

“As we embark on the next chapter of Ayala Land, we are emboldened to dream again. We aspire to bring world-class experiences to Filipinos and keep doing what we do best: to build places that people love.”



Ayala Triangle Tower Two and the Don Alfonso Zobel de Ayala Memorial at the Ayala Triangle Gardens in the Makati CBD

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Bonifacio High Street – Serendra crosswalk in Bonifacio Global City

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 25, 2024, it covers the results of operations ending December 31, 2023.

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) for Real Estate, 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 152 contains the material topics and corresponding global standards or recommendations addressed. The Standards referred to in each section of the Integrated Report pertain to the Topic Standard related to each topic discussed. The topic-specific indicators related to our disclosures are available in the Sustainability Reporting Index and the data pack accompanying this Report. The data pack is an important part of the Integrated Report and should

be read in conjunction with each other. Please refer to <https://ir.ayalaland.com.ph/sustainability/>. Except for employee data, it excludes the sustainability information of Avaland Berhad.

Ayala Land commissioned SyCip Gorres Velayo & Co. (SGV & Co.), a member firm of Ernst & Young (EY) Global, to undertake an independent limited assurance of the sustainability disclosures in this report. SGV & Co. conducted the assurance in accordance with the Philippine Standard on Assurance Engagements (PSAE) 3000 - Assurance Engagements Other than Audits or Reviews of Historical Financial Information (PSAE 3000 (Revised)), using Criteria including the <IR> Framework, relevant GRI Standards, SASB Standards for Real Estate, and TCFD Recommendations. This entire report was prepared by Ayala Land without the involvement of any external parties, including the external assurance provider, during its development.

Stakeholders may download a copy of the report at the company website: ayalaland.com.ph

→ In case of questions or clarifications, please send an email to investorrelations@ayalaland.com.ph.

“Inspired by its vision of “enhancing land and enriching lives for more Filipinos,” Ayala Land remains committed to delivering high-quality products and services.”



A view of the Tower Two Office Tower from Paseo de Roxas

About Ayala Land

Ayala Land Inc. is the largest property developer in the Philippines, with more than 11,000 hectares of land bank and a solid track record in developing large-scale, integrated, mixed-use, and sustainable estates.

With a footprint spanning 52 estates nationwide, Ayala Land has a diverse real estate portfolio composed of developing residential, office, commercial and industrial properties for sale, as well as properties for lease such as shopping centers, offices, hotels, resorts, warehouses, co-living and co-working spaces. Additionally, Ayala Land is engaged in construction,

property management and other 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 adheres to globally recognized sustainability standards and practices.

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

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.

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 City
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
Southmont (2023) | 789 ha, Silang, Cavite
Centrala (2023) | 48 ha, Angeles, Pampanga
Arillo (2023) | 62 ha, Nasugbu, Batangas



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
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
Batangas Technopark (2023) | 55 ha, Padre Garcia, Batangas



Business Lines

PROPERTY DEVELOPMENT

Residential Brands

Premium Segment

Ayalaland Premier (Luxury)

Alveo (Upscale)

Core Segment

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

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

Offices

Managed by Ayalaland Offices

65 BPO, 6 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
- 12 SEDA Hotels, 3,224 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, Vertis North Quezon City and Manila Bay Paranaque City
- Circuit Residences, 255 rooms
- Three resorts, 313 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, 314,000 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)

Avaland Berhad | 66%

Real Estate Logistics

AyalaLand Logistics Holdings, Corp | 71%

Real Estate Development

Ortigas Land | 21%

Real Estate Investment Trust (REIT)

AREIT, Inc. | 66%

Performance Highlights

“Ayala Land’s strategic vision and innovative projects enabled it to deliver solid results in 2023.”



HIGHLIGHTS

P24.5B +32%
Net Income

P148.9B +18%
Revenues

P86.2B
Capex

0.75:1
Net Gearing



SEGMENT REVENUES

P92.3B +14%
Property Development

- P77.2B +22% Residential
- P15.1B -15% Office and Lots for Sale

P41.7B +25%
Commercial Leasing

- P21.1B +31% Shopping Center
- P11.8B +6% Office
- P8.8B +42% Hotel and Resort

P11.5B +36%
Services

- P6.6B +56% Net Construction
- P1.8B +15% Property Management
- P3.1B +18% Others



MILESTONES

4 Estates launched

- Batangas Technopark
- Centrala
- Southmont
- Arillo

P75.9B
in Residential
Projects launched

- 88% Premium
- 65% Vertical

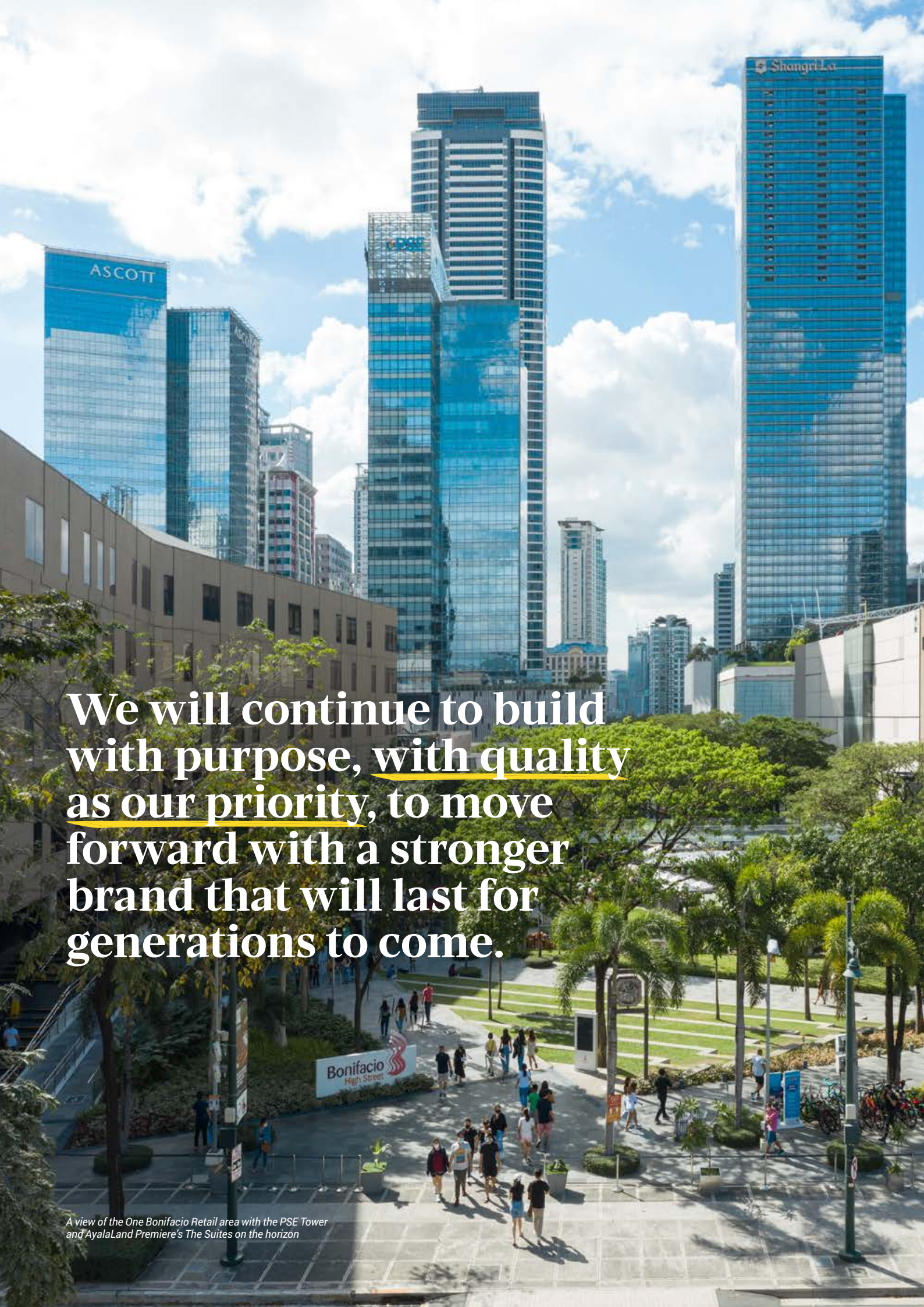
**Leasing
Completions**

- 49,000 sqm Malls GLA
- 420 hotel rooms

| | 2023 | 2022 | 2021 |
|--|----------|----------|----------|
| Statement of Income (In Php million) | | | |
| Total Revenues | 148,857 | 126,556 | 106,143 |
| EBITDA* | 60,135 | 46,205 | 36,729 |
| Net Income (attributable to equity holders of Ayala Land, Inc.) | 24,508 | 18,617 | 12,228 |
| Statement of Financial Position (In Php million) | | | |
| Cash and Cash Equivalents | 17,820 | 12,508 | 14,998 |
| Total Assets | 846,632 | 779,655 | 745,464 |
| Total Borrowings | 258,254 | 236,039 | 223,097 |
| Stockholders' Equity | 319,929 | 293,665 | 270,502 |
| Statement of Cashflows (In Php million) | | | |
| Net Cashflow provided by Operating Activities | 21,360 | 26,348 | 7,926 |
| Net Cash used in Investing Activities | (30,186) | (22,925) | (26,229) |
| Net Cash provided by Financing Activities | 13,886 | (5,537) | 14,837 |
| Capital Expenditures (In Php million) | | | |
| | 86.22 | 72.38 | 63.98 |
| Financial Ratios | | | |
| Current Ratio | 1.76 | 1.78 | 1.58 |
| Debt-to-Equity ratio | 0.81 | 0.80 | 0.82 |
| Net Debt-to-Equity ratio | 0.75 | 0.76 | 0.77 |
| Return on Equity (Average Equity) | 9.3% | 7.6% | 5.4% |
| Return on Assets (Average Assets) | 3.60% | 2.9% | 2.1% |
| Stock Information as of 31 December | | | |
| Market Capitalization (In Php billion) | 515 | 463 | 544 |
| Stock Price (In Php) | 34.45 | 30.80 | 36.70 |
| Earnings per Share (In Php) | 1.63 | 1.25 | 0.83 |
| Operational Highlights | | | |
| Sales Reservations (In Php billion) | 113.9 | 104.9 | 92.2 |
| Malls GLA (In million square meters) | 2,143 | 2,126 | 2,119 |
| Offices GLA (In million square meters) | 1,388 | 1,365 | 1,317 |
| Hotels and Resorts (No. of rooms) | 4,452 | 4,058 | 4,030 |
| Sustainability Highlights | | | |
| Economic Value Distribution (In Php million) | | | |
| Economic Value Generated | | | |
| Total Revenues | 148,857 | 126,556 | 106,143 |
| Economic Value Distributed | | | |
| Payments to suppliers/contractors | 66,896 | 57,149 | 52,055 |
| Payments to employees | 12,587 | 9,085 | 3,896 |
| Payments to providers of capital | 19,161 | 15,509 | 15,101 |
| Payments to governments | 12,540 | 4,768 | 8,853 |
| Payments to communities | 18 | 15 | 39 |
| Economic Value Retained | 37,655 | 40,031 | 26,199 |
| Environmental and Social Indicators | | | |
| Total accredited vendors | 3,677 | 2,501 | 1,891 |
| New vendors | 1,208 | 699 | 405 |
| Vendors engaged | 45% | 50% | 59% |
| Vendors in civil, structural, architectural categories | 29% | 32% | 32% |
| Percentage of total spending on local suppliers | 45% | 53% | 51% |
| Customer Satisfaction Rate Covers satisfaction rating from our property management business, APMC offices | 89% | 88% | 87% |
| Environmental and Social Indicators | | | |
| Net GHG Emissions - Commercial Properties (t-CO ₂ e)** | 29,679 | 42,922** | 46,734 |
| % of energy consumption in RE - Commercial Properties | 66% | 77% | 67% |
| Total ALI Employees (Direct and Indirectly Hired) | 53,285 | 47,747 | 41,687 |
| UN SDG Contribution | | | |
| Affordable Units Launched | 1,302 | 3,159 | 3,632 |

*Earnings before Interest, Taxes, Depreciation and Amortization

**Restated based on the externally-verified 2022 GHG Inventory and Offset Report

A high-angle photograph of a modern urban plaza. In the foreground, a paved walkway with a grid pattern leads through a landscaped area with green grass, palm trees, and other plants. People are walking in various directions. In the middle ground, a sign reads "Bonifacio High Street". The background is dominated by several tall, glass-clad skyscrapers. The "ASCOTT" logo is visible on a building to the left, the "PSE" logo on a central tower, and the "Shangri-La" logo on the tallest building to the right. The sky is blue with scattered white clouds.

We will continue to build with purpose, with quality as our priority, to move forward with a stronger brand that will last for generations to come.

A view of the One Bonifacio Retail area with the PSE Tower and AyalaLand Premiere's The Suites on the horizon



To Our Stakeholders

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Chairman's Message

“Throughout its 35-year history, Ayala Land has transformed to expand its business lines and delivered lasting value to more Filipinos.”

Jaime Augusto Zobel de Ayala
Chairman

Ensuring a Legacy that Endures

Beyond our reach and scale, I am proud of the profound, lasting impact our estates have had on communities, serving as engines of economic growth while fostering safe and sustainable environments for families to flourish.

86%

By the close of 2023, we have reduced or offset 86% of our scopes 1 and 2 emissions, a milestone independently verified by a third-party assessor



From its humble beginnings with a single product line, Ayala Land has expanded its portfolio to encompass 52 estates with leading brands in the residential segment, 34 malls, 71 office buildings, and over 4,000 hotel and resort rooms, supported by the county's largest construction and property management companies.



62-hectare Arillo in Nasugbu, Batangas

Dear Shareholders,

In 2023, Ayala Land proudly celebrated its 35th anniversary, reflecting on its transformative journey since its inception in 1988. Witnessing the Company's evolution and its deepening impact on Filipino lives has been a privilege.

From its humble beginnings with a single product line, Ayala Land has expanded its portfolio to encompass 52 estates with leading brands in the residential segment, 34 malls, 71 office buildings, and over 4,000 hotel and resort rooms, supported by the county's largest construction and property management companies.

Throughout its 35-year history, Ayala Land has transformed to expand its business lines and delivered lasting value to more Filipinos.

Resilience amidst the complex business landscape

Time and again, Ayala Land has shown its resilience throughout various crises, including the Asian Financial Crisis, the Global Financial Crisis, and the recent COVID-19 pandemic. In 2023, formidable challenges continued to persist in the global and local environments, but we have remained steadfast in navigating a steady course toward stability and growth.

The lingering geopolitical tensions in Europe exerted prolonged effects



on supply chains, consequently influencing commodity prices and driving inflationary pressures. Furthermore, interest rates across nations remained elevated, with no definitive timeline for easing, posing uncertainties for economic expansion. Given these, the International Monetary Fund (IMF) revised its GDP growth projection downward to 3.0% from the previous year's 3.5%, falling short of the historical average of 3.8%.

On the domestic front, the Philippines encountered a period of high inflation and a rising interest rate environment throughout the year. Inflation averaged 6.0%, peaking at 8.7% in February, prompting the Bangko Sentral ng Pilipinas (BSP) to implement a

100-basis point increase, bringing the benchmark interest rate to 6.5%. However, amidst these challenges, the country exhibited resilience, achieving a commendable GDP growth rate of 5.6%. While slightly below the government's target range of 6-7%, this growth remained notably robust within the regional context. Notably, household consumption continued to be a key driver of economic activity, constituting over 70% of GDP and expanding by 5.6% compared to the previous year.

Amidst the complex business landscape, Ayala Land delivered strong results in 2023, driven by resilient property demand and sustained consumer activity. Revenues surged to P148.9 billion, marking an 18% year-on-year increase, while net income reached P24.5 billion, reflecting a 32% year-on-year growth.

With the pandemic behind us, our capital expenditures rose to P86.2 billion, surpassing our initial budget of P85 billion, as we accelerated the development of our diverse projects.

Ensuring a Legacy that endures

Beyond our reach and scale, I am proud of the profound, lasting impact our estates have had on communities, serving as engines of economic growth while fostering safe and sustainable environments for families to flourish. We plan and build with future generations in mind, ensuring a legacy that endures. In 2023, we introduced four new estates across the country to continue on this thrust.

In April, our real-estate logistics subsidiary, ALLHC, unveiled the Batangas Technopark, spanning 55 hectares in Padre Garcia, Batangas. The industrial estate will evolve into a mixed-use development featuring an ALogis warehouse, cold storage facilities, a transport terminal, a gas station, an agricultural wholesale market, and restaurants. It will host light, medium, and non-polluting industries.

September saw the launch of Centrala, a 32-hectare project in Angeles City,

Pampanga. Envisioned as a dynamic business district in Central Luzon. Strategically located with access to major roads and Clark International Airport, Centrala promises to be a hub of economic activity.

Also, in September, we introduced Southmont in partnership with Cathay Land. Southmont is a 789-hectare, mixed-use master-planned development in Silang, Cavite. Currently, Southmont aims to elevate living standards and community engagement through Alveo's Hillside Ridge and Verdea, as well as Ayala Land Premier's Lanewood Hills.

December marked the launch of Arillo, Ayala Land's pioneering mountain-side leisure estate in Nasugbu, Batangas. The 62-hectare estate is positioned to be the premier ecotourism and nature hub, featuring premium overnight facilities, a nature sanctuary, canyon trails, an events venue, a restaurant district, and a town center amidst the scenic Batulao landscape.

Commitment to Sustainability

At Ayala Land, we are guided by the belief that well-conceived real estate development can truly transform lives. This commitment to our stakeholders' evolving needs has been the cornerstone of our strategy and execution. With this, we have been steadfast in our pursuit of environmental sustainability.

We have aligned with our medium-term goal to reduce and eliminate our controllable emissions by 2030, in harmony with the Ayala Group's net-zero greenhouse gasses by 2050 aspiration. By the close of 2023, we have reduced or offset 86% of our scopes 1 and 2 emissions, a milestone independently verified by a third-party assessor. This was accomplished by sourcing renewable energy, with 111 commercial properties comprising 90% of our portfolio now powered by clean energy.

Furthermore, we have intensified our efforts to promote a circular economy. In 2023 alone, we repurposed 359 tons of plastic into construction materials,

“As we stand at the threshold of a new era marked by increasing demand for more sustainable, innovative, and resilient spaces for people to live, work, and play, Ayala Land is poised to seize the opportunities presented by this evolving landscape.”

We are excited at what the future holds for Ayala Land, carrying forward its 35 years of expertise in sustainable community and estate development.

board-ups, and pallets for cold storage. Additionally, we diverted 216 tons from landfills, representing 100% of the yard waste generated from five estates. These were used to power a laundry service that caters to Seda Nuvali and other hotels in the Cavite-Laguna area.

As we stand at the threshold of a new era marked by increasing demand for more sustainable, innovative, and resilient spaces for people to live, work, and play, Ayala Land is poised to seize the opportunities presented by this evolving landscape. With our proven capabilities, agility, and track record, I am confident that we will not only navigate this new operating environment but also play a significant role in driving the continued progress of our country.

Dynamism in Governance and Leadership

Recognizing the evolving business landscape, we have refreshed board compositions across the Ayala Group, enhancing our incumbent expertise as we chart our new growth strategies. Amidst frequent industry disruptions, making our

operations more agile is paramount in futureproofing our businesses. Cezar P. Consing, President and CEO of Ayala Corporation, now serves as ALI's Vice Chairman, alongside Daniel Gabriel M. Montecillo as Lead Independent Director and Surendra M. Menon as Independent Director. Their fresh perspectives and insights have already contributed immensely to the Board and the direction of the Company.

Speaking of the Board, I would like to thank Arturo G. Corpuz for his service to the Ayala Land Board, stretching back to 2016. Art has long been a key member of ALI's management team, leading vital teams in our design and urban planning teams from 2008 to 2016. He remains a leading thought leader in the country on architecture and urban planning. We at Ayala Land are thankful for his guidance and insights, which I believe will continue to usher the company toward our mission of building spaces people enjoy.

At the management level, we welcomed Anna Ma. Margarita 'Meean' B. Dy as Ayala Land's new President and

CEO, succeeding Bobby Dy, who spearheaded the Company since 2014. I would like to warmly welcome Meean, who has been a vital pillar in ALI for many years. Her success with our Estates group and more recently, with the Residential and Malls groups has been crucial in maintaining Ayala Land's strong brand. We look forward to working with her on this next chapter for Ayala Land.

On behalf of the Board, I thank Bobby for his visionary leadership, culminating in milestones such as crafting and executing the 2020-40 strategic plan, expanding our estates from 26 to 52, doubling our asset base to over P800 billion, and close to tripling net income to P33.2 billion in 2019, which resulted in our share price appreciating by 84% and outperforming the benchmark stock market index growth of 33%. Under his watch, Ayala Land developed AREIT, ALogis, and AirSWIFT. It was also during his time that Makati Development Corporation became the largest construction company in the country,

Bobby was at the forefront of our sustainability initiatives as he implemented a 5-year plan to achieve carbon neutrality across our commercial properties. More importantly, he navigated and pivoted the company at the height of the COVID-19 health crisis to refocus on ensuring the well-being of our communities, merchants, suppliers, and employees. Under his guidance, the Company maintained a strong balance sheet that ensured the Company remained resilient and recovered from the challenges of the pandemic. The rest of the board and I are very thankful for his years of service to the company, and we wish him all the best in this next chapter of his career.

Ayala Land continues to be such a vital pillar of the entire Ayala Group, acting as our largest growth engine, as well as being among our most visible companies with such a direct and profound impact on the lives of Filipinos. The landscape and the economy of the Philippines would not have been the same if it had not been



A thriving residential community in Alvierra, Pampanga

for Ayala Land's contributions – this remains our greatest pride, as well as our most meaningful responsibility. We are excited at what the future holds for Ayala Land, carrying forward its 35 years of expertise in sustainable community and estate development.

To our shareholders and stakeholders, we are humbled and grateful for your trust and confidence over the past 35 years. As we look to the future, we will continue to build with purpose, with quality as our priority, to move forward with a stronger brand that will last for generations to come.

JAIME AUGUSTO ZOBEL DE AYALA
Chairman

CEO's Message



“ As we embark on the next chapter of Ayala Land, we are emboldened to dream again. We aspire to bring world-class experiences to Filipinos and keep doing what we do best: to build places that people love.”

Anna Ma. Margarita B. Dy
President and CEO

P24.5B

2023 Net Income,
32% growth

P13.3B

3-year CAPEX budget for the
reinvention of flagship Malls
Glorietta, Greenbelt, Trinoma
and Ayala Center Cebu

“While we leaned on the premium segment, we also completed plans and prepared projects for launch in the core residential brands of Avida and Amaia, to ensure that we are ready when the middle-income market rebounds. Our strong and diverse portfolio of brands allows us to capitalize on shifting market opportunities.”

Dear Shareholders,

2023 marked the Philippines' first complete year of uninterrupted economic activity since the onset of the pandemic. The country embarked on a path to recovery and achieved a commendable 5.6% GDP growth rate which surpassed the performance of our regional counterparts such as China, Indonesia, Malaysia, and Vietnam.

Propelled by the country's robust economy, all our major business lines exhibited exceptional results. Consolidated revenues recorded an increase of 18% to P148.9 billion and we achieved a net income of P24.5 billion, a 32% growth compared to the previous year.

Given the breadth and depth of our reach across Filipino consumers, allow me to highlight the bright spots we saw in our business lines.



Arca South will be connected to the Skyway Stage 4 project

Solid Platform for Renewed Growth

For our residential business, we achieved gross reservation sales of P113.9 billion, higher by 9% year-on-year, which translated to residential revenues accelerating by 22% to P77.2 billion. We continued to see market demand from the premium residential segment. We launched projects valued at P75.9 billion of which 88% came from the Ayala Land Premier and Alveo brands.

While we leaned on the premium segment, we also completed plans and prepared projects for launch in the core residential brands of Avida and Amaia, to ensure that we are ready when the middle-income market rebounds. Our strong and diverse portfolio of brands allows us to capitalize on shifting market opportunities.

Mall revenues surged by 31% to P21.1 billion as occupancy levels and tenant sales improved during the year. We opened Ayala Malls One Ayala at



CONSOLIDATED REVENUES

P148.9B

an 18% increase from previous year

RESIDENTIAL REVENUES

P77.2B

up by 22% increase from previous year

MALL REVENUES

P21.1B

up by 31% as occupancy levels and tenant sales improved during the year.

Makati CBD and the initial phase of Ayala Malls Vermosa adding another 49,000 square meters (sqm) of retail space to our portfolio. We continue to believe in the country's rising affluent demographic and will remain focused on enhancing the mall experience.

Office leasing revenues grew 6% to P11.8 billion. While industry vacancy rates remained high at 20%, we benefitted from the market's flight to quality with an average occupancy of 92%. Our office leasing business and tenant base have remained resilient despite Work from Home and Hybrid Work policies that we expect to continue.

We are cognizant of the exponential developments in AI and its potential impact on the BPO industry, both from an office portfolio and country standpoint. These uncertainties and the changing landscape reaffirm our conviction to focus our office portfolio in winner locations and ensure that our product remains conducive to fostering a collaborative and productive work environment for our tenants.

Early this year we broke ground for two office towers with 82,000 sqm of Gross Leasable Area (GLA) in Vertis North, one of our prime estates in Metro Manila. Situated prominently along EDSA and positioned near four rail lines, namely, MRT-3, LRT-1, the upcoming MRT-7 and the Metro Manila Subway, this project will offer superior connectivity and unique access.

Hotel and resort revenues also witnessed a remarkable 42% growth, reaching P8.8 billion. The opening of Seda Manila Bay in Paranaque City and the second tower of Seda Nuvali totaling 420 new rooms increased our hospitality portfolio to 4,456 keys.

We are proud of the recognition received by SEDA Hotels from the World Travel Awards as the Philippines' Leading Hotel Group. Moreover, 10 of the 12 Seda Hotels have secured the #1 or #2 spots in their competitive sets, according to Smith Travel Research, a globally recognized leader in hotel industry benchmarking.

We are cognizant of the exponential developments in AI and its potential impact on the BPO industry, both from an office portfolio and country standpoint. These uncertainties and the changing landscape reaffirm our conviction to focus our office portfolio in winner locations and ensure that our product remains conducive to fostering a collaborative and productive work environment for our tenants.

With increasing domestic and foreign tourism activity in the country, we are pushing our El Nido resorts to their full potential. From the smallest touchpoints to the broader renovation and reinvention program, our primary focus is to deliver a superior customer experience.

AREIT is the largest and most successful REIT in the Philippines. Its Assets Under Management will reach P117 billion in 2024 as we infused flagship mall, hotel, office and industrial land assets amounting to P29.8 billion. Our commitment to growing AREIT has resulted in a Total Shareholder Return of 53% in the four years since its IPO. We view AREIT as a strategic vehicle that delivers value to its shareholders while enabling Ayala Land to reinvest capital into its various growth platforms.

Our property management subsidiary, Ayala Property Management Corporation (APMC), ensures

With all our businesses on solid footing, we are again ready to be bold in our dreams and ambitions. We did not need to look far to determine what these bold dreams could be. We simply needed to look at what Ayala Land is at its core: the gold standard in property development in the Philippines. With this as a starting point, we set new strategies prioritizing quality and elevating the customer experience.

quality service and safety across our developments. It passed four recertifications covering Occupational Safety and Health, Quality, Environment, and Energy, affirming that APMC's practices align with global standards. As a result of their efforts, APMC received an 89% customer satisfaction rating and over 3,000 commendations.

Makati Development Corporation (MDC) has significantly benefited from Ayala Land's breadth and scale and is now the largest construction company in the Philippines. Our goal is to provide the most cost competitive and highest quality construction services. We constantly look at industry best practices and leading technologies to bring new ideas and capabilities to sustain our competitiveness.

MDC partnered with two of the world's largest and most respected construction companies: the Bouygues Group from France and Takenaka Corporation from Japan. These engagements will give MDC the advantage in accessing pioneering construction design, methodologies, and disciplines. Furthermore, MDC participated and won P9.8 billion in project contracts from external construction bids. MDC is the main contractor for the ePLDT Vitro Data Center in Santa Rosa, Laguna.

It is amidst this backdrop that I stepped into the role of CEO in October 2023, entrusted with steering Ayala Land into its next phase of growth and evolution. With all our businesses on solid footing, we are again ready to be bold in our dreams and ambitions. We did not need to look far to determine what these bold dreams could be. We simply needed to look at what Ayala Land is at its core: the gold standard in property development in the Philippines. With this as a starting point, we set new strategies prioritizing quality and elevating the customer experience.

Setting New Standards for Quality and Customer Experience

We are embarking on a transformative journey to redefine industry norms and raise the bar for quality and customer experience across our business lines.



To set new standards and to create unparalleled environments that inspire, delight, and resonate with our valued customers, we are reinvesting in our malls, hotels, resorts, and offices.

We have earmarked P13 billion to revitalize our flagship malls, Glorietta, Greenbelt, Trinoma, and Ayala Center Cebu, and unlock their full potential starting with Greenbelt's transformation into a premier luxury destination. This reinvention aims to deliver a new customer experience level from the physical environment and sense of space, to the merchant mix offering fresh and exciting new brands.

While we honor its 41-year history, we will redevelop Greenbelt 1 into an exciting, modern retail and dining complex to ensure its highest and



best use. As Filipino shoppers evolve in taste and expectations, we believe that we must set new standards in retail experience.

Our resorts and hotels are also undergoing a comprehensive reinvention program. Supported by an initial budget of P5.5 billion for the renovation of four hotels and two resorts, we aim to showcase the best of Filipino hospitality. Likewise, we are completing the Mandarin Hotel, set to open its doors in 2026. Designed to offer the highest standards in luxury hospitality, it will infuse a new level of sophistication and dynamism into the Makati Central Business District (MCBD).

We are also raising the bar in luxury residential living. We introduced Park Villas which is targeted to be ALI's

first LEED Gold-certified residential building. This bold new project overlooks the Ayala Triangle Gardens at the heart of Makati and is Ayala Land Premier's inaugural signature development. A first in the Philippines, Park Villas offers 45 single-unit floors, each averaging 610 sqm. Working with multi-awarded global design consultants Skidmore, Owings & Merrill for architecture and Yabu Pushelberg for Interior Design, the project promises to bring new design sensibilities to the Philippine market.

To deliver enhanced customer service, improve process efficiency and tap new markets, we are upgrading our technology and introducing new digital platforms. We started with the major upgrade of our Customer Relationship Management (CRM) system and held the pilot run of our

latest sales platform, ReserveNow, and a customer portal, AccessALI. With their formal launch in 2024, we aim to provide increased accessibility and convenience for our customers.

Utilizing the Land Bank

ALI's land bank is a strategic asset supporting our growth aspirations. It comprises carefully selected parcels based on their accessible locations to anticipated transportation and infrastructure projects, most of which are now coming to fruition. With this, we were able to develop estates where all our business lines could come together in synergy – a proven formula for long-term value creation.

Today, we are focused on utilizing this land bank to deliver our pipeline of horizontal projects. We launched P38.4 billion of residential, commercial,

CEO'S MESSAGE

and industrial horizontal products for sale. These projects accounted for 42% of total launches amounting to P91.0 billion, of which 73% were located within our estates.

In 2023, we introduced four new estates to the market: the 55-ha Batangas Technopark at Padre Garcia, the 32-ha Centrala at Angeles City, Pampanga, the 789-ha Southmont at Silang, Cavite, and the 62-ha Arillo at Nasugbu, Batangas.

We will continue with the strategic utilization of our land bank and anticipate an average annual usage of 800 hectares to support our various development plans over the next five years.

Empowering People

Our aspirations can only turn into reality with a capable and motivated organization. As such,

we continue to invest in our most important asset – our people.

We welcomed new talent into the organization to bring specialized expertise in key areas such as strategy and transformation, human resources development, customer insight, brand development, and mall and hospitality operations. We reorganized for greater focus, built capabilities to deepen our understanding of changing customer needs, and measured ourselves against third-party customer feedback. We continue investing in upskilling and empowerment, fostering a culture that champions our brand leadership. For us, it means putting customers at the heart of what we do and raising quality standards to deliver on our brand promise.

Reinforcing Sustainability

Aligning with Ayala Group's overarching Net Zero aspiration, we took a close

look at the task at hand. While we have made great strides in addressing our Scope 1 and Scope 2 Greenhouse Gas (GHG) emissions, much still needs to be done for Scope 3. Achieving this goal will require an industry-wide shift, and we continue to work with our partners to experiment with technologies and build new capabilities.

As an application of circular economy principles, we partnered with SteelAsia Manufacturing Corporation to supply MDC with rebars recycled from metal scraps generated by our construction projects. This agreement is the first of its kind in the country. MDC is also the largest producer of low-carbon concrete in the country. In 2023, its subsidiary, MDC ConQrete, Inc. (MCI), produced nearly 563 thousand cubic meters. It has 24% lower carbon emissions than conventional concrete. This product was used in 153 MDC projects,



AyalaLand Premier's first signature line project, Park Villas, in the Makati CBD

including the new BPI Headquarters in Makati CBD, under construction.

We also formalized a memorandum of understanding with the International Finance Corporation to accelerate the transition to net zero by 2050. Under this MOU, we commit to achieving EDGE Zero carbon certification across 100% of our 1.5 million sqm office space by 2025. We started securing certifications for eight buildings equivalent to 354,000 sqm of GLA in January 2024. This initiative makes Ayala Land's office buildings the country's largest green-certified portfolio.

