chairman

Filipino, 63 y.o.

Tenure 35 years

Present Positions

In the Ayala Group

- Listed Companies: Chairman of Ayala Corporation since April 2006 (CEO from 2006 to April 2021), Chairman of Globe Telecom, Inc., Bank of the Philippine Islands, AC Energy, and Infrastructure Corporation (formerly AC Energy, Inc.)
- Non-listed companies: Chairman of AC Industrial Technology Holdings, Inc., AC Infrastructure Holdings Corporation, Ayala Healthcare Holdings, Inc., and Asiacom Philippines, Inc.; Co-Chairman of Ayala Foundation, Inc. and Director of AC Ventures Holding Corp., Alabang Commercial Corporation, Light Rail Manila Holdings, Inc. and AG Holdings Ltd.

Outside the Ayala Group

- Director of Temasek Holdings (Private) Limited
- Member of the JP Morgan International Council, JP Morgan Asia Pacific Council, and Mitsubishi Corporation International Advisory Council.
- Member of the Board of Governors of the Asian Institute of Management, the Advisory Board of Asia Global Institute (University of Hong Kong) and of various advisory boards of Harvard University, including the Global Advisory Council, Asia Center Advisory Committee, HBS Board of Dean's Advisors, and HBS Asia- Advisory Committee.

- Member of the Board of Singapore Management University (SMU) and Chairman of SMU International Advisory Council in the Philippines.
- Member of the Asia Business Council, Asean Business Club Advisory Council, Leapfrog Investment Global Leadership Council, The Council for Inclusive Capitalism, and World Wildlife Philippines National Advisory Council.
- Co-Vice Chairman of the Makati Business Club, Chairman of Endeavor Philippines, and Trustee Emeritus of Eisenhower Fellowships.

Recognitions

- He was awarded the Presidential Medal of Merit in 2009, the Philippine Legion of Honor with rank of Grand Commander in 2010, and the Order of Mabini with rank of Commander in 2015 by the President of the Philippines in recognition of his outstanding public service.
- In 2017, he was recognized as a United Nations Sustainable Development Goals Pioneer by the UN Global Compact for his work in sustainable business strategy and operations. The first recipient of the award from the Philippines, he was one of 10 individuals recognized for championing sustainability and the pursuit of the UN's 17 Strategic Development Goals (SDGs) in business.

Education

- Bachelor of Arts in Economics (Cum Laude) from Harvard College in 1981
- Master of Business Administration (MBA) from the Harvard Graduate School of Business in 1987.



Bernard Vincent O. Dy

Executive Director, President and CEO

Filipino, 59 y.o.

Tenure 9 years

Present Positions

In the Ayala Group

- Listed Companies: Chairman of AyalaLand Logistics Holdings, Director of AREIT, Inc. and MCT Bhd of Malaysia, Senior Managing Director and a member of the Ayala Group Management Committee since April 2014
- Non-listed Companies: Chairman of Alviera Country Club, Inc., Alveo Land Corporation, Altaraza Development Corporation, Amaia Land Corporation, Amicassa Process Solutions, Inc., Avencosouth Corp., Aviana Development Corp., Ayagold Retailers, Inc., Ayala Property Management Corporation, Ayalaland-Tagle Properties, Inc., Bellavita Land Corporation, BGNorth Properties, Inc., BGSouth Properties, Inc., BGWest Properties, Inc., Cagayan De Oro Gateway Corp., Makati Development Corporation, Portico Land Corporation, Station Square East Commercial Corporation, and Vesta Property Holdings, Inc.; Vice Chairman of Aurora Properties Incorporated, Ayalaland Premier, Inc., Ceci Realty Inc., and Ayala Greenfield Development Corporation, and Director of Accendo Commercial Corp., AKL Properties, Inc., ALI Eton Property Development Corporation, Avida Land Corp., AyalaLand

Medical Facilities Leasing, Inc., Nuevocentro, Inc., Philippine Integrated Energy Solutions, Inc., Serendra, Inc., and Whiteknight Holdings, Inc.; President and CEO of Alabang Commercial Corporation, Berkshires Holdings, Inc., Bonifacio Land Corporation, Columbus Holdings, Inc., Emerging City Holdings, Inc., and Fort Bonifacio Development Corporation; Member of the Board of Trustees of Ayala Foundation, Inc. and Ayala Group Club, Inc.; Advisor of Alveo-Federal Land Communities, Inc.

Outside the Ayala Group

- Director of the Junior Golf Foundation of the Philippines since 2010 and Vice Chairman since 2017
- President and CEO; President of Bonifacio Art Foundation, Inc., and Hero Foundation Inc.

Education

- Bachelor of Business Administration in Accountancy from the University of Notre Dame in 1985
- Master of Business Administration (MBA) from the University of Chicago in 1989
- Masters in International Relations from the University of Chicago in 1997

Board of Directors



Rizalina G. Mantaring

Lead Independent Director

Filipino, 62 y.o.

Tenure 9 years (2 years as Lead Independent Director)

Present Positions

In the Ayala Group

→ Listed companies: Independent Director of Ayala Corporation since 2020

Outside the Ayala Group

→ Listed companies: Independent Director of First Philippine Holdings Corp. Inc., PHINMA Corp. Inc., Universal Robina Corp.

→ Non-listed companies: Director of Sun Life Grepa Financial, Inc., Independent Director of GoTYME Bank, Maxicare Healthcare Corp. and East Asia Computer Center Inc., Member of the Board of Trustees of Makati Business Club and Philippine Business for Education, Member of the Private Sector Advisory Council of the President of the Philippines

Former Positions

→ Listed companies: Chief Executive Officer and Country Head of Sun Life Financial Philippines
 → Non-listed companies: Chief Operations Officer of Sun Life Financial Asia, President of the Management Association of the Philippines (2019) and Philippine Life Insurance Association (2015)

Recognitions

→ Asia Talent Management Award at the Asia Business Leaders Awards in 2017 from global network CNBC
 → 100 Most Outstanding Alumni of the Past Century from the UP College of Engineering
 → PAX Award, the highest award given by St. Scholastica's College to an outstanding alumnus

Education

→ Bachelor of Science in Electrical Engineering degree (Cum Laude) from the University of the Philippines in 1982
 → Master of Science in Computer Science from the State University of New York at Albany in 1993



Rex Ma. A. Mendoza

Independent Director

Filipino, 60 y.o.

Tenure 3 years

Present Positions

In the Ayala Group

- Listed companies: Lead Independent Director of Globe Telecom, Inc., Independent Director of AyalaLand Logistics Holdings Corporation
 - Non-listed companies: Lead Independent Director of Anvaya Cove Beach and Nature Club, Inc. and G Exchange Inc. (GXl, or GCash)
-

Outside the Ayala Group

- Listed companies: Independent Director of the National Reinsurance Corporation of the Philippines
- Non-listed companies: Chairman of Rampver Financials, Singapore Life, Soldivo Bond Fund, Inc. and the Soldivo Strategic Growth Fund, Inc., Director of FLT Prime Insurance Corp., Cullinan Group, Esquire Financing, Inc., Mobile Group, Inc., Seven Tall Trees Events Company, Inc., and TechnoMarine Philippines, Member of the Bro. Bo Sanchez Mastermind Group

Former Positions

- Non-listed companies: President and CEO of Philam Life and Chairman of its subsidiaries, Marketing and Computational Finance Professor at the De La Salle University Graduate School of Business
-

Recognitions

- One of the 10 Outstanding Graduates of his batch at the University of the Philippines
 - Most Distinguished Alumnus of the UP Cesar Virata School of Business
 - Fellow with Distinction at the Life Management Institute of Atlanta, Georgia, USA
 - Four-time member of the Million Dollar Round Table (MDRT)
 - Awarded One of the Most Outstanding Professors of De La Salle University
 - Author of two books, Trailblazing Success and Firing on All Cylinders, both certified national bestsellers.
-

Education

- Bachelor of Science in Business Administration with a double major in Marketing and Finance from the University of the Philippines in 1983
- Master's Degree in Business Management (with distinction) from the Asian Institute of Management in 1986

Board of Directors



Sherisa P. Nuesa
Independent Director

Filipino, 68 y.o.

Tenure 3 years

Present Positions

In the Ayala Group

- Listed companies: Independent Director of Manila Water Company, Inc., ACEN Corporation and Intergrated MicroElectronics, Inc. (IMI)

Outside the Ayala Group

- Listed companies: Non-executive Director of Far Eastern University, Senior Advisor of Metro Retail Stores Group, Inc.
- Non-listed companies: Director of FERN Realty Corporation, Senior Advisor of Vicsal Development Corporation, Member of the Board of Trustees and Vice President of NextGen Organization of Women Corporate Directors (NOWCD), Member of the Board of Trustees of Justice Reform Initiative (JRI)

Former Positions

- Trustee of the Institute of Corporate Directors (ICD)

Recognitions

- ING-FINEX CFO of the Year for 2008
- Outstanding Alumni Far Eastern University

Education

- Bachelor of Science in Commerce (Summa Cum Laude) from the Far Eastern University in 1974
- Master of Business Administration (MBA) from the Ateneo Graduate School of Business in Manila in 2010
- Attended post-graduate courses at both Harvard Business School and Stanford University



Cesar V. Purisima
Independent Director

Filipino, 62 y.o.

Tenure 5 years

Present Positions

In the Ayala Group

- Listed companies: Independent Director of Ayala Corporation and Bank of the Philippine Islands
- Non-listed companies: Independent Director of BPI Capital Corporation

Outside the Ayala Group

- Listed companies: Independent Director of Universal Robina Corporation and Jollibee Foods Corporation, Member of the Board of Advisors of ABS-CBN
- Non-listed companies: Independent Director of AIA Group, Asia Fellow of Milken Institute, Founding partner at IKHLAS Capital, Member of the Global Advisory Council of Sumitomo Mitsui Banking Corporation, Member of the International Advisory Council of the Singapore Management University in the Philippines, Member of the Board of Trustees of International School of Manila

Former Positions

- Secretary of Finance of the Philippines and Chair of the Economic Development Cluster of the Cabinet (2010 – 2016)
- Secretary of Finance (2005)
- Secretary of Trade and Industry (2004 – 2005)
- BSP Monetary Board Member
- Governor for the Philippines at the Asian Development Bank and World Bank
- Alternate Governor for the Philippines at the International Monetary Fund
- Chairman & Country Managing Partner of SGV & Co., and was a member of the Global Executive Board and Global Practice Council of Ernst & Young

Recognitions

- Conferred the Knight in the National Order of the Legion of Honour by the French Republic (Chevalier dans l'Ordre National de la Legion d'Honneur) in 2017.
- Awarded the Order of Lakandula with the rank of Grand Cross (Bayani) in 2016
- Awarded the Chevalier de l'Ordre national du Merite (Knight of the National Order of Merit) by the President of the French Republic in 2001

Education

- Bachelor of Science in Commerce Major in Accounting and Financial Institutions from De La Salle University in 1979
- Master of Business Administration (MBA) from Kellogg School of Management, Northwestern University, Illinois in 1983.

Board of Directors



Antonino T. Aquino

Non-executive Director

Filipino, 75 y.o.

Tenure 14 years

Present Positions

In the Ayala Group

- Listed companies: Director of Manila Water Company, Inc. (MWC) since 1998
- Non-listed companies: Director of Anvaya Beach & Nature Club, Inc., Director of Nuevocentro, Inc.

Outside the Ayala Group

- Director of PhilamLife and Mano Amiga Academy, Inc.;
- Member of the Sectoral Advisory Board of the Philippine Army and the Multi Sector Governance Council of the Armed Forces of the Philippines;
- Advisory Board Member of Hero Foundation

Former Positions

In the Ayala Group

- President of ALI from April 2009 to April 2014, of MWC from April 1999 to April 2009, and of Ayala Property Management Corporation from 1989 to 1999;
- Senior Managing Director in Ayala Corporation, has been with the Ayala Group in various capacities for the past forty-one (41) years

Outside the Ayala Group

- Connected with IBM Philippines, Inc. since 1968, and was Business Unit manager when he left in 1980

Recognitions

- "Co-Management Man of the Year 2009" by the Management Association of the Philippines for his leadership role in a very successful waterworks privatization and public-private sector partnership.
- Conferred Honorary Fellow by the Institute of Corporate Directors (ICD) in 2015

Education

- Bachelor of Science in Management from the Ateneo de Manila University in 1968
- Masters degree in Business Management from the Ateneo de Manila University 1975



Arturo G. Corpuz
Non-executive Director

Filipino, 67 y.o.

Tenure 7 years

Present Positions

In the Ayala Group

→ Non-listed companies: Board Member of Ceci Realty, Inc. Aurora Properties, Inc., Vesta Properties Holdings, Inc., Nuevocentro, Inc., and Alvierra Country Club, Inc.

Outside the Ayala Group

→ Trustee of the Foundation for Economic Freedom and the Philippine Institute of Environmental Planning

Former Positions

In the Ayala Group

→ Listed companies: Ayala Land Member of the Management Committee from 2008 to 2016

Outside the Ayala Group

→ President of the Philippine Economic Society

Education

→ Baccalaureate degree in Architecture from the University of the Philippines in 1977
→ Masteral degree in Urban and Regional Planning from Cornell University in 1984
→ Doctoral degree in Urban and Regional Planning from Cornell University in 1989

Board of Directors



Mariana Beatriz Zobel de Ayala

Non-executive Director

Filipino, 34 y.o.

Tenure Less than 1 year (Since October 2022)

Present Positions

In the Ayala Group

- Listed companies: Director of AREIT, Inc., Senior Vice President of Bank of the Philippines Islands
- Non-listed companies: Board of director and/or advisory committee member for several Ayala Group companies, across Ayala Land, AC Health, Ayala Group's ACTIVE Fund and BPI's Asset Management and Trust Company

Outside the Ayala Group

- Non-listed companies: Board Advisor for Asia Partners, Global board member of U-Go

Former Positions

In the Ayala Group

- Listed companies: Deputy Head of Ayala Malls and Project Development Manager of Alveo Land, subsidiaries of Ayala Land, Inc., Business Development Associate of Ayala Corporation
- Non-listed companies: Associate of J.P. Morgan

Education

- Bachelor of Arts in Social Studies (Philosophy, Politics, and Economics) from Harvard College in 2011
- Master of Business Administration (MBA) from INSEAD in 2020

Board of Directors At A Glance

Director	Designation	Year Appointed	Expertise
Jaime Augusto Zobel de Ayala	Non-executive, Chairman*	June 1988 (35)	General Management, strategy, and finance
Fernando Zobel de Ayala	Non-executive, Chairman**	April 1999 (24)**	General Management, real estate, utilities, arts, and culture
Bernard Vincent O. Dy	Executive	April 2014 (9)	Real estate, accounting, finance
Mariana Zobel de Ayala	Non-Executive	October 2022 (-)	General Management, real estate, and banking
Rizalina G. Mantaring	Non-executive, Lead Independent	April 2014 (9)	Insurance, engineering and computer science
Rex Ma. A. Mendoza	Non-executive, Independent	April 2020 (3)	Insurance, marketing, sales and distribution, real estate
Sherisa P. Nuesa	Non-executive, Independent	April 2020 (3)	Accounting and finance, manufacturing, real estate, utilities
Cesar V. Purisima	Non-executive, Independent	April 2018 (5)	Accounting and finance, economics
Antonino T. Aquino	Non-executive	April 2009 (14)	Real estate, utilities, and property management
Arturo G. Corpuz	Non-executive	April 2016 (7)	Architecture, economics, urban and regional planning, sustainability

*Starting October 21, 2022, **Until September 2022

Management Committee



(from left to right)

June Vee D. Monteclaro-Navarro
Chief Legal Counsel, Chief Compliance Officer
and Assistant Corporate Secretary

Laurent P. Lamasuta
President and CEO,
Ayala Property Management Corporation

Robert S. Lao
Estates Group Head

Augusto D. Bengzon
Chief Finance Officer and Treasurer

Bernard Vincent O. Dy
President and CEO

Anna Ma. Margarita B. Dy
Residential Business Group Head

Dante M. Abando
President and CEO,
Makati Development Corporation

Jose Emmanuel H. Jalandoni
Group Head, Commercial Business



Estates & Residential Business Groups

(from left to right)

Joseph Carmichael Z. Jugo
President, AyalaLand Premier, Inc.

Ma. Divina Y. Lopez
Chief Finance Officer, Estates Group

Rufino Hermann S. Gutierrez
Chief Operating Officer, Alveo Land Corporation

Stephanie J. Lingad
Chief Operating Officer, Amaia Land Corp.

Jennylle Y. Tupaz
Senior Estates Development Head, Estates Group

Maria Cristina Carmen M. Zuluaga
Senior Estates Development and Sales Head, Estates Group

Raquel S. Cruz
Chief Operating Officer, Avida Land Corp.



Commercial Business Group

(from left to right)

Wilma Moran-Estaura

Human Resources Group Director,
AyalaLand Hotels and Resorts Corporation

Christopher B. Maglanoc

President, AyalaLand Malls, Inc.

Carol T. Mills

President, AyalaLand Offices, Inc. and AREIT, Inc.

Javier D. Hernandez

President, AyalaLand Hotels and Resorts Corporation
and Ten Knots Development Corporation



Corporate Support & Ayala Property Management Corporation

(from left to right)

Michael F. Magpusao

Chief Operating Officer,
Ayala Property Management Corporation,
Operations Chief Engineer, Ayala Land, Inc.

Amelia Ann T. Alipao

Chief Information Officer and
Data Protection Officer,
Ayala Land, Inc.

Lyle A. Abadia

Head, Special Projects, Ayala Land, Inc.

Aniceto V. Bisnar, Jr.

General Manager, Prime Support Services, Inc.

Dindo R. Fernando

Head, External Affairs, Ayala Land, Inc.

Ma. Luisa D. Chiong

Controller, Ayala Land, Inc.,
Group CFO, Residential Business



Makati Development Corporation

(from left to right)

Romeo T. Menpin, Jr.

Group Head, Construction Methods and Solutions,
Makati Development Corporation,
President, MDC Equipment Solutions, Inc.,
President, MDC ConCrete, Inc.

Henry R. Realon

Head, Commercial Group,
Makati Development Corporation

Ferdie M. Mangali

Group Head, Corporate Resources and Services,
Makati Development Corporation

Darwin L. Salipsip

Head, Construction Operations Group 3,
Makati Development Corporation,
President, MDBI Construction Corp.

Vincent H. Medina

Group Head, Operations Management and Control —
Makati Development Corporation

Richard T. Yap

Head, Construction Management Group,
Makati Development Corporation

Rodelito J. Ocampo

Head, Construction Operations Group 1,
Makati Development Corporation,
President, MDC BuildPlus, Inc.





Value Creation



Business Model

Ayala Land is a leading developer of large-scale, integrated, mixed-use estates that are strategically located to drive growth and provide exceptional residential and commercial leasing products.

These estates maximize synergies among product lines, enabling the company to deliver greater value to customers and stakeholders across the development process that include land assessment and acquisition, master-planning and design, construction and delivery, and property management.

Each masterplan, including those for island tourism estates, is thoughtfully and carefully developed according to a unique value proposition that optimizes the estate's location, natural terrain, and potential contribution to the community. Furthermore, Ayala Land places a strong emphasis on sustainability in the planning process, with a focus on four key areas—site resilience, pedestrian mobility and transit connectivity, resource efficiency, and local economic development.

To ensure that each estate meets the needs of its target market, Ayala Land identifies and allocates appropriate residential and commercial leasing products based on market conditions. Five residential brands cater to the full range of the market including luxury, upscale, middle-income, entry-level, and socialized housing. These products are matched with the estate's market and demographic profile, and are complemented by suitable commercial leasing products, such as shopping centers, offices, and hotels and resorts.

Ayala Land's land banking is critical to its business model, as it provides the platform for developing and launching its various products and secures the estates' long-term growth and sustainability. The company identifies locations based on their contribution to the local economy and growth potential, ensuring that its developments will have a positive and sustained impact on the surrounding community.

Ayala Land's commitment to responsible land development goes beyond increasing value. Through the master planning and launching of its

estates, the company creates enduring and inclusive environments that provide opportunities for employment, social integration, and environmental sustainability for the community. As the estates grow and mature, the benefits of Ayala Land’s thoughtful and holistic approach become increasingly evident, ensuring a better quality of life for all stakeholders.

By the end of 2022, Ayala Land has established 49 estates across the Philippines, covering 57 growth centers, and secured over 12 thousand hectares of land. The majority of Ayala Land’s developments are in Metro Manila and Central and Southern Luzon, which account for two-thirds of the country’s GDP. In addition, the company has

expanded its reach into highly urbanized key cities in the Visayas and Mindanao, such as Cebu, Davao, Cagayan de Oro, Iloilo, and Misamis Oriental.

The complete list of Ayala Land’s estates and business lines is on Page 10 of this report.

BRAND, BUSINESS MODEL, BENCH

Ayala Land identified three major pillars in implementing its strategies—Brand, Business Model, and Bench.

Brand

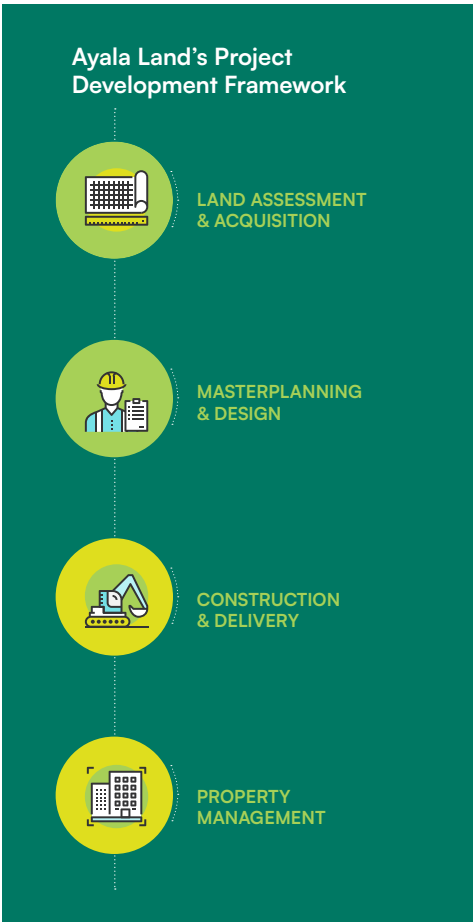
Ayala Land values the trust customers attach to the brand and their confidence in the quality of its innovative products and services. It continues to evolve its offerings to ensure market relevance and strives to build communities that live up to the Ayala Land brand.

Business Model

The company operates with a clear model and strategy for growth, guided by its core values and sustainability principles. Ayala Land builds sustainable mixed-use estates in key growth centers in the Philippines that serve as platforms to expand the reach of its products and services, while generating opportunities that improve the quality of life of Filipinos for generations. It continues to be driven by a deep understanding of the market, a commitment to enhance processes, and a resolve to use company resources efficiently.

Bench

With its steadfast commitment to employee development and empowerment, Ayala Land has built a talented and dedicated workforce that is capable of driving the company’s growth and success. The company’s focus on collaboration and learning ensures that it remains at the forefront of the real estate industry, continually innovating and delivering exceptional value to its customers and stakeholders.



External Environment

Positive Factors

- **7.6% GDP growth**
 - Exceeded initial estimates of 6-7%
- **Reopened economy**
 - Lifting of quarantine restrictions starting May 2022
- **Household consumption at 73.1% of GDP**
 - 8.3% higher than 2021
- **US\$36.1B Remittances up 4%**
 - Resilient despite global economic slowdown
- **US\$32.5B BPO revenues up 10%**
 - Sustained growth trajectory from 2021
- **2.7M international tourist arrivals**
 - Better than 1.7M target

Negative Factors

- **5.8% inflation rate**
 - More than the target range of 2-4%
- **5.5% benchmark rate**
 - 350-bps total rate hike in 2022
- **Average US/PHP rate at US\$1:PHP54.48**
 - 9.6% depreciation
- **18.8% Metro Manila office vacancy**
 - Driven by POGO flight

Economy Reopens

Ayala Land faced 2022 with optimism on the expected return of economic activity as mobility increased. However, the emergence of the COVID-19 Omicron variant in the first quarter created a setback, introducing uncertainty to what could have been a clear growth trajectory. Despite these challenges, the country's successful vaccination campaign led to a significant decrease in COVID-19 cases, allowing the government to ease quarantine restrictions starting in May 22 and allowing the country to return to a path of full reopening.

Rate Uncertainties Temper Consumer Sentiment

The ongoing conflict between Russia and Ukraine has resulted in continued geopolitical concerns, causing commodity prices and inflation rates to soar to a high of 8.1% in December. The average inflation rate of 5.8% was higher than the government's target band of 2 – 4%. To curb rising inflation and match the US Fed's 425-bps interest rate hike, the Bangko Sentral ng Pilipinas raised interest rates by 350 bps, bringing the benchmark rate to 5.5%. However, this high inflation and interest rate environment also led to the depreciation of the peso, which had an average exchange rate of P54.48, or a 9.6% decrease from the previous year.

In addition to these economic challenges, the Metro Manila office segment faced difficulties, with an 18.8% vacancy rate.

Positive Drivers Remained Despite Headwinds

Despite facing macroeconomic challenges, the Philippines demonstrated remarkable resilience by achieving a GDP growth rate of 7.6%, surpassing analyst projections. The upswing was driven by strong domestic consumption, which accounted for more than 73.1% of the local economy and

grew by 8.3% compared to last year. Furthermore, overseas Filipino remittances reached US\$36.1 billion, a 4% growth, while the country's BPO revenues grew by 10% year-on-year to US\$32.5 billion, despite the global economic downturn. International tourists registered 2.6 million arrivals, exceeding the government's target of 1.7 million.

HOW DID WE NAVIGATE 2022?

SAFEGUARDING AGAINST HEADWINDS

We locked in construction costs and improved efficiencies to minimize higher inflation

To minimize the impact of higher material prices, we employed various strategies such as partnering arrangements and bulk procurement to lock in the costs of steel and cement. We also implemented Design for Manufacturing Assembly (DfMA) initiatives to increase customization resulting in cost efficiency, more flexibility in deploying skilled labor, and faster project delivery.

We refinanced debt to cushion from higher interest rates

Ayala Land refinanced maturing debt into lower interest rates with longer tenors, resulting in a blended spread of 34 basis points (bps) against the benchmark, compared to 61 bps of peers. Although we anticipate an increase in borrowing costs in 2023, we were able to lock in 97% of long-term debt at a blended interest rate of 4.4% and an average tenor of 5.3 years—a highly competitive debt profile amidst the higher interest rate environment.

We mitigated bearish buyer sentiment through extended downpayment schemes

We cushioned the impact of the pandemic on our buyers by introducing extended downpayment terms for buyers of our residential products, amidst uncertainties in the market manifested in

higher inflation, interest, and mortgage rates. This initiative combined with the higher number of launches, enabled Ayala Land to generate sales reservations of P104.9 billion in 2022, up 14% from 2021.

We bought back shares at a discount

Amidst macroeconomic headwinds and global uncertainties, we faced unfavorable foreign investor sentiment towards the country and the real estate industry, resulting in a year-on-year share price decline of 16%. As part of our P25 billion share buyback program, we acquired P2.1 billion worth of shares during the year, recognizing that the market valued the company at a significant discount to its intrinsic value.

CAPTURING OPPORTUNITIES

We launched two estates to support longer-term local economic growth and urbanization

To capitalize on the continuing urbanization and GDP growth of the Philippines, we launched two new estates in the emerging provinces of Batangas and Bulacan. Areza, our first estate in the province of Batangas, covers 92 hectares; while Crossroads, an 83-hectare estate, expands our footprint in Bulacan, and is strategically located near key infrastructure projects. These estates will contribute to our growth pipeline in the medium term, while also driving economic activity within their nearby local communities.

We ramped up overseas sales to take advantage of the resilient OF market

We ramped up our overseas sales efforts by deploying more sales teams to countries with high concentrations of Overseas Filipinos (OFs) to supplement our digital sales efforts. As a result, sales reservations from OFs surged by 59% to P23.0 billion.

Offered more commercial lots to address strong local demand

Demand for commercial lots from medium- to large-enterprises and investor buyers remained robust despite economic headwinds. We addressed this demand by offering more commercial lots across our estates in Nuvali, Arca South, and South Coast City, among others, generating revenues of P14.5 billion, a 75% increase over the previous year.

Enhanced mall operations to take advantage of mobility resumption

As quarantine restrictions eased, our mall tenants were allowed to operate, enabling us to increase our average occupancy to 81% by year-end. We also introduced new entertainment and experiential concepts to anchor our developments such as the expansion of Timezone at Greenbelt and Dream Lab in Circuit Makati. These efforts resulted in mall revenues more than doubling to P16.1 billion.

Prepared hotels and resorts for the domestic travel revival

We prepared our hotels and resorts for the domestic travel revival by ensuring that all facilities were fully compliant with safety protocols. To serve increasing demand, we opened the first 92 rooms of the second tower of Seda Nuvali. Average hotel and resort occupancy improved to 59% (+6 pt) and 29% (+12 pt) respectively, driving revenues to double at P6.2 billion.

Increased warehouse leasing space to support growing demand from locators

We expanded our warehousing GLA by 38% to 309k sqm by acquiring a ready-built facility in Sto. Tomas Batangas and completing expansions at ALogis Calamba and ALogis Naic. This was complemented by our cold storage portfolio, which increased to 10.3k pallet positions, with the acquisition of a new facility in Mandaue, Cebu.

Asset infusions into AREIT

Finally, Ayala Land injected six Cebu-based office buildings valued at P11.3 billion into its subsidiary AREIT, Inc. through a property-for-share swap. Subsequently, ALI sold 87.4 million shares of AREIT, equivalent to P3.5 billion to comply with the required minimum public ownership. This transaction allows us to recycle capital to develop new asset while solidifying our commitment to grow AREIT.

Outlook

As we look ahead to 2023, Ayala Land remains positive about the future and excited to introduce new offerings that will meet the evolving needs of our markets. Our focus on customer satisfaction, operational excellence, and innovation while managing risks and safeguarding shareholder value will continue to guide our endeavors as we strive for sustained growth.

We are confident that Ayala Land will continue in its path to recovery in 2023, buoyed by the resurgence of local business and consumer activity, growing tourism, a stable BPO sector, and steady overseas remittances. These key factors form the foundation of our diversified real estate business.

For 2023, we are budgeting P85 billion for capital expenditures, with 39% allocated for the residential business, 15% for leasing, 23% for land acquisition, and 16% for the build-out of our estates. These investments will enable us to grow our residential projects and future estates while replenishing our stock to ensure sustained growth.

We are confident that the property sector will continue to experience long-term growth, given the positive drivers in place. Local consumption remained resilient, contributing to and accounting for over 70% of the country's GDP, and is forecasted to grow by more than 5% this year. Additionally, overseas remittances have consistently supported the economy, reaching a record high of US\$36.1 billion in 2022, with projections indicating that it will sustain its 4% annual growth going into 2023. The business process outsourcing (BPO) sector is also set to expand with an employment target of 1.1 million new employees over the next six years. Furthermore, favorable demographics from a growing middle income (expected to increase by 37.5 million in 2030) and a young working class combined with urbanization will further boost growth prospects.

Ayala Land's diversified portfolio, hosted by its 49 estates across the country, serves as our solid platform for growth that will drive long-term shareholder value. We have 32 mixed-use estates, two tourism estates, five residential, five

commercial, and five industrial estates hosting businesses in residential development, commercial leasing, construction, and property management.

We are well-equipped to take advantage of opportunities presented by the evolving real estate landscape. With our focus on customer satisfaction, operational excellence and innovation, we are confident in our ability to drive sustained growth and deliver exceptional value to our customers and stakeholders.

2023 PLANS

Estate Development

As the country's growth gains momentum, Ayala Land is committed to accelerating the rollout of our large-scale, mixed-use, and sustainable estates. In 2023, we will launch four new estates and focus on enhancing our existing estates to ensure the appreciation of our properties to benefit our buyers and our remaining landbank. We will continue introducing new property development products and commercial assets in these estates.

Residential Development

We are prepared to launch P110 billion worth of products to cater to increasing demand from our customers.

