

“2023 was a year of positive momentum. Maintaining this trajectory requires us to concentrate resources on businesses that move the needle, and rationalizing elsewhere. The objective is a more concentrated but still diversified Ayala that continues to grow shareholder value.”

“We continue to also build a robust platform from which to exponentially expand our strongest performing businesses and our enterprises that we believe have the most potential to succeed.”

Jaime Augusto Zobel de Ayala
Chairman, Ayala Corporation

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ABOUT AYALA

Learn more about one of the Philippines’ oldest, biggest and most diversified conglomerates.



LEADERSHIP CONVERSATIONS

Chairman Jaime Zobel de Ayala and President & CEO Cezar Consing share their thoughts on 2023 and the future of Ayala.



VALUE CREATION

Ayala’s value creation process is deeply embedded in its purpose of building businesses that enable people to thrive.



IMPACT

Ayala’s sustainability agenda progressed through its GHG emissions baseline, DEI commitments and governance accolades.

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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 for 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 present the information in a fair manner.

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

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 in interpreting any forward-looking statement in the report.

The Board unanimously approved this report on April 7, 2024 and authorized its release on April 12, 2024.



Jaime Augusto Zobel de Ayala
Chairman



Fernando Zobel de Ayala
Chairman, Sustainability Committee



Cezar P. Consing
President & CEO, Ayala Corporation



Alberto M. de Larrazabal
Chief Finance Officer



Jaime Z. Urquijo
Chief Sustainability and Risk Officer

ABOUT THIS INTEGRATED REPORT

Reporting Scope

This Integrated Report provides detailed information on the financial, environmental, social and governance (ESG) performance of Ayala Corporation and its business units from January 1 to December 31, 2023.

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

Reporting Standards and Frameworks

The report is a harmonization of various sustainability reporting frameworks and standards. The International Integrated Reporting <IR> Framework guides the content structure of Ayala's annual report and serves as a framework to connect its financial and non-financial aspects. Ayala uses the Global Reporting Initiative (GRI) Standards to evaluate material topics from an impact materiality perspective and report on its ESG performance. In 2023, Ayala embarked on a double materiality exercise, assessing its material topics from an impact and financial materiality lens.

Since the International Sustainability Standards Board (ISSB) issued its first two International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards, Ayala has been tracking its progress towards adoption. This report still applies the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

Moreover, as a founding member of the Global Compact Network Philippines (GCNP), Ayala aligns with the 10 Principles of the United Nations Global Compact (UNGC). The Ayala Sustainability Blueprint section of the report presents progress towards the targets set against the United Nations Sustainable Development Goals (UN SDGs).

Approach to External Assurance

Ayala's Audit Committee reviews and endorses to the Board of Directors the financial audit, audit-related matters and non-audit services from external auditors, while the Sustainability Committee approves the external assurance engagement for the sustainability disclosures.

SyCip Gorres Velayo & Company (SGV & Co.), a member firm of Ernst & Young International Ltd, is the external auditor of the company's financial statements and sustainability performance. Sherwin V. Yason is the partner-in-charge for the assurance of the financial statements, while Benjamin N. Villacorte is the partner-in-charge for the assurance of Ayala's sustainability disclosures.

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, as well as 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 such as the ongoing conflicts in Eastern Europe and the Middle East, among others.

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

The company is happy to receive feedback and comments through the following email addresses:

- investorrelations@ayala.com
- sustainability@ayala.com

- A copy of Ayala's financial statements can be accessed at ayala.com.
- Additional references for specific stakeholders are available at ayala.com.
- For more details about the various frameworks and standards referred to, check:
 - integratedreporting.org
 - globalreporting.org
 - ifrs.org
 - fsb-tcfd.org
 - unglobalcompact.org
 - sdgs.un.org/goals
- Information about the audit process is found on ➡ **page 106**. For Management Discussion and Analysis of Financial Condition and Results of Operation, go to ➡ **page 146**.
- The Independent Assurance Statement on Ayala's sustainability disclosures is on ➡ **page 195**.

“Ayala’s core net income grew 48% to reach a high water mark of P41 billion.”

This Integrated Report discusses Ayala Corporation’s (“Ayala”) overall performance and noteworthy achievements in 2023. Despite persisting global uncertainties, Ayala’s core net income grew 48% year-on-year, reaching a high water mark of P41 billion. This was anchored by the strong results of its core businesses, Bank of the Philippine Islands, Ayala Land and AC Energy & Infrastructure, which includes ACEN. The company’s momentum in earnings growth was complemented by portfolio rationalization initiatives that eliminated profitability drags through the divestments of two underperforming assets in AC Industrials.

Moreover, Ayala led transformation at the parent and business unit levels to ensure future relevance and sustainable growth. Specifically, board compositions and senior leadership teams across the group were refreshed to ensure continuity of new perspectives and collective expertise amid a competitive and evolving business environment. Complementing these changes was a group-wide CAPEX program of P248 billion to support future growth.

Entering its 190th year, Ayala conducted a group-wide exercise to revisit and reaffirm its purpose of building businesses that enable people to thrive. Sustainability is at the core of the company’s commitment to this purpose. On the environmental aspect, in line with Ayala’s commitment to achieve Net Zero Greenhouse Gases by 2050,

Ayala, which includes its unlisted subsidiaries, Ayala Land, BPI, Globe and ACEN, have all completed their respective greenhouse gas emissions baselines for 2021. Details of these are published in this report and in the subsidiaries’ Integrated Reports.

The Ayala Group also approved a landmark leadership commitment to diversity, equity and inclusion. The group pledged to create an inclusive workplace for diverse voices and people of all backgrounds to be heard and accepted, while holding leaders accountable for developing diverse teams and modelling inclusive behaviors.

On governance, Ayala’s commitment to strong corporate governance remains solid with various international scorecards and principles providing guidance to the company’s policies and practices.

For 2024, Ayala’s business objectives remain straight forward. It will continue to double down on winning businesses, in terms of capital and other resources. It will continue to reconfigure the strategies of businesses that need adjustments and will exit those that have limited competitive advantage and ability to scale. Freed capital will then be recycled accordingly. Ayala aims to build the next Manila Water, Mynt or ACEN. Its objectives are centered on creating a simpler yet more valuable Ayala with more concentrated bets.



FINANCIAL RESILIENCE AND GROWTH

P41 B

Core net income 48% higher year-on-year and a new high water mark for Ayala
→ Reported net income grew 39% to P38 billion

GROWTH INITIATIVES IN EMERGING BUSINESSES

- AC Health’s acquisition of a significant minority stake in St. Joseph Drug
- Inauguration of the Healthway Cancer Care Hospital
- Opening of AC Logistics’ cold storage facility in Cagayan de Oro

BALANCE SHEET MANAGEMENT

0.75

Consolidated net debt-to-equity ratio

P19 B

Dividend income¹ 57% higher year-on-year

PORTFOLIO RATIONALIZATION

- AC Industrials’ divestments of previous bolt-on acquisitions, MT C-con and STI



TRANSFORMATION AND CUSTOMER CENTRICITY

- **Revitalized leadership** across the group by strategically focusing on succession planning and elevating commitment to nurturing talent
- Ayala Land refreshed its strategy to focus on **quality, people and sustainable growth**
- BPI received the **highest net promoter score** among Philippine banks and increased customer count by 1.7 million
- ACEN increased its retail electricity supply business by 50% to **fulfill demand from commercial and industrial customers**
- GCash continues to drive financial inclusion, covering over **94 million individuals**

PIONEERING NEW INDUSTRIES

- ACMobility is **supporting the Philippine’s EV push** by becoming the national distributor of BYD and building 20 charging stations across the country

¹ Excludes special dividend from AC Energy & Infrastructure (ACEIC), parent company of ACEN, in 2022.
² Excludes earnings from thermal assets under ACEIC. Including core earnings from thermal assets, Ayala’s core equity earnings grew 41% to P52 billion.

EXPANSION OF CORE BUSINESS UNITS

P47 B

Core equity earnings² from Ayala Land, BPI, Globe and ACEN, up 29% year-on-year

CAPEX ROLLOUT

P248 B

Ayala Group CAPEX
→ Ayala parent CAPEX at P13 billion



ENVIRONMENTAL

- Ayala Land and Globe were two of the five Philippine companies that have committed to get their net zero targets **approved by the Science-based Targets Initiative** (SBTi). Globe’s net zero targets have already been approved by the SBTi, while Ayala Land’s are pending approval
- Ayala Corporation, Ayala Land, BPI, Globe and ACEN published results of their 2021 **greenhouse gas emissions baselining** exercise

SOCIAL

- The Ayala Group Management Committee approves a **Leadership Commitment to diversity, equity and inclusion**
- The Ayala Foundation’s various activities across community and leadership development, arts and culture and corporate citizenship resulted in a **26% increase in beneficiaries served**

GOVERNANCE

- Ayala companies **earned golden arrows in the ASEAN Corporate Governance Scorecard** for their performance in 2022: five each for Ayala Land and Globe, four each for ACEN and IMI. Ayala Corporation, AREIT, Ayala Land Logistics Holdings, ACE Enexor and Manila Water also earned golden arrows

Ayala's value creation framework is anchored on its purpose of building businesses that enable people to thrive.

Capitals

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



Financial

- Strong financial position
- Diversified business portfolio
- Low cost 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 and other institutions
- Strong, recognizable and trusted brand

Creating Value

Outlook

→ page 48

- Healthy Philippine economy
- Resilient consumer class
- Accelerated digital transformation and the continuous evolution of new business models
- Greater multi-sectoral collaboration
- Focus on reducing greenhouse gas emissions and calls for increased sustainability in business models

↓ *the context which defines...*

Strategy

→ page 50

Vision Pillars



Focused Execution



Brand & Transformation



Leadership in Sustainability

↓ *that guides how Ayala conducts...*

Business Activities

→ page 56

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

↓ *while mitigating risks and identifying opportunities*

Risks and Opportunities

→ page 58

- Information & Cybersecurity
- Talent
- Competitiveness, Innovation and Strategy
- Geopolitical and Regulatory
- Portfolio Management

↓ *to generate long-term value for...*

Stakeholders

→ page 68

- Employees
- Business Units and Investee Companies
- Investors and Shareholders
- Bank Counterparties and Creditors
- Insurers
- Business Partners and Affiliates
- Suppliers and Contractors
- Industry Associations
- Civil Society Organizations
- Peers
- Government Agencies and Regulators
- Media
- Communities

↓ *with material topics in mind*

Material Topics

→ page 66

- Climate Action and Resource Efficiency
- People-First Culture
- Responsible Business Practices

Value Generated



Focused Execution

- Core net income of **₱41 billion**, 48% higher year-on-year and a new high water mark. Reported net income grew 39% to **₱38 billion**
- Dividend income¹ of **₱19.2 billion**, higher 57% year-on-year
- Core equity earnings² from core value drivers of **₱47 billion**, up 29% year-on-year
- **Growth Initiatives in Emerging Businesses**: opened the Healthway Cancer Care Hospital, forged partnerships with St. Joseph Drug and FEU-NFRM and opened CDO cold chain facility
- **Divested two bolt-on acquisitions**, mitigating **₱800 million** in annual losses
- Maintained a **strong balance sheet**: Consolidated net debt-to-equity ratio of 0.75 and loan-to-value ratio of 11.2%
- CAPEX: Deployed **₱248 billion** at the group level and **₱13 billion** at the parent level



Brand & Transformation

- **Revitalized leadership** across the Ayala Group
- Ayala Land refreshed its strategy to **refocus on quality**
- BPI strengthened its customer franchise and attained the **highest NPS** among local banks
- ACEN **diversified and expanded** its renewables portfolio in terms of geography and technology
- Globe's GCash continued to drive financial inclusion, reaching **94 million registered users**
- ACMobility was appointed the country's **distributor of BYD** and built 20 EV charging stations



Leadership in Sustainability

- Approved Group-wide **Leadership Commitment to diversity, equity and inclusion**
- Ayala Foundation initiatives resulted in a **26% increase in beneficiaries served**
- **Nine Ayala companies garnered golden arrows** for their performance in the ASEAN Corporate Governance Scorecard, with Ayala Land and Globe earning golden arrows
- Ayala developed its **Sustainability Linked Financing Framework**, aligned to its commitments on net zero and social impact. The Ayala Group has raised **US\$3.4 billion** in sustainable finance transactions

¹ Excludes special dividend from AC Energy & Infrastructure (ACEIC), parent company of ACEN, in 2022.

² Excludes earnings from thermal assets under ACEIC. Including core earnings from thermal assets, Ayala's core equity earnings grew 41% to **₱52 billion**.

More about Strategy discussion → page 50



To our special partners,

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

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

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

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

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

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

With my warmest
and best wishes
always,

Jaime

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



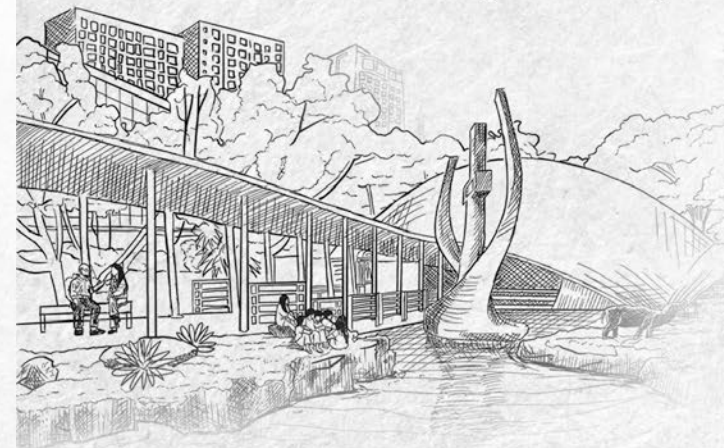
This is our commitment to our stakeholders.
It's one thing to say that we want what's best.

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

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

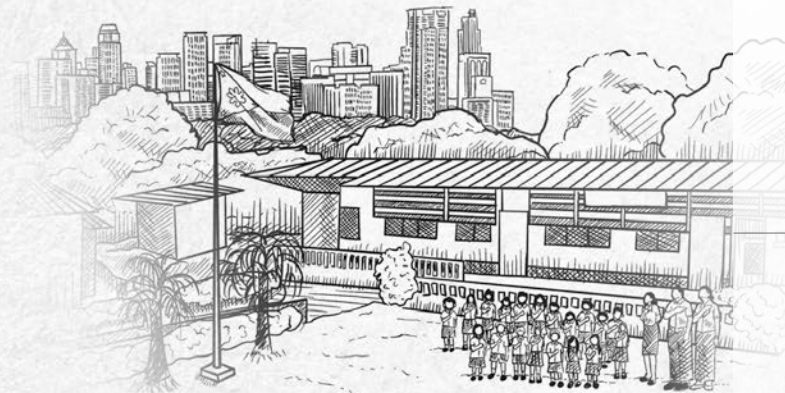
 *Imagine It Better*

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



 *Do What's Right*

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



 *Inspire Excellence*

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



 *Create Value Together*

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



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



“We are proud that our institution has remained stable and trusted by our stakeholders, while also priming ourselves for transformation both at the parent and business unit levels.”

Jaime Augusto Zobel de Ayala
Chairman, Ayala Corporation

Business

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“This purpose, which binds together all our companies, employees, and Ayala’s rich 190-year heritage will be the pillar from which many of our future efforts will be founded upon.”

Jaime Augusto Zobel de Ayala
Chairman, Ayala Corporation

Founded in 1834 as Casa Roxas, Ayala Corporation started in agriculture and a distillery before diversifying into other industries. Through generations, it had taken many names before transforming into a partnership called Ayala y Compañía, which expanded into the banking, pharmaceutical and manufacturing industries, among others.

By the early 20th century, Ayala was primarily in banking, insurance and real estate. It developed Hacienda de San Pedro Macati, the core of which became Makati’s premier commercial, residential and business district. In 1968, the partnership was incorporated as Ayala Corporation, and listed in 1976 in the Manila and Makati Stock Exchanges. The company ventured into other sectors thereafter, becoming one of the largest and most diversified conglomerates in the country.

At present, Ayala continues to pursue its commitment to the Filipino by aligning itself with the development needs of the country, resulting in a meaningful presence in various spaces. Ayala’s Core Value Drivers are in real estate, banking, telecommunications and power. It also has a growing presence in healthcare, logistics and mobility, specifically electric vehicles, as well as investments in industrial technologies, water, education and technology ventures.

MARKET CAPITALIZATION
US\$6.9 B¹

Purpose
We build businesses that enable people to thrive.

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.

Core Values
→ Imagine it better
→ Do what's right
→ Inspire excellence
→ Create value together

Core Value Drivers



EFFECTIVE STAKE
51.0%¹

MARKET CAPITALIZATION
US\$8.5 B¹



EFFECTIVE STAKE
48.5%¹

MARKET CAPITALIZATION
US\$11 B¹



EFFECTIVE STAKE
30.7%¹

MARKET CAPITALIZATION
US\$4.5 B¹



EFFECTIVE STAKE
58.0%^{1,2}

MARKET CAPITALIZATION
US\$2.7 B¹

Emerging Businesses



EFFECTIVE STAKE
100%¹



EFFECTIVE STAKE
100%¹

Portfolio Investments



EFFECTIVE STAKE
100%¹



EFFECTIVE STAKE
100%¹



EFFECTIVE STAKE
33.5%¹

MARKET CAPITALIZATION
US\$133 M¹



EFFECTIVE STAKE
22.5%¹

MARKET CAPITALIZATION
US\$1.2 B¹

¹ Effective stake and market capitalization as of March 31, 2024
² Pro-forma ownership post-property dividend distribution

Core Value Drivers



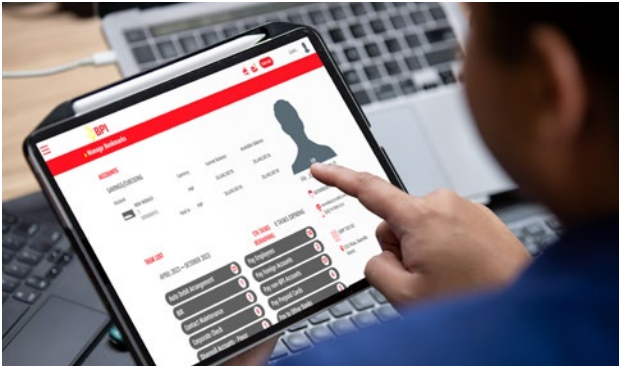
Ayala Land is the largest property developer in the Philippines, with more than 11,000 hectares of land bank and a solid track record in developing large-scale, integrated, mixed-use and sustainable estates. With 52 estates across the country, Ayala Land has a diversified portfolio of complementary businesses 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

72.3%¹

¹ Voting stakes as of December 31, 2023
² Pro-forma ownership post-property dividend distribution

More about Ayala Land → page 126



As the first bank in the Philippines and Southeast Asia, the Bank of the Philippine Islands 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 recognized leader in the banking industry, BPI offers a wide range of products and services as a fully-diversified universal bank. It continuously enhances its digital capabilities to give its clients convenient and secure access to its services while championing financial inclusion. It has a branch network of 1,187 across its BPI, Banko and branch-lite units with over 2,000 automated teller machines (ATMs) and cash accept machines (CAMs) that serve its 11 million clients.

VOTING STAKE

48.6%¹

More about BPI → page 128



Globe Telecom is a leading digital solutions platform in the Philippines, with major interests in telecommunications, venture capital in areas like finance and health technology, 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. Globe has a significant stake in Mynt, the parent company of the country's biggest e-wallet, GCash, with 94 million Filipinos who have tried the app. Globe has over 7,500 employees and serves 57 million mobile customers and 1.8 million home broadband customers.

VOTING STAKE

46.0%¹

More about Globe → page 130



Established in 2011, ACEN is one of the largest renewable energy platforms in Asia Pacific, with 5 GW of attributable renewables capacity across the region. The company accelerated the growth of its renewables over the five past years when fossil fuels accounted for over 70% of its portfolio. Today, the company's renewables capacity has grown 30 times since its establishment, now accounting for 99% of its total generation portfolio. It aspires to reach 100% renewable generation by 2025, 20 GW of renewables capacity by 2030, and net zero GHG emissions by 2050 as it leads the energy transition in the Philippines and in the region.

ACEN is the first energy company in Southeast Asia to complete its net zero roadmap, aligned with the GHG Protocol and the latest climate science, in December 2022. ACEN aims to deliver reduction-led decarbonization by 2040, with an interim target for 2030 and a net zero status (including neutralization) by 2050. As part of its transition plan, ACEN implemented the world's first market-based Energy Transition Mechanism for the 246 MW SLTEC coal plant, which targets a retirement date of 2040 or after 25 years of plant operations.

ACEN is the listed energy platform of the Ayala Group. It is 58%² owned by AC Energy & Infrastructure, a wholly owned subsidiary of Ayala Corporation and where the group's remaining thermal assets, GN Power Dinginin and GN Power Mariveles, are housed.

VOTING STAKE

58.2%¹

More about ACEN → page 132

Emerging Businesses



AC Health aims to address gaps in accessibility and affordability of quality healthcare in the country 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 has Generika and St. Joseph Drug, its drugstore chains, and IE Medica and MedEthix, its importer and distributor. In the Clinics and Hospitals, AC Health supplies access to primary, specialty and multi-specialty care through the Healthway Medical Network, including the Healthway Cancer Care Hospital, the first dedicated cancer facility in the country. In Digital Health, the KonsultaMD superapp links consumers to the country's leading healthcare providers, putting AC Health in a unique position to offer a ubiquitous approach to healthcare.

More about AC Health → page 134



AC Logistics serves as Ayala's vehicle for investments in the logistics sector. In 2022, its acquisition of AIR21 Holdings transformed the company 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, on-demand delivery, warehousing and fulfillment, freight forwarding, waste logistics and cold chain. With a wide presence locally and internationally, it has the capability to cater to the different logistics requirements of businesses and consumers in multiple industries.

More about AC Logistics → page 136



AC Industrials manages a primarily mobility-oriented portfolio of operating units and investments in high potential technologies. It is composed of Integrated Micro-Electronics, Inc. (IMI), a Philippine-based global leader in manufacturing and technology solutions, and ACMobility (formerly AC Motors), one of the country's largest vehicle distribution and dealership groups. In 2023, ACMobility became Ayala's vehicle for its bet into the electric vehicle (EV) space. Housing the national distributorship of BYD, one of the world's largest EV brands, and Ayala's EV infrastructure unit, ACMobility aspires to become a leader in the Philippine EV industry and the broader local automotive sector.

The group operates in 12 countries with its primary markets in North America, Europe and Asia.

More about AC Industrials → page 138

Portfolio Investments



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 about AC Ventures → page 140



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. The iPeople schools serve close to 70,000 students across the Philippines.

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%¹

¹ Voting stakes as of December 31, 2023

More about iPeople → page 142

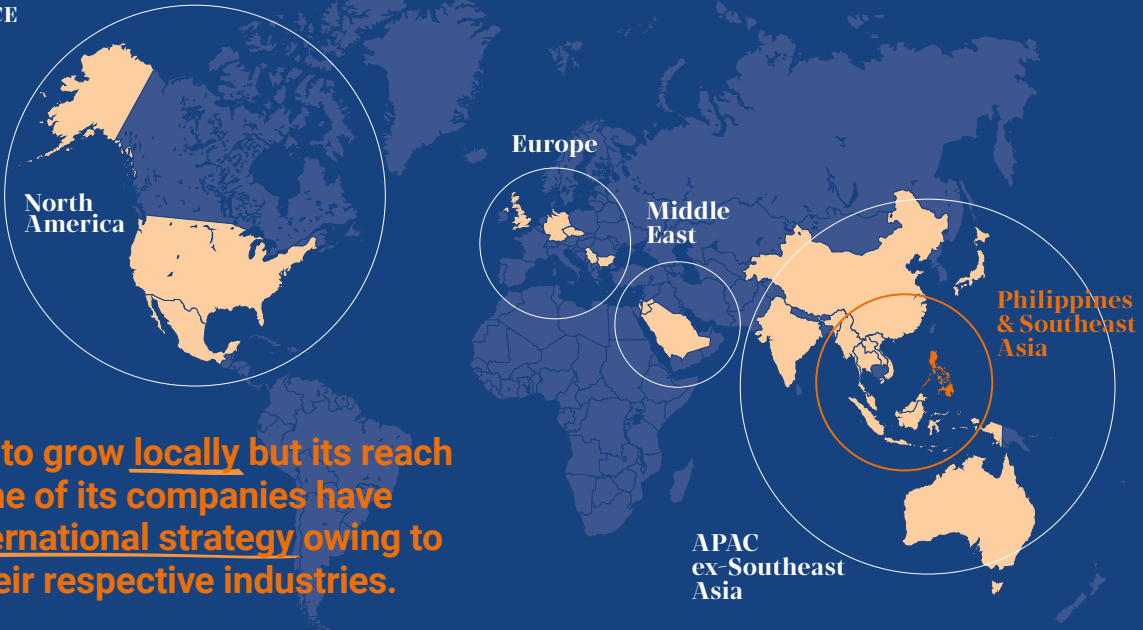


Manila Water is an operator and business builder of water, wastewater and related assets across the Philippines, Southeast Asia and the Middle East. With over 25 years of operational experience, it leverages its expertise to provide access to water and sanitation services through sustainable and responsible business practices. Its portfolio includes the East Zone Concession, which services over seven million people in the eastern Metro Manila, and its Non-East Zone Philippine 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.

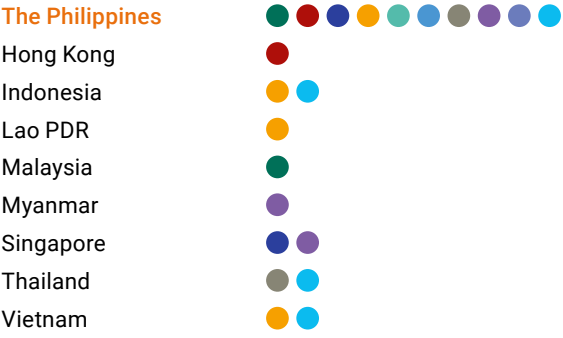
VOTING STAKE

28.6%¹

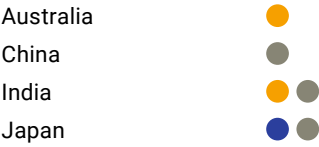
Ayala’s focus is to grow locally but its reach is global as some of its companies have a deliberate international strategy owing to the nature of their respective industries.



Philippines & Southeast Asia



APAC ex-Southeast Asia



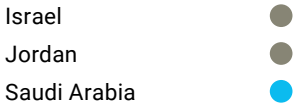
This spread illustrates the group’s consolidated footprint, with each unit’s key operational presence as described below.

Ayala’s Operational Footprint

- **BPI**’s branch network consisting of over 1,000 branches across the Philippines, Hong Kong and London serves its 11 million client base.
- **Ayala Land**’s diversified portfolio includes over 11,000 hectares of land bank and 52 estates in the Philippines.
- **Globe** connects close to 59 million people through its telco business.
- **ACEN** has 5 GW1 of attributable renewable capacity primarily across power plants in seven countries.
- **AC Health**’s ecosystem consists of 750 Generika drugstores, 112 St. Joseph’s pharmacies, 14 multi-specialty clinics, 270 corporate clinics, an ambulatory surgical center, five general hospitals and the Healthway Cancer Care Hospital.
- **AC Logistics** is headquartered in the Philippines and offers cross boarder services in 46 other countries.
- **AC Industrials** operates manufacturing facilities across 12 countries.
- **AC Ventures** is headquartered in the Philippines and has an investment portfolio that spans seven countries.
- **iPeople** operates seven schools with a combined footprint of 22 campuses across the Philippines.
- **Manila Water**’s 6,991 kilometers of pipeline supplies clean and potable water to approximately 12 million customers through its various business operations in the Philippines.



Middle East



Europe



North America



¹ 88 MW from NEFIN rooftop technology in Mainland China, Hong Kong, Malaysia, Singapore, Thailand and Taiwan

"2023 was a period of focusing on our strengths and reestablishing solid foundations for the group moving forward."

Jaime Augusto Zobel de Ayala
Chairman, Ayala Corporation

→ **IMI** partnered with ZERO Motorcycles to assemble their electric bikes in its Laguna plant.



→ **AC Health** unified its portfolio of clinics and hospitals under one brand, Healthway Medical Network.

→ **Globe** signed a sale and leaseback agreement with Unity Digital for the sale of 447 towers for ₱5.4 billion, bringing its tower asset sale program to over 6,000 towers.

→ **AC Energy & Infrastructure**, ACEN's parent company, completed the full divestment of the GN Power Kauswagan coal-fired power plant.

→ **AC Logistics** and joint-venture partner, Glacier Megafridge, opened the 5,300-pallet cold storage facility in Cagayan de Oro.



→ **Ayala Land** appointed its first female president and CEO, Margarita B. Dy

→ **Ayala Land** launched Southmont, a 789-hectare mixed-used estate in Silang, Cavite and the 32-hectare Centrala, its first estate in Pampanga.



→ **AC Health** inaugurated the Healthway Cancer Care Hospital, the first dedicated cancer facility in the Philippines.

→ **AC Health** entered into an agreement with the Far Eastern University-Dr. Nicanor Reyes Medical Foundation to manage the university's 300-bed hospital in Quezon City.

Jan

Mar

May

Jul

Sep

Nov

Feb

→ **ACEN** completed the acquisition of its Australia platform, marking its first wholly-owned operating platform outside of the Philippines.



Apr

→ **Ayala Land** launched the 55-hectare Batangas Technopark in the town of Padre Garcia.

→ **Ayala** and **Globe** launched Gogoro Smartscooters and battery-swapping technology in the Philippines.



Jun

→ **ACEN** and Aboriginal group, Yindjibarndi, forged a historic partnership to develop 3 GW capacity of renewable energy in West Australia.

Aug

→ **ACMobility** forged a strategic partnership with BYD, one of the world's biggest manufacturer of electric vehicles, as the national distributor in the Philippines.

→ **AC Industrials** and **IMI** divested MT C-Con and STI as part of their portfolio rationalization initiatives.

→ **Globe's** MSCI ESG rating was upgraded to "AA"

Oct



→ **Ayala Group** Management Committee approves Leadership Commitment to diversity, equity, and inclusion

Dec

→ **Ayala** signed ₱5 billion worth of sustainability-linked credit facilities, a first among Philippine conglomerates.

→ **Ayala Land** launched its 52nd estate, the 62-hectare leisure development, Arillo in Nasugbu, Batangas.

→ **BPI** secured all necessary approvals to formally merge with Robinsons Bank.



“ Our group has always been known for **dependability** and **stability**, while at the same time, responsiveness to the needs of the nation and our people.”

Jaime Augusto Zobel de Ayala
Chairman, Ayala Corporation



“ After all these moves, you’ll see a more **concentrated** but still broad, and hopefully more **valuable** Ayala Corporation.”

Cezar P. Consing
President & CEO, Ayala Corporation



“Despite persisting global uncertainties, we are proud that our institution has remained **stable** and trusted by our stakeholders, while also priming ourselves for transformation.”

Jaime Augusto Zobel de Ayala
Chairman, Ayala Corporation



Ayala Core Earnings



P41 B,
48% higher
than in 2022 and a new
high water mark.

BPI

₱52 billion in net income,
31% up and **an all-time high**

Ayala Land

AREIT has **tripled its AUM**
since listing in 2020.

ACEN

~5GW of attributable
renewables capacity

As the world emerged from the pandemic, we were greeted with a new set of disruptions in 2023. Could you share your thoughts on these developments and their impact on the country?

Jaime Augusto Zobel de Ayala: The continuing conflict in Europe and recent developments in the Middle East affected supply chains, which had already been steadily recovering. Meanwhile, food security remains challenged due to the extended El Niño period. The International Monetary Fund forecasts a global growth of 3% in 2023, well below the 20-year historical average of 3.8%.

Locally, household consumption anchored growth with pent-up demand, easing mobility restrictions, and ongoing expansion of e-commerce as main drivers. This was despite elevated inflation that dampened people's ability to spend and our central bank keeping pace with global monetary policy. Despite this, the Philippine economy managed to grow 5.6% in the year.

Externalities will continue to play a large role in the global business landscape. We are cognizant that over 50 countries will hold their elections this year. The outcomes of these will shape global business dynamics, which will inevitably affect us locally. That said, we believe that our economy will continue to be resilient as consumption should benefit from the prospects of tapering inflation and lower interest rates. We remain cautiously optimistic and expect the Philippines to maintain its position as one of Southeast Asia's fastest growing economies with a projected full year GDP growth of 6.2%.

How do you think these global developments affected the Ayala Group?

Jaime: Despite persisting global uncertainties, we are proud that our institution has remained stable and trusted by our stakeholders, while also priming ourselves

for transformation both at the parent and business unit levels.

For instance, we have refreshed Board compositions across the group to ensure they continue to have the best collective knowledge and expertise to futureproof our businesses. We also had new leadership at the top and middle levels come in.

Our business units (BUs) are making notable progress on their transformation agendas. BPI and Globe remain among our most digital companies, enabling financial inclusion and a digital lifestyle for Filipinos. ACEN is at the forefront of the global movement towards renewable energy. Ayala Land, with its refreshed leadership team, is embarking on a transformation plan centered on quality and customer experience.

At Ayala Corporation, we continue to make significant investments in opportunities that we believe are essential to the growth and vitality of the national economy, as well as for the welfare of our people. I speak of our investments in healthcare and electric mobility, which will continue to receive significant support from the Ayala Group moving forward.

Bong, moving on to financials and operations, you spoke about 2023 being the year when profitability would go back to pre-COVID levels. Can you talk us through the key drivers that led to achieving this?

Cezar P. Consing: Yes, Ayala delivered earnings in 2023 that exceeded pre-COVID levels. The ₱41 billion in core earnings was 32% higher than in 2019, which was when the previous high water mark was established. It was 48% higher than in 2022, when we began to see economic recovery.

Of our four major businesses, BPI stands out. The bank's loans grew faster than industry and net interest margins expanded. And despite the higher volumes and lending rates, loan quality was very good, allowing the bank to lower loan loss provisions. This combination of factors drove net income up by 31%. BPI's net income of ₱52 billion is an

all-time high for the bank. As important, the bank is now earning net promoter scores that are among the highest in the industry. The bank's digital capabilities are among the best in the country, and TG Limcaoco, its CEO, is paying particular attention to customer service.

Ayala Land registered ₱25 billion in net income. While still short of the high water mark set in 2019, it was 32% higher than the year before. We saw residential demand come back, particularly for premium offerings. Mall foot traffic and spending is back to pre-COVID levels. Our hotels and resorts are seeing a pick-up in domestic travelers, although foreign visitors have been slow to return. Our office occupancy rate of 92%, while a bit lower than where we want it to be, is higher than the industry average as tenants continue to value quality and convenience. Ayala Land has a listed REIT, AREIT, which is probably the best performing REIT in the domestic market. This is partly attributable to the fact that assets under management have more than tripled since its listing in 2020, standing at ₱87 billion at the end of 2023.

Our energy businesses, ACEIC and its listed renewables subsidiary, ACEN, had a strong year. The increase in ACEN's operating capacity coupled with its position as a net seller in a buoyant spot energy market helped contribute to a 2.9x increase in the income from operating units¹ of the company. ACEN is among the leaders in renewable energy in the region. It already boasts about 5 GW of renewable energy capacity and aims to quadruple this to 20 GW by 2030. With about half of capacity abroad, ACEN is the most international of our major businesses.

Globe Telecom saw gross service revenues grow 3% to ₱162 billion and EBITDA grow 3% to ₱81 billion, both all-time highs. The 29% decline in net income was primarily because of the partial sale of its data center business and tower sales booked in 2022, which were not repeated in 2023. Core net income, which normalizes the effects of these one-offs, was flat year-on-year. Mobile business grew by 5% on the back of strong mobile

¹ Excludes cash value realization gains and other one-time, noncash adjustments.

data consumption, fiber broadband expanded by 14% and this helped offset the decline in legacy and fixed wireless revenues, and corporate data grew by 7%. Globe's 35.5% stake in Mynt, owner of the ubiquitous GCash, is becoming increasingly valuable. Mynt registered ₱6.6 billion in net income in 2023.