Our efforts have been recognized by various industry groups. In recognition of our leadership in carbon removals, our pioneering Davao and Cebu Carbon Forests won the ASEAN Center for Biodiversity's first Green Initiative award in 2023 for small and medium-scale projects. In workplace well-being, we received a gold award for excellence and a silver award in work-life harmony from the 2023 HR Excellence

Awards. In Corporate Governance, we received the Five Golden Arrows award, the highest accolade given by the Institute of Corporate Directors to a Philippine-listed company. Ayala Land's 2022 Integrated Report was given the Silver Award in the 2023 Asia Integrated Reporting Awards under the large company category.

Outlook

As we embark on the next chapter of Ayala Land, we are emboldened to dream again. We aspire to bring world-class experiences to Filipinos and keep doing what we do best: to build places that people love.

Through the places we build, we not only transform landscapes but also transform lifestyles and lives.

To our customers who continue to challenge and inspire us to always do better, I thank you for your trust and confidence.

I thank my predecessor, Bobby Dy for his exceptional stewardship of

Ayala Land since 2014. Not only did Ayala Land reach new heights under Bobby's leadership, but he also served as our bastion of stability during the darkest days of the pandemic.

I also thank the women and men of Ayala Land for the openness and warm welcome. Join me as we take ALI to its next level.

I thank the Board of Directors for their wisdom and guidance as we boldly map out Ayala Land's future.

To our shareholders, thank you for supporting Ayala Land for the past 35 years. With our strategic initiatives to reinvent our products, set new standards for quality, elevate the customer experience, enable our people, and drive sustainability, we look forward to continuing to deliver on ALI's track record of growth.

Anna Margarita B. Dy
ANNA MA. MARGARITA B. DY
President and CEO

Our aspirations can only turn into reality with a capable and motivated organization. As such, we continue to invest in our most important asset — our people.

**Propelled by the country's
robust economy, all our
major business lines
exhibited exceptional
results.**



Mall patrons enjoy the green spaces at Solenad 3 in Nuvali



Business Review

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| Estate Development | → 30 |
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Estate Development

HIGHLIGHTS

4

Estates launched

- Batangas Technopark
- Centrala
- Southmont
- Arillo

Approval granted for Arca South connection to SEMME/Skyway

ALI signed an MOU with San Miguel Corp. in November for the project

2023 REVIEW

NEW ESTATES

We launched four new developments in South and Central Luzon to strengthen our presence in these economic corridors and capture the stable demand for horizontal residential and commercial products.

Batangas Technopark

55 hectares | Padre Garcia, Batangas.

- **Value Proposition.** Launched by Ayalaland Logistics Holdings Corporation (ALLHC) in April, Batangas Technopark is set to become a mixed-use hub to meet the evolving needs of domestic and international manufacturing and logistics enterprises seeking to establish or expand their presence in the Philippines. With ALogis' dry warehouse and cold storage facilities as its cornerstone, the park will integrate essential amenities, including a transport terminal, a strategically located gas station, an agricultural wholesale market, and an array of food and beverage outlets.
- **Location.** Nestled within the vibrant CALABARZON area, also known as Region IV-A, the province of Batangas is an emerging industrial epicenter strategically located just 100 kilometers south of Metro Manila.

This prime location offers accessibility to major transportation arteries and vital ports, making it attractive for industrial development. The province also prides itself on having a business-friendly environment, skilled workforce, extensive road network, and access to vast tracks of land. Together, these factors forge an ecosystem that enables industries to grow, serving as a catalyst for sustained economic advancement.

Centrala

32 hectares | Angeles City, Pampanga.

- **Value Proposition.** Centrala is expected to become a thriving business district in Pampanga, complementing nearby established estates such as Marquee and Alviera. Offering a dynamic blend of commercial spaces, lifestyle centers, and a residential neighborhood surrounded by verdant open space. Centrala presents a compelling vision for a modernized Angeles City. Strategically positioned for accessibility, it enjoys seamless connectivity with the North Luzon Expressway (NLEX), the MacArthur Highway, and the proposed Eastern Circumferential Road (ECR).



Batangas Technopark in Padre Garcia, Batangas



Centrala in Angeles, Pampanga

Moreover, it is only 18 minutes away from Clark International Airport.

- **Location.** The province of Pampanga is located 85 kilometers away from Metro Manila. Fueled by diverse industries spanning agriculture, manufacturing, tourism, and outsourcing, it is one of the fastest-growing provinces in the Philippines. Due to its proximity to major transportation hubs like the Clark International Airport and the Subic Bay Freeport Zone, the province offers an excellent location for economic zones, industrial parks, business districts, and opportunities for commercial, industrial, and residential development.

Southmont

789 hectares | Silang, Cavite.

- **Value Proposition.** In partnership with Cathay Land, the mixed-use estate offers horizontal residential developments such as Alveo’s Hillside Ridge and Verdea, alongside Ayala Land Premier’s Lanewood Hills. Building upon Ayala Land’s success in the region, exemplified by developments like Nuvali, Ayala Westgrove Heights, and Broadfield, Southmont is poised to deliver another sustainable mixed-use community in the Calabarzon area. Southmont is located along the Sta. Rosa- Tagaytay Road, accessible through the Cavite-Laguna

Expressway (CALAX) and the upcoming Cavite-Tagaytay-Batangas Expressway (CTBEX).

- **Location.** Known for its lush greenery, temperate climate, and proximity to Metro Manila, Silang offers an idyllic backdrop for investment, residential cultivation, and commercial expansion. Enhanced by its strategic adjacency to major transportation arteries, Southmont epitomizes the promise of a well-connected, thriving community poised for sustained growth and prosperity.

Arillo

62 hectares | Nasugbu, Batangas.

- **Value Proposition.** Set to become a premier ecotourism leisure estate in the scenic landscapes of Batulao, Batangas, Arillo embodies a commitment to sustainable development and unparalleled leisure experiences. Featuring sprawling open spaces, a nature sanctuary, canyon trails, an events venue, a restaurant district, and a town center, Arillo targets individuals and families looking for a weekend getaway or a retirement home.
- **Location.** Nasugbu is a coastal municipality on the western side of Batangas province, located 75 kilometers from Metro Manila. It is known for its mountain view, pristine beaches, resorts, and recreational activities.

Ayala Land signed an MOU with San Miguel in November to connect Arca South to the main highway



We signed an MOU with San Miguel Corporation last November to connect Arca South to the Southeast Metro Manila Expressway (SEMME) or Skyway Stage 4 project. The construction will begin in 2024 to improve its accessibility, enhance livability, and integrate the mixed-use development with Metro Manila’s broader transportation infrastructure.

About Arca South. Arca South is a 74-hectare estate in Taguig City, Metro Manila, launched in 2014. Currently, it is home to various residential communities by Premier, Alveo, and Avida. Additionally, it houses the Healthway Cancer Care Hospital, a Landers Supermarket, and several office headquarters. Arca South will soon become a prime residential and commercial district synonymous to BGC as it is expected to host one of the stations of the Metro Manila Subway project to be completed in 2029.

LAND BANK

Asset-Right Strategy

In 2023, we used 1,033 hectares for real estate activities. In the next five years, we plan to use an average of 800 hectares annually of our existing land bank.



Southmont in Silang, Cavite



Arillo in Nasugbu, Batangas

Property Development

HIGHLIGHTS

P77.2B +22%
Residential Revenues

P113.9B +9%
Sales Take-up

- 57% Premium Segment
- 65% Vertical Product

P75.9B
Residential Projects Launched

- 88% Premium Products
- 65% Vertical Projects

Notable Launches

- Park Villas by ALP in Makati CBD
- Park East Place by Alveo in BGC



AyalaLand Premier's first signature-line project, Park Villas

2023 REVIEW

Revenues

Property development revenues expanded by 14% to P92.3 billion, driven by steady bookings and higher completion of residential projects and offices for sale.

- Residential revenues reached P77.2 billion, 22% higher
- Office-for-sale revenues registered at P4.2 billion, 31% higher
- Commercial and industrial lots totaled P10.9 billion, 25% less than last year due to the product sales mix.

Reservation Sales

Despite the prevailing higher interest-rate environment, property demand remained resilient. Full-year 2023 reservation sales grew by 9% year-on-year to P113.9 billion. Our sales performance translated to average monthly sales of P9.5 billion.

57% of sales reservations came from the premium segment composed of ALP and Alveo, while 43% was from the core segment of Avida, Amaia, and Bellavita. By product type, 65% were vertical, and 35% were horizontal projects.

67% were sales to Local Filipinos. This amounted to P76.3 billion, representing a 10% increase from the previous year. Sales to overseas Filipinos were up 2% to P23.5 billion, while sales to other nationalities grew by 11% to P14.1 billion. They account for 21% and 12% of the total, respectively.

Project Turnover

In 2023, 11,502 residential units were turned over to buyers with a 99% acceptance rate at first inspection. Moreover, Amicassa Process Solutions,

Ayala Land's in-house provider of property sales, documentation and administrative services released 22,594 titles, 21% more than the previous year.

Launches

Twenty-five (25) projects worth P75.9 billion in total were launched in the year. 65% were vertical projects and 35% were horizontal projects, 88% from the Premium segment, and 12% from the Core segment. Notable projects launched during the year include AyalaLand Premier's first signature-line development, Park Villas in the Makati CBD and Alveo's Park East Place in BGC.



Sequel phases launched at ALP's The Courtyards at Vermosa



Alveo's Park East Place in Bonifacio Global City

11,502

Residential units turned over to buyers

99%

Buyer Acceptance Rate at first inspection

Commercial Leasing

HIGHLIGHTS

P21.1B +31%
Shopping Center Revenues

P11.8 +6%
Office Revenues

P8.8B +42%
Hotels and Resorts Revenues

84%
Malls Occupancy

92%
Offices Occupancy

67% & 42%
Hotels and Resorts Occupancies

49,000 sqm
Malls GLA opened at AyalaMalls One Ayala and Vermosa

420
Hotel rooms opened at Seda Manila Bay and Nuvali

2023 REVIEW

Shopping Centers

Revenues increased by 31% to P21.1 billion, primarily on higher foot traffic, occupancy, and rents. Occupancy improved from 81% in 2022 to 84%, as we successfully signed new leases for a total of 127,000 square meters. The new leases were driven by the expansion of existing tenants and the opening of first-to-market concepts, such as *Common Man Coffee Roasters*, *Flying Tiger Copenhagen*, *Hoka*, and *Jo Loves*, among others, along with new merchant sign-ups.

AyalaMalls completed an additional 49,000 sqm of gross leasable area (GLA)

in 2023 with the opening of Ayala Malls One Ayala and Ayala Malls Vermosa. As of year-end, our total GLA was 2.1 million sqm.

Offices

Our office leasing portfolio under AyalaLand Offices (ALO) generated P11.8 billion in revenues, 6% higher than the previous year due to improved occupancy and higher rental rates. Bolstered by its best-in-class locations, the occupancy rate increased to 92%, significantly higher than the industry average. During the year, 112,000 sqm of new leases were signed.



REINVENTION Flagship Malls and Hotels

We have exciting plans in store for the next three years as we embark on a reinvention program for our flagship malls and hospitality portfolio, alongside selective launches for our office portfolio.



Lagen Island at El Nido Resorts

Glorietta, Greenbelt 2, Trinoma, and Ayala Center Cebu – Our flagship malls, comprising 32% of our total GLA, will be undergoing a major 3-year reinvention program with a budget of P13.3 billion to unlock their full potential. Our goal is to enhance the customer experience, which entails a comprehensive redesign of the exterior and interior facilities to imbue

a modern and fresh aesthetic and introduce more spaces for interaction. We are also optimizing the merchant mix to offer patrons fresh and exciting new brands tailored to their unique preferences. All these reflect our commitment to positioning Ayala Malls as the mall of choice for discerning shoppers.



Perspective of Glorietta's renovation in the Makati CBD

We have also started a comprehensive renovation program for our resorts and hotels, with a key emphasis on showcasing our renowned Filipino hospitality. Supported by a budget of P5.5 billion, the renovation has commenced with the refurbishing of two resorts in El Nido, and the completion of four hotels this year. Our objective is to bring the customer experience to higher levels of hospitality and capture a substantial share of the local and foreign leisure tourism markets.



Perspective of Ayala Center Cebu's renovation

ALO currently has a total of 71 office buildings and 1.4 million sqm of gross leasable area.

Hotels and Resorts

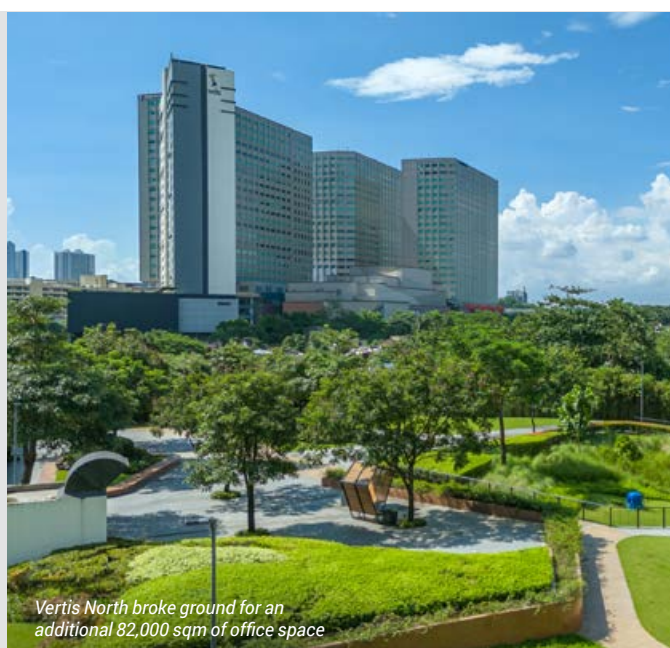
Higher travel and tourism activity supported the growth of our hotels and resorts business, pushing up occupancy and room rates. For the year, revenues reached P8.8 billion, 42% higher than in 2022. Increased foreign guests and domestic tourists lifted occupancy rates to 67% and 42% for hotels and resorts, respectively.

To serve the increasing tourism demand, we opened our 12th Seda Hotel, Seda Manila Bay, in Paranaque City, with an initial 306 rooms. We also completed the second tower of Seda Nuvali, making 114 additional rooms available to the public. Our total hospitality portfolio stands at 4,452 rooms, with another 1,068 rooms under construction.

OFFICE EXPANSION Focusing on Winner Sites

Recognizing the dynamic shifts in the office leasing landscape, we are focusing on winner sites. We have broken ground for two office towers with a total of 82,000 square meters in Vertis North, one of our prime estates in Metro Manila. This expansion directly addresses the ongoing demand from the Business Process Outsourcing (BPO) sector. Furthermore, it strategically positions Ayala Land to capitalize on emerging opportunities in higher-value outsourced services.

About Vertis North. Vertis North is Ayala Land's 29-hectare estate situated prominently along EDSA hosting vertical residential communities by ALVEO and AVIDA, BPO office towers, an Ayala Mall, and a SEDA Hotel. and strategically positioned near the MRT and LRT railway lines. The office development project is poised to leverage the connectivity and accessibility these transportation hubs offer. The estate benefits significantly from enhanced transportation infrastructure with the upcoming MRT and LRT common station, the MRT7 railway to Bulacan, and the Metro Manila Subway project.



Vertis North broke ground for an additional 82,000 sqm of office space

Services

HIGHLIGHTS

P6.6B +56%
Net Construction Revenues

P1.8B +15%
Property Management Revenues

P3.1B +18%
Airline and Retail Electricity
Supply Revenues

276
MDC managed projects

283
APMC managed accounts

2023 REVIEW

Construction

(Makati Development Corporation)

Makati Development Corporation (MDC) achieved consolidated gross revenues of P47.2 billion in 2023, retaining its position as the largest Philippine construction company. New contracts and the expanded scope of work for current projects drove an 11% increase from the previous year. Aligned with external growth targets, MDC also submitted and won bids for various construction projects, generating new external orders amounting to Php 9.8 billion.

Safety remained a top priority, with 54 projects exceeding one million safe-person hours each in the 146.6 million construction-related person hours rendered.

The company continued to accelerate its Design for Modular Construction (DfMC) initiative with an adoption rate of 44% to ensure the timely delivery of projects for residential owners. A total



MDC employees discuss construction plans at Parklinks in Quezon City

of 95 residential projects (67% vertical, 28% horizontal) utilized MDC's modular construction technology during the year.

**Property Management
(Ayala Property Management Corporation)**

Ayala Property Management Corporation (APMC) recorded P1.8 billion in revenues, a 15% increase from the previous year, due to higher car park patronage in its managed properties.

APMC conducted 56 operations and communication drills and 11,415 weekly drills to further enforce safety practices. APMC passed the four ISO recertifications covering Occupational Safety and Health, Quality, Environment, and Energy, reflecting that practices are consistently in line with global standards.

APMC received an 89.3% rating in its online customer survey with 3,156 commendations from customers.

APMC managed 283 accounts, consisting of 466 buildings and projects across residential condominiums and villages, malls, offices, and estates in its portfolio in 2023.

Airline and RES

AirSWIFT and our retail electricity supply (RES) companies achieved a combined P3.1 billion in revenues, an 18% increase from last year, led by strong airline ticket sales.

With a fully reopened economy, AirSWIFT recorded a 71% increase in passengers, totaling more than 360,000, coupled with 100% reliability throughout the year.

Meanwhile, our RES companies supplied 1,147 GW of energy to our commercial leasing locators.



MDC employs modular construction initiatives to ensure the timely delivery of projects



APMC regularly conducts drills for the safety of its properties



Strategic Investments

HIGHLIGHTS

P4.9B +43%
AREIT net income

P2.15 +9%
AREIT dividends per share

P635M
ALLHC net income

314k sqm
ALLHC dry warehouse GLA

10k pallet positions
ALLHC cold storage capacity

2023 REVIEW

AREIT

AREIT, Inc. (AREIT), posted total revenues of P7.1 billion and Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) of P5.0 billion, 41% and 39% higher year-on-year respectively, on account of stable operations and consistent asset infusions. Net income registered at P4.9 billion, 43% higher year-on-year, excluding the net fair value change in investment properties. AREIT's properties recorded a 97% average occupancy at the end of the year, higher than the industry average.

AREIT's 2023 performance was boosted by the acquisition of One Ayala Avenue East and West Towers at the corner of Ayala Avenue and EDSA,

Glorietta 1 and 2 Mall and BPO buildings at Ayala Center, and MarQueue Mall in Angeles, Pampanga, resulting in an annual dividend-per-share of P2.15 for 2023, a 9% increase from P1.98 in 2022. The quarterly dividends-per-share have significantly grown by 96% since its IPO and total shareholder return by 53% as of February 19, 2024.

In line with its thrust to accelerate growth, AREIT secured stockholders' approval on February 12, 2024, for a property-for-share swap transaction with Ayala Land, Inc. (ALI), and its subsidiaries, Greenhaven Property Ventures, Inc. and Cebu Insular Hotel Co., Inc. ("Subsidiaries"). This agreement encompasses flagship properties including Ayala Triangle Tower Two,



Ayala Gardens Tower Two received shareholder approval to be infused into AREIT within 2024

Greenbelt Mall 3 and 5, Holiday Inn and Suites Makati, and Seda Ayala Center Cebu, with a total value of P21.8 billion. Additionally, AREIT concluded its cash acquisition of Seda Lio in El Nido, Palawan from ALI subsidiary Econorth Resort Ventures, Inc. for P1.2 billion on January 17, 2024. Furthermore, AREIT acquired the 276-ha. industrial land in Zambales owned by Buendia Christiana Holdings Corporation (BCHC), a wholly owned subsidiary of ACEN Corporation, valued at P6.8 billion.

AyalaLand Logistics Holdings Corp. (ALLHC)

ALLHC registered consolidated revenues of P3.5 billion and a net income of P636 million, lower by 17% and 37% respectively due to higher expenses related to ongoing development in the industrial estates.

Nevertheless, industrial lot sales remained robust, reaching P2.6 billion in total gross value, a record high for the company. Booked lot sales revenues amounted to P1.6 billion. This was supported by warehouse leasing revenues of P659 million, which grew 2% despite a facilities upgrade in ALogis Calamba, which was completed and leased at the end of the second quarter. In the same period, ALLHC began the construction of ALogis Mabalacat in Pampanga Technopark, and its first build-to-suit facility in Cavite Technopark which will add 23,000 sqm of warehouse GLA. Total dry warehouse GLA stood at 314,000 sqm as of 2023 with the completion of ALogis Naic.

Cold storage revenues accelerated 46% to P176 million, driven by the contribution of full-year operations of



ALLHC's cold storage facility in Laguna

ALogis Artico Mandaue and higher overall occupancy.

Avaland Berhad (Formerly MCT Bhd)

Formerly MCT Bhd, Avaland Berhad rebranded its corporate identity in July 2023, in line with its renewed focus on its core property development business.

Ayala Land's listed Malaysian subsidiary, Avaland Berhad, contributed revenues of P7.4 billion, more than double from 2022 driven by higher sales and incremental POC of its projects, namely, Alira Subang Jaya, Aetas Damansara, Casa Embun and Sanderling.

Avaland recorded P7.0 billion in sales reservations during the year, 8% higher than last year and its highest sales level over the last five years. To sustain its pipeline, Avaland launched Phase 1 of Alora Residences, which is the maiden development of the 13-acre integrated development Avenue 25 in Subang Jaya.



MCT rebranded to Avaland Berhad in July 2023



Ortigas Land opened the new GH Mall in November 2023

Consistent with its expansion strategies, Avaland made its initial foray into Kuala Lumpur with the acquisition of a 1.6-acre land parcel in Taman Seputeh and a 3.9-acre plot in Taman Desa.

Ortigas Land

Ortigas Land generated P12.6 billion in revenues, 14% more than a year ago, driven by improved mall rental income and higher bookings and completion of residential projects.

Sales reservations increased by 33% to P16.0 billion, fueled by the launch of its project, Olin at Jade Drive, which sold 536 units on launch day.

The company also opened the 40,000 sqm office building, GH Tower, in September and softly opened the new GH Mall in November 2023 to bolster its recurring income portfolio.

Our aspirations can only
turn into reality with a
capable and motivated
organization.



Located in the province of Laguna, Nuvali is Ayala Land's largest estate with a gross footprint of 2,290 hectares



Our Leaders

| | |
|----------------------|------|
| Board of Directors | → 42 |
| Management Committee | → 48 |
| Senior Leaders | → 50 |

Board of Directors

“The Board encourages independence and diversity among its members. Each director must bring valuable insights and independent judgment in formulating corporate strategies and policies.”

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

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

The Board instituted a Board Diversity Policy in 2020. The Board's gender diversity goal is to be composed of at least 30% female or at least to have three female directors by 2025. At the end of 2023, the Board has two female directors, representing 22% of its members.

2023 Board Composition

| Director | Designation | Year Appointed | Expertise |
|--------------------------------|---------------------------------|------------------|--|
| Jaime Augusto Zobel de Ayala | Non-executive, Chairman | June 1988 (36) | General management, strategy, and finance |
| Cezar P. Consing | Non-executive, Vice Chairman | April 2023 (-) | Banking, capital markets, private equity, economics |
| Bernard Vincent O. Dy* | Executive | April 2019 (10) | Real estate, accounting, finance |
| Anna Ma. Margarita B. Dy** | Executive | October 2023 (-) | Real estate, general management, economics |
| Mariana Beatriz Zobel de Ayala | Executive | October 2022 (1) | General management, real estate, and banking |
| Daniel Gabriel M. Montecillo | Non-executive, Lead Independent | April 2023 (-) | Banking, capital markets, general management |
| Rex Ma. A. Mendoza | Non-executive, Independent | April 2020 (4) | Insurance, marketing, sales and distribution, real estate |
| Surendra M. Menon | Non-executive, Independent | April 2023 (-) | Insurance, actuarial science, finance |
| Cesar V. Purisima | Non-executive, Independent | April 2018 (6) | Accounting and finance, economics |
| Arturo G. Corpuz | Non-executive | April 2016 (8) | Architecture, economics, urban and regional planning, sustainability |
| Antonino T. Aquino*** | Non-executive | April 2009 (14) | Real estate, utilities, and property management |
| Rizalina G. Mantaring*** | Non-executive, Lead Independent | April 2014 (9) | Insurance, engineering and computer science |
| Sherisa P. Nuesa*** | Non-executive, Independent | April 2020 (3) | Accounting and finance, manufacturing, real estate, utilities |

*Served as Executive Director and President until September 30, 2023

**Elected on September 4, 2023 to serve the unexpired term of Mr. Dy, effective October 1, 2023

***Director until April 26, 2023

Jaime Augusto Zobel de Ayala

Non-Executive Director, Chairman



Filipino 64 years old

Tenure 35 years | Appointed June 1988

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.,
- Chairman of Bank of the Philippine Islands
- 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.

Non-listed Companies:

- Chairman of AC Energy and Infrastructure Corporation (formerly AC Energy, Inc.) Chairman Asiacom Philippines, Inc.
- Member of the Board of AC Ventures Holding Corp.

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
- Member of 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, 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 the rank of Grand Commander in 2010, and the Order of Mabini with the rank of Commander in 2015 by the President of the Philippines in recognition of his outstanding public service.
- He was recognized as a United Nations Sustainable Development Goals Pioneer by the UN Global Compact in 2017 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

BOARD OF DIRECTORS

Cezar P. Consing

Non-Executive Director, Vice Chairman

Filipino, 64 years old

Tenure Less than 1 year | Appointed April 2023

Present Positions

In the Ayala Group

Listed Companies:

- President and CEO of Ayala Corporation since September 2022 and Member of the Board Director since December 2020;
- Vice Chairman of Bank of the Philippine Islands, Globe Telecom, Inc., and ACEN Corporation.

Non-listed Companies:

- Chairman of AC Logistics Holdings Corporation, AC Infrastructure Holdings Corporation, Chairman of AC Industrial Technology Holdings, Inc., AC Ventures Holding Corp., and AC Mobility Holdings Incorporated
- Vice Chairman of AC Energy and Infrastructure Corporation and Ayala Healthcare Holdings, Inc.;
- Member of the Board of Asiacom Philippines, Inc. and ACEN International, Inc.



Outside the Ayala Group

- Chairman of Philippine Dealing System Holdings and the College of St. Benilde
- Member of the Board of FILGIFTS.com and the Philippine-American Educational Foundation
- Board Trustee of the Manila Golf Club Foundation
- Member of the Trilateral Commission

Former Positions

In the Ayala Group

Listed Companies:

- Senior Managing Director of Ayala Corporation; President and CEO of Bank of the Philippine Islands from 2013 to 2021; Worked for BPI from 1981 to 1985 as a Management Trainee and eventually Assistant Vice President.

Outside the Ayala Group

Listed Companies:

- Director of Yoma Strategic Holdings Ltd. (Singapore) and First Myanmar Investment Public Company Limited (Myanmar); Independent Director of Jollibee Foods Corporation (2010 to 2021), CIMB Group Holdings (2006 to 2013), First Gen Corporation (2005 to 2013), and National Reinsurance Corporation (2014 to 2019)

Non-listed Companies:

- Chairman and President of the Bankers Association of the Philippines; President of Bancnet, Inc.; Partner at the Rohatyn Group from 2004 to 2013; Worked for J.P. Morgan and Co. in Hong Kong and Singapore from 1985 to 2004 in various capacities including heading the investment banking business in Asia Pacific and serving as President of J.P. Morgan Securities (Asia Pacific) Ltd. from 1997 to 2004; Board Director of SQREEM Technologies, Endeavor Philippines and the Asian Youth Orchestra

Education

- Bachelor of Arts in Economics - Accelerated Program (Magna Cum Laude) from De La Salle University in 1979
- Master of Arts in Applied Economics from the University of Michigan in 1980

Anna Ma. Margarita B. Dy

Executive Director, President and CEO

Filipino 54 years old

Tenure Less than 1 year | Appointed October 2023

Present Positions

In the Ayala Group

Listed Companies:

- Chairman of AREIT, Inc. and AyalaLand Logistics Holdings Corp.

Non-listed Companies:

- Chairman of Ayalaland Premier, Amaia Southern Properties, Inc., Ayala Land International Sales, Inc., Avida Land Corp., Alveo Land Corp., Avencosouth Corp., Altaraza Development Corporation, Amaia Land, Inc., Amicassa Process Solutions, Inc., Ayala Property Management Corporation, Ayalaland-Tagle Properties, Inc., BGWest Properties, Inc., BGNorth



Properties, Inc., Bellavita Land Corp., Cagayan de Oro Gateway Corp., Vesta Properties Holdings, Inc. Portico Land Corp. and Solinea, Inc.;

- Vice Chairman of Aurora Properties, Inc., CECI Realty, Inc., and Ayala Greenfield Development Corporation; President of AKL Properties, Inc.;
- President and CEO of Fort Bonifacio Development Corporation;
- Member of the Board of Accendo Commercial Corp., ALI Eton Property Development Corporation, Berkshires Holdings, Inc., Bonifacio Land Corporation, Columbus Holdings, Inc., Emerging City Holdings, Inc., Nuevocentro, Inc., Serendra, Inc.

Former Positions

In the Ayala Group

Listed Companies:

- Executive Vice President of Ayala Land, Inc. from January to September 2023 and Senior Vice President from 2015 – 2022; Head of the Residential Business Group from 2022 to 2023 and Head of the Malls Group in 2023; Group Head of Ayala Land Estates until 2022 of Ayala Land, Inc.

Education

- Bachelor of Arts in Economics, Honors Program (Magna Cum Laude) from the Ateneo de Manila University in 1990
- Master of Science in Economics from the London School of Economics in 1991
- Master of Business Administration from Harvard Business School in 1996

Daniel Gabriel M. Montecillo

Lead Independent Director



Filipino, 64 years old

Tenure Less than 1 year | Appointed April 2023

Present Positions

Outside the Ayala Group

Listed Companies:

→ Independent Director of Bank of Commerce and RASLAG Corp.

Non-listed Companies:

→ Independent Director of Metro Pacific Health, Maybank Investment Banking Group, and Marsh Philippines; Global Board of Director of International Care Ministries and the United Nations Global Compact Network (Philippine chapter)

Former Positions

In the Ayala Group

Listed Companies:

→ Executive Vice President and Group Head of Corporate Clients of Bank of the Philippine Islands; President of BPI Capital Corporation

Outside the Ayala Group

Non-listed Companies:

→ CEO and Managing Equity Partner of Diamond Dragon Advisors; CEO of Fidelis Holdings; Investment banking at Bankers Trust Company in New York and at Credit Suisse and Morgan Stanley in Hong Kong

Recognitions

→ Certified coach (ACC designation from the International Coaching Federation), leadership development speaker and facilitator, and senior consultant to the International Finance Corporation and other private companies

Education

→ Bachelor of Science in Management of Financial Institutions and Bachelor of Arts in Behavioral Sciences (Magna Cum Laude) from De La Salle University 1979
→ Master of Business Administration and Master of Arts from Stanford University in 1986

Rex Ma. A. Mendoza

Independent Director



Filipino 61 years old

Tenure 3 years | Appointed April 2020

Present Positions

In the Ayala Group

Listed Companies:

→ Lead Independent Director of AyalaLand Logistics Holdings Corporation

Non-listed Companies:

→ Director of G-Xchange Inc. (GX1 or Gcash)

(The Blue Leaf), The Cullinan Group, and Mobile Group Inc.; Member of 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

→ 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

Outside the Ayala Group

Listed Companies:

→ Independent Director of the National Reinsurance Corporation of the Philippines

Non-listed Companies:

→ Chairman of Rampver Financials; Director of Esquire Financing, Seedbox Technologies, Seven Tall Trees Events Management

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

BOARD OF DIRECTORS

Surendra M. Menon Independent Director

Singaporean, 65 years old

Tenure Less than 1 year | Appointed April 2023



Present Positions

Outside the Ayala Group

- Partnership Distribution Director of PT AIA Financial

Former Positions

In the Ayala Group

- CEO of BPI AIA Life Assurance Corporation

Outside the Ayala Group

- Regional Head for Bancassurance Group Partnership Distribution of the AIA Group
- Served as Vice President and Chief Distribution Officer, Director for

- Bancassurance and Vice President for Business Development of AIA Financial (Formerly AIG Life and AIG Lippo)
- Vice President for Bancassurance of DBS Bank
- Company Head and Advisor to the Owner of PT Binadaya Nusaindah (BDNI Life and now called Equity Financial)
- Head/Advisor of PT Bank Dagang National Indonesia (BDNI)
- Director of PT GTAsset Management of BDNI
- Various positions at The Insurance Corporation of Singapore (now Aviva Singapore)

Recognitions

- Served as Police Inspector with the Singaporean National Service from 1977 to 1979
- Reservist Captain with the Singapore Civil Defence Force until 2008
- Penasehat Investor (Investment Manager's License) of BEPEPAM (Indonesian Stock Exchange) since 1995

Education

- Bachelor of Arts in Actuarial Sciences from Macquarie University in 1981
- Advance Life Assurance course from Munich Re in 1985
- Certificate in Actuarial Techniques from the Institute of Actuaries (London) in 1993

Cesar V. Purisima Independent Director

Filipino 63 years old

Tenure 5 years | Appointed April 2018



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:

- Asia Fellow of Milken Institute; Founding Partner at IKHLAS Capital; Independent Director of the AIA Group; Member of the Global Advisory Board Council of Sumitomo Mitsui Banking Corporation;

Member of Singapore Management University's International Advisory Council; Member of the Bloomberg Task Force on Fiscal Policy for Health

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

Arturo G. Corpuz

Non-executive Director

Filipino, 68 years old

Tenure 7 years | Appointed April 2016



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 Alviera Country Club, Inc.