Malls

With consumer spending returning to pre-pandemic levels, we will boost occupancy with new tenants and retail openings. Our footprint will also expand by opening 87,000 sqm of new leasable space at One Ayala and Ayala Malls Veramosa.

Offices

Growing BPO and stable HQ operations, along with the return-to-office trend, are expected to increase occupancy. We also look forward to opening the 3rd tower of One Ayala with 12,000 sqm of new Gross Leasable Area (GLA).

Hotels and Resorts

As domestic travel surpasses pre-pandemic levels and foreign tourist arrivals increase, we will increase our room count with 532 new rooms at Seda Manila Bay, Seda Nuvali, and Hatch Hostel in Sicogon.

Real Estate Logistics

In response to the growing demand for cold and dry warehousing, we will add 40,000 sqm of new GLA for warehousing and 4,000 pallet positions for cold storage in 2023.



How Ayala Land Creates Value

AYALA LAND'S SIX CAPITALS

1 NATURAL

A strategic land bank of more than 12 thousand hectares

2 INTELLECTUAL

A 34-year track record in master planning land and building large-scale, integrated, mixed-use estates

3 MANUFACTURED

Ayala Land's 49 estates hosts its diversified portfolio of property development and commercial leasing products (See pages 6-7)

4 HUMAN

47,747 employees enable the execution of the projects and growth plans (See page 93)

5 SOCIAL

Sustainability Focus Areas and programs strengthen its stakeholder relationship and ESG practices (See page 76)

6 FINANCIAL

The solid balance sheet supports the funding required for the projects and growth plans (See page 13)

VISON - MISSION

Enhancing Land and Enriching Lives for more Filipinos

VALUES

Leadership, Integrity, Vision, Excellence, and 'Malasakit'
(See page 7)



Sustainability Four Focus Areas

- Site Resilience
 - Pedestrian-Transit Connectivity
 - Resource Efficiency
 - Local Economic Development
- (See page 76)



Land Acquisition and Estate Development

We secure land in key growth centers through acquisitions and joint-ventures, create a masterplan following the sustainability focus areas, and integrate our diversified portfolio of products to create sustainable communities for generations.



Service Businesses

Projects are constructed by Makati Development Corporation and properties are managed by Ayala Property Management Corporation (both of which are wholly-owned subsidiaries).

We also provide retail electricity supply to industrial locators and airline services for resort guests.



Corporate Support

We establish the organizational strategy and plans, and conduct risk assessments, to ensure the achievement of company goals and targets, and deliver on our customer commitments, and stakeholder expectations.



Financial Planning, Forecasting, Control, and Analysis

The management and investment committee sets the financial and investment strategies, returns and margins criteria in line with company goals and defines the funding strategy for optimal capital sourcing, use and allocation.

OUTPUTS AND OUTCOMES



Property Development
We build and sell residential products, office spaces, and commercial and industrial lots.



Commercial Leasing
We develop and operate malls, offices, hotels, resorts, standard factory buildings, warehouses, co-living and co-working spaces in line with eco-efficiency principles.



Strategic Investments
Equity investments provide additional growth pillars for Ayala Land (See page 42)

NATURAL

586 ha of carbon forests protected, 56,681 new native trees planted; 161,801 native trees maintained (See page 88)

- Reduced net GHG emissions by 6,227 t-CO₂e (See page 87)
- Protected 66 International Union for Conservation of Nature (IUCN) red-list species (See page 83)



INTELLECTUAL

Two new estates launched: Areza and Crossroads; total of 49 estates serving as growth platforms for the community (See page 28)

- The estates provide households and the workforce with opportunities for social interaction in a healthy environment
- Provided transit connectivity to more than 10 thousand daily commuters (See page 83)



MANUFACTURED

CAPEX of P72.4B
Residential: Turned over 11,505 residential units
Malls: 7,000 sqm new GLA
Offices: 40,000 sqm new GLA
Hotels: 92 new rooms (See page 28)

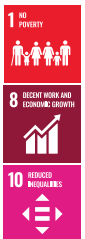
- Potentially benefitted 46,020 people through new residential spaces
- Provided space for malls and offices that employed more than 440k workers
- Reduced net GHG emissions by 250,723 tCO₂e through the use of RE (See page 87)



HUMAN

171,317 training hours
4,869 TESDA graduates (See page 96)

- Generated more than 47,000 jobs for direct employees and service providers
- Achieved an employee engagement score of 91% for 2021 (See page 98)



SOCIAL

Close to 1,600 Social Enterprises (See page 102)

- Achieved ALI Group customer satisfaction rating of 93%
- Attained zero punchlist turnover rating of 98% for residential properties (See page 40)

FINANCIAL

P18.6 billion Net Income
P104.9B Sales Reservations
0.76x Net D/E ratio
4.4% ave cost of debt
P72.4B capex (See page 13)

- AAA credit rating from PhilRatings
- Corporate Treasurer Awards 2022 - Best Treasury Team in Asia



Sustainability



Our ESG Approach

Ayala Land strives to be at the forefront of embedding sustainability practices in all of its developments, products and services. As a property developer that is guided by sustainability in enhancing land and enriching lives for more people, Ayala Land continues to create long-term economic, environmental and social value for its stakeholders.

SUSTAINABILITY MILESTONES

2007



- Sustainability was formalized as guiding principle in land use and development
- The first sustainability report was published using Global Reporting Initiative (GRI) guidelines

2008



- The Ayala Land Sustainability Framework was established as a guidance on sustainable property development. It was composed of five pillars, namely: Environmental Stewardship and Impact Reduction; Community Stewardship and Social Development; Personnel Development, Health and Safety; Market Shaping; and Accountability

2009



- The Board-Level Sustainability Committee was formally created and ratified by the Board of Directors to oversee Ayala Land's sustainability program

2017



- Ayala Land announced its Carbon Neutrality program, which aims to neutralize scope 1 and 2 emissions from its commercial properties by 2022
- Ayala Land became the first and only Philippine company to be included in the RobecoSAM Sustainability Yearbook (now under S&P Global)

2019



- The company's Circular Waste Management program began through the Arca South and Lio Ecohub. The Ecohub is a plastic processing facility made to collect, reprocess and embed clean and dry plastics in construction products for Ayala Land projects

2020



- Ayala Land's rating on climate change disclosures in the Carbon Disclosure Project increased to A- (Leadership) from C (Awareness)

The company's sustainability practices and performance are measured and reported in accordance with global goals, frameworks, and standards on sustainability disclosures. ESG assessments are fulfilled and monitored by Ayala Land to benchmark itself against industry best practices and identify and manage emerging environmental, social, and governance concerns.

Global Reporting Frameworks



ESG Assessments and Ratings



- Ayala Land began disclosing climate-related information through the Carbon Disclosure Project



- Following a materiality process, the company transformed its sustainability framework from the Five Pillars to Four Focus Areas: Site Resilience; Pedestrian Mobility and Transit Connectivity; Resource Efficiency and Local Economic Development



- Ayala Land transitioned from a standalone sustainability report to an integrated report. It followed the International Integrated Reporting <IR> Framework to combine financial and non-financial reporting and disclose how the company is creating shared value over the short, medium and long-term
- Ayala Land was listed as the only Philippine company in the S&P Global Dow Jones Sustainability Index



- Ayala Land, as part of the Ayala Group, announced its commitment to Net Zero by 2050



- Ayala Land achieved a B (Management) on Water Security rating from the Carbon Disclosure Project, which is the highest rating for a Philippine company
- Ayala Land kicked-off its Net Zero Task Force that is mandated to identify and implement ALI's net zero roadmap

MATERIALITY REVIEW AND SUSTAINABILITY FOUR FOCUS AREAS

Ayala Land identifies and manages economic, environmental and social issues and topics that are material to its stakeholders and core businesses. These topics are aligned with UN Sustainable Development Goals (SDGs), six capitals of the Integrated Reporting <IR> Framework, Global Reporting Initiative (GRI) Indicators, Sustainability Accounting Standards Board (SASB) Material Topics, and Task Force on Climate-Related Financial Disclosures (TCFD) Recommendations.

The results of the company's materiality assessment in 2013 identifying sustainability focus areas remain relevant today, along with material issues emerging from the COVID-19 pandemic. Based on discussions within the company's

business units, customer surveys, media reports, and the Board-level Sustainability Committee, four sustainability concerns were identified for Philippine development: vulnerability to the effects of climate change and natural disasters; need for pedestrian mobility in urban areas; continuing loss of natural resources; and socio-economic imbalances.

These results led to the determination of Ayala Land's Sustainability Four Focus Areas: **site resilience, pedestrian mobility and transit connectivity, resource efficiency, and local economic development**. Ayala Land regularly consults with company stakeholders to refine the goals and metrics of each focus area.



Site Resilience

- Undertaking technical due diligence to screen for geohazards
- Providing open and green spaces for refuge and rainwater absorption
- Using native plants and trees for landscaping to improve biodiversity



Pedestrian Mobility & Transit Connectivity

- Providing pedestrian-only areas and walkways
- Providing transit stops and terminals in estates and malls
- Maintaining connectivity during construction and operations



Resource Efficiency

- Implementing materials, energy and water management and conservation programs
- Aligning with a circular economy model for waste management
- Committing to carbon neutrality by 2022 for commercial properties and net zero for ALL group by 2050



Local Economic Development

- Investing in human capital in communities where Ayala Land is located
- Prioritizing local hiring
- Allocating spaces for local social enterprises

AYALA LAND'S MATERIAL TOPICS

To measure Ayala Land's performance and report its impact on local and global development, Ayala Land identified UN SDGs and GRI, SASB and TCFD topics that correspond to the four focus areas and other material topics.

	Sustainability Four Focus Areas				Other Material Topics	
	Site Resilience	Pedestrian Mobility and Transit Connectivity	Resource Efficiency	Local Economic Development	Corporate Governance and Risk Management	Labor Practices and Decent Employment
GRI	303: Water and Effluents 304: Biodiversity 307: Environmental Compliance	203: Indirect Economic Impacts 416: Customer Health and Safety	204: Procurement Practices 301: Materials 302: Energy 303: Water and Effluents 305: Emissions 306: Waste 308: Supplier Environmental Assessment	202: Market Presence 203: Indirect Economic Impacts 401: Employment 404: Training and Education 411: Rights of Indigenous People 413: Local Communities	201: Economic Performance 205: Anti-Corruption 206: Anti-Competitive Behavior	402: Labor Management Relations 403: Occupational Health and Safety 405: Diversity and Equal Opportunity 406: Non-Discrimination 407: Freedom of Association and Collective Bargaining 408: Child Labor 409: Forced Labor 412: Human Rights Assessment
SASB	IF-RE-450: Climate Change Adaptation		IF-RE-130: Energy Management IF-RE-140: Water Management IF-RE-410: Management of Tenant Sustainability Impacts IF-RE-450: Climate Change Adaptation		IF-RE-450: Climate Change Adaptation	
TCFD	Strategy Metrics and Targets		Strategy Metrics and Targets		Governance Strategy	
UN SDGs	11: Sustainable Cities and Communities 13: Climate Action 14: Life Below Water 15: Life on Land	3: Good Health and Well-Being 9: Industry, Innovation, Infrastructure 11: Sustainable Cities and Communities	6: Clean Water and Sanitation 12: Responsible Consumption and Production 11: Sustainable Cities and Communities	1: No Poverty 8: Decent Work and Economic Growth 10: Reduced Inequalities 11: Sustainable Cities and Communities		8: Decent Work and Economic Growth

STAKEHOLDER ENGAGEMENT

Ayala Land's vision of "enhancing land, enriching lives for more people" rests on the support and contribution of its stakeholders. As such, the company engages with its stakeholders through various means and initiatives to understand and address issues and concerns and build and maintain strong relationships for long-term and shared value creation.

Stakeholder	Issues and Concerns of Stakeholders	Engagement Means and Initiatives of Ayala Land
Property Buyers	<ul style="list-style-type: none"> • Customer health, welfare and safety • Customer service and experience • Delivery of best-in-class products and services • Facilities management • Management of environmental and social impacts 	<ul style="list-style-type: none"> • Digital platforms • Customer satisfaction surveys • Customer service representatives • Ayala Land website and social media platforms
Brokers and Sellers	<ul style="list-style-type: none"> • Occupational health, welfare and safety • Training and career development • Compensation and rewards • Labor practices and human rights 	<ul style="list-style-type: none"> • Digital platforms • Training sessions • General assemblies • Mock online presentations • Awards and recognition events
Residents, Shoppers, Tenant Employees, Tourists, and Hotel Guests	<ul style="list-style-type: none"> • Customer health, welfare and safety • Customer service and experience • Delivery of best-in-class products and services • Facilities management • Green building certifications • Management of environmental and social impacts 	<ul style="list-style-type: none"> • Digital platforms • Customer satisfaction surveys • Loyalty and appreciation programs • E-newsletters • Ayala Land website and social media platforms
Employees and Workers	<ul style="list-style-type: none"> • Occupational health, welfare and safety • Training and career development • Compensation and rewards • Labor practices and human rights 	<ul style="list-style-type: none"> • Access to healthcare services • Townhalls, monthly or quarterly updates • Organizational climate surveys • Grievance mechanisms and channels • Performance reviews • Training and learning sessions; blended learning modalities
Business Partners Suppliers and Service Providers	<ul style="list-style-type: none"> • Compliance with all laws, regulations, codes and standards • Productivity and timely delivery of products and services • Occupational and customer health, welfare and safety • Labor practices and human rights • Procurement practices • Management of environmental and social impacts 	<ul style="list-style-type: none"> • Vendor Kapihan (coffee talks) • Training and webinar sessions • One-on-one meetings • Policies and memos • Vendor's Code of Ethics

Stakeholder	Issues and Concerns of Stakeholders	Engagement Means and Initiatives of Ayala Land
Creditors	<ul style="list-style-type: none"> Financial and Operating Performance Debt servicing capacity 	<ul style="list-style-type: none"> Financial Sustainability and Capital Management Strategies Regular engagement with partner banks and investors
Shareholders and Analysts	<ul style="list-style-type: none"> Financial and Operating Performance Debt servicing capacity Recovery and growth plans 	<ul style="list-style-type: none"> Financial Sustainability, Capital Management Strategies, and Recovery and Growth Initiatives Regular engagement with investors through one-on-one meetings, investor conferences and roadshows, and quarterly briefings SEC and PSE filings and disclosures
Communities and NGOs	<ul style="list-style-type: none"> Local economic development Management of environmental and social impacts Concerns of communities pertaining to development of projects 	<ul style="list-style-type: none"> Conferences and meetings Community consultations Partnerships in national and local projects, programs and initiatives Dialogues and meetings with stakeholders, including leaders at the barangay, local government and national agency levels
National and Local Government Units	<ul style="list-style-type: none"> Compliance with all laws, regulations, codes and standards Economic development Management of environmental and social impacts Concerns of communities pertaining to development projects 	<ul style="list-style-type: none"> Conferences and meetings Participation in government consultations Partnerships in national and local projects, programs and initiatives Dialogues and meetings with stakeholders, including leaders at the barangay, local government and national agency levels
Media	<ul style="list-style-type: none"> Timely and accurate news Transparency ESG (environmental, social and governance) performance 	<ul style="list-style-type: none"> Media conferences and briefings News releases and fact sheets Social gatherings One-on-one meetings Through third-party consultants Annual reports Ayala Land website and social media platforms

CONTRIBUTION TO THE UN SUSTAINABLE DEVELOPMENT GOALS (SDGs)

In 2015, the United Nations (UN) established the Sustainable Development Goals (SDGs) as the “blueprint to achieve a better and more sustainable future for all”. Ayala Land’s sustainability thrust, as outlined by the four focus areas and material topics, aligns with the SDGs. Overall, the company’s vision of enhancing land and enriching lives for more people links to SDG 11 on sustainable cities and communities that aims to “make cities and human settlements inclusive, safe, resilient and sustainable.” Ayala Land also contributes to the Ayala Sustainability Blueprint, Ayala Group’s master plan to provide meaningful impact to the UN SDGs, as the champion for SDG 11.

Aside from SDG 11, relevant SDGs and specific targets where ALI can generate the biggest positive contribution have been identified below.

SDGs	How Ayala Land contributes to specific SDG targets
	<p>1.2 Ayala Land contributes to nation-building and poverty eradication by creating value for the community where it locates. It invests in human capital and provides local communities with opportunities for employment, livelihood, and basic health services. It conducts training programs for the communities so that their available workforce can seek employment in its projects and other workplaces.</p>
	<p>3.9 Ensuring the health, safety and well-being of its employees, workers and customers is at the core of Ayala Land’s operations. Due diligence practices and health and safety standards are continuously developed and implemented across the organization so that customers and the general public in Ayala Land’s shopping centers, managed estates, and properties and workers in its construction sites have safe experiences.</p>
	<p>6.3 Ayala Land ensures that its properties and projects are properly connected to the wastewater treatment facilities of Manila Water and Maynilad, where possible. In areas that are not serviced, Ayala Land installs Septage Treatment Plants (STPs) for the proper treatment of wastewater.</p> <p>6.4 Water management and conservation measures are implemented to address potential future water risks. New technologies and behavioral adjustments are carried out to minimize water consumption and achieve maximum water efficiency while maintaining a level of comfort in Ayala Land developments.</p>
	<p>7.2 To the maximum extent possible, Ayala Land sources renewable energy for its properties. It aims to maintain a significant share of its energy mix to come from renewable sources.</p> <p>7.3 Ayala Land commits to improving the energy efficiency of its projects during planning, construction and operational stages. It implements energy management programs, invests in energy-efficient technologies and undertakes operational adjustments to conserve energy. The company actively expands its green building portfolio through LEED and other equivalent certifications.</p>
	<p>8.3 Through the Alagang AyalaLand program, the company promotes job creation and entrepreneurship by providing social enterprises with spaces in Ayala Malls nationwide where they can incubate, restart and develop their businesses.</p> <p>8.7 The company rejects any form of forced, compulsory and child labor, carefully auditing vendors and suppliers to ensure that no underage worker is employed in their operation and that they adhere to general labor standards.</p> <p>8.8 Ayala Land is committed to the protection of labor rights and advancement of safe and secure working environments of all employees within the company and its value chain. The company adheres to all relevant laws and regulations and on labor rights and health and safety, and establishes internal mechanisms such as the Code of Ethical Behavior and Vendor’s Code of Ethics to ensure that working conditions in its projects are safe and workers are treated with respect and dignity.</p> <p>8.9 Ayala Land prioritizes local hiring for its projects, including tourism estates. To promote sustainable tourism, it integrates local communities into the supply chain to provide them with sustainable livelihood opportunities. Local products are sourced and local merchants are allocated with spaces to showcase their goods and services.</p>

SDGs	How the company contributes to specific SDG targets
	<p>9.3 Where possible, micro-, small- and medium-sized enterprises are integrated into the company's supply chain to help in their stabilization and growth as part of the Alagang AyalaLand program.</p> <p>9.4 Ayala Land aims to ensure the efficient use of resources such as materials, energy and water, and thus has dedicated teams that undertake investments, research and development and operational adjustments on resource efficiency and adoption of cleaner technologies and processes.</p>
	<p>10.3 Ayala Land is committed to supporting diversity and equal opportunity in the workplace. In accordance with the company's Code of Ethics, it does not tolerate discrimination based on race, gender, age, religious affiliation, disability, union membership, or marital status. This commitment encompasses hiring and all employment practices, such as but not limited to promotions, pay and rewards, succession planning, and access to training.</p>
	<p>11.1 Ayala Land provides affordable housing options for the broader market through its residential brands Amaia and Bellavita.</p> <p>11.2 Principles of pedestrian mobility and public transport connectivity are employed to provide alternatives to car use. It promotes walking, biking and commuting in its developments through pedestrian-only areas and walkways, bike infrastructure and transit stops and terminals.</p> <p>11.7 Ayala Land is committed to allocating open and green spaces to strengthen site resilience and raise the quality of life in its communities. The company provides accessible green spaces for social interaction and physical activities, promoting customer health and well-being.</p>
	<p>12.2 Ayala Land is implementing resource efficiency measures for its material, energy and water consumption to address the continuing loss of natural resources.</p> <p>12.3 The company works to divert food waste from the landfill generated from its properties through composting and other waste diversion initiatives.</p> <p>12.5 Under the Circular Waste Management program, Ayala Land is committed to a circular economy model to eliminate waste disposal by continually using materials in one way or another. The company aims to reduce solid and hazardous waste generation and landfilling by strictly implementing segregation at source, regularly conducting waste management audits, providing alternative destinations where waste is recycled, reused or reprocessed, and using these materials in new construction projects.</p> <p>12.6 To enable the company to continuously adopt and report sustainable practices, sustainability performance and targets are integrated in its annual report.</p>
	<p>13.1 Ayala Land employs strategies to strengthen resilience and adaptive capacity to climate change impacts. These include undertaking technical due diligence and environmental scanning, compliance with all relevant codes, standards and laws, establishment of 24/7 operation centers to facilitate readiness, and provision of emergency response teams.</p>
	<p>14.2 For tourism developments located along coastal areas, Ayala Land is committed to marine ecosystems conservation and protection. The company works closely with the community and local government for the prevention of illegal fishing, coral and reef fish assessments, environmental education campaigns, marine conservation programs and more.</p>
	<p>15.2 & 15.B Ayala Land works to restore carbon forests or carbon sinks within its landbank as part of the carbon neutrality and net zero program. Afforestation and reforestation are conducted by working with environmental organizations and local communities to rescue and nurture seedlings, plant trees and remove competing vegetation.</p> <p>15.5 Studies on native flora and fauna found within the property or estate are integrated into the business model, development plan, and operations to conserve and protect biodiversity. To help minimize impacts in tourism developments, biodiversity monitoring systems that identify threatened species are conducted by project teams regularly.</p> <p>15.8 Ayala Land is committed to promoting native trees in its developments that enhance biodiversity. It works to increase the number of native tree species and maintain a high share of native trees in its tree inventory.</p>

Environmental Stewardship

2022 HIGHLIGHTS



Carbon Neutrality

91%

of mall and office GLA already source renewable energy

216K

native trees planted in Ayala Land's carbon forests since 2018



Circular Waste Management

130 tonnes

of plastics reprocessed into construction material inputs

7.5K m³

of ready-mix concrete with plastic inputs were produced for sidewalks

SITE RESILIENCE

<GRI 304; SDG 11, 13, 14, 15>

Ayala Land estates and developments designate green spaces to protect the quality of life of the residing community and enhance the property's ability to withstand climate change. The COVID-19 pandemic has emphasized the importance of green spaces, which provide the environment for social distancing. They give access to nature, minimize noise and air pollution, counteract the heat island effect, and serve as secure outdoor recreation areas. These elements are linked to better mental health outcomes and general well-being. As of 2022, Ayala Land has dedicated 957 hectares of green space in 26 urban estates, including 46 parks in established estates and 11 in emerging estates.

The company tracks and adds native trees to its projects to improve urban biodiversity and landscape. In 2022, 1,190 trees from 12 native species were planted in the estates, bringing the total to 106,481 native trees in Ayala Land's estates and residential projects. These new trees slightly increased the native tree share to 45% from 44% in the previous year. In emerging estates, 71% of the trees are native species. In new estates, native trees comprise 7%, which are expected to increase as they develop and eventually becomes established.

We also regularly monitor the biodiversity in our estates and tourism developments. We have staff on the ground to ensure we maintain a minimal impact on the species. In 2022, 66 IUCN red-list species in El Nido and Anvaya were protected. To mitigate physical risks related to climate change

and ensure ecosystem and site protection for each project, we implement erosion and sedimentation control measures and perform technical due diligence on projects during planning.

PEDESTRIAN MOBILITY AND TRANSIT CONNECTIVITY

<GRI 203; SDG 3, 9, 11>

We continually improve the commuter and pedestrian experience in line with government measures and urban mobility trends.

Our malls and estates have collaborated with the Department of Transportation (DOTr) to provide commuters with premium point-to-point (P2P) buses and public utility buses (PUBs) following the government's bus rationalization program. In 2022, 25 P2P buses operated with an average daily passenger volume of 10,173, 31% higher than the previous year, in line with increased mobility as restrictions were lifted with the economic reopening.

In November, we opened the One Ayala Avenue Terminal located at the corner of EDSA and Ayala Avenue. This intermodal transport hub has covered and elevated walkways and three terminal floors that serves buses, Asian utility vehicles (AUVs), and modern jeepneys which will cater to almost one million daily commuters of the Makati CBD.

Shared bike lanes with lane markings, bollards, and safety signages continue to be utilized in Makati CBD, BGC and Nuvali, covering a total of 34.1 km.

RESOURCE EFFICIENCY

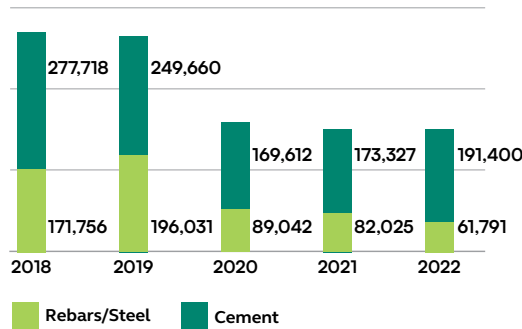
Ayala Land undertakes initiatives and measures to promote the conscious consumption of materials, energy, and water in its developments, maximizing waste diversion and reducing its carbon footprint.

Materials Management

<GRI 301; SDG 12>

The company maintains its judicious use of construction materials. In MDC's concrete batching plants, fly ash is used as a substitute for cement, reducing cement consumption by 23%. Rebars and hard-plastic scraps are sent back to suppliers for recycling.

Construction Materials Consumption (in MT)



Note: Consumption from 2020 to 2022 was lower due to the pandemic.

Energy Management

<GRI 302; SASB IF-RE-130, IF-RE-410; SDG 7, 12>

Total energy consumption (from electricity and fuel) increased by 28% as business operations normalized during the year. The share of fuel consumption use increased to 31% from 28%, but the share of renewables to total energy consumption increased to 53% from 45% by shifting to renewable energy through power purchase agreements and renewable energy certificates.

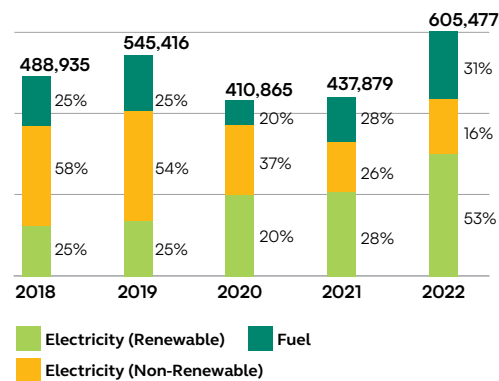
We regularly invest in equipment and make the necessary operational adjustments to enhance energy efficiency further, reduce environmental footprint, and generate savings for the properties and tenants. All our tenants are sub-metered for their electricity consumption, providing real-time data monitoring to optimize energy performance and make immediate operational adjustments, if necessary.



APMC manages the energy use in Ayala Land's estates and developments as part of property management. They achieved an ISO 50001 certification in energy management in 2022.

On energy intensity, the total building kWh consumption per square meter (sqm) for malls and offices rose by 12% and 3%, respectively. However, values were still below the ASEAN kWh per sqm benchmarks of 192 for malls and 160 for offices. Meanwhile, the hotel's energy intensity rose by 28%, which caused its value to surpass the ASEAN benchmark of 216 by 7%.

Energy Consumption Mix Within the Organization (in MWh)



Note: The energy consumption from fuel 2019-2020 was restated. 2020 and 2021 consumption were lower than the previous years due to the pandemic.

Total Energy Consumption

(in MWh)	2018	2019	2020	2021	2022
Within the organization¹	488,935	545,416	410,865	437,879	605,477
Commercial Properties ²	293,338	346,781	310,454	240,788	417,142
District Cooling Systems ³	71,276	81,763	256	448	143
Construction Projects	117,647	50,777	63,876	107,493	124,383
Estates and Carparks ⁴	6,673	7,400	12,280	14,071	5,855
Airlines ⁵	-	58,696	23,448	27,699	56,876
Industrial Parks ⁶	-	-	551	817	1,079
Outside the organization⁷	484,084	520,980	454,832	532,243	634,659
Commercial Properties	451,469	462,873	378,308	371,637	526,311
Residential Properties ^{4,8}	32,615	58,107	75,683	155,328	100,812
Industrial Parks and Warehouses	-	-	840	5,278	7,536
Total	973,019	1,066,397	865,697	970,122	1,240,136

¹ Consumption within the organization comprises of consumption within areas where ALLI has operational control.

² Includes Malls, Offices, Hotels, and Resorts.

³ Starting 2020, electricity consumption of district cooling systems has been reallocated under ALLI-connected commercial properties (malls, offices, hotels). Remaining energy consumption within the organization in 2020 comes from fuel use. Consumption of non-ALLI properties has been declared under Scope 3 or outside the organization. Share of electricity consumption has been estimated based on BTU consumption.

⁴ For properties with unavailable data, consumption was estimated based on previous year's data.

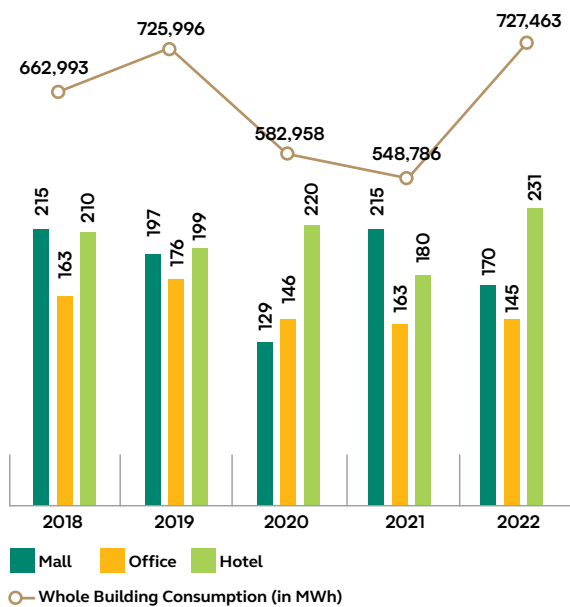
⁵ Electricity and fuel consumption from AirSWIFT was added starting 2019.

⁶ Electricity consumption from ALLHC's industrial parks was added starting 2020. Fuel consumption was added starting 2021.

⁷ Consumption outside the organization comprises of consumption within (i) leased areas for commercial properties and industrial parks, and residential properties which have been turned over. No data available for consumption within non-Ayala Land properties located in our estates.

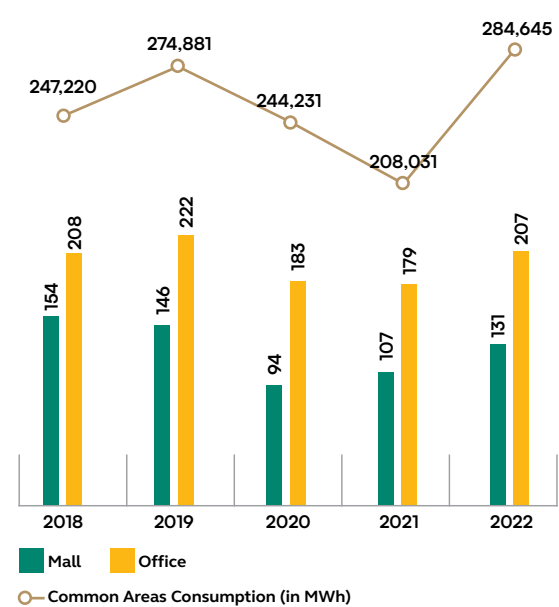
⁸ Includes only the consumption within common areas. No data available for consumption of unit owners.

Energy Consumption (Commercial Properties, Entire Building)



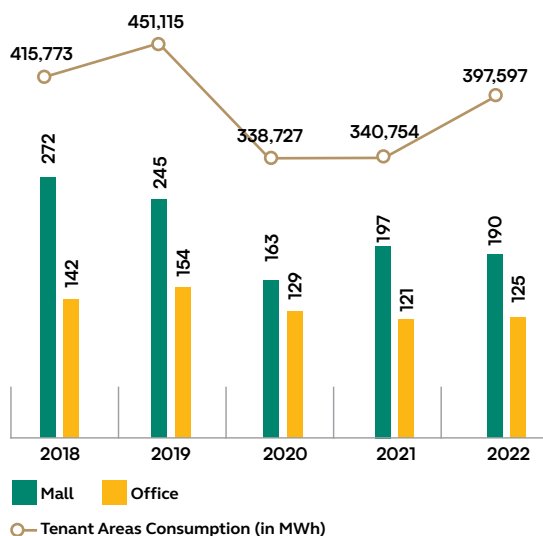
Note: Considering significant changes in occupancy due to the pandemic, energy consumption was measured per sqm of the occupied floor area.