Regarding the rest of your portfolio, there seemed to be a change in tone last year. Why was this the case and can you talk a little more about what has happened in each?

Cezar: We are particularly bullish on AC Health, which is steadily building a healthcare ecosystem consisting of hospitals, clinics and pharmacies. The company established, from the ground up, the country's first dedicated cancer hospital. Acquisitions have also bolstered growth. While investment in new initiatives have kept net income slightly negative, we are convinced that the company is worth considerably more than what we have invested in it.

We are excited about ACMobility, particularly the company's venture into the electric vehicle space. The company has begun to distribute BYD and Kia electric vehicles, among others, and we are using the Ayala ecosystem, particularly Ayala Land, IMI and Globe, to build out infrastructure that is supportive of an EV push. As seen elsewhere in the world, there is an inevitability to EVs.

We like what we see iPeople doing. This is our educational listed joint venture with the Yuchengco Group. Total enrollment in the various iPeople schools, which includes Mapúa University, is now about 70,000, making iPeople one of the leading educational groups in the country. Enrollment growth is among the highest in the industry. Net income is strong with a positive trajectory. Most importantly, iPeople is a leader in the use of digital channels and its partnership with Cintana, which is powered by Arizona State University, provides an offering that is both cutting edge and unique in the country.

As we invest, we must also rationalize. We sold two of IMI's challenged bolt-on acquisitions, MT C-Con and STI,

"Ayala delivered earnings in 2023 that exceeded pre-COVID levels. The P41 billion in core earnings was 32% higher than in 2019, which was when the previous high water mark was established. It was 48% higher than in 2022, when we began to see economic recovery."

Cezar P. Consing
President, Ayala Corporation

which meant taking write-downs. We have also shut down Entrego, one of our logistics companies, and moving its profitable business lines to AIR21, itself going through significant rationalization. And as we're rationalizing, we'll probably invest in cold storage, as there just isn't enough cold storage capacity in the market.

AC Ventures, our vehicle that holds passive investments, has a lifetime value that is probably 1.2x the amount invested. The big winner in the AC Investments portfolio, as alluded to earlier, is Mynt, a private company which owns the GCash e-wallet. Third parties have given Mynt a valuation that would make it one of the most valuable companies in the country. Mynt is worth watching. We will continue to sell the rest of the AC Ventures portfolio as liquidity opportunities present themselves.

In summary, for our younger businesses in aggregate, it's about shrinking to grow. Over time, our whole portfolio will probably look a bit simpler, with more concentrated bets.

Given Jaime's take on the economy in 2024, do you think the group can sustain last year's strong earnings momentum?

Cezar: We have a constructive outlook for 2024. Lower inflation and lower interest rates will really help the country's consumers. And the fact that ours is a consumption-driven

economy will be key to our achieving the 6.2% GDP growth target. If the country grows at this rate, our businesses should continue to show positive momentum.

We keep a keen eye on interest rates and inflation. Ayala Land tends to do better with lower interest rates because homes become more affordable. The same is true for ACMobility, with its wide array of vehicles for sale. Lower interest rates will also help ACEN because it relies on large amounts of debt to finance growth. BPI, which like most banks has been a beneficiary of higher interest rates, will be able to grow its number of borrowing customers with lower rates, even if net interest margins begin to contract. Financial inclusivity will be a big winner. Ayala Corporation's own balance sheet, which already features one of the lowest average borrowing rates among Philippine companies, stands to benefit from lower interest rates.

Globe Telecom does better with lower inflation, because mobile pre-paid top-ups, a large component of the company's business, become more affordable. The same phenomenon is seen in our healthcare and education businesses. Even our infrastructure and logistics businesses could benefit from lower inflation. There are large components of our many businesses that are quite price elastic. We want to do more with more people, and price stability will allow for that.



Let's shift gears for now. Jaime, we understand that Ayala revisited and reframed its purpose late last year. Can you tell us about this journey, including how you arrived at "building businesses that enable people to thrive"?

Jaime: Our purpose has been essential in allowing us to attract the best talent that, in turn, enables us to create meaningful businesses. We are proud to be an employer of choice over many years. Ayala Corporation is a nexus of some of the best talent across industries and age groups. We continue to train and hone these talents and deploy them to our companies as needed.

We arrived at Ayala's purpose of *building businesses that enable people to thrive* after extensive desktop research, workshops with our internal teams, and interviews with pertinent internal and external stakeholders. We thought this statement was both actionable and compelling.

This purpose will be the anchor from which our projects will be founded on, particularly in helping further grow the Philippine economy; ensuring that more Filipinos benefit from increased economic activity; and elevating quality of life to a superior level. This is especially true for us at Ayala Corporation, where we have always aimed to help expand the economy, address pain

points, and empower stakeholders to achieve their aspirations.

How do you bring this purpose to life, especially now that Ayala is entering its 190th year?

Jaime: We believe that building profitable enterprises can and should go hand in hand with equitable economic growth, environmental stewardship, and meaningful social impact. We have seen that this continues to be a solid formula for longevity and relevance.

Ayala's path towards this involves having a strong sustainability practice, where we aim to be excellent stewards of the environment and the communities that we interact with, while operating at the highest levels of ethical standards, all coupled with excellent risk management. The goal is creating long-term value that benefits both our shareholders and the broader stakeholder community.

Starting this year, we analyzed the most important issues and topics to Ayala from two lenses – where we can create the most impact to, and those that can likewise significantly affect us. Our Sustainability, Risk Management, Investor Relations, and Corporate Strategy units are working much closer together to address these issues and topics, as well as anticipate and address critical risks and opportunities that are emerging.

Looking ahead, Bong, can you give us a sense of your near to medium-term priorities for the group? Are there any areas you are specifically keen to focus on?

Cezar: In the last decade or so we have ventured into several industries. Given the breadth of our businesses, we are probably the most diversified Philippine conglomerate. This diversification has many benefits, but it also has challenges in terms of capital requirements and management bandwidth. At the same time, it is now quite apparent which of our many



Ayala Land is refreshing its malls starting with its flagship developments.

businesses are winners and which need to be repositioned or rationalized.

With this backdrop, we will keep our objectives straightforward. We are going to double down on the winners, in terms of capital and other resources, to the extent that they need it. We are going to reconfigure – internally or via business combination – those businesses that need such adjustments. And we’re going to exit businesses where we see little competitive advantage or have limited ability to scale. Freed capital will be recycled. Capital raised by Ayala Corporation will be provided, in size, to the winners or clear potential winners. We want to create the next Manila Water, or ACEN or Mynt. After all these moves, you’ll see a more concentrated – but still broad – and hopefully more valuable Ayala Corporation.

Speaking of sustainability, can you share with us the progress of Ayala’s goal to get to net zero GHG by 2050, Jaime?

Jaime: We continue to make strides to achieve net zero Greenhouse Gas

(GHG) emissions by 2050. When we communicated this ambition a few years back, we mentioned that this will be done gradually and properly, cognizant that technology and methodologies continue to evolve.

Our priority is to ensure that we are highly accurate in measuring our emissions, will have our interventions and action plans backed by the Science-Based Targets Initiative (SBTi), and that we will regularly report on our progress. I’d like to mention that Ayala Land and Globe are included in the five companies in the Philippines that have signified their support for SBTi. Globe’s targets and interventions have been approved by SBTi, while Ayala Land is currently in the process of gaining approval on their own targets and interventions.

Ayala Corporation’s baseline emissions is at 12 million tCO₂e across scopes 1 to 3. AC’s scope 3 includes all companies that AC has operational control over, which include Ayala Land, ACEIC, ACEN and all our other unlisted subsidiaries. Our subsidiaries will likewise be reporting on their emissions in their respective reports.

Our business units will now embark on specific initiatives to reduce and better manage our emissions in the coming months and years. We intend to release more details about our emissions, which include our adjusted greenhouse gas emissions figures for 2022 to 2023, as well as identified interventions later this year.

Can you shed light on some of the social initiatives that Ayala is focusing on?

Jaime: Among the foremost pillars in our sustainability agenda is our continuing support for and adherence to the Ten Principles of the UN Global Compact. These remain as our anchors to ensuring that our business is conducted in a highly ethical manner, with utmost consideration given to human and labor rights, the welfare of the environment, and strict anti-corruption policies.

Social impact and equity action has long been a key part of Ayala’s DNA over the last 190 years. If you look at Ayala’s heritage, our first investments in the mid- to late-1800s sought to address the socioeconomic gaps of the time: Manila’s

first pharmacy, first electric tramway system, and a school for underserved but highly deserving young women. BPI was also the first bank in Southeast Asia pioneering financial services in this part of the world.

We continue to build on this legacy both in the policy and business building fronts. For instance, in 2022, we expanded medical benefits to recognize same-sex and domestic partnerships. In 2023, the Ayala Group approved a Leadership Commitment to diversity, equity, and inclusion. This statement reflects our pledge to actively listen and provide the space for diverse voices and ideas to be heard, and a commitment to build an inclusive workplace culture that recognizes and values belonging for people of all backgrounds. We will also foster practices that will build a diverse and empowered workforce, and support them to perform at their highest potential. Importantly, we will hold our leaders accountable for developing diverse teams and modelling inclusive behaviors.

We also continue to invest heavily in financial inclusion, healthcare, and education. We have also started to be more strategic in our philanthropic engagements through Ayala Foundation, focusing on our areas and where we can continue to scale our impact – building and developing thriving communities, investing in the next generation of steward leaders, and promoting the best of Philippine arts and culture.

How about governance? Have there been any developments within Ayala on this pillar?

Jaime: The Ayala brand has always been synonymous with dependability, trust, and good governance. We ensure that Ayala Corporation, our subsidiaries, and all employees associated with the group operate at the highest standards of ethics and integrity.

At the top leadership level, our Boards continue to be refreshed to ensure that there is the appropriate mix of

experience, expertise, and gender as we execute the company’s vision and strategy. We continue to engage in succession planning of our top management positions.

There are regular reviews of our governance processes and policies to ensure that these are up to date with current regional and international standards. The latest version of the ASEAN Corporate Governance Scorecard, and the Principles of Corporate Governance of the G20 and OECD serve as our guides.

More recently, in January 2024, our Board of Directors approved an enhanced Insider Trading Policy that widens trading restrictions and disclosure requirements on AC’s directors, officers, consultants, and employees, as well as immediate family members residing in the same household. These expanded restrictions and requirements apply not only to trades involving AC’s shares, but also now applies to trading shares of our subsidiaries.

Globe

GCash’s Mynt recorded **₱6.6 billion** in net income, up 193%.

AC Health

Established the **first dedicated cancer hospital in the Philippines**, the Healthway Cancer Care Hospital.

AC Logistics

Opened its **cold storage facility** in Cagayan de Oro in partnership with Glacier Megafridge.

ACMobility

Secured **national distributorship** of BYD in the Philippines.



Ayala Triangle Gardens Tower 2, the headquarters of Ayala Corporation, is located in the heart of the Makati Business District.

“ Ayala will continue to create profitable enterprises and it will ensure that they create equitable growth in a sustainable manner.”

Fernando Zobel de Ayala
Director and Chairman of the
Sustainability Committee,
Ayala Corporation



“ Advances in AI will affect talent and given the talent scarcity in the country, having the right people to utilize AI will be a major concern.”

Rizalina G. Mantaring
Lead Independent Director and
Chairman of the Audit Committee,
Ayala Corporation



“Across the group, we have refreshed Board compositions to ensure the best collection of knowledge and expertise.”

Jaime Augusto Zobel de Ayala
Chairman, Ayala Corporation



Jaime Augusto Zobel de Ayala
Non-Executive Director,
Chairman of the Board
64, Male, Filipino

Committees E ● F ●

Date of First Appointment (As Director)	May 1987
Length of Service (as of December 31, 2023)	36 years

JAIME Augusto Zobel de Ayala has served as Director of Ayala Corporation (AC) since May 1987, and as Chairman of AC since April 2006. He was the Chief Executive Officer (CEO) from 2006 to April 2021.

He is also the Chairman of the other publicly listed companies of the Ayala Group, namely Globe Telecom, Inc. (Globe), Ayala Land, Inc. (ALI) and Bank of the Philippine Islands (BPI) and a director of a Singapore publicly-listed company, Temasek Holdings (Private) Limited. He is the Chairman of AC Energy and Infrastructure Corporation (formerly AC Energy, Inc.) and Asiacom Philippines, Inc.; and Director of AC Ventures Holding Corp.

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 (UN SDGs) Pioneer by the UN Global Compact for his work in sustainable business strategy and operations. The first recipient of the award from the Philippines, he was one of 10 individuals recognized for championing sustainability and the pursuit of the 17 UN SDGs in business.

He graduated with bachelor’s degree in Economics (cum laude) from Harvard College in 1981 and obtained an MBA from the Harvard Graduate School of Business Administration in 1987.



Cezar P. Consing
Executive Director,
President and Chief Executive Officer
64, Male, Filipino

Committees E ● F ●

Date of First Appointment (As Director)	December 2020
Length of Service (as of December 31, 2023)	3 years

CEZAR P. Consing has been the President and CEO of Ayala Corporation since September 2022 and a Director since December 2020. He has been a member of the Ayala Group Management Committee since April 2013.

He is currently the Vice Chairman of the following publicly listed companies of the Ayala Group: Ayala Land, Globe, BPI and ACEN Corporation. Concurrently, he holds the following positions in the Ayala Group: Chairman of AC Logistics Holdings Corporation, AC

Infrastructure Holdings Corporation, AC Industrial Technology Holdings, Inc., AC Ventures Holding Corp., and ACMobility Holdings Incorporated; Vice Chairman of AC Energy and Infrastructure Corporation and Ayala Healthcare Holdings, Inc.; and, Director of Asiacom Philippines, Inc. and ACEN International, Inc.

He 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.



Fernando Zobel de Ayala¹
Non-Executive Director
63, Male, Filipino

Committees S R P

Date of First Appointment (As Director) May 1994; Reappointed September 2023

Length of Service (cumulative as of December 31, 2023) 28 years

FERNANDO Zobel de Ayala has served as a Director of Ayala Corporation since September 2023. He previously served as AC Director from May 1994 to September 2022. He was the President and Chief Operating Officer of AC for 15 years, before assuming the role of CEO until September 2022.

He currently serves in Ayala listed companies as Director of BPI and Special Advisor to the Board of Ayala Land. He also currently serves

as Chairman of Ayala Healthcare Holdings, Inc., Ayala Foundation, Inc., Accendo Commercial Corp., Alabang Commercial Corp. and Hero Foundation, Inc. and Vice Chairman of Fort Bonifacio Development Corporation, AKL Properties, Inc. and Bonifacio Art Foundation, Inc. Outside Ayala, he is an Independent Director of Shell Pilipinas Corporation.

He holds a Liberal Arts degree from Harvard College and a CIM from INSEAD, France.

¹ Elected as a Director on September 28, 2023 vice Ms. Mercedesita S. Nolleto



Delfin L. Lazaro
Non-Executive Director
77, Male, Filipino

Committees E F

Date of First Appointment (As Director) January 2007

Length of Service (as of December 31, 2023) 17 years

DELFIN L. Lazaro has served as a Non-Executive Director of Ayala Corporation since January 2007. He holds the following positions in publicly listed companies: Chairman of ACEN Corporation and Director of Globe Telecom. He is an Advisor to the Board of Directors of Ayala Land and a member of the BPI Advisory Council.

He is also Chairman and President of A.C.S.T Business Holdings, Inc. and AYC

Holdings, Ltd.; Co-Vice Chairman and President of Asiacom Philippines, Inc.; and Director of AC Energy and Infrastructure Corporation, AC Industrial Technology Holdings, Inc., AC International Finance, Ltd. and Purefoods International Limited.

He graduated with B.S. Metallurgical Engineering at the University of the Philippines in 1967 and took his MBA (with Distinction) at Harvard Graduate School of Business in 1971.



Rizalina G. Mantaring
Lead Independent Director
64, Female, Filipino

Committees A R C P

Date of First Appointment (As Director) April 2020

Length of Service (as of December 31, 2023) 4 years

RIZALINA G. Mantaring has been an Independent Director of Ayala Corporation since April 2020. Concurrently, she serves as an Independent Director in the following listed companies: BPI, First Philippine Holdings Corporation, PHINMA Corporation and Universal Robina Corporation.

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 (1982), and an MS Computer Science from the State University of New York at Albany (1993).



Cesar V. Purisima
Independent Director
63, Male, Filipino

Committees

R

A

S

C

Date of First Appointment
(As Director)

April 2022

Length of Service
(as of December 31, 2023)

2 years

CESAR V. Purisima has been an Independent Director of Ayala Corporation since April 2022. He currently serves as an Independent Director in the following Ayala listed companies, Ayala Land and BPI; and also in other listed companies, namely: Universal Robina Corporation and Jollibee Foods Corporation.

From 2010 to 2016, Mr. 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.

He was a recipient of the Centenary Award of Excellence by the Professional Regulatory Board

of Accountancy in 2023. 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, Mr. Purisima was awarded the Order of Lakandula with the rank of Grand Cross (Bayani) for his contributions to the Philippine economy.

He obtained his Bachelor of Science degree in Commerce, Major in Accounting and Financial Institutions, from De La Salle University in 1979. He earned his MBA from Kellogg School of Management, Northwestern University, Illinois in 1983. Mr. Purisima completed the Harvard Business School’s CEO Harvard Presidents’ Seminars in 2023 and 2024.



Chua Sock Koong
Independent Director
66, Female, Singaporean

Committees

C

P

S

A

Date of First Appointment
(As Director)

April 2022

Length of Service
(as of December 31, 2023)

2 years

Chua **SOCK KOONG** has been an Independent Director of the company since April 2022. She is a Senior Advisor at Singapore Telecommunications Limited, Asia’s leading communications technology group, having served as its Group CEO for 13 years until December 2020. She is Deputy Chairman of the Public Service Commission and a member of the Council of Presidential Advisers.

She currently sits on the Boards of Bharti Airtel Limited, Bharti Telecom Limited and Prudential plc.

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 charterholder.



Mercedita S. Nollado
Non-Executive Director
82, Female, Filipino

Committees¹

S

R

P

Date of First Appointment
(As Director)

September 2022

Length of Service
(as of December 31, 2023²)

1 year

MERCEDITA S. Nollado has served as Non-Executive Director of Ayala Corporation since September 27, 2022 until her resignation in September 28, 2023. She is a member of the Board of Trustees of Ayala Foundation, Inc., BPI Foundation, Inc. and the BPI Advisory Council and an Independent Advisor to the Board of Directors of Ayala Land, Inc.

Ms. Nollado 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. Nollado 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.

¹ Until resignation on September 28, 2023
² Stepped down as Director on September 28, 2023

Ayala Corporation’s Board of Directors holds the highest authority in matters of governance and in overseeing the company’s operations.

It is the Directors’ primary responsibility to promote and adhere to good corporate governance practices and principles, while advocating for the company’s long-term success and protecting the shareholders’ and other stakeholders’ interests. The Board provides oversight and regularly dialogues with the Ayala Group Management Committee to deliberate on strategic matters, including the management of sustainability and climate-related risks and opportunities. To view the Board Charter and learn more about Ayala’s governance structure and processes, visit [ayala.com](https://www.ayala.com).

Chairman: In his role as Chairman, Mr. Jaime Augusto Zobel de Ayala leads the Board in performing its oversight function and fosters its effectiveness by making sure the Directors receive accurate and timely information, and by facilitating discussions on key issues during meetings.

Lead Independent Director: Since the Chairman is not an Independent Director, Ayala appointed Ms. Rizalina G. Mantaring as Lead Independent Director to intermediate between the Chairman and the other Directors, if and when necessary. She is also tasked to convene and chair the periodic meetings of the Non-Executive Directors with the external auditor and heads of internal audit, compliance, and risk and to contribute to the performance evaluation of the Chairman.

Non-Executive Directors and Independent Directors: Following international best practices, all members of the Ayala Board, apart from Mr. Cezar P. Consing, are either Non-Executive Directors (NEDs) or Independent Directors (IDs). This is to promote independent and objective deliberations, as well as to ensure the integrity and sufficiency of the group’s internal controls.

For IDs, Ayala prescribes a term limit of nine years following SEC recommended best practice. None of Ayala’s IDs has met the term limit.

In 2023, the NEDs and IDs met twice without the presence of the Executive Director under the chairmanship of Ms. Mantaring. Key officers of Ayala and subject matter experts were invited as resource persons. Said meetings are summarized below:

TOPIC DISCUSSED	
JANUARY 24, 2023	2022 portfolio performance review of Ayala and all business units
TOPICS DISCUSSED	
DECEMBER 11, 2023	Cybersecurity issues and concerns, Ayala Group Transformation Program and cyber insurance market
	Handling of related party transactions
	Timeliness of communication of major initiatives and issues of business units which could have a significant impact on Ayala

In 2023, 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 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 the fiscal year 2022

Board Composition

For the Board to effectively function and carry out its responsibilities, it is imperative that it is composed of Directors representing a diverse array of skills, academic and professional backgrounds and expertise. It is for this reason that the Corporate Governance and Nomination Committee carefully evaluates the credentials of potential Board members according to predefined criteria that is aligned with the company’s By-Laws, business requirements and strategic objectives. If necessary, Ayala engages professional search firms or other external sources to aid in sourcing candidates for Board service.

Detailed profiles of the Directors can be found on ➡ [page 175](#).

Board Skills Matrix

(for Directors as of December 31, 2023)

	JAZA	CPC	FZA	DLL	RGM	CVP	CSK
Industry Knowledge / Experience							
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)	36	3	28	17	4	2	2
Age	64	64	63	77	64	63	66

Board Diversity

Board diversity for Ayala covers not just academic and business experience, but also age, gender, skills and expertise. The company seeks to maintain a balanced gender representation in its Board of Directors, consistent with its overall stance on diversity, equity and inclusion (DEI). Per its Board Diversity Policy, there must be at least 30% or two (2) female directors in the Board by 2025. The company attained this target ahead of schedule with the re-election of Ms. Rizalina G. Mantaring and election of Ms. Chua Sock Koong and Ms. Mercedita S. Nolleddo in 2022 and continues to do so in spite of the resignation of Ms. Nolleddo.

Board Attendance and Performance

Every year, the Board of Directors holds at least six (6) meetings to discuss important governance and top-level strategy matters. It normally conducts the meetings before the start of the financial year, immediately after the Annual Shareholders’ Meeting, at least once every quarter, and on such other days that it may designate. The schedule of said meetings is set before the start of each financial year, and notices and relevant materials are provided to the Directors by the Corporate Secretary at least five (5) working days prior to the meetings. Directors are expected to attend and actively contribute to the success of the Board meetings.

The table on the following page summarizes the Directors’ attendance to Board and Annual Shareholders’ meetings in 2023.

Board Attendance in Board and Shareholders' Meetings

for the year ended December 31, 2023

MEETING	ANNUAL SHAREHOLDERS'	BOARD OF DIRECTORS ¹	NON- EXECUTIVE DIRECTORS & INDEPENDENT DIRECTORS
NO. OF MEETINGS	1	6	2
Jaime Augusto Zobel de Ayala Non-Executive Director	● 1/1	● 6/6	● 2/2
Cezar P. Consing Executive Director	- 1/1	● 6/6	-
Delfin L. Lazaro Non-Executive Director	- 1/1	● 6/6	● 2/2
Fernando Zobel de Ayala Non-Executive Director ²	-	● 2/2	● 1/1
Mercedita S. Nollado Non-Executive Director ²	- 1/1	● 4/4	● 1/1
Rizalina G. Mantaring Lead Independent Director	- 1/1	● 6/6	● 2/2
Chua Sock Koong Independent Director	- 1/1	● 6/6	● 2/2
Cesar V. Purisima Independent Director	- 1/1	● 6/6	● 1/2

Beyond meeting attendance, the Directors' performance is evaluated yearly following a formal process in which each of them answers a questionnaire about the role, composition, processes, practices and behavior of the Board as a whole, its members, the Chairman, the Committees and the President and CEO. Responses are submitted to and processed by the Compliance Officer. The Compliance Officer reports the results to the Board.

The guidelines in conducting performance assessments are detailed in the Board Charter, which is available for viewing at [ayala.com](#).

Following SEC recommended best practice to have an independent evaluator every three years, in 2023, Aon Singapore Pte. Ltd. conducted the Board assessment exercise. The results were presented to the Corporate Governance and Nomination Committee on July 13, 2023 and subsequently to the Board on July 18, 2023.



¹ In 2023 and during the incumbency of the Directors
² Mr. Fernando Zobel de Ayala was elected on September 28, 2023 to serve the unexpired term of Ms. Mercedita S. Nollado who resigned from the Board effective the same date

Position ● Chairperson ● Member

Board Committees

To ensure optimal performance and execution of its duties and obligations, the Board delegates certain functions to Board Committees, where Directors with the appropriate background and expertise are members.

Executive Committee

The Executive Committee acts by majority vote of all its members 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.

For more information, refer to the Executive Committee Charter at [ayala.com](#) and the Executive Committee Report to the Board on [page 187](#).

Audit Committee

The Audit Committee exercises oversight on matters relating to the effectiveness of the internal control system, robustness of internal and external audit processes, integrity of the company's financial statements and reporting processes, compliance with relevant legal and regulatory requirements and performance of the internal audit function.

For more information, refer to the Audit Committee Charter at [ayala.com](#) and the Audit Committee Report to the Board on [page 192](#).

Risk Management and Related Party Transactions Committee

The Risk Management and Related Party Transactions Committee focuses on two critical matters: the identification, management and monitoring of the company's risks and opportunities, including climate and sustainability-related risks, as well as the review of related party transactions to ensure that they are fair and at arm's length.

For more information, refer to the Risk Management and Related Party Transactions Committee Charter at [ayala.com](#) and the Risk Management and Related Party Transactions Committee Report to the Board on [page 191](#).

Finance Committee

The Finance Committee oversees the company's financial and capital structure strategies, dividend policies and capital allocation processes such as new investments or acquisitions, divestments and similar transactions. It also has general oversight responsibility over the company's treasury activities and policies.

For more information, refer to the Finance Committee Charter at [ayala.com](#) and the Finance Committee Report to the Board on [page 188](#).

Personnel and Compensation Committee

The Personnel and Compensation Committee is in charge of establishing and reviewing the formal and transparent policy and procedure in determining the remuneration packages for Officers and Directors, ensuring market competitiveness and alignment with long-term interest of the company and its stakeholders.

For more information, refer to the Personnel and Compensation Committee Charter at [ayala.com](#) and the Personnel and Compensation Committee Report to the Board on [page 194](#).

Corporate Governance and Nomination Committee

The Corporate Governance and Nomination Committee oversees the proper implementation of the company's governance practices and policies, as well as the yearly Board performance review. It is also responsible for reviewing the structure and composition of the Board, the nomination and selection of candidates for Board service to ensure appropriate mix and the evaluation of persons nominated to key management positions.

For more information, refer to the Corporate Governance and Nomination Committee Charter at [ayala.com](#) and the Corporate Governance and Nomination Committee Report to the Board on [page 190](#).

Sustainability Committee

The Sustainability Committee is tasked to support the Board in its oversight responsibilities on environment, social and governance matters and its integration to Ayala's strategies. In addition, the Committee assists the Board in overseeing Ayala's fulfillment of its commitment and efforts regarding sustainable development.

For more information, refer to the Sustainability Committee Charter at [ayala.com](#) and the Sustainability Committee Report to the Board on [page 189](#).

Attendances to Board Committee meetings are summarized in the subsequent table.

Board Committee Membership and Attendance

for the year ended December 31, 2023

BOARD COMMITTEE							
MEETING	E ¹	F	C	A	R ²	P ³	S ⁴
NO. OF MEETINGS		7	9	5	10	3	4
Jaime Augusto Zobel de Ayala Non-Executive Director		 7/7	-	-	-	-	-
Cezar P. Consing Executive Director		 7/7	-	-	-	-	 2/2
Delfin L. Lazaro Non-Executive Director		 7/7	-	-	 2/2	 2/2	-
Fernando Zobel de Ayala Non-Executive Director	-	-	-	-	 3/3		 1/1
Mercedita S. Nolleto Non-Executive Director	-	-	-	-	 5/5	 1/1	 1/1
Rizalina G. Mantaring Lead Independent Director	-	-	 9/9	 5/5	 9/10	 1/1	 2/2
Chua Sock Koong Independent Director	-	-	 9/9	 5/5	-	 3/3	 4/4
Cesar V. Purisima Independent Director	-	 1/1	 9/9	 5/5	 10/10	 2/2	 2/2

Board Remuneration

Per the company's By-Laws, Directors are entitled to receive fees and other compensation for their Board service. The Personnel and Compensation Committee ensures that Board remuneration is aligned with the company's culture, business objectives and strategy. Changes in the Board remuneration structure is presented and approved by the shareholders at the Annual Shareholders' Meeting. Directors are prohibited from deciding on his or her own remuneration during the incumbent term.

Fee Structure	Retainer Fee	For Board	For Committees
Non-Executive and Independent Directors	₱3,000,000 per year	₱200,000 per meeting attended	₱100,000 per meeting attended
Chairman of the Board	Additional ₱3,000,000 per year	₱100,000 per written resolution and per non-executive directors meeting	₱50,000 per written resolution
Audit Committee Chairman	Additional ₱1,500,000 per year		

Note: The Executive Director receives neither the fixed retainer fee nor any remuneration for attending Board and Committee meetings.

¹ The actions of the Executive Committee were taken via digital/electronic means.

² Mr. Delfin L. Lazaro was a member of the RMRPT Committee until April 28, 2023. Mr. Fernando Zobel de Ayala replaced Ms. Mercedita S. Nolleto in the RMRPT Committee effective September 28, 2023.

³ Mr. Cesar V. Purisima and Mr. Delfin L. Lazaro were replaced by Ms. Rizalina G. Mantaring and Ms. Mercedita S. Nolleto in the Personnel and Compensation Committee on April 28, 2023. Ms. Nolleto was replaced by Mr. Fernando Zobel de Ayala on September 28, 2023.

⁴ Mr. Cezar P. Consing was Chairman of the Sustainability Committee until April 28, 2023 and was replaced by Ms. Nolleto until September 28, 2023. Mr. Fernando Zobel de Ayala assumed the Chairmanship on September 28, 2023. Ms. Rizalina G. Mantaring was replaced by Mr. Cesar V. Purisima on April 28, 2023.

Committee Membership	E Executive Committee	F Finance Committee	A Audit Committee	S Sustainability Committee
C Corporate Governance and Nomination Committee	R Risk Management and Related Party Transactions Committee	P Personnel and Compensation Committee		
Position	Chairperson	Vice Chairperson	Member	

In 2023, the NEDs and IDs received gross compensation, as follows:

DIRECTORS	RETAINER FEE	MEETING ATTENDANCE FEES ⁵	TOTAL PAYMENT
Jaime Augusto Zobel de Ayala	6,000,000	2,400,000	8,400,000
Delfin L. Lazaro	3,000,000	2,800,000	5,800,000
Cezar V. Purisima	3,000,000	4,000,000	7,000,000
Rizalina G. Mantaring	4,500,000	3,750,000	8,250,000
Chua Sock Koong	3,000,000	3,450,000	6,450,000
Mercedita S. Nolleto*	3,000,000	2,200,000	5,200,000
Fernando Zobel de Ayala*	1,750,000	650,000	2,400,000
TOTAL	24,250,000	19,250,000	43,500,000

*Mr. Fernando Zobel de Ayala was elected on September 28, 2023 to serve the unexpired term of Ms. Mercedita S. Nolleto, who resigned from the Board effective the same date.

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

Board and Senior Management Training

Training and development opportunities are made available by Ayala not only to its employees, but also to its Directors and Management Committee members. The company has allocated an annual budget for them to participate in professional development programs, relevant courses, conferences and seminars that will keep them updated on new trends and relevant issues surrounding the industry, thereby allowing them to more effectively perform their important roles.

For Directors, they must undergo at least a four-hour annual training on corporate governance. For new Directors, they are required to attend an eight-hour orientation on Ayala's vision and mission, business structure and strategy, governance policies and other governance-related matters.

The Compliance Officer ensures compliance with this policy and works closely with the Directors and Officers to address their training needs. Directors and Officers are encouraged to determine their own training and development plans.

In compliance with the annual training requirement, the Directors and Officers attended the 2023 Ayala Integrated Corporate Governance, Risk Management and Sustainability Summit, organized in partnership with the Institute of Corporate Directors (ICD), with the theme The Board Agenda: "Accelerating Ambition through Action: Charting the Transition to Net Zero" held on October 3, 2023 as well as other governance trainings administered by ICD. ICD has been Ayala's partner in advocating professional directorship aligned with global principles for more than 10 years.

⁵ Board and Committee Meetings



The President and CEO leads the Management Committees and works closely with Ayala Group CEOs, Group Heads and key members of the company’s senior management team in ensuring the viability and sustainability of the company, as well as of the business units in its portfolio. They regularly discuss strategy, operational and financial performance and pressing issues affecting the group, among others.

Members of the Management Committees engage in an open and honest deliberation of strategic and priority themes, with the company and its stakeholders’ best interests in mind at all times. They also see to it that business decisions are done after careful consideration of all available information, and are understood by everyone in the group.

Recommendations by the Management Committees are first discussed with the relevant Board Committee before endorsing the same to the Board of Directors for final approval.

Given the critical role of these committees, Ayala ensures that their members are not only highly competent but also fully support the vision and mission of the company. Members are also assigned roles that make the best use of their skills and expertise. Full profiles of the Management Committee members are found on ➡ **page 178**.

Ayala Group Management Committee Members → President and CEO → Ayala Corporation Group Heads → Presidents and CEOs of the Ayala Group Responsibilities → Oversees the group strategic plan and prioritizes the alignment of individual business unit priorities to the group's direction → Discusses groupwide concerns and events, possible areas of synergy and collaboration and business performance review	Ayala Corporation Management Committee Members → President and CEO → Ayala Corporation Group Heads Responsibility → Approves corporate, administrative and organizational matters that pertain exclusively to the company, as well as groupwide affairs when relevant	Investment Committee Members → President and CEO → Key members of Ayala Corporation’s senior management team Responsibility → Provides recommendations on portfolio and capital allocation strategy for the group for consideration of the Finance Committee and in collaboration with the Group CEOs and the Finance and Strategy & Business Development Groups
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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 Officer and Group Head, Finance 4 Solomon M. Hermosura ¹ Senior Managing Director, Chief Legal Officer, Corporate Secretary, Chief Compliance Officer, Data Protection Officer, and Group Head, Corporate Governance 5 Jose Rene Gregory D. Almendras Managing Director, Chief Human Resource Officer and Group Head, Corporate Resources 6 Francisco Romero Milán ² Senior Managing Director, Chief Human Resource Officer and Group Head, Corporate Resources	7 Karl Kendrick T. Chua ³ Managing Director, Group Head, Data Science and Artificial Intelligence 8 Mark Robert H. Uy ⁴ Executive Director, Group Head, Corporate Strategy 9 Jaime Z. Urquijo ⁵ Associate Director, Chief Sustainability and Risk Officer 10 Anna Margarita Ma. B. Dy ⁶ Senior Managing Director, President and CEO, Ayala Land, Inc. 11 Jose Teodoro K. Limcaoco President and CEO, Bank of the Philippine Islands 12 Ernest Lawrence L. Cu President and CEO, Globe Telecom, Inc. 13 John Eric T. Francia Senior Managing Director, President and CEO, ACEN Corporation	14 Paolo Maximo F. Borromeo Managing Director, President and CEO, Ayala Healthcare Holdings, Inc. 15 Jaime Alfonso E. Zobel de Ayala Associate Director, Co-CEO, AC Industrial Technology Holdings, Inc., President and CEO, AC Mobility Holdings Incorporated 16 Arthur R. Tan ⁷ Senior Managing Director, President and Co-CEO, AC Industrial Technology Holdings, Inc. and CEO, Integrated Micro-Electronics, Inc. 17 Alfredo I. Ayala Managing Director, President and Chief Operating Officer, iPeople, Inc. 18 Mariana Beatriz E. Zobel de Ayala Executive Director, Director and Senior Vice President, Ayala Land, Inc.
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¹ Resigned effective February 29, 2024
² Effective March 1, 2023
³ Effective July 1, 2023
⁴ Effective August 1, 2023
⁵ Effective August 1, 2023
⁶ Effective October 1, 2023
⁷ Retiring on April 25, 2024

“As we invest, we must also rationalize. In the last decade or so we have ventured into several industries. Given the breadth of our businesses, we are probably the most diversified Philippine conglomerate.”