Former Positions

In the Ayala Group

Listed Companies:

- Ayala Land Management Committee Member from 2008 to 2016

Outside the Ayala Group

- President of the Philippine Economic Society
- Trustee of the Foundation for Economic Freedom
- Trustee of the Philippine Institute of Environmental Planning

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

Mariana Beatriz Zobel de Ayala

Executive Director, Senior Vice President

Filipino, 34 years old

Tenure 1 year | Appointed October 2022



Present Positions

In the Ayala Group

Listed Companies:

- Senior Vice President and Group Head of Leasing and Hospitality of Ayala Land, Inc.; Director of AREIT, Inc.

Non-listed Companies:

- Board Director of AC Health, Ayala Group's ACTIVE Fund, and BPI Asset Management and Trust Company

Outside the Ayala Group

- Board Advisor for Asia Partners and Board Director of U-Go

Former Positions

In the Ayala Group

Listed Companies:

- Senior Vice President of Bank of the Philippine Islands; Deputy Head of Ayala Malls and Project Development Manager of Alveo Land, subsidiaries of Ayala Land, Inc.; Business Development Associate of Ayala Corporation

Outside the Ayala Group

- 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





Management Committee

1 Joseph Carmichael Z. Jugo
Group Head, Premium Residential; President, AyalaLand Premier Inc. and Alveo Land, Corp.

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

3 Raquel S. Cruz
Group Head, Core Residential; President, Avida Land Corp., Amaia Land Corp., Bellavita Land Corp. and Amicassa Process Solutions, Inc.

4 Augusto D. Bengzon
Senior Vice President – CFO, Treasurer and Chief Compliance Officer, Ayala Land, Inc.

5 Anna Ma. Margarita B. Dy
President and CEO, Ayala Land, Inc.

6 Mariana Beatriz Zobel de Ayala
Group Head, Leasing and Hospitality; President, AyalaLand Malls, Inc.

7 Robert S. Lao
Estates Group Head; Chief Sustainability Officer; President and CEO, AyalaLand Logistics Holdings Corporation

8 Isabel D. Sagun
Chief Human Resources Officer, Ayala Land, Inc.

9 Dante M. Abando
President and CEO, Makati Development Corporation



Estates and Residential Businesses

1
Ma. Divina Y. Lopez
 Chief Finance Officer, Estates Group

2
Lyle A. Abadia
 Head, Special Projects, Ayala Land, Inc.

3
Stephanie J. Lingad
 Chief Operating Officer, Amaia Land Corp. and Bellavita Land Corp.*; Head, Residential Business Transformation***

4
May P. Rodriguez
 Senior Estates Development Head, Estates Group

5
Alfonso D. Reyes
 Chief Operating Officer, Fort Bonifacio Development Corporation; President, ALI Capital Corp.

6
Jennylle S. Tupaz
 Senior Estates Development Head, Estates Group

7
Rufino Hermann S. Gutierrez
 Chief Operating Officer, Alveo Land Corporation*; Senior Managing Director, AyalaLand International Sales, Inc.***

**Until December 31, 2023*

***As of January 1, 2024*

****As of February 1, 2024*



Leasing and Hospitality Business

1
Maria Cristina Carmen M. Zuluaga
 Head, Lio Estates and Resorts

2
Christopher B. Maglanoc
 President, AyalaLand Malls, Inc.*; Deputy Group Head, Estates**

3
Ma. Clavel G. Tongco
 Head, Ayala Malls Operations and Ancillary Business

4
Javier D. Hernandez
 Head, Hotel Operations

5
Wilma Moran-Estaura
 Human Resources Group Director, AyalaLand Hotels and Resorts Corporation

6
Jeremy U. Sy
 Head, Brand Experience and Brand Strategy, Leasing and Hospitality Group; Head, Marketing, AyalaLand Malls, Inc.**

7
Carol T. Mills
 President, AyalaLand Offices, Inc. and AREIT, Inc.



Corporate Support & Ayala Property Management Corporation

1

Ma. Luisa D. Chiong

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

2

Roscoe M. Pineda

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

3

Darwin L. Salipsip

Head, Construction Operations Group 3, Makati Development Corporation*; Group Head, Construction Management Group**

4

Michael F. Magpusao

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

5

Enrique B. Manuel, Jr.

Human Resources Head, Ayala Land Corporate Support; Human Resources and Corporate Support Group Head, Alveo Land Corporation

6

Dindo R. Fernando

Head, External Affairs, Ayala Land, Inc.

7

Pauline Clarisse K. Feria-Darre

Head, Strategy and Transformation, Ayala Land, Inc.

**Until December 31, 2023*

***As of January 1, 2024*



Makati Development Corporation

1

Henry R. Realon

Head, Commercial Group, Makati Development Corporation

2

Rodelito J. Ocampo

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

3

Ferdie M. Mangali

Head, Corporate Resources and Services Group, Makati Development Corporation

4

Vincent H. Medina

Head, Operations Management Control Group, Makati Development Corporation

5

Jose C. Platero, Jr.

Chief Finance Officer and Head, Corporate Finance and Procurement Group, Makati Development Corporation

6

Romeo T. Menpin, Jr.

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

7

Richard T. Yap

Head, Construction Management Group*; Head, Construction Operations Group 3, Makati Development Corporation**

Through the places
we build, we not only
transform landscapes but
also transform lifestyles
and lives.

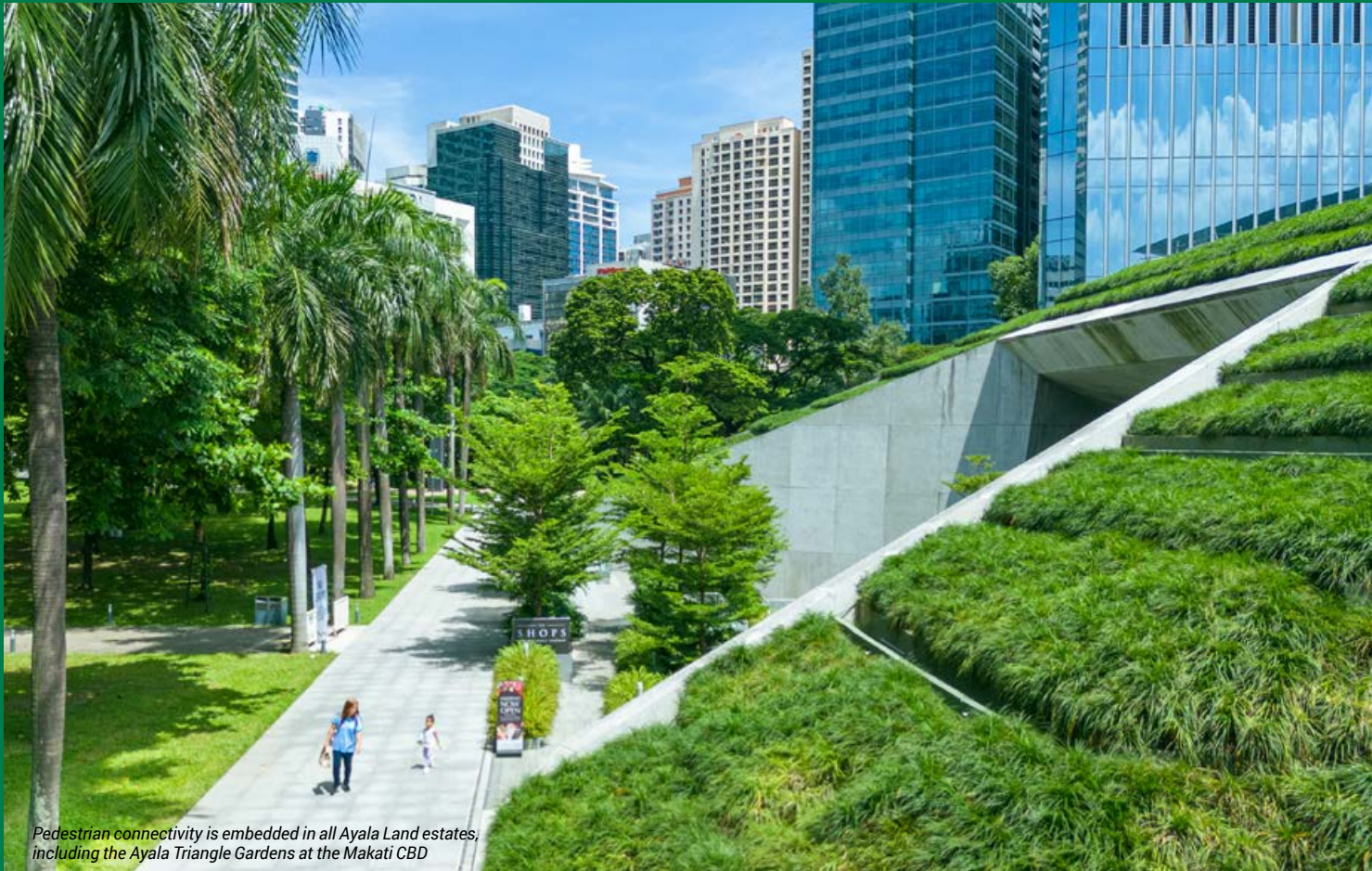
*The Ayala Triangle Gardens serves as a place of
convergence for residents of the Makati CBD.*



Creating Value

| | |
|--------------------------|------|
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Beyond driving economic value, Ayala Land remains steadfast in its commitment to responsible land development.



Pedestrian connectivity is embedded in all Ayala Land estates, including the Ayala Triangle Gardens at the Makati CBD

Business Model

Ayala Land is a leading developer of large-scale, integrated, mixed-use, and sustainable estates that are strategically located to fuel progress while offering exceptional residential and commercial leasing products.

The estates maximize synergies among product lines, ensuring enhanced value delivery across the entire development lifecycle. From initial land assessment and acquisition, master-planning and design, to construction and property management, Ayala Land consistently prioritizes excellence and sustainability.

Each masterplan, whether for urban centers or island tourism estates, is meticulously developed around a unique value proposition that optimizes the estate's location, natural terrain and potential to enrich local communities. Sustainability lies at the heart of Ayala Land's planning process, with a focus on four key areas—bolstering site resilience, encouraging pedestrian mobility and transit connectivity, promoting resource efficiency, and nurturing local economic development.

With its understanding of market dynamics, Ayala Land tailors its residential and commercial leasing products to suit evolving customer preferences. The company's diverse portfolio, comprising five residential brands covering the luxury, upscale, middle-income, entry-level, and socialized housing markets, is seamlessly integrated into each estate's demographic and market profile. These products are then complemented by a range of commercial leasing options, including shopping centers, offices, and hotels and resorts.

Central to Ayala Land's operational strategy is its land bank, which serves as the foundation for developing and launching innovative products while ensuring the estates' long-term growth

and sustainability. The company selects locations based on their contribution to the local economy, growth prospects, and proximity to infrastructure, ensuring that its developments will have an enduring positive impact on the surrounding community.

Beyond driving economic value, Ayala Land remains steadfast in its commitment to responsible land development. By developing environments that prioritize stakeholder engagement, social integration, and employment opportunities, Ayala Land endeavors to create sustainable and inclusive communities that enhance the quality of life for all.

By the end of 2023, Ayala Land has established 52 estates across the Philippines, spanning 57 growth centers, and securing over 11,000 hectares of land. While the majority of its developments are in Metro Manila and Central and Southern Luzon, which account for two-thirds of the country's GDP, Ayala Land has also extended its footprint to key urbanized key centers in the Visayas and Mindanao, including Cebu, Bacolod, Iloilo, Davao, Cagayan de Oro and Misamis Oriental.

For a comprehensive overview of Ayala Land's estates and business lines, please refer to pages 6 to 9 of this report.

The New Five-Year Strategy

In 2023, Ayala Land embarked on a new growth strategy focused on building places that people love. The goal is to elevate the standard of quality, reinforcing the company's position as a market leader and enhancing the customer experience across its diverse product and service offerings.

Our strategy is anchored on four pillars

1. Setting New Standards for Quality and Customer Experience

Ayala Land is setting new standards for quality by creating products and environments that inspire, delight, and resonate with our valued customers.

→ **Leasing and Hospitality.** We have earmarked P13.3 billion towards the reinvention of flagship malls—Glorietta, Greenbelt, Trinoma, and Ayala Center Cebu—unlocking their full potential. This initiative aims to deliver a new customer experience level through innovative spatial designs and curated merchant selections that offer fresh and exciting new brands. The resorts and hotels, supported by an initial investment of P5.5 billion, will also undergo a comprehensive reinvention to showcase the best of Filipino hospitality. A noteworthy addition to its hospitality portfolio is the anticipated unveiling of the new Mandarin Hotel at the Ayala Triangle Gardens in 2026.

→ **Residential Development.** We are elevating luxury residential living

standards with the introduction of signature projects under the premium brand, Ayala Land Premier. Notably, the company recently launched the exclusive Park Villas project in the Makati CBD, which aspires to be ALI's first LEED Gold-certified residential building.

To tap into new markets and enhance customer service delivery and operational efficiency, we are upgrading our IT systems and introducing new digital platforms.

2. Sustainable Long-term Growth

Ayala Land is committed to delivering sustainable long-term growth for its shareholders.

→ **Residential Development.** Our strategy is to lean on premium residential brands and horizontal projects to sustain growth amidst economic headwinds stemming from the pandemic and the prevailing high-interest rate environment. Nevertheless, the company remains agile, with plans and projects in place to capture opportunities in the middle-income market as market conditions improve.

→ **Leasing and Hospitality.** Complementing the reinvention and redevelopment initiatives are plans to expand the leasing footprint by 800,000 sqm of Gross Leasable Area (GLA) for malls, 500,000 sqm of GLA for offices and 4,000 rooms for hotels and resorts, over the next five years.

→ **Asset-right Strategy.** With over 11,000 hectares in the portfolio, we will prioritize the optimal utilization of the existing land bank, earmarking an average of 800 ha of land annually to support product launches and development plans in the next five years.

3. Empowering People

We recognize that our growth aspirations hinge on a skilled and motivated workforce. In 2023, we welcomed fresh talent, augmenting capabilities across key domains such as strategy and transformation, human resource development, customer insights, brand development, mall and hospitality operations. Additionally, Ayala Land is committed to upskilling and empowering its existing employees, fostering a culture that champions innovation, customer-centricity, and the agility to deliver on its brand promise.

4. Delivering on the Sustainability Agenda

We remain committed to sustainability, integrating eco-conscious practices into our business model to align with the Ayala Group's Net Zero aspiration. While significant strides have been made in addressing Scopes 1 and 2 greenhouse gas (GHG) emissions, we continue to collaborate with business partners to tackle Scope 3 emissions and implement innovative solutions. Moreover, we champion circular economy practices in our developments to minimize waste and explore alternative best uses for these within our projects.

External Environment

How did we navigate 2023?

Global economic slowdown

The global economic environment remains challenging, with geopolitical tensions in Europe continuing to impact supply chains. These, in turn, have influenced commodity prices and have driven inflationary pressures across countries. The IMF has estimated that global inflation reached 6.9%, prompting countries to keep tighter monetary policies. Amidst this environment, global GDP only grew by 3.2%, lower than 3.5% in 2022 and 80 bps less than the historical average of 3.8%. Moreover, the US Fed continued to raise interest rates, hiking the benchmark index by 100 bps to 5.50%.

Lingering headwinds

Domestically, a high inflation environment also persisted in the Philippines, averaging 6.0% in 2023 – the second straight year that this has breached the 2-4% target band of the government. Moving in step with the US Fed, the Bangko Sentral ng Pilipinas (BSP) raised interest rates by 100 bps to a 16-year high of 6.50%. Moreover, the peso depreciated by 2% to an average of US\$1 to P55.63. Specific to the property sector, office vacancies remained elevated, reaching 19.3%. While net take-up for new office space has already reached 280,000 square meters, this is still outpaced by new supply that is entering the market.

Core domestic drivers remain intact

Notwithstanding higher inflation and interest rates, the Philippines posted a GDP growth of 5.6%. This growth rate may have missed the BSP's aspiration of 6-7%, but this still outpaced regional peers, including China, Indonesia, Thailand, and Vietnam. Household consumption was notably resilient, accounting for 73.1% of GDP and growing by 5.6% from the prior year. Secular drivers have been supportive

of economic growth and the property sector. Personal remittances from overseas Filipinos increased by 4% to US\$37.2 billion, adding to spending power. BPO revenues were also estimated to have reached US\$35.4 billion, 9% more than in 2022, but more importantly, it provided 1.7 million Filipinos with employment. The tourism industry has also steadily recovered, with 5.5 million international tourists visiting the country – exceeding the government's target of 4.8 million.

Safeguarding against headwinds

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 continued to implement Design for Manufacturing Assembly (DfMA) initiatives to increase customization resulting in cost efficiency, more flexibility in deploying skilled labor, and faster project delivery.

Ensured the strength of the balance sheet

We have successfully financed our investments by utilizing internally generated funds, supplemented by debt from banks and the domestic capital markets. In 2023, we raised a total of P40 billion in debt capital through P25-billion 9-year and 10-year bilateral bank loans and P15 billion in 5-year and 10-year bonds. These initiatives allowed us to execute our strategy of extending the tenor of our debt portfolio and spreading out our maturities to manage refinancing risk effectively. Through active management, we maintained a healthy balance sheet with 93% of our debt contracted on a long-term basis, an average maturity of 5.1 years, and kept the overall borrowing cost at 5%.

POSITIVE FACTORS

5.6%

GDP Growth

Lower than government estimates but highest in the Southeast Asian region

73.1% of GDP

Household Consumption

5.6% higher year-on-year

US\$37.2B

Personal remittances

Up by 4% despite a global economic slowdown

US\$35.4B

BPO revenues up 9%

1.7 million full-time employees

5.5 million

Foreign tourist arrivals

Exceeded 4.8 million target



Continued offering extended downpayment schemes to support demand

Amidst uncertainties in the market resulting in higher inflation, interest and mortgage rates, we continued to offer extended downpayment payment terms, particularly in the Core residential segment, to lighten the monthly payment required and encourage buyers. This initiative, combined with a focus on the Premium segment, enabled Ayala Land to generate sales reservations of P113.9 billion in 2023, which is up 9% from 2022.

Actively 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 share price decline during the year, reaching a low of P23.15 in June. As part of our P25 billion share buyback program, we acquired P3.7 billion worth of shares during the year, recognizing that the market valued the company at a significant discount to its intrinsic value. By the fourth quarter of the year the share price started to recover, ending at P34.55 vs P30.80 in 2022.

Capturing Opportunities

Launched new estates to support longer-term local economic growth and urbanization

To capitalize on the continuing urbanization and GDP growth of the Philippines, we launched four new estates in the emerging provinces of Batangas, Cavite and Pampanga. These are the 55-hectare Batangas Technopark in Padre Burgos, the 32-hectare Centrala in Angeles, Pampanga, the 789-hectare Southmont in Silang, Cavite, and the 62-hectare Arillo in Nasugbu, Batangas. These estates will contribute to our growth pipeline in the medium term, while also driving economic activity within their local communities.

Capitalized on the premium residential segment and horizontal products

Recognizing the resilience of the luxury and upscale markets, we ramped up launches of our Premium residential segment, which accounted for 88% of the total P75.9 billion, with horizontal products accounting for 35%. This strategy allowed us to generate sales reservations of P113.9 billion, 9% higher than last year despite the prevailing high-interest rate environment.

Optimized mall operations and improved occupancy

With the first full year of uninterrupted business activity, we were able to improve the occupancy of our portfolio and service the needs of mall patrons. We successfully signed new leases totaling 127,000 square meters of gross leasable area, ending the year with an average occupancy rate of 84%, up from 81% in the previous year. These efforts resulted in mall revenues increasing by 31% to P21.1 billion.

Opened new hotel rooms to capture increasing business and tourism activity

To serve increasing demand, we opened 420 new rooms with the opening of our 12th Seda Hotel, Seda Manila Bay, and the completion of the second tower of Seda Nuvali. The average occupancy of our hotels and resorts improved to 67% (+8pt) and 42% (+13pt) respectively, driving a 42% increase in revenues to P8.8 billion.

Prioritized utilizing available land over new acquisitions

Recognizing that we have sufficient land to support our growth plans, we focused on utilizing it to deliver our pipeline of projects across property development and commercial leasing products. In 2023, we used 1,033 hectares.

Infused P22.5B of assets into AREIT; accelerated growth with another P30B for 2024

Ayala Land injected flagship malls and offices in the Makati CBD and

NEGATIVE FACTORS

6.0%

average inflation

Above the BSP target range of 2-4% for 11 months

6.5%

benchmark rate

100-bps total rate hike

US\$1:PHP55.63

Average USD/PHP rate

2.0% depreciation

19.3%

Office Vacancy

Higher than 18.8% in 2022

Pampanga with an aggregate value of P22.5 billion into its subsidiary AREIT, Inc. through a property-for-share swap. Subsequently, ALI sold 205 million shares of AREIT, equivalent to P6.6 billion to comply with the required minimum public ownership. This transaction enabled Ayala Land to recycle the capital into the development of new assets while solidifying our commitment to grow AREIT. Having accomplished as much in 2023, Ayala Land pushed the envelope further and embarked on its largest infusion into AREIT for P30 billion. Slated for completion within 2024, the assets for infusion are composed of selected prime commercial assets ensuring sustainable returns and long-term value as well as solidifying AREIT's position as the best-performing REIT in the Philippines.

Our Outlook

“We are well-equipped to take advantage of opportunities presented by the evolving real estate landscape. With our focus on raising the standards of quality and customer experience, we are confident in our ability to drive sustained growth and deliver exceptional value to our customers and stakeholders.”

2024 Plans

We believe that with 2023 as a solid base, Ayala Land can embark on our renewed growth path, 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.

As we look ahead to 2024, we remain optimistic about opportunities but pragmatic in addressing the potential challenges of a 'higher for longer' interest regime. With a sharper focus on quality and customer experience across our business lines while managing risks and safeguarding shareholder value, we will continue to strive for sustained growth.

For 2024, we are budgeting P100 billion for capital expenditures, with 34% allocated for the residential business, 23% for leasing, 19% for land acquisition, and 24% 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.

Actively develop the existing estates while launching new projects

Ayala Land is looking to invest P24 billion in 2024 to activate community spaces and provide the road networks and infrastructure for its various development activities within its estates. We plan to launch two new estates while activating the existing ones to introduce new property development products and commercial assets.

Capitalize on the premium and horizontal segments

Ayala Land is prepared to launch P100 billion worth of residential products, 80% of which will come from the Premium Segment. 52% of these will be horizontal projects as we continue to capitalize on the resiliency of demand in these segments. By location, 44% will be in Metro Manila, 38% in Southern Luzon, 7% in Central Luzon and 11% in the Visayas and Mindanao region.

Execute the malls and hotels reinvention program while completing the pipeline

We will execute our reinvention program for our flagship Malls and Hospitality Assets amounting to P13 billion and P5.5 billion, respectively.

The mall's reinvention will cover Greenbelt, Glorietta, Trinoma, and Ayala Center Cebu, comprising 32% of our Total GLA, and will be over a 3-year period. The hospitality assets will also undertake a comprehensive renovation program commencing with the refurbishment of two resorts in El Nido and four hotels, slated for completion within 2024. By 2024, we aim to complete the construction of 68,000 square meters of malls GLA, including AyalaMalls Vermosa and Evo City in Cavite, and Park Triangle in BGC. Additionally, we are slated to open 98,000 square meters of office leasing GLA, with One Ayala South Tower being completed in the Makati CBD and BGC, together with several campus-type techno hubs in our Atria and Nuvali estates located in the provinces of Iloilo and Laguna, respectively.

Selective office expansion with a focus on winner sites

While we have an existing pipeline in our office leasing business, we are constantly monitoring the dynamic shifts in this segment, particularly on the developments in artificial intelligence (AI) and its impact on both office demand and the country. With this backdrop, we are taking a deliberate approach to expansion and concentrating on winner sites that are conveniently located near or at infrastructure projects and where BPO talent is concentrated. This allows us to capitalize on emerging opportunities in higher-value outsourced services. To

this end, we have broken ground for two new office towers totaling 82 thousand square meters in Vertis North, one of our most prime estates in Metro Manila.

Utilize the existing land bank

We plan to use 964 hectares, based on our project launch requirements, wherein 61% is in South Luzon and 72% is within our estates, with 48% allocated for roads and open spaces. In the next five years, we plan to use an average of 800 hectares annually from our existing land bank.

Outlook

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 6-7% this year. Additionally, overseas remittances have consistently supported the economy, reaching another record high of US\$37.2 billion in 2023, with projections indicating that it will sustain its 3% annual growth going into 2024. 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 the growing middle income segment (expected to increase by 37.5 million in 2030) and a young working-class will further boost growth prospects.

Ayala Land's diversified portfolio, hosted by its 52 estates across the country, serves as our solid platform for growth that will drive long-term shareholder value. We have 34 mixed-use estates, two tourism estates, five residential, five commercial,

and six 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 raising the standards of quality and customer experience, we are confident in our ability to drive sustained growth and deliver exceptional value to our customers and stakeholders.

5-year Growth Aspiration

With our new five-year strategy and careful organizational execution, we aim to grow our net income at two times the GDP growth. This aspiration reflects our optimistic outlook on the longer-term recovery of the residential market and the stability of macroeconomic drivers premised on forecasted lower interest rates to spur growth and positive consumer sentiment and boost consumption and economic activity.

Nonetheless, it also shows the pragmatic view that Ayala Land and the real estate sector are highly dependent on macroeconomic factors. Any deviations or shortfalls in the forecasted growth of the Philippine economy will affect the growth target. We monitor and account for risks in the current business landscape and will adjust the strategies accordingly to sustain our ability to deliver long-term shareholder and stakeholder value.

How Ayala Land Creates Value

AYALA LAND'S SIX CAPITALS

1 NATURAL

A strategic land bank of more than 11,000 hectares

2 INTELLECTUAL

A 35-year track record in master planning land and building large-scale, integrated, mixed-use estates

3 MANUFACTURED

Ayala Land's 52 estates hosts its diversified portfolio of property development and commercial leasing products (See pages 6-7)

4 HUMAN

53,285 employees enable the execution of the projects and growth plans (See page 91)

5 SOCIAL

Sustainability Focus Areas and programs strengthen its stakeholder relationship and ESG practices (See pages 72, 74 and 90)

6 FINANCIAL

The strong balance sheet supports the funding required for the projects and growth plans (See pages 143-144)

VISON - MISSION

Enhancing Land and Enriching Lives for more Filipinos

VALUES

Leadership, Integrity, Vision, Excellence, and 'Malasakit'

(See page 5)



Sustainability Four Focus Areas

- Site Resilience
- Pedestrian-Transit Connectivity
- Resource Efficiency
- Local Economic Development

(See page 72)



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

NATURAL

586 ha of carbon forests protected; planted 25,521 new native trees across 32 hectares of carbon forests; 4 of 6 carbon forests' carbon removals and carbon stock have been verified by a third party (See page 88)

- Reduced our net GHG emissions by 8,732 t-CO₂e contributing to achieving carbon neutrality of 86% along with shifting the properties to renewable energy
- Protected 66 IUCN red-list species in our developments (See page 83)



INTELLECTUAL

Four new estates launched: Batangas Technopark, Centrala, Southmont and Arillo; total of 52 estates serving as growth platforms for the community (See page 30)

- Total of 1,242 ha of deliberately planned permeable and green spaces in operating estates and residential developments
- Total of 20 P2P routes with terminals located near or within our malls and estates
- Improved transit connectivity for an average of about 60,000 daily commuters



MANUFACTURED

CAPEX of P86.2B
Residential: Turned over 11,502 residential units
Malls: 49,000 sqm new GLA
Hotels: 420 new rooms

- Potentially benefitted 46,008 people through new residential spaces
- Provided space for malls and offices that employed more than 435k workers
- Shifted 111 buildings or 91% of total mall and office GLA to using renewable energy sources (See page 83)



HUMAN

Employed a total workforce of 7,254 full-time employees and 46,031 support staff; Provided 55,476 hours of training to all ALI employees; Produced 12,266 skills training graduates from MDC's TESDA program

- Prioritized local hiring for hotels (80%), resorts (87%) and APMC (70%)
- Generated 53,000 jobs from our direct employees and service providers
- Achieved an employee engagement score of 91% for 2023. (See page 99)



SOCIAL

1,188 Social Enterprises (See page 92)

- Achieved ALI Group customer satisfaction rating of 89%
- Attained zero punchlist turnover rating of 99% for residential properties (See page 33)

FINANCIAL

P24.5 billion Net Income
P113.9B Sales Reservations
0.75x Net D/E ratio
5.0% ave cost of debt
P72.4B capex (See page 11)

- AAA credit rating from PhilRatings
- FinanceAsia Achievement Awards - Best Issuer - Corporate for Asia; Highly Commended



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)



To our special partners,

190 years ago, Ayala was born out of a purpose - to build businesses that enable people to thrive.

Today, we continue our journey along this path of stewardship and purpose - and we are proud to have found a committed partner in you.

Your trust has enabled us to grow together and make our communal visions possible. We look forward to continuing our journey with you.

Thank you for your friendship and shared sense of a common future.

As Ayala celebrates its 190th anniversary, our chairman Jaime Augusto Zobel de Ayala pens this special letter to our committed partners.

We look forward to the next 190 years with our renewed purpose statement and values, which reflect our shared visions and aspirations as a group.

With my warmest
and best wishes
always,

Jaime

*At the core of everything we do,
we build businesses that
enable people to thrive.*



This is our commitment to our stakeholders.
It's one thing to say that we want what's best.

We go beyond to earn the trust of our partners and investors
through continuous growth and value-adding to the investments we manage.

Guided by our shared values, we realize our collective promise
of a sustainable future for all our stakeholders.



Imagine It Better

We envision a sustainable world and make it a reality.
We innovate to find integrated solutions that deliver
long-term value. Acting with the future generations in mind
helps us stay relevant and respond to the nation's changing needs.



Do What's Right

We intend to do right by everyone through every decision
we make. We honor our commitments and are accountable
to them. Acting with kindness, empathy, and care, we find
the best way forward for us and our stakeholders.



Inspire Excellence

At Ayala, our team members are valued and provided
with resources to do their best work. We harness our
unique strengths and enable everyone to take the lead.
We step forward with commitment and quality
in all our endeavors.



Create Value Together

We strive to be the partner of choice. We find synergies
that deliver shared wins for us and our stakeholders.
By working well together, we are able to build a stronger
business and a more prosperous nation for all.

In all this, we thank you for being with us in our commitment
to keep making every day possible for the communities we serve.

For today. And *Always.*

“Ayala Land strives to be at the forefront of embedding sustainability practices in all its developments, products and services.”

Vermosa in the province of Cavite seamlessly integrates green spaces, sports facilities and Ayala Land's residential and commercial projects.



Sustainability

| | |
|---------------------------|-------|
| ESG Approach | → 70 |
| Materiality Process | → 72 |
| Environmental Stewardship | → 78 |
| Social Engagement | → 90 |
| Corporate Governance | → 102 |
| Risk Management | → 116 |

Our ESG Approach

“Ayala Land strives to be at the forefront of embedding sustainability practices in all 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 to its stakeholders.”

SUSTAINABILITY MILESTONES

2007



- Sustainability was formalized as a guiding principle in Ayala Land's brand of 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 guide for 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



The only Philippine member



Index member since 2014



A- Leadership Rating on Climate Change
B Management Rating on Water Security



Index member since 2020



Low risk rating

2012



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

2014



→ 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

2016



→ Ayala Land transitioned from a standalone sustainability report to an integrated report, following the International Integrated Reporting<IR> Framework that combines financial and non-financial reporting and discloses how the company creates 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

2021



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

2022



→ Ayala Land achieved a B (Management) on Water Security rating from 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

2023



→ Ayala Land shifted more than 111 commercial properties to renewable energy or power accompanied by quality renewable energy certificates (RECs)
→ 586 hectares of Ayala Land's own landbank were identified as carbon forest projects. The carbon stock and carbon removals for 4 out of 6 forest sites have been verified by an accredited third-party
→ Ayala Land set its target for Circular approaches to waste and water management as part of its journey of decarbonization and Net Zero 2050 goals
→ Ayala Land Offices and AREIT signed an agreement with the International Finance Corporation (IFC) to pursue IFC's EDGE Zero Carbon certification for the office portfolio

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 that emerged 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 the 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 net zero for the ALI 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 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 • Business Integrity Program (BIP) channels |

| 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 |
| 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

Ayala Land's focus on decarbonization and the circular economy will enable its properties and developments to thrive in a climate-challenged future.



DECARBONIZATION

91%

of mall and office
GLA is powered by
renewable energy

242k

Native trees

planted in Ayala
Land's carbon forests
since 2018



CIRCULAR WASTE MANAGEMENT

359

tonnes

plastics reprocessed into
materials for construction
and operations

216

tonnes

yard waste from estates diverted from
landfills and used in a waste-to-energy
power plant for a laundry facility



Ayala Land proactively protects 586 hectares of carbon forests

Site Resilience

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

Ayala Land developments feature designated green spaces, serving to enhance the residents' quality of life while bolstering the property's resilience against climate change. The significance of these green areas has been underscored during the prolonged lockdowns of the pandemic. They offer individuals access to natural surroundings and safe outdoor recreational spaces, all the while mitigating noise and air pollution and combating the heat island effect. These amenities are linked to improved mental health outcomes and overall well-being. As of 2023, Ayala Land has devoted 1,242 hectares across 28 estates to green spaces, encompassing parks and greenways in established estates and residential communities.