Energy Consumption (Commercial Properties, Common Areas)



Note: Considering significant changes in occupancy due to the pandemic, energy consumption was measured per sqm of the occupied common area.

Energy Consumption (Commercial Properties, Tenant Occupied)



Note: Considering significant changes in occupancy due to the pandemic, energy consumption was measured per sqm of the occupied leased area.

Water Management

<GRI 303; SASB IF-RE-140, IF-RE-410; SDG 6, 12>

Consistent with the company's energy utilization, water consumption increased as COVID-19 restrictions eased. Water consumption within the organization grew by 17% to 8,980 million m³, led by commercial properties, industrial parks, warehouses, and airlines. Nonetheless, water consumption in construction decreased by 16%, while consumption in estates and carparks declined by 1%.

Outside the organization, consumption only increased by 6% to 5,989 million m³ year-on-year. Tenant employees' return-to-office, more resort visitors, and increased business activity in industrial parks and warehouses drove the increase. Water consumption in commercial properties increased by 52%, while usage in industrial parks and warehouses almost doubled.

Total Water Consumption

('000s m ³)	2018	2019	2020	2021	2022
Within the organization¹	13,365	10,664	8,002	7,660	8,980
Commercial Properties (Malls, Offices, Hotels, Resorts)	9,167	9,424	5,527	5,107	6,691
District Cooling Systems	234	162	441	409	417
Construction	3,379	945	1,329	1,699	1,424
Estates and Carparks ²	585	128	764	443	437
Industrial Parks and Warehouses ⁴	-	-	33	1	7
Airline	-	6	2	2	3
Outside the organization⁵	1,442	1,637	3,571	5,624	5,989
Commercial Properties (Offices, Resorts)	-	-	795	554	842
Residential Properties ⁶	1,442	1,637	3,571	5,029	5,029
Industrial Parks and Warehouses ⁷	-	-	26	41	113

¹ Consumption within the organization comprises of consumption within areas where ALI has operational control.

² Consumption increased in 2020 due to improvements in water data collection.

³ For properties with unavailable data on certain months, consumption was estimated based on previous month.

⁴ Water consumption from AirSWIFT was added in 2019 and 2020, while consumption within ALLHC's industrial parks was included in 2020.

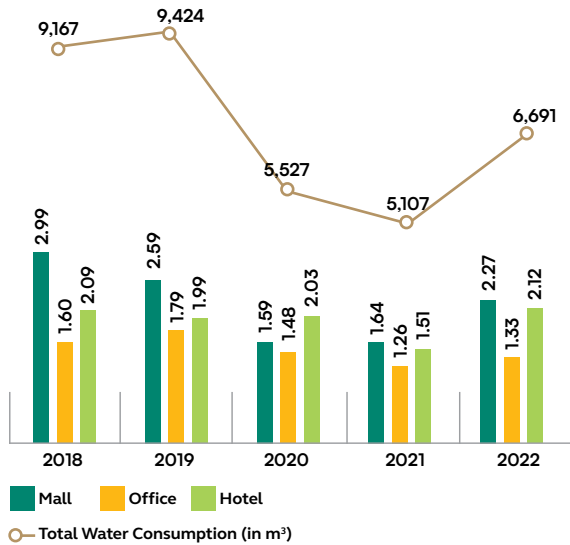
⁵ Consumption outside the organization comprises of consumption within (1) leased areas for commercial properties and industrial parks, and (2) residential properties which have been turned over. No data available for consumption within non-Ayala Land properties located in our estates.

⁶ Starting 2020, offices and resorts' water consumption has been broken down between consumption in common areas (within the organization) vs leased areas (outside the organization). Breakdown of malls' consumption to be done in 2021.

⁷ Due to data availability, only the consumption within common areas of residential properties is declared.

Note: 2020 and 2021 consumptions were lower than previous years due to the pandemic.

Water Consumption (Commercial Properties, Entire Building)



Note: Considering significant changes in occupancy rate resulting from the pandemic, water intensity was measured per sqm of occupied floor area.

IMPACT PROJECTS: CARBON NEUTRALITY AND NET ZERO

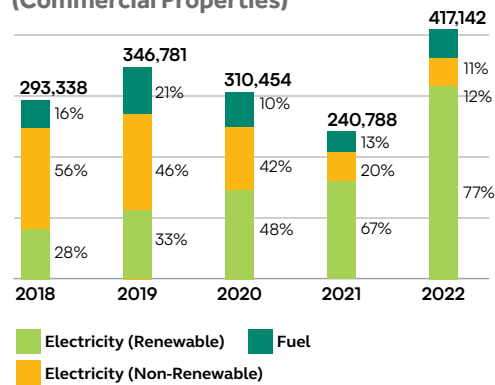
<GRI 305; SASB IF-RE-450; TCFD Strategy, Metrics and Targets; SDG 7, 13>

Carbon Neutrality by 2022

In 2017, Ayala Land announced its goal to be carbon neutral in Scope 1 and 2 emissions from its commercial properties by 2022. Third-party verification for organizational (GHG inventory and emission) and project (carbon forests) accounting commenced in the first quarter of 2022. The results of the verification will be presented in the 2023 report.

The company's primary strategy to reduce emissions is to shift to renewable energy (RE) sources through power purchase agreements. In 2022, 22 more buildings turned to renewable energy, bringing to 87 buildings with renewable energy sources. This represents 91% of the total GLA. Net emissions from commercial properties decreased by 250,723 t-CO₂e, and the share of RE in the commercial properties' energy mix increased to 77% from 67% the previous year.

Energy Consumption Mix (Commercial Properties)

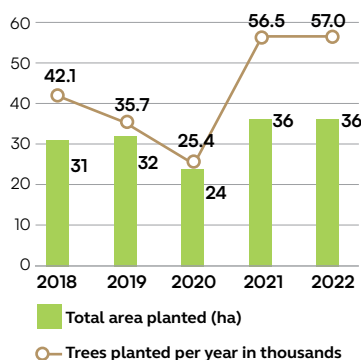


Note: The energy consumption from fuel 2019-2020 was restated. 2020 and 2021 consumption were lower than the previous years due to the pandemic.



An ISO 14064 verification was conducted starting in the 1st quarter of 2022 to validate the offsets from the carbon forests and the carbon neutrality achievement of the company, and carbon stock remeasurements.

Carbon Forest Performance



Reforestation through assisted natural regeneration (ANR) increased the carbon stock in Ayala Land’s 586 hectares of carbon forests, or carbon sinks. ANR consists of tree planting, removing competing vegetation, and rescuing and nurturing trees to accelerate forest recovery. 56,681 native trees were planted in previously barren areas estimated to be 31 hectares. This brings the number of trees planted to almost 216,000 across 140 hectares since 2018.

Carbon Neutrality Strategy Update

(‘000s m ³)	2018	2019	2020	2021	2022
Shift to Renewable Energy (RE)¹					
Buildings with RE	34	51	57	65	87
% to total (sqm GLA) ²	48%	59%	73%	85%	91%
Protect and Enhance Carbon Forests					
Area allocated (ha)	560	586	586	586	586
Area planted (ha)	31	32	24	36	36
Native trees planted ³	42,057	35,719	25,415	56,510	57,010
Volunteers mobilized	1,449	4,177	635	486	500

¹ No. of buildings updated from 2017-onwards based on shift dates.

² Percentage share of buildings with renewable energy sources as measured in sqms of GLA of malls and offices. Percentage in 2020 corrected.

³ Trees planted in 2019 corrected.

Carbon Neutrality Results

(in t-CO ₂ e) ¹	2018	2019	2020	2021	2022
Gross Emissions ² (Commercial Properties within the Organization)	244,046	280,272	261,985	253,740	302,378
Less: Renewable energy use	60,869	121,951	154,403	163,906	250,723
Less: Carbon Forest offset ³	415	1,245	2,490	4,151	6,227
Net Emissions	182,762	157,076	105,091	46,734	45,248
% Reduction ⁴	25%	44%	60%	78%	85%

¹ Emissions are market-based and calculated using the GHG Protocol Corporate Accounting and Reporting Standard.

² Emissions if properties had not shifted to renewable energy sources (business-as-usual scenario).

³ Only considers the removals from carbon sinks as calculated by a third party. Verification of the carbon offset is still ongoing.

⁴ Restated to reflect updates on offset values based on the Center for Conservation Innovation Philippines (CCI PH) Emission Removals Calculations

Net Zero by 2050

As part of the Ayala Group, Ayala Land announced its bold commitment to achieving net-zero emissions by 2050, covering scopes 1, 2, and 3 emissions. While scope 1 and 2 emissions are associated with the company’s controllable emissions from fuel, refrigerant, and electricity use, scope 3 emissions cover all other emissions from its value chain, such as those from suppliers, tenants, and customers.

Ayala Land has completed its 2021 emissions inventory and calculation through a third-party specialist. This will be the base year for the target setting, identification of decarbonization strategies, and net-zero roadmap formulation, which are currently ongoing as of the first quarter of 2022.

Based on the third-party specialist’s GHG Inventory and Emission Report, ALI has a total emission of 2.96 M tCO₂e, 95% of which comes from scope 3 owing to purchased goods and services and use of sold products as the most significant sources comprising 75% and 15% of total emissions, respectively. This signifies the need to prioritize the interventions for these sub-categories.

CIRCULAR WASTE MANAGEMENT

<GRI 306; SDG 12>

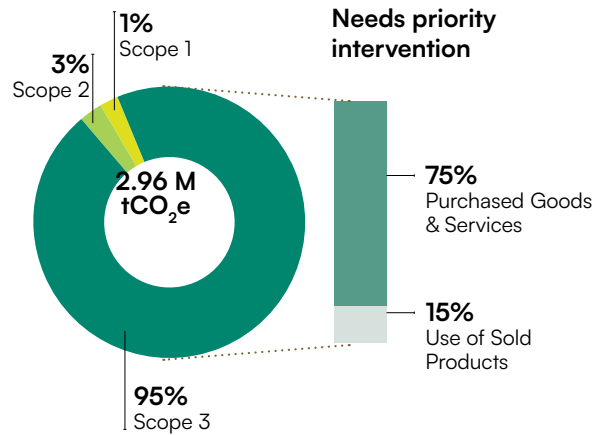
Solid Waste Management

Ayala Land strengthens its adoption of the circular economy model to reduce and avoid waste sent to landfills. This involves two main processes— segregating waste at the property level and utilizing waste through recycling and reprocessing activities. For Ayala Land, we use them as additives in construction materials.

We undertook research and development to enable the utilization of plastics in construction projects. In partnership with MDC, we pioneered developing and using a new construction product: ready-mix concrete with plastics. Shredded plastic bottles served as a sand substitute and were added to the concrete mix used for sidewalks. The new product passed all technical requirements, thereby allowing its general usage.

In 2021, all Metro Manila malls set up plastic collection booths to encourage mallgoers to bring used plastics regularly. This initiative increased the

2021 Ayala Land Group GHG Inventory and Emission Results



Note: Scope 1 covers Mobile and Stationary Emissions of all SBUs
Scope 2 covers Purchased Electricity

collection rate by 89% to 106 tonnes in 2022, compared to only 56 tonnes in 2021.

A total of 130 tonnes of plastics were used in Ayala Land developments during the year through the ready-mix concrete and continued use of eco-products from Green Antz, a significant increase from 75 tonnes in 2021. We have collected and repurposed more than 240 tonnes of plastics since we started the initiative in 2019. Meanwhile, composting efforts increased to 192 tonnes for the reporting year from only a tonne in 2020.

Total waste increased by 22% year-on-year to 26kT; 80% was sent to landfills and the rest to recyclers, while others were composted.

On the other hand, construction waste totaled 367,000 m³, significantly less than 1.1M m³ in 2021. Construction waste reported in MT were included in the total value of solid waste generated.

Waste Management (Total)

(metric tonnes) ¹	2018	2019	2020	2021	2022
Total Waste Generated	47,352	43,486	25,469	21,502	26,241
Landfilled	41,214	35,574	19,798	16,480	21,037
Residual ²	25,867	20,948	10,186	9,777	12,248
Food	8,749	10,593	3,355	4,865	6,578
Compostable ³	6,598	4,033	6,257	1,838	2,211
Diverted from Landfills	6,138	7,941	5,688	5,078	5,204
Sent to recyclers ⁴	6,138	7,894	5,641	5,022	4,905
Plastics collected through ecohubs ⁵	-	32	46	56	106
Plastics processed for ALI projects	-	1	28	75	130
Plastics processed for non-ALI projects ⁶	-	2	1	-	-
Food composted	-	15	1	-	192

¹ Total waste generated across all businesses.

² All other solid waste is non-food and non-compostable.

³ Includes landscape waste such as leaves, shrubs, tree trimmings, and grass clippings.

⁴ Includes traditional recyclables such as paper, cartons, glass bottles, and aluminum cans.

⁵ Arca South and Lio eco hubs. Those not processed for ALI and non-ALI projects during the year were stored for future use or diverted through other plastic products.

⁶ Plastics that are processed in Arca South eco hub and used for construction materials for non-ALI projects.

Waste Management (Construction)

(m ³)	2018	2019	2020	2021	2022
Total Construction	799,116	1,230,603	885,144	1,136,685	366,690
Sent to Landfill	76%	59%	61%	39%	48%
Diverted from Landfill ²	24%	41%	39%	61%	52%

¹ Additional waste from construction activities is measured in cubic meters. For accuracy purposes and due to the varying densities of construction materials, waste in cubic meters is reported separately from waste in metric tonnes. Construction waste in metric tonnes is reported with the rest of the solid waste.

² Waste to recyclers.

Hazardous Waste Management

Ayala Land complies with the Republic Act 6969 (Toxic Substances and Hazardous and Nuclear Waste Act of 1990) and the Department of Environment and Natural Resources (DENR) Administrative Order 2013-22 (Revised Procedures and Standards for the Management of Hazardous Wastes).

Our estates and developments have designated hazardous waste storage rooms and DENR-controlled Hazardous Wastes Generators' ID Numbers. All hazardous waste generated from the properties is transported and treated by DENR-accredited vendors.

Since 2017, APMC has partnered with the ABS-CBN Lingkod Kapamilya Foundation, Inc. (ALKFI) to recycle Ayala Land's commonly-generated hazardous waste – lead acid batteries and industrial oil for generator sets and waste electronic and electrical equipment – through the former's Bantay Kalikasan program. Proceeds from the sale of the recycled materials are donated to ALKFI to fund their reforestation programs.

Other hazardous wastes not processed through the partnership with ALKFI, such as busted bulbs, empty containers previously holding hazardous wastes, and grease, are transported and treated by DENR-accredited transporter and disposal facilities. All recycled and treated waste is provided

Hazardous Wastes Generated

(in tonnes)	2018	2019	2020	2021	2022
D406 ULAB ¹	12	150	34	42	36
D407 CFL ²	16	114	30	26	20
I101 Used Industrial Oil	78	42	19	87	45
J201 Containers	-	10	16	12	9
M506 WEEE ³	2	19	60	28	23
H802 Grease Wastes	-	-	-	-	3
F601 Paint/Organic Sludge	-	-	-	-	1
M501 Infectious Wastes	-	-	-	-	<1
M503 Pharmaceuticals and Drugs	-	-	-	-	<1
M507 Special Wastes	-	-	-	-	1
(in liters)	2018	2019	2020	2021	2022
I101 Used Industrial Oil	-	-	-	-	20
I102 Vegetable Oil Including Sludge	-	-	-	-	5
I104 Oil-contaminated Materials	-	-	-	-	1

¹ ULAB — Used Lead Acid Batteries

² CFL — Compact Fluorescent Lightbulbs

³ WEEE — Waste Electrical and Electronic Equipment (e-waste)

with a Certificate of Treatment from their respective haulers as proof of proper disposal and reported to DENR every quarter or as applicable.

For 2022, hazardous waste from other commercial properties, including malls and resorts, was reported. Hauling of hazardous waste resumed in

2021 following the easing of COVID-19 restrictions. 23% of the total ULAB, WEE, and used oil generated in the current reporting period were recycled, and the rest are still stored on site in preparation for hauling.

Social Engagement

Ayala Land engages with stakeholders and regularly conducts various programs and activities to address their concerns. We are committed to contributing to local economic development by creating jobs, providing training and development opportunities for our workforce, and ensuring the health and safety of our stakeholders.

2022 HIGHLIGHTS

Employment & Job Creation

47,747 employees

regular and support personnel of the Ayala Land Group; 82% of APMC's workforce and 75% of the Hotels and Resorts group employees are locals

441,000 jobs

provided by mall and office tenants and business suppliers

699 vendors

accredited by the Ayala Land Group

1,600 social enterprises

were provided free retail space by the Alagang AyalaLand program, generating an estimated 10,000 jobs

Training & Development

26.93 training hours

per employee were provided by the Ayala Land Group for career and skills development

4,890 graduates

of the MDC-TESDA training program were honed for employment readiness

Health & Safety

0.03

total disabling injury rate achieved by MDC

CONTRIBUTION TO LOCAL ECONOMIC DEVELOPMENT

<GRI 401, 402>

Ayala Land has contributed significantly to employment generation, providing jobs for 47,747 regular employees and support staff and generating over 441,000 jobs through mall and office locators and business suppliers. In addition, the 1,600 Social Enterprises (SEs) supported through the Alagang AyalaLand program generated an estimated 10,000 jobs.

Ayala Group Employment Summary

	2018	2019	2020*	2021	2022
Direct Employees	5,358	6,180	6,133	5,756	6,362
Support Staff ¹	54,369	44,384	26,907	35,922	41,385
Total	59,727	50,564	33,040	41,687	47,747

¹ 2021 value restated.

* Data from AyalaLand Logistics Holdings Corp., SASI, Prime Support Services Inc., Cebu Holdings Inc., Accendo Corp., and Cagayan de Oro Gateway Corp. were added in the 2020 report.

The Ayala Land Group had a total headcount of 47,747, comprising 6,362 direct employees and 41,385 support staff under construction, property management, sales, and other services. Of the company's support staff, 11.5% are project and seasonal employees, 0.4% are consultants, 57.2% are independent contractors, and 30.9% are indirect hires.

The mall and office locators and business suppliers generated more than 441,000 jobs. This figure is four times higher than in 2021. Meanwhile, the Alagang AyalaLand program (which supports social enterprises) generated an estimated 10,000 jobs from producing and selling livelihood products and services. For more information on Alagang AyalaLand, see page 102 of this report.

Employee Profile

Ayala Land keeps track of the profile of its direct employees. Regarding age, 64% are 30 and above, while 36% are below 30. By region, 88% are from Luzon, 8% from the Visayas, and 3% from Mindanao. 53% are female, and 47% are male.

A total of 1,564 new direct employees were hired in 2022, wherein 57% are female. The attrition rate in 2022 reached 16.17% owing to talents pursuing other fields and addressing personal challenges brought about by the pandemic.

Employee Attrition

	2018	2019	2020*	2021	2022
% to Total	12.69%	12.55%	9.51%	14.97%	16.17%

* Data from AyalaLand Logistics Holdings Corp., SASI, Prime Support Services Inc., Cebu Holdings Inc., Accendo Corp., and Cagayan de Oro Gateway Corp. were added in the 2020 report.



MDC also launched and operationalized TESDA's Tulong Trabaho Program in collaboration with Cooperatives and skills training partners. MDC assisted in the registration of partner cooperatives to PCAB Pakyaw License which aims to strengthen cooperative engagement and employee welfare.

Local Hiring Priority

Local hiring is a priority for Ayala Land's projects. 82% of APMC and 75% of the hotel and resort workforce are locals. Furthermore, 34% of MDC's workforce are local hires.

Construction Workforce

Focused on strengthening and supporting MDC's self-perform capabilities, construction industrialization, and business expansion, MDC grew its workforce from 46,958 in 2021 to 61,091 by end of 2022. The 30% increase was attributed to the full resumption and acceleration of construction activities in line with the easing of quarantine restrictions.

Compliance with the Labor Code Notice Period Requirement

Ayala Land complies with the Labor Code of the Philippines for minimum notice periods regarding significant operational changes, and strictly complies with all labor regulations and local government guidelines in every project site.

HEALTH AND SAFETY

<GRI 403>

Ayala Land consistently enforces health and safety regulations, particularly in its construction operations, batching plants, and mechanical equipment yards. We continuously apply risk management practices at every stage of the construction process, ensure compliance with safety regulations and standards, and continually improve our environment, health, and safety (EHS) management system.

An EHS committee monitors the implementation of environmental, health, and safety practices at every construction site to mitigate safety risks. MDC utilizes an online monitoring system to conduct scheduled internal EHS audits.

By implementing ongoing safety measures and initiatives in construction and operations, MDC reduced disabling injuries from 12 in 2021 to 4 in 2022, with a total of 138 million man-hours logged. This performance resulted in a lower Total Disabling Injury Rate (TDIR) of 0.03 from 0.11. 102 projects achieved at least 1 million safe man-hours. MDC continues to aim for zero incidents with a maximum threshold of 0.25 TDIR, better than the US Bureau of Labor Statistics rate of 3.

MDC Safety Performance*

	2018	2019	2020*	2021	2022
Man-hours (millions)	193.5	190	78	108	138
Disabling Injuries/Illnesses/Fatalities	19	45	11	12	4
Injury/Illness resulting in Lost Time	5	42	11	11	4
Injury-related Fatalities	14	3	0	1	0
Total Disabling Injury Rate (TDIR)**	0.10	0.24	0.14	0.11	0.03

* Combined health and safety performance of construction (MDC) and property management and operations (APMC, AHRC and ALMI). For 2022, AHRC values do not include the statistics from the hotels group.

**TDIR is measured using the following formula: (Total disabling injuries x 1,000,000) / Total man-hours

MDC Safety Practices

Construction workers must use PPE, including safety helmets, safety shoes, glasses, gloves, and safety harnesses with a dual lanyard attached to an appropriate anchor point or lifeline for those working at heights.

Proactive safety initiatives include walk-through inspections by management; pre-activity training focused on work methodology and hazard control conducted quarterly; peer review of all designs before approval; approved work permit for all nominated high-risk activities; and inspection of all formworks by the inspectorate team before concrete pouring.

Training sessions on health and safety are conducted monthly for safety personnel, with 42,764 training hours conducted in 2022, almost double the level of 21,438 training hours during the prior year. Topics covered include Construction Occupational Safety and Health; First Aid and Basic Life Support (BLS) Training; Work Environment Measurement; Risk Assessment; Equipment Transport Safety; and Emergency Preparedness and Response Plan, among others.

Emergency Preparedness

All MDC sites have detailed emergency preparedness and response plans that include regular drills for fire, earthquakes, and other identified emergencies. Incidents are immediately investigated to determine their root causes, and, if necessary, new controls are put in place to prevent the recurrence of similar incidents. Issues are immediately reported to the appropriate management level and recorded promptly through an interconnected monitoring system.

APMC Property Management Safety

APMC conducts regular programs and seminars on government-mandated safety and health

standards, fire code compliance, and occupational safety. These resulted in APMC averting 124 possible significant incidents in its managed properties during the year.

APMC conducted a total of 14,680 weekly emergency response drills across all managed properties, which is up by 7% from the previous year. With safety programs, proactive personnel readiness, and fire protection system reliability, no major fire incidents took place in 2022.

Employee Wellness

Employees' health and safety continued to be a priority in 2022. COVID-19 booster vaccines were made available for employees and dependents. Flu and pneumococcal vaccines were also offered to employees and dependents, with a total of 961 shots administered. Teleconsultations with the in-house physician are available through the ALI clinic, with PCR and antigen testing readily accessible if needed.

To further strengthen safety practices, on-site First Aid Training was conducted and attended by 29 employees. They will serve as additional first-aid responders throughout the ALI Group.

Employee Engagement

As Ayala Land continued to move forward toward full recovery, employee engagement programs were delivered on numerous platforms to rally the organization back to normalcy. Events such as Quarterly Townhalls, ALI Anniversary Week, hALLween, Thursday Happy Lunch Hours, AyalaLand Football Cup, President's Cup Golf Tournament, and Christmas Parties among others, promoted collaboration, camaraderie, and better company engagement among employees.

TRAINING AND DEVELOPMENT

<GRI 404>

In 2022, Ayala Land Group's employees dedicated 171,317 hours to formal training, averaging 26.93 hours per employee. Although this figure indicates a slight decline from the previous year's total of 173,491 hours, it is primarily due to changes in the delivery of formal training brought about by technological advancements. Despite this, the company's dedication to employee development remains unwavering.

Employee Training Hours

	Male	Female
Total	88,622	82,695
Average	29.81	24.41

Training Programs

927 employees completed the DigitALI CX course to enhance the digital intelligence of executives, managers and selected staff-level employees who are part of the company's digitalization thrust. Additionally, Ayala Land refreshed its sought-after level-based leadership programs, such as the Associate Managers' Program and New Managers' Boot Camp, to adapt to the volatile, uncertain, complex, and ambiguous business and workplace landscape.

Another level-based program, Ayala Land Forum, covered relevant topics such as coaching, communication, goal setting, values, and other crucial areas as the company shifted towards a V-shaped recovery. To support individual development, Ayala Land also offered a subsidy program for qualified employees who wanted to pursue post-graduate studies. These initiatives demonstrate Ayala Land's commitment to enhancing the skills and knowledge of its workforce and preparing them for future challenges.

Additional training options and tailored courses are designed to enhance employees' skills and enable them to perform at their best. These programs focus on improving business and technical knowledge, and leadership skills, instilling values and ethics, and promoting corporate governance. In addition to webinars and onsite training, employees have access to self-paced learning through online platforms such as LinkedIn Learning and Ayala Land PLUS.



MDC's partnership with TESDA has generated 37,324 graduates since its inception in 2015

Construction Skills Training

With its commitment to quality and excellence, MDC launched new training modules for DfMC, developed a competency-based skills trade testing system, and maintained three (3) TESDA-accredited in-house skills trainers. MDC-TESDA Training Centers also fully resumed its face-to-face training sessions. It generated 4,869 trained, skilled workers and ten (10) registered NC-II Passers who are working in various MDC projects. This brings up the total number of graduates to 37,324 since inception in 2015.

MDC TESDA Graduates*

	2018	2019	2020*	2021	2022
Graduates	5,306	5,139	1,685	925	4,869

* 2020 and 2021 values restated.

Property Management Training

In May 2021, APMC launched APMC e-University. In this learning management system, employees can access the training courses, enroll in open courses, check their assigned activity history, and track their progress. In 2022, APMC conducted 66,528 hours of training, which is 40% higher than the previous year.

APMC also released 48 e-learning modules on various topics, created by subject matter experts, and introduced LEAD (Leadership Academy for Development), a series of leadership programs for supervisor and manager trainees. APMC also provided 7 continuing professional development training sessions with 464 attendees, equivalent to 2,263 total credit units earned.

STAKEHOLDER RELATIONS

Ayala Land actively engages its stakeholders through various means and initiatives to address their needs.

Property Buyers

Ayala Land's residential brands continuously aspire to provide sharp customer focus and high service levels. Surveys are conducted regularly to seek feedback on client servicing, document processing, unit turnover, and the overall living experience in the properties. Feedback is also received from client service representatives, frontliners, emails from Ayala Land and the brand websites, and social media.

Client servicing teams handle the turnover of properties to buyers, while technical associates from the brands' client services group attend to buyers' post-construction concerns. At the front line, queries from buyers are addressed by sellers, who regularly attend training sessions and briefings on the various brands' projects and processes.

In response to the restrictions caused by the pandemic, Ayala Land's residential brands maximized the use of technology to engage property buyers. They increased digital selling initiatives across different platforms, resulting in

P25.5-billion worth of sales reservations, equivalent to 24% of the total.

Buyers can view the model unit, walk through the actual unit, and conduct the unit turnover online. Physical showrooms and on-site turnover adhered to strict social distancing and safety protocols.

Amicassa Process Solutions, Inc. processed the release of 18,630 titles to property buyers in 2022, more than double of 2021 levels.

Brokers and In-house Sellers

As of the end of 2022, Ayala Land's residential brands and its international sales group, Ayala Land International Sales, Inc. (ALISI), have 3,708 sellers and 4,640 brokers.

Sales Team Profile

Brand	Brokers	In-house Sellers
ALP	274	272
Alveo	242	750
Avida	713	797
Amaia	685	1,515
BellaVita	2,693	93
ALISI	23	281
Total	4,640	3,708

ALP's In-house team spearheaded 43 training and engagement activities with 3,494 attendees. At the same time, ALP's brokers held 24 events (accreditation, training, engagement) with 870 attendees. In total, ALP had 67 events last year, with 4,364 attendees.

Alveo conducted 156 training sessions for in-house sellers covering Leadership Development, Marketing Tools and Support, and several soft skills. 90% of the sessions were held virtually and attended by 3,759 sellers. The sales divisions provided 64 external in-person training programs on selling and closing techniques, professional development, culture building, and other technical skills. The engagement team also organized several activities, including sales

kick-offs, monthly morning sessions, midyear, and annual awards, combining online, hybrid, and in-person events.

Avida conducted 162 training sessions for 9,401 attendees on certification, professional development, and special programs on product knowledge. Avida sellers performed lead generation activities at 547 sales events, 331 recruitment activities, and 173 digital marketing learning sessions to drive more aggressive marketing campaigns. In the second semester, Avida started welcoming customers for in-person events and hands-on site tours at various locations.

Amaia conducted 56 events (11 actual and 46 online) to attract and retain its sales force, drawing 2,569 participants. The sales team also conducted 90 training and development sessions attended by 1,422 individuals.

BellaVita piloted the 2022 Career Fair with Pamantasan ng Lungsod ng Maynila Real Estate Management (REM) students. The event contracted five sellers and four accredited sellers from Lyceum, Batangas. The "Come Home to BellaVita" Reactivation series reignited the commitment of 773 local sellers' commitment to BellaVita after being inactive the past year. Resumption of face-to-face training, site orientation, and the deputization of site coordinators to conduct the Project Expertise Program (PEP) were major factors in garnering 1,576 PEP-accredited sellers with an exemplary passing rate of 100% versus 98.5% in 2021. 133 sessions, and nine programs, with 2,477 attendees, were conducted in 2022. Sellers were engaged through online activities on social media such as Bibo sa Bella 2.0, Power Hour, T.G.I.F, and Gimme Five. From hybrid to face-to-face, annual and midyear sales rallies, quarterly sales kick-offs have been well attended.

Ayala Land's international sales group, ALISI, conducted 121 virtual training sessions covering accreditation, sales development, systems training, employee skills enhancement, wellness programs, and occupational health and safety webinars. These events generated approximately 1,885 attendees.

Residents, Shoppers, Tenant Employees, Tourists, and Hotel Guests

The company communicates and seeks feedback from the end-users of its products and services, i.e., residents, shoppers, tenant employees, tourists, and hotel guests, through regular satisfaction surveys, loyalty and appreciation programs, e-newsletters, and social media posts.

APMC received a 93.1% overall customer satisfaction rating and a 96% satisfaction rating for COVID-19-related efforts. Seda Hotels' overall guest satisfaction rating was 88.5%, similar to the previous year. Meanwhile, El Nido attained a guest satisfaction rating of 91.25%, slightly lower than 92% in 2021.

Employees and Workers

<GRI 401,407>

Workplaces at Ayala Land provide support and opportunities for employees to pursue their personal and collaborative goals. We prioritize employee well-being and have the programs in place to enhance their skills, encourage optimal performance and consistently promote their health and safety.

Open communication between Ayala Land management and employees is maintained through regular town halls, quarterly updates, performance reviews and feedback, team building sessions, organizational climate surveys, and established grievance mechanisms. Within the Ayala Land Group, Ayala Land Parent has an employees' union.

Based on the company's latest biennial employee engagement survey (2021), Ayala Land Group garnered an employee engagement score of 91%, with 100% direct employee participation, identifying career development, collaboration, and execution excellence as clear company strengths. This is 4% higher than the Philippine norm.

