Ayala | For The Greater Good

Enabling a Better Future

INTEGRATED REPORT 2022





Together with the Nation

Ayala remains steadfast in its commitment to building businesses that benefit the greater good by focusing on regeneration to remain at the cutting edge. Ayala companies are energizing and evolving their businesses to **enable a better future** for all. Whether in real estate, banking, telecommunications, power, healthcare, logistics, industrial technologies, technology ventures, education or water, they continue to redefine their strategies to help **build the Philippines of tomorrow.**

Vision

We will be the most relevant, innovative and enduring Philippine-based business group, enabling shared value and prosperity for the many stakeholders we serve.

Mission

Anchored on the values of integrity, long-term vision, empowering leadership and with a strong commitment to national development, Ayala fulfills its mission to ensure long-term profitability and value creation. Ayala creates synergies as it builds mutually-beneficial partnerships and alliances with those who share its philosophies and values.

Purpose

To improve lives through resilient businesses and risk-calculated investments that have a meaningful and lasting impact on the country's economic and social landscape.

Core Values

Integrity
We do the right thing in every decision we make.

Long-term Vision
We build sustainable businesses.

Empowering Leadership
We bring out the best in each other as leaders at any level.

Commitment to National Development
We respond to the country's changing needs.

Promise

Reinventing Businesses,
Transforming Communities

Sustainability Statement

Ayala's transformation path emphasizes strengthening its environmental, social and governance aspects in alignment with SDGs to create meaningful and lasting impacts that address marginalization, untapped potential and irresponsible growth.

This integrated report is interactive

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Executive Summary

This Integrated Report covers Ayala Corporation's ("Ayala") 2022 achievements. Included are comprehensive discussions on Ayala's financial performance and initiatives undertaken in light of the evolving business and macroeconomic environments.

Ayala's core net income grew 18% in 2022 as its four key business units — Bank of the Philippine Islands (BPI), Ayala Land (ALI), Globe (GLO) and ACEN — took advantage of the economic reopening. It made significant progress in its emerging businesses, AC Health and AC Logistics, while other parts of its portfolio continued to recover from the pandemic in varying degrees. As of end 2022, Ayala value realized 60% of its ₱50 billion target from its non-core assets. It kept a strong balance sheet through active liability management that resulted in a low cost of debt in a high interest rate environment.

In ESG, Ayala furthered its climate ambition as it made significant strides in the forthcoming completions of its Net-Zero Roadmap and full Task Force on Climate-Related Financial Disclosures (TCFD) report publication. The company also purposefully promoted diversity, equity and inclusion by increasing female representation in its Board of Directors and senior management. Employee benefits were also expanded to promote a more inclusive workspace.

Looking ahead, Ayala's near- to medium-term objectives are to: First, drive more synergies across the group and increase its share of the consumer wallet. Second, get earnings back to pre-COVID levels. Third, sharpen its portfolio and achieve the ₱50 billion value realization target. Fourth, maintain and increase the leadership positions of its core businesses and identify its next growth engine(s). Fifth, maintain a strong balance sheet. Sixth, finalize its Net-Zero Roadmap.

In this summary

- → Portfolio
- → Ayala at a Glance
- → Synergy Stories
- → Value Creation Framework
- → Action on Climate
- → Net-Zero Roadmap

Ayala Portfolio

Market Capitalization ~US$7.7 B[2]

Core Value Drivers

AyalaLand
- Effective stake 50.6%[1]
- Market Capitalization ~US$7.3 B[2]

Globe
- Effective stake 30.7%[1]
- Market Capitalization ~US$4.9 B[2]

BPI
- Effective stake 48.5%[1]
- Market Capitalization ~US$8.5 B[2]

ACEN
- Effective stake 58%[1,3]
- Market Capitalization ~US$4.5 B[2]

Emerging Businesses

AC Health An Ayala Company
- Effective stake 100%[1]

AC Logistics An Ayala Company
- Effective stake 100%[1]

Portfolio Investments

AC Industrials
- Effective stake 100%[1]

AC Ventures An Ayala Company
- Effective stake 100%[1]

iPEOPLE
- Effective stake 33.5%[1]
- Market Capitalization ~US$138 M[2]

MANILA WATER CARE IN EVERY DROP
- Effective stake 30.4%[1]
- Market Capitalization ~US$1.2 B[2]

About Ayala's business units → page 020
Business review → page 156

1 Ownership levels as of March 31, 2023
2 Market capitalization as of March 31, 2023
3 Pro-forma ownership post-property dividend distribution

Ayala at a Glance

Focused Execution

Financial Recovery

₱27.7 B
Core NIAT, up 18% YoY

Balance Sheet Management

0.8x
Consolidated net debt-to-equity ratio

4.5%
Blended interest rate

11.1%
Loan-to-value ratio

Expansion of Core Business Units

↑ 23%
Growth in combined core equity earnings of ALI, BPI, GLO and AC Energy[1]

Value Realization

₱31.1 B
Raised as of 2022, 60% of ₱50 B target

Capital Expenditures

₱280 B
Group CAPEX, up 24% YoY

Scale-up Emerging Businesses

60% Acquisition by AC Logistics of AIR21 Holdings, Inc.

~2 M Combined user base of consolidated KonsultaMD superapp under AC Health

Brand & Transformation

Digital Rollout

76 M
GCash users

2.8 M
BPI digital customers

Synergies

ALI and IMI rolling out electric vehicle (EV) charging stations in Luzon page 100

Ayala, 917Ventures and Gogoro piloting 2-wheel EVs in the Philippines page 100

BPI and GCash collaborating to service the unbanked through BPI MySaveUp page 125

Leadership in Sustainability

Net-Zero GHG by 2050

On track
to complete Ayala Net-Zero Roadmap by 2023

Board Diversity

43%
Female representation in Ayala's Board

Diversity, Equity and Inclusion

38%
Female representation in Senior Management across Ayala group

Ayala's 2022 performance page 050

1 Owns 58% of ACEN

Synergy Stories

Ayala business units collaborated with one another and with government agencies for a deeper presence in various areas.



Ayala augments financial inclusion and access to healthcare to improve Filipinos' lives

For Ayala, creating shared value also means addressing social challenges like financial inclusion and access to healthcare through innovative products and services, exemplified by the partnership between BPI and GCash and the KonsultaMD superapp.

Read more page 125



Ayala Group Gears Up for the Shift to Electric Vehicles

EV products and services from Ayala Land, IMI, AC Motors and Globe's 917Ventures are shaping the Ayala group's EV ecosystem.

Read more page 100



WARM and IWMI: New Partners for Waste Management

WARM and IWMI are supporting the waste management efforts of the Ayala group through partnerships with AC Health, Ayala Land subsidiary Ten Knots and Entrego.

Read more page 110

Ayala's **value creation framework** is anchored on its vision, mission, purpose, core values, promise and commitment to sustainability page 001

Capitals

Ayala leverages various relationships and resources to achieve its medium- to long-term ambitions and deliver value to its stakeholders. These are described below.

Financial
- Strong financial position
- Diversified business portfolio
- Affordable and reliable access to capital

Intellectual
- Long and rich corporate history
- Deep expertise of the Philippine economy
- Corporate culture of innovation and lifelong learning

Human
- Best-in-class local and global talent
- Diverse workforce with multi-disciplinary backgrounds

Social and Relationship
- Relationships with partners, investors, communities, the academe and other institutions
- Strong, recognizable and trusted brand

Creating Value

Outlook page 050
- Reopening of the Philippine economy
- Resilient consumer class
- Accelerated digital transformation and the continuous evolution of new business models
- Focus on decarbonization and shift to more sustainable business models
- Greater multi-sectoral collaboration

the context which defines...

Strategy page 050
Vision Pillars
- Focused Execution
- Brand & Transformation
- Leadership in Sustainability

that guides how Ayala conducts...

Business Activities page 054
- Business development
- Capital allocation
- Portfolio management
- Balance sheet management
- Strategic human resources management
- Governance processes
- Stakeholder management

while mitigating risks and identifying opportunities

Risks and Opportunities page 056
1. Capital Markets & Financing
2. Information & Cyber Security
3. Political & Regulatory
4. Climate Change
5. Epidemic & Pandemic
6. Portfolio Management

to generate long-term value for...

Stakeholders page 064
- Investors and Shareholders
- Government Agencies and Regulators
- Bank Counterparties and Creditors
- Employees
- Insurers
- Suppliers
- Business Partners and Affiliates
- Media
- Communities
- Customers
- Industry Associations
- Nature

with ESG Priorities in mind

ESG Priorities page 076
- E Contribute to climate change action and biodiversity protection page 096
- E Improve resource efficiency and waste management page 106
- S Maintain a positive workplace experience and engaged workforce page 114
- S Prioritize customer experience and protection page 123
- G Implement equitable business practices page 130

Value Generated

Financial
Ayala's diversified portfolio supported financial performance and delivered value to shareholders:
- Core NIAT of ₱27.7 billion, up 18% YoY
- Generated ₱10.2 billion in proceeds in 2022, ending the year at 60% of ₱50 billion 2023 target
- Return on common equity ended at 7.7%
- Blended interest rate of 4.5%
- Loan to value ratio of 11.1%

Intellectual
Ayala maintained leadership and strengthened expertise in the core value drivers:
- **Ayala Land** in large-scale mixed-used and sustainable estates
- **BPI** as among the top three banks in the country with leadership in digital and sustainable financing
- **Globe's** strategic and purpose-led pivot from a traditional telecom company to a full-fledged tech enterprise
- **ACEN** as one of the fastest growing renewable energy companies in the region

Human
- A competent, diverse and engaged workforce of more than 64,000 direct employees across the businesses
- Deep bench for leadership positions across the group
- Inclusive workplace with expanded benefits
- Management excellence as evidenced by award-winning teams across Finance, Governance, Corporate Strategy and Strategic Human Resources

Social and Relationship
- Ayala remains a strong and trusted brand
- Eight Ayala companies recognized in ASEAN Corporate Governance Scorecard awards
- Sustained ongoing relations with existing business partners while keeping doors open for new ventures and partnerships
- Established strong linkages with global institutions, government agencies, academe and other organizations to address business and ESG issues

Action on Climate page 082

Ayala Sustainability Blueprint page 150

1 3 4 6 7 8 9 11 12 13

Action on Climate

Ayala has been integrating TCFD recommendations into its annual reports since 2019. The group and its business units became formal TCFD signatories in 2021 when the Ayala Annual Report outlined its goals as part of its TCFD Roadmap. This disclosure summarizes Ayala's actions and processes considering governance, strategy and risk management, and metrics and targets as of 31 December 2022. In 2023, the group will review its practices and develop an updated implementation plan to reach full alignment with TCFD in the coming years.

	2022 Goals	Status
Governance	Report the results of the ongoing climate scenario analysis to the management and RMRPT Committee and explain its potential financial implications to the Group.	✓
	Conduct an ESG workshop for the Board as a result of their ESG self-assessment activity.	✓
Strategy	Undertake climate-related scenario analysis to identify and understand material climate-related risks and opportunities.	✓
	Continuous collaboration between Ayala and its business units to monitor climate-related risks and opportunities.	=
	Collaborate with the Corporate Strategy and Finance Groups to integrate climate-related risks and opportunities in business operations, strategy and financial planning.	=
Risk Management	Refine and integrate climate-related risk management into current risk management framework.	✓
	Focus on climate-related risks in the annual risk assessment exercise.	✓
	Engage and guide the ERM Council in the implementation of ESG and climate-related risk management process.	✓
	Transition to COSO ERM framework for identifying and assessing ESG risks.	=
Metrics and Targets	Conduct scope 3 screening in preparation for setting science-based targets.	=
	Develop net-zero roadmaps for Ayala Land, BPI, Globe and ACEN Renewables.	=
	Progress initiatives around biodiversity, including working with the Board on understanding the Taskforce on Nature-related Financial Disclosures (TNFD).	=

Status of Progress — ✓ *Completed* = *Ongoing*

Net-Zero Roadmap

Core Business Units	Peer Benchmarking	GHG Inventory	Intervention Assessment	Target Setting	
AyalaLand	✓	✓	✓	✓	✓ **Completed roadmap**
BPI	✓	✓	=		= **To complete roadmap by mid-2023**
Globe	✓	✓	=		= **To complete roadmap by mid-2023**
AC Energy Group *ACEIC and ACEN Renewables*	✓	✓	✓	✓	✓ **Completed roadmap**

Ayala refined its business strategies in response to changing climate-issue related consumer behavior and stakeholder expectations and developed its Climate Ambition to meet net-zero commitments. Established to guide emissions reduction, understand intervention areas, identify new technologies and highlight opportunities across the value chain, the Net-Zero Roadmap also identifies points for collaboration for the business units to achieve their shared climate ambition. Ayala is on track to complete its Net-Zero GHG Roadmap by 2023 and business units are also making headway in their own climate ambition process:

→ **Ayala Land and the Energy Group** completed their Climate Ambition roadmap
→ **Globe and BPI** working on GHG footprint validation

As the business units continue to make progress, Ayala should be able to complete the group's roadmap, which will guide efforts towards net-zero GHG emissions by 2050.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

2 out of 3 SBTi signatories from the Philippines are from the Ayala group

Action on Climate page 082

About this Integrated Report

The 2022 Ayala Integrated Report (IR) is a comprehensive view of the way the Ayala group's values are integrated into business, living up to its purpose of creating meaningful impact on the economy, the environment and the communities whose lives are touched by Ayala, its leaders and its employees.

This IR is a testament to Ayala's long-term commitment to sustainability. Ayala teams weave this value into the businesses, notably, the 2050 net-zero greenhouse gas emissions target.

The Value Creation section defines the group's shared values to drive stakeholder management. It features disclosures on environmental, social and governance (ESG) matters to illustrate how non-financial management strategy complements financial strategy and underscores the mandate to be a responsible organization across all levels.

Rising to the challenge of Bridging the Filipino to 2030, the group continues to report on its performance based on the Ayala Sustainability Blueprint, which guides its journey to contribute to the UN Sustainable Development Goals (SDGs). The reporting on ESG and SDG exemplify how Ayala's bold leadership and shared vision shape a better and more sustainable world for its stakeholders.

Ayala's materiality assessment process aligns its ESG priorities with emerging issues and the evolving interests of its stakeholders. An in-depth look at the group's performance determines its inclusive contributions on the economic, social and environmental landscapes of the country.

Reporting Scope

This IR provides detailed information on the consolidated economic, environmental, social and governance performance of the parent company and its business units from January 1 to December 31, 2022.

Notes and further explanations accompany the text and tables of performance indicators when necessary. The report includes relevant disclosures on business development from the group's unlisted subsidiaries and affiliates.

Additional references for specific stakeholders are available at www.ayala.com

Reporting Standards and Frameworks

The report is a harmonization of various frameworks and standards using as references the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) Standards. The International Integrated Reporting <IR> Framework guides Ayala's value creation story and connects its financial and non-financial aspects. Since 2019, Ayala has been tracking its progress against the Task Force on Climate-related Financial Disclosures (TCFD). Moreover, as a founding member of the Global Compact Network Philippines, the group aligns with the 10 Principles of the United Nations Global Compact (UNGC). Progress against the targets set to the SDGs are in the Ayala Sustainability Blueprint section.

For more details about the various frameworks and standards referred to, check
www.integratedreporting.org
www.globalreporting.org
www.sasb.org
www.unglobalcompact.org
www.fsb-tcfd.org

The disclosures on the TCFD recommendations can be found on page 082.

Approach to External Assurance

Ayala's Board Audit Committee is mandated to review and approve the financial audit, audit-related and non-audit services from external auditors. Ayala's Sustainability Committee approves the external assurance engagement for the sustainability performance disclosures.

More information about the audit process is found on page 140. For Management Discussion and Analysis of Financial Condition and Results of Operation, go to page 196.

Financial Statements

SyCip Gorres Velayo & Company (SGV & Co.), a member firm of Ernst & Young International Ltd, was the external auditor of the company's financial statements, with Lucy Lim Chan as the partner-in-charge. This is her last year as partner-in-charge following the audit partner rotation of every seven (7) years in compliance with Securities and Exchange Commission (SEC) regulations.

Sustainability Performance

DNV, an independent organization and global provider of certification, assurance assessment and training services, validated the figures and information related to Ayala's sustainability performance. The group-wide assurance process was done in two phases, which included interviews with executives and discussions with related departments from the different business units.

The full Independent Assurance Statement is on page 245.

Feedback

Ayala welcomes feedback and inquiries to help improve its future reporting.

You may email your feedback and comments to
investorrelations@ayala.com
sustainability@ayala.com
esg@ayala.com

A copy of Ayala's financial statements can be accessed at www.ayala.com



NOTE ON FORWARD-LOOKING STATEMENTS

This report contains statements describing the company's objectives, projections, estimates and expectations, which may be "forward- looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include, among others, economic conditions affecting demand or supply and price conditions in the domestic and overseas markets in which the company operates; changes in government regulations, tax laws and other statutes and incidental factors; the effects of the COVID pandemic, the ongoing conflict in Eastern Europe and rising inflation.

Statement from the Board

The Board ensures the integrity of this report and confirms that all disclosures on the company's performance and impact are presented fairly, following the frameworks that the organization adheres to in Integrated Reporting. The Board provided high-level supervision to the teams responsible in the production of this report. The teams are composed of skilled internal parties who devoted their expertise and efforts to guarantee that the disclosures in the report and the Ayala story follow the related standards and are presented in a fair manner.

Ayala engaged external assurance parties, SyCip Gorres Velayo & Co. and DNV, to validate the financial and non-financial disclosures. This is to further ensure accuracy, objectivity and overall report quality. The report was prepared under the supervision of the Chief Finance, Risk and Sustainability Officer, Alberto M. de Larrazabal.

The Integrated Report contains certain forward-looking statements which, by their nature, involve risk and uncertainty because they relate to future events and circumstances that may be beyond Ayala's control. In addition, regulations of the Philippine Stock Exchange prohibit making price sensitive forecasts without considerable independent review and process. The directors therefore advise readers to use caution regarding interpreting any forward-looking statement in the report.

The Board unanimously approved this report on 9 March 2023 and authorized its release on 14 April 2023.

Jaime Augusto Zobel De Ayala
Chairman

Cezar P. Consing
President & CEO, Chairman, Sustainability Committee

Alberto M. de Larrazabal
Chief Finance, Risk & Sustainability Officer



Business

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→ 032 Board of Directors

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Milestones



Jan

- FE **Ayala / Ayala Land** Announced a property-for-share swap where Ayala will exchange certain assets for Ayala Land common shares.

Feb

Mar

- FE **Ayala** Divested 100% of the Muntinlupa-Cavite Expressway to the Villar group for ₱3.8 billion.
- FE **Ayala / Globe** Entered into a joint venture with ST Telemedia Global Data Centres to expand data center footprint in the Philippines.

Apr

- FE **Ayala** Announced the declaration of property dividends consisting of ACEN shares to Ayala's common shareholders.

May

- FE **Ayala** Issued ₱10 billion fixed-rate bonds with an oversubscription option of up to ₱5 billion.

Jun

Jul

Aug

Sep

- FE BT **BPI** Announced a merger with Robinsons Bank Corporation, with BPI as the surviving entity.
- **Ayala** Appointed Cezar P. Consing as Ayala's CEO. Mr. Consing succeeds Fernando Zobel de Ayala, who became Special Advisor to the Board.
- LS **Ayala** Achieved 43% female representation in its Board of Directors with the appointment of Mercedita S. Nolledo as a non-executive director.

Oct

- FE **Globe** Completed ₱17-billion stock rights offering.
- BT LS **Ayala Land / IMI** Announced the rollout of more than 20 electric vehicle charging hubs in seven key cities across Luzon.
- BT LS **AC Industrials** Announced the 2023 rollout of Kia EV6, the group's first electric vehicle.

Nov

Dec

- FE BT **AC Health / Globe** Announced the merger of Ayala's healthtech platforms KonsultaMD, HealthNow and AIDE, forming the consolidated KonsultaMD superapp.



- FE **AC Logistics** Reached financial close of its 60% acquisition of AIR21 Holdings, Inc.
- FE **Globe** Announced the sale of over 7,000 towers with expected total proceeds of ₱71 billion.
- FE **Ayala** Bought back 468,672,400 common shares of Ayala Land, equivalent to an additional 3.2% economic stake in the company.
- FE LS **ACEN** Announced target to reach 20GW of attributable renewable generating capacity by 2030.
- FE LS **AC Health** Entered into a partnership with Siemens Healthineers, a leading provider in healthcare systems, for the Healthway Cancer Care Hospital.

- BT LS **Ayala / Globe** Announced a strategic partnership between Ayala, 917 Ventures and Gogoro of Taiwan to bring into the country 2-wheel EVs using battery swapping technology.
- LS **ACEN** Divested South Luzon Thermal Energy Corporation coal plant using the energy transition mechanism–the first in the world.
- FE **Ayala Land** Broke ground on its 48th estate, Areza in Lipa City, Batangas.



- FE **Ayala Land** Broke ground on its 49th estate, Crossroads, an 83-hectare estate in Plaridel, Bulacan.
- FE BT **iPeople** Announced the approval of the merger of its schools, National Teachers College and Affordable Private Education Center, with the former as the surviving entity.

Key

ESGF ● Environmental ● Social ● Governance ● Financial

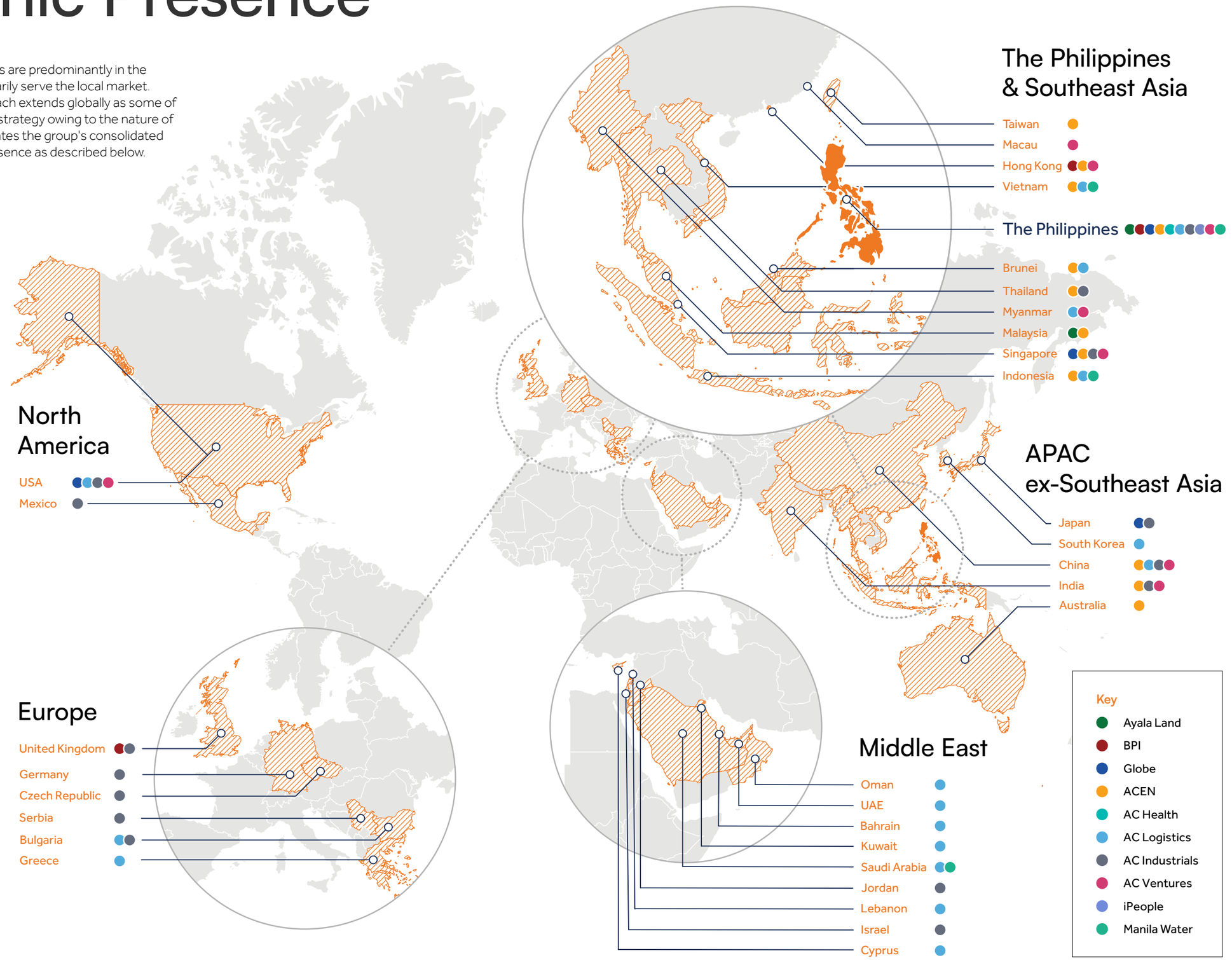
Strategy ⊖ page 050 FE Focused Execution BT Brand & Transformation LS Leadership in Sustainability

Geographic Presence

The Ayala group's operations and investments are predominantly in the Philippines as most of its business units primarily serve the local market. While its focus is to grow in the country, its reach extends globally as some of its companies have a deliberate international strategy owing to the nature of their respective industries. This spread illustrates the group's consolidated footprint, with each unit's key operational presence as described below.

Ayala's Operational Footprint

- → **Ayala Land's** diversified portfolio includes over 12,000 hectares of landbank and 49 estates in the Philippines.
- → **BPI's** branch network consists of 1,000 branches and branch-lite units across the Philippines, Hong Kong and London.
- → **Globe** connects roughly 90 million Filipinos locally through its telco and digital services, and provides data and voice connectivity to customers across the United States, Japan and Singapore[1]
- → **ACEN's** ~4GW generation portfolio is from renewable energy plants across five countries and rooftop technology[2] in six countries.
- → **AC Health's** integrated ecosystem of assets consists of 750 Generika drugstores, 10 Healthway Multi-specialty and 200 Corporate clinics and four QualiMed general hospitals in the Philippines.
- → **AC Logistics** utilizes global routes across 18 countries to serve end-to-end logistics requirements.
- → **AC Industrials** operates manufacturing facilities across 14 countries globally.
- → **AC Ventures** investment portfolio spans across seven countries globally.
- → **iPeople** operates seven educational institutions with a combined footprint of 24 campuses across the Philippines.
- → **Manila Water's** 6,991 kilometers of pipeline supplies clean and potable water to approximately 12 million customers through its different business operations in the Philippines.



1 Through its subsidiary GTI Business Holdings, Inc.
2 Rooftop solar capacity through partnership with NEFIN

Portfolio

Ayala

Market Capitalization **~US$7.7 B**[2]

Founded in 1834, Ayala Corporation is one of the largest conglomerates in the Philippines with interests in real estate, banking, telecommunications, power, healthcare, logistics, industrial technologies, technology ventures, education and water.

Its unique portfolio of businesses provides various engines for growth and value creation. The overall domestic environment experienced over the past decade has served as a catalyst for the group to unlock opportunities and incubate new businesses. This enabled Ayala to create a diversified portfolio over time, inclusive of cyclical and defensive businesses, which allow the company to operate through constantly changing macroeconomic and socio-political environments.

"2022 presented Ayala Corporation with the opportunity to assert itself as the best proxy for Philippine growth. Our full year results demonstrate the strength and diversification of our portfolio as our four key business units—BPI, Ayala Land, Globe, ACEN—took advantage of the re-opening of the economy. Collectively, they helped drive an 18% increase in our core net income."

Cezar P. Consing
President and CEO

1 Ownership levels as of March 31, 2023
2 Market capitalization as of March 31, 2023
3 Pro-forma ownership post-property dividend distribution
4 Voting stakes as of December 31, 2022

Core Value Drivers

AyalaLand



Effective stake **50.6%**[1]
Market Capitalization **~US$7.3 B**[2]

Ayala Land is the largest property developer in the Philippines, with more than 12,000 hectares of land bank and a solid track record in developing large-scale, integrated, mixed-use and sustainable estates.

With 49 estates across the country, Ayala Land has a diversified portfolio of complementary businesses mainly in property development, commercial leasing, construction and property management. It also has exposure to retail energy supply, airlines and strategic property-related investments.

Voting stake: 71.9%[4]

More on Ayala Land at page 158

BPI



Effective stake **48.5%**[1]
Market Capitalization **~US$8.5 B**[2]

As the first bank in the Philippines and Southeast Asia, the Bank of the Philippine Islands is one of the first institutions listed on the PSE. BPI has established a history of client trust, financial strength and innovation. Since 1851, its business, products and services have created sustainable value and played a significant role in Filipinos' daily lives and in the country's economic growth.

A fully-diversified universal bank and a recognized leader in the banking industry, BPI offers a wide range of products and services. The bank enhances its digital infrastructure continuously, giving clients more convenient and secure access to BPI services. Its network of 1,186 branches with 2,080 ATMs and CAMs serve its client base of 9.3 million individuals.

Voting stake: 49.7%[4]

More on BPI at page 162

Globe



Effective stake **30.7%**[1]
Market Capitalization **~US$4.9 B**[2]

Globe Telecom is a leading digital platform in the Philippines, with major interests in telecommunications, venture capital and venture building, including financial technology, health technology, education technology and climate technology and shared services and digital marketing solutions. It serves the telecommunications and digital solutions needs of consumers and businesses across an entire suite of products and services including mobile, home broadband, corporate data and fixed line voice.

Listed in the PSE, Globe is supported by over 8,100 employees, has 86.7 million mobile customers and 2.6 million Home Broadband customers.

Voting stake: 46.6%[4]

More on Globe at page 166

ACEN



Effective stake **58%**[1,3]
Market Capitalization **~US$4.5 B**[2]

ACEN is a leading renewables player in the Asia-Pacific region and at the forefront of the global effort towards the energy transition. It was the first in the world to implement the Energy Transition Mechanism, enabling the early retirement of its coal plant while managing the changeover with care for affected people, communities and environment.

ACEN is rapidly expanding its renewables portfolio, currently with around 4,000 MW of attributable capacity in operation and under construction across its key markets in the Philippines, Australia, Vietnam, India and Indonesia. It has set a bold aspiration to reach 20 GW of renewable generating capacity by 2030. With decarbonization at the core of its vision, ACEN is well-positioned to execute on its Net-Zero Roadmap for 2050.

Voting stake: 62.4%[4]

More on ACEN at page 170

Emerging Businesses

AC Health
An Ayala Company



Effective stake **100%**[1]

AC Health is Ayala's portfolio company for healthcare investments. It aims to address gaps in accessibility and affordability of quality healthcare by integrating a seamless ecosystem across the continuum of care. It is present across three pillars: Pharma, Clinics and Hospitals and Digital Health.

In pharma, AC Health is building its supply chain and retail network with a wider medicine cabinet through Generika, its drugstore chain, and IE Medica and MedEthix, its importer and distributor. On the clinics and hospitals pillar, AC Health supplies access to primary, specialty and multi-specialty care through the Healthway clinic network, the QualiMed Health Network and its Healthway Cancer Care Hospital opening in 2023.

In digital, it is set to launch the new KonsultaMD superapp that will seamlessly link consumers to the country's leading healthcare providers. The expanded reach of the new superapp puts AC Health in a unique position to offer an omni-channel approach to healthcare.

More on AC Health at page 174

AC Logistics
An Ayala Company



Effective stake **100%**[1]

Established in Sept 2021, AC Logistics serves as Ayala's vehicle for investments in the logistics sector. In 2022, its 60% acquisition of AIR21 Holdings transformed it from a last-mile operator to a full-suite logistics provider capable of servicing all segments in the logistics value chain.

AC Logistics offers end-to-end technology driven logistics solutions including door-to-door express and on-demand delivery, general and specialized warehousing and fulfillment, domestic and international freight forwarding, and waste logistics and management.

With robust presence locally and internationally, AC Logistics has the capability to cater to the different logistics requirements of businesses and consumers in multiple industries.

More on AC Logistics at page 178

Portfolio Investments

AC Industrials
An Ayala Company



Effective stake **100%**[1]

AC Industrials is Ayala's industrial technologies arm, managing a primarily mobility-oriented portfolio of operating units and investments in high potential technologies. It is composed of Integrated Micro-Electronics, Inc., a global leader in manufacturing and technology solutions founded in the Philippines, and AC Motors, one of the country's largest vehicle distribution and dealership groups. AC Industrials maintains linkages to major automotive manufacturers through its German engineering and design firm, MT-C-CON. In addition, Merlin Solar's flexible solar panels represent a unique opportunity in the renewable energy field.

AC Industrials aims to capitalize on opportunities brought by technological shifts, changing industry landscapes and evolving end-user demand. The group operates in 12 countries around the world with its primary markets in North America, Europe and Asia.

More on AC Industrials at page 182

AC Ventures
An Ayala Company



Effective stake **100%**[1]

AC Ventures is Ayala's platform for investing in new businesses and technologies that either enable Ayala's existing business units or open pathways for scale and growth in new verticals, emerging trends, disruptive business models and strategic partnerships. Its portfolio encompasses fintech, digital infrastructure, e-commerce and other promising spaces through direct stakes, private equity fund channels like the ACTIVE Fund and ventures under corporate incubator 917Ventures.

More on AC Ventures at page 186

iPEOPLE



Effective stake **33.5%**[1]

Market Capitalization **~US$138 M**[2]

Following the merger between AC Education and iPeople in May 2019, iPeople became the listed holding company for Ayala's investments in education. The merger, in partnership with the Yuchengco Group of Companies, brought together seven schools from diverse socioeconomic and geographic market segments across the nation. The iPeople schools serve over 60,000 students in the National Capital Region, the CALABARZON region, the Bicol region, Negros Occidental and Mindanao.

iPeople aims to empower Filipino families by delivering accessible, quality education that enables improved employability for its graduates. Its mission is to transform lives and society by innovating Philippine education and research through proprietary student value-add programs, upskilling of teachers, strong industry partnerships and new technology-enabled delivery methods.

Voting stake: 33.5%[4]

More on iPeople at page 190

MANILA WATER
CARE IN EVERY DROP



Effective stake **30.4%**[1]

Market Capitalization **~US$1.2 B**[2]

Manila Water is an operator and business builder of water, wastewater and related assets across the Philippines, Southeast Asia and the Middle East, with 25 years of operational experience. It leverages its expertise to provide access to water and sanitation services in a way that considers key impacts on the environment and advocates responsible practices at across various stages of its operations. The company's portfolio includes the East Zone Concession, which services over seven million people in the eastern Metro Manila, and its Non-East Zone Philippines businesses under Manila Water Philippine Ventures that operates in several key cities and municipalities across the country. Its international arm, Manila Water Asia Pacific, houses its current Non-East Zone International businesses, and continues to explore new opportunities and partnerships beyond its current geographies.

Voting stake: 31.6%[4]

Ayala Foundation

Building on Good Foundation

Highlights

10.3 M
Total Ayala Foundation beneficiaries

₱258 M
Public support or donations

₱148 M
Funding raised through the Ayala group, representing 57% of total public support

₱43 M
in project revenues, roughly a 2.7x increase from ₱16 million in 2021

Envisioning communities where people are productive, creative, self-reliant and proud to be Filipino, Ayala Foundation measured its 2022 performance in four key areas: **impact of programs**, **growth of beneficiary base**, **expansion of fundraising efforts** and **improvement in operational efficiency**.

Impact of Programs

The foundation classifies its programs under three thematic areas: ① **Education,** ② **Sustainable Livelihood** and ③ **Love of Country**. Metrics for all programs under each thematic area were standardized to better assess the impact and check if targets are being met. As a result, baseline data improved with the comprehensive effect of these changes expected to fully materialize in 2023.

Growth of beneficiary base

Ayala Foundation takes an omnichannel approach to serving communities, implementing programs onsite, offsite and online. Its total beneficiaries grew 56% in 2022, reaching 10.3 million individuals compared to the 6.6 million a year ago. Moreover, looser mobility restrictions allowed for more onsite interactions, inducing deeper and more lasting effects. This helped direct and indirect beneficiaries reach 3.8 million in 2022, a 73% increase from the previous year's 2.2 million.

Expansion of fundraising efforts

Public support or donations reached ₱258 million, surpassing the target of ₱177 million. However, this was lower than the previous year's ₱519 million due to fewer pandemic-related donations. The Ayala group accounted for ₱148 million or 57% of the total amount raised.

Project revenues, mainly from museum admissions, venue rentals and retail sales, totaled ₱43 million, a significant improvement from ₱16 million in 2021.

Operational efficiency

Ayala Foundation began benchmarking efficiency ratios in 2022. The initial batch of results exceeded internal targets as project-to-administrative cost ratio reached 83:17 versus the target of 80:20. On the other hand, direct program-to-manpower cost came to 78:22 versus the target of 75:25.

Program Highlights

Education

The foundation prepared educators, students and parents for the resumption of face-to-face classes. Its programs, including Center of Excellence in Public Elementary Education (CENTEX), CENTEX Training Institute and digital-learning interventions under ProFuturo, reached over 1.1 million individuals in the public education sector. Moreover, at least 10,000 health kits for teachers and students were distributed under the #BrigadangAyala Balik Eskwela initiative.

Sustainable Livelihood

Serving more than 59,000 individuals nationwide, livelihood programs focused on ensuring productivity among beneficiary communities. These equipped beneficiaries with the means to sustain income, whether through skills training or connection to markets. These efforts helped the Calauan community of farmers register gross sales of ₱4.8 million for vegetable and ornamental products; the Indigenous Iraya-Mangyan community of weavers generate gross sales of ₱3.9 million; and the different community enterprises supported in El Nido earn a consolidated ₱17.9 million.

Love of Country

Programs under this theme–which included disaster response, flag distribution and initiatives connected to the Ayala Museum–reached 9.1 million individuals.

Disaster Risk Reduction and Management served roughly 486,000 individuals in disaster-stricken areas, covering food relief, shelter repair, livelihood and psychosocial support, among others.

The Maging Magiting program continued its push for patriotism through flag distribution, flag education, digital conferences and multimedia education materials.

The Ayala Museum fully reopened in 2022, featuring improvements including 11 new exhibitions and an upgraded Filipinas Heritage Library. The museum and library attracted over 2.9 million patrons, at least 29,000 of whom were able to visit onsite.

The Foundation's international presence expanded in 2022 owing to collaborations with prestigious museums abroad. Two gold objects from the Ayala Museum's precolonial Philippine gold collection are currently on loan and on display at the Louvre Abu Dhabi. With the support and collaboration of Ayala Museum/Ayala Foundation, the Filipino-Spanish artist Fernando Zobel is the subject of an ongoing breakthrough exhibition at the Museo Nacional del Prado in Spain.

More about Ayala Foundation
Key Relationships on page 069

People First

Ayala Foundation President **Ruel Maranan** was named the **People Manager of the Year Award** in 2022 by the People Management Association of the Philippines.

The award recognizes HR practitioners "who have imbibed and modeled the strategic role of human resources" in their organization and "who continue to make a significant contribution to the development of the HR profession." Since joining the Foundation in 2016, Maranan has led its transformation, putting people-focused policies at the forefront; implementing a talent transformation journey and bolstering the organization's ability to answer the needs of its stakeholders.



Leadership Conversations

Jaime Augusto Zobel de Ayala
Chairman
Filipino, 63

Cezar P. Consing
President and CEO
Filipino, 63



We saw how COVID severely impacted our nation and the rest of the world these past two years. How would you describe 2022?

Jaime As a transition year, 2022 saw our gradual shift from COVID response to economic recovery. Globally, improved mobility, decreasing unemployment and pent-up demand drove the recovery, with global GDP growth at 2.9%, which is in line with the five-year pre-COVID average of 3%. However, the conflict in Europe resulted in higher oil and energy prices, disruptions to global supply chains, rising inflation and, as a result, higher interest rates.

The Philippines grew 7.6% in 2022, primarily driven by consumption spending, which exceeded pre-COVID levels. Ours was one of the best performing economies in ASEAN.

However, there remain some challenges due to the lingering effects of the pandemic, the conflict in Europe, and structural issues in some industries. Nevertheless, Ayala has emerged from the pandemic in a strong position, which I think is a testament to the breadth of our portfolio, the quality of our management and staff, and our governance. Our balance sheet remains solid; our business units have harnessed opportunities to create new ventures and expand operations; and we have entered into partnerships in important sectors. Ayala should see continued growth in 2023.

As someone who has had the opportunity to work closely with the new administration, would you care to share your thoughts on President Marcos and his team?

Jaime President Marcos has appointed credible and qualified individuals to his Cabinet. We have an experienced and respected economic team, and an administration that wants to harness the resources and expertise of the private sector.

Already, we have seen the President actively engage the private sector to help solve the country's long-standing challenges through the Private Sector Advisory Council (PSAC). The sectors that the PSAC is tackling—agriculture, digital and physical infrastructure, healthcare, tourism and job generation—are all critical areas that not only help in our recovery but also create platforms for rapid growth and progress.

Ayala is fortunate to have been entrusted with the leadership of the PSAC Subcommittee in Healthcare, through Paolo Borromeo. Meanwhile, Fred Ayala and Ernest Cu are active contributors in the Job Generation and Digital Infra Subcommittees, respectively. We hope to be a constructive partner of the government in these and many other areas.

Building on what Jaime has mentioned so far, keen to get your insights on the Group's performance: How did your Core Value Drivers do?

Cezar FE Over-all, they did pretty well. Our four key businesses—BPI, Ayala Land, Globe,ACEN—took advantage of the reopening of the economy to help drive an 18% increase in our core net income.

BPI's core earnings were up 50% as a result of better than industry loan growth, widening NIMs as policy rates were increased and lower provisions with improving asset quality. The bank's digitalization initiatives continue to pay off, as transaction count is up even while branch count is down. Over a quarter of the bank's clients are digital clients. The average cost-to-income ratio of a digital client is about half that of a non-digital client.

Ayala Land took advantage of increased mobility and spending to book a 52% increase in earnings. Revenues from malls and leisure segments doubled. Residential was resilient despite higher mortgage rates. Office occupancy rates were at par with the industry as BPO take-up kept leasing revenues stable.

Strategy → page 050

FE Focused Execution BT Brand & Transformation LS Leadership in Sustainability

“We have to ensure that what we do is good for them, too; not only for today, but for tomorrow. It's about being a responsible corporate citizen, and understanding that care for the environment, fair treatment of people and good corporate governance are part and parcel of doing business.”

Jaime Augusto Zobel de Ayala

Globe saw a 10% drop in core earnings, partly a result of increased depreciation expenses. The company bolstered its infrastructure to support growing data demand and 5G coverage. Growth in fiber revenues was strong. Outside the core telco business, GCash user count grew to 76 million with the increase in use cases, including financing. Globe used a portion of the ₱108 billion in proceeds from its stock rights offering and the sale of a number of its tower assets to de-lever its balance sheet.

ACEN had a challenging year, with core earnings down 28%. With many of its plants still under construction, ACEN was a net buyer in a period of very tight supply. Confident in its ability to build out, ACEN is now targeting 20GW in renewable attributable capacity by 2030, a five-fold increase from current levels. Complementing this objective was ACEN's full divestment of the coal-fired SLTEC via the world's first Energy Transition Mechanism. Coal no longer features in ACEN's energy mix.

How about the rest of your portfolio?

Cezar FE We made significant strides in our emerging businesses, AC Health and AC Logistics.

The recovery of its clinics and pharma businesses allowed AC Health to book earnings. The consolidation of our digital health assets into one superapp will support the company's continued growth.

AC Logistics' acquisition of 60% of the AHI Group will allow us to provide an end-to-end product set to a wider customer universe. The company now lists among its growing customer base FMCG companies, manufacturing companies and almost all the companies in the Ayala Group.

IMI, our world-class semiconductor business, showed earnings recovery as the global economy re-opened. However, IMI's bolt-on acquisitions remained challenged. AC Motors' 4-wheel business registered growth and profits, but its 2-wheel business experienced losses because of supply chain issues.

iPeople, our education joint venture with the Yuchengco group, registered strong earnings growth as enrollments climbed in most of its traditional schools. The company is pushing digital learning, which will complement its current product suite.

Finally, in AC Ventures, we pared down our passive investments and booked substantial provisions for our investment in Yoma, probably Myanmar's leading conglomerate. We believe Yoma has done well to position its key assets, particularly its banking, real estate and digital payments arms, for growth once the country's overall situation improves.

Back in 2020, Ayala anchored its pandemic recovery plan on three vision pillars—focused execution, brand & transformation and sustainability.

Can you talk about the progress the Company has made on each?

Cezar **Focused execution** FE is about getting back to pre-COVID levels. With earnings at 89% of pre-COVID levels, we're on track. We haven't cut back on investing. In fact, group CAPEX reached ₱280 billion, an indication that we are investing for the future. And we have kept our balance sheet strong, with average debt cost of only 4.5% and average duration of 18.5 years. We continue to realize value from non-core assets and are now 60% of the ₱50 billion target we set three years ago.

Brand & transformation BT is about customer satisfaction and building the Ayala of tomorrow. The digitalization initiatives across the group, probably most noticeable in BPI and Globe and its fintech arm GCash, have raised customer satisfaction scores considerably. These digitalization initiatives, when coupled with the use of data science, are also helping build the Ayala of the future. EV is one initiative that takes advantage of our group's unique ecosystem. Ayala Land and IMI are working together to put up EV charging stations, Ayala and Globe have teamed up to introduce Gogoro into the country, and AC Motors has introduced the Kia EV6.

Leadership in sustainability LS is about green inclusivity and ESG. We believe we are one of the country's leaders in this space. We are committed to net-zero GHG by 2050. Our core businesses will have their Net-Zero Roadmaps ready by mid-year, and our ESG scores are showing consistent improvement across the various rating agencies. We are committed to helping build a better Philippines. And that means being an employer of choice, with products that properly serve the needs of as many Filipinos as possible, and a responsible corporate citizen.

Read more about Ayala's Strategy page 050

Can you share the thought process behind the appointment of Cezar as CEO of Ayala, one of few institutions widely recognized for its professionalism despite its embedded family heritage?

Jaime Cezar or as we call him, Bong, was very well positioned to step in for Fernando. He knows the group quite well, first as a banker to the group since the 1980s, second as the President and CEO of BPI and a member of Ayala's Group Management Committee from 2013 to 2021, and third as a board director of Ayala Corporation, Globe Telecom and, since 1995, BPI.

Bong brings very relevant experience to the Ayala CEO role. He has both sell-side and buy-side financial experience. He ran J.P.Morgan's investment banking business in Asia and then was co-head for Asia of The Rohatyn Group, an alternative asset management firm. At BPI, in a challenging time for banks, he was a transformational leader and embarked on a digitalization program that is paying dividends today.

Bong is driven, agile, comfortable with ambiguity and a good communicator. These are qualities necessary in the CEO of a group as large and diverse as ours.

2023 marks Ayala's 189th year—not a lot of institutions have existed this long. Could you talk about your thoughts on its longevity and success?

Jaime LS It's about stewardship. We have been fortunate that every generation of our family has had stewards to lead and guide the company. Stewardship is about guiding with the wisdom of a good father. That's a very special quality, and one that our company has been blessed to have for what is now eight generations.

It's about good corporate governance. It's very important to do the best for all stakeholders, not only the controlling family. Good corporate governance on our various company boards and board committees, with experienced and independent-minded board directors, is very important to us.

It's also about attracting high quality people at all levels. We have had some very talented, forward looking business leaders. We have also been blessed with industrious, loyal staff. We empower our people, compensate them fairly and hold them to high standards.

It's about being relevant to as many Filipinos as possible. In the early days, our products catered to the middle and upper classes. Over the last few decades, we have become more and more inclusive. Today, one of our objectives is to serve as many Filipinos as possible. The success of GCash, with almost 80 million users, is a good example of this thrust.

It's about nation building. With a portfolio as broad as ours, our growth is very dependent on how our country does. And so we have always been focused on helping to build the Philippines of tomorrow, whether it be modern urban centers, digital banking, seamless communication, clean energy, affordable health, end-to-end logistics, electric vehicles, and the like.

Let's now move on to ESG. We know that Jaime is deeply passionate about this.

As a pioneer in the Philippines and even the region, can you offer insights on Ayala's ESG philosophy?

Jaime LS Our ESG philosophy is fairly straightforward—we want to ingrain ESG into all of our businesses. Businesses can no longer afford to be driven solely by the need to maximize returns to shareholders. We have to embrace the fact that we have many stakeholders, including employees, customers and communities in which we operate. We have to ensure that what we do is good for them, too; not only for today, but for tomorrow. It's about being a responsible corporate citizen, and understanding that care for the environment, fair treatment of people and good corporate governance are part and parcel of doing business.

We reaffirm our support to the 10 Principles of the United Nations Global Compact, and are currently focusing on the areas of Human Rights, Labor, Environment and Anti-Corruption.

We commit to a higher level of transparency and disclosures. With TCFD as a guide, we are publishing our first climate-related report this year and we have committed to net-zero GHG by 2050 page 082. And so, each of our companies will have their Net-Zero GHG Roadmaps ready by later this year. We are also developing nature-based solutions as part of our net-zero commitment, and have an ongoing project in Mindoro that will produce high quality carbon credits.

We continue to monitor progress of other emerging frameworks such as the Taskforce for Nature-related Financial Disclosures that informs our initiatives on biodiversity loss.

Shifting gears to 2023, what are your expectations for the business environment?

Jaime We are guarded in our outlook for 2023. We think the global economy may slow down in 2023 due to elevated inflation and a high interest rate regime. Industries that are sensitive to externalities, such as manufacturing, may underperform this coming year.

For the Philippines, we think that the economy will grow by 5.6% this year, which is a bit slower than 2022. High inflation may be a drag on consumer spending this year. Also, we will feel the full impact of higher than usual interest rates in 2023. This will not only dampen consumer spending, but also discourage firms from ramping up their CAPEX. Lastly, we see some volatility in our currency given the possibility of a global recession and the fact that the country's current account still operates at a deficit.

How about you, Bong?

Cezar I agree with Jaime. The macro environment will continue to be challenging.

High interest rates will affect all our companies in terms of higher borrowing costs and will continue to mute the recovery in Ayala Land's residential sales. Last year, higher interest rates meant higher NIMs for BPI, but it's unclear whether that will be true this year as depositors shift funds from CASA to money market placements.

High inflation will affect all businesses in terms of higher operating costs, and particularly our consumer facing businesses in terms of dampening demand. Globe, with its large number of prepaid mobile users, will probably see the ill effects of inflation. Even AC Health may see a decline in the traffic in its clinics and hospitals.

However, I also think an increase in investment spending, government spending and net exports will compensate for muted consumer demand. The Philippines' GDP should grow in the mid-single digits—not too bad in a world flirting with recession.

"We are committed to helping build a better Philippines. And that means being an employer of choice, with products that properly serve the needs of as many Filipinos as possible, and a responsible corporate citizen."

Cezar P. Consing

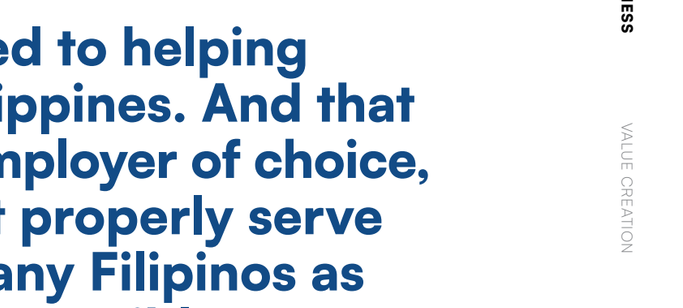
This discussion would not be complete if we did not get a peek into the group's key priorities for 2023. Kindly give us your perspectives.

Jaime For our businesses, we are placing a stronger emphasis on the consumer. Via our many businesses, we want to get our fair share of the consumer wallet.

Another priority for us is to find ways to drive more synergies among the different companies and assets within our portfolio. Better collaboration will allow us to bring to bear the whole Ayala ecosystem for the benefit of our customers and our many other stakeholders.

For example, Globe and AC Health have combined their healthtech platforms into a supercharged KonsultaMD, which is among the largest digital health platforms in the country today. Ayala Corporation, Globe and AC Industrials have pooled resources to bring to the Philippines Gogoro and its innovative swappable batteries and electric bikes. And you will notice that AC Industrials and Ayala Land are rolling out EV charging infrastructure across our properties. BT

Cezar Our 2023 business objectives are straightforward. First, for both Ayala Corporation and our key business units, get core net income back to the pre-COVID levels. BPI is already ahead. Ayala Land and ACEN are on track. Globe may be more challenged since the core telco business has matured. Second, with improved earnings, get more dividends from our core business units and pay more dividends to our own shareholders. Third, make the changes necessary to ensure that improved earnings are reflected in the share prices of both the business units and the parent. Fourth, continue to value realize towards the ₱50 billion goal set a few years ago. Fifth, rationalize the portfolio so that each of the non-core business units has the potential to be the group's next engine of growth, in the same way that Globe was at the turn of the century and ACEN has been in the last several years. Sixth, maintain a fortress balance sheet, with strong liquidity and leverage at a reasonable level, to be able to take advantage of attractive investment opportunities that arise. FE And seventh, finalize the Net-Zero GHG Roadmaps of our various business units and ingrain ESG into all of our activities so that we help build a better Philippines. LS







Ayala's core net income reached 89% of pre-COVID levels in 2022. Its 18% growth was driven by its core value drivers, Ayala Land, BPI, Globe and ACEN.

Board of Directors



Jaime Augusto Zobel de Ayala 63
Non-Executive Director, Chairman

Date of Appointment[1] May 1987

Length of Service[2] 35 years

Academic Background
→ BA in Economics (Cum Laude) from Harvard College in 1981
→ MBA at Harvard Graduate School of Business Administration in 1987

Present Directorship(s)/Position(s) in Listed Companies
Within Ayala Group
→ Chairman of Ayala Land, Inc., Globe Telecom, Inc. and Bank of the Philippine Islands
Outside Ayala Group
→ Director of Temasek Holdings (Private) Limited (Singapore)

Committees[2] (E) (F)



Cezar P. Consing 63
Executive Director, President and Chief Executive Officer

Date of Appointment[1] December 2020

Length of Service[2] 2 years

Academic Background
→ A.B. Economics (Accelerated Program) (Magna cum Laude) from De La Salle University in 1979
→ M.A. Applied Economics from the University of Michigan, Ann Arbor in 1980

Present Directorship(s)/Position(s) in Listed Companies
Within Ayala Group
→ Co-Vice Chairman of Globe Telecom, Inc. and Vice-Chairman of ACEN Corporation and Bank of the Philippine Islands
→ Independent Advisor to the Board of Directors of Ayala Land, Inc.
→ Vice Chairman of the BPI Executive Committee
Outside Ayala Group
→ Director of First Myanmar Investment Public Company Limited (Myanmar)

Committees[2] (E) (F) (S)



Delfin L. Lazaro 76
Non-Executive Director

Date of Appointment[1] January 2007

Length of Service[2] 16 years

Academic Background
→ BS in Metallurgical Engineering from University of the Philippines in 1967
→ MBA (with Distinction) at Harvard Graduate School of Business in 1971

Present Directorship(s)/Position(s) in Listed Companies
Within Ayala Group
→ Chairman of Integrated Micro-Electronics, Inc. and ACEN Corporation
→ Director of Globe Telecom, Inc.
→ Independent Advisor to the Board of Directors of Ayala Land, Inc.
→ Member of the Bank of the Philippine Islands Advisory Council

Committees[2] (E) (F) (R) (P)



Mercedita S. Nolledo 81
Non-Executive Director

Date of Appointment[1] September 2022

Length of Service[2] >1 year

Academic Background
→ BS in Business Administration major in Accounting (Magna Cum Laude) from the University of the Philippines in 1960
→ Bachelor of Laws (Cum Laude) from the University of the Philippines in 1965

Present Directorship(s)/Position(s) in Listed Companies
Within Ayala Group
→ Independent Advisor to the Board of Directors of Ayala Land, Inc.
→ Member of the Bank of the Philippine Islands Advisory Council
Outside Ayala Group
→ Director of Xurpas, Inc. and Independent Director of D&L Industries, Inc.

Keys

Read the more detailed profiles of the board of directors on page 236

[1] director of Ayala Corporation
[2] as of December 31, 2022

Nationality
Filipino
Singaporean

Committee
(E) Executive Committee
(F) Finance Committee
(C) Corporate Governance and Nomination Committee
(A) Audit Committee
(R) Risk Management and Related Party Transactions Committee
(P) Personnel and Compensation Committee
(S) Sustainability Committee

Position
Chairman
Member



Rizalina G. Mantaring 63
Lead Independent Director

Date of Appointment[1] April 2020

Length of Service[2] 3 years

Academic Background
- → BS Electrical Engineering (with Honors) from University of the Philippines in 1982
- → Masters of Science in Computer Science from State University of New York at Albany in 1993

Present Directorship(s)/Position(s) in Listed Companies

Within Ayala Group
- → Independent Director of Ayala Land, Inc.

Outside Ayala Group
- → Independent Director of First Philippine Holdings Corp., Inc., Phinma Corp. Inc. and Universal Robina Corporation

Committees[2] (C) (A) (R) (S)



Cesar V. Purisima 62
Independent Director

Date of Appointment[1] April 2022

Length of Service[2] >1 year

Academic Background
- → BS in Commerce Major in Accounting and Financial Institutions from De La Salle University in 1979
- → Masters in Business Administration from Kellog School of Management, Northwestern University, Illinois in 1983

Present Directorship(s)/Position(s) in Listed Companies

Within Ayala Group
- → Independent Director of Ayala Land, Inc. and Bank of the Philippine Islands

Outside Ayala Group
- → Independent Director of Universal Robina Corporation and Jollibee Foods Corporation.
- → Member of Board of Advisors of ABS-CBN

Committees[2] (F) (C) (A) (R) (P)



Chua Sock Koong 65
Independent Director

Date of Appointment[1] April 2022

Length of Service[2] >1 year

Academic Background
- → Bachelors of Accountancy (First Class Honours) from the University of Singapore

Present Directorship(s)/Position(s) in Listed Companies

Outside Ayala Group
- → Senior Advisor at Singapore Telecommunications Limited
- → Director at Bharti Airtel Limited, and Prudential PLC

Committees[2] (C) (A) (P) (S)

Special Advisor to the Board



Fernando Zobel de Ayala 62

Date of Appointment September 2022

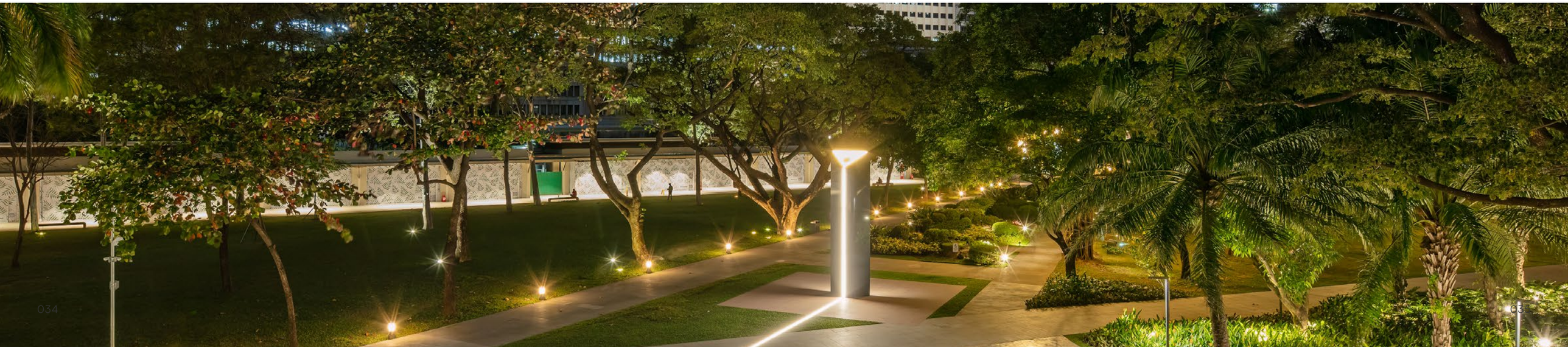
Previous Director[1] May 1994 - September 2022

Academic Background
- → BA Liberal Arts from Harvard College in 1982
- → CIM from INSEAD, France in 1993

Present Directorship(s)/Position(s) in Listed Companies

Within Ayala Group
- → Special Advisor to the Board of Ayala Land, Inc.

Outside Ayala Group
- → Independent Director of Pilipinas Shell Petroleum Corporation



In 2022, the Board:

- Reviewed and affirmed the appropriateness of **Ayala's vision and mission statement**
- Reviewed and approved **Ayala's corporate strategy and performance objectives**, and monitored and oversaw their implementation
- Reviewed and ensured the adequacy of **Ayala's internal control mechanisms and risk management process**
- Reviewed and confirmed the proper implementation of the **Code of Conduct and Ethics**
- Reviewed and affirmed the true and fair representation of the **annual financial statements for fiscal year 2021**

Centered on stakeholder protection and the pursuit of the greater good, Ayala's effective governance structures guide Board and management actions and decisions.

In the exercise of its active oversight over management, the Board regularly meets with the Ayala Group Management Committee to discuss strategic issues.

Board Composition

With due consideration of Ayala's strategic direction, the Board possesses the appropriate mix of skills, background, experience and expertise that meet the needs of the company. The Corporate Governance and Nomination Committee determines the qualifications of nominees to the Board based on established criteria aligned with the company's needs, strategic direction and By-Laws. The company may make use of professional search firms or external sources of candidates to search for qualified individuals to serve in the company's Board.

Board Skills Matrix
Directors as of December 31, 2022

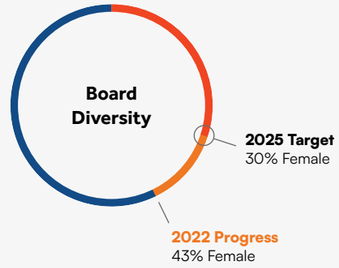
Industry Knowledge/Experience	JAZA	CPC	DLL	MSN	RGM	CVP	CSK
Industry Experience – Conglomerate	○			○			
Industry Experience – Other Business Holdings	○	○	○	○	○	○	○
Understanding of Business Environment	○	○	○	○	○	○	○
Experience, Skills, Expertise							
Executive Leadership (CEO, CFO)	○	○	○	○	○	○	○
Legal/Regulatory			○	○	○	○	○
Risk Management		○			○	○	
International Expertise	○	○					○
Accounting				○		○	○
Finance		○			○	○	○
Economics	○	○					
Engineering			○		○		
Investment Banking		○		○			
Corporate and Investment Strategy	○	○	○	○	○	○	○
Corporate Governance	○	○	○	○	○	○	○
Environmental and Social Initiatives	○	○	○	○	○	○	○
Board Tenure in years	35	2	15	>1	2	>1	>1
Age	63	63	76	81	63	62	65

Leadership in Sustainability

Board Diversity Policy

In determining the right composition of the Board, Ayala places value on diversity of business experience, expertise, skills, background, age and gender. Ayala's board diversity policy on gender states that:

The Board shall strive to be composed of at least 30% or two (2) female directors by 2025



2020 Ms. Rizalina G. Mantaring was elected as **Ayala's first female director**

2021 Ms. Mantaring was reelected

2022 Ms. Chua Sock Koong was elected in April while Ms. Mercedita S. Nolledo was elected in September, resulting in **female directors comprising 43% of the Board by 2022**

Ayala has met its board diversity target three (3) years ahead of schedule.