Ayala Land incorporates native trees in its projects to improve urban biodiversity, ecosystem stability, and landscapes. In 2023, 3,298 native trees representing 35 species were planted in its estates, bringing the total native trees recorded across estates and residential projects to 109,779. The planning teams remain steadfast in their efforts to sustain and enhance greenery across all stages of development.

In tourism and leisure estates, dedicated teams monitor biodiversity regularly to identify and minimize potential impacts on ecosystems. Ayala Land's ongoing conservation efforts include the protection of 66 International Union for Conservation of Nature (IUCN) red-list species in El Nido and Anvaya in 2023.

Thorough technical due diligence is conducted for projects under planning and acquisition to ensure comprehensive site protection and resilience. Additionally, to mitigate physical risks associated with climate change and to safeguard ecosystem integrity across its projects, the company continuously implements erosion and sedimentation control measures during the planning and development stage.

Pedestrian Mobility and Transit Connectivity

<GRI 203; SDG 3, 9, 11>

Enhancements to commuter and pedestrian experiences remain a focal point, aligning with government directives and evolving urban mobility trends.

The company's malls and estates, in partnership with the Department of Transportation (DOTr), offer commuters access to premium point-to-point (P2P) buses and public utility buses (PUBs) as part of the government's bus rationalization program. In 2023, a fleet of 20 P2P buses continues to operate with an average daily passenger volume of 4,941.

The One Ayala Avenue Terminal located at the corner of EDSA and Ayala Avenue which opened in 2022, has improved the commuter experience of the Makati CBD with its intermodal transport hub catering to thousands of daily commuters.

The shared bike lanes include lane markings, bollards and safety signages on the roads of the Makati CBD, BGC and Nuvali. An additional 70.7 km of shared bike lanes have been added in 2023 particularly in Vermosa bringing the total shared bike lanes to 104.7 km.

Resource Efficiency

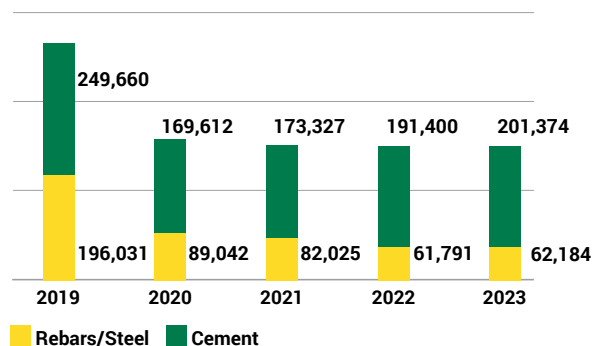
Ayala Land continually undertakes initiatives and measures to promote the conscious consumption of materials, energy and water in its developments. These prioritize sustainability by emphasizing reduced consumption and responsible resource management, including maximizing waste diversion and reducing carbon footprint.

Materials Management

<GRI 301; SDG 12>

Ayala Land maintains its judicious use of construction materials. In 2023, construction materials for ongoing projects utilized 62,184 metric tonnes of steel and rebar, and 201,374 metric tonnes of cement.

Materials Consumption (in MT)



Cement, steel and rebar volumes account for 75% of the total GHG emissions of Ayala Land mostly under MDC. MDC's initiatives focus on reducing the embodied carbon in these building materials. Embodied carbon is the amount of emission associated with building materials from the point of extraction, processing, installation up to disposal.

In MDC's concrete batching plants, fly ash is used as a substitute for cement, resulting in a 24% reduction in the embodied carbon of concrete in projects that used this hybrid mix. These concrete batching plants as well as pre-fabrication plants of MDC allow for more optimal use of resources (energy, waste and materials) and less wastage with the production of construction materials off-site and delivered to the project sites in time for installation. Ayala Land and MDC collaborate with their supply chain, particularly the top suppliers of cement and steel products,

ENVIRONMENTAL STEWARDSHIP

on working towards low carbon production and recycling of scraps and debris as a key strategy in its decarbonization journey.

Energy Management

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

The total energy consumption is the energy equivalent of both electrical and fuel consumption. In 2023, total energy consumption of 1.36 million MWh increased by 9% from 2022 as more people returned to the offices and foot traffic numbers increased in the malls.

Whole Building Energy Consumption

| (in MWh) | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|------------------|----------------|----------------|------------------|------------------|
| Within the organization¹ | 545,416 | 410,865 | 437,879 | 605,477 | 659,868 |
| Commercial Properties ² | 346,781 | 249,266 | 240,788 | 417,142 | 356,420 |
| District Cooling Systems ³ | 81,763 | 61,444 | 47,012 | 143 | 62,322 |
| Construction Projects | 50,777 | 63,876 | 107,493 | 124,383 | 156,470 |
| Estates and Carparks | 7,400 | 12,280 | 14,071 | 5,855 | 8,249 |
| Airlines | 58,696 | 23,448 | 27,699 | 56,876 | 75,259 |
| Industrial Parks ⁴ | - | 551 | 817 | 1,079 | 1,148 |
| Outside the organization⁵ | 520,980 | 454,832 | 532,243 | 634,659 | 695,716 |
| Commercial Properties | 462,873 | 378,308 | 371,637 | 526,311 | 461,178 |
| Estates and Carparks | - | - | - | - | 2,866 |
| Residential Properties | 58,107 | 75,683 | 155,328 | 100,812 | 222,163 |
| Industrial Parks and Warehouses | - | 840 | 5,278 | 7,536 | 9,509 |
| Total Energy Consumption | 1,066,397 | 865,697 | 970,122 | 1,240,136 | 1,355,584 |

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

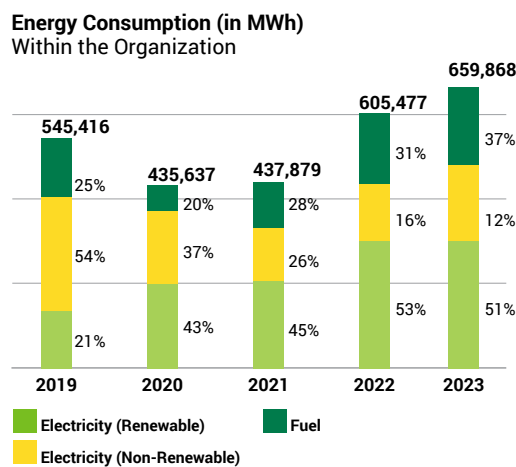
2 Includes Malls, Offices, Hotels, and Resorts.

3 From 2020 to 2022 electricity consumption of district cooling systems was reported under commercial properties (malls, offices, hotels) where it is located. Consumption of non-ALI properties has been declared under Scope 3 or outside the organization. The share of electricity consumption has been estimated based on BTU consumption. 2023 electricity consumption is separated for the district cooling system.

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

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

Out of the total energy consumption, 659,868 MWh are utilized within the organization or under Ayala Land's operational control. Energy consumption within the organization sourced from renewable energy maintains a healthy share of the mix at 51% of the total energy consumption. However, there is an increase in the share of energy from fuels at 37% due to the increased activities in construction and airlines.



Note: 2020 and 2021 consumption was lower than previous years due to the pandemic

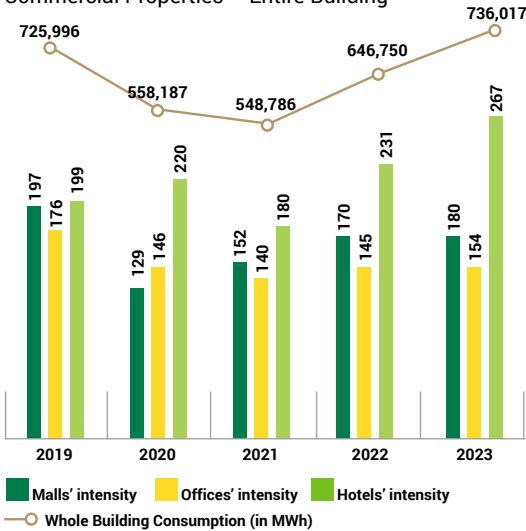
The share of renewable energy to total electricity consumption increased from 77% to 81% due to the shift towards renewable energy sources in the company's power purchase agreements.

Electricity Source Mix within the Organization

| (in MWh) | 2019 | 2020 | 2021 | 2022 | 2023 |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Electricity (Renewable) | 115,048 | 189,032 | 198,482 | 321,973 | 334,746 |
| Electricity (Non-Renewable) | 291,874 | 159,877 | 115,450 | 94,477 | 78,909 |
| Total Electricity Consumption | 406,922 | 348,909 | 313,932 | 416,450 | 413,655 |
| Percentage from Renewable Sources | 28% | 54% | 63% | 77% | 81% |

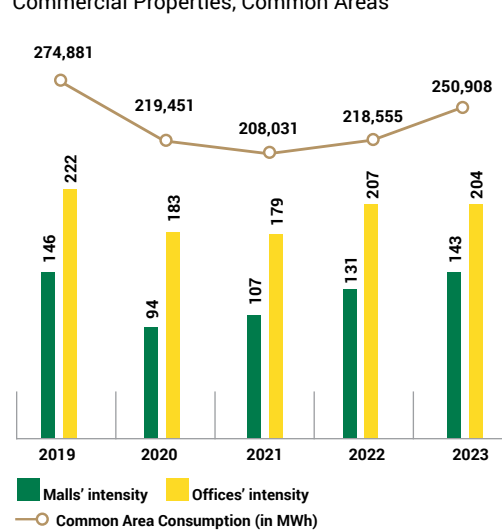
On energy intensity, the total building kWh consumption per square meter for malls and offices rose by 6% and 7%, respectively. Meanwhile, the hotel's energy intensity rose by 16%. Hotel occupancy, while on the rise, has not yet fully recovered to pre-pandemic levels. Thus, energy intensity (total building consumption vs. occupied rooms) remains high in 2023. This is expected to improve as occupancies increase coupled with energy savings initiatives to be implemented moving forward.

Electricity Consumption (in MWh) Commercial Properties – Entire Building



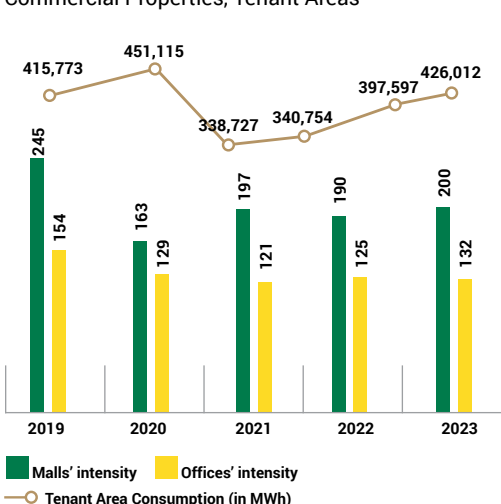
Note: Intensity was measured as electricity consumption in kWh per square meter of occupied gross floor area.

Electricity Consumption (in MWh) Commercial Properties, Common Areas



Note: Intensity was measured as electricity consumption in kWh per square meter of common area multiplied by the occupancy rates.

Electricity Consumption (in MWh) Commercial Properties, Tenant Areas



Note: Intensity was measured as electricity consumption in kWh per square meter of occupied leased area.

In alignment with Ayala Land's dedication to energy efficiency, APMC achieved its ISO 50001 certification in energy management. Continuous investments in more efficient equipment and operational adjustments help reduce the environmental footprint and generate savings for both the company and its tenants. All our tenants are sub-metered for their electricity consumption, providing real-time data monitoring to optimize their energy usage by making any necessary operational adjustments.

ENVIRONMENTAL STEWARDSHIP

Water Management

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

Consistent with the company's energy utilization, total water consumption increased to 18,267 m³, a 22% increase from the previous year as commercial and economic activities across all properties returned to normal. This is mainly observed in ALI's commercial properties - airlines, hotels and offices as business and leisure travel bounced back in 2023.

Water Consumption

| ('000s m ³) | 2019 | 2020 | 2021 | 2022 | 2022 |
|--|---------------|---------------|---------------|---------------|---------------|
| Within the organization¹ | 10,664 | 8,002 | 7,660 | 8,980 | 10,593 |
| Commercial Properties (Malls, Offices, Hotels, Resorts) | 9,424 | 5,527 | 5,107 | 6,691 | 8,046 |
| District Cooling Systems | 162 | 441 | 409 | 417 | 417 |
| Construction | 945 | 1,329 | 1,699 | 1,424 | 1,628 |
| Estates and Carports | 128 | 764 | 443 | 437 | 458 |
| Industrial Parks and Warehouses ² | - | 33 | 1 | 7 | 37 |
| Airline | 6 | 2 | 2 | 3 | 37 |
| Outside the organization³ | 1,637 | 3,571 | 5,624 | 5,989 | 7,674 |
| Commercial Properties ⁴ (Offices, Resorts) | - | 795 | 554 | 842 | 865 |
| Estates and Carports | - | - | - | 5 | 17 |
| Residential Properties ⁵ | 1,637 | 3,571 | 5,029 | 5,029 | 6,696 |
| Industrial Parks and Warehouses | - | 26 | 41 | 113 | 96 |
| Total Water Consumption | 12,301 | 12,428 | 13,284 | 14,969 | 18,267 |

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

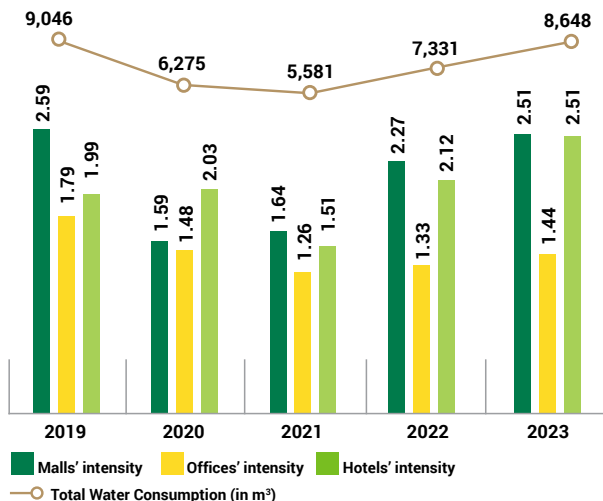
2 Water consumption within ALLHC's industrial parks was included in 2020.

3 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. No data is available for consumption within non-Ayala Land properties located in our estates.

4 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). Resorts consumption outside the organization includes leased areas of Lio in El Nido.

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

Water Usage (in m³) Commercial Properties



Note: Intensity was measured as cubic meter consumption per square meter 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

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 both organizational (GHG inventory and emissions) and project (carbon forests) was completed in 2023 confirming the 86% reduction from gross emissions in 2022. Carbon forest project credits will continue to be verified every 5 years. Moving forward, however, the company will adopt the Net Zero targets as defined by the Science-based Targets Initiative and will no longer use the term Carbon Neutrality to refer to its decarbonization program. (Please see Ayala Land's Decarbonization Journey on Page 88)

Year-on-Year Carbon Neutrality Progress (in t-CO₂e)¹

| (in MWh) | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|----------------|----------------|----------------|----------------|----------------|
| Gross Emissions² | 280,272 | 261,985 | 214,832 | 302,377 | 313,649 |
| Less: Renewable energy use | 121,951 | 154,403 | 163,946 | 250,723 | 276,113 |
| Less: Carbon forest offset ³ | 1,245 | 2,490 | 4,152 | 8,732 | 7,824 |
| Net Emissions | 157,076 | 105,091 | 46,734 | 42,922 | 29,713 |
| Percentage Reduction | 44% | 60% | 78% | 86% | 91% |

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 consider the removals from carbon sinks as calculated and verified by a third party.

Renewable Energy. The company's main strategy to reduce emissions is to shift to renewable energy (RE) sources through power purchase agreements. In 2023, 24 more buildings shifted to renewable energy, for a total of 111 buildings with renewable energy sources representing 91% of total GLA. The share of RE in the commercial properties' total energy mix is at 66%. As a result, net emissions from commercial properties decreased by 276,113 t-CO₂e in the 2023 carbon neutrality progress report.

Year-on-Year Carbon Neutrality Progress (in t-CO₂e)¹

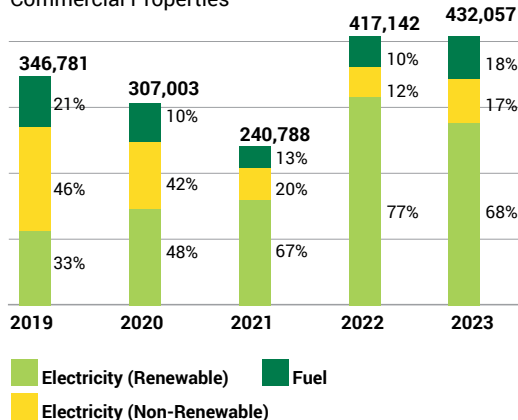
| (in MWh) | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|------|------|------|------|------|
| Shift to renewable energy (RE)¹ | | | | | |
| Buildings with RE | 51 | 57 | 65 | 87 | 111 |
| Percentage to Total (sqm GLA) ² | 59% | 73% | 85% | 91% | 91% |

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

² Percentage share of buildings with renewable energy sources as measured in square meters of GLA of malls and offices.

Energy Consumption Mix (in MWh)

Commercial Properties





Carbon Forests are natural environments that act as carbon sinks by absorbing and storing carbon dioxide (CO₂) from the atmosphere. These forests play a crucial role in mitigating climate change by capturing and sequestering CO₂ thus helping to reduce greenhouse gas emissions.

Ayala Land has allocated 586 hectares of its private land as carbon forests which are managed by environmental steward partners using Assisted Natural Regeneration (ANR) or reforestation as methodology. ANR consists of tree planting, removing competing vegetation, and rescuing and nurturing native trees to accelerate forest recovery thereby increasing the capability of the forest to absorb more carbon dioxide. Native trees are preferred over non-native and invasive species as these are better adapted to the areas where they are naturally found and have a more beneficial impact on the ecosystem compared to other species.

25,521 native trees were planted across 32 hectares of previously barren areas, bringing the total number of trees planted to almost 242,000 across 186 hectares since 2018. Our partners in carbon forest management have established robust programs on development, planting and maintenance of the carbon forests resulting in an 85% to 95% survival rate on the trees planted in the various carbon forest sites.

Carbon stock remeasurements and third-party ISO 14064 verification were completed in 2023 to validate the offsets of 4 out of 6 carbon forest sites. The report measured and verified the carbon forest offset in 2022 of 8,732 tCO₂e equivalent GHG emissions. The estimated carbon forest offset in 2023 is at 7,824 tCO₂e in the 2023 carbon neutrality progress report.

| | 2019 | 2020 | 2021 | 2022 | 2023 | Total* |
|---------------------------------|--------|--------|--------|--------|--------|----------------|
| Carbon Forest Management | | | | | | |
| Total area allocated (ha) | 586 | 586 | 586 | 586 | 586 | 586 |
| Total area planted | 32 | 24 | 36 | 31 | 32 | 186 |
| Native trees planted | 35,719 | 25,415 | 56,510 | 57,010 | 25,521 | 241,903 |
| Volunteers mobilized | 4,177 | 635 | 486 | 500 | 2,253 | 9,500 |

*Total from 2018 to 2023

Net Zero

Ayala Land, as part of the Ayala Group, also announced its bold commitment to achieving net-zero emissions by 2050, covering Scope 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, including those of its suppliers, tenants, and customers. Ayala Land has completed its 2021 emissions inventory and calculation through a third-party specialist. In 2023, Ayala Land completed its net zero roadmap which included target setting and identification of decarbonization strategies.

Based on the third-party specialist's GHG Inventory and Emission Report, Ayala Land has a total emission of 2.96 M tCO₂e, 95% of which comes from scope 3 with purchased goods and services and use of sold products as the biggest sources at 75% and 15% of total emission, respectively, which signifies the need to prioritize the interventions for these sub-categories.

Circular Waste Management

<GRI 306; SDG 12>

Solid Waste

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 that embed them in construction materials, enabling a circular model for the company.

ENVIRONMENTAL STEWARDSHIP

Like the observed trend for energy and water consumption, total waste generated increased by 33% to 38,919 tonnes, 17% of which was diverted from the landfills by either sending to recyclers, processing facilities or composting.

Waste Generation and Diversion

| (metric tonnes) ¹ | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---------------|---------------|---------------|---------------|---------------|
| Total Waste Generated | 43,486 | 25,469 | 21,502 | 26,241 | 38,919 |
| Landfilled | 35,574 | 19,798 | 16,480 | 21,037 | 32,469 |
| Residual ² | 20,948 | 10,186 | 9,777 | 12,248 | 18,267 |
| Food | 10,593 | 3,355 | 4,865 | 6,578 | 10,037 |
| Compostable ³ | 4,033 | 6,257 | 1,838 | 2,211 | 4,165 |
| Diverted from Landfill | 7,941 | 5,688 | 5,078 | 5,204 | 6,449 |
| Sent to recyclers ⁴ | 7,894 | 5,641 | 5,022 | 4,905 | 5,286 |
| Plastics collected through ecohubs ⁵ | 32 | 46 | 56 | 106 | 383 |
| Composting activities | 15 | 1 | | 192 | 565 |
| Yard Waste for Waste-to-Energy ⁶ | - | - | | - | 216 |
| Percentage of Waste Diverted from Landfill | 18% | 22% | 24% | 20% | 17% |

¹ Total waste generated across all businesses. Excludes 1,641 cubic meters waste from Residential Properties.

² All other solid waste that 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 Plastics collected and diverted through Arca South Ecohub.

⁶ Yard waste from established estates used as inputs for waste-to-energy power plants for a laundry facility that caters to Seda laundry needs.

Efforts to segregate and collect plastics from Ayala Land developments and other sources were accelerated. Starting in 2021, all Metro Manila malls set up their plastic collection booths to enable mallgoers to contribute their clean and dry plastics regularly. The company's plastic waste collection partner Green Antz expanded its services to Ayala Land projects in Makati and Taguig. Ayala Land employees were also encouraged to bring their clean and dry plastics to the office to encourage proper waste segregation in their homes and workplaces. As a result, collection in 2023 rose to 383 tonnes of collected plastics from 2022's 106 tonnes.

On waste utilization, the company undertook research and development to enable more plastics to be used in construction projects. Through MDC, it successfully pioneered the development and use of a new construction product: ready-mix concrete with plastics. Shredded plastic bottles, which serve as sand substitutes, were added to the concrete mix and poured into sidewalks. The new product passed all technical requirements, thereby allowing its usage.

Through the ready-mix concrete and continued use of eco-products from Green Antz, 359 tonnes of the total 383 tonnes of plastics collected were used in Ayala Land development during the year.

Meanwhile, composting efforts increased to 565 tonnes from 192 tonnes in 2022. In partnership with Integrated Waste Management, Inc. (IWM), 100% of yard waste from established estates in Makati and Nuvali was collected and brought to a waste-to-energy plant for a laundry facility that caters to Seda hotel laundry needs.

MDC is aligned with Ayala Land's goal of minimizing solid waste and construction waste. The reported construction waste in cubic meters was only 218,450 m³, lower than the 2022 volume of 367,690 m³. 33% of the construction waste generated was diverted from the landfill through similar waste diversion efforts as Ayala Land's.

Construction Waste Generation

| (m ³) | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|------------------|----------------|------------------|----------------|----------------|
| Total Construction Waste Generated¹ | 1,230,603 | 885,144 | 1,136,685 | 366,690 | 218,543 |
| Landfilled | 59% | 61% | 39% | 72% | 67% |
| Diverted from Landfill ² | 41% | 39% | 61% | 28% | 33% |

¹ 2019 to 2021 data included solid waste from ancillary construction activities. In 2022 and 2023, conversion factors for different waste profiles with varying densities were rationalized to improve data management and reporting.

² Waste sent to recyclers or processing facilities

Hazardous Waste

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

The company's properties have designated hazardous waste storage rooms and DENR-controlled Hazardous Waste Generators' ID Numbers. All hazardous waste generated from its properties is transported and treated by DENR-accredited vendors.

In addition, since 2017 APMC has been partnering with the ABS-CBN Lingkod Kapamilya Foundation, Inc. (ALKFI) for the recycling of 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 with a Certificate of Treatment from their respective haulers as proof of proper disposal and reported to DENR every quarter or as applicable.

For 2023, hazardous waste from other commercial properties including malls and resorts was reported. 69% of the total generated ULAB and WEE, 56% of used oil in the current reporting period were recycled, and the rest are still stored on site in preparation for hauling.

Hazardous Wastes Generated

| in tonnes | 2019 | 2020 | 2021 | 2022 | 2023 |
|-------------------------------------|------|------|------|------|------|
| D406 ULAB ¹ | 150 | 34 | 42 | 36 | 61 |
| D407 CFL ² | 114 | 30 | 26 | 20 | 21 |
| I101 Used Industrial Oil | 42 | 19 | 87 | 45 | - |
| J201 Containers | 10 | 16 | 12 | 9 | 34 |
| M506 WEEE ³ | 19 | 60 | 28 | 23 | 16 |
| F601 Paint/Organic Sludge | - | - | - | 1 | <1 |
| M501 Infectious Wastes | - | - | - | <1 | 3 |
| M503 Pharmaceuticals and Drugs | - | - | - | <1 | <1 |
| M507 Special Wastes | - | - | - | 1 | <1 |
| in '000 liters | 2019 | 2020 | 2021 | 2022 | 2023 |
| I101 Used Industrial Oil | - | - | - | 20 | 77 |
| I102 Vegetable Oil Including Sludge | - | - | - | 5 | 33 |
| I104 Oil-contaminated Materials | - | - | - | 1 | 8 |

¹ ULAB – Used Lead Acid Batteries

² CFL – Compact Fluorescent Lightbulbs

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

Ayala Land's Decarbonization Journey

As a pioneer in sustainability in the Philippines, Ayala Land's journey to reduce emissions started in 2007 by initiating comprehensive assessments of its carbon footprint and overall environmental impact through routine sustainability reports. Initially concentrating on energy and water conservation alongside waste management, the company adopted a proactive approach to reduce its ecological footprint. Ayala Land implemented several strategies including design interventions, equipment upgrades and behavioral/systems improvements to accomplish its goals of mitigating the adverse effects of climate change.

Two Decarbonization Eras

As an early advocate for sustainability, Ayala Land directed its efforts towards managing emissions within its direct (Scope 1) and indirect (Scope 2) control, in line with prevailing practices among sustainability pioneers. However, as the science of climate change mitigation measurement evolved, Ayala Land refined its approach, establishing more defined decarbonization targets in 2017 and again in 2021.

In 2017, the company introduced the initiative "Carbon Neutrality 2022"

aiming to curtail Scopes 1 and 2 emissions across its commercial properties by 2022. Recognizing that reductions in emissions intensity or efficiency were insufficient to combat climate change, the program embraced a multifaceted approach. This involved shifting commercial properties to renewable energy sources through power purchase agreements bundled with quality Renewable Energy Certificates (RECs). Additionally, Ayala Land initiated carbon forest projects in its private properties to remove emissions from the atmosphere, offsetting the impact of Scope 1 emissions.

By 2022, the program had succeeded in shifting 91% of commercial properties' gross leasable area (GLA) to renewable energy sources or power accompanied by quality RECs. Furthermore, four out of six carbon forest projects produced 8,732 tCO₂e credits. This contributed towards a reduction in Scope 1 & 2 emissions to 14% of business-as-usual levels. With most of its leasing properties already operating with clean energy, the company was ready for the next phase of its decarbonization journey. This phase involved the reduction of emissions in its supply chain, or Scope 3.

Aligning with the Science Based Targets Initiative

In 2021, the Ayala Group made a pivotal commitment to achieve Net Zero Greenhouse Gas (GHG) emissions by 2050, a collective endeavor spearheaded by Ayala Land along with its sister companies Globe, BPI and ACEN. Net Zero GHG entails reducing Scopes 1, 2 and 3 emissions to zero by 2050 aligning with the imperative to limit global warming to 1.5°C through rapid and deep emission reductions.

To set credible targets, all of Ayala Land's Strategic Business Units (SBUs) contributed to the baseline of the company's GHG inventory for its Scopes 1, 2 and 3. Leveraging the expertise of the Net Zero Task Force, comprising sustainability leaders and key stakeholders from Ayala Land's various businesses and overseen by the corporate sustainability unit, emissions "hotspots" were identified and initial interventions were formulated. By the end of 2022, Ayala Land finalized a high-level net zero roadmap composed of SBTi-aligned targets for 2030 and 2050 and ambitious adoption rates, facilitated by the guidance of the South Pole Group, a global decarbonization consulting firm.

This initiative culminated in a comprehensive assessment of Ayala Land's operational and supply chain emissions hotspots, resulting in a roadmap to achieve both near-term and long-term net-zero targets. In 2023, the Net Zero Task Force continued its efforts, identifying additional interventions, conducting pre-feasibility studies and engaging with members of Ayala Land's supply chain, most notably its steel, cement and PVC suppliers. Given the scale of the undertaking, the company mobilized cross-functional expertise from business and project development, design, operations and technical management units to chart the most effective pathways forward. As many interventions required were external to the company, gaps in the achievement of 2030 and 2050 targets remain. (As of this writing, the SBTi verification of Ayala Land's net zero targets for 2030 and 2050 is ongoing.)

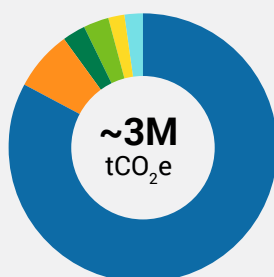
| GHG Emissions under Carbon Neutrality Scopes 1&2 in tCO ₂ e | Carbon Check India Verification 2022 |
|---|---|
| Gross Emissions from BAU Scenario (2022) | 302,377 |
| Less: | |
| Emissions Reduction from Renewable Energy | 250,723 |
| Removals from Carbon Stored in Carbon Forests | 8,732 |
| Net Emissions* | 42,922 |

*ALI Scopes 1&2 Commercial Properties Down to 14%
(Source: Verification Statements for 2022 GHG Inventory and Offset Report by Carbon Check India)

| Scope | Ayala Land 2021 emissions (tCO ₂ e) | % |
|--|--|---------------|
| Scope 1 | 55,822 | 1.9% |
| Scope 2 | 84,515 | 2.9% |
| Scope 3 | 2,824,107 | 95.3% |
| Purchased goods and services | 2,175,797 | 73.4% |
| Use of sold products | 440,746 | 14.9% |
| Others | 159,570 | 5.4% |
| Downstream leased assets | 47,993 | 1.6% |
| Total | 2,964,443 | 100.0% |
| Out-of-scope (biogenic CO ₂) | 376 | - |

Ayala Land's 2021 Emissions by scope (market-based)

- Scope 3: Purchased goods and services
- Scope 3: Use of sold products
- Scope 3: Other
- Scope 2
- Scope 1
- Scope 3: Downstream leased assets



(Source: Final Report Ayala Land's Net Zero Target Roadmap by South Pole Group)

The baseline revealed that 95% of Ayala Land's emissions footprint came from Scope 3 sources, with "purchased goods and services" emerging as the primary contributor, encompassing materials such as steel, cement and PVC. As experienced by many companies on the net zero journey, getting to net zero emissions presents significant challenges, requiring advancements in technology and supportive policy frameworks. Ayala Land is committed to prioritizing cost-neutral and readily available technologies to mitigate emissions, leveraging the coming years to

implement changes and collaborate with supply chain partners to transition towards a renewable energy future conducive to achieving net-zero emissions.

Restatement of Emissions Inventory

The following is a restatement of Ayala Land's GHG footprint after a thorough inventory in 2022 of the company's Scope 1, 2 and 3 emissions in 2021. Emissions inventories for the following years will be restated as Ayala Land's ESG data management systems are currently being updated.

GHG Emissions (in tCO₂e)

| Scope | 2021 | 2022 | 2023 |
|--|------------------|------------------|------------------|
| Scope 1 | 55,822 | 46,717 | 61,903 |
| Scope 2 | 84,515 | 73,464 | 49,732 |
| Scope 3 | 47,993 | 68,051 | 19,392 |
| Downstream Leased Assets | | | |
| Scope 3* Purchased Goods and Services | 2,175,797 | 2,262,829 | 2,729,877 |
| Scope 3* Use of Sold Products and Others | 600,316 | 624,329 | 753,190 |
| Total | 2,964,444 | 3,075,390 | 3,614,093 |

* Note that 2022 and 2023 Scope 3 Purchased Goods and Services, and other Scope 3 emissions are forecasts using 2021 emissions and pipeline submitted as of 2022. Changes in the growth rate are expected as Ayala Land sets new business targets in 2023.