Cezar P. Consing
President & CEO, Ayala Corporation



Value Creation

Outlook and Strategy	→ 48
Risks and Opportunities	→ 58
Materiality and Stakeholder Engagement	→ 64

Ayala consistently aims to bridge structural divides and economic gaps in the Philippines by building impactful businesses and transforming these into industry-leading companies.

Alongside its purpose of building businesses that enable people to thrive, Ayala aligns its strategy with prevailing global, regional and local trends to properly contextualize its blueprint for sustainable growth.

Amid this backdrop, Ayala's key strategic pillars are:

1. **Focused execution** to ensure business strength and resilience that contribute to sustained growth and market leadership;
2. Continued **transformation** including a commitment to delivering unparalleled customer experience; and
3. Commitment to be a **leader in sustainability** by embedding ESG in all aspects of business operations.

 Outlook



Healthy Philippine economy

with a 5.6% GDP growth, ahead of the 4.0% average among its Southeast Asian peers. This was anchored by strong domestic consumption and investment activity amid elevated inflation, higher interest rates and heightened global geopolitical tensions.



At the heart of the country's economy is a **resilient consumer class** underpinned by a robust labor market. An unemployment rate of 3.1%, the lowest in two decades, steady growth in remittances and favorable demographics remain supportive of sustained consumer demand.

Accelerated digital transformation

and the continuous evolution of new business models such as fintech and electric mobility. Amid intensifying competition, Ayala sees opportunities to evolve its capabilities and further invest in new and innovative businesses that fuel growth and transformation.



Greater multi-sectoral collaboration

among private, government, non-government and academic institutions has become more crucial to unlock innovative and effective solutions to today's challenges. The flexibility and speed that a collaborative ecosystem can provide are critical to achieving shared goals of a more sustainable and inclusive society.



Focus on reducing greenhouse gas emissions

and calls for increased sustainability in business models emphasize the integration of environmental, social and governance principles into core business strategies. Ayala aligns with evolving best practices in sustainability as its commitment to take action and contribute to the United Nations Sustainability Development Goals (UN SDGs) and the broader movement towards net zero.

Strategic Pillar 1

Focused Execution

Ayala's strength in execution drives tangible results that contribute to sustained growth and market leadership. With an approach rooted in rigorous planning, efficient use of resources and prudent capital allocation, excellence in execution is critical in achieving its strategic objectives.

Key Initiatives



Financial Resilience and Growth

Strong financial performance across Ayala's diverse portfolio of businesses



Expansion of Core Businesses

Driving market leadership and continued expansion of Ayala's core value drivers: Ayala Land, BPI, Globe and ACEN



Growth Initiatives in Emerging Businesses

Growing AC Health and AC Logistics while addressing the country's pain points



Portfolio Rationalization

Sharpen Ayala's portfolio with an increased focus on exiting underperforming businesses and capitalizing on value realization opportunities to fund future investments and strengthen the balance sheet.



Balance Sheet Management

Active management of credit metrics, value realization initiatives and sustainable financing as an alternative funding source ensure Ayala's balance sheet remains strong to support and grow its businesses



Capital Expenditure

Delivery of CAPEX plans to fuel growth ambitions and spur economic activity

2023 Performance

- Core net income of **₱41 billion**, 48% higher year-on-year and 32% above the previous high water mark established in 2019
- Reported net income of **₱38 billion**, 39% up year-on-year
- Dividend income¹ of **₱19.2 billion**, higher 57% year-on-year
- Return on common equity ended at **10.2%**
- Ayala market capitalization at year-end reached **₱422 billion** (US\$7.6 billion).
- Core equity earnings² from core value drivers grew 29% to **₱47.3 billion**:
 - BPI registered record high net income of **₱51.7 billion** (+31%), driven by above-industry loan growth (+10%) and growing fee income (+17%)³.
 - Ayala Land reached **₱24.5 billion** (+32%) in net income on the back of robust property development revenues (+14%), resilient reservation sales (+9%) and strong commercial leasing revenues (+25%).
 - Globe posted record-high revenue and EBITDA of **₱162.3 billion** (+3%) and **₱81.4 billion** (+3%), respectively, backed by higher aggregate contributions from data-related revenues.
 - ACEN's income from operating units⁴ increased to **₱4.9 billion** (2.9x) mainly from higher capacity and strengthened net seller position. Its total output reached 4,474 GWh (+32%).
- AC Health opened the country's first dedicated cancer hospital in November 2023, the **Healthway Cancer Care Hospital**. It also expanded its pharma group with the inclusion of **St. Joseph Drug** and its provider arm through a management agreement of the **FEU-Dr. Nicanor Reyes Medical Foundation hospital**
- AC Logistics focused on **integrating and streamlining** AIR21 and Entrego assets while growing its high-value businesses in international freight and cold storage. In June 2023, AC Logistics **opened a new cold storage facility** in Cagayan de Oro in partnership with Glacier Megafridge
- Increased total value realization proceeds by **₱6 billion** to reach **₱37.1 billion** in total from 2021 to 2023
- Generated **₱5.7 billion** in proceeds from the partial sale of Manila Water Company (MWC) shares. Ayala maintains a 22.5% economic interest in MWC
- Divested bolt-on acquisitions in AC Industrials, MTC-Con and STI, mitigating **₱800 million** in annual losses
- Ayala's **solid credit reputation** as proxy to the Philippine sovereign is reflected in the group's wide access to both local and international facilities. Prudent management of debt, cash flow and funding sources sustained the health of its balance sheet:
 - Parent gross debt of **₱157.9 billion** and net debt of **₱146.1 billion**
 - Consolidated net debt-to-equity ratio of 0.75.
 - Loan-to-value of 11.2%
 - Fixed rate loan mix of 79.1%
 - Blended interest rate of 5.37%
- Group CAPEX of **₱248 billion** spread across the different businesses
- Parent CAPEX of **₱13 billion**, bulk of which was allocated to emerging businesses

¹ Excludes special dividend from AC Energy & Infrastructure (ACEIC), parent company of ACEN, in 2022

² Excludes earnings from thermal assets under ACEIC. Including core earnings from thermal assets, Ayala's core equity earnings grew 41% to **₱52 billion**

³ Core net income up 44%, fee income excludes the impact of the asset sale in 2022

⁴ Excludes cash value realization gains and other one-time, noncash adjustments

Strategic Pillar 2

Brand & Transformation

Ayala is committed to elevating brands that deliver exceptional quality, with products and services that are nested in understanding and meeting customer needs. Embracing continuous development and innovation, Ayala positions itself both at the heart of the customer experience and at the forefront of a rapidly evolving market.

Key Initiatives



Transformation

Be at the leading edge of new developments and position to be a key player in shaping the customer experience amid a dynamically changing landscape, integrating new technologies and leveraging innovation across the group



Customer Centricity

Aim to deliver best-in-class customer experience, with products and services that anticipate and adapt to evolving consumer preferences. Ayala prioritizes quality and differentiation, targeting to stand out in meeting the diverse needs of customers.



Pioneering New Industries

Be at the forefront of embracing emerging technologies and leading the shift towards innovative models. Ayala's entry into the electric vehicle (EV) space demonstrates its commitment to innovation and sustainable progress.

2023 Performance

- Ayala has **revitalized leadership** across the group, strategically focused on succession planning, and elevated the commitment to nurturing talent.
- Ayala Land **refreshed its strategy** to focus on quality, sustainability, people and growth across its businesses.
- The Philippines' first and largest REIT, AREIT, has more than tripled its assets under management to **P87.2 billion** since its listing in 2020.
- BPI continues to strengthen its customer franchise, with the highest net promoter score among banks and **1.7 million new clients**.
- BPI's network of **709 branches** is complemented by its agency banking model that leverages **5,344 partner outlets** nationwide to redefine accessibility and convenience.
- ACEN diversified and expanded its renewable energy portfolio with capacity additions in **new geographies** such as Australia and USA, as well as latest technologies like floating solar.
- ACEN increased its retail electricity supply business by **more than 50% to over 200 MW**, fulfilling growing demand for renewable energy from commercial and industrial customers.
- GCash continued to drive financial inclusion with **over 94 million users** while sustaining market leadership.
- Ayala, Globe, and ST Telemedia Global Data Centres broke ground on two data center projects, capturing customer demand in the **rapidly growing tech space**.
- In addition to supporting business units with data solutions and insights, Ayala's **data analytics** team expanded into data strategy consulting, and launched a Community of Practice to enhance the group's collective analytics capability.
- ACMobility is at the **forefront of the country's push towards EVs**, accelerating the future of mobility through the distribution of EVs, rollout of critical charging infrastructure, and the delivery of ancillary services.
- ACMobility was appointed as **national distributor of BYD, one of the world's largest manufacturer of EVs**, in the Philippines.
- ACMobility rolled out **20 charging stations** across Metro Manila.
- Gogoro, a collaboration involving Globe and Ayala, launched electric bikes with battery-swapping technology to **bring more sustainable transport options** in the country.

Strategic Pillar 3

Leadership in Sustainability

Ayala's commitment to sustainability is anchored on its purpose of building businesses that enable people to thrive. To better understand its impact, the company recently conducted a double materiality assessment, involving key stakeholders to better understand issues that can affect it as well as those to which it can make a meaningful contribution.

In 2021, Ayala committed to achieving net-zero GHG emissions by 2050. It is also exploring bold ambitions under the social dimension of sustainability to ensure positive impact to the broader society. It is an exemplar of good governance, adhering to best practices as it remains a trusted partner by other members of the private sector and government.

Key Initiatives



Net Zero Commitment

Develop a roadmap and appropriate metrics to achieve net zero GHG emissions by 2050.



Ayala Sustainability Blueprint

Continue progress towards the 2030 Ayala Sustainability Blueprint, which is aligned with the UN SDGs



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



Diversity, Equity and Inclusion

Strive to champion diversity, equity and inclusion (DEI) through leadership commitment, policies and practices and board composition



Public-Private Partnerships

Cultivate and strengthen partnerships with a myriad of institutions



Sustainable Finance

Strengthen its commitment to sustainable financing through constant stakeholder engagement that keeps it abreast of the latest regulatory developments and best practices. As Ayala broadens its alternative funding sources, it seeks to drive thought leadership across the group through the Ayala Group Treasury Council.

2023 Performance

→ Ayala has established baseline figures. Please refer to [page 84](#) for more information.

→ Named **Asia's Most Sustainable Company of the Year** and **one of Asia's Most Influential Companies** at the 2023 Asia Corporate Excellence and Sustainability Awards.

→ ACEN partnered with the Rockefeller Foundation and the Monetary Authority of Singapore to explore and develop what could be the world's first coal-to-clean transition credit. Announced at the Conference of Parties (COP) 28 in Dubai, UAE, the project would allow ACEN to **accelerate the retirement of the SLTEC coal plant to 2030**, 10 years earlier than its original timeline of 2040.

→ ACEN partnered with Globe to power 10 additional high-energy utilization facilities with **100% renewable energy**, bringing the total number of Globe facilities running on green energy to 24.

Business units continue to make progress on their respective contributions to **the Ayala Sustainability Blueprint**. Please refer to [page 118](#) for updates.

Ayala recognizes the critical role that the UN SDGs play in providing ambitious, national-level goals for public and private institutions to align on. The company is exploring how to further enhance **its contributions to the UN SDGs**, and will report on its progress on this thinking.

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

→ **Ranked #309, the highest-ranked Philippine company**, in TIME Magazine's list of the World's Best Companies.

→ **Ranked #255 in Forbes' list** of the World's Top Companies for Women, **the top-ranked Philippine company** and up from #383 last year.

→ **Ranked #186** in Forbes' list of the World's Best Employers, **one of eight Philippine companies** and up from #581 last year.

A more detailed discussion can also be found on [page 88](#) of this report.

→ Ayala's leadership has **embraced a DEI Commitment Statement**, signaling support for DEI at the top levels of the group. The company has undertaken initiatives to foster inclusive policies that address concerns including non-discrimination and mental health. Additionally, Ayala organizes learning sessions aimed at mitigating and eliminating bias, further embedding DEI principles into the corporate culture.

→ Female representation is **36% at the senior management level** and **56% in the company**.

→ Ayala is deeply committed to **enhancing diversity at all levels of the company**, actively promoting an inclusive culture that values and leverages a broad spectrum of perspectives and backgrounds.

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

→ Ayala is **actively involved in the Philippine Private Sector Advisory Council**, with members of its management team taking part in the committees of health, jobs and digital infrastructure.

→ Ayala actively participated in ASEAN-wide consultation meetings on the **adoption of the Taskforce on Nature-related Financial Disclosures** organized by the World Business Council for Sustainable Development.

→ Ayala participated in **COP28** in December 2023 in collaboration with the **Department of Environment & Natural Resources** and other organizations.

A comprehensive list can be found on [page 70](#) of this report.

→ Ayala developed its **Sustainability Linked Financing Framework**, which is aligned with the company's commitments to net zero and social impact. The framework adheres to the Sustainability Linked Bond Principles published by the International Capital Market Association and Loan Markets Association.

→ Championed by the Ayala Group Treasury Council, Ayala partnered with the World Bank - International Finance Corporation and UBS for its **inaugural Sustainable Finance Workshop** that was attended by more than 80 representatives across the Ayala Group.



Business Activities

Guided by its strategic pillars, Ayala carries out its business activities across cross-functional groups comprising of Corporate Governance, Corporate Strategy and Business Development, Data Analytics and Artificial Intelligence, Finance, Public Affairs, Strategic Human Resources and Sustainability and Risk Management.



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 the ability 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 with the platform to assess whether to allocate more capital to a business or rebalance holdings to solidify value.

Balance Sheet Management

Ayala actively manages its balance sheet to ensure that it is always strong and ready to support growth opportunities with flexibility. Liquidity requirements are managed by optimizing foreign exchange and interest rate exposures, as well as diversifying funding sources including sustainable financing. Ayala uses dividends from its various businesses to manage cash flows, enabling it to service operating expenses and its obligations. The company constantly monitors its consolidated net debt-to-equity and loan-to-value ratios to measure relative indebtedness and capacity to service debts. This also gives insight to its decision to recycle capital or take on additional debt. As the company constantly seeks to strengthen its balance sheet, Ayala tracks a range of other metrics such as the blended cost of debt, ratio of fixed to floating rate loans, currency mix and timing of obligation maturities, among others.

Strategic Human Resources Development

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 88** 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 ensure 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 105** 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 68** for more information.

Over the years, the practice of risk management has improved significantly, which allowed a better understanding of the organization’s risks and opportunities.

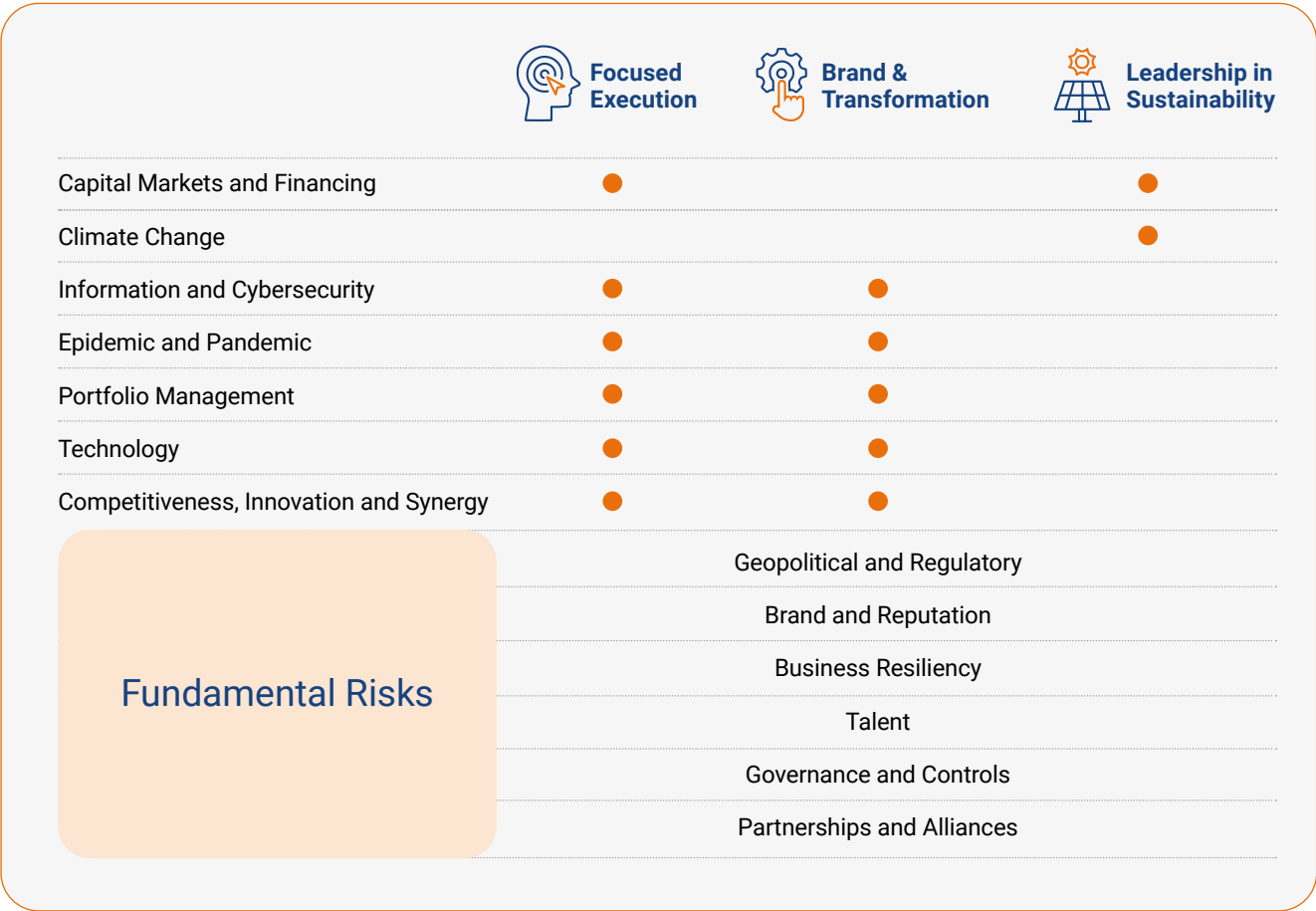
Stakeholders are more engaged today, in search of greater transparency and accountability for managing the impact of risk, while also critically evaluating the leadership’s ability to realize opportunities. Organizations have become more adaptive to change and have started to think strategically how to manage the increasing complexity, volatility and ambiguity of the global landscape.

In a similar manner, Ayala’s risk management program has matured and become more robust that it encourages integrated thinking. This approach guides the alignment of the company’s strategy with risks and opportunities, and adds perspective to the strengths and weaknesses of a strategy as conditions change and how well a strategy fits into the organization’s vision and mission. Integrating risks with business objectives provides an effective way for management to ensure how risks can impact strategy and manage them well. More information about Ayala’s integrated risk management approach can be found on [page 108](#).

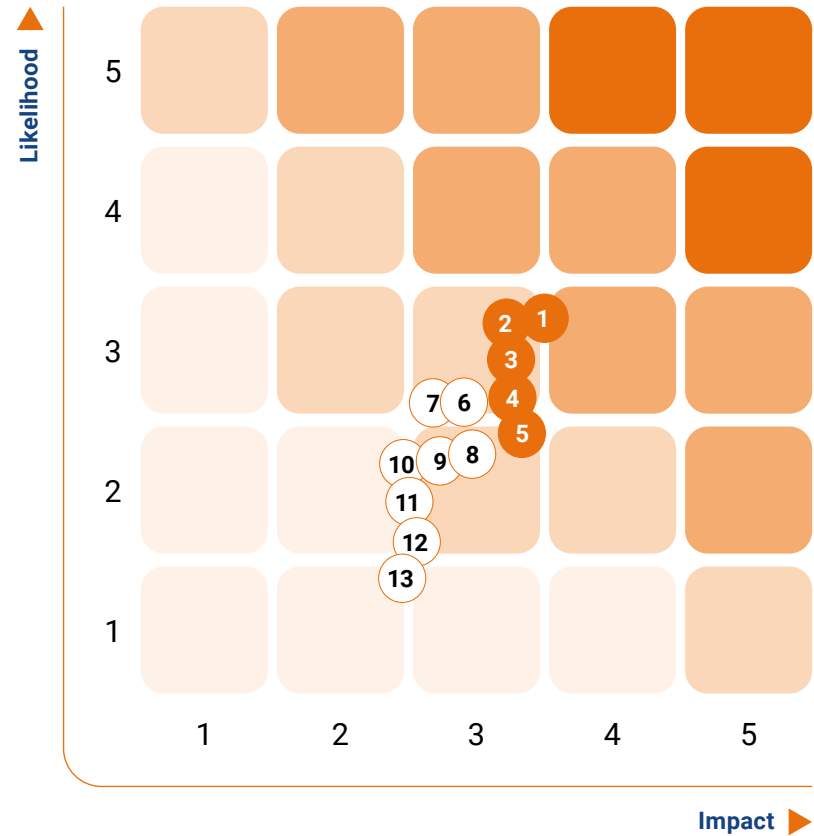
Succeeding the discussion of risks and understanding various external factors affecting Ayala’s operations, the company relied on its management’s foresight and creativity in reviewing and prioritizing its risk exposures.

After the recalibration of Ayala’s vision pillars and refresh of risk universe, risks were grouped into two categories – (1) risks that impact the company’s 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.

Alignment of Vision Pillars with Key Risks



For the 2023 risk assessment, Ayala’s risk universe remained composed of 13 risk categories. The heatmap presents that the most concerning risks at Ayala emanate from the external environment.



2023 Rank	2022 Rank	+/-	Category
1	2	▲ 1	Information and Cybersecurity
2	9	▲ 7	Talent
3	7	▲ 4	Competitiveness, Innovation and Synergy
4	3	▼ 1	Geopolitical and Regulatory
5	6	▲ 1	Portfolio Management
6	11	▲ 5	Technology
7	4	▼ 3	Climate Change
7	7	=	Brand and Reputation
9	1	▼ 8	Capital Markets and Financing
9	9	=	Business Resiliency
11	5	▼ 6	Epidemic and Pandemic
12	13	▲ 1	Partnerships and Alliances
13	12	▼ 1	Governance and Controls

Principal Risks and Opportunities

1 ▲
1 place from 2022

Information and Cybersecurity

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

Capitals



Implications for Value Creation

- Loss of stakeholder trust
- Leakage of critical and confidential information
- Criminal prosecution and fines
- Reputational damage
- System downtime

Risk Drivers

- Acceleration of digital strategies, increased volume of online transactions and push for use of technology-driven solutions
- Increased sophistication and frequency, as well as more organized orchestration of cyber attacks
- Lack of data security and protection policies
- Insufficient forward planning and cyber risk assessment
- Lack of employee awareness on cyber threats

Key Risk Indicators

- Instance of security breach
- Unauthorized disclosure of personal identifiable data or commercially-sensitive information
- Downtime of critical systems

Mitigating Controls

- Participated in the groupwide Cybersecurity Maturity Assessment to validate the robustness of current cybersecurity management program
- Strengthened IT infrastructure to support increased usage of digital platforms and combat information and cybersecurity threats
- Continued implementation of employee education/ 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

OPPORTUNITIES

Upon completion of the groupwide Cybersecurity Maturity Assessment by Kroll and consultation with cyber insurance partners, 17 baseline cybersecurity controls were identified for all business units within the Ayala Group to implement by end of 2024. This will ensure that the foundation of cybersecurity risk management program is consistent across the Ayala Group.

2 ▲
7 places from 2022

Talent

Failure to ensure that the company has the right talent at all times

Capitals



Implications for Value Creation

- Low workforce productivity
- Delayed projects or deliverables
- Potential leakage of proprietary knowledge

Risk Drivers

- Expanded competition for talent to a global scale
- Increased talent attrition across the group with better opportunities at reach
- Dependency of the success of strategy execution on having the right talent
- Lack of ready successors for key roles across the group

Key Risk Indicators

- Employment offer acceptance rate
- Average time to fill up vacant positions
- Regrettable and total attrition rate
- Quantity and quality of learning intervention
- Engagement result on rewards

Mitigating Controls

- Conducted talent review every other year to identify high-performing talents and potential successors for critical roles
- Aligned training programs with employees' developmental plans and upskilling/reskilling needs
- Periodic benchmarking of compensation and benefits across industries to assess rewards competitiveness
- Aligned total rewards package with internal equity and benchmarking exercise
- Offered flexible employment opportunities

OPPORTUNITIES

Upon the Talent Management unit's review of the talent journey in Ayala, initiatives were launched focusing on skills and competency mapping to better understand the development needs of employees and align the professional development program with the company's evolving competency requirements.

3 ▲
4 places from 2022

Competitiveness, Innovation and Synergy

Failure to innovate according to the needs of customers

Capitals



Implications for Value Creation

- Erosion of market share
- Loss of relevance in the market/industry
- Missed targeted dividends from business units

Risk Drivers

- Fast-paced digitalization of products and services as brought by shifts in consumer preferences
- Incompatible business model with the new ways of doing business
- Presence of competing products within the Ayala Group
- Inability to understand changing customer needs

Key Risk Indicators

- Market share vs. industry share
- Revenue growth vs. industry growth

Mitigating Controls

- Enhanced end-of-year portfolio performance review
- Conducted new sector spotting research periodically
- Leveraged on ESG investing framework to incorporate sustainability and use it as competitive advantage
- Leveraged data analytics to find synergistic opportunities across the business units based on emerging trends
- Performed disruptive change assessment on selected business units, as necessary

OPPORTUNITIES

With the strong directive to become market leaders in their respective industries, core business units are revisiting their strategies and repurposing major assets to increase market share.

4 ▼
1 place from 2022

Geopolitical and Regulatory

Inability to anticipate changes in the political and regulatory landscapes

Capitals



Implications for Value Creation

- Misalignment of business models due to change in regulations
- Reputational damage
- Slow to adapt to changes without affecting profitability/ reputation
- Unrealized revenues and/or additional expense due to changes in or new legislation

Risk Drivers

- Ongoing geopolitical tensions and trade wars
- Continued rise in populism and use of social media for disinformation campaigns
- Expected new laws and regulations, including but not limited to, the Mandanas ruling and Real Property Valuation Reform Bill
- Change in government leaders and appointees
- Lack of national government coordination

Key Risk Indicators

- Sustained orchestrated negative publicity against big businesses and/or private sector
- Instances of public dissatisfaction/protests and/or social unrest
- Impact of new legislative and/or executive issuances

Mitigating Controls

- Proactively engaged and strengthened relationships with regulators and government agencies
- Enhanced partnerships with the government to improve service to the communities
- Continuously monitored government actions and assess potential impact of new/emerging tax/ business regulations

OPPORTUNITIES

Ayala continues to closely monitor the political outlook and any potential changes in regulations to ensure changes which may impact the group are identified and addressed appropriately. The company works closely with the regulators and government agencies, directly and through its membership to key business associations, to input into regulation as draft proposals are announced. Through this proactive approach, Ayala views the right kind of regulation and legislation as an opportunity for its business to outperform.

Principal Risks and Opportunities

5 ▲
1 place from 2022

Portfolio Management

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

Capitals



Implications for Value Creation

- Missed targeted dividends from business units
- Loss of relevance in the market/industry
- Missed obligations
- Reputational damage

Risk Drivers

- Challenges in evolving emerging businesses to scale
- Conglomerate discount, i.e. the positive performance of business units does not directly translate to an increase in Ayala's stock price due to external factors
- Unoptimized capital allocation adversely affecting Ayala's ability to right-size its portfolio of companies across industries and sectors

Key Risk Indicators

- Market share vs. industry share
- Revenue growth vs. industry growth
- Portfolio revenue growth

Mitigating Controls

- Continuously conducted early spotting of opportunities both within existing or emerging businesses, as well as new sectors
- Continuously monitored the Key Result Area (KRA) scorecards of the business units
- Maintained relationship with business partners and advisors, and proactively identified potential partners who can add value to the Ayala portfolio
- Performed corporate financial analysis in support of recommended investments
- Consolidated performance reports per business unit for presentation to the management and Board of Directors on a monthly and quarterly basis, respectively
- Instituted a thorough process for divestment

OPPORTUNITIES

As part of the continual improvement of strategic decision-making process, compliance with ESG considerations and inclusion of risk discussions shall be factored into the investment evaluation process.



➡ Around 25 Ayala managers, unit heads and members of the executive management team attended the risk assessment exercise facilitated by KPMG.



Risk Financing Strategy

In 2023, Ayala maintained its path on risk transfer strategy by continuously providing quality underwriting information and studies that its insurance partners have been known for. However, the domestic insurance market is now feeling the impact of various global natural catastrophe losses and is fully realizing the damage of Typhoon Rai (local name Odette), which reflected in the pricing of the company's program renewals, particularly on the property

damage and business interruption insurance side. Ayala prepared the group by gathering information that is necessary for underwriting, as well as risk mitigation updates for appreciation of the insurers. There was also a mindful decision on program revisions that are acceptable to the business units (BUs) to manage the impending increase on the programs. All the BUs were well prepared for the changes on the renewal.

➡ Preparing the Business Units for Insurance Claims

Ayala, together with Aon, prepared a Pre-Loss workshop with selected BUs. Said workshop, which was the first of its kind in the Philippines, focused on an Odette-level scenario to prepare and practice the BUs on what to do and avoid. Participants had an open workshop discussion with the insurers, as well as claims adjusters, to better understand the requirements on a claim.

➡ Business Continuity

Ayala and its partner risk advisor, Aon, conducted a Business Continuity Management (BCM) workshop for the business units. A total of 70 participants from 17 BUs attended the event, which provided them basic BCM skills they can use to prepare their own BCM process and manual. This will be followed through in 2024 by in-depth discussions with the BUs on their specific BCM plans.



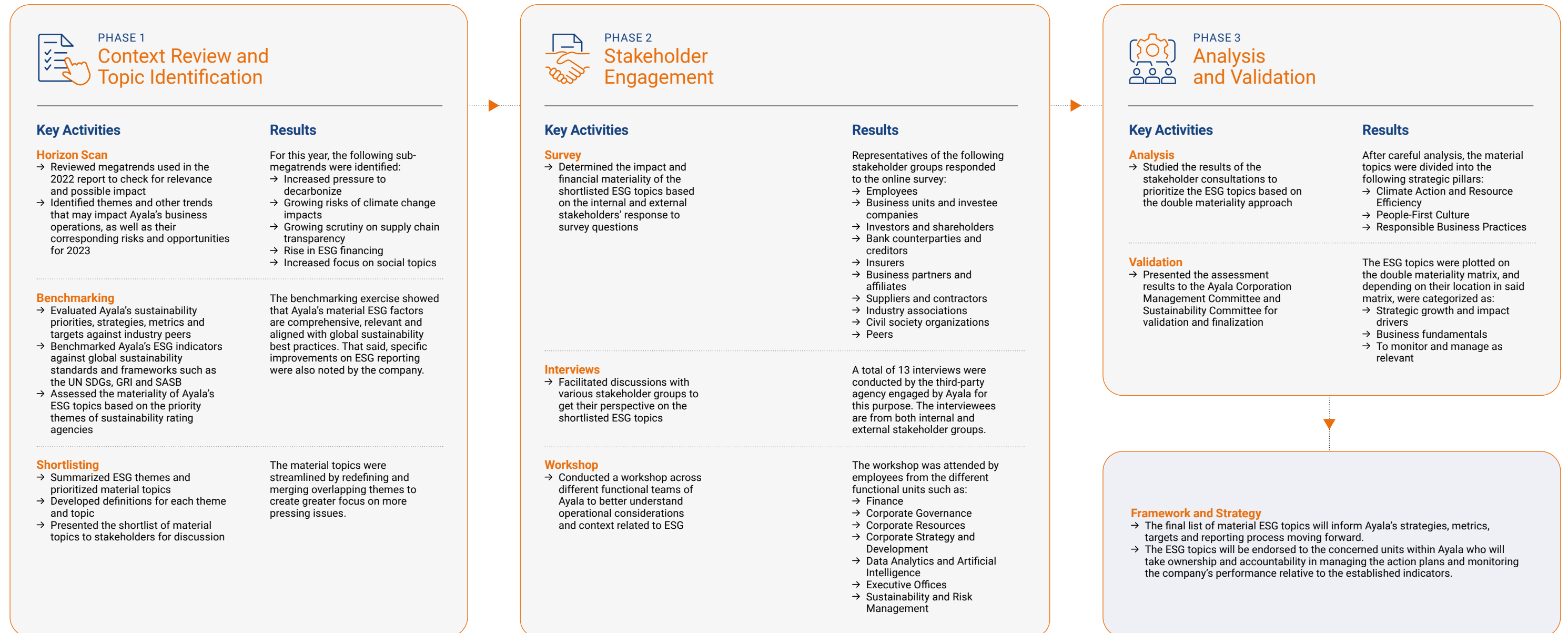
Ayala continues to be an active partner of various stakeholders in advocating for sustainability and bridging societal gaps.

To ensure that the company focuses its sustainability strategy and commitments on the most relevant themes, Ayala conducts in-depth consultations with its stakeholders. Such engagements also help the company prioritize actions on critical growth drivers and issues that affect business fundamentals.

Double Materiality Process

To more effectively identify and manage topics that critically affect both its businesses and stakeholders, Ayala conducted a double materiality assessment in 2023, in line with practice to revisit and refresh material topics every two to three years. The company mapped out relevant themes and consulted its stakeholders to determine sustainability issues to be prioritized and the corresponding actions that need to be taken to address them.

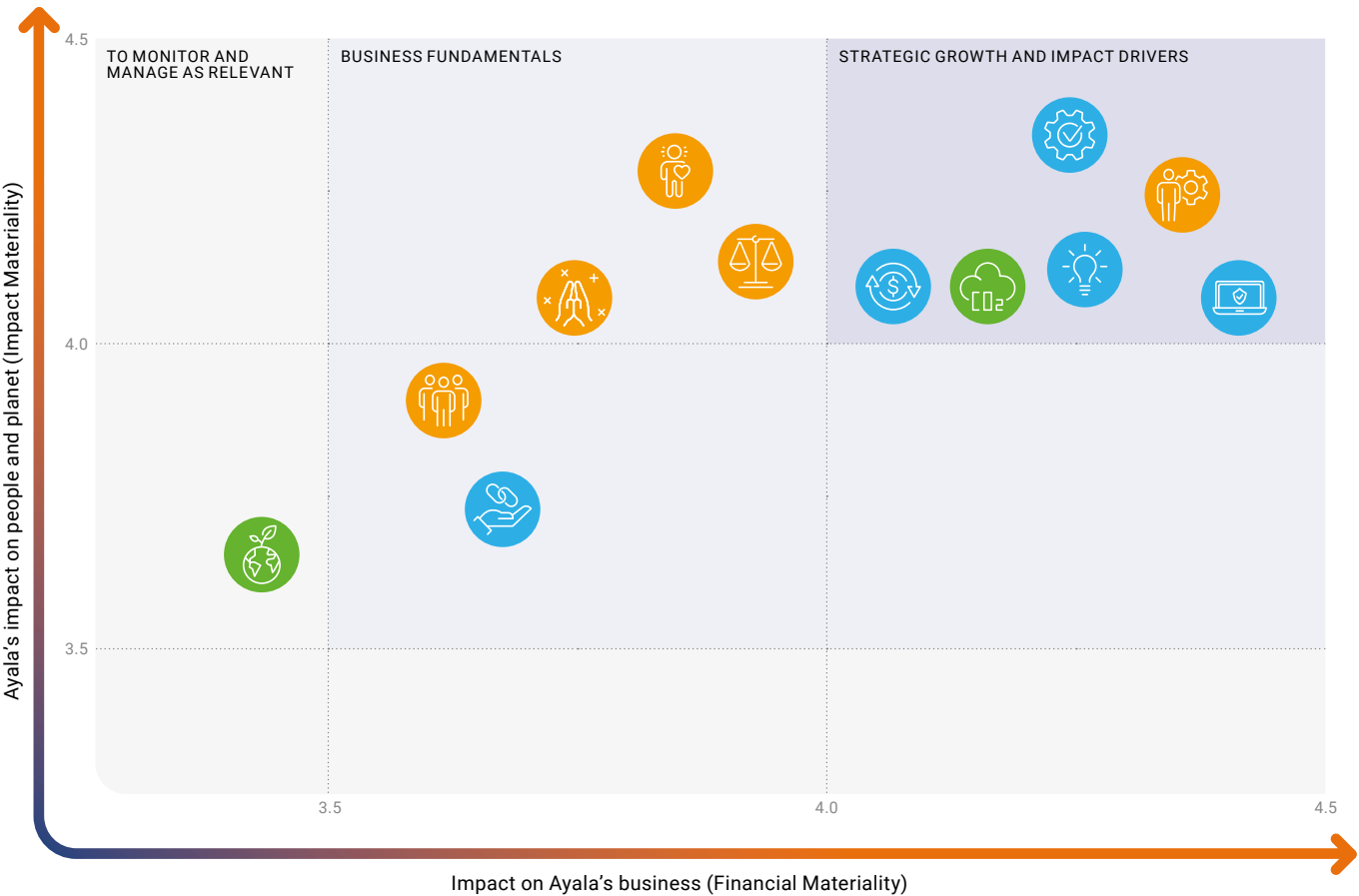
Prioritization of Material Topics



Material Topics

Ayala’s shift to double materiality reflects its renewed commitment to address important issues surrounding its businesses and affecting its stakeholders. The company aims to elevate the quality of life of its stakeholders in current and future locations of its business operations, while ensuring the financial health of the enterprise.