Compensation and Rewards

<GRI 401>

Ayala Land provides compensation and benefits as mandated by national labor laws and based on its performance incentive program. It rejects any form of forced and compulsory labor.

The company sustains its market competitiveness through a long-term compensation and benefits package. All regular employees receive life insurance, in-patient and out-patient health coverage, disability and invalidity coverage, medical

allowances, and retirement benefits. Project employees are provided health insurance coverage and are entitled to service incentive leaves and overtime pay.

Ayala Land has an employee compensation and rewards policy aligned with business performance. In particular, the Employee Stock Ownership (ESOWN) plan allows select employees to participate in the company's growth and instills a sense of personal accountability. The company also provides variable pay, such as a performance-based cash bonus directly linked to an individual's key deliverables established at the start of the year.

Employee Leaves

The company implements government-mandated leaves on paternity and maternity, with all employees entitled to parental leave. In 2022, 62 male and 140 female employees went on parental leave, with those returning to work at 60 and 117, respectively, as of the end of 2022.

Employee Return-to-Work

Return-to-work Rates	2018	2019	2020*	2021	2022
Men	99%	100%	95%	92%	97%
Women	88%	92%	97%	78%	84%**

* Data from AyalaLand Logistics Holdings Corp., SASI, Prime Support Services Inc., Cebu Holdings Inc., Accendo Corp., and Cagayan de Oro Gateway Corp. were added to the 2020 report.

** Of the 16%, 13% were still on maternity leave as of the end of 2022, 3% resigned

Diversity and Equal Opportunity

<GRI 401,405>

Ayala Land recognizes the importance of diversity and equal opportunity in the workplace. Women account for 53% of the company's employees.

A more detailed breakdown of employees by gender is reported in our social data pack, available at <https://ir.ayalaland.com.ph/sustainability/sustainability-data-and-performance>.

Ethical Behavior

<GRI 205,402,406,408,409>

Ayala Land upholds high standards of accountability and ethics and regards employees with utmost respect and professionalism. Open dialogue between employees and management has been the bedrock of the company's solid and sound organizational partnership.

Non-Discrimination

Ayala Land's non-discrimination policy encourages employees and stakeholders to report discriminatory practices to Human Resources. In 2022, there were no reports of any act of discrimination.

Whistleblowing

The company provides customers, employees, and the public grievance mechanisms, including a customer service hotline, feedback form on the company website, and designated personnel in the various Ayala Land units handling such grievances.

The company's Whistleblowing Policy provides that any individual or entity that suspects or becomes aware of any irregularity or misconduct involving Ayala Land employees, brokers, sellers, business partners, suppliers, and service providers may report such behavior to Ayala Land management through secure channels. In 2022, no significant incident of illegal or unethical behavior was reported.

SEC Memorandum Circular No. 2003-13 defines an incident or unethical behavior as significant if it reduces the company's consolidated total assets by at least 5%.

For more information on the Whistleblower Policy, see page 117 of this report.

Business Partners, Suppliers, and Service Providers

<GRI 204, 205, 308>

Recognizing the rights of all business partners, suppliers, and service providers, Ayala Land strives to maintain long-term and mutually beneficial relationships through honest dealings and adherence to strict moral and ethical conduct.

Vendors and trade partners are given equal opportunities, and Ayala Land promotes fair and open competition by encouraging the highest level of safety, productivity, efficiency, quality, and cost competitiveness. Suppliers are accredited upon their full compliance with the company's standards and requirements.

As of the end of end-2022, the company had 2,501 vendors, 1,259 of whom were engaged during the year. 788 vendors were counted under the civil, structural, and architectural categories. Meanwhile, 699 vendors were newly accredited in the year, 73% higher than in the previous reporting period.

Vendor Profile Summary

	2018	2019	2020*	2021	2022
Total accredited vendors	2,279	2,932	1,923	1,891	2,501
New vendors accredited during the year	615	701	376	405	699
Vendors engaged during the year	69%	60%	78%	59%	50%
Vendors in civil, structural, architectural categories	49%	40%	39%	32%	32%
Vendors engaged based on sustainability procurement principles*	16%	32%	35%	51%	53%

* Percentage of active vendors with which sustainability procurement principles have been rolled out through Vendor Kapihan sessions.

Greening the Supply Chain

Consistent with Ayala Land’s aim to reduce the environmental impacts of its products and services, the company established a “greening the supply chain” campaign, exercising a preference to work with environmentally and socially responsible suppliers.

Vendors must complete a Green Metrics form to verify their sustainable practices, including compliance with environmental regulations, environmental management systems certification (ISO 14001), labor practices, and other sustainability programs. This requirement allows Ayala Land to embed sustainability parameters in the accreditation, shortlisting, and awarding.

Ayala Land also began familiarizing its vendors with its emphasis on sustainability and sustainable procurement principles in 2018. We are targeting 100% active vendor awareness in 2023.

In 2022, 1,334 or 53% of the accredited vendors attended one or more Vendor Kapihan (coffee talks) sessions, where they learned more about the company’s guidelines, processes, and programs related to sustainability. Topics discussed during the sessions included, among others, environmental health and safety, compliance with labor standards, vendor integrity, bonds, and insurance. The sessions also served as an additional venue for vendors to express their concerns about doing business with Ayala Land.

MDC continues to expand its vendor pool and reaches the broader community of micro, small and medium-sized entities (MSMEs) and social enterprises (SEs), including small-sized cooperatives. As of 2022, it engaged 226 social enterprises, micro-subcontractors, cooperatives, and start-up contractors.

Moreover, the Vendor’s Code of Ethics is regularly updated to enhance its provisions and conform to the ISO guidelines for Sustainable Procurement 20400:2017.

Vendor Audits

The Internal Audit Division likewise conducts vendor audits according to the Vendors’ Code of Ethics provisions to ensure that business partners, suppliers, and service providers strictly comply with the company’s anti-fraud policies. This code may be viewed at <https://www.ayalaland.com.ph/vendor-qualification/>.

In 2022, 12 vendor audits were managed by the team; seven were initiated, and five were carried over from previous years. These are currently in various stages of resolution, with ten tagged as completed, 1 in planning, and 1 in execution.

During the year, Ayala Land initiated a review of the group’s Business Integrity Program (BIP) and Vendor Audit Program (VAP).

For the BIP, relevant policies were created and reviewed to support the effective implementation of the program vis-a-vis the current business directions, applicable changes in laws and regulations, and leading practices. The Anti-Bribery and Corruption Policy and Vendor Audit Program Policy were among the new policies created. At the same time, enhancements were made to guidelines on the Code of Ethics and Chart of Offenses, Whistleblowing Policy, Employee Investigation Policy, Insider Trading Policy, and Related Party Transactions Policy. The Company also ensured that the BIP was aligned and implemented across all entities in the ALL Group.

In 2022, improvements to the VAP were implemented in Makati Development Corporation and Subsidiaries. These included revising the vendor contract templates and the Vendor's Code of Ethics (VCE) to include updates to specific provisions relating to the Data Privacy Act of 2012, including the Right-to-Audit clause and compliance with its updated VCE, among others. These changes shall be implemented in all other subsidiaries of Ayala Land in 2023

Against Child Labor

Child labor has no place in Ayala Land. The company carefully audits vendors and suppliers to ensure no underage worker is employed. Project sites are regularly audited to determine whether subcontractors and vendors adhere to general labor standards. No aspect of Ayala Land's operations has been identified as susceptible to child labor, forced labor, or exploitation.

Creditors

Ayala Land acknowledges creditors' rights and is committed to honoring its contracted financial obligations and any financial covenant they may contain. Creditors can access readily available information about Ayala Land for credit standing assessment. Ayala Land has not defaulted on any loan or payment to creditors.

Shareholders and Analysts

As a publicly listed company, Ayala Land provides financial and operational information to all its shareholders and analysts. Management and critical company representatives make themselves available and accessible for meetings.

Ayala Land complies with all the disclosure and transparency rules of the Securities and Exchange Commission (SEC), Philippine Stock Exchange

(PSE), and Philippine Dealing & Exchange Corporation (PDEX), ensuring that all relevant information is publicly available.

Shareholder Rights to Participate in Decisions Concerning Fundamental Corporate Changes

Shareholders have the right to participate in decisions concerning fundamental corporate changes, including amendments to Ayala Land's articles of incorporation and bylaws, issuances of additional shares, transfer of all or a substantial portion of the company's assets, approval of remuneration-related matters, the nomination of candidates for the board, and election of directors through voting.

Shareholder Voting Rights

Each common or preferred share of Ayala Land entitles the person in whose name the share is registered in the corporation's books to one vote.

Shareholder Rights to Participate Effectively and Vote in General Shareholder Meetings

During Ayala Land's annual stockholder meetings, each shareholder is entitled to as many votes as the shares registered under their name.

Shareholders are given the right to approve remuneration-related matters of the company's non-executive and independent directors during general meetings, whether regular or special. The last increase in remuneration of non-executive and independent directors, consisting of an annual retainer fee and per diem for board and committee meetings, was approved in 2011.

Noncontrolling or minority shareholders can nominate candidates to the Board of Directors. For more information on the Voting Procedures, page 114 of this report.

Stockholders may email questions or comments before or during the meeting at the following email address: corporatesecretary@ayalaland.com.ph. Stockholders, as of the record date owning at least 5% of the total outstanding capital stock of the Company, may submit proposals on items for inclusion in the agenda of the Annual Stockholders' Meeting.

Analyst Briefings

Ayala Land conducted quarterly briefings for equity and credit analysts and communicated directly with institutional and individual investors through one-on-one meetings, video conference calls, and written communications such as e-mail.

Virtual conferencing facilities have been provided for one-on-one meetings and analyst briefings, and video replays of the briefings are made available on the IR website.

Broker Conferences and Roadshows

The President and CEO, Chief Finance Officer, and other key management team members, together with the investor relations team, attend investor conferences and non-deal roadshows to ensure regular discussions with institutional shareholders. In 2022, the group attended 20 conferences, 10 held in person.

Investor Meetings

Ayala Land hosted 69 meetings with investors and sell-side analysts. All these activities allowed the team to meet 219 firms and 312 representatives, ensuring continued engagement. The President, CEO, and Chief Finance Officer participated in 41 and 64 meetings, respectively.

Communities and Non-Government Organizations

<GRI 413>

All projects undergo regular impact assessments throughout the project cycle to address the concerns of affected communities and local government. The company deliberately engages the communities through collaboration and consultations during the project's early stages to understand and deliver the appropriate social programs and ensure the relevance of large-scale mixed-use projects.

Community Support Initiatives

Ayala Land's presence across the country provides communities with opportunities for employment, livelihood, and essential health services. We conduct training programs for the community members so their available workforce can seek jobs in our projects or other workplaces. We also partner with local public schools and barangays to conduct feeding programs and medical missions.

At Lio Estate, we supported social enterprise groups by purchasing local produce.

Alagang AyalaLand

Alagang AyalaLand was formed in 2021 to support local communities and help them recover by providing livelihood opportunities.

Close to 1,600 social enterprises (SEs) nationwide were supported in 2022 through the synergy of the different Ayala Land business groups. 1,100 of these SEs were in 32 Alagang AyalaLand Centers in 32 Ayala Malls nationwide. Some supply goods and



The launch of One Town One Product (OTOP) hubs at select AyalaMalls, in partnership with the DTI

services to Makati Development Corporation and Ayala Property Management Corporation, deliver horticultural needs to estates, provide transport services to office employees, and are integrated into the hotels and resorts supply chain as suppliers of goods.

Ayala Land also partnered with organizations to create more opportunities and platforms where SEs can promote and sell their products. Sinag Sari-Sari Store was launched in TriNoma and Glorietta in partnerships with BPI Foundation and Bayan Academy. Ayala Land also partnered with the Department of Trade and Industry (DTI) to establish six One Town, One Product (OTOP) Hubs nationwide in select Ayala malls, specifically at Alabang Town Center, MarQuee Mall, Ayala Malls Legazpi, Ayala Malls Capitol Central, Ayala Malls Centrio, and Harbor Point.

Alagang AyalaLand also supports Brigadang Ayala programs and continues to provide disaster relief assistance within 24 hours through the Community Engagement teams in all Ayala Malls. In 2022, immediate aid was provided to surrounding communities affected by the typhoons in Davao City, Batangas, Cavite, and Iloilo.

National and Local Government

Ayala Land works with the government, both at the local and national levels, to help address pressing social issues. We constantly seek to partner with the public sector in developing business solutions, initiatives, and infrastructure platforms that can catalyze social progress and contribute to raising living standards.

We participate in local government initiatives such as local business councils, job fairs, and medical missions. We also offer technical assistance to local government units in urban planning, public housing, disaster response, and support.

Media

Through its corporate communications division, Ayala Land regularly engages the media through multiple channels, such as conferences, briefings, news releases, fact sheets, social gatherings, one-on-one meetings, and third-party consultants. The company is focused on accessibility, ensuring that media inquiries and concerns are addressed on time, using readily

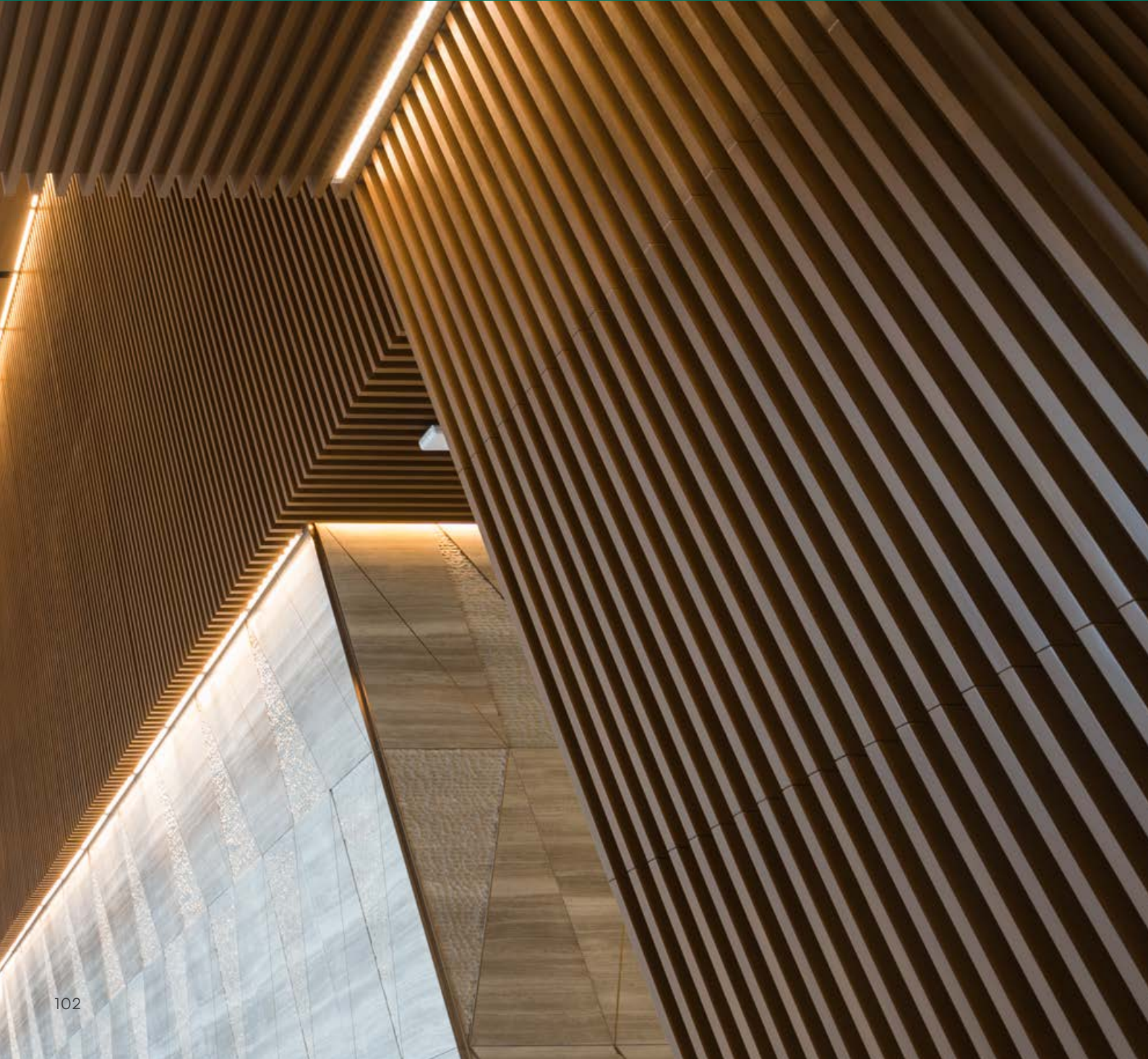


Opening of the Sinag Sari-Sari Store in partnership with BPI Foundation and Bayan Academy

available means of communication, such as face-to-face interaction, telephone calls, and e-mail.

Ayala Land has established an honest and transparent relationship with media representatives. Media engagement is always guided by the company's commitment to good corporate governance and ethical standards. Media-initiated causes and events aligned with the company's principles and advocacies are occasionally supported.

Corporate Governance



At Ayala Land, we believe that sound corporate governance is essential for long-term success. As such, we are committed to upholding the highest standards of corporate governance and ensuring compliance with Philippine and regional regulations. To this end, we have recently made significant changes to our client screening practices and Insider Trading Policy, further strengthening our commitment to transparency and accountability.

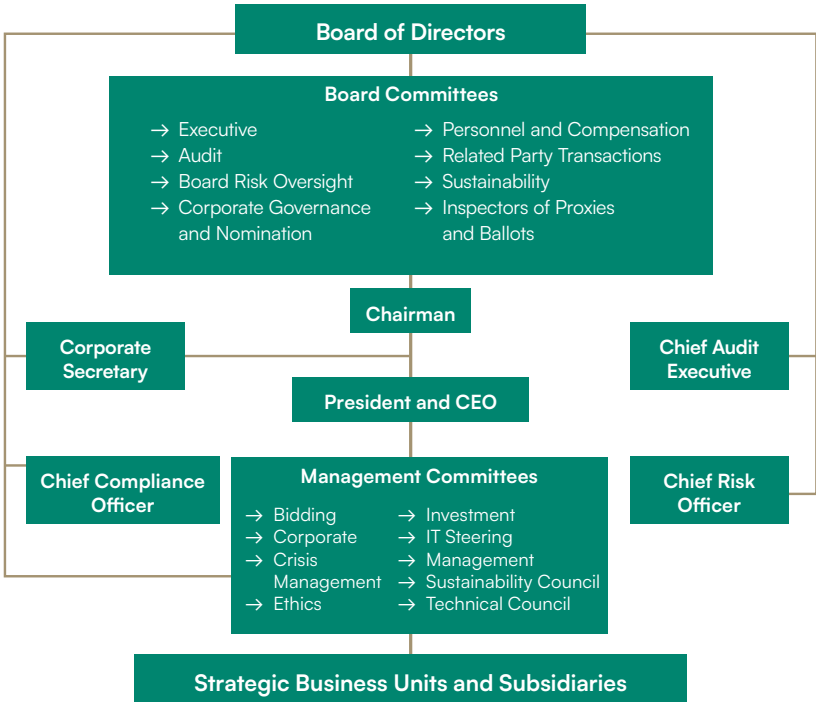
Client Screening in compliance with the Anti-Money Laundering Council

We reviewed our processes in 2022 to ensure compliance with the Anti-Money Laundering Act (AMLA) and complied with the Anti-Money Laundering Council (AMLC) directive to conduct a thorough evaluation of our client screening process. The AMLC review resulted in a commendable score of 94%, well above the industry average of 60%. This score validates our rigorous approach to vetting potential buyers and underscores our commitment to ensuring buyer credibility.

Amendments to the Insider Trading Policy

We expanded the policy’s coverage to include Ayala Land Directors and Officers as covered persons of our publicly listed subsidiaries, AREIT and Ayalaland Logistics Holdings Corp. This move aligns us with trading blackout rules and reportorial requirements, ensuring that our transactions are conducted in a fair and transparent manner. Under this revised policy, all Covered Persons are required to follow the trading blackouts of the listed subsidiaries and report on their transactions every quarter to the Corporate Governance and Nomination Committee. This process not only promotes transparency but also helps us identify and address any potential conflicts of interest that may arise.

GOVERNANCE STRUCTURE



Board of Directors

The Board of Directors is responsible for promoting sound corporate governance by setting the company's vision, mission, strategic objectives, and key management policies and procedures. It also establishes and approves the mechanisms to evaluate senior Management to ensure that they meet the highest standards of performance and accountability.

Seven committees assist the Board with delegated functions following Ayala Land's by-laws. These committees are (1) Executive, (2) Audit, (3) Risk Oversight, (4) Corporate Governance and Nomination, (5) Personnel and Compensation, (6) Related Party Transactions Review, and (7) Sustainability. Each committee is delegated specific functions and responsibilities, which are detailed on pages 109 to 112 under "Board Committees."

The Chairman, Vice Chairman, and President and CEO

The Chairman and the Chief Executive Officer (CEO) have distinct and separate roles and responsibilities, ensuring that the Board and Management act independently, resulting in a balance of power and enhanced accountability.

The Chairman presides over all Board and stockholders' meetings, allowing each director to express their opinions on any matter freely. In the absence of the Chairman, the Vice Chairman automatically becomes the acting Chairman of the Board of Directors, while the President presides over the stockholders' meetings.

The Chairman of the Board is Mr. Jaime Augusto Zobel de Ayala, who assumed the post in October 2022. Before this, Mr. Jaime Augusto Zobel de Ayala served as Vice-Chairman since January 1995, while Mr. Fernando Zobel de Ayala served as Chairman since April 1999.

The President and CEO has been Mr. Bernard Vincent O. Dy since April 2014. The President has general supervision of the company's business affairs and properties, as well as its employees and officers, ensuring the implementation of all directives and resolutions of the Board of Directors. During the annual meeting, he presents a comprehensive report on the company's operations from the preceding year to the Board and stockholders.

Corporate Secretary

The Corporate Secretary ensures that all board members receive adequate and timely information before board meetings and serves as a legal adviser to the directors on their responsibilities and obligations. Mr. Solomon M. Hermosura assumed the post of Ayala Land's Corporate Secretary in April 2011 and has also served as the company's Group General Counsel since April 2015. Each board member may confer separately and independently with the Corporate Secretary.

Chief Compliance Officer

The Chief Compliance Officer (CCO) ensures Ayala Land's compliance with all regulations that govern the company and the adoption and implementation of corporate governance best practices across the organization. Ayala Land's CCO is Ms. June Vee D. Monteclaro-Navarro, who serves concurrently as the company's Assistant Corporate Secretary and Chief Legal Counsel. She assumed the position of CCO on April 27, 2022.

Chief Audit Executive

Reporting to the Audit Committee, the Chief Audit Executive (CAE) leads the Internal Audit group to assist the Board and the committee in discharging their duties and responsibilities as provided for in the Code of Corporate Governance for Publicly Listed Companies. The CAE ensures compliance with internal controls and supports corporate governance by providing checks and balances through the Internal Audit Division. Ayala Land's CAE is Ms. Annabeth R. Bernardo, who assumed the position on January 2, 2021.

Chief Risk Officer

Reporting to the Risk Oversight Committee, the Chief Risk Officer (CRO) conducts annual risk assessments to identify risks and their impact on the company's business and recommends corresponding measures to address them. Ayala Land's CRO is Mr. Maphilindo L. Tandoc.

Management Committees

Ayala Land's strategic business units (SBUs) and subsidiaries execute the company's strategies and oversee day-to-day operations, each led by a group head who reports to the President and CEO. Ayala Land has four core business groups— estate development, property development, commercial leasing, and services. (See page 103; refer to the framework)

BOARD MATTERS

Board Composition

The Board comprises nine members; over half are independent and non-executive directors.

Directors have a one-year term of office, which ends when their successors are elected and qualified. The Board is currently composed of 33% women directors.

Skills, Competency, and Diversity

The Board encourages independence and diversity among its members. Each director is expected to bring valuable insights and independent judgment in formulating corporate strategies and policies.

To ensure the effective performance and successful management of the company, the Board meticulously considers the objectives and criteria for its composition. The Board members possess the necessary knowledge, skills, competencies, and experience in general business, industry, law, and finance. The Board periodically reviews its composition to align with the company's evolving requirements and best practices for corporate governance.

The diverse professional backgrounds and expertise of the board members enable the effective execution and oversight of corporate governance in Ayala Land.

Independent Directors

Independent directors are a crucial part of Ayala Land's Board, providing objective and unbiased perspectives to decision-making processes. They are permitted to serve for a maximum of nine years and are not allowed to hold any interest or relationship with Ayala Land that could compromise their independent judgment or exercise of responsibilities.

Ayala Land has four independent directors, equivalent to 44% of the nine-man Board. This composition exceeds the requirement of the Philippine Code of Corporate Governance for Publicly Listed Companies and the Revised Corporation Code, which mandates at least three independent directors or one-third of the Board members, whichever is higher.

In accordance with the Philippine Code of Corporate Governance for Publicly Listed Companies, the Board appointed a lead

independent director who serves as an intermediary between the Chairman and the other directors when necessary. Since April 22, 2020, the lead independent director has been Ms. Rizalina G. Mantaring.

Guidance on Directorships outside Ayala Land

To ensure that their obligations to Ayala Land are not compromised, directors must obtain prior approval from the Chairman and the Corporate Governance and Nomination Committee before accepting directorships in other organizations. The director should provide their assessment that such a position would not detract from their ability to fulfill their duties as an Ayala Land director. Independent directors are encouraged to hold no more than five board seats in publicly listed companies, whereas an executive director is encouraged to hold no more than two board seats in listed companies outside the Ayala Group. By adhering to these guidelines, Ayala Land's directors can focus their attention on the company's affairs while still contributing to the governance of other organizations.

Meetings and Attendance

The Board of Directors meets regularly at least six times per year, with the schedule established at the beginning of each year.

In 2022, the Board held six regular and two special meetings. The average attendance rate was 100%, with all members complying with the board charter's requirement of a minimum of 75% attendance rate to be eligible for re-election. Additionally, non-executive directors held meetings on May 31, 2022, and November 24, 2022, without any executive director present.

Executive sessions may be held on an ad hoc basis without the presence of any executive director. In addition, to the extent allowed by law, the Executive Committee may also convene and exercise any of the powers and attributes of the Board during the intervening period between board meetings.

To ensure that all members are fully prepared for meetings, relevant meeting materials are provided to them at least five business days before the scheduled meeting. This allows directors to review and consider the material in advance, which supports a more productive and informed meeting.

2022 Board of Directors Attendance

DIRECTOR	FULL BOARD		NON-EXECUTIVE DIRECTORS MEETING	
	Meetings Attended/ Held	% Present	Meetings Attended/ Held	% Present
Jaime Augusto Zobel de Ayala (Chairman, NE)	8/8	100%	2/2	100%
Fernando Zobel de Ayala*(Chairman, NE)	4/6	67%	1/1	100%
Bernard Vincent O. Dy (E)	8/8	100%	N/A	N/A
Mariana Zobel de Ayala (NE)**	2/2	100%	1/1	100%
Rizalina G. Mantaring (NE, LI)	8/8	100%	2/2	100%
Rex Ma. A. Mendoza (NE, I)	8/8	100%	2/2	100%
Sherisa P. Nuesa (NE, I)	8/8	100%	2/2	100%
Cesar V. Purisima (NE, I)	8/8	100%	2/2	100%
Antonino T. Aquino (NE)	8/8	100%	2/2	100%
Arturo G. Corpuz (NE)	8/8	100%	2/2	100%

* Mr. Zobel went on medical leave on August 16, 2022 and resigned from the Board on September 12, 2022

** Elected on October 21, 2022 to serve the unexpired term of Mr. Fernando Zobel de Ayala

Remuneration

Ayala Land's non-executive directors are entitled to receive compensation for their services as directors, as determined by the resolution approved by the stockholders. The total yearly compensation of the Board shall not exceed 1% of the company's net income before tax of the preceding year, ensuring that their remuneration is reasonable and aligned with the company's financial performance.

Each non-executive director receives a fixed annual retainer fee of P1 million, a fixed per diem of P200,000 for every board meeting attended, and a fixed per diem of P100,000 for every committee meeting attended. This remuneration was approved during the 2011 annual stockholders' meeting.

Independent directors are not entitled to receive options, performance shares, and bonuses except according to a resolution approved by stockholders owning a majority of the outstanding capital stock. This provision ensures that independent directors maintain their independence and do not have a financial interest in the company's performance beyond their role as directors.

No director was contracted and compensated by the company for services other than being a director. Ayala Land has no arrangement related to the remuneration of its directors and officers besides those stated in this section.

DIRECTOR	RENUMERATION
Jaime Augusto Zobel de Ayala (Chairman, NE)	3,400,000.00
Fernando Zobel de Ayala (Chairman*, NE)	2,200,000.00
Bernard Vincent O. Dy (E)	-
Mariana Zobel de Ayala (NE)	600,000.00
Rizalina G. Mantaring (NE, LI)	3,800,000.00
Rex Ma. A. Mendoza (NE, I)	3,700,000.00
Sherisa P. Nuesa (NE, I)	4,000,000.00
Cesar V. Purisima (NE, I)	4,400,000.00
Antonino T. Aquino (NE)	3,900,000.00
Arturo G. Corpuz (NE)	3,000,000.00
Total	29,000,000.00

Directors who hold executive or management positions, such as the President and CEO, do not receive directors' fees. The total compensation of the CEO and the four most highly compensated officers is disclosed in the Definitive Information Statement sent to all shareholders. The total annual compensation reported includes the basic salary and variable pay, such as performance-based cash bonuses.

Disclosure of Conflict of Interest

Ayala Land has a strict policy on conflict of interest to ensure that the Board's decisions are made with impartiality and without any personal interest.

Each director must disclose any conflict of interest annually using the company's official disclosure form. Additionally, each independent director must submit a confirmation letter to the Corporate Secretary affirming that they hold no interest affiliated with the company or in the controlling shareholder's management at the time of their election, appointment, or re-appointment as director. Any director with a material and permanent conflict of interest shall be disqualified from the Board.

Even with the disclosure, a director must abstain from participating in any discussion and voting on matters where they have a conflict of interest at any point during their service. The Board may follow additional processes to prevent such conflict. Furthermore, no person shall qualify or be eligible for nomination or election to the Board if

they are engaged in any business that competes with or is antagonistic to the interest of Ayala Land.

To ensure that employees within the Ayala Land group are free from potential conflicts of interest, they must also submit an annual business interest and related party disclosure form. The Human Resource Department documents the information, and Internal Audit reviews and monitors strict compliance with this requirement.

By establishing and enforcing these conflict-of-interest policies, Ayala Land promotes transparency and integrity in its governance practices, maintaining the trust of its stakeholders.

Annual Self-Assessment

Ayala Land's commitment to continuous improvement is reflected in the annual self-assessments conducted by the Board and its committees. This rigorous exercise evaluates their performance and identifies areas for improvement. Each member is expected to assess themselves and the Board on a wide range of topics, including composition, role and functions, information management, representation of shareholders and ESG factors, managing company performance, senior executives' performance management and succession planning, director development and management, risk management, internal controls, the overall perception, and the performance of individual board members.

The Chief Compliance Officer (CCO) conducts the assessment and, through the Corporate Secretary, sends the compilation to the Board for presentation and action. Additionally, the assessment questionnaire is regularly reviewed by the CCO to ensure its relevance and appropriateness to the responsibilities and processes of the Board and its committees. Similarly, committee assessments cover key responsibilities, the quality of the relationship between the Board and Management, the effectiveness of processes and meetings, and the performance of individual members.

The Board and committee self-assessments are vital tools for improving corporate governance practices and ensuring that Ayala Land's leaders remain effective, accountable, and committed to excellence.

A summary of the annual board self-assessment scores is available at <https://ir.ayalaland.com.ph/corporategovernance/board-self-assessment/>

Training and Continuous Education

Ayala Land requires all board members to undergo continuing professional education. Moreover, new directors attend an orientation program to equip them with all the necessary information to exercise their duties and responsibilities. The orientation program typically consists of a presentation of Ayala Land's operations, business performance, and financial results, as well as a discussion of disclosure obligations of directors, conflict-of-interest situations, relevant governance issues, and an optional tour of the company's business segments and projects.