- **December 2016**
Management approves Carbon Neutrality pathway for Scopes 1 and 2
- **September 2019**
Carbon Forests' complete stock assessment and measurement undertaken by Center for Conservation Innovations (CCI PH)
- **November 2021**
Ayala Group committed to be Net Zero GHG by 2050
- **March 2022**
Sustainability unit organized Net Zero Working Groups
- **August 2022**
Completed baseline (2021) GHG inventory (Scope 1, 2 and 3) with consultant South Pole Group
- **November 2022**
Set SBTi-aligned 2030 & 2050 targets and identified initial interventions to decarbonize
- **December 2022**
Finalized high-level (Ayala Land parent level) NZ roadmap and organized NZ Task Force (NZTF) to close the remaining emissions gap
- **January 2023**
Assigned NZTF cluster leads to ensure buy-in of business units and supply chain
- **February to July 2023**
Carbon Forests complete remeasurement and verification by Center for Conservation Innovations Philippines (CCIPh) and Carbon Check India (CCI)
- **April 2023**
Re-engaged consultant South Pole Group to assess emissions reduction of new interventions
- **July 2023**
Forest carbon stock and carbon removals from four (4) CF sites were determined and verified.
- **May to November 2023**
SBUs thru NZTF submitted new interventions and revised adoption rates of existing ones; scheduled SBTi assessment (March 2024)
- **July, September, October, and December 2023**
Completion of Rounds 1 to 4 net zero assessment reports

Social Engagement

Ayala Land recognizes that our stakeholders are integral to our success and as such, we work with them through a variety of channels to understand and address their needs and concerns. From the initial stages of project development such as site selection, to the subsequent phases of land development, construction and operations, we prioritize active interaction with our stakeholders. This commitment propels us to undertake initiatives centered on social contribution, safety enhancement and organizational development.



SOCIAL CONTRIBUTION

53,285

jobs provided

For regular employees and support staff in the Ayala Land group, with locally-hired employees at 70% for APMC, 87% for Resorts, and 80% for Hotels.



ORGANIZATIONAL DEVELOPMENT

34.54

average training hours conducted

Per employee for career and skills development

517,796

jobs generated

Through mall and office locators, and business suppliers, and 20,000 jobs through Alagang AyalaLand and engagement of social entrepreneurs.

12,266

graduates

from the MDC-TESDA training program
For employment readiness with MDC (compared to 4,890 in 2022)

1,208

new vendors accredited

To provide project services



SAFETY

1,180

social enterprises supported

Through Alagang AyalaLand and programs in support of social entrepreneurs.

0.05

total disabling injury rate (TDIR)

better than the US Bureau of Labor Statistics threshold of 3.0

Social Contribution

Supporting Local Economic Development through Employment Generation

<GRI 401,402>

Ayala Land's diverse portfolio of businesses continued to drive significant employment opportunities. As of 2023, Ayala Land provided employment to 53,285 regular employees and staff. Ayala Malls and AyalaLand Offices have served as dynamic hubs for economic activity, creating a thriving ecosystem of tenants and business suppliers that generated more than 517,000 jobs—a 17% increase compared to the prior year, indicative of our commitment to drive economic resurgence following the pandemic. In addition, through the Alagang AyalaLand

program, our support for Social Enterprises (SE) translated into the creation of an estimated 20,000 jobs, further bolstering local economies and providing opportunities for sustainable livelihoods.

Beyond mere numbers, these employment initiatives have generated a multiplier effect in our respective communities. By nurturing a robust employment landscape, Ayala Land continues to be a catalyst of inclusive growth, and a key contributor to nation-building at both local and national levels.

Jobs Generated

| | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|----------------|----------------|----------------|----------------|----------------|
| Ayala Land Group Employment | | | | | |
| Direct Hires | 6,180 | 6,362 | 5,756 | 6,362 | 7,254 |
| Support Staff | 44,384 | 26,978 | 35,931 | 41,385 | 46,031 |
| Estimated Indirect Jobs Generated | | | | | |
| Office Tenants | 298,529 | 187,247 | 208,901 | 282,617 | 332,396 |
| Mall Merchants | 82,034 | 59,759 | 65,713 | 95,931 | 102,667 |
| Business Suppliers | 87,960 | 75,959 | 55,785 | 62,525 | 82,733 |
| Estimated Total Jobs Generated | 468,523 | 322,964 | 330,399 | 441,073 | 517,796 |

SOCIAL ENGAGEMENT

Working with Communities and Non-Government Organizations

<GRI 413>

In line with our commitment to sustainable practices, Ayala Land integrates community and non-government organization (NGO) collaboration into our project development process. Prior to project commencement, our project development teams conduct thorough impact assessments to identify and proactively address concerns raised by the community and local government. We consult with local NGOs and community representatives, including members of indigenous peoples living in the project vicinity, to gain a comprehensive understanding of their needs and aspirations. We also partner with local government units to ensure alignment with regulatory requirements. Through this collaborative approach, we tailor our initiatives to encompass a spectrum of social, livelihood, health and educational programs aimed at nurturing community well-being.

Recognizing the importance of empowering local communities, we offer job training programs tailored to equip eligible community members with the requisite skills for employment opportunities arising from our projects. These initiatives serve as catalysts for economic empowerment and social inclusion, encouraging a sense of ownership and pride within the communities we serve.

Furthermore, Ayala Land is deeply committed to enhancing the quality of life in our project areas through collaborative initiatives such as feeding programs and medical missions conducted in partnership with local public schools and barangays. These endeavors underscore our steadfast dedication to creating holistic community development and nurturing enduring partnerships that transcend business interests, ultimately contributing to the creation of thriving, resilient communities.

Ayala Land’s carbon forest projects in Luzon, Visayas and Mindanao are also managed by NGOs that have solid track



Supporting Social Enterprises through Alagang AyalaLand

Alagang AyalaLand (AAL) was formed in 2021 to provide rent-free mall spaces for Social Enterprises (SE) to sell goods and services and help them financially recover from the economic scarring due to the pandemic lockdowns. Through AAL, we provide a more sustainable means to support SEs and create a mutually beneficial relationship that promotes social development.

In 2023, Ayala Land supported 1,180 SEs nationwide. 926 quality SEs were provided free spaces in AAL Centers within the malls, while the rest were tapped as suppliers for various business requirements.

Social Enterprise Supported

| | 2021 | 2022 | 2023 |
|--------------------|------|-------|-------|
| Social Enterprises | 737 | 1,600 | 1,180 |

records in environmental conservation and forest restoration. This ensures that the company achieves its net zero carbon removal targets through afforestation and revegetation.

Supporting National and Local Government

Ayala Land actively collaborates with various National and Local government agencies to address social issues collectively. Through proactive engagement with the public sector, we lend our expertise to co-create business solutions, spearhead impactful initiatives, and contribute to the development of essential infrastructure platforms. Our collaborative efforts are aimed at driving holistic development and fostering an environment conducive to inclusive growth.

Ayala Land representatives actively participate in various local government

initiatives including business councils, job fairs, and medical missions. These joint efforts reflect our commitment to community empowerment and well-being.

Further, we support local government units by providing technical assistance in critical areas such as urban planning, public housing, and disaster response. By leveraging our proficiency in these domains, we aim to facilitate informed decision-making and contribute meaningfully to the resilience and sustainability of the communities we serve.

Empowering Vendors and Trade Partners

<GRI 204, 205, 308>

Ayala Land is committed to empowering our vendors and trade partners by providing equal

opportunities and promoting fair and transparent competition. We recognize that encouraging excellence in safety, productivity, efficiency, quality, and cost competitiveness is paramount to achieving mutual success and sustainability within our supply chain.

We streamlined our vendor engagement and procurement processes through MDC that has responsibility of overseeing vendor interactions and centralizing procurement activities. This centralized approach ensures consistency, efficiency, and adherence to best practices across all engagements.

Suppliers seeking accreditation undergo rigorous evaluation to ensure full compliance with our prescribed standards and requirements, including Ayala Land's green accreditation and code of conduct and business ethics. By upholding these standards, we not only mitigate risk but also cultivate a culture of sustainability and ethical business practices within our supply chain ecosystem.

In 2023, Ayala Land recorded 3,677 partner vendors, of which 1,655 were engaged for projects and business opportunities.

Ayala Land aspires to open up opportunities for more vendors and trade partners. In 2023, MDC accredited 1,208 new vendors, showing a 73% increase compared to the previous reporting period. MDC also continues to expand its reach to the broader community of micro, small, and medium-sized entities (MSMEs) and social enterprises (SEs), including small-sized cooperatives. During the year, MDC engaged 309 social enterprises, micro-subcontractors, cooperatives, and start-up contractors for project requirements. Providing business opportunities for these MSMEs and SEs benefited 10,211 families.



Health and Wellness for the Community through MDC

Ayala Land's construction subsidiary, Makati Development Corporation (MDC) also conducts health programs for the communities of its projects. They provide medical missions, mobile dental clinics, blood drives, mental health talks, a Blue Zone lifestyle campaign and vaccination drives. In 2023, MDC hosted 7,031 participants in its blood donation drive and vaccinated 33,343 individuals under its Pandemic Disease Assessment program.

| | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|-------|-------|-------|-------|-------|
| Total Accredited Vendors | 2,932 | 1,923 | 1,891 | 2,501 | 3,677 |
| Newly Accredited Vendors | 701 | 376 | 405 | 699 | 1,208 |
| Vendors Engaged for Business | 60% | 78% | 59% | 50% | 45% |
| Vendors in Civil, Structural, and Architectural | 40% | 39% | 32% | 32% | 29% |
| Vendors Engaged Based on Sustainable Procurement | 32% | 35% | 51% | 53% | 45% |



Disaster Relief

Recognizing the Philippines' vulnerability to natural calamities, AAL activates the malls as a refuge facility during typhoons or natural calamities and mobilizes personnel to provide essential resources for affected individuals and families.

SOCIAL ENGAGEMENT



QES Vendor Summit

MDC organized its inaugural Quality, Environment, and Safety (QES) Vendor Summit on September 7, 2023, for collaboration and sharing of best practices. The hybrid event was attended by 176 vendors and trade partners, represented by 637 business owners. During the summit, MDC provided updates on the company's QES management systems and used the event as an opportunity to recognize top-performing vendors and subcontractors.

Ensuring Vendor Product and Service Quality

To ensure high-quality product and service delivery to customers, MDC requires vendors to provide a method statement that outlines their work methodology, inspection test plan, and risk and opportunity assessment. The requirements are communicated during the Work Activity Training (WAT) session conducted prior to starting projects, and approvals are using a Work Activity Submittals (WAS) report.

The Progress Inspection Reports (PIR) are conducted by Quality Assurance and Quality Control (QAQC) personnel to ensure quality in all work outputs. Once a work package is finished, MDC's QAQC and Operations personnel and relevant subcontractors and stakeholders prepare a Work Inspection Report (WIR).

Construction materials and supplies are inspected thoroughly using MDC's Material Receiving Inspection (MRI) and Acceptable Quality Level (AQL) processes. Furthermore, all products and services are thoroughly evaluated through the TER (Technical Evaluation Report) process. This requirement extends to our vendors' suppliers and subcontractors.

Valuing Stakeholder Feedback

At Ayala Land, we hold stakeholder feedback in the highest regard, recognizing it as a cornerstone of our commitment to continuous improvement and stakeholder engagement. We understand that feedback from our property buyers, residents, shoppers, and hotel guests, and other stakeholders are invaluable in improving our product and service offerings, building trust, and fostering long-term relationships with our stakeholders.

In our drive to understand and meet the evolving wants and needs of our customers, particularly in the wake of the post-pandemic era, we engaged Bain & Co. to conduct a Net-Promoter-Score (NPS) study in May 2023. NPS is considered the gold standard in gauging customer loyalty and satisfaction, measuring the likelihood of recommending a product, brand, or service to others. The inaugural study covered over 40 ALI-Residential Business Group (RBG) Premium Residential brand projects (including AyalaLand Premier and Alveo) and the flagship Ayala Malls.

The study yielded invaluable insights into customer needs, aspirations, and

behaviors. Leveraging these insights, we established a priority roadmap and additional metrics to guide our efforts, ensuring that resources are allocated where they are most needed.

The overall objective of the NPS study is to reinforce ALI's commitment to continue growing into a more customer-centric organization, delivering enhanced products, services, and customer experience while strengthening the overall relationship with its brands. By consistently delivering value to our clients and stakeholders, we aim to foster long-term loyalty and create enduring impact.

Property Buyers

Ayala Land's commitment to excellence extends to our residential brands—AyalaLand Premier, Alveo, Avida, Amaia, and BellaVita—where we prioritize continuous improvement through direct engagement with property buyers. Our dedicated teams proactively seek feedback from property buyers on various aspects, including document processing, unit turnover, and the overall living experience within the properties.

Our frontliners use tailored forms that contain a comprehensive checklist of metrics for evaluation coupled with

open-ended sections for comments and suggestions. Leveraging diverse channels such as publicly received emails, interactions on company and brand websites, and comments across social media platforms allow an even richer set of inputs that enable us to gain nuanced insights into buyer experiences while remaining agile in addressing their concerns.

In 2023, our unwavering commitment to quality was reflected in the conveyance of 11,502 residential units to our buyers, with a 99% acceptance rate upon first inspection.

Residents

Ayala Property Management Corporation (APMC) regularly engages with the residents of its managed properties through satisfaction surveys. As a result of this conscious effort to maintain high-quality customer service, APMC has consistently received a high customer satisfaction rating. In 2023, APMC received an 89% score, an improvement from 88% in the prior year. Notably, APMC received commendations for the following: spearheading engaging community activities aimed at fostering camaraderie among residents, cleanliness standards, workplace safety, and customer service.

Shoppers

Ayala Malls regularly conducts a Customer Satisfaction study to help identify key areas that can enhance the overall experience of our mallgoers. In 2023, the malls group achieved a rating of 3.59, with 4 as the highest possible score, an improvement from 3.54 in 2022. Ayala Malls was cited for its ambiance, cleanliness and providing a comfortable environment for shoppers.

Hotel and Resort Guests

Seda Hotels received an overall guest satisfaction rating of 89.4% in 2023, higher than the previous year's score of 88.5%. Meanwhile, El Nido attained a guest satisfaction rating of 96.8%, higher than the 91.25% in 2022. The most notable things the guests mentioned were the food quality and attentive service, but improvements were suggested to the website and reservation process.

Ayala Land's subsidiaries monitor the results annually and seek continuous improvement to enhance their service standards and ensure customers are pleased and satisfied with the quality delivered.

Engaging Analysts and Shareholders

As a publicly listed company, Ayala Land provides financial and operational information to all its shareholders and analysts through its regulatory disclosures, website, and investor events. Management and critical company representatives make themselves available and accessible for meetings, conferences, and roadshows.

Analyst Briefings

Ayala Land conducts quarterly briefings for equity and credit analysts and communicates directly with institutional and individual investors through one-on-one meetings, virtual conference calls, and e-mail. The analyst briefing video recordings are made available on the website.

Broker Conferences and Roadshows

The President and CEO, Chief Finance Officer, key management team members, and the investor relations

| | 2019 | 2020 | 2021 | 2022 | 2023 |
|---------------------------------|------|------|------|------|------|
| APMC Total Satisfaction rating* | 82% | 88% | 87% | 88% | 89% |

*APMC transitioned from an averaging method to a straight computation approach, to provide a more accurate assessment of satisfaction levels. This change ensures accuracy and transparency in performance evaluation, enabling easier identification of areas for improvement. 2019-2022 ratings are restated to align with the new computation methodology.

team attend investor conferences and non-deal roadshows to ensure regular discussions with institutional shareholders. In 2023, the group attended 11 conferences in the United Kingdom, Singapore, Hong Kong, Bangkok, and the Philippines.

Investor Meetings

In 2023, Ayala Land hosted 79 meetings with investors and sell-side analysts

and 45 site tours, ensuring continued engagement. The President and CEO, and Chief Finance Officer participated in 24 and 97 meetings, respectively.

Upholding Shareholder Rights

Ayala Land strictly upholds the rights of its shareholders to vote in general shareholder meetings and participate concerning fundamental corporate changes.



Shareholder Rights to Participate in Decisions Concerning Fundamental Corporate Changes

Shareholders possess 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.

Each common or preferred shareholder of Ayala Land registered in the corporation's books is entitled to one vote. During Ayala Land's annual stockholder meetings, each shareholder is entitled to as many votes as the shares registered under their name.

Shareholders also hold the right to approve remuneration-related matters of Ayala Land's non-executive and independent directors during general meetings, whether regular or special. In addition, noncontrolling or minority shareholders can nominate candidates to the Board of Directors. For more information on the Voting Procedures, page XXX of this report.

Shareholders may email questions or comments before or during the annual meeting at the following email address: corporatesecretary@ayalaland.com.ph.

Shareholders as of the established record date of the meeting 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.

SOCIAL ENGAGEMENT

Honoring Creditor Obligations

Ayala Land recognizes the importance of honoring its financial commitments to its creditors. To date, Ayala Land has not defaulted on any loan or payment. Creditors can access information about Ayala Land's financial information and credit standing for assessment purposes through the website.

Providing Media Access

Ayala Land has established an honest and transparent relationship with media representatives, guided by the company's commitment to good corporate governance and ethical standards. Through its Corporate Communications division, Ayala Land regularly engages with the media through conferences, briefings, social gatherings, interviews, and third-party consultants.

Safety

<GRI 403>

Ayala Land has established strict safety practices, especially in construction and property management to ensure the welfare of its employees and stakeholders.

Construction Safety

MDC projects have maintained 100% compliance with the regulations of the Department of Labor and Employment (DOLE) through the implementation of their Construction Safety and Health Programs (CSHP), designed for employees, workers, and subcontractors. These programs are aligned with MDC's Employee Health and Safety (EHS) Policy and the International Standardization Organization (ISO) Integrated Management System.

Before starting projects, all employees, workers, and subcontractors are required to attend an Environment, Health, and Safety (EHS) Orientation. It covers the EHS policy and various safety requirements specific to construction projects. In addition to the orientation, training modules are conducted, and Daily Toolbox

| | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|------|------|------|------|------|
| Person-hours (millions) | 190 | 78 | 108 | 138 | 147 |
| Disabling Injuries/ Illnesses/Fatalities | 45 | 11 | 12 | 4 | 8 |
| Injury/Illness resulting in Lost Time | 42 | 11 | 11 | 4 | 8 |
| Injury-related Fatalities | 3 | 0 | 1 | 0 | 0 |
| Total Disabling Injury Rate (TDIR)** | 0.24 | 0.14 | 0.11 | 0.03 | 0.05 |

* Combined health and safety performance of MDC, subcontractors, 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 person-hours

meetings are held to discuss planned work and associated health and safety requirements.

Total Disabling Injury Rate (TDIR)

In 2023, MDC recorded a Total Disabling Injury Rate (TDIR) of 0.05, slightly higher than 0.03 in 2022 on account of more ongoing projects and people onsite translating, to an increase of 10,000,000 person hours of exposure. Despite this increase, it is still below the maximum industry threshold of 0.25 and the US Bureau of Labor Statics rate of 3, reflecting MDC's strong commitment to safety. MDC's reported EHS statistics include subcontractor person-hours, as well as data on work-related injuries and illnesses.

Emergency Preparedness

MDC has a standard comprehensive emergency preparedness and response plan across all of its project sites. It includes regular drills for potential emergencies such as fires, earthquakes, and other identified crisis situations.

In 2023, MDC conducted 1,842 emergency drills, exceeding the minimum requirement of two fire drills per project site annually by the DOLE-OSHC. Each drill was performed based on the specific potential emergency situations for each project, ensuring that all MDC employees were well-equipped to handle any emergency that may arise.

A Zero Incident Program was also developed and implemented in 2021 to ensure a safer work environment. The program targets seven key areas, including Zero Falling Objects, Zero Injury Caused by Protruding Nails, Zero Eye Injury, Zero Fall from Heights, Zero Lifting Incidents, Zero Formwork Incidents, and Zero Electrical Incidents. Since its implementation, the program has successfully reduced incidents by 56.45%.

Incident Reporting

MDC conducts a thorough investigation of the incidents to identify their root cause. Whenever necessary, MDC implements new control measures to prevent similar incidents from reoccurring. Issues arising are promptly reported to management and recorded accordingly.

EHS Management System

Internal Audit

In 2020, an internal audit was conducted for the EHS Management System to monitor and verify the compliance of the projects. Since the inception of the program, the average audit result has consistently improved year-on-year, increasing from 68.80% compliance in 2020 to 84.14% compliance in 2023.

MDC Safety and Quality

Training Organization

MDC is a Safety and Quality Training Organization (SQTO) recognized by the Department of Labor and Employment (DOLE), Occupational Safety and

Health Center (OSHC), and Professional Regulation Commission (PRC).

MDC and its subsidiaries organize monthly training sessions on various topics related to safety and quality. These sessions are specifically designed for their QES and Operations personnel, and are also conducted for all other employees, vendors and subcontractors.

In 2023, SQTO recorded 55,476 training hours, significantly higher than the 33,239 hours spent in 2022. Additionally, SQTO conducted free Construction Occupational Safety and Health (COSH) training for the Philippine Marines from May 10 to 16, 2023, as part of MDC's social engagement initiatives.

Property Management Safety

APMC conducts regular programs and seminars that focus on government-mandated safety and health standards, fire code compliance, and occupational safety. As a result, APMC prevented 15 major incidents in its managed properties during the year. Also, APMC conducted a total of 11,415 emergency response drills during the same period.

Ayala Land Group Employment Summary

| | 2019 | 2020 | 2021 | 2022 | 2023 |
|--------------------------|---------------|---------------|---------------|---------------|---------------|
| Regular Employees | 6,180 | 6,133 | 5,756 | 6,362 | 7,254 |
| Parent | 331 | 320 | 293 | 275 | 259 |
| Subsidiary | 5,849 | 5,813 | 5,463 | 6,087 | 6,995 |
| Support Staff | 44,384 | 26,907 | 35,922 | 41,385 | 46,031 |
| Construction | 26,444 | 10,549 | 19,607 | 24,100 | 29,213 |
| Property Management | 8,923 | 8,960 | 7,999 | 8,205 | 7,716 |
| Property Development | 6,162 | 5,200 | 5,791 | 5,460 | 5,040 |
| Hospitality | 2,568 | 1,373 | 1,408 | 2,639 | 2,933 |
| Others | 276 | 364 | 518 | 376 | 437 |
| Total | 50,564 | 33,040 | 41,687 | 47,747 | 53,285 |

* 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.

Note: Others include ALI Parent, Estates Group, Accendo, CDOGC, Aprisa, Amicassa and DirectPower



Local Hiring is our Priority

To support the economic progress of the communities we operate in, we prioritize local hiring at Ayala Land Group. 82% of the Ayala Property Management Corporation (APMC) team, 80% of the hotels group personnel, 87% of the resorts group personnel and 33% of MDC's workforce are local hires.

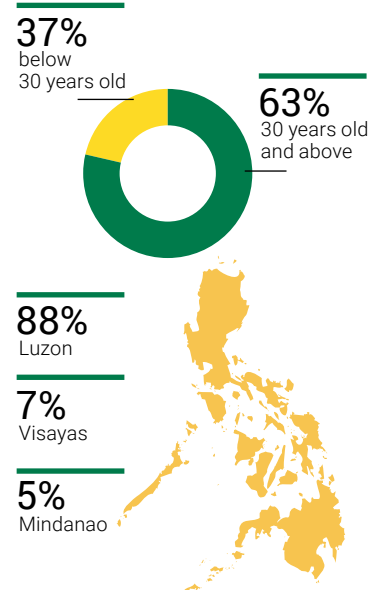
Organizational Development

Ayala Land recognizes the importance of developing the organization to enable it to continuously enhance its internal capabilities, processes, and culture. By investing in organizational development, we foster a more agile, resilient, and innovative workforce to execute our growth plans.

Providing Employment Opportunities

The Ayala Land Group has 7,254 employees and 46,031 support staff engaged in various services such as construction, property management, property sales, leasing, hospitality, and others. The support staff comprises 60.9% third-party contractors, 27.1% indirect hires, 11.6% project-based, and 0.4% consultants.

Employee Profile



SOCIAL ENGAGEMENT

Attrition Rate

The attrition rate significantly improved in 2023, dropping to 12.3% from 16.2% in 2022. The Human Resources Group credits this positive outcome to implementing several employee retention initiatives, such as a hybrid work schedule, support programs for employee well-being, and effective communication.

Makati Development Corporation (MDC)

In 2023, MDC focused on strengthening and supporting internal capabilities and business expansion. It ensured an optimal operating capacity with a workforce of 60,313 by year-end.

Compensation and Rewards

<GRI 401>

Ayala Land complies with national labor laws regarding compensation and benefits, as well as its own performance incentive program. Any form of forced and compulsory labor is strictly prohibited. To remain competitive in the market, Ayala Land offers 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. Meanwhile, project-based employees are provided with health insurance coverage and are entitled to service incentive leaves and overtime pay.

Ayala Land's employee compensation and rewards policy is aligned with its business goals, which are focused on quality, people, sustainability, and growth. These are measured through Key Result Areas (KRA) with corresponding weights that vary per business or individual based on their expected contribution to each focus area.

Employee Leaves

Government-mandated leaves on paternity and maternity are implemented, with all employees entitled to parental leave. In 2023, 80 male and 141 female employees went

Attrition Rate

| | 2019 | 2020* | 2021 | 2022 | 2023 |
|------------|--------|-------|--------|--------|--------|
| % to Total | 12.55% | 9.51% | 14.97% | 16.17% | 12.28% |

* 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.

Return-to-work Rates

| | 2019 | 2020* | 2021 | 2022 | 2023 |
|-------|------|-------|------|------|------|
| Men | 100% | 95% | 92% | 97% | 90% |
| Women | 92 | 97% | 78% | 84% | 72% |

* 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 28%, 25% were still on maternity leave as of end of 2023, 3% resigned



Ayala Land has an Employee Stock Ownership (ESOWN) plan. This program allows employees to take part in the company's growth, fostering a sense of personal accountability. The organization also provides a performance-based cash bonus directly linked to an individual's achievements in their key deliverables, which are established at the beginning of the year.

on parental leave, with those returning to work at 72 and 101, respectively, as of the end of 2023.

Diversity and Equal Opportunity

<GRI 401,405>

Ayala Land recognizes the importance of diversity and equal opportunity in the workplace. Women account for 54% 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>

Accountability, ethics, and respectful and professional treatment of employees are prioritized in the organization. Open dialogue between management and employees is encouraged to ensure a strong organizational partnership.

Non-Discrimination

Ayala Land's non-discrimination policy urges employees and stakeholders to report any discriminatory practices to Human Resources. There were no reports of discrimination in 2023.

Whistleblowing Policy

Ayala Land has various channels to address the concerns of customers, employees, and the public. These channels include a mobile hotline dedicated to receiving complaints, an email channel, an anonymous reporting system that can be accessed through the company's website, and a formal committee at both the parent and subsidiary levels to evaluate grievances.

The 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. No significant incident of illegal or unethical behavior was reported in 2023.

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 113 of this report.

Ensuring Engagement and Wellness

<GRI 401, 407>

Ayala Land is committed to supporting its employees’ personal and collaborative goals, as well as prioritizing their well-being. Programs are in place to enhance their skills, encourage optimal performance, and consistently promote their health and safety.

Regular town halls, quarterly updates, performance feedback, and grievance mechanisms are conducted to maintain open communication with the employees. Additionally, Ayala Land Parent has an employees’ union within the Ayala Land Group.

Ayala Land conducts a semi-annual Engage Survey to determine the state of employee engagement and determine the needs of the employees and the opportunities to improve the workplace. The latest survey showed that Ayala Land Group retained an employee engagement score of 91%, based on 99% direct employee participation.

Health and Wellness

Ayala Land provides annual check-ups and vaccinations like flu, cervical, and pneumococcal vaccines for employees and their immediate families. We also have an office clinic with a doctor and nurse for easy access.

In addition, Ayala Land provides sports and fitness programs, volunteerism opportunities, team bonding sessions, and celebrations of company events. In particular, the Clean and Dry Plastic Campaign and Carbon Forest “Volunteers” were programs well-received by the employees in 2023. Additionally, a Christmas Bazaar was organized to support Alagang AyalaLand Social Enterprises, which provided an opportunity for our employees to engage with and support the local community.

Empowering People through Training and Development

<GRI 404>

Recognizing the integral role of continuous learning in fostering



School kits were distributed to public schools through Alagang AyalaLand

Employee Training Hours

| | Male | Female |
|---------|------------|------------|
| Total | 132,170.65 | 118,369.20 |
| Average | 3,344 | 3,910 |

professional growth, Ayala Land offers a diverse range of training programs aimed at enhancing employees’ knowledge and skills. These programs are designed to bolster their technical and business proficiency, cultivate leadership abilities, imbue ethical values, and uphold corporate governance standards. The multifaceted approach to training options utilizes various mediums including webinars, on-site training, self-paced courses, LinkedIn Learning, and the Ayala Land PLUS platform. These initiatives are aimed at enhancing employee performance and contributing to their professional growth.

In 2023, Ayala Land Group’s employees underwent 250,539 hours of formal training, averaging 34.54 hours per employee. This is a significant increase of 46% compared to 171,371 hours in 2022. The improvement can be attributed to the seamless integration of online training programs, combined with the resumption of normal business operations, facilitating regular physical presence in the office.

By investing in our employees’ growth and development, Ayala Land not only enhances individual performance but also fosters a culture of continuous improvement and innovation. As we continue to prioritize learning and

development, we remain steadfast in our commitment to develop a skilled, empowered workforce capable of driving sustainable success in a dynamic business landscape.



Ayala Group-Harvard Business School LEAP

Furthermore, 17 senior managers have successfully completed the 10th cohort of the Ayala Group Leadership Acceleration Program (LEAP). This program, which was co-designed by Ayala Group and Harvard Business Publishing, provides participants with advanced leadership skills and strategic insights. By leveraging Ayala Land’s industry expertise and HBP’s renowned methodologies, LEAP equips senior managers with the necessary tools to navigate complex business challenges and drive sustainable growth.

Post-Graduate Studies Subsidy Program

To further support professional growth, Ayala Land offers a subsidy program for employees pursuing post-graduate studies. This investment underscores the company’s commitment to enhancing the skills and knowledge of its workforce.

Ayala Land PLUS (A+)

Ayala Land PLUS (A+) is an online learning platform aimed at enhancing the skill sets of ALIzens. Through curated expert-led video courses, A+ facilitates the reskilling and upskilling initiatives crucial for maintaining our competitive edge in today’s rapidly changing business landscape. ALIzens are empowered to look into diverse subjects ranging from financial literacy to leadership development and customer service excellence, ensuring alignment with our corporate objective. Moreover, A+ serves as a repository for Ayala Land’s institutional knowledge, preserving valuable insights, best practices, and the organization’s journey. By fostering a culture of continuous learning, A+ ensures that ALIzens thrive and contribute to Ayala Land’s success.

LinkedIn Learning

On LinkedIn Learning, 1,390 employees completed the Modern Leadership and Customer Service Excellence courses. These training courses have helped employees develop leadership skills and customer-centric values.

Leadership Programs

Ayala Land has been consistently implementing its popular level-based leadership programs, which are designed to align with the constantly changing business landscape. These programs consist of the ALI Group Onboarding Program, Associate Managers’ Program, and the New Managers’ Boot Camp. As the business environment becomes increasingly volatile, uncertain, complex, and ambiguous, Ayala Land acknowledges the importance of providing its employees with contemporary leadership and technical skills.



Quality-focused Learning

Our 4-pillar strategy of Quality, People, Sustainability, and Growth serves as our guiding principle for designing learning and development programs at Ayala Land.

Our commitment to Quality is evident in our leadership level-based training solutions, such as the Ayala Land Onboarding Program, Associate Managers’ Program, New Managers Boot Camp, and Leadership Acceleration Program. These programs emphasize execution excellence and foster a customer-centric mindset.

In 2023, we introduced two pathways on LinkedIn Learning focusing on Customer Centricity. Customer-facing employees went through six courses on how to deliver Great Customer Service, while Business Leaders/Managers went through six courses on the Customer Experience and Insights Program. These pathways aim to enable ALI to stay connected with its customers and to better understand their needs and preferences, which in turn can help to drive growth, increase customer loyalty, and improve overall business performance.

Construction Training

MDC, in partnership with the Technical Skills and Development Authority (TESDA), established eight training centers in 2015 to reinforce their commitment to construction excellence while uplifting the livelihood of the construction workforce. The training centers provide technical education opportunities for individuals who want to join the construction workforce. It currently has 27 in-house trainers and offers 22 training courses. In 2023, MDC developed training modules for Design-for-Manufacturing and Construction (DfMC) to further strengthen the capabilities of its construction workers. During the year, 12,266 graduates were recorded, bringing the total to 49,590 since the program's inception in 2015.

MDC also supported TESDA's Tulong Trabaho Program in collaboration with cooperatives and Technical and Vocational Education and Training (TVETS) partners.

Property Management Training

In 2023, the APMC launched its Leadership Academy for Development (LEAD) program, which was designed to train supervisor and management trainees. They also introduced 44 new e-learning modules created by subject

matter experts, covering various topics related to property management. Additionally, they organized three sessions on continuing professional development for 277 managers. Overall, APMC provided 41,907 hours of training to its workforce.

Empowering Brokers and In-house Sellers

As of the end of 2023, Ayala Land's residential brands and its international sales group, Ayala Land International Sales, Inc. (ALISI), have 4,517 sellers and 4,006 brokers.

Sales Training

AyalaLand Premier's (ALP) In-house Sales Development Group organized a total of 67 training and engagement events for their in-house sellers and external brokers. Over the course of the year, they conducted 44 training sessions and events for their in-house sellers, with a total of 3,502 attendees from different regions. These sessions included a two-week BASIC training program followed by a 30-60-90-day check-in program. The check-in program consisted of classroom sessions, scorecard analysis, and one-on-one coaching, all conducted face-to-face to maximize their impact and retention among attendees.