2025 At least 30% or two (2) female directors by 2025

Chairman

Jaime Augusto Zobel de Ayala

As Chairman, Mr. Zobel de Ayala leads the Board in performing its oversight function and ensures its effectiveness. The Board Charter available on the company's website provides more information on the responsibilities of the Chairman.

Lead Independent Director

Rizalina G. Mantaring
Elected in 2022

Following best corporate governance practices, Ayala appointed a lead independent director since its Chairman is not an independent director. The Board Charter mandates the lead independent director to act as an intermediary between the Chairman of the Board and other Directors; convene, determine the agenda and chair the periodic meetings of non-executive directors (NEDs) and independent directors (IDs); and contribute to the performance evaluation of the Chairman of the Board.

Non-Executive Directors and Independent Directors

To ensure the soundness, effectiveness and adequacy of the group's internal controls as well as to foster independence and objectivity in the boardroom, all directors in the Ayala Board are NEDs and IDs except for Cezar P. Consing.

Ayala prescribes a term limit of nine (9) years for its IDs in compliance with SEC recommendation. None of the independent directors have met the term limit.

Under the chairmanship of Ms. Mantaring as the lead independent director, the company's NEDs and IDs had a meeting without the executive director present on 13 December 2022. The Strategic Adviser for Human Resources was invited as resource person for the discussion on the leadership pipeline and the programs in place for talent development. More about talent development on page 115

Board Performance

Ayala's calendar of activities for the Board and Committees, set before the start of each financial year, includes at least six Board meetings and at least one NEDs meeting to review the group's operations and financial performance, discuss relevant updates on business, strategic issues, current trends and developments and the regulatory landscape.

The Corporate Secretary ensures the directors receive the agenda and relevant materials at least five (5) working days before each scheduled meeting.

High meeting attendance is considered a hallmark of conscientious directors. The Ayala directors' attendance record in board, committee and stockholders' meetings is a testament to their commitment and dedication in performing their roles. See table below for details.

Board and Board Committee Membership and Attendance
Stockholders, Board and Board Committee meetings for the year ended December 31, 2022

Details	Membership & Attendance									
	Stockholders & Board			Board Committee						
Meeting	**AS**	**BOD[1]**	**NED & ID**	**EC[2]**	**FC**	**CGNC**	**AC**	**RMRPTC**	**PCC**	**SC**
No. of Meetings	**1**	**9**	**1**		**9**	**8**	**7[3]**	**12[3]**	**4**	**3**
Jaime Augusto Zobel de Ayala Non-Executive Director	**C** 1/1	**C** 9/9	**M** 1/1	**C**	**M** 9/9	**–**	**–**	**–**	**–**	**–**
Fernando Zobel de Ayala Executive Director[4]	**–** 1/1	**VC** 6/7	**–**	**M**	**M** 6/6	**–**	**–**	**–**	**–**	**–**
Cezar P. Consing Executive Director[5]	**–** 1/1	**M** 9/9	**–**	**M**	**M** 9/9	**–**	**–**	**M** 9/9	**–**	**C** 3/3
Delfin L. Lazaro Non-Executive Director	**–** 1/1	**M** 9/9	**M** 1/1	**M**	**C** 9/9	**–**	**–**	**M** 3/3	**M** 4/4	**–**
Keiichi Matsunaga Non-Executive Director[6]	**–** 1/1	**M** 3/3	**–**	**M**	**–**	**M** 3/3	**M** 1/1	**–**	**M** 3/3	**M** 1/1
Antonio Jose U. Periquet Lead Independent Director[6]	**–** 1/1	**M** 3/3	**–**	**–**	**M** 4/4	**C** 3/3	**M** 1/1	**C** 3/4	**–**	**–**
Rizalina G. Mantaring Lead Independent Director	**–** 1/1	**M** 9/9	**C** 1/1	**–**	**–**	**M** 8/8	**C** 7/7	**M** 12/12	**C** 3/3	**M** 3/3
Chua Sock Koong[7] Independent Director	**–** 1/1	**M** 6/6	**M** 1/1	**–**	**–**	**C** 5/5	**M** 6/6	**–**	**C** 1/1	**M** 2/2
Cesar V. Purisima[7] Independent Director	**–** 1/1	**M** 6/6	**M** 1/1	**–**	**M** 3/3	**M** 5/5	**M** 6/6	**C** 8/8	**M** 1/1	**–**
Mercedita S. Nolledo[8] Non-Executive Director	**–**	**M** 2/2	**M** 1/1	**–**	**–**	**–**	**–**	**–**	**–**	**–**

1 In 2022 and during the incumbency of the directors
2 The actions of the Executive Committee were taken via digital/electronic means
3 Includes two joint meetings of the AC and RMRPT Committees to discuss key risks to the Corporation, including cybersecurity
4 Mr. Fernando Zobel de Ayala resigned from the Board of Directors in September 2022
5 Mr. Cezar P. Consing was elected as non-executive director on April 29, 2022 and became an executive director in August 2022 upon his appointment as Acting President and CEO and his election as President and CEO in September 2022
6 Served as Non-Executive/Independent Directors until April 29, 2022
7 Elected as Independent Directors on April 29, 2022
8 Elected as Non-Executive Director on September 27, 2022

C – Chairman
VC – Vice Chairman
M – Member
AS – Annual Stockholder
BOD – Board of Directors
NED – Non-Executive Director
ID – Independent Director
EC – Executive Committee
FC – Finance Committee
CGNC – Corporate Governance and Nomination Committee
AC – Audit Committee
RMRPTC – Risk Management and Related Party Transactions Committee
PCC – Personnel and Compensation Committee
SC – Sustainability Committee



Performance Assessment
To measure and evaluate the effectiveness of the company's board and governance practices and determine areas for improvement, a formal assessment of the Board, its Committees, the individual members and the CEO is conducted annually.

The assessment exercise enables the Board to determine new processes and procedures to further strengthen Ayala's corporate governance. In compliance with SEC recommendation, an independent consultant is appointed every three years to facilitate the board evaluation. In 2020, Aon Singapore Pte. Ltd. conducted the board assessment exercise.

In 2022, the directors were requested to accomplish a self-assessment questionnaire designed to gather data on board effectiveness, committee effectiveness, individual effectiveness and President/CEO effectiveness. The questionnaire covered: (1) Board Composition, (2) Board Roles and Functions, (3) Information Management, (4) Representation of Shareholders and ESG Factors, (5) Managing Company's Performance, (6) Senior Executive's Talent Management and Succession Planning, (7) Director Development and Management, (8) Risk Management and Internal Control and (9) Corporate Governance Practices related to Strategy, Policy, Risk, Oversight, and Accountability. After completion of the assessment process, the Chief Compliance Officer reports the results to the Board during its next scheduled meeting.

Training of Directors

Ayala places great emphasis on director development and an annual budget is allotted for training and professional development programs, courses and seminars. To ensure that Directors' needs are addressed, they are encouraged to determine their own training and developmental needs.

The Chief Compliance Officer coordinates with the directors on training requirements and ensures each director has completed the necessary annual training.

- → **Directors** - at least a four-hour yearly training on corporate governance
- → **New Directors** - eight-hour orientation on Ayala's vision and mission, business structure and strategy, Governance Codes and Policies, Articles, By-Laws, Corporate Governance Manual, Board and Committee Charters, SEC-mandated governance and related matters necessary for the effective performance of their duties and responsibilities.

Ayala's Board and executive management discussed climate change science and other sustainability-related issues in the context of macrotrends and stakeholder expectations in a workshop facilitated by WBCSD following the results of the Board Sustainability Self-Assessment Survey conducted in 2021. Inputs from the workshop were incorporated in the Integrated Corporate Governance, Risk Management and Sustainability Summit, a continuing education program for directors, CEOs and senior management across the group, which Ayala conducts annually in partnership with the Institute of Corporate Directors (ICD).

The 2022 Summit themed "The Board's Agenda: Mindset Shifts for a Sustainable and Equitable Future," focused on mindset shifts necessary for the board and company leaders, specifically on climate governance, steward leadership, social inequity and the emerging corporate reporting standards to prepare Ayala's Boards and leaders for a future where sustainability is front and center.

Attendance to the 2022 Summit, WBCSD ESG workshop, and other corporate governance (CG) trainings administered by ICD constituted compliance of the company's directors and senior management with the SEC requirement for annual CG training. ICD has been Ayala's partner for the past 10 years in advancing its advocacy to promote professional directorship aligned with global principles.

Director Remuneration

The Personnel and Compensation Committee ensures the alignment of director remuneration with the company's culture, strategy and long-term interests. Any change to the directors' remuneration is presented for stockholder approval during the annual stockholders' meeting.

Executive Directors Remuneration

The Executive Director does not receive the fixed retainer fee nor any remuneration for attending Board and Committee meetings.

Non-Executive and Independent Directors Remuneration

Directors' fees are only paid to the company's NEDs and IDs. The current fee structure is seen below:

Fee Structure	Retainer Fee	For Board	For Committees
Non-Executive and Independent Directors	₱3 million per annum	₱0.2 million per meeting attended	₱0.1 million per meeting attended
Chairman of the Board	₱3 million per annum (additional)	₱0.1 million per written resolution and per non-independent directors meeting	₱0.05 million per written resolution
Chairman of the Audit Committee	₱1.5 million per annum (additional)		

In 2022, the following NEDs and IDs received gross remuneration as follows:

		Meeting/Resolution Fees		
Non-Executive and Independent Directors	**Retainer Fee**	**Board Meetings**	**Committee Meetings**	**Gross Remuneration**
Jaime Augusto Zobel de Ayala	₱6,000,000.00	₱2,200,000.00	₱700,000.00	₱8,900,000.00
Cezar P. Consing*	₱3,000,000.00	₱1,500,000.00	₱1,450,000.00	₱5,950,000.00
Delfin L. Lazaro	₱3,000,000.00	₱2,200,000.00	₱1,350,000.00	₱6,550,000.00
Rizalina G. Mantaring	₱4,500,000.00	₱2,200,000.00	₱2,950,000.00	₱9,650,000.00
Chua Sock Koong**	₱3,000,000.00	₱1,600,000.00	₱1,100,000.00	₱5,700,000.00
Cesar V. Purisima**	₱3,000,000.00	₱1,600,000.00	₱1,800,000.00	₱6,400,000.00
Keiichi Matsunaga***	-	₱600,000.00	₱800,000.00	₱1,400,000.00
Antonio Jose U. Periquet***	-	₱600,000.00	₱1,000,000.00	₱1,600,000.00
Mercedita S. Nolledo****	₱1,750,000.00	₱700,000.00	-	₱2,450,000.00
TOTAL	**₱24,250,000.00**	**₱13,200,000.00**	**₱11,150,000.00**	**₱48,600,000.00**

* Fees during his term as non-executive director and prior to appointment as Acting President in August 2022 and election as President in September 2022
** Elected as Independent Director on April 29, 2022
*** Non-Executive/Independent Director until April 29, 2022
**** Elected as Non-Executive Director on September 27, 2022

Aside from the foregoing, NEDs and IDs do not receive compensation for services provided as a director. They are not entitled to stock options and performance bonuses from the company.

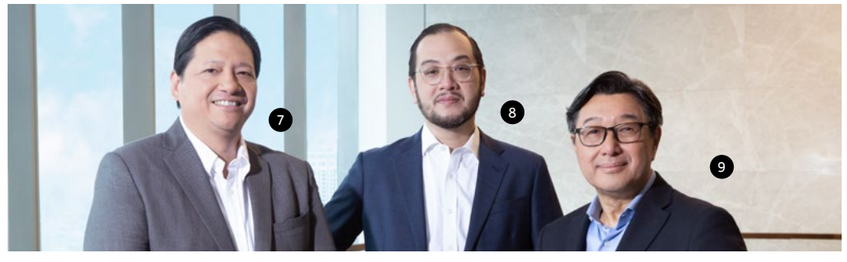
Board Committees

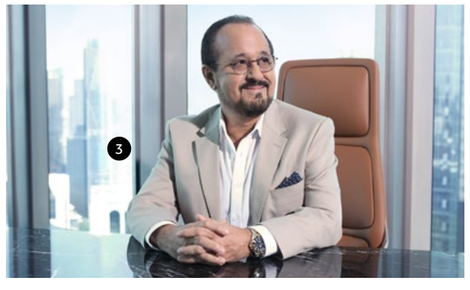
The Board delegates specified functions to duly constituted board committees to ensure optimal performance of its roles and responsibilities. The scope of each Committee's responsibility is contained in committee charters that are available on the company's website. The Board and Board Committee Membership and Attendance table on page 038 provides the composition and attendance details of each committee.

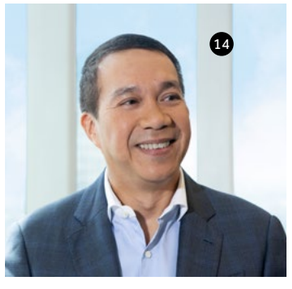
Committee	Responsibility	2022 Highlights
Executive Committee	Acting by majority vote of its members, has the authority to exercise powers and perform duties within the competence of the Board, as may be delegated to it by the Board, in the intervening period between scheduled board meetings.	Refer to the Executive Committee report on page 204
Finance Committee	Oversees the company's financial policy and strategy, including capital structure, dividend policy and capital allocation decisions.	Refer to the Finance Committee report on page 206
Corporate Governance and Nomination Committee	Annually reviews the structure, size and composition of the Board to ensure the appropriate mix of directors and the proper implementation of the company's corporate governance policies and practices.	Refer to the Corporate Governance and Nomination Committee report on page 207
Audit Committee	Oversees matters relating to the effectiveness of the internal control system, robustness of the internal and external audit process, performance of the internal audit function, integrity of the company's financial statements and financial reporting process and the company's compliance with applicable legal and regulatory requirements.	Refer to the Audit Committee report on page 208
Risk Management and Related Party Transactions Committee	Ensures that management maintains a sound enterprise risk management framework and internal control system, oversees climate risk managment and reviews all material RPTs for endorsement to the Board to ensure that the RPTs are at arm's length and the terms and conditions are fair and will inure to the best interest of the company and its subsidiaries or affiliates and the shareholders.	Refer to the Risk Management and Related Party Transactions Committee report on page 210
Personnel and Compensation Committee	Establishes a formal and transparent procedure for fixing the remuneration packages of corporate officers and directors and ensures that compensation is aligned with the long-term interests of the company and its stakeholders while remaining competitive against the market.	Refer to the Personnel and Compensation Committee report on page 211
Sustainability Committee	Supports the Board in fulfilling the Board's oversight responsibilities in relation to Ayala's commitment to and efforts regarding sustainable developments and integration of ESG matters in the formulation of Ayala's strategies.	Refer to the Sustainability Committee report on page 205

Ayala Group Management Committee





Composed of key officers supporting the CEO and President, the Management Committees are responsible for business performance, strategic and operational information, and issues critical to the long-term viability of the company, which are discussed in their regular meetings. The open flow of communication and information in committee discussions guarantees that decisions are always in the best interest of the company and its stakeholders. Recommendations of the management-level committees are presented and thoroughly discussed with the relevant Board-level committees for subsequent endorsement to the Board.

Ayala Group Management Committee

- → CEO and President
- → Ayala Corporation Group Heads
- → CEOs of the Ayala group companies

Responsibilities

- → Oversees the group strategic plan and alignment of individual business unit priorities to the group-wide direction
- → Discusses group-wide concerns and events, possible areas of synergy and collaboration, and business performance reviews

The full profiles of the Ayala Group Management Committee members can be found on page 239.

Ayala Corporation Management Committee

- → CEO and President
- → Group Heads

Responsibility

- → Approves corporate, administrative, and organizational matters that pertain exclusively to the company, as well as relevant group-wide affairs

Investment Committee*

- → CEO and President
- → Key members of the company's senior management

Responsibilities

- → Provides recommendations to the Ayala Corporation Management Committee, appropriate Board Committees and the Board on portfolio strategy for the group in collaboration with the Group CEOs and the Finance and Strategy & Development Groups

* Technical working group of the Ayala Corporation Management Committee

1 **Jaime Augusto Zobel de Ayala**
Advisor to the Management Committee

2 **Cezar P. Consing**
President and Chief Executive Officer

3 **Alberto M. de Larrazabal**
Senior Managing Director, Chief Finance, Risk and Sustainability Officer and Finance Group Head

4 **Jose Rene Gregory D. Almendras**
Senior Managing Director, President and CEO, AC Infrastructure Holdings Corporation and AC Logistics Holdings Corporation and Group Head, Public Affairs

5 **Bernard Vincent O. Dy**
President and CEO, Ayala Land, Inc.

6 **Jose Teodoro K. Limcaoco**
President and CEO, Bank of the Philippine Islands

7 **John Eric T. Francia**
Senior Managing Director, President and CEO, ACEN Corporation

8 **Paolo Maximo F. Borromeo**
Managing Director, President and CEO, Ayala Healthcare Holdings, Inc.

9 **Arthur R. Tan**
Senior Managing Director, President and CEO, AC Industrial Technology Holdings, Inc. and CEO, Integrated Micro-Electronics, Inc.

10 **Ernest Lawrence L. Cu**
President and CEO, Globe Telecom, Inc.

11 **Solomon M. Hermosura**
Senior Managing Director, Chief Legal Officer, Corporate Secretary, Chief Compliance Officer, Data Protection Officer and Group Head, Corporate Governance

12 **Francisco Romero Milan**[1]
Managing Director, Chief Human Resource Officer and Group Head, Corporate Resources

13 **Alfredo I. Ayala**
Managing Director, President and Chief Operation Officer, iPeople, Inc.

14 **Ruel T. Maranan**
Managing Director, President, Ayala Foundation, Inc.

1 Effective 01 March 2023

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

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

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

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

In December 2021, #BrigadangAyala implemented a 12-week food distribution program for 10,000 families in select locations across Metro Manila. These families were provided a weekly supply of rice, vegetables, and fruits, among others, so they did not have to worry how to feed their families. Beneficiaries consisted of families whose breadwinners lost their livelihood during the pandemic.

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



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



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



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



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



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



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



Value Creation

→ 048 Value Creation Framework

→ 050 Outlook and Strategy

→ 054 Business Model

→ 056 Risks and Opportunities

→ 064 Key Relationships

→ 076 Materiality

Ayala's **value creation framework** is anchored on its vision, mission, purpose, core values, promise and commitment to sustainability page 001

Capitals

Ayala leverages various relationships and resources to achieve its medium- to long-term ambitions and deliver value to its stakeholders. These are described below.

Financial
- Strong financial position
- Diversified business portfolio
- Affordable and reliable access to capital

Intellectual
- Long and rich corporate history
- Deep expertise of the Philippine economy
- Corporate culture of innovation and lifelong learning

Human
- Best-in-class local and global talent
- Diverse workforce with multi-disciplinary backgrounds

Social and Relationship
- Relationships with partners, investors, communities, the academe and other institutions
- Strong, recognizable and trusted brand

Creating Value

Outlook page 050
- Reopening of the Philippine economy
- Resilient consumer class
- Accelerated digital transformation and the continuous evolution of new business models
- Focus on decarbonization and shift to more sustainable business models
- Greater multi-sectoral collaboration

the context which defines...

Strategy page 050
Vision Pillars
- Focused Execution
- Brand & Transformation
- Leadership in Sustainability

that guides how Ayala conducts...

Business Activities page 054
- Business development
- Capital allocation
- Portfolio management
- Balance sheet management
- Strategic human resources management
- Governance processes
- Stakeholder management

while mitigating risks and identifying opportunities

Risks and Opportunities page 056
1. Capital Markets & Financing
2. Information & Cyber Security
3. Political & Regulatory
4. Climate Change
5. Epidemic & Pandemic
6. Portfolio Management

to generate long-term value for...

Stakeholders page 064
- Investors and Shareholders
- Government Agencies and Regulators
- Bank Counterparties and Creditors
- Employees
- Insurers
- Suppliers
- Business Partners and Affiliates
- Media
- Communities
- Customers
- Industry Associations
- Nature

with ESG Priorities in mind

ESG Priorities page 076
- E Contribute to climate change action and biodiversity protection page 096
- E Improve resource efficiency and waste management page 106
- S Maintain a positive workplace experience and engaged workforce page 114
- S Prioritize customer experience and protection page 123
- G Implement equitable business practices page 130

Value Generated

Financial
Ayala's diversified portfolio supported financial performance and delivered value to shareholders:
- Core NIAT of ₱27.7 billion, up 18% YoY
- Generated ₱10.2 billion in proceeds in 2022, ending the year at 60% of ₱50 billion 2023 target
- Return on common equity ended at 7.7%
- Blended interest rate of 4.5%
- Loan to value ratio of 11.1%

Intellectual
Ayala maintained leadership and strengthened expertise in the core value drivers:
- **Ayala Land** in large-scale mixed-used and sustainable estates
- **BPI** as among the top three banks in the country with leadership in digital and sustainable financing
- **Globe's** strategic and purpose-led pivot from a traditional telecom company to a full-fledged tech enterprise
- **ACEN** as one of the fastest growing renewable energy companies in the region

Human
- A competent, diverse and engaged workforce of more than 64,000 direct employees across the businesses
- Deep bench for leadership positions across the group
- Inclusive workplace with expanded benefits
- Management excellence as evidenced by award-winning teams across Finance, Governance, Corporate Strategy and Strategic Human Resources

Social and Relationship
- Ayala remains a strong and trusted brand
- Eight Ayala companies recognized in ASEAN Corporate Governance Scorecard awards
- Sustained ongoing relations with existing business partners while keeping doors open for new ventures and partnerships
- Established strong linkages with global institutions, government agencies, academe and other organizations to address business and ESG issues

Action on Climate page 082

Ayala Sustainability Blueprint page 150

1 3 4 6 7 8 9 11 12 13

Outlook and Strategy

Ayala has always strived to address structural and societal gaps in the Philippines by building impactful businesses and transforming them into industry-leading companies. While the group's long-term ambition to contribute to nation-building remains unchanged, its medium-term strategy is defined in the context of key global, regional and local trends.

At the onset of the COVID-19 pandemic, Ayala articulated its 2020 to 2023 roadmap on vision pillars that outlined its recovery plan. In spite of changes in the business landscape since 2020, the macroeconomic trends from which these vision pillars were based on remained mostly unchanged in 2022.

Ayala's 2023 Three-Point Strategic Agenda

More information in Ayala's 2021 Integrated Report.

The vision pillars guides Ayala's commitment to recovery for its businesses, setting the stage for a bold decade of growth ahead. These include: 1 **focused execution** to ensure business strength and resilience amid a prolonged crisis, which necessitates strong capital investments to drive broad economic recovery and foster future growth, 2 **continued transformation** including a commitment to delivering unparalleled customer experience and 3 **commitment to ensure sustainability** in all aspects of business operations.

Outlook

1 **Reopening of the Philippine economy** as the country moves past the impact of the pandemic. Despite optimism in the local economy, Ayala remains cautious of various headwinds, such as heightened inflation, elevated interest rates and isolated cases of geopolitical tension, which place pressure on global economic growth.

2 Alongside the reopening of the economy, a **resilient consumer class** on the back of improving mobility and unemployment. Consumer demand over the medium to long term will be supported by a young population, resilient remittances, continuous urbanization and MSMEs, which help spur economic activity within localized communities.

Vision Pillars

Focused Execution

Ayala's businesses were affected by the pandemic in varying degrees due to the diversified nature of the group. Regardless of the magnitude of impact, recovery from the crisis requires sharp focus to execute strategic initiatives that enable its businesses to not only return to pre-pandemic levels, but to thrive in the new environment.

Capital investment plays a vital role in driving recovery and strengthening business units' resilience. Ayala seeks investments that enable growth and generate positive economic externalities, while ensuring a healthy balance sheet.

As such, Capital Investment (previously a separate vision pillar) was folded into Focused Execution in 2022 because capital deployment strategies are inherently linked to other targets in this pillar.

Key 2023 Initiatives

Financial Recovery: Recovery of financial performance to pre-COVID levels by 2023.

1 **Expansion of Core Businesses:** Sustained market leadership and continued expansion of core value drivers Ayala Land, BPI, Globe and ACEN.

2 **Scale-up of Emerging Businesses:** Building scale in AC Health and AC Logistics while addressing critical needs of the country.

3 **Value Realization:** Sharpen portfolio with an increased focus on value realization to fund future investments and further strengthen the balance sheet, targeting ₱50 billion in proceeds by 2023.

Balance Sheet Management: Active management of debt and cash flows to ensure that the balance sheet remains strong enough to support recovery and fuel investments.

Capital Expenditure Rollout: Delivery of CAPEX plans to drive growth and economic activity.

2022 Performance

- → Core net income grew 18% to ₱27.7 billion, 89% of pre-COVID levels.
- → Return on common equity ended at 7.7%
- → Ayala market capitalization at year-end amounted to ₱430 billion (US$ 7.7 billion).

23% growth in core equity earnings from core value drivers[1]:

- → Ayala Land launched ₱91 billion worth of properties across its estates and achieved total sales reservations of ₱105 billion (+14%).
- → BPI achieved loan growth of 15% driven by both corporate and consumer loans, and net interest income reached ₱85 billion (+22%).
- → Globe's gross service revenues (GSR) amounted to ₱158 billion (+4%).
- → ACEN expanded its total generation portfolio to 4,029MW, split 40–60 between Philippines and international plants.[2]

- → AC Logistics completed the 60% acquisition of the AIR21 Holdings and began to serve the logistics and waste management needs of the Ayala group.
- → AC Health completed the integration of QualiMed with the Healthway network and the merger of digital platforms KonsultaMD, HealthNow and AIDE. It is on track to open the Healthway Cancer Care Hospital in 2023.

- → Generated ₱10.2 billion in proceeds in 2022, ending the year at ₱31.1 billion or 60% of the ₱50 billion 2023 target.

Ayala's solid credit reputation as proxy to the Philippine sovereign is reflected in the group's wide access to credit facilities such as local and international debt capital markets, including sustainable financing. Active management of debt position resulted in:

- → Gross debt of ₱160.5 billion and net debt of ₱149.3 billion
- → Consolidated net debt-to-equity ratio of 0.8x
- → Loan-to-value ratio of 11.1%
- → Fixed rate loan mix of 81.9%
- → Blended interest rate of 4.5%

In addition, Ayala executed the following key initiatives in 2022:

- → **IFC Social Bond:** Drawdown of US$ 100 million Ayala Social Bond with IFC at 2.993% for AC Health
- → **₱15 billion Fixed Rate Bond:** ₱10 billion at 6.875% call option exercise, and ₱15 billion issuance at 5.319%.

- → Group CAPEX of ₱280 billion (+24%)

1 ALI, BPI, GLO and AC Energy
2 As of March 2023

Outlook (continuation)

3 **Accelerated digital transformation and the continuous evolution of new business models** such as e-commerce, fintech, health-tech and on-demand logistics. Ayala expects competition to intensify across the various industries it operates in, and sees this as a challenge to build necessary capabilities such as data analytics, and to further invest in new innovative businesses that fuel growth and transformation.

4 **Focus on decarbonization and calls for increased sustainability in business models**. At the UNFCCC COP 27, countries reaffirmed their commitment to limit global temperature rise to 1.5C above pre-industrial levels, meaning the global economy must respond to the demand to mitigate climate change. Ayala harkens this serious call to action and is taking deliberate steps to contribute to the United Nations Sustainable Development Goals (UN SDGs).

5 **Greater multi-sectoral collaboration** between the private, government, nongovernment and academic institutions is more crucial than ever to unlock innovative and effective solutions to today's challenges. The flexibility and speed that a collaborative ecosystem can provide is critical to achieving shared goals of a more sustainable and inclusive society.

Vision Pillars

Brand & Transformation

As consumer demands change and digital channels transform interaction with customers, businesses must likewise evolve to ensure continued efficiency and relevance. Excellence in how Ayala delivers its products and services is a key differentiating factor that drives growth, and is essential to business survival in a new environment.

Previously named Unparalleled Customer Experience, this pillar was reworded to capture the broader goal of elevating Ayala's brand and pursuing continuous transformation.

Leadership in Sustainability

Recovery is most meaningful when it is inclusive, and Ayala strives to continue addressing gaps in environmental, social and governance frameworks.

Ayala's commitment to net zero greenhouse gas emissions by 2050 is a critical part of its journey. The global climate emergency underscored the need for mitigation, adaptation, climate financing and multisectoral collaboration to meet commitments set by the 2015 Paris Agreement, the UN Framework Convention on Climate Change (UNFCCC) Conference of Parties (COP) and the Philippine's own nationally determined contribution.

Investments in employees and partnerships continue because they are critical to making business and society as a whole thrive.

Key 2023 Initiatives

Transformation: Deliver best-in-class customer experience across traditional and digital channels for all business with consumer touchpoints and further the group's data analytics capabilities to drive meaningful insights for strategic decision making.

Synergies: Identify and execute key synergy initiatives across business units, which drive value for the group and its businesses, customers and broader community.

Net Zero Commitment: Develop a roadmap and appropriate metrics to achieve Net-Zero GHG by 2050.

Ayala Sustainability Blueprint: Continued progress towards the 2030 Ayala Sustainability Blueprint, which is aligned with the UN Sustainable Development Goals (SDGs).

Board Diversity: Achieve a more diverse and gender-inclusive Board of Directors, with the goal of having at least two female directors (or 30% of board composition) by 2025.

Employee Empowerment: Solidify the Ayala brand as employer of choice in the Philippines and across the region, by providing continued support and meaningful opportunities to employees, and developing a reputable and diverse bench of leaders within each business unit.

Public Partnerships: Cultivate and strengthen partnerships with a myriad of institutions.

2022 Performance

Ayala's businesses continued to integrate digital solutions to enhance operations and customer experience.

- → GCash ended the year with 76 million registered users and 5.8 million merchants and social sellers on the platform.
- → BPI grew its digital clients to 2.8 million (+50.2%). Revenue per capita of digital clients is 2.07x higher than non-digital clients
- → Consolidated userbase of the KonsultaMD superapp is over 2 million users.
- → Ayala's data analytics team continued supporting business units in optimizing various processes and building models for better decision making.

Business units across the Ayala group worked together to deepen presence across various areas.

Electric Vehicles
- → Ayala Land partnered with IMI in installing EV charging stations across Luzon
- → AC Motors introduced in its first EV in its portfolio, the Kia EV6
- → Globe and Ayala invested in a pilot project to bring Gogoro's 2-wheel battery swapping technology to the Philippines.

Renewable Energy Ecosystem
- → Globe contracted ACEN to supply renewable power to their facilities nationwide

Financial Inclusion
- → BPI collaborated with GCash in providing retail investors easy access to investment funds and reach the unbanked through BPI MySaveUp

Ayala is on track to develop its Net-Zero GHG roadmap.
Please refer to page 082 for more information.

Business units continue to contribute significantly to the blueprint.
Please refer to page 150 for updates.

The **30% board diversity** target by 2025 was surpassed **three years earlier** with **43% female directors**.
A detailed discussion of the Board Composition can be found on page 036 of this report.

Continuous efforts were made to ensure Ayala employees remain engaged and supported throughout their careers.

- → Ranked **#581** in Forbes List of World's **Top Employers** (2022)
- → Ranked **#383** in Forbes List of World's **Top-Female Friendly Companies**
- → **Female representation is 38%** at senior management level.

A more detailed discussion can also be found on page 112 of this report.

Participated in multi-stakeholder alliances to contribute to the country's sustainable growth through policy, strategic initiatives and philanthropic efforts:

- → Philippine Private Sector Advisory Council where AC Health President & CEO Paolo Borromeo is the lead for the PSAC Health Committee, iPeople President Alfredo Ayala is a member of Jobs Committee and Globe CEO Ernest Cu and former BPI COO Ramon Jocson are part of the Committee on digital infrastructure.
- → Ayala participated in the consultations on the latest TNFD framework for ASEAN businesses organized by the World Business Council for Sustainable Development.

A comprehensive list can be found on page 146 of this report.

Business Model

Ayala leverages various resources and relationships to achieve its medium to long-term ambitions and to deliver value to its stakeholders. These are described below:

Capitals

Financial
Ayala maintains a strong financial position, including a reliable operational cash flow owing to the strength of businesses across a diversified portfolio, and affordable and reliable access to debt, which is supported by a robust capital allocation process.

Intellectual
Ayala considers the collective knowledge base from its long history as an institution as a key strategic advantage. This includes a deep expertise of the Philippine economy and the key industries that drive economic growth. In addition, corporate culture hinges on innovation and lifelong learning.

Human
Ayala prides itself in having best-in-class talent across various departments and disciplines. The group welcomes and celebrates diversity of talent both in the holding company and across the entire conglomerate, and values multi-disciplinary backgrounds and global perspectives.

Social and Relationship
Ayala values strong relationships built over the years with a vast network of business partners, investors, communities, the academe and other relevant entities in the markets it serves. It has created a strong brand through the years because of this.

Business Activities

Business Development Ayala constantly seeks out new investment areas, identifies opportunities and assesses emerging markets and economic trends. It conducts a thorough analysis of the performance of a business and weighs it against competition, the business landscape and its budget. Investment decisions are also assessed on their capacity to deliver value over time. All investment proposals that progress beyond the Strategy, Business Development and Finance groups are presented to the Investment Committee. If approved, the proposal is endorsed to the Finance Committee of the Board.

Capital Allocation Before any capital is deployed, both current and potential investee companies undergo a rigorous gating process that tests financial viability and strategic fit. The Investment Committee and the Board's Finance Committee, supported by cross functional teams (Strategy, Business Development and Finance), review business performance on a regular basis following capital deployment.

Portfolio Management The Investment Committee and the Board's Finance Committee review the performance of each business unit according to a portfolio strategy cycle throughout the year. This process provides management the platform to assess whether to allocate more capital to a business or rebalance holdings to solidify value.

Balance Sheet Management Ayala maintains a strong balance sheet with significant debt capacity and a well-spread-out maturity profile that provides flexibility to fund growth opportunities. Liquidity requirements are managed by optimizing foreign exchange and interest rate exposure and diversifying funding sources. Ayala uses dividends from its diversified portfolio of core businesses to manage cashflows, which support its capacity to service operating expenses, interest obligations and dividend obligations. The company tracks its loan-to-value (LTV) ratio to measure relative indebtedness and capacity to service debts, and to determine whether to recycle capital or take on additional debt. Liabilities are prudently managed by monitoring a range of other metrics such as the blended cost of debt, ratio of fixed rate to floating rate loans, currency mix and credit rating, among others.

Strategic Human Resources Management Ayala strives to continuously nurture the career development and personal well-being of its employees. In addition, executive talent management and succession planning are regularly discussed among the management and nomination committees. Refer to page 114 for more information.

Governance Processes Strong governance anchored on transparency, integrity, accountability and fairness guides Ayala's business practices. This stems from the company's Board and Management that ensures long-term value creation for its various stakeholders. As a checking mechanism, Ayala employs robust risk management and internal control systems to guarantee decisions made at the top levels. Refer to page 139 for more information.

Stakeholder Management The group monitors and strengthens key relationships central to business objectives. This is done by systematically identifying stakeholders, analyzing needs and expectations and continuing collaborations. Refer to page 064 for more information.

Value Generated

Financial
Ayala's diversified portfolio supported financial performance and delivered value to shareholders:
- → Core NIAT of ₱27.7 billion, up 18% YoY
- → Generated ₱10.2 billion in proceeds in 2022, ending the year at 60% of ₱50 billion 2023 target
- → Return on common equity ended at 7.7%
- → Blended interest rate of 4.5%
- → Loan to value ratio of 11.1%

Intellectual
Ayala maintained leadership and strengthened expertise in the core value drivers:
- → **Ayala Land** in large-scale mixed-used and sustainable estates
- → **BPI** as among the top three banks in the country with leadership in digital and sustainable financing
- → **Globe's** strategic and purpose-led pivot from a traditional telecom company to a full-fledged tech enterprise
- → **ACEN** as one of the fastest growing renewable energy companies in the region

Human
- → A competent, diverse and engaged workforce of more than 64,000 direct employees across the businesses
- → Deep bench for leadership positions across the group
- → Inclusive workplace with expanded benefits
- → Management excellence as evidenced by award-winning teams across Finance, Governance, Corporate Strategy and Strategic Human Resources

Social and Relationship
- → Ayala remains a strong and trusted brand
- → Eight Ayala companies recognized in ASEAN Corporate Governance Scorecard awards
- → Sustained ongoing relations with existing business partners while keeping doors open for new ventures and partnerships
- → Established strong linkages with global institutions, government agencies, academe and other organizations to address business and ESG issues

Action on Climate page 082

Ayala Sustainability Blueprint page 150

1 3 4 6 7 8 9 11 12 13

Risks and Opportunities

The rigor of risk management has improved over the years to provide a better understanding of an organization's risks and opportunities. Stakeholders' high-level engagement in risk analysis requires corporate leadership to show greater transparency and accountability in managing impacts while evaluating and realizing opportunities. With focused strategy and proper planning, organizations can navigate the complex, volatile and ambiguous global landscape.

Attuned to global trends, Ayala's mature and robust risk management encourages integrated thinking to align strategy with risks and opportunities. This approach measures each strategy's relevance to the achievement of the corporation's vision and mission. By aligning risks with business objectives, management can identify the weaknesses of a strategy as conditions change and mitigate them.

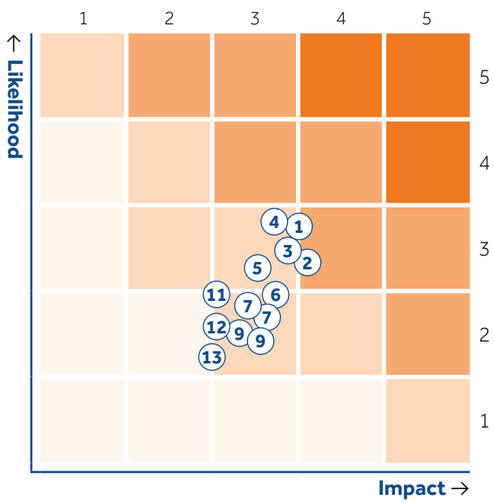
After the recalibration of Ayala's vision pillars and refresh of risk universe, risks were grouped into two categories – (1) risks that impact our three vision pillars and (2) fundamental risks common to all, and realigned to the vision pillars. Presented below are the results of this re-alignment process.

	Strategy Vision Pillars		
	Focused Execution	Brand & Transformation	Leadership in Sustainability
Capital Markets and Financing	✸		✸
Climate Change			✸
Information and Cyber Security	✸	✸	
Epidemic and Pandemic	✸	✸	
Portfolio Management	✸	✸	
Technology	✸	✸	
Competitiveness, Innovation and Synergy	✸	✸	
Fundamental Risks	Political and Regulatory		
	Brand and Reputation		
	Business Resiliency		
	Talent		
	Governance and Controls		
	Partnerships and Alliances		

Management's discussions of risks and external factors affecting operations contributed to the review and prioritization of risk exposures. Ayala's risk universe has been in place since 2014 and is constantly reviewed to ensure that the risk categories are relevant to the changing business landscape. The heatmap shows that the risks of greatest concern emanate from the external environment.

2022 RISK PRIORITIZATION RESULTS

Change	Risk Category	2022	2021
↑ 8	**Capital Markets & Financing**	**1**	9
↑ 1	**Information & Cyber Security**	**2**	3
↓ 1	**Political & Regulatory**	**3**	2
–	**Climate Change**	**4**	4
↓ 4	**Epidemic & Pandemic**	**5**	1
↑ 1	**Portfolio Management**	**6**	7
–	Brand & Reputation	**7**	7
↓ 2	Competitiveness, Innovation & Synergy		5
↑ 1	Business Resiliency	**9**	10
↓ 3	Talent		6
↑ 1	Technology	**11**	12
↓ 1	Governance & Controls	**12**	11
–	Partnerships & Alliances	**13**	13



Top Risks Updates

Key: Financial Capital · Human Capital · Social & Relationship Capital · Intellectual Capital

(↑ 1) Capital Markets and Financing

Inability to build resilience from macroeconomic factors and secure adequate funding

Opportunities
- → Maintain strong balance sheet and experienced Board and management team
- → Position strategies to navigate challenges and seize opportunities, including investing in growth sectors and the group's development pipeline
- → Develop green and other sustainable financing strategies

Strategy Vision Pillars
- Focused Execution
- Leadership in Sustainability

Implications for Value Creation
- → Volatile revenues
- → Difficulty in acquiring additional funding
- → Less liquidity
- → Inability to meet financial obligations
- → Reputational damage

Risk Drivers
- Overall elevated market volatility
- Rising interest rates and Philippine peso depreciation
- General market conditions affecting market value of the company
- Increasing awareness of ESG principles

Key Risk Indicators
- ROP credit spreads
- Interest rate volatility
- % change of Value-at-Risk
- Net Debt-to-Equity ratio
- Obligation-to-Value ratio

Mitigating Controls
- → Reviewed business models vis-à-vis market conditions
- → Built digitalization capabilities to adapt to changes in capital markets
- → Conducted stress tests to manage potential losses from market-factor sensitivities
- → Adopted cost efficiency measures to minimize impact of supply issues on margin

(↑ 2) Information and Cyber Security

Failure to ensure strong and adequate information security controls to safeguard confidentiality, integrity and availability of critical information

Opportunities
- → Review adequacy of information and cybersecurity controls
- → Assess maturity of cybersecurity programs based on NIST Framework and benchmark against internal standards

Strategy Vision Pillars
- Focused Execution
- Brand & Transformation

Implications for Value Creation
- → Loss of stakeholder trust
- → Leakage of critical and confidential information
- → Criminal prosecution and fines
- → Reputational damage

Risk Drivers
- Cyber criminals capitalizing on new digital and remote working paradigms
- Rising number of fraud crimes due to increased volume of online transactions
- Lack of data security and protection policies
- Insufficient forward planning and cyber risk assessment
- Lack of employee awareness of cyber threats

Key Risk Indicators
- Security breaches
- Unauthorized disclosure of personal identifiable data or sensitive commercial information
- Downtime of critical systems

Mitigating Controls
- → Strengthened IT infrastructure to support increased usage of digital platforms and to combat information and cybersecurity threats
- → Implemented employee education and awareness campaigns on cyber threats and data protection policies
- → Engaged a third party to serve as security operations center and manage cyber threats 24/7

(↓ 3) Political and Regulatory

Inability to anticipate changes in the political and regulatory landscapes

Opportunities
- → Monitor political outlook and regulations to identify and address impacts on the group

Strategy Vision Pillars
- Focused Execution
- Leadership in Sustainability
- Brand & Transformation

Implications for Value Creation
- → Misalignment of business models due to change in or new regulations
- → Reputational damage due to noncompliance
- → Loss of franchise, license or goodwill
- → Slow adaptability to changes affecting profitability or reputation

Risk Drivers
- New tax or business regulations that may impact business units
- Differing interpretations of policies, treatment and conduct of business among LGUs
- Intensified geopolitical tensions affecting supply chain
- Spread of disinformation to advance political agenda

Key Risk Indicators
- Impact of new legislative or executive issuances
- Negative publicity against big businesses and the private sector
- Public dissatisfaction, protests or social unrest

Mitigating Controls
- → Strengthened relationships and engaged with regulators and government agencies
- → Enhanced partnerships with the government to improve service to communities
- → Monitored government actions and assessed potential impact of new tax or business regulations

(– 4) Climate Change

Failure to prepare for physical and transition impacts of climate change

Opportunities
- → Future-proof current businesses using the climate scenario analysis
- → Embed carbon pricing in future investment model that will inform decision making
- → Access to sustainable financing
- → Develop climate-friendly products and service

Strategy Vision Pillars
- Leadership in Sustainability

Implications for Value Creation
- → Loss of lives
- → Business interruption and project delays
- → Loss of relevance in the industry
- → Litigation or fines for noncompliance or unfriendly climate practices
- → Reputational damage
- → Stranded assets
- → Higher cost of operations (e.g., carbon taxes, high energy/water consumption)

Risk Drivers
- Anthropogenic activities caused by uncontrolled consumption
- Industrialization and fossil fuel use
- Deforestation and forest degradation
- Changes in market and talent preferences towards climate change contributions
- Investors' perceptions of climate-related programs and initiatives
- Possible regulations on carbon taxation

Key Risk Indicators
- Scope 1, 2 and 3 emissions generated by the group

Mitigating Controls
- → On-going development of net-zero GHG roadmap
- → Developed nature-based solutions as part of Ayala's net-zero roadmap
- → Promoted climate change awareness through enhanced communication and engagement strategies
- → Conducted scenario analysis to assess climate change's impact on businesses

(↓ 5) Epidemic and Pandemic

Failure to prepare for another pandemic

Opportunities
- → Optimize Ayala's business resilience and ability to support efficiency and productivity in the workforce
- → Enhance monitoring process of risks exacerbated by the pandemic and other external threats
- → Incorporate lessons from the COVID-19 pandemic in the review of crisis management and business continuity plans

Strategy Vision Pillars
- Focused Execution
- Brand & Transformation

Implications for Value Creation
- → Business disruption
- → Reputational issues
- → Employee health issues
- → Potential loss of lives
- → Delays in project execution

Risk Drivers
- Increased global travel and integration
- Increased land use change and exploitation of natural environment
- Knowledge gap
- Lack of monitoring, timely detection, quarantine and isolation procedures
- Availability of basic care

Key Risk Indicators
- Daily hospital utilization rate during pandemic
- Employee compliance rate to daily health self-check during pandemic
- Employee participation rate in health awareness trainings
- Recordable work-related ill-health

Mitigating Controls
- → Documented learning experiences from the pandemic
- → Revisited employee engagement programs to support their physical and mental health
- → Improved health benefits of employees and their qualified dependents
- → Thru AC Health, provided vaccines to Ayala employees and their dependents and to residents of host communities

(↑ 6) Portfolio Management

Inability to deliver on a portfolio management strategy, including key execution and transformation of business portfolio, active value realization and investments in growth areas

Opportunities
- → Continuous review of portfolio and key markets to identify new products or services or next growth driver
- → Build new relationships and partnerships that will support Ayala's business objectives

Strategy Vision Pillars
- Focused Execution
- Brand & Transformation

Implications for Value Creation
- → Inability to achieve targeted net income
- → Loss of relevance in the industry
- → Reputational damage
- → Lower dividends from business units
- → Weak balance sheet

Risk Drivers
- Inability of business units to adapt to changing customer needs and preferences
- Slow to transition to the "new normal"
- Global supply chain issues
- Revenue concentration of business units on selected customers
- Changing regulatory landscape and volatile macroeconomic factors

Key Risk Indicators
- Company market share vs. Industry market share
- Company revenue growth vs. Industry revenue growth

Mitigating Controls
- → Continuous research on the evolving customer preferences
- → Reevaluated key markets with potential for high growth and better margins
- → Reassessed the earning capability of current business portfolio
- → Sourced new growth opportunities
- → Improved data analytics capability

Groupwide Strategic Risks

In addition to the annual risk assessment exercise, Ayala conducted a group-wide strategic risk assessment using KPMG's proprietary Dynamic Risk Assessment. The process generated a snapshot of a four-dimensional risk network encompassing:

1. **Interconnectivity** how one risk may trigger or impact other risks.
2. **Impact and Likelihood** probability that a risk will occur, and if it occurs, the severity of the impact.
3. **Velocity** how quickly the organization might experience impact once the risk event occurs.

The Ayala Group Management Committee and selected officers participated in a series of individual interviews, surveys and workshops to determine the most relevant risks for the group. The resulting Risk Interconnectivity Map is shown on page 062.

The map highlights risk emitters and risk receivers. Risk emitters, or the most influential risks, have significant effects on the likelihood and impact of other risks in the network.

As a large organization with over 180 years of history, concerns arose for Ayala's agility to address changing market trends and consumer preferences. If business units are unable to cope with changes, the group may have to revisit its portfolio management strategy and focus on industries or sectors to optimize capital and returns.

Similarly, Ayala's ability to capitalize on digitalization influences the execution of key transformation initiatives, ways of work, and competitiveness. Business units will need to analyze opportunities in digitalization given the increased risk from cyber threats.

The competence and expertise of business leaders also holds sway over the success of transformation initiatives and portfolio management. It is essential for the group to have a robust succession plan to ensure continuity and full implementation of its business strategy.

On the other hand, risk receivers, or highly influenced risks, are those whose likelihood and impact are affected by the other risks in the network.

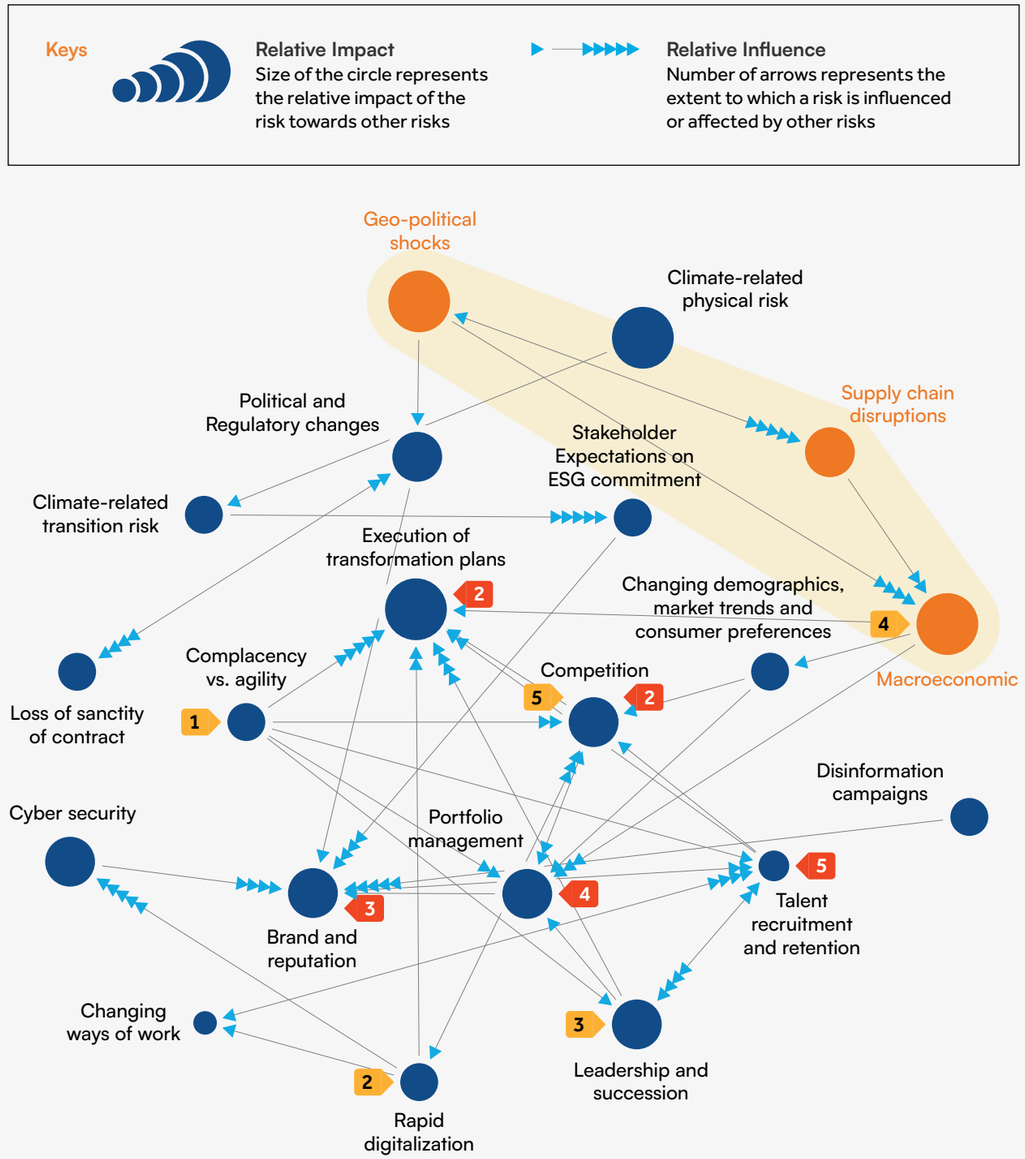
Based on the interconnectivity map, the most strongly connected risk to the other strategic risks is the execution of transformation plans. This entails that the Group may only successfully deliver its transformation plans when it is led by a strong leadership team, remains agile in responding to market shifts and makes proper use of technology changes.

The diagram also implies that the heightened competition may be further magnified by market shifts and rapid digitalization of products, services and processes.

Considered as one of Ayala's value drivers, its brand and reputation may be eroded by a successful cyber-attack, inability to deliver to stakeholder expectations on ESG, and underperformance of business portfolio.

The Dynamic Risk Assessment tool also allowed the group to identify risk clusters, or group of interconnected risks that have a greater impact to the organization when they occur in combination. The analysis showed that the risk cluster yielding the highest impact to Ayala is the cluster of external threats, composed of geopolitical shocks, supply chain disruption and macroeconomic. Evidently, geopolitical tensions across the globe, such as the Ukraine-Russia war and US-China trade war, have led to supply chain challenges that questioned the availability of products and services across industries. On a broader scale, such conflicts have focused policymakers' attention on the critical role of energy globally and the consistent rise in the prices of raw materials. Higher inflation, in addition to the headwinds from disruptions to trade, will put downward pressure on demand, which could potentially lead to a decline in economic growth.

Ayala Group Risk Interconnectivity Map



Top 5 Risk Emitters

1. **Complacency vs. agility**
2. **Rapid digitalization**
3. **Leadership and succession**
4. **Macroeconomic**
5. **Competition**

Top 5 Risk Receivers

1. **Execution of transformation plans**
2. **Competition**
3. **Brand and reputation**
4. **Portfolio management**
5. **Talent recruitment and retention**

Risk Financing Strategy

A fully mature, enterprise-wide risk management program includes mitigation strategies to reduce uncertainty as the organization pursues its objectives. Risk financing is an integral part of an organization's ability to align risk taking with its risk appetite. It requires planning and arranging for the sources of funds—before loss events occur and post-loss—to assure business recovery objectives are met.

Ayala's risk financing philosophy is centered on protection and recovery. Our strategy includes cost-for-mitigation programs (i.e., regulatory compliance, business continuity planning, crisis management), risk retained or self-insured losses and external risk transfers (i.e., counterparty transfers, financial hedging, insurance, etc.), among others.

Insurance and alternative risk transfer solutions complement the risk mitigation strategies. Ayala's programs are designed to elevate insurance from a transactional to strategic undertaking, improve operational risk management, and strengthen risk accountability.

Over the years, Ayala improved the quality of underwriting information that helps insurers allocate capacity and price the risk reasonably. The group updates risk studies, implements recommendations, and works on claims documentation. For more information, see risk mitigation strategy on page 144.

Ayala also monitors emerging risks across the group, such as cyber complexities that may necessitate cyber insurance and comprehensive crime coverage. Though it is a well-known concern, the cyber risk remains dynamic and complex, where the underwriting discipline focuses on the company's controls and overall cyber hygiene. The group's ongoing cybersecurity transformation initiative will address these concerns by insurers.

The availability of online platforms for financial transactions guides Ayala's review of comprehensive crime insurance solutions for the group.

Below are the insurance covers and studies undertaken during the year.

Traditional Physical Risks			
Motor	Political Violence	Property Damage / Business Interruption	Specie

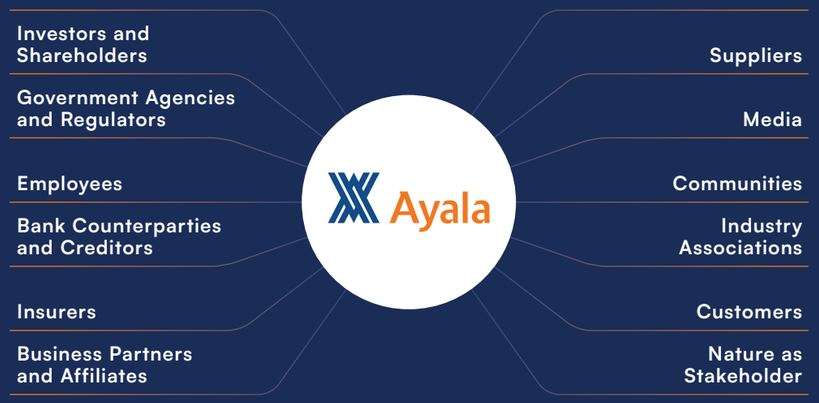
Risk Engineering Surveys	Natural Catastrophe Modelling	Business Interruption Studies	Supply Chain Studies	BCMS Studies	Security Assessment

Risks	
Directors & Officers	Public and Products

Emerging Risks	
Cyber	Crime

Key Relationships

The Ayala group continuously monitors and strengthens relationships with key stakeholders to ensure that their needs and expectations are met and addressed. It engages different stakeholder groups via various communication channels, consultations and collaborations, providing them avenues where they are heard and their inputs considered in decision-making processes. In this way, Ayala stays true to its purpose of creating meaningful and lasting impact on the economy and the society.



Investors and Shareholders

Outlook and Strategy → page 050
Risks and Opportunities → page 056

Modes of Engagement

Regular Activities and Channels of Engagement
- → One-on-one meetings and video conferences
- → Calendar of investor conferences
- → Calendar of deal and non-deal roadshows
- → Bespoke Ayala group corporate access days
- → Email correspondences
- → Quarterly results briefings
- → PSE/PDEX disclosures
- → Company website
- → Integrated Report

Other Initiatives
- → Utilized online platforms in the gradual shift to physical engagements to disseminate information and ensure the investor community's access to management through online conferences, non-deal roadshows and meetings
- → Conducted annual stockholders' meeting in a virtual format and published the annual Integrated Report using a remote work approach to meet regulators' deadline

Key Concerns Raised & Strategic Response

Granularity on execution and impact of macroeconomic headwinds on successful accomplishment of strategic three point agenda
- → Kept investors and analysts abreast on Ayala group's initiatives amid the changing business environment
- → Ensured messaging was centered around how the group made strides towards executing on its strategic three point agenda, specifically citing the recovery of Ayala's core value drivers on the back of the economic rebound and the significant progress made by the emerging businesses

Steep conglomerate discount and lack of a next growth driver for Ayala
- → Developed enhanced messaging on AC Health and AC Logistics
- → Provided feedback to management, resulting in enhanced messaging around Ayala's efforts to identify its next growth driver(s)
- → Shared more details on Ayala's initiatives for the consumer and electric vehicle (EV) spaces

Demand for more ESG disclosures
- → Initiated more comprehensive ESG discussions covering areas such as climate ambition and TCFD

Government Agencies and Regulators

Corporate Governance → page 139

Modes of Engagement

Regular Activities and Channels of Engagement
- → Public consultations on proposed measures
- → Meetings with relevant government agencies
- → Roundtable discussion with select local government leaders

Special Activities
- → Public consultations and position papers to incorporate recommendations

Other Initiatives
- → Monitored government policy and interventions related to the pandemic, and economic and social recovery.
- → Laid the groundwork for The Liveable Cities Playbook Volume 6 on Health to enhance LGU capacity to provide quality health services

Key Concerns Raised & Strategic Response

Contribution to policy directions on national issues and priorities of the new administration
- → Participated in public-private sector dialogues and consultations including matters covered by the Private Sector Advisory Council
- → Submitted evidence-informed policy alternatives on proposed government policies

Compliance with existing and emerging laws and regulations
- → Conducted continuous dialogues with government and regulatory agencies
- → Updated company policies and rules to align procedures and reporting
- → Published updated policies and rules in the corporate website as needed

Policy reforms
- → Participated in policy dialogues and consultations
- → Submitted position papers on proposed measures

Privacy and protection of personal data
- → Conducted capacity-building activities for employees in partnership with the National Privacy Commission and other training providers
- → Reviewed data processing activities and security measures, and updated privacy terms and conditions of Ayala's programs and initiatives

Implementation of the Mandanas ruling*
- → Monitored government issuances on its implementation.
- → Conducted internal and external stakeholder engagement activities to contribute to policy discussions

* The Supreme Court (SC) ruling on the Mandanas-Garcia Petition concerning the Internal Revenue Allotment (IRA) follows a long and persistent effort of local government units (LGUs) and stakeholders in demanding greater autonomy and resources from the national government (NG).

Employees

Maintain a positive workplace experience and engaged workforce → page 114

Modes of Engagement

Regular Activities and Channels of Engagement
- → Announcements and HR-related information dissemination via emails and messaging apps
- → Meetings, focused group discussions and townhalls
- → One-on-one discussions between the employees and the line managers
- → Pulse checks, employee engagement, mental health and wellness surveys
- → E-learning platforms and webinars
- → Spiritual activities and other special celebrations and events

Other Initiatives
- → Provided booster shots to employees and their dependents

Key Concerns Raised & Strategic Response

Improvement on compensation, benefits and rewards
- → Expanded benefits that cover same-sex and domestic partnerships, interest-free education loans and paternity leave beyond the law-mandated period
- → Enhanced medical coverage that includes provision for mental health, increased limits in OB fee and hospitalization limit, coverage for epidemic cases and voluntary enrolment for extended or overage dependents
- → Adjustment on employee subsidies to soften the impact of higher inflation and cost of living

Physical and mental wellbeing
- → Launched Wellness Program 2.0 with the objective of promoting work-life balance and encourage a lifestyle that will result in healthy physical, mental, spiritual, and emotional wellbeing
- → Continuous mental health support through Ayala's resident psychologists and MindYou platform and expanded coverage of sick leave to include mental wellness
- → Continuity of the hybrid-flexible way of working to provide employees flexibility in consideration of their work requirements and unique personal circumstances
- → Webinars on work-life balance and wellbeing with experts in various fields from inside and outside the Ayala group
- → Hybrid townhalls and kapihan sessions, special events and get-together activities

Access to professional development and growth opportunities
- → Defined career paths and developmental plans for both high potential and top talents
- → Targeted mobility within Ayala group
- → Varied learning modalities that range from in-person and hybrid programs to online courses for upskilling and reskilling

Health and safety at the workplace
- → Provision of vaccines to employees and qualified dependents
- → WeAreAyala Mobile app and its Ayala Sign-in System for Immediate Support and Tracking (ASSIST) feature
- → Defined crisis management response and protocol

Bank Counterparties and Creditors

Outlook and Strategy → page 050
Risks and Opportunities → page 056

Modes of Engagement

Regular Activities and Channels of Engagement
- → Meetings and video conferences
- → Formal and email correspondences
- → Economic briefings and finance summits
- → Roadshow presentations
- → Quarterly analyst briefings

Special Activities
- → Banker's Briefing in lieu of the usual quarterly analyst briefings to focus more on Ayala's balance sheet and credit profile

Other Initiatives
- → Utilization of the PDS Group's E-Securities Issue Portal (E-sip) to support digitalization of the Philippine capital markets
- → Adopted DocuSign as an alternative to wet-ink signatures for quicker turnaround in the approval process

Key Concerns Raised & Strategic Response

Financing plans
- → Communicated financing plans and outlook moving forward to address uncertainty, allow creditors to plan out their credit approvals and extend credit lines to Ayala
- → Negotiated for a mutually beneficial arrangement to address rising interest rates

Timely submission of documents
- → Submitted electronic versions of documents followed by the physical copies within specified timelines



Department of Finance Undersecretary Zeno Ronald R. Abenoja and Ayala's Strategy and Analytics Head Pauline Clarisse Feria-Darre at Ayala's Economic & Treasury Summit: Transforming Headwinds into Growth Opportunities

Insurers

Outlook and Strategy → page 050
Risks and Opportunities → page 056

Modes of Engagement

Regular Activities and Channels of Engagement
- → Regular cadence meetings (in-person or virtual)
- → Formal and email correspondences
- → In-person renewal roadshows
- → Underwriting calls and meetings
- → Insurer-sponsored events
- → Stewardship meetings

Special Activities
- → Organized a Claims Roadshow to assess the impact of Typhoon Rai (local name Odette) and highlight the business units' responses and Ayala's risk management activities

Key Concerns Raised & Strategic Response

Impact of Typhoon Rai (local name Odette)
- → Provided information on actions and strategies to mitigate impacts of typhoon and flooding through the Claims Roadshow
- → Formed a dedicated claims team to properly manage claims by business units

Increased interest in ESG
- → Highlighted the progress of Ayala's ESG initiatives particularly on commitment to achieve net zero GHG by 2050

Underwriting information
- → Provided results of risk studies specific to business units, including risk engineering surveys, business interruption studies and natural catastrophe modelling, among others
- → Organized workshops with risk advisors to understand the requirements of our insurers

Premium Payments
- → Established SLAs with risk advisors and fronting insurer for invoice issuance and with our business units for payment processing.