The results of the double materiality process will guide Ayala as it continues with its sustainability journey and in the consideration of its ongoing and future business activities.



ENVIRONMENT: CLIMATE ACTION AND RESOURCE EFFICIENCY		
TOPIC	DESCRIPTION	KEY STAKEHOLDER INSIGHTS
 Climate Action	Advance progress toward achieving net zero emissions by 2050 through the reduction of greenhouse gas emissions, adoption of renewable energy and optimization of energy efficiency across business operations, as well as strengthen climate resilience through identifying physical and transition risks and implementing climate adaptation measures	→ Ayala has a significant role to play in the Philippine’s decarbonization agenda as it moves out of non-renewables. → Ayala’s pioneering work in renewable energy will continue to be a salient area of focus. → Against a backdrop of growing climate risks, there is an increased need for Ayala to invest in measures that can protect its assets. While this will incur costs in the present, it is essential for ensuring future business continuity. → It would be strategic for Ayala to communicate to stakeholders its efforts to uphold business resilience.
 Resource Conservation and Management	Conservation of natural resources and ecosystems including biodiversity and water through active and innovative measures and the responsible management of waste and hazardous materials generated	→ Increased regulations on biodiversity will call for Ayala and other companies to increase their focus on and reduce their impact in this area. → Ayala can leverage water management strategies to reduce its environmental impact, especially in the face of water scarcity. → There is potential for the Ayala Group to improve on waste management by improving synergy and interaction across the business units, as well as engaging in strategic investments.

SOCIAL: PEOPLE-FIRST CULTURE

TOPIC	DESCRIPTION	KEY STAKEHOLDER INSIGHTS
 Human Capital Management and Development	Enhancing the skills and knowledge of employees, facilitating their personal and professional growth within the company and prioritizing efforts in talent attraction, retention and succession planning to continue being an employer of choice	→ With the rapid development of technology and artificial intelligence, along with other trends, Ayala needs to ensure that its workforce is upskilled and it remains an employer of choice. → Providing opportunities (such as cross-posting) for employees to gain exposure in different areas is beneficial for innovation and succession, as well as in promoting synergy across groups.
 Human and Labor Rights	Eradicating child labor, forced labor, upholding indigenous rights, ensuring community safety through ethical engagements and respecting employee rights and freedom of association	→ As one of the largest employers in the Philippines, the Ayala Group has a great opportunity to lead its industry peers on upholding human rights in the workplace.
 Health and Safety	Supporting and safeguarding the holistic well-being of employees by creating healthy working environments	→ Regulations are placing increased pressure on businesses like Ayala to ensure that they uphold high standards of health and safety in their operations. → Ayala must ensure that processes, protocols and measures are in place to safeguard employees and their families, as well as the wider communities against climate-related disasters.
 Community Engagement	Contributing to the well-being and development of communities and building positive relationships with the business’ communities	→ Given the extensive nature of the Ayala Group and its operations, it can play a pivotal role in uplifting communities. → It is imperative for Ayala to engage and consult with communities to get buy-in and the social license to operate. Failure to do so could lead to financial risks and losses from failed programs, as well as damaged assets. → Improving healthcare access in the country should continue to be a focus of Ayala as it is a business opportunity that aids the community.
 Diversity, Equity and Inclusion	Values, policies and practices that foster and celebrate diversity, equity and inclusion in the workplace	→ Given Ayala’s extensive influence and reach in Philippine society, its workforce should reflect the country’s demographic and speak to its needs. → Ayala can look to diversify its workforce by incorporating non-educational achievements in its hiring processes and not just choosing top students from the best schools.

GOVERNANCE: RESPONSIBLE BUSINESS PRACTICES

TOPIC	DESCRIPTION	KEY STAKEHOLDER INSIGHTS
 Information and Cybersecurity	Operational, technical and physical security measures to protect the integrity, confidentiality and availability of critical and sensitive information	→ As cybersecurity threats are increasing, the Ayala Group will need to invest more in this area and ensure that rigorous standards are applied. → Cybersecurity is very important as a breach in security – as in GCash – would be detrimental to society.
 Innovation	Developing and implementing innovation and synergies across the business to identify new solutions and ways of thinking that meet evolving needs and preferences	→ There is a need to keep up with competition and have innovation initiatives translate into offerings – going to the extent of re-creating the business itself where needed. → Beyond just innovating, it is also critical to embed innovation within the culture.
 Business Practices and Corporate Governance	Conducting business with integrity and maintaining a strong corporate governance framework to ensure transparency, accountability, compliance and responsible decision-making, upholding high anti-bribery and corruption standards	→ Ayala is highly regarded as it takes corporate governance seriously, but it needs more transparency and diversity, especially at the Board level. → Management succession is one area that Ayala should look into as there is no “new blood” getting into the company.
 Sustainable Financing and Investment	Commitment to sustainable financing that advances environmental and social goals, improving access and inclusivity to investee businesses and their stakeholders	→ Aligning with entities (e.g., investors, strategic acquisitions, partnerships) that share Ayala’s values and beliefs on sustainability can be a means for the company to expand its influence and lead the industry in this area.
 Supply Chain Sustainability	Commitment to sustainable and responsible practices across the company’s supply chain	→ Investors expect companies like Ayala to take responsibility for and extend ESG expectations to their suppliers and vendors.

Stakeholder Engagement

Relationships built over the years are a major source of Ayala’s strength. Meaningful engagement with these stakeholders across various platforms is crucial to better understanding their concerns and aspirations, especially on key ESG topics that Ayala can contribute to. Stakeholders are grouped based on their relationship with the company for a more tailored and effective engagement approach.

Specific to the double materiality assessment, Ayala reached out to its stakeholders – though not all groups responded – to evaluate the impact and financial materiality of the shortlisted material topics. Their inputs helped in defining the focus of each topic and in developing a clear action plan to address the key issues. The insights gathered from both internal and external stakeholders will be the foundation of Ayala’s strategy and reporting practice.

STAKEHOLDER GROUP	ACTIVITIES AND ENGAGEMENT CHANNELS	MATERIAL TOPICS WITH HIGHEST PERCEIVED IMPACT*	KEY ISSUES AND CONCERNS	STRATEGIC RESPONSE
 Employees	• Direct contact • Forums and town halls • Surveys and pulse checks • E-learning platforms and webinars • Internal online portal • Ayala Group digital magazine • Website and social media • Other special celebrations and events	→ Human Capital Management and Development → Business Practices and Corporate Governance → Innovation	• Job security • Professional growth and development • Succession • Work-life balance • Overall well-being • Safety and security • Company culture • Workplace environment and conditions	→ Human Capital Management and Development → Diversity, Equity and Inclusion → Health and Safety
 Business units and investee companies	• Direct contact • Councils, networks, and working groups • Ayala Group digital magazine • Website and social media • Other special celebrations and events	→ Resource Conservation and Management → Climate Action	• Direction from the parent company • Capital allocation • Execution of business plans • Innovation • Synergy within the Ayala Group	→ Outlook and Strategy → Risks and Opportunities → Human Capital Management and Development → Business Practices and Corporate Governance → Sustainable Financing and Investment → Innovation
 Investors and shareholders	• Direct contact • Investor conferences • Roadshows • Briefings, conferences and summits • Website and social media • Other special events	→ Human Capital Management and Development → Innovation → Climate Action	• Governance • Growth and balance sheet management • Portfolio construction	→ Outlook and Strategy → Risks and Opportunities → Climate Action → Business Practices and Corporate Governance → Sustainable Financing and Investment → Innovation → Business Review
 Bank counterparties and creditors	• Direct contact • Roadshows • Briefings, conferences and summits • Website and social media • Other special events	→ Climate Action → Health and Safety → Business Practices and Corporate Governance	• Financial and operational performance • ESG strategy • Credit management • Sustainable finance	→ Outlook and Strategy → Risks and Opportunities → Climate Action → Business Practices and Corporate Governance → Sustainable Financing and Investment
 Insurers	• Direct contact • Roadshows • Briefings, conferences and summits • Website and social media • Other special events	→ Diversity, Equity and Inclusion → Health and Safety → Human and Labor Rights	• Financial and operational performance • ESG strategy • Risk management • Compliance with laws and regulations	→ Outlook and Strategy → Risks and Opportunities → Climate Action → Business Practices and Corporate Governance → Human and Labor Rights

STAKEHOLDER GROUP	ACTIVITIES AND ENGAGEMENT CHANNELS	MATERIAL TOPICS WITH HIGHEST PERCEIVED IMPACT*	KEY ISSUES AND CONCERNS	STRATEGIC RESPONSE
 Business partners and affiliates	• Direct contact • Briefings, conferences and summits • Website and social media • Other special events	→ Climate Action → Resource Conservation and Management → Human Capital Management and Development	• Portfolio strategy • Strategic alignment • Financial and operational performance • ESG strategy	→ Outlook and Strategy → Risks and Opportunities → Climate Action → Business Practices and Corporate Governance
 Suppliers and contractors	• Direct contact • Website and social media	→ Human Capital Management and Development → Human and Labor Rights	• Job orders • Payments • Compliance with regulations	→ Supply Chain Sustainability → Human and Labor Rights
 Industry associations	• Direct contact • Briefings, conferences and summits • Website and social media • Other special events	→ Human Capital Management and Development → Human and Labor Rights → Information and Cybersecurity	• ESG strategy • Compliance with regulations • Environmental and social programs • Partnerships and collaborations	→ Climate Action → Resource Conservation and Management → Human and Labor Rights → Diversity, Equity and Inclusion → Community Engagement → Advocacy Partnerships
 Civil society organizations	• Direct contact • Briefings, conferences and summits • Website and social media • Other special events	→ Business Practices and Corporate Governance → Diversity, Equity and Inclusion → Health and Safety	• Strategic direction • ESG strategy • Compliance with regulations • Environmental and social programs • Partnerships and collaborations	→ Climate Action → Resource Conservation and Management → Diversity, Equity and Inclusion → Human and Labor Rights → Community Engagement → Business Practices and Corporate Governance → Supply Chain Sustainability → Advocacy Partnerships
 Peers	• Direct contact • Briefings, conferences and summits • Website and social media • Other special events	→ Innovation → Resource Conservation and Management	• ESG strategy • Environmental and social programs • Partnerships and collaborations	→ Climate Action → Resource Conservation and Management → Community Engagement → Advocacy Partnerships
 Government agencies and regulators	• Public consultations/ hearings • Policy forums • Briefings, conferences, summits and other social events • Website and social media • Meetings		• Compliance with laws and regulations • Support to local and national programs • Partnerships and collaborations • Submission of evidence-informed recommendations to proposed measures	→ Business Practices and Corporate Governance → Human and Labor Rights → Advocacy Partnerships
 Media	• Direct contact • Briefings, conferences and summits • Press releases • Website and social media • Other special events		• Governance • Truthful and updated information • Growth story • Contribution to society	→ Business Practices and Corporate Governance → Community Engagement → Business Review
 Communities	• Direct contact • Briefings, conferences and summits • Website and social media • Other special events		• Quality and affordability of products and services • Customer support	→ Community Engagement → Innovation → Business Review

* Applicable only to those who responded to the double materiality survey and interviews; topics are presented according to the stakeholder group’s prioritization

Advocacy Partnerships

Ayala collaborates with like-minded local and international organizations to further the causes it supports. In some cases, the company maintains a membership in relevant associations and contributes to the attainment of their objectives. Through these strategic partnerships, the company plays an active role in advocacies that advance its long-term vision for its businesses and stakeholders.

GLOBAL



Council for Inclusive Capitalism

ADVOCACY
Create a more inclusive, sustainable and trusted economic system

REPRESENTATIVE
Jaime Augusto Zobel de Ayala (Ayala Chairman) – Steering Committee member



World Business Council for Sustainable Development

ADVOCACY
Working towards ensuring that 9 billion people are able to live well, within planetary boundaries, by 2050

REPRESENTATIVE
Ayala Corporation – lone Filipino corporate member



Business Commission to Tackle Inequality

ADVOCACY
Address inequality and generate shared prosperity for all

REPRESENTATIVE
Cezar Consing (Ayala President and CEO) – Commissioner



CFO Network

ADVOCACY
Redesign financial system architecture, revolutionize capital market engagement and build out key elements of business practice toward sustainability

REPRESENTATIVE
Alberto De Larrazabal (Ayala CFO) – Member



Global Compact Network Philippines

ADVOCACY
Advance the UN Global Compact and its principles in the Philippines

REPRESENTATIVE
Ma. Victoria Tan (Ayala Executive Director) – Chairperson



Pan-Asia Risk and Insurance Management Association

ADVOCACY
Strengthen and enhance the culture of risk management

REPRESENTATIVE
Ma. Victoria Tan – Board Member



Private Sector Advisory Council

ADVOCACY
Guide and support the Philippine government in achieving its economic objectives

REPRESENTATIVE
Paolo Borromeo (AC Health President and CEO) – Lead, Health Committee

Alfredo Ayala (iPeople President) – Member, Jobs Committee

Ernest Cu (Globe President and CEO) – Member, Digital Infrastructure Committee



Institute of Corporate Directors

ADVOCACY
Promote the adoption of good corporate governance practices

REPRESENTATIVE
Jaime Augusto Zobel de Ayala – Honorary Fellow

LOCAL



Institute of Internal Auditors Philippines

ADVOCACY
Advance the internal auditing profession by adding value to organizations and other stakeholders

REPRESENTATIVE
Annabeth Bernardo (Ayala Land Chief Audit Executive) – Corporate Secretary



Financial Executives Institute of the Philippines

ADVOCACY
Pursue professional, organizational and national growth and success among financial executives, practitioners and managers

REPRESENTATIVE
Catherine Ang (Ayala Chief Audit Executive) – Chairman, Good Governance Committee; Member, Young Finance Officers Committee



Makati Business Club

ADVOCACY
Create more jobs and better lives for Filipinos by working with businesses, government and other partners

REPRESENTATIVE
Jaime Augusto Zobel de Ayala – Vice Chairman

Jaime Alfonso Zobel de Ayala (AC Industrials President and CEO) – Chairman, Global Ideas Committee (until March 2023)



Philippine Disaster Resilience Foundation

ADVOCACY
Build disaster-resilient communities and businesses in the Philippines

REPRESENTATIVE
Jaime Augusto Zobel de Ayala – Co-Chair and Trustee



Philippine Business for Education

ADVOCACY
Advocate education reforms on learning and employability to contribute to an improved quality of life for every Filipino

REPRESENTATIVE
Jaime Augusto Zobel de Ayala – Board Member

Alfredo Ayala – Board Member



Hero Foundation

ADVOCACY
Provide educational support to families of fallen Filipino soldiers

REPRESENTATIVE
Fernando Zobel de Ayala (Ayala Board Director) – Chairman

Ernest Cu – Board Member

John Eric Francia (ACEN President and CEO) – Board Member



Ateneo de Manila University (Ateneo School of Government and Ateneo School of Medicine and Public Health)

ADVOCACY
Promote and support healthcare advocacy, research, recruitment and training

REPRESENTATIVE
AC Health

In August 2023, AC Health and Ateneo hosted the 4th Health Leadership Summit with the theme, “Human Resources for Health in Light of Universal Healthcare”.



University of the Philippines (UP School of Economics)

ADVOCACY
Promote and support economic research on priority themes

REPRESENTATIVE
Ayala Corporation

In May 2023, Ayala and UPSE held an Economic Forum entitled, “The Paradox of Foreign Aid and Donor Self-Interest”.

“We believe that building profitable enterprises should go hand in hand with equitable economic growth, environmental stewardship, meaningful social impact and an utmost adherence to the highest ethical standards in business.”

Jaime Augusto Zobel de Ayala
Chairman, Ayala Corporation

Impact	
Climate Action and Resource Efficiency	→ 74
People-First Culture	→ 88
Responsible Business Practices	→104
Ayala Sustainability Blueprint	→118

“Our journey towards net zero will be done **gradually and properly**. We will be accurate, transparent and regular in reporting our progress.”

Jaime Augusto Zobel de Ayala
Chairman, Ayala Corporation



HIGHLIGHTS

Best Corporate ESG (Gold) Award

from FinanceAsia for integrating ESG and value creation in overall corporate strategy

Completion

of the Ayala Group’s GHG footprint baseline accounting and validation, in line with the GHG Protocol and Science Based Targets Initiative (SBTi)

30.2%

renewable energy share in energy mix across the Ayala Group



CONTEXT

Environmental stewardship is of paramount importance to Ayala as the company relies on a natural environment that allows for its existence and is likewise conducive to its continued growth in a sustainable manner. The company aspires to be an active contributor to the global climate action and continues to be a staunch advocate of causes that address key environmental issues.

The company has made progress on its ambition to attain net zero greenhouse gas emissions (GHG) by 2050. Consistent with the company’s commitment when this ambition was announced in 2021, Ayala maintains that its journey towards net zero will be done gradually and properly, guided by globally-recognized, science-backed methodologies in calculating GHG emissions, as well as reduction targets. The company is also cognizant of its impact on nature and biodiversity and strives to address this through efficient management of its water and materials use and proper handling of wastes.

MATERIAL TOPICS

- Climate Action
- Resource Conservation and Management



Climate Action

Ayala continues to be guided by the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), cognizant that the TCFD had just concluded its operations and is now subsumed by the International Sustainability Standards Board (ISSB). Across its organization, Ayala ensures that its business decisions – both short- and long-term – factor in climate-related considerations. The company also regularly reviews and updates its risk register to confirm that it recognizes relevant financial risks and opportunities associated with climate change. For this report, Ayala will continue to discuss its efforts towards climate action following the TCFD pillars of Governance, Strategy, Risk Management and Metrics and Targets.

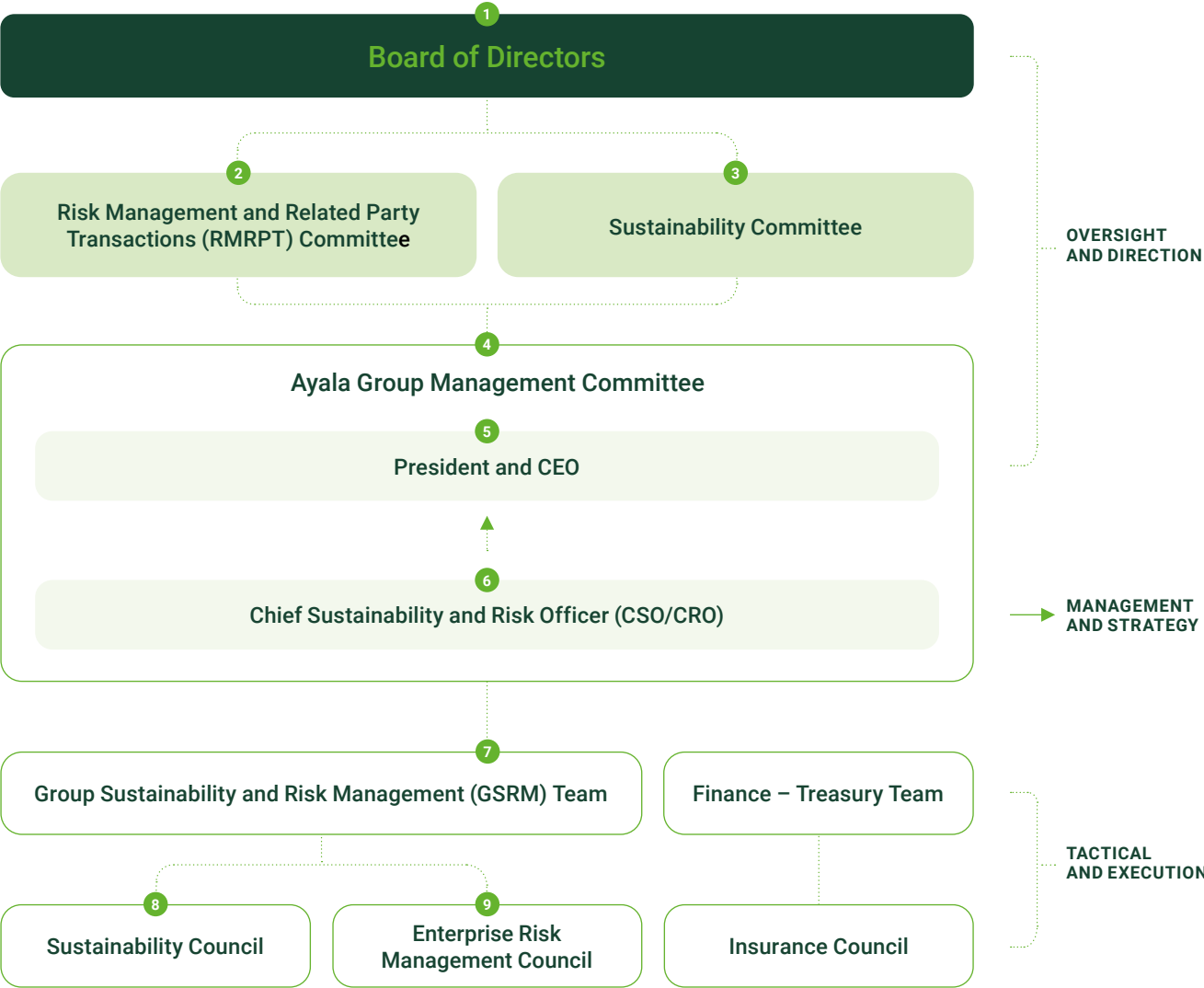
Ayala’s journey to Net Zero GHG emissions by 2050 will be a steady and fully credible process. Emissions will be calculated in accordance with the GHG protocol. Ayala is in the process of determining its targets, interventions and action plan and will continue to remain transparent in communicating its progress along this journey regularly in subsequent reports.

While specific action plans with corresponding timelines are being finalized, the company intends to continue increasing renewable energy use in its operations, expanding the adoption of electric vehicles both within the company and with its stakeholders, while investing in the requisite infrastructure and implementing other climate adaptation and mitigation measures.

MILESTONES



GOVERNANCE



- 1 The Board oversees the group’s strategy, systems and procedures, including climate-related issues and business resilience.
- 2 Along with the Sustainability Committee, the Risk Management and Related Party Transactions (RMRPT) Committee provides the Board with information on climate-related risks and opportunities. It is also responsible for overseeing the risk management framework.
- 3 The Sustainability Committee supports the company’s sustainability efforts and the integration of ESG matters in strategy formulation.
- 4 The Board discusses with the Ayala Group Management Committee group-level objectives and strategic plan, including climate-related issues. The recommendations of the Ayala Group Management Committee are reviewed with the RMRPT and Sustainability Committees prior to Board approval.
- 5 The President and CEO is the ultimate sustainability champion at Ayala and directly oversees the CSO/CRO.
- 6 The Chief Sustainability and Risk Officer (CSO/CRO) sits as a member of the Ayala Corporation Management Committee and Investment Committee and 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.
- 7 The Group Sustainability and Risk Management (GSRM) Team oversees the day-to-day functions such as planning, monitoring and reporting.
- 8 The Sustainability and 9 Enterprise Risk Management councils support the CSO/CRO and GSRM Team.

Strategy

Ayala reviewed the top risks determined from the climate risk assessment conducted by the company and its core businesses with Aon Global Risk Consultants in 2022 and found that they are still accurate and relevant. Salient points of said assessment are shown below. The company will undertake a new round of climate risk assessment in 2024 and will publish the result in the next report.

Ayala intensified its efforts on climate change mitigation and adaptation and influenced its business units to ensure effective implementation of their climate action programs.

Risks and Opportunities

Acute Physical

DESCRIPTION
Driven by just one or a few events

EXAMPLES
Severe tropical cyclones, wildfires, droughts, flood

Chronic Physical

DESCRIPTION
Arising from long-term changes in climate patterns

EXAMPLES
Sustained increase in temperatures, water stress

Transition

DESCRIPTION
Risks linked to the impact of transitioning to a low-carbon economy

EXAMPLES
New policies such as carbon pricing schemes and carbon disclosure mandates; new technology such as electric vehicles and renewable energy

Scenarios

Representative Concentration Pathway (RCP) ¹	Temperature Outcome ²
8.5	3.2–5.4°C
Assumes no major global effort to limit GHG emissions; characterized by increasing GHG emissions leading to higher global average temperatures	
Representative Concentration Pathway (RCP) ¹	Temperature Outcome ²
4.5	1.7–3.2°C
Considers coordinated action to limit GHG emissions; a scenario where atmospheric GHG concentrations are stabilized before 2100	

¹ GHG concentration, rather than emissions, adopted by the Intergovernmental Panel on Climate Change (IPCC)
² Global average temperature increase by the end of the century when compared to pre-industrial levels

Timeframe

- Short-term**
Current to 2 years
in the future; Short-term risks and opportunities integrate with existing risk management processes
- Medium-term**
2 to 5 years
in the future
- Long-term**
5 to 12 years
in the future

Key Risks

ACUTE PHYSICAL			
RISK	DESCRIPTION	ASSET VALUE AT RISK	MANAGEMENT RESPONSE
Coastal flooding	Increases in the frequency and severity of extreme precipitation events can lead to localized flooding. Rising sea levels can also have substantive impacts.	US\$270 million – 1,440 million	→ Strengthen business continuity and disaster resilience measures, particularly for IT and data centers → Review and, if necessary, update insurance coverages → Ensure employees are adequately trained on proper disaster protocols and are equipped with go bags and other emergency must-haves → Reinforce collaboration with business units on how to share resources and expertise during disasters → Coordinate with relevant stakeholders to align disaster response and recovery plans
TRANSITION			
RISK	DESCRIPTION	ASSET VALUE AT RISK	MANAGEMENT RESPONSE
Increased stakeholder concern or negative feedback	The rising awareness of customers and stakeholders on climate change issues such as GHG concentrations in the atmosphere and decarbonization	US\$18 million – 22 million	→ Continue to move towards Net Zero GHG emissions by 2050 and regularly publish updates on Ayala Group's efforts → Engage various stakeholders in discussions about climate-related risks and opportunities → Partner with organizations and associations that advocate climate action
Shifts in technology	In the transition to a low carbon economy, technological advancements may reduce competitiveness, production, efficiency, or demand and may lead to impaired or stranded assets	US\$25 million – 31 million	→ Build Ayala Group's capacity to search and adopt new technology such as renewable energy and electric vehicles

SPOTLIGHT

IMI and Zero Motorcycles launch the first high-powered e-motorcycle assembly line in the Philippines

IMI entered into a strategic partnership with Zero Motorcycles, a top manufacturer of electric vehicles, to bring the world's leading full-sized all-electric motorcycles to the Philippines. Using its expertise in electronics manufacturing, IMI will be in charge of both partial and modular assemblies of Zero's e-motorcycle models. This collaboration hopes to ensure that IMI remains a significant participant in the global movement towards EVs.

ACMobility unveils a new lineup of BYD and Kia electric vehicles

Championing the adoption of EVs in the Philippines, ACMobility (formerly AC Motors) launched BYD's award-winning compact crossover Atto 3 and midsize SUV Tang. To make EVs more accessible to Filipinos, the company also adjusted the pricing for the Dolphin hatchback. Earlier in 2023, ACMobility unveiled Kia's EV6, its first dedicated electric vehicle.

Globe, Ayala Corporation and Gogoro collaborate for clean and sustainable mobility

Globe's 917Ventures and Ayala Corporation introduced Gogoro's sustainable transport system as an alternative form of transportation, particularly for the logistics and last-mile delivery industry. In its first phase, Globe and Ayala brought in 100 Gogoro Smartscooters with 400 smart batteries and built 7 swapping stations strategically located across Metro Manila. More units are expected to be delivered in the coming years.

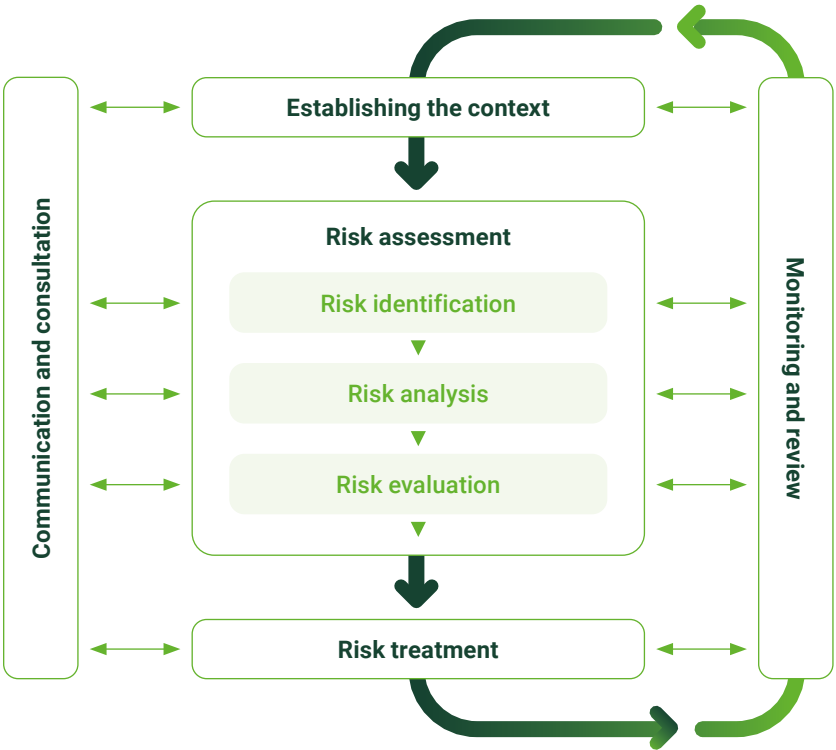
ACEN, Rockefeller Foundation and Monetary Authority of Singapore partner to pilot the use of Transition Credits for the early retirement of coal plants

In 2023, ACEN, Rockefeller Foundation's Coal to Clean Credit Initiative (CCCI) and the Monetary Authority of Singapore announced their pioneering collaboration that seeks to develop the world's first Transition Credit project. This undertaking, consistent with the Paris Agreement, will accelerate the phase-out of coal plants and replace them with renewable energy, while supporting the livelihood of affected communities in the area.

Risk Management

Ayala has a robust Enterprise Risk Management (ERM) policy that is aligned with ISO 31000:2018 Risk Management – Principles and Guidelines. The policy guides the company in identifying, assessing and managing various risks, including climate-related risks, that may impact its business decisions. The ERM is a collaborative process as officers and employees across different levels of the organization participate and contribute to this annual exercise.

More information about Ayala's risk management process can be found on ➡ **page 108** and the results of the 2023 risk assessment is available on ➡ **page 58**.



STEP	DESCRIPTION	OUTPUT	PERSON / UNIT IN CHARGE
Establishing the context	Considering and understanding both internal ¹ and external ² context	Risk management goals and objectives, policy and governance structure	Prepared by the GSRM Team
Risk assessment	Evaluating and prioritizing business and climate-related risks based on their likelihood and impact on the company's viability and operations, as well as on other identified risks	Risk universe, dictionary, portfolio and analysis report	Conducted by the GSRM Team and with the participation of the risk owners
Risk treatment	Recommending the appropriate plan of action to address risks in functional areas	Risk treatment plan	Prepared by risk owners and reviewed by the GSRM Team
Monitoring and review	Checking and ensuring that the risks are still relevant and accurately representing the company's risk universe	Updates to Ayala risk portfolio, periodic risk management report and annual risk management report	Prepared by the CSO/CRO and reported to the RMRPT Committee
Communication and consultation	Communicating and discussing the risks, action plans and management process at various stages in the exercise	Inputs, insights and recommendations on how to improve the process, plan and strategy	Top management, business units, other relevant stakeholders

¹ Internal context includes business processes, organizational culture, values, standards, strategic objectives and sustainability targets.

² External context includes, but is not limited to, political, financial, legal, technological, economic, social, environmental factors and sustainability megatrends, including natural hazards and climate change.

Climate-related risks are given more weight in the risk register because of their long-term impacts on the business and the greater community. Their likelihood is no longer in question as changes in climate patterns are already apparent. Ayala always aligns with national regulations such as the Intended Nationally Determined Contribution (INDC) in conducting climate-related risk assessments.

Factors Considered in Assessing Climate-Related Risks

- Business resilience
- Operations
- Competitiveness and innovation
- Political and regulatory themes
- Portfolio management
- Capital markets and financing
- Brand and reputation
- Partnerships
- Technological advancements

Metrics and Targets

Metrics

Ayala shares key environmental performance metrics across its different business units in relation to water, waste and materials in the Performance Index on [page 152](#).

Performance relating to 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. In 2023, the top management were incentivized for performance related to Ayala's climate ambition.

Another climate-related metric implemented within the Ayala Group includes internal carbon pricing. Ayala Land has set an internal price on carbon. Ayala Land's commercial properties are charged a carbon fee if they did not shift to using renewable energy in their operations. The fee encourages more investments in energy efficient technologies and renewable energy sourcing. The fee was set at ₱250 per metric tons of carbon dioxide equivalent (tCO₂e).

Targets

As part of its net zero commitment, Ayala's key businesses, Ayala Land, ACEN, BPI and Globe, have calculated

their full scopes 1 to 3 footprint using the Greenhouse Gas Protocol methodology, an internationally recognized standard for corporate GHG emissions accounting. Through the same exercise, AC Energy and Infrastructure Corporation (ACEIC) and Manila Water were also able to calculate their full GHG footprint in 2023.

Existing GHG emissions calculations were reviewed and updated, where required, to reflect the most up-to-date emissions factors available for relevant emission sources. For the first time, all 15 scope 3 categories were then reviewed for relevance to the business units' operations. A detailed data collection and validation exercise was completed for all relevant categories. After the development of their respective robust GHG emissions footprint, the business units identified emission reduction opportunities for identified emission hotspots through desktop research, expert insights and brainstorming sessions with key leaders and personnel.

Guided by the latest science, Ayala Land, ACEN, Globe and ACEIC set near- and long-term emission reduction targets that are aligned with a 1.5°C pathway and their respective sectoral guidance. All targets 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.

The business units then developed roadmaps to guide their desired emissions reduction trajectory, understand key intervention areas, and identify focus areas and synergies across the group.

Ayala continued to expand its Climate Ambition. Leveraging on the progress made by its core business units, ACEIC and Manila Water, by Q4 2023, more Ayala business units initiated the development of full GHG footprints. This formed the basis of Ayala's robust GHG baseline. 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.

Through the 2021 GHG baseline, Ayala focused on developing a comprehensive GHG inventory covering all scopes from Ayala Corporation, its business units and investee companies in line with the GHG Protocol and Science Based Targets Initiative (SBTi) requirements. This will be used as inputs for the tools and analysis for future phases. Ayala's full Net Zero Roadmap is expected to be completed by mid-2024.