In addition, ALP held 23 events for its external brokers, focusing on accreditation and engagement, which garnered 988 attendees during the year. Overall, 67 training and engagement events were attended by 4,490 brokers.

Meanwhile, ALVEO conducted 105 training programs on sales excellence. These programs cover onboard training, salesmanship development initiatives, professional imaging, and leadership and team development. The team successfully held 72 Onboarding Training sessions, reaching 842 new sellers throughout the year to equip them with brand knowledge and sales excellence.

Avida conducted 134 training sessions for 2,662 attendees on certification, professional development and special programs on product knowledge. Avida sellers also performed lead-generation activities at 547 sales events and 24 recruitment activities. Online and in-person seller engagement events were also organized such as as kickoffs, general assemblies, annual awards, quarterly awards and monthly group assemblies.

Outlook

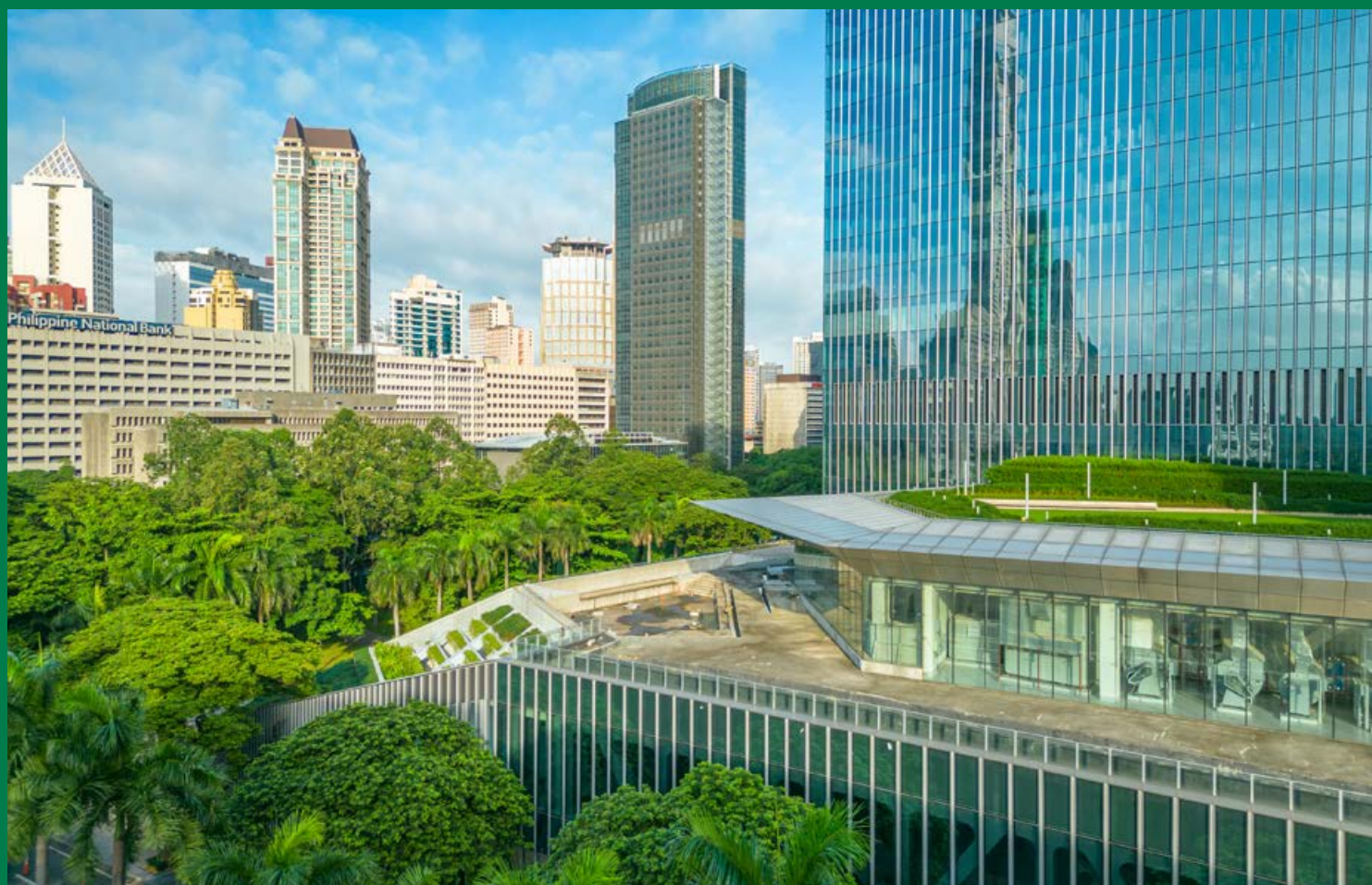
Moving forward, Ayala Land will continue fostering open communication, transparency, and collaboration with its stakeholders, factoring in their perspectives, feedback, and concerns into the Board and Management's decision-making process. We believe that by prioritizing stakeholder engagement, we can build trust, strengthen relationships, and create shared value.

MDC-TESDA Graduates

| | 2019 | 2020 | 2021 | 2022 | 2023 |
|------------------|-------|-------|------|-------|--------|
| Annual Graduates | 5,139 | 1,685 | 925 | 4,869 | 12,266 |

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.



A view of Tower One and Exchange Plaza through the mezzanine floor of Ayala Triangle Gardens Tower two

5-Golden Arrows Award From the Institute of Corporate Directors for Corporate Governance; the highest award conferred to a Philippine listed company

2 New Independent Directors To supplement incumbent Board expertise

Board of Directors

The Board of Directors promotes sound corporate governance by setting the Company's vision, mission, strategic objectives and key management policies and procedures. They also establish and approve 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 106 to 109 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.

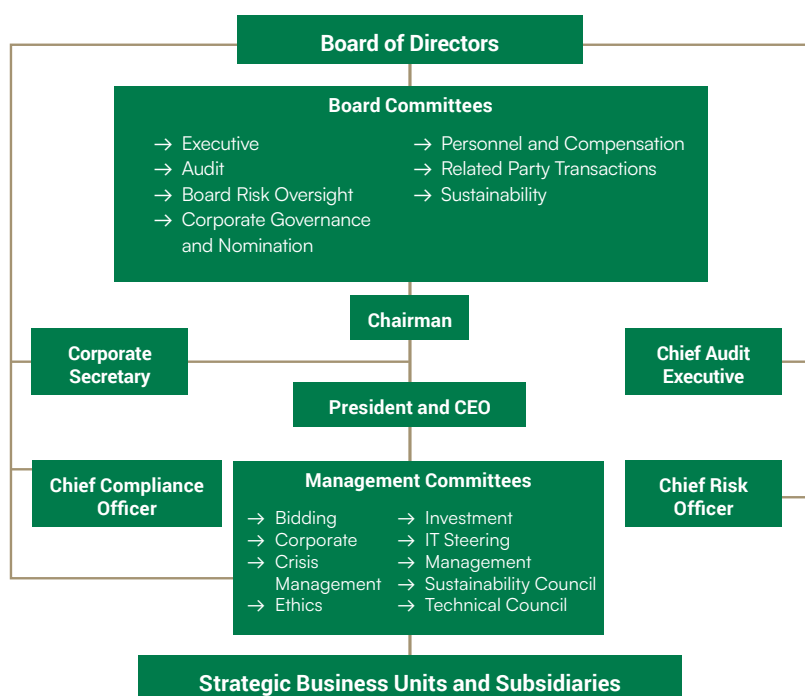
The President and CEO has been Mr. Bernard Vincent O. Dy from April 2014 until September 2023. On October 1, 2023, Ms. Anna Ma. Margarita B. Dy was elected as President and CEO by the Board. The President has general supervision of the Company's business affairs and properties, as well as its employees and officers, ensuring the implementation of all directives and resolutions of the Board of Directors. During the annual meeting, the CEO presents a comprehensive report on the Company's operations to the Board and stockholders from the preceding year.

Corporate Secretary

The Corporate Secretary ensures that the Board of Directors receives adequate and timely information before 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 served as its Group General Counsel since April 2015. Each director may confer separately and independently with the Corporate Secretary.

The Corporate Secretary attended the Institute of Corporate Directors (ICD) and SEC-sponsored training program, "The Board's Agenda 2023: Accelerating Ambition through Action: Charting the Transition to Net Zero," conducted virtually on October 3, 2023 as part of continuing professional education.

GOVERNANCE STRUCTURE



Chief Compliance Officer

The Chief Compliance Officer (CCO) ensures Ayala Land's compliance with all regulations governing Ayala Land and the adoption and implementation of corporate governance best practices across the organization. Ayala Land's CCO is Mr. Augusto D. Bengzon, who serves concurrently as the Company's Chief Finance Officer and Treasurer. He assumed the position of CCO on April 26, 2023.

Chief Audit Executive

Reporting to the Audit Committee, the Chief Audit Executive (CAE) leads the Internal Audit group to assist the Board and the Audit Committee in discharging their duties and responsibilities as stated in the Code of Corporate Governance for Publicly Listed Companies. The CAE ensures organizational compliance with strict corporate governance practices by establishing internal controls and the necessary checks and balances through the support of 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 the critical risks and their impact on business operations 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 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 xxx; 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 22% women directors.

Skills, Competency, and Diversity

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

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

The diverse professional backgrounds and expertise of the Board of Directors 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 the decision-making process. 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-member 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 of Directors, whichever is higher.

Following 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 26, 2023, the lead independent director has been Mr. Daniel Gabriel M. Montecillo.

Guidance on Directorships outside Ayala Land

A director must obtain the approval of the Chairman and the Corporate Governance and Nomination Committee before accepting directorships in other organizations to ensure that their responsibilities and obligations to Ayala Land are not compromised. The director must provide an objective assessment and explanation of why such a position would not detract them from fulfilling their duties as a director of Ayala Land.

An independent director is encouraged to hold no more than five board seats in publicly listed companies. Meanwhile, 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 on the Company's affairs while contributing to the governance of other organizations.

Meetings and Attendance

The Board of Directors holds at least six meetings per year. The annual schedule is established at the beginning of each year. They attend and actively participate in all meetings in person or through remote communication, such as videoconferencing, teleconferencing or other alternative modes of communication allowed by the SEC.

In 2023, 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 to be eligible for re-election.

Non-executive directors held meetings on May 30, 2023, and October 25, 2023, without the presence of any executive director to discuss the operating environment, strategic direction, performance measurement and succession planning.

Executive sessions may be held ad hoc without the presence of any executive director. 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 directors are fully prepared for meetings, relevant resource materials are provided to them at least five business days before the scheduled meeting.

Remuneration

Ayala Land's non-executive directors are entitled to receive compensation for their services, as determined by the resolution approved by the stockholders. The total annual 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 P100,000 for every committee meeting attended. This remuneration was approved during the 2011 Annual Stockholders' Meeting (ASM).

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

independence and do not hold a financial interest in Ayala Land beyond their role.

No director was contracted and compensated for services other

than being a director. Ayala Land has no arrangement related to the remuneration of its directors and officers other than those stated in this section.

2023 Board 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% |
| Cezar P. Consing *(Vice Chairman, NE) | 7/7 | 100% | 2/2 | 100% |
| Bernard Vincent O. Dy** (E) | 6/6 | 100% | N/A | N/A |
| Anna Ma. Margarita B. Dy*** (E) | 2/2 | 100% | N/A | N/A |
| Mariana Beatriz Zobel de Ayala**** (E) | 8/8 | 100% | 1/1 | 100% |
| Daniel Gabriel M. Montecillo* (NE, LI) | 7/7 | 100% | 2/2 | 100% |
| Rex Ma. A. Mendoza (NE, I) | 8/8 | 100% | 2/2 | 100% |
| Surendra M. Menon* (NE, I) | 7/7 | 100% | 2/2 | 100% |
| Cesar V. Purisima (NE, I) | 8/8 | 100% | 2/2 | 100% |
| Arturo G. Corpuz (NE) | 8/8 | 100% | 2/2 | 100% |
| Antonino T. Aquino**** (NE) | 1/1 | 100% | - | - |
| Rizalina G. Mantaring**** (NE, I) | 1/1 | 100% | - | - |
| Sherisa P. Nuesa**** (NE, I) | 1/1 | 100% | - | - |

*Elected on April 26, 2023

**Served as Executive Director and President until October 1, 2023

***Elected on September 4, 2023 to serve the unexpired term of Mr. Dy, effective October 1, 2023

****Director until April 26, 2023

*****Non-Executive Director until September 30, 2023

2023 Board Remuneration

| DIRECTOR | REMUNERATION |
|--|----------------------|
| Jaime Augusto Zobel de Ayala (Chairman, NE) | 3,400,000.00 |
| Cezar P. Consing *(Vice Chairman, NE) | 3,000,000.00 |
| Bernard Vincent O. Dy** (E) | - |
| Anna Ma. Margarita B. Dy*** (E) | - |
| Mariana Beatriz Zobel de Ayala**** (E) | 500,000.00 |
| Daniel Gabriel M. Montecillo* (NE, LI) | 3,300,000.00 |
| Rex Ma. A. Mendoza (NE, I) | 4,300,000.00 |
| Surendra M. Menon* (NE, I) | 2,900,000.00 |
| Cesar V. Purisima (NE, I) | 4,200,000.00 |
| Arturo G. Corpuz (NE) | 3,000,000.00 |
| Antonino T. Aquino**** (NE) | 2,900,000.00 |
| Rizalina G. Mantaring**** (NE, I) | 900,000.00 |
| Sherisa P. Nuesa**** (NE, I) | 1,000,000.00 |
| Total | 29,400,000.00 |

*Elected on April 26, 2023

**Served as Executive Director and President until October 1, 2023

***Elected on September 4, 2023 to serve the unexpired term of Mr. Dy, effective October 1, 2023

****Director until April 26, 2023

*****Non-Executive Director until September 30, 2023

CORPORATE GOVERNANCE

Directors who hold executive or management positions do not receive remuneration 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.

Chief Compliance Officer

Disclosure of Conflict of Interest

Ayala Land has a strict policy on conflict of interest to ensure that the Board's decisions are made impartially 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. A director with a material and permanent conflict of interest shall be disqualified from the Board.

Even with a disclosure, a director must abstain from participating in a discussion or vote on matters wherein 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.

Regarding employees, to ensure that they 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 the 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 director is expected to assess themselves and the Board as a whole on a wide range of topics including composition, role and functions, information management, representation of shareholders, ESG factors, managing Company performance, senior executives' performance management, succession planning, director development and management, risk management, internal controls, overall perception and individual performance.

The Chief Compliance Officer (CCO) conducts the tally and sends the results to the Corporate Secretary for presentation and action. Additionally, the CCO regularly reviews the assessment questionnaire to ensure its relevance and appropriateness to the responsibilities and processes of the Board and its Committees. The committee assessments cover key responsibilities, the quality of the relationship between the Board and Management, the effectiveness of processes and meetings and individual performance.

The Board and Committee self-assessments are vital for improving corporate governance practices and ensuring that Ayala Land's leadership remains effective, accountable, and committed to excellence. A summary of the annual board self-assessment scores is available on the Company website.

Training and Continuous Education

New directors attend an orientation program to equip them with all the

necessary information to exercise their duties and responsibilities. The orientation program 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.

Moreover, Ayala Land requires all directors to undergo continuing professional education. In 2023, all the directors attended the Institute of Corporate Directors (ICD) and SEC-sponsored training program, "The Board's Agenda 2023: Accelerating Ambition through Action: Charting the Transition to Net Zero," conducted virtually on October 3, 2023.

Ayala Land's commitment to director education and orientation helps ensure that the directors are up to date with current market themes and issues and are equipped to make informed decisions that are in the best interest of the Company and its stakeholders.

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 of the Board of Directors during the intervening period between meetings to the extent allowed by law. 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 2023, the Executive Committee performed the following duties and responsibilities:

1. Acted on specific matters within the competence of the Board of Directors except with respect to 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; and
2. Deliberated on and approved the bidding for superstructure main contract works, additional project cost and subscription of new shares.
3. 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 the 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 Audit Committee oversees financial reporting, internal controls, and independent audits. It is primarily responsible for evaluating the independent auditor's independence, professional qualifications, and competence and recommends their appointment and compensation to the Board. Additionally, the committee is responsible for ensuring the rotation of audit partners and recommending the replacement 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.

In 2023, the Audit Committee performed the following duties and responsibilities:

1. Assisted the Board of Directors in the fulfillment of its oversight responsibility relating to the accuracy of the Company'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 2023 Financial Statements of the Company as audited by the independent auditor, PricewaterhouseCoopers (PwC) Philippines – Isla Lipana and Co., the full-year 2023 financial and operating results of the Company, as well as the 2023 quarterly unaudited financial statements;
3. Reviewed and approved the Management Representation Letter;
4. Recommended to the Board of Directors the election of PwC as the Company's independent auditor for 2023;
5. Reviewed and approved all audit, audit-related, and non-audit services awarded to the Company's Independent Auditor, including the corresponding fees;
6. Reviewed and approved the overall scope and the respective audit plans of PwC and internal auditors, including their 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;

7. Reviewed and approved the Revised 2023 Internal Audit Plan, 2024 Internal Audit Plan and 2023 External Audit Plan;
8. Reviewed and discussed the status of agreed management actions arising from audit engagements, the update on legal cases, the Internal and Independent Auditor coordination, and the interim results of the 2023 independent audit of the Company's financial statements;
9. The Audit Committee and the Board Risk Oversight Committee held a joint meeting to discuss matters related to the Group's risk management process, the results of the risk assessments on key business risks and identified emerging risks and opportunities, and the relevant global risk and external environment; and
10. Approved and endorsed the Policy on Independent Auditor Tenure, Policy on Sale of Accounts Receivable, and the Audit Committee Charter amendments.

External Audit, Audit, and Audit-related Fees

The principal accountant and external auditor of Ayala Land is PricewaterhouseCoopers (PwC) Philippines – Isla Lipana and Co., with Mr. Roderick M. Danao as the partner-in-charge for the 2023 audit year.

Ayala Land and its various subsidiaries and affiliates paid the following fees to its external auditor in the last two years. Non-audit fees paid to the external auditor 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 Committee oversees and monitors the Company's risk management activities. It supports management in developing, implementing and reporting Ayala Land's Risk Management framework, processes and strategies. Furthermore, the committee provides guidance, advice, and an independent review of the effectiveness of the Company's risk management practices. The Risk Committee and management work together to ensure that Ayala Land is well-prepared to manage critical risks amidst the rapidly changing business environment.

In 2023, the Risk Oversight Committee performed the following duties and responsibilities:

1. Assisted the Board of Directors in fulfilling its oversight responsibility relating to the effectiveness of the Company's risk management process by ensuring that risk management policies and procedures exist and by reviewing the risk management framework and processes;
2. Reviewed the results of the risk assessment reports done by the Chief Risk Officer that include the revisit and update of key risks, which is periodically done to ensure relevance to the business and that these are up to date with the present situation, the identification of emerging risks and opportunities, and the scanning of global risks based on the surveys of the Company's partner advisors; and
3. Reviewed the updates on the risk management initiatives, the insurance management program, and the global risk and external environment scanning process results.

Corporate Governance and Nomination Committee

The Corporate Governance and Nomination Committee oversees all matters related to corporate governance, nomination and election

of directors, key officers, chairpersons, and membership in Board committees.

In 2023, the Corporate Governance and Nomination Committee performed the following duties and responsibilities:

1. Implemented and maintained a process that ensures that all directors nominated for election at the 2023 ASM 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 pursuant to 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 committee chairpersons and members for appointment, the advisors to the Board for appointment and the lead independent director of the Corporation; and
3. Reviewed and evaluated the qualifications of key executives prior to movement, promotion or hiring, and approved and endorsed the promotion of officers to Vice President and Senior Vice President.

Personnel and Compensation Committee

The Personnel and Compensation 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.

In 2023, the Personnel and Compensation Committee accomplished the following duties and responsibilities:

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 2023 ESOWN grant, and the 2023 Executive Housing Privilege grants to qualified officers of the Corporation; and
3. Conducted a talent review, particularly for the critical positions in the Company, to ensure business leadership continuity in the long run and discussed the creation of a purposive development program for emerging leaders.

Related Party Transactions Review Committee

The Related Party Transactions (RPT) Review Committee assists the Board of Directors in fulfilling its oversight responsibility relating to the review of all 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.

In 2023, the RPT Committee accomplished the following duties and responsibilities:

1. Assisted the Board of Directors in the fulfillment of 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; and
2. Reviewed, discussed, approved, and endorsed the following: (i) the infusion of P22.9 billion worth of ALI assets into AREIT in exchange for 618.86 million AREIT common shares and the delegation to Management of the authority to proceed with the transaction and the requirements to implement the TFE (ii) AREIT's acquisition of a 276-hectare industrial land from Buendia Christiana Holdings Corp. (BCHC) worth P6.8 billion, in exchange for 199.11 million AREIT common shares through a tax-free exchange and the corresponding leaseback of the said land to ACEN or

any of its project companies (iii) the infusion of five commercial assets of ALI into AREIT valued at P23 billion in exchange for 642.15 AREIT common shares, and (iv) AREIT's cash acquisition of Seda Lio worth P1.2 billion and its leaseback of Econorth Hotel Ventures, Inc.

Land. As directed by the committee, the corporate sustainability team under the strategic land management group executes the sustainability projects and programs. The SBUs also have sustainability leads tasked with integrating and implementing sustainability initiatives in their respective units.

Company, formulated policies for the sustainability program, and ensured full support and alignment with the Ayala Group's commitment to Sustainable Development; and

2. Discussed and reviewed updates on the carbon neutrality target for commercial properties by 2022 including remeasurement and verification of results, circular waste management initiatives, challenges, and next steps, including new targets and the overall direction for the ALI Group's Net Zero 2030 and 2050 roadmaps.

Sustainability Committee

The Sustainability Committee oversees the sustainability initiatives and practices, exercising responsibility for environmental, social, and economic topics material to Ayala

In 2023, the Sustainability Committee performed the following duties and responsibilities:

1. Provided oversight to the sustainability initiatives of the

2023 Board Committees Attendance

| Executive | Post | Meetings Attended/Held | % Present |
|---------------------------------------|------|------------------------|-----------|
| Jaime Augusto Zobel de Ayala (NE) | C | 5/5 | 100% |
| Cezar P. Consing (NE)*** | M | 4/4 | 100% |
| Bernard Vincent O. Dy* (E) | M | 5/5 | 100% |
| Anna Ma. Margarita B. Dy** (E) | M | N/A | N/A |
| Mariana Beatriz Zobel de Ayala (E)*** | M | 4/4 | 100% |
| Rex Ma. A. Mendoza (NE, I)*** | M | 4/4 | 100% |
| Cesar V. Purisima (NE, I)**** | M | 1/1 | 100% |
| Antonino T. Aquino (NE)**** | M | 1/1 | 100% |

| Audit | Post | Meetings Attended/Held | % Present |
|--|------|------------------------|-----------|
| Cesar V. Purisima (NE, I) | C | 4/4 | 100% |
| Rex Ma. A. Mendoza (NE, I) | M | 4/4 | 100% |
| Daniel Gabriel M. Montecillo (NE, LI)*** | M | 3/3 | 100% |
| Antonino T. Aquino (NE)**** | M | 1/1 | 100% |

| Board Risk Oversight | Post | Meetings Attended/Held | % Present |
|------------------------------------|------|------------------------|-----------|
| Surendra M. Menon (NE, I) | C | 1/1 | 100% |
| Cesar V. Purisima (NE, I) | M | 1/1 | 100% |
| Mariana Beatriz Zobel de Ayala (E) | M | 1/1 | 100% |
| Rizalina G. Mantaring (NE, LI)**** | C | 1/1 | 100% |
| Antonino T. Aquino (NE)**** | M | 1/1 | 100% |
| Sheria P. Nuesa (NE, I)**** | M | 1/1 | 100% |

| Corporate Governance and Nomination | Post | Meetings Attended/Held | % Present |
|--|------|------------------------|-----------|
| Daniel Gabriel M. Montecillo (NE, LI)*** | C | 2/2 | 100% |
| Cesar V. Purisima (NE, I) | M | 6/6 | 100% |
| Rex Ma. A. Mendoza (NE, I)*** | M | 2/2 | 100% |
| Sherisa P. Nuesa (NE, I)**** | C | 4/4 | 100% |
| Rizalina G. Mantaring (NE, LI)**** | M | 4/4 | 100% |

*Served as Executive Director and President until October 1, 2023

**Elected on September 4, 2023 to serve the unexpired term of Mr. Dy, effective October 1, 2023

***Elected as a new member on April 26, 2023

****Member until April 26, 2023

CORPORATE GOVERNANCE

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

| Related Party Transactions Review | Post | Meetings Attended/Held | % Present |
|--|------|------------------------|-----------|
| Rex Ma. A. Mendoza (NE, I) | C | 3/3 | 100% |
| Daniel Gabriel M. Montecillo (NE, LI)*** | M | 2/2 | 100% |
| Surendra M. Mendoza (NE, I)*** | M | 2/2 | 100% |
| Rizalina G. Mantaring (NE, LI)**** | M | 1/1 | 100% |
| Sherisa P. Nuesa (NE, I)**** | M | 1/1 | 100% |

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

*Served as Executive Director and President until October 1, 2023

**Elected on September 4, 2023 to serve the unexpired term of Mr. Dy, effective October 1, 2023

***Elected as a new member on April 26, 2023

****Member until April 26, 2023

POLICIES AND PRACTICES

Annual Stockholders' Meeting (ASM)

The Notice of the ASM and the Definitive Information Statement (DIS) are sent to 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 DIS 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 2023, PwC, Ayala Land's principal accountant and external auditor, was recommended for 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
Based on the 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 ASM.

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, considering 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. The committee may engage professional search firms and other external parties for this purpose.

Election and Re-appointments to the Board

Following the By-Laws and rules of procedure of the ASM, 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 case 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 in the meeting. Each stockholder is entitled to one vote per share.

Upon registration and validation, a stockholder may vote on the matters on the agenda. Ayala Land established 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 electronic voting platform. In addition, each proposed resolution is shown as discussed during 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, SGV and Co. 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 ASM minutes are posted on Ayala Land's website within five days of the ASM. The minutes record the stockholders' comments and questions, the respective answers provided by the Board, and the directors present during the ASM.

Virtual ASM

To safeguard the health and safety of all parties concerned, the most recent ASM was held virtually on April 26, 2023, 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 can 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 21, 2023, and October 25, 2023, and was paid on March 23, 2023 and November 24, 2023, respectively. This translated to P5.7 billion or P0.3726 per outstanding common share, representing a 30% payout ratio on the net income after tax attributable to shareholders in 2022.

2023 Disclosures and Clarifications

1. Results of the November 2023 Board Meeting
2. 9M 2023 Financial and Operating Results Press Release
3. 3Q 2023 ALI-AREIT Reinvestment Plan Progress Report
4. 1H 2023 Financial and Operating Results Press Release
5. 2Q 2023 ALI-AREIT Reinvestment Plan Progress Report
6. Voting preferred shares cash dividends
7. 1Q 2023 Financial and Operating Results Press Release
8. Reinvestment Plan Block Sale (Sale of 205M AREIT shares)
9. Block Sale of AREIT shares
10. ExCom Approval of ALI-AREIT Asset-for-share swap
11. FY 2022 Audited Financial Statements
12. Results of the February 2023 Board Meeting
13. FY 2022 Financial and Operating Results Press Release
14. Notice of Conduct of 2023 ASM
15. Final ALI-AREIT Reinvestment Plan Progress Report (Sale of 87.37M AREIT shares)
16. 4Q 2022 ALI-AREIT Reinvestment Plan Progress Report (Sale of 87.37M AREIT shares)

Clarifications

1. Ayala Land to spend P10B more to expand Pampanga estate
2. Ayala Land sets P50B three-year bond pipeline
3. Ayala Land allots P15B for estates
4. SEC Notice of ALI's filing of Registration Statement
5. Ayala Land aims to raise P60B via bond offering, bank loans
6. ALI sets P85B capex after earnings surge 52%

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 from 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 case-to-case 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 regularly provides the public with financial and operational information through various structured and unstructured disclosures submitted to regulatory authorities such as the SEC, PSE, and Philippine Dealing Exchange (PDEX). In addition, any material information about the Company is reported to the public. All disclosures are immediately posted on the Company's website.

Ownership

The list of beneficial owners of more than 5% of the Company's total outstanding stock is disclosed quarterly in compliance with regulatory requirements. The direct and indirect shareholdings of Directors and Senior Management and the respective changes in shareholdings are also disclosed accordingly.

Reporting

Directors and key officers shall submit their initial statement of ownership of ALI shares through the SEC Form 23-A within ten days of their appointment. Afterward, they must submit any change in their beneficial ownership through the SEC Form 23-B within three business days of the transaction date.

These forms are submitted to the PSE, SEC, and PDEX simultaneously.

The details of the ownership of Ayala Land, Inc. on its subsidiaries, associates, joint ventures, and special purpose enterprises or vehicles are also available on the Company 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

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Trading Blackout

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

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.

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.

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 executing 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.

Please visit the Company website for more information on Ayala Land's RPT 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 HR department concerned 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 9173118510, management reporting, and the website. Ayala Land's whistleblower officer is Ms. Annabeth R. Bernardo.

Please visit the Company website for more information on Ayala Land's Whistleblowing Policy.

Vendor Audit

The Internal Audit Division conducted vendor audits to ensure that all entities within the ALI Group aligned and implemented policies and enhancements related to the BIP (Business Integrity Program) introduced in 2022. These policies include the Anti-Bribery and Corruption Policy, Vendor Audit Program Policy, and revisions to the Code of Ethics, Chart of Offenses, Whistleblowing Policy, Employee Investigation Policy, Insider Trading Policy, and Related Party Transactions Policy.

Furthermore, the management of ALI BIP channels was officially transferred from ALI Internal Audit to ALI HR to streamline the process. However, to ensure transparency in BIP channel reporting, ALI Internal Audit retains its viewing access and the right to conduct audits. 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 2023, 13 vendor audits were managed by the team; 11 were initiated, and two (2) were carried over from previous years. These are currently in various stages in the audit process, with ten tagged as completed, one in planning, and one in execution.

During the year, Ayala Land assessed the group's Business Integrity Program (BIP) and Vendor Audit Program (VAP). In 2023, Ayala Land ensured the continuous alignment and implementation of BIP-related policies and enhancements (i.e., Anti-Bribery and Corruption Policy, Vendor Audit Program Policy, and revisions to the Code of Ethics, Chart of Offenses, Whistleblowing Policy, Employee Investigation Policy, Insider Trading Policy, and Related Party Transactions Policy) made in 2022 across all entities in the ALI Group. Moreover, the management of the BIP channels was formally transferred from ALI Internal Audit to ALI HR. To ensure transparency in BIP channel reporting, ALI Internal Audit retained its viewing access and right to conduct the audit.

Ayala Land has successfully implemented the improvements made by Makati Development Corporation and its subsidiaries in the vendor contract templates and the Vendor Code of Ethics (VCE) in 2022. The enhancements include updates to the provisions related to the Data Privacy Act of 2012, a Right-to-Audit clause, and compliance with the updated VCE, among others.

Compliance with the Labor Code Notice Period Requirement

Ayala Land, through MDC, 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.

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.

Receiving 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 on the Company's website.

Ayala Land Group Internal Audit

The Ayala Land Group Internal Audit (ALI GIA) 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, ALI GIA helps the Board discharge its duties and responsibilities as provided for in the Code of Corporate Governance for Publicly Listed Companies.

ALI GIA 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 (ISPPA) 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. While the ALI GIA continues to generally conform to the ISPPA, the team is currently preparing for the adoption of the new Global Internal Audit Standards issued by the IIA which will take effect in January 2025.