Ayala Insurance Roadshow in Singapore held on May 2022

Business Partners and Affiliates

Outlook and Strategy → page 050
Risks and Opportunities → page 056
Corporate Governance → page 139

Modes of Engagement

Regular Activities and Channels of Engagement
- → Board and Executive Committee dialogues and meetings
- → Roundtable discussions and advisory engagements
- → Partnerships for projects

Special Activities
- → Held roundtable discussions about local-level public-private collaboration in partnership with Ateneo School of Government
- → Participation in the Private Sector Advisory Council

Key Concerns Raised & Strategic Response

Management and governance
- → Focused on transparency and timeliness of disclosures and reporting
- → Upheld strong governance processes within the holding company

Financial performance
- → Continued to work with various teams within the Ayala group to deliver strong financial performance

Outlook, risks and performance
- → Regularly engaged partners and experts to shape outlook and develop informed views and targets for the company and the Ayala group

Addressing key macroeconomic issues through partnerships and collaboration
- → Participated in multi-stakeholder alliances to contribute to the country's sustainable growth through policy, strategic initiatives and philanthropic efforts

Suppliers

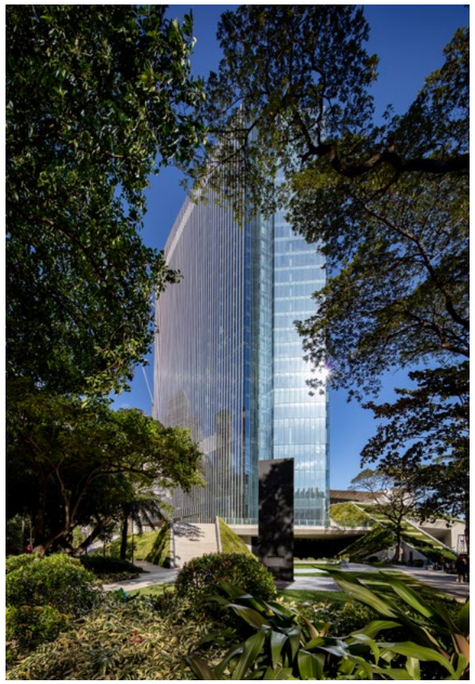
Sustainable Business Practices ⇒ page 135

Modes of Engagement

Regular Activities and Channels of Engagement
- → Weekly meetings and emails
- → Communication via messaging apps

Key Concerns Raised & Strategic Response

Delayed fulfillment of deliveries and other logistical challenges
- → Adjusted the timeline of Ayala Triangle Gardens Tower 2 construction and focused on aspects that can be done despite delays



Ayala Corporation's headquarters is now located in Ayala Triangle Gardens Tower Two.

Media

#BrigadangAyala ⇒ page 044
Outlook and Strategy ⇒ page 050

Modes of Engagement

Regular Activities and Channels of Engagement
- → Partnerships and sponsorships with digital and print media outlets
- → Press briefings and conferences
- → Media and company events, social gatherings and meetings
- → Company updates through corporate website, emails, phone calls and social media

Special Activities
- → Sponsored virtual gathering with reporters and editors covering business stories
- → Meetings between corporate communication heads across the Ayala group with editors and key reporters of the country's top broadsheets

Other Initiatives
- → Worked with media to amplify stories from Project Ugnayan and #BrigadangAyala ⇒ page 044.

Key Concerns Raised & Strategic Response

Access to Ayala business units
- → Facilitated briefings and established linkages between media and the business units' corporate communications teams
- → Pitched exclusive interview requests with relevant executives and CEOs
- → Boosted stories across Ayala's external and internal communication platforms

Request for official statement
- → Worked with top-level executives to draft a statement aligned with the company's direction and cleared statement with principal.
- → Monitored news to ensure consistency of published report with the official statement.

Communities

Ayala Foundation ⇒ page 024

Modes of Engagement

Regular Activities and Channels of Engagement
- → Online and onsite coordination, monitoring, meetings and data collection
- → Hybrid programs including museum tours, library visits, workshops, lectures and teacher training
- → Face-to-face engagements

Special Activities
- → Free access days at the museum and library
- → Financial Education for Planting for Productivity in select areas in partnership with BPI Foundation
- → Sports and arts-based Psychosocial Intervention Program to promote positivity and build resilience
- → Maging Magiting AFI DRRM Rescue Boat donation program in partnership with AFI and the Municipality of San Dioniso in Iloilo
- → Wheels for Work in partnership with AFI and the Makati Business Club to provide bikes to workers
- → Joint interventions on common advocacies such as partnership among PSFI, AFI, MAO/LGU and AMMMENI in El Nido to address food security and stabilize food prices.
- → Active membership in local special bodies such as the Municipal Development Council, Municipal Tourism Council, Municipal Nutrition Council, Municipal Disaster Response and Risk Management Council in El Nido.

Other Initiatives
- → Implemented health and safety protocols for guests and staff of Ayala Museum.
- → Maximized social media engagement with regular posts by the ProFuturo coaches.
- → Supported the Department of Education's Brigada Eskwela program with 10,000 #BrigadangAyala Balik Eskwela Health Kits for public school teachers and students.
- → Included Magiting face masks in food packs, health kits, and emergency go-bags given to communities during disaster response activities.
- → DRRM Program provided 1,000 emergency go-bags to public school teachers for disaster preparedness and resilience.
- → Supported LGUs in providing ayuda to communities, particularly with Project BuyAni to mobilize local sources for food packs.

Key Concerns Raised & Strategic Response

Access to art and culture
- → Provided onsite and online opportunities and content to increase appreciation and knowledge of Filipino culture and arts.

Access to nutritious food
- → Conducted Planting for Productivity Project in communities.

Delivery of health kits
- → Maintained constant communication with the supplier and procurement to monitor deliveries of health kits and address logistical challenges.

Selling spaces at Centrio Mall
- → Committed to providing free selling spaces at Centrio Mall.

Transportation assistance during monitoring rounds
- → Requested Planting for Productivity (P4P) budget for CSWD and City Agri Teams for monthly monitoring rounds.

Request for project resources
- → Evaluated projects to determine the appropriate mode of intervention.

Connectivity in online trainings
- → Provided copies of training handouts and activities to all partner schools.

Schedule of onsite and hybrid activities
- → Practiced flexibility in scheduling to accommodate partner schools' requests.

Industry Associations

Outlook and Strategy ⊖ page 050
Partnerships ⊖ page 146

Modes of Engagement

Regular Activities and Channels of Engagement
- → Membership
- → Regular meetings
- → Knowledge sharing and exchange of ideas
- → Webinars

Special Activities
- → Podcasts
- → Roundtable discussions
- → Research papers
- → Economic and finance forums

Key Concerns Raised & Strategic Response

Partnerships and collaborations
- → Participated in policy and roundtable discussions, podcasts and webinars
- → Co-organized summits advocating for the development of financial management and public health in the country



Ayala's Group Risk Management and Sustainability Head Ma. Victoria Tan joined the panel discussions in the WBCSD Council Meeting held in Tokyo, Japan on October 2022.

Customers

Prioritize customer experience and protection ⊖ page 123

Ayala Land

Key Concerns Raised & Strategic Response

Delays in turnover
- → Provided payment restructuring options for projects determined to be significantly delayed
- → Sent progress photos to affected accounts until the final turnover
- → Released advisory letters to condo buyers for EOTD (Extension of Time to Develop) once applied to Department of Human Settlements and Urban Development (DHSUD)

Property and ownership documentations
- → Established the Customer Service and Accounts Management (CSAM) team to closely monitor inquiries, requests and complaints
- → Facilitated IRU (inform, remind and update) process on status of accounts and documentations to apprise buyers regularly and manage expectations on delivery
- → Development of the Buyers' Portal to allow clients access to a digital portfolio for their purchases and updates on the progress of the documentation, for rollout in 2023
- → Management regularly monitored red flag accounts

Cash flow concerns
- → Provided stretched pay terms
- → Accommodated requests for payment restructuring and extensions

Site visits and project status
- → Conducted series of online selling events and webinars
- → Partnered with various thought leaders for a series of online talks on investing during pandemic
- → Provided project updates

More on Ayala Land on ⊖ page 158

BPI

Key Concerns Raised & Strategic Response

Interbank transfer issues
- → Diagnosed and treated customer pain points to improve client experience
- → Advised clients of system issues in a timely manner

Phishing and vishing
- → Raised customer awareness of anti-fraud practices through internal and external communications
- → Expedited client concerns to pertinent units for investigation and resolution
- → Offered assistance to clients who want file cases against the perpetrators

More on BPI on ⊖ page 162



BPI implements the Customer Assistance Program, which ensures that client feedback from various touchpoints and channels are handled appropriately.

Globe

Key Concerns Raised & Strategic Response

Rising demand for connectivity and increased mobility of customers
- → Kept customers connected to what is important to them by upgrading their broadband connection to fiber and rightsizing their plan
- → To meet the connectivity needs, continued to scale up cell site builds and upgrade outdated facilities, and restored sites that were affected by calamities
- → For B2B customers, improved service reliability and availability by modernizing access sites and circuits

Multiple apps to serve the different needs of customers
- → Streamlined the digital experience of customers by developing and enhancing a single app - the GlobeOne app - to cater to Globe Postpaid and Prepaid, Globe At Home, Home Prepaid WiFi, TM, and Globe Rewards customers

Faster resolution of concerns raised on social media
- → Monitor concerns of customers on social media to enable detection of customer issues earlier, provide care more proactively and resolve issues in a timely manner
- → Provided customers with a more personalized experience on Facebook Messenger
- → Built more self-service capabilities and dedicated flows for different concerns to address customer concerns faster

Heightened cybersecurity and fraud threats
- → Safeguarded customers from fraud and scam through education and information campaigns
- → Raised awareness on emerging and persistent fraudulent activities
- → Enhanced Stop Spam page at **https://www.globe.com.ph/stop-spam.html** where incidents can be raised in 3 easy steps

More on Globe on ⊖ page 166

Customers continuation

Prioritize customer experience and protection page 123

ACEN

Key Concerns Raised & Strategic Response

Reasonability of renewable energy offering and reliability of electricity supply
- → Conducted customer education webinars on product offers and Philippine energy market to reassure current and potential partners
- → Launched ACEN RES RECHARGE: Sessions on Energy and Business on Energy and Business
- → To ensure supply reliability, guaranteed customers would incur no additional charges due to market volatility

More about ACEN on page 170

AC Health

Key Concerns Raised & Strategic Response

Low doctor's attendance in Healthway clinics
- → Hosted the first annual Doctors' Symposium, which featured local and international experts in the healthcare field who discussed ongoing trends, including value-based healthcare delivery and Integrated Practice Units
- → Hosted various roadshows and townhall events to re-engage doctors

Long queuing
- → Integrated Healthway and QualiMed initiatives
- → Opened three new clinics in the Greater Manila Area, totaling to 10 clinics in the network
- → Transitioned COVIDShield to clinics

Unserved and unavailable items
- → Added 18 new molecules to the IEM/EMI cabinet
- → Stocked Generika stores with IEM/MEI molecules
- → Increased Generika store count by 29, ending 2022 with 758 drugstores

Demand for digitalization
- → Consolidated KonsultaMD, HealthNow and AIDE
- → Sourced 20% of healthcare providers from AC Health
- → Generated 2.3 million cumulative downloads and 89% growth in average revenue per user

More about AC Health on page 174

AC Logistics

Entrego

Key Concerns Raised & Strategic Response

Delayed and failed deliveries
- → Kept customers updated on status of delivery through email or chat
- → Used mobile hubs in selected provincial areas to dispatch and deliver packages within the lead time
- → Provided option to use air transfers or Block Space in airlines to decrease the transit time for premium service accounts
- → Implemented a new process that reduced unloading lead time

Coverage area
- → Sourced business partners who are capable of quickly establishing operations where needed

Documentation completion and information accuracy
- → Implemented a two-way ticketing system to provide information on operational concerns and track customer inquiries
- → Corrected the system price pushed by the customer to remedy incorrect pricing on waybills and reprinted new waybills for affected parcels
- → Initiated review of proof of delivery process and identified interventions
- → Created a new team to review and improve billing process

Embedding sustainability into business operations
- → Started process for ISO certifications in various sites
- → Addressed supplier audits and sustainability requirements of clients by providing requested documents and organizing in-person meetings
- → Established Sustainability Council to advance sustainability within the company's operations
- → Published an Impact Report that highlights sustainability governance and strategy
- → Rolled out the Truck Safety Checklist and Rider's Program to address customer requirement on road and vehicle safety

More about AC Logistics on page 178

AC Industrials

IMI

Key Concerns Raised & Strategic Response

Project delivery
- → IMI Global Procurement Office implemented strategies and initiatives to alleviate supply chain challenges
- → Maintained constant communication and coordination with customers and suppliers to mitigate shortages

AC Motors

Key Concerns Raised & Strategic Response

Unavailability or limited supply of new vehicles
- → Updated customers on unit availability, timeliness of unit releases, completeness of document processing, and cause of delay if promised schedule was not met
- → Coordinated with distributors and OEM partners to expose limitations and develop a shared understanding of local demand for certain models

Delayed delivery of new units
- → Completed documents prior to customer arrival to avoid long waiting time during release
- → Encouraged customers to settle payments through online banking for their convenience

Delayed parts availability and service unit delivery
- → Adjusted delivery schedules as needed and managed customer expectations through clear communications of new timelines
- → Facilitated earlier shipments of OEM supply to minimize lead time to dealer and customer delivery

Turnaround time of Extended Letter of Authority (LOA) from insurance companies
- → Communicated with insurance companies and monitored their progress to expedite customer service and decrease turnaround time

More about AC Industrials on page 182

AC Ventures

Zalora

Key Concerns Raised & Strategic Response

Returns and refunds
- → Taught customers to maximize online self-help tools
- → Replied to customer inquiries with specific status information

Delivery follow-ups
- → Used tracking details to provide accurate status updates
- → Provided customers self-service information access to maintain clear delivery expectations

More about AC Ventures on page 186



AC Motors is Ayala's automobile business group that manages the distribution of Volkswagen, Kia, and Maxus and dealerships of Isuzu and Honda.

Customers continuation

Prioritize customer experience and protection (→ page 123)

iPeople

Key Concerns Raised & Strategic Response

Mental health concerns of students and employees
- → Increased accessibility to online and face-to-face counseling
- → Increased availability of academic coaches and advisers to students

Health and safety concerns due to conflicting government regulations on health protocols
- → Engaged in regular conversations with employees, students and government authorities such as LGUs

More about iPeople on (→ page 190)



iPeople aims to transform lives and society using innovations in Philippine education and research.

Manila Water

Key Concerns Raised & Strategic Response

Clean and potable water
- → Conducted monthly water sampling at designated distribution points to monitor water quality and uphold standards for safe drinking water

Continuous water supply
- → Provided regular updates, announcements and bulletins through social media

Billing and service concerns
- → Addressed concerns and resolved complaints within internal service-level targets

Desludging Schedule
- → Published desludging schedules and other advisories in print and on social media and distributed flyers to barangays and community partners

Environmental initiatives
- → Aligned information, education and communication campaigns, programs and activities with relevant environmental initiatives



Manila Water is committed to providing excellent service, fueled by its pioneering spirit and desire to use its strengths towards its vision of better lives and resilient economies through critical infrastructure.

Nature as Stakeholder

More than half of the world's total gross domestic product depends on nature

According to the World Economic Forum (WEF)

As part of the global movement to protect and restore nature and a member of the WBCSD who's committed to its Global Global for Nature, Ayala includes natural capital assets and ecosystems in its processes and decisions at every level. The group strives for responsible, sustainable operations by understanding its businesses' reliance on nature and integrating it as a critical stakeholder in Ayala's risk management approach.

In the coming years, the Ayala group will enhance collaboration with experts, policymakers, investors, innovators and consumers to propel its sustainability goals far beyond minimizing negative impact toward action-oriented plans. Ayala is working on conserving and enhancing natural ecosystems and biodiversity through **Project Kasibulan's Mindoro Forest and Biodiversity Conservation Program** (→ page 104).

Project Kasibulan's Mindoro Forest and Biodiversity Conservation Program



Materiality

Refining ESG priorities

Ayala remains committed to creating value, steadfast in building businesses that benefit the greater good. In 2022, Ayala refined its strategic ESG priorities to maximize relevance and impact. This is highlighted in the refreshed ESG Materiality Framework, where megatrends were considered to assess the financially material topics that contribute to or diminish Ayala's enterprise value. Moreover, material topics were streamlined to create a common understanding across the group.

The ESG Materiality Framework is aligned to global sustainability reporting standards and frameworks and the UN Sustainable Development Goals.

Megatrends

The climate crisis Failure to act on the climate crisis has been identified as the most critical long-term threat. This crisis can potentially cause severe damage to societies, economies and the planet. It is imperative for corporations to decarbonize and climate-proof businesses to sustain operations, prevent further environmental degradation, encourage investments and build trust and credibility among investors and stakeholders.

Resource scarcity Natural resources are increasingly becoming scarce due to the impacts of the climate crisis and human-driven environmental decline such as biodiversity loss and water scarcity. Corporations should emphasize commitment to conservation and resource efficiency and transition to a low carbon economy to ensure the health and well-being of communities, particularly in areas of operations.

Talent shortage The COVID-19 pandemic brought to the forefront issues of talent shortage, mismatched skills and the need to build internal capacity. Shifting markets and businesses and the applicability of remote work generated new livelihood opportunities. This created a resistance to traditional modes of work, which led to a global talent shortage. Corporate response should include alternative work arrangements, expanded incentives and investments in talent.

Eco-wakening Driven by increased environmental awareness and personal experience with the devastating impacts of fires, floods and COVID-19, more consumers want to live sustainably and expect brands to bear as much responsibility as governments in creating a sustainable future. Acting on climate change issues, conserving natural resources and improving social impacts will address consumer demands, increase customer satisfaction and build a workforce that takes pride in its company's commitment to sustainability.

Corporate social justice Built on corporate social responsibility, corporate social justice reframes initiatives to demonstrate that contributing to social good is deeply ingrained within a company. This requires adhering to business ethics, ensuring diversity, equity and inclusion in the workplace and advocating for the rights of employees, customers and communities.

Technology shifts The world is changing in the way people live, think, work and use resources. These changes drive increasingly fast shifts in technology and accelerate digital transformation. Developments in the global marketplace; opportunities brought about by emerging technologies including big data, robotics, artificial intelligence and the Internet of Things; and increased interconnectivity are changing the business landscape. Companies need to balance technology shifts and innovation with operational efficiency, upskill employees and ensure customer satisfaction.

Changing statutory and regulatory landscape Global agreements and amendments to national laws and regulations require companies to be aware of the constantly changing statutory and regulatory landscape in relation to resource use, operational efficiency, customer privacy and product quality and safety, among others. This will ensure compliance with current policies and regulations, minimize disruptions to operations and maintain the trust of investors, partners and customers.

Materiality Process

Ayala conducts an annual review of its material topics following best practice. Referencing the previous reporting framework, the (1) **definition** of the topics followed these criteria:

- ✓ It is common among most of the Ayala companies.
- ✓ It has a significant impact on the brand and reputation of Ayala.
- ✓ It is important to the key stakeholders of the group.

Engagements with different stakeholders and roadshows with business units, wherein representatives discussed their impacts and what matters to their stakeholders, informed the (2) **identification** of the material topics.

To help in impact assessment, stakeholder concerns and results of the roadshows were (3) **analyzed**, considering the different reporting standards and reviews of the World Business Council for Sustainable Development (WBCSD) and ESG rating institutions. Megatrends analysis also served as Ayala's starting point in incorporating financial materiality in the assessment. The megatrends impact Ayala's value creation.

The material topics were (4) **prioritized** and (5) **validated** based on their strategic importance for Ayala's businesses and impact on value chains. Following sustainability and ESG developments, some material topics included in the previous year's reporting framework were consolidated:

- → Diversity, Equity and Inclusion – covers topics such as non-discrimination, diversity, equal opportunity and employee welfare
- → Human Rights – covers labor practices and child and forced labor
- → Customer Privacy and Data Protection – replaced Customer Privacy
- → Customer Safety – replaced Security Practices

This year's materiality (6) **review** showed the continuing relevance of the five thematic areas and these were rewritten to highlight Ayala's ESG priorities:

- E Contribute to climate action and biodiversity protection
- E Improve resource efficiency and waste management
- S Maintain a positive workplace experience and engaged workforce
- S Prioritize customer experience and protection
- G Implement equitable business practices

Ayala's ESG priorities support the execution of the key initiatives of the vision pillars ⊖ page 050, ensuring value creation for all stakeholders. With this, Ayala can conduct its business responsibly to **enable a better future for all**.

Environmental
⊖ page 094

Purposeful and deliberate actions around environmental priorities will help future-proof Ayala's businesses by integrating climate ⊖ page 082 and biodiversity loss in financial planning and budgeting. The is aim to **contribute to climate action and biodiversity protection** ⊖ page 096 by committing to net-zero GHG emissions by 2050, adapting environment-friendly technologies and materials and increasing renewable energy generation and adoption. The drive to **improve resource efficiency and waste management** ⊖ page 106 considers not just addressing the group's environmental impacts but the looming natural resource crisis as well.

Social
⊖ page 112

Ayala's social focus to **maintain a positive workplace experience and engaged workforce** ⊖ page 114 and **prioritize customer experience and protection** ⊖ page 123 will drive diversity, equity and inclusion at all levels of the workforce, in the supply chain and in host communities, while developing products and services that are relevant to the customers.

Economic & Governance
⊖ page 128

To **implement equitable business practices** ⊖ page 130 is a testament to Ayala's commitment to the highest level of transparency and disclosures while safeguarding the interests of the group's various stakeholders.

Improvements applied to Ayala's ESG Data Collection and Consolidation Process

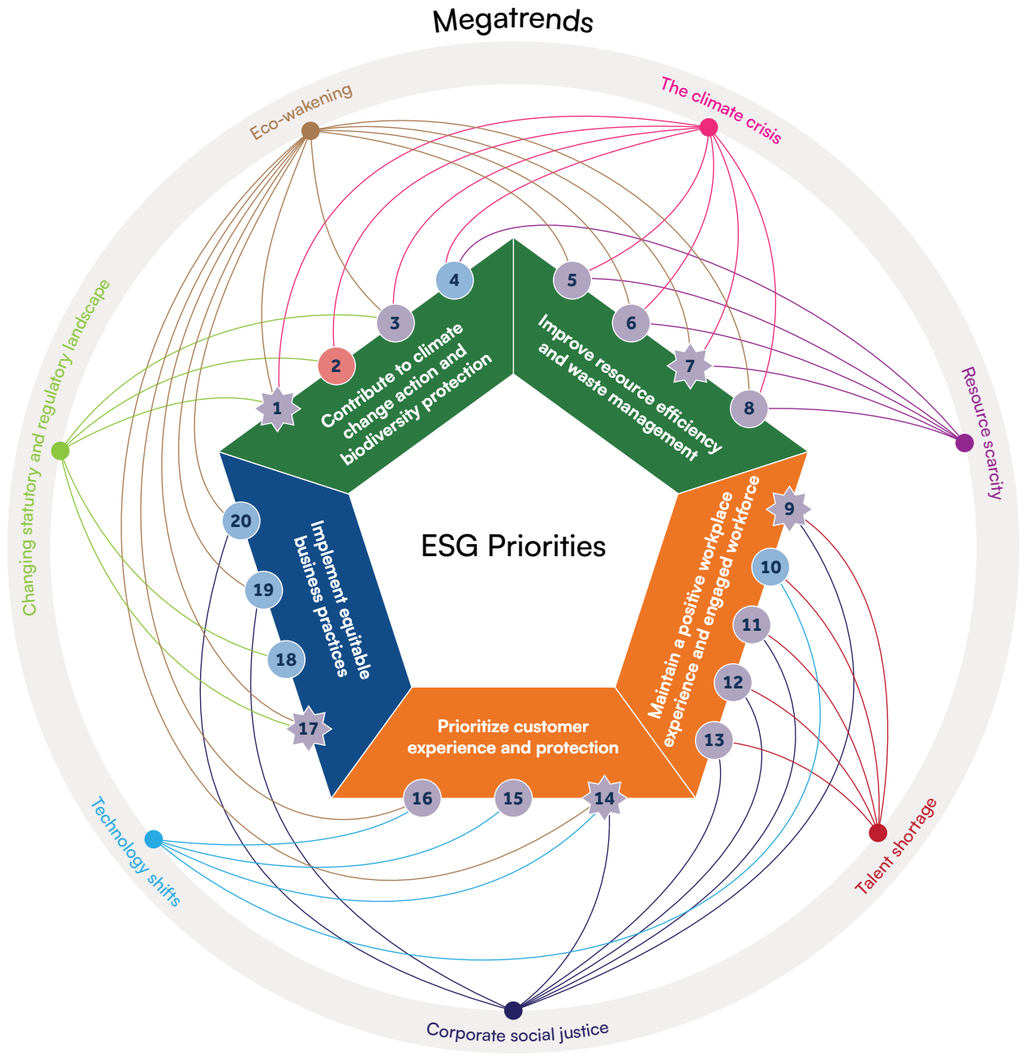
Several improvements in Ayala's ESG data collection and consolidation process in 2022 resulted in enhanced disclosures.

Ayala adopted an ESG data management system to lessen the manual activities in the business units' submissions. Instead of submitting their ESG data via email, representatives of the various business units input their data into the system. The system allows Ayala to put in place controls over the ESG data management process.

The materiality index ⊖ page 212 also underwent a thorough review that ensured the metrics' alignment with the GRI and SASB Standards. This alignment resulted in updates in water and waste reporting.

Improved data collection from Ayala's business units also helped capture information that have not been reported previously. Entrego, one of AC Logistics' investees, started reporting in 2022. The ESG data of ACEIC, Ayala's holding entity for thermal assets, are reported separately to provide granularity on the information necessary to achieve net-zero GHG emissions by 2050.

In 2023, Ayala aims to further enhance its integrated reporting by refreshing its materiality process, with a focus on **double materiality**.



ESG Topics

Contribute to climate action and biodiversity protection
1. GHG Emissions
2. Energy Resource Planning
3. Climate Change
4. Biodiversity

Improve resource efficiency and waste management
5. Energy Management
6. Water Management
7. Waste and Hazardous Materials Management
8. Materials Consumption

Maintain a positive workplace experience and engaged workforce
9. Employee Engagement and Mental Health
10. Training and Development
11. Diversity, Equity, and Inclusion
12. Occupational Health and Safety
13. Human Rights

Prioritize customer experience and protection
14. Product Quality and Safety
15. Customer Privacy and Data Protection
16. Customer Safety

Implement equitable business practices
17. Business Ethics
18. Economic Value Distribution
19. Sustainable Business Practices
20. Community Engagement

Keys: Environmental | Social | Governance | GRI + SASB | GRI | SASB | Focus Area



Performance

→ 082 Action on Climate

→ 094 Environmental

- 096 Contribute to climate action and biodiversity protection
- 106 Improve resource efficiency and waste management

→ 112 Social

- 114 Maintain a positive workplace experience and engaged workforce
- 123 Prioritize customer experience and protection

→ 128 Economic & Governance

- 130 Implement equitable business practices
- 139 Corporate Governance

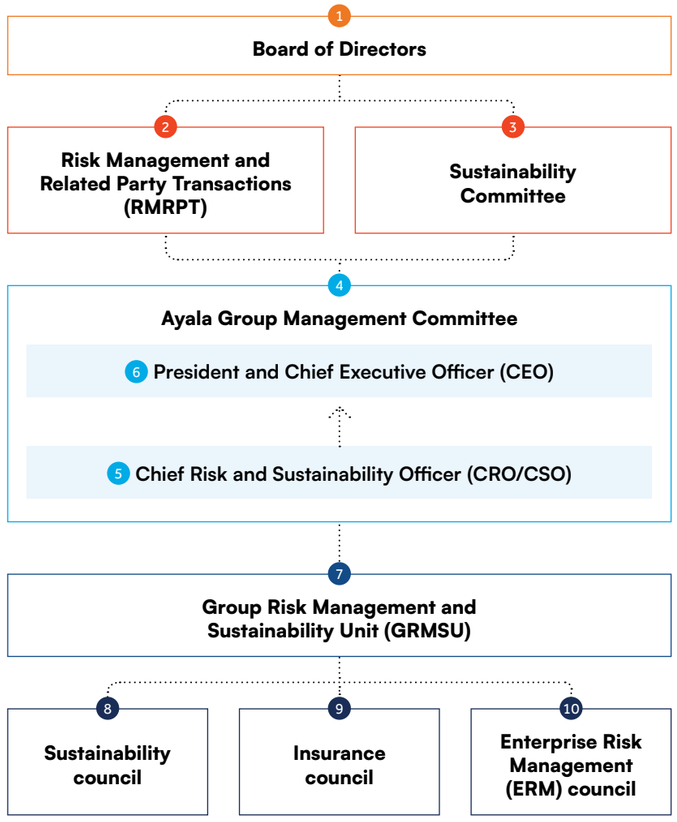
→ 150 The Ayala Sustainability Blueprint

Leadership in Sustainability

Action on Climate

Task Force on Climate-related Financial Disclosures Statement

Since 2019, Ayala Corporation has been integrating recommendations from the Task Force on Climate-related Financial Disclosures' (TCFD) into its annual reports. In 2021, Ayala and its core business units became formal signatories to the TCFD. This disclosure, the first of its kind for Ayala Corporation, summarizes actions and processes across the four TCFD pillars as of 31 December 2022. The group remain dedicated to a full implementation of the framework's recommendations.



Governance

The Ayala 1 **Board of Directors (the Board)** oversees the group's strategy, systems and procedures, including climate-related issues and business resilience. For example, the Board provides approval and oversight of the commitment to achieve net-zero greenhouse gas (GHG) emissions by 2050 through the Climate Ambition Project. In 2022, the Board and managing directors took part in environmental, social and governance training (ESG) to deepen their understanding of climate science, changing business and sustainability landscapes and the role of the Board in sustainability leadership. The training supports the Board's application of sustainability considerations to corporate governance and decision making.

The Board receives information on climate-related risks and opportunities from the 2 **Risk Management and Related Party Transactions (RMRPT)** and Sustainability Committees. The RMRPT is responsible for overseeing the risk management framework—and the identification of material risks and associated impacts, including those that are climate-related. The 3 **Sustainability Committee** supports sustainability efforts and the integration of ESG matters in strategy formulation. After evaluating the Climate Ambition project, the Sustainability Committee endorsed it to the Board in 2021. Both committees meet a minimum of twice a year and report their discussions to the Board.

As an exercise of its oversight function, the Board holds regular sessions with the Ayala 4 **Group Management Committee** to discuss group-level objectives and strategic plans. Topics include climate-related issues such as progress on group-wide GHG emissions reduction targets. The discussions align group and parent-level priorities and pinpoint areas for collaboration. The relevant recommendations of the Group Management Committee are discussed with the RMRPT and Sustainability Committees prior to Board approval.

The 5 **Chief Risk and Sustainability Officer (CRO/CSO)** is a member of the Ayala group Management Committee. He holds the highest management level position mandated to lead the identification, assessment and management of climate-related risks and opportunities, as well as direct the group's overall sustainability strategy. As one of the most senior management executives under whose leadership falls both the Sustainability and Risk Management departments, the CRO/CSO leads integration efforts, including with other departments such as finance. The CRO/CSO's key climate-related responsibilities include: leading management in the identification and assessment of climate related risks and opportunities, leading functional councils such as the Ayala Sustainability, Insurance and the Enterprise Risk Management (ERM) councils and ensuring that programs align with best practices. The CRO/CSO directly reports to the 6 **President and Chief Executive Officer (CEO)**, who reports to the Board of Directors. The President and CEO is the ultimate sustainability champion at Ayala.

Supporting the CRO/CSO is the 7 **Group Risk Management and Sustainability Unit (GRMSU)**. The GRMSU helps convene the 8 **Sustainability,** 9 **Insurance and** 10 **Enterprise Risk Management (ERM) councils**. The GRMSU manages the inclusion of climate-related risks in the ERM program, establishes the relevant risk financing strategy and supports the rollout of the Climate Ambition Project across the Ayala group.

The Sustainability, Insurance and ERM Councils include sustainability, insurance and risk officers from across the subsidiaries. Council members share information and best practices pertinent to climate change, the transition to a low-carbon economy, the circular economy, and the Sustainable Development Goals (SDGs). The councils discuss Ayala group-level climate goals, targets and policies at their meetings, then report their summaries to the Board via the governance structure outlined in the chart above.

Strategy

In 2022, Ayala assessed its exposure to specific climate-related risks and opportunities in alignment with the TCFD recommendations. Ayala worked with Aon Global Risk Consultants (Aon) to assess the potential impacts of climate-related risks and opportunities for the group and key business units. The considerations and assessments of physical and low-carbon transition risks covered the time horizon 2020 to 2100.

Physical risks and opportunities	Linked to the impact of acute risks (e.g., increased severity of tropical cyclones, wildfires and floods) and chronic risks (longer-term shifts in climate patterns such as sustained increase in temperatures and water stress)
Transition risks and opportunities	Linked to the impact of a transition to a low-carbon economy (e.g., carbon pricing schemes)

Aon evaluated the asset value at risk for the parent and unlisted subsidiaries and six business units: the Energy Group (ACEIC and ACEN Renewables), Ayala Land, Bank of the Philippine Islands (BPI)[1], Globe Telecom (Globe)[2], Integrated Micro-electronics, Inc. (IMI) and Manila Water Company, Inc. (MWC).

Scenarios: In its analysis, Aon considered two scenarios informed by the Intergovernmental Panel on Climate Change (IPCC).

RCP 8.5 **Temperature Outcome[3] 3.2-5.4°C**	The RCP 8.5 scenario assumes no major global effort to limit GHG emissions. RCP 8.5 is characterised by increasing GHG emissions leading to higher global average temperatures.
RCP 4.5 **Temperature Outcome 1.7-3.2°C**	This scenario considers coordinated action to limit GHG emissions and achieve average global warming of approximately 2°C by the end of the century when compared to pre-industrial levels. It is a stabilisation scenario where atmospheric GHG concentrations are stabilised before 2100.

The climate-risk modeling is based on The Climate Service's (an S&P Global company) Climanomics' current understanding of climate science and may change as understanding of atmospheric climate science improves. Data for temperature, drought and wildfire hazards are based on IPCC Coupled Model Intercomparison Project Phase 5 (CMIP5). Modeling for coastal flooding, fluvial basin flooding, tropical cyclones and water stress is sourced from a combination of peer-reviewed scientific studies and statistical-stochastic models. For transition risk modeling, temperature extremes were used to provide a forcing function. This was coupled with impact functions to model potential future litigation, reputation, technology and market risks.

Under both climate scenarios, when considering an aggregated perspective for Ayala and six business units, **coastal flooding is the most material climate-related physical risk. By asset type, the largest risk is to data center assets** because of a higher potential for business interruption and clean-up and repair costs. Most of the data centers are located in the Philippines. For further details on the response to coastal flooding, see page 085 (refer to the physical risks with highest potential financial impact table).

The outcome of the first scenario analysis indicates that overall, **transition risk is minimal** under both scenarios and in all timeframes. At the time of the scenario analysis, GHG emissions data was incomplete across the group. This reduces the accuracy of the risks and opportunities modeling. As GHG emissions reporting (see page 089 on Metrics & Targets) and climate-related activities develop, Ayala will look to reevaluate the outcomes of this assessment.

Risks with highest potential financial impact: Based on the outcomes of the scenario analysis exercise, Ayala identified specific climate-related issues with the highest potential financial impact on the business. Financial impact is defined as the asset value at risk.

1 The modeling for BPI contains only a subset of office locations, and not the full asset portfolio. Subsequently it does not take into account the potential for increased market risk in investment portfolios or credit risk in loan portfolios.
2 All business interruption values for Globe Telecom were assigned to one asset.
3 Global average temperature increase by the end of the century when compared to pre-industrial levels.

The risks presented below uses the following timeframes aligned to overall business planning:

- → **Short-term:** current to two years in the future; these climate-related risks and opportunities integrate with existing risk management processes
- → **Medium-term:** two to five years in the future
- → **Long-term:** five to 12 years in the future

Physical risks with highest potential financial impact	**Transition risks with highest potential financial impact**	
Coastal flooding Increases in the frequency and severity of extreme precipitation events can lead to localised flooding. Rising sea-levels can also cause substantive impacts.	**Increased stakeholder concern or negative stakeholder feedback** The rising awareness of customers and stakeholders on climate change issues such as GHG concentrations in the atmosphere and the transition to a low-carbon economy	**Shifts in technology** In the transition to a lower carbon economy, technological advancements may reduce competitiveness, production, efficiency or demand and may lead to impaired or stranded assets
Asset value at risk (approx. excluding mitigation)		
US$270 million to 1,440 million[4]	US$18 million to 22 million[5]	US$25 million to 31 million[5]
Management response		
Risk response and mitigation includes: 1. Review and test the adequacy and effectivity of crisis management and IT disaster recovery plans on a regular basis; 2. Assess the effectiveness of business continuity plans through tabletop testing or simulation exercises every two years; 3. Distribute go-bags, CPR kits, and other paraphernalia that will help all employees to recover from any disaster; 4. Invest in a comprehensive insurance program and periodically review the adequacy of insurance coverages; and 5. Collaborate with business units on how to share resources for faster recovery. Ayala's response is further explored in the business resilience discussion on page 086.	The largest scope 1 emissions are from the Energy Group contributing 99% to scope 1 emissions on an equity basis. ACEN Renewables has committed to transition its generation portfolio to 100% renewables by 2025 and in 2022 completed its divestment from the SLTEC coal-fired power plant through the world's first energy transition mechanism. This will facilitate the early retirement of the SLTEC facility by 15 years. The largest scope 2 emissions come from Globe. Globe has committed to set science-based targets through the Science Based Targets Initiative (SBTi) and achieve Net Zero by 2050. In line with its climate ambition roadmap, Globe has shifted 24 high-energy utilisation facilities to renewable energy through Power Purchase Agreements (PPA) bundled with retriable Renewable Energy Certificates (REC). It has deployed over 9,000 Green Network Solutions and energy-efficient equipment to drive energy efficiency and network optimisation. It has also piloted alternative hybrid power sources (i.e., hybrid solar gensets) and employee EV shuttles to reduce reliance on fuel consumption. It will continue to integrate sustainability in its value chain through sustainability criteria in the procurement process and supply chain onboarding.	IMI is focused on delivering energy efficient technologies for customer connectivity and mobility. For the Energy Group, technology developments may increase the competitiveness of alternative energy generation and storage solutions. Renewable energy solutions underpin the GHG emissions reduction targets of the Energy Group, which are presented in the Metrics and Targets section on page 089.

4 Reported for 2020 to 2040 timeframe to align with long-term business timeframe under RCP8.5 modelling
5 Reported for 2020 to 2040 timeframe to align with long-term business timeframe under RCP4.5 modelling

Business strategy

Climate-related issues manifest in changing stakeholder expectations and consumer behavior and shifts in the overall business environment. Ayala responded by redefining its strategic initiatives. These include significant structural changes such as the transformation of ACEN Renewables, which has become one of the fastest-growing renewable energy platforms in Southeast Asia and is a core driver of Ayala's earnings. In addition, BPI intends to halt all coal plant financing by 2032. The Climate Ambition underpins many of Ayala's emission-reduction initiatives. It continues to influence business decision-making and research and development activities to meet both interim and longer-term net zero commitments.

Ayala Climate Ambition: Ayala partnered with South Pole, a leading project developer and global climate solutions provider, to develop a roadmap for reaching net zero GHG emissions across the business units and at the parent level. Over the last 12 months, Ayala and South Pole have:

Climate Ambition Updates

- **Developed a detailed GHG footprint** across scopes 1, 2 and 3 for the Energy Group, Ayala Land, Globe Telecom, and BPI
- **Assessed potential emission reduction activities and strategies** to help prioritise and budget for these interventions across our core business units
- **Set emission reduction targets** for the Energy Group and Ayala Land, while BPI and Globe are in the process of finalizing their emission reduction targets

Targets are aligned with a science-based 1.5°C pathway and will be rolled up to set the ambition at the parent level. Furthermore, Ayala will extend the emission reduction initiatives to cover more business units by sourcing renewable energy, implementing energy efficiency initiatives and adding value chain mitigation targets using supplier engagement and circular economy principles.

Climate-related risks and opportunities have influenced business units to be more critical of their supply chains. For instance, Ayala Land set the ISO 20400:2017 Guidelines for Sustainable Procurement as its benchmark for supply chain policies and processes, while Globe Telecom began a complete assessment of its value chain for sustainability risks and opportunities.

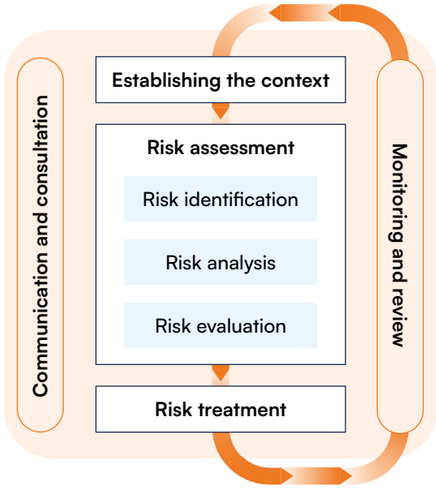
Climate-related issues are inputs in financial planning on revenues, access to capital, capital allocation and capital expenditure. As a case in point, the Energy Group utilized financial planning data across several time horizons to inform its plans to fully divest of coal generation assets by 2030. Targeted budgetary allocations, such as Project Kasibulan, the initiative for reforestation and forest protection, support GHG reduction. The project has a dedicated internal budget approved by the Board.

Business resilience

Ayala's business units have started to mitigate the impact of climate-related hazards and extreme events. For example, learning from the Typhoon Haiyan experience, Globe has started replacing its guyed towers with those that can withstand super typhoons. Should one of its data centers suffer significant physical damage due to an extreme climate event, an automatic swap can be initiated to alternative sites. Globe has also elevated base transceiver station (BTS) cabinets for sites in flood prone areas or near river systems. Ayala Land's focus area of site resilience serves to mitigate vulnerability to climate change and natural disaster. Ayala will continue the process of integrating potential climate related risks and opportunities into business strategy in 2023 to strengthen business resilience.

Risk management

Since 2019, Ayala has intentionally included sustainability issues in the risk identification and evaluation processes. The ERM policy includes the identification, assessment and management of climate-related risks and potential impacts on business, strategy, and financial planning. The ERM process is shown in the figure below.



Context setting, the first step of the risk management process, explains the internal and external environments influencing risk identification, assessment and management objectives. As part of the external context setting, Ayala considers environmental factors and sustainability megatrends such as natural hazards and climate change. Sustainability targets and objectives form part of the internal context setting. The Board, management committees, President/CEO, CRO/CSO, GRMSU and risk owners collaborate to define the context and objectives for the risk management process.

As part of its annual business activities, the GRMSU conducts risk assessment sessions to identify, evaluate, and prioritize climate-related risks. During these sessions (described further below), climate-related risks are identified, evaluated, and prioritized based on their relative significance to other risks. The outcomes of the risk management process are semi-annually reviewed by the GRMSU and communicated to the CRO/CSO and reported to the Board. The CRO/CSO is responsible for reporting risks, including climate-related risks and opportunities, and their potential financial impacts. The CRO/CSO continues to monitor the management of climate-related risks in relation to overall risk exposure.

Annual risk assessment

Every year, Risk owners join focus group discussions to establish the broader risk universe. At the Risk Assessment workshop, subject matter experts analyze relevant risk themes and lead discussions about emerging market trends' impact on business. The approach to establishing the context for the annual risk assessment is shown below.

Risk Assessment Approach
The approach is a combination of information gathering, stakeholder interviews and workshops

1 **Planning and Information Gathering**
Focus Group Discussions
- → **Input** Structured interview questions for a deep-dive risk analysis of all risk categories
- → **Output** Updated bow tie risk analysis for all risk categories

2 **Risk Assessment**
Culminating Workshop
- → **Input** Updates from subject matter experts on relevant risk themes
- → **Output** Insights from participants how emerging trends affect Ayala's risk exposure and mitigation plans

3 **AC Risk Prioritization**
Re-Prioritization of Risks
- → **Input** Survey form for participants to rate the likelihood and impact of risks
- → **Output** Re-prioritized risks based on likelihood and impact scales of Ayala

4 **AC Risk Universe Update**
Next Steps
- → Revisit the risk universe for comprehensiveness and adequacy
- → Review and validate mitigation plans to ensure that they continue to address emerging trends

During the annual risk assessment exercise, risk owners and risk designates map risks based on their likelihood (1 is the lowest and 5 is the highest) and their grade of impact (0 is the lowest and 5 is the highest). The risk score is based on the combination of the overall impact grade and the likelihood score. Risks are then prioritised based on their total scores.

The assessment of climate-related impacts considers the following:

1. Business resilience
2. Operations
3. Competitiveness and innovation
4. Political and regulatory themes
5. Portfolio management
6. Capital markets and financing
7. Brand and reputation
8. Partnerships
9. Technological advancements

Current regulation, such as the Philippines' Intended Nationally Determined Contribution (INDC) to the United Nations, are always included in climate-related risk assessments. With this commitment, the Philippines pledges to cut carbon emissions 70% by the year 2030 from a 2020 baseline. Likely future regulation aligned with this commitment will cover the energy, transport, waste, forestry, and industry sectors. Of particular relevance for Ayala is the energy business. **The Energy Group has committed to ambitious targets for the growth of renewable energy and divestment from coal assets.**

The group also considers emerging regulations, such as the Low Carbon Economy Act. While the bill is still pending, it aims to establish an emissions cap-and trade-system in the Philippines. As part of the Climate Ambition, improved measurement and tracking of GHG emissions and reduction opportunities will assist the group in responding to similar legislation as it emerges.

In 2022, as part of another dedicated risk management process, the business unit CEOs were invited to participate in an online survey to rate strategic risks and explore their interconnectivity. They then discussed their answers to the online survey to explore implications and opportunities for risk management. Participants noted several examples of interconnectivities among climate-related risks, stakeholder expectations of ESG commitments and brand reputation. The identification of risk clusters, or of risks that may magnify impact on the business, was a key outcome of this process.

The risk universe remained at 13 risk categories, including a climate change risk category. Climate change risk, associated with a failure to prepare for climate-related physical and transition risk impacts, was ranked in the top four risks. The risks are discussed in more detail on page 056. The outcomes of the risk assessment conducted at the parent level were similar when compared to the assessments completed at the group level.



The Energy Group is actively growing its renewable energy portfolio with new developments across South East Asia such as the 252 MW Quang Binh Windfarm in Vietnam.

Metrics and targets

In page 094, Ayala's key environmental performance metrics were discussed in relation to waste generated, materials and water use, fuel and electricity use and GHG emissions. A more detailed breakdown across business units can be found in the Performance Indices section on page 218.

Performance on sustainable business practices is included in the CEO scorecard. The targets for business units impact their performance ratings, which are the basis for financial rewards. The CEO and CRO/CSO are incentivized for performance related to GHG emissions reductions, efficiency, and behavioural change activities. Other climate-related metrics include internal carbon pricing and executive remuneration. Ayala Land has set an internal price on carbon. Ayala Land business units are charged a carbon tax based on their annual fuel and electricity consumption. The fees encourage investments in energy efficient technologies and renewable energy sourcing. In 2022, the fee was set at ₱250 /tCO_2e.

Targets

Through the net zero engagement with South Pole, Ayala's four key businesses, Ayala Land, BPI, Globe and the Energy Group, have now calculated their full scope 1 to 3 footprint using the international Greenhouse Gas Protocol methodology, an internationally recognised standard for corporate GHG emissions accounting. Existing GHG emissions calculations were reviewed and updated where required, for example, to reflect the most up to date emissions factors available for relevant emission sources. All 15 scope 3 categories were then reviewed for relevance to the BU's operations. For all relevant categories, a detailed data collection and validation exercise was completed before a complete GHG inventory was developed. This represents the first complete scope 3 inventory for these business units. As Ayala continues to expand its Climate Ambition, more business units will develop full GHG footprints. This will form the basis of Ayala's own robust GHG footprint. The approach followed to date also ensures that GHG inventories have been developed consistently across the Group, regarding emission factor databases, methods of scope 2 electricity reporting and consistent application of assumptions.

After the development of a robust GHG emissions footprint, the business units worked with South Pole to identify emission reduction opportunities for identified emission hotspots. This involved a combination of desktop research, expert insights, and brainstorming sessions with key Ayala attendees. These sessions also served as knowledge sharing and engagement opportunities to accelerate the net zero ambition.

Guided by the latest science, the business units set near- and long-term emission reduction targets that are aligned with a 1.5°C pathway. Where business units were part of specific sectors, for example the power sector, sectoral guidance was also considered to ensure that targets aligned with global best practice. All targets will use 2021 as the base year and 2030 as the target year for near-term targets. A combination of absolute and intensity targets will be used across the business units, reflecting their unique operating circumstances.

Using the understanding of where the business units are today and the targets they need to aim for, a roadmap was developed to guide the desired emissions reduction trajectory, understand key intervention areas, and identify where ongoing focus is required to recognize new technologies or opportunities for value chain engagement. Areas of opportunity across different business units were also highlighted, which provides a basis for future collaboration across the Group.

The Energy Group and Ayala Land have completed their net zero roadmaps and develop an ambitious set of near and long-term GHG emissions reduction targets that are aligned with science. Globe, BPI and Manila Water are all working on finalising their GHG emissions footprint and understanding their net zero roadmap development, which should be completed by mid-2023. In the second half of the year, Ayala will be able to leverage the progress made by the individual business units to complete the roadmap for achieving net zero GHG emissions by 2050.

The Energy Group has recently committed to setting the following near-term targets aligned with science:

Energy Group Targets[6]	by 2030	by 2040
Reduce scope 1 emissions from own electricity generation by:	73.6% per MWh	94.5% per MWh
Reduce scope 1 and 3 emissions from own generation and retail electricity by:	73.8% per MWh	99% per MWh
Reduce scope 1 emissions not related to electricity generation and all scope 2 emissions by:	42% per MWh	90% per MWh
Reduce scope 3 emissions[7] of all own and joint operations by:	51.6% per MWh	97% per MWh

As the Energy Group transitions, Ayala will assume a more competitive position that reflects shifting consumer preferences for low carbon electricity.

Similarly, Ayala Land has set near-term science-based targets and committed to reducing scope 1, 2 and 3 emissions 42% by 2030 from a 2021 base year. Ayala Land's long-term target is reducing scope 1, 2 and 3 emissions 90% by 2050 from a 2021 base year.

Ayala's current defined set of climate-related targets include a commitment to:

Reduce absolute scope 1, 2 and 3 emissions to net zero by 2050 from a 2021 base year

Establish interim targets aligned with a 1.5°C pathway

Next steps

In the 2021 Annual Report, Ayala outlined its goals as part of the TCFD Roadmap. Progress is reported on the next page.

Ayala will update TCFD disclosures in line with the evolution of business and of climate science. In 2023, Ayala will conduct a thorough review of practices against the TCFD recommendations and develop an updated implementation plan to reach full alignment in the coming years.

6 From a 2021 base year
7 Including purchased goods and services, fuel and energy related emissions not already covered, upstream transportation and distribution, waste, employee commuting, upstream leased assets and fuel and energy emissions from joint ventures.

	2022 Goals	Status
Governance	Report the results of the ongoing climate scenario analysis to the management and RMRPT Committee and explain its potential financial implications to the Group.	✓
	Conduct an ESG workshop for the Board as a result of their ESG self-assessment activity.	✓
Strategy	Undertake climate-related scenario analysis to identify and understand material climate-related risks and opportunities.	✓
	Continuous collaboration between Ayala and its business units to monitor climate-related risks and opportunities.	=
	Collaborate with the Corporate Strategy and Finance Groups to integrate climate-related risks and opportunities in business operations, strategy and financial planning.	=
Risk Management	Refine and integrate climate-related risk management into current risk management framework.	✓
	Focus on climate-related risks in the annual risk assessment exercise.	✓
	Engage and guide the ERM Council in the implementation of ESG and climate-related risk management process.	✓
	Transition to COSO ERM framework for identifying and assessing ESG risks.	=
Metrics and Targets	Conduct scope 3 screening in preparation for setting science-based targets.	=
	Develop net-zero roadmaps for Ayala Land, BPI, Globe and ACEN Renewables.	=
	Progress initiatives around biodiversity, including working with the Board on understanding the Taskforce on Nature-related Financial Disclosures (TNFD).	=

Status of Progress ✓ *Completed* = *Ongoing*

Net-Zero Strategy Roadmap

Net-Zero Commitment
Ayala announced its commitment to achieve net-zero greenhouse gas emissions by 2050

Project Engagement
Ayala partnered with South Pole to account for its emissions and develop a roadmap for its net-zero ambition

Climate Action Gap Analysis for Ayala and the Core Business Units
Determined the core business units' points of strength and areas of improvement

GHG Footprint Accounting for Core Business Units
Review and refine Ayala's scope 1, scope 2 and scope 3 emissions

Target Setting for Core Business Units
Determine short, medium, and long-term targets aligned with science for the core business units

Intervention Assessment for Core Business Units
Identify and prioritize emission reduction interventions for core business units based on emission hotspots

Net-Zero Roadmap Development for Core Business Units
Develop a roadmap for core business units to implement emission reduction interventions over time

Climate Action Gap Analysis to Net-Zero Roadmap Development for the rest of the portfolio
Determine the points of strength for portfolio investments and areas of improvement which will follow the same workstreams as the core business units'

Completion of the Ayala group Net-Zero Roadmap
Ayala finalizes its net-zero roadmap and prepares for implementation of emission reduction interventions to 2050

2021 — 2022 — 2023 — 2050

Net Zero

Core Business Units	Peer Benchmarking	GHG Inventory	Intervention Assessment	Target Setting
AyalaLand	✓	✓	✓	✓
BPI	✓	✓	=	
Globe	✓	✓	=	
AC Energy Group *ACEIC and ACEN Renewables*	✓	✓	✓	✓

✓ **Completed roadmap**

= **To complete roadmap by mid-2023**

= **To complete roadmap by mid-2023**

✓ **Completed roadmap**

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

2 out of 3 SBTi signatories from the Philippines are from the Ayala group

Ayala refined its business strategies in response to changing climate-issue related consumer behavior and stakeholder expectations and developed its Climate Ambition to meet net-zero commitments. Established to guide emissions reduction, understand intervention areas, identify new technologies and highlight opportunities across the value chain, the Net-Zero Roadmap also identifies points for collaboration for the business units to achieve their shared climate ambition. Ayala is on track to complete its Net-Zero GHG Roadmap by 2023 and business units are also making headway in their own climate ambition process:

→ **Ayala Land and the Energy Group** completed their Climate Ambition roadmap
→ **Globe and BPI** working on GHG footprint validation

As the business units continue to make progress, Ayala should be able to complete the group's roadmap, which will guide efforts towards net-zero GHG emissions by 2050.

Leadership in Sustainability

Environmental

Highlights

On track

To complete Ayala's Net-Zero GHG Emissions Roadmap by 2023

Completed

Project Design Document for Project Kasibulan: The Mindoro Forest and Biodiversity Conservation Program

44%

Increase in renewable energy consumption across the group

Indicators

Contribute to climate action and biodiversity protection

1. GHG Emissions
2. Energy Resource Planning
3. Climate Change
4. Biodiversity

Improve resource efficiency and waste management

5. Energy Management
6. Water Management
7. Waste and Hazardous Materials Management
8. Materials Consumption

Strategy and Related Initiatives

Ayala's environmental strategy reaffirms its support for the Paris Agreement through its commitment to net zero greenhouse gas (GHG) emissions by 2050. Through a structured approach beginning with the assessment of its core value drivers — ACEN, Ayala Land, BPI and Globe — Ayala is on track to developing its net zero roadmap by the end of 2023.

Ayala saw an increase in the use of renewable energy across its business units. It hastened the retirement of a coal asset while tapping into partnerships to build more renewable energy facilities in the country and overseas. To drive emissions reduction and greater efficiency across its operations, business units have implemented interventions around resource efficiency, energy planning, waste and materials management.

Alongside its efforts on addressing the impacts of climate change, Ayala is working towards a deeper understanding of nature and biodiversity beginning with the emerging framework from the Taskforce for Nature-related Financial Disclosures (TNFD).

By accelerating its climate and environmental aspirations, Ayala demonstrates its commitment to meeting best practices and driving meaningful change through its business ecosystem.

Managing Impact

Policies

→ Biodiversity and Management of Greenhouse Gas Emissions Policy
→ Energy, Water and Waste Management Policy

For more information on our policies, visit: ayala.com

Key Relationships page 064

- Nature as Stakeholder
- Employees
- Investors and Shareholders
- Insurers
- Government Agencies and Regulators
- Customers
- Communities
- Bank Counterparties and Creditors

Relevant SDGs



More about Ayala's SDG targets and progress on page 150

2022 Performance Overview

Performance Index page 218

Performance	Compared to 2021	Remarks
4.2 M **Metric tons CO_2e (tCO_2e) emitted (equity-based)**	↑ 72.9% increase	GN Power Dinginin (GNPD) began operating in 2022, which contributed to the increase in Ayala's GHG emissions.
7.4 K **Hectares of forests and mangrove ecosystems monitored and protected**	↑ 14.0% increase	Conservation efforts of Ayala Land, BPI, Globe and ACEN contributed to the increase in Ayala group's forests and mangrove ecosystems protected hectarage.
205.7 M **Gigajoules (GJ) of energy consumed**	↑ 99.5% increase	Similar to GHG emissions, the increase is brought about by the full operations of the GNPD power plant.
861.7 M **Cubic meters (m^3) of water consumed**	↓ 22.3% decrease	Alignment with GRI Standards required the deduction of water discharge from water withdrawal, resulting in reduced water consumption across the group.
39.6 K **Metric tons (t) of total wastes diverted from disposal**		Alignment with the GRI Standards required updating the Ayala group's waste reporting, including disclosing wastes diverted from disposal.

Contribute to climate action and biodiversity protection

Low-carbon Transition

Propelled by the momentum from its announcement of the Climate Ambition of achieving net-zero greenhouse gas emissions by 2050, Ayala effectively aligned its business strategy with the Paris Agreement's target of limiting global warming to 1.5°C compared to preindustrial levels. Ayala began with a structured assessment of its four core value drivers: Ayala Land, the Energy Group, Globe and BPI.

As they continue to develop their respective net-zero roadmaps, Ayala's core business units will determine main intervention areas for high-impact emission reductions by 2050 that will aid in the low-carbon transition.

For a more thorough discussion of these interventions, refer to the TCFD Disclosure Report page 082.

Greenhouse Gas Emissions

The COVID-19 pandemic impacted the global energy demand in 2020, reducing global CO_2 emissions by 2.5%. The rebounding economy caused an increase in global emissions from energy combustion and industrial practices. The Ayala group's timely response to the global movement for climate action prompted a full mapping of the core business units' baseline GHG emissions. This was done in partnership with South Pole, a leading project developer and global climate solutions provider that works with private organizations and governments worldwide.

The increase in Ayala's equity-based GHG emissions is attributable to the full operations of GNPower Dinginin (GNPD), a coal-fired power plant in Mariveles, Bataan which came online in 2022. As a result, overall equity-based GHG intensity increased despite growth of Ayala's total generated revenues. Improvements in data collection, particularly around scope 3 emissions, also contributed to a robust inventory of its greenhouse gas emissions.

For a more thorough discussion of Ayala's climate-related disclosures, refer to the TCFD Disclosure Report page 082.

	Equity-based GHG Emissions in million tCO_2e		Equity-based GHG Emissions Intensity in tCO_2e per million pesos		Remarks
	2021	2022	2021	2022	
TOTAL	2.44	4.22	4.78	7.09	
Percentage Movement	↑ 72.9% increase		↑ 48.1% increase		
Scope 1	2.05	3.83	4.03	6.45	Increase in scope 1 GHG emissions due to GNPD became fully operational in 2022
Percentage Movement	↑ 86.7% increase		↑ 60.0% increase		
Scope 2	0.35	0.33	0.69	0.55	Increased renewable energy usage for electricity consumption across Ayala group reduced scope 2 GHG emissions
Percentage Movement	↓ 6.6% decrease		↓ 20% decrease		
Scope 3	0.03	0.05	0.06	0.09	Improved data collection from suppliers and customers resulted in increased scope 3 GHG emissions
Percentage Movement	↑ 58.2% increase		↑ 35.5% increase		

Energy Resource Planning

Low-carbon transition requires careful investment planning to create an energy mix that generates a substantial reduction in GHG emissions. Ayala's core business units have taken actions to enhance the efficacy of their transition efforts.

Ayala Land, with its ISO 50001 certification for Energy Management System, has switched 91% of its offices and malls to renewable energy. The property developer also reduced its scope 2 emissions and cut fuel use for generator sets in Huni Lio by 30%.