All directors attended the Institute of Corporate Directors (ICD) and SEC-sponsored training program, "The Board's Agenda 2022: "Mindset Shifts for a Sustainable and Equitable Future," conducted virtually on October 18, 2022.

Ayala Land's commitment to board member education and orientation helps ensure that its directors are equipped to make informed decisions that are in the best interest of the company and its stakeholders.

Committee Composition and Meetings Attendance

Executive	Post	Meetings Attended/Held	% Present
Fernando Zobel de Ayala (NE)*	C	3/3	100%
Jaime Augusto Zobel de Ayala (NE)**	C	5/5	100%
Bernard Vincent O. Dy (E)	M	5/5	100%
Antonino T. Aquino (NE)	M	5/5	100%
Cesar V. Purisima (NE, I)	M	5/5	100%
Rex Ma. A. Mendoza (NE, I)***	M	1/1	100%

* Mr. Zobel went on medical leave and resigned from the Committee on August 16, 2022

** Appointed as Chairman of the Committee on September 6, 2022 to serve the unexpired term of Mr. Fernando Zobel de Ayala

*** Appointed as member of the Committee on September 6, 2022 to serve the unexpired term of Mr. Fernando Zobel de Ayala

Audit	Post	Meetings Attended/Held	% Present
Cesar V. Purisima (NE, I)	C	4/4	100%
Antonino T. Aquino (NE)	M	4/4	100%
Rex Ma. A. Mendoza (NE, I)	M	4/4	100%

Board Risk Oversight	Post	Meetings Attended/Held	% Present
Rizalina G. Mantaring (NE, LI)	C	2/2	100%
Antonino T. Aquino (NE)	M	2/2	100%
Sherisa P. Nuesa (NE, I)	M	2/2	100%

Corporate Governance and Nomination	Post	Meetings Attended/Held	% Present
Sherisa P. Nuesa (NE, I)	C	6/6	100%
Rizalina G. Mantaring (NE, LI)	M	6/6	100%
Cesar V. Purisima (NE, I)	M	6/6	100%

Personnel and Compensation	Post	Meetings Attended/Held	% Present
Rex Ma. A. Mendoza (NE, I)	C	2/2	100%
Fernando Zobel de Ayala (NE)*	M	1/1	100%
Jaime Augusto Zobel de Ayala (NE)**	M	1/1	100%
Cesar V. Purisima (NE, I)	M	2/2	100%

*Mr. Zobel went on medical leave and resigned from the Committee on August 16, 2022

**Appointed as member of the Committee on September 6, 2022, to serve the unexpired term of Mr. Fernando Zobel de Ayala

Related Party Transactions Review	Post	Meetings Attended/Held	% Present
Rex Ma. A. Mendoza (NE, I)	C	2/2	100%
Rizalina G. Mantaring (NE, LI)	M	2/2	100%
Sherisa P. Nuesa (NE, I)	M	2/2	100%

Sustainability	Post	Meetings Attended/Held	% Present
Arturo G. Corpuz (NE)	C	2/2	100%
Bernard Vincent O. Dy (E)	M	2/2	100%
Sherisa P. Nuesa (NE, I)	M	2/2	100%
Mariana Zobel de Ayala (NE)*	M	1/1	100%

*Appointed as an additional member of the Committee on October 21, 2022

BOARD COMMITTEES

The Board, by its by-laws, may create committees that shall have and may exercise any of the powers of the Board of Directors in the Management of the business and affairs of the company.

Each committee has a board-approved charter that outlines its powers, duties, and responsibilities. The charter states the committee's composition, powers, obligations, and responsibilities.

Executive Committee

The Executive Committee, with a quorum of at least two-thirds of its members, is authorized to exercise any of the powers and attributes, to the extent allowed by law, of the Board of Directors during the intervening period between meetings. Resolutions adopted by the Executive Committee

shall be reported to the Board in the meeting immediately following the approval and adoption of such resolutions.

In 2022, the Executive Committee performed the following duties and responsibilities:

1. Acted on specific matters within the competence of the Board of Directors except concerning the following: the approval of any action for which shareholders' approval is also required; filling of vacancies on the Board or in the Executive Committee; the amendment or repeal of By-Laws or the adoption of new By-Laws; the amendment of or repeal of any resolution of the Board of Directors which by its terms is not so amendable or repealable; distribution of cash dividends; and the exercise of powers delegated by the Board exclusively to other committees.

2. Deliberated on and approved various project launches, investments, and bidding for superstructure works of data centers, land acquisitions, contracts for power supply, infusion of commercial assets in exchange for shares, and additional project costs.
3. Discuss the Corporation's 2022 strategic plans, directions, and outlook.

Under the by-laws, the Executive Committee's power and authority do not cover the following matters: any action for which shareholders' approval is required, distribution of cash dividends, filling of vacancies on the Board or Executive committee, amendment or repeal of by-laws or the adoption of new ones, and amendment or repeal of any board resolution which by its terms may not be amended or repealed. It shall refrain from exercising powers exclusively delegated by the board to other committees.

Audit Committee

The committee plays a critical role in ensuring the company's adherence to sound corporate governance practices by providing oversight of financial reporting, internal controls, and independent audits. It is primarily responsible for evaluating the independence, professional qualifications, and competence of the independent auditor, and recommends their appointment and compensation to the Board. Additionally, the committee is responsible for ensuring that there is an appropriate rotation of audit partners and recommending the removal of the independent auditor when necessary. In carrying out its responsibilities, the Audit Committee promotes transparency, accountability, and ethical behavior throughout the organization.

The committee met with the external auditor on November 3, 2022, without the presence of Management.

The Audit Committee performed the following duties and responsibilities in 2022:

1. Assisted the Board of Directors in the fulfillment of its oversight responsibility relating to the accuracy of the Corporation's financial statements and the soundness of its financial reporting process, the robustness of its internal control, internal audit activities, the annual

independent audit of the financial statements, and compliance with legal and regulatory requirements.

2. Reviewed, approved, and endorsed the 2021 Audited Financial Statements of the Corporation as prepared by the external auditor SyCip Gorres Velayo & Co. (SGV), the full-year 2021 financial and operating results of the Corporation as well as the 2022 quarterly unaudited financial statements.
3. Reviewed and approved the contents of the Management Representation Letter.
4. Recommend to the Board of Directors the re-election of SGV as the Corporation's external auditors for 2022 and the corresponding audit fee structure.
5. Reviewed and approved the overall scope and the respective audit plans of SGV and internal auditors, including updates and revisions, and discussed the results of their audits and their assessments of the Corporation's internal controls and overall quality of the financial reporting process, all in consideration of the impact of the COVID-19 pandemic on their respective operations.
6. Reviewed and approved the Revised 2022 Internal Audit Plan and 2023 Internal Audit Plan.
7. Approve outsourcing the Vendor Audit and External Quality Assurance Review of the IA Function to an external auditing firm.
8. Reviewed and discussed the report of the Corporation's Ethics Committee, the status of audit recommendations, the update on legal cases, the update on Anti-Money Laundering Act compliance, the Internal and External Auditor coordination, and the interim results of the 2022 External Audit.
9. Approved and endorsed changes in the Audit Committee and ALI Group Internal Audit Charters

External Audit, Audit, and Audit-related Fees

The principal accountant and external auditor of Ayala Land is the accounting firm of SyCip Gorres Velayo & Co. (SGV), with Mr. Michael C. Sabado as the partner-in-charge for the 2022 audit year.

Ayala Land and its various subsidiaries and affiliates paid SGV the following fees in the last two years. Non-audit fees paid to SGV did not exceed the audit-related fees, including assurance fees and fees for validating stockholders' votes during the annual meeting.

YEAR	AUDIT AND AUDIT-RELATED FEES PAID TO SGV	OTHER FEES
2022	P34.54M	P8.48M
2021	P34.61M	P13.13M

Risk Oversight Committee

The Risk Oversight Committee performed the following duties in 2022:

1. Assist the Board of Directors in fulfilling its oversight responsibility relating to the effectiveness of the Corporation's risk management process by ensuring that risk management policies and procedures exist and reviewing the risk management framework and processes.
2. Reviewed the results of the risk assessment reports done by the Chief Risk Officer, including revisiting and updating the key risks, which is periodically done to ensure relevance, the identification of emerging risks, focus areas, and opportunities, including those brought about by the COVID-19 pandemic, and the scanning of global threats based on the surveys of the Corporation's partner advisors.
3. Approved and endorsed the execution, adoption, and implementation of the Money Laundering and Terrorism Financing Prevention Program or the MTPP of the Corporation.
4. Reviewed the updates on the risk management initiatives of the Corporation, the insurance management program of the Corporation, and the program progress of the Task Force on Climate-related Financial Disclosures adopted by the Corporation.

While the Risk Committee plays a vital role in overseeing and monitoring the company's risk management activities, it is ultimately the

responsibility of Ayala Land management to develop, implement and report on the company's risk management framework, processes, and strategies. The Risk Committee supports management in these efforts by providing guidance, advice, and an independent review of the effectiveness of the company's risk management practices. Management and the Risk Committee work together to ensure that Ayala Land is well-prepared to manage risk in a rapidly changing business environment.

Corporate Governance and Nomination Committee

The committee oversees all matters related to corporate governance, nomination and election of directors, key officers, chairpersons, and membership in board committees.

In 2022, the Corporate Governance and Nomination Committee accomplished the following:

1. Implemented and maintained a process that ensures that all directors nominated for election at the 2022 annual stockholders' meeting and for election by the Board of Directors for replacement of a director who resigned have all the qualifications and none of the disqualifications for directors as stated in the By-Laws, the Manual of Corporate Governance and relevant rules and regulations, and approved under the authority delegated by the Board, the final list of nominees.
2. Reviewed, approved, and endorsed the final lists of key officers for election, the appointment of committee chairpersons and members, advisors to the Board, and the lead independent director of the Corporation.
3. Reviewed, approved, and endorsed the revised Corporate Governance Manual, Charter of the Board of Directors, and Insider Trading Policy.
4. Reviewed and evaluated the qualifications of key executives prior to reassignment, promotion, or hiring, and approved and endorsed the promotion of officers to Vice President and Executive Vice President.

Personnel and Compensation Committee

The committee oversees matters related to the Board and Management and overall remuneration in Ayala Land and determines the uniform compensation for directors. No committee member may act to fix their compensation.

The Personnel and Compensation Committee accomplished the following in 2022:

1. Implemented a formal and transparent process for developing and reviewing policies related to the remuneration of corporate directors, officers, and other key personnel.
2. Discussed the overall corporate scorecard and approved and endorsed the performance bonus budget, the 2022 ESOWN grant, the 2022 Executive Housing Privilege grants to qualified officers of the Corporation, and the promotion of officers to Vice President and Executive Vice President.
3. Conducted a talent review, particularly for the key positions in the Corporation, to ensure business leadership continuity in the long run and discussed creating a purposive development program for emerging leaders.

Related Party Transactions Review Committee

The RPT Review Committee Assisted the Board of Directors in fulfilling its oversight responsibility relating to the review of all Related Party Transactions (RPTs), except pre-approved RPTs, the formulation, revision, and approval of policies on RPTs, and the conduct of any investigation required to fulfill its responsibilities on RPTs.

The Committee accomplished the following in 2022:

1. Reviewed, discussed, approved, and endorsed the (i) issuance to Ayala Corporation (AC) and Mermac, Inc. (collectively, the "AC Group") of a total of 311.58 million Common Shares of the Corporation to be issued out of the Corporation's Carved-out shares, in exchange for five identified AC Group assets, via a tax-free exchange (TFE); (ii) delegation to Management of the authority to do all acts or sign all documents necessary or required to implement the TFE; and (iii) infusion of commercial assets to AREIT, INC. in exchange for shares.

No related party transaction may be classified as financial assistance to any entity.

In the last three years, there were no issues or concerns about non-compliance with the laws, rules, and regulations about significant or material-related party transactions.

Sustainability Committee

The committee oversees the company's sustainability initiatives and practices, exercising responsibility for environmental, social, and economic topics material to Ayala Land. As directed by the committee, the corporate sustainability team under the strategic land management group executes relevant projects and programs.

The SBUs also have their sustainability leads tasked with integrating and implementing sustainability initiatives in their respective units.

The Sustainability Committee performed the following in 2022:

1. Provided oversight to the Corporation's sustainability initiatives, formulated policies for the Corporation's sustainability program, and ensured full Corporation support and alignment with the Ayala Group's commitment to Sustainable Development.
2. Discussed and reviewed the updates on the Corporation's carbon neutrality and carbon forest projects, the circular waste management initiatives of the Corporation, including the respective project's targets, challenges, and next steps, and the overall target and direction for the ALI Group's sustainability initiatives until 2050.
3. Reviewed, approved, and endorsed the Corporation's Environmental Policy and the updated ALI Net Zero pathway with the breakdown of emissions reductions and removals (offsets) to align with the net zero standards of the Science Based Target Initiative.

POLICIES AND PRACTICES

Annual Stockholders Meeting

Notice of the ASM

The Notice of the Annual Stockholders Meeting (ASM) and the Definitive Information Statement (DIS) are sent to Ayala Land stockholders at least 28 days before the meeting date.

The notice is in English and contains the agenda, rationale, and explanation for each item that requires stockholders' approval. Each resolution taken up in the ASM deals with only one agenda item. The Corporate Secretary reports the partial votes for each resolution during the meeting, while the final voting results are reflected in the meeting minutes.

The information statement contains the profile and personal data of all the directors, including those up for election or re-election, and of the auditors recommended for election. In 2022, SGV, Ayala Land's principal accountant and external auditor, was recommended for re-election at the ASM. The information statement also states the dividend declaration and the total amount payable.

Process and Criteria for Nominations, Election, and Re-appointments to the Board

Process and Criteria for Board Nominations

Under the Revised Corporation Code, all shareholders, including minority shareholders, have the right to nominate candidates to the Board. The list of nominees and their written consent shall be filed and submitted to the Corporate Governance and Nomination Committee through the Office of the Corporate Secretary at least 30 business days before the annual stockholders meeting.

The Corporate Governance and Nomination Committee reviews and evaluates the qualifications of all nominees based on the following:

- Ownership of at least one share of stock in the corporation in their name in the books of the company;
- A college degree or its equivalent, or adequate competence and understanding of the fundamentals of doing business or sufficient competence and experience in managing a

business in place of formal education;

- Relevant qualifications such as previous business experience, membership in good standing in a relevant industry, and membership in business or professional organizations;
- Integrity, probity, diligence, and assiduousness in the performance of their functions;
- Directorships in other companies, taking into account the nature of the business of said companies, number of directorships in other companies, and age of the director; and
- For independent directors, beneficial equity ownership in the company or related companies must not exceed 2%, and term limits under applicable laws, rules, and regulations.

The committee may consider and recommend to the Board other qualifications provided by relevant laws or any amendment, including independence criteria or standards for independent directors.

The committee may also identify and recommend qualified individuals for nomination and election to the Board. For this purpose, the committee may engage professional search firms and other external parties.

Election and Re-appointments to the Board

Following the by-laws and rules of procedure of the annual stockholders meeting, stockholders entitled to vote shall elect the company's directors.

Directors are elected by ballot, following the plurality electoral system. In electing the directors, stockholders may vote according to the number of shares they own for as many persons, as many votes as the number of directors to be elected, or cumulate said shares as the number of directors to be elected multiplied by the number of the shares owned, or distribute them on the same principle among as many candidates as they may see fit, provided that the total number of votes cast shall not exceed the number of their shares multiplied by the total number of directors to be elected.

The Inspector of Proxies and Ballots Committee shall validate proxies and tabulate votes, and an independent auditor validates the voting results. Candidates for director are not allowed to be committee members.

Inspector of Proxies and Ballots Committee

The Inspector of Proxies and Ballots Committee comprises three individuals empowered to validate proxies and tabulate votes. These individuals are not members of the Board, and the Board fixes their term of office. The Board may appoint members to the committee in cases of vacancy.

The company's Corporate Secretary, Mr. Solomon M. Hermosura, chairs this committee. The other members are Ms. Annabeth R. Bernardo, Chief Audit Executive, and Ms. Ma. Luisa D. Chiong, Comptroller.

Voting Procedure

The rules of conduct and voting procedures are set in the notice of the ASM, and copies of the rules are distributed to the stockholders or their proxies present in the meeting. Each stockholder is entitled to one vote per share.

Upon registration at the venue, a stockholder may vote manually using the provided paper ballot, which may then be dropped in any of the conveniently located ballot boxes. A stockholder may also vote electronically using available computers at the venue.

Upon online registration and validation, stockholders who cannot attend the ASM physically may vote electronically on the matters on the agenda. For this purpose, the company sets up a website that stockholders may access to register and vote through remote communication or in absentia. The requirements and procedure for electronic voting in absentia are included in the notice, and the DIS is sent to the stockholders at least 15 business days before the meeting date.

The resolutions proposed for consideration by the stockholders are disclosed in the paper ballot and the electronic voting platform. In addition, each proposed resolution is shown on the audio-visual screen on stage as it is taken up in the ASM.

Stockholders may cast their votes anytime during the meeting. They may also vote by proxy. The votes received are tabulated by the Inspectors of Proxies and Ballots Committee and validated by the independent auditor.

As the stockholders take up an item from the agenda, the Corporate Secretary reports on the

votes received and tabulated. The final votes for each item are reflected in the minutes of the ASM.

Minutes of the ASM

The minutes of the ASM is posted on Ayala Land's IR website (<https://ir.ayalaland.com.ph>) within five days of the ASM. The minutes record stockholders' comments and questions, the respective answers provided by the Board, and the directors' attendance in the ASM.

Virtual ASM

To safeguard the health and safety of all parties concerned, the most recent ASM was held virtually on April 27, 2022, in compliance with the regulations of the Securities and Exchange Commission on holding meetings virtually or by remote communication.

Stockholders were allowed to attend the meeting only by remote communication, voting in absentia, or by appointing the Chairman of the meeting as their proxy. Those who intended to participate by remote communication were required to notify the company by email to corporatesecretary@ayalaland.com.ph on or before a specific date. Stockholders are allowed to vote electronically in absentia, subject to validation procedures.

Each proposed resolution was likewise shown during the live streaming as the same was taken up at the meeting.

Voting was allowed only for stockholders registered in the Voting in Absentia and Shareholder (VIASH) System or through the Chairman of the meeting as a proxy. Stockholders voting in absentia who previously registered through the online web address (URL) provided were allowed to vote electronically at any time using such online web address before or during the meeting.

Stockholders were allowed to send questions and remarks before and during the meeting by e-mail to corporatesecretary@ayalaland.com.ph.

A link to the recorded webcast was posted on the company's website after the meeting. Stockholders had two weeks from posting to raise any issues, clarifications, and concerns at the meeting conducted by e-mail to corporatesecretary@ayalaland.com.ph

Dividend Declaration

Ayala Land declared cash dividends on its common shares last February 24, 2022, and October 21, 2022. This translated to P4.0 billion or P0.2707 per outstanding common share, representing a 33% payout ratio on the net income after tax attributable to shareholders in 2021.

Declaring cash dividends is contingent on the company's earnings, cash flow, and financial condition. Cash dividends are paid to all stockholders of common shares within 30 days of the declaration date.

The declaration of cash dividends is approved by the Board of directors only. Approval by the stockholders is not required.

Special cash dividends are declared on a case-to-case basis depending on the company's cash level and capital expenditure requirements. Property dividends that may come in the form of additional shares require the approval of the Board and the stockholders. The declaration of stock dividends requires the approval of the stockholders, the SEC, and the PSE to list the shares.

Disclosure and Transparency

Ayala Land is committed to the highest disclosure, transparency, and fairness standards in information dissemination. The public regularly receives financial and operational information through various structured and unstructured disclosures submitted to regulatory authorities such as the SEC, PSE, and PDEX. In addition, any material information about the company that impacts the latter's valuation, stock price, and trading volume is reported to the public.

All disclosures are immediately posted on the company's Investor Relations website, <https://ir.ayalaland.com.ph/Disclosures.aspx>. Unstructured disclosures and clarifications issued in 2022 are listed below.

Unstructured Disclosures

1. 9M 2022 Financial and Operating Results Press Release
2. Notice of 9M 2022 Analyst Briefing
3. AREIT 3Q 2022 Reinvestment Plan Progress Report
4. 1H 2022 Financial and Operating Results Press Release
5. Notice of 1H 2022 Analyst Briefing
6. AREIT 2Q 2022 Reinvestment Plan Progress Report
7. Revised Related-Party Transactions Policy
8. Voting Preferred Shares Dividend Declaration
9. Amended Corporate Governance Manual
10. Results of the ESOWN Grant
11. Material RPT Advisement Report – ALI-AREIT Property-for-Share Swap
12. ALI-AREIT Deed of Exchange
13. 1Q 2022 Financial and Operating Results Press Release
14. Notice of 1Q 2022 Analyst Briefing
15. AREIT Reinvestment Plan – (87-million share sale)
16. Results of the Annual Stockholders Meeting and Organizational Board Meeting
17. 87 million block sale of AREIT shares
18. Voting Preferred Shares Redemption Program Notice
19. ALI-AREIT Property-for-share swap
20. FY 2021 Financial and Operating Results Press Release
21. Final Tranche Reinvestment Plan Progress Report (The 30th)
22. ALI-Ayala Corporation Property-for-Share Swap
23. Amended Reinvestment Plan (44 million AREIT block sale)
24. Notice of FY 2021 Analyst Briefing

Clarifications

- ALI is Investing P5.2 billion in a new Bulacan estate

Ownership Structure

Per SEC requirements, the list of beneficial owners of more than 5% of the company's total outstanding stock is disclosed quarterly. The direct and indirect shareholdings of directors and senior Management and the respective changes in shareholdings are also disclosed accordingly.

The details of the parent or holding company, subsidiaries, associates, joint ventures, and special purpose enterprises or vehicles are also available on the IR website, SEC 17-A and 17-Q reports, SEC 20-IS, Integrated Report, and the Annual Corporate Governance Report.

No member of the Board or Management owns 2% or more of the company's outstanding capital stock.

Fairness Evaluation in Cases of Mergers, Acquisitions, and Takeovers

In cases of mergers, acquisitions, and takeovers requiring shareholders' approval, the Board may appoint an independent party to evaluate the fairness of the terms of the transaction.

ANTI-CORRUPTION PROGRAMS AND PROCEDURES

<GRI 205>

Trading Blackout

Ayala Land's trading blackout policy prohibits covered persons from buying or selling Ayala Land shares during a prescribed period after becoming aware of undisclosed internal information. Covered persons refer to members of the Board, all management team members, consultants, advisers, Ayala Land employees, and immediate family members of the aforementioned parties.

In October 2020, the penalties and breaches of this policy were updated in coordination with the Human Resources Division. A set of FAQs related to trading Ayala Land shares and required disclosure for covered persons was also developed and disseminated.

The prescribed period covers five trading days before and two trading days after the date of disclosure of quarterly and annual financial results, and two trading days after disclosing any material information other than annual or quarterly financial results.

Within ten days of their appointment, directors and identified key officers shall submit their initial statement of ownership of shares in Ayala Land through SEC Form 23-A. After that, they must submit any change in their beneficial ownership of shares in Ayala Land through SEC Form 23-B within three business days of the transaction date. These forms are submitted to the PSE, SEC, and PDEx simultaneously.

Related Party Transactions

A related party transactions (RPT) policy is in place to ensure that all RPTs of Ayala Land, its subsidiaries, affiliates, and other related entities or persons are conducted at arm's length, fair, and inure to the best interest of the company and its subsidiaries or affiliates and their shareholders.

In 2021, the RPT Policy was amended to expand the transactions entered into in the ordinary course of business deemed within the scope of related party transaction matters delegated to Management and to include the requirement for the respective Chief Finance Officers of the relevant companies within the group involved in these transactions to provide an annual written report to the Corporation's Chief Finance Officer and Chief Compliance Officer.

A provision was also added regarding compliance with applicable transfer pricing regulations of the Bureau of Internal Revenue.

The RPT policy defines related party relationships and transactions and the guidelines and categories that govern the review, approval, and ratification of such transactions by the Board or shareholders according to the International Accounting Standards (IAS) 24 and other applicable disclosure requirements. Under this policy, all RPT transactions must be approved by two-thirds of the Board, with at least a majority of the independent directors voting to approve the same.

At its option, the Board may require that an approved RPT be submitted to the stockholders for their consideration and ratification. No RPT may be classified as financial assistance to any entity. The company maintains and updates its register of related parties regularly.

The RPT policy requires that material RPTs, or RPTs with a value of at least 10% of the company's total consolidated assets, are entered into terms that promote the company's and its shareholders' best interest and are not more favorable than similar transactions with non-related parties. Before execution of a material RPT, the Board appoints an external independent party to evaluate the fairness of the terms of the transaction.

Ayala Land complies with the relevant rules and regulations, including advisement reports to the SEC and the reportorial requirements of the Bureau of Internal Revenue on related party transactions.

For more information on Ayala Land's RPT Policy, please visit <https://ir.ayalaland.com.ph/corporate-governance/related-party-transactions-review-policy/https://ir.ayalaland.com.ph/corporate-governance/related-party-transactions-review-policy/>

Whistleblowing Policy

The whistleblowing policy covers employees of Ayala Land and its subsidiaries and affiliates, agents, suppliers, vendors, customers, and the general public. As part of the company's Business Integrity Program (BIP), this policy defines the conditions and concerns that may be reported through secure channels by any individual or entity that becomes aware of or suspects any irregularity or misconduct by Ayala Land employees. The policy is rendered in English, the official business language of Ayala Land.

The company actively promotes the program and the channels by which it is carried out. It is included in the agenda of audit engagement kickoff and closing meetings, orientation sessions for new hires, and training programs for existing employees.

All employees, business partners, suppliers, and other stakeholders are encouraged and empowered to report illegal or unethical activity through the BIP channels. These channels may be used by persons covered by this policy to freely, directly, and without fear of retaliation report suspected fraud, misconduct, and violations of laws, rules, and regulations within Ayala Land to persons of authority.

The business integrity channels are overseen by the Ayala Land Ethics Committee, which promptly evaluates and resolves the reported concerns. The Ayala Land Ethics Committee, chaired by the head of the human resource division and composed of select Internal Audit, Compliance, and Ayala Land Group Legal members, reports directly to the Audit Committee.

Whistleblowers may report, among others, corruption, asset misappropriation, financial reporting fraud, misconduct or policy violations, and retaliation complaints covered by the policy. The whistleblower is protected through the following practices: anonymous reporting at the whistleblower's option, handling of the investigation and reporting with the utmost confidentiality, and providing a facility to report any form of retaliation against the whistleblower.

The business integrity channels accept reports made anonymously. Whistleblowers may choose how they are contacted, including providing an e-mail address or mobile number. Whoever receives the report should ask the whistleblower if he is willing to be identified during the investigation. A whistleblower is protected from retaliation by reporting through the business integrity channels, provided the report is made in good faith. Cases of retaliation against any whistleblower may be reported through channels and dealt with following relevant company policies and applicable laws.

There has been no report of retaliation against any whistleblower since the BIP started in 2012.

When the report is substantiated, and the investigation is completed, the Ethics Committee informs the respondent's human resource department about the report. The concerned HR department coordinates with the committee to address the report appropriately and conducts a full investigation in line with applicable Ayala Land policies and procedures.

The Ethics Committee ensures the confidentiality of the information received, including the whistleblower's identity, and treats all reports as confidential unless compelled by law to reveal such information. The public may report any information relating to illegal or unethical activity

or violation of stockholder rights to the whistleblower officer at myreport@ayaland.com.ph. The same information may be conveyed to the whistleblower officer through SMS at +63 917 3118510, management reporting, and the website <https://www.ayalaland.com.ph/business-integrity-program/>.

Ayala Land's whistleblower officer is Ms. Annabeth R. Bernardo.

For more information on Ayala Land's Whistleblowing Policy, please visit <https://ir.ayalaland.com.ph/corporate-governance/whistle-blower-policy/>.
<https://ir.ayalaland.com.ph/corporate-governance>

Gifts

Ayala Land recognizes the customary practice of gift-giving to express, among others, gratitude and appreciation. However, the company limits this practice—the gifts exchanged by any Ayala Land employee with parties with whom they conduct business or come in contact through work should be within the bounds of proper and ethical behavior.

A copy of Ayala Land's Business Gifts Policy is available at <https://ir.ayalaland.com.ph/corporate-governance/business-gifts-policy/>.

Ayala Land Group Internal Audit

The Ayala Land Group Internal Audit Division ensures compliance with internal control procedures. It assists the Audit Committee in supporting the corporate governance process by providing checks and balances. Through the Audit Committee, Ayala Land Group Internal Audit helps the Board discharge its duties and responsibilities as provided for in the Code of Corporate Governance for Publicly Listed Companies.

Ayala Land Group Internal Audit executes its audit activities following a risk-based, process-focused (RBPF) approach following the Institute of Internal Auditors' (IIA) International Standards for the Professional Practice of Internal Auditing (ISPPPIA) and the Code of Corporate Governance for Publicly Listed Companies.

The company continues to improve its internal audit function by benchmarking against leading global practices. This year, the Ayala Land Group Internal Audit Division received a Generally Conforms rating based on External Quality Assurance Review (EQAR), an independent assessment of the internal audit activity done every five years. This is the Ayala Land Group Internal Audit Division's fourth time being awarded the highest possible rating since 2007.

Ayala Land Group Internal Audit continuously uses tools and embarks in various methodologies and approaches to support its assurance and consulting services, namely, data analytics, information technology audits, working with other internal assurance providers to achieve a comprehensive assurance process, and use of control-self assessment (CSA) approach.

Aside from investigating integrity-related cases, internal audit considers fraud risk in every engagement and testing of corresponding controls as part of the company's risk-based audit process. This is aligned with the requirements of the ISPPPIA. A three-year audit cycle is observed for identified high-risk areas.

Ayala Land's policies and practices are posted on its websites, <https://www.ayalaland.com.ph/investorrelations/> and <https://ir.ayalaland.com.ph>.

They may also be read in this integrated report and the company's annual corporate governance report and corporate governance manual.

Ayala Land complies with all PSE, SEC, and Philippine Dealing Exchange (PDEX) listing and disclosure rules.

Risk Management



With the resumption of business activity in 2022, we saw an improvement in the overall risk rating of Ayala Land.

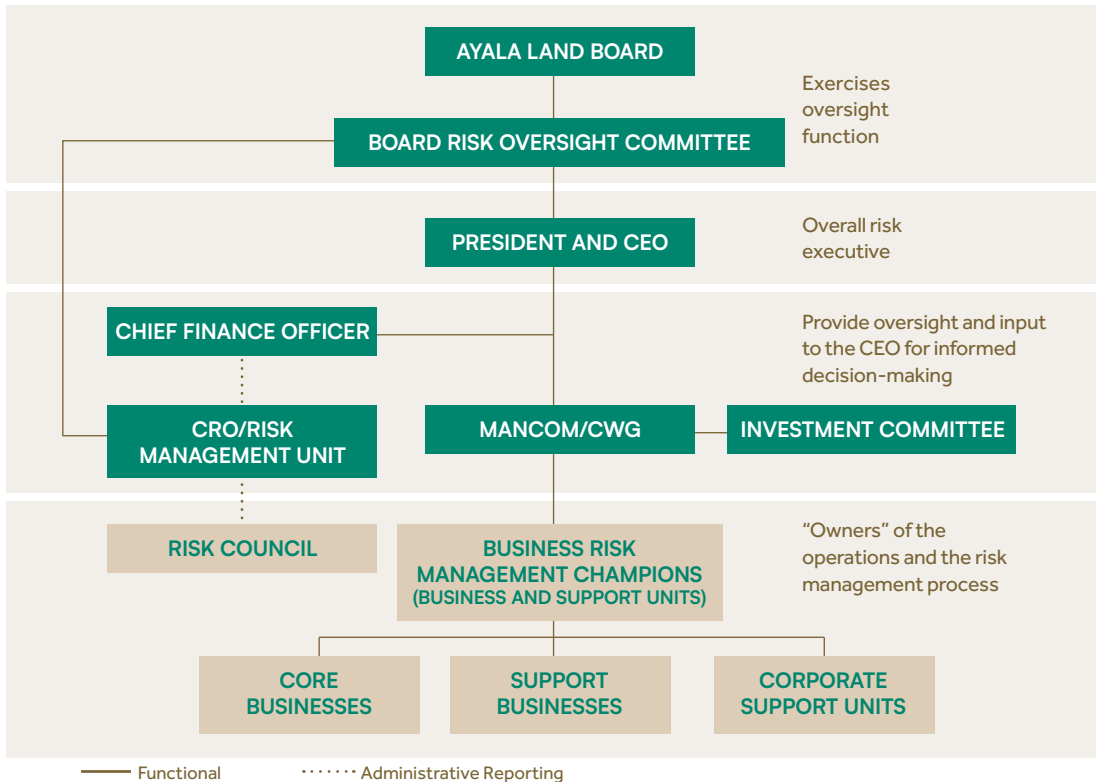
We identified, managed, and tracked all significant risks, resulting in a reduction in terms of both likelihood and severity, while remaining vigilant in implementing our mitigation and control measures. We also continued to monitor external and global risks that could affect our business in the near, medium, and long-term.