Methodology, Approach and Scope to GHG Reporting

Revamping Ayala's GHG Methodology

Over the past months, Ayala underwent a thorough accounting of its scopes 1, 2 and 3 GHG emissions following the GHG Protocol: A Corporate Accounting and Reporting Standard – Revised Edition (GHG Protocol) and the complementary Corporate Value Chain (scope 3) Accounting and Reporting Standard, which are the most widely used internal accounting tools for supporting government and business leaders in understanding, quantifying and managing GHG emissions. These standards were developed in partnership between the World Resources Institute and the World Business Council for Sustainable Development.

The accounting was based on the following principles of the GHG Protocol:

- **Relevance:** an appropriate inventory boundary that reflects the GHG emissions of the company and serves the decision-making needs of users;
- **Completeness:** accounting that includes all emission sources within the chosen inventory boundary – any specific exclusion is disclosed and specified;
- **Consistency:** meaningful comparison of information over time and the transparent documentation of any changes to the data;
- **Transparency:** data inventory sufficiency and clarity, where relevant issues are addressed in a coherent manner; and
- **Accuracy:** minimized uncertainty and avoided systematic over- or under-quantification of GHG emissions.

Through the baselining activity, Ayala was able to conduct a thorough review of all scope 3 categories in its value chain. It was also able to account for fugitive emissions under scope 1 and prioritize reporting of market-based scope 2 emissions to reflect its efforts on renewable energy procurement.

Organizational Boundaries: Adopting the Control Approach

For corporate reporting, two distinct approaches can be used to determine the boundary of the organization's GHG emissions – the equity share approach and the control approach. Under the equity

share approach, a company accounts for GHG emissions from operations according to its share of equity in the operation. For the control approach, a company accounts for 100% of the GHG emissions from operations over which it has control. It does not account for GHG emissions in which it owns an interest but has no control.

In the case of Ayala, the selected approach of operational control was applied across the organization. Operational control is based on the reporting company's ability to introduce and implement operating policies. In alignment with the four core businesses, ACEIC and Manila Water, the operational control approach was adopted to enable Ayala to directly reduce emissions where it has the authority to introduce and implement operating policies.

The figure on the side illustrates how Ayala treats companies under and outside its operational control.

Of the previously completed inventories, Ayala Land, ACEIC and ACEN are subsidiaries where Ayala has operational control and are treated as a subsidiary aligned with the GHG Protocol, i.e., Ayala Land, ACEIC and ACEN's scopes 1, 2 and 3 emissions are accounted for under Ayala's scopes 1, 2 and 3 emissions respectively. Whereas for Globe, BPI and Manila Water, these are either joint ventures or affiliates; their scopes 1 and 2 emissions are included in Ayala's scope 3 category 15 based on the parent's share of equity in the operation. Scope 3 emissions of these three entities are not relevant for Ayala's GHG inventory.

Ayala's percentage of direct ownership as of November 2023 was applied to the entities included in the 2021 GHG inventory to account for the fact that companies' economic ownership changes over time.

By applying Ayala's percentage of direct ownership as of November 2023, Ayala is able to exclude divestments occurring in 2022 and 2023 to show a baseline number that accurately indicates emissions it has control over.

By refining the organizational boundaries included in the baseline year reporting, Ayala was able to fully account for the GHG emissions from all its business units

and investee companies, resulting in a more robust footprint across all scopes and emission sources.

A more detailed breakdown of Ayala's operational boundaries and the relevant emission sources for each can be found in [page 164](#).

Under Operational Control

e.g., Ayala Corporation, Ayala Land, Inc., ACEN Corporation, and Integrated Microelectronics, Inc. (IMI) and other non-listed companies.

Scope 1: 100% of GHG emissions accounted for under Ayala Corporation's scope 1 inventory

Scope 2: 100% of GHG emissions accounted for under Ayala Corporation's scope 2 inventory

Scope 3:
→ Categories 1-14: accounted for 100% of GHG emissions under Ayala Corporation's scope 3 inventory
→ Category 15: accounted according to Ayala Corporation or the business unit's share of equity in the operation under scope 3 category 15

Outside Operational Control

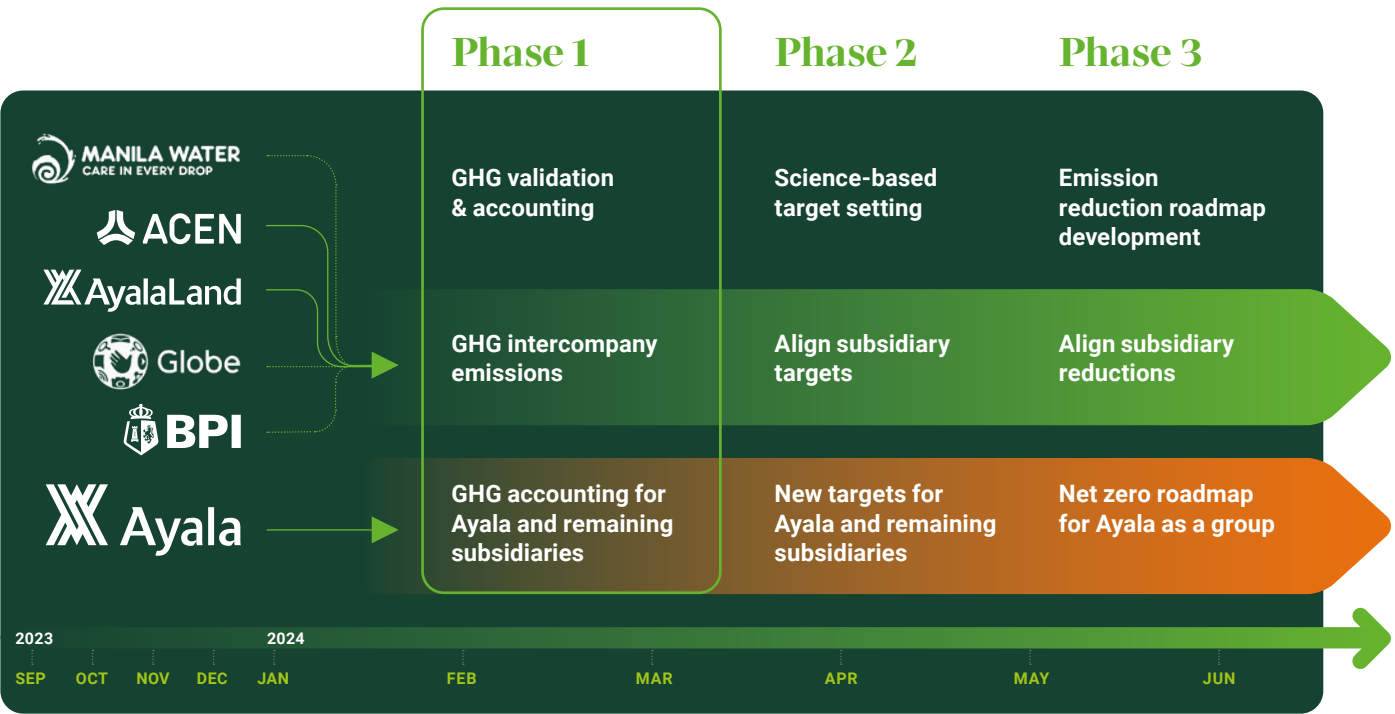
e.g., Globe Telecom, Inc., Bank of the Philippine Islands, Manila Water Company, Inc., iPeople, Inc. and other non-listed companies.

Scope 1 & 2: accounted for according to Ayala Corporation's share of equity in the operation under scope 3 category 15

Scope 3: not accounted for (outside of GHG accounting boundaries)

For the list of companies, please refer to [page 164](#).

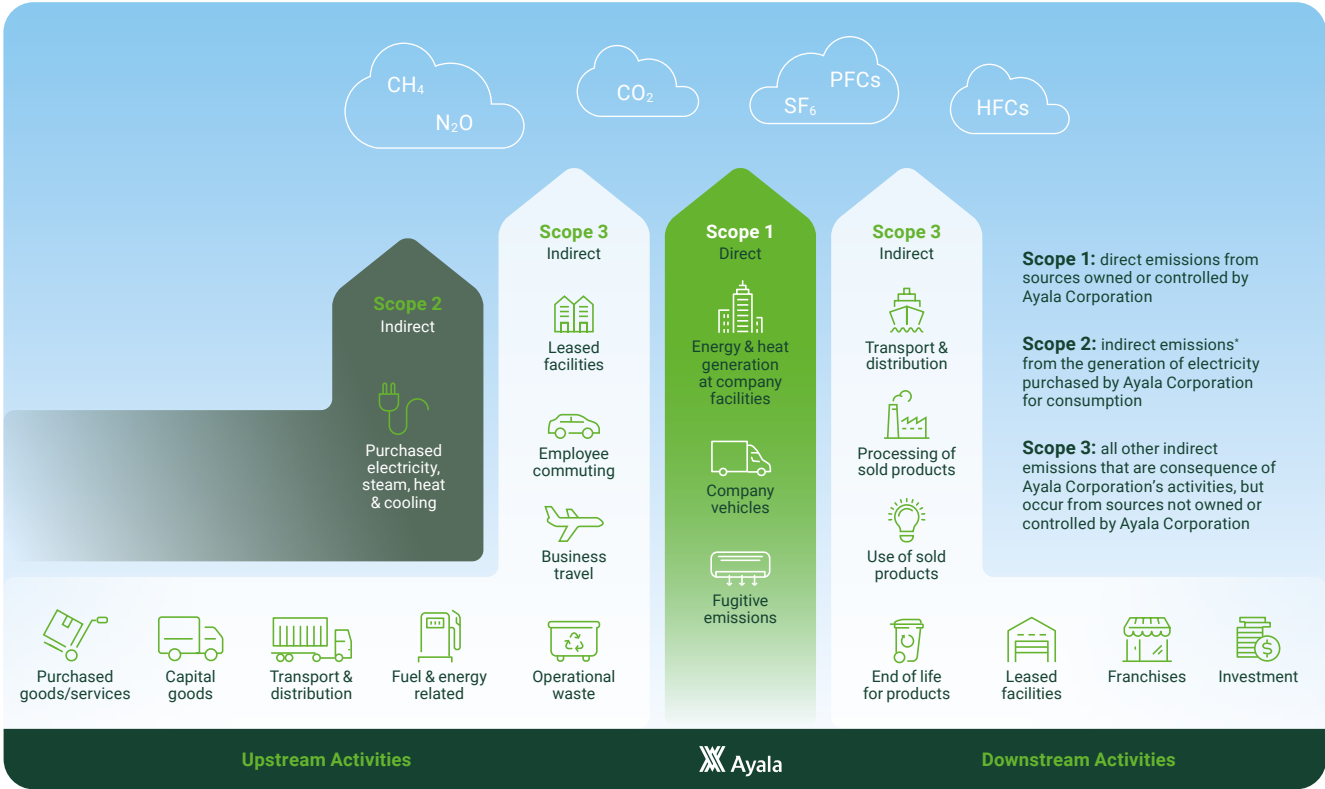
Source: Ayala Corporation Greenhouse Gas Inventory 2021 – Final Report by South Pole



Operational Boundaries: A Robust Accounting of Scopes 1, 2 and 3 Emissions

Under the GHG Protocol, emissions are divided into direct and indirect emissions. Direct emissions are those originating from owned or controlled sources by the reporting entity. Indirect emissions are generated as a consequence of the reporting entity’s activities, but they occur at sources owned or controlled by another entity.

The direct and indirect emissions are divided into three scopes as detailed below:



* Scope 2 is considered 'indirect' because emissions physically occur at the facility where electricity is generated and not at Ayala Corporation’s facilities.
Source: Ayala Corporation Greenhouse Gas Inventory 2021 – Final Report by South Pole

Scope 1

Scope 1 includes all carbon emissions that can be directly managed by the organization (direct GHG emissions). This includes the emissions from the combustion of fossil fuels in mobile and stationary sources (e.g., owned or controlled boilers, power generators and vehicles) and GHG emissions generated by chemical and physical processes as well as fugitive emissions from the use of cooling and air conditioning equipment.

SCOPE	EMISSION SOURCES	BOUNDARY
Stationary Combustion	Generation of electricity	Included
Mobile Combustion	Company-owned or leased vehicles	Included
Physical or Chemical Processing	Manufacture or processing of chemicals and materials	Not Applicable
Fugitive Emissions	Refrigerant leaks from cooling systems and AC equipment	Included

Scope 2

Scope 2 includes indirect GHG emissions from the generation of electricity, steam, heat or cooling purchased by the organization from external energy providers. Both the location-based and market-based scope 2 emissions from electricity were included in this report. Location-based electricity emissions were calculated using location-based “grid average” emission factors for the Philippines derived from the International Energy Agency (IEA) 2021 data. “Market-based electricity emissions” refer to renewable energy instruments (e.g., green tariffs and Energy Attribute Certificates [EACs]) or electricity purchased from a specific supplier providing bespoke emission factors.

SCOPE	EMISSION SOURCES	BOUNDARY
Electricity	Generation of electricity	Included
Steam	Purchased steam	Not Applicable
District Heating	Purchased district heating	Not Applicable
District Cooling	Purchased district cooling	Not Applicable

Source: Ayala Corporation Greenhouse Gas Inventory 2021 – Final Report by South Pole

Scope 3

Scope 3 includes other indirect emissions along Ayala’s value chain, such as emissions from the production of raw material, freighting of goods, operational waste disposal and the consumer’s use of sold products.

According to the GHG Protocol, companies shall separately account for and report on emissions from scopes 1 and 2. The accounting of scope 3 emissions is optional, but it is considered best practice and a requirement when setting net zero targets.

SCOPE	EMISSION SOURCES	BOUNDARY
Cat 01 - Purchased Goods and Services	Purchased goods (raw materials) and services	Included
Cat 02 - Capital Goods	Production of capital goods (e.g., machinery, IT equipment, etc.)	Included
Cat 03 - Fuel and Energy Related Activities	Upstream life cycle emissions from fuel and electricity generation, incl. transmission and distribution losses	Included
Cat 04 - Upstream Transportation and Distribution	Transportation and distribution of goods and services to the company	Included
Cat 05 - Waste Generated in Operations	Waste management of operational waste (landfilling, recycling, etc.)	Included
Cat 06 - Business Travel	Travel and accommodation of employees/contractors	Included
Cat 07 - Employee Commuting	Employee travel between home and work	Included
Cat 08 - Upstream Leased Assets	Operation of assets leased by the organization (lessee) in the reporting year and not included in scopes 1 or 2	Included
Cat 09 - Downstream Transportation and Distribution	Transportation and distribution of products sold by the organization	Included
Cat 10 - Process of Sold Products	Processing of intermediate products sold by the organization	Included
Cat 11 - Use of Sold Products	Use of sold goods that require energy to operate	Included
Cat 12 - End of Life Treatment of Sold Products	Waste disposal and treatment of sold products	Included
Cat 13 - Downstream Leased Assets	Operation of assets owned by the company (lessor) and leased to other entities, not included in scopes 1 or 2	Included
Cat 14 - Franchises	Operation of franchises not included in scopes 1 or 2	Included
Cat 15 - Investments	Operation of investments not included in scopes 1 or 2	Included

Source: Ayala Corporation Greenhouse Gas Inventory 2021 – Final Report by South Pole

Data Inventory and Assumptions

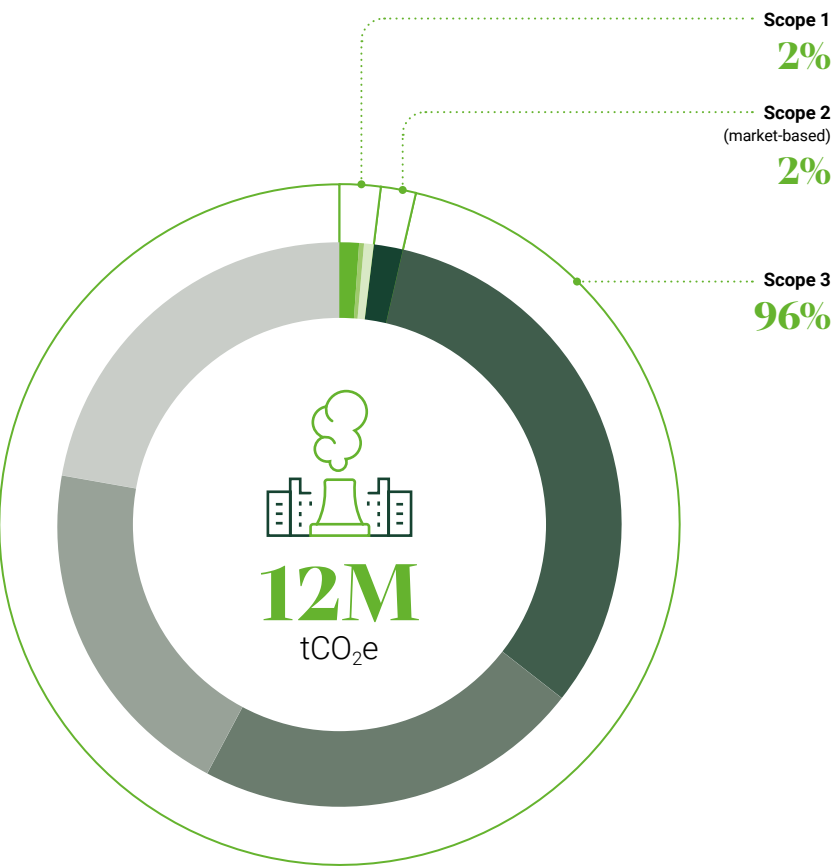
Overall, the data inventory, emission factors and assumptions are based on the GHG Protocol. The choice of assumptions and emission factors followed a conservative approach. Where activity data of the inventory was lacking, assumptions and extrapolations were made. The complete overview of assumptions and extrapolations are summarized on [page 167](#).

Ayala’s 2021 Baseline GHG Footprint

The total GHG emissions for Ayala Corporation in 2021 was calculated to be around 12M tCO₂e. For the 2021 baseline, Ayala’s scope 3 emissions account for ~96% of total emissions, while scopes 1 and 2 account for the remaining ~4%.

Ayala’s GHG baseline exercise focused on developing a complete GHG inventory covering scopes 1, 2 and 3, in line with the GHG Protocol and SBTi requirements. It required the GHG accounting for Ayala Corporation, the parent company and its remaining business units and investee companies. The process included a consolidation of intercompany emissions from Ayala Land, ACEN, Globe, BPI and Manila Water. These intercompany emissions are associated with traceable transactions that take place within Ayala, between and across subsidiaries.

Below is a summary of Ayala’s GHG emissions broken down by scope and category.



Total Emissions by Scope

Scope 1	2%
Scope 2 (market-based)*	2%
Scope 3	96%
Total	100%

* Market-based emissions are presented for scope 2 as they reflect Ayala Corporation’s renewable electricity procurement.

Note: Due to rounding off of numbers, the figures may not add up exactly to 100%.

Source: Ayala Corporation Greenhouse Gas Inventory 2021 – Final Report by South Pole

Summary of Ayala’s GHG Emissions by Scope and Category

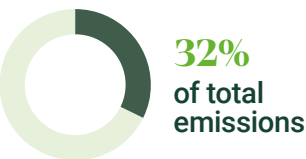
Stationary Combustion	41%
Mobile Combustion	6%
Fugitive Emissions	6%
Grid Electricity	47%
Scopes 1 & 2 (market-based) Total	100%
Fuel & Energy-Related Activities	32%
Purchased Goods & Services	23%
Use of Sold Products	21%
All other categories combined	23%
Scope 3 Total	100%

Addressing Ayala’s Top 3 Emission Hotspots

Close to 80% of Ayala’s emissions are related to three scope 3 categories, namely: fuel-and-energy related activities, purchased goods and services and use of sold products. This means that Ayala will be working towards emission reductions across its value chain.

Below are some of the interventions Ayala intends to implement to address its top emission hotspots.

Fuel-and-Energy Related Activities

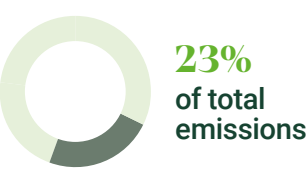


DESCRIPTION
Majority of emissions comprise primarily of power generation of the South Luzon Thermal Energy Corp. coal plant, where ACEN operates as the main offtaker.

POTENTIAL INTERVENTION
Offtaking from other renewable energy sources presents the biggest decarbonization opportunity for ACEN and Ayala. ACEN is pioneering initiatives in early coal retirement, having completed the world’s first market-based energy transition mechanism in 2022.

In 2023, ACEN announced its foray into transition credits, which would leverage carbon finance to phase out a coal-fired power plant, potentially replacing it with clean energy. This first-of-its-kind project would mark a major step towards phasing out coal in line with the Paris Agreement.

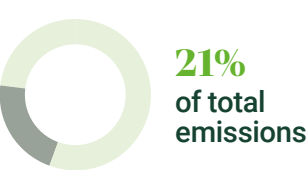
Purchased Goods and Services



DESCRIPTION
The majority of emissions are primarily due to Ayala Land’s steel purchases and IMI’s procured materials.

POTENTIAL INTERVENTION
Supplier engagement presents one of the biggest decarbonization opportunities for Ayala Land, IMI and Ayala.

Use of Sold Products



DESCRIPTION
Emissions are split across the use of Ayala Land’s sold properties, IMI’s sold electronic products and AC Industrial’s sold vehicles.

POTENTIAL INTERVENTION
Designing more energy efficient housing, greater granularity and design for electronic products and shifting to exclusively selling EVs are potential strategies for decarbonization.

Next Steps

Ayala intends to have its baseline values assured within the year to solidify the new calculation methodology. It also intends to update the methodology for its 2022-2023 GHG values to reflect and align with the updates made to its baseline. This will include engagement across its different business units, noting the comprehensive and symbiotic nature of the GHG accounting process.

COMPANY IN FOCUS

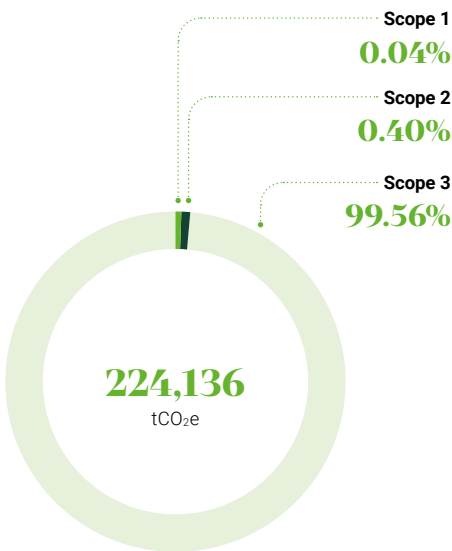
Ayala Corporation Parent Emissions

Ayala Corporation – Parent’s 2021 baseline emissions were calculated to be 224,136 tCO₂e, which account for only 1.8% of Ayala’s total emissions.

As a holding company, the majority of its emissions were associated with investment activities (scope 3 category 15) at 96%. The category 15 emissions were the result of investee operational scope 1 and scope 2 operation emissions, namely Globe, Manila Water and BPI. Ayala’s remaining emissions were relatively insignificant, resulting from office and business-related operations.

To the right is a breakdown of Ayala’s emissions by scope and by investee emissions, apportioned based on Ayala’s ownership over the investee companies.

While the parent’s numbers are dwarfed by those from its various business units, Ayala endeavors to accelerate its own Net Zero progress by putting in place a plan to address its operational emissions ahead of the 2030 near-term target.



Summary of Ayala’s Parent Emissions by Scope

Scope	GHG Emissions (tCO ₂ e)	% of total
Scope 1	80	0.04%
Scope 2 (market-based)	896	0.40%
Scope 3	223,160	99.56%
Total	224,136	100.00%

Source: Ayala Corporation Greenhouse Gas Inventory 2021 – Final Report by South Pole

Ayala’s current defined set of climate-related targets include:

A commitment to reducing absolute scopes 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





Resource Conservation and Management



➡ Integrated Waste Management (IWM), an AC Logistics subsidiary, offers solutions that mitigate environmental impact, enhance resource recovery and promote a circular economy model in aspects of waste management.

Resource Efficiency

Consistent with its Policy on Energy, Water and Waste Management, Ayala endeavors to efficiently use and protect the natural resources it utilizes in its business operations. It places this serious responsibility upon the entire organization because the company understands that these resources may soon be scarce if not properly used and replenished.

The Ayala Group is increasingly using renewable energy (RE) to power its offices and facilities. In 2023 alone, RE share in the total electricity mix of the group is at 30.2%*. Along with the push for cleaner energy, the company adopts energy efficiency programs and implements simple initiatives such as turning off the air conditioning units and lights after office hours to conserve energy.

Water is another critical resource for Ayala. Though the company's operations are not as water-intensive as some of its business units, Ayala promotes the wise use of water among its employees through various communication channels. The company also uses flow-regulating faucets and toilets, and regularly checks for internal plumbing leaks and inefficiencies to avoid water wastage.

While Ayala does not generate a significant amount of waste, the company seeks effective ways to manage solid waste by encouraging employees to reduce, reuse, recycle and recover.

Across the group, Ayala urges its business units to have their own environmental policies and approach in managing resources and to leverage the Ayala ecosystem or partner with other stakeholders to ensure resource efficiency. See the Performance Index on ➡ **page 152** for the Ayala Group's environmental performance.

SPOTLIGHT

AC Health and AC Logistics work together to ensure proper management of medical waste

In a move to ensure responsible medical waste management, AC Health tapped AC Logistics' Integrated Waste Management (IWM) to process the hazardous and medical wastes generated by Generika Drugstore, Healthway Medical Network, IE Medica, MedEthix and QualiMed facilities. Through this partnership, the companies demonstrate their commitment to sustainability across their value chain.

In 2023, IWM diverted from disposal a total of 19,252 MT of non-hazardous wastes and received and treated a total of 8,859 MT of hazardous wastes.

Nature and Biodiversity

Ayala recognizes that, as a business and capital provider, understanding and managing its impact on nature and biodiversity is an important component of environmental stewardship. Like climate-related risks, nature and biodiversity must be viewed as a potential risk given how it may affect not just the business, but society in general as well.

Aligned with the Kunming-Montreal Global Biodiversity Framework, which calls on businesses to help halt and reverse nature loss by 2030 and become nature positive by 2050, Ayala has taken initial steps to enhance the company's reporting and performance, as guided by the Taskforce on Nature-Related Financial Disclosures (TNFD) and Science Based Targets Network (SBTN). In 2023, Ayala engaged South Pole to assist the company and its core businesses in developing their ambition for nature and biodiversity. This exercise aims to assess Ayala's current practices and policies against industry benchmarks and identify the material topics that should be the focus of the Ayala Group's ambition

and strategy for nature and biodiversity, taking into consideration the diverse operational conditions within the group.

Ayala enjoins its business units to be mindful of and responsible for their respective operations, projects, activities and facilities' effect on the environment and to undertake interventions to address the risks of nature and biodiversity loss. Ayala Land and ACEN, for example, carry out their own conservation and nature-related projects and implement their respective biodiversity-specific policies, which also cover the International Union for Conservation of Nature's (IUCN) Red List of Threatened Species and national conservation list species. See the Performance Index on ➡ **page 152** for the Ayala Group's performance highlights relative to the indicators on nature and biodiversity.

➡ Project Kasibulan is expected to deliver environmental and social co-benefits, which include climate mitigation, nature and biodiversity protection and local community and economic development.

SPOTLIGHT

Project Kasibulan

The Ayala Group continued to work on Project Kasibulan: The Mindoro Forest and Biodiversity Conservation Program as part of its commitment to help curb the growing nature and biodiversity loss in the Philippines.

Since 2018, the Ayala Group has protected 32,000 hectares of high value forests in Oriental Mindoro, thereby avoiding deforestation and sequestering carbon, as well as providing livelihood opportunities to local stakeholders. In the process, the Ayala Group also safeguards the home of several endemic species that are found only in the Philippines, including:

- ➔ **41 birds**, 6 of which are found only in the Mindoro Endemic Bird Area;
- ➔ **9 mammals**; and
- ➔ **10 trees** that are classified as critically endangered by the IUCN.



* AC Health, AC Infra (LRMC), Ayala Land, BPI, Globe and IMI reported their renewable energy consumption in 2023. This will be restated in Ayala's next report to align with the scope and boundaries of the group's GHG reporting.

“In 2023, we approved a landmark **Leadership Commitment** to diversity, equity and inclusion. We have also started to be more strategic in our philanthropic engagements.”

Jaime Augusto Zobel de Ayala
Chairman, Ayala Corporation



HIGHLIGHTS

One of the **World’s Best Companies in 2023** by TIME Magazine

94% Sustainable Engagement Score

Ayala Group of Companies’ **Leadership Commitment Statement on Diversity, Equity and Inclusion**

4.8M direct and indirect beneficiaries served by Ayala Foundation

MATERIAL TOPICS

- Human Capital Management and Development
- Diversity, Equity and Inclusion
- Health and Safety
- Human and Labor Rights
- Community Engagement



STRATEGY

Ayala adopts a people-first culture that translates to meaningful and dignified work for employees and a thriving populace for the communities affected by its businesses.

Ayala places its human capital at the front and center of its social agenda. The company advocates for the rights and overall well-being of its employees, while building up their capabilities as they go through the different phases in their career.

Beyond the organization, Ayala also reaches out to communities through Ayala Foundation and various community outreach programs. By doing so, the company remains true to its social ambition of being good members of the communities where it works and lives, thereby enabling Filipinos to thrive.

For the detailed quantitative disclosures on Ayala’s Social performance, see the Performance Index ➡ page 152.



Human Capital Management and Development



Ayala Corporation endeavors to provide a positive and meaningful experience to each of its almost 200 employees throughout their stay in the company by incorporating strategic programs in every phase of the talent journey, often going over and beyond what is mandated by the government. Across the group, Ayala plays a leading role in the Ayala HR Council, where group-wide initiatives – from engagement, talent management, to volunteerism in social and environmental causes and many others – are formulated and subsequently implemented across the entire Ayala Group workforce. Through these initiatives, the company hopes to ensure employee satisfaction and motivation, regardless of their role in the organization.

Talent Planning and Recruitment

The company strives to ensure that it continues to be considered as an employer of choice. In hiring new employees, Ayala does not discriminate any candidate on the basis of age, gender, religion, status, or any other personal preferences and conditions. Over the years, it has taken in talents

who are competent, committed to sustainability principles and can work with and through Ayala to generate meaningful value for its shareholders and the larger community it serves.

Ayala sees to it that the job offer reflects a compensation and benefits package that is commensurate to the talent’s qualifications and experience. To align with the employee’s career expectations, the hiring team also explains the job profile and responsibilities and discusses potential career paths.

Ayala’s headcount, new hires and turnover can be found on ➡ **page 158**.

To ensure that it hires the right people for current and future business requirements, the company regularly reviews its strategy and benchmarks the same against industry best practices. It also collaborates with the Talent Network, a group of more than 70 Human Resources (HR) practitioners across the Ayala Group, to share learnings and insights on talent management.

➡ Ayala’s career management principle is to nurture a culture of synergy and agility that empowers employees’ dynamic and evolving professional development journey.

SPOTLIGHT

Busy year for the Ayala Group Talent Network

It was another full year for the Ayala Group Talent Network as its members filled up their calendars with insightful learning sessions and productive activities. Aside from its regular meetings, the Talent Network had its strategic planning session and team-building activity in September 2023 where the members discussed the group’s vision, mission and values, as well as the strategies and programs for the next three years.

Several members also represented the Ayala Group at the 60th Annual Conference of the People Management of the Philippines (PMAP) in Cebu. They will take back to their respective companies what they learned about the new talent strategies to keep up with global developments.

Ayala also recognizes the importance of nurturing young talents and shaping a bright future for them. Through the Ayala Group Summer Internship Program (AGSIP), the company offers a unique learning opportunity for college students nationwide by immersing them in one of the business units within the Ayala Group. They are assigned daily tasks and special projects and are encouraged to come up with an innovative solution to an identified gap or improvement area in their host company. In 2023, a total of 38 participants benefited from this experience.

SPOTLIGHT

2023 AGSIP celebrates with an inspiring culminating activity



Interns who participated in the AGSIP shared their unique experiences and insights during their time with the Ayala Group.

After a productive 6-week immersion in the Ayala Group, the AGSIP participants celebrated with a culminating activity in August 2023. Thanks to the support of Globe, BPI, Ayala Land and ACEN, as well AC Logistics, AC Health and Ayala Foundation, the 38 young talents gained real-world knowledge and skills that will hopefully propel them to their professional success in the future.

Andrea Robles, Atletang Ayala and Employee Engagement Specialist at Globe, inspired the interns with her story of how she succeeded after having to overcome obstacles that tested her determination and discipline.

Representatives from the different business units and members of the Talent Network were also present to hear the unique experiences and insights of the AGSIP participants.

Management and Development

Ayala believes that a firm partnership among executives, supervisors and staff is critical to have a rewarding and meaningful career. This is why the company urges its employees to actively advocate for their own career path, while the HR team provides the needed support for it to progress. Simply put, the employee is the player and the HR team is the enabler. Ayala encourages career conversations to happen and makes available tools and trainings for them to be facilitated effectively.

In view of the changes and opportunities that are shaping the future of workforce, Ayala is rethinking its strategy on talent management. Whereas linear is the path that traditional career management pushes for, Ayala now adopts a dynamic and agile approach where promotion is no longer the only indicator of career growth. The company believes that its talents are active participants in their professional development and works with them to explore and co-create their growth path systems.

Ayala’s talent management and development programs are strategically planned based on two factors – the business requirements, as well as the general and specific needs of its talents. As the company builds more businesses, it keeps track of market trends and the skills associated with new requirements and develops its employees accordingly. For example, generative artificial intelligence (AI) recently saw a boost that disrupted how traditional business activities are carried out. To keep up with this development, Ayala studied its impact on the workforce and offered programs to train employees on the effective use of AI. As well, the increasing importance of data analytics in business necessitated certain talents to undergo a certification course to fully understand its applications to Ayala businesses.

Ayala regularly reviews its talent profile, identifies common development areas and builds a training program – either internally or in collaboration with a reputable academic institution like Harvard University – for targeted participants. The company also makes

use of digital learning platforms such as Coursera, LinkedIn Learning, Emeritus and Skillsoft to make training programs accessible to more employees. For employees with specific learning needs to address deficiencies or to fast track development, Ayala offers other intervention such as coaching or mentoring, project immersion and assignment to a new role.

Another key component of Ayala’s human capital management and development strategy is succession planning and management. Cognizant of its importance in ensuring business continuity and success, the company is quick to address talent or skills gap and is in constant communication with company leaders to identify talents who can fill in the role immediately or in the short- or medium-term. Special programs such as the Leadership Acceleration Program (LEAP) and the Emerging Ayala Group Leaders (EAGLE) were developed by Ayala for this purpose.

Details of Ayala’s training and development metrics can be found on ➡ page 159.

SPOTLIGHT

Leadership Acceleration Program (LEAP)

Established in 2010 as part of its succession strategy, the Ayala Leadership Acceleration Program (LEAP) aims to prepare future leaders across the Ayala Group by deepening their knowledge and perspectives on important leadership concepts. Target participants are high potential business or functional unit heads who are on track for a C-suite role in the organization. Done in partnership with Harvard Business Publishing – Corporate Learning and Zenger Folkman 360 assessment, subject

matter experts from the Ayala Group serve as resource persons and cover topics such as Strategic Visioning and Execution, Innovation and Growth, Customer Centricity and Leading for Transformation and Growth. To reinforce learning, participants create a project that addresses pain points and key issues including profitability, innovation, customer experience, ESG and talent management.

In 2023, 49 senior executives went through the 4-month program, which was comprised of both in-person and virtual synchronous and asynchronous sessions.

Engagement and Retention

Ayala understands that sustainable engagement means employees must be **engaged** to develop a good working relationship with the company, **enabled** through a work environment that supports productivity and performance and **energized** by making sure that the organization takes care of their individual, physical, interpersonal and emotional well-being at work.