In June 2022, **BPI** Buendia Center, one of BPI's largest corporate offices located in Makati City, shifted its energy source from the national grid (only 24% renewable as of year-end 2022) to 100% renewable as part of its partnership with ACEN. In December 2022, two additional corporate offices – BPI Family Savings Bank Head Office and BPI Intramuros – also confirmed their shift to 100% renewable by 2023.

Meanwhile, **Globe** has secured the Energy Management System certification in line with its strategy to achieve net-zero greenhouse gas emissions by 2050. The certification covers key facilities such as corporate offices, data centers, core networks, cell sites and Globe Stores.

Globe has increased its roster of sites in Luzon and Visayas running on renewable energy. In partnership with ACEN, 10 facilities located in Cavite, Cebu, Quezon City, Manila, Marikina and Laguna have shifted to clean energy, giving Globe a total of 24 high-energy utilization facilities powered by renewables.

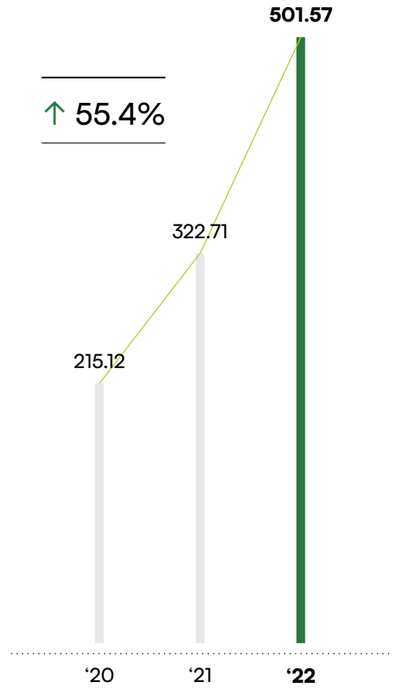
Globe also sought sustainable backup power sources for cell towers and piloted hybrid power alternative sources in off-grid and bad-grid sites in Luzon. This solution utilizes installation of solar panels onsite, supported by a traditional diesel generator and/or a battery storage system as necessary.

ACEN continued its renewable energy buildout in 2022. The company currently has 4.0 GW in attributable renewables capacity across the Philippines, Australia, Vietnam, India and Indonesia. ACEN now targets 20 GW of renewables by 2030, supported by a robust pipeline across the region.

Total attributable output rose 7% to ~4,950 GWh, driven by the company's new international assets, which contributed over 2,500 GWh, up 30% from the previous year. Output from renewable energy plants reached ~3,400 GWh, a 27% growth compared to 2021.

These efforts underscore the Ayala group's drive towards decarbonizing its operations. As a result, a 44% increase in renewable energy consumption was recorded in 2022.

Renewable Energy Consumption in GWh



Climate Change

Ayala recognizes the urgency of addressing the impacts brought about by climate change. With its publicly listed business units, Ayala signed on to the Taskforce on Climate-related Financial Disclosures (TCFD) in 2019, and it is working to implement and comply with the framework's 11 recommended disclosures. Ayala engaged Aon Risk Consultants to determine the actual and potential impacts of climate-related risk and opportunities on businesses, strategy, and financial planning. The group will take concrete steps toward mitigating risks, adapting processes and innovating business operations in response to climate demands.

Ayala's net zero by 2050 commitment remains a critical part of its sustainability journey and action on climate. For a more detailed discussion on Ayala's climate change action, refer to the TCFD Disclosure Report on page 082.



ACEN's 120 MW solar and 40 MW energy storage facility and Ayala Land's Carbon Forest in Alaminos, Laguna

SPOTLIGHT

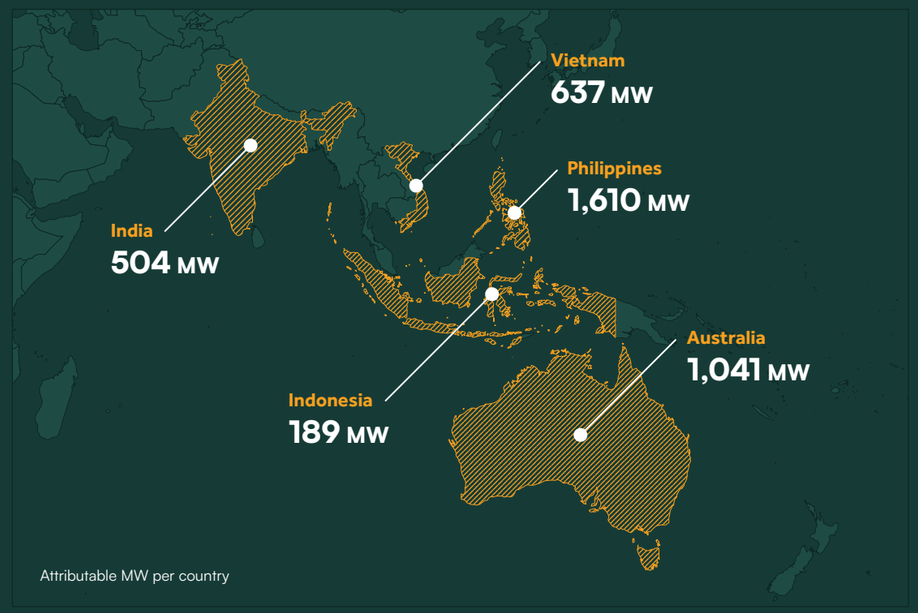
ACEN Leads the Renewables Revolution through Geographic Expansion

Amidst a worldwide climate emergency and challenges in the power sector, ACEN remained steadfast in its capacity buildout, helping accelerate the global transition to renewables. In 2022, ACEN reached 4GW in attributable renewables, which now make up 98% of its total portfolio.

In the Philippines, the company began construction on over 400 MW of solar and wind capacity in 2022: in Cagayan, Ilocos Norte, Zambales, and Pangasinan. As a testament to the company's pledge to provide clean sources of power in the Philippines, ACEN tripled its operating renewables capacity since 2020 to over 1,500 MW as of March 2023.

Beyond the Philippines, ACEN made significant moves to expand its portfolio in Australia. With over 1 GW of projects under construction, it is now the company's largest market outside the Philippines. In 2022, ACEN completed the acquisition of its Australia platform, allowing it to fully own two of Australia's largest solar farms, the 521 MW New England Solar Farm Phase 1 and 520 MW Stubbo Solar projects, now both under construction. It also has a broad development pipeline, spanning New South Wales, Tasmania, Victoria, and South Australia.

In November 2022, ACEN completed the first market-based energy transition mechanism (ETM) transaction in the world. The landmark deal will hasten the retirement of the 246 MW South Luzon Thermal Energy Corporation (SLTEC) coal plant in Batangas, Philippines, cutting the plant's operating life in half and committing to transition it to cleaner technology by 2040. The ACEN ETM is set to achieve its primary purpose — to simultaneously fast track energy transition through retirement of thermal capacity and augment the buildout of renewables. With 50 million metric tons CO_2 emissions avoided through the early retirement of the plant and ₱7.2 billion raised for new renewable sources of energy, this transaction is a game-changer that will produce enduring benefits for the Philippines' carbon footprint and the shape of its energy sector for decades to come.



SYNERGY

Ayala Group Gears Up for the Shift to Electric Vehicles

Electric vehicle (EV) products and services from Ayala's business units are shaping the group's EV ecosystem.

Ayala's electronics manufacturing arm, IMI, installed integrated EV charging stations and transportation systems at two Ayala Malls: Ayala The 30th in Pasig City and Circuit in Makati City. The charging stations are compatible with EVs with Type 2 and GB/T connectors. So far, Ayala Land has opened over 20 charging hubs in seven cities across Luzon in Ayala malls, office buildings, hotels, and industrial parks.

This project dovetails with AC Motors's early 2023 product launch of the EV6, Kia Philippines' first electric vehicle.

To meet the increasing demand in dense urban areas, Ayala incorporated innovations for two-wheeled electric vehicles into its ecosystem. A pilot project from Ayala and Globe's 917 Ventures expects to bring two-wheel electric vehicles and battery-swapping technology to the Philippines with its partner, Gogoro, in 2023. Gogoro uses a battery-swapping platform featuring convenient stations where users can quickly exchange depleted batteries for full ones. Both the Philippines' Department of Energy (DoE) and the Department of Trade and Industry (DTI) support the project.



EV charging station in Ayala Triangle Gardens Tower Two

Initiatives by Business Units

Climate Risk Reduction and Adaptation

Ayala Land

→ Ayala Land's Carbon Forests contribute to its climate ambition, and deliver the co-benefits of biodiversity conservation, water resource protection and livelihood opportunities of indigenous communities.

Globe

Ensured resilience of cell sites and core network facilities through:

→ Installation of backup gensets with fuel that can last 3-4 days, backup batteries lasting for 6-8 hours for core facilities, and communication phones such as satellite phones and radio network
→ Training engineers for disaster recovery such as SOLAS (International Convention for the Safety of Life at Sea) and BCM extended to contractors
→ Installation of floodgate towers and base pads with an elevation 1.5 meters higher than normal flood levels to fortify core site facilities.
→ Designing new towers and retrofitting existing towers to withstand a minimum wind speed of 240KpH and a maximum wind speed of 340 KpH, in compliance with the National Structural Code of the Philippines (NSCP) 7th edition; factoring in climate change-related and other natural hazards in the design of the towers; and securing Certificate of No Flood from local government units

Manila Water

→ Ensured water security with a 15% water supply buffer target in all business units by 2025 through new water source development, nonrevenue water (NRW) reduction program, and medium- and long-term water source roadmap
→ Flood-proofed Olandes Sewage Treatment Plant and Marikina North Sewage Treatment Plant

GHG Emissions Reduction

Ayala Land

→ Installed solar power panels on selected hotels in El Nido, Palawan

Globe

→ Piloted use of EV shuttles during the 917 Globe Music Festival

AC Logistics

Entrego

→ Sustainable Transport Program: piloted Green Freight Measures and conducted monthly monitoring of fleet fuel consumption
→ Administered energy audits and established 2022 GHG reduction target
→ Monitored third-party providers' fuel consumption

AC Industrials

AC Motors

→ Installed solar panels at Isuzu Bacoor



Isuzu Bacoor installed solar panels for on-site renewable energy use.

Biodiversity

In December 2022, Parties to the UN Convention on Biological Diversity (CBD) adopted the post-2020 global biodiversity framework as the new global strategy for jointly safeguarding nature.

Global experts agree that humans represent the greatest threat to biodiversity. Businesses have an opportunity to take the lead in shaping relationships with nature now to preserve resources for the future.

Ayala's commitment to addressing the risks brought about by nature and biodiversity loss associated with business activities has resulted in a number of its business units adopting corporate-level biodiversity goals and objectives. Ayala Land and ACEN have established policies for carrying out biodiversity action in their respective areas of operation. These include conservation, protection, and restoration efforts as well as monitoring IUCN Red List species and national conservation list species with habitats in areas affected by their operations. Together, Ayala's business units protect roughly 7,400 hectares of forest and mangrove ecosystems.

Ayala Land promotes the conservation of 66 IUCN Red List and national conservation list species in their El Nido and Anvaya developments. ACEN monitors the distribution, density and behavior of the Philippine Duck (*Anas luzonica*) which is classified as vulnerable by the IUCN.





The Mangrove Blue Flycatcher (*Cyornis rufigastra*) and the endangered Mindoro Tree Frog (*Philautus schmackeri*) are examples of species threatened by habitat loss in the island of Mindoro.

SPOTLIGHT

Ayala and the Taskforce on Nature-related Financial Disclosures

Businesses rely on nature for water, food, fiber, minerals, pollination of crops, water filtration and climate regulation. These natural resources and ecosystem services are under massive strain. According to the Business for Nature Coalition, without transformative changes in the economy and the way business is conducted, global declines in species populations and losses in efficiency and efficacy of ecosystem service provision are expected to continue through to 2050 and beyond.

The Taskforce on Nature-related Financial Disclosures (TNFD) was launched to urge and guide businesses to take action for the benefit of nature. The TNFD provides a single framework to quantify the financial exposure that natural capital loss presents to organizations. It supports companies and investors in making informed decisions based on clear and trustworthy information on natural and environmental opportunities and risks. The first TNFD beta framework was released in March 2022 and subsequent iterations were released in June 2022 (v0.2) and October 2022 (v0.3). The final full framework is due to be released in September 2023.

Ayala understands that nature presents a material risk to businesses from all industries and across all geographies. Having mobilized to mitigate the impacts of climate change through its Climate Ambition, Ayala is closely following the progress of the TNFD to tackle climate and nature-related risks together, now and in the future.

Ayala has participated in the consultations on the latest TNFD framework for ASEAN businesses organized by the World Business Council for Sustainable Development. This platform for regional TNFD-engagement is crucial in ensuring that the framework accounts for the unique needs, expectations and experiences of the ASEAN region. Discussions among senior management continue as Ayala traces the contours of its relationships with and responsibilities to nature and biodiversity.



A Gray Grasshopper Warbler (*Helopsaltes fasciolatus*), one of the many bird species documented in the Mindoro Forest and Biodiversity Program project area.

SPOTLIGHT

Project Kasibulan: The Mindoro Forest and Biodiversity Conservation Program

According to the United Nations Environment Programme (UNEP), natural solutions to climate change such as ending deforestation and restoring habitats can create 80 million jobs and lift 1 billion people out of poverty globally. Nature-based solutions encourage sustainable food production, improve land use, and protect and restore forests and ecosystems.

In 2018, Ayala embarked on a groupwide forest and biodiversity conservation program to conserve the remaining high value forests in Oriental Mindoro through Project Kasibulan. Oriental Mindoro has some of the densest, and most biologically diverse ecosystems in the country. In the past decade, increasing populations and human activity have threatened the ecological balance of the island since many communities rely on the forest for resources. The same forest is under threat from land conversion for plantations and roads and weak monitoring strategies.

Project Kasibulan focuses on Oriental Mindoro because of its high biodiversity concentration. It is also considered by many as one of the key "food baskets" for Luzon. For these reasons, Project Kasibulan works with local indigenous communities of Oriental Mindoro to ensure the long-term protection and survival of the forest and the biodiversity found therein while creating local jobs.

In 2022, Ayala completed its Project Design Document following methodologies to prevent ecosystem conversion, and it works with communities to implement activities to meet this goal, thereby creating jobs and preserving nature and biodiversity. Together, the project and local communities attack deforestation using multiple approaches such as enhancing indigenous governance, improving forest and biodiversity monitoring, expanding livelihood options and intensifying acgriculture.

The project is expected to deliver co-benefits for climate, community and biodiversity, and will ensure the full participation of stakeholders and respect for customary and statutory rights.

Biodiversity protection and ecosystem maintenance are critical to the conservation and protection of the island's forests. Yet Project Kasibulan acknowledges any solutions must include consideration of the economic needs of communities who rely on forests for resources and jobs. Herefore, project interventions, such as the implementation of a payment for ecosystem services (PES) to incentivize the reduction of unsustainable natural resource use, are designed with the needs of the environment and communities in mind.

Project Kasibulan adopts PES as a long-term sustainable intervention following the UNFCCC's framework for Reducing Emissions from Deforestation and Degradation (REDD+). The project's manifold benefits for climate adaptation and mitigation, biodiversity conservation and sustainable economic development exemplify Ayala's commitment to an integrated, nuanced approach to the complex challenges brought by climate change.



Through Payment for Ecosystem Services such as forest patrolling, Project Kasibulan intends to lessen the unsustainable use of natural resources.

Initiatives by Business Units

Ayala Land

→ CommuniTree, a tree-growing project in partnership with Earth Recovery Action, Inc. (ERA, Inc.) ensures sustainable production of quality native trees for landscaping and reforestation needs.

BPI

→ Lakbay Luntian – Luzon: a virtual tree planting initiative organized by BPI Foundation, in partnership with eco-social enterprise Bambuhay and Ayala's Project Kasibulan. With the help of BPI employees, BPI Foundation planted a total of 68,000 bamboos and trees within 170 hectares of land in Pantabangan, Carranglan Watershed Forest Reserve, Nueva Ecija.

→ Lakbay Luntian – Visayas: a project under BPI Foundation's Balik-Kalikasan program in partnership with Ramon Aboitiz Foundation Inc., which aims to reforest 171 hectares in Dumanjug, Cebu and provide alternative livelihood in local communities

→ Mindanao Rainforestation: BPI Foundation partnered with the Bangsamoro people through the Hineleban Foundation to reforest 100 hectares of denuded watershed in the Lanao del Sur mountain range, providing 20 families with food security and sustainable income.

Globe

→ Donated mobile phones to forest patrollers in Palawan, Negros Occidental, and Sarangani to support the rollout of the Lawin System for Forest and Biodiversity Protection System. The mobile phones are used to collect location-based data, including photos and sound recordings of forest conditions, wildlife and threats in conservation areas.

ACEN

→ In North Luzon Renewables (NLR), Ilocos Norte, the forest patches inside the wind projects have become a habitat to 146 animal species including 121 bird species.

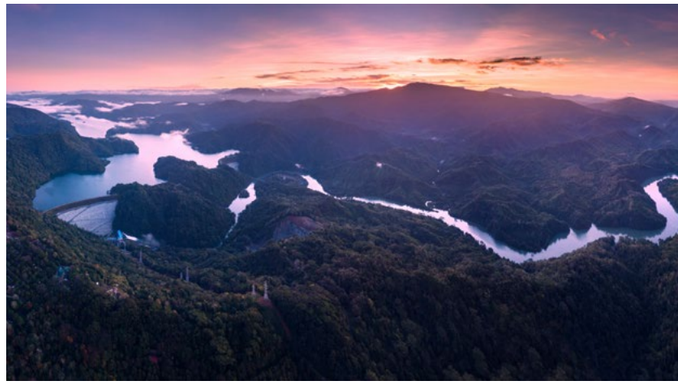
→ Through its Sea Turtle "Pawikan" Conservation Program and collaborations with different stakeholders, NLR recorded 32 pawikan nests and rescued and released 41 pawikan and 1,923 hatchlings to the sea since 2013

→ Salak and Darajat Geothermal's Eye on the Forest program aims to increase population of endangered species in Indonesia such as the Javan gibbon.

→ Through Eagle Conservation, ACEN Australia supports vital research into conservation activities to protect Tasmania's unique eagles including the Tasmanian wedge-tailed eagle.

Manila Water

→ Watershed protection and reforestation/ enrichment in Ipo, La Mesa, General Nakar, Upper Marikina, Nabaoy, Luyang and Pan-as Hayiban watersheds



Manila Water protects and enriches the watersheds of Ipo and La Mesa.

Improve resource efficiency and waste management

Resource Efficiency

In the World Economic Forum's Global Risk Report 2023, natural resource crises ranked sixth among global risks which threaten severe impact in the coming decade. Today, scarcity of resources such as food, water and minerals manifests in several contexts.

Given the Ayala group's significant consumption of resources and the increasing demand for its products and services, Ayala's business units were compelled to assess their operational needs in search of greater efficiency. Changes ranged from simple strategies such as switching to energy-efficient LED lighting and inverter-type air conditioning, to more complex initiatives such as implementing an ISO-certified Energy Management System.

The group's overall energy consumption grew by 99.5% in 2022. This increase is attributable to the operational launch of GNPD in 2022, the business units' return-to-normal operations and the full-year operation of the Ingrid diesel power plant under ACEN's portfolio.

In 2022, Ayala reviewed the alignment between its ESG data and GRI standards. As a result of this exercise, water consumption was calculated by subtracting the group's water discharge from its water withdrawal. The business units who reported their water discharge ensure that the quality of their effluents follow the local regulatory guidelines.

Some business units within the group have also started assessing and monitoring their materials consumption to help identify where they can shift to renewable sources or better alternatives. Whenever possible, the business units reduce consumption or recycle and recover used materials or waste products.

Standard	Business Units with Certification
ISO 14001:2015 Environmental management system	Ayala Land, Globe, ACEN, IMI, iPeople, AC Infra (LRMC)
ISO 50001 Energy management system	Ayala Land, Globe

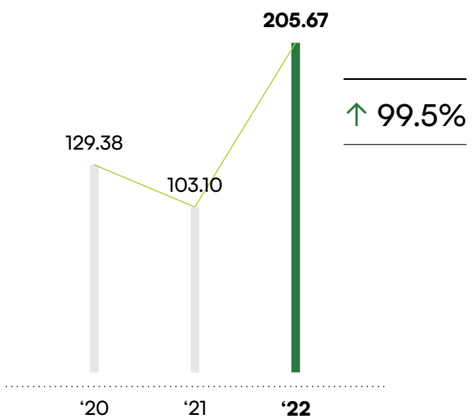
Diesel Consumption in Million Liters

	2021	2022	Percentage movement and reason for change
TOTAL	107.20	155.95	↑ 45.5% increase
Within organization	105.14	154.55	↑ 47.0% increase Full-year operation of the Ingrid diesel plant under ACEN's portfolio
Outside organization	2.06	1.40	↓ 32.3% decrease IMI consumed less mobile fuel for its shuttle service as full seating capacity was observed

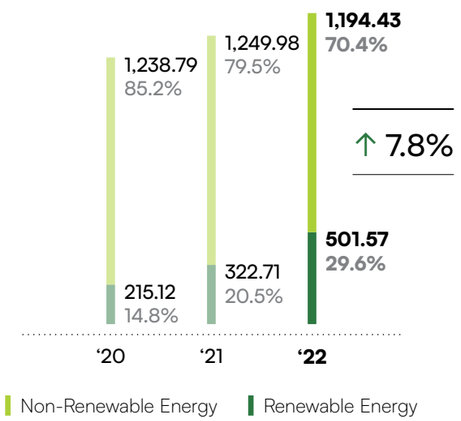
Gasoline Consumption in Million Liters

	2021	2022	Percentage movement and reason for change
TOTAL	2.76	4.17	↑ 51.2% increase
Within organization	1.34	1.73	↑ 28.6% increase Globe consumed more mobile fuel due to the increase in their field operations
Outside organization	1.42	2.44	↑ 72.4% increase Entrego implemented the Green Freight Measures program that monitors monthly fuel consumption of third-party providers

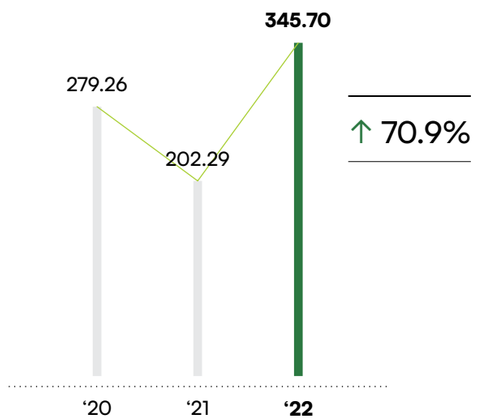
Total Energy Consumption
in million GJ



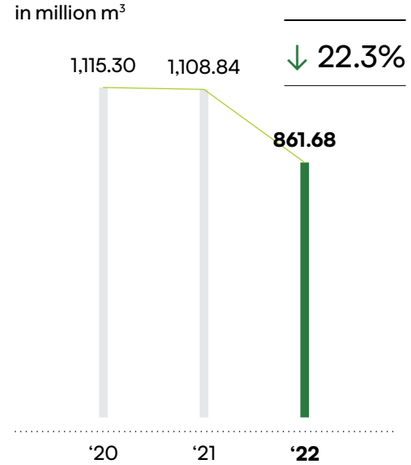
Electricity Consumption
in GWh



Energy Intensity
in GJ per million pesos



Water Consumption
in million m^3



Waste and Hazardous Materials Management

Though it may not always be at the forefront of people's minds, waste management has critical implications for climate change mitigation. The UN Intergovernmental Panel on Climate Change (IPPC) attributed 3-5% of global greenhouse gas emissions to the waste sector in 2010, with more than 90% of the emissions coming from methane. Championing a holistic and circular approach to waste management and curbing methane emissions are crucial opportunities in the fight against climate change and in meeting climate targets.

For this reason, waste management remains integral to the sustainability practices of Ayala's business units. By monitoring its waste generation and enforcing reduction strategies in waste management, Ayala can minimize its impact on the environment.

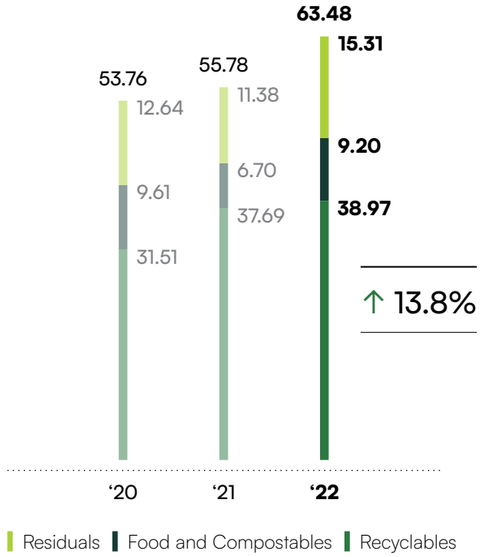
Ayala's policy on waste management includes ensuring proper protocols for transporting, treating, storing and disposing of hazardous waste. It encourages the responsible management of waste with processes that redesign, reduce, reuse, recycle, and re-earth (compost) waste and its by-products whenever possible. Public-facing BUs implement programs to empower consumers to take action in waste management, such as the plastic collection booths in place in Ayala shopping malls and ACEN's circularity approach to plastic reuse in its local sites.

As the economy opened, bringing more employees back to offices and customers on-site, the Ayala group recorded a 13.8% increase in non-hazardous waste generated, of which 61.4% was diverted from disposal. Wastes that were handed over to third-party providers who did not specify whether the wastes were disposed or diverted to the landfills were classified under unknown handling method. Ayala acknowledges that this is an area for improvement and will address this moving forward.

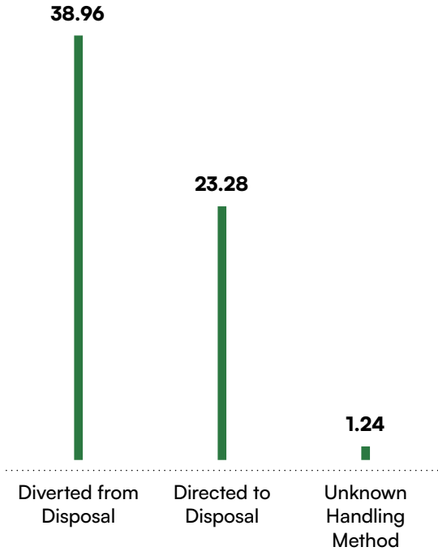


WARM develops concrete products that include recycled wastes as an additive.

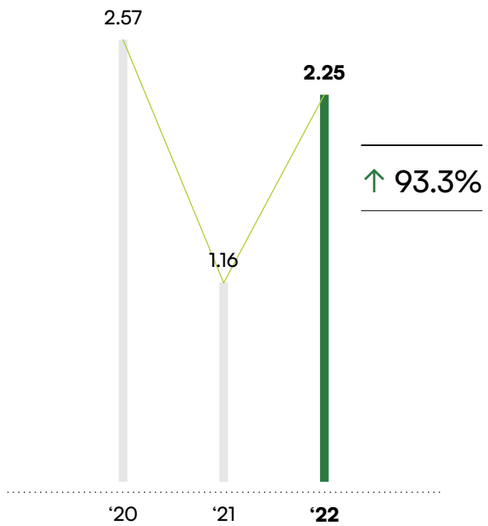
Non-Hazardous Waste Generated
in thousand metric tons



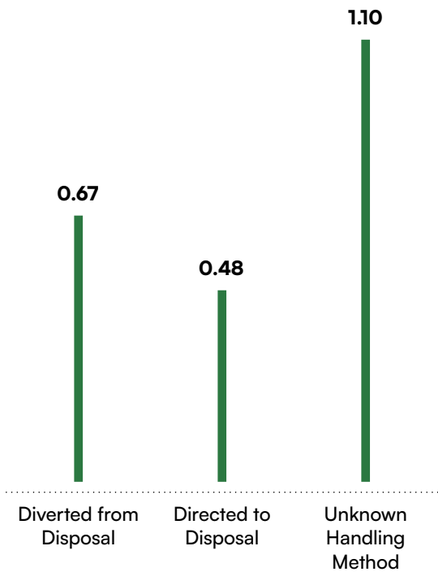
Management of Non-Hazardous Waste
in thousand metric tons



Hazardous Waste Generated
in thousand metric tons



Management of Hazardous Waste
in thousand metric tons



SYNERGY

WARM and IWMI: New Partners for Waste Management

Waste and Resource Management Inc. (WARM) and Integrated Waste Management Inc. (IWMI), both part of AC Logistics' recently acquired AIR21 Holdings portfolio of companies, support the waste management efforts of the Ayala group through partnerships with various business units.

WARM provides solid waste management solutions for industries and communities. The company is working towards zero-waste solutions, with their Alternative Technology Facilities using a variety of approaches to reuse and recycle waste. On the other hand, IWMI specializes in handling and disposal of hazardous waste, include industrial and hospital waste.

Entrego engaged WARM for the handling of waste from their sortation facility in Biñan, Laguna, resulting in 99% waste diversion. IWMI signed a partnerships with AC Health's hospitals and clinics group, Healthway Philippines, and its pharmaceutical importation and distribution arm, IE Medica and Medethix. In addition, a partnership with Ayala Land's subsidiary, Ten Knots Phils., allowed IWMI to address the increased hospital and hazardous waste volume across the island resorts of El Nido, Palawan.

WARM and IWMI continue to explore partnerships with Ayala businesses to contribute to the achievement of Ayala's ambition of net-zero GHG emissions by 2050.



IWMI has a pyrolysis machine in its Trece Martires, Cavite facility. Pyrolysis is the thermal decomposition of materials without any trace of molecular oxygen in the destruction chamber.

Initiatives by Business Units

Energy Efficiency

Ayala Land
- → Ayala Land's offices and malls' energy efficiency index is better than the ASEAN benchmark of 128 kWh/sqm

BPI
- → International Finance Corporation (IFC) EDGE Certification obtained by BPI Iloilo Solis, BPI Loyola Katipunan, BPI Guiguinto, BPI San Fernando Highway Main, and BPI North Greenhills

AC Logistics
Entrego
- → Sustainable Transport Program: pilot-tested Green Freight Measures for 3 months which resulted in reduced idle time by 43%-50%, improved fuel economy by 3.61%-4.92% (versus Philippine standard of 14L/100km) and fuel savings between 34L-67L per truck per month, equivalent to ₱2,400-₱4,800 savings

AC Industrials
AC Motors
- → All dealers are equipped with LED lights; all new dealers use inverter AC units. Replacement of existing non-inverter AC units to inverter underway.

AC Ventures
Zalora
- → Installation of motion light sensors in common areas of the building, LED lights in the office and fulfillment centers, and solar streetlights at warehouse perimeter areas

iPeople
- → Installation of LED lights and inverter AC units in schools
- → Implementation of Preventive Maintenance Program for electrical facilities and equipment
- → Rehabilitation of the schools' power system

Water Efficiency

Globe
- → Installation of interventions for rainwater harvesting and water reuse, especially for restroom facilities and garden maintenance
- → Reuse of wastewater from cooling towers and air handling unit condensation

ACEN
- → Installation of rainwater harvesting systems in solar plants as alternative water source for PV module cleaning and house load needs

AC Industrials
AC Motors
- → Use of waterless carwash along with traditional carwash in Honda dealerships

AC Ventures
Zalora
- → Operation zero water leak for domestic water supply

iPeople
- → Implementation of preventive maintenance programs for plumbing facilities and equipment
- → Installation of rainwater collectors
- → Monthly water potability tests

Manila Water
- → Backwash reuse
- → NRW reduction program
- → Partnerships with international organizations and academe for water efficiency research

Waste Management

Ayala Land
- → Collected 240,000 kg of plastics since 2019, with 232,000 kg recycled for products such as pallets for cold storage, eco-pavers and ecocasts, boards, eco-asphalt and ready-mixed concrete

ACEN
- → Implementation of circularity approach which led to ~45,400 kg of plastics collected and diverted from landfill equivalent to the production of ~336,000 pieces of eco-products

AC Logistics
Entrego
- → Reuse of cartons at contract logistics facility
- → Upcycling of inbound pallets from clients and turning these to furniture for onsite use
- → Introduction of reusable cargo bags in sortation and gateway, reducing reliance on cardboard boxes and generating cost savings of ₱360,000/month
- → Biodegradable pouch option for eco-conscious clients

AC Ventures
Zalora
- → Partnership with The Plastic Flamingo and Majada Enterprises for recycling of plastic, paper and cardboard

iPeople
- → Improvement of hazardous waste storage facility
- → MRF and compost pit already operational under the Five-Year Waste Management Plan
- → Solid wastes, when possible, are upcycled and repurposed in the materials recovery facility
- → Plastics collected and donated to a partner recycling company that converts plastic waste to furniture

Manila Water
- → Biosolids composting in East Zone, Boracay Water and Estate Water
- → Waste-to-energy conversion of Laguna Water's biosolids through third-party hauler and treater

Leadership in Sustainability

Social

Highlights

131.5 k
Total jobs generated throughout the Ayala group

38%
Female representation in Senior Management

3.0 M
Training Hours groupwide

Inclusive benefits
for Ayala employees

Indicators

Maintain a positive workplace experience and engaged workforce

9 Employee Engagement and Mental Health
10 Training and Development
11 Diversity, Equity, and Inclusion
12 Occupational Health and Safety
13 Human Rights

Prioritize customer experience and protection

14 Product Quality and Safety
15 Customer Privacy and Data Protection
16 Customer Safety

Strategy and Related Initiatives

Ayala's social focus entails providing an inclusive and safe workplace to employees, where their needs, physical and mental wellbeing and professional development are nurtured. Ayala embeds a fundamental respect for human rights in its business operations.

The Ayala group keeps its products and services relevant by addressing customer needs and demands and ensuring quality and safety while adhering to local regulations and applicable guidelines.

Managing Impact

Policies
- → Recruitment, Compensation, and Retrenchment Policy
- → Employee Development and Industrial Relations Policy
- → Occupational Health and Safety and Hazards Management Policy
- → Policy on Child Labor and Forced or Compulsory Labor

For more information on our policies, visit: ayala.com

Key Relationships page 064

Investors and Shareholders | Insurers | Government Agencies and Regulators | Suppliers | Employees | Customers

Relevant SDGs



More about Ayala's SDG targets and progress on page 150

2022 Performance Overview

Performance Index page 229

Performance	Compared to 2021	Remarks
12.7 K New Hires	↑ 25.6% increase	As the economy recovers post-COVID, positions vacated during the pandemic are being filled.
66.8 K Indirect Employees	↑ 29.8% increase	ACEN's ongoing expansion of its renewable portfolio generates more jobs in their sites.
1:1.35 Male-to-female Ratio	↑ 1.24% increase	Although there was a slight increase, the gender profile of Ayala group remains largely the same as 2021's.
46.67 Training Hours per Employee	↑ 15.9% increase	Ayala's business units adapted varied learning modalities to address the learning and development needs of employees.

Maintain a positive workplace experience and engaged workforce

Ayala recognizes that its employees are its most important asset. Ayala remains attentive to the new work dynamics emerging in the post-COVID era, and it strives to meet employees' needs to support their engagement and productivity.

In 2022, Ayala group's total jobs generated increased by 12.9%. ACEN's ongoing expansion of its renewable portfolio provided employment to local communities and bolstered the group's job generation.

Business units across the group continue to support parents and family life by complying with the government-mandated parental leaves. In 2022, 91% of parents who took parental leave returned to work afterwards, showing that the group has practices in place that allow parents to have the flexibility they need to attend to their families' needs. At Ayala, paternity leave has been expanded beyond the government-mandated period page 119.

Employee Statistics

131.5K
Total jobs generated
↑ 12.9% increase

64.5K
Direct hires
↓ 0.7% decrease

58.3K
Permanent employees
↓ 1.8% decrease

6.2K
Temporary employees
↑ 10.6% increase

66.8K
Indirect employees
↑ 29.8% increase

12.7K
New hires
↑ 25.6% increase

0.34%*
Attrition rate

* Attrition rate is calculated using the formula in SEC Memorandum Circular No. 4 Series of 2019.

383rd
in Forbes' World's Top Female-Friendly Companies (2022)

581st
in Forbes' World's Best Employers (2022)

Parental Leave Rates

91%
Parental Leave return-to-work rate

100%
Male

86%
Female



Ayala group employees bonded with colleagues and formed new connections in the first ever #WeAreAyala groupwide event in Manila.

Employee Engagement and Mental Health

In 2022, Ayala refined employee management to improve rentention and attract talent: offering clear career paths, competitive and equitable compensation and benefits, opportunities for advancement and wellness support. Keeping employees engaged and motivated is a top priority for Ayala; this philosophy is reflected both in the company's policies and in the programs and mechanisms that give it concrete form.

In 2022, the company focused on three areas: retention and attrition, compensation and benefits and talent development and succession planning. Moreover, Ayala business units offered mental and physical wellness support programs, personal growth programs and professional development mechanisms.

Wellness and Mental Health

Mental health programs continue to support Ayala employees across the group. Town halls and kapihan sessions provide a forum to discuss work-related concerns, and celebrations and activities bring colleagues together outside of work so they may unwind.

Ayala's engagement with MindYou, a mental health technology company, provides preventive therapy and counseling sessions to employees who seek help. This supplements the service offered by Ayala's resident psychologists, who are available for consultations every second and fourth Friday of the month–a program that has been in place since 2019.

Some resources are specific to certain business units. Globe employees get support from HOPELINE, which offers free mental health support, twenty-four hours a day, seven days a week. ACEN provides its employees a hotline and channel for online counseling and psychological wellbeing.

FEATURE

Atletang Ayala: Supporting Filipino National Athletes

In March 2022, the Ayala Center for Excellence in Sports (ACES) announced the creation of the Atletang Ayala program. This program allows participating Ayala group companies to provide full-salaried employment opportunities at part-time hours to Filipino national athletes training for the 2022 Asian Games and the 2024 Olympics.

Atletang Ayala gives Filipino athletes the flexibility they need to fulfill their grueling training and competition requirements while receiving a steady income. Participants also receive free access to the world-class training facilities of the Ayala Vermosa Sports Hub. In partnership with De La Salle University, ACES offers free enrollment in a selection of courses for participating athletes who wish to continue their education.

Atletang Ayala was launched in April 2022 with its inaugural class of eight athletes. Participants were required to be members of their respective national sports associations approved for competition in medal sports at the 2024 Olympics. Each of them received an annual contract delineating the aforementioned benefits, renewable each year until the 2024 Olympics, contingent on the attainment of clear performance measures.



Ayala group executives Jose Rene Almendras, Francisco Romero Milàn, Jaime Alfonso Zobel de Ayala, Jaime Augusto Zobel de Ayala, John Philip Orbeta and Bernard Vincent Dy with Atletang Ayala Xiandi Chia, Prince Alejo and Jasmine Alkhaldi at the introduction of the inaugural class of athletes under the ACES program held in April 2022.

Focus on Retention
Ayala's talent retention and development strategies include well-defined career paths and development plans and implementation of sustainable engagement. The company also holds community-based activities that build camaraderie outside of work among colleagues.

Compensation, Benefits and Rewards
Ayala continuously improves its compensation through annual benchmarking with peers in similar industries. It has leveraged its partnership with Aon Health Solutions to enhance the medical, life and accident coverage and competitive premiums offered to employees. The company saw substantial savings on pooled rates and improved benefit coverage.

There are also enhancements for life and accident insurance leveraging, travel insurance and international medical cover.

Lastly, Ayala continues to offer its Financial Wellness Series to help with employees' financial literacy and Acentives–perks and privileges on Ayala products and services and deals from partner merchants.

Talent Management and Succession Planning
Ayala ensures a healthy talent pipeline through various programs and measures that let employees acquire meaningful work, accelerated growth opportunities and access to supportive leadership teams.

To address challenges in building a strong workforce, Ayala has set goals to ensure that the entire group has a consistent, efficient and effective succession development program that provides continuity in leadership and minimize disruptions in day-to-day business activities.

Successors are thus identified following these guiding principles:
→ Each position shall have an emergency successor and at least one long-term successor.
→ Successors can come from within or outside a business unit.
→ If there are multiple identified successors, they shall be ranked according to readiness to assume the position.

Candidates for succession are assessed on a performance-potential matrix. Performance is measured according to expectations—if a candidate meets them partially or completely, or exceeds them. Potential is measured by how quickly the candidate can grow within the organization, where growing over two levels within or across the organization signifies high potential. Those who score high on both performance and potential are chosen as the most likely successors.

Talent mobility is also an important aspect of employment at Ayala. It guarantees that when a talent joins Ayala, they can build a career within the organization and experience a fairly smooth transition across business units if their career paths lead them to another direction. Talent mobility gives employees the option of lateral transfers or promotions across Ayala's business units, considering employee-initiated movements. Tenured regular employees can apply for placement in a different business unit, subject to review and consideration by all business units concerned. Providing such opportunities to employees aims to minimize attrition across the Ayala group.

FEATURE

WeAreAyala: Reconnecting and Sparking New Connections through WAAwesome Musikachill

As pandemic restrictions eased, Ayala held its first WeAreAyala company-wide, in-person event in Metro Manila. Held in November 2022, WAAwesome Muzikachill gathered Luzon-based employees at the Ayala Triangle Gardens in Makati, kicking off the holiday season with a party to remember. The in-person event, featuring free street food and drinks, a set by DJ Agnes and performances by bands Lola Amour and Rivermaya, reestablished connections and built camaraderie among Ayala employees.

The event was hosted by BPI Senior Vice President for Consumer Bank Marketing Mariana Zobel de Ayala, Ayala Head of Business Development and Digital Innovation Jaime Alfonso Zobel de Ayala, and ACEN Assistant Vice President for International Business Development Jaime Urquijo. Ayala Corporation President and CEO Cezar Consing also joined the fun and wished the WeAreAyala community a merry holiday season.



Jaime Urquijo, Jaime Alfonso Zobel de Ayala, Cezar Consing, IMI WeAreAyala Champ Kayla Sampang and Mariana Zobel de Ayala celebrating with the WeAreAyala community at WAAwesome Musikachill

Training and Development

Ayala accelerates growth opportunities by making learning accessible in a variety of modalities adaptable to preferences and competency gaps–partly a response to a global shift toward more personalized training and need for upskilling and reskilling. These learning programs cover a range of topics–innovation, strategic negotiations, leadership, technology, communication–available through multiple channels: the Learning and Development Council-led Ayala University, the Leadership Acceleration Program (LEAP) for senior leaders, EAGLE for middle management, Harvard Business School, Emeritus Institute of Management and Coursera, among others.

BPI, Globe and ACEN recorded significant increase in training hours as their respective industries shift and adapt to sector-specific and global changes. Internal talent development and upskilling and reskilling are critical aspects of Ayala's learning programs.

Training Hours

3.0 M
Total training hours
↑ 26% increase

46.7
Average training hours per employee
↑ 15.9% increase

Average training hours by Gender

46.9
Male

47.9
Female

Average training hours by Rank

43.0
Rank and File

55.8
Middle Management

45.4
Senior Management

FEATURE

The EAGLE Program for Emerging Leaders

Ayala recognizes the critical role middle managers play in the organization. The Emerging Ayala Group Leaders (EAGLE) Program for middle managers enhances their leadership skills in current positions or to prepare them for succession or lateral transfers.

EAGLE is a partnership between Ayala and Emeritus Institute of Management. It offers participants an immersive learning experience, with live faculty sessions from industry experts, asynchronous learning modules in partnership with Columbia Business School Executive Education, assessments, simulations and interactive discussions.

EAGLE modules focus on purpose-driven and people-centered leadership, enterprise mindset for value creation, building problem-solving mindsets and future organizations. In 2022, 42 middle managers participated in this group-wide leadership development program for emerging leaders.



EAGLE participants working on a group activity

Diversity, Equity, and Inclusion

At Ayala, competence, accomplishments and work ethic are considered independently of gender expression or identity, sexual orientation, race, ethnicity, religion, marital status, disability, economic status or political affiliation. The company has measures to promote diversity, eliminate gender bias and support equal opportunity. These principles apply equally to recruitment, opportunities for advancement and remuneration policies.

Promotion and career advancement at Ayala are made available to all employees, in all fairness and consideration of their skills, accomplishments, work ethic and initiatives beyond their current assignments. Ayala's Strategic Human Resources unit reviews all candidates on these merits to give recognition where it has been earned and without any discrimination.

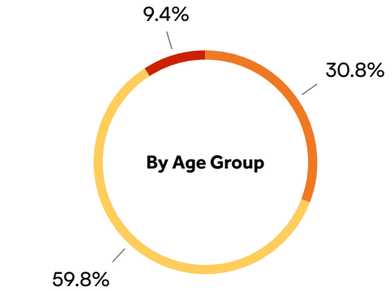
Ayala expects employees to conduct themselves in a manner that is beyond reproach and respectful of others and their boundaries.

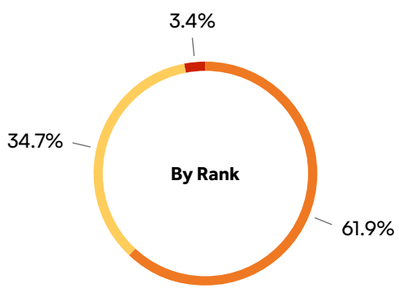
Progress on the gender equality front starts at Ayala's board, where female representation is at 43% ⊖ page 037. Across the group, female representation at the executive and senior management level[1] is at 11% and 38%[2] respectively as of 2022 year-end.

Almost 60% of Ayala group's permanent employees are at 30-50 years old age bracket, showing the group's strong support for talents who are at the point in their lives where they are seeking career stability while balancing the demands of work with their personal endeavors.

Employee Demographics







FEATURE

Inclusive Benefits for Ayala Employees

Ayala strives to foster a workplace that embraces diversity and encourages inclusivity. Giving the employees best-in-class benefits that are competitive, progressive and meaningful is a critical step toward this direction. Ayala's benefits were expanded to include medical coverage that cuts age restrictions and includes recognition of same-sex and domestic partnerships.

Ayala employees also gained access to improved reimbursement limits for company cars and interest-free education loan for themselves and their next of kin.

At 30 days, Ayala's paternity leave is well beyond what the seven days mandated by law.

These benefits became available in 2023.



Inclusive benefits at Ayala cater to the diverse needs of employees.

1 Executive management refers to the highest level of leadership or the C-suite within Ayala companies, while senior management includes vice presidents, functional department heads, etc.
2 Percentages of female representation at the executive and senior management levels do not include IMI.

Occupational Health and Safety

Ayala ensures the health and safety of employees within the workplace. The group is committed to complying with local health and safety regulations. This sense of duty extends to information and training for disaster preparedness as well as conducting day-to-day tasks in a safe, healthy and responsible manner. In cooperation with its employees, Ayala conducts routine assessments of its business-related risks. Clear, early identification of hazards that may affect Ayala employees ensures timely mitigation of any threats to their safety.

Ayala's labor-intensive business units place heavy emphasis on occupational health and safety, with standards, policies and practices in place to minimize accidents and to keep operations prepared for calamities. Safety is of utmost importance in annual mandatory employee trainings and upskilling programs, and the group earns safety seals and certifications from regulators and external evaluators whenever possible.

The company recognizes the significance of investing in safety as part of its Social indicators. Given the extreme weather events brought about by climate change, Ayala sees the merit of preparing its workforce with the equipment and training needed to be resilient in the face of calamities.



Ayala's contribution to the nation's collective COVID-19 response helped steer the local economy to post-COVID recovery.

To further promote a sense of safety among employees, Ayala established grievance mechanisms to streamline the process of reporting any untoward incidents, if ever they arise. The open line of communication provides for improvement of preventative measures and due transparency and accountability in the company's responses to any issues.

Standard	Business Units with Certification
ISO 45001:2018 Occupational health and safety management systems	Ayala Land, Globe, ACEN, IMI, AC Logistics (Entrego), iPeople, AC Ventures (Zalora)

COVID-19 Vaccination

Any occupational health initiatives today must include provisions for the COVID-19 virus. To that end, the Ayala Vaccine and Immunization Program, in collaboration with AC Health, provided vaccines for eligible employees, dependents and partners.

95,631

Total Vaccines Administered



* as of Oct. 20, 2022

Business Unit	Non-disabling injuries[1]	Disabling injuries[2]	Recordable work-related ill-health[3]	Safe man-hours
	Employees			
Ayala Land	-	4	-	137,697,581
Globe	84	0	-	4,237,480
ACEN	22	3	-	19,249,258
IMI	9	34	-	35,405,051
AC Health (Healthway, QualiMed and Generika)	0	0	503	20,643,728
AC Logistics (Entrego)	6	0	0	-
AC Industrials (AC Motors)	0	0	0	3,190,168
iPeople	7	0	0	1,648,915
Manila Water	5	0	-	22,522,604
AC Infra (LRMC)	8	0	5	26,831,844

Items marked with '-' are not monitored or reported by the business unit.
1 Injuries that required first aid or medical attention of any kind and did not not result in lost workdays.
2 Work-related injuries that resulted in death, or in permanent total or partial disability, or in temporary total or partial disability as defined in applicable laws and guideline.
3 Ill-health attributable to exposure to hazards at work. Incidents of work-related ill-health in 2022 were mostly COVID-19 cases due to exposure at work.

After one fatality in 2022, Manila Water took swift action to investigate and document the circumstances that precipitated the tragedy. Manila Water is intensifying its safety education and implementing preventative measures to avoid a similar incident in the future.

Crisis Management

Ayala's Crisis Management Policy recognizes the natural hazards that the Philippines is exposed to. The policy likewise mentions human-created crises and viral diseases as other factors to consider.

Ayala's Crisis Management Policy aims to account for, protect against, and mitigate these risks by institutionalizing a proactive and strategic approach. The policy covers an organized response protocol, staff, resources and emergency funds, concrete plans for logistical movements, alternative facilities and a communication plan that will be ready should any crisis arise.

Various teams have been formed to assume functions during such emergencies. These functions include crisis management, crisis communications, incident management, incident response, safety and health and a nerve center to coordinate all these activities. Regular safety and evacuation drills are also held to keep other employees aware of what can be done during emergencies.

Human Rights

Ayala respects, protects and promotes human rights. It fully supports the UN Guiding Principles of Business and Human Rights, and as a participant of the UN Global Compact, observes the compact's principles on human rights.

The company's commitment to uphold human rights is grounded in its core value of integrity and is defined by the UN's International Bill of Rights and the International Labour Organization's Declaration on the Fundamental Principles and Rights at Work.

Policy on Child Labor and Forced or Compulsory Labor

The company recognizes that child and forced or compulsory labor are global human rights issues, and thus, does not support such practices in its local or global operations. Ayala does not tolerate the use of child labor or forced labor.

The Ayala group did not have any reported incident of forced or child labor in 2022.

Policy on Indigenous People, Human Rights and Community Safety

Ayala recognizes its responsibility to the communities where it operates. Stakeholders have legal rights, and the company commits to engaging with them in a fair, honest and ethical manner, and in ways that respect indigenous peoples' cultures and histories. Ayala strives for engagement that is built on open communication and mutual respect and deals with them in a manner consistent with Ayala's business ethics and code of conduct.

Employee Development and Industrial Relations Policy

Ayala respects the rights of its employees to freedom of association. Employees have the right to organize themselves, engage in harmonious negotiation exercises and ensure amicable settlement of disputes.

Various business units within the Ayala group also have their respective policies related to respecting human rights, including the right to freedom of association.

Labor Unions within the Ayala group

Business Unit	Number of Labor Unions	Percentage of Employees covered by CBA
Ayala Land		4%
BPI	25	72%
Globe	1	3%
Manila Water	1	81%
iPeople (Mapua)	2	15%
AC Infra (LRMC)	1	63%

Prioritize customer experience and protection

Product Quality and Safety

Applying a safe and sustainable approach in the design of products and services—from concept development until its end of life—improves product safety and quality and reduces risks to customers' health and the environment. This approach also addresses customers' call for more sustainable products and services. As a parent company, Ayala applies this stringent measure, particularly to its customer-facing business units.

The Ayala group upholds customers' right to safe, non-hazardous products and services. Should customer health and safety be affected, Ayala's businesses have policies and mechanisms in place to take accountability. Different business units demonstrate its commitment to product quality and service and safety by obtaining various certifications relevant to their manufacturing processes or operations.

Globe updated its Health and Safety Policy to adhere to local and international guidelines on acceptable electromagnetic field exposure levels. Under AC Health, retail pharmacy arm Generika has policies on pharmacovigilance and management of product complaints, while Healthway has medical service quality and patient safety policies.

Standard	Business Units with Certification
ISO 9001:2015 Quality management systems	Ayala Land, Globe, ACEN, IMI, AC Logistics (Entrego), iPeople, AC Infra (LRMC)
ISO 22301:2019 Security and resilience — Business continuity management systems	BPI, Globe
ISO 19650:2018 Parts 1 and 2 for Building Information Modeling (BIM) management systems	Ayala Land
ISO/IEC 20000-1:2018 Information technology — Service management	Globe
ISO 13485:2016 Medical devices — Quality management systems	IMI
ISO 21001:2018 Educational organizations — Management systems for educational organizations	iPeople
Transport Asset Protection Association - Facility Security Requirement (TAPA-FSR) Standard	AC Ventures (Zalora)



Generika regularly offers scheduled free medical consultations with partner doctors to customers.

Keeping customers happy and satisfied is at the heart of the Ayala group's product development and service delivery. Ayala's business units measure their performance using different metrics, such as the Customer Satisfaction score (CSAT), Net Promoter Score (NPS), Happiness Survey or Customer Concern Resolution Rate. All these measures help the company and the business units determine the customer satisfaction with respect to the quality of their products and services.

To address customer needs, BPI implements the Customer Assistance Program, which institutionalized guidelines ensuring that client feedback from various touchpoints and channels are handled appropriately. The program also includes mechanisms for elevating cases, as needed, including those referred to the bank by the Bangko Sentral ng Pilipinas (BSP).

Business Unit	Customer Satisfaction Metric	Score
Ayala Land	Customer Satisfaction Score	93%
BPI	Complaints Resolved Rate	98.9%
Globe	Net Promoter Score	37
ACEN	ACEN RES Customer Satisfaction Index	84
IMI	CSAT	4.52
AC Motors	CSAT (Sales)	4.78
	CSAT (Services)	4.20
iPeople	Net Promoter Score (NTC and Mapua)	3.0
	Happiness Survey (NTC and UNC)	4.5
Manila Water	Customer Satisfaction Score	90%
	Customer Concern Resolution Rate	99%
AC Infra (LRMC)	CSAT Star Rate	4.54



BPI was recognized as the Philippines' Best Domestic Bank and Best Bank for CSR by Asiamoney's Best Bank Awards 2022.

SYNERGY

Ayala augments financial inclusion and access to healthcare to improve Filipinos' lives

For Ayala, creating shared value also means addressing social challenges like financial inclusion and access to healthcare through innovative products and services. This is exemplified by the partnership between BPI and Gcash, and the KonsultaMD superapp.

BPI and GCash teamed up to expand their customers' access to digital banking and investments. GSave allows users to open a savings account that earns interest with BPI. Through GInvest, Filipinos can invest as little as ₱50 on various investment funds managed by BPI's investment management arm.

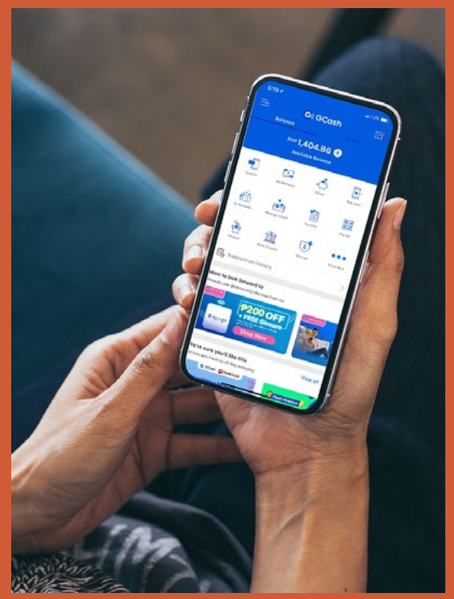
These expanded savings and investment opportunities give unbanked Filipinos access to financial opportunities previously unavailable to them and bring BPI and Gcash closer to its goal of financial inclusion for all Filipinos.

On the healthcare access front, KonsultaMD, Ayala's cooperative project with HealthNow and AIDE, launched a full-service #KonsultaMD superapp in August 2022. The new app combines KonsultaMD's teleconsultations, HealthNow's medicine deliveries, and AIDE's laboratory tests and home care. Services offered include on-demand and scheduled consultations, same-day medicine delivery, home-service diagnostics, doctor visits, concierge services, nursing care, fitness coaching, nutritional counseling and booking for onsite laboratory testing.

The partners for this project are KonsultaMD, managed by 917Ventures; HealthNow, a joint venture between AC Health, Vigos Ventures, Inc. and 917Ventures; and AIDE, which was acquired by HealthNow in 2022. The consolidation maximizes the Ayala group's healthcare resources and network.



The KonsultaMD superapp offers an omnichannel approach to health.



GCash allows users to save and invest for as little as ₱50.

Customer Privacy and Data Protection

The Ayala group recognizes that doing good business includes putting operational, technical and physical security measures in place to safeguard customers' personal information from corruption, compromise and loss. Ayala's business units have their respective information management and data privacy policies and procedures that adhere to local guidelines. Whenever applicable, business units implement an information security management system.

Ayala's Information and Communications Technology (ICT) Policy guides employees on how to maintain sound operational security when using the company's systems. As good practice, Ayala conducts regular internal security audits, vulnerability assessments and penetration of the company's systems, products and practices affecting user data.

To strengthen customer data protection and address the evolving threat landscape, BPI invested more in its IT and cybersecurity systems in 2022. The bank is implementing secure coding, security control baseline or checklist and updated quality assurance processes. BPI also regularly conducts vendor due diligence and subscribes to online asset protection service. With phishing, fraud and identity theft identified by BSP as the top cyber threats, BPI intensified their customer campaigns on social engineering and fraud.

Part of its Alagang Globe initiatives, Globe continuously encourages users to be proactive in reducing the risks of cyber threats and preventing unauthorized access. The telecom also took action against spam and scam messages through its detection and blocking system and blocked person-to-person SMS with clickable URLs. Globe has deployed chatbots to assist customers with privacy and cybersecurity-related concerns.

In case of actual security incidents, prompt action and reporting is conducted in compliance with the law. iPeople recorded a data security incident in 2022, which was reported with the required mandatory notifications to the National Privacy Commission (NPC) and the affected data subjects. The incident was also investigated and resolved pursuant to the school's Data Breach Management Procedure and the provisions of the Philippine Data Privacy Act.

Read more about Ayala's Data Privacy efforts on page 133.

Standard	Business Units with Certification
ISO/IEC 27001 Information security management	Globe, IMI

FEATURE

Ayala Group Data Privacy Training: Privacy by Design

On March 2022, in collaboration with the NPC only since it was already spelled out in the discussion on the left side, the Ayala Group Data Privacy Training tackled the need for privacy by design: the development of products and services that feature embedded safeguards to ensure continuous protection of the stakeholders' personal data and privacy rights.

Experts from the NPC discussed privacy risk, data breach management and accountability. Participants learned about updates on a landmark privacy case, data sharing agreements and guidelines on processing personal data during public health emergencies—an important aspect given Ayala's recent expansion into virtual integrated medical care.



Ayala Special Advisor to the Board Fernando Zobel de Ayala opened the Ayala Group Data Privacy Training: Privacy by Design. Guest speakers included NPC Privacy Commissioner and Chairman Atty. John Henry Du Naga, Compliance and Monitoring Division Chief Atty. Rainier Anthony Milanes and Policy Review Division's Atty. Roger Ranigo, Jr.

Customer Safety

While Ayala businesses adjust to a post-COVID world, measures to ensure customer safety onsite and minimize exposure to the COVID-19 virus are still observed and implemented as required by the local regulation. These include providing avenues to conduct transactions online, proper ventilation and air purification in areas that receive customers and requirement to wear face masks in high-risk settings like hospitals and clinics.



High-risk settings like hospitals and clinics continue to require wearing of face masks to ensure customer safety.

Leadership in Sustainability

Economic & Governance

Highlights

₱305.6 B
Economic Value Generated
Parent Company-level

67%
of Ayala group's procurement budgets were spent on local suppliers

43%
Female representation in Ayala's Board of Directors

8
Ayala companies recognized in ASEAN Corporate Governance Scorecard awards

Indicators

Implement equitable business practices

17 Business Ethics
18 Economic Value Distribution
19 Sustainable Business Practices
20 Community Engagement

Strategy and Related Initiatives

Ayala's business policies illustrate its core value of integrity, as it holds leaders and employees accountable for their actions and encourages them to uphold themselves to the highest level of ethical standards. A strong corporate governance system underpins all activities of the group.

The Ayala group continues to generate economic value for all stakeholders, support the growth of the local economy and uplift the lives of its communities. Partnerships and collaborations with organizations who share common goals with Ayala help accelerate actions that contribute to building the Philippines of the future.