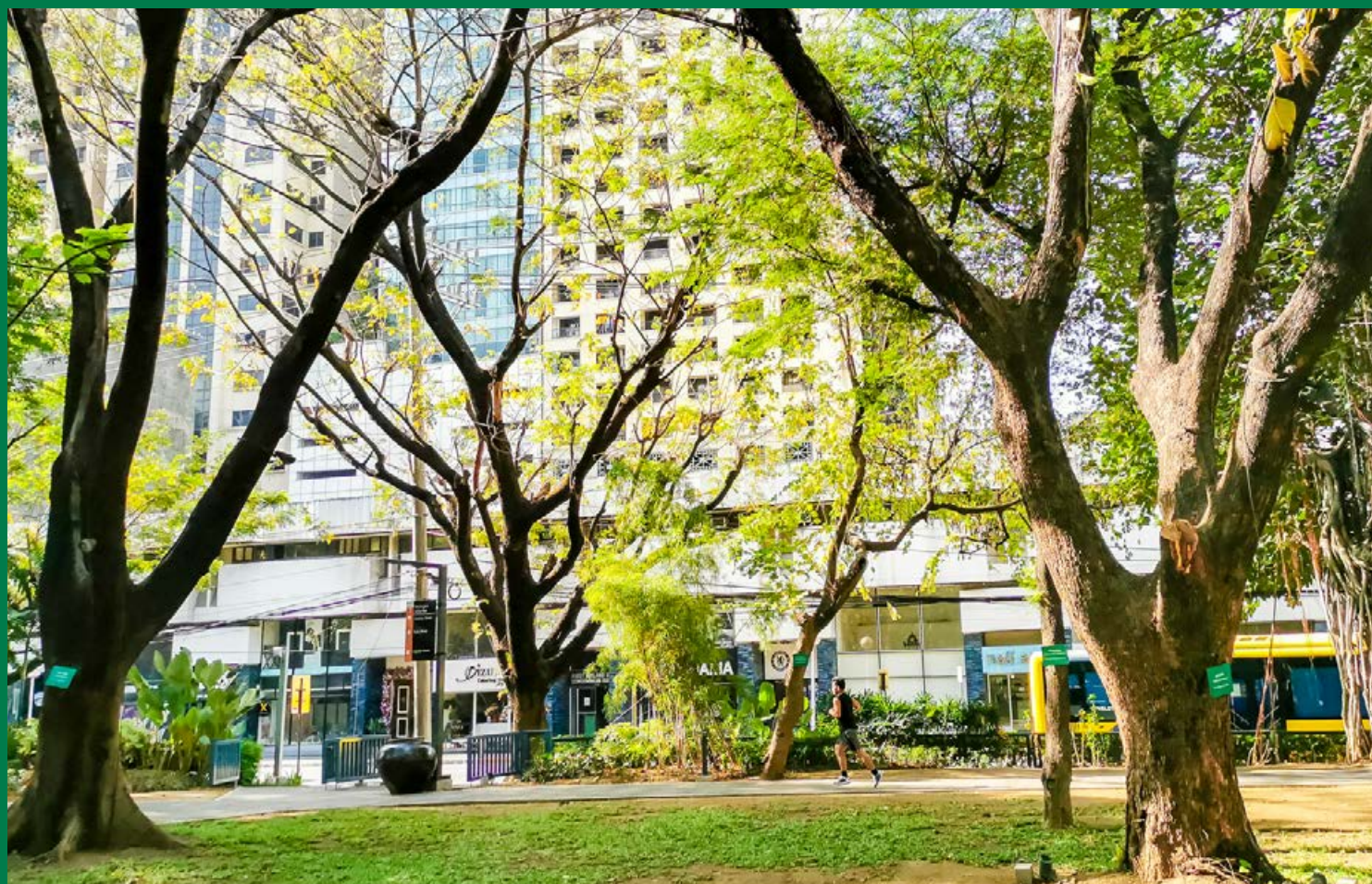
Ayala Land Group Internal Audit continuously uses tools and embarks in various methodologies and approaches to support its assurance and consulting services, namely, data analytics, information technology audits, working with other internal assurance providers to achieve a comprehensive assurance process, 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 ISPPA. A three-year audit cycle is observed for identified high-risk areas.

Ayala Land's policies and practices are posted on the Company website. They may also be found in this report, the Company's Annual Corporate Governance Report and its Corporate Governance Manual.

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

Risk Management

In 2023, Ayala Land's comprehensive risk assessment reflected notable improvement, attributed to the normalization of operations alongside the broader economic rebound from the pandemic's impact.



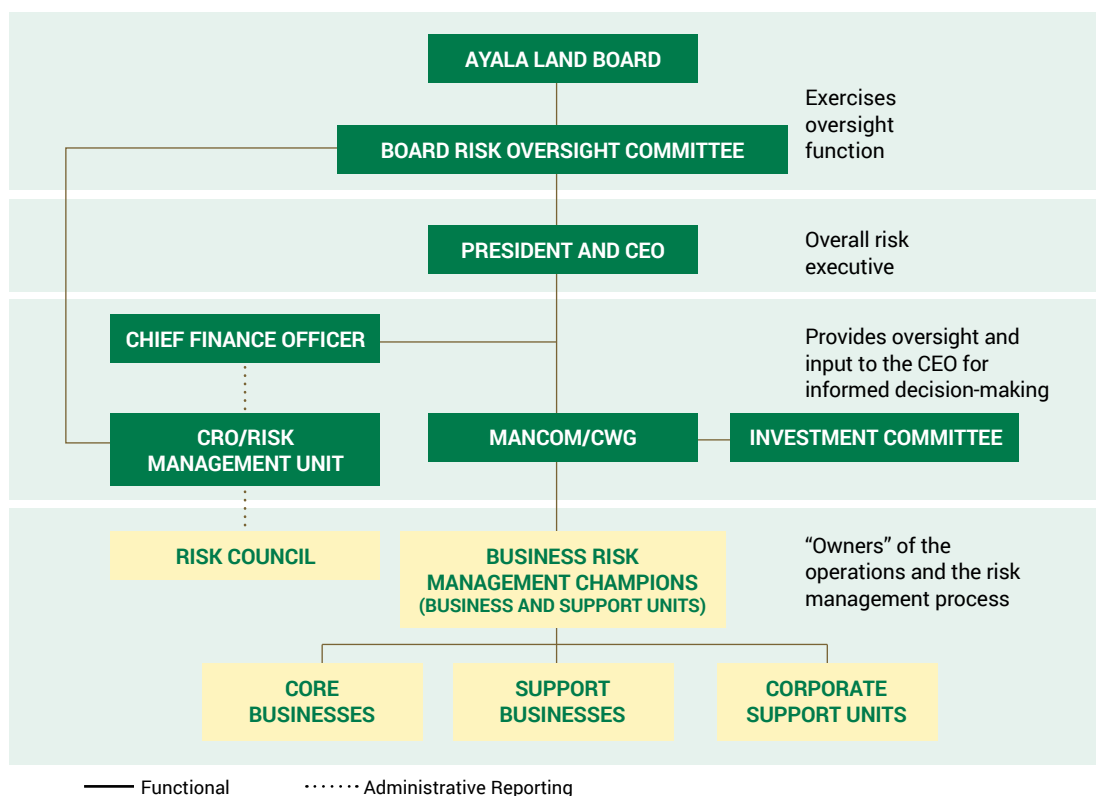
Legazpi Active Park at the heart of the Makati CBD provides an area for residents to exercise and engage in leisure activities

The positive shift in Ayala Land’s operating environment resulted in a significant decrease in both the likelihood and severity of identified material risks. Despite these advancements, we proactively implemented robust mitigation strategies and maintained a keen awareness of external and global risks that could potentially influence our business dynamics in the near, medium, and long term.

To gain deeper insights into the challenges in meeting our strategic objectives, we held extensive dialogues across our business units. These sessions led to more rigid identification and evaluation

of risks, subsequently informing adjustments to risk ratings tailored to the prevailing business landscape. The outcomes of these discussions underwent careful assessment by the Risk Council, benefitting from cross-functional perspectives and recommendations from the Strategic Business Units (SBUs). These findings were then presented to the Board Risk Oversight Committee, serving as a forum for information dissemination and strategic guidance. Throughout the year, the Board Risk Oversight Committee convened twice, ensuring alignment and collaboration that further enhanced our organizational resilience and the efficiency of managing risks across the entire Ayala Land group.

RISK MANAGEMENT STRUCTURE



RISK MANAGEMENT

ENTERPRISE RISK MANAGEMENT AT AYALA LAND

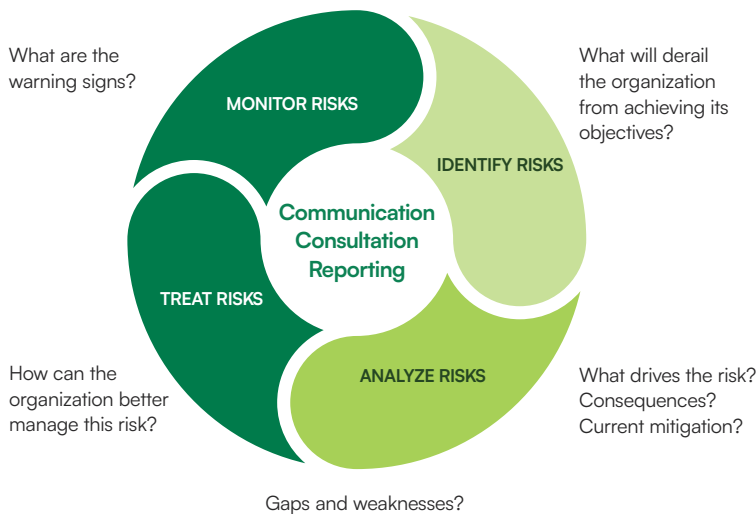
Ayala Land’s Enterprise Risk Management (ERM) is an essential aspect of its business activities. It involves the proper identification, analysis and prioritization of key risks that impact the attainment of our strategic objectives. The ERM is embedded in our operations and reflects our commitment to responsible risk management.

This program involves a multi-step process that begins with a risk assessment conducted by each business unit under the guidance of the unit head. These evaluations offer valuable insights into the prioritization of risks identified by each unit. The Chief Risk Officer (CRO) consolidates these assessments and then meets with the Risk Council, which comprises senior leaders from various business lines, for a cross-functional review. Meanwhile, the Risk Council employs a

multi-disciplinary and holistic approach to assessing risks, holding regular cross-functional discussions to better understand risk interdependencies and interrelationships. This leads to an agreement on the key risks facing the business.

The Chief Risk Officer (CRO) holds discussions to identify and prioritize risks, understand emerging risks, and agree on initiatives to pursue. Afterward, the CRO reports the results to senior management, and summarizes and presents them to the Ayala Land Board Risk Oversight Committee (BROC). To ensure that risks are up-to-date and relevant, a comprehensive review of ALL’s risk universe is conducted every three years or as necessary. Ayala Land’s Board of Directors oversees the Company’s strategic, operational, financial and compliance-related risks with feedback from the semi-annual BROC meetings.

ENTERPRISE-WIDE RISK MANAGEMENT ACTIVITIES



2023 Key Risks and Mitigating Measures

Our ERM program proactively identifies and manages strategic and operational risks, ensuring Ayala Land’s long-term success and sustainability.

| KEY RISK | RISK DESCRIPTION |
|---|--|
| Project Execution and Timely Delivery Risk | Ayala Land is navigating pressures related to project delivery commitments, managing project costs effectively, adhering to quality standards, and ensuring customer experience levels meet market expectations. These factors are crucial as they directly impact on brand reputation and customer satisfaction. Our focus remains on balancing these elements to continue our growth trajectory while maintaining the trust and satisfaction of our customers. |

MITIGATING MEASURES

- Enhance procurement strategies, partnering arrangements, and the bidding process to mitigate the increase in commodity prices;
- Implement pre-construction initiatives and catch-up plans;
- Implement the Design for Modular Construction (DFMC) initiatives to reduce construction time and minimize rework and continuing modernization program;
- Intensify the use of technology to improve design, quality control, construction and customer experience;
- Improve the quality review process and strengthening quality consciousness among employees and suppliers; and
- Establish customer engagement units focusing on improving customer experience, including product quality and timely delivery.

| KEY RISK | RISK DESCRIPTION |
|------------------------|---|
| Regulatory Risk | As a highly regulated company, Ayala Land closely monitors changes to regulatory policies that can impact our business operations and project implementation, including shifts in the stance of regulatory bodies. The growing portfolio of property development projects and commercial leasing operations underscores the importance of compliance with regulatory requirements. This vigilance ensures that we can adapt to changes efficiently and maintain our commitment to delivering high-quality projects on schedule, while also safeguarding our reputation and the trust of our stakeholders. |

MITIGATING MEASURES

- Monitor changes and developments in regulatory policies, analyzing their potential impact on operations and financial performance and developing strategies to address the issues;
- Maintain open communication lines with the regulators, key industry groups, and other stakeholders;
- Participate in dialogues and discussions to provide the necessary business information to support the government's research and implementation initiatives;
- Address compliance gaps or deficiencies arising from new and existing laws and regulations;
- Comply with policies and regulations from local government, DENR, and BFP and 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; and
- Conduct 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 government policies and programs, along with inconsistent or differing interpretations of laws and codes by regulating agencies in different locations, can significantly affect Ayala Land’s compliance, business operations, and financial performance. These changes may require adjustments in strategy and operations to ensure continuous compliance and to mitigate any potential negative impacts on the company’s financial health and its ability to deliver projects as planned. Ayala Land’s proactive approach in monitoring these changes and engaging with regulatory bodies is crucial in navigating these challenges effectively. |

MITIGATING MEASURES

- Monitor changes and developments in government policies and programs, analyzing their potential impact on operations and financial performance, and developing strategies to address the issues;
- Maintain open communication lines with government institutions, representatives, and other stakeholders;
- Participate 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;
- Ensure full compliance with relevant government policies; and
- Disclose necessary business information in an accurate and timely manner for transparency.

RISK MANAGEMENT

| KEY RISK | RISK DESCRIPTION |
|---------------------------------------|--|
| Marginalization by Competitors | Facing the challenge of losing market share as competitors aggressively offer more flexible terms and innovative product offerings is a significant concern. This competitive landscape demands a strategic response that not only addresses the immediate threat but also positions the company for sustainable growth in the future. |

MITIGATING MEASURES

- Focus on customer-centricity through improved customer service and enhanced customer experience with newly created focus teams;
- Continuously improve project delivery and product quality;
- Keep products up to date with renovation and refresh programs for leasing developments;
- Continuously promoting a mixed-use approach in property development;
- Introduce third-party studies to identify areas for improvement in customer experience and detailed competitive study on product offerings; and
- Revisit and upgrade standards and defining the next generation of products and customer experience.

| KEY RISK | RISK DESCRIPTION |
|----------------------------|--|
| Organizational Risk | Gaps in crucial personnel and functional areas due to employees being poached and offered opportunities elsewhere, along with the impact of changes in management focus and organizational adjustments on business operations. |

MITIGATING MEASURES

- 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;
- Conduct periodic organizational updates to ensure proper awareness of all employees on company's initiatives and management of change, climate surveys or reviews to determine employee engagement levels, address areas of concern, empower people, and create opportunities for professional development; and
- Adopt programs such as succession planning, cross-posting, organizational structure and operations streamlining, and employee retention programs.

| KEY RISK | RISK DESCRIPTION |
|----------------------------|---|
| Environmental Risks | Given that the Philippines is situated in the Pacific Ring of Fire, it faces significant risks from natural disasters like earthquakes and volcanic eruptions which can interrupt business activities and damage company assets. Additionally, the frequency of typhoons and other extreme weather events has risen as a result of climate change, posing further challenges to operational stability and safety. |

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 substantially 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; and
- 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 | Market conditions significantly influence funding and profitability and several key factors contribute to this dynamic. Inflation can erode purchasing power, which affects consumer spending and overall demand for goods and services and lead to tighter profit margins for companies as costs rise but pricing power may be limited by market demand. |

MITIGATING MEASURES

- Establish a three-layered approach to liquidity through prudent cash management, 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;
- Limit the exposure to refinancing, interest rate, and currency risks by actively monitoring and managing the mix of short- and long-term, fixed and floating rates, local and foreign currency borrowings and spreading out debt maturities within predetermined limits;
- Maintaining an investment grade credit rating and ready access to the local debt capital markets;
- Continuously monitor 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; and
- Set 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 is imperative to both the business and the brand. |

MITIGATING MEASURES

- Comply with mandated safety and health protocols and guidelines from regulators and local government units guided by designated empowered safety and loss control officers monitoring compliance to safety standards and practices;
- 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;
- 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;
- Periodic emergency response and management exercises in all buildings and estates to protect life and property and enhance business continuity and resiliency;
- Intensified accident and loss-preventive programs through a central occupational health and safety committee together with emergency response protocols and business continuity plans that are in place; and
- 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

- Enhance vendor management programs;
- Invite new, capable, and competent vendors with local support capability to address challenges in mobility;
- Increase engagement of tried-and-tested contractors;
- Continue 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;
- Start projects only when deliverables are fully met; and
- Enhance the vendor management program by incorporating a regular review and monitoring of commodity prices and trends to assess the vendor's delivery capability and project impact.

RISK MANAGEMENT

| KEY RISK | RISK DESCRIPTION |
|-------------------|---|
| Cyber Risk | The increasing reliance on information technology, along with ongoing digitalization efforts and the substantial amount of data that Ayala Land is responsible for safeguarding, has heightened the company's vulnerability to cyberattacks and data breaches. This exposure underscores the importance of robust cybersecurity measures to protect sensitive information and ensure the integrity of the company's digital infrastructure. |

MITIGATING MEASURES

- Invest and deploy 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;
 - Penetration testing and dissemination of information on security-related policies to the entire organization;
 - Employ the latest technology solutions in collaboration with specialist firms and industry partners including cloud-based service providers;
 - Monitor compliance on established security standards including vendor qualifications and security certifications;
 - Simulate 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; and
 - Adoption of an insurance program for cybersecurity.
-

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

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: decarbonization through its carbon neutrality and now, its 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 to its 2030 and 2050 net zero targets 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. Validated its Carbon Neutrality Program in terms of reduction in net emissions;
2. Approved the company's alignment with the Ayala Group's Net Zero by 2050;
3. Transitioned its decarbonization strategy from Carbon Neutrality to setting targets and identifying interventions for a Net Zero 2050 program

The Company's annual emissions reduction targets based on its Net Zero Roadmap 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 corporate sustainability team executes relevant projects and initiatives, including the Carbon Neutrality program and Net Zero 2050 targets, 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.

Ayala Land will also align its targets with the Science-based Targets Initiative, for verification in 2024.

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

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 • Coastal Flooding Transition Risk • Technology |
| Medium Impact | Physical Risk • Temperature Extremes Transition Risk • Reputation |
| Low or No Impact | Physical Risk • 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 • Coastal Flooding Transition Risk • Technology |
| Medium Impact | Physical Risk • Temperature Extremes Transition Risk • Reputation |
| Low or No Impact | Physical Risk • 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 CO2-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 USD139.44 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 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 79 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)).

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.

RISK MANAGEMENT

| Scope 1 Emissions | Scope 2 Emissions | Scope 3 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). | 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) | Represents all other indirect emissions that occur within a company's value chain. |

Ayala Land's GHG emissions may be found in the Supplemental Environmental Section Tables in this report.

For a comprehensive disclosure of sustainability data and performance across material economic, environmental and social topics, please visit the company website.

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:

To achieve net zero by 2050, Ayala Land set interim absolute targets to neutralize emissions and manage climate-related risk factors and performance.

Financial Review

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Management's Discussion and Analysis

REVIEW OF FY 2023 OPERATIONS VS. FY 2022

Ayala Land, Inc. (ALI) delivered strong results in 2023, fueled by robust property demand and heightened consumer activity. ALI's net income grew 32% to P24.51 billion, and consolidated revenues increased by 18% to P148.86 billion from 2022.

Real estate revenues (composed of Property Development, Commercial Leasing, and Services) reached P140.14 billion, a 20 % increase from last year, owing to property development bookings and completion, higher leasing occupancy and rates, and service business revenues.

Capital expenditures from the Company's various residential and commercial projects totaled P86.22 billion.

ALI sustained a net gearing ratio of 0.75:1 with the support of higher operating cash flows as it remained prudent in managing its debt funding requirements.

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 Avaland Berhad (formerly MCT Bhd), Ayala Land's consolidated subsidiary based in Malaysia. The property development segment grew 17% to P86.98 billion, owing to steady bookings and higher completion of residential projects and offices for sale.

Residential. Revenues from sales of residential lots and units and Avaland Berhad's operations reached P73.20 billion, up 24% year-on-year.

AyalaLand Premier (ALP) recorded revenues of P21.56 billion, 1% higher than the previous year, attributed to higher incremental percentage-of-completion (POC) and bookings of Ciela at Aera Heights in Carmona, Cavite, and Lanewood Hills in Southmont, Silang, Cavite and higher incremental POC at Parklinks North Tower in Quezon City.

Alveo posted revenues of P19.85 billion, a 28% year-on-year improvement, higher bookings and incremental POC from of Orean Place Towers 1 and 2 in Vertis North, Quezon City, and higher incremental POC in Viento at Cerca, Muntinlupa City and Mondia expansion in Nuvali, Laguna.

Avida totaled P16.64 billion in revenues, a 37% increase from last year, due to higher bookings of Avida Towers (AT) Altura in South Park, Muntinlupa City, AT Riala in Cebu IT Park, AT Vireo in Arca South, Taguig City, and Southdale Settings in Nuvali, Laguna.

Amaia posted P7.61 billion in revenues, a 10% uplift from last year driven higher bookings in Series Nuvali Sector 1 in Laguna, Skies Cubao Tower 3 in Quezon City and Steps Alabang Esperanza in Las Pinas City, and higher incremental POC in Skies Avenida Tower 2 in Manila.

BellaVita recognized revenues of P103 million, a 68% decline from P317 million last year as a result of lower bookings from projects in Iloilo, Lian Batangas, Caba

Avaland Berhand (formerly MCT Bhd) contributed revenues of P7.43 billion, more than double the P2.76 billion from last year, driven by higher incremental POC and Percentage of Sale (POS) of its projects, namely Alira, Aetas, Casa Embun, Sanderling and Casa Bayu.

Office for Sale. Revenues from sales of office units registered a 41% growth from last year to P3.93 billion on higher project completions.

Commercial and Industrial Lots. Revenues from commercial and industrial lot sales totaled P9.85 billion, 22% less than last year due to the product sales mix during the period.

Reservation Sales. Despite the prevailing higher interest-rate environment, property demand remained resilient. Full-year 2023 sales reservations grew by 9% year-on-year to P113.90 billion. The sales performance translated to an average monthly sales of P9.49 billion. The in-demand projects during the year were Alveo's Park East Place in BGC; AyalaLand Premier's (ALP) Ciela in Carmona, Cavite, Park Villas in Makati CBD, Arcilo in Nuvali, Laguna, and Parklinks South Tower in Quezon City.

Sales Profile: 57% of the sales reservations came from the premium segment composed of AyalaLand Premier and Alveo, while 43% was from the core segment of Avida, Amaia, and Bellavita. 65% were from vertical projects, and 35% from horizontal projects.

Buyer Profile: 67% were sales to Local Filipinos, amounting to P76.27 billion, 10% higher than last year. Sales to overseas Filipinos were up 2% to P23.48 billion, while sales to other nationalities grew by 12% to P14.15 billion. They account for 21% and 12% of the total, respectively. On sales to

different nationalities, 57% or P8.03 billion were sales to Americans, which is 1% higher year-on-year. Meanwhile, sales to Chinese buyers comprised 1% of total sales.

Project Launches. ALI launched 14 new projects in the fourth quarter with a combined value of P39.6 billion; these include AyalaLand Premier's first signature line project, Park Villas in the Makati CBD, and additional phases of its existing projects such as The Courtyards in Vermosa, Cavite, Arcilo in Nuvali, and Anvaya Cove in Bataan. These developments bring Ayala Land's total launch to 25 projects valued at P75.88 billion for the year. 65% are vertical projects, and 35% are horizontal projects; 88% are from the Premium segment, and 12% are from the Core segment.

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 were 25% higher year-on-year to P41.68 billion due to improved occupancy and rents.

Shopping Centers. Revenues from shopping centers surged 31% to P21.09 billion. The average occupancy rate for all malls is 84%. The total mall gross leasable area (GLA) is 2.1 million square meters.

Offices. Office revenues grew 6% to P11.81 billion due to stable occupancy and higher rents from our solid BPO and Corporate tenant base. The occupancy rate for all offices is 92%. The total office GLA is 1.4 million square meters.

Hotels and Resorts. Revenues from hotels and resorts jumped significantly by 42% from last year to P8.78 billion as higher travel and tourism demand

pushed up occupancy and room rates. The occupancy rates for hotels and resorts are 67% and 42%, respectively. This segment has a total of 4,452 rooms.

The hotels and resorts business has 660 hotel rooms in its international brand segment—312 from Fairmont Hotel and Raffles Residences and 348 from Holiday Inn & Suites, located at the Ayala Center, Makati CBD.

There are 12 Seda Hotels, operating 3,224 rooms—Atria, Iloilo (152 rooms); BGC, Taguig (521); Centrio, Cagayan de Oro (150); Abreeza, Davao (186); Nuvali, Santa Rosa, Laguna (356); Vertis North, Quezon City (438); Capitol Central, Bacolod (154); Lio, Palawan (153); Ayala Center Cebu (301); Seda Residences Ayala North Exchange (293) Central Bloc (214) and Manila Bay (306); and Circuit Corporate Residences (255).

El Nido Resorts operates 187 rooms from its four island resorts—Pangulasian, Lagen, Miniloc, and Apulit. The Lio Tourism Estate currently has 50 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 retail electricity supply (RES) such as Direct Power Services, Inc. (DPSI) and Philippine Integrated Energy Solutions, Inc. (PhilEnergy) and airline for the hotels and resorts business, AirSWIFT. The segment's revenues registered a 36% growth to P11.49 billion.

Construction. MDC posted net construction revenues of P6.60 billion, 56% higher than last year due to the contribution of its external projects.

Property Management. APMC revenues grew by 15% to P1.78 billion due to higher parking usage and stable property management fees.

Airline and RES. AirSWIFT and retail electricity supply companies' combined revenues grew by 18% to P3.11 billion due to higher AirSWIFT patronage.

Equity in Net Earnings of Investees, Interest, Fees, Investment, and Other Income

Equity in net earnings from associates and joint ventures increased by 10% to P1.58 billion, driven by FBDC companies and Ortigas Land.

Interest and investment income amounted to P690 million, 78% more than last year, due to higher yields from short-term investments and cash deposits. Meanwhile, Interest income from real estate sales declined 20% to P5.36 billion from P6.69 billion due to lower accretion income.

Other income generated from marketing and management fees from joint ventures amounted to P1.09 million, 35% lower than last year, as a result of the consolidated contribution of our joint venture with the Kuok group (AKL Properties, Inc.) under real estate revenues starting in the fourth quarter of 2023 upon establishing control, combined with the higher base in 2022 due to a land sale.

Expense

The Company managed expenses prudently to P112.40 billion, a 14% growth year-on-year. Real estate expenses reached P87.14 billion, up to 15%, while general and administrative costs increased by 23% to P8.91 billion. Consequently, the GAE ratio settled at 6.0%, higher than 5.7% last year. The

EBIT margin stood at 32.7%, higher than the 30.6% recorded in the previous year.

Interest expense, financing, and other charges, which include interest expense related to PFRS 16 (Leases), totaled P16.35 billion, 6% more than last year, due to the higher average borrowing rate and daily loan balance. The average cost of debt stood at 5.0%. Of the total debt, 77% is locked in with fixed rates; 93% was contracted into long-term tenors.

Capital Expenditures

Total capital expenditures in 2023 amounted to P86.22 billion. 49% was spent on residential projects, 11% on commercial leasing projects, 21% on land acquisition, 16% on estate development, and 3% on other general uses.

Financial Condition

Cash and cash equivalents, including short-term investments and UITF investments classified as FVPL, stood at P17.82 billion, resulting in a current ratio of 1.76:1. Borrowings totaled P258.25 billion, translating to a debt-to-equity ratio of 0.81:1 and a net debt-to-equity ratio of 0.75:1. Return on equity was 9.26% as of December 31, 2023.

The Group has various contingent liabilities arising from the ordinary conduct of business, including a case related to property restriction violation. The probable cost estimate for the resolution of the claim was determined in consultation with an external counsel based on the analysis of the potential results. The opinion of management and its legal counsel is that it 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 in 2023.

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.

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 all of the three members are independent directors;
- The Audit Committee held four meetings in 2023, 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 PricewaterhouseCoopers (PwC) Philippines – Isla Lipana and Co., 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, 2023, with the Company's Management, which has the primary responsibility for the financial statements and with PwC, 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 PwC 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 their independence from the ALI Group;
- The Audit Committee reviewed and approved all audit, audit-related, and permitted non-audit services provided by PwC 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's 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 and the Board Risk Oversight Committee held a joint meeting to discuss matters related to the Group's risk management process, the results of the risk assessments on key business risks and identified emerging risks and opportunities, and the relevant global risk and external environment;
- The Audit Committee continued to oversee the implementation of the Business Integrity Program of the ALI Group; and
- The Audit Committee approved and endorsed the Policy on Independent Auditor Tenure and Policy on Sale of Accounts Receivable.

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, 2023, with the Securities and Exchange Commission, and for its inclusion in the Company's Annual Report to Stockholders.

Respectfully submitted.

February 13, 2024



REX MA. A. MENDOZA
Member



CESAR V. PURISIMA
Committee Chair



DANIEL GABRIEL M. MONTECILLO
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, 2023, 2022 and 2021 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 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.

Isla Lipana & Co., the independent auditors appointed by the stockholders, has audited the consolidated financial statements of the Company and its subsidiaries in accordance with Philippine Standards of Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

JAIME AUGUSTO ZOBEL DE AYALA
Chairman, Board of Directors

ANNA MA. MARGARITA B. DY
President and Chief Executive Officer

AUGUSTO D. BENGZON
Treasurer/Chief Finance Officer

SUBSCRIBED AND SWORN to before me this February 20, 2024, at Makati City, affiants exhibited to me their passports as competent evidence of their identities, as follows:

- Name
Jaime Augusto Zobel de Ayala
- Anna Ma. Margarita B. Dy
- Augusto D. Bengzon

WITNESS MY HAND AND SEAL on the date and at the place first above written.

Doc. No. 149
Page No. 31
Book No. 11
Series of 2024.

Notarial DST pursuant to Sec. 61 of the TRAIN Act (Amending Sec. 188 of the NIRC) affixed on Notary Public's copy



KEVIN EDRICK P. RELOPEZ
Notary Public - Makati City
Application No. M-225 (2024-2025)
Roll of Attorneys No. 60351
IBP No. 421063; 01/15/2024; Makati City
PTR No. MKT1008910; 01/11/2024; Makati City
MCLE Compliance No VII-0026061; 02/07/2023
28th Floor, Tower One and Exchange Plaza, Ayala Triangle
Ayala Avenue, Makati City, Philippines



Independent Auditor's Report

To the Board of Directors and Stockholders of
Ayala Land, Inc.
31st Floor, Tower One and Exchange Plaza, Ayala Triangle
Ayala Avenue, Makati City

Report on the Audit of the Consolidated Financial Statements

Our Opinion

In our opinion, the accompanying consolidated financial statements of Ayala Land, Inc. (the "Parent Company") and its Subsidiaries (the "Group") as at and for the year ended December 31, 2023 are prepared, in all material respects, in accordance with Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting relief issued and approved by the Securities and Exchange Commission (SEC), as described in Note 36 to the consolidated financial statements.

What we have audited

The consolidated financial statements of the Group comprise:

- the consolidated statement of financial position as at December 31, 2023;
- the consolidated statement of income for the year ended December 31, 2023;
- the consolidated statement of comprehensive income for the year ended December 31, 2023;
- the consolidated statement of changes in equity for the year ended December 31, 2023;
- the consolidated statement of cash flows for the year ended December 31, 2023; and
- the notes to the consolidated financial statements, including material accounting policy information.

Basis for Opinion

We conducted our audit 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 Code of Ethics.



Independent Auditor's Report
To the Board of Directors and Stockholders of
Ayala Land, Inc.
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Emphasis of Matter

We draw attention to Note 36 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 relief issued and approved by the SEC in response to the COVID-19 pandemic. The details of the financial reporting relief availed by the Group and the impact of the application on the 2023 consolidated financial statements are discussed in Note 36.3. Our opinion is not modified in respect of this matter. Our opinion remains to be unqualified on the consolidated financial statements taken as a whole.

Other Matter

The consolidated financial statements of the Group as at December 31, 2022 and for the years ended December 31, 2022 and 2021 were audited by another firm of auditors whose report, dated February 21, 2023, expressed an unmodified opinion on those statements.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

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.

The key audit matter identified in our audit pertains to the real estate revenue recognition based on percentage of completion (PoC) as a measure of progress.



Independent Auditor's Report
 To the Board of Directors and Stockholders of
 Ayala Land, Inc.
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| Key Audit Matter | How our Audit Addressed the Key Audit Matter |
|---|---|
| <p>Real estate revenue recognition based on PoC as a measure of progress</p> <p>Refer to Note 35.2 to the consolidated financial statements for the discussion on critical accounting estimates and assumptions.</p> <p>The real estate revenue for the year ended December 31, 2023 amounts to P92.3 billion, which accounts for approximately 63% of the consolidated total revenue. It is therefore material to the consolidated financial statements.</p> <p>Real estate revenue from contracts with customers is recognized over time using the output method in accordance with the guidance set in PFRS 15, <i>Revenue from contracts with customers</i>, and Philippine Interpretations Committee Questions and Answers (PIC Q&A) 2018-12. Under the output method, revenue is calculated with reference to the PoC of the project. In the case of the Group, PoC is determined based on the actual physical completion of the project. Hence, real estate revenue recognition requires significant judgment and estimation.</p> | <p>We addressed the matter by understanding and evaluating the process employed by the Group in estimating the PoC of the real estate development projects. In particular, we performed a combination of controls and substantive testing procedures as follows:</p> <ul style="list-style-type: none"> • Evaluated the design and tested the operating effectiveness of key controls surrounding the project budgeting, project costing and project milestone measurement activities. Further, we performed reasonableness testing of key inputs and assumptions used in the project budgeting and project costing activities, through site visits and inspection of bill of quantity and other relevant supporting documents. • Agreed the milestone percentage per project by inspecting the underlying project accomplishment reports prepared by project engineers and as evaluated and approved by independent quantity surveyors. • Performed test of details on incurred project costs through corroboration with supporting documents such as contractors' progress billing statements, supplier invoices, proof of delivery and other relevant supporting documents. • Performed mathematical accuracy check of PoC applied to each project and individually sold units and verified that the PoC is accurately used in the calculation of the Group's real estate revenue. |



Independent Auditor's Report
To the Board of Directors and Stockholders of
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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, 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 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 audit 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 audit, 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 of the consolidated financial statements in accordance with PFRSs, as modified by the application of the financial reporting relief issued and approved by the SEC, as described in Note 36 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.