Central to Ayala’s engagement philosophy is respecting the unique situation that employees are in. Some may be raising small kids, while others prefer to be childless and focus on their career. In other cases, some may want to move up the career ladder, while others are happy with where they currently are. Also, some employees may be sports enthusiasts, while others prefer a different hobby outside of work. The important thing for Ayala is to create policies and programs that factor in the diversity and ensure that they are inclusive and beneficial to all segments of the workforce. More information on the company’s initiatives on DEI can be found on ➡ page 93.

Engage

Ayala’s employee engagement approach involves more than just holding special events and company-wide activities. While Ayala celebrates special occasions such as Christmas and Valentine’s Day and applauds big and small wins with employees, it gives more importance to building a strong culture and work environment where workers feel valued, seen and heard.

Despite adopting a hybrid and flexible (hyflex) work arrangement, the company continues to provide opportunities for employees to collaborate and socialize through fACetime Wednesdays and other regular meet-ups.

Enable

As a top employer in the Philippines, Ayala views it a privilege to be able to support the growth of its talents through a work environment and culture that advocate productivity and performance. The company’s career management principle is focused on nurturing synergy and agility to empower the employees’ dynamic and professional development journey.

🔔 Ayala’s Strategic Human Resources team regularly holds fACetime Wednesdays, wherein employees are informed about exciting developments in Ayala.





The HR team, through the line managers, works closely with talents and guides them as they curate their own career experience. Employees take control of developing their career plan, while the company supports them through capability-building accelerators such as training, peer and experience-based learning, coaching and mentoring and other development tools.

Another way by which managers and employees work together is through performance management. This process involves planning, monitoring and reviewing a talent’s work objectives and overall contribution to the company. By doing this, talents are able to determine

where they are in their career journey and what skills they need to bridge the gap to their destination. It is also in these conversations that employees are encouraged to share their experiences so the managers will know how to help make their career journey more fulfilling.

Moreover, the results of performance appraisals guide the company in identifying talents for promotion and those who will receive merit-based increases or bonuses and incentives. These outcomes are on top of the regular pay and non-salary benefits like medical assistance, insurance coverage, loan facilities and leave

🕒 The Ayala Leaders League brings together emerging leaders across the Ayala Group in a three-day event that aims to strengthen the relationships among participants and encourage synergies among key talents.

credits that Ayala provides its employees as part of its total rewards system.

In recognition of their loyalty, dedication and exemplary performance, senior executives and key talents can also avail of the Employee Stock Ownership Plan. The grants are given on a deferred basis following a three-year vesting schedule from grant date. If an employee is separated for cause, the proportionate unpaid deferred portion of the grant allocation is automatically forfeited in favor of Ayala while the paid portion will be subject to Ayala’s right to repurchase.

Energize

Ayala recognizes that its strength as an organization is contingent on the overall well-being of its employees who carry out the day-to-day tasks. For this reason, the company endeavors to provide its employees with a supportive, safe, healthy and happy work environment. It also promotes a lifestyle that will result in a healthy physical, mental, emotional and spiritual well-being among its workforce.

For more information on the company’s health and safety programs, go to ➡ **page 95.**

SPOTLIGHT

2023 Engage

To measure the engagement level of employees, the company periodically conducts the ENGAGE survey across the Ayala Group. The 2023 survey included a baselining on DEI and, for the first time since ENGAGE was introduced in 2015, featured questions on inclusion. It also touched on company goals, leadership, career, rewards, training and performance management, among others.

The company takes pride in the fact that in the 2023 ENGAGE, it received a 94% sustainable engagement score, an improvement from previous years and better than global industry average. This means that 94% of Ayala employees responded favorably to the sustainable engagement items in the survey.

Across the Ayala Group, sustainable engagement score was also high at 90%, based on the responses of nearly 40,000 employees.

94%

Ayala Sustainable Engagement Score

4 points higher

than Global High-Performing Norm (2022)

1 point higher

than Philippine National Norm (2022)



Diversity, Equity and Inclusion

Diversity, equity and inclusion (DEI) are hugely important principles for the Ayala Group. The company derives its strength and relevance to the spectrum of voices, backgrounds, experiences and personalities that comprise its workforce. As a solid testament to this commitment, as well as to institutionalize guiding principles regarding DEI, the Ayala Group Management Committee approved the following statement. Specific initiatives stemming from this commitment statement will be subsequently designed by the different companies and their teams.

Ayala Group of Companies DEI Leadership Commitment Statement

Our purpose is to build businesses that enable people to thrive. This means building businesses that are sustainable, equitable and inclusive.

Our strength and longevity owe much to contributions from a diverse set of stakeholders. Equitable and inclusive treatment of people with diverse backgrounds and perspectives makes us stronger. Employees and customers that feel a sense of belonging, whatever their circumstances, make for a stronger Ayala.

We view diversity, equity and inclusion as fundamental to Ayala.

We aspire to:

- 1 Create shared value** with our stakeholders by actively listening and providing the space and environment for diverse voices and ideas to be heard.
- 2 Build an inclusive workplace culture** that recognizes and values all backgrounds, voices, roles and contributions.
- 3 Foster practices to help us build a diverse workforce**, empowered and supported to perform at their highest potential.
- 4 Hold our leaders accountable** for developing diverse and inclusive teams, making decisions equitably and transparently and modeling inclusive behaviors.

As we work toward these outcomes, we will hold fast to our promise at the Ayala Group,
you can be YOU.

This commitment to DEI is present in Ayala’s HR policies and progress made on DEI is tracked as part of the 2023 ENGAGE employee engagement survey. See ➡ **page 92** for results. The company’s recruitment policy, for instance, states that “in hiring, the company does not discriminate on the basis of gender, sexual orientation, race, ethnicity, color, religion, age, marital status, disability, economic status and political affiliation.” Instead, Ayala chooses the best candidate based on qualifications and values.

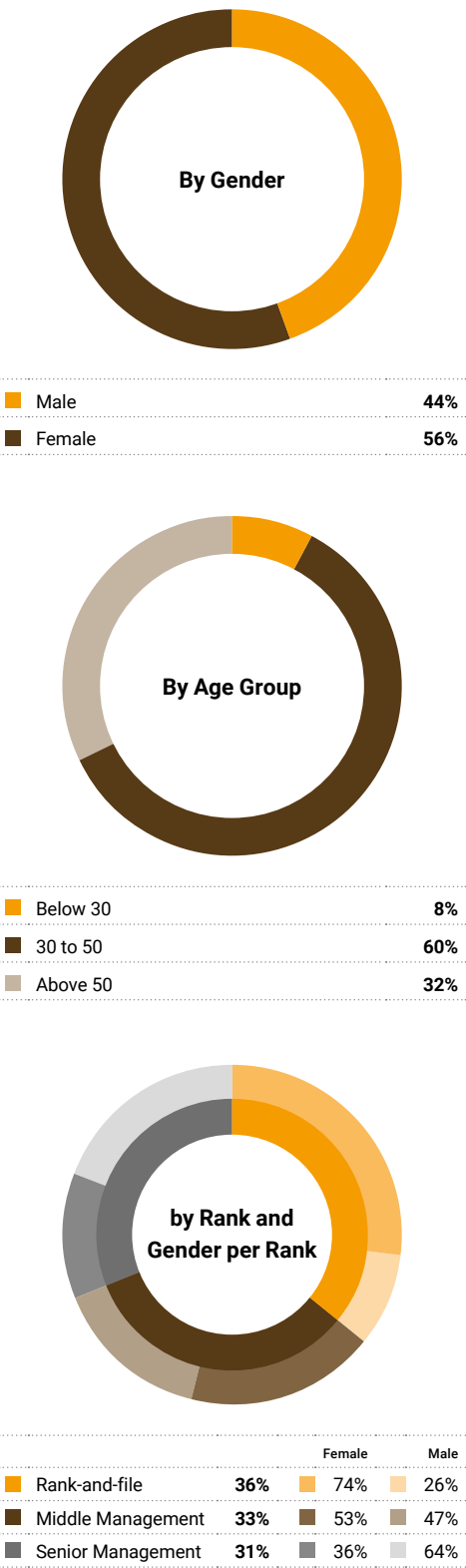
In 2022, updates in Ayala’s benefits were implemented in consideration of the diverse needs and conditions of its workforce. For example, employees’ medical benefits and insurance coverage now recognize same-sex and common law partners as dependents, as well as expanded age coverage for dependent parents of single employees.

In addition, Ayala maintains a healthy ratio of male to female employees at the Board level, as well as in the senior and middle management levels. Equal opportunities are made available to all employees regardless of age or gender.

For details on the Ayala Group’s employee demographics, see ➡ **page 160**.

To ensure that everyone in the organization understands the significance and implications of DEI, the company will conduct training and awareness sessions for all employees within the Ayala Group. Ayala will also review current programs and policies with a DEI lens to remove any biases.

Ayala Employee Demographics



Health and Safety



Ayala holds itself responsible for its employees’ health and safety at the workplace. As such, the company has put in place infrastructure, systems and tools that will safeguard not only the people, but also the facilities and premises. Ayala complies with local and international regulations and is always on the lookout for new and better ways to uphold occupational safety and health (OSH). To coordinate efforts on this front, Ayala established an OSH Committee and assigned an OSH Officer.

Focusing on employees’ health, Ayala launched Wellness Program 2.0, an experiential-based program that aims to improve the overall well-being of employees through crafts and hobbies, personality development, sports, physical, mental and spiritual wellness and other activities that can complement traditional medical management. Apart from physical health, the company also advocates for mental health by including mental wellness in its medical programs, providing regular access to a psychiatrist and Mind You, an online wellness platform and making available leave credits which can be used for mental breaks.

As for the safety of office premises, the OSH team regularly inspects each floor Ayala occupies in the building to address any identified risks or unsafe conditions. Ayala coordinates with the building administrator, as well as the other tenants in the building, to align emergency and disaster protocols. The company also partners with the local government units and national government agencies such as the National Disaster Risk Reduction and Management Council (NDRRMC), Bureau of Fire Protection (BFP) and the Armed Forces of the Philippines (AFP) in carrying out fire and earthquake drills and disaster response operations.

➡ Emergency drills were held in 2023 to familiarize Ayala personnel with the evacuation protocol of Ayala Triangle Gardens Tower 2.

To achieve a culture of preparedness and ensure that everyone in the organization conducts activities in a safe, healthy and responsible manner, the company informs and trains its employees on health and safety, incident management and disaster preparedness. Ayala conducts at least two emergency drills annually and has a group composed of volunteer floor marshals. The company also has six certified Safety Officers Level 2.



➡ In 2023, 83 personnel participated in the mandatory OSH training.

Ayala's Crisis Management Policy and Governance and Crisis Management Plan guide employees on what to do before, during and after a crisis. The preparation steps include ensuring that their company-provided emergency Go Bags are ready for use, registering their office-issued mobile phones to the Ayala Sign-in System for Immediate Support and Tracking (ASSiST) app, knowing the emergency exits and routes, as well as the proper use of resources like fire extinguishers, first aid kits and automated external defibrillator units. When faced with a crisis, Ayala personnel must activate the call tree, report to the Ayala Crisis Coordination Center (AC3) and await

further instructions. AC3 also sends out advisories via ASSiST if there are threats or hazards. Affected employees may seek support from the AC3 as it serves as the 24/7 help desk.

Ultimately, Ayala's people-first culture means prioritizing the health and safety of its employees and it influences its business units to do the same. Given the varied nature of the businesses within the Ayala Group, the business units have their respective OSH policies, systems and processes, with some implementing a certified OSH management system. More information about the Ayala Group's health and safety performance can be found on [page 162](#).

ASSiST app

sends advisories, determines user's status in times of emergency, enables users to report an incident or send an SOS.

SPOTLIGHT

Ayala Group leads the largest earthquake response simulation in the Philippines

In line with the International Day for Disaster Risk Reduction, the Ayala Group initiated the first and most advanced earthquake response simulation exercise in the Philippines. Done in partnership with the Department of Interior and Local Government (DILG) – Central Office Disaster Information Center, Philippine Institute of Volcanology and Seismology (PHIVOLCS), Metropolitan Manila Development Authority (MMDA), BFP, Philippine Army and the local government units, the three-day drill was held to prepare responders for earthquakes and other disasters.

The event aims to promote a culture of risk awareness and efficient disaster management, covering critical steps like area assessment, search and rescue and building rescue.



Ayala's earthquake simulation exercise, held in Arca South in Taguig City, aims to prepare disaster responders for the "Big One" or the 7.2 magnitude West Valley Fault earthquake and any kind of crisis that will endanger public safety.



Makati Development Corporation (MDC) and Ayala Property Management Corporation (APMC) participated in the drill as well.



Human and Labor Rights



Ayala's Employee Development and Industrial Relations Policy recognizes the employees' right to organize themselves and engage in harmonious negotiation exercises.

As part of its social thrusts, Ayala is currently developing a policy statement and framework on human rights in accordance with the UN Guiding Principles on Business and Human Rights and as guided by the following international human rights instruments:

- Universal Declaration of Human Rights
- International Covenant on Civil and Political Rights (ICCPR)
- International Covenant on Economic, Social and Cultural Rights (ICESCR)
- Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW)
- Convention on the Rights of the Child (CRC)
- International Convention on the Elimination of All Forms of Racial Discrimination (ICERD)
- International Convention on Protection of the Rights of All Migrant Workers and Members of Their Families (ICMRW)
- Convention on the Rights of Persons with Disabilities (CRPD)
- UN General Assembly Resolution 76/300 (2022) – The human right to a clean, healthy and sustainable environment

Following the human rights policy, a framework and process for human rights due diligence will be developed next to ensure that Ayala can work with its stakeholders and partners to uphold the same commitment to human and labor rights across various touchpoints and interactions.

While the company's policy on human rights is underway, Ayala continues to uphold its stance against child labor and forced or compulsory labor and to protect and respect the rights of indigenous people and other marginalized sectors in the communities where it operates.

At the workplace, Ayala remains steadfast in its aspiration to create an environment free from any form of harassment and a space where its employees feel safe and respected. The company counts on its personnel, business units, partners and suppliers to likewise champion human rights in their respective communities.

Ayala does not have a labor union. However, the company influences its business units with labor unions to always maintain industrial peace and open communication with them. They are expected to comply with labor laws and regulations at all times. For more information on the labor unions within the Ayala Group, visit [page 162](#).



Community Engagement



In parallel to its business operations, Ayala nurtures its relationship with the greater community by helping address their social and economic needs. The company's presence in various communities all over the country manifests its citizenship and solidarity with the Filipino people, as well as its aspiration to help create a better future for all.

Ayala hopes to expand not just its business footprint, but more importantly, its social reach by working closely with local governments, leaders and associations to improve the quality of life in their communities. The company consults them to identify possible synergies and to seek their input and feedback on which issues to prioritize. This strong partnership with local stakeholders enables Ayala to be among the first responders in times of disasters and to coordinate efforts to provide community assistance.

Ayala's community engagement initiatives are driven by the collective effort of its employees. Through the WeAreAyala Business Club (WAABC), for example, employees across the group actively and regularly participate in community programs outside Metro Manila as their way of giving back. In effect, they become ambassadors of the Ayala brand. By bringing Ayala businesses together at the regional level, the group is able to create greater value and extend a more strategic assistance to communities in need.

Apart from local communities, the company also aims to support often undervalued groups. Ayala's

1 The WAAsome 189 Musikachill brought together 5,000 members of the #WeAreAyala community in a night of music and merriment held in Ayala Triangle Gardens.

comprehensive and sustainable needs-based program for uniformed personnel, Saludo sa Serbisyo, is an example of such an initiative. To show its appreciation for the service they have rendered, the company extends health and wellness, financial education, livelihood training and home and car ownership programs, as well as special discounts on its products and services to members of the Philippine National Police (PNP), Philippine Coast Guard (PCG), AFP and BFP.



2 Ayala Group employees come together to celebrate shared core values in culture building activities like the WAAsome Musikachill event.

SPOTLIGHT

Saludo sa Serbisyo



Saludo sa Serbisyo for Uniformed Personnel: Ayala formalized its commitment to assist officers and staff of the PNP, AFP, BFP and PCG through signing a Memorandum of Understanding (MOU) with the respective groups.

Saludo sa Serbisyo Caravans in Cebu and Iloilo: 750 members of the AFP, PNP, PCG and BFP received CareCards, which allow them to have unlimited medical consultations in Healthway Medical Network facilities nationwide as part of Ayala's Saludo sa Serbisyo caravans in Cebu and Iloilo City. Officers and staff of said agencies also enjoyed exclusive rates and special offers from Ayala Group companies like Ayala Land, BPI and ACMobility.



SPOTLIGHT

WeAreAyala Business Club (WAABC)

Milestones

2023

Incorporated as WAABC Inc.

Reestablished the following 3 chapters:

- 6 Bicol (chapter base: Naga City)
- 7 North Luzon (chapter base: Baguio City)
- 8 Central Luzon (chapter base: Angeles City)



2022

Reorganized as WeAreAyala Business Club (WAABC)

Opened membership to Ayala Group employees from all levels.

Reestablished the following 5 chapters:

- 1 Cebu
- 2 Iloilo
- 3 Negros (chapter base: Bacolod City)
- 4 Cagayan de Oro (CDO)
- 5 Davao



2021

Established as Ayala Business Club (ABC)
ABC Cebu established as the first chapter

1995

2023 Highlights

WAABC Central Luzon Launch: The successful relaunch of WAABC Central Luzon were highlighted by several events: the trade fair wherein 21 Ayala brands participated, the employee townhall attended by 280 employees from across the region and the Client Appreciation Cocktail with 156 premier clients in attendance.



Business Synergy: Ayala brands are featured in the trade fairs conducted by WAABC Negros and WAABC Bicol. In coordination with the local government units (LGU), the trade fairs aim to bring Ayala products and services closer to the communities outside Metro Manila.



LGU collaboration: WAABC CDO supported the LGU's annual Higalaay Festival Run in 2023. Meanwhile, members of WAABC North Luzon met up with Baguio Mayor Benjamin Magalong and WAABC Bicol with Naga City Mayor Nelson Legacion to discuss how their organizations can collaborate.



Community Engagement: The WAABCs regularly participate in blood donation drives in collaboration with PRC. In 2023, WAABCs Cebu and Davao turned over a combined total of 459 bags.





26.3%
increase in beneficiaries

4.8
million
direct and indirect
beneficiaries in 2023

In 2023, Ayala Foundation stepped up its efforts to serve some of the poorest communities in the Philippines while growing its beneficiary base and sustaining operational efficiency. In addition, measures to more accurately reflect the impact of its programs in **Community Development, Leadership Development, Arts and Culture** and **Corporate Citizenship** were put in place.

Ayala Foundation served a total of 4.8 million direct and indirect beneficiaries in 2023, representing a 26.3% increase from the previous year's 3.8 million beneficiaries, while keeping operational efficiency above target.

With a view of Ayala's refreshed purpose statement to build businesses that enable people to thrive, Ayala Foundation is committed to contributing to shared prosperity in the Philippines, one thriving community at a time. The foundation is also gearing up for Ayala's 190th anniversary in 2024, when it kicks off volunteer activities for Ayala Group employees and partners with the goal of attaining at least 2 million volunteer hours over the next 10 years, as an added dimension to the group's commitment to ESG principles.

Community Development

The foundation facilitated multisectoral partnerships that contributed not just to an increase in income among participating individuals and families, but also improvements in quality of life.

In El Nido, Palawan, Ayala Foundation helped community enterprises become registered entities. With the support of the local government, Ten Knots Philippines, Pilipinas Shell Foundation and other partners, a total of four cooperatives, three solely-owned businesses and two Department of Labor and Employment (DOLE)-recognized associations were officially registered. Registration with the applicable regulatory bodies allows the cooperatives and enterprises to conduct legitimate business transactions and contribute to the community's socioeconomic growth. In addition, enterprises supported by Ayala Foundation, which included women weavers, tricycle drivers, farmers and fisherfolk, collectively earned ₱29 million in gross income.

Ayala Foundation also strengthened its partnership with Spain's acciona.org for the Light at Home project, which gave off-grid households and community centers in El Nido access to renewable solar power. From a pilot of 120 households and 10 community centers, the project



will expand to 1,200 households and 20 community centers from seven barangays, serving at least 6,000 individuals by 2025.

Also, 62% of the 823 household participants in livelihood projects in El Nido, Palawan, Puerto Galera, Oriental Mindoro, Calauan, Laguna and other areas are now above the extreme poverty threshold, which is defined as having a monthly income of ₱1,913 or less.

Meanwhile, interventions in education recorded improvements in functional and digital literacy skills. More specifically, 100% of teachers who received training and mentoring under the Center for Excellence in Public Elementary Education (CENTEX) Training Institute in Iloilo, Cagayan de Oro City and Cebu reported increased knowledge and confidence in designing and teaching lessons in reading, writing, mathematics and digital literacy. The two Ayala Foundation-supported CENTEX elementary schools in Manila and Batangas, which are under the

- Ayala Foundation's partnerships in community development and sustainable livelihood in El Nido, Palawan include the Sibaltan Women Weavers Association.
- CENTEX provides training and mentoring for public school teachers, so they can become more effective educators, inside and outside of the classroom.



Department of Education, provided at least 1,000 students opportunities to develop holistically, while also offering After Hours programs in music, arts and dance and leadership training.

The ProFuturo program was implemented in 126 schools in the MIMAROPA or Southwestern Tagalog region, providing not just access to technological tools and educational resources, but also training in maximizing their benefits. Teachers using the ProFuturo technology platform reported improvements in classroom engagement and attendance.

Leadership Development

Ayala Foundation continued to empower future changemakers in education, arts and sciences, sports and other sectors so they can become best-in-class leaders and professionals. Over the years, these leaders have made their mark in various communities in the Philippines and beyond.

The flagship program, Ayala Young Leaders Congress, celebrated its 25th year by adding 80 new servant leaders to its roster of nearly 2,000 alumni and reconnecting with its network at the alumni homecoming. The community-based Leadership Communities served 284 community leaders, who, through their advocacy projects, benefited over 3,000 community members.

The foundation also administered scholarship programs – including the U-Go Scholar grant for women – which helped ensure the continuing college education of 528 individuals.

Lastly, the Filipino Young Leaders Program (FYLPRO) flew in 15 mid-career Filipino-American leaders to participate in an immersion program that aimed to grow their awareness of and affinity with the country of their ancestry.

Corporate Citizenship and Volunteerism

Ayala Foundation's Disaster Risk Reduction and Management (DRRM) program served close to 300,000 individuals through emergency food relief, disaster education or psychosocial support. Disaster-relief operations, under the banner of the Ayala Group's unified #BrigadangAyala initiatives, provided emergency

300,000
individuals served
through emergency food
relief, disaster education
or psychosocial support



Arts and Culture

Ayala Foundation continues to promote the finest work in contemporary and fine arts through museum spaces. One of the year's biggest cultural events was the unveiling of Juan Luna's *Hymen, oh Hyménée* at the Ayala Museum. Last publicly seen in Europe in the 1890s, the painting was the centerpiece of the exhibition "Splendor: Juan Luna, Painter as Hero." The exhibit contributed to the record numbers of the museum in 2023 – 111,500 tour admissions, the highest ever since 2010. It also generated cross-platform public conversations, going beyond niche art audiences.

Ayala Museum unveiled the exhibition "Splendor: Juan Luna, Painter as Hero" featuring Luna's *Hymen, oh Hyménée*, which was not publicly seen since the 1800s.

The foundation's international partnerships in Arts and Culture also flourished in 2023. Items from the Ayala Museum collection were featured in a major exhibition on the Manila Galleon at the Asian Civilisations Museum in Singapore. In addition, two precolonial gold items from the Ayala Museum's collection remained key attractions at the Louvre in Abu Dhabi, where they are currently on loan.

food assistance to 15,300 families immediately after six major calamities. The foundation also partnered with local government units to hold DRRM education sessions in Cagayan de Oro City, Batangas, Oriental Mindoro, Agusan del Norte and Borongan, upskilling 600 disaster responders, as well as 100 teachers and health workers who handle disaster-related psychosocial services.

Ayala Foundation's Disaster Risk Reduction and Management (DRRM) Education program provides training for first responders in Cagayan de Oro City.



“We ensure that our businesses are conducted in a highly ethical manner, with utmost consideration for human and labor rights, the environment and strict anti-corruption policies.”

Jaime Augusto Zobel de Ayala
Chairman, Ayala Corporation



HIGHLIGHTS

Best Managed Company (Bronze) Award

from FinanceAsia in recognition of Ayala’s business and governance practices

Golden Arrows

in recognition of Ayala’s compliance with the ASEAN corporate governance principles

Raised
US\$3.4 billion
in Sustainable Finance transactions

MATERIAL TOPICS

- Business Practices and Corporate Governance
- Information and Cybersecurity
- Innovation
- Sustainable Financing and Investment
- Supply Chain Sustainability



STRATEGY

For 190 years, Ayala has always conducted its businesses responsibly and with integrity. Officers and employees of the Ayala Group, as well as business partners and vendors, are held accountable for their actions and are expected to comply with company policies at all times. A strong governance structure is in place to provide checks and balances across the organization.

Ayala seeks to generate greater economic value for its stakeholders by building businesses that address societal gaps such as education, healthcare and mobility, on the strength of an innovation-driven business culture.

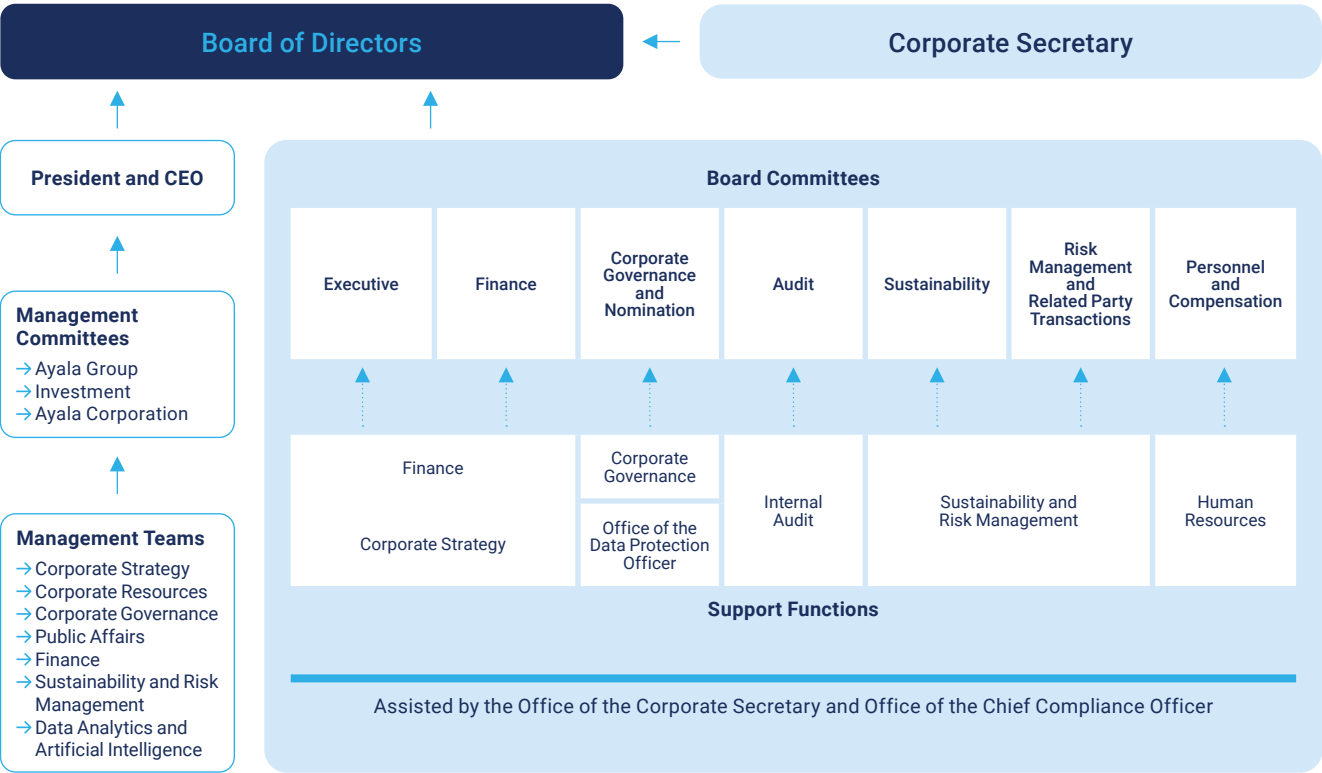


Business Practices and Corporate Governance

For 190 years, Ayala has demonstrated good corporate citizenship by not only ensuring profitability, but also by espousing sustainability principles. This is imperative as many shareholders look past financial reports; they also zero in on a company’s ESG strategy and performance.

Ayala’s brand is anchored on integrity, transparency and accountability at all levels in the organization and across the group of companies under it. This is made possible by having a strong governance system in place, coupled with the good working dynamics between the Board and the Management in shaping Ayala’s future.

KEY COMPONENTS OF AYALA’S GOVERNANCE SYSTEM



Governance Highlights

2023 was a transformation year for Ayala as the company made a number of changes both at the Board and Management levels in response to business requirements and as part of the company’s succession plan. Some of these are as follows:

- Ms. Mercedesita S. Nollado resigned as a Director effective September 28, 2023.
- Mr. Fernando Zobel de Ayala was elected as a Director effective September 28, 2023.

→ Mr. Jaime Z. Urquijo was appointed as Chief Sustainability and Risk Officer.

Mr. Solomon M. Hermosura continued to perform four roles in Ayala’s governance structure. As **Corporate Secretary**, he assisted in conducting Board meetings, helped prepare the meeting agenda and maintained Board minutes and records. As **Chief Compliance Officer**, he ensured compliance with all relevant laws, rules and regulations and worked

closely with the Corporate Governance and Nomination Committee to ensure that Ayala adopts the best corporate governance practices. As **Data Protection Officer**, he guided the company in complying with the National Privacy Commission’s requirements and in staying current on international privacy practices. As **Chief Legal Officer**, he advised the Board, CEO and senior leadership team on potential legal risks, legal matters and protocols relating to their roles and the company’s operations.

Compliance with the Corporate Governance Code

Like in previous years, Ayala has substantially complied with the Corporate Governance Code (CG Code) of the Securities and Exchange Commission (SEC), except for two deviations. Nevertheless, Ayala observed ethical and responsible business practices and will continue to enhance its corporate governance practices.

SEC RECOMMENDATION	EXPLANATION FOR DEVIATION
Corporate Secretary is a separate individual from the Compliance Officer.	Given the complementary nature of the functions of Corporate Secretary and Compliance Officer, Mr. Solomon M. Hermosura is better able to optimally assist the Board in its functions and in ensuring Ayala’s compliance with laws, regulations and good corporate governance practices. A strong team also supports Mr. Hermosura in both roles, thereby allowing him to effectively perform in both capacities.
Company discloses the remuneration on an individual basis, including termination and retirement provisions.	For director remuneration, the remuneration is disclosed individually. For executive remuneration, the remuneration of the top five highest paid officers is disclosed in aggregate. Ayala strives to balance between full disclosure and the protection and privacy of the individual officers.

To access the full Integrated Annual Corporate Governance Report of Ayala Corporation, please visit [ayala.com](https://www.ayala.com).

Internal Governance Mechanisms

Accountability and Audit

As part of Ayala’s continued dedication to upholding good corporate governance, its external and internal auditors ensure transparency, fairness and accountability in its transactions and activities.

External Auditors

The external auditor is directly accountable to the Audit Committee in helping ensure the integrity of the company’s financial statements and financial reporting process. Their responsibility is to assess and provide an opinion on the conformity of the audited financial statements with the Philippine Financial Reporting Standards and the overall quality of the financial reporting process.

During the Annual Shareholders’ Meeting on April 28, 2023, the shareholders reappointed SyCip Gorres Velayo & Co. (SGV & Co.) as the company’s external auditor for the calendar year 2023, with Sherwin V. Yason as the lead engagement partner.

The Audit Committee has the primary responsibility to recommend the appointment and removal of the external auditor. It oversees the work of the external auditor and ensures that they have unrestricted access to records, properties and personnel to enable performance of the required audit. The Audit Committee also had an executive session with the external auditor in 2023 without the presence of the management team to discuss any issues or concerns.

To ensure that the external auditor maintains the highest level of independence from the company, both in fact and appearance, the Audit Committee approved all audit, audit-related and permitted non-audit services

rendered by the external auditor. Non-audit services expressly prohibited by regulations of the SEC were awarded to other audit firms to ensure that the company’s external auditor carries out its work in an objective manner.

Total fees billed by SGV & Co. for the years ended December 31, 2023 and 2022 amounted to ₱24.50 million and ₱15.56 million, respectively, inclusive of Value-Added Tax (VAT). The Audit Committee reviewed the nature and corresponding fees of non-audit services rendered by SGV & Co. and concluded that these are not in conflict with their function as the company’s external auditor. The breakdown of the fees for 2023 and 2022 is shown below:

External Auditor Fees (in millions)

	2023	2022
Audit and Audit-Related Fees	₱22.87	₱15.24
Non-Audit Fees	1.63	0.32
Total	₱24.50	₱15.56

Audit and Audit-Related Fees 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 2023 and 2022. These also include assurance services that are reasonably related to the performance of the audit or review of Ayala’s financial statements pursuant to regulatory requirements. The Non-Audit Fees include one-time, recurring and non-recurring projects or consulting services. There were no disagreements with the company’s external auditor on any matter of accounting principles or practices, financial statement disclosures or auditing scope or procedures.

Internal Auditors

Internal Audit supports the Audit Committee in the effective discharge of its oversight role and responsibility. The Chief Audit Executive, Ms. Catherine H. Ang, reports functionally to the Audit Committee of the Board of Directors and administratively to the President and CEO or his designate. The activities of Internal Audit are governed by a separate Internal Audit Charter approved by the Audit Committee and the Board.

Internal Audit adopts a risk-based audit approach in developing its annual work plan, which is reassessed regularly to consider emerging and critical risks. The Audit Committee reviews and approves the annual work plan and all revisions thereof to ensure that internal audit examinations cover the evaluation of adequacy and effectiveness of controls encompassing the company’s system of internal controls, risk management, compliance and governance processes. The Committee also reviews the competencies and effectiveness of the internal audit function and ensures that resources are adequate and reasonably allocated to the areas of highest risk. During the year, the Committee regularly met with the Chief Audit Executive without the presence of management to discuss any issues or concerns.

To strengthen corporate governance, Ayala’s Internal Audit adopted portfolio-based subsidiary oversight to standardize the implementation of good practices across the Ayala Group, ensure that critical issues are monitored and addressed and appropriate focus and level of discussion are given for digitization of processes,

THE INTERNAL AUDIT TEAM

Average audit experience

19 years

Average tenure in Ayala Corporation

6.4 years

Certifications and professional affiliations

- Certified Public Accountants
- Certified Internal Auditors
- Crisis Communication Planner
- Certified Fraud Examiner
- Certified in ISO 9001, ISO 14001, ISO 27001, Risk Management Assurance (CRMA), IT Infrastructure Library (ITIL), COBIT 5 (F), Internal Control (CICA) and Global Innovation Management Institute Level 1
- Member of the Financial Executives of the Philippines (FINEX)
- Fellow of the Institute of Corporate Directors
- Members of the Institute of Internal Auditors Philippines (IIAP)

operational and financial controls, regulatory compliance and information security and cybersecurity risks.

The internal auditors adopt the International Professional Practices Framework promulgated by The

Institute of Internal Auditors. Their activities conform with the International Standards for the Professional Practice of Internal Auditing and are continuously evaluated through an independent Quality Assessment Review conducted every five years.

SPOTLIGHT

Ayala Group Internal Auditors’ Network (AGIAN) celebrating 25 years

Ayala’s Internal Audit collaborates with the internal audit functions of the business units and investee companies to promote sharing of resources, knowledge, tools and best practices through the Ayala Group Internal Auditors’ Network (AGIAN). Established in 1999, the AGIAN continues to deliver activities that strengthen synergy within the group, resulting in an effective teamwork environment, exchanges of good practices and ideas and improved skills of internal auditors.