Managing Impact

Policies
- → Board Diversity
- → Term Limit for Independent Directors
- → Multiple Board Seats
- → Code of Conduct and Ethics
- → Related Party Transactions
- → Whistleblower
- → Procurement Policy

For more information on our policies, visit: ayala.com

Key Relationships page 064

Investors and Shareholders
Government Agencies and Regulators
Employees | Insurers | Suppliers
Business Partners and Affiliates
Bank Counterparties and Creditors
Industry Associations | Communities

Relevant SDGs



More about Ayala's SDG targets and progress on page 150

2022 Performance Overview

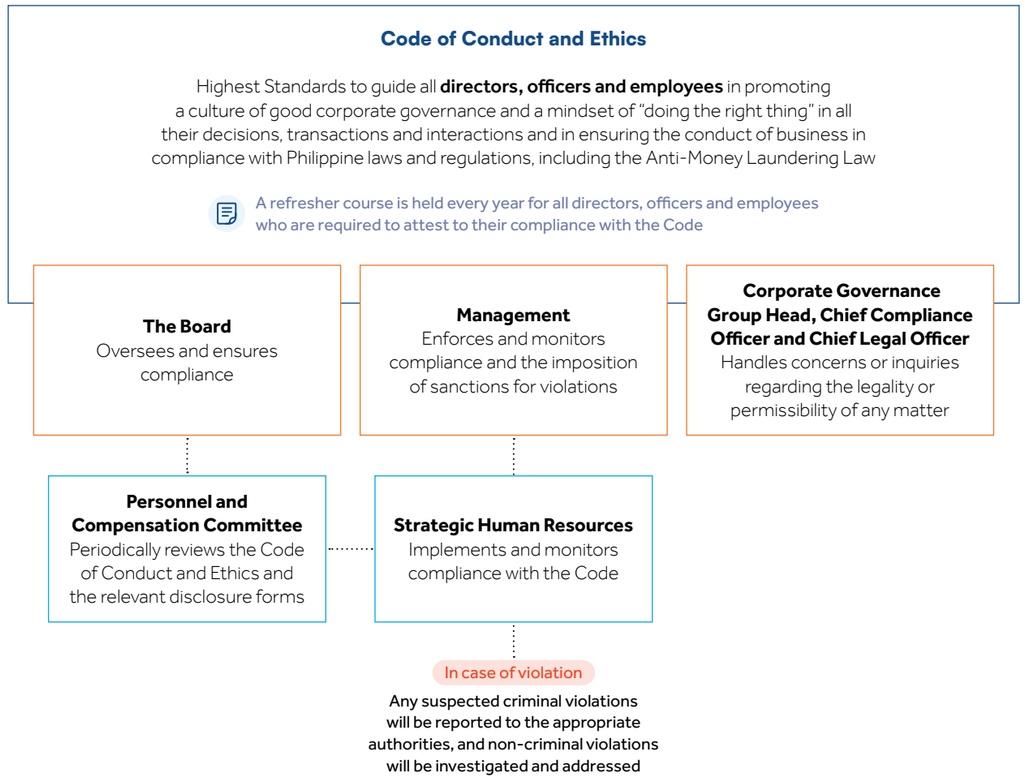
Performance Index page 234

Performance	Compared to 2021	Remarks
₱594.9 B Economic Value Generated Groupwide	↑ 16.7% increase	The reopening of the economy post-COVID has allowed the Ayala group to improve value generation as demand for products and services increase.
₱305.6 B Economic Value Generated Parent Company-level	↑ 20.9% increase	With earnings back at 89% pre-COVID levels, Ayala continues the upwards trajectory of its value generation.
₱138.8 B Spent on Local Suppliers		The Ayala group prioritizes sourcing from local suppliers while still maintaining the highest standards of quality and integrity.
Ayala named as part of Steward Leadership 25 (SL25)		Ayala received recognition for its efforts on mobilizing resources and collaborating with both the private and public sectors to address healthcare and socioeconomic issues brought about by the COVID-19 pandemic.

Implement equitable business practices

Business Ethics

Code of Conduct and Ethics



Policies	Applies to	Compliance
Conflict of Interest Policy → Avoidance of situations of conflict of interest or impropriety, whether actual or apparent → Prohibits seeking undue financial and material advantage from any transaction • Extends to transactions involving family members and close personal relations → Prohibits acceptance of gifts or invitations in any form except in instances allowed by company policy → Requires full disclosure and reporting to identified channels of any personal or pecuniary interest that could lead to potential conflict of interest situation	Directors, officers, and employees	**Annual disclosure on compliance provided by all directors, officers and employees.**

Policies	Applies to	Compliance
Anti-Bribery and Anti-Corruption Policy → Strict guidelines on not offering or giving bribes to obtain, retain or facilitate business or any transaction, and on not requesting or accepting bribes from any person or organization → Zero-tolerance towards fraud, corruption, bribery in any form, direct or indirect through another person, and all unethical practices → Commitment to full compliance with all relevant laws and standards → Strict observance for all transactions and dealing with customers, suppliers and business partners as well as with the government.	Directors, officers, and employees	**Annual Attestation of Compliance provided by all directors, officers and employees**
Insider Trading Policy → Prohibits trading, direct or indirect, by all covered persons from the time they obtained material non-public information until information becomes public and two trading days have lapsed	All incumbent directors, officers, employees, consultants, advisers of the corporation and members of their immediate family who are living in the same household ("Covered Persons")	**Annual Attestation of Compliance provided by all directors, officers and employees**
Trading Blackout → Prohibits trading during company identified trading blackout periods for structured and unstructured disclosures • Structured disclosures – five trading days before and two trading days after disclosure of reports • Unstructured disclosures – two trading days after disclosure of the information → The Office of the Compliance Officer sends notices via email on trading blackout periods	Covered Persons	**No unlawful trading of the company's shares in violation of the company's insider trading and trading blackout policies in the past three years**
Short Swing → Prohibits profiting from the purchase-and-sale or sale-and-purchase of Ayala's securities within a period of six months regardless of intent, except in instances allowed by law	Directors and officers	**No violation of the short swing rule**
Reporting of Transactions → Requires reporting to the Chief Compliance Office on individual trades and trades of immediate family members living in the same household within three (3) business days from trade	Directors, Senior Managing Directors, Managing Directors, Controller, Chief Audit Executive, Chief Risk Officer, Treasurer, Corporate Secretary, Assistant Corporate Secretary	**A schedule showing the changes in shareholdings of the directors and officers in 2022 is on** page 200
→ Requires reporting to the Chief Compliance Officer on individual trades and trades of immediate family members living in the same household within ten (10) business days from end of each quarter	All other officers and employees	

Other Company Policies

Policies	Applies to	Compliance
Related Party Transactions Policy → Defines related party relationships and transactions → Provides guidance in the review, approval and disclosure of Ayala's RPTs to ensure that the transactions are arm's length, fair and will inure to the interest of Ayala and its shareholders. → Regularly reviewed by the Risk Management and Related Party Transactions Committee to ensure alignment with regulatory requirement	→ Directors, officers, substantial shareholders, or any person who has control joint control, or significant influence in Ayala, and their spouses and relatives within the fourth civil degree → Any entity identified as a Related Party in the policy	→ **RPTs are discussed and quantified in the Notes to the Consolidated Financial Statements, available for download on the company's website** → **No RPTs classified as financial assistance to entities other than wholly-owned subsidiaries.** → **No cases of noncompliance with the laws, rules, and regulations pertaining to significant or material RPTs in the past three years**
Whistleblower Policy → Provides a formal mechanism and avenue to raise concerns about a perceived wrongdoing, malpractice or risk involving Ayala → Guarantees fair treatment and protection from reprisal, harassment, disciplinary action, or victimization for whistleblowing → Outsources receipt and processing of whistleblower reports to Punongbayan and Araullo through ⊖ **https://proactivehotline.grantthorntonsolutions.ph/report/ayala-corporation** • Channel allows for anonymous reporting • Accessible 24/7 → Provides other channels to send whistleblower reports as follows: • Written report directly to the Office of the Compliance Officer • Face-to-face meeting with any member of the Disclosure Committee • **Email:** whistleblower@ayala.com • **Mobile/Telephone Number:** +63 917 7978908 +632 7218 1640	→ Directors, officers, employees, suppliers, business partners, contractors, sub-contractors and other third parties	**Whistleblower reports received by Ayala Corporation were found to be immaterial after due process and verification**

The complete policies can be found on the company's website ⊖ **ayala.com**

Data Privacy

Ayala's Data Privacy Office, headed by the Data Protection Officer, Atty. Solomon M. Hermosura, works closely with all the business units to regularly review the physical, technical and organizational security measures adopted by the company for the protection of personal data.

2022 Accomplishments

In 2022, the company:

- ✓ Updated the Privacy Impact Assessment Form to identify and assess privacy risks in programs, projects and initiatives involving personal data processing
- ✓ Reviewed consent forms, privacy terms and conditions, and contracts to ensure compliance with the law
- ✓ Updated templates for data sharing and outsourcing agreements and facilitated discussions on issues relative thereto
- ✓ Organized data privacy trainings for continuous capacity-building of Ayala group employees
- ✓ Spearheaded the creation of the Ayala Group's Data Privacy Council to coordinate and consolidate privacy-related initiatives and for greater synergies in the group
- ✓ Participated in public consultations conducted by the National Privacy Commission (NPC)

2023 Targets

For 2023, the Data Privacy Office aims to:

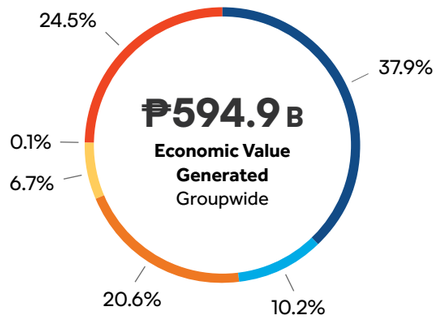
- Revise the Data Privacy Manual to align it with regulatory changes and to improve company policies and practices on processing of personal data;
- Continue the capacity-building activities for Ayala employees;
- Sustain and continue to support the Data Privacy Council; and
- In compliance with NPC Circular 22-04, register Ayala's data processing systems and obtain a Certificate of Registration and a Seal of Registration.

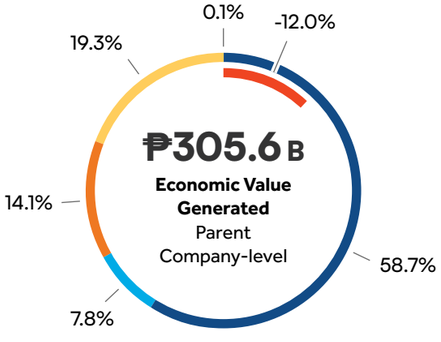


Equitable Value Distribution

With earnings back at 89% pre-COVID levels, Ayala continues the upwards trajectory of its value generation. Distribution of the group's economic value generated benefits all stakeholders while still maintaining the financial strength of its businesses.

Ayala's 2022 Audited Financial Statements can be accessed at ⊖ ayala.com.





- Operating Cost
- Employee Wages and Benefits
- Payments to Providers of Capital
- Payments to Government
- Payments to Communities
- Economic Value Retained

FEATURE

Ayala's Sustainable Finance Issuances

In support of global goals and nation-building, the Ayala group drives sustainable outcomes through sustainable finance issuances, directly investing in projects and assets that contribute to the company's sustainability targets.

BPI is the first bank to introduce Sustainable Energy Finance (SEF) in the Philippine banking industry, back in 2008. This was done in partnership with the International Finance Corporation (IFC) of the World Bank Group, where the BPI SEF Program was used as a platform to help finance green projects of the private sector, with focus on Small and Medium Enterprises (SMEs).

In 2019, this was renamed to the Sustainable Development Finance (SDF) Program, where BPI expanded its green financing program to include sustainable agriculture alongside renewable energy, energy efficiency and climate resilience. The bank then aimed at diversifying its sustainability investments in a variety of sectors, which strengthened BPI's commitment to the UN's Sustainable Development Goals.

ACEN developed the Green Bond Framework, which covers the energy group's issuances to help meet the goals for SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate Action). ACEN's Green Bonds are used to refinance, in whole or in part, new or existing Eligible Green Projects–qualifying assets and projects that meet the following criteria:

→ Development, construction and production of components, acquisitions and operations of renewable energy projects such as solar, wind or geothermal energy projects; and
→ Adherence to local regulations regarding environmental and social constraints.

Where relevant, ACEN will report the energy generated from renewable sources and the greenhouse gas emissions reduced or avoided by such projects.

Lastly, Ayala made a strong commitment to the Philippines's healthcare sector by issuing a 10-year social bond amounting to US$100 million, earmarked for sustainable and resilient growth and the capacity building of AC Health. This was another partnership with the International Finance Corporation unconditionally and irrevocably guaranteed by Ayala. Through AC Health, Ayala continues to expand access to healthcare through digital technology and physical assets, with primary and multispecialty clinics and a dedicated cancer hospital currently under construction.

To date, the Ayala group has over ₱107.6 trillion sustainable finance issuances.

Sustainable Business Practices

Supply Chain Management

Ayala encourages fair and competitive sourcing from local vendors, ensuring that there is no conflict of interest and that all transactions are legal and above board. The sustainability focus is reflected in Ayala's Procurement Policy, which emphasizes integrity in the procurement process, and commitment to human rights among suppliers. Ayala does not condone child labor or force labor across its supply chain.

Business units manage their own supply chains with policies aligned with Ayala's Procurement Policy.

Ayala Land implements the Vendor Code of Ethics that expects suppliers to comply with Ayala Land's commitment to maintain the highest standards of quality and business integrity, create safe working conditions, treat workers with dignity, and ensure that projects are environmentally and socially responsible. Ayala Land engaged 53% of their active vendors on their sustainable procurement principles in 2022.

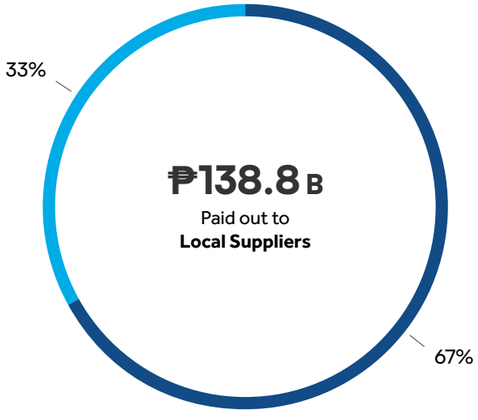
Globe included sustainability criteria as part of the evaluation for retail energy suppliers (RES) to encourage more investments in clean energy. Sustainability forms 50% of the technical criteria and helps identify which RES can supply a facility's electricity demand with clean energy that can be confirmed with Gold Standard-Verified Emission Reduction (VER) certificates or equivalent carbon certificates.

IMI implements a Supplier Code of Conduct that holds suppliers to the highest standards of integrity, fair dealing and sustainability. It also includes criteria related to environmental, ethical, and social responsibilities as part of the supplier engagement process. IMI also implements a Conflict Minerals Policy to ensure that its products do not utilize minerals that come from and finance the conflict in the Democratic Republic of Congo and its adjoining countries. IMI encourages suppliers to source responsibly and ensures compliance with the conflict mineral policy along the whole supply chain.

Entrego, an investee company of AC Logistics, has a Supplier Code of Conduct that encourages suppliers to consider the environmental impact of their products and services, set environmental protection goals and prioritize the use of environment-friendly transport.

Zalora, AC Ventures' investee, ensures the sustainable procurement of services by conducting a labor service provider audit prior to engaging manpower services. It also conducts reputational risk due diligence based on its Ethical Trade Manual and Animal Welfare Policy.

iPeople schools have supply chain management policies that incorporate environmental considerations in the procurement process.



- Spending on local suppliers
- Spending on suppliers abroad

Note: Procurement spending data do not include Ayala Land, BPI and IMI.

FEATURE

Ayala Enterprise Circle and Ayala Rewards Circle: Growing together with Customers and Partner SMEs

In October 2022, Ayala recognized SMEs that have worked with the company and showed remarkable performance. The Ayala IncrediBiz Awards was open to member businesses of the Ayala Enterprise Circle and Ayala Rewards Circle.

The contest had three categories: Inspire, Innovate, and Involve. Inspire featured businesses that grew in revenue, branches, or products and services (Best in Growth) or that overcame challenges (Best in Grit). The Innovate category featured partners that adopted technology to transform their businesses (Best in Digital Transformation) and broke new ground in the industry through creative use of digitalization (Best in Business Breakthrough). Lastly, Involve recognized businesses that have shown exemplary corporate social responsibility.

Winners were announced and awarded cash on November 2022.



Ayala CFO, CRO and CSO Alberto M. De Larrazabal provided the closing remarks for the Ayala IncrediBiz Awards.

Community Engagement

Contributing to social good is deeply ingrained in Ayala, as business units across the group implemented various corporate social responsibility (CSR) initiatives to help various communities. The Ayala group's CSR programs covered interventions focusing on hunger and alleviation, education, and disaster relief, among others.

Ayala Foundation, Ayala's CSR arm, continues to uplift communities through Education, Sustainable Livelihood and Love of Country programs page 024.

Globe

- → Launched the Hapag Movement which aims to address involuntary hunger and joblessness; raised ₱13.5 million in donations; supported over 10,000 families; partnered with Ayala Foundation, Caritas Philippines, Tzu Chi Foundation Philippines and World Vision Philippines for mobilization
- → Launched makeitsafe.ph to educate the public on internet safety
- → Partnered with NABU, a reading app and mother tongue publishing platform that makes literacy accessible to children globally, to promote reading in regional languages
- → Partnered with Google Philippines to provide 39,000 scholarships on advanced IT certificate courses to equip low-income students and jobseekers with job-ready skills
- → Provided free calls, WIFI and charging facilities to communities affected by calamities and emergencies
- → Upgraded the Materials Recovery Facility of Barangay Dampalit in Malabon to a community-based Treatment, Storage, and Disposal (TSD) Facility for e-waste

ACEN

- → Donated ₱700,000 to help Mano Amiga, a non-profit that aims to help low-income families and provide scholarship grants
- → Islasol conducted the 1st Renewable Energy Advocacy Drive (READ) that teaches the positive impacts of renewable energy to 211 pupils of Cubay Elementary School in La Carlota City, Negros Occidental
- → North Luzon Renewables distributed 7,000 fruit tree seedlings to 176 local farmers and beneficiaries of the Integrated Social Forestry (ISF) program in Bangui
- → Guimaras Wind Corporation donated eight Android tablets and 115 Globe wifi modems with ₱300 load cards to Guimaras DepEd Division

AC Health

- → After the eruption of Mt. Bulusan, provided food packs for 356 families in Barangays Sipaya and Calateo in Juban Municipality, Sorsogon
- → When schools opened in August, provided school supplies for 195 elementary scholars, 213 high school scholars, and eight college scholars in public schools
- → Distributed hygiene kits to 408 elementary and high school students, 1,800 children and 100 children in Capiz, Bicol and Mindoro, respectively

AC Logistics

Entrego

- → Supported Brigadang Ayala by distributing 426 school kits to the children of partner delivery riders in the Visayas and Mindanao regions

iPeople

- → Established the Dunong Lingkod website for Mapua University, giving free access to online learning resources contributed by the faculty and students of the school

Manila Water

- → Donated fishing gear and supplies through Manila Water Foundation (MWF) to 3,000 fisherfolk families as beneficiaries of Project Katig.
- → Supported DepEd's Oplan Kalusugan and WASH in Schools programs with 19 WASH facilities representing the first batch of 285 hygiene facilities to be constructed in schools across the National Capital Region and Rizal Province
- → Partnered with BPI Foundation on a ₱1.5-million water supply recovery and improvement project in San Jose, Dinagat Islands



Ayala Foundation's Iraya-Mangyan Project is committed to the education and skills training of the indigenous Iraya-Mangyan community of Puerto Galera, Talipanan, Oriental Mindoro.

Community Involvement

Ayala implements policies on community involvement to mitigate impacts of business operations on indigenous and vulnerable populations. Such policies and programs show that companies take responsibility for their impacts on local communities and facilitate consultations and mitigation efforts to gain community support and ensure successful business operations.

The **Globe** Bridging Communities Program is tied with their Corporate Social Responsibility platform. Through this program, Globe aims to transform underserved communities through innovative information and communications technology.

ACEN's Environmental & Social Policy Statement provides guidance on priority environmental and social goals through 2030 and outlines the business unit's commitment to protecting communities, including indigenous and vulnerable populations that are affected by its operations. ACEN will engage local communities and government at all stages of project development; establish grievance mechanisms and provide compensation in case of physical displacement.



Globe joined several organizations and the Malabon LGU in upgrading the MRF of Barangay Dampalit in Malabon.

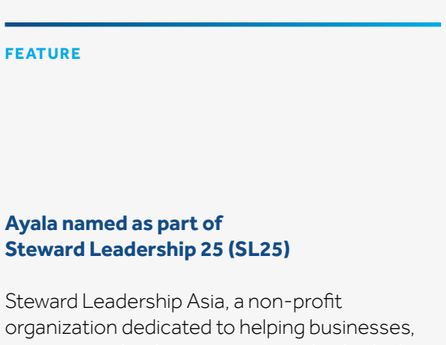
FEATURE

Ayala named as part of Steward Leadership 25 (SL25)

Steward Leadership Asia, a non-profit organization dedicated to helping businesses, government leaders, investors and individuals activate steward leadership, named Ayala in its inaugural list of the Steward Leaders 25 (SL25). The list features organizations recognized for taking extraordinary measures to improve the lives of stakeholders, the environment and society.

Ayala was recognized for mobilizing resources and collaborating with both the private and public sectors to address healthcare and socioeconomic issues brought about by the COVID-19 pandemic.

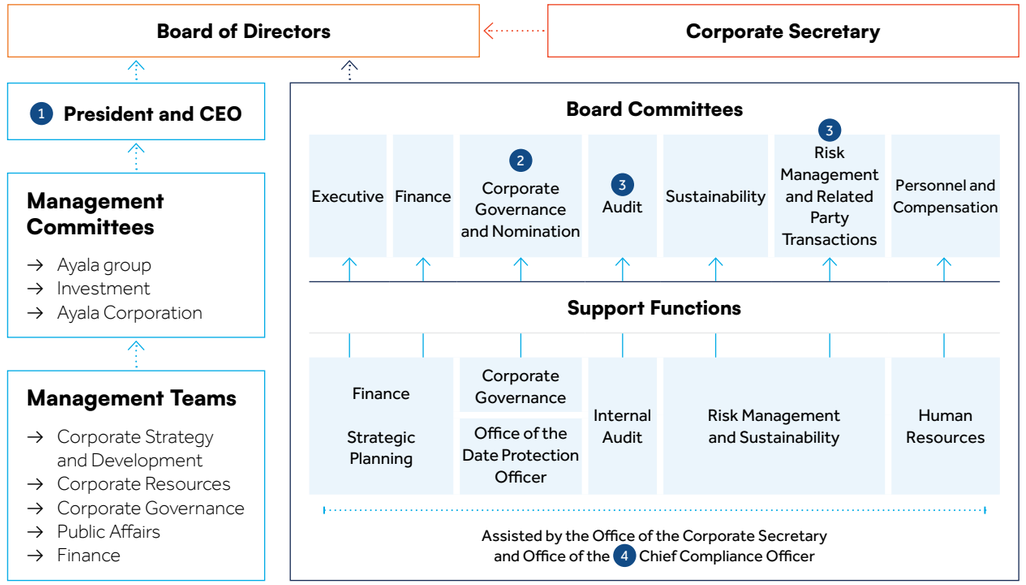
SL25 is the result of a collaboration among Stewardship Asia Centre (SAC), INSEAD Hoffmann Global Institute for Business and Society, WTW and *The Straits Times*.



Ayala's Steward Leadership 25 award was received by Business Development & Digital Innovation Head Jaime Alfonso Zobel de Ayala.

Corporate Governance

Key Components of Ayala's Governance System



Governance Highlights

Cezar P. Consing was elected as 1 **President and CEO** succeeding Fernando Zobel de Ayala.

The 2 **Corporate Governance and Nomination Committee** initiated a senior leadership assessment and talent mapping exercise to ensure proper succession planning.

Joint meetings were held by the 3 **Audit and Risk Management and Related Party Transactions Committees** on 04 March 2022 and 18 November 2022 to discuss key risks of the corporation, including cybersecurity.

Corporate Secretary, Chief Compliance Officer, Data Protection Officer and Chief Legal Officer

Atty. Solomon M. Hermosura plays four roles in Ayala's governance structure.

As **Corporate Secretary** he assists in conducting Board meetings, helps prepare the meeting agenda, and maintains Board minutes and records.

As 4 **Chief Compliance Officer**, he works closely with the Corporate Governance and Nomination Committee in ensuring that Ayala adopts the best corporate governance practices, including the review of the company's Board Charter and Corporate Governance Manual to highlight Ayala's commitment to Sustainability and Climate-related matters. He further makes sure that Ayala observes all relevant laws, rules and regulations.

As **Data Protection Officer**, he guides the organization in complying with the National Privacy Commission's requirements and in staying updated on international privacy practices.

As **Chief Legal Officer**, he advises the Board, CEO and senior leadership team on potential legal risks, legal matters and protocols relating to their roles and the company's operations.

In all capacities, he attends executive development programs, participates as resource speaker and keeps up-to-date with legal and regulatory developments.

Compliance with the Corporate Governance Code

Ayala strives to comply with the Securities and Exchange Commission's Code of Corporate Governance for Publicly-Listed Companies. In 2022, the Ayala is compliant with the provisions of the Code except for the following deviations:

Deviations from the Code	Explanation
Corporate Secretary and Compliance Officer are not separate individuals	With the complementary nature of the functions of Corporate Secretary and Chief Compliance Officer, the combined responsibility allows the holder of both positions to optimally assist the Board in its functions and in keeping Ayala compliant with laws, regulations, and good corporate governance practices. A strong team also supports both roles, allowing for an effective performance in both capacities.
Executive remuneration not disclosed on an individual basis	Remuneration of the top five highest-paid officers is disclosed in aggregate. This balances both full disclosure and the protection and privacy of the individual officers.

This compliance is supported by an attestation by the Chief Executive Officer, Chief Audit Executive and Chief Compliance Officer on the adequacy and effectiveness of Ayala's internal controls, risk management, compliance and governance processes in 2022. The Attestation is available on the company's website.

Internal Governance Mechanisms

Accountability and Audit

The external and internal auditors ensure Ayala's continued commitment to transparency, fairness, and accountability. The Audit Committee reviews and approves the reports of the auditors to ensure the integrity of the company's financial statements, adequacy and effectiveness of the internal controls, risk management, compliance, and governance processes.

External Auditors
The external auditors are responsible to assess Ayala's audited financial statements, providing an opinion on their conformity with Philippine Financial Reporting Standards and the overall quality of the financial reporting process. During the annual stockholders' meeting last April 29, 2022, the shareholders re-appointed Sycip Gorres Velayo & Co. (SGV & Co.) as the company's external auditor for the calendar year 2022.

The Audit Committee's responsibilities are:
- → recommending the appointment and removal of the external auditor,
- → overseeing the external auditor's work, and
- → ensuring unrestricted access to records, properties, and personnel to enable the performance of the required audit.

The external auditor must demonstrate independence from the company, both in fact and appearance. In the interest of giving them the highest level of independence, the Audit Committee held an executive session with them in 2022 without the presence of the management team to discuss any issues or concerns. The Committee also approved all services rendered by the external auditor, which include audit, audit-related, and permitted non-audit services. There were no disagreements with Ayala's external auditor on accounting principles or practices, financial statement disclosures, or auditing scope or procedures.

Total fees billed by SGV & Co. for the years ended December 31, 2022 and 2021 amounted to ₱15.56 million and ₱16.68 million, respectively, inclusive of VAT. The Audit Committee reviewed the nature of non-audit services rendered by SGV & Co. and the corresponding fees and concluded that these were not in conflict with their function as the company's external auditor.

The breakdown of the fees for 2022 and 2021:

External Auditor Fees in Millions of Pesos

	2022	2021
Audit and Audit-Related Fees	₱15.24	**₱16.55**
Non-Audit Fees	0.32	**0.13**
GRAND TOTAL	**₱15.56**	**₱16.68**

More information on external auditors can be found on page 201.

Internal Auditors
Governed by it's Internal Audit Charter, Ayala's Internal Audit supports the Audit Committee in the effective discharge of its oversight role and responsibility, with Catherine H. Ang as the Chief Audit Executive (CAE). The CAE reports functionally to the Audit Committee, and administratively to the President and Chief Operating Officer or his designate.

The Audit Committee regularly met with the CAE without the presence of management to discuss any issues or concerns.

Ayala's Internal Audit also collaborates across the organization with the internal audit functions of subsidiaries and affiliates to promote sharing of resources, knowledge, tools, and best practices through the Ayala Group Internal Auditors' Network (AGIAN). Since 1999, the AGIAN has created an effective teamwork environment, exchanges of good practices and ideas, and improved the skills of internal auditors.

In December 2022, the group successfully concluded the Annual AGIAN Conference themed "AGIAN C.A.R.E.S. – Changing, Agile, Responsive...Emerging Stronger." The learning sessions focused on:

- → Building cybersecurity resilience
- → Implementing practical risk management approaches
- → Utilizing data analytics in the expanded work environment

Free-of-charge training programs were also extended to all Ayala internal auditors.

More information on internal auditors can be found on page 201.

Risk Management

Approach to Risk Management
Ayala's risk management framework follows Deloitte's concept of a Risk Intelligent Enterprise to encourage integrated and inclusive thinking. Ayala aims to be risk intelligent by aligning people, processes, tools, technologies and governance into an integrated risk management system tied to corporate strategy and the achievement of long-term goals. The group's success depends on the ability to prioritize and allocate scarce resources not only to manage risks, but also to spot and exploit the highest return opportunities. This integrated risk and opportunity assessment allows the management to be more confident in decisions, create a strategic philosophy while maintaining operational discipline, and assure the Board that risks are managed and opportunities are pursued.

Furthermore, the approach to risk management is designed to provide reasonable assurance that existing assets are protected, the risks facing the business are assessed and mitigated and all information that may be necessary for disclosure is reported to Ayala's Board and senior management.

Risk Appetite
Ayala's risk appetite represents the nature and extent of the risks it is willing to take in pursuit of strategic and business objectives. It ensures that Ayala's risk profile remains within well-defined boundaries, and risk-taking activities fit into the business strategy and are aligned with stakeholder expectations. The risk appetite statements are reviewed and approved by the Board, while the Management monitors the risk profiles of the company and the group and reports them to the Board on a regular basis.

Ayala's risk appetite is driven by the following:
- → Delivering value to shareholders and sustaining profitable growth through key execution and transformation of the business portfolio, active value realization and investments in growth areas. ***Strategic***
- → Upholding the group's integrity, values and reputation, and refraining from venturing into industries, transactions or partnerships that may mar the brand value. ***Reputational***
- → Recognizing the need for flexibility in the achievement of business goals and acting in line with corporate governance policies, Code of Conduct and Ethics, and regulatory guidelines. ***Compliance***

- → Maintaining the investment grade credit rating and fulfilling financial obligations consistent with loan covenants. ***Financial***
- → Undertaking all reasonable measures to secure the safety of the workforce in the execution of their roles and responsibilities, as well as the communities they serve. ***People***
- → Engaging in responsible businesses and supporting initiatives related to climate action and the conservation of the environment. ***Environment***

Risk Governance

The risk landscape in the current business environment changes dynamically. Risk is inherent in Ayala's business and the markets in which it operates. Thus, risk management remains an integral part of all processes and a responsibility of everyone within Ayala, as it is critical to the long-term growth and sustainability of the group. The risk governance framework is designed to be a simple, consistent and clear framework for managing and reporting risks from the company and group's operations to the Board and allows the management to:

- ✓ **Identify** specific risks and **assess** the overall potential exposure
- ✓ **Decide** how best to deal with those risks to manage overall exposure
- ✓ **Allocate resources** and actively manage those risks
- ✓ **Obtain assurance** over effectiveness of the management and reporting of risks

Ayala's risk governance combines a top-down strategic review and feedback of risks by the Board, coupled with a bottom-up review and reporting of risks by the group's functional units and operating businesses. It facilitates timely risk identification and escalation while providing assurance to the Board, and assigns clear roles and responsibilities for managing risks across the organization:

Ayala's Integrated Risk Management Approach



Board

The Board has the overall accountability for the management of risk and review of the effectiveness of the risk management and internal control systems. 1 **The Risk Management and Related Party Transactions Committee** acts on behalf of the Board and oversees the management of risk identification, mitigation and reporting efforts. It evaluates and determines the nature and extent of the risks the Board is ready to endorse in pursuit of Ayala's strategic objectives. It also ensures that an appropriate and effective risk management framework is established and maintained.

The Committee also periodically looks into the common top risks across the core value drivers and emerging businesses of Ayala. It discusses the groupwide exposures, articulates their nature and discusses their potential impact to the performance of Ayala's business portfolio.

Together with the Risk Management and Related Party Transactions Committee, the Sustainability Committee has oversight over climate-related risks and opportunities and action plans. The former oversees the identification, assessment and management of climate-related risks and opportunities, while the latter monitors the progress of the company's strategy and plans to address environmental, social and governance issues, including climate change. A detailed explanation of can be found in the TCFD section of the report on page 082.

2 Chief Risk Officer and Management Committees

Led by the Chief Risk Officer, the Management provides leadership and guidance on the balance of risks and opportunities. They review and report to the Board, through the Risk Management and Related Party Transactions Committee, the material risks affecting the company and the group, as well as their potential impact and mitigating measures.

3 Group Risk Management

The Group Risk Management supports the Chief Risk Officer and is tasked with implementing the risk management framework and a robust risk management program encompassing the regular risk review and risk reporting processes of the company and the group. They assist the business and functional units in identifying risks and mitigation plans, and facilitate risk communication, experience sharing and risk reporting across different groups.

4 Functional and Business Units

The effective day-to-day management of risk is embedded within the functional and business units and forms an integral part of all activities. They are responsible for identifying and assessing key risks in their areas of responsibility, making effective risk management decisions, establishing risk mitigation strategies and promoting risk awareness.

5 Internal Audit

Internal audit acts as an independent and objective assurance function by evaluating the effectiveness of risk management and internal control processes, through independent review.

This governance structure allows Ayala to operate a "three lines of defense" model of risk management. Functional and business unit management form the first line, the internal Group Risk Management team form the second line, and the Internal Audit forms the third line of defense.

Risk Process

Ayala's risk management practices transcend mere compliance. The shift was driven by the mindset that understands the interconnectedness and interdependency of risks that require collaborative risk mitigation strategies. Silos were broken down through risk assessment methodologies, such as the black swan approach, risk interaction mapping, bow-tie analysis and risk sensing.

From 2016 onwards, Ayala intensified its risk management program by capitalizing on activities that linked risk management with business strategy, further strengthening the practice at all levels of the organization. In 2018, Ayala focused on the value proposition of risk management by assessing the effectiveness of its risk management program and streamlining opportunities for positive impact. This started the conversation on integrating risk management and sustainability. The management was introduced to the eight sustainability megatrends, specifically climate change, green finance, shift to renewables, supply chain visibility, human capital, human rights, waste management and green consumerism. They then revisited Ayala's top risks through the lens of sustainability and understanding these as risk drivers. In 2020, when Ayala Corporation signified its intent to support the TCFD, the risk management process was further enhanced to intentionally include the identification, assessment and management of climate-related risks and their potential impacts on business and strategy. A detailed explanation can be found in the TCFD section of the report on page 082.

The use of various methodologies in the risk assessment process substantiates that the risk management framework is periodically reviewed to ensure that it continues to capture relevant issues in the changing business context.

Risk Mitigation Strategy

Strategies in managing risks vary from avoidance, acceptance, mitigation and/or transfer based on the company's risk appetite. Ayala sees risk financing as a strategy to continuously improve the risk management process, and not just a transaction of risk transfer. In 2018, a risk financing strategy roadmap was laid out to commit the business units to mitigate operational risks on a daily basis, challenge retention values and track relevant data.

Ayala's risk financing strategy is guided by the insurance philosophy, which is built on the following points:

- → Understanding the group's emerging risks and their impacts
- → Providing a comprehensive cover for all insurance business lines
- → Ensuring that the policy wordings are bespoke and to the insured's interest
- → Saving or optimizing insurance premiums

The approach to risk management is centered on being risk-aware, clearly defining risk appetite, responding to changes to the risk profile quickly, aligning the primary risk mitigation strategy to the group's insurance philosophy, and having a strong risk management culture among employees with clear roles and accountability, supported by a close involvement of senior management in all significant business decisions.

Disclosure and Transparency

Accurate and Timely Disclosures

Ayala's 2022 disclosures were timely filed with the Securities and Exchange Commission (SEC), Philippine Stock Exchange (PSE), and Philippine Dealing and Exchange Corporation (PDEx). These include material and market-sensitive information that may affect the public's investment decisions. Details on these disclosures are found on page 201.

Committed to full disclosure and transparency, Ayala ensures quality, accurate and timely disclosures to the regulators, investing public and other stakeholders. To ensure consistency and accuracy in the reports and compliance with the disclosure requirements under the rules and regulations of the SEC, PSE, and PDEx, internal policies and procedures are in place and periodically reviewed.

Ownership Structure

As of December 31, 2022, Ayala's outstanding common shares were held as follows:

	Outstanding Common Shares	% Ownership
Mermac, Inc.	296.6 million	47.91
PCD Nominee Corporation (Non-Filipino)*	144.5 million	23.34
PCD Nominee Corporation (Filipino)*	115.8 million	18.70
Mitsubishi Corporation	37.8 million	6.10
Others	24.5 million	3.95
TOTAL	**619.2 million**	**100**

* Out of the 260.25 million common shares registered under the name of PCD Nominee Corporation, 38.14 million are for the account of Standard Chartered Bank and 32.15 million are for the account of Citibank N.A., which are 6.16% and 5.19%, respectively, of the total shares.

	Outstanding Common Shares	% Foreign Owned
Common Shares	619.1 million	-
Voting Preferred Shares	200.0 million	-
Total Voting Shares	819.1 million	21.59
Preferred B Shares Series 1 Shares	20.0 million	-
Preferred B Shares Series 2 Shares	30.0 million	-
TOTAL OUTSTANDING SHARES	**869.1 million**	**20.38**

There were no cross or pyramid shareholdings.

Stockholder Meeting and Voting Procedures

Ayala's governance system safeguards the right of the stockholders to vote and participate in the stockholders' meeting. The company held its third fully virtual annual stockholders' meeting on April 29, 2022. Stockholders were enjoined to participate through any of the following means: attending through remote communication, voting in absentia using the electronic Voting in Absentia & Shareholder (VIASH) System, voting through proxy forms assigning the Chairman as proxy and sending their questions and comments to Ayala's established communication channels.

The notice of meeting, containing the date and time of the meeting, a detailed agenda, and the allowed means of participation and voting, was distributed to stockholders of record at least 28 days before the annual stockholders' meeting. Distribution was done through the alternative modes provided by SEC. The notice also contains the date, time and place for validating proxies, which is done at least five business days prior to the stockholders' meeting. To uphold the integrity of the validation process and tabulation of votes, a Committee of Inspectors of Proxies and Ballots, composed of non-directors, is constituted by the Board.

Each shareholder, including non-controlling or minority shareholders, was given the right to nominate candidates for the board of directors and to propose items for inclusion in the meeting agenda. Holders of outstanding common and voting preferred shares are entitled to one vote per share.

Partnerships

Ayala partnered with global and local organizations to guide and build the group's efforts to embed and promote sustainability, serve the interests of stakeholders, grow an inclusive economy and enable a better future for all.

Global

Global Compact Network Philippines
Ayala is a founding member of the Global Compact Network Philippines (GCNP). Head of Group Risk Management and Sustainability Ms. Victoria Tan is GCNP's Chairperson for 2022-2023.

World Business Council for Sustainable Development
Ayala is the only Filipino corporation in WBCSD, which collectively works with other member organizations to accelerate the necessary system transformations to create a net zero, nature positive and more equitable future.

Business Commission to Tackle Inequality
CEO Cezar Consing serves as a Commissioner of WBCSD's Business Commission to Tackle Inequality (BCTI). The BCTI coalition aims to mobilize the private sector to tackle inequality and generate shared prosperity for all.

CFO Network
CFO, CRO, CSO Alberto M. De Larrazabal is a member of WBSCD's CFO network, which helps CFOs become change agents in business and shape the financial dialogue to change the system, better serve the interests of stakeholders and embed ESG into organizations.

The Vatican Council for Inclusive Capitalism
Ayala was one of the first businesses to join the council, which is a collaboration of business leaders and public sector organizations who believe in the importance of extending the benefits of the economy to all while protecting the planet. Jaime Augusto Zobel de Ayala is a member of the Steering Committee.



Ayala Corporation Chairman Jaime Augusto Zobel de Ayala joined the first in-person convening of the Council for Inclusive Capitalism steering committee.

Pan-Asia Risk & Insurance Management Association
Founded in 2013, PARIMA is a not-for-profit professional association dedicated to developing risk management as a profession and providing a platform for Risk and Insurance practitioners to connect in the Asia-Pacific region. Since 2014, Ma. Victoria Tan serves as a board member representing the Philippines and advocated for the inclusion of sustainability skill as part of the risk competency matrix.

Conference Board
The Conference Board is a regional, nonpartisan and nonprofit entity, whose areas of expertise include economic indicators, sustainability, corporate philanthropy, social responsibility, education, diversity and inclusion and sustainable capitalism through its centers of expertise. Jaime Zobel de Ayala is a Voting Member and Ayala is the only Philippine company that has representation in the group.

Local

Institute of Corporate Directors
ICD advocates for good corporate governance through its publications, educational programs and professional engagements. Jaime Augusto Zobel de Ayala is an Honorary Fellow of the ICD.

Management Association of the Philippines
Ayala is a member of MAP, which connects managers in the Philippines for networking, sharing of best practices and benchmarking with international counterparts.

Institute of Internal Auditors
Ayala is a major sponsor of the IAAP, which was established in 1982 to advance the internal audit profession in effective governance and risk management and control.

Financial Executives Institute of the Philippines
FINEX aims to promote the professional interest of finance professionals and develop financial management in the country.

IT and Business Processing Association of the Philippines
Ayala is a member of the organization, which aims to bring a global perspective to help members address societal issues. The organization is the local chapter of INSEAD's global network of alumni. INSEAD is one of the world's leading and largest graduate business schools.

People Management Association of the Philippines
Ayala is a major sponsor of PMAP, a non-stock, non-profit organization of human resources professionals that contributes to nation-building through innovative HR practices.

Shareholders Association of the Philippines
Ayala retains membership in the non-stock, non-profit organization founded in 2010 by a group of professionals and investors to address the need for a systematic effort to promote and protect the rights of shareholders.

Makati Business Club
The MBC is a private, non-profit business association that promotes the role of business in national development efforts. Chairman Jaime Augusto Zobel de Ayala sits as Vice Chairman while Head of Business Development and Digital Innovation Jaime Alfonso Zobel de Ayala serves as the Chair of MBC's Global Ideas Committee.

Go Negosyo
Ayala retains membership in Go Negosyo, which seeks to invest in and mentor micro, small and medium enterprises.

Endeavor Entrepreneurs
Endeavor Entrepreneurs is dedicated to the growth of high-impact entrepreneurship in emerging-market countries. Jaime Augusto Zobel de Ayala sits on the Board of Directors and provides mentorship to member entrepreneurs along with Cezar Consing.

Philippine Disaster Resilience Foundation
The PDRF is an alliance of businesses that aims to build the private sector's disaster risk management programs in the country. Jaime Augusto Zobel de Ayala is Co-Chair of PDRF.

Philippine Business for Education
Jaime Augusto Zobel de Ayala and Alfredo Ayala sit on the Board of PBED, which advocates for key and systemic education reforms through innovative interventions and policy research.

Hero Foundation Inc.
The Hero Foundation provides educational support to military orphans. Ayala Corporation is a Platinum Donor for the nonprofit. Fernando Zobel de Ayala sits as the Chairman of the foundation, while Bernard Vincent Dy serves as President. Ernest Cu, Eric Francia, and Jose Teodoro Limcaoco sit on the Board of Trustees.

Foundation for Liberty and Prosperity
FLP seeks to promote liberty and prosperity under rule of law by supporting the government and business sectors in ensuring inclusive growth and expansion. Ayala sponsors the foundation's annual dissertation writing contest.

Foundation for Economic Freedom
BPI and Globe Director Romeo Bernardo is Vice Chairman of the Foundation, a public advocacy organization dedicated to advancing the cause of economic and political liberty, good governance, secure and well-defined property rights, market-oriented reforms and consumer protection.

American Chamber of Commerce of the Philippines
Ayala is a member of AmCham Philippines, which serves the interests of American and Filipino businesses in promoting their long-term objectives while contributing to the civic and economic development of the Philippines.

European Chamber of Commerce and Industry
Ayala is a member of the ECCP, which is a bilateral foreign chamber that promotes European interests in the Philippines and vice versa.

Ateneo de Manila University
Ayala partnered with Ateneo de Manila University to better understand public health issues, particularly through the Ateneo School of Government, Manila Observatory and the Ateneo School of Medicine and Public Health. As part of the partnership, AC Health and the Ateneo Professional Schools focus on healthcare advocacy, research and recruitment and training.

University of the Philippines School of Economics
UPSE offers academic degree programs, oversees economic research and conducts various extension, training and public service activities. Ayala partnered with UPSE to create meaningful research on priority themes that may inform and influence Ayala's strategy and decision-making.

National Privacy Commission
The National Privacy Commission is an independent body mandated to administer and implement the Data Privacy Act of 2012, and monitor and ensure compliance of the country with international standards set for data protection. Ayala is a member and has created strong linkages with the commission and the larger community to increase participation in policy discussions relating to data privacy compliance.

New

Private Sector Advisory Council
PSAC is an advisory council that gives the government insight into the country's industries. AC Health President & CEO Paolo Borromeo is the lead for the PSAC Health Committee, iPeople President Alfredo Ayala is a member of Jobs Committee, and Globe CEO Ernest Cu and former BPI COO Ramon Jocson are part of the Committee on Digital Infrastructure.

Awards & Recognition

Steward Leadership 25

Ayala Corporation is the only Philippine-based company under the conglomerate category to be included in the inaugural Steward Leadership 25

2021 ASEAN Corporate Governance Scorecard Awards

The ASEAN Capital Markets Forum recognized eight business units from the Ayala group, including Ayala Corporation, as ASEAN Asset Class publicly-listed companies (PLCs), having scored at least 97.5 points in the ASEAN Corporate Governance Scorecard. Ayala Land and Globe received additional distinctions as two of the top 20 ASEAN and top three Philippine PLCs.

Asia's Integrated Reporting Awards by CSR Works

Gold

Asia's Best Integrated Report - Governance

Silver

Asia's Best Integrated Report - Large Company

Esquire's Businessman of the Year, Cezar Consing

Ayala President and CEO Cezar Consing: 'We are Keen to Build the Philippines of the Future'

FEATURE

Eight Ayala Companies Win Good Governance Awards

Each year, the Institute of Corporate Directors recognizes Philippine publicly-listed companies with excellent governance performance through its Golden Arrow Awards. Companies' performance are assessed using the ASEAN Corporate Governance Scorecard (ACGS). For 2022, eight Ayala companies were recognized as follows: Five Golden Arrow: Ayala Land, Inc. and Globe Telecom, Inc. Four Golden Arrow: Ayala Corporation and Bank of the Philippine Islands Three Golden Arrow: ACEN Corporation, Ayala Land Logistics Holdings Corp. and Integrated Micro-Electronics, Inc. Two Golden Arrow: AREIT, Inc.

The ACGS is intended to elevate corporate governance standards in the region by measuring performance under these OECD principles: the rights and equitable treatment of shareholders, the role of stakeholders, disclosure and transparency and board responsibilities. The ICD is the SEC-appointed ACGS Domestic Ranking Body.

The ACGS is composed of 184 questions, and the assessment is based on accessible disclosures on company websites.



Ayala company representatives received Golden Arrow Awards on January 20, 2023.

The Ayala Sustainability Blueprint

Ayala commits to improving the lives of Filipinos by addressing societal gaps aligned with the UN Sustainable Development Goals (SDGs). It was one of the first companies to align with the SDGs during their launch in 2015. The company deepened its commitment to the goals when it became a founding member of the Global Compact Network Philippines, the local entity of the UN Global Compact that advances collaboration and innovation for the SDGs.

In 2018, the Ayala group made a conscious decision to institutionalize its commitment to the SDGs through the Ayala Sustainability Blueprint. Ayala identified three megatrends where it can make the most impact through the industries it operates in: marginalization, untapped potential, and irresponsible growth. To combat these megatrends, the Ayala Sustainability Blueprint outlines three journeys to which it commits to take Filipinos by 2030:

Access and Inclusivity ensures that the Filipino has access to basic needs such as safe and clean water, and other necessities critical to health, education, and sanitation. This journey prioritizes the vulnerable sector, ensuring that they are included and helped to holistically grow to be positive contributors to society.

Productivity and Competitiveness enables the Filipino to feel safe and achieve stability. This includes giving opportunities for meaningful and productive employment, ensuring that people have access to the necessary infrastructure, technologies, products and services needed for them to function at their best in a globally connected economy.

Responsible Growth and Innovation addresses the need for resilience against vulnerabilities to an increasingly warming climate. Through this journey, Ayala contributes to reducing reliance on fossil fuels, increasing the demand for more sustainable alternatives and lifestyles and developing innovative solutions to manage negative impacts to the environment and the communities that rely on it for survival.

Each journey includes relevant UN SDGs and the respective business unit-champions for each goal. To operationalize this commitment, each business unit has a core target developed and aligned with the language of the SDGs. In 2023, Ayala and its business units will revisit these targets to set improved milestones in the journey towards 2030.

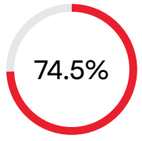


Access & Inclusivity

Ayala Foundation, Inc.

2030 Target
To support anti-poverty frameworks resulting in 50% reduction of extreme poverty in AFI project areas

Indicators
50% of population reached in AFI impact areas taken out of extreme poverty

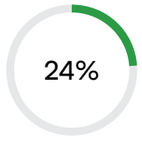


Performance Summary
Reached 74.5% of target for Sustainable Livelihood sites

AC Health

2030 Target
To champion Universal Health Coverage in the country by providing the largest primary care network, expanding access to quality and affordable medicines and improving essential hospital and specialty services, touching the lives of one in five Filipinos

Indicators
- → Number of unique patients
- → Number of clinics
- → Number of doctors in family and community medicine
- → Number of diseases/ conditions addressed



Performance Summary
AC Health is keen on scaling up organically and inorganically to get closer to touching the lives of one in five Filipinos by 2030. Since launching its commitment, AC Health has touched over six million lives and achieved 24% of the target for 2030.

iPeople

2030 Target
To help ensure equal access for 85% (1,258,095) of nonworking population (aged 15 to 24) to affordable and quality secondary and tertiary education, including university, through iPeople schools and other institutions

Indicators
- → Number of graduates
- → Number of schools
- → Promotion
- → Retention
- → Number of dropouts
- → Amount subsidized by the government

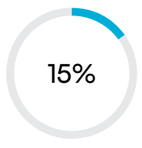


Performance Summary
Reached 17.66% of target and is estimated to reach its goal by 2030, if the current pace is maintained.

Manila Water

2030 Target
To provide equitable, reliable and safe water access in all its concessions, and continuously increase access to new markets

Indicators
- → Potable water delivered
- → Water service connections
- → Population served with water
- → Sewer connections
- → Desludged septic tanks



Performance Summary
Manila Water demonstrated a 15% growth in water service connections since 2018.

Productivity and Competitiveness

Ayala Corporation

2030 Target
To support full and productive employment and decent work for all and provide equal pay for work of equal value with remuneration that is 10% - 20% above the industry average

Indicators
Target met, to be revisited

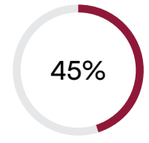


Performance Summary
Ayala reached its target* for 2030 of giving remuneration that is 10% - 20% above the industry average and continuous to improve processes and programs to ensure employee engagement and productivity.

BPI

2030 Target
To expand access to banking and financial services to 25% of the underbanked population of the Philippines, specifically the C and D markets

Indicators
- → Number of self-employed micro-entrepreneur (SEMEs) reached
- → Cumulative Loan disbursements
- → Micro-insurance
- → PondoKo Savings clients



Performance Summary
BPI successfully reached 45% of its 2030 target, boosted by financial solutions tailor fit to the needs of the underbanked, such as affordable loan offerings with a minimum amount of ₱10,000. BPI also strengthened its existing customer touchpoints with digital-based solutions.

Globe Telecom

2030 Target
To lead the country's digital transformation by significantly increasing access to information and communications technology for consumers and businesses, providing universal and affordable internet access in the Philippines for 90% of the population

Indicators
- → Percentage of municipalities and cities with mobile broadband
- → Mobile customers in millions
- → Broadband customers in millions
- → Gcash partner merchants



Performance Summary
Globe provided 95% of the population with access to 4G/LTE technology.





* Target achieved for AC only

AC Infra

2030 Target
To upgrade infrastructure to make them sustainable, with increased resource efficiency and greater adoption of clean and environmentally sound technologies and industrial processes with 36,135 tons CO_2 equivalent avoided

54%

Performance Summary
The rail business, LRMC, avoided a recorded 19,611 tons CO_2e since 2018.

Indicators
- → Solar panel installation for depot and 20 stations
- → Number of RESC providers
- → Reduction in paper usage and waste generation

Ayala Land

2030 Target
To enhance inclusive and sustainable urbanization by increasing sevenfold the number of launched affordable housing units

15%

Performance Summary
Ayala Land launched 3,159 Amaia and BellaVita units, which is 15% of the 2030 target.

Indicators
- → Total Amaia and Bellavita units launched





Responsible Growth and Innovation

ACEN

2030 Target
To reach 20GW of attributable renewable energy capacity by 2030

~20%

Performance Summary
ACEN reached ~4GW of attributable renewable energy capacity

Indicators
- → Total GW of attributable renewable energy capacity

AC Industrials

2030 Target
To enable the first Philippine-manufactured, commercially viable and market-accepted electric vehicle, resulting in reduced emissions. For AC Motors to promote low emission vehicles, ensuring that each brand offers a minimum of one model that is not fully dependent on a combustion engine powertrain. Globally and on the manufacturing side, for IMI to promote inclusive and sustainable industrialization by demonstrating manufacturing value add of US$1 billion across all developing countries where it has operations.

40%

Performance Summary
IMI's current manufacturing value is at US$365 million.

In September 2022, Kia Philippines, part of the AC Motors automobile group, introduced the EV6. This fully electric vehicle offers a zero-emission powertrain configuration, a long-range (77.4 kWh) high-voltage battery pack and 800-volt ultra-fast charging architecture. The EV6 was officially launched in March 2023. Adventure Cycle Philippines, Inc. (ACPI), supported Globe's 917 Ventures subsidiary as the latter started its Gogoro e-two-wheeler business, via initial importation and activation of the scooters and their batteries.

Indicators
- → Upgrading infrastructure
- → Retrofit industries
- → Resource-use efficiency
- → Adoption of clean technologies and processes

Ayala Corporation

2030 Target
To achieve an ambitious material footprint that demonstrates sustainable management and efficient use of natural resources

5%

Performance Summary
Ayala Corporation is working towards developing a groupwide waste reduction program aligned with its strategies for reducing greenhouse gas emissions.

Indicators
- → Material footprint
- → Material consumption

Ayala Corporation

2030 Target
To strengthen resilience and adaptive capacity to climate-related hazards to natural disasters across all its sites resulting in minimal casualties

40%

Performance Summary
Ayala remains on track to complete its full climate ambition roadmap by the end of 2023.

Indicators
- → Develop the groupwide response to mitigating and adapting to the impacts of climate change



Business Review

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→ 162 Bank of the Philippine Islands

→ 166 Globe Telecom

→ 170 ACEN

→ 174 AC Health

→ 178 AC Logistics

→ 182 AC Industrials

→ 186 AC Ventures

→ 190 iPeople

AyalaLand

Developing large-scale, mixed use real estates as the largest real estate developer in the Philippines

Performance Highlights

12,000+ HA
Land bank covering strategic key growth areas across the country

₱126.6 B
Revenue, up 19% year-on-year

49
Ayala Land Estates with the launch of Areza and Crossroads

₱18.6 B
Net income, up 52% year-on-year

0.76:1
Net gearing

₱72.4 B
CAPEX

BOARD FOCUS

The Board of Ayala Land remains committed in enhancing the value it creates for its various stakeholders and enriching the lives of the host communities. The company does this by leveraging its expertise in the real estate sector while ensuring sustainable practices in its operations. Ayala Land continues to harness the potential of its vast land bank, portfolio of estates and diverse products to contribute to the accelerated recovery of the country. It remains a key supporter of building a strong nation, thereby supporting the welfare of Filipinos today and securing the interests of generations to come.

Outlook & Strategy

A detailed discussion of Ayala Land's Outlook & Strategy can be found in the 2022 Ayala Land Integrated Report.

Capitals

Natural
Strategic land bank of more than 12,000 hectares

Intellectual
Track record of 34 years in master planning land and developing large-scale, integrated and mixed-use estates

Manufactured
49 estates that host a diversified portfolio of property development and commercial leasing products

Social and Relationship
Sustainability focus areas and programs that strengthen its stakeholder relationships and ESG practices

Human
47,747 employees who enable the execution of projects and growth plans

Financial
Solid balance sheet able to sufficiently fund its projects and growth plans

Creating Value

Land Acquisition and Estate Development
Secure land in key growth centers and subsequently create masterplanned estates that follow sustainability focus areas and integrate its diversified portfolio of products to create sustainable communities for generations

Property Development
Build and sell residential products, office spaces and commercial and industrial lots

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

Service Businesses
Develop projects through Makati Development Corporation and manage properties through Ayala Property Management Corporation

Provide retail electricity supply to industrial locators and airline services for resort tourists

Corporate Support
Establish organizational plan and strategy as well as conduct risk assessments to achieve targets, deliver on project commitments and ensure sustainability practices

Financial Planning, Forecasting, Control and Analysis
Define financial and investment plans, returns and margins criteria and funding strategy through management and investment committees

Value Generated

2022 Priorities

→ Adopt a balanced approach in product introductions and launch ₱100 billion worth of inventory equally split between horizontal and vertical offerings

→ Reinvent mall spaces and capture opportunities in tourism with the reopening of international and domestic travel

2022 Performance

→ Launched 30 projects worth ₱91.4 billion, up 21% and with a split of 58% from horizontal projects and 42% are vertical developments
→ Registered ₱104.9 billion in reservation sales, up 14% on the back of resilient demand amid an elevated interest rate environment

→ Opened new malls and hotel rooms including The Shops at Ayala Triangle Gardens, which offers 7,000 square meters (sqm) of retail space and the new wing of SEDA Nuvali, which features 92 hotel rooms
→ Reached 108% of pre-COVID mall footfall and 110% of pre-COVID tenant sales in the fourth quarter of 2022 while full-year average for both ended at 87% of the 2019 average
→ Improved average occupancy for all hotels by 59%, up 6 percentage points
→ Improved average occupancy for all resorts by 29%, up 12 percentage points



Looser mobility restrictions led to foot traffic in Ayala Land's shopping centers to exceed pre-COVID levels in the fourth quarter of 2022.

2022 Highlights

→ Registered total revenues of ₱126.6 billion, up 19%
→ Reached net income of ₱18.6 billion, up 52%
→ Grew property development revenues to ₱81.2 billion, up 7% led by solid commercial lot sales
→ Expanded commercial leasing revenues to ₱33.4 billion, up 62% on the back of normalized mall rents and foot traffic, contributions from new office spaces and higher hotel room rates
→ Launched two new estates, the 92-hectare Areza in Lipa, Batangas and the 83-hectare Crossroads in Plaridel, Bulacan
→ Achieved carbon neutrality covering scopes 1 and 2 emissions in its commercial properties with approximately 90% of mall and office leasing spaces using renewable energy, thereby reducing close to 251,000 tons of CO_2 in 2022
→ Became the first Philippine real estate company to complete a emissions inventory including scope 1, 2 and 3
→ Supported close to 1,600 social enterprises through the Alagang AyalaLand program, which generated more than 10,000 jobs
→ Became one of the top three companies in the Philippines and the top 20 in ASEAN on the 2021 ASEAN Corporate Governance Scorecard

2023 Priorities

Estate Development
Launch four new estates and focus on enhancing existing estates to ensure the appreciation of properties to benefit buyers and the remaining land bank while introducing new property development products and commercial assets in its estates

Residential Development
Launch up to ₱110 billion worth of various residential products to cater to the increasing demand from customers

Malls
Boost mall occupancy through new tenants and retail openings and widen footprint by opening 87,000 sqm of new leasable space at One Ayala and Ayala Malls Vermosa

Offices
Improve office occupancy rates as BPO and HQ employees return to the office and expand footprint by 12,000 sqm of gross leasable area (GLA) with the opening of the third tower of One Ayala

Hotels and Resorts
Boost occupancy rates as domestic and foreign travel ramp up and increase room count by a total of 532 new rooms at Seda Manila Bay, Seda Nuvali and Hatch Hostel in Sicogon

Real Estate Logistics
Add 40,000 sqm of new GLA for warehousing and 4,000 pallet positions for cold storage to serve the growing demand for dry and cold warehousing

Learn more in Ayala Land's 2022 Integrated Report

BPI

Elevating financial inclusion

Performance Highlights

₱2.10 T
Total deposits, up 7.2% year-on-year

1.76%
NPL ratio, improved from 2.49% year-on-year

₱1.70 T
Net loans, up 15.3% year-on-year

#2
Net Promoter Score*, up from #4 in 2021

2.80 M
Digital retail clients, up 50.2% year-on-year

8
Pioneering sustainability innovations and achievements

BOARD FOCUS

BPI's Board of Directors focuses on four key areas: driving strategic direction, optimizing board composition and function, enhancing leadership capability and adhering to leading governance practices. Strategy is at the core of discussions, recognizing the importance of continuing oversight beyond its annual strategic planning exercise. The Board constantly optimizes its composition and function based on purpose and resilience by ensuring that membership reflects the bank's purpose, values, and culture. It continuously enhances leadership capability through specialized training such as programs that sharpen risk evaluation of strategic priorities. The Board aligns to best practices in governance such as having a diversity policy, a thrust towards wider stakeholder engagement and broader ESG goals.

Outlook & Strategy

A detailed discussion of BPI's Outlook & Strategy can be found in the ⇒ 2022 BPI Integrated Report.

* Among all local banks

Capitals

Intellectual
Comprehensive, time-tested and well-reviewed policies, standards and processes that guide the conduct of business

Manufactured
Reliable, secure and expanding network of traditional and non-traditional delivery infrastructure

Social and Relationship
Beacon of stability, credibility, and sustainability upon which trust is built and sustained among clients and banking partners

Human
18,204 energized, enabled and engaged employees with diverse talents

Financial
Robust balance sheet, futher strengthened by the continued growth and optimization of the deposit franchise and the loan book

Natural
Efficient use of resources to minimize impact on the environment

Creating Value

Commitment to Vision
Deliver reliable and meaningful products and services that serve the long-term vision of BPI as a trusted financial partner that nurtures the future and makes life easier

Business Operations
Maintain stakeholder-focused operations covering Institutional Banking, Business Banking, Consumer Banking, Mass Retail, Wealth Management, Agency Banking, Microfinance, Global Markets and Enterprise Services

Sustainability Agenda
Integration of environmental, social and governance principles into the conduct of business via Responsible and Sustainable Banking and Operations, in support of nation-building



BPI Iloilo Solis is the first Philippine bank branch to receive IFC-EDGE Green Building Certification from the International Finance Corporation of the World Bank Group in 2022.

Value Generated

2022 Priorities

→ Accelerate loan growth in high-margin businesses through focused efforts on the SME, consumer and microfinance segments

→ Strengthen funding franchise by growing deposits and improving CASA ratio

→ Optimize branch network by strategically rationalizing physical presence

→ Increase active users of digital customer engagement platforms

2022 Performance

Disbursed:
→ SME Loans: ₱67.82 billion
→ Consumer Loans: ₱348.10 billion
→ Microfinance Loans: ₱6.70 billion
→ Microfinance Cumulative Loans: ₱37.60 billion

→ Grew deposit rate to 7.2%
→ Achieved CASA ratio of 74.4%

→ Co-located 110 branches
→ Consolidated seven branches
→ Opened 10 new BanKo branches

→ Increased active users to 4.0 million
→ Generated 28,322 active BizLink/BizKo users



BanKo's promotes financial inclusion by providing access to easy, convenient and affordable loan products to support self-employed microentrepreneurs.