To gain a comprehensive understanding about the organizational and operational challenges in executing our business goals, we engaged in discussions with the business units. The relevant risks were evaluated in line with normalized operations, and adjustments to the new business environment were taken into account. The results of these discussions were brought to the Risk

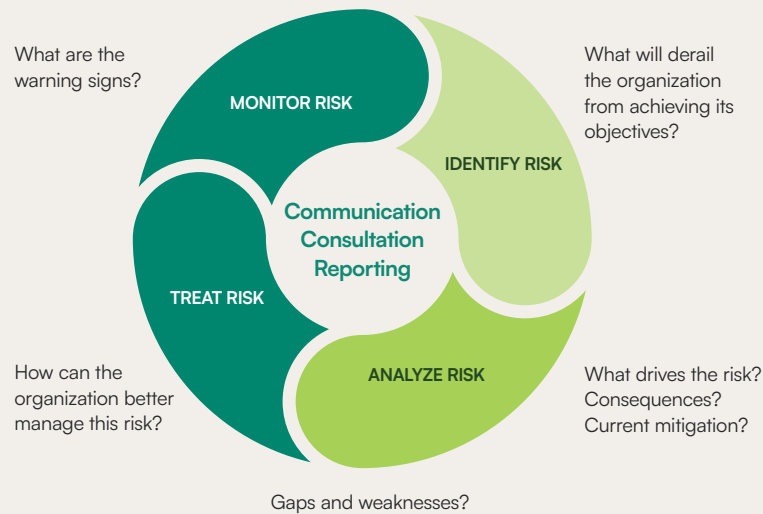
Council for a cross-functional review, which provided recommendations from a multi-discipline perspective. The findings were then presented to the Board Risk Oversight Committee for information and strategic direction.

The Board Risk Oversight Committee continues to exercise its diligence in ensuring sound risk management consistent with its role in guiding the strategies to handle the key risks confronting the Company. In 2022, the committee held two meetings, including a joint session with the Audit Committee, to ensure alignment and collaboration, further enhancing organizational and process efficiency in managing risk across the group. Through these efforts, we are confident in our ability to identify and mitigate risks effectively, ensuring the long-term success of Ayala Land.

RISK MANAGEMENT STRUCTURE



ENTERPRISE-WIDE RISK MANAGEMENT ACTIVITIES



ENTERPRISE RISK MANAGEMENT AT AYALA LAND

Ayala Land's enterprise risk management (ERM) is a fundamental part of its business discipline, ensuring that key risks are properly identified, assessed, and prioritized. This program is embedded into our operations, reflecting our commitment to responsible risk management.

The ERM program follows a multi-step iterative process starting with a ground-up risk assessment performed by each business unit led by the business unit head. These assessments provide valuable insights into the prioritization of each unit's identified risks. The Chief Risk Officer (CRO) consolidates these assessments, and undergoes a cross-functional review with the Risk Council that is composed of senior leaders from various business lines. The Risk Council provides a multi-disciplinary and holistic approach to processing risks, holding regular cross-functional discussions to better understand risk interdependencies and interrelationships resulting in an agreement on the key risks confronting the business.

The CRO then reports the results of the discussions to senior management to prioritize the risks and their treatment, understand the drivers of emerging risks, and agree on opportunities to be pursued. These are then summarized and presented to the Ayala Land Board Risk Oversight Committee (BROC). To ensure that risks are current and relevant, a full review of ALL's risk universe is done every three years or as deemed necessary.

The BROC meets semi-annually and provides input, evaluation, and feedback on improving ALL's risk management process to the ALL Board of Directors, who oversee the effective management of the Company's strategic, operational, financial, and compliance-related risks.

Through our ERM program, we are committed to proactively identifying and managing both strategic and operational risks, ensuring the long-term success and sustainability of Ayala Land.

Key Risks and Mitigating Measures

KEY RISK	RISK DESCRIPTION
Regulatory Risk	As a highly regulated company, Ayala Land monitors changes to regulatory policies that can impact our business. Any changes to these policies will affect its operations and project implementation, including shifts in the stance of regulatory bodies. The increasing portfolio of property development projects and commercial leasing operations underscore the importance of compliance with regulatory requirements.
MITIGATING MEASURES	
<ul style="list-style-type: none"> → Monitoring changes and developments in regulatory policies, analyzing their potential impact on operations and financial performance, and developing strategies to address these <ul style="list-style-type: none"> • Maintaining open communication lines with the regulators, key industry groups, and other stakeholders • Participating in dialogues and discussions to provide the necessary business information to support the government's research and implementation initiatives → Addressing compliance gaps or deficiencies arising from new and existing laws and regulations <ul style="list-style-type: none"> • Compliance with policies and regulations from local government, DENR, and BFP • Continued discussions with PRC, Property developers, and other stakeholders → Rigorous review and monitoring of permit renewals and providing sufficient lead time for the application to prevent delays and disruptions in implementation → Conducting due diligence on the rights of legitimate claimants, including indigenous people, in the acquisition and development of land and ensuring that social concerns and regulatory issues are adequately addressed 	

KEY RISK	RISK DESCRIPTION
Government, Political Risk	Changes in the government's policies and programs and inconsistent or differing interpretation of laws and codes by regulating agencies in different locations affect the compliance, business operations and financial performance of Ayala Land.
MITIGATING MEASURES	
<ul style="list-style-type: none"> → Monitoring changes and developments in government policies and programs, analyzing their potential impact on operations and financial performance, and developing strategies to address such <ul style="list-style-type: none"> • Maintaining open communication lines with government institutions, representatives, and other stakeholders • Participating in dialogues and discussions to provide the necessary business information to support the government's research and implementation initiatives • More active and visible participation in supporting government institutions' activities → Ensuring full compliance with relevant government policies → Disclosing necessary business information in an accurate and timely manner for transparency 	

KEY RISK	RISK DESCRIPTION
Project Execution and Timely Delivery Risk	Coming from the impact of the pandemic and economic reopening, the faster recovery significantly increased the pressure on project delivery commitments, project costs, and compliance with statutory law and quality standards.
MITIGATING MEASURES	
<ul style="list-style-type: none"> → Enhancing procurement strategies, partnering arrangements, and the bidding process to mitigate the increase in commodity prices → Implementing pre-construction initiatives and catch-up plans → Implementing new construction methods and resuming the modernization program, which includes accelerating the Design for Modular Construction (DFMC) initiatives to reduce construction time and minimize rework → Intensifying the use of digital platforms to drive efficiency → Improving the quality review process and strengthening quality consciousness among employees and suppliers → Conducting regular on-the-spot checks and audits of offices, operations, and records of third-party contractors and vendors to ensure code-related compliance → Establishing customer engagement units focusing on improving customer experience, including product quality and timely delivery 	

KEY RISK	RISK DESCRIPTION
COVID-19 or Pandemic Risk	Based on the past three years, the risk of another global pandemic is not remote, and can disrupt business operations primarily if mobility restrictions are reimposed, which will limit sales mobility for the residential business and foot traffic for malls and hotels and resorts.
MITIGATING MEASURES	
<ul style="list-style-type: none"> → Complying with health protocols and safety guidelines, and utilizing construction technologies to complete projects and expedite delivery to buyers → Implementing financial sustainability strategies to maintain a strong balance sheet, ensure liquidity and adequate funding capacity → Continue on launches and openings, sales campaigns local and international, hybrid turnovers and customer management → Reinventing efforts to improve operations of leasing businesses and levelling up of customer experience 	

KEY RISK	RISK DESCRIPTION
Marginalization by Competitors	Losing market share as competitors aggressively offer more flexible terms and innovative product offerings.
MITIGATING MEASURES	
<ul style="list-style-type: none"> → Focusing on customer-centricity through improved customer service and enhanced customer experience with newly created focus teams → Continuously improving project delivery and product quality → Acquiring land needed for medium-term requirements and ensuring a pipeline of inventory for fastmoving products → Continuously promoting a mixed-use approach in property development → Introduction of third-party studies to identify areas for improvement in customer experience and detailed competitive study on product offerings 	

KEY RISK	RISK DESCRIPTION
Organizational Risk	Gaps in crucial personnel and function areas arising from employees being poached and offered opportunities
MITIGATING MEASURES	
<ul style="list-style-type: none"> → Continue recruitment efforts through various channels (social media, recruitment sites, referrals, etc.) for critical vacant positions → Strengthen succession planning programs and improve bench strength with critical hires to bring in needed expertise to complement the teams implementing various programs; activities to strengthen employee engagement during the pandemic → Conduct periodic organizational climate surveys or reviews to determine employee engagement levels, address areas of concern, empower people, and create opportunities for professional development → Adopt programs such as succession planning, cross-posting, organizational structure and operations streamlining, and employee retention programs 	

KEY RISK	RISK DESCRIPTION
Environmental Risks	As the Philippines is located in the Pacific Ring of Fire, natural perils, such as earthquakes and volcanic eruption hazards, can disrupt business operations and damage the company's properties. The incidence of typhoons and other extreme weather events has also increased due to climate change.

MITIGATING MEASURES

- Strict conduct of technical due diligence and environmental scanning for fault lines and possible flood-prone areas in the company's properties and adjacent areas before any development is started
- Faithful compliance with applicable national and local building codes, standards, and regulations, including building and fire codes, to ensure that buildings withstand a magnitude eight earthquake
- Establishment of 24/7 operation centers nationwide to track weather conditions and advise business operations accordingly, and religious conduct of emergency drills to facilitate readiness, early mitigation, and quick response to disasters, whether natural or man-made
- Conservation and protection of indigenous biodiversity and identification of native flora and fauna, integrating such findings into the company's business model, development plans, and operations, which currently cover 4,870 hectares of high-biodiversity land
- Implementation of decarbonization programs: Carbon Neutrality for scopes 1 and 2 emissions of commercial leasing assets achieved, and Net Zero for scopes 1, 2 and 3 emissions of the entire Ayala Land group by 2050
- Adoption of insurance programs for operating properties and construction sites to ensure loss mitigation and recovery for physical damages and business interruption arising from disasters
- Supporting the Task Force on Climate-related Financial Disclosures (TCFD) framework; a TCFD Team was organized to manage and address requirements of this program

KEY RISK	RISK DESCRIPTION
Financial Risk	Operating cash flows remain a concern since the business has not reached its pre-pandemic levels. A strong balance sheet that ensures liquidity and provides adequate funding capacity to withstand an economic downturn or capture growth opportunities must be in place.

MITIGATING MEASURES

- Establishing a three-layered approach to liquidity through prudent cash management by
 - taking advantage of higher-yielding placements and high-quality, marketable securities;
 - timely access to short-term and long-term funding with optimal terms and conditions; and
 - establishing a program for the sale of receivables
- Mitigating exposure to refinancing, interest rate, and currency risks by
 - active monitoring and management of a mix of short- and long-term, fixed and floating rates, local and foreign currency borrowings, and
 - spreading out debt maturities within predetermined limits
- Maintaining a solid credit rating and local debt capital market support
- Continuous monitoring of the contingent liability level to complete committed projects, even during a financial downturn, and observing the financial covenant on maximum gross debt-to-equity ratio
- Setting counterparty bank limits for cash and investable funds to ensure these are invested only with counterparties of the highest credit standing

KEY RISK	RISK DESCRIPTION
Major Security, Health, and Safety Risks	Ensuring security, safety, and healthy surroundings for employees and stakeholders are imperative to the business and the brand.
MITIGATING MEASURES	
<ul style="list-style-type: none"> → Complying with mandated safety and health protocols and guidelines from regulators and local government units → Mandatory training of all personnel and safety inspections of all critical and hazardous activities before the start of any work in operating properties and construction sites → Designation of safety officers who are empowered to override project managers and declare work stoppage if they believe safety standards and practices are not being met → Tightened monitoring of all environmental, health, and safety permits and licenses of all projects → Proactive maintenance practices and procedures to prevent severe and unscheduled operational losses resulting from equipment breakdowns and other utility disruptions → Establishment of geographic sub-crisis management teams, aligned with the government's mandatory incident command system, for proper and efficient emergency and disaster management <ul style="list-style-type: none"> • Periodic emergency response and management exercises in all buildings and estates to protect life and property and maintain business continuity → Intensified accident and loss-preventive programs through a central occupational health and safety committee → Collaboration and networking with proper authorities in addressing and managing security-related risks 	

KEY RISK	RISK DESCRIPTION
Partnerships and Alliances Risk	Any failure of suppliers or contractors to deliver projects on time, or to fully comply with regulatory requirements, can affect the company's reputation and expose it to serious legal issues. Any delay or failure by partner landowners in meeting their deliverables or condition precedents can also impact development timelines.
MITIGATING MEASURES	
<ul style="list-style-type: none"> → Enhancing vendor management programs <ul style="list-style-type: none"> • Inviting new, capable, and competent vendors with local support capability to address challenges in mobility • Increased engagement of tried-and-tested contractors • Continued partnering arrangements with select vendors and suppliers with periodic reviews of agreements and provision for thresholds to address cost deviations → Stricter agreements and contracts on partner deliverables → Starting projects only when deliverables are fully met → Heightened vendor management programs in conjunction with regular review and monitoring of commodity prices and trends for impact in supply of materials and pipeline of projects 	

KEY RISK	RISK DESCRIPTION
Cyber Risk	Ayala Land's increasing dependence on IT, continued digitalization initiatives, and the large volume of data the company has in safekeeping have given rise to exposure to cyberattacks and data breaches.
MITIGATING MEASURES	
<ul style="list-style-type: none"> → Investment and deployment of technological and administrative solutions to address unauthorized access, control, and manipulation of data and critical information stored in the company's IT systems and infrastructure <ul style="list-style-type: none"> • Penetration testing and dissemination of information on security-related policies to the entire organization • Employing latest technology solutions in collaboration with specialist firms and industry partners including cloud-based service providers • Monitoring compliance on established security standards including vendor qualifications and security certifications • Simulation of response plans, review of infrastructure and application vulnerabilities and continuing software audits for compliance → Conduct of awareness and training programs that enhance organizational knowledge of cyber security and data privacy compliance 	

Ayala Land's Task Force on Climate-related Financial Disclosures (TCFD) Report

In 2021, Ayala Land took an essential step toward promoting sustainability by supporting the Task Force for Climate-Related Financial Disclosures (TCFD), an initiative established by the Financial Stability Board. The TCFD aims to develop voluntary and consistent climate-related financial disclosures that enhance transparency and accountability in assessing climate risks and opportunities. The disclosures revolve around four thematic areas: Governance, Strategy, Risk Management, and Metrics and Targets.

GOVERNANCE

Board Oversight on Climate Governance

Ayala Land's Board of Directors is responsible and accountable for overseeing business operations, including the Company's response to climate change. The Board Risk Oversight Committee, chaired by an Independent Director, ensures the proper identification, measurement, mitigation, control, and tracking of critical risks confronting the business, including climate-related risks. The Chief Risk Officer (CRO) provides the Board with updates on climate-related matters at least twice a year. Regular meetings include discussions on emerging risks and new opportunities aside from those already identified by the organization, further strengthening the company's commitment to addressing climate change risks and opportunities.

At the same time, the Sustainability Committee oversees Ayala Land's sustainability initiatives and practices, including its primary climate mitigation strategy: the carbon neutrality and net zero programs. The Sustainability Committee exercises responsibility for environmental, social, and economic topics material to Ayala Land and provides oversight of its sustainability impact projects.

Ayala Land's Carbon Neutrality commitment for its commercial operations in 2022 indicates the Board's resolve to address the risks and opportunities associated with climate change. Among other ESG-related issues, the

Sustainability Committee carried out the following:

1. Reviewed the progress of the Carbon Neutrality Program in terms of reduction in net emissions;
2. Approved the participation to Ayala Group's Net Zero by 2050; and
3. Discussed challenges and approved the steps to transition from carbon neutrality to net zero.

The Company's annual emissions reduction targets based on its Carbon Neutrality Program are part of the Management Committee's and the CEO's key result areas (KRA), which are the basis for determining their annual performance compensation.

Management Oversight on Climate Governance

The Estate Development Group's corporate sustainability team executes relevant projects and initiatives, including the Carbon Neutrality program, in line with the Sustainability Committee's directions. Furthermore, the various business units have their sustainability leads tasked with integrating and implementing sustainability initiatives, ensuring a coordinated approach across the organization.

The Corporate Sustainability team regularly updates the Management Committee on the progress and short, medium, and long-term targets of the carbon neutrality and net zero programs. This reporting ensures transparency and accountability in Ayala Land's sustainability initiatives.

Climate-related matters are embedded in the project approval process to ensure that the risks and opportunities associated with climate change are factored into the project planning process.

STRATEGY

In 2022, Ayala Land engaged the South Pole Group to develop a net-zero strategy as part of Ayala Group's net-zero by 2050 target. The scope of work with South Pole includes:

- Benchmarking Ayala Land's sustainability performance and commitments against peers;
- Developing a robust GHG inventory baseline;

- Prioritizing emission reduction opportunities; and
- Developing a decarbonization roadmap toward a net zero target.

Since 2017, Ayala Land has also been working with the Center for Conservation Innovations, an environmental NGO in the Philippines with expertise in forest carbon, to manage carbon sinks or carbon forests.

As Ayala Land applies the principles of TCFD, it recognizes that the journey toward compliance has just begun. As such, the engagement with South Pole will include an assessment of competency gaps to identify areas where Ayala Land can improve its practices and align more fully with TCFD's recommendations.

Philippine Climate Trends and Projected Climate Change

The Philippines, as an archipelagic country in the northwestern region of the Pacific, is highly-exposed to natural hazards like drought, earthquakes, floods, and tropical cyclones, as noted by the Philippine Atmospheric, Geophysical and Astronomical Services Administration (PAGASA) 2018 report. Among the countries most exposed to risk, the Philippines ranked third and fifth in the 2017 World Risk Index (WRI) of the United Nations University and the Long-Term Germanwatch Climate Risk Index (CRI) (1996-2015, respectively).

The report discusses various low-emission (RCP4.5) and high-emission scenarios (RCP8.5). The temperature in the Philippines is warming at

an average rate of 0.1°C/decade. In the mid-21st century (2036-2065), it is projected that the country's average temperature could increase by as much as 0.9°C-1.9°C (assuming low emission scenario, RCP4.5) and 1.2°C-2.3°C (considering the high emission scenario, RCP8.5). Warmer conditions are further expected by the end of the 21st century (2070-2099), which could range from 1.3°C-2.5°C (based on RCP4.5) to 2.5°C-4.1°C (based on RCP8.5) increase in mean temperature relative to the baseline climate. Multi-model projections also suggest a range of increase and decrease in seasonal-mean rainfall exceeding 40% of its historical values. High year-to-year variations in the frequency of occurrence and intensity of tropical cyclones are expected to persist in future Philippine climate conditions. Sea level rise is a significant concern, with the Philippines experiencing nearly double the global average sea level rise over certain parts from 1993 to 2015. Projections indicate that the country's sea level will increase by approximately 20 cm by the end of the 21st century under the RCP8.5 scenario.

Climate-related Risks of Ayala Land

In 2022, Ayala Land engaged consultants to determine the methodology to evaluate and measure our climate risk factors. The study involved 523 assets across the Company worth \$8.5 billion. It used a long-term time horizon through the 2030s, which considered both "high emissions" (RCP 8.5) and a "low emissions" scenario (RCP 4.5) to help provide a broader perspective from either potential outcome.

Below are the identified climate-related risks of Ayala Land for the 2030s:

Risk Trends at RCP 8.5	
This "High Emissions" scenario assumes that no significant global effort to limit greenhouse gas emissions will go into effect, leading to 4.2-5.4°C of warming by the end of the century.	
High Impact	Physical Risk <ul style="list-style-type: none"> • Coastal Flooding Transition Risk <ul style="list-style-type: none"> • Technology
Medium Impact	Physical Risk <ul style="list-style-type: none"> • Temperature Extremes Transition Risk <ul style="list-style-type: none"> • Reputation
Low or No Impact	Physical Risk <ul style="list-style-type: none"> • Drought and Wildfire • Tropical Cyclone

Risk Trends at RCP 4.5	
This "Low Emissions" scenario implies coordinated action to limit greenhouse gas emissions to achieve a global temperature warming limit of ~2°C.	
High Impact	Physical Risk <ul style="list-style-type: none"> • Coastal Flooding Transition Risk <ul style="list-style-type: none"> • Technology
Medium Impact	Physical Risk <ul style="list-style-type: none"> • Temperature Extremes Transition Risk <ul style="list-style-type: none"> • Reputation
Low or No Impact	Physical Risk <ul style="list-style-type: none"> • Drought and Wildfire • Tropical Cyclone

Modeled Transition Risks	
Carbon Pricing:	Relates to policies and regulations that may impose a carbon price through such mechanisms as carbon taxes or emissions trading. Risk is calculated using a vulnerability function linking the carbon price per ton of CO ₂ -equivalent emissions to financial impacts via current emissions at each asset or aggregate of assets.
Litigation:	Relates to costs to defend against climate-related claims, including failure to mitigate, adapt, and disclose risks about various local and sovereign laws.
Technology:	Refers to the extent to which new technologies reduce competitiveness, production efficiency, or demand.
Reputation:	Refers to perceptions of an organization's "social license to operate."
Market:	Refers to how the transition to a low-carbon economy affects the supply and demand for products and services.

Modeled Physical Risks	
Temperature Extremes:	Changes in frequency of occurrence of temperature extremes. An extreme temperature event is generally defined as the occurrence of the temperature variable above (or below) a threshold value near the upper (or lower) ends ('tails') of the range of observed values of the variable.
Coastal Flooding:	Changes in frequency of coastal flooding of various magnitudes. Extreme coastal high water depends on average sea level, tides, and regional weather systems. Extreme coastal high-water events are usually defined in terms of the higher percentiles (e.g., 90th to 99.9th) of a distribution of hourly values of observed sea level at a station for a given reference period.
Drought:	Changes in the frequency of drought conditions contribute to a period of abnormally dry weather long enough to cause a serious hydrological imbalance.
Wildfire:	Changes in the annual probability of the 90th percentile wildfire conditions, as compared to the baseline period (1980-2000) at the asset's location.
Tropical Cyclone:	Changes in the location and intensity of hurricanes or tropical cyclones, the general term for a strong, cyclonic-scale disturbance that originates over tropical oceans. This is currently available for the eastern Atlantic basin.
Water Stress:	Changes in the WRI Aqueduct water stress index from current values to future values out to the 2040s.
Fluvial Flooding:	The annual probability of a 100-year riverine flood, relative to the historical baseline of 1950-1999. This metric uses three climate variables and four topographic variables.

Climate-related Opportunities of Ayala Land

Transition Risks	Opportunities	Response Actions
Technology	The emergence of new technologies that are becoming more efficient, cost-effective, and reliable and promote sustainability can be utilized in the different product offerings of the company (Residential and Leasing businesses).	Efforts to integrate and adapt new construction technologies and practices are in place to address challenges related to climate-related risks, incorporated into the project's value proposition.
Reputation	Increasing awareness of the effects and impact of climate change has ascribed premiums for investors to companies with robust climate strategies and climate-related risk management practices.	Continuing regular engagement with key stakeholders and investors through various channels and further deepening communication of the Company's sustainability efforts and climate strategy

Market	New markets and investors with significant financial capacity seek more investments in green companies that adhere to social responsibility in addressing climate risks.	Face-to-face investor meetings and roadshows are now resuming, further showcasing the Company's climate strategy and social responsibility efforts to attract new green investors.
Regulatory and Litigation	Imposition of carbon taxes or emissions trading and climate-related claims that may benefit early shifters/adopters	Program initiatives are already ongoing, with the target of net zero by 2050 for the ALI Group.

Impacts of Climate-related Risks

Climate-related Risk	TCFD Category	Impact Factors
<p>Natural calamities: The Philippines is an archipelagic country in the southwestern Pacific Ocean, bounded by the Philippine Sea, the West Philippine Sea, and the Celebes Sea. It is situated on the Pacific Ring of Fire. In January 2020, Taal Volcano erupted, impacting the nearby provinces in Southern Luzon.</p> <p>The country was hit by major typhoons Quinta, Rolly, Ulysses, and Odette in recent years, causing property damage and high flooding in some areas.</p>	Physical	<p>The eruption of Taal in January 2020 adversely impacted demand for developments in Tagaytay City and lot sales of developers in the adjacent provinces of Cavite, Batangas, and Laguna.</p> <p>Typhoons Quinta, Rolly, Ulysses, and Odette caused significant property damage in Calabarzon, the Bicol region, Visayas, Cagayan Valley, and Metro Manila, bringing strong winds and flooding in the affected areas.</p> <p>Natural calamities will adversely impact demand for property development projects in short to medium term. Buyers will prioritize essential goods and services and think twice about purchases in the affected areas.</p>

Philippines Typhoon Catastrophe Modelling Analysis

A catastrophe model loss estimate for the Philippines and Ayala Land has been undertaken, covering both property damage and business interruption impact.

A modeled losses study was conducted to estimate the impact of potential losses, considering policy conditions such as the policy deductible or limit. The study used Occurrence Exceedance Probability (OEP) to determine the probability (in years) of generating a loss from a single event of equivalent or greater magnitude. For typhoons, the modeled loss estimate with a 1 in 200-year ALI return period is USD 139.44 million. This forecast means that the probability of a single typhoon event exceeding a loss of USD

139.44 million is 1/200 or 0.5%. It is important to note that modeled loss estimates are subject to considerable uncertainty, notably about both hazards (specifically the likelihood and severity of catastrophic events) and property vulnerability (i.e., the response of the insured property portfolio to damage when exposed to a catastrophic event). The Company has put a risk transfer mechanism in place on top of reasonable technical interventions and controls to mitigate potential loss due to natural perils.

Building Climate Resilient Strategy

Ayala Land is committed to implementing climate adaptation and mitigation practices. The Company prioritizes environmental hazards screening, due diligence, and management of carbon sinks and site-resilient features. By continually shifting to

renewable energy and investing in resource efficiency programs, Ayala Land aims to accelerate its transition to low-carbon operations.

Two of Ayala Land's sustainability focus areas are to achieve site resilience to reduce the vulnerability of communities to the effects of climate change and natural disasters and to achieve resource efficiency to manage the continuing loss of natural resources. These focus areas are aligned with the UN SDGs, six capitals of the <IR> framework, GRI and SASB indicators, and TCFD recommendations.

The Company recognizes that extreme weather events, rising sea levels, and other hazards associated with climate change pose a significant risk to its real estate products and businesses. As such, Ayala Land strengthens its sites to recover from environmental stress by undertaking technical due diligence to screen for geohazards, providing space for refuge and rainwater absorption, and using native trees to enhance biodiversity and ecosystems.

To conserve resources and reduce greenhouse gas (GHG) emissions, Ayala Land uses energy, water, and materials (including steel and cement) judiciously and efficiently. The Company has implemented energy and water conservation programs and waste management schemes regularly audited for further improvement. By the end of 2022, Ayala Land reached its carbon neutrality goal for all commercial properties.

Mitigation Plans of Climate-related Risks

Allocated green spaces in Ayala Land developments strengthen the climate resilience of the properties. (See page 125 of this report)

The mitigation measures taken by Ayala Land for its identified climate change risks are as follows:

- Strict conduct of technical due diligence and environmental scanning in properties and adjacent areas before development, for fault



lines and possible flooding, among other naturally occurring events, in the Company's properties;

- Faithful compliance with applicable national and local codes, standards, and regulations, including building and fire codes;
- Establishment of 24/7 operation centers nationwide to monitor and track weather conditions and facilitate readiness, early mitigation, and quick response to disasters, whether natural or man-made;
- Conservation and protection of indigenous biodiversity and identification of native flora and fauna, integrating such findings into the Company's business model, development plans, and operations, currently covering 4,870 hectares of high-biodiversity land;
- Continuous improvement in managing corporate Environmental, Social, and Governance (ESG) risks;
- Implementation of a carbon neutrality program covering commercial leasing assets; and
- The adoption of insurance programs for operating properties and construction sites to ensure loss mitigation and recovery for physical damages and business interruption arising from disasters.

RISK MANAGEMENT

Through its mature and wide-reaching internal enterprise risk management procedures, Ayala Land evaluates each climate-related mitigating action's investment and return value, the shift to

renewable energy, and investment in resource efficiency programs.

Under the leadership and guidance of the President and CEO, the Company is deeply committed to undertaking the following:

1. Strengthen the disaster risk reduction and management capacity of the organization;
2. Continue to undertake Climate Change impact mitigation programs;
3. Build and enhance the knowledge, values, and capacities of employees, government, customers, supply chain, and other important and relevant stakeholders in Climate change adaptation and mitigation;
4. Adopt an inclusive and partnership approach with relevant stakeholders in Climate Change undertakings; and
5. Continuously monitor, review, assess, improve, and report Climate Change response initiatives.

Enterprise risk management in Ayala Land

Ayala Land understands the importance of accountability to its shareholders, employees, and customers in a constantly evolving business environment. The Company has implemented an enterprise risk and opportunity management framework to provide transparency and effectively manage material climate-related risks and opportunities. A risk review is done every three years to ensure the risks are up-to-date and relevant to the current operations. In 2022, the committee reviewed the results of the risk revisit done by the office of the Chief Risk Officer.

As part of the operational process, Ayala Land maintains plans for a critical asset network, including specific climate-related risks, such as flood and windstorm risk assessments and procedures for identifying energy-saving opportunities within offices and facilities.

Moving climate change management forward

To strengthen climate change risk management, Ayala Land will adopt a climate risk analysis tool to identify the financial impacts on various global

asset types and their various properties and deepen the understanding of the following:

- Multiple hazards based on asset type, i.e., temperature, coastal flooding, fluvial flooding, drought, wildfire, water stress
- Globally consistent data and methods to enable comparison of global climate risks based on state-of-the-art climate science from Nobel prize-winning climate scientists and IPCC contributors
- Financial loss projections of hazards in varying intensities
- Top risks across large portfolios and operational footprints for existing and upcoming projects.

METRICS AND TARGETS

Ayala Land completed its baseline emissions inventory of Scope 1,2 and 3 and has selected its target formulation for the near and long term, displayed in the table below, which are in line with the science-based targets and can be used for future phases (i.e., roadmap modeling). The target formulation shall be reviewed at least every five years or when there is a significant change in the baseline emissions (+/- 5%). The Company can keep track of the SBTi's measurement, reporting, and verification (MRV) framework and sectoral guidance progress to align with best practices consistently.

General Metrics

Ayala Land uses several metrics to measure and manage its climate-related risks and opportunities, including materials consumed, energy consumption, water consumption, waste generation, construction waste, hazardous waste, and GHG emissions which it deems relevant and applicable. These metrics are provided over a four-year time horizon for historical trend analysis. In measuring material exposures, Ayala Land has drawn upon the Global Reporting Initiative (GRI) standard (GRI 301 (materials management) - GRI 302, SASB -RE- 130, IF-RE- 410 (energy management) - GRI 303; SASB IF-RE- 140, IF-RE-410 (water management) - GRI 306 (waste management - GRI 305 (emissions)).