In November 2023, the group successfully concluded the 3rd Chief Audit Executive (CAE) Forum with the theme “Charting the Next 25 Years for AGIAN” to discuss the evolving roles of internal audit amid technology advancements, emerging risks and changing stakeholder expectations. The forum was a prelude to the 25th anniversary celebration of the AGIAN.



Risk Management

Approach to risk management

Designed to encourage integrated and inclusive thinking, Ayala's risk management framework follows Deloitte's concept of a Risk Intelligent Enterprise. The company 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 Ayala's long-term goals. The company's success depends on its 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 its decisions, create a strategic philosophy while maintaining operational discipline and provide assurance to the Board that risks are managed and opportunities are pursued.

Furthermore, Ayala's approach to risk management is designed to provide reasonable assurance that its 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 its risk-taking activities fit into the business strategy and are aligned with stakeholder expectations. The company's risk appetite statements are reviewed and approved by the Board, while 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:

- Continue delivering value to shareholders and sustaining profitable growth through key execution and transformation of business portfolio, active value realization and investments in growth areas (Strategic)

- Uphold integrity, values and reputation and refrain from venturing into industries, transactions or partnerships that may mar Ayala's brand value (Reputational)
- Recognize the need for flexibility in the achievement of business goals and act in line with corporate governance policies, Code of Conduct and Ethics and regulatory guidelines (Compliance)
- Maintain investment grade credit rating and fulfill financial obligations consistent with the company's loan covenants (Financial)
- Undertake all reasonable measures to secure the safety of Ayala's people in the execution of their roles and responsibilities, as well as the communities they serve (People)
- Continue to engage in responsible businesses and support initiatives related to climate action and conservation of natural resources (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 company. With this, Ayala's 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; and
- 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 company'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.

Board

The Board has the overall accountability for the management of risk and review of the effectiveness of Ayala's risk management and internal control systems. Acting on behalf of the Board, the Risk Management and Related Party Transactions (RMRPT) Committee 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.

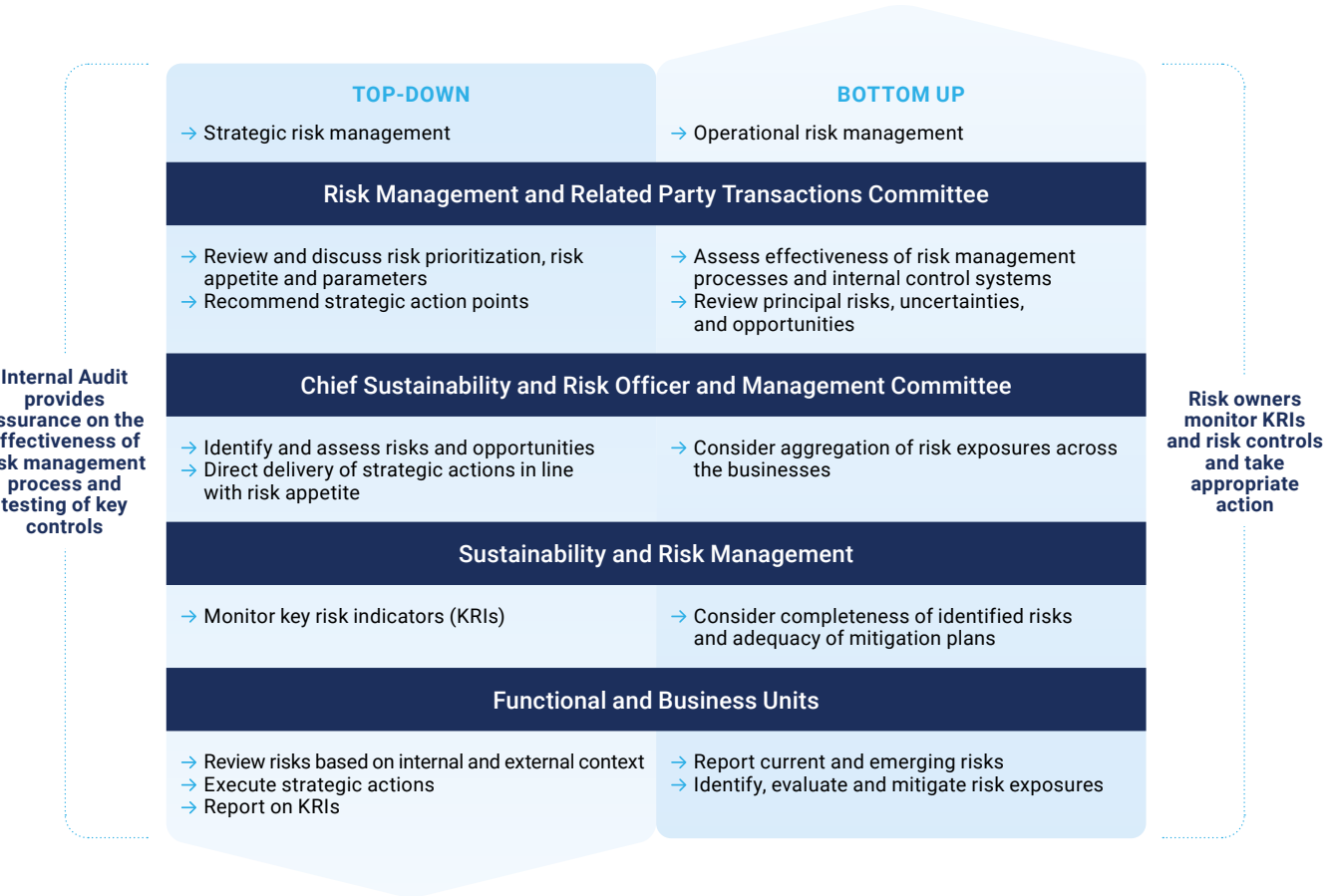
On a periodic basis, the RMRPT Committee also looks into the common top risks across the core value drivers and emerging businesses of Ayala. It discusses the groupwide exposures, articulates on their nature and discusses their potential impact to the performance of Ayala's business portfolio.

Together with the RMRPT Committee, the Sustainability Committee has an oversight of climate-related risks and opportunities, as well as the action plans to address them. 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 this can be found on [page 76](#).

Chief Sustainability and Risk Officer (CSO/CRO) and Management Committees

Led by the Chief Sustainability and Risk Officer, the Management provides leadership and guidance on the balance of risks and opportunities. They review and report to the Board, through the RMRPT Committee, the material risks affecting the company and the group, as well as their potential impact and mitigating measures.

INTEGRATED RISK MANAGEMENT APPROACH



Group Risk Management

In support of the Chief Sustainability and Risk Officer, the Risk Management unit is tasked with the implementation of Ayala's risk management framework and a robust risk management program that will encompass the regular risk review and risk reporting processes of the company and the group. They assist the business and functional units in the identification of risks and mitigation plans and facilitate risk communication, experience sharing and risk reporting across different groups.

Functional and Business Units

The effective day-to-day management of risk is embedded within 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.

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.

With this governance structure, Ayala operates a "three lines of defense" model of risk management, with functional and business unit management forming the first line, the internal Group Sustainability and Risk Management team forming the second line and finally Internal Audit as 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, which were 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. By 2020 when Ayala Corporation signified its intent to be a TCFD supporter, 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 of this can be found on [page 76](#).

AON RISK MATURITY INDEX RATING SCALE



Risk mitigation strategy

Strategies in managing risks vary from avoidance, acceptance, mitigation and/or transfer based on the company’s risk appetite. In the Ayala Group, risk financing is seen not merely as a transaction of risk transfer, but as a strategy to continuously improve the risk management process. In 2018, a risk financing strategy roadmap was laid out, helping the company to establish commitment from 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 its 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

Continuous improvement

Ayala recognizes that continual improvement of the Enterprise Risk Management (ERM) program is essential as strategies or business objectives change over time with the shifting business context. In this regard, Ayala follows the best practice that the maturity assessment of the risk management program be performed at least every three years. Ayala engaged Aon Risk Solutions to execute a groupwide risk management maturity assessment, the third round for the group since it started in 2015.

The Aon Risk Maturity Index is designed to capture and assess an organization’s risk management practices and provide participants with immediate feedback in the form of a Risk Maturity Rating and actionable steps for improvement. Aon has partnered with the Wharton School of the University of Pennsylvania to develop the index and conduct joint research on the relationships between risk management practices and actual performance. Through this study, the Ayala Group evaluated the effectiveness of the improvements implemented since 2018. Similarly, Ayala’s roadmap was revised to address other potential areas for improvement.

Ayala’s risk maturity is at 3.5 out of a 5-point rating scale, higher than the average Global Risk Maturity Rating of 3.0. This score implies that Ayala clearly understands and addresses its key risks, but capabilities to measure, manage and monitor risks may be inconsistent across the organization. The company is notably strong in understanding underlying risk causes, formalization of risk management responsibilities and involvement of internal subject matter experts in risk analysis. Conversely, the company needs to improve on incorporating risk information in strategic decisions.

In summary, Ayala’s approach to risk management is centered on being risk-aware, clearly defining its risk appetite, responding to changes to the company’s risk profile quickly, aligning its primary risk mitigation strategy to its 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

In 2023, Ayala observed timely submission of disclosures to the SEC, Philippine Stock Exchange (PSE) and Philippine Dealing and Exchange Corporation (PDEx). Material and market-sensitive information that may affect the public’s investment decisions were disclosed by Ayala in compliance with relevant regulations for publicly listed companies. As well, Ayala ensured the quality, accuracy and truthfulness of the submitted disclosures through continuous review of its internal policies and procedures.

Key Submission Dates

Annual Report (SEC Form 17-A) together with the consolidated Audited Financial Statements for 2022	April 14, 2023
Notice of the Annual Shareholders’ Meeting (ASM) with detailed explanation of agenda items	February 28, 2023 (initial)
	March 24, 2023 (amended)
Definitive Information Statement including 2022 Audited Financial Statements	March 24, 2023

The list of structured and unstructured disclosures, as well as clarifications made by Ayala in 2023 can be found on ➡ **page 185**.

Ownership Structure as of December 31, 2023, Ayala’s Outstanding Common Shares

	Outstanding Common Shares	% Ownership
Mermac, Inc.	296,625,706	47.86%
PCD Nominee Corporation (Non-Filipino)*	164,779,651	26.59%
PCD Nominee Corporation (Filipino)*	133,754,708	21.58%
Others	24,647,360	3.97%
Total	619,807,425	100.00%

* Out of the 298,534,359 common shares registered under the name of PCD Nominee Corporation, 44,013,551 common shares or 7.1012% are for the account of BPI Securities Corporation while 38,776,968 common shares or 6.2563% are for the account of Standard Chartered Bank.

Ownership Structure as of December 31, 2023, Ayala’s Total Outstanding Shares

	Outstanding Shares	% Foreign Owned
Common Shares	619,807,425	
Voting Preferred Shares	200,000,000	
Total Voting Shares	819,807,425	22.95%
Preferred A Shares (Reissued)	5,244,515	
Preferred B Series 2 Shares	30,000,000	
Total Outstanding Shares	855,051,940	22.03%

There were no cross or pyramid shareholdings.

Shareholder Meeting and Voting Procedures

The company’s governance system safeguards the right of the shareholders to vote and participate in the shareholders’ meeting. Ayala’s fourth fully virtual Annual Shareholders’ Meeting (ASM) was held on April 28, 2023. Active shareholders’ participation was encouraged through attendance by remote communication, voting in absentia using the electronic Voting in Absentia and Shareholders (VIASH) system, voting though proxy forms assigning the Chairman as proxy and sending their questions and comments to the company’s established communication channels.

The notice of meeting was distributed at least 28 days before the ASM by adopting the SEC-allowed alternative modes of distributing the notice and other meeting materials. The notice contained the date and time of the meeting, a detailed agenda, the allowed means of participation and voting; and the date, time and place set for validating proxies, which must be done at least five business days prior to the ASM. The Committee of Inspectors of Proxies and Ballots, composed of Non-Directors and constituted by the Board, upholds the integrity of the process for validation of proxies and tabulation of votes for shareholders’ meetings. An independent third party validates the results.

Each outstanding common and voting preferred shares entitled the registered holder to one vote per share. All shareholders, including minority shareholders were given the right to nominate candidates for the Board of Directors and to propose items for inclusion in the meeting agenda.

Policies

Company directors, officers and employees are guided by policies to ensure that everyone in the organization upholds the highest standards in conducting business transactions and activities. Periodic reviews of the policies are done to make certain that they continue to be relevant and aligned with company values and principles and regulatory and legal requirements, including Anti-Money Laundering Law.

	PURPOSE	TOPICS COVERED
Code of Conduct and Ethics	To guide directors, officers and employees to promote a culture of good corporate governance and to abide by the principle of “doing the right thing” in their relationships among themselves and with the company’s customers, shareholders and business partners, as well as the with the government and the public	• Compliance • Fair dealing • Confidentiality of information • Proper use of company assets and resources • Conflict of Interest • Outside employment • Insider Trading • Anti-Bribery and Anti-Corruption Policy
Conflict of Interest Policy	To guide directors, officers and employees on how to avoid situations of conflict of interest or impropriety, whether actual or apparent	• Personal or pecuniary interests in conflict with duty • Use of material company information for personal (or any third party) advantage • Participating in transactions between the company and an enterprise owned by the employee or his/her family or close personal relations • Accepting gifts or invitations from suppliers, customers or business partners • Disclosure requirements
Insider Trading Policy	To provide guidance on prohibitions to trading in company securities for incumbent directors, officers, employees, consultants, advisers and members of their immediate family living in the same household	• Trading restrictions and blackout • Short swing transaction • Reporting of transactions and violations • Additional obligations for officers
Anti-Bribery and Anti-Corruption Policy	To provide strict guidelines for directors, officers and employees on the company’s zero tolerance for fraud, bribery and corruption	• Offering and giving of bribes • Requesting and accepting of bribes
Related Party Transactions Policy	To provide guidance in the review, approval and disclosure of related party transactions (RPTs) to ensure that they are at arm’s length and that the terms are fair	• Identification, review and approval of RPTs • Disclosure requirement of material RPTs • Identification, prevention or management of potential or actual conflict of interest • Whistleblowing mechanism • Remedies for abusive material RPTs
Whistleblower Policy	To provide a formal mechanism and avenue for directors, officers and employees and all suppliers, business partners, contractors and sub-contractors to raise concerns about a perceived wrongdoing, malpractice or a risk involving the company	• Types of concerns • Protection from retaliation • Confidentiality • Anonymous allegations • Reporting channels • Investigation • False report
Data Privacy	To guide the company in relation to the collection, use, storage, sharing and disposal of all personal data processed in accordance with the Data Privacy Act	• Collection and use of personal data • Disclosures of information • Rights of data subjects • Data Protection Officer

Full texts of the policies can be accessed at [ayala.com](https://www.ayala.com).

There were no violations of the Company’s policies in 2023 nor were there any whistleblower reports for Ayala after due process and verification. On trading of Directors and Officers, a summary of the changes in their shareholdings in 2023 can be found on [page 184](#).



Information and Cybersecurity

Information Security

For Ayala, protecting the organization’s information and information assets from internal and external threats is imperative. Like any other company, Ayala has increasingly depended on Information Technology (IT) to obtain, use, store and process data and this has presented more risks related to information security such as data breaches and cyberattacks. Without an effective system in place, confidential company information such as trade secrets, management directives and business strategies are vulnerable to unauthorized access, theft and misuse.

For this reason, the company ensures and regularly checks the integrity of its IT infrastructure and enhances or reinforces the same in accordance with technical standards and industry practices. Physical security mechanisms are also used to protect the company’s network, servers, databases and other computer systems that contain sensitive information.

Moreover, Ayala established security policies, guidelines and procedures to mitigate risks and reduce any potential impact.

Recognizing that cyberattacks may also find their way to a company’s system through employees and their devices, Ayala implemented a password and biometric access restriction on computers that store confidential information and installed anti-spam, anti-virus, anti-malware and other intelligent tools to detect and quarantine malicious codes. In addition, employees are required to undergo an annual training on cybersecurity to avoid any incidents of mishandling, improper usage and unauthorized access or disclosure of confidential company information. Further updates and reminders on information security are regularly given to employees through various internal channels. These include deciphering a phishing attempt, creating strong passwords and securing workstation and equipment during non-work hours.

SPOTLIGHT

Ayala receives EXCELLENT rating in cybersecurity maturity assessment

In 2023, Ayala went through an assessment and benchmarking exercise of its cybersecurity systems and protocols by a third-party agency. The company received a 3.71 score out of 4, which is equivalent to an EXCELLENT rating and is substantially higher than the benchmark score in the Asia Pacific region. This demonstrates that Ayala’s cybersecurity policies, procedures and guidelines are aligned with international standards.

3.71 out of 4.0

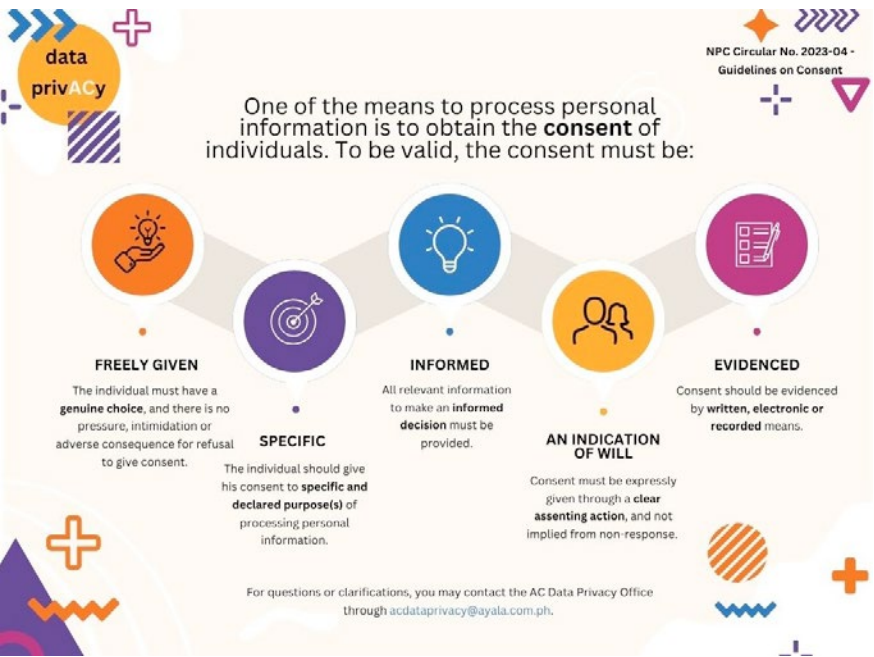
Ayala’s score in its benchmarking exercise against internationally accepted standards on cybersecurity, higher than benchmark score in the Asia Pacific region

Data Privacy

When it comes to protecting personal information, Ayala adheres to the requirements of the Data Privacy Act of 2012, its implementing rules and regulations and other issuances of the National Privacy Commission. Details of the company's personal data processing practices and policies are contained in its Privacy Statement and Data Privacy Manual, which can be found at [ayala.com](https://www.ayala.com).

While the company's Board-appointed Data Protection Officer (DPO), along with two Compliance Officers for Privacy (COPs), oversees the organization's privacy compliance efforts, each employee plays a crucial role in ensuring that personal information processed by the organization is secure and lawfully processed. In line with this, the company conducts an annual data privacy training for all employees and functional training for specific groups of employees engaged in the same or similar processing activities. In 2023, a total of 1,296 personnel from across the Ayala Group attended the online training, while a functional training was likewise conducted for the data and analytics teams of the group.

To make data privacy top-of-mind for all Ayala personnel, the company communicates important concepts, principles and rules through infographics and presentations during employee



events and activities. Ayala's Data Privacy Manual, which details the company's overall approach, as well as the employees' role in upholding data privacy, is made available to everyone in the organization for reference.

With Ayala's adherence to the principles of privacy, coupled with a strong culture that respects and protects personal information, no data breaches were recorded in 2023.

Ayala's Data Privacy Office periodically sends infographics to all personnel to share important guidelines and concepts related to data privacy.

SPOTLIGHT

Ayala Corporation is now registered with the NPC

In 2023, Ayala Corporation obtained a Certificate of Registration and a Seal of Registration from the NPC. This was upon completion of the privacy impact assessments on all of the company's data processing systems and registration with the NPC. Employees and external stakeholders can rest assured that their personal information is properly and carefully collected and processed.



Innovation

Innovation is key to Ayala's organizational and economic growth strategy. The company understands that innovation is essential to stay afloat in today's business landscape and to maintain its competitive advantage. Constant changes in market and industry trends, consumer behavior and other externalities necessitate companies like Ayala to keep on finding new and better ways of doing business.

Instead of looking at innovation as a mere cross-functional project, Ayala embeds it in its organizational culture through leadership trainings and company events such as the Spark: Ayala Group Innovation Summit. Employees are encouraged to look beyond the status quo and find a gap or pain point to address. They are reminded that innovation does not always require a groundbreaking idea; even a simple

improvement in an internal process, for instance, can result in increased productivity or efficiency.

As a parent company, Ayala advocates the same growth mindset across the organization. For the Ayala Group, the main objective is to make sure that businesses are not disrupted. Furthermore, the company influences its business units to adopt initiatives that are:

- **Future-ready**, priming their operations to adapt to global and local developments such as new technology;
- **Agile, curious and experimental**, taking advantage of the opportunities around them and being open and quick to adjust to organizational changes that they may bring; and most importantly,

→ **Customer-centric**, always looking at solutions from an end-user point of view to ensure that they are relevant and useful.

Driving innovation also means maximizing synergy as business units and investee companies are urged to leverage the Ayala ecosystem and expertise, with the goal of developing products and services that will address specific customer needs. Through the Ayala Innovation Council, the group builds the capability of each business unit to identify a customer need or expectation and to build a business model around it. Ayala Corporation, as the parent company, works with its investees in incubating concepts and helps them strategize and operationalize these to address customers' needs.

SPOTLIGHT

Ayala companies recognized for excellence in innovation

At the Spark*10: Ayala Group Innovation Summit, Ayala Corporation, Globe and BPI were recognized by the Global Innovation Management Institute for "demonstrating innovation leadership in strategy, capacity, discipline and portfolio."

The best innovative programs across the organization were also lauded at the 8th Ayala Innovation Excellence Awards, which was another highlight of said event. BPI's initiatives – Hidden Wealthy Program, Agency Banking and Customer Delight Program – bagged the top awards for being innovative and at the same time, genuinely responsive to customer needs.



Ayala Group's customer-focused collaborations

In recent years, the Ayala Group has developed successful and meaningful collaborations among its companies for the benefit of its customers. Examples of which are:

ACMobility and Ayala Land

Ayala Land puts up fast-charging stations in strategic locations across its properties for electric vehicles distributed by ACMobility.



AC Health – Healthway Medical Network and Ayala Land – Ten Knots Group

Healthway opens a clinic to cater to the primary and specialty medical needs of guests and employees at Lio Estate in El Nido, Palawan.





Sustainable Financing and Investment

Ayala fully supports the Philippine government's goal of transitioning to a circular economy, which is necessary in light of the country's increasing population, diminishing natural resources and vulnerability to the impacts of climate change. Key to this transition is prioritizing sustainable programs and activities that take into account economic, as well as social and environmental considerations.

As a leading conglomerate, Ayala hopes to create greater value whenever it allocates funds to start a new business or expand an existing one. It makes sure that the investment will allow Ayala to realize both its financial and sustainability objectives. Ayala's investments in ACEN, AC Health and Manila Water, for example, were driven by its aspiration to not only grow

its portfolio, but more importantly, to bridge gaps in the communities. The company understands that while building such businesses may not be profitable immediately, it is something that a responsible company needs to do to contribute to nation-building and help Filipino families thrive. Apart from targeting societal and environmental issues, Ayala hopes that its ESG-driven investments will help boost local and national economic growth and activity.

Over the past five years, the Ayala Group has raised ~US\$3.4 billion from sustainable finance transactions in both private and public formats. Ayala will continue to develop its sustainable finance capabilities to diversify its funding sources from local and international facilities that will help fund green and social investments and initiatives.

SPOTLIGHT

Ayala signs a landmark deal in sustainable financing

Ayala Corporation, MUFG Bank and Sun Life Philippines signed a ₱5 billion credit facility to fund the company's sustainability-linked projects. This transaction is the first of its kind for a conglomerate in the Philippines and demonstrates Ayala's commitment to ESG and nation-building.

In 2021, Ayala partnered with the International Finance Corporation (IFC) to boost the country's healthcare sector through a 10-year Social Bond, which partially funded Ayala Health's Cancer Care Center. The issuance marks the first social bond earmarked for healthcare-related purposes in the Philippines.



Ayala's credit facility with MUFG Bank and Sun Life Philippines will support the company's various general corporate requirements and investments in sustainability-related projects.



80 representatives from various companies within the Ayala Group attended the first Sustainable Finance Workshop organized by the Ayala Group Treasury Council.



Supply Chain Sustainability

Ayala extends its sustainable and responsible business practices through its supply chain. The company is currently developing a policy that formalizes the inclusion of sustainability-specific requirements in the supplier accreditation process. In the meantime, however, strict requirements are already enforced.

For one, Ayala only works with suppliers whose social and environmental practices are aligned with its sustainability standards and commitment to the UN Sustainable Development Goals. The company seeks to obtain services, supplies and equipment from reputable and quality vendors, taking into consideration their environmental impacts and ensuring their compliance with human rights

laws, particularly on child and forced labor. This is a crucial requirement since suppliers and business partners are essentially an extension of the company and as a pioneer in sustainability, Ayala expects no less from them.

Ayala also supports its suppliers as they go through their own sustainability journey. The company offers trainings and works with them in mapping out their strategies to embed sustainability in their operations and in their own supply chain.

Moreover, the company influences its business units to uphold social and environmental sustainability in their respective networks. Globe, for example, has taken bold steps to advocate supply chain sustainability.

SPOTLIGHT

Globe champions supply chain sustainability and engagement

In 2023, Globe launched its Sustainability Academy for Supply Chain to equip its business partners with basic knowledge on ESG principles and practices, with the goal of propelling them towards sustainable development. This is vital to Globe's supply chain sustainability objectives, especially since most of its vendors are micro, small and medium-sized enterprises (MSMEs).

Further demonstrating Globe's commitment to supply chain sustainability and engagement are its updated Supplier Code of Ethics and its new Sustainable Supply Chain Policy Commitment.

Through these initiatives, Globe hopes that its suppliers join in this collective effort towards sustainability.

The Ayala Group was among the first to respond to the call for global action in 2015 to address pressing social and environmental issues through the UN Sustainable Development Goals (SDGs).

Locally, Ayala further demonstrated its sustainability commitment by becoming a founding member of the Global Compact Network Philippines and by incorporating the 10 Principles of the UN Global Compact into its sustainability reporting framework.

In 2018, the group published the Ayala Sustainability Blueprint to guide the company and its business units as they carry out their SDG-aligned strategic action plans. This was a result of a series of working sessions where the leaders and decision makers of each member company identified the societal gaps present in the Philippine setting, as well as the key initiatives to address them. The group also considered the three megatrends – marginalization, untapped potential and irresponsible growth – which pose the biggest challenges in developing sustainable solutions for communities.

untapped potential and irresponsible growth – which pose the biggest challenges in developing sustainable solutions for communities.

Anchored on its vision to build businesses that enable people to thrive, the Ayala Group implements programs and monitors its progress relative to the three focus areas below.

Moving forward, the Ayala Group will review its Sustainability Blueprint, cognizant of evolving and emerging developments in the sustainability space. The group’s goal is to ensure that its programs remain relevant to the needs of Filipino communities, while also making a meaningful contribution to the UN SDGs.



ACCESS AND INCLUSIVITY
centers on removing the barriers that marginalized communities have to contend with in order to access basic social services such as education and healthcare. The group believes that every Filipino should be considered and included in any social development initiative to ensure long-term impact.



PRODUCTIVITY AND COMPETITIVENESS
aims to harness the untapped potential of Filipinos by providing them sustainable employment opportunities, as well as infrastructure, technology, products and services that will make them productive members of society. The group hopes that by doing this, Filipino communities will become empowered, self-reliant and future-ready.



RESPONSIBLE GROWTH AND INNOVATION
seeks to address climate-related and other environmental issues by exploring sustainable alternative options such as the use of renewable energy and electric vehicles and to promote environmental stewardship at the community level. The group recognizes that community development should be holistic, addressing both social and environmental concerns and should not be compromised even as businesses and local enterprises grow and innovate.



Sustainability Blueprint

Bridging the Filipino to 2030



ACCESS AND INCLUSIVITY



PRODUCTIVITY AND COMPETITIVENESS



RESPONSIBLE GROWTH AND INNOVATION



Ayala Foundation



ACHealth
An Ayala Company



iPEOPLE



Ayala



BPI



Globe



AC Infra
An Ayala Company



AyalaLand



ACEN



ACIndustrials
An Ayala Company



Ayala



Ayala

MARGINALIZATION

UNTAPPED POTENTIAL

IRRESPONSIBLE GROWTH

ACCESS AND INCLUSIVITY



2030 TARGET
To support anti-poverty frameworks resulting in 50% reduction of extreme poverty in AFI project areas

INDICATORS
→ 50% of the population reached in AFI impact areas taken out of extreme poverty

PERFORMANCE SUMMARY
72% of the total participants of AFI's livelihood activities are now above extreme poverty threshold.

As two livelihood programs ended in 2023, adjustments were made in the calculation of the achievement of AFI's target; hence, the 2% decrease in 2023.



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

PERFORMANCE SUMMARY
Since launching its commitment to touch the lives of one in five Filipinos, AC Health has served 4.1 million Filipinos and achieved 18% of the target for 2030.

As KMD changed the metric for "lives touched", adjustments were made in the calculation of the achievement of AC Health's target, hence the decrease in 2023.



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
iPeople reached 26% of its goal and is on track to achieve its 2030 target.

PRODUCTIVITY AND COMPETITIVENESS



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 2030 target* by giving remuneration that is 10% to 20% above industry average. It continues to improve processes and programs to increase employee engagement and productivity.



2030 TARGET
To promote greater financial inclusion by expanding financial services to 5 million micro, small and medium enterprises (MSMEs), as well as unbanked and underbanked Filipinos such as, but not limited to, self-employed micro-entrepreneurs (SEMEs), informal workers and low-salaried individuals and overseas Filipinos

INDICATORS
→ Number of self-employed micro-entrepreneurs (SEMEs) reached
→ Cumulative loan disbursements
→ Micro-insurance
→ PondoKo Savings clients

PERFORMANCE SUMMARY
BPI continues to leverage on its underbanked-focused financial solutions, such as affordable and flexible loan offerings with a minimum amount of ₱5,000 through the introduction of the InstaCashKo Credit Line. The bank has also widened its reach throughout the country by strengthening its existing customer touchpoints.

BPI is in the process of revisiting its target and the relevant indicators. Its 2023 progress reflects the bank's 2030 goal.



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 has exceeded its target and provided more than 90% of the Filipino population with access to 4G/LTE technology.

* Target achieved for AC only.

PRODUCTIVITY AND COMPETITIVENESS



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 tCO₂e equivalent avoided

INDICATORS

- Solar panel installation for depot and 20 stations
- Number of Renewable Energy Service Contract (RESC) providers
- Reduction in paper usage and waste generation

PERFORMANCE SUMMARY

Light Rail Manila Corporation (LRMC) has avoided 13,812 tCO₂e out of its 30,000 target. Its actual progress was recalculated in 2023 to account for the insufficient supply of renewable energy.



2030 TARGET

To enhance inclusive and sustainable urbanization by increasing sevenfold the number of launched affordable housing units

INDICATORS

- Total Amaia and Bellavita units launched

PERFORMANCE SUMMARY

Ayala Land launched a total of 1,302 affordable housing units in 2023, adding to a total of 16,121 affordable housing units launched since 2017

RESPONSIBLE GROWTH AND INNOVATION



2030 TARGET

To reach 20 GW of attributable renewable energy capacity by 2030

INDICATORS

- Total GW of attributable renewable energy capacity

PERFORMANCE SUMMARY

ACEN reached 5 GW of attributable renewable energy capacity

RESPONSIBLE GROWTH AND INNOVATION



2030 TARGET

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

INDICATORS

- Manufacturing value add

PERFORMANCE SUMMARY

→ IMI's current manufacturing value is at USD\$430 million.
→ ACMobility, who is pioneering the country's EV ecosystem, is currently reviewing its strategy and laying down the foundations towards becoming the leading mobility platform by 2030.



2030 TARGET

To achieve an ambitious material footprint that demonstrates sustainable management and efficient use of natural resources

INDICATORS

- Material footprint
- Material consumption

PERFORMANCE SUMMARY

Ayala Corporation is working towards developing a group-wide waste reduction program aligned with its strategies for reducing greenhouse gas emissions.



2030 TARGET

To strengthen resilience and adaptive capacity to climate-related hazards to natural disasters across all its sites resulting in minimal casualties

INDICATORS

- Develop the group-wide response to mitigating and adapting to the impacts of climate change

PERFORMANCE SUMMARY

Ayala has completed its baseline greenhouse gas inventory. It will complete its Net Zero Roadmap within 2024.

“It is now quite apparent which of our many businesses are winners and which need to be repositioned or rationalized.”

Cezar P. Consing
President & CEO, Ayala Corporation



Business Review

Ayala Land	→126
Bank of the Philippine Islands	→128
Globe Telecom	→130
ACEN	→132
AC Health	→134
AC Logistics	→136
AC Industrials	→138
AC Ventures	→140
iPeople	→142

“We aspire to bring world-class experiences to Filipinos and keep doing what we do best: to build places that people love.”

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



HIGHLIGHTS

P24.5 B

Net Income, up 32% year-on-year

P86 B

Total CAPEX spent

52

Total estates in 2023, with the launch of Batangas Technopark, Centrala, Southmont and Arillo



BOARD FOCUS

Ayala Land’s Board focused on ensuring business recovery given the challenges faced during the pandemic. While the company’s financial position improved sequentially, the Board recognized the need to elevate risk management measures and pursue quality initiatives while delivering growth amidst a more competitive business landscape. The Board identified marginalization and increasing competition as critical risks to the business.



STRATEGY

Ayala Land has embarked on a new growth strategy focused on building places that people love. The goal is to raise the bar on quality to solidify its brand leadership and enrich the customer’s experience for its product and service offerings.

Ayala Land’s strategy is anchored on four pillars:

Set new standards for quality and customer experience

- Raise the bar in luxury residential living
- Bring the leasing and hospitality assets to their full potential through reinvention and redevelopment
- Introduce new digital platforms to enrich the customer’s experience

Embark on a new growth Strategy

- Lean on premium residential brands and horizontal projects to deliver growth for the property development business
- Expand the leasing footprint by 800,000 sqm of GLA for malls, 500,000 sqm of GLA for offices and 4,000 rooms for hotels and resorts, in the next five years
- Utilize an average of 800 hectares of land annually in the next five years to support the development plans

Empower people

- Invest in organizational development and upskilling the workforce
- Strengthen the culture of innovation, customer centricity and agility

Deliver on the sustainability agenda

- Operationalize the Ayala Group’s Net Zero Roadmap to 2030 and 2050
- Championing circular economy

Learn more about Ayala Land’s
→ 2023 Integrated Report

2023 REVIEW

PRIORITIES

- Focus on the premium and horizontal segments and utilize its existing land bank to grow the property development business

PERFORMANCE

- Launched 25 projects worth ₱75.9 billion with 88% from Premium brands led by AyalaLand Premier’s Park Villas in Makati CBD and Alveo’s Park East Place in BGC
- Reservation sales grew 9% to ₱113.9 billion amid a high-interest environment.
- Residential revenues grew 22% to ₱77.2 billion on healthy bookings and higher project completion.

- Reinvent the leasing assets to maximize their full potential and expand the footprint

- Commercial leasing revenues up 25% to P41.7 billion on account of higher occupancy and rents.
- Opened two new malls, AyalaMalls One Ayala and the initial phase of AyalaMalls Vermosa, totaling 49,000 sqm of retail space.
- Opened Seda Manila Bay with 306 rooms and the second phase of Seda Nuvali with 114 rooms for a total of 420 new rooms.