2022 Highlights

① Enabled the decommissioning of coal plants and shift to renewable energy technologies through the first Energy Transition Finance Facility in the world

② Developed two new transformative digital solutions:

- VYBE enables retail clients to maintain a digital wallet and manage loyalty points via QR
- BizKo features a wide range of digital solutions tailor-fit for micro, small and medium enterprises, making management of finances easier and faster

③ Received IFC Excellence in Design for Greater Efficiencies (EDGE) Green Building Certification for five branches, the first Philippine bank with an EDGE-certified branch

④ Shifted three office buildings to 100% renewable energy in partnership with ACEN

⑤ Mandated all employees to have a 10% minimum Key Results Area allocation to sustainability, the first Philippine bank to do so

⑥ Launched five sustainable financial products:

- **BPI Sustainable Invest Funds**, investment funds that seek to address sustainability issues
- **Green Saver Time Deposit**, a five-year time deposit, the proceeds of which finance projects with environmental benefits
- **BPI MyBahay**, a low-cost housing loan that allows access to low income households
- **PamilyaProtect**, a life insurance obtainable with monthly payments as low as ₱500
- **NegosyoKo Lite**, a loan product for self-employed microentrepreneurs for as low as ₱10,000

⑦ Garnered 10 sustainability-related awards

⑧ Conducted pilot run of JFC-BanKo Farmer Financing Program that released ₱4.28 million to 58 small onion farmers to supply Jollibee Foods Corporation. It incentivizes timely payments, which encourages borrowers to help each other meet amortization deadlines

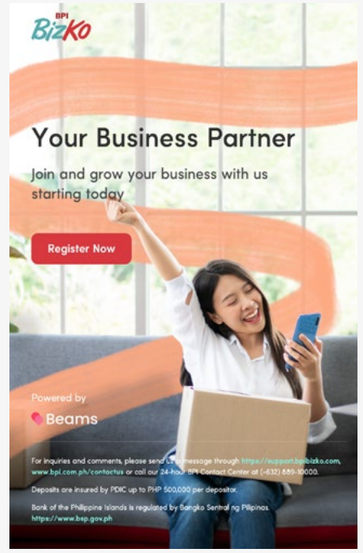
2023 Priorities

→ Continue to grow loan portfolio, led by Consumer Loans

→ Continue growth primarily in CASA

→ Continue to optimize BPI branch network and open new BanKo branches as transactions migrate to digital channels

→ Grow number of digital clients through various retail and institutional customer engagement platforms



BPI's digital customers generate twice as much revenue per capita compared to non-digital customers.

Learn more in BPI's
2022 Integrated Report

Globe

Empowering customers with every day digital solutions

Performance Highlights

₱158 B
All-time high service revenues, up 4% year-on-year

86.7 M
Mobile customers

₱4.2 B
Non-telco revenues, up 106% year-on-year

2.6 M
Home broadband customers

₱113 B
Combined proceeds raised from SRO and partial sales of tower and data center assets

76 M
GCash customers

BOARD FOCUS

With a customer base of almost 90 million, Ayala has the opportunity to enrich the lives of Filipinos, stakeholders and communities within its reach. The telecommunications business provided the backbone to optimize digital technology and innovate beyond telco, thus improving connectivity and enhancing the experiences of customers. Globe expanded into a full-fledged techco—a leading disruptor that continues to transform digital technology in the Philippines through first-to-market innovations.

Globe Group's strategy involves finding problems, assessing opportunities and addressing needs using digital technology. Globe is thus able to address the diverse needs of finance, education, livelihood, health, entertainment, adtech, manpower, IT services and venture capital.

Outlook & Strategy

A detailed discussion of Globe's Outlook & Strategy can be found in the 2022 Globe Integrated Report.

Capitals	Creating Value
Intellectual Innovative products designed to meet Filipinos' digital needs	**Globe Group as a Digital Solutions Platform** Expand the digital ecosystem while enhancing cybersecurity and online safety
Manufactured Network and IT infrastructure to enable connectivity	**Digital Inclusion** Build a reliable and resilient network to enable digital inclusion
Social and Relationship Accessible and affordable products and services catering to customers, businesses and communities	**Superior Customer Experience** Deliver superior customer experience through digital enablement and inclusion
Human Purpose-driven culture and a high performing organization	**Overall Employee Well-being** Foster an inclusive work environment and create equal opportunities for advancement to empower employees
Financial Continued data revenue growth, strong consolidated service revenues and earnings and continuous investment in network expansion	**Asset Building** Capitalize on assets through equity raising to invest in the country's digital economy
Natural Climate risk management through carbon reduction and environmental management systems	**Sustainability-driven Network** Operationalize the Climate Action Roadmap to achieve Net Zero by 2050

Value Generated

2022 Priorities	2022 Performance
→ Improve the end-to-end customer experience constantly	→ Installed 2,267 new 5G sites → Achieved 5G outdoor coverage of 97.2% in NCR and 90.2% in Visayas and Mindanao → Deployed over 1.4 million fiber-to-home lines → Grew mobile data traffic from 3,733 petabytes in 2021 to 4,658 petabytes in 2022 → Built 1,702 new cell sites and upgraded approximately 13,600 mobile sites to LTE → Launched GlobeOne app that allows multiple accounts for one user → Deployed TMBayan Fiber WiFi to provide affordable and accessible fiber internet
→ Uplift the Filipino as One Globe Group	→ Disbursed ₱57 billion in loans to 2 million unique borrowers through GCash → Served over 2 million customers in KonsultaMD, HealthNow and AIDE → Delivered around 5,000 EdVenture paid learning sessions, with over 1,000 active tutors and around 10,000 registered parents → Served over 2,000 clients through M360's A2P multi-channel messaging platform → Served over 200 clients through Asticom → Brought Gogoro, an eco-friendly alternative to two-wheeled fossil fuel-powered bikes
→ Enable the digital transformation of businesses	→ Signed a Managed Service Provider Program agreement with Checkpoint to provide cyber security managed services → Provided businesses with Vehicle Tracker to manage fleet and ensure safe delivery, Cloud Payroll to automate employee records and fast track payroll processing and ChatGenie to manage multi-channel transactions
→ Drive long-term impact for the nation	→ Averaged 51 learning hours, including an average of 29 online learning hours → Achieved zero fatality rate and zero man-hours lost due to work-related accidents → Launched a mentoring program with over 100 mentors → Deployed over 9,000 green network solutions → Powered 18% of total energy consumption with renewable energy → Secured ISO 50001 Energy Management Certification → Maintained CDP B rating

2022 Highlights

Financial Achievements

→ Achieved net income of ₱34.6 billion
→ Reached all-time high CAPEX of ₱101.4 billion
→ Generated ₱30 billion in gross proceeds from tower sales
→ Closed 34% of tower sale and leaseback agreements
→ Generated ₱17 billion in total proceeds from its SRO
→ Invested US$350 million in joint venture with ST Telemedia Global Data Centres (STT GDC) to expand capacity and expertise in the data center industry

ESG Achievements

→ Remained a signatory to the UN Global Compact and a supporter of the Task Force on Climate-related Financial Disclosures
→ Committed to setting science-based targets and comprehensive GHG accounting
→ Maintained ESG Ratings of MSCI (A), Sustainalytics (Medium Risk) and CDP (B) and seven-year membership in FTSE4Good
→ Recognized as a Climate Leader in Asia Pacific by the Financial Times

2023 Priorities

→ Achieve mid-single digit revenue growth
→ Maintain about 50% EBITDA Margin
→ Invest up to US$1.3 billion in CAPEX
→ Focus on Free Cash Flow sustainability
→ Receive tower turnover and sale proceeds
→ Focus on product differentiation in broadband particularly in the prepaid segment
→ Attain 4.2% linear annual reduction rate as part of the Globe Net Zero Roadmap
→ Maintain or improve ESG ratings



Globe piloted hybrid power alternative sources for cell towers in off-grid and bad-grid sites.

Learn more in Globe's
2022 Integrated Report

ACEN

Leading the energy transition in the Asia Pacific

Performance Highlights

~4,000 MW
Attributable renewable energy (RE) capacity comprising 98% of portfolio

₱10 B
Maiden ACEN Peso green bond issuance, 8.6x oversubscribed

1,300 MW
New projects started construction in 2022

AU$600 M
Green loans signed for expansion in Australia

~3,400 GWh
Output from renewable sources

₱7.2 B
Raised from the world's first market-based Energy Transition Mechanism

Outlook & Strategy

A detailed discussion of ACEN's Outlook & Strategy can be found in the 2022 ACEN Integrated Report.

BOARD FOCUS

The ACEN Board of Directors exacts prudent risk management to implement the long-term strategy of achieving 20 GW of RE capacity by 2030, 100% renewables by 2025 and Net Zero GHG emissions by 2050. The Board's governance and leadership is crucial in the execution of ACEN's strategies and in achieving the 2030 vision, assuring that the long-term interests of stakeholders are served.

Overall, the Board advocates the following principles in its governance of ACEN:

- → Oversight over strategy and long-term goals, with guidance on risk tolerance, and periodic monitoring of performance and management of key risks
- → Embedding sustainability across strategy, capital allocation, business development and operations
- → Adhering to principles of good corporate governance and business ethics with integrity and in full compliance with laws and regulations
- → Robust internal controls and prudent risk management and management oversight in line with the company's growth aspirations

Capitals

Intellectual
More than ₱50 billion spent on CAPEX for renewables expansion

Manufactured
~1,600 MW of operating power generation facilities, with another ~2,400 MW under construction

Social and Relationship
Created ~19,500 jobs across the Asia Pacific, invested around ₱114 million in communities and implemented ~500 social and development programs

Human
Over 700 employees, with a 95% retention rate of top talent, 96% engagement score, ₱33 million spent on ~42,000 hours of employee training and ₱353 million spent on benefits and wellness programs

Financial
₱232.8 billion in total assets, including ₱34.6 billion in cash and cash equivalents

Natural
~4,000 MW in renewable energy harnessed from solar, wind and geothermal sources, comprising 98% of the total portfolio

Creating Value

Energy Transition
- → Lead the transition towards a low carbon future by providing clean and sustainable power source and shifting away from fossil fuels
- → Implemented the world's first market-based ETM, enabling the early retirement of the 246MW SLTEC coal plant
- → Pursue a 100% RE generation portfolio by 2025 and become a Net Zero company by 2050

Sustainable Financing
Raised ₱10 billion from its maiden peso ASEAN green bonds and signed AU$600 million in green financing facilities for the development for renewable energy projects in the Philippines and in Australia

Business Development
Establish a strong network of regional partners to complement in-house project development team, enabling ACEN to accelerate RE expansion globally

Project Development
Create and search for opportunities to grow the group's project pipeline - from land banking to technical studies and procurement, to develop greenfield renewable energy projects

Power Generation and Plant Operations
Operate and maintain power generation facilities that adopt leading practices in health, safety, security and environment to ensure optimum performance in terms of plant availability and efficiency

Energy Solutions
Supply a growing customer base across the Asia Pacific region with sustainable power and energy solutions to open pathways to carbon neutrality

Value Generated

2022 Priorities

- → Increase renewable energy capacity
- → Employ energy transition mechanism for thermal projects in the portfolio
- → Continue to search for new markets and partners

2022 Performance

- → Started construction of 1,300 MW of new projects
- → Invested ₱50 billion in CAPEX
- → Reached ~4,000 MW of attributable RE capacity
- → Increased attributable RE output by 27%
- → Grew consolidated revenues by 35%
- → Raised ₱7.2 billion from the ETM for the 246-MW SLTEC coal plant
- → Signed three joint venture agreements with new strategic partners



The 160 MW Pagudpud Wind in Ilocos Norte, Philippines, slated to be the biggest wind farm in the country, is the third wind farm of ACEN in the province. It is set to begin commissioning by 2023.

2022 Highlights

- → Reached 4,000 MW of renewables capacity to put ACEN in range of 5 GW two years ahead of 2025 target
- → Implemented the world's first market-based ETM to enable the early retirement of SLTEC by 2040, cutting its useful life by half and avoiding 50 million metric tonnes of carbon emissions
- → Issued maiden peso offering of ₱10 billion in green bonds
- → Signed AU$600 million of facilities for the financing of Australia expansion
- → Acquired the Australia development platform to allow ACEN to wholly own ACEN Australia, including its 8-GW pipeline of projects
- → Signed joint venture agreements with ib Vogt for solar projects in Southeast Asia, Puri Usaha group for Indonesia and PivotGen for wind projects in the US
- → Recognized with three Golden Arrows based on the recent ASEAN Corporate Governance Scorecard assessment
- → Completed Net Zero roadmap aligned with climate science 1.5°C pathway

2023 Priorities

- → Expand RE portfolio to reach 5GW two years ahead of the 2025 deadline
- → Begin commercial operations on 700MW of new RE capacity in the Philippines and the 521-MW New England Solar Farm, the company's first project in Australia
- → Increase retail customer base
- → Pursue projects in new markets



ACEN's 120 MW Alaminos Solar and 40 MW Energy Storage is the country's first hybrid utility scale solar and storage project.

Learn more in ACEN's
→ 2022 Integrated Report

AC Health
An Ayala Company

Building an integrated healthcare ecosystem that improves healthcare for all

Performance Highlights

6 M
Unique lives served

1,000
Service Delivery Touchpoints

2,440
Physician Network

BOARD FOCUS

The Board's focus is to continue to increase scale and value of the portfolio by driving excellence through its current base and exploring areas for expansion possibilities. Priorities moving forward are anchored to AC Health's 3x Growth Strategy: Execution, Excellence and Expansion. Execution is hinged on continuing operational efficiencies, achieving organic growth targets and realizing synergies. Excellence will be the standard for customer experience across all of the company's touchpoints and in championing its healthcare advisory role in the Private Sector Advisory Council (PSAC). Expansion remains top of mind as AC Health looks to further grow its portfolio, whether through brownfield opportunities or strategic partnerships.

Outlook & Strategy

Outlook

Healthcare sector performance steadily improved in 2022, with the decline of COVID cases and the continued ease of public health restrictions across the country. In hospitals and clinics, census is expected to go on an upward trend, as patients regain confidence in visiting health facilities and as health institutions re-focus on their specialty centers and core capabilities. Meanwhile, stronger retail and wholesale pharma volumes are expected for 2023, alongside the government's push for generic medicines. Continued demand is envisioned for digital health, given its convenience for both patients and providers and favorable regulatory policies.

These trends present a refreshed path for growth in the industry, especially as the government reinvigorates its plans for Universal Health Care—from preventive care, acceleration of health technology, emergence of new outpatient models, and strengthened public-private partnerships.

Strategy & Action

- → Continue to invest in the ecosystem approach
- → Scale up organically and inorganically to get closer to touching the lives of one in five Filipinos by 2030
- → Continue to leverage synergies and collaborate with both public and private sectors
- → Innovate, explore new models, and find better solutions to improve healthcare for all Filipinos

Capitals

Intellectual
Diverse products and services, reliable and trusted brands and advanced technology and analytics

Manufactured
More than 750 Generika drugstores nationwide, 10 Healthway Multi-specialty and 200 Corporate clinics and four QualiMed general hospitals

Social and Relationship
Strong relationships with private and public partners, franchisees, professional healthcare organizations and the academe

Human
Growing pool of medical, non-medical and health IT professionals

Financial
Strategic capital allocation from Ayala to support expansion plans and 2025 vision

Creating Value

Pharma
Improve accessibility and affordability of quality generics through over 750 Generika drugstores nationwide, supported by a stronger supply chain and wider medicine cabinet via IE Medica (IEM) and Med Ethix (MEI)

Clinics and Hospitals
Oversee service delivery network composed of 10 Healthway Multi-Specialty and 200 Corporate Clinics in the Greater Metro Manila Area and nationwide, four QualiMed General Hospitals in four different provinces and the upcoming Healthway Cancer Care Hospital in Taguig

Health Tech
Bring easy access to on-demand healthcare such as consults, medicine delivery and home health services to over 2.50 million Filipinos through KonsultaMD (KMD), the largest health tech superapp in the Philippines



Launched in March 2023, the new KonsultaMD provides an alternative point of access to AC Health's customer base of over six million unique patients and physician-network of over 2,000 doctors.

Value Generated

2022 Priorities

- → Enhance pharma cabinet in clinics, hospitals and e-commerce platforms
- → Transition to COVID vaccinations in micro-sites such as clinics and drugstores

- → Leverage goodwill built from COVIDShield and become the leader in the corporate space
- → Offer bespoke services to better address needs of clients

- → Continue to promote HealthNow as an alternative access point for connecting healthcare providers with patients
- → Encourage patients to facilitate healthcare concerns in-app

- → Continue to explore other opportunistic investments in pharma, hospitals, and financing
- → Create value through pharma synergies, integrated clinical programs, digital integration and centralized diagnostics

2022 Performance

- → Added 18 new molecules to pharma cabinet through IEM/MEI
- → Stocked Generika stores with IEM/MEI molecules
- → Sourced 92% of KMD's cabinet from Generika
- → Transitioned COVIDShield sites to clinics

- → Converted select COVIDShield clients into corporate clients
- → Offered tailored packages and crafted premium services

- → Consolidated KonsultaMD, HealthNow, and AIDE, which has 2.30 million cumulative downloads

- → Established a deal pipeline to drive long-term growth
- → Grew revenues between IEM/MEI and Generika by 27%
- → Integrated Healthway and QualiMed for IT, patient and doctor engagement



Generika ended 2022 with 758 pharmacies that provide affordable medicines to the broader population of the Philippines.

2022 Highlights

- → Increased pharma group revenues by 27% to ₱3.9 billion
- → Opened new Generika stores to bring total network to 758 stores

- → Turned hospital and clinics businesses to profitability from net loss in 2021
- → Improved operations of hospitals and clinics
- → Opened three new Healthway clinics to bring the total network to 10 clinics

- → Integrated digital assets into KMD resulting in ₱430 million in revenues

- → Established IEM as the major pharma supplier of AC Health
- → Received a Preliminary Excellence in Design for Greater Efficiency Certificate for Healthway Cancer Care Hospital

2023 Priorities

AC Health's priorities for 2023 are anchored to its 3x Growth Strategy: Execution, Excellence and Expansion

Execution
- → Achieve organic growth targets and continue to improve operational efficiencies
- → Strengthen portfolio through synergies in pharma, diagnostics, clinical programs and digital integration

Excellence
- → Elevate customer experience across all patient touchpoints
- → Grow institutional accounts and win in the corporate space
- → Champion progressivism in the health system

Expansion
- → Accelerate growth of pharma network by exploring potential acquisitions and partnerships
- → Amplify reach by expanding clinic and hospital ecosystem
- → Continue to monitor the industry and anticipate other areas for growth



The 100-bed Healthway Cancer Care Hospital will be the first comprehensive cancer specialty hospital in the country.

AC Logistics
An Ayala Company

End-to-end logistics solutions provider committed to innovation and sustainability

Performance Highlights

60%
Acquisition of AIR21 Holdings, Inc.
Reached financial close in August 2022

10x
Growth in freight forwarding revenue

22%
Growth in contract logistics revenue

BOARD FOCUS

The Board's focus is to service all the supply chain requirements of the Ayala group and help maximize synergies across the portfolio, with a focus on increasing efficiencies between subsidiaries. It also aims to extract the best possible shareholder returns through disciplined management of its portfolio of 10 logistics companies comprised of Entrego, Air21, Air21 Subic, Cargohaus, LGC, U-Freight, U-Ocean, IWMI, WARM and GMAC.

Outlook & Strategy

Outlook

The Philippines' consumption-driven growth is underpinned by a growing population of 114 million people, implying sustained increase in demand for goods and services. This will require logistics support to move goods as manufacturers ramp up to meet demands. Global supply chain disruptions will likewise escalate the demand for reliable logistics services. The cold chain industry must likewise grow by 8% to 10% per year to meet rising demand. This will help curb food wastage which is estimated at 30% to 40% stemming from the lack of sufficient infrastructure for the transport of perishable goods. Consumption and population growth is expected to double the volume of waste by 2025. Recent government regulations will require proper waste management and drive compliance across various sectors.

Strategy & Action

- → Scale up logistics assets and capabilities to foster growth by increasing capacity and presence through geographical expansion, consolidating key client lanes and screening for M&A opportunities for inorganic growth
- → Develop systems and platforms to drive efficiencies in cost and operations by developing in-house technologies, innovating to increase efficiencies and growing the retail base through MyEntrego
- → Push sustainability practices across the portfolio by expanding capacities to solve waste management issues and utilizing new upcycling technologies
- → Champion a culture of quality and customer excellence through a unit that is dedicated to measure and monitor key metrics that drive better customer experience

Capitals

Intellectual
Organizational expertise in managing goods across the entire supply chain

Manufactured
Complete suite of logistics assets that are strategically located with safety, security and efficiency in mind

Social and Relationship
Partnerships with stakeholders designed to prioritize value creation

Human
Teams trained to work in sync and adapt to changing conditions to enhance efficiency and maintain continuity in a dynamic supply chain

Financial
Strong balance sheet and disciplined portfolio management in conjunction with tactical growth through strategic purchases of assets and expansion to new geographical areas

Creating Value

Broaden Access to Retail Goods
Enable online, e-commerce and non-e-commerce merchants through efficient delivery services

Food Safety, Security and Preservation
Ensure food safety, security and prevention by building and operating cold chain storage facilities in value chain corridors

Access to Pharma and Healthcare
Build a nationwide delivery network to efficiently handle pharma and healthcare cargo

Alleviate Port Congestion
Utilize a technology driven portfolio to maximize overall supply chain efficiency

Preserve the Environment
Ensure proper waste management of hazardous and non-hazardous waste from hospitals and manufacturing facilities



AIR21 Holdings has a portfolio of companies that service all segments of the logistics value chain from first mile to last mile delivery.

Value Generated

2022 Priorities	2022 Performance
→ Grow base of MSME clients	→ Grew MSME client base to 10,270 owing to the launch of the MyEntrego app and an on-demand service through the acquisition of BRAD → Brought agricultural products and native delicacies from Northern Luzon and Visayas to Manila through backhaul services of Entrego and AIR21
→ Improve digital booking and tracking experience through myEntrego app	→ Launched the MyEntrego App in March; 25.6% of total yearly bookings originated in MyEntrego with the remainder created online → Launched E-Freight and Truck Management Systems in May → Integrated BRAD into the MyEntrego app after it was acquired in July
→ Expand freight forwarding and contract logistics businesses and offer end-to-end solutions	→ Grew Entrego's freight forwarding business by more than 10 times and contract logistics business by 22% by bringing in new FMCG, automotive and manufacturing clients → Expanded capabilities and brought in key clients in different industries through the acquisition of AIR21 → Made sufficient construction progress in its first cold storage facility in Cagayan de Oro to meet the facility's targeted timeline to operate by the first half of 2023
→ Improve nationwide delivery network and efficiencies	→ Improved AIR21's on time delivery in key lanes from 74% to 96% through increased collaboration between Entrego → Maintained Entrego's 99% rate of OTD → Achieved warehousing inventory accuracy or put away rate of 99.99% in Entrego → Increased transportation capacity for freight forwarding by 10x → Increased warehousing capacity by almost 3x → Enabled the international freight services of AC Logistics through the acquisition of AHI

2022 Highlights

→ Grew Entrego's freight forwarding revenues by 10x and contract logistics revenues by 22%
→ Improved on-time delivery from 74% to 96% in select locations by unlocking synergies between AHI and Entrego

2023 Priorities

→ Increase synergies across subsidiaries through hub maximization, co-loading, last mile collaboratio and serve a larger portion of the supply chain needs of the Ayala Group
→ Scale up through strategic expansion of its cold storage initiative, geographic expansion of waste management group, exploration of underserved areas and industrie and growth in transportation fleet and capacity
→ Enhance the MyEntrego app to create a more comprehensive and user-friendly digital ecosystem and extend market reach
→ Develop a baseline and implement a sustainability framework across the portfolio companies



AIR21 on time delivery rates improved by 22% as a result of synergies with Entrego.

AC Industrials
An Ayala Company

Global manufacturing and automotive platform primed to capitalize on the shift to Electric Mobility

Performance Highlights

19th

IMI's ranking in the Manufacturing Market Insider's list of Top 50 EMS companies worldwide

16,588

Vehicles sold as AC Motors returned to profitability in 2022, up 26% year-on-year

Start of engine production at KAMMI's Laguna plant

BOARD FOCUS

The return to profitability in 2022 of AC Industrials' core businesses – IMI's core operations and the AC Motors four-wheel group – is a promising development heading into 2023. With improved demand and tighter operations, the company expects to operate with minimal additional shareholder capital and continued reduction in external debt.

The focus of AC Industrials' Board is to improve the value of its overseas portfolio investments, STI, MT-C-CON and Merlin Solar. Management is involved in implementing and sustaining operational and structural improvements that allow these asset yield returns moving forward.

Outlook & Strategy

Outlook

AC Industrials' various markets continued to recover in 2022. While supply chain constraints and elevated component costs remained across the EMS sector, these were significantly improved versus 2021. The industry foresees increased orders over the coming months, with higher-margin contracts making up a larger share. These trends have improved Integrated Micro-Electronics Inc.'s performance, leading to the recovery of its topline to US$1.4 billion and annual revenue potential to US$335 million, representing growth of 8% and 2.8%, respectively.

The Philippine automotive industry also grew significantly in 2022 with over 370,000 vehicles sold – a 26% year-on-year increase driven by improved supply, better bank approvals and overall economic recovery. At its current pace, vehicle sales may return to pre-pandemic levels in 2023.

2023 will also mark a shift in the Philippine automotive landscape. AC Motors is primed to capitalize on increased adoption of electric mobility solutions in 2023, buoyed by the Electric Vehicle Industry Development Act passed in 2022 and Executive Order 12 which lifts import duties on EVs until 2028.

Strategy & Action

- → Continue to strengthen manufacturing operations
- → Optimize existing processes and capabilities while shifting to critical higher-value components and engineering services needed by customers
- → Establish position as the leading provider of new energy vehicles in the Philippines for consumers and corporate clients
- → Collaborate with OEM partners to fulfill a key role in Ayala's electric vehicle ecosystem

Capitals

Intellectual
Emerging suite of proprietary technologies and intellectual property

Manufactured
32 manufacturing and engineering sites globally, majority stake in Laguna KTM production plant and management of 114 dealerships nationwide

Social and Relationship
Adherence to Ayala's standards of sustainability and good governance and lasting relationships with partners and customers

Human
Nearly 16,000 employees and executives delivering operational excellence, customer satisfaction, and value-adding technical expertise

Financial
Balance sheet that can be readily deployed to capture opportunities

Creating Value

Portfolio Management
Actively manage portfolio to drive high impact synergy opportunities

Global Manufacturing Services
Deliver full manufacturing solutions to customers, partners and portfolio of companies

Emerging Technologies Development
Commercialize key technologies to enhance and protect competitive position

Vehicle Distribution and Retail
Forge partnerships with OEM brands to competitively source and distribute a broad, complementary and integrated selection of vehicles for a wide range of customers



The Philippine launch of Kia's first dedicated electric vehicle, EV6, was in March 2023.

Value Generated

	2022 Priorities	2022 Performance	2022 Highlights	2023 Priorities
IMI Core	→ Focus on higher revenue box build systems and infrastructure	→ Grew bottom line 62% → Generated around 45% more revenue from box build systems → Closed EV deals including motorcycle products, bikes and charging stations	→ IMI sites globally sourced 26% of their energy requirements from renewable sources	→ Consolidate portfolio to tighten management focus and optimize capital allocation → Focus on growth and profitability in priority markets of mobility, connectivity and smart energy
STI	→ Continue to rationalize headcount and operations → Build sales pipeline to expedite profitability	→ Trimmed GAE and negotiated higher selling prices, bolstering pipeline with recent aerospace and industrial project wins	→ Expanded presence to EV chargers and utilities monitoring	
VIA	→ Increase investment to scale up production for a major automotive customer	→ Started building a new site in the Philippines to circumvent trade issues and lockdowns in China → Gained market share via a new project with a tier-1 Chinese manufacturer → Announced plan to establish new facilities in Thailand and the Philippines to support global operations	→ Utilized proprietary "Via Bond Plus" as the cornerstone of its display business	
AC Motors 4-wheel	→ Optimize assets, converting sales and service outlets into multi-brand facilities	→ Opened retail outlets at multi-brand facilities → Inaugurated AC Motors Centrale, a sales hub for all its brands	→ Returned to profitability with net income of ₱124 million in 2022, up ₱521 million year-on-year → Sold 16,588 vehicles across five brands, a 26% increase year-on-year	→ Continue to ramp up sales, increase synergies across business units and refine business models to improve competitiveness in the industry → Increase share of EV and hybrid sales
	→ Volkswagen to expand and revitalize dealer network, while growing sales of current lineup	→ Centralized Northern Metro Manila sales and service operations into Mandaluyong hub	→ Increased sales by 37%, driven by the T-Cross subcompact SUV	
	→ Kia to expand and strengthen dealer network and launch new models in key and emerging segments	→ Grew dealer network to 42 outlets	→ Launched AC Motors' first electric vehicle, the EV6	
AC Motors 2-wheel	→ Adventure Cycle Philippines, Inc. (ACPI) to strengthen dealer network and improve after-sales efficiency	→ Optimized dealership network to retain top-performing dealers	→ Delivered above-target dealership network performance → Successfully launched the KTM Riders Academy to improve sales and service quality	→ Introduce electric models
	→ KTM Asia Motorcycle Manufacturing, Inc.(KAMMI) to start local production of new KTM models and assembly of the KTM engine	→ Started local production of the KTM engine and new generation RC 200, RC 390 and Enduro	→ Ended the year profitably despite global supply challenges	→ Start production of Norden and 890 Adventure R in Q2 → Serve as a tolling facility for local assembly of electric Zero Motorcycles
Merlin	→ Focus on driving sales growth, maintaining a healthy revenue pipeline and transitioning to new grid technology	→ Grew revenue by 25% and ended 2022 with a healthy sales pipeline of US$229 million → Started manual production of next generation grid technology in Q2	→ Continued development of new grid technology contributed to higher engineering and certification costs	→ Continue to focus on driving sales growth and improving contribution margins → Further reduce cost of next generation grids
MT-C-CON	→ Focus on core businesses and modernize facilities → Continue to optimize manpower and production sites	→ Started using new machinery that allowed the group to capture more projects and improve profitability	→ Maintained steady revenues at €46 million despite global externalities that significantly affected operations	→ Reinforce operations through robust implementation of Industry 4.0 and continuous improvement programs

Learn more in IMI's
2022 Integrated Report

AC Ventures
An Ayala Company

Portfolio of Ayala's bets in digital business models and strategic adjacencies and verticals

Performance Highlights

US$46 M
Allocated capital to Digital Bets in 2022

76 M
GCash registered users as of 2022, up 38% year-on-year

12
ACTIVE Fund investee companies

BOARD FOCUS

AC Ventures is Ayala's platform for investing in new businesses and technologies that either enable Ayala's existing business units, or open pathways for scale and growth in new verticals, emerging trends, disruptive business models and strategic partnerships. The Board's mandate is for AC Ventures to regularly calibrate its portfolio, rationalize existing assets as needed and refocus capital into opportunities that show an emerging track record of strategic advantage and scalability. AC Ventures intends to allocate capital to promising digital enabler plays at all stages of development, whether through new opportunities outside the group or co-investments with other Ayala business units.

Outlook & Strategy

Outlook

The ASEAN region continues to reap the benefits of the world's digital shift, with a young and tech-savvy population and improving economic fundamentals. COVID-19 ushered in an era of massive digital adoption with eight out of 10 Southeast Asians viewing the internet and technology as very helpful, with applications extending beyond e-commerce and payments to big data, real estate, education, consumer and specialty services. The Philippines boasts the second largest internet user base in the region at 85 million users but challenges persist, such as access to affordable quality internet and insufficient adoption of digital payment solutions. Nonetheless, according to the 2022 Google-Temasek-Bain ASEAN E-Conomy Study, the gross merchandise value of the Philippines' digital economy is expected to reach US$35 billion in 2025.

Strategy & Action

Carve a portfolio of scalable digital bets and strategic long-term plays

→ Gear up digital investments through ST Telemedia Global Data Centres (STT GDC) in data centers, the ACTIVE Fund in promising startups via participation in early to late series round investing and Globe Telecom's 917 Ventures for corporate seed investments

→ Continue portfolio rationalization efforts through opportunistic monetization of passive investments

→ Fortify the long-term relationship with the Yoma Group of Myanmar and harness synergistic initiatives

* ACTIVE Fund, STT GDC, 917Ventures, Etaily

Capitals

Intellectual
Tech-grounded business models and virtual platforms created and continuously improved by innovative teams

Manufactured
Hard infrastructure assets supporting investee business models and digital platform services

Social and Relationship
Ayala's wide network, standards of excellence and governance as enablers of AC Ventures' investees

Human
Talented professionals in the fields of technology, marketing and investments

Financial
Ayala's strong balance sheet and portfolio capital recycling to fund AC Ventures' investments

Creating Value

Pathfinding
Explore and invest in new disruptive trends, businesses and relationships to aid Ayala in finding its next scalable business

Enabling
Allocate capital to adjacent and synergistic segments or investment strategies that complement Ayala's existing businesses

Nurturing
Support the incubation of promising business models from the ground up with Ayala's capital, culture, brand and good governance



AC Ventures and Globe's 917Ventures entered into a co-investment agreement to fund promising business ideas generated out of 917Ventures' corporate incubation program.

Value Generated

2022 Priorities

- → Consider divesting existing stakes in remaining portfolio investments
- → Explore other co-investment opportunities, including those with the ACTIVE Fund
- → Engage and strengthen relationship with the Yoma group to realize synergies and identify co-investment opportunities
- → Forge partnerships with the wider Ayala group through Cartera and accomplish budget and operational ambitions for Zalora and Mynt

2022 Performance

- → Closed divestments worth US$6 million with exits in Arch Capital Fund I (Asia) and Sares Regis Fund III (USA)
- → Invested in a data center joint venture with Globe Telecom and Singapore's STT GDC
- → Established an R&D co-investment platform for seed ventures with corporate incubator 917Ventures
- → Deployed investments through the ACTIVE Fund
- → Spearheaded collaboration efforts between Ayala and Yoma executives that led to the adoption of new practices, working models and refinement of strategies in Wave Money, Yoma Bank and Yoma Land
- → BPI utilized Cartera to serve as the backbone of VYBE, BPI's payments and loyalty platform app
- → Zalora achieved full-year positive EBIT
- → Mynt achieved full-year profitability and positive cash flow

2022 Highlights

- → Mynt attained full-year profitability with 76 million GCash registered users
- → Launch of BPI VYBE powered by Cartera
- → Signed commercial agreement with 917Ventures to lead corporate incubation for the Ayala group
- → Partnered with Globe and Singapore's STTelemedia for the STT GDC data centers joint venture

2023 Priorities

- → Continue exploring value realization opportunities for passive investments and legacy bets
- → Fully ramp up the 917Ventures seed investing platform with potential spin-off capitalizations
- → Continue collaborating with existing investees Zalora, Mynt, Cartera, Etaily, Yoma and new bet STT GDC to realize value-optimizing moves and identify co-investment opportunities

In March 2022, Ayala, Globe and STT GDC formed a joint venture partnership for the development, construction and operation of data center projects in the Philippines.



Sitting on a 3.7 hectare property, the MCX E-commerce Center is Zalora Philippines' headquarters and warehouse, which can store up to 7.2 million items.

iPEOPLE

Empowering Filipino families by delivering accessible quality education

Performance Highlights

Mapúa University

Top 4

Philippine school in Times Higher Education's World University Rankings, together with UP, Ateneo and LaSalle

Top 6%

of all universities globally

Mapúa Schools

#1

Partnered with Arizona State University, ranked as America's #1 most innovative university over the last eight year and joined the Arizona State University-Cintana Alliance – a global network of innovative universities in the US, Europe, Asia, Middle East and Latin America.

iPeople Schools

15%

increase in new students and 9% increase in total enrollment in SY 22–23

Outlook & Strategy

Outlook

With the economy rebounding and as the country starts to move forward after three years of lockdowns, great economic hardship and much mental stress during the pandemic, 2023 is expected to be a better year for the education sector. Globally, governments and consumers are likely to increase investments in education infrastructure, technology and training (upskilling and re-skilling) to adapt to the current demands of the new normal.

Strategy & Action

- → Continue to adapt to numerous changes driven by rapidly evolving technologies and industry needs
- → Focus on developing innovative blended learning solutions that improve students' academic and career outcomes, as well as their holistic school experience
- → Sustain strong enrollment growth by continuously introducing differentiated offerings and leveraging strategic alliances with global content, technology and employment leaders

BOARD FOCUS

iPeople's aim is to transform lives and society by serving the greatest number of learners from different socio-economic classes using innovations in Philippine education and research. iPeople, which is majority owned by YGC holding company House of Investments, strives to produce graduates with the best outcomes in employability, innovation and applied research.

Capitals

Intellectual
Progressive and outcomes-based curriculum with strong emphasis on English, tech mastery, critical thinking and employability

Manufactured
Facilities, technologies and classrooms that provide quality and accessible education

Social and Relationship
Strong relationships with all stakeholders

Human
Faculty and staff who are competent, nurturing and progressive

Financial
Strong principals in the Ayala and Yuchengco Groups who provide capital to increase capacity, transform facilities, integrate technology and strengthen human capital

Creating Value

Innovative educational system
Build a system that creates new educational models, develops a modern and relevant curriculum, builds student engagement and leadership and emphasizes talent growth, faculty retooling and upskilling

Enhanced student enrollment
Grow student numbers by ensuring quality student and graduate outcomes and improving student retention with strong brands and programs and upgraded sales and marketing initiatives

Employment opportunities
Create career pathways for graduates with an integrated experiential education for employment model, comprehensive career placement service and meaningful employer partnerships



Mapúa University was ranked as one of the Top 4 Philippine universities by the Times Higher Education World University Rankings, together with UP, Ateneo and LaSalle.

Value Generated

2022 Priorities	2022 Performance
→ Adapt blended learning models to limited face-to-face regulations	→ Mapúa Malayan Colleges Mindanao (MMCM) launched its hybrid-flexible (HyFlex) delivery model, which garnered the prestigious 2022 Catalyst Award in the Teaching and Learning category awarded by global Edtech leader Blackboard-Anthology
→ Maintain students' good performance in board examinations	→ Maintained high board passing rates and consistently produced board topnotchers from Mapúa University, Mapúa Malayan Colleges Laguna (MMCL), National Teacher's College (NTC) and University of Nueva Caceres (UNC) → Produced 15 topnotchers across iPeople schools → NTC received special recognition from the Philippine Association of Colleges and Universities Commission on Accreditation for producing the graduate with the highest rating in the January 2022 Licensure Exams for Teachers → UNC School of Law recognized as the top law school in Region V by the Legal Education Board → Mapúa University awarded the Edukalidad: Parangal sa Kahusayan Award by the Commission on Higher Education
→ Continue to achieve better employability results	→ Launched highly differentiated and pioneering employer partnership programs involving 1,186 students, with partners such as Accenture
→ Achieve higher accreditations for iPeople schools	→ Mapúa completed the ASEAN University Network Quality Assurance Assessment for multiple courses It also became the first school in the region to be accredited by the Engineering Accreditation Commission of the Accreditation Board for Engineering and Technology (ABET) in the US for several Engineering courses → Mapúa Malayan Colleges Laguna (MMCL) was recognized by Det Norske Veritas as the first ISO 21001:2018 certified institution in the CALABARZON area of the Philippines

* 42% ahead of 2021 if one-off tax adjustments and reimbursements are excluded.

2022 Highlights

- → Grew net income by 18% to ₱782 million
- → Increased EBITDA by 12% to ₱1.3 billion
- → Increased total enrollment by 9% to approximately 60,000 from roughly 55,000 in 2021
- → Generated new enrollment growth of 15%, with APEC's new enrollment growth at 67%
- → Higher Education enrollment of about 42,000 surpassed pre-pandemic enrollment by 42%
- → NTC more than tripled profits to ₱284 million
- → Mapúa Malayan Colleges Mindanao (MMCM) reached profitability after only five years of operations

2023 Priorities

- → Continue to drive academic excellence and superior student experience through innovative blended learning, differentiated offerings, teacher upskilling and digital transformation
- → Focus on expanding Business to Business and Business to Government partnerships for Mapúa Malayan Digital College
- → Launch Business and Health Sciences programs in collaboration with Arizona State University to deliver extensive global learning experiences and immersive simulation environments



Mapúa University, MMCL and MMCM entered into collaboration with Arizona State University (ASU), ranked by US News and World Report as #1 in the US for innovation, ahead of Massachusetts Institute of Technology (MIT) and Stanford, over the last eight years.



Annexes

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Management's Discussion and Analysis of Financial Condition and Results of Operation

2022 vs. 2021 Highlights

→ **Ayala Corporation's ("Ayala")** core net income grew by 18 percent year-on-year to ₱27.7 billion in 2022. This was mainly due to higher contributions from BPI and Ayala Land, both of which benefitted from the reopening of the economy.
- Including significant one-off items such as gains from BPI's sale of a property, Globe's partial sale of its data center business and a portion of its towers, ACEN's accelerated acquisition of UPC Australia, AC Energy's write-off from the sale of SLTEC, and AC Venture's impairment provisions on the investment in Yoma, Ayala's reported net income was flat at ₱27.4 billion.

→ **BPI's** net income rose 66 percent year-on-year to ₱39.6 billion on the back of higher interest and non-interest income, lower provisions, and the gain from a property sale.

→ **Ayala Land's** net income jumped 52 percent year-on-year to ₱18.6 billion due to stronger commercial lot sales and the doubling of its revenues from commercial leasing and hotels and resorts.

→ **Globe's** net income grew 46 percent year-on-year to ₱34.6 billion mainly from higher data service revenues and gains from the partial sale of its data center business and a portion of its tower assets.

→ **ACEN's** net income more than doubled year-on-year to ₱13.1 billion mainly due to a revaluation gain from its accelerated acquisition of UPC Australia, supported by contributions from new domestic and international plants.
- **ACEN's** parent company, AC Energy, saw its net income decline 50 percent to ₱4.6 billion mainly due to one-offs from the divestment of two coal assets: a write-down from the divestment of SLTEC in 2022 and a gain from the divestment of GN Power Kauswagan in 2021. Isolating the effect of these significant one-offs, AC Energy's core net income was down 4 percent year-on-year.

→ As for Ayala's emerging businesses, AC Health achieved profitability, booking ₱229 million in net income mainly due to the improving results of its pharma and clinic arms, boosted by a remeasurement gain related to its stake in IE Medica. AC Logistics, on the other hand, continued to focus on growing its businesses beyond last mile and integrating the assets of Entrego and AHI to improve efficiencies and customer experience.

→ Meanwhile, Ayala's group CAPEX reached ₱280.3 billion in 2022, a 24 percent increase from the year before mainly due to investments made by Ayala Land, Globe, and ACEN.
- For 2023, Ayala has allocated ₱264 billion in group CAPEX of which ₱19.4 billion is budgeted to come from Ayala Corporation to fund investment opportunities.

Consolidated Sales of Goods and Rendering of Services

Sale of goods and rendering services increased 17 percent to ₱263.8 billion mainly due to higher residential bookings, incremental project completion, and improved malls and hotels operations in Ayala Land, increase in customer demand from all sites in IMI, and higher revenues from automobiles on the back of new models and supply availability in AC Industrials. As a percentage of total revenues, this account was 86 percent and 88 percent for periods ending December 31, 2022 and 2021, respectively.

4Q22 vs 4Q21 Highlights

→ Ayala's core net income in the fourth quarter of 2022 expanded 41 percent year-on-year to ₱6 billion because of better results from its core value drivers which benefitted from increased economic activity during the holiday season.

Accounting for one-off items which include a ₱2.5 billion impairment provision on Yoma, Ayala's quarterly net income decreased 58 percent year-on-year to ₱3.5 billion.

Real Estate

→ Ayala Land's revenues and net income grew by 19 percent to ₱126.6 billion and 52 percent to ₱18.6 billion, respectively, as most of its business segments gained strong momentum from the economic reopening.

→ Property development revenues increased seven percent year-on-year to ₱81.2 billion, buoyed by growth in commercial lot sales.
- Revenues from commercial lots surged 75 percent to ₱14.5 billion due to strong demand at the Arca South, Nuvali, and Broadfield estates.
- Residential revenues reached ₱63.5 billion, down slightly due to stretched downpayments.
- Office-for-sale revenues declined 16 percent to ₱3.2 billion because of subdued take-up on remaining inventory.

→ Reservation sales grew 14 percent year-on-year to ₱104.9 billion as demand for Ayala Land's residential products remained resilient despite the higher interest-rate environment.
- Fourth quarter sales totaled ₱27.6 billion, 24 percent higher than the same quarter in 2021.

→ In the fourth quarter, Ayala Land launched 10 residential developments worth ₱31.8 billion, bringing full year total to 30 projects with a consolidated value of ₱91.4 billion.

→ Commercial leasing revenues accelerated 62 percent year-on-year to ₱33.4 billion as mall rents and foot traffic normalized, contributions from new office spaces commenced, and hotel room rates improved.
- Shopping center leasing revenues doubled to ₱16.1 billion.
- Hotels and resorts rental revenues likewise grew two-fold to ₱6.2 billion.
- Office leasing income increased 13 percent to ₱11.1 billion.

→ Capital expenditures in 2022 reached ₱72.4 billion, half of which was spent on residential projects.

→ Ayala Land launched two new estates in 2022: Areza at Lipa City, Batangas and Crossroads at Plaridel, Bulacan. The 92-hectare Areza is the Company's first mixed-use estate in Batangas while Crossroads is an 83-hectare integrated mixed-use estate in the rising enterprise zone on the eastern side of Bulacan. The addition of the two estates brought Ayala Land's total number of estates to 49.

Power

→ ACEN's net income reached ₱13.1 billion in 2022 as strong international operations and a revaluation gain offset softness in its Philippine business.
- The company recorded ₱8.6 billion in net gains from the revaluation of UPC Australia which outweighed provisions taken for a Supreme Court decision on Administered/Regulated Pricing in the Philippines and the Lac Hoa and Hoa Dong wind farms in Vietnam.

→ Attributable EBITDA reached ₱14.3 billion, lower 5 percent year-on-year, slowed down by Philippine operations, which was challenged by high cost of power due to net merchant buying at elevated WESM prices, typhoon-related curtailment, and a one-time customer buyout fee.

→ Total attributable output was up seven percent year-on-year to 4,950 gigawatt-hours.
- Output from international plants rose 30 percent year-on-year to 2,552 gigawatt-hours due to full year contributions from new plants in Vietnam and India.
- Output from renewables increased 27 percent year-on-year to 3,395 gigawatt-hours because of new operating capacity.

→ Capital expenditures were up 53 percent year-on-year to ₱50.6 billion, driven by aggressive growth in the Philippines and Australia, ACEN's largest international market, where more than 1,000 MW of new capacity is under construction.

→ ACEN currently has 4 GW of attributable capacity from owned facilities across APAC: 40 percent in the Philippines, 26 in Australia, 16 percent in Vietnam, 13 percent in India, and the rest in Indonesia and other markets. ACEN's aspiration is to be one of the largest listed renewables platforms in Southeast Asia, with a goal of reaching 20 GW of

renewables capacity by 2030. ACEN is committed to transition the company's generation portfolio to 100 percent renewable energy by 2025 and to become a Net Zero greenhouse gas emissions company by 2050. At present, 98 percent of ACEN's portfolio is accounted for by renewable sources.

Share in Net Profits of Associates and JV

Share in net profits of associates and joint ventures increased 54 percent to ₱36.1 billion due to Globe's higher revenues including gains from the partial sale of its data center business as well as a portion of its tower assets and BPI's increased revenues including a gain from a sale of a property. As a percentage of total revenues, this account was 12 percent and nine percent for periods ending December 31, 2022 and 2021, respectively.

Banking

→ BPI's net income jumped 66 percent year-on-year to ₱39.6 billion in 2022 on the back of higher revenues, lower provisions, and the gain from a property sale. Provisions decreased 30 percent year-on-year to ₱9.2 billion.
- Excluding the gain from the property sale, net income grew 50 percent to ₱35.9 billion.

→ Total revenues were up 22 percent year-on-year to ₱118.5 billion, driven by higher net interest and non-interest income.
- Loan growth was at 15 percent while net interest margin expanded by 29 basis points to 3.59 percent as a result of sizable increases in policy rates.
- Fee Income was up 24 percent year-on-year due to the one-off gain from the property sale and higher credit card and transaction banking fees.

→ Total deposits increased seven percent year-on-year to ₱2.1 trillion as CASA and time deposits grew four percent and 20 percent, respectively.

→ Asset quality continued to improve and credit costs normalized.
- NPL ratio improved by 73 basis points year-on-year to 1.76 percent.
- NPL cover increased by 440 basis points year-on-year to 180.1 percent.

→ Total assets grew eight percent year-on-year to ₱2.6 trillion while total equity increased eight percent year-on-year to ₱317.7 billion.
- Return on equity expanded to 13.1 percent from 8.4 percent in the previous year. Excluding the impact of the property sale, ROE was 12 percent.

→ BPI's digitalization initiatives has enabled it to serve more customers despite a smaller footprint. In 2022, BPI's branch count was down 13 percent to 752 branches despite a nine percent increase in customer count. Notably, BPI is the first Philippine bank to have five branches certified as International Finance Corporation - Excellence in Design for Greater Efficiencies. IFC-EDGE certified branches generate 20 percent savings in energy, water and embodied energy in materials.

Telco

→ Globe's net income grew 46 percent year-on-year to ₱34.6 billion in 2022 due to higher data service revenues and improving contributions from its digital solutions platform. Net income was boosted by gains from the partial sale of its data center business and a portion of its tower assets.
- Excluding the impact of the non-recurring items, including foreign exchange, and mark-to-market charges, core net income declined 10 percent to ₱19.2 billion mainly due to higher depreciation expenses.

→ Gross service revenues grew four percent year-on-year to ₱158 billion. This was on the back of the strong performance of its mobile and corporate data businesses. These were further supported by the company's growing digital services.

→ Digital service revenues more than doubled year-on-year, ending at ₱4.2 billion, accounting for around three percent of Globe's GSR. The uplift was due to increase in revenues from its digital companies led by ECPay, Yondu, and Asticom.

→ Globe's mobile and corporate data revenues reached record-highs in 2022, offsetting the softness in home broadband as fixed wireless customers continue to migrate to fixed wire, particularly fiber.
- Mobile data revenues increased eight percent year-on-year to ₱83.8 billion.
- Corporate data revenues rose 21 percent year-on-year to ₱17.2 billion.
- Fiber revenues jumped 84 percent year-on-year, driving a 27 percent growth in fixed wire revenues. This partially supported home broadband revenues, which dipped eight percent year-on-year to ₱27.1 billion.

→ EBITDA grew six percent year-on-year to ₱79.1 billion as topline outgrew operating expenses.
- OPEX including subsidies increased two percent to ₱78.9 billion.
- EBITDA margin expanded by a percentage point to 50 percent.

→ Capital expenditures in 2022 roughly totaled US$1.9 billion, 86 percent of which went to data network builds to support mobile and internet services.

→ In November 2022, Ayala, Globe through 917Ventures, and Gogoro formed a strategic partnership to bring Gogoro's 2-wheel electric vehicle business, successful in Taiwan, to Manila. The consortium will pilot Gogoro's Smartscooter and battery swapping technology, which will serve as an eco-friendly alternative to fossil fuel-powered vehicles currently used by the logistics and last-mile delivery industries.

Cost and Expenses

Cost of goods sold and rendering services increased 20 percent to ₱210.6 billion as a result of an improvements in sales. This was also impacted by generally higher direct costs as well as higher trading costs and high-priced purchases of electricity coupled with plant downtimes in ACEIC. As a percentage to total costs and expenses, this account was 86 percent and 85 percent for periods ending December 31, 2022 and 2021, respectively.

Balance Sheet Highlights

→ Total assets increased ten percent to ₱1.48 trillion from end-2021 levels mainly due to increases in investments in associates and joint ventures, inventories, the combined current and noncurrent accounts and notes receivables, intangible assets, and property, plant, and equipment.
- Investments in associates and joint ventures increased 12 percent to ₱328.1 billion attributed to higher equity earnings from BPI, Globe, and investee companies of AC, ALI, and ACEIC. The additional investment of AC in Globe through its stocks rights offering likewise contributed to the increase. These were partly offset by dividend from BPI, Globe, and MWCI. This account was 22 percent of the total assets as of December 31, 2022 and December 31, 2021.
- Inventories were up 21 percent to ₱202 billion due to new land acquisitions and transfers from investment properties in Ayala Land and higher inventory costs of the Philippine and European Union units of IMI. This account was 14 percent and 12 percent of total assets as of December 31, 2022 and December 31, 2021, respectively
- Intangible assets increased 97 percent to ₱43.5 billion mainly from the ₱21.5 billion goodwill from ACEN's step up acquisition of UPC.

→ Consolidated cash stood at ₱77.0 billion.

→ Consolidated net debt stood at ₱475.4 billion.

→ Consolidated net debt-to-equity ratio inched up 12 basis points to 0.80, well within the company's covenant of 3.0x.

→ Parent level cash ended at ₱11.2 billion, a deliberate reduction of cash levels to reduce the company's negative carry on cash. Total available credit lines in 2022 reached ₱80 billion, with ₱42 billion in committed facilities.

→ Parent net debt increased to ₱149.3 billion.

→ Loan-to-value ratio, the ratio of its parent net debt (excluding the fixed-for-life perpetuals which have no maturity) to the total value of its assets, increased to 11.1 percent due to higher loans and the lower market value of assets, a result of the market volatility experienced throughout the year. Meanwhile, obligations-to-value ratio, wherein obligations include fixed-for-life perpetuals and preferreds, increased to 20.5 percent.

→ Parent net debt-to-equity ratio increased 14 basis points to 1.04 mainly due to borrowings to finance the purchase of ₱12.5 billion of Ayala Land shares and capital expenditures.

→ Parent average cost of debt increased 20 basis points to 4.5 percent. The increase in average cost of debt was considerably less than the 222 basis points increase in benchmark rates. The percentage of Ayala's fixed rate debt to total debt remained high at 82 percent.

Corporate Governance

Changes in Shareholdings

Reported trades in Ayala Securities of the directors and officers in 2022:

	Security	Balance as of December 31, 2021	Addition	Disposal	Balance as of December 31, 2022
Directors					
Jaime Augusto Zobel de Ayala	Common	785,034	20,963	-	**805,997**
	Preferred B Series 1	20,000	-	-	**20,000**
	Voting Preferred	543,802	-	-	**543,802**
Cezar P. Consing	Common	212,346	-	(7,960)	**204,386**
Delfin L. Lazaro	Common	82,554	15,000	-	**97,554**
	Voting Preferred	258,297			**258,297**
Mercedita S. Nolledo*			170,007	-	**170,007**
Rizalina G. Mantaring	Common	57,840	-	-	**57,840**
	Voting Preferred Shares	3,604	-	-	**3,604**
Cesar V. Purisima**	Common		1	-	**1**
Chua Sock Koong**	Common		1	-	**1**
Officers					
Jose Rene Gregory D. Almedras	Common	318,844	31,359	-	**350,203**
Catherine H. Ang	Common	39,613	9,177	-	**48,790**
	Voting Preferred Shares	5,290	-	-	**5,290**
	Preferred B Series 2	2,000	-	-	**2,000**
Arthur R. Tan	Common	419,182	26,916	-	**446,098**
Alfredo I. Ayala	Common	235,776	-	-	**235,776**
Estelito C. Biacora	Common	14,183	7,580	-	**21,763**
Paolo Maximo F. Borromeo	Common	123,041	27,113	-	**150,154**
Josephine G. de Asis	Common	43,674	7,613		**51,287**
Alberto M. de Larrazabal	Common	42,029	44,546		**86,575**
John Eric T. Francia	Common	134,426	15,743		**150,169**
Solomon M. Hermosura	Common	207,107	35,497	(5,120)	**237,484**
	Voting Preferred Shares	53,583	-	-	**53,583**
Ruel T. Maranan	Common	35,094	-	-	**35,094**
Rosario Carmela G. Austria	Common	-	1,098	-	**1,098**
TOTAL		**3,637,319**	**412,614**	**(13,080)**	**4,036,853**

* Elected on September 27, 2022 to serve the unexpired term of Mr. Fernando Zobel de Ayala who resigned from the Board effective September 12, 2022
** Elected as Independent Directors on April 29, 2022

Accountability and Audit

External Auditors

For calendar year 2022, Lucy L. Chan was reappointed as the lead engagement partner. This is her last year as the Partner-in-charge following the audit partner rotation every seven (7) years.

The Audit and Audit-Related Fees awarded to SGV include the audit of Ayala's annual financial statements and the mid-year review of financial statements in connection with the statutory and regulatory filings or engagements for the years ended 2022 and 2021. Audit-related fees include assurance and services that are reasonably related to the performance of the audit or review of the Company's financial statements pursuant to the regulatory requirements. Non-audit fees include services rendered by the external auditors in relation to the Company's annual stockholders' meeting and other one-time, non-recurring special projects/consulting services.

Internal Auditors

Internal Audit adopts a risk-based audit approach in developing its annual work plan, which is reassessed quarterly to consider emerging risks. The Audit Committee reviews and approves the annual work plan and all deviations therefrom and ensures that internal audit examinations cover the evaluation of adequacy and effectiveness of controls encompassing the company's governance, operations and information systems; reliability and integrity of financial and operational information; safeguarding of assets; and compliance with laws, rules and regulations. The Committee also ensures that audit resources are adequate and reasonably allocated to the areas of highest risk, including the effectiveness of the internal audit function.

Ayala's Internal Audit adopted portfolio-based subsidiary oversight to strengthen corporate governance and standardize the implementation of good practices across the Ayala Group, ensuring critical issues are monitored and addressed and appropriate focus and level of discussion is given for the Ayala group's key controls and critical risks, such as digitization of processes, operational and financial controls, regulatory compliance, and information security and cybersecurity.

As of 2022, the audit team has an average of 17.75 years audit experience and an average of 8.3 years tenure in the Ayala group. The audit team has the following certifications and professional affiliations: certified public accountants, certified internal auditors, certified foreign exchange professional, crisis communication planner; certified in ISO 9001, ISO 27001, IT Infrastructure Library (ITIL), COBIT 5 (F), Internal Control (CICA) and Global Innovation Management Institute Level 1; a member of the Financial Executives of the Philippines; and a Fellow of the Institute of Corporate Directors. All the internal auditors are also members of The Institute of Internal Auditors Philippines (IIAP) and adopt the International Professional Practices Framework promulgated by The Institute of Internal Auditors, Inc.

Disclosure and Transparency

All relevant disclosures, including material and market sensitive information that may affect the public's investment decisions, are timely disclosed with the SEC, PSE and PDEx, with details as follows for the 2022 filings:

- → On April 13, 2022, the Annual Report (SEC Form 17-A), together with the consolidated audited financial statements for 2021, was submitted to the SEC, within 120 days after year-end.
- → On March 1, 2022, the Notice of the annual stockholders' meeting with a detailed explanation of the Agenda items was released to the SEC and PSE, 59 days ahead of the scheduled annual meeting on April 29, 2022.
- → The Definitive Information Statement containing the audited financial statements was posted on the company's website on March 25, 2022, PSE Edge Disclosure System on March 28, 2022 and distributed to stockholders via email on April 1, 2022, at least 28 days before the annual stockholders' meeting.

→ Interim or quarterly financial statements and results of operations were submitted to the regulators within 45 days from the end of the financial period.

This information, past annual and integrated reports and this integrated report and the consolidated audited financial statements are disseminated to shareholders through the company's website at **www.ayala.com** and through media and analysts' briefings.

2022 Disclosures

In 2022, the company filed, among others, unstructured disclosures and clarifications of news articles involving the following:

1. Attendance of Directors in 2021
2. Completion of subscription by the International Finance Corporation to the US$100 million Social Bond issued by AYC Finance Limited
3. Declaration of Cash Dividend to all Outstanding Shares
4. Revised Related Party Transactions Policy
5. Property-for-Shares Swap Transaction between Ayala Corporation, Mermac, Inc. and Ayala Land, Inc.
6. Trainings on Corporate Governance of Directors and Officers in 2021
7. Notice of Holding the Annual Stockholders' Meeting in Virtual Format
8. Detailed Notice and Agenda of the 2022 Annual Stockholders' Meeting
9. Amended Notice and Agenda of the 2022 Annual Stockholders' Meeting
10. Notices of Analysts' Briefings
11. US$350 million venture of Ayala, Globe, and STT GDC to expand current data center footprint in the Philippines
12. Issuance by the Corporation of Philippine Peso Fixed Rate Bonds
13. Amendment of By-Laws
14. Amendment of Articles of Incorporation
15. Signing of investment agreement with Prime Asset Ventures, Inc. of the Villar Group for the sale of AC's 100% ownership stake in MCX Project Company, Inc.
16. Change in the Number of Issued and Outstanding Shares
17. Filing with the Securities and Exchange Commission of the Registration Statement for the proposed issuance of Philippine Peso Fixed Rate Bond
18. Bonds obtained the highest issue credit rating of PRS Aaa from the Philippine Rating Services Corporation
19. Tender and purchase by Ayala Corporation's wholly-owned subsidiary, AYC Finance Limited (the "Issuer"), of the Issuer's US$300 million 5.125% Guaranteed Undated Notes (ISIN: XS1681502537) unconditionally and irrevocably guaranteed by Ayala Corporation up to US$100 million and the results thereof
20. Results of the Regular Meetings of the Board of Directors
21. Results of the Annual Stockholders' Meeting and Organizational Board Meeting
22. Declaration of Property Dividends
23. Confirmation of the declaration of the property dividends of 3 ACEN Shares for every 1 AC Share
24. Property Dividend Distribution Guidelines
25. Filing of Request for Arbitration by Light Rail Manila Corporation
26. Acquisition of AC Energy Corporation (ACEN) shares from AC Energy and Infrastructure Corporation
27. Ayala Corporation receives Permit to Sell from the Securities and Exchange Commission for its offer of up to ₱15.0 billion in principal amount of 4.4542% Series C Bonds due 2025; 5.6239% Series D Bonds due 2027; and 6.1351% Series E Bonds due 2029 comprising the Second Tranche under its Debt Securities Program
28. Redemption via Call Option of ₱10 billion Ayala 6.875% Fixed Rate Bonds due 2027
29. Re-pricing of Cash Dividend Rate for Ayala Corporation's Voting Preferred Shares
30. Additional issuance of Common Shares
31. Results of 2022 ESOWN Grant
32. Buy-back of common shares
33. Consolidation of KonsultaMD, HealthNow and AIDE
34. Consolidation of PH digital healthcare industry's largest players to reach more Filipinos, uplift healthcare services
35. Promotion of an Officer
36. Revised Corporate Governance Manual
37. Ayala increases stake in Ayala Land via share block purchase
38. Election of Acting President and CEO and Executive Committee Member
39. Financial close for the acquisition of 60% interest in AIR21 Holdings, Inc. by AC Logistics Corporation
40. Resignation of a Director
41. Appointment of Special Advisor to the Board and Change in the composition of Board Committees
42. Election of New Director
43. Merger of National Teachers College and APEC Schools
44. Schedule of the 2023 Annual Stockholders' Meeting and Related Matters

Clarification of News Articles

1. Ayala Corp to hike 2022 capex to ₱297 billion
2. Ayala on track to raise US$1 billion from sale of assets, shares
3. MPIC eyes Ayala LRT stake after polls
4. AC Logistics obtains approval to buy Air 21
5. Ayala keen on logistics expansion
6. Globe's 917Ventures, Ayala Corp. to bring Taiwanese electric vehicles to PHL

Structured Reports submitted to SEC, PSE, and PDEx

1. Top 100 Stockholders Report
2. Public Ownership Reports
3. Statement of Changes in Beneficial Ownership of Securities of directors and officers
4. General Information Sheet
5. Amended General Information Sheet
6. Definitive Information Statement
7. Quarterly Financial Reports
   Annual Report
8. Integrated Annual Corporate Governance Report (I-ACGR)

Report of the Executive Committee to the Board of Directors

For the year ended 31 December 2022

The Executive Committee is empowered to exercise and perform delegated powers and duties, within the competence of the Board, in the intervening period between scheduled board meetings. Acting by majority vote of all its member, the Committee deliberated, reviewed and approved transactions relating to Ayala's operations, execution of business and financial strategy and investment decisions.