Independent Auditor's Report
To the Board of Directors and Stockholders of
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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 the financial reporting relief issued and approved by the SEC, as described in Note 36 to the consolidated financial statements.



Independent Auditor's Report
To the Board of Directors and Stockholders of
Ayala Land, Inc.
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- 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 Group 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, actions taken to eliminate threats or safeguards applied.

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 Roderick M. Danao.

Isla Lipana & Co.

A handwritten signature in black ink, appearing to read "R. Danao", is written over a horizontal line.

Roderick M. Danao
Partner

CPA Cert. No. 88453

P.T.R. No. 0011280, issued on January 12, 2024, Makati City

TIN 152-015-078

BIR A.N. 08-000745-042-2023, issued on December 22, 2023; effective until December 21, 2026

BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
February 20, 2024



Statements Required by Rule 68 Securities Regulation Code (SRC)

To the Board of Directors and Stockholders of
Ayala Land, Inc
31st Floor, Tower One and Exchange Plaza, Ayala Triangle
Ayala Avenue, Makati City

We have audited the consolidated financial statements of Ayala Land, Inc. (the “Parent Company”) and its Subsidiaries as at and for the year ended December 31, 2023, on which we have rendered the attached report dated February 20, 2024. The supplementary information shown in the Reconciliation of the Parent Company’s Retained Earnings Available for Dividend Declaration and Map of the Group of Companies within which the Parent Company belongs, as additional components required by Part I, Section 5 of the Revised SRC Rule 68, and Schedules A, B, C, D, E, F and G, as required by Part II of the Revised SRC Rule 68, is presented for the purposes of filing with the Securities and Exchange Commission and is not a required part of the basic consolidated financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements. In our opinion, the supplementary information has been prepared in accordance with the Revised SRC Rule 68.

Isla Lipana & Co.

Roderick M. Danao
Partner

CPA Cert. No. 88453

P.T.R. No. 0011280, issued on January 12, 2024, Makati City

TIN 152-015-078

BIR A.N. 08-000745-042-2023, issued on December 22, 2023; effective until December 21, 2026

BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
February 20, 2024



Statements Required by Rule 68 Securities Regulation Code (SRC)

To the Board of Directors and Stockholders of
Ayala Land, Inc.
31st Floor, Tower One and Exchange Plaza, Ayala Triangle
Ayala Avenue, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Ayala Land, Inc. and its Subsidiaries (the "Group") as at and for the year ended December 31, 2023, and have issued our report thereon dated February 20, 2024. Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRSs) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised SRC Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRSs. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at and for the year ended December 31, 2023 and no material exceptions were noted.

Isla Lipana & Co.

A handwritten signature in black ink, appearing to read "R. Danao", is written over a horizontal line.

Roderick M. Danao
Partner

CPA Cert. No. 88453

P.T.R. No. 0011280, issued on January 12, 2024, Makati City

TIN 152-015-078

BIR A.N. 08-000745-042-2023, issued on December 22, 2023; effective until December 21, 2026

BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
February 20, 2024

Ayala Land, Inc. and Subsidiaries

Consolidated Statement of Financial Position
As at December 31, 2023
(With comparative figures as at December 31, 2022)
(All amounts in thousands of Philippine Peso)

| | Notes | 2023 | 2022 |
|--|-------|--------------------|--------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 2 | 17,066,330 | 11,885,329 |
| Short-term investments | 3 | 333,610 | 330,500 |
| Financial assets at fair value through profit or loss (FVTPL) | 4 | 419,802 | 291,989 |
| Accounts and notes receivable, net | 5 | 105,530,428 | 102,151,267 |
| Inventories | 6 | 209,316,511 | 180,348,474 |
| Other current assets | 7 | 80,290,824 | 64,849,846 |
| Total current assets | | 412,957,505 | 359,857,405 |
| Non-current assets | | | |
| Accounts and notes receivables, net of current portion | 5 | 58,453,299 | 49,032,711 |
| Financial assets at fair value through other comprehensive income (FVOCI) | 8 | 1,121,969 | 1,033,481 |
| Investments in associates and joint ventures | 9 | 31,212,698 | 31,917,095 |
| Right-of-use assets, net | 31 | 11,808,541 | 12,418,841 |
| Investment properties, net | 10 | 241,061,619 | 245,525,507 |
| Property and equipment, net | 11 | 41,261,219 | 36,153,839 |
| Deferred tax assets, net | 21 | 15,345,133 | 13,889,287 |
| Other non-current assets | 12 | 33,410,499 | 29,826,354 |
| Total non-current assets | | 433,674,977 | 419,797,115 |
| Total assets | | 846,632,482 | 779,654,520 |
| <i>(forward)</i> | | | |

For a complete copy of Ayala Land's audited financial statements including its notes, please visit the company website.

Ayala Land, Inc. and Subsidiaries

Consolidated Statement of Financial Position
As at December 31, 2023
(With comparative figures as at December 31, 2022)
(All amounts in thousands of Philippine Peso)

(continuation)

| | Notes | 2023 | 2022 |
|---|-------|--------------------|--------------------|
| Liabilities and Equity | | | |
| Current liabilities | | | |
| Short-term debt | 14 | 16,905,106 | 6,547,272 |
| Accounts and other payables | 13 | 162,475,442 | 143,952,127 |
| Income tax payable | | 586,605 | 845,073 |
| Current portion of lease liabilities | 31 | 1,108,553 | 710,160 |
| Current portion of long-term debt | 14 | 18,969,421 | 19,258,289 |
| Deposits and other current liabilities | 15 | 34,131,984 | 31,211,023 |
| Total current liabilities | | 234,177,111 | 202,523,944 |
| Non-current liabilities | | | |
| Long-term debt, net of current portion | 14 | 222,379,734 | 210,233,290 |
| Pension liabilities | 24 | 2,769,457 | 1,871,186 |
| Lease liabilities, net of current portion | 31 | 17,414,070 | 17,992,406 |
| Deferred tax liabilities, net | 21 | 7,324,267 | 5,849,288 |
| Deposits and other non-current liabilities | 16 | 42,638,781 | 47,519,881 |
| Total non-current liabilities | | 292,526,309 | 283,466,051 |
| Total liabilities | | 526,703,420 | 485,989,995 |
| Equity | | | |
| Equity attributable to equity holders of Ayala Land, Inc. | | | |
| Paid-in capital | 17 | 98,115,042 | 97,636,864 |
| Remeasurement (loss) gain on defined benefit plans | | (481,670) | 106,942 |
| Fair value reserve of financial assets at FVOCI | 8 | (680,620) | (877,913) |
| Cumulative translation adjustments | | (107,679) | 437,996 |
| Equity reserves | 17 | (2,589,586) | (6,506,845) |
| Treasury stock | 17 | (22,776,361) | (19,080,714) |
| Retained earnings | | 202,381,286 | 183,535,858 |
| | | 273,860,412 | 255,252,188 |
| Non-controlling interests | 17 | 46,068,650 | 38,412,337 |
| Total equity | | 319,929,062 | 293,664,525 |
| Total liabilities and equity | | 846,632,482 | 779,654,520 |

For a complete copy of Ayala Land's audited financial statements including its notes, please visit the company website.

Ayala Land, Inc. and Subsidiaries

Consolidated Statement of Income
For the year ended December 31, 2023
(With comparative figures for the years ended December 31, 2022 and 2021)
(All amounts in thousands of Philippine Peso, except earnings per share)

| | Notes | 2023 | 2022 | 2021 |
|---|--------|-------------|-------------|-------------|
| Revenue | | | | |
| Real estate sales | 18 | 140,141,723 | 116,356,382 | 96,144,850 |
| Interest income from real estate sales | 5, 18 | 5,359,526 | 6,694,930 | 6,801,012 |
| Equity in net earnings of associates and joint ventures | 9, 18 | 1,575,295 | 1,429,795 | 842,565 |
| | | 147,076,544 | 124,481,107 | 103,788,427 |
| Interest and investment income | 19, 23 | 689,548 | 387,083 | 253,107 |
| Other income | 19 | 1,091,317 | 1,687,624 | 2,101,071 |
| | | 1,780,865 | 2,074,707 | 2,354,178 |
| | | 148,857,409 | 126,555,814 | 106,142,605 |
| Costs and expenses | | | | |
| Cost of real estate sales | 20 | 87,138,671 | 75,628,711 | 64,641,519 |
| General and administrative expenses | 20 | 8,910,449 | 7,264,339 | 6,538,859 |
| Interest and other financing charges | 20 | 13,498,847 | 11,446,669 | 11,037,772 |
| Other expenses | 20 | 2,849,234 | 3,996,044 | 3,636,915 |
| | | 112,397,201 | 98,335,763 | 85,855,065 |
| Income before income tax | | 36,460,208 | 28,220,051 | 20,287,540 |
| Provision for income tax | | | | |
| Current tax expense | | 7,407,869 | 6,943,074 | 5,984,642 |
| Deferred tax expense (benefit) | | 48,761 | (1,247,276) | (1,356,465) |
| | | 7,456,630 | 5,695,798 | 4,628,177 |
| Net income | | 29,003,578 | 22,524,253 | 15,659,363 |
| Net income attributable to: | | | | |
| Equity holders of Ayala Land, Inc. | 25 | 24,507,581 | 18,617,234 | 12,228,148 |
| Non-controlling interest | | 4,495,997 | 3,907,019 | 3,431,215 |
| | | 29,003,578 | 22,524,253 | 15,659,363 |
| Earnings Per Share | | | | |
| Net income attributable to equity holders of Ayala Land, Inc. | | | | |
| Basic and diluted | 25 | 1.63 | 1.26 | 0.83 |

For a complete copy of Ayala Land's audited financial statements including its notes, please visit the company website.

Ayala Land, Inc. and Subsidiaries

Consolidated Statement of Comprehensive Income
For the year ended December 31, 2023
(With comparative figures for the years ended December 31, 2022 and 2021)
(All amounts in thousands of Philippine Peso)

| | Notes | 2023 | 2022 | 2021 |
|---|--------------|-------------|-------------|-------------|
| Net income | | 29,003,578 | 22,524,253 | 15,659,363 |
| Other comprehensive (loss) income | | | | |
| Item that will be subsequently reclassified to profit or loss: | | | | |
| Cumulative translation adjustment | | (529,265) | 229,224 | 265,284 |
| Items that will not be subsequently reclassified to profit or loss: | | | | |
| Changes in fair value reserve of financial assets at FVOCI | 8 | 205,077 | (16,905) | (97,378) |
| Remeasurement (loss) gain on defined benefit plan | 24 | (784,816) | 186,961 | 1,099,585 |
| Income tax effect | | 196,204 | (46,740) | (274,896) |
| | | (912,800) | 352,540 | 992,595 |
| Total comprehensive income | | 28,090,778 | 22,876,793 | 16,651,958 |
| Total comprehensive income attributable to: | | | | |
| Equity holders of Ayala Land, Inc. | | 23,570,587 | 18,936,821 | 13,049,676 |
| Non-controlling interests | | 4,520,191 | 3,939,972 | 3,602,282 |
| | | 28,090,778 | 22,876,793 | 16,651,958 |

For a complete copy of Ayala Land's audited financial statements including its notes, please visit the company website.

Ayala Land, Inc. and Subsidiaries

Consolidated Statement of Changes in Equity
For the year ended December 31, 2023
(With comparative figures for the years ended December 31, 2022 and 2021)
(All amounts in thousands of Philippine Peso)

| | Attributable to equity holders of Ayala Land, Inc. | | | | | | | | | | | | | |
|---|--|------------------------------|------------------------------------|---|---|---|---|---|---|---------------------------------|-----------------------------|--------------------|----------------------------------|--------------------|
| | Capital Stock (Note 17) | Paid in Capital (Note 17) | Additional Capital (Note 17) | Subscriptions Receivables (Note 17) | Appropriated Retained Earnings (Note 17) | Unappropriated Retained Earnings (Note 17) | Remeasurement Gain (Loss) on Defined Benefit Plans (Note 24) | Fair value reserve of financial assets at FVOCI (Note 8) | Cumulative Translation Adjustments (Note 17) | Equity Reserves (Note 17) | Treasury Stock (Note 17) | Total | Non- Controlling Interests | Total Equity |
| Balances at 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 | (1,280,780) | 219,701,818 | 37,623,175 | 257,324,993 |
| Comprehensive income | - | - | - | - | - | 14,221,177 | - | - | - | - | - | 14,221,177 | 3,431,215 | 17,652,392 |
| Net income | - | - | - | - | - | 824,689 | - | (97,378) | 94,217 | - | - | 821,528 | 171,067 | 992,595 |
| Other comprehensive income for the year | - | - | - | - | - | 824,689 | - | (97,378) | 94,217 | - | - | 821,528 | 3,602,282 | 18,644,987 |
| Total comprehensive income for the year | - | - | - | - | - | 17,000,000 | - | - | - | - | - | 17,000,000 | - | 17,652,392 |
| 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) | (1,656,635) | 2,140,183 | (2,140,183) | - |
| Acquisition of treasury shares | - | - | - | - | - | - | - | - | - | (1,656,635) | - | (1,656,635) | - | (1,656,635) |
| Acquisition of non-controlling interest | - | - | - | - | - | - | - | - | - | 981,129 | - | 981,129 | 553,837 | 981,129 |
| Net change in non-controlling interest | - | - | - | - | - | - | - | - | - | - | - | - | (1,757,559) | (1,757,559) |
| Cash dividends declared | - | - | - | - | - | (4,063,228) | - | - | - | - | - | (4,063,228) | - | (4,063,228) |
| Balances at December 31, 2021 | 16,687,844 | 65,494,263 | 65,494,263 | (2,284,639) | 25,000,000 | 143,980,632 | (33,279) | (880,895) | 261,612 | 1,289,611 | (16,894,380) | 232,620,769 | 37,881,552 | 270,502,321 |
| Comprehensive income | - | - | - | - | - | 18,617,234 | - | 2,982 | 176,384 | - | - | 18,617,234 | 3,907,019 | 22,524,253 |
| Net income | - | - | - | - | - | 140,221 | - | 2,982 | 176,384 | - | - | 140,221 | 32,953 | 352,540 |
| Other comprehensive income for the year | - | - | - | - | - | 140,221 | - | 2,982 | 176,384 | - | - | 140,221 | 3,939,972 | 22,876,793 |
| Total comprehensive income for the year | - | - | - | - | - | 18,617,234 | - | 2,982 | 176,384 | - | - | 18,617,234 | 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) | - | (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 | - | - | - | - | - | - | - | - | - | - | - | - | (1,755,347) | (1,755,347) |
| Cash dividends declared | - | - | - | - | - | (4,062,008) | - | - | - | - | - | (4,062,008) | - | (4,062,008) |
| Balances at December 31, 2022 | 17,013,586 | 83,099,536 | 83,099,536 | (2,476,268) | 25,000,000 | 159,535,858 | 106,942 | (877,913) | 437,996 | (6,506,645) | (19,080,714) | 255,252,168 | 38,412,337 | 293,664,525 |

(forward)

For a complete copy of Ayala Land's audited financial statements including its notes, please visit the company website.

Ayala Land, Inc. and Subsidiaries

Consolidated Statement of Changes in Equity

For the year ended December 31, 2023

(With comparative figures for the years ended December 31, 2022 and 2021)

(All amounts in thousands of Philippine Peso)

| | Attributable to equity holders of Ayala Land, Inc. | | | | | | | | | | | | |
|---|--|--|------------------------------|---|---|---|---|---|---------------------------------|-----------------------------|--------------------|----------------------------------|--------------------|
| | Capital Stock (Note 17) | Additional Paid in Capital (Note 17) | Subscriptions Receivables | Appropriated Retained Earnings (Note 17) | Unappropriated Retained Earnings (Note 17) | Remeasurement Gain (Loss) on Defined Benefit Plans (Note 24) | Fair value reserve of financial assets at FVOCI (Note 8) | Cumulative Translation Adjustments (Note 17) | Equity Reserves (Note 17) | Treasury Stock (Note 17) | Total | Non- Controlling Interests | Total Equity |
| Balances at January 1, 2023 | 17,013,596 | 83,099,536 | (2,476,268) | 25,000,000 | 158,535,858 | 106,942 | (877,913) | 437,996 | (6,506,845) | (19,080,714) | 255,252,188 | 38,412,337 | 293,664,525 |
| Comprehensive income | - | - | - | - | 24,507,581 | - | - | - | - | - | 24,507,581 | 4,495,997 | 29,003,578 |
| Net income | - | - | - | - | 24,507,581 | - | - | - | - | - | 24,507,581 | 4,495,997 | 29,003,578 |
| Other comprehensive (loss) income | - | - | - | - | - | (588,612) | 197,293 | (545,675) | - | - | (936,994) | 24,194 | (912,800) |
| Total comprehensive income for the year | - | - | - | - | 24,507,581 | (588,612) | 197,293 | (545,675) | - | - | 23,570,587 | 4,520,191 | 28,090,778 |
| Cost of stock options | - | 149,456 | - | - | - | - | - | - | - | - | 149,456 | - | 149,456 |
| Collection of subscription receivable | - | - | 251,426 | - | - | - | - | - | - | - | 251,426 | - | 251,426 |
| Stock options exercised | 14,579 | 317,960 | (272,020) | - | - | - | - | - | - | - | 60,519 | - | 60,519 |
| Collection of VPS conversion | - | 16,777 | - | - | - | - | - | - | - | - | 16,777 | - | 16,777 |
| Acquisition of treasury shares | - | - | - | - | - | - | - | - | (3,695,647) | (3,695,647) | - | - | (3,695,647) |
| Acquisition of non-controlling interest | - | - | - | - | - | - | - | - | - | - | 489,276 | (31,511) | 457,765 |
| Net change in non-controlling interest | - | - | - | - | - | - | - | - | - | - | 3,427,983 | 6,121,631 | 9,549,614 |
| Cash dividends declared | - | - | - | - | (5,662,153) | - | - | - | 3,427,983 | - | (5,662,153) | (2,953,998) | (8,616,151) |
| Balances at December 31, 2023 | 17,028,175 | 83,583,729 | (2,496,862) | 25,000,000 | 177,381,266 | (481,670) | (680,620) | (107,679) | (2,589,586) | (22,776,361) | 273,860,412 | 46,068,650 | 319,929,062 |

(continuation)

For a complete copy of Ayala Land's audited financial statements including its notes, please visit the company website.

Ayala Land, Inc. and Subsidiaries

Consolidated Statement of Cash Flows For the year ended December 31, 2023

(With comparative figures for the years ended December 31, 2022 and 2021)
(All amounts in Philippine Peso)

| | Notes | 2023 | 2022 | 2021 |
|---|----------|--------------|--------------|--------------|
| Cash flows from operating activities | | | | |
| Income before income tax | | 36,460,208 | 28,220,051 | 20,287,540 |
| Adjustments for: | | | | |
| Interest and other financing charges | 20 | 13,498,847 | 11,446,669 | 11,037,772 |
| Depreciation and amortization | 10,11,12 | 9,505,083 | 9,688,718 | 8,820,507 |
| Dividends received from investees | 9 | 915,983 | 589,221 | 321,617 |
| Provision for impairment losses | 20 | 595,646 | 253,738 | 539,692 |
| Cost of share-based payments | | 149,456 | 78,860 | 150,072 |
| Unrealized (gain) loss on financial assets at fair value through profit or loss | | (108,589) | 333,413 | (99,372) |
| Equity in net earnings of associates and joint ventures | 9 | (1,575,295) | (1,429,795) | (842,565) |
| Gain on sale of investment in associates and jointly controlled entities | 9 | - | - | (807,618) |
| Interest income | | (6,049,074) | (7,082,013) | (7,054,119) |
| Operating income before working capital changes | | 53,392,265 | 42,098,862 | 32,353,526 |
| Changes in operating assets and liabilities: | | | | |
| (Increase) decrease in: | | | | |
| Accounts and notes receivable - trade | | (5,054,003) | (2,046,107) | 251,492 |
| Inventories | 6 | (18,291,371) | (15,136,166) | (1,459,729) |
| Other current assets | 7 | (15,576,013) | 509,713 | (7,279,935) |
| Increase (decrease) in: | | | | |
| Accounts and other payables | | 17,129,876 | 14,018,427 | (7,690,011) |
| Deposits and other current liabilities | 15 | 2,922,441 | (3,542,142) | 2,154,067 |
| Pension liabilities | 24 | 309,659 | (92,328) | (92,362) |
| Cash generated from operations | | 34,832,854 | 35,810,259 | 18,237,048 |
| Interest received | | 6,016,868 | 6,638,191 | 7,008,224 |
| Interest paid | | (11,793,508) | (9,495,457) | (10,385,580) |
| Income tax paid | | (7,695,965) | (6,604,639) | (6,933,615) |
| Net cash from operating activities | | 21,360,249 | 26,348,354 | 7,926,077 |
| Cash flows from investing activities | | | | |
| Proceeds from: | | | | |
| Sale/redemption of short-term investments | | 327,150 | - | 41,160 |
| Sale/redemption of financial assets at FVTPL | | 3,568,193 | 4,065,795 | 1,168,987 |
| Sale of investments in FVOCI | 8 | 42,894 | 16,371 | - |
| Disposal of property and equipment | 11 | 1,598,122 | 1,390,786 | 483,360 |
| Disposal of investment properties | 10 | 1,080,985 | 764,475 | 294,149 |
| Disposal of investments in associates and jointly controlled entities | | 52,935 | - | 807,618 |
| Additions to: | | | | |
| Short-term investments | 3 | (3,617) | - | (8,680) |
| Financial assets at FVTPL | 4 | (3,604,552) | (4,179,683) | (805,248) |
| Financial assets at FVOCI | 8 | (2,124) | - | - |
| Investments in associates and joint ventures | 9 | (1,920,000) | (2,705,023) | (778,748) |
| Investment properties | 10 | (19,634,549) | (15,587,700) | (22,030,868) |
| Property and equipment | 11 | (1,819,873) | (4,424,285) | (3,215,492) |
| Net (increase) decrease in: | | | | |
| Accounts and notes receivables - non-trade | 5 | (9,427,421) | (5,210,278) | (12,981) |
| Other non-current assets | 12 | (444,331) | 2,944,192 | (2,171,784) |
| Net cash used in investing activities | | (30,186,188) | (22,925,350) | (26,228,527) |
| (forward) | | | | |

For a complete copy of Ayala Land's audited financial statements including its notes, please visit the company website.

Ayala Land, Inc. and Subsidiaries

Consolidated Statement of Cash Flows
For the year ended December 31, 2023
(With comparative figures for the years ended December 31, 2022 and 2021)
(All amounts in Philippine Peso)

(continuation)

| | Notes | 2023 | 2022 | 2021 |
|---|-------|---------------|---------------|---------------|
| Cash flows from financing activities | | | | |
| Proceeds from: | | | | |
| Short and long-term debt | 14 | 125,434,426 | 162,816,824 | 191,282,758 |
| Capital stock subscriptions | 17 | 328,722 | 274,373 | 324,724 |
| Payments of short and long-term debt | 14 | (103,062,150) | (149,899,033) | (180,536,836) |
| Payments of principal portion of lease liabilities | 31 | (2,065,425) | (1,316,469) | (1,432,361) |
| (Decrease) increase in deposits and other non-current liabilities | | (4,451,799) | (12,584,594) | 10,695,432 |
| Acquisition of non-controlling interest | 17 | 6,114,435 | 1,675,369 | 1,534,967 |
| Increase in equity reserves | | 3,917,259 | 2,004,323 | - |
| Acquisition of treasury shares | 17 | (3,695,647) | (2,186,334) | (1,656,635) |
| Dividends paid to non-controlling interests | | (2,953,998) | (1,653,840) | (1,324,396) |
| Dividends paid to equity holders of Ayala Land, Inc. | 17 | (5,679,961) | (4,667,960) | (4,051,013) |
| Net cash from (used in) financing activities | | 13,885,862 | (5,537,341) | 14,836,640 |
| Net increase (decrease) in cash and cash equivalents | | 5,059,923 | (2,114,337) | (3,465,810) |
| CASH AND CASH EQUIVALENTS | | | | |
| At January 1 | | 11,885,329 | 13,971,437 | 17,037,347 |
| Effect of exchange rate changes on cash and cash equivalents | | 121,078 | 28,229 | 399,900 |
| At December 31 | 2 | 17,066,330 | 11,885,329 | 13,971,437 |
| Non-cash investing and financing activities | 33 | | | |

For a complete copy of Ayala Land's audited financial statements including its notes, please visit the company website.

Reporting References

| | |
|---|-------------------------|
| Sustainability Reporting Index | → 152 |
| Statement of Management's Responsibility on the Financial Statements | → 154 |
| Independent Assurance Report | → 155 |
| Corporate Information | Inside Back Cover |

Sustainability Reporting Index

The Standards referred to in each section of the Integrated Report pertain to the Topic Standard related to each topic discussed. This section maps the disclosures found in the report with the six capitals of the <IR> framework, 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).

For more details on the topic-specific indicators related to our disclosures on this report, please visit the company website.

| Dimension | Material Topic | <IR> | GRI Standards | SASB (Real Estate) | TCFD | UN SDGs | Page Number(s) |
|---------------|--|----------------------------------|--|-------------------------------------|------------------------------|-----------------------|--|
| Economic | Project Delivery, Quality and Responsibility | Natural and Manufactured Capital | - | - | Strategy Risk Management | 9, 11 | 16-19; 22-27; 30-39; 62-63; 58; 76-77; 123-128 |
| | Business Ethics | Corporate Governance | 205-1, 206-1 | - | Governance | - | 22-27; 102-115; 123-128 |
| | Indirect Economic Impacts | Social and Relationship Capital | 203-1, 203-2 | - | - | 1, 3, 8, 9, 10, 11 | 22-27; 62-63; 72; 76-77; 79; 90-92 |
| | Supply Chain Management | Social and Relationship Capital | 204-1, 308-1 | - | - | 9, 11, 12 | 11; 76-77; 92-93 |
| Environmental | Resource Efficiency | Natural and Manufactured Capital | 301-1, 301-2, 302-2, 302-3, 302-4, 302-5, 303-3, 306-1, 306-2, 306-3, 306-4, 306-5 | IF-RE-130 IF-RE-140 IF-RE-410 | Metrics and Targets | 9, 11, 12, 13, 14, 15 | 72; 76-77; 78-87; 123-128 |
| | Environmental Compliance | Natural and Manufactured Capital | 307-1 | - | Risk Management | 11, 12, 14, 15 | 72; 76-77; 119-120 |
| | Land Use, Ecological Impact and Biodiversity | Natural and Manufactured Capital | 304-1, 304-2, 304-4 | - | Risk Management | 14, 15 | 65; 72; 76-77; 79; 85; 123-128 |
| | Climate Action | Natural and Manufactured Capital | 305-1, 305-2, | IF-RE-450 | Strategy Metrics and Targets | 13 | 72; 76-77; 78-87; 88-89; 120; 123-128; 153 |
| Social | Talent Attraction, Retention and Development | Human Capital | 401-1, 401-2, 401-3, 404-1, 404-2 | - | - | 8 | 64-65; 77; 97-101 |
| | Workforce Health and Safety | Human Capital | 403-1, 403-5, 403-6, 403-7 403-9 | - | - | 3, 8 | 22-27; 36-37; 76-77; 96-97; 99-101; 121 |
| | Customer Relationship | Social and Relationship Capital | - | - | - | 11 | 22-27; 35; 37; 57-58; 62-63; 76-77; 94-95 |
| | Community Engagement and Impact | Social and Relationship Capital | 411-1, 413-1, 413-2 | - | - | 1, 3, 8, 11 | 22-27; 64-65; 76-77; 92-93; 119 |
| | Customer Health and Safety | Human Capital | 416-1 | - | - | 3 | 18-19; 22-27; 37; 76-77; 96-97; 121 |
| | Labor Practices | Human Capital | 405-1, 406-1 407-1, 408-1 409-1 | - | - | 3, 8 | 76-77; 98; 115 |

Supplemental Environmental Section Tables

For a comprehensive disclosure of sustainability data and performance across material economic, environmental and social topics, please visit the company website.

| Table A: Boundary of Environmental Data | | | | |
|---|------|------|------|------|
| No. of Buildings/Projects Covered | 2020 | 2021 | 2022 | 2023 |
| Commercial Properties | | | | |
| Malls | 45 | 45 | 46 | 47 |
| Offices | 50 | 50 | 49 | 49 |
| Hotels | 15 | 15 | 16 | 17 |
| Resorts | 10 | 10 | 10 | 8 |
| District Cooling System | 12 | 12 | 12 | 12 |
| Construction Projects* | 129 | 129 | 158 | 190 |
| Residential Properties | 143 | 160 | 160 | 184 |
| Estates and Carparks | | | | |
| Estate | 23 | 30 | 30 | 31 |
| Carpark | 27 | 24 | 24 | 24 |
| Airline | 4 | 4 | 4 | 4 |
| Industrial Parks and Warehouses | 3 | 3 | 3 | 12 |

*Covers construction projects, precast plants, and equipment yards of MDC.

| Table B: Ayala Land Group Total Emissions, Market-Based | | | | | |
|---|---------|---------|--------|--------|--------|
| in t-CO ₂ e | 2019 | 2020 | 2021 | 2022 | 2023 |
| Scope 1 | 40,547 | 44,667 | 61,236 | 46,717 | 61,903 |
| Scope 2 | 214,227 | 126,037 | 73,316 | 73,664 | 49,732 |
| Scope 3 | 218,501 | 140,867 | 47,848 | 68,051 | 19,392 |

Notes:

- 2023 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, the 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 the "Downstream Leased Assets" category.

| Table C: 2023 Market-Based Emissions by Property Type | | | |
|---|---------------|---------------|---------------|
| in t-CO ₂ e | Scope 1 | Scope 2 | Scope 3 |
| Commercial Properties | | | |
| Malls | 1,900 | 4,010 | 9,811 |
| Offices | 1,036 | 7,444 | 6,407 |
| Hotels | 3,156 | 742 | - |
| Resorts | 6,299 | 2,922 | 631 |
| Construction Projects | 31,229 | 20,136 | - |
| Estates and Carparks | | | |
| Estates | 352 | 3,432 | 887 |
| Carparks | 4 | 616 | 827 |
| District Cooling System | 33 | 9,994 | - |
| Airline | 17,854 | 87 | - |
| Industrial Parks and Warehouses | 39 | 348 | 829 |
| Total | 61,903 | 49,732 | 19,392 |



STATEMENT OF MANAGEMENT'S RESPONSIBILITY

AYALA LAND'S 2023 INTEGRATED REPORT

The management of Ayala Land, Inc. have applied their collective mind in the preparation of Ayala Land's 2023 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, Ms. Anna Ma. Margarita B. Dy and the Chief Finance 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.


Anna Ma. Margarita B. Dy
President and CEO


Augusto D. Bengzon
Chief Finance Officer, Treasurer,
and Chief Compliance Officer

Independent Limited Assurance Report

The Stockholders and Board of Directors
Ayala Land, Inc.
28F Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City 1226, Philippines

Scope

We have been engaged by Ayala Land, Inc. (ALI) to perform a 'limited assurance engagement,' as defined by Philippine Standard on Assurance Engagements 3000 (Revised) [PSAE 3000 (Revised)], *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, hereafter referred to as the engagement, to report on ALI's sustainability information (the "Subject Matter") contained in the 2023 ALI Integrated Report for the year ended December 31, 2023 (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by ALI

In preparing the Subject Matter, ALI applied the Global Reporting Initiative (GRI) Standards, International Integrated Reporting <IR> Framework, Sustainability Accounting Standards Board (SASB) Standards for Real Estate and Task Force on Climate-related Financial Disclosures¹ (TCFD) (collectively, the "Criteria").

ALI's responsibilities

ALI's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

SGV's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *Philippine Standard on Assurance Engagements 3000 (Revised)* [PSAE 3000 (Revised)], *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, and the terms of reference for this engagement as agreed with ALI on 22 February 2024 and as amended on 23 April 2024. Those standards require that we plan and perform our engagement to express a conclusion on whether

¹ SGV reviewed the compliance of ALI's climate-related disclosures with the eleven (11) TCFD recommendations.

we are aware of any material modifications that need to be made to the Subject Matter in order for it to be with reference to the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants in the Philippines and have the required competencies and experience to conduct this assurance engagement.

SGV also applies Philippine Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less 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 had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

1. Conducted interviews with management and relevant process owners to:
 - a. Understand the principal business operations and reporting process;
 - b. Understand the processes for collecting, collating and reporting the Subject Matter during the reporting period;
2. Checked that calculation criteria used have been correctly applied in accordance with the methodologies outlined in the Criteria;

3. Undertook analytical procedures of the data and made inquiries of management to obtain explanations for any significant differences we identified;
4. Identified and tested assumptions supporting calculations;
5. Conducted media review; and
6. Tested, on a sample basis, underlying source documentation/reports to check accuracy of information disclosed.

We also performed such other procedures as we considered necessary in the circumstances.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter for the year ended December 31, 2023, in order for it to be based on the Criteria.

SYCIP, GORRES, VELAYO & CO.

Katrina F. Francisco

KATRINA F. FRANCISCO

Partner

CPA Certificate No. 0106371

PTR No. MKT 10079939, Jan. 05, 2024

25 April 2024

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