Material Management <GRI 301>

Materials consumed (metric tonnes)					
	2018	2019	2020	2021	2022
Cement	277,718	249,660	169,612	173,327	191,400
Rebars/Steel	171,756	196,031	89,042	82,025	61,791

Energy Management <GRI 302; SASB IF-RE-130, IF-RE-410>

Total Energy Consumption (MWh)					
	2018	2019	2020	2021	2022
Within the organization	488,935	545,416	435,637	437,879	605,477
Commercial Properties (Malls, Offices, Hotels, Resorts)	293,338	346,781	307,003	240,788	417,142
District Cooling Systems	71,276	81,763	256	448	143
Construction	117,647	76,606	63,876	107,045	124,383
Estates and Carparks	6,673	7,400	12,280	14,071	5,855
Industrial Parks	-	-	551	463	56,876
Airline	-	58,696	23,448	27,699	1,079
Outside the organization	484,084	520,980	454,832	532,243	634,659
Commercial Properties (Malls, Offices, Hotels, Resorts)	451,469	462,873	378,398	371,637	526,311
Residential Properties	32,615	58,107	75,683	155,328	100,812
Industrial Parks and Warehouses	-	-	840	1,027	7,536

Notes:

- *Within the organization* - Consumption comprises consumption within areas where ALI has operational control.
- *Estates and Carparks* - For properties with unavailable data on certain months, consumption was estimated based on the previous month.
- *Industrial Parks* - Electricity consumption from ALLHC's industrial parks was added starting in 2020. Fuel consumption was added beginning in 2021.
- *Airline* - Electricity and fuel consumption from AirSWIFT was added starting in 2019.
- *Outside the organization* - Consumption outside the organization comprises consumption within (1) leased areas for commercial properties and industrial parks and (2) residential properties which have been turned over.
- *Residential Properties* - Includes only the consumption within common areas. No data is available for the consumption of unit owners.

Water Management <GRI 303; SASB IF-RE-140, IF-RE-410>

Total Water Consumption ('000s m ³)					
	2018	2019	2020	2021	2022
Within the organization	13,365	10,664	8,002	7,660	8,980
Commercial Properties (Malls, Offices, Hotels, Resorts)	9,167	9,424	5,527	5,107	6,691
District Cooling Systems	234	162	441	409	417
Construction	3,379	945	1,329	1,699	1,424
Estates and Carparks	585	128	764	443	437
Industrial Parks and Warehouses	-	-	33	1	7
Airline	-	6	2	2	3
Outside the organization	1,442	1,637	3,571	5,624	5,984
Commercial Properties (Malls, Offices, Hotels, Resorts)	-	-	795	554	842
Residential Properties	1,442	1,637	3,571	5,029	5,029
Industrial Parks and Warehouses	-	-	26	41	113

Notes:

- *Within the organization* - Consumption comprises consumption within areas where ALI has operational control.
- *Construction* - Consumption increased in 2020 due to improvements in water data collection.
- *Estates and Carparks* - For properties with unavailable data on certain months, consumption was estimated based on the previous month.
- *Industrial Parks* - Consumption within ALLHC's industrial parks was included starting in 2020.
- *Airline* - Water consumption from AirSWIFT was added starting in 2019.
- *Outside the organization* - Consumption outside the organization comprises consumption within (1) leased areas for commercial properties and industrial parks and (2) residential properties which have been turned over. Starting in 2020, offices and resorts' water consumption has been broken down between consumption in common areas (within the organization) vs. leased areas (outside the organization)—a breakdown of malls' consumption to be done in 2022.
- *Residential Properties* - Includes only the consumption within common areas. No data is available for the consumption of unit owners.

Waste Management <GRI 306>

Waste Generation and Diversion (metric tonnes)					
	2018	2019	2020	2021	2022
Total Waste Generated	47,352	43,486	25,469	21,502	26,241
Sent to landfill	41,214	35,574	19,798	16,480	21,037
Residual	25,867	20,948	10,186	9,777	12,248
Food	8,749	10,593	3,355	4,865	6,578
Compostable	6,598	4,033	6,257	1,838	2,211
Diverted from landfill	6,138	7,912	5,672	5,078	5,204
Sent to recyclers	6,138	7,894	5,641	5,022	4,905
Plastics collected through eco hubs	-	32	46	56	106
Plastics processed for ALI projects	-	1	28	75	130
Plastics processed for non-ALI projects	-	2	1	-	-
Food composted	-	15	1	-	192

Notes:

- *Waste Generation and Diversion (metric tonnes)* - Total waste generated across all businesses, measured in tonnes.
- *Residual* - All other solid waste that is non-food and non-compostable.
- *Compostable* - Includes landscape waste such as leaves, shrubs, tree trimmings, and grass clippings.
- *Sent to Recyclers* - Includes traditional recyclables such as paper, cartons, glass bottles, and aluminum cans.
- *Plastics collected through eco hubs* are diverted through Arca South and Lio eco hubs. Those not processed for ALI and non-ALI projects during the year were stored for future use or diverted through other plastic products.
- *Plastics processed for non-ALI projects* are processed in the Arca South eco hub and used for construction materials for non-ALI projects.

Construction Waste Generation and Diversion (m ³)					
	2018	2019	2020	2021	2022
Total Construction	799,116	1,230,603	885,144	1,136,685	366,690
Sent to Landfill	76%	59%	61%	39%	48%
Diverted from Landfill	24%	41%	39%	61%	52%

Note: Due to the varying densities of construction materials, waste in cubic meters is reported separately from waste in metric tonnes. Those in tonnes were included in the solid waste generated.

Hazardous Waste

Hazardous Waste Generation (metric tonnes)					
	2018	2019	2020	2021	2022
D406 ULAB	12	150	34	42	36
D407 CFL	16	114	30	26	30
I101 Used Industrial Oil	78	45	19	87	45
I102 Vegetable Oil	-	10	16	12	9
M506 WEEE	12	150	34	42	23

Legend: ULAB — Used lead acid batteries CFL — Compact fluorescent lightbulbs WEEE — Waste electrical and electronic equipment
Note: Complete HW reported in the environmental data pack. (LINK)

Hazardous Waste Diversion and Disposal 2022

	% Recycled	% Stored On-Site
D406 ULAB37	19%	81%
I101 Used Industrial Oil	38%	62%
M506 WEEE39	1%	99%

Note: Commonly generated hazardous waste — lead acid batteries (D406) and industrial oil (I101) for generator sets, and waste electronic (M506) — are recycled through the Bantay Kalikasan program of ABS-CBN Lingkod Kapamilya Foundation, Inc.

GHG Metrics

According to the Greenhouse Gas (GHG) Protocol, representing the most commonly used international accounting tool, GHG emissions have been categorized into three scopes/groups.

Scope 1 Emissions

Represent direct GHG emissions from sources owned or controlled by Ayala Land (e.g., emissions associated with fuel combustion in boilers, furnaces, and vehicles).

Scope 2 Emissions

Characterize indirect GHG emissions from Ayala Land's energy usage generated at the Company's facilities. Scope 2 emissions are associated with buying various forms of energy (e.g., electricity, heat, steam)

Scope 3 Emissions

Represents all other indirect emissions that occur within a company's value chain.

Ayala Land Group Total Emissions

Ayala Land Group Total Emissions					
in t-CO ₂ e	2018	2019	2020	2021	2022
Scope 1	30,772	62,770	41,940	61,236	46,717
Scope 2	257,679	214,227	133,299	73,316	73,664
Scope 3	286,930	218,501	96,479	47,848	68,051

Notes:

1. Emissions declared are market-based. Emissions are calculated using the GHG Protocol Corporate Accounting and Reporting Standard, with emission factors calculated by retail electricity suppliers.
2. For Scope 1 emissions, the reference for the GWPs (global warming potential) is the 2014 IPCC 5th Assessment Report. Gasses reported include carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O).
3. For properties that shifted to purchasing electricity from renewable energy power plants, which are accompanied by iRECs (International REC Standard) certification, Scope 2 emissions are considered zero from the shifting date.

2022 Emissions by Property Type

2022 Emissions by Property Type			
in t-CO ₂ e	Scope 1	Scope 2	Scope 3
Malls	1,223	6,122	47,359
Offices	855	24,268	20,018
Hotels	2,608	10,036	-
Resorts	6,294	-	50
District Cooling System	49	-	-
Construction Projects	21,838	28,109	-
Estates	22	3,743	-
Carparks	13	694	-
Airline	13,783	67	-
Industrial Parks	31	425	624
Total	46,717	73,664	68,051

Note: Scope 3 covers only downstream leased assets.

Targets

As part of the Ayala Group, Ayala Land has a net zero target by 2050, which covers scope 1, 2, and 3 emissions for the entire group. This announcement was made by Ayala Corporation President & CEO Fernando Zobel de Ayala during the group's 2021 Integrated Corporate Governance, Risk Management, and Sustainability Summit:

"As Ayala's concrete contribution to the well-being of future generations of Filipinos, we are announcing our commitment to achieve net zero greenhouse gas emissions by 2050. We are aligning ourselves with the global movement for climate action to help secure our country's future from the threats brought by climate change. We believe that we have the capabilities and collective will to make this happen,"

Fernando Zobel de Ayala

President & CEO, Ayala Corporation (2021)

To achieve net zero by 2050, Ayala Land set interim absolute targets to neutralize emissions and manage climate-related risk factors and performance.



AyalaLand Winners League 2022

A total of 311 awards were garnered
by the Ayala Land Group









Financial Review

Management's Discussion and Analysis

Review of FY 2022 operations vs. FY 2021

Ayala Land, Inc. exhibited remarkable resilience in 2022, capitalizing on the Philippines' reopened economy following the pandemic. The Company's diversified real-estate portfolio demonstrated an impressive performance, with a net income of P18.61 billion, representing a 52% increase, and consolidated revenues that grew to P126.56 billion, up 19% year-on-year.

Real Estate revenues from Property Development, Commercial Leasing, and Services operations amounted to P116.36 billion, a 21% increase from the previous year. The stellar performance was driven by robust commercial lot sales and the recovery in commercial leasing.

Capital expenditures grew to P72.38 billion to support the build-up of residential and commercial projects.

The Company maintained a net gearing ratio of 0.76:1; which is a testament to its tight management of debt and liquidity to ensure a healthy balance sheet.

Business Segments

The details of the performance of each business segment are as follows:

Property Development. This segment includes sales of residential lots and units, office spaces, commercial and industrial lots, and operations of MCT Bhd, Ayala Land's consolidated subsidiary based in Malaysia. In 2022, the Company recorded P74.55 billion in property development revenues, 8% higher than the previous year. The growth was led by solid commercial lot sales.

Residential. Revenues from sales of residential lots and units and MCT Bhd's operations reached P59.11 billion, 4% higher from P57.05 billion last year on construction progress and bookings.

AyalaLand Premier (ALP) recorded revenues of P21.44 billion, 3% higher than P20.85 billion in the previous year, attributed to the incremental percentage-of-completion (POC) of Andacillo in Nuvali, Lanewood Hills in Silang, Cavite and Parklinks North Tower in Quezon City.

Alveo posted revenues of P15.52 billion, an 18% growth from P13.12 billion, owing to the higher POC of Corvia at Alvia and Ametrine at Portico, and higher bookings from Parkford Suites in Makati.

Avida totaled P12.18 billion in revenues, 10% less than P13.51 billion, due to lower bookings owing to Avida Towers Sola in Vertis North Quezon City, Riala in Cebu IT Park, Cebu City, Avida Towers Vireo in Arca South, and almost sold-out inventory at Avida Towers Turf in BGC.

Amaia posted P6.90 billion in revenues, a 52% jump from P4.55 billion due to higher bookings attributed to Scapes General Trias Sectors 3 and 4 in Cavite, Skies Avenida Tower 2 in Sta. Cruz, Manila and Skies Shaw Tower 2 in Mandaluyong Cit.

BellaVita recognized revenues of P317 million, a 72% decline from P1.15 billion due to inventory sellout of projects at Tayabas, Quezon Province, and Lipa, Batangas, and lower bookings from the project in Cabanatuan.

MCT Bhd contributed revenues of P2.76 billion, 29% lower than P3.88 billion, due to inventory sellout of nearly completed legacy projects and incremental POC of newly launched projects (Aetas and Casa Bayu).

Office for Sale. Revenues from sales of office units declined by 28% to P2.79 billion from P3.85 billion due to the full completion of Alveo's Park Triangle Tower at BGC and moderate take-up on remaining inventory.

Commercial and Industrial Lots. Revenues from commercial and industrial lot sales surged 54% to P12.65 billion from P8.24 billion due to strong investor demand at Arca South, Nuvali, and Broadfield estates.

Reservation Sales. With resilient demand amid the higher interest-rate environment, the Company registered P104.89 billion in reservation sales, 14% better than last year. Fourth-quarter sales jumped by 24% to P27.57 billion. Sales from local Filipinos totaled P69.19 billion, comprising 66% of the total, 1% higher than last year, complemented by sales from overseas Filipinos of P23.03 billion and other nationalities at P12.67 billion, with a 22% and 13% share, respectively. Sales from overseas Filipinos and other nationalities surged by 59% and 39%, respectively. On sales from other nationalities, 63% or P7.95 billion were to Americans at P7.95 billion, a 47% increase year-on-year. Meanwhile, sales to Chinese buyers declined by 40% to P730 million, comprising only 6% of sales to other nationalities and only 1% of consolidated reservation sales.

Project Launches. ALI launched ten residential developments in the fourth quarter, bringing the total projects to 30 by yearend, with a consolidated value of P91.42 billion. These include ALP's Ciela Phase 2A Batch 1 at Carmona, Cavite, Miravera at Altaraza, Bulacan, and Arcilo at Nuvali, Laguna; and Alveo's Verdea at Silang, Cavite, and South Palm Grove in Lipa, Batangas.

Commercial Leasing. This segment involves the operation of shopping centers, office buildings, hotels and resorts, standard factory buildings and warehouses, and co-working spaces. Commercial leasing revenues accelerated by 62% to P33.39 billion with normalized mall rents and foot traffic, the contribution from new office spaces, and higher hotel room rates.

Shopping Centers. With foot traffic and mobility resurgence, shopping centers revenues more than doubled to P16.08 billion. The average occupancy rate for all malls was 81%. The total mall gross leasable area (GLA) was at 2.1 million square meters.

Offices. Revenues from office leasing grew by 13% to P11.12 billion, primarily from the revenue contribution of One Ayala East and West Towers. The average occupancy rate for all offices was 88% from a total office GLA of 1.4 million square meters.

Hotels and Resorts. Revenues from hotels and resorts also doubled to P6.19 billion, boosted by higher room rates. The average occupancy of hotels was 59%, and 29% in resorts. This segment has a total of 4,058 rooms.

The hotels and resorts business manages 660 hotel rooms in its international brand segment—312 from Fairmont Hotel and Raffles Residences and 348 from Holiday Inn & Suites, both of which are in the Ayala Center, Makati CBD.

There are 11 Seda Hotels, operating 2,804 rooms—Atria, Iloilo (152 rooms); BGC, Taguig (521); Centrio, Cagayan de Oro (150); Abreeza, Davao (186); Nuvali, Santa Rosa, Laguna (242); Vertis North, Quezon City (438); Capitol Central, Bacolod (154); Lio, Palawan (153); Ayala Center Cebu (301); Seda Residences Ayala North Exchange (293) and Seda Central Bloc (214); and Circuit Corporate Residences (255).

El Nido Resorts operates 193 rooms from its four island resorts—Pangulasian, Lagen, Miniloc, and Apulit. The Lio Tourism Estate currently has 70 rooms under its Bed and Breakfast (B&B) and Dormitel offerings, while the Sicogon Tourism Estate in Iloilo currently has 76 B&B rooms.

Services. This segment is composed of the Company's construction business through Makati Development Corporation (MDC), property management through Ayala Property Management Corporation (APMC), and other companies engaged in power services such as Direct Power Services, Inc. (DPSI), Ecozone Power Management, Inc. (EPMI), and Philippine Integrated Energy Solutions, Inc. (PhilEnergy) and airline for the hotels and resorts business, AirSWIFT. Total revenues amounted to P8.42 billion, 32% higher than the previous period.

Construction. Net construction revenues totaled P4.24 billion, 8% higher, owing to the contribution from external projects.

Property Management, AirSWIFT, and Others. APMC, AirSWIFT, power services companies, and combined revenues accelerated by 70% to P4.18 billion on higher AirSWIFT patronage, parking usage, and retail energy demand.

Equity in Net Earnings of Investees, Interest, Fees, Investment, and Other Income

Equity in net earnings of associates and JV companies jumped by 70% to P1.43 billion due to higher revenues of FBDC companies, Ortigas Land, and the joint venture with Royal Asia; and the absence of losses from Qualimed's operations since its sale in 2021.

Interest income from real estate sales declined 2% to P6.69 billion from P6.80 billion due to lower accretion income. Meanwhile, interest and investment income increased by 53% to P387 million on higher interest earned from installment sales, yield from short-term investments, and cash deposits.

Other income, mainly marketing and management fees from JVs, amounted to P1.69 billion, 20% lower than P2.10 billion in 2021, which included the sale of the Company's 39.2% interest in Qualimed to Ayala Corporation.

Expenses

The Company incurred total expenses amounting to P98.34 billion, which is 15% higher than the previous year due to the normalization of operations. Real estate expenses reached P75.63 billion, reflecting a 17%, while general and administrative expenses rose to P7.26 billion, 11% higher than the previous year. Despite the higher expenses, the Company achieved a better GAE ratio of 5.7%, an improvement from 6.2% in 2021, thanks to higher revenues. The EBIT margin also improved to 30.6% from 28.2% in the previous period.

Interest expense, financing, and other charges, which include interest expense related to PFRS 16 (Leases), totaled P15.44 billion, 5% more than last year due to the higher discounting cost on receivable sales and interest expense on the higher average debt daily balance. The average cost of debt remained at 4.4%, the same level at the end of 2021. The Company has locked in 90% of its total debt with fixed rates and contracted 97% of it for the long-term.

Capital Expenditures

Capital expenditures amounted to P72.38 billion in 2022, with a focus on residential projects, estate development, and commercial leasing assets. Of this total, 50% was allocated to residential projects and 11% went towards commercial leasing projects. Another 19% was dedicated to land acquisition, 16% on estate development, and the remaining 4% to other general uses.

Financial Condition

Despite the multiple challenges, the Company's balance sheet remained robust, ensuring financial sustainability.

Cash and cash equivalents, including short-term investments and UITF investments classified as FVPL, stood at P12.51 billion, resulting in a healthy current ratio of 1.78:1.

Borrowings totaled P236.04 billion, translating to a debt-to-equity ratio of 0.80:1 and a net debt-to-equity ratio of 0.76:1.

Return on equity was 7.63% as of December 31, 2022.

The Group has various contingent liabilities arising from the ordinary conduct of business. The opinion of management and its legal counsel is that these will not have a material or adverse effect on the Group's financial position and results of operations in the eventual liability under these lawsuits or claims, if any. Accordingly, no provision for any liability has been made in the consolidated financial statements. Further, the Company has no off-balance sheet transactions, arrangements, or obligations for 2022.

No known trends, events, uncertainties, or seasonalities are expected to affect the Company's continuing operations apart from the impact of the ongoing COVID-19 pandemic. There are no material commitments for capital expenditures except those disclosed in Note 35 of the audited financial statements.



REPORT OF THE AUDIT COMMITTEE TO THE BOARD OF DIRECTORS

THE BOARD OF DIRECTORS AYALA LAND, INC.

The Audit Committee confirms the following matters in compliance with its Charter and the corporate governance practices of Ayala Land, Inc. ("ALI" or the "Company"):

- An independent director chairs the Audit Committee, and two of the three members are independent directors;
- The Audit Committee held four meetings in 2022, and all the members of the Committee were present during the meetings;
- The Audit Committee reviewed and approved the amendments to the Audit Committee Charter;
- The Committee recommended to the Board of Directors the appointment of independent auditor for 2023, based on the review of their performance and qualifications and in consideration of Management's recommendation;
- The Audit Committee reviewed and discussed the quarterly and the annual financial statements of the Company, including Management's discussion and analysis of the financial condition and the results of its operations as of and for the year ended December 31, 2022, with the Company's Management, which has the primary responsibility for the financial statements and with SGV & Co., who is reporting the process for expressing an opinion on the conformity of the consolidated audited financial statements with Philippine Financial Reporting Standards;
- The Audit Committee reviewed and approved the management representation letter before submission to the Company's independent auditors;
- The Audit Committee discussed and approved the overall scope and the audit plans of the Company's Internal Auditors and SGV & Co. and discussed the results of the audits and their assessment of the Company's internal controls and the overall quality of the financial reporting process;
- The Audit Committee discussed with the independent auditor and internal auditor its independence from the ALI Group;
- The Audit Committee reviewed and approved all audit, audit-related, and permitted non-audit services provided by SGV & Co. and the related fees for such services to the Company;
- The Audit Committee reviewed the Internal Auditors' report to ensure that Management takes appropriate corrective actions promptly, including addressing governance, risk management, internal controls system, and compliance issues. All the activities performed by Internal Audit conform with the International Standards for the Professional Practice of Internal Auditing;
- Based on the Audit Committee's review of the Internal Auditors' and Independent Auditor reports, including Management's representations, the Committee confirmed that the Company's governance, risk management, and internal controls system of the Company are adequate and effective;
- The Audit Committee approved the enhancements to the Business Integrity Program of the ALI Group and continued to oversee the implementation of the program; and
- The Audit Committee approved the engagements of Isla Lipana & Co., PWC, and R.G. Manabat and Co., KPMG, as the Service Providers for the ALI Group Vendor Audit Program and External Quality Assurance Review of the ALI Group Internal Audit, respectively.

Based on the reviews and discussions undertaken, within the limits of the Audit Committee's scope and responsibilities aforementioned, the Audit Committee recommends to the Board of Directors the filing of the Company's consolidated financial statements for the year ended December 31, 2022, with the Securities and Exchange Commission, and for its inclusion in the Company's Annual Report to Stockholders.

Respectfully submitted.

February 16, 2023

CESAR V. PURISIMA
Committee Chair

REXMA A. MENDOZA
Member

ANTONINO T. AQUINO
Member



STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Ayala Land, Inc. (the Company) is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein for the years ended December 31, 2022, 2021 and 2020, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the consolidated financial statements including the schedules attached therein, and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditor appointed by the stockholders, has audited the consolidated financial statements of the Company and its subsidiaries in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Handwritten signatures of Jaime Augusto Zobel de Ayala, Bernard Vincent O. Dy, and Augusto D. Bengzon.

JAIME AUGUSTO ZOBEL DE AYALA
Chairman, Board of Directors

BERNARD VINCENT O. DY
President & Chief Executive Officer

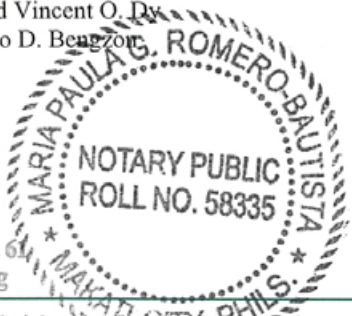
AUGUSTO D. BENGZON
Chief Finance Officer

SUBSCRIBED AND SWORN to before me this FEB 21 2023 at Makati City, affiants exhibiting to me their respective Passports, to wit:

Name: Jaime Augusto Zobel de Ayala, Bernard Vincent O. Dy, Augusto D. Bengzon
Passport No.

Date & Place of Issue: November 21, 2018 - DFA Manila, July 1, 2021 - DFA Manila, January 8, 2020 - DFA NCR East

Doc. No. 83; Page No. 18; Book No. XXXVII; Series of 2023.



MARIA PAULA G. ROMERO-BAUTISTA
Notary Public - Makati City
Appt. No. M-079 until December 31, 2023
Roll of Attorneys No. 58335
IBP No. 264594 - 01/03/2023 - Makati City
PTR No. 9566341MM - 01/03/2023 - Makati City
MCLE Compliance No. VII-0020268 - 06/02/2022
4th Floor Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue

Notary Public pursuant to Sec. 6 of RA 7091 (NOTARY PUBLIC Act) (amending Sec. 106 of the NIRC)
Notarized on Notary Public's copy.

Ayala Land, Inc., Tower One, Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City, Philippines

Tel. No. (632) 7908-3111 Fax No. (632) 7848-5336 Website: www.ayalaland.com.ph



SyCip Gorres Velayo & Co. Tel: (632) 8891 0307
 6760 Ayala Avenue Fax: (632) 8819 0872
 1226 Makati City ey.com/ph
 Philippines

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
 Ayala Land, Inc.
 31st Floor, Tower One and Exchange Plaza, Ayala Triangle
 Ayala Avenue, Makati City

Opinion

We have audited the accompanying consolidated financial statements of Ayala Land, Inc. and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2022 and 2021, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group as at December 31, 2022 and 2021, and for each of the three years in the period ended December 31, 2022 are prepared in all material respects, in accordance with Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC) as described in Note 2 to the consolidated financial statements.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 2 to the consolidated financial statements which indicates that the consolidated financial statements have been prepared in accordance with PFRSs, as modified by the application of the financial reporting reliefs as issued and approved by the SEC in response to the COVID-19 pandemic. The impact of the application of the financial reporting reliefs on the 2022 consolidated financial statements are discussed in detail in Note 2. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



Real Estate Revenue Recognition

The Group's revenue recognition process, policies and procedures are significant to our audit because these involve the application of significant judgment and estimation on the following: (1) assessment of the probability that the entity will collect the consideration from the buyer; (2) determination of the transaction price; and (3) application of the output method as the measure of progress in determining real estate revenue.

In evaluating whether collectability of the amount of consideration is probable, the Group considers the significance of the buyer's initial payments (buyer's equity) in relation to the total contract price. Collectability is also assessed by considering factors such as past history with buyers, age of residential and office development receivables and pricing of the property. Management regularly evaluates the historical sales cancellations and back-outs, after considering the impact of coronavirus pandemic, if it would still support its current threshold of buyers' equity before commencing revenue recognition.

In measuring the progress of its performance obligation over time, the Group uses the output method. This method measures progress based on physical proportion of work done on the real estate project which requires technical determination by the Group's specialists (project engineers). This is based on the monthly project accomplishment report prepared by the third party surveyor as approved by the construction manager which integrates the surveys of performance to date of the construction activities for both sub-contracted and those that are fulfilled by the Group itself.

In determining the actual costs incurred to be recognized as cost of sales, the Group estimates costs incurred on materials, labor and overhead which have not yet been billed by the contractor.

The Group identifies sales commission after contract inception as the cost of obtaining the contract. For contracts which qualified for revenue recognition, the Group capitalizes the total sales commission due to sales agent as cost to obtain contract and recognizes the related commission payable. The Group uses percentage of completion (POC) method in amortizing sales commission consistent with the Group's revenue recognition policy.

The disclosures related to real estate revenue are included in Notes 2 and 3 to the consolidated financial statements.

Audit Response

We obtained an understanding of the Group's real estate revenue recognition process, policies and procedures.

For the buyers' equity, we evaluated management's basis of the buyer's equity by comparing this to the historical analysis of sales cancellations from buyers with accumulated payments above the collection threshold. We also considered the impact of the coronavirus pandemic to the level of cancellations during the year. We traced the analysis to supporting documents such as deed of cancellations.

For the determination of the transaction price, we obtained an understanding of the nature of other fees charged to the buyers. For selected contracts, we compared the amounts excluded from the transaction price against the expected amounts required to be remitted to the government based on existing tax rules and regulations (e.g., documentary stamp taxes, transfer taxes and real property taxes).

For the application of the output method, in determining real estate revenue, we obtained an understanding of the Group's processes for determining the POC, and performed tests of the relevant controls. We obtained the certified POC reports prepared by the project engineers and assessed their competence and objectivity by reference to their qualifications, experience and reporting responsibilities. For selected projects, we conducted ocular inspections, made relevant inquiries, including inquiries on how the coronavirus pandemic affected the POC during the period and obtained the supporting details of POC reports showing the completion of the major activities of project construction.



For the cost of real estate sales, we obtained an understanding of the Group's cost accumulation process and performed tests of the relevant controls. For selected projects, we traced costs accumulated, including those incurred but not yet billed, to supporting documents such as invoices and accomplishment reports from the contractors and official receipts.

For the recognition of cost to obtain a contract, we obtained an understanding of the sales commission process. For selected contracts, we agreed the basis for calculating the sales commission capitalized and the portion recognized in profit or loss, particularly the following: (a) the percentage of commission due against contracts with sales agents, (b) the total commissionable amount (i.e., net contract price) against the related contract to sell, and (c) the POC against the POC used in recognizing the related revenue from real estate sales.

Consolidation Process

The consolidated financial statements of the Group represents the consolidation of the financial statements of Ayala Land, Inc. and its various direct and indirect subsidiaries. We consider the Group's consolidation process as a key audit matter because of the complexity arising from the numerous component entities within the Group requiring layers of consolidation, voluminous intercompany transactions within the Group that require elimination, monitoring of fair value adjustments arising from business combinations, and adjustments to non-controlling interests. Note 1 to the consolidated financial statements provides the relevant information on the Group's subsidiaries.

Audit Response

We obtained an understanding of the Group's consolidation process and the Group's process for identifying related parties and related party transactions and the reconciliation of intercompany balances. We tested significant consolidation adjustments, including elimination, deferral and realization of profit or recoveries from intercompany transactions and balances, amortization/depreciation/reversal of fair value adjustments arising from business combinations, the currency translation adjustments, movements in non-controlling interests and other equity adjustments. We evaluated whether the accounting policies of the Group has been consistently applied.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20 IS (Definitive Information Statement), SEC Form 17 A and Annual Report for the year ended December 31, 2022, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20 IS (Definitive Information Statement), SEC Form 17 A and Annual Report for the year ended December 31, 2022 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRSs, as modified by the application of financial reporting relief issued and approved by the SEC as described in Note 2 to the consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in accordance with PFRSs, as modified by the application of financial reporting relief issued and approved by the SEC as described in Note 2 to the consolidated financial statements.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Michael C. Sabado.

SYCIP GORRES VELAYO & CO.