Jaime Augusto Zobel De Ayala
Chairperson

Delfin L. Lazaro
Member

Cezar P. Consing
Member

Report of the Sustainability Committee to the Board of Directors

For the year ended 31 December 2022

The Sustainability Committee supports the Board of Directors in the latter's efforts to fully integrate both sustainability and environmental, social and governance (ESG) concerns in the formulation of the over-all objectives and strategies of Ayala Corporation. The Committee, working through the Board of Directors and Senior Management, and using the lenses of sustainability and ESG, is tasked with creating value for all shareholders, minimizing negative externalities, and enhancing the reputation of the company.

The Committee held three (3) meetings in 2022, during which it:

- → Reviewed and discussed with Management issues of material importance (e.g., climate, reporting frameworks, and nature) to Ayala's stakeholders and how these are being managed, disclosed, and communicated internally and externally;
- → Provided external and independent oversight and guidance on the environmental and social impact of how Ayala and the other Ayala companies conduct their business;
- → Identified and reviewed external developments/sustainability matters which are likely to have significant influence upon Ayala's reputation and/or its ability to conduct its business appropriately as a good corporate citizen. Such developments included best corporate practice and other issues of growing importance to the general public;
- → Monitored progress of the Ayala Climate Ambition;
- → Provided oversight on Ayala's compliance with internationally recognized reporting frameworks for its annual Integrated Report;
- → Approved the External Assurance engagement for Ayala's Integrated Report; and
- → Recommended training for the Board of Directors on Environment, Social, and Governance matters.

Cezar P. Consing
Chairperson

Rizalina G. Mantaring
Member

Chua Sock Koong
Member

Report of the Finance Committee to the Board of Directors

For the year ended 31 December 2022

The Finance Committee oversees the Corporation's financial policy and strategy, including capital structure, dividend policy, and capital allocation decisions. In 2022, the Committee convened two (2) meetings and acted on and approved seven (7) written resolutions by electronic mail.

The Committee:

- → Discussed, reviewed, deliberated on and endorsed for board approval the execution of financial strategy and capital allocation decisions.
- → Discussed business units' indicators, portfolio updates, treasury markets and economic outlook.
- → Discussed updates on the Corporation and Ayala Group's liquidity and debt levels.

Delfin L. Lazaro
Chairperson

Jaime Augusto Zobel De Ayala
Member

Cezar P. Consing
Member

Cesar V. Purisima
Member

Report of the Corporate Governance and Nomination Committee to the Board of Directors

For the year ended 31 December 2022

The Corporate Governance and Nomination Committee is tasked with directing the implementation of good corporate governance principles and practices in the company. In line with this mandate, the Committee held two (2) meetings, acted on six (6) written resolutions by electronic mail, and accomplished the following in 2022:

- → Reviewed and endorsed for Board approval the Disclosure and Insider Trading Form for Directors, Revised Board Charter, and Revised Corporate Governance Manual;
- → Reviewed the qualifications of all persons nominated to positions requiring appointment by the Board;
- → Approved the final list of nominees for directors for election at the 2022 annual stockholders' meeting after ensuring that all nominees to the Board have met all the qualifications and none of the disqualifications as set forth in the Corporation's By-Laws, Revised Manual of Corporate Governance and the rules of the SEC;
- → Reviewed and endorsed for Board approval the promotion of a managing director to senior managing director;
- → Reviewed and endorsed for Board approval changes in the Board of Directors, Officers, and Board Committee members; and
- → Reviewed and endorsed for Board approval the engagement of Egon Zehnder to perform a senior leadership assessment and talent mapping exercise.

Chua Sock Koong
Chairperson

Rizalina G. Mantaring
Member

Cesar V. Purisima
Member

Report of the Audit Committee to the Board of Directors

For the year ended 31 December 2022

The Board-approved Audit Committee Charter defines the duties and responsibilities of the Audit Committee. In accordance with the Charter, the Committee assists the Board of Directors in fulfilling its oversight responsibilities to the shareholders with respect to the:

- Integrity of the Company's financial statements and the financial reporting process;
- Appointment, remuneration, qualifications, independence and performance of the external auditors and the integrity of the audit process as a whole;
- Effectiveness of the system of internal control;
- Performance and leadership of the internal audit function; and
- Company's compliance with applicable legal and regulatory requirements.

In compliance with the Audit Committee Charter, we confirm that:

→ All the Audit Committee members are independent directors with the necessary qualifications, skills, and knowledge to perform their duties;

→ We had five (5) meetings and two (2) executive sessions with the internal auditors, external auditors and management. We also had two (2) joint meetings with the Risk Management and Related Party Transactions Committee to discuss the significant risks to the Ayala Group of Companies;

→ We recommended for approval of the Board and endorsement to the shareholders the reappointment of SGV & Co. as the Company's 2022 external auditors and the related audit fee;

→ We reviewed and approved the quarterly unaudited and the annual audited parent and consolidated financial statements of Ayala Corporation and Subsidiaries, including the Management's Discussion and Analysis of Financial Condition and Results of Operations and the significant impact of new accounting standards, with management, internal auditors and SGV & Co. These activities were performed in the following context:

- Management has the primary responsibility for the financial statements and the financial reporting process; and
- SGV & Co. is responsible for expressing an opinion on the conformity of the Ayala Corporation's audited parent and consolidated financial statements with the Philippine Financial Reporting Standards.

→ We approved the overall scope and the respective audit plans of the Company's internal auditors and SGV & Co. We reviewed the adequacy of resources, the competencies of staff and the effectiveness of the auditors to execute the audit plans ensuring that resources are reasonably allocated to the areas of highest risks. We also discussed the results of their audits, their assessment of the Company's internal controls, and the overall quality of the financial reporting process including their management letter of comments;

→ We reviewed the reports and updates of the internal and external auditors ensuring that management is taking appropriate corrective actions in a timely manner, including addressing internal control and compliance issues. Based on the assurance provided by the internal audit as well as SGV & Co. as a result of their audit activities, the Committee assessed that the Company's system of internal controls, risk management, compliance, and governance processes are adequate;

→ We reviewed and approved the changes to the Policy on Pre-approval of Audit and Non-audit Services to define the pre-approved limits, including the threshold of non-audit services against the total external audit fees. We also reviewed the pre-concurrence process to comply with the requirements of the International Ethics Standards Board for Accountants Code of Ethics from the external auditors;

→ We reviewed and approved all audit, audit-related and non-audit services provided by SGV & Co. to Ayala Corporation and the related fees. We also assessed the compatibility of non-audit services with the auditors' independence to ensure that such services will not impair their independence;

→ We reviewed the Audit Committee Charter and Internal Audit Charter to ensure that it is updated and aligned with regulatory requirements;

→ We evaluated the performance of the Chief Audit Executive and the effectiveness of the internal audit function, including compliance with the International Standards for the Professional Practice of Internal Auditing; and

→ We conducted an annual assessment of our performance, in accordance with Securities and Exchange Commission guidelines, and confirmed that the Committee had satisfactorily performed its responsibilities based on the requirements of its Charter.

Based on the reviews and discussions undertaken, and subject to the limitations on our roles and responsibilities referred to above, the Audit Committee recommends to the Board of Directors that the audited financial statements be included in the Annual Report for the year ended December 31, 2022, for filing with the Securities and Exchange Commission and the Philippine Stock Exchange. We are also recommending the reappointment of SGV & Co. as Ayala Corporation's external auditors with a new Engagement Partner, and the related audit fee for 2023 based on their performance and qualifications.

Rizalina G. Mantaring
Chairperson

Chua Sock Koong
Member

Cesar V. Purisima
Member

Report of the Risk Management and Related Party Transactions Committee to the Board of Directors

For the year ended 31 December 2022

The Risk Management and Related Party Transactions Committee assists the Board in fulfilling its oversight mandate with respect to risk management and related party transactions. The Committee ascertains that a sound risk management framework and the supporting infrastructure are in place within the company. The Committee also ensures that all related party transactions are pursued in the best interest of the Company's shareholders.

The Committee held ten meetings, during which it:

- → Reviewed the Committee's charter and the Company's policies on risk management and related party transactions.
- → Reviewed and discussed with management the ongoing initiatives and programs that strengthen its risk culture, improve risk management practices, and equip risk owners to better manage risks and explore opportunities.
- → Evaluated and recommended for approval proposed investments and financial transactions involving related parties.
- → Identified sources of downside risk both at the Parent-level and within the group, and their possible effects on the company.
- → Discussed the outcome of risk transfer strategies for the group's common exposures.
- → Discussed the output of climate change risk management initiatives, including a scenario analysis on climate-related risks and opportunities and their potential impact on the business operations of the group.

The Committee also had two joint meetings with the Audit Committee to discuss the status and updates on the Ayala Group Cybersecurity Transformation Journey.

Cesar V. Purisima
Chairperson

Rizalina G. Mantaring
Member

Delfin L. Lazaro
Member

Report of the Personnel and Compensation Committee to the Board of Directors

For the year ended 31 December 2022

The Personnel and Compensation Committee is tasked with establishing a formal and transparent procedure for developing an executive remuneration policy and for determining the remuneration packages of corporate officers and directors in a manner that is consistent with the company's culture, strategy, and control environment. The Committee is further mandated to ensure alignment of the remuneration policy and package with the long-term interests of the company and its stakeholders while remaining competitive against the market.

The Committee had two (2) meetings, acted on two (2) written resolutions by electronic mail, and accomplished the following:

- → Reviewed and endorsed for Board approval the revised compensation structure for non-executive directors based on the analyses provided by independent third party consultants;
- → Reviewed and endorsed for Board approval the 2022 merit increase budgets for managers and staff, and the 2021 performance bonus multiples for the executives, managers, and staff;
- → Reviewed and endorsed for Board approval the compensation actions for the President and Chief Executive Officer;
- → Reviewed and endorsed for Board approval the 2022 ESOWN plan; and
- → Reviewed and endorsed for Board approval the promotion of a managing director to senior managing director.

Chua Sock Koong
Chairperson

Delfin L. Lazaro
Member

Cesar V. Purisima
Member

Materiality Index

This Integrated Reports uses as references relevant GRI and SASB Standards in disclosing Ayala group's performance across material topics.

Material Topics	UN SDGs	UNGC Principles	GRI Standards		SASB Accounting Metrics		Page Number or Response
Contribute to climate action and biodiversity protection							
1 GHG Emissions*	7 9 12 13	Principles 7, 8, and 9	**GRI 305** Emissions 2016	**305-1** Direct (Scope 1) GHG emissions **305-2** Energy indirect (Scope 2) GHG emissions **305-3** Other indirect (Scope 3) GHG emissions **305-4** GHG emissions intensity **305-5** Reduction of GHG emissions	**IF-EU-110a.1**	(1) Gross global Scope 1 emissions, percentage covered under (2) emissions-limiting regulations, and (3) emissions-reporting regulations	
					TR-AF-110a.1 **TR-RA-110a.1**	Gross global Scope 1 emissions	
					TR-AF-430a.2	Total greenhouse gas (GHG) footprint across transport modes	
2 Energy Resource Planning*	7 9 12 13				**IF-EU-110a.3** **TR-AF-110a.2** **TR-RA-110a.2**	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	
3 Climate Change*	7 9 12 13		**GRI 201** Economic Performance 2016	**201-2** Financial implications and other risks and opportunities due to climate change	**IF-HB-420a.2** **IF-RE-450a.2**	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	
					HC-DY-450a.1	Description of policies and practices to address: (1) the physical risks due to an increased frequency and intensity of extreme weather events and (2) changes in the morbidity and mortality rates of illnesses and diseases, associated with climate change	
					IF-WU-450a.4	Description of efforts to identify and manage risks and opportunities related to the impact of climate change on distribution and wastewater infrastructure	
4 Biodiversity	11 14 15		**GRI 304** Biodiversity 2016	**304-1** Operational sites, owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas **304-3** Habitats protected or restored **304-4** IUCN Red List species and national conservation list species with habitats in areas affected by operations			
Improve resource efficiency and waste management							
5 Energy Management	7 9 13	Principles 7, 8, and 9	**GRI 302** Energy 2016	**302-1** Energy consumption within the organization **302-3** Energy intensity **302-4** Reduction of energy consumption	**CG-MR-130a.1** **HC-DR-130a.1** **HC-DY-130a.1** **IF-WU-130a.1** **RT-EE-130a.1** **TC-SI-130a.1** **TC-TL-130a.1**	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	
					TR-RA-110a.3	Total fuel consumed, percentage renewable	
					IF-RE-130a.2	(1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity, and (3) percentage renewable, by property subsector	
					TR-AF-110a.3	Fuel consumed by (1) road transport, percentage (a) natural gas and (b) renewable, and (2) air transport, percentage (a) alternative and (b) sustainable	
6 Water Management	6		**GRI 303** Water and Effluents 2018	**303-3** Water withdrawal **303-4** Water discharge **303-5** Water consumption	**IF-EU-140a.1** **TC-ES-140a.1** **TC-SI-130a.2**	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	
					IF-WU-440a.1	Total water sourced from regions with High or Extremely High Baseline Water Stress, percentage purchased from a third party	

* Disclosures on this topic also follow the TCFD recommendations, found in page 082.

Material Topics	UN SDGs	UNGC Principles	GRI Standards		SASB Accounting Metrics		Page Number or Response
7 Waste and Hazardous Materials Management	11 12		**GRI 306** Waste 2020	**306-3** Waste generated **306-4** Waste diverted from disposal **306-5** Waste directed to disposal	**HC-DY-150a.1**	Total amount of medical waste, percentage (a) incinerated, (b) recycled or treated, and (c) landfilled	
					HC-DY-150a.2	Total amount of: (1) hazardous and (2) non- hazardous pharmaceutical waste, percentage (a) incinerated, (b) recycled or treated, and (c) landfilled	
					HC-DI-410a.2	Amount (by weight) of products accepted for take-back and reused, recycled, or donated	
					IF-EU-150a.1	Amount of coal combustion residuals (CCR) generated, percentage recycled	
					RT-EE-130a.1	Amount of hazardous waste generated, percentage recycled	
					TC-ES-150a.1	Amount of hazardous waste from manufacturing, percentage recycled	
					TC-ES-410a.1	Weight of end-of-life products and e-waste recovered, percentage recycled	
					TC-TL-440a.1	(1) Materials recovered through take back programs, percentage of recovered materials that were (2) reused, (3) recycled, and (4) landfilled	
8 Materials Consumption	11 12		**GRI 301** Materials 2016	**301-1** Materials used by weight or volume **301-2** Recycled input materials used **301-3** Reclaimed products and their packaging materials	**TC-ES-440a.1**	Description of the management of risks associated with the use of critical materials	
Maintain a positive workplace experience and engaged workforce							
9 Employee Engagement and Mental Health	8 3	Principles 1, 2, 3, 4, 5, and 6	**GRI 2** General Disclosures 2021	**2-7** Employees **2-8** Workers who are not employees	**RT-EE-000.B** **TC-ES-000.C** **TR-AF-000.C** **TR-RA-000.E**	Number of employees	
			GRI 401 Employment 2016	**401-1** New employee hires and employee turnover **401-2** Benefits provided to full-time employees that are not provided to temporary or part-time employees **401-3** Parental leave	**CG-MR 310a.2**	(1) Voluntary and (2) involuntary attrition rate for in-store employees	
					HC-DY-330a.1	(1) Voluntary and (2) involuntary attrition rate for: (a) physicians, (b) non-physician health care practitioners, and (c) all other employees	
					HC-DY-330a.2	Description of talent recruitment and retention efforts for health care practitioners	
					TC-SI-330a.2	Employee engagement as a percentage	
10 Training and Development	8		**GRI 404** Training and Education 2016	**404-1** Average hours of training per employee **404-2** Programs for upgrading employee skills and transition assistance programs			
11 Diversity, Equity, and Inclusion	5 8 10		**GRI 405** Diversity and Equal Opportunity 2016	**405-1** Diversity of governance bodies and employees	**CG-MR 330a.1**	Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees	
					TC-SI-330a.3	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	
12 Occupational Health and Safety	8		**GRI 403** Occupational Health and Safety 2018	**403-9** Work-related injuries **403-10** Work-related ill health	**HC-DY-320a.1**	(1) Total recordable incident rate (TRIR) and (2) days away, restricted, transferred (DART) rate	
					IF-EU-320a.1 **TR-RA-320a.1**	(1) Total recordable incident rate (TRIR) and (2) fatality rate	
					IF-EN-320a.1 **IF-HB-320a.1** **TR-AF-320a.1**	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	
					IF-EU-320a.1 **TR-RA-320a.1**	(1) Total recordable incident rate (TRIR) and (2) fatality rate, and (3) near miss frequency rate (NMFR)	
					TC-ES-320a.1	(1) Total recordable incident rate (TRIR) for (a) direct employees and (b) contract employees	
13 Human Rights	8 16		**GRI 2** General Disclosures 2021	**2-23** Policy commitments **2-30** Collective bargaining agreements			
			GRI 408 Child Labor 2016	**408-1** Operations and suppliers at significant risk for incidents of child labor			
			GRI 409 Forced or Compulsary Labor 2016	**409-1** Operations and suppliers at significant risk for incidents of forced or compulsary labor			

Material Topics	UN SDGs	UNGC Principles	GRI Standards		SASB Accounting Metrics		Page Number or Response
Prioritize customer experience and protection							
14 Product Quality and Safety	3 4 6 7 9 11 12	Principles 1 and 2	**GRI 416** Customer Health and Safety 2016	**416-1** Assessment of health and safety impacts of product and service categories	**CG-MR-410a.2**	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	
					HC-DI-250a.2	Description of efforts to minimize health and safety risks of products sold associated with toxicity/ chemical safety, high abuse potential, or delivery	
					HC-DR-250a.1	Description of efforts to reduce the occurrence of compromised drugs within the supply chain	
					HC-DR-260b.2	Description of policies and practices to prevent prescription dispensing errors	
					IF-WU-250a.2	Discussion of strategies to manage drinking water contaminants of emerging concern	
15 Customer Privacy and Data Protection	16		**GRI 418** Customer Privacy 2016	**418-1** Substantiated complaints concerning breaches of customer privacy and losses of customer data	**CG-MR-230a.1** **FN-CB-230a.2** **SV-ED-230a.1** **TC-SI-230a.2** **TC-TL-230a.1**	Description of approach to identifying and addressing data security risks (including use of third-party cybersecurity standards)	
					HC-DR-230a.1 **HC-DY-230a.2**	Description of policies and practices to secure customers' protected health information (PHI) records and other personally identifiable information (PII)	
					TC-SI-220a.1 **TC-TL-220a.1**	Description of policies and practices relating to behavioral advertising and user privacy	
					HC-DR-230a.2 **HC-DY-230a.3**	(1) Number of data breaches, (2) percentage involving (a) personally identifiable information (PII) only and (b) protected health information (PHI), (3) number of customers affected in each category, (a) PII only and (b) PHI	
					CG-MR-230a.2 **FN-CB-230a.1** **SV-ED-230a.3** **TC-SI-230a.1** **TC-TL-230a.1**	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers/account holders/users/students affected	
16 Customer Safety	8 9						
Implement equitable business practices							
17 Business Ethics	16	Principles 1, 2, and 10	**GRI 205** Anti-corruption 2016	**205-3** Confirmed incidents of corruption and actions taken	**FN-CB-510a.2**	Description of whistleblower policies and procedures	
					HC-DI-510a.1	Description of efforts to minimize conflicts of interest and unethical business practices	
					RT-EE-510a.1	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	
18 Economic Value Distribution	1 8 10 16 17	Principles 1 and 2	**GRI 201** Economic Performance 2016	**201-1** Direct economic value generated and distributed			
19 Supply Chain Sustainability	9 11 12		**GRI 2** General Disclosures 2021	**2-6** Activities, value chain and other business relationships			
			GRI 204 Procurement Practices 2016	**204-1** Proportion of spending on local suppliers			
20 Community Engagement	1 10 11		**GRI 413** Local Communities 2016	**413-1** Operations with local community engagement, impact assessments, and development programs			

Performance Indices

GHG Emissions[Δ]

Total Equity-based GHG Emissions (in tCO_2e)

	2020	2021	2022
Ayala Land	120,642.79	84,086.40	**95,346.59**
BPI	11,523.60	12,441.22	**11,684.52**
Globe	137,235.71	157,052.90	**149,198.19**
ACEN	1,309,538.63	1,008,348.07	**1,351,610.23**
ACEIC+	1,229,539.91	1,008,077.45	**2,444,837.62**
AC Health	58.32	5,670.01	**10,171.99**
AC Logistics+	-	-	**18,552.41**
AC Industrials**	3,673.32	4,009.29	**6,082.51**
IMI	49,880.54	51,899.42	**43,314.30**
iPeople	1,116.74	713.00	**1,289.08**
AC Ventures	-	-	**457.62**
Manila Water	108,141.88	77,977.61	**62,725.07**
AC Infra	30,184.11	27,535.71	**20,352.34**
AffinityX	105.14	58.31	**50.84**
TOTAL	**3,001,640.68**	**2,437,869.38**	**4,215,673.31**

Direct (Scope 1) Equity-based GHG Emissions (in tCO_2e)

	2020	2021	2022
Ayala Land	18,621.36	28,229.80	**23,638.80**
Globe	11,199.51	16,203.69	**16,638.38**
ACEN	1,285,164.49	997,162.18	**1,340,598.82**
ACEIC+	1,228,709.37	1,007,527.33	**2,444,837.62**
AC Health	-	197.17	**395.99**
AC Logistics+	-	-	**949.78**
AC Industrials**	379.45	551.23	**1,230.84**
IMI	262.06	370.95	**1,407.46**
iPeople	34.53	20.95	**61.69**
AC Ventures	-	-	**32.69**
Manila Water	2,429.52	2,289.94	**4,188.44**
AC Infra	232.26	745.51	**230.14**
TOTAL	**2,547,032.54**	**2,053,298.74**	**3,834,210.68**

Globe and IMI included refrigerants in their scope 1 emissions

Energy Indirect (Scope 2) Equity-based GHG Emissions (in tCO_2e)

	2020	2021	2022
Ayala Land	59,184.76	33,798.68	**37,273.98**
BPI	11,523.60	12,441.22	**11,684.52**
Globe	126,036.20	140,849.22	**132,559.81**
ACEN	9,744.68	4,509.99	**11,011.41**
ACEIC+	-	53.36	**-**
AC Health	58.32	5,472.84	**9,774.10**
AC Logistics+	-	-	**1,290.48**
AC Industrials**	3,103.38	3,217.00	**3,458.28**
IMI	48,606.17	49,930.04	**40,684.35**
iPeople	1,082.21	692.05	**1,227.39**
AC Ventures	-	-	**424.93**
Manila Water	105,174.12	75,096.07	**58,027.22**
AC Infra	27,528.40	24,396.84	**20,122.19**
AffinityX	105.14	58.31	**50.84**
TOTAL	**392,146.98**	**350,515.60**	**327,440.93**

Other Indirect (Scope 3) Equity-based GHG Emissions (in tCO_2e)

	2020	2021	2022
Ayala Land	42,836.68	22,057.93	**34,433.81**
ACEN	14,629.46	6,675.89	**-**
ACEIC+	830.54	496.76	**-**
AC Health	-	-	**1.89**
AC Logistics+	-	-	**16,312.15**
AC Industrials**	190.49	241.06	**1,393.38**
IMI	1,012.30	1,598.43	**1,222.48**
Manila Water	538.24	591.60	**509.41**
AC Infra	2,423.45	2,393.36	**-**
TOTAL	**62,461.16**	**34,055.03**	**53,873.12**

Δ Equity share applied is based on Ayala's effective economic ownership of the business units as of 31 December 2022. All GHG emissions data have been restated due to alignment with the disclosures of the listed business units. Ayala applied the UK BEIS Conversion Factors to the GHG emissions calculations in 2022.

Scope and Boundaries

- → The reporting boundaries of Ayala Land, BPI, Globe, ACEN, IMI, iPeople, and Manila Water follow their respective annual reports.
- → ACEIC's reporting covers Ayala's legacy thermal assets, including an investment in GN Power Kauswagan plant, which is currently held for sale.
- → AC Health's Social and Economic reporting covers its holding entity, retail pharmacy chain, clinics, hospitals, specialty care centers and health technology business. Reporting of the group's Environmental disclosures exclude its holding entity and health technology business.
- → AC Logistics' reporting covers Entrego.
- → AC Industrials' reporting covers AC Motors.
- → AC Ventures' reporting covers Zalora Philippines.
- → AC Infra's Social and Economic reporting covers its holding entity, Light Rail Manila Corporation (LRMC), Muntinlupa-Cavite Expressway (MCX) and AF Payments, Inc. (AFPI). The group's Environmental disclosures exclude its holding entity and AFPI.
- → AFI is the corporate social responsibility arm of Ayala.
- → AffinityX's reporting covers Affinity Express Philippines, Inc.
- → AC's reporting covers Ayala's parent company.

Total Equity-based GHG Emissions Intensity (in tCO_2e Per Million Pesos)

	2020	2021	2022
Ayala Land	1.25	0.79	**0.75**
BPI	0.11	0.13	**0.10**
Globe	0.85	0.93	**0.76**
ACEN	135.57	13.33	**24.86**
ACEIC+	-	-	**221.88**
AC Health	0.30	44.00	**1.05**
AC Logistics+	-	-	**14.40**
AC Industrials**	0.35	0.20	**0.25**
IMI	0.88	3.70	**2.04**
iPeople	0.35	0.20	**0.31**
AC Ventures	-	-	**0.20**
Manila Water	5.00	3.79	**2.74**
AC Infra	243.32	170.54	**11.40**
AffinityX	0.24	0.12	**0.10**
TOTAL	**6.48**	**4.78**	**7.09**

Direct (Scope 1) Equity-based GHG Emissions Intensity (in tCO_2e Per Million Pesos)

	2020	2021	2022
Ayala Land	0.19	0.27	**0.19**
Globe	0.07	0.10	**0.08**
ACEN	133.05	13.19	**24.65**
ACEIC+	-	-	**221.88**
AC Health	-	1.53	**0.04**
AC Logistics+	-	-	**0.74**
AC Industrials**	0.04	0.03	**0.05**
IMI	0.00	0.03	**0.07**
iPeople	0.01	0.01	**0.01**
AC Ventures	-	-	**0.01**
Manila Water	0.11	0.11	**0.18**
AC Infra	1.87	4.62	**0.13**
TOTAL	**5.50**	**4.03**	**6.45**

Indirect Energy (Scope 2) Equity-based GHG Emissions Intensity (in tCO_2e Per Million Pesos)

	2020	2021	2022
Ayala Land	0.61	0.32	**0.29**
BPI	0.11	0.13	**0.10**
Globe	0.78	0.84	**0.67**
ACEN	1.01	0.06	**0.20**
AC Health	0.30	42.47	**1.01**
AC Logistics+	-	-	**1.00**
AC Industrials**	0.30	0.16	**0.14**
IMI	0.85	3.56	**1.92**
iPeople	0.34	0.19	**0.30**
AC Ventures	-	-	**0.19**
Manila Water	4.86	3.65	**2.53**
AC Infra	221.91	151.10	**11.28**
AffinityX	0.24	0.12	**0.10**
TOTAL	**0.85**	**0.69**	**0.55**

Other Indirect (Scope 3) Equity-based GHG Emissions Intensity (in tCO_2e Per Million Pesos)

	2020	2021	2022
Ayala Land	0.44	0.21	**0.27**
ACEN	1.51	0.09	**-**
AC Health	-	-	**0.00**
AC Logistics+	-	-	**12.66**
AC Industrials**	0.02	0.01	**0.06**
IMI	0.02	0.11	**0.06**
Manila Water	0.02	0.03	**0.02**
AC Infra	19.54	14.82	**-**
TOTAL	**0.13**	**0.07**	**0.09**

+ Data disclosure for this metric or business unit started in 2022. ACEIC's ESG data for 2020-2021 were previously included in ACEN's.
* Restatement due to typographical error, recalculation, or alignment with the business unit's sustainability report.
** AC Motors' ESG data are consolidated under AC Industrials starting 2022.
*** HCX's ESG data are consolidated under Globe starting 2022.

Energy Resource Planning

Electricity Generated (Non-renewable) (in MWh)

	2020	2021	2022
ACEN	1,310,000.00	1,321,290.00	**1,554,881.55**
ACEIC	1,532,050.00	1,338,900.00	**2,218,873.91**
TOTAL	**2,842,050.00**	**2,660,190.00**	**3,773,755.46**

Total Electricity Generated (in MWh)

	2020	2021	2022
ACEN	3,314,830.00	3,392,030.00	**4,949,711.72**
ACEIC	1,532,050.00	1,338,900.00	**2,218,873.91**
TOTAL	**4,846,880.00**	**4,730,930.00**	**7,168,585.63**

Electricity Generated (Renewable) (in MWh)

	2020	2021	2022
ACEN	2,004,830.00	2,070,740.00	**3,394,830.16**

Energy Management

Total Diesel Consumption within the Organization

	in Liters			in Gigajoules		
	2020	2021	2022	2020	2021	2022
Ayala Land	5,643,979.27*	8,696,145.08*	**11,836,165.80**	217,857.60	335,671.20	**456,876.00**
Globe	12,919,895.84	16,824,603.87*	**18,122,527.51**	498,707.98	649,429.71	**699,529.56**
ACEN	15,104,243.66*	73,868,365.41*	**118,478,779.63**	583,023.81	2,851,318.90	**4,573,280.89**
ACEIC+	4,299,455.27	3,382,453.28	**903,727.00**	165,958.97	130,562.70	**34,883.86**
AC Health	-	73,268.37	**69,252.87**	-	2,828.16	**2,673.16**
AC Logistics+	-	-	**352,107.00**	-	-	**13,591.33**
AC Industrials**	95,531.96	128,930.89	**71,593.70**	3,687.53	4,976.73	**2,763.52**
IMI	180,666.26	249,910.42	**109,137.00**	6,973.72	9,646.54	**4,212.69**
iPeople	33,953.07	23,153.71	**29,103.99**	1,310.59	893.73	**1,123.41**
AC Ventures	-	-	**10,945.00**	-	-	**422.48**
Manila Water	1,637,345.93*	1,635,568.83*	**4,505,220.68**	63,201.55	63,132.96	**173,901.52**
AC Infra	87,042.48	257,212.26	**65,200.65**	3,359.84	9,928.39	**2,516.75**
TOTAL	**40,002,113.74**	**105,139,612.11**	**154,553,760.85**	**1,544,081.59**	**4,058,389.03**	**5,965,775.17**

Total Gasoline Consumption within the Organization

	in Liters			in Gigajoules		
	2020	2021	2022	2020	2021	2022
Ayala Land	124,842.10*	178,210.53*	**216,315.79**	4,269.60	6,094.80	**7,398.00**
Globe	733,061.67*	849,019.58*	**1,161,329.96**	25,070.71	29,036.47	**39,717.48**
ACEN	32,953.59*	17,936.61*	**26,097.95**	1,127.01	613.43	**892.55**
AC Health	-	445.96	**25,273.82**	18.00	15.25	**864.36**
AC Logistics+	-	-	**115.00**	-	-	**3.93**
AC Industrials**	60,617.26	89,418.19	**71,348.35**	2,073.11	3,058.10	**2,440.11**
IMI	30,458.55	43,656.44	**36,363.43**	1,041.68	1,493.05	**1,243.63**
iPeople	-	7,786.19	**12,735.68**	-	266.29	**435.56**
Manila Water	131,565.77*	147,601.50*	**170,125.83**	4,499.55	5,047.97	**5,818.30**
AC Infra	5,093.88	7,215.70	**6,042.61**	174.21	246.78	**206.66**
TOTAL	**1,118,592.83**	**1,341,290.69**	**1,725,748.42**	**38,255.87**	**45,872.14**	**59,020.60**

Electricity Consumption within the Organization (Non-renewable)

	in Kilowatt hours			in Gigajoules		
	2020	2021	2022	2020	2021	2022
Ayala Land	159,877,000.00*	115,450,000.00*	**94,477,000.00**	415,620.00	297,187.20	**340,117.20**
BPI	33,136,137.62	34,737,527.79	**39,507,799.93**	125,055.10	142,228.08	**121,148.07**
Globe	566,292,065.19*	626,464,273.95	**595,656,720.71**	2,255,271.39	2,144,364.19	**2,144,364.19**
ACEN	15,403,417.67	16,509,786.89	**28,831,187.54**	59,435.23	103,792.28	**103,792.28**
ACEIC+	-	1,115,500.00	**-**	4,015.80	-	**-**
AC Health	81,885.50	7,671,963.17	**13,710,756.64**	27,619.07	49,358.72	**49,358.72**
AC Logistics+	-	-	**1,792,437.66**	-	6,452.78	**6,452.78**
AC Industrials**	4,341,883.05	4,509,928.49	**4,846,213.23**	16,235.74	17,446.37	**17,446.37**
IMI	143,890,773.40	143,713,479.21	**130,236,145.50**	517,368.53	468,850.12	**468,850.12**
iPeople	4,535,915.83	2,900,627.21	**5,076,511.99**	10,442.26	18,275.44	**18,275.44**
AC Ventures	-	-	**597,000.00**	-	2,149.20	**2,149.20**
Manila Water	272,433,080.25*	256,177,887.57*	**251,377,444.37**	922,240.40	904,958.80	**904,958.80**
AC Infra	38,652,620.99	40,645,396.43	**28,253,570.89**	146,323.43	101,712.86	**101,712.86**
AffinityX	147,626.66	81,866.67	**71,387.00**	294.72	256.99	**256.99**
TOTAL	**1,238,792,406.16**	**1,249,978,237.38**	**1,194,434,175.46**	**4,499,921.65**	**4,257,033.03**	**4,299,963.03**

Electricity Consumption within the Organization (Renewable)

	in Kilowatt hours			in Gigajoules		
	2020	2021	2022	2020	2021	2022
Ayala Land	189,032,000.00*	198,482,000.00*	**321,973,000.00**	714,535.20	1,026,828.00	**1,159,102.80**
BPI	-	-	**3,936,148.00**	-	14,170.13	**14,170.13**
Globe	23,340,435.45	102,436,867.67	**133,580,273.09**	368,772.72	480,888.98	**480,888.98**
IMI	-	-	**5,560,705.42**	-	20,018.54	**20,018.54**
Manila Water	2,751,849.30*	15,398,374.03*	**26,818,045.19**	55,434.15	96,544.96	**96,544.96**
AC Infra	-	6,389,789.00	**9,697,542.00**	23,003.24	34,911.15	**34,911.15**
TOTAL	**215,124,284.75**	**322,707,030.70**	**501,565,713.70**	**1,161,745.31**	**1,673,361.77**	**1,805,636.57**

Total Electricity Consumption within the Organization

	in Kilowatt hours			in Gigajoules		
	2020	2021	2022	2020	2021	2022
Ayala Land	348,909,000.00	313,932,000.00	**416,450,000.00**	1,130,155.20	1,324,015.20	**1,499,220.00**
BPI	33,136,137.62	34,737,527.79	**43,443,947.93**	125,055.10	156,398.21	**135,318.21**
Globe	589,632,500.64	728,901,141.62	**729,236,993.80**	2,624,044.11	2,625,253.18	**2,625,253.18**
ACEN	15,403,417.67	16,509,786.89	**28,831,187.54**	59,435.23	103,792.28	**103,792.28**
ACEIC+	-	1,115,500.00	**-**	4,015.80	-	**-**
AC Health	81,885.50	7,671,963.17	**13,710,756.64**	27,619.07	49,358.72	**49,358.72**
AC Logistics+	-	-	**1,792,437.66**	-	6,452.78	**6,452.78**
AC Industrials**	4,341,883.05	4,509,928.49	**4,846,213.23**	16,235.74	17,446.37	**17,446.37**
IMI	143,890,773.40	143,713,479.21	**135,796,850.92**	517,368.53	488,868.66	**488,868.66**
iPeople	4,535,915.83	2,900,627.21	**5,076,511.99**	10,442.26	18,275.44	**18,275.44**
AC Ventures	-	-	**597,000.00**	-	2,149.20	**2,149.20**
Manila Water	275,184,929.55	271,576,261.60	**278,195,489.56**	977,674.54	1,001,503.76	**1,001,503.76**
AC Infra	38,652,620.99	47,035,185.43	**37,951,112.89**	169,326.67	136,624.01	**136,624.01**
AffinityX	147,626.66	81,866.67	**71,387.00**	294.72	256.99	**256.99**
TOTAL	**1,453,916,690.91**	**1,572,685,268.08**	**1,695,999,889.16**	**5,661,666.97**	**5,930,394.80**	**6,105,599.60**

+ Data disclosure for this metric or business unit started in 2022. ACEIC's ESG data for 2020-2021 were previously included in ACEN's.
* Restatement due to typographical error, recalculation, or alignment with the business unit's sustainability report.
** AC Motors' ESG data are consolidated under AC Industrials starting 2022.
*** HCX's ESG data are consolidated under Globe starting 2022.

Coal Consumption within the Organization

	in Metric Tons			in Gigajoules		
	2020	2021	2022	2020	2021	2022
ACEN	1,037,355.79	1,084,652.64	**1,038,421.55**	24,955,668.22	26,093,488.56	**24,981,307.23**
ACEIC	4,053,592.57	2,790,609.27	**6,997,675.00**	97,517,276.46	67,133,687.21	**168,343,067.48**
TOTAL	**5,090,948.36**	**3,875,261.91**	**8,036,096.55**	122,472,944.68	93,227,175.77	**193,324,374.70**

Total Energy Consumption within the Organization (in Gigajoules)

	2020	2021	2022
Ayala Land	1,568,289.60	1,576,368.00	**2,179,717.20**
BPI	119,290.10	125,055.10	**156,398.21**
Globe	2,646,455.69	3,302,510.29	**3,364,500.22**
ACEN	25,595,271.34	29,004,856.13	**29,659,272.95**
ACEIC+	97,683,235.44	67,268,265.70	**168,377,951.34**
AC Health	294.79	30,462.48	**52,968.86**
AC Logistics+	-	-	**20,048.04**
AC Industrials**	21,391.42	24,270.58	**22,650.00**
IMI	526,022.18	528,508.12	**494,324.98**
iPeople	17,639.89	11,602.28	**19,834.42**
AC Ventures	-	-	**2,571.68**
Manila Water	1,058,366.85	1,045,855.47	**1,181,223.58**
AC Infra	142,683.49	179,501.84	**139,412.18**
AffinityX	531.46	294.72	**256.99**
TOTAL	**129,379,472.23**	**103,097,550.70**	**205,671,130.65**

Ayala Land's energy consumption within the organization included jet fuel and LPG; AC Health's and AC Infra's included LPG as well.

Renewable Energy (Electricity) Percentage Share within the Organization

	2020	2021	2022
Ayala Land	54.2%	63.2%	**77.3%**
BPI	0.0%	0.0%	**9.1%**
Globe	4.0%	14.1%	**18.3%**
IMI	0.0%	0.0%	**3.8%**
Manila Water	1.0%	5.7%	**9.6%**
AC Infra	0.0%	13.6%	**25.6%**
TOTAL	**14.8%**	**20.5%**	**29.6%**

Total Diesel Consumption outside the Organization

	in Liters			in Gigajoules		
	2020	2021	2022	2020	2021	2022
Ayala Land	614,238.34	322,601.04	**196,134.72**	23,709.60	12,452.40	**7,570.80**
AC Industrials**	47,499.37	37,571.21	**83,170.67**	1,833.48	1,450.25	**3,210.39**
IMI	864,424.43	1,151,759.56	**513,398.08**	33,366.78	44,457.92	**19,817.17**
Manila Water	374,416.33*	551,427.98*	**604,248.80**	14,452.47	21,285.12	**23,324.00**
AC Infra	151,743.00	7.11	**-**	5,857.28	0.27	**-**
TOTAL	**2,052,321.47**	**2,063,366.90**	**1,396,952.27**	**79,219.61**	**79,645.96**	**53,922.36**

Total Gasoline Consumption outside the Organization

	in Liters			in Gigajoules		
	2020	2021	2022	2020	2021	2022
Ayala Land	-	12,105.26	**-**	-	414.00	**-**
AC Logistics+	-	-	**1,965,126.21**	-	-	**67,207.32**
AC Industrials**	30,944.90	60,657.16	**74,545.01**	1,058.32	2,074.47	**2,549.44**
IMI	-	318,429.23	**409,196.65**	-	10,890.28	**13,994.53**
AC Infra	887,351.26	1,029,097.03	**-**	30,347.41	35,195.12	**-**
TOTAL	**918,296.16**	**1,420,288.69**	**2,448,867.87**	**31,405.73**	**48,573.87**	**83,751.28**

Electricity Consumption outside the Organization (Non-renewable)

	in Kilowatt hours			in Gigajoules		
	2020	2021	2022	2020	2021	2022
Ayala Land	157,608,000.00	218,792,000.00	143,867,000.00	567,388.80	787,651.20	**517,921.20**
AC Health	-	-	2,680.00	-	-	**9.65**
TOTAL	**157,608,000.00**	**218,792,000.00**	**143,869,680.00**	**567,388.80**	**787,651.20**	**517,930.85**

Electricity Consumption outside the Organization (Renewable)

	in Kilowatt hours			in Gigajoules		
	2020	2021	2022	2020	2021	2022
Ayala Land	252,329,000.00	279,948,000.00	**365,067,000.00**	908,384.40	1,007,812.80	**1,314,241.20**

Total Electricity Consumption outside the Organization

	in Kilowatt hours			in Gigajoules		
	2020	2021	2022	2020	2021	2022
Ayala Land	409,937,000.00	498,740,000.00	508,934,000.00	1,475,773.20	1,795,464.00	**1,832,162.40**
AC Health	-	-	2,680.00	-	-	**9.58**
TOTAL	**409,937,000.00**	**498,740,000.00**	**508,936,660.00**	**1,475,773.20**	**1,795,464.00**	**2,025,866.38**

Total Energy Consumption outside the Organization (in Gigajoules)

	2020	2021	2022
Ayala Land	1,637,398.80	1,916,074.80	**2,337,177.60**
AC Health	-	-	**9.58**
AC Logistics+	-	-	**67,207.32**
AC Industrials**	2,891.79	3,524.72	**5,759.83**
IMI	33,366.78	55,348.20	**33,811.69**
Manila Water	14,452.47	21,285.12	**23,324.00**
AC Infra	36,204.69	35,195.39	**-**
TOTAL	**1,724,314.54**	**2,031,428.24**	**2,467,290.01**

Ayala Land's energy consumption outside the organization included LPG.

Renewable Energy (Electricity) Percentage Share outside the Organization

	2020	2021	2022
Ayala Land	61.6%	56.1%	**72.0%**

Energy Intensity (in Gigajoules per Million Pesos)

	2020	2021	2022
Ayala Land	16.29	14.85	**17.22**
BPI	1.17	1.28	**1.32**
Globe	16.31	19.61	**17.11**
ACEN	2,649.78	383.55	**545.42**
ACEIC+	-	-	**15,280.78**
AC Health	1.50	236.40	**5.46**
AC Logistics+	-	-	**15.56**
AC Industrials**	2.04	1.23	**0.94**
IMI	9.25	37.69	**23.31**
iPeople	5.48	3.25	**4.79**
AC Ventures	-	-	**1.13**
Manila Water	48.94	50.85	**51.53**
AC Infra	1,150.18	1,111.73	**78.09**
AffinityX	1.20	0.61	**0.50**
TOTAL	**279.26**	**202.29**	**345.70**

+ Data disclosure for this metric or business unit started in 2022. ACEIC's ESG data for 2020-2021 were previously included in ACEN's.
* Restatement due to typographical error, recalculation, or alignment with the business unit's sustainability report.
** AC Motors' ESG data are consolidated under AC Industrials starting 2022.
*** HCX's ESG data are consolidated under Globe starting 2022.

Water Management

Water Withdrawal from Third-party (in Cubic Meters)

	2020	2021	2022
Globe	-	-	111,060.76
ACEN	188,721.17	129,762.41	166,516.49
AC Health	-	-	137,632.63
AC Logistics+	-	-	16,399.39
AC Industrials**	-	-	46,693.47
IMI	-	-	1,290,541.63
iPeople	-	-	52,514.34
AC Ventures	-	-	2,085.00
Manila Water	786,710,000.00	788,570,000.00	801,930,000.00
AC Infra	-	-	44,236.00
AffinityX	-	-	81.00
TOTAL	**5,548,721.17**	**5,159,762.41**	7,927,760.71

Water Withdrawal from Surface Water (in Cubic Meters)

	2020	2021	2022
ACEN	2,445.00	5,158.00	29,910.38
Manila Water	786,710,000.00*	788,570,000.00*	801,930,000.00
TOTAL	**786,712,445.00**	**788,575,158.00**	801,959,910.38

Water Withdrawal from Groundwater (in Cubic Meters)

	2020	2021	2022
ACEN	9,191.10	46,063.80	293,679.47
iPeople	-	-	80.00
Manila Water	117,590,000.00*	112,250,000.00*	112,740,000.00
TOTAL	**117,599,191.10**	**112,296,063.80**	113,033,759.47

Water Withdrawal from Seawater (in Cubic Meters)

	2020	2021	2022
ACEN	265,006,345.08	257,256,974.23	220,544,807.23

Total Water Withdrawal (in Cubic Meters)

	2020	2021	2022
Globe	-	-	111,060.76
ACEN	265,206,702.35	257,437,958.44	221,034,913.57
AC Health	-	-	137,632.63
AC Logistics+	-	-	16,399.39
AC Industrials**	-	-	46,693.47
IMI	-	-	1,290,541.63
iPeople	-	-	52,594.34
AC Ventures	-	-	2,085.00
Manila Water	909,660,000.00	905,850,000.00	920,730,000.00
AC Infra	-	-	44,236.00
AffinityX	-	-	81.00
TOTAL	**1,174,866,702.35**	**1,163,287,958.44**	1,143,466,237.79

Water Discharge to Third-Party (in Cubic Meters)+

	2022
AC Health	10,978.00
iPeople	4,692.00
TOTAL	15,670.00

Water Discharge to Surface Water (in Cubic Meters)+

	2020	2021	2022
ACEN	-	-	2,324.00
AC Health	-	-	98,096.33
AC Ventures	-	-	1,609.00
Manila Water	72,818,909.70	68,483,491.17	74,454,042.82
TOTAL	**72,818,909.70**	**68,483,491.17**	74,556,072.15

Water Discharge to Groundwater (in Cubic Meters)+

	2022
AC Infra	1,013.00

Water Discharge to Seawater (in Cubic Meters)+

	2020	2021	2022
ACEN	-	-	220,580,003.97
Manila Water	1,292,702.00	1,332,687.94	1,929,468.80
TOTAL	**1,292,702.00**	**1,332,687.94**	222,509,472.77

Total Water Discharge (in Cubic Meters)+

	2020	2021	2022
ACEN	-	-	220,582,327.97
AC Health	-	-	109,074.33
iPeople	-	-	4,692.00
AC Ventures	-	-	1,609.00
Manila Water	74,111,611.70	69,816,179.11	76,383,511.62
AC Infra	-	-	1,013.00
TOTAL	**74,111,611.70**	**69,816,179.11**	297,082,227.92

Total Water Consumption (in Cubic Meters)

	2020	2021	2022
Ayala Land	12,394,137.00*	13,284,203.50*	14,968,950.00
BPI	252,975.00*	326,035.00*	326,043.65
Globe	77,641.17*	114,453.55*	111,060.76
ACEN	265,206,702.35	257,437,958.44	452,585.60
AC Health	88,483.10	125,329.79	28,558.30
AC Logistics+	-	-	16,399.39
AC Industrials**	58,094.87	65,676.25	46,693.47
IMI	1,359,803.5*	1,352,230.93*	1,290,541.63
iPeople	258,313.76*	35,118.02*	2,085.00
AC Ventures	-	-	476.00
Manila Water	835,548,388.30*	836,033,820.89*	844,346,488.38
AC Infra	54,292.36	63,174.96	43,223.00
AffinityX	322.10*	117.50*	81.00
TOTAL	**1,115,299,153.51**	**1,108,838,119.33**	861,679,003.53

Waste and Hazardous Materials Management

Recyclables Generated (in Kilograms)

	2020	2021	2022
Ayala Land	5,641,000.00	5,022,000.00	5,141,000.00
BPI	3,170.00	860.00	-
Globe	6,752.70	5,080.00*	2,173.38
AC Health	6,000.00	35,195.74	61,205.00
AC Logistics+	-	-	101,485.00
AC Industrials**	-	-	12,966.00
IMI	1,666,990.22	1,879,753.09	2,220,358.54
iPeople	18,946.67	11,422.94	13,633.74
AC Ventures	-	-	194,762.00
Manila Water*	24,143,585.20	30,606,246.35	31,214,707.94
AC Infra	20,331.00	132,617.98	7,842.00
TOTAL	**31,506,775.79**	**37,693,176.10**	38,970,133.60

Food and Compostables Generated (in Kilograms)

	2020	2021	2022
Ayala Land	9,612,000.00	6,703,000.00	8,981,000.00
Globe	-	-	14,910.60
AC Health	-	-	7,280.00
AC Industrials**	-	-	1,983.00
IMI	-	-	160,701.00
iPeople	-	-	21,483.93
AC Infra	-	-	7,910.00
TOTAL	**9,612,000.00**	**6,703,000.00**	9,195,268.53

Residuals Generated (in Kilograms)

	2020	2021	2022
Ayala Land	10,186,000.00	9,777,000.00	12,248,000.00
Globe	85,500.00*	81,030.00*	186,480.00
ACEN	-	-	688,984.01
AC Health	8,100.00	148,093.46	159,205.84
AC Logistics+	-	-	77,139.00
AC Industrials**	-	126,862.00	45,825.00
IMI	913,693.75	643,015.00	623,460.00
iPeople	55,822.47	17,889.47	48,039.87
AC Ventures	-	-	6,352.00
Manila Water	1,238,080.00*	561,300.00*	1,196,082.73
AC Infra	156,389.00	28,855.90	30,275.00
AffinityX	-	489.50	197.00
TOTAL	**12,643,585.22**	**11,384,535.33**	15,310,040.45

Total Non-Hazardous Wastes Generated (in Kilograms)

	2020	2021	2022
Ayala Land	25,439,000.00	21,502,000.00	26,370,000.00
BPI	3,170.00	860.00	-
Globe	92,252.70	86,110.00	203,563.98
ACEN	-	-	688,984.01
AC Health	14,100.00	183,289.20	227,690.84
AC Logistics+	-	-	178,624.00
AC Industrials**	-	126,862.00	60,774.00
IMI	2,580,683.97	2,522,768.09	3,004,519.54
iPeople	74,769.14	29,312.41	83,157.54
AC Ventures	-	-	201,114.00
Manila Water	25,381,665.20*	31,167,546.35*	32,410,790.67
AC Infra	176,720.00	161,473.88	46,027.00
AffinityX	-	489.50	197.00
TOTAL	**53,762,361.01**	**55,780,711.43**	63,475,442.58

+ Data disclosure for this metric or business unit started in 2022. ACEIC's ESG data for 2020-2021 were previously included in ACEN's.
* Restatement due to typographical error, recalculation, or alignment with the business unit's sustainability report.
** AC Motors' ESG data are consolidated under AC Industrials starting 2022.
*** HCX's ESG data are consolidated under Globe starting 2022.

Total Non-Hazardous Wastes Diverted from Disposal (in Kilograms)+

	2022			
	Recycled	Reused	Composted	TOTAL
Ayala Land	4,905,000.00	-	192,000.00	**5,097,000.00**
Globe	2,173.38	-	-	**2,173.38**
AC Health	13,644.00	-	-	**13,644.00**
AC Logistics+	101,575.00	74,012.70	1,937.00	**177,524.70**
IMI	2,220,358.54	-	-	**2,220,358.54**
iPeople	13,620.84	12.90	100.00	**13,733.74**
AC Ventures	194,762.00	-	6,352.00	**201,114.00**
Manila Water	31,214,707.94	-	-	**31,214,707.94**
AC Infra	7,842.00	-	7,910.00	**15,752.00**
TOTAL	**38,673,683.70**	**74,025.60**	**208,299.00**	**38,956,008.30**

Total Non-hazardous Wastes Directed to Disposal (in Kilograms)+

	2022			
	Landfilled	Stored On-site	Incinerated	Total
Ayala Land	21,037,000.00	-	-	**21,037,000.00**
Globe	201,388.80	-	-	**201,388.80**
ACEN	582,873.83	-	-	**582,873.83**
AC Health	108,857.00	-	19,349.03	**128,206.03**
AC Logistics+	1,190.00	-	-	**1,190.00**
AC Industrials**	47,999.00	-	-	**47,999.00**
iPeople	57,803.00	-	-	**57,803.00**
Manila Water	1,196,082.73	-	-	**1,196,082.73**
AC Infra	24,849.00	-	-	**24,849.00**
TOTAL	**23,258,043.36**	**-**	**19,349.03**	**23,277,392.39**

Total Non-hazardous Wastes with Unknown Handling Method (in Kilograms)+

	2022
Ayala Land	**236,000.00**
Globe	**1.80**
ACEN	**106,110.18**
AC Health	**85,840.81**
AC Industrials**	**12,775.00**
IMI	**784,161.00**
iPeople	**11,620.80**
AC Ventures	**0.17**
AC Infra	**5,426.00**
AffinityX	**197.00**
TOTAL	**1,241,845.06**

Used Oil Generated (in Liters)+

	2020	2021	2022
Ayala Land	24,900.60*	45,276.02*	**25,000.00**
Globe	5,452.00	8,410.00*	**12,956.00**
ACEN	1,034,353.52*	1,145,922.27	**1,512,633.14**
AC Health	-	-	**251.00**
AC Industrials**	275,348.30	277,363.34	**277,542.00**
IMI	9,530.80	7,944.15	**9,072.00**
iPeople	-	-	**214.50**
Manila Water	4,945.82	19,906.04*	**17,084.65**
AC Infra	2,382.00	5,118.00	**6,096.00**
TOTAL	**1,039,299.34**	**1,509,939.82**	**1,860,849.29**

E-waste Generated (in Kilograms)

	2020	2021	2022
Ayala Land	60,000.00	28,000.00*	**23,000.00**
Globe	274,850.00*	139,170.00*	**147,457.20**
ACEN	5,172.45	7,998.69	**21,464.85**
AC Health	-	-	**1,856.17**
AC Logistics+	-	-	**3,234.32**
AC Industrials**	18.20	331.00	**530.00**
IMI	185,730.90	269,036.00	**284,341.76**
iPeople	-	-	**836.50**
Manila Water	-	389.12*	**734.70**
TOTAL	**525,771.55**	**444,924.81**	**483,455.50**

Batteries Generated (in Kilograms)

	2020	2021	2022
Ayala Land	34,000.00	42,000.00*	**36,000.00**
Globe	78,846.00	111,070.00*	**422,126.00**
ACEN	5,596.60	12,113.40	**16,557.40**
AC Health	-	-	**48.00**
AC Industrials**	13,534.70	86,190.60	**4,671.00**
IMI	3,549.70	860.40	**6,171.68**
iPeople	-	-	**154.45**
AC Ventures	-	-	**63.00**
Manila Water	3,559.75*	1,692.50	**1,325.50**
AC Infra	8,006.50	4,657.00	**3,030.00**
TOTAL	**147,093.25**	**258,583.90**	**490,147.03**

Busted Fluorescent Lamps Generated (in Kilograms)

	2020	2021	2022
Ayala Land	30,000.00	26,000.00*	**20,000.00**
Globe	-	226.00	**-**
ACEN	485.62	107.50	**5.00**
AC Health	37.60	146.60	**654.72**
AC Industrials**	-	-	**125.00**
IMI	1,348.60	854.10	**271.50**
iPeople	-	-	**165.50**
Manila Water	294.81*	314.88	**61.54**
AC Infra	1,535.50	736.80	**937.30**
TOTAL	**33,702.13**	**28,385.88**	**22,220.56**

Contaminated Containers and Materials Generated (in Kilograms)

	2020	2021	2022
Ayala Land	16,000.00	12,000.00	**9,000.00**
ACEN	-	2,494.00	**107,244.95**
AC Industrials**	-	-	**42,302.00**
IMI	47,550.10	-	**82,158.90**
iPeople	-	-	**578.40**
Manila Water	262.80*	608.50	**494.65**
AC Infra	-	-	**1,301.00**
TOTAL	**63,812.90**	**15,102.50**	**243,079.90**

Infectious and Clinical Wastes Generated (in Kilograms)

	2020	2021	2022
ACEN	39.00	120.00	**-**
AC Health	13,555.00	154,102.60	**239,946.93**
IMI	-	-	**357.05**
iPeople	-	-	**65.60**
Manila Water	291.00*	-	**248.50**
AC Infra	-	-	**37.00**
TOTAL	**13,885.00**	**154,222.60**	**240,655.08**

Chemical Wastes Generated (in Kilograms)+

	2020	2021	2022
Ayala Land	16,346.31	4,403.66	**-**
ACEN	2,777.40	3,733.00	**17,970.50**
IMI	73,878.60	43,350.78	**122,912.60**
iPeople	2,793.00	1,827.91	**8.45**
Manila Water	1,414.39	2,252.40	**1,854.26**
TOTAL	**97,209.70**	**55,567.75**	**142,745.81**

Expired Medicine Generated (in Kilograms)

	2020	2021	2022
AC Health	13,727.40	16,227.81	**11,970.84**
IMI	-	-	**13.20**
iPeople	-	-	**17.00**
AC Infra	-	-	**5.00**
TOTAL	**13,727.40**	**16,227.81**	**12,006.04**

Flyash Generated (in Kilograms)

	2020	2021	2022
ACEN	109,233.90	82,196.80	**85,615.28**

+ Data disclosure for this metric or business unit started in 2022. ACEIC's ESG data for 2020-2021 were previously included in ACEN's.
* Restatement due to typographical error, recalculation, or alignment with the business unit's sustainability report.
** AC Motors' ESG data are consolidated under AC Industrials starting 2022.
*** HCX's ESG data are consolidated under Globe starting 2022.

Other Hazardous Wastes Generated (in Kilograms)

	2020	2021	2022
ACEN	1,434,963.00	17,352.41	11,313.40
AC Health	-	-	1,019.00
AC Industrials**	-	32,482.58	468.00
IMI	-	-	344,468.39
Manila Water	122,639.73*	37,086.63*	123,029.35
AC Infra	-	-	30,157.00
TOTAL	**1,557,602.73**	**86,921.62**	510,455.14

Total Hazardous Wastes Generated (in Kilograms)

	2020	2021	2022
Ayala Land	156,346.31*	112,403.66*	88,000.00
Globe	353,696.00	250,466.00	569,583.20
ACEN	1,558,228.97	125,995.80	260,171.38
AC Health	27,320.00	170,477.01	255,495.66
AC Logistics+	-	-	3,234.32
AC Industrials**	13,552.90	119,004.18	48,096.00
IMI	312,057.90	314,101.28	840,695.08
iPeople	2,793.00	1,827.91	1,825.90
AC Ventures	-	-	63.00
Manila Water	133,938.21*	63,181.45	145,172.69
AC Infra	9,542.00	5,393.80	35,467.30
TOTAL	**2,567,475.29**	**1,162,851.09**	2,247,804.53

Total hazardous wastes generated does not include used oil.

Total Hazardous Wastes Diverted from Disposal (in Kilograms)+

	2022		
	Recycled	Recovered	TOTAL
Ayala Land	7,070.00	-	7,070.00
Globe	569,583.20	-	569,583.20
ACEN	55,503.71	-	55,503.71
AC Health	335.00	-	335.00
AC Logistics+	-	1,225.65	1,225.65
iPeople	-	50.00	50.00
AC Ventures	-	63.00	63.00
AC Infra	4,331.00	26,808.00	31,139.00
TOTAL	**636,822.91**	**28,146.65**	664,969.56

Total Hazardous Wastes Directed to Disposal (in Kilograms)+

	2022		
	Landfilled	StoredOn-site	TOTAL
Ayala Land	-	51,930.00	51,930.00
ACEN	150,118.14	-	150,118.14
AC Health	151,307.00	24,023.44	175,330.44
iPeople	-	1,655.60	1,655.60
Manila Water	95,046.05	-	95,046.05
AC Infra	4,308.00	-	4,308.00
TOTAL	**400,779.19**	**77,609.04**	478,388.23

Total Hazardous Wastes with Unknown Handling Method (in Kilograms)+

	2022
Ayala Land	29,000.00
ACEN	54,549.53
AC Health	79,830.22
AC Logistics+	2,008.67
AC Industrials**	48,096.00
IMI	840,695.08
iPeople	120.30
Manila Water	50,126.63
AC Infra	20.30
TOTAL	1,104,446.73

Materials Consumption

Non-renewable Materials (in Metric Tons)

	2020	2021	2022
Cement			
Ayala Land	169,612.00	173,327.00	191,400.00
AC Infra	-	-	18,966.00
TOTAL	**169,612.00**	**173,327.00**	210,366.00
Steel and Rebar			
Ayala Land	89,042.00	82,025.00	61,791.00
AC Infra	-	-	6,471.00
TOTAL	**89,042.00**	**82,025.00**	68,262.00
Chemicals			
Manila Water	29,394.77	24,015.28	23,741.00

Recycled Materials (in Metric Tons)

	2022
iPeople	10.02
AC Infra	32.00
TOTAL	42.02

Employee Engagement

Total Jobs Generated

	2020	2021	2022
Ayala Land	33,040	41,687	47,747
BPI	24,497	21,737	20,811
Globe	10,993	14,195	10,613
ACEN	1,423*	6,584*	19,500
ACEIC+	-	49	11
AC Health	2,129	3,381	3,345
AC Logistics+	-	-	2,818
AC Industrials**	2,213*	2,013*	2,028
IMI	16,381	15,293	14,980
iPeople	2,683	2,713	2,819
AC Ventures	1,308	470*	438
Manila Water	2,699	3,315*	2,616
AC Infra	4,751	3,750	2,633
AFI	142	165	136
AffinityX	740	764	762
AC	222	208*	215
HCX***	118	85	
TOTAL	**103,339***	**116,400***	131,472

ACEN's 2022 Total Jobs Generated included 194 employees from SLTEC. ACEN divested from SLTEC on November 2022.

Direct Hires

	2020	2021	2022
Ayala Land	10,434	10,043*	11,129
BPI	19,952	19,181	18,201
Globe	8,349	8,285	8,149
ACEN	661*	750*	739
ACEIC+	-	49	11
AC Health	1,981	3,160	3,117
AC Logistics+	-	-	653
AC Industrials**	1,617*	1,435*	1,329
IMI	15,131	13,634	13,352
iPeople	2,491	2,514	2,494
AC Ventures	1,104	470*	438
Manila Water	2,311	2,464*	2,616
AC Infra	1,789	1,873	1,225
AFI	114	107	121
AffinityX	740	764	762
AC	166	152*	159
HCX***	114	81	-
IMI Via sites	693	-	-
TOTAL	**67,647***	**64,962***	64,495

Support Staff

	2020	2021	2022
Ayala Land	22,606	31,635*	36,618
BPI	4,545	2,556	2,610
Globe	2,644	5,910	2,464
ACEN	762*	5,834*	18,567
AC Health	148	221	228
AC Logistics+	-	-	2,165
AC Industrials**	596*	578*	699
IMI	1,250	1,659	1,628
iPeople	192	199	325
AC Ventures	204	-	-
Manila Water	388	851	-
AC Infra	2,962	1,877	1,408
AFI	28	58	15
AC	56	56	56
HCX***	4	4	-
TOTAL	**36,385***	**51,438***	66,783

Permanent Employees

	2020	2021	2022
Ayala Land	6,133	5,756	6,362
BPI	19,951	19,181	18,201
Globe	8,339	8,285	8,149
ACEN	649*	702*	713
ACEIC+	-	49	11
AC Health	1,923	2,912	2,969
AC Logistics+	-	-	633
AC Industrials**	1,613*	1,425*	1,318
IMI	14,361	13,384	12,988
iPeople	2,046	1,967	1,844
AC Ventures	1,099	469	438
Manila Water	2,224	2,320*	2,455
AC Infra	1,718	1,821	1,199
AFI	80	81	82
AffinityX	740	762	759
AC	165	151	157
HCX***	112	77	-
TOTAL	61,153*	59,342*	58,278

+ Data disclosure for this metric or business unit started in 2022. ACEIC's ESG data for 2020-2021 were previously included in ACEN's.
* Restatement due to typographical error, recalculation, or alignment with the business unit's sustainability report.
** AC Motors' ESG data are consolidated under AC Industrials starting 2022.
*** HCX's ESG data are consolidated under Globe starting 2022.

Temporary Employees

	2020	2021	2022
Ayala Land	4,301	4,287*	4,767
BPI	1	-	-
Globe	10	-	-
ACEN	12*	48*	26
AC Health	58	248	148
AC Logistics+	-	-	20
AC Industrials**	4*	10*	11
IMI	770	250	364
iPeople	445	547	650
AC Ventures	5	1*	-
Manila Water	87	144	161
AC Infra	71	52	26
AFI	34	26	39
AffinityX	-	2	3
AC	1	1*	2
HCX***	2	4	-
TOTAL	**5,801***	**5,620***	6,217

New Employee Hires

	2020	2021	2022
Ayala Land	403	676*	1,564
BPI	914	645*	922
Globe	325*	203*	762
ACEN	90*	140*	288
ACEIC+	-	2	6
AC Health	869	1,431	1,297
AC Logistics+	-	-	283
AC Industrials**	212*	281*	417
IMI	5,130	4,627	5,263
iPeople	288	516	1,021
AC Ventures	336	422	107
Manila Water	189*	458*	486
AC Infra	258	393	74
AFI	18	13	2
AffinityX	250	297	202
AC	13	2	19
HCX***	23	13	-
TOTAL	**9,318***	**10,119***	12,713

Employee Turnover

	2020	2021	2022
Ayala Land	599	890	980
BPI	2,391	1,463*	1,429
Globe	258*	227*	873
ACEN	63*	110*	98
ACEIC+	-	3	-
AC Health	812	2,165	1,255
AC Logistics+	-	-	234
AC Industrials**	577*	456*	493
IMI	7,890	5,551	5,538
iPeople	488	516	838
AC Ventures	451	208	120
Manila Water	303*	311*	339
AC Infra	397	272	116
AFI	12	17	9
AffinityX	154	211	175
AC	12	13	15
HCX***	27	48	-
TOTAL	**14,434***	**12,461***	12,512

Diversity, Equity, and Inclusion

Permanent Employees by Gender

	2020		2021		2022			
	Male	Female	Male	Female		Male		Female
Ayala Land	2,963	3,170	2,996	-	2,974	47%	3,388	53%
BPI	6,605*	13,347	12,830	-	6,079	33%	12,122	67%
Globe	4,530	3,809	3,743	-	4,520	55%	3,629	45%
ACEN	488*	161*	187*	604	435	61%	278	39%
ACEIC+	-	-	25	8	8	73%	3	27%
AC Health	565	1,358	1,763	911	919	31%	2,050	69%
AC Logistics+	-	-	-	349	349	55%	284	45%
AC Industrials**	955*	658*	581*	772	772	59%	546	41%
IMI	5,671	8,690	8,191	-	4,925	38%	8,063	62%
iPeople	874	1,172	1,117	772	772	42%	1,072	58%
AC Ventures	523	576	295	168	168	38%	270	62%
Manila Water	1,443	781	803	-	1,623	66%	832	34%
AC Infra	1,078	640	735	786	786	66%	413	34%
AFI	24	56	56	31	31	38%	51	62%
AffinityX	387	353	391	404	404	53%	355	47%
AC	76	89	81	71	71	45%	86	55%
HCX***	45	67	49	-	-	-	-	-
TOTAL	**26,227***	**34,927***	**33,843***		24,836	43%	33,442	57%

Permanent Employees by Age

	2020			2021			2022					
	Under 30 Years Old	30-50 Years Old	Over 50 Years Old	Under 30 Years Old	30-50 Years Old	Over 50 Years Old	Under 30 Years Old		30-50 Years Old		Over 50 Years Old	
Ayala Land	2,411	3,303	419	3,338	404	404	2,291	36%	3,610	56%	461	7%
BPI	9,662*	9,061	1,229	9,429	1,386	1,386	7,012	39%	9,661	53%	1,528	8%
Globe	1,808	6,063	468	6,251	501	501	1,347	17%	6,211	76%	591	7%
ACEN	222*	332*	95*	393*	87*	87*	212	30%	435	61%	66	9%
ACEIC+	-	-	-	35	4	4	2	18%	5	45%	4	36%
AC Health	749	1,112	62	1,658	145	145	1,080	36%	1,736	58%	153	5%
AC Logistics+	-	-	-	-	-	-	222	35%	394	62%	17	3%
AC Industrials**	750*	763*	100*	785*	120*	120*	386	29%	812	62%	120	9%
IMI	4,274	8,601	1,486	8,318	1,495	1,495	3,294	25%	8,113	62%	1,581	12%
iPeople	815	907	324	926	318	318	634	34%	890	48%	320	17%
AC Ventures	511	575	13	217	8	8	229	52%	205	47%	4	1%
Manila Water	589*	1,210*	425	1,299*	367*	367*	604	25%	1,529	62%	322	13%
AC Infra	459	1,094	165	1,196	205	205	169	14%	825	69%	205	17%
Ayala Foundation	23	42	15	41	15	-	13	16%	53	65%	16	20%
AffinityX	501	224	15	280	24	24	443	58%	292	38%	24	3%
AC	14	98	53	87	54	54	10	6%	85	54%	62	39%
HCX***	46	64	2	45	-	-	-	-	-	-	-	-
TOTAL	**22,834***	**33,449***	**4,871***	**34,298***	**5,133***	**5,133***	17,948	31%	34,856	60%	5,474	9%

+ Data disclosure for this metric or business unit started in 2022. ACEIC's ESG data for 2020-2021 were previously included in ACEN's.
* Restatement due to typographical error, recalculation, or alignment with the business unit's sustainability report.
** AC Motors' ESG data are consolidated under AC Industrials starting 2022.
*** HCX's ESG data are consolidated under Globe starting 2022.

Permanent Employees by Rank

	2020			2021			2022					
	Rank and File	Middle Mgmt	Senior Mgmt	Rank and File	Middle Mgmt	Senior Mgmt	Rank and File		Middle Mgmt		Senior Mgmt	
Ayala Land	4,801*	1,302*	30*	1,316	31	31	4,869	77%	1,459	23%	34	1%
BPI	13,003*	6,723*	225*	6,527	242	242	11,264	62%	6,666	37%	271	1%
Globe	1,835*	5,939*	565*	2,146	596	596	1,321	16%	6,243	77%	585	7%
ACEN	208*	388*	53*	249*	31*	31*	392	55%	259	36%	62	9%
ACEIC+	-	-	-	28	2	2	-	0%	6	55%	5	45%
AC Health	1,570*	302*	51*	492	71	71	2,336	79%	557	19%	76	3%
AC Logistics+	-	-	-	-	-	-	245	39%	373	59%	15	2%
AC Industrials**	1,424*	130*	59*	120*	62*	62*	1,146	87%	119	9%	53	4%
IMI	11,625*	2,217*	519*	1,862	511	511	10,541	81%	1,935	15%	512	4%
iPeople	1,660*	316*	70*	316	69	69	1,414	77%	361	20%	69	4%
AC Ventures	723*	312*	64*	63	28	28	362	83%	54	12%	22	5%
Manila Water	539*	1,507*	178*	1,601*	188*	188*	580	24%	1,660	68%	215	9%
AC Infra	1,254	427	37	445	43	43	848	71%	320	27%	31	3%
AFI	52*	25	3	29	3	3	47	57%	32	39%	3	4%
AffinityX	645*	81*	14*	94	8	8	642	85%	109	14%	8	1%
AC	68*	73*	24*	67	28	28	60	38%	76	48%	21	13%
HCX***	68*	40*	4	24	-	-	-	-	-	-	-	-
TOTAL	39,475*	19,782*	1,896*	15,379*	1,913*	1,913*	36,067	62%	20,229	35%	1,982	3%

Females in Executive and Senior Management+

	2022	
	Executive Mgmt	Senior Mgmt
Ayala Land	6%	38%
BPI	7%	51%
Globe	8%	48%
ACEN	3%	38%
ACEIC+	0%	40%
AC Health	40%	59%
AC Logistics+	0%	0%
AC Industrials**	11%	30%
iPeople	32%	28%
AC Ventures	18%	59%
Manila Water	3%	1%
AC Infra	21%	24%
AFI	80%	80%
AffinityX	0%	0%
AC	0%	10%
TOTAL	11%	38%

Female representation in Executive and Senior Management data did not include IMI's.

Training and Development

Average Training Hours per Employee

	2020	2021	2022
Ayala Land	30.07	30.14	26.93
BPI	120.13	6.22	53.48
Globe	28.78	36.13	51.02
ACEN	15.45*	38.30*	56.40
AC Health	139.75	56.83	13.21
AC Logistics+	-	-	3.17
AC Industrials**	32.67*	53.53*	12.79
IMI	59.24	62.57	63.90
iPeople	67.60	156.52	158.16
AC Ventures	5.65	0.55	-
Manila Water	16.66	19.56	25.01
AC Infra	11.27	28.23	24.22
AFI	34.56	5.27	21.74
AffinityX	27.76	366.19	0.24
AC	14.31	17.36	11.87
HCX***	20.53	22.96	-
TOTAL	69.21*	40.27*	46.67

AC Ventures will report their training hours in 2023

Average Training Hours by Gender+

	2022	
	Male	Female
Ayala Land	29.80	24.42
BPI	51.85	54.03
Globe	51.69	50.19
ACEN	73.53	29.42
AC Health	10.97	14.22
AC Logistics+	2.95	3.45
AC Industrials**	12.93	12.58
IMI	69.34	60.56
iPeople	148.57	166.86
Manila Water	24.87	25.25
AC Infra	32.65	7.99
AFI	21.64	21.82
AC	11.76	11.96
TOTAL	46.89	47.91

Average Training Hours by Rank

	2020			2021			2022		
	Rank and File	Middle Mgmt	Senior Mgmt	Rank and File	Middle Mgmt	Senior Mgmt	Rank and File	Middle Mgmt	Senior Mgmt
Ayala Land	21.11*	27.57*	11.33*	33.32*	21.65*	26.40	26.40	28.93	17.95
BPI	69.67	219.34	71.29	0.64	36.32	45.45	45.45	66.62	51.65
Globe	22.68	31.68	18.08	98.73	22.66	48.85	48.85	51.73	48.38
ACEN	23.02*	11.34*	15.85*	34.12*	46.32*	39.93	53.97	71.44	11.04
AC Health	147.29	72.57	-	38.88	38.99	15.08	15.08	6.13	4.78
AC Logistics+	-	-	-	-	-	3.81	3.81	2.70	4.77
AC Industrials**	34.36*	22.51*	14.14*	20.45*	10.50*	12.94	12.94	11.19	13.16
IMI	64.23	38.54	35.71	35.36	860.40	72.13	72.13	30.36	20.81
iPeople	59.27	107.09	86.14	617.33	17.22	71.69	71.69	468.99	407.34
AC Ventures	1.91	12.96	12.53	-	1.43	-	-	-	-
Manila Water	6.55*	19.91*	19.98*	22.62*	34.99*	21.48	21.48	24.93	33.88
AC Infra	9.74	14.94	24.18	42.24	38.80	21.75	21.75	30.97	19.43
AFI	31.64	35.20	841.83	4.55	33.00	21.19	21.19	22.53	25.00
AffinityX	29.53	16.22	-	7.57	10.50	0.14	0.14	0.67	2.00
AC	13.71	19.54	0.97	19.04	2.39	9.89	9.89	16.56	0.74
HCX***	16.32	23.83	59.50	26.10	-	-	-	-	-
TOTAL	56.21*	95.65*	32.08*	39.58*	249.48*	42.85	43.02	55.80	45.41

+ Data disclosure for this metric or business unit started in 2022. ACEIC's ESG data for 2020-2021 were previously included in ACEN's.
* Restatement due to typographical error, recalculation, or alignment with the business unit's sustainability report.
** AC Motors' ESG data are consolidated under AC Industrials starting 2022.
*** HCX's ESG data are consolidated under Globe starting 2022.

Economic Performance

Economic Value Generated (in Millions Pesos)

	2020	2021	2022
Ayala Land	96,272.70	106,142.61	**126,556.00**
BPI	101,923.00	97,404.78	**118,524.26**
Globe	162,271.53	168,375.06	**196,604.75**
ACEN	9,659.39	75,621.68	**54,378.38**
ACEIC+	-	-	**11,018.93**
AC Health	196.85	128.86	**9,685.85**
AC Logistics+	-	-	**1,288.49**
AC Industrials**	10,471.02	19,772.36	**24,040.54**
IMI	56,890.95	14,020.87	**21,206.85**
iPeople	3,219.68	3,569.05	**4,138.73**
AC Ventures	196.94	3,394.73	**2,267.73**
Manila Water	21,627.20	20,566.54	**22,923.74**
AC Infra	124.05	161.46	**1,784.53**
AffinityX	443.88	486.52	**514.45**
HCX***	218.12	206.43	**-**
TOTAL	**463,515.31**	**509,850.95**	**594,933.22**

Employee Wages and Benefits (in Millions Pesos)

	2020	2021	2022
Ayala Land	6,091.82	3,896.06	**9,085.00**
BPI	17,825.44	18,419.40	**19,391.58**
Globe	15,878.51	18,138.05	**19,246.14**
ACEN	233.24	265.67	**1,185.23**
ACEIC+	-	-	**55.75**
AC Health	118.36	135.32	**1,559.59**
AC Logistics+	-	-	**511.16**
AC Industrials**	681.65	679.58	**675.15**
IMI	10,874.77	2,129.91	**3,323.87**
iPeople	1,256.16	1,238.96	**1,304.47**
AC Ventures	-	270.48	**223.65**
Manila Water	2,267.56	2,484.17	**2,486.64**
AC Infra	96.00	102.87	**990.83**
AffinityX	251.85	265.04	**295.60**
HCX***	136.12	127.27	**-**
TOTAL	**55,711.48**	**48,152.77**	**60,334.67**

Operating Costs (in Millions Pesos)

	2020	2021	2022
Ayala Land	41,921.20	52,055.21	**57,149.00**
BPI	15,355.63	17,115.27	**22,962.27**
Globe	35,419.20	49,074.07	**41,859.56**
ACEN	3,347.99	5,678.20	**35,619.40**
ACEIC+	-	-	**2,242.58**
AC Health	202.62	52.28	**6,696.35**
AC Logistics+	-	-	**1,869.97**
AC Industrials**	13,890.82	18,412.18	**22,338.10**
IMI	45,654.38	11,784.69	**20,527.76**
iPeople	667.18	937.22	**1,287.00**
AC Ventures	1.83	3,264.32	**2,105.12**
Manila Water	5,342.00	10,382.03	**8,054.33**
AC Infra	202.60	92.65	**1,981.44**
AffinityX	33.62	40.20	**36.16**
HCX***	94.21	75.70	**-**
TOTAL	**162,133.29**	**168,964.02**	**224,729.04**

Payments to Providers of Capital (in Millions Pesos)

	2020	2021	2022
Ayala Land	16,752.39	15,101.00	**15,509.00**
BPI	20,211.70	20,058.68	**24,125.55**
Globe	21,744.31	22,688.52	**25,633.24**
ACEN	1,187.92	5,610.10	**33,505.22**
ACEIC+	-	-	**16,670.06**
AC Health	-	33.38	**170.86**
AC Logistics+	-	-	**99.68**
AC Industrials**	463.17	406.59	**280.86**
IMI	841.74	309.28	**220.75**
iPeople	240.00	436.62	**282.89**
AC Ventures	-	-	**-**
Manila Water	2,585.76	4,876.12	**4,100.50**
AC Infra	-	-	**1,546.05**
AffinityX	21.52	25.86	**28.42**
HCX***	(0.24)	0.88	**-**
TOTAL	**64,048.26**	**69,547.02**	**122,173.08**

Payments to Government (in Millions Pesos)

	2020	2021	2022
Ayala Land	9,233.14	8,852.78	**4,768.00**
BPI	21,129.44	17,136.31	**22,829.78**
Globe	6,731.85	6,482.69	**6,389.90**
ACEN	196.44	298.41	**1,720.61**
ACEIC+	-	-	**107.97**
AC Health	39.27	52.90	**358.97**
AC Logistics+	-	-	**233.16**
AC Industrials**	226.21	175.17	**259.95**
IMI	151.54	50.96	**81.32**
iPeople	113.53	11.10	**36.55**
AC Ventures	0.25	60.76	**38.06**
Manila Water	3,595.71	2,811.62	**2,716.13**
AC Infra	5.36	24.48	**74.23**
AffinityX	25.41	27.43	**32.20**
HCX***	2.08	1.97	**-**
TOTAL	**41,450.23**	**35,986.57**	**39,646.84**

Payments to Communities (in Millions Pesos)

	2020	2021	2022
Ayala Land	57.63	38.62	**15.00**
BPI	90.26	330.12	**157.60**
Globe	51.23	47.09	**8.90**
ACEN	4.98	2.93	**103.60**
AC Health	75.51	2.64	**14.76**
AC Logistics+	-	-	**0.44**
IMI	0.24	2.00	**0.13**
iPeople	224.34	146.50	**130.86**
Manila Water	21.32	20.10	**54.70**
AC Infra	0.26	0.25	**0.35**
HCX***	0.10	-	**-**
TOTAL	**525.87**	**590.24**	**486.33**

Group-wide Economic Performance (in Millions Pesos)

	2020	2021	2022
Economic Value Generated	463,515.31	509,850.95	**594,933.22**
Economic Value Distributed	323,869.12	323,240.63	**447,369.97**
Operating Cost	162,133.29	168,964.02	**224,729.04**
Employee Wages and Benefits	55,711.48	48,152.77	**60,334.67**
Payments to Providers of Capital	64,048.25	69,547.02	**122,173.08**
Payments to Government	41,450.23	35,986.57	**39,646.84**
Payments to Communities	525.87	590.24	**486.33**
Economic Value Retained	139,646.19	186,610.32	**147,563.25**

Parent Company Economic Performance (in Millions Pesos)

	2020	2021	2022
Economic Value Generated	216,566.03	252,732.12	**305,568.85**
Economic Value Distributed	255,829.89	275,551.65	**347,074.37**
Operating Cost	134,482.48	165,909.36	**203,665.93**
Employee Wages and Benefits	26,096.09	25,861.08	**26,993.34**
Payments to Providers of Capital	32,355.78	32,638.00	**48,794.17**
Payments to Government	62,060.54	50,424.71	**67,144.46**
Payments to Communities	835.00	718.50	**476.46**
Economic Value Retained	(39,263.86)	(22,819.53)	**(41,505.52)**

+ Data disclosure for this metric or business unit started in 2022. ACEIC's ESG data for 2020-2021 were previously included in ACEN's.
* Restatement due to typographical error, recalculation, or alignment with the business unit's sustainability report.
** AC Motors' ESG data are consolidated under AC Industrials starting 2022.
*** HCX's ESG data are consolidated under Globe starting 2022.

Ayala Corporation Board of Directors' Profiles

Jaime Augusto Zobel de Ayala

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Director of Ayala Corporation since May 1987

He is the Chairman of Ayala Corporation since April 2006. He was the Chief Executive Officer from 2006 to April 2021. He is also the Chairman of the other publicly listed companies of the Ayala Group, namely Globe Telecom, Inc., Ayala Land, Inc. and Bank of the Philippine Islands. He is the Chairman of AC Industrial Technology Holdings, Inc., AC Infrastructure Holdings Corporation, AC Energy and Infrastructure Corporation (formerly AC Energy, Inc.), Ayala Healthcare Holdings, Inc. and Asiacom Philippines, Inc.; Co-Chairman of Ayala Foundation, Inc.; Director of AC Ventures Holding Corp., Alabang Commercial Corporation, Light Rail Manila Holdings, Inc. and AG Holdings Ltd. Outside the Ayala Group, he is a Director of Temasek Holdings (Private) Limited and a member of various business and socio-civic organizations in the Philippines and abroad, including the JP Morgan International Council, JP Morgan Asia Pacific Council, and Mitsubishi Corporation International Advisory Council. He is a member of the Board of Governors of the Asian Institute of Management, the Advisory Board of Asia Global Institute (University of Hong Kong) and of various advisory boards of Harvard University, including the Global Advisory Council, Asia Center Advisory Committee, HBS Board of Dean's Advisors, and HBS Asia Advisory Committee. He sits on the Board of Singapore Management University (SMU) and is a Chairman of SMU International Advisory Council in the Philippines. He is a member of the Asia Business Council, Asean Business Club Advisory Council, Leapfrog Investment Global Leadership Council, The Council for Inclusive Capitalism, and Word Wildlife Philippines National Advisory Council. He is Co-Vice Chairman of the Makati Business Club, Chairman of Endeavor Philippines, and Trustee Emeritus of Eisenhower Fellowships. He was awarded the Presidential Medal of Merit in 2009, the Philippine Legion of Honor with rank of Grand Commander in 2010, and the Order of Mabini with rank of Commander in 2015 by the President of the Philippines in recognition of his outstanding public service. In 2017, he was recognized as a United Nations Sustainable Development Goals Pioneer by the UN Global Compact for his work in sustainable business strategy and operations. The firstr ecipient of the award from the Philippines, he was one of 10 individuals recognized for championing sustainability and the pursuit of the 17 SDGs in business. He graduated with BA in Economics (Cum Laude) from Harvard College in 1981 and obtained an MBA from the Harvard Graduate School of Business in1987.

Cezar P. Consing

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President and Chief Executive Officer of Ayala Corporation effective September 27, 2022

Director since December 3, 2020

He has been a member of the Ayala Group Management Committee since April 2013. He also holds the following positions in other publicly listed companies of the Ayala Group: Co-Vice Chairman of Globe Telecom, Inc,; and Vice Chairman of Bank of the Philippine Islands (BPI), and ACEN Corporation. He is the Chairman of Philippine Dealing System Holdings and its three operating subsidiaries. He is also a Director of the Singapore-listed Yoma Strategic Holdings Ltd., and the Myanmar-listed First Myanmar Investment Public Company Limited. Concurrently, he is the Vice Chairman of AC Infrastructure Holdings Corporation, AC Industrial Technology Holdings, Inc., AC Energy and Infrastructure Corporation, and Ayala Healthcare Holdings, Inc., and a Director in Asiacom Philippines, Inc. Mr. Consing was a Senior Managing Director of Ayala Corporation and President and CEO of BPI from 2013 to 2021. In the latter capacity, he served as the chairman of BPI's thrift bank, investment bank, UK-registered bank, microfinance bank, property and casualty insurance joint venture and leasing and rental joint venture and board director of its asset management company and its life insurance joint venture. He is currently a member of BPI's executive committee of the board and is a board director of its investment bank, microfinance bank and asset management company. He served as the Chairman and President of the Bankers Association of the Philippines and was the President of Bancnet, Inc. He was a Partner at the Rohatyn Group from 2004 to 2013 and headed its Hong Kong office and its private investing business in Asia and was a board director of its real estate and energy and infrastructure private equity investing subsidiaries. He worked for J. P. Morgan & Co. in Hong Kong and Singapore from 1985 to 2004 and headed the firm's investment banking business in Asia Pacific from 1997 to 2004 and served as President of J. P. Morgan Securities (Asia Pacific) Ltd. As a Senior Managing Director. Mr. Consing was a member of the firm's Global Investment Banking Management Committee, its Asia Pacific Management Committee, and its Global Managing Director Selection Committee. He worked for BPI from 1981 to 1985, as a Management Trainee and eventually as Assistant Vice President. He has served as an independent board director of four publicly listed companies in Asia: 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), where he also served as Chairman (2018 to 2019). He currently serves on the board of FILGIFTS.com. He has also served on the boards of SQREEM Technologies, Endeavor Philippines and the Hongkong based Asian Youth Orchestra. He is a board director of the US-Philippines Society and the Philippine-American Educational Foundation, and a board trustee of the Manila Golf Club Foundation. He is a member of the National Mission Council of De La Salle Philippines and a board trustee of College of St. Benilde and La Salle Greenhills. Mr. Consing has been a member of the Trilateral Commission since 2014. Mr. Consing received an A.B. Economics degree (Accelerated Program), magna cum laude, from De La Salle University in 1979. He obtained an M.A. in Applied Economics from the University of Michigan in 1980.

Delfin L. Lazaro

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Director of Ayala Corporation since January 2007

He holds the following positions in publicly listed companies: Chairman of Integrated Micro-Electronics, Inc. and ACEN Corporation; and Director of Globe Telecom, Inc. His other significant positions include: Chairman of Atlas Fertilizer & Chemicals Inc., Chairman and President of A.C.S.T. Business Holdings, Inc. and AYC Holdings Ltd.; Co-Vice Chairman and President of Asiacom Philippines, Inc.; Director of AC Energy and Infrastructure Corporation, AC Industrial Technology Holdings, Inc., AC International Finance, Ltd., Purefoods International Limited and Probe Productions, Inc. He is an Independent Adviser to the Board of Directors of Ayala Land, Inc. and a member of the BPI Advisory Council. He graduated with BS Metallurgical Engineering at the University of the Philippines in 1967 and took his MBA (with Distinction) at Harvard Graduate School of Business in 1971.

Mercedita S. Nolledo

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Director of Ayala Corporation since September 27, 2022

She is a member of the Board of Trustees of Ayala Foundation, Inc., BPI Foundation, Inc., and the BPI Advisory Council. She is an independent advisor to the Board of Directors of Ayala Land, Inc. She likewise served as the Chairman of the BPI's Retirement & Pension Committee and a member of the Corporate Governance Committee. Mrs. Nolledo is a Non-Executive Director of Xurpas, Inc. and an Independent Director of D&L Industries, Inc., both PSE-listed companies. She serves as Chairman and President of Michigan Holdings, Inc., Director of Anvaya Cove Beach and Nature Club, Inc. and Vice President of Sonoma Properties, Inc. Ms. Nolledo graduated with the degree of Bachelor of Science in Business Administration major in Accounting (magna cum laude) from the University of the Philippines in 1960 and placed second at the Certified Public Accountant Licensure Board Examination administered in the same year. In 1965, she obtained her Bachelor of Laws degree (cum laude) also from the University of the Philippines where she also placed second at the Bar Examination held in the same year.

Rizalina G. Mantaring

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Independent Director of Ayala Corporation since April 24, 2020

She is a Director of Sun Life Grepa Financial, Inc. and an Independent Director of Ayala Land, Inc., First Philippine Holdings Corp. Inc., PHINMA Corp. Inc., Universal Robina Corp. Inc., GoTYME Bank Inc., Maxicare Healthcare Corporation, Inc., and East Asia Computer Center Inc. She is also a member of the Boards of Trustees of the Makati Business Club and Philippine Business for Education. She was Chief Executive Officer and Country Head of Sun Life Financial Philippines, the country's leading insurer, prior to which she was Chief Operations Officer, Sun Life Financial Asia, responsible for IT & Operations across Asia. She was a recipient of the Asia Talent Management Award in the Asia Business Leaders Awards organized by the global business news network CNBC. She was selected as one of the 100 Most Outstanding Alumni of the past century by the University of the Philippines College of Engineering, and was 2019 PAX awardee of St. Scholastica's College Manila, the highest award given by the school to outstanding alumni. She holds a BS Electrical Engineering degree, cum laude, from the University of the Philippines and an MS Computer Science from the State University of New York at Albany. .

Cesar V. Purisima

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Independent Director of Ayala Corporation since April 29, 2022

He is an Independent Director of other publicly listed companies such as Ayala Land, Inc. Universal Robina Corporation, Jollibee Foods Corporation, Bank of the Philippine Islands . He is an Asia Fellow of Milken Institute, a global non-profit, non-partisan think tank. He is a founding partner at IKHLAS Capital, a pan-ASEAN private equity platform. He currently serves on the boards of the AIA Group, World Wildlife Fund-Philippines, De La Salle University, BPI Capital Corporation, International School of Manila and member of the board of advisors of ABS-CBN. He is a member of Sumitomo Mitsui Banking Corporation's Global Advisory Council and Singapore Management University's International Advisory Council in the Philippines. From 2010 to 2016, Purisima was the Secretary of Finance of the Philippines and the Chair of Economic Development Cluster of the President's Cabinet. He briefly served as Finance Secretary in 2005 and Trade and Industry Secretary from 2004 to 2005. Additionally, he was a member of the Monetary Board of the Philippines Central Bank, and the Governor for the Philippines at the Asian Development Bank and the World Bank. He served as Alternate Governor for the Philippines at the International Monetary Fund. Under his leadership, the Philippines received its first investment-grade ratings. He was named Finance Minister of the Year seven times in six consecutive years by a number of publications, a first for the Philippines. Prior to his stints in the government service, he was the Chairman & Country Managing Partner of the Philippines' largest professional services firm SGV & Co., and was a member of the Global Executive Board and Global Practice Council of Ernst & Young. Purisima obtained his Bachelor of Science degree in Commerce Major in Accounting and Financial Institutions from De La Salle University in 1979. He earned his Master of Business Administration degree from Kellogg School of Management, Northwestern University, Illinois in 1983. He was conferred a 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. In 2016, Purisima was awarded the Order of Lakandula with the rank of Grand Cross (Bayani) for his contributions to the Philippine economy. The Order of Lakandula is one of the highest civilian honors conferred by the President of the Republic of the Philippines and the Chevalier de l'Ordre national du Merite (Knight of the National Order of Merit) by the President of the French Republic in 2001.

Chua Sock Koong

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Independent Director of the Company since April 29, 2022

She is Senior Advisor at Singapore Telecommunications Limited, Asia's leading communications technology group, having served as its Group Chief Executive Officer for 13 years until 31 December 2020. She sits on the boards of Bharti Airtel Limited, Bharti Telecom Limited, the Defence Science and Technology Agency and Cap Vista Pte Ltd. She is also a Director of Prudential plc and Member of the Supervisory Board of Royal Philips. She is Deputy Chairman of the Public Service Commission and a member of the Council of Presidential Advisers and the Research, Innovation and Enterprise Council. She was conferred the Medal of Commendation (Gold) at NTUC May Day Awards 2016 and the Public Service Star (BBM) at Singapore's 2019 National Day Awards. She holds a Bachelor of Accountancy (First Class Honours) from the University of Singapore. She is a Fellow Member of the Institute of Singapore Chartered Accountants and a CFA charter holder.

Ayala Group Management Committee Members Profiles

Jose Rene Gregory D. Almendras

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Senior Managing Director

- → Member of the Ayala Corporation Management Committee and the Ayala Group Management Committee since August 2016
- → Public Affairs Group Head and President and Chief Executive Officer of AC Logistics Holdings Corporation and AC Infrastructure Holdings Corporation

Academic/Professional Qualifications

- → BS in Business Management from the Ateneo de Manila University in 1981
- → Strategic Business Economics Program from University of Asia & the Pacific in 1999
- → Former President of Manila Water Company, Inc.
- → Former Officer in Ayala Land, Inc.
- → President and Chief Executive Officer of Manila Water Company, Inc. from September 2019 - June 2021
- → Secretary of Foreign Affairs for the Republic of the Philippines from March-June 2016
- → Cabinet Secretary under the Office of the President from November 2012 - March 2016
- → Secretary of the Department of Energy from 2010-2012
- → Former CEO and President of City Savings Bank of the Aboitiz Group at the age of 37
- → Spent 13 years with the Citibank group where he started as a management trainee

Other Present Directorship(s)/Position(s)

- → Director and member of the Executive Committee of Manila Water Company, Inc.
- → Chairman of AA Infrastructure Projects Corporation, Entrego Fulfillment Solutions, Inc., MCX Project Company, Inc. and MCX Tollway, Inc.
- → Vice Chairman, Chief Executive Officer and President of Air21 Holdings, Inc.
- → Vice-Chairman of Airfreight 2100, Inc. and Cargohaus, Inc.
- → Director of AC Energy and Infrastructure Corporation, AF Payments Inc. and Light Rail Manila Holdings
- → Executive Vice President of Asiacom Philippines, Inc.

Alberto M. De Larrazabal

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Senior Managing Director

- → Member of the Ayala Corporation Management Committee and Ayala Group Management Committee since April 2021
- → Chief Finance Officer, Chief Risk Officer, Chief Sustainability Officer and Finance Group Head

Academic/Professional Qualifications

- → BS in Industrial Management Engineering from De La Salle University
- → Vice President and CFO of Marsman Drysdale Corp., Vice President and Head of Consumer Sector of JP Morgan, Hong Kong, and Senior Vice President and CFO of San Miguel Corporation
- → Over two decades of extensive experience as a senior executive in Finance, Business Development, Treasury Operations, Joint Ventures, Mergers and Acquisitions, Investment Banking and Investor Relations
- → Chief Finance Officer and Chief Commercial Officer of Globe Telecom, Inc.

Other Present Directorship(s)/Position(s)

- → Director of Integrated Micro-Electronics, Inc., ENEX Energy Corp., Manila Water Company, Inc., AC Infrastructure Holdings Corporation, AC Energy and Infrastructure Corporation, Ayala Healthcare Holdings, Inc., AC Energy International, Inc., AC Industrial Technology Holdings, Inc., Ayala Hotels, Inc., Affinity Express Holdings Limited, Ayala Aviation Corporation, Asiacom Philippines, Inc., Ayala Group Legal, Michigan Holdings, Inc., A.C.S.T Business Holdings, Inc., Merlin Solar Technologies, Inc., Pioneer Adhesives, Inc., BF Jade E-Services Philippines, Inc., Cartera Interchange Corporation, AC International Finance Limited, AYC Holdings Limited, AG Holdings Limited, Fine State Group Limited, AG Region Pte. Ltd., Ayala International Holdings Limited, Ayala International Pte. Ltd., Strong Group Limited, Total Jade Group Limited, VIP Infrastructure Holdings Pte. Ltd., Purefoods International Limited and AI North America, Inc.
- → Chairman, President and CEO of AC Ventures Holdings Corp., Chairman of Darong Agricultural and Development Corporation and LiveIt Investments Limited and Vice Chairman of Lagdigan Land Corporation
- → President and CEO of AYC Finance Limited and Bestfull Holdings Limited, CEO of Azalea International Venture Partners Limited and President of Liontide Holdings, Inc. and Philwater Holdings Company, Inc.

John Eric T. Francia

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Senior Managing Director

- → Member of the Ayala Corporation Management Committee and the Ayala Group Management Committee since January 2009
- → President and Chief Executive Officer of ACEN Corporation and Chairman of ENEX Energy Corp.

Academic/Professional Qualifications

- → BA in Humanities and Political Economy (magna cum laude) from the University of Asia & the Pacific in 1993
- → Master's Degree in Management Studies (first class honors) at the University of Cambridge in the United Kingdom in 1995
- → Former Corporate Strategy and Development Group Head of Ayala Corporation
- → Former Senior Consultant and member of the Management Team of Monitor Group, a strategy consulting firm based in Cambridge, Massachusetts, USA

Other Present Directorship(s)/Position(s)

- → President of AC Energy and Infrastructure Corporation
- → Director of AC Infrastructure Holdings Corporation, Ayala Healthcare Holdings, Inc., AC Ventures Holding Corp., AC Logistics Holdings Corporation, Air21 Holdings, Inc., Philwater Holdings, Inc., Michigan Holdings, Inc., Ayala Aviation Corporation and Purefoods International Limited

Solomon M. Hermosura

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Senior Managing Director

- → Member of the Ayala Corporation Management Committee since 2009 and the Ayala Group Management Committee since 2010
- → Chief Legal Officer, Corporate Secretary, Chief Compliance Officer, Data Protection Officer and Corporate Governance Group Head

Academic/Professional Qualifications

- → AB in Political Science (with distinction) from Adamson University
- → Bachelor of Laws (Valedictorian and top three in the 1986 Bar Examination) from San Beda College in 1986
- → Professor of Commercial and Civil Laws at San Beda University

Other Present Directorship(s)/Position(s)

- → Chief Executive Officer of Ayala Group Legal
- → Corporate Secretary and Group General Counsel of Ayala Land, Inc.
- → Corporate Secretary of Globe Telecom, Inc., Integrated Micro-Electronics, Inc., ACEN Corporation, AREIT, Inc. and Ayala Foundation, Inc.
- → Corporate Secretary and Director of various Ayala companies

Arthur R. Tan

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Senior Managing Director

- → Member of the Ayala Group Management Committee since 2002
- → Group President and Chief Executive Officer of AC Industrial Technology Holdings, Inc., and Vice Chairman and Chief Executive Officer of Integrated Micro-Electronics, Inc.

Academic/Professional Qualifications

- → BS in Electronics Communications Engineering from Mapua Institute of Technology in 1982
- → Post-graduate programs at the University of Idaho, Singapore Institute of Management, IMD Business School for Management and Leadership and Harvard Business School
- → President of Integrated Micro-Electronics, Inc. from July 2001 - June 2016
- → Managing Director for Asia Pacific Region/Japan of American Microsystems Inc. from 1998-2001
- → Northeast Area Sales Manager and Acting Design Center Manager of American Microsystems Inc., Massachusetts, USA from 1994-1998

Other Present Directorship(s)/Position(s)

- → Chairman of the Board and Chief Executive Officer of Merlin Solar Technologies (Phils.) Inc., AC Motors, American Motorcycles, Inc. and Skyeye Analytics, Inc.
- → Chairman of the Board of PSi Technologies, Inc.
- → President and Chief Executive Officer of Speedy-Tech Electronics Ltd.
- → Director of Surface Technology International, Ltd.
- → Member of the Board of Advisors of Via Optronics and Chairman of the Advisory Board of MT-CCON Technologies
- → Independent Board Member of SSI Group, Inc., Lyceum of the Philippines University and East Asia Computer Center/FEU Institute of Technology

Alfredo I. Ayala

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Managing Director

- → Member of the Ayala Group Management Committee since June 2006
- → President and Chief Executive Officer of LiveIt Investments Limited and President and Chief Operating Officer of iPeople, Inc.

Academic/Professional Qualifications

- → BA in Development Studies (honors) and Economics from Brown University in 1982
- → MBA from Harvard Graduate School of Business Administration in 1987

Other Present Directorship(s)/Position(s)

- → Director of Affinity Express Holdings, Ltd., Azalea International Venture Partners Limited, Malayan Education System Inc. (operating under the name Mapua University), Malayan Colleges Laguna, Malayan Colleges Mindanao and Malayan High School of Science
- → Chairman and President of AC College of Enterprise and Technology, Inc., National Teachers College and LINC Institute
- → Chairman of Affordable Private Education Center, Inc., Newbridge International Investments Limited and University of Nueva Caceres
- → Vice Chairman and Vice President of Affinity Express Philippines, Inc.
- → Trustee of Ayala Foundation, Inc. and Philippine Business for Education
- → Director of Nationwide Development Corporation and Hybrid Social Solutions
- → Member of Philippine Business for Education's National Industry Academe Council and Brown University's Center for Human Rights and Humanitarian Studies' Global Advisory Board

Paolo Maximo F. Borromeo

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Managing Director

- → Member of Ayala Group Management Committee since September 2014
- → President and Chief Executive Officer of Ayala Healthcare Holdings, Inc.

Academic/Professional Qualifications

- → BS in Management Engineering from the Ateneo de Manila University
- → MBA (with honors) from the Wharton School at the University of Pennsylvania
- → Former Principal at Booz & Company, a global strategy consulting firm based in San Francisco, California, USA
- → Previously Group Head of Corporate Strategy and Development and member of the Ayala Corporation Management Committee

Other Present Directorship(s)/Position(s)

- → Chairman of Healthway Philippines, Inc., QualiMed Hospital Group, I.E. Medica, Inc. and Medethix, Inc.
- → Vice Chairman of the Generika Group of Companies

→ Director of AC Ventures Holding Corp., AC Industrial Technology Holdings Inc., Ayala International Holdings Pte Limited, AG Holdings Ltd. (HK), Bestfull Holdings Limited, AC Logistics Holdings Corporation, Global Telehealth, Inc. and Healthnow, Inc.

→ Director of Yoma Strategic Holdings, the Singapore-listed holding company of the Yoma Group of Myanmar.

Ruel T. Maranan

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Managing Director

→ President of Ayala Foundation, Inc.

Academic/Professional Qualifications

→ AB Social Sciences from the Ateneo de Manila University

→ Bachelor of Laws from the University of Santo Tomas

→ Leadership Management Program from Harvard University

→ Group Director of Manila Water Company, Inc.'s Corporate Human Resources Group from 2004 to 2014

Other Present Directorship(s)/Position(s)

→ Vice Chairman of Ayala Multi-Purpose Cooperative

→ Member of the Board of Asticom Technology, Inc., Asti Business Services, Inc., and People's Management of the Philippines Foundation

→ Chairman of the Board of Fiber Infrastructure Networking Services, Inc.

→ Member of the Board of Advisers of Natasha Goulbourn Foundation

→ Member of the Board of Representatives of UP-CIFAL Philippines

Francisco Romero Milan

[1] 40

Managing Director

→ Corporate Resources Group Head and Chief Human Resource Officer of the Corporation since March 1, 2023

Academic/Professional Qualifications

→ Master in Human Resources Management (Licenciado en Ciencias del Trabajo) from the University of Almeria in 2006; recipient of the National Extraordinary Prize and the University Best Student Prize

→ Former Vice President, member of the Management Committee and Chief Human Resources Officer of Integrated-Micro Electronics, Inc.

→ Former Group Head of Human Resources and Sustainability of AC Industrial Technology Holdings, Inc.

→ Various leadership roles in A.P. Moller-Maersk, a global shipping and energy conglomerate in Copenhagen, Denmark

Other Present Directorship(s)/Position(s)

→ Partner, Member of the Board and Strategic Advisor of Penbrothers International, a Philippines-based talent management partner for startups and SMEs from all over the world

→ Member of the Board of Trustees and Thought Partner of Teach for the Philippines

Ernest Lawrence L. Cu

62

→ Member of the Ayala Group Management Committee since January 2009

→ President and Chief Executive Officer of Globe Telecom, Inc

Academic/Professional Qualifications

→ BS in Industrial Management Engineering from De La Salle University in 1982

→ MBA at the JL Kellogg Graduate School of Management at Northwestern University in 1984

→ President and CEO of SPI Technologies, Inc. from 1997-2008

→ Director of LivePerson, Inc. from April 2021 – January 2023

Other Present Directorship(s)/Position(s)

→ Trustee of Ayala Foundation, Inc. and Hero Foundation, Inc.

→ Chairman of 917Ventures Inc., Adspark Holdings, Inc., Globe Capital Venture Holdings, Inc., Globe Fintech Innovations, Inc. and Techglobal Data Center, Inc.

→ Director of AF Payments, Inc., Asiacom Philippines Inc., Bayan Telecommunications, Inc., Bridge Mobile Alliance, CaelumPacific Corp., GTI Business Holdings Inc., Innove Communications Inc., Kickstart Ventures, Inc., Prople BPO Inc., Concetti Globali Inc, and EDC Ventures Corporation

[1] By naturalization, subject to probationary period of two-years from promulgation of RTC Decision.

Bernard Vincent O. Dy

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→ Member of the Ayala Group Management Committee since April 2014

→ President and Chief Executive Officer of Ayala Land, Inc.

Academic/Professional Qualifications

→ Bachelor's Degree in Business Administration from the University of Notre Dame in 1985

→ MBA in 1989 and Masters in International Relations in 1997, from the University of Chicago

Other Present Directorship(s)/Position(s)

→ Chairman of AyalaLand Logistics Holdings Corp. and Director of AREIT, Inc., and MCT Bhd of Malaysia

→ Chairman of Alviera Country Club, Inc., Alveo Land Corporation, Altaraza Development Corporation, Amaia Land Corporation, Amicassa Process Solutions, Inc., Avencosouth Corp., Aviana Development Corp., Ayagold Retailers, Inc., Ayala Property Management Corporation, Ayalaland-Tagle Properties, Inc., Bellavita Land Corporation, BGNorth Properties, Inc., BGSouth Properties, Inc., BGWest Properties, Inc., Cagayan De Oro Gateway Corp., Makati Development Corporation, Portico Land Corporation, Station Square East Commercial Corporation, and Vesta Property Holdings, Inc.

→ Vice Chairman of Aurora Properties Incorporated, Ayala Land Premier, Inc., Ceci Realty Inc., and Ayala Greenfield Development Corporation

→ Director of Accendo Commercial Corp., AKL Properties, Inc., ALI Eton Property Development Corporation, Avida Land Corp., AyalaLand Medical Facilities Leasing, Inc., Nuevocentro, Inc., Philippine Integrated Energy Solutions, Inc., Serendra, Inc., and Whiteknight Holdings, Inc.

→ President and CEO of Berkshires Holdings, Inc., Bonifacio Land Corporation, Columbus Holdings, Inc., Emerging City Holdings, Inc., and Fort Bonifacio Development Corporation

→ President of Alabang Commercial Corporation, Bonifacio Art Foundation, Inc., and Hero Foundation Inc.

→ Trustee of Ayala Foundation, Inc. and Ayala Group Club, Inc.

→ Advisor of Alveo-Federal Land Communities, Inc.

→ Director of the Junior Golf Foundation of the Philippines since 2010 and Vice Chairman since 2017

Jose Teodoro K. Limcaoco

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→ Member of the Ayala Group Management Committee since April 2015

→ President and Chief Executive Officer of Bank of the Philippine Islands

Academic/Professional Qualifications

→ BS Mathematical Sciences,Honors Program, from Stanford University in 1984

→ MBA in Finance and Investment Management from the Wharton School of the University of Pennsylvania in 1988

→ Chief Finance Officer, Chief Risk Officer and Finance Group Head of Ayala Corporation from 2015-2021

→ Chief Sustainability Officer of Ayala Corporation from 2016-2021

→ Former President of BPI Family Savings Bank, and BPI Capital Corporation, Officer-in-Charge for Ayala Life Assurance, Inc. and Ayala Plans, Inc., Trustee and Treasurer of Ayala Foundation, Inc., President of myAyala.com, CFO of Azalea Technology Investments, Inc., Chairman of AC Energy International, Inc. and President and CEO of AC Ventures Holding Corp and Director of various Ayala companies

→ President of the Chamber of Thrift Banks from 2013 – 2015

→ Various management positions with JP Morgan & Co. and with BZW Asia

Other Present Directorship(s)/Position(s)

→ Chairman of BPI Asset Management & Trust Corp, Bank of the Philippine Islands (Europe) Plc., BPI Capital Corporation, BPI/MS Insurance Corporation, and BPI AIA Life Assurance Corporation

→ Vice Chairman of BPI Century Tokyo Lease & Finance Corp. and BPI Century Tokyo Rental Corp.

→ Vice Chairman and President of the Bank of the Philippine Islands Foundation, Inc.

→ Director of Just For Kids, Inc.

→ Member of Management Association of the Philippines, Financial Executives Institute of the Philippines and Rotary Club of Makati West

Senior Leadership

All positions as of December 31, 2022

Senior Managing Directors

Jose Rene Gregory Almendras
Alberto De Larrazabal
John Eric Francia
Solomon Hermosura
Arthur Tan

Managing Directors

Alfredo Antonio Ayala
Emmanuel Aligada
Paolo Maximo Borromeo
Ma. Cecilia Cruzabra
Noel Eli Kintanar
Ruel Maranan
Ginaflor Oris

Executive Directors

Josette Adrienne Abarca
Fatima Agbayani
Catherine Ang
Robert Michael Baffrey
Estelito Biacora
Josephine De Asis
Emily De Lara
Rosallie Dimaano
Felipe Antonio Estrella III
Gabino Ramon Mejia
Jenara Rosanna Ong
Alfonso Javier Reyes
Vivian Santamaria
Ma. Victoria Tan
Norma Torres

Associate Directors

Janet Bautista
Gabriel Blaza
Pauline Clarisse Feria-Darre
Victoria Frejas
Sherry Gosiengfiao
Susana Beatriz Latay
Sylvia Felisa Maghirang
Theodore Ivan Paris
Rafael Jaime Recio
Gabriel Villaluz
Mariana Beatriz Zobel de Ayala

Consultants

Gerardo Ablaza
Yla Patricia Alcantara
Emmanuel Bautista
Catherine Bengzon
Joseph Anton Bengzon
Delfin Lazaro
Guillermo Luz
Simon Mossesgeld
Francisco Romero Milan*
Jaime Villegas

* Managing Director effective March 2023

DNV

Independent Assurance Statement

Introduction

DNV Business Assurance Singapore Pte. Ltd. ('DNV') has been commissioned by the management of Ayala Corporation ('Ayala Corp', or 'the Company', Securities and Exchange Commission Identification Number: 34218) to undertake an independent assurance of the sustainability / non-financial disclosures in Ayala Corp 's 2022 Integrated Report ('the Report') in its printed format for the year ended 31 December 2022. The intended users of this Assurance Statement are the management of the Company. We performed a limited level of assurance using DNV's assurance methodology VeriSustain™[1], which is based on our professional experience, international assurance best practice including International Standard on Assurance Engagements (ISAE) 3000 Revised*, along with the Global Reporting Initiative's ('GRI's') Principles for Defining Report Content and Report Quality and the Sustainability Accounting Standards Board's ('SASB's') industry-specific Standards. The verification engagement was carried out from December 2022 to April 2023.

Scope and Boundary of Assurance

The scope of assurance included a review of sustainability related disclosures and performance data from Ayala Corp's operations in the Philippines. Our assurance engagement included limited level of verification of sustainability performance disclosures for the identified material topics of Ayala Corp as detailed under the section 'Materiality' in the Report i.e., covering entities over which Ayala Corp has operational control or has seconded employees in operations. Our verification applies a ±5% uncertainty threshold towards errors and omissions for the performance data brought out in the Report.

Responsibilities of the Management of Ayala Corp and of the Assurance Provider

The Company's management has sole responsibility for the integrity of the Report and this responsibility includes designing, implementing, and maintaining internal controls over collection, analysis, aggregation and preparation of data, fair presentation of the information, ensuring that data is free from material misstatement and maintaining the integrity of their website under digital domain. The Board has complete oversight and is responsible for the Company's sustainability reporting. Ayala Corp has stated that the report is a harmonization of various frameworks and standards using as references the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) Standards. The International Integrated Reporting <IR> Framework guides Ayala's value creation story and connects its financial and non-financial aspects.

In performing our assurance work, DNV's responsibility is solely towards the Management of Ayala Corp in accordance with terms of reference agreed, however this assurance statement represents our independent opinion and is intended to inform the outcome of the assurance to the Company's stakeholders. DNV's responsibility is to form an independent conclusion. In doing so, we carried out the sampling procedures required for the evidence for a limited level of assurance based on VeriSustain i.e., DNV is responsible for planning and performing the engagement to obtain assurance about whether the selected information is free from material misstatement and meets the disclosure requirements.

1 The VeriSustain protocol is available on www.dnv.com
* Assurance Engagements other than Audits or Reviews of Historical Financial Information.

Subject matter assured

Material Topics	GRI Standards	SASB Standards
GHG Emissions	GRI 305-1 GRI 305-2 GRI 305-3	IF-EU- 110a.1 TR-AF-110a.1 TR-RA-110a.1
Energy Management	GRI 302-1	CG-MR-130a.1 HC-DR-130a.1 HC-DY-130a.1 IF-WU-130a.1 RT-EE-130a.1 TC-SI-130a.1 TC-TL-130a.1 TR-RA-110a.3 IF-RE-130a.2 TR-AF-110a.3
Water Management	GRI 303-3 GRI 303-4 GRI 303-5	IF-EU-140a.1 TC-ES-140a.1 TC-SI-130a.2 IF-WU-440a.1
Waste and Hazardous Materials Management	GRI 306-3 GRI 306-4 GRI 306-5	HC-DY-150a.1 HC-DY-150a.2 IF-EU-150a.1 RT-EE-130a.1 TC-ES-150a.1 TC-ES-410a.1 TC-TL-440a.1
Employee Engagement and Mental Health	GRI 2-7 GRI 2-8 GRI 401-1 GRI 401-3	RT-EE-000.B TC-ES-000.C TR-AF-000.C TR-RA-000.E
Training and Development	GRI 404-1	
Diversity, Equity, and Inclusion	GRI 405-1	CG-MR 330a.1 TC-SI-330a.3
Occupational Health and Safety	GRI 403-9 GRI 403-10	

Basis of our Opinion

We planned and performed our work to obtain the evidence considered necessary to provide a basis for our assurance opinion as part of the assurance engagement. We adopted a risk-based approach, i.e., we concentrated our verification efforts on the issues of high material relevance to Ayala Corp and its key stakeholders. We performed hybrid audit that included, desktop review of non-financial disclosures related to the Head Office at Makati City, and selected operating companies of Ayala Corporation (AC Health, AC Infra and AC Logistics) in the Philippines, based on DNV's sampling plan. We undertook the following activities:

→ Review of the non–financial sustainability-related disclosures in this Report;

→ Review of approaches to materiality determination and review of outcomes of stakeholder engagement; DNV

→ did not have any direct engagement with external stakeholders;

→ Review of information provided to us by the Company on its reporting and management processes related to sustainability performance for the reporting year based on the framework adopted by Ayala Corp;

→ Interviews with select members of leadership team, and senior managers responsible for management of sustainability issues and review of selected evidence to support generic disclosures. We were free to choose interviewees and interviewed those with overall responsibility for the programmes to deliver the targets for medium- and long-term vision, mission and milestones;

→ Performed desk review of selected sustainability parameters for sampled entities, and discussed findings and resolved with the Corporate Sustainability Team;

→ Carried out on-site assessment on their head office and remote assessment on selected operating companies to review the processes and systems for preparing site level sustainability data and implementation of sustainability strategy. We were free to choose the sites for assessment or verification;

→ Review of supporting evidence for key claims and data disclosed in the Report. Our verification processes were prioritized based on risk-based approach, i.e., relevance of identified material topics and sustainability context of the business;

→ Review of the processes for gathering and consolidating the performance data and, for a sample, checking the data consolidation at site and corporate levels.

Opinion and Observations

On the basis of the assurance engagement undertaken, nothing has come to our attention to suggest that Ayala Corp's 2022 Integrated Report does not properly describe the non-financial performance of identified material topics based on the Guiding Principles and Content Elements of the <IR> Framework. Without affecting our assurance opinion, we also provide the following observations against the principles of VeriSustain:

Stakeholder Inclusiveness

The participation of stakeholders in developing and achieving an accountable and strategic response to Sustainability.

The Report has brought out key stakeholders (e.g. Investors, Shareholders, Government Agencies, Regulators, Employees, Bank Counterparties, Creditors, Insurers, Business Partners, Affiliates, Suppliers, Media, Communities, Industry Associations, Customers, Nature, etc.) under the section "Key Relationships" of the report whom Ayala Corp has engaged with, to enhance their sustainability performance. The Report also describes the engagement modes such as in-person meetings/debriefs, online engagements, dialogues, roadshows, memberships, and other initiatives involving, and/or collaborating with each stakeholder group to identify the key concerns that are pertinent to them and subsequently address it through relevant disclosures in the report.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Stakeholder Inclusiveness.

Materiality

The process of determining the issues that are most relevant to an organization and its stakeholders.

The Report outlines Ayala Corp's process for identification of the company's material matters through stakeholder engagements and megatrends analysis (the climate crisis, resource scarcity, talent shortage, corporate social justice, technology shifts, changing statutory and regulatory landscape, and eco-wakening), evaluation of reviews by the World Business Council for Sustainable Development and ESG rating institutions, and then validation of the identified material topics before prioritisation and categorization based on strategic importance and impact on the value chain.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Materiality.

Responsiveness
The extent to which an organization responds to stakeholder issues.

The Report brings out the Company's responses to identified material topics, key challenges faced and significant issues which have arisen during the reporting period through disclosures on Governance, Business Review, strategic responses to key stakeholders' concerns, to deliver shared values. Further the Report also brings out its non-financial performance related to its material topics through selected GRI Topic Specific Standards and SASB industry-specific Standards as Performance Indices.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Responsiveness.

Reliability
The accuracy and comparability of information presented in the report, as well as the quality of underlying data management systems.

The performance disclosures verified through onsite and offsite verification, i.e., at the Head Office and sampled operating sites, and through desk reviews, were found to be fairly accurate, reliable, identifiable and traceable to the source. Considering the limited sampling, we did not detect any major errors related to data collection or aggregation. We also reviewed the calculations and related assumptions used for its suitability, taking into account the principle of Reliability, however our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems. Some of the data inaccuracies identified during the verification process were found to be attributable to interpretation and aggregation errors. These identified errors were communicated, and the responses and corrections made to the reported data and information were reviewed.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Reliability.

Completeness
How much of all the information that has been identified as material to the organization and its stakeholders is reported.

The Report discloses the Company's non-financial disclosures based on the <IR> Framework and performance during the reporting period 2022 related to its material issues using appropriate GRI Topic Specific Standards and SASB disclosures, for the identified boundary of operations and covers the Company's approaches to value creation during the reporting period.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Completeness.

Neutrality
The extent to which a report provides a balanced account of an organization's performance, delivered in a neutral tone.

The Report presents disclosures related to the Company's performance, challenges and concerns of stakeholders during the reporting period in a neutral, consistent and balanced manner, applying adequate consideration to not unduly influence stakeholders' opinion made based on the reported data and information.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Neutrality.

Limitations

DNV's assurance engagements are based on the assumption that the data and information provided by the Company to us as part of our review have been provided in good faith, are true, and is free from material misstatements. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected. The engagement excludes the sustainability management, performance, and reporting practices of Ayala Corp's suppliers, contractors, and any third parties mentioned in the Report. The Company's position statements, the statements for the management approach, and case studies and examples are excluded from the scope of our work. We did not interview external stakeholders as part of this assurance engagement.

We understand that the reported financial data and related information are based on statutory disclosures and Audited Financial Statements[2], which are subject to a separate independent statutory audit process. We did not review financial disclosures and data as they are not within the scope of our assurance engagement

The procedures performed in a limited assurance engagement vary in nature and are shorter in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained if a reasonable assurance engagement had been performed. During the assurance process, we did not come across limitations to the scope of the agreed assurance engagement.

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2015 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct[3] during the assurance engagement and maintain independence wherever required by relevant ethical requirements.

This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of any statement or datum included in the Report except for this Assurance Statement. DNV maintains complete impartiality toward internal stakeholders interviewed during the assurance process.

DNV has provided assurance to Ayala Land Inc., AREIT, AC Energy Corporation, Bank of the Philippine Islands, Manila Water Company Inc., Integrated Micro Electronics, Inc (IMI) and Globe Telecom, Inc. In our opinion, there is no conflict of interest in the assurance engagement provided to the business units of Ayala Group. We provide a range of other services to Ayala Corp, none of which in our opinion, constitute a conflict of interest with this assurance work.

Purpose and Restriction on Distribution and Use

This assurance statement, including our conclusion has been prepared solely for the Company in accordance with the agreement between us. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our work or this report.

For and on behalf of DNV

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13 April 2023, Singapore.

DNV is a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. www.dnv.com

2 09 March 2023
3 The DNV Code of Conduct is available from the DNV website www.dnv.com

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Enabling a Better Future

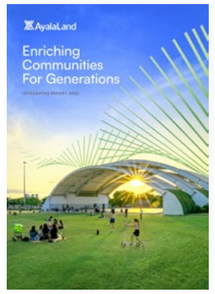
"We enter 2023 with the belief that we can regain the momentum that was lost due to the pandemic. I remain hopeful and excited at the many possibilities available to Ayala, and I am greatly encouraged at the continued strength of our companies; the sustained partnership with our stakeholders; and our unwavering commitment for equitable progress and the greater good."

Jaime Augusto Zobel de Ayala
Chairman

Ayala



Ayala Land



BPI



Globe



ACEN



IMI



Corporate Information

Stakeholder Inquiries

Ayala Corporation welcomes inquiries from analysts, the financial community, institutional and retail investors, customers, media and the general public. Please contact:

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For inquiries regarding dividend payments, change of address and account status, and lost or damage stock certificates, please write or call:

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Financial Statements

Ayala's 2022 Financial Statements are available for download on its website:
www.ayala.com

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