A handwritten signature in black ink that reads 'Michael C. Sabado'. The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Michael C. Sabado

Partner

CPA Certificate No. 89336

Tax Identification No. 160-302-865

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 0664-AR-4 (Group A)

Valid to cover audit of 2022 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-073-2020, December 3, 2020, valid until December 2, 2023

PTR No. 9564691, January 3, 2023, Makati City

February 21, 2023

AYALA LAND, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Thousands)

	December 31	
	2022	2021
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 4 and 29)	P11,885,329	P13,971,437
Short-term investments (Notes 5 and 29)	330,500	325,641
Financial assets at fair value through profit or loss (Notes 6 and 29)	291,989	700,803
Accounts and notes receivable (Notes 7 and 29)	102,151,267	100,097,451
Inventories (Note 8)	180,348,474	148,156,725
Other current assets (Note 9)	64,849,846	65,300,897
Total Current Assets	359,857,405	328,552,954
Noncurrent Assets		
Noncurrent accounts and notes receivable (Notes 7 and 29)	49,032,711	43,663,620
Financial assets at fair value through other comprehensive income (FVOCI) (Notes 10 and 29)	1,033,481	981,270
Investments in associates and joint ventures (Note 11)	31,917,095	28,152,733
Right-of-use assets (Note 33)	12,418,841	12,156,240
Investment properties (Note 12)	245,525,507	243,397,632
Property and equipment (Note 13)	36,153,839	41,778,353
Deferred tax assets - net (Note 23)	13,889,287	12,890,122
Other noncurrent assets (Notes 14, 26 and 29)	29,826,354	33,891,439
Total Noncurrent Assets	419,797,115	416,911,409
	P779,654,520	P745,464,363
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term debt (Notes 16 and 29)	P6,547,272	P16,782,500
Accounts and other payables (Notes 15 and 29)	143,952,127	136,690,396
Income tax payable	845,073	506,638
Current portion of lease liabilities (Note 33)	710,160	599,363
Current portion of long-term debt (Notes 16 and 29)	19,258,289	26,173,997
Deposits and other current liabilities (Notes 17 and 29)	31,211,023	27,471,315
Total Current Liabilities	202,523,944	208,224,209
Noncurrent Liabilities		
Long-term debt - net of current portion (Notes 16 and 29)	210,233,290	180,140,242
Pension liabilities (Note 26)	1,871,186	2,103,735
Lease liabilities - net of current portion (Note 33)	17,992,406	17,237,991
Deferred tax liabilities - net (Note 23)	5,849,288	6,520,263
Deposits and other noncurrent liabilities (Notes 18 and 29)	47,519,881	60,735,602
Total Noncurrent Liabilities	283,466,051	266,737,833
Total Liabilities	485,989,995	474,962,042

(Forward)

	December 31	
	2022	2021
Equity (Note 19)		
Equity attributable to equity holders of Ayala Land, Inc.		
Paid-in capital	₱97,636,864	₱79,897,468
Retained earnings	183,535,858	168,980,632
Remeasurement loss on defined benefit plans (Note 26)	106,942	(33,279)
Fair value reserve of financial assets at FVOCI (Note 10)	(877,913)	(880,895)
Cumulative translation adjustments	437,996	261,612
Equity reserves (Note 1)	(6,506,845)	1,289,611
Treasury stock	(19,080,714)	(16,894,380)
	255,252,188	232,620,769
Non-controlling interests (Note 19)	38,412,337	37,881,552
Total Equity	293,664,525	270,502,321
	₱779,654,520	₱745,464,363

For a complete copy of Ayala Land's audited financial statements including its notes, view ir.ayalaland.com.ph

AYALA LAND, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

(Amounts in Thousands, Except Earnings Per Share Figures)

	Years Ended December 31		
	2022	2021	2020
REVENUE (Note 20)			
Real estate sales (Notes 20 and 30)	₱116,356,382	₱96,144,850	₱85,965,453
Interest income from real estate sales (Notes 7 and 20)	6,694,930	6,801,012	8,602,775
Equity in net earnings of associates and joint ventures (Notes 11 and 20)	1,429,795	842,565	586,502
	124,481,107	103,788,427	95,154,730
Interest and investment income (Notes 6, 21 and 25)	387,083	253,107	394,701
Other income (Note 21)	1,687,624	2,101,071	723,268
	2,074,707	2,354,178	1,117,969
	126,555,814	106,142,605	96,272,699
COSTS AND EXPENSES			
Cost of real estate sales (Note 22)	75,628,711	64,641,519	56,673,184
General and administrative expenses (Notes 22, 26 and 28)	7,264,339	6,538,859	8,011,813
Interest and other financing charges (Note 22)	11,446,669	11,037,772	12,745,720
Other expenses (Note 22)	3,996,044	3,636,915	3,788,771
	98,335,763	85,855,065	81,219,488
INCOME BEFORE INCOME TAX	28,220,051	20,287,540	15,053,211
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 23)			
Current	6,943,074	5,984,642	4,687,956
Deferred	(1,247,276)	(1,356,465)	(628,983)
	5,695,798	4,628,177	4,058,973
NET INCOME	₱22,524,253	₱15,659,363	₱10,994,238
Net income attributable to:			
Equity holders of Ayala Land, Inc. (Note 27)	₱18,617,234	₱12,228,148	₱8,727,155
Non-controlling interests	3,907,019	3,431,215	2,267,083
	₱22,524,253	₱15,659,363	₱10,994,238
Earnings Per Share (Note 27)			
Net income attributable to equity holders of Ayala Land, Inc.:			
Basic and diluted	₱1.25	₱0.83	₱0.59

For a complete copy of Ayala Land's audited financial statements including its notes, view ir.ayalaland.com.ph

AYALA LAND, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Thousands)

	Years Ended December 31		
	2022	2021	2020
NET INCOME	₱22,524,253	₱15,659,363	₱10,994,238
Other comprehensive income (loss)			
<i>Item that will be reclassified to profit or loss in subsequent years:</i>			
Cumulative translation adjustment	229,224	265,284	(237,531)
<i>Items that will not be reclassified to profit or loss in subsequent years:</i>			
Fair value reserve of financial assets at FVOCI (Note 10)	(16,905)	(97,378)	(426,088)
Remeasurement gain (loss) on pension liabilities (Note 26)	186,961	1,099,585	(686,987)
Income tax effect	(46,740)	(274,896)	206,096
	352,540	992,595	(1,144,510)
TOTAL COMPREHENSIVE INCOME	₱22,876,793	₱16,651,958	₱9,849,728
Total comprehensive income attributable to:			
Equity holders of Ayala Land, Inc.	₱18,936,821	₱13,049,676	₱7,872,357
Non-controlling interests	3,939,972	3,602,282	1,977,371
	₱22,876,793	₱16,651,958	₱9,849,728

For a complete copy of Ayala Land's audited financial statements including its notes, view ir.ayalaland.com.ph

AYALA LAND, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Amounts in Thousands)

Attributable to equity holders of Ayala Land, Inc.

	Remeasurement										Total	Non-Controlling Interests		Total Equity
	Capital Stock (Note 19)	Additional Paid-in Capital (Note 19)	Subscriptions Receivable	Appropriated Retained Earnings (Note 19)	Unappropriated Retained Earnings (Note 19)	Benefit Plans (Note 26)	Fair value reserve of financial assets at FVOCI (Note 10)	Cumulative Translation Adjustments (Note 19)	Equity Reserves (Note 19)	Treasury Stocks (Note 19)				
As of January 1, 2022	₱16,687,844	₱65,494,263	(₱2,284,639)	₱25,000,000	₱143,990,632	(₱33,279)	(₱880,695)	₱261,612	₱1,289,611	(₱16,894,380)	₱232,620,769	₱37,881,552	₱70,502,321	₱270,502,321
Net income	—	—	—	—	18,617,234	—	—	—	—	—	18,617,234	3,907,019	22,524,253	352,540
Other comprehensive income (loss)	—	—	—	—	—	140,221	2,982	176,384	—	—	319,587	32,953	—	—
Total comprehensive income	—	—	—	—	18,617,234	140,221	2,982	176,384	—	—	18,936,821	3,939,972	22,876,793	—
Cost of stock options	—	78,860	—	—	—	—	—	—	—	—	78,860	—	—	78,860
Collection of subscription receivable	—	—	200,365	—	—	—	—	—	—	—	200,365	—	—	200,365
Stock options exercised	14,172	451,829	(391,994)	—	—	—	—	—	—	—	74,007	—	—	74,007
Stock issuance for properties	75,046	4,112,495	—	—	—	—	—	—	—	—	4,187,541	—	—	4,187,541
Acquisition of treasury shares	—	—	—	—	—	—	—	—	—	(2,186,334)	—	—	—	(2,186,334)
Acquisition of non-controlling interest	236,534	12,962,089	—	—	—	—	—	—	(7,796,456)	—	5,402,167	—	—	5,402,167
Net change in non-controlling interest	—	—	—	—	—	—	—	—	—	—	—	(1,785,347)	—	(1,785,347)
Cash dividends declared	—	—	—	—	(4,062,008)	—	—	—	—	—	(4,062,008)	(1,653,840)	—	(5,715,848)
As of December 31, 2022	₱17,013,696	₱83,099,536	(₱2,476,266)	₱25,000,000	₱158,635,858	₱106,942	(₱877,913)	₱437,996	(₱6,606,845)	(₱19,080,714)	₱255,252,188	₱38,412,337	₱293,664,525	₱293,664,525

As of January 1, 2021	₱16,066,829	₱49,149,512	(₱2,262,756)	₱8,000,000	₱150,822,683	(₱818,101)	(₱748,220)	₱167,395	₱585,256	(₱1,260,780)	₱219,701,818	₱37,623,175	₱257,324,983	₱257,324,983
Net income	—	—	—	—	14,221,177	—	—	—	—	—	14,221,177	3,431,215	17,652,392	—
Other comprehensive income (loss)	—	—	—	—	—	824,689	(97,378)	94,217	—	—	821,528	171,067	992,595	—
Total comprehensive income	—	—	—	—	14,221,177	824,689	(97,378)	94,217	—	—	15,042,705	3,602,282	18,644,987	—
Appropriation of retained earnings	—	—	—	17,000,000	(17,000,000)	—	—	—	—	—	—	—	—	—
Cost of stock options	—	150,072	—	—	—	—	—	—	—	—	150,072	—	—	150,072
Collection of subscription receivable	—	—	324,725	—	—	—	—	—	—	—	324,725	—	—	324,725
Stock options exercised	11,389	335,219	(346,608)	—	—	—	—	—	—	—	—	—	—	—
Statutory merger	609,626	15,859,460	—	—	—	(39,867)	(35,297)	—	(276,774)	(13,976,965)	2,140,183	(2,140,183)	—	
Acquisition of treasury shares	—	—	—	—	—	—	—	—	—	(1,656,635)	—	—	—	(1,656,635)
Acquisition of non-controlling interest	—	—	—	—	—	—	—	—	—	—	981,129	—	—	981,129
Net change in non-controlling interest	—	—	—	—	—	—	—	—	—	—	—	553,837	—	553,837
Cash dividends declared	—	—	—	—	(4,063,228)	—	—	—	—	—	(4,063,228)	(1,757,959)	—	(5,821,187)
As of December 31, 2021	₱16,687,844	₱65,494,263	(₱2,284,639)	₱25,000,000	₱143,980,632	(₱33,279)	(₱880,695)	₱261,612	₱1,289,611	(₱16,894,380)	₱232,620,769	₱37,881,552	₱270,502,321	₱270,502,321

	Capital Stock (Note 19)	Additional Paid-in Capital (Note 19)	Subscriptions Receivable	Appropriated Retained Earnings (Note 19)	Unappropriated Retained Earnings (Note 19)	Stock Options Outstanding	on Defined Benefit Plans (Note 26)	reserve or financial assets at FVOCI (Note 10)	Cumulative Translation Adjustments (Note 19)	Equity Reserves (Note 19)	Treasury Stocks (Note 19)	Total	Non- Controlling Interests	Total Equity
As of January 1, 2020	₱16,051,984	₱48,598,641	(₱1,878,179)	₱8,000,000	₱148,940,236	₱42,279	(₱337,210)	(₱457,358)	₱250,440	(₱7,056,459)	(₱1,104,353)	₱211,050,021	₱31,655,547	₱242,705,568
Net income	—	—	—	—	8,727,155	—	—	—	—	—	—	8,727,155	2,267,083	10,994,238
Other comprehensive loss	—	—	—	—	—	—	(480,891)	(290,862)	(83,045)	—	—	(854,798)	(289,712)	(1,144,510)
Total comprehensive income	—	—	—	—	8,727,155	—	(480,891)	(290,862)	(83,045)	—	—	7,872,357	1,977,371	9,849,728
Cost of stock options	—	154,199	—	—	—	(42,279)	—	—	—	—	—	111,920	—	111,920
Collection of subscription receivable	—	—	26,940	—	—	—	—	—	—	—	—	26,940	—	26,940
Stock options exercised	14,845	396,672	(411,517)	—	—	—	—	—	—	—	(156,427)	(156,427)	—	(156,427)
Acquisition of treasury shares	—	—	—	—	—	—	—	—	—	7,641,715	—	7,641,715	—	7,641,715
Disposal of non-controlling interest	—	—	—	—	—	—	—	—	—	—	—	—	4,937,740	4,937,740
Increase in non-controlling interest	—	—	—	—	(4,006,667)	—	—	—	—	—	—	(4,006,667)	(931,185)	(4,937,852)
Cash dividends declared	—	—	—	—	—	—	—	—	—	—	—	—	—	—
As of December 31, 2020	₱16,066,829	₱49,149,512	(₱2,262,756)	₱8,000,000	₱153,860,724	₱—	(₱818,101)	(₱748,220)	₱167,395	₱585,256	(₱1,260,780)	₱222,539,859	₱37,639,473	₱260,179,332

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AYALA LAND, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousands)

	Years Ended December 31		
	2022	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱28,220,051	₱20,287,540	₱15,053,211
Adjustments for:			
Interest and other financing charges (Note 22)	11,446,669	11,037,772	12,745,720
Depreciation and amortization (Notes 12, 13, 14, 22 and 33)	9,688,718	8,820,507	9,572,572
Dividends received from investees (Note 11)	589,221	321,617	758,714
Provision for impairment losses (Note 22)	253,738	539,692	977,849
Cost of share-based payments (Note 28)	78,860	150,072	111,920
Unrealized (gain) loss on financial assets at fair value through profit or loss (Note 6)	333,413	(99,372)	40,116
Gain on sale of property and equipment (Note 21)	-	-	(23,265)
Equity in net earnings of associates and joint ventures (Note 11)	(1,429,795)	(842,565)	(586,502)
Gain on sale of investment in associates and jointly controlled entities (Note 11)	-	(807,618)	-
Interest income	(7,082,013)	(7,054,119)	(8,971,289)
Operating income before changes in working capital	42,098,862	32,353,526	29,679,046
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Accounts and notes receivable – trade	(2,046,107)	251,492	683,154
Inventories (Note 8)	(15,136,166)	(1,459,729)	(10,253,170)
Other current assets (Note 9)	509,713	(7,279,935)	(8,477,188)
Increase (decrease) in:			
Accounts and other payables	14,018,427	(7,690,011)	(16,164,090)
Deposits and other current liabilities (Note 17)	(3,542,142)	2,154,067	(155,341)
Pension liabilities (Note 26)	(92,328)	(92,362)	346,206
Cash generated from (used in) operations	35,810,259	18,237,048	(4,341,383)
Interest received	6,638,191	7,008,224	8,925,394
Income tax paid	(6,604,639)	(6,933,615)	(5,355,723)
Interest paid	(9,495,457)	(10,385,580)	(11,735,785)
Net cash provided by (used in) operating activities	26,348,354	7,926,077	(12,507,497)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from:			
Sale/redemption of short-term investments	-	41,160	397,875
Sale/redemption of financial assets at FVTPL	4,065,795	1,168,987	1,917,237
Sale of investments in FVOCI (Note 10)	16,371	-	21,112
Disposal of property and equipment (Note 13)	1,390,786	483,360	161,997
Disposal of investment properties (Note 12)	764,475	294,149	2,203,774
Disposal of investments in associates and jointly controlled entities	-	807,618	326,602

(Forward)

	Years Ended December 31		
	2022	2021	2020
Additions to:			
Short-term investments	₱-	(₱8,680)	(₱138,846)
Financial assets at fair value through profit or loss	(4,179,683)	(805,248)	(2,437,088)
Financial assets at FVOCI (Note 10)	-	-	(98,951)
Investments in associates and joint ventures (Note 11)	(2,705,023)	(778,748)	(1,837,901)
Investment properties (Note 12)	(15,587,700)	(22,030,868)	(5,544,790)
Property and equipment (Note 13)	(4,424,285)	(3,215,492)	(3,098,436)
Net decrease (increase) in:			
Accounts and notes receivable - nontrade (Note 7)	(5,210,278)	(12,981)	2,046,114
Other noncurrent assets (Note 14)	2,944,192	(2,171,784)	2,865,904
Net cash used in investing activities	(22,925,350)	(26,228,527)	(3,215,397)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Short and long-term debt (Note 16)	162,816,824	191,282,758	226,900,910
Capital stock subscriptions (Note 19)	274,373	324,724	26,940
IPO sponsorship (Note 19)		-	12,343,461
Payments of short and long-term debt (Note 16)	(149,899,033)	(180,536,836)	(225,720,204)
Payments of principal portion of lease liability (Note 33)	(1,316,469)	(1,432,361)	(1,334,674)
Increase (decrease) in deposits and other noncurrent liabilities	(12,584,594)	10,695,432	5,706,022
Acquisition of non-controlling interest (Note 19)	1,675,369	1,534,967	-
Increase in equity reserves	2,004,323	-	235,994
Acquisition of treasury shares (Note 19)	(2,186,334)	(1,656,635)	(156,427)
Dividends paid to non-controlling interests	(1,653,840)	(1,324,396)	(931,185)
Dividends paid to equity holders of Ayala Land, Inc. (Note 19)	(4,667,960)	(4,051,013)	(4,397,061)
Net cash provided by (used in) financing activities	(5,537,341)	14,836,640	12,673,776
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,114,337)	(3,465,810)	(3,049,118)
EFFECT OF CHANGES IN FOREIGN CURRENCY	28,229	399,900	(326,576)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	13,971,437	17,037,347	20,413,041
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	₱11,885,329	₱13,971,437	₱17,037,347

For a complete copy of Ayala Land's audited financial statements including its notes, view ir.ayalaland.com.ph



Reporting References

Sustainability Reporting Index

For a more detailed disclosure in line with GRI Standards, SASB Standards and TCFD Guidelines, please refer to <https://ir.ayalaland.com.ph/sustainability/>.

Dimension	Material Topic	<IR>	GRI Standards	SASB	TCFD	UN SDGs	Page Number(s)
Economic	Project Delivery, Quality and Responsibility	Natural and Manufactured Capital	-	-	Strategy Risk Management	9, 11	14-21; 27-43; 92-103; 123
	Business Ethics	Corporate Governance	205 206	-	Governance	-	104-118
	Indirect Economic Impacts	Social and Relationship Capital	203	-	-	1, 3, 8, 9, 10, 11	83; 92-103
	Supply Chain Management	Social and Relationship Capital	204 308	-	-	9, 11, 12	99-101
Environmental	Resource Efficiency	Natural and Manufactured Capital	301 302 303 306	IF-RE-130 IF-RE-140 IF-RE-410	Metrics and Targets	9, 11, 12, 13, 14, 15	76-77; 82-91
	Environmental Compliance	Natural and Manufactured Capital	307	-	Risk Management	11, 12, 14, 15	76-77; 82-91; 124-125
	Land Use, Ecological Impact and Biodiversity	Natural and Manufactured Capital	304	-	Risk Management	14, 15	76-77; 83; 124-125
	Climate Action	Natural and Manufactured Capital	305	IF-RE-450	Strategy	13	76-77; 82-91; 124-125
Social	Talent Attraction, Retention and Development	Human Capital	401 402 404	-	-	8	95-99
	Workforce Health and Safety	Human Capital	403	-	-	3, 8	94-95; 124
	Customer Relationship	Social and Relationship Capital	-	-	-	11	27-43; 78-79; 97-98
	Community Engagement and Impact	Social and Relationship Capital	411 413	-	-	1, 3, 8, 11	14-21; 95; 102-103
	Customer Health and Safety	Human Capital	416	-	-	3	14-21; 40-21; 95; 126;
	Labor Practices	Human Capital	405 406 407 408 409	-	-	3, 8	98-99

Supplemental Environmental Section Tables

For a comprehensive disclosure of sustainability data and performance across material economic, environmental and social topics, please visit <https://ir.ayalaland.com.ph/sustainability/sustainability-data-and-performance/>.

Table A: Boundary of Environmental Data					
No. of Buildings/Projects Covered	2018	2019	2020	2021	2022
Commercial Properties					
Malls	39	42	45	45	46
Offices*	36	43	50	50	49
Hotels	10	14	15	15	16
Resorts	10	10	10	10	10
District Cooling System	7	11	12	12	12
Construction Projects**	248	273	129	129	158
Estates and Carparks					
Estate	20	22	23	30	30
Carpark	27	27	27	24	24
Airline	-	4	4	4	4
Industrial Parks and Warehouses	-	-	3	3	3

* 1 office was removed under APMC management.

** Covers construction projects, precast plants, and equipment yards of MDC.

Table B: Ayala Land Group Total Emissions, Market-Based					
in t-CO ₂ e	2018	2019	2020	2021	2022
Scope 1	30,772	40,547	44,667	61,236	46,717
Scope 2	257,679	214,227	126,037	73,316	73,664
Scope 3	286,930	218,501	140,867	47,848	68,051

Notes:

- 2022 Emissions are computed using the GHG Protocol Corporate Accounting and Reporting Standard, with emission factors based on the UK BEIS and IGES.
- For Scope 1 emissions, reference for the GWPs (global warming potential) is the 2014 IPCC 4th Assessment Report. Gases reported include carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O).
- For properties that shifted to purchasing electricity from renewable energy power plants which are accompanied by iRECs (International REC Standard) certification, Scope 2 emissions are considered zero from the date of shifting.
- Scope 3 emissions cover energy consumption under "Downstream Leased Assets" category.

Table C: 2022 Market-Based Emissions by Property Type			
in t-CO ₂ e	Scope 1	Scope 2	Scope 3
Commercial Properties			
Malls	1,223	6,122	47,359
Offices	855	24,268	20,018
Hotels	2,608	10,036	-
Resorts	6,294	-	50
Construction Projects	21,838	28,109	-
Estates and Carparks			
Estates	22	3,743	-
Carparks	13	694	-
District Cooling System	49	-	-
Airline	13,783	67	-
Industrial Parks and Warehouses	31	425	624
Total	46,717	73,664	68,051

Notes:

- Electricity consumption values of DCS are allocated under the malls and offices. Hence, why scope 2 emission is zero.



STATEMENT OF MANAGEMENT'S RESPONSIBILITY

AYALA LAND'S 2022 INTEGRATED REPORT

The management of Ayala Land, Inc. have applied their collective mind in the preparation of Ayala Land's 2021 Integrated Report in accordance with the International Integrated Reporting Council (IIRC) Integrated Reporting <IR> Framework.

The preparation of this Integrated Report was supervised by the President and CEO, Mr. Bernard Vincent O. Dy and the Chief Finance Officer and Chief Compliance Officer, Mr. Augusto D. Bengzon, who are responsible for the integrity of this report.

This report contains certain forward-looking statements that may involve risks or uncertainties as they relate to future events and circumstances that may be beyond Ayala Land's control.

In addition, regulations of the Philippine Stock Exchange (PSE) prohibit making price sensitive forecasts without considerable independent review and process. The management therefore advise readers to use caution regarding interpreting any forward-looking statements in this report.

A handwritten signature in black ink, appearing to be 'BV O. Dy', written over a light grey grid background.

Bernard Vincent O. Dy
President and CEO

A handwritten signature in black ink, appearing to be 'A. Bengzon', written over a light grey grid background.

Augusto D. Bengzon
Chief Finance Officer, Treasurer
and Chief Compliance Officer



INDEPENDENT ASSURANCE STATEMENT

Introduction

DNV AS Philippine Branch ('DNV') has been commissioned by the management of Ayala Land, Inc. ('ALI' or 'the Company', Securities and Exchange Commission Identification Number: 152747) to undertake an independent assurance of the sustainability / non-financial disclosures in ALI's 2022 Integrated Report ('the Report') in its printed format for the year ended 31 December 2022. The intended users of this Assurance Statement are the management of the Company.

We performed a limited level of assurance using DNV's assurance methodology VeriSustain^{TM1}, which is based on our professional experience, international assurance best practice including International Standard on Assurance Engagements (ISAE) 3000 Revised*, along with the Global Reporting Initiative's ('GRI's') Principles for Defining Report Content and Report Quality and the Sustainability Accounting Standards Board's ('SASB's') industry-specific Standards. The verification engagement was carried out from December 2022 to March 2023.

Scope and Boundary of Assurance

The scope of assurance included a review of sustainability related disclosures and performance data of ALI as identified under reporting boundary in "About This Report" section of the Report. Our assurance engagement included limited level of verification of sustainability performance disclosures for the identified material topics of ALI as detailed under the section 'Materiality Review and Sustainability Four Focus Areas' in the Report i.e., covering entities over which ALI has operational control or has seconded employees in operations. Our verification applies a $\pm 5\%$ uncertainty threshold towards errors and omissions for the performance data brought out in the Report.

Responsibilities of the Management of ALI and of the Assurance Provider

The Company's management has sole responsibility for the integrity of the Report and this responsibility includes designing, implementing and maintaining internal controls over collection, analysis, aggregation and preparation of data, fair presentation of the information, ensuring that data is free from material misstatement and maintaining the integrity of their website under digital domain. The Board has complete oversight and is responsible for the Company's sustainability reporting. ALI has stated that the report follows the International Integrated Reporting <IR> framework, developed by the International Integrated Reporting Council, referencing the Global Reporting Initiative (GRI) Principles, industry-specific standards of the Sustainability Accounting Standards Board (SASB), and recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

In performing our assurance work, DNV's responsibility is solely towards the Management of ALI in accordance with terms of reference agreed; however, this assurance statement represents our independent opinion and is intended to inform the outcome of the assurance to the Company's stakeholders. DNV's responsibility is to form an independent conclusion. In doing so, we carried out the sampling procedures required for the evidence for a limited level of assurance based on VeriSustain i.e., DNV is responsible for planning and performing the engagement to obtain assurance about whether the selected information is free from material misstatement and meets the disclosure requirements.

Basis of our Opinion

We planned and performed our work to obtain the evidence considered necessary to provide a basis for our assurance opinion as part of the assurance engagement. We adopted a risk-based approach, i.e., we concentrated our verification efforts on the issues of high material relevance to ALI and its key stakeholders. We performed hybrid audit that included, desktop review of non-financial disclosures related to the Head Office at Makati City, and selected sites of ALI (Ayala North Exchange and Avida Towers Makati Southpoint) in the Philippines, based on DNV's sampling plan. We undertook the following activities:

- Review of the non-financial sustainability-related disclosures in this Report;
- Review of the approach to materiality determination and review of outcomes of stakeholder engagement; DNV did not have any direct engagement with external stakeholders;

¹ The VeriSustain protocol is available on www.dnv.com

* Assurance Engagements other than Audits or Reviews of Historical Financial Information.



- Review of information provided to us by the Company on its reporting and management processes related to sustainability performance for the reporting year based on the framework adopted by ALI;
- Interviews with select members of leadership team, and senior managers responsible for the management of sustainability issues and review of selected evidence to support generic disclosures. We were free to choose interviewees, and interviewed those with overall responsibility for the programmes to deliver the targets for medium- and long-term vision, mission and milestones;
- Performed desk review of selected sustainability parameters for sampled entities, and discussed findings and resolved with the Corporate Sustainability Team;
- Carried out on-site assessments with two (2) sites (Ayala North Exchange and Avida Towers Makati Southpoint) to review the processes and systems for preparing site level sustainability data and implementation of sustainability strategy. We were free to choose the sites for on-site assessment or verification;
- Review of supporting evidence for key claims and data disclosed in the Report. Our verification processes were prioritized based on risk-based approach, i.e., relevance of identified material topics and sustainability context of the business;
- Review of the processes for gathering and consolidating the performance data and, for a sample, checking the data consolidation at site and corporate levels.

Opinion and Observations

On the basis of the assurance engagement undertaken, nothing has come to our attention to suggest that ALI's 2022 Integrated Report does not properly describe the non-financial performance of identified material topics based on the Guiding Principles and Content Elements of the <IR> Framework. Without affecting our assurance opinion, we also provide the following observations against the principles of VeriSustain™:

Stakeholder Inclusiveness

The participation of stakeholders in developing and achieving an accountable and strategic response to Sustainability.

The Report has brought out key stakeholders (for example: Property Buyers, Brokers and Sellers, Residents, Shoppers, Tenant Employees, Tourists, and Hotel Guests, Employees and Workers, Business Partners Suppliers and Service Providers, Creditors, Shareholders and Analysts, Communities and NGOs, National and Local Government Units, Media) to engage with, to build trust based on significant influence on ALI's sustainability performance under 'Stakeholder Engagement' section of the Report. The Report also brings out how ALI interacts with the key stakeholders on a regular basis through various channels to assess their concerns and respond to them through various disclosures on strategies and value creation in the Report.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Stakeholder Inclusiveness.

Materiality

The process of determining the issues that are most relevant to an organization and its stakeholders.

The Report states that the results of the Company's latest known materiality assessment (identifying sustainability focus areas) remain relevant today. The material topics are mapped to the four focus areas namely, Site Resilience, Pedestrian Mobility and Transit Connectivity, Resource Efficiency, Local Economic Development considering the significance of their impacts on communities, business partners, workforce, and the environment.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Materiality.

Responsiveness

The extent to which an organization responds to stakeholder issues.

The Report brings out the Company's responses to identified material topics, key challenges faced and significant issues including risks which have arisen during the reporting period through disclosures on Governance, Business Review, strategic responses to key stakeholders' concerns, to deliver shared values. Further the Report also brings out its non-financial performance related to its material topics through selected GRI Topic Specific Standards and SASB



industry-specific Standards as Performance Indices. The Report may further strengthen on this Principle in future reporting periods by bringing out the long- and medium-term targets towards value creation related to its identified material topics.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Responsiveness.

Reliability

The accuracy and comparability of information presented in the report, as well as the quality of underlying data management systems.

The majority of the performance disclosures verified through offsite verification, i.e., at the Head Office and sampled sites, and through desk reviews, were found to be fairly accurate, reliable, identifiable and traceable to the source. Considering the limited sampling, we did not detect any major errors related to data collection or aggregation. We also reviewed the calculations and related assumptions used for its suitability, taking into account the principle of Reliability, however our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems. Some of the data inaccuracies identified during the verification process were found to be attributable to interpretation and aggregation errors. These identified errors were communicated, and the responses and corrections made to the reported data and information were reviewed.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Reliability.

Completeness

How much of all the information that has been identified as material to the organization and its stakeholders is reported.

The Report discloses the Company's non-financial disclosures based on the <IR> Framework and performance during the reporting period 2022 related to its material issues using appropriate GRI Topic Specific Standards and SASB disclosures, for the identified boundary of operations and covers the Company's approaches to value creation during the reporting period.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Completeness.

Neutrality

The extent to which a report provides a balanced account of an organization's performance, delivered in a neutral tone.

The Report presents disclosures related to the Company's performance, challenges and concerns of stakeholders during the reporting period in a neutral, consistent and balanced manner, applying adequate consideration to not unduly influence stakeholders' opinion made based on the reported data and information.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Neutrality.

Limitations

DNV's assurance engagements are based on the assumption that the data and information provided by the Company to us as part of our review have been provided in good faith, are true, and is free from material misstatements. Because of the selected nature (sampling) and other inherent limitations of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected. The engagement excludes the sustainability management, performance, and reporting practices of ALI's suppliers, contractors, and any third parties mentioned in the Report. The Company's position statements (including the Company's claim on carbon neutrality), the statements for the management approach, and case studies and examples are excluded from the scope of our work. We did not interview external stakeholders as part of this assurance engagement.

We understand that the reported financial data and related information are based on statutory disclosures and Audited Financial Statements[#], which are subject to a separate independent statutory audit process. We did not review financial disclosures and data as they are not within the scope of our assurance engagement



The procedures performed in a limited assurance engagement vary in nature and are shorter in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained if a reasonable assurance engagement had been performed. During the assurance process, we did not come across limitations to the scope of the agreed assurance engagement.

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2015 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct² during the assurance engagement and maintain independence wherever required by relevant ethical requirements.

This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of any statement or datum included in the Report except for this Assurance Statement. DNV maintains complete impartiality toward internal stakeholders interviewed during the assurance process.

DNV has provided assurance to Ayala Corporation, Bank of the Philippine Islands, Manila Water Company Inc, AREIT, AC Energy Corporation, Integrated Micro Electronics, Inc (IMI) and Globe Telecom, Inc. In our opinion, there is no conflict of interest in the assurance engagement provided to the business units of Ayala Group. We provide a range of other services to ALI, none of which in our opinion, constitute a conflict of interest with this assurance work.

Purpose and Restriction on Distribution and Use

This assurance statement, including our conclusion has been prepared solely for the Company in accordance with the agreement between us. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our work or this report.

For and on behalf of DNV

<p>Nagarajan, Sathishkumar</p> <p><small>Digitally signed by Nagarajan, Sathishkumar Date: 2023.04.13 14:45:44 +08'00'</small></p> <p>N Sathishkumar Lead Verifier Head, Sustainability Services DNV Business Assurance Singapore Pte. Ltd.</p>	<p>Percy Lakdawalla</p> <p><small>Digitally signed by Percy Lakdawalla Date: 2023.04.14 14:01:41 +08'00'</small></p> <p>Percy Lakdawalla Regional Manager – APAC Supply Chain and Product Assurance DNV Business Assurance Singapore Pte. Ltd.</p>	<p>Astone, Antonio</p> <p><small>Digitally signed by Astone, Antonio Date: 2023.04.14 10:47:27 +08'00'</small></p> <p>Antonio Astone Assurance Reviewer Global Service Manager DNV Business Assurance Italia S.r.l.</p>
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13 April 2023, Manila, The Philippines

DNV is a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. www.dnv.com

² The DNV Code of Conduct is available from the DNV website (www.dnv.com)
03 March 2023

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