2024 PRIORITIES

- 1 Lean on Premium residential brands and horizontal projects, launching up to ₱100 billion worth of residential inventory, 80% of which from Premium brands
- 2 Kickstart the reinvention of flagship malls and hotels and resorts
- 3 Expand leasing footprint with the opening of 68,000 sqm of GLA for malls and 98,000 sqm of GLA for offices
- 4 Expand and reinvent hospitality developments to uplift their value proposition

Launched in Q4 of 2023, Southmont is an 800-hectare estate developed by Ayala Land and Cathay Land. It is located in Silang, along the Cavite growth corridor with access to major thoroughfares such as the Cavite-Laguna Express Way, Sta. Rosa-Tagaytay Road and the upcoming Cavite-Tagaytay-Batangas Expressway.



“Our journey is one of banking excellence anchored on trust and the best digital offerings.”

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



HIGHLIGHTS

P51.7 B

Record net income, up 31% year-on-year

11 M

strengthened customer franchise with 1.7 million new clients in 2023

P1.9 T

Gross loans, up 10% year-on-year, ahead of industry average



BOARD FOCUS

BPI's Board had three areas of strategic priority: risk governance, sustainability and Board culture. The Board paid particular attention to looking at strategy from a risk perspective by evaluating interconnectivity of risks and existing internal risk governance structures, practices and reporting. Aligned with BPI's push to champion sustainability, the Board took a more active role in driving the integration of sustainability in operations. It ensured that employees and management are best equipped to understand the intricacies of the matter through dialogue, briefings and trainings. In furthering Board culture, it gave full support to a performance evaluation from a third party whose recommendations it accepted for implementation in the succeeding year.



STRATEGY

BPI's five strategic imperatives are anchored on its passion for the customer:

- First, it aims to increase the share of consumer and business banking in its loan book to 30%. Its efforts have led to a 130-basis point increase in the share of these segments in the past two years
- Second, it strives to be the undisputed leader in digital banking. This is primarily through its digital platforms that are bespoke to the needs of each of its customer segments
- Third, it is transforming the role of its branches from transactional to high-value activities like sales and advisory as customers adopt digitalization. This has enabled branch consolidation and co-location, which has led to cost efficiencies
- Fourth, it aims to close the gap in funding leadership by becoming the main operating bank for corporate clients, sustaining its Digital Platforms and optimizing funding costs
- Lastly, it continues to champion sustainable banking through its host financially inclusive products and services, as well as sustainability financing portfolio

Learn more about BPI's
➔ 2023 Integrated Report

2023 REVIEW

PRIORITIES

- Accelerate loan growth in high-margin businesses through focused efforts on bank, business, consumer and microfinance segments
- Strengthen funding franchise by growing deposits and improving CASA ratio
- Optimize branch network by strategically rationalizing physical presence
- Establish position as the undisputed leader in digital banking
- Promoting sustainable banking

PERFORMANCE

- Outstanding balances of:
 - ₱79.1 billion in SME loans
 - ₱409.8 billion in consumer loans
 - ₱9 billion in microfinance loans
- Deposits grew 9.5% year-on-year with CASA ratio at 67%.
- Co-located 35 branches and consolidated 29 branches since 2019
- Transformed 20 phygital branches
- Opened 31 new Banko branches
- Partnered with 18 merchants with 5,344 physical stores which were digitally-enabled to do simple banking transactions
- Increased retail digital clients to 3.8 million
- 52% of the new clients onboarded were via digital platforms and agency banking.
- Exceeded ₱10 billion target for the Green Saver Time Deposit, proceeds of which were allocated to projects with clear environmental benefits
- Launched a Sustainability-Linked Loan, a financing mechanism where the interest rate is tied to sustainability-related performance metrics

2024 PRIORITIES

- 1 Drive continued growth of loan portfolio, led by consumer
- 2 Sustain earnings momentum primarily through loan expansion, increase in customer base and customer engagement
- 3 Further branch optimization network initiatives and open new Banko branches as more transactions shift to digital channels
- 4 Expand client base primarily through branches, customer engagement platforms and agency banking partner stores
- 5 Integrate Robinsons Bank into BPI

BPI's push towards digital has enabled it to transform 20 branches to phygital format where customer education and sales are the priority.



“We stand at the forefront of a transformative journey to digitalize the nation and uplift the life of every Filipino.”

Ernest Lawrence L. Cu, President and CEO, Globe Telecom



HIGHLIGHTS

P162 B

All-time high service revenues, up 3% year-on-year

P71 B

CAPEX, down by 30% year-on-year, aligned with guidance on lower spending

57 M

Mobile customers



BOARD FOCUS

Globe's Board focuses on three key areas that help reinforce the company's position as one of the country's leading innovators:

- In business resiliency, the focus is to maintain topline expansion amid the current challenging macroeconomic condition
- In operational efficiency, Board oversight ensures streamlining of group processes and procedures, including the optimization of capital deployment
- In digitalization, the priority is address pain points of the country at scale by creating new businesses that are anchored to the strength of Globe's core business

Through the guidance of its Board, Globe has evolved beyond the core telco business and into a stronger digital ecosystem of products and services.



STRATEGY

Globe has made a commitment to shoring up free cash flow, which it targets to bring into positive territory by 2025. This is underpinned by the company's strategy to streamline purchase order issuances beginning 2023. After reaching its peak in 2022 for building essential data infrastructure to meet market demands, CAPEX in 2023 amounted to 44% of total service revenues, a notable decrease from the 64% capex-to-revenue ratio in 2022. Globe anticipates that its CAPEX spending will range from approximately 30% to 35% of total service revenues in 2024 as it aims to return to industry-average levels.

Besides its immediate strategy, Globe continues to reinforce its position as a leading innovator in the country. This position is supported by a portfolio of digital companies to further advance digital inclusion and enablement in the Philippines. Globe also remains committed to adhering to sustainability principles and upholding good corporate governance in the way it does business.

2023 REVIEW

PRIORITIES

→ **Consistently improve the end-to-end customer experience**

→ **Uplift the lives of Filipinos as One Globe**

→ **Integrate sustainability in the way the company does business**

PERFORMANCE

- Installed 1,217 new cell sites, upgraded close to 7,000 mobile sites and installed 894 new 5G sites
- Achieved 5G outdoor coverage of 97.9% in NCR and 92.4% in Visayas and Mindanao
- Established seven data centers across the Philippines through ST Telemedia Global Data Centres (STT GDC) Philippines
- Halved mean time to restoration to 1.9 hours
- Improved net promoter score to 43, above the industry regional benchmark

- Launched GFiber Prepaid for the mass market
- Drove financial inclusion through GCash, with over 3.9 million unique borrowers, 9.5 million GSave users, 5.8 million GFund users and 4 million GInsure users
- Served roughly 2.5 million users through the KonsultaMD superapp
- Established 13 portfolio companies in 917Ventures since 2019
- Launched the NXT platform to streamline talent acquisition process and job searching experience in the country

- Submitted net zero targets to the Science Based Targets Initiative for validation
- Powered 18% of total energy consumption with renewable energy
- Piloted the Sustainability Academy for Supply Chain for its suppliers
- Improved MSCI ESG Rating to "AA" from "A"



2024 PRIORITIES

- 1 Achieve **low to mid-single digit earnings growth**
- 2 Maintain an **EBITDA margin of 50%**
- 3 **Lower CAPEX spending** to US\$1 billion or ₱56 billion
- 4 Focus on generating **free cash flow sustainability**, targeting less than US\$1 billion in cash CAPEX by 2025
- 5 Receive remaining **tower turnover and sale proceeds** within the first half of 2024
- 6 **Maintain or improve ESG ratings**

→ Globe advances its green network strategy by gradually shifting its facilities to renewable energy, such as this solar-powered site in the coastal town of Brooke's Point, Palawan. This highlights the company's net zero commitment towards a greener, more sustainable future.

“ACEN shall continue to play a leading role in the **energy transition** by delivering large and scalable renewable energy projects that move the needle.”

John Eric T. Francia, President and CEO, ACEN



HIGHLIGHTS

5 GW

Attributable renewable energy capacity, effectively achieved approximately two years ahead of target

~800 MW

New renewable energy projects that started construction in 2023

Over US\$1.8 B

Green bonds raised, the largest among issuers in the Philippines



BOARD FOCUS

ACEN's Board exerts prudent risk management to implement the company's long-term strategy of achieving 20 GW of renewable energy capacity by 2030, 100% renewables by 2025 and Net Zero GHG emissions by 2050. Its governance and leadership are crucial in ensuring the company's strategies and targets while assuring that the long-term interests of stakeholders are served. The Board advocates the following principles:

- Oversight over strategy and long-term goals, with guidance on risk tolerance, 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, prudent risk management and oversight of management, in line with the company's growth aspirations



STRATEGY

ACEN is focused on executing on its aspiration of achieving 20 GW of renewable energy capacity by 2030. The company will do this by continuing its evolution into an operator of largely contracted, utility-scale renewable energy plants in its core markets of the Philippines, Australia and Vietnam, supported by its presence in India, Indonesia and the United States. ACEN will grow its generation footprint primarily through greenfield builds, working as needed with a strong array of strategic and commercial partners. Execution risk will be continually mitigated through key initiatives such as land acquisition, transmission assets and organizational strength. Wind and solar will remain the company's key technologies. Their intermittent nature will be addressed by investments in storage as its economics continue to improve, which will increase the availability of ACEN's renewable energy plants and transform them into mid-merit and even baseload capacities for their respective markets. Finally, the company continues to be committed to being a leader in sustainability and the global energy transition, building on its pioneering Energy Transition Mechanism in 2022.

2023 REVIEW

PRIORITIES

→ **Expand renewables pipeline to reach the 5 GW goal by 2025**

→ **Complete wind and solar projects with over 600 MW of renewables capacity**

→ **Begin commercial operations on 700 MW of new renewables capacity in the Philippines and 521 MW in Australia**

→ **Continue to lead pioneering initiatives on Energy Transition Mechanism**

→ **Pursue projects in new markets and technologies**

PERFORMANCE

→ Effectively achieved 5 GW of attributable renewables capacity approximately two years ahead of plan, comprised of approximately 4.7 GW in assets that are operating and under construction, as well as 1 GW from signed agreements

→ Invested over ₱55 billion in CAPEX

→ Started construction of 800 MW of new renewable energy projects

→ Increased attributable renewables output by 32%

→ Switched a total of 218 MW of retail electricity supply contracts to renewable energy

→ Completed renewable energy projects, including the 80 MW Pagudpud Wind phase 1 and 521 MW New England Solar stage 1

→ Generated close to 900 GWh of renewables output from Philippine and Australia plants, including the 521 MW New England Solar Farm, its first project in the country

→ Partnered with The Rockefeller Foundation and Monetary Authority of Singapore to pilot a Transition Credit Mechanism at COP28 in Dubai

→ Inducted as a member of Power Past Coal Alliance

→ Partnered with Traditional Owners, the Yindjibarndi people, to develop, own and operate renewable energy projects of up to 3 GW in Western Australia

→ Signed an MOU with Rio Tinto to develop renewables in the Pilbara region

→ Partnered with Brightnight to develop and operate 1.2 GW of hybrid renewables portfolio

→ Signed an agreement with the Laguna Lake Development to develop its first large-scale floating solar project in Laguna Lake

→ Signed the financing documents for the 600 MW Monsoon Wind, ACEN's first wind project in Lao PDR

2024 PRIORITIES

- Operationalize ~1.7 GW of additional renewables capacity**
- Continue developing on and adding to existing pipelines, including over 8 GW each in the Philippines and Australia**
- Maintain optimal contracting mix of 85-90%**

↓ In the coastal towns of Caunayan and Balaoi in Ilocos Norte, 32 wind turbines make up the largest wind farm in the Philippines to date, the Pagudpud Wind.



“We want to transform health for every Filipino by providing accessible, quality healthcare.”

Paolo Maximo F. Borromeo, President & CEO, AC Health



HIGHLIGHTS

7.5 M

Unique lives served

3,023

Physician networks

Strides in business development:

- **Opening and inauguration of Healthway Cancer Care Hospital**
- **Investment in St. Joseph Drug**
- **Management partnership with Far Eastern University-Dr. Nicanor Reyes Medical Foundation (FEU-NRMF)**



BOARD FOCUS

AC Health aims to provide every Filipino with accessible, affordable and quality healthcare. The Board's priorities are anchored on Execution, Excellence and Expansion. Execution hinges on improving operational efficiencies, achieving business growth targets and deepening synergies. Excellence continues to be the standard as the company strengthens its One AC Health culture aimed at developing a strong and cohesive relationship across the pillars of the group. Expansion remains top of mind as AC Health looks to further grow its portfolio through a combination of acquisitions and strategic partnerships.



STRATEGY

AC Health continues to invest in its seamless and integrated ecosystem through:

- Organic and inorganic initiatives as it strives to touch the lives of one in every five Filipinos by 2030
- Collaboration with both public and private sectors
- Innovation and exploration of new business models and healthcare practices to improve healthcare for all Filipinos

The company creates value through its integrated ecosystem of pharmacies, clinics, hospitals and digital health:

- Its nationwide pharma footprint of 750 Generika and 112 St. Joseph drugstores. This is complemented by its importation and distribution business, IE Medica (IEM) and Med Ethix (MEI), which carry over 6,500 SKUs and over 1,000 Certificates of Product Registration
- Throughout the Philippines, it oversees the Healthway Medical Network (HMN) composed of 14 multi-specialty centers, 270+ corporate clinics, an ambulatory surgical center, five general hospitals and the Healthway Cancer Care Hospital, the first of its kind in the country
- Its digital health platform, KonsultaMD (KMD), aims to promote healthcare inclusivity by providing access to on-demand healthcare products and services such as consultations, medicine delivery and home visits. Having merged in 2022 with HealthNow and AIDE, KMD has served over 3.7 million Filipinos

2023 REVIEW

PRIORITIES

Execution

- Achieve organic growth targets and operational efficiency metrics
- Launch single Healthway mother brand for clinics and hospitals
- Strengthen portfolio through synergies

Excellence

- Elevate the customer experience across all patient touchpoints
- Grow institutional accounts and win in the corporate space
- Champion for a more resilient, responsive and progressive healthcare system through the company's healthcare role in the Private Sector Advisory Council (PSAC)

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

PERFORMANCE

- Successfully relaunched the HMN brand in Q2 and increased CAPEX programs to refresh facilities
- Inaugurated the Healthway Cancer Care Hospital
- Further strengthened pharma integration within its pillar and with the provider network
- Established the HMN customer satisfaction survey and consistently achieved 95% satisfaction in hospitals and 87% in clinics
- Boosted industry partnerships with institutions like Publicist, Roche and AstraZeneca to provide more access to affordable cancer treatments
- Strengthened collaboration with government partners and implemented national health agenda initiatives through the PSAC



2024 PRIORITIES

- 1 Reach more Filipinos** through the AC Health Ecosystem
- 2 Execute on the core businesses** of HMN, Generika, IEM and MEI
- 3 Integrate the new business** of FEU-NRMF and St. Joseph Drug
- 4 Ramp up startups** KMD and the Healthway Cancer Care Hospital
- 5 Strengthen One AC Health culture**

↓ **FEU Hospital:** In November, AC Health's HMN and the Far Eastern University-Dr. Nicanor Reyes Medical Foundation, Inc. forged a partnership to manage the latter's 300-bed university hospital in Quezon City.



← **HCCH:** The Healthway Cancer Care Hospital is the country's first dedicated cancer facility featuring state-of-the-art technology from screening to rehabilitation. Its inauguration on November 23, 2023 was attended by the public and private sectors including President Ferdinand Marcos Jr., AC Health Chairman Fernando Zobel de Ayala and AC Health President and CEO Paolo Borromeo.

“In 2023, our efforts on people and process optimization led to improved service and revenues. Our objective this year shifts to **profitability** as we focus on strategic integration and capital allocation.”

Jose Rene Gregory D. Almendras, President and CEO, AC Logistics



HIGHLIGHTS

80%

Current stake of AC Logistics in Air21 Holdings, Inc., from 60% upon acquisition

5,348 Pallets

Capacity of the Cagayan de Oro (CDO) joint venture cold storage facility, which reached full average utilization by year-end

73%

Increase in barangay coverage post integration of Entrego assets into the Air21 Holdings Group



BOARD FOCUS

AC Logistics' Board was focused on three areas: cultivating partnerships, driving synergies within the Ayala group and disciplined portfolio management. In cultivating partnerships, the Board pushed to forge relations with strategic international and domestic entities that are aligned with AC Logistics' growth aspirations. It specifically looks for partners that can enhance the company's operational capabilities, are aligned with industry best practices and can reach new markets. In driving synergies, the Board supported initiatives that enable AC Logistics to capture more of the Ayala businesses while managing transactions at arm's length. Albeit at early stages, this opened up opportunities for the company to serve various Ayala entities such as Globe and ACMobility (formerly AC Motors). Lastly, the Board puts emphasis on portfolio rationalization, which prioritized the integration of AIR21 and Entrego to drive better earnings performance and reduce costs.



STRATEGY

Besides serving the import requirements of the Ayala Group, AC Logistics' focus in its cross-border business is to grow project cargo services and expand sales capability into the major cities of Visayas and Mindanao. The company is also strategically positioning its customs facilities warehouses to better capture the flow of goods from international cargo carriers.

AC Logistics is further tightening the integration of domestic group operations to reduce cost, improve network coverage and drive profitability. The intent is to shift away from low-margin customers and sectors to instead focus on opportunities in higher-growth industries such as pharma, healthcare, agri-industrial, food and fast moving consumer goods. Additionally, it intends to further expand its cold storage presence to address the underserved areas in the country.

2023 REVIEW

PRIORITIES

- Continue to expand cold storage portfolio
- Geographically expand cross border, domestic and waste management businesses
- Capitalize on opportunities for integration to extract efficiencies within the AC Logistics group

PERFORMANCE

- 100% utilization of CDO cold storage facility by the fourth month of operations
- AIR21 group of companies grew revenues 13% year-on-year, driven by the 25% growth in the cross border logistics segment.
- Transportation fleet of the domestic group increased revenues 34% year-on-year.
- The waste management group rehabilitated and utilized its current site while identifying three potential expansion sites within Ayala Land estates.
- Grew barangay coverage by 73% and transportation assets by 34% through integration initiatives between the domestic group of AIR21 with Entrego
- Planned to be integrated into the domestic group of AIR21, the freight forwarding and contract logistics businesses grew revenues by 203% and 227%, respectively.
- Started integrating Entrego in the domestic group of AIR21 to produce cost savings through rationalization of assets and reduced redundancies

2024 PRIORITIES

- 1 Aggressively expand cold storage portfolio** through a combination of greenfield initiatives with Glacier Megafridge while continuing to explore brownfield opportunities
- 2 Invest in new customs facility warehouses** in major airports and eco-zones to support decongestion of international cargo
- 3 Develop a baseline and implement a sustainability framework** across its portfolio companies

↓ Through a joint venture, AC Logistics and Glacier Megafridge opened a 5,348-pallet Cagayan de Oro cold storage facility, which reached 100% utilization months ahead of schedule.



“We closed 2023 with renewed focus on our core businesses and a revitalized automotive portfolio ready to capitalize on the shift towards electric mobility.”

Jaime Alfonso Zobel de Ayala, President and CEO, AC Industrials



HIGHLIGHTS

Electric Vehicles

ACMobility became the Philippine distributor of BYD, one of the world's largest electric vehicle manufacturers.

Divestments

Portfolio rationalization efforts led to the divestments of MT C-con and STI.

Zero Motorcycles

Successfully started production at IMI's Laguna factory

Learn more about IMI's
→ 2023 Integrated Report



BOARD FOCUS

The focus of AC Industrials' Board in 2023 was three-fold: to improve the profitability of IMI's core business, to expand ACMobility's product offerings with electric vehicles and de-risk its portfolio from potential drags to earnings and cash flow. These have led to tangible results across the business units of AC Industrials. In IMI, the core business delivered improved profitability through overhead cost rationalization and manufacturing efficiency improvements despite a challenged industry, while bolstering its balance sheet through sharper cash flow management. Through ACMobility, previously known as AC Motors, the company ventured into electrification by partnering with BYD to distribute its range of competitively priced electric passenger vehicles and by laying the groundwork for an expansive EV infrastructure network. For its overseas portfolio, AC Industrials and IMI divested two bolt-on acquisitions, German engineering firm MT C-Con and UK-based STI Limited, to support the company's push towards profitability and focus management's attention towards core operations.



STRATEGY

AC Industrials is divided into the industrial technologies manufacturing group and ACMobility. In the former, the strategy is centered on further strengthening and optimizing the manufacturing operations of IMI while shifting up to critical higher-value components and engineering services. Its strategy in ACMobility is focused on establishing the company as the leading provider of electric vehicles in the Philippines through the roll-out of competitively priced EVs and building out complementary EV infrastructure, harnessing synergies across the broader Ayala Group. Across its brands, ACMobility will continue to distribute internal combustion engine (ICE) and hybrid vehicles, which still comprise majority of the Philippine automotive market. AC Industrials creates value by:

- Actively managing this portfolio to drive high impact synergy opportunities across its companies
- Delivering high value-added solutions to its customers and partners through its full suite of manufacturing solutions
- Developing emerging technologies to commercial scale to enhance and protect competitive position
- Forging partnerships with automotive OEMs to source and distribute a broad, complementary and integrated selection of ICE, hybrid and electric vehicles

2023 REVIEW

PRIORITIES

AC Industrials:

- Consolidate portfolio, focusing on growth and profitability in priority markets to allow closer management focus and optimal capital allocation

ACMobility:

- Ramp up sales, drive synergies and refine business model to drive competitiveness
- Continue distributing ICE and hybrid vehicles and grow EV distribution and infrastructure towards goal of becoming a leading EV player in the Philippines

2-wheel:

- Leverage the KTM Riders Academy and other sales initiatives to reach profitability
- Start production of KTM's 901 Norden and 890 Adventure R models
- Participate in the electric 2-wheel space

PERFORMANCE

- Flat revenues in IMI's core business due to persisting challenges in the electronics industry
- IMI net income increased 12% despite increase in interest expenses from higher borrowings and elevated rates.
- IMI completed the sale of STI in October 2023.
- AC Industrials divested MT C-con in August 2023.

- Merged dealer companies into a single entity that will enable increased synergies in the future
- Secured the national distributorship of BYD passenger vehicles to lead growth of the local EV market
- Expanded line-up of ICE and hybrid vehicles across its brand portfolio
- Entered the automotive aftermarket segment by securing the master franchise of Bosch Car Service in the Philippines

- Successfully ran the KTM Riders Academy
- Started production of the 901 Norden in March and the 890 Adventure R in June
- Inaugurated the production line for Zero Motorcycles



- ① ACMobility has rolled out 37 charging stations across 18 locations.
- Launched in November 2023, the BYD Atto 3 comes in the the Dynamic and Premium trims at ₱1.6 million and ₱1.8 million, respectively.



2024 PRIORITIES

- 1 Continue **sharpening portfolio** to enable more focus on core businesses and high value-add programs
- 2 Drive the growth of ACMobility through the **ramp up of volumes across electric, hybrid and ICE vehicles**
- 3 **Aggressively roll out EV charging infrastructure** nationwide, supported by customer-focused apps and charging management systems
- 4 **Double sales and improve cashflow** of Merlin Solar

“AC Ventures will monetize assets opportunistically, in support of Ayala’s portfolio rationalization initiatives.”

Alberto M. de Larrazabal, President and CEO, AC Ventures



HIGHLIGHTS

Over
US\$400 M

Estimated value of portfolio at the end of 2023

91 M

GCash registered users, up 20% year-on-year

P6.6 B

Mynt net income, up 193% year-on-year



BOARD FOCUS

AC Ventures is Ayala’s investment portfolio geared towards new spaces 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 opportunistically calibrate its portfolio, rationalize existing assets as needed and refocus capital to ventures with unfair advantages and potential to scale. The Board provides oversight in the company’s capital allocation process to enable new opportunities outside the group or co-investments with other Ayala business units.



STRATEGY

AC Venture’s objective is to maintain a portfolio of scalable bets in emerging segments and strategic long-term plays. Crucial in achieving this are AC Ventures’ portfolio rationalization initiatives, which are aligned to the broader thrust of its parent company, Ayala Corporation, to realize value from legacy or full-valued assets. It subsequently seeks to reinvest proceeds to other promising bets, guided by prudent capital allocation. Some of the spaces that AC Ventures has invested in are e-commerce, fintech, digital infrastructure and electric mobility. It has likewise worked with various private equity funds for better access to investees, the ACTIVE Fund for closer participation in promising start-ups and Globe’s 917Ventures for corporate seed investments. Lastly, AC Ventures remains in close contact with the Yoma Group of Myanmar, cultivating a long-term relationship to harness synergistic initiatives across each parties’ overlapping business interests.

2023 REVIEW

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, Yoma and new bet STT GDC to realize value-optimizing moves and identify co-investment opportunities

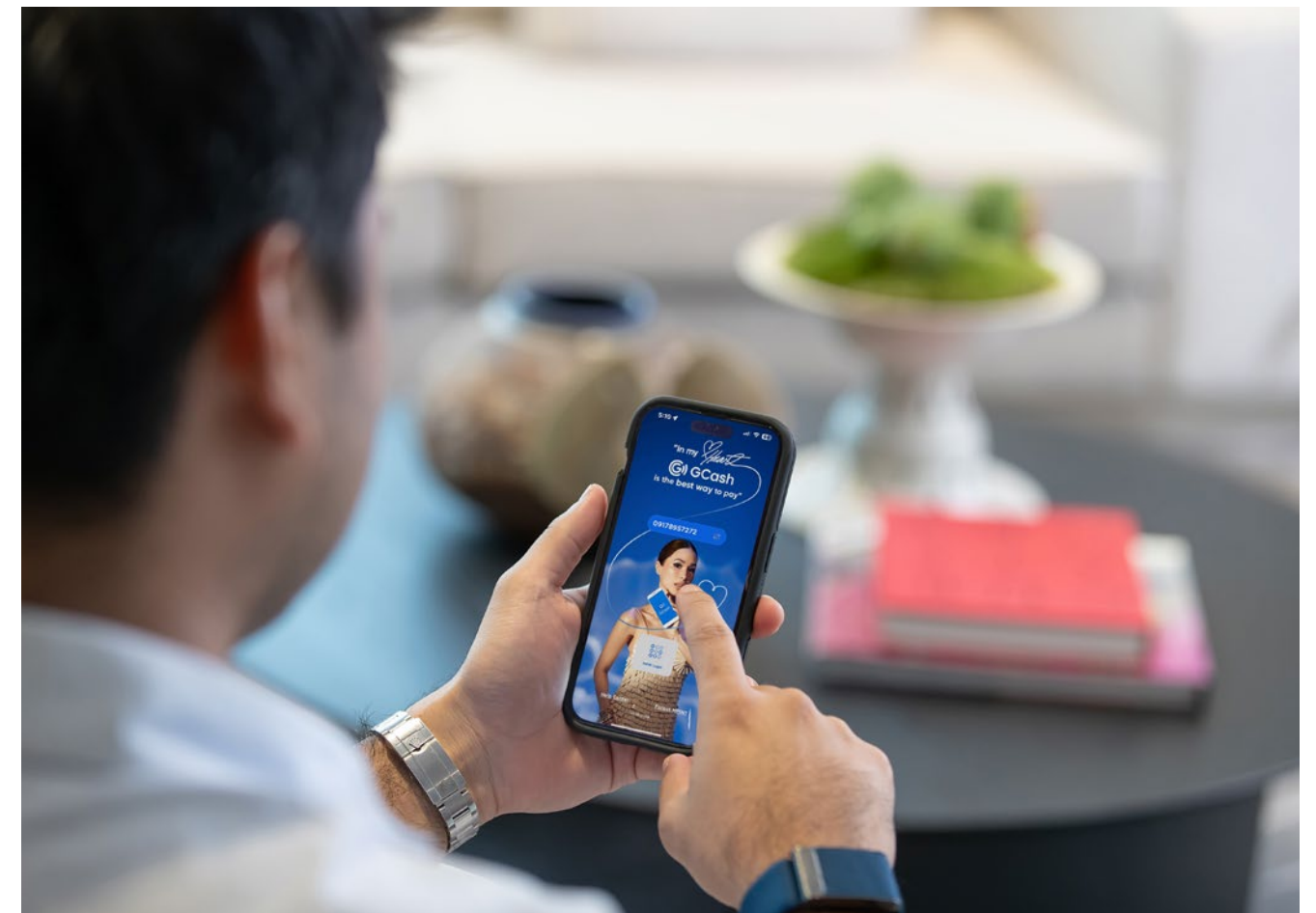
PERFORMANCE

- Closed divestments worth US\$2 million with exits in Cartera and legacy Asia assets
- Shared in 917Ventures’ deployment of ~US\$3 million of capital into incubation and seed opportunities
- Partnered with 917Ventures and Gogoro for the import and sale of Gogoro electric scooters and operation of battery swapping stations in the Philippines
- Supported successful Series A fundraise of e-commerce bet, Etaily
- Consolidated ownership in Cartera with BPI to enable execution of its wallet and loyalty platform, Vybe

2024 PRIORITIES

- 1 **Further explore value realization opportunities** of select portfolio assets
- 2 **Support synergistic initiatives** among investee companies to create value for the wider Ayala Group

Mynt, the owner of the ubiquitous GCash, reached ₱6.6 billion in net income in 2023 on the back of the app’s 94 million user base.



“We are helping to **address** the country’s Learning Crisis, by focusing on delivering **accessible quality education** through innovation and technology.”

Alfredo I. Ayala, President, iPeople



HIGHLIGHTS

Top 6%

Mapúa University’s rank out of all universities globally and top 5 Philippine school in the 2024 Times Higher Education’s World University Rankings

5th

Straight year of Mapúa University’s inclusion in the Times Higher Education Impact Rankings

16%

Increase in new students and 12% increase in total enrollment for School Year 2023-2024



BOARD FOCUS

iPeople’s Board drives the company’s mission of improving lives and society by servicing the largest number of learners with an outcomes-based curricula. The Board champions innovation and research to provide solutions and quality education to students from varying socioeconomic classes, thereby promoting inclusivity. Aligned with the values of its principals, the Yuchengco and Ayala groups, iPeople strives to continuously elevate the quality of education in the Philippines by producing graduates with the best outcomes in employability, innovation and research.



STRATEGY

iPeople has a three-pronged strategy that focuses on transformation, innovation and growth.

- Embrace digital transformation with the use of AI and data analytics to adapt to the constantly changing business dynamics of the Philippine education sector
- Continue creating blended learning methods that enhance the quality of education and enrich students’ overall academic journey
- Sustain growth in enrollment through a pipeline of unique program offerings and by forging strategic partnerships with global leaders in the education space

2023 REVIEW

PRIORITIES

→ Continue to drive academic excellence and superior student experience through innovative blended learning, differentiated offerings, teacher upskilling and digital transformation

→ Focus on expanding partnerships

→ Launch Business and Health Sciences programs in collaboration with Arizona State University (ASU) to deliver extensive global learning experiences and immersive simulation environments

PERFORMANCE

→ Mapúa Malayan Colleges Mindanao (MMCM) won the Catalyst Award under the Student Experience category

→ Mapúa Malayan Colleges Laguna and MMCM faculty were certified by Coursera for Instructional Design and Technology Training

→ Digital Transformation initiatives were launched through Project Constituent Excellence Experience

→ Mapúa Malayan Digital College partnered with Victorias City and Silay City local government units (LGUs), GCash and 7Eleven to give more opportunities to their students

→ National Teachers College launched its first international partnership with Chulalongkorn University, Thailand’s top higher education institution

→ University of Nueva Caceres partnered with Bicol LGUs for community-based student research through the Town and Gown Initiative

→ Nine new programs opened under the Mapúa-ASU-Cintana collaboration

→ New enrollment grew by 96% from the previous year

2024 PRIORITIES

- 1 Focus on digital transformation to **enhance student experience** from enrollment to graduation with data-driven results and AI components
- 2 Continue **advancing academic distinction and exceptional student experiences** by employing cutting-edge blended learning techniques and enhancing teacher skills
- 3 Achieve **better student employability** by implementing internationally-benchmarked practices



Mapúa University is one of only five Philippine universities included in the prestigious 2024 Times Higher Education World University Rankings, which includes the top universities in the world.

“At the same time our businesses should also be focused on producing products and services that create significant sustainable value – financially, environmentally and socially.”

Jaime Augusto Zobel de Ayala
Chairman, Ayala Corporation

Annexes

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Management's Discussion and Analysis of Financial Condition and Results of Operation

FY23 vs FY22 Highlights

- Ayala Corporation's ("Ayala") core net income, which excludes one-off items, reached a high water mark in 2023, increasing 48% to ₱41 billion. The strong performances of BPI, Ayala Land and AC Energy anchored the company's results. Core net income was 32% higher than 2019, which was when the previous high water mark was established. Accounting for one-offs, Ayala's net income grew 39% to ₱38.1 billion.
- BPI's net income increased 44% to ₱51.7 billion due to strong loan growth, higher margins and lower provisions. Including a gain from an asset sale in 2022, net income was up 31%.
- Ayala Land's net income grew 32% to ₱24.5 billion as its property development and commercial leasing businesses continued to deliver strong results.
- ACEN's income from operating units, which excludes cash value realization gains and other one-time, noncash adjustments, was up 2.9x to ₱4.9 billion on the back of new operating capacity and a strengthened net seller position. Inclusive of one-offs, ACEN's net income decreased from ₱13.1 billion to ₱7.4 billion mainly due to the remeasurement gain from the acquisition of the Australia platform in 2022. This was partly offset by the value realization and remeasurement gains from the sale of a small stake in the Salak and Darajat plant in Indonesia in 2023.
 - AC Energy & Infrastructure (ACEIC), the parent company of ACEN, saw its core earnings jump 71% to ₱9.5 billion from improved operating earnings from ACEN and higher contributions from GN Power Dinginin. Including one-off items, ACEIC's net income increased 2.7x to ₱12.6 billion due to divestment gains in ACEN and GN Power Kauswagan in 2023 and the write-off from the divestment of SLTEC in 2022.
- Globe's net income dropped 29% to ₱24.6 billion mainly due to the one-time gain from the partial sale of its data center business in 2022. Gross service revenues and EBITDA grew 3% to ₱162 billion and ₱81 billion, respectively, both all-time highs. Core net income was flat at ₱18.9 billion.

- Ayala's group CAPEX reached ₱247.7 billion, 12% lower mainly due to the tapering CAPEX of Globe.
 - Parent CAPEX decreased 55% to ₱13.2 billion, mainly due to Ayala's purchase of Ayala Land shares and participation in Globe's Stock Rights Offering, which both happened in 2022.
- AC Health continues to progress in scaling its healthcare ecosystem. Acquisitions have bolstered growth; however, net income remains slightly negative due to one-offs and higher manpower and marketing expenses.
 - AC Health acquired a significant minority stake in St. Joseph Drug. The acquisition enables AC Health to strengthen its pharmacy footprint and reach more Filipinos throughout the country.
 - AC Health entered into an agreement with the Far Eastern University-Dr. Nicanor Reyes Medical Foundation to manage the university's 300-bed hospital in Quezon City.
- In AC Industrials, losses excluding one-offs narrowed to ₱1.2 billion from ₱1.7 billion on the back of better results from IMI's core operations and AC Motor's 4-wheel business. The divestments of MT C-con and STI Enterprises led to impairment provisions that widened losses to ₱7.3 billion from ₱1.7 billion.
 - IMI saw higher earnings from its core business as margins improved and component shortages eased.
 - Previously AC Motors, ACMobility ventured into the electric vehicle space and has begun to distribute BYD and Kia electric vehicles. It is utilizing the group's ecosystem, particularly Ayala Land, IMI and Globe, to build out infrastructure that is supportive of an EV push.
 - ACMobility's 4-wheel business registered higher core earnings on better results from Kia, Honda and Isuzu. Its 2-wheel business posted wider losses due to weaker demand and write-downs on aging inventory.

Consolidated Sales of Goods and Rendering of Services

Sale of goods and rendering services increased 10% to ₱289.9 billion due to higher residential bookings, incremental project completion and improved leasing businesses in Ayala Land and fresh revenue contributions from newly consolidated business units in 2022 such as UPC Australia, IE Medica and AIR21. These were offset by lower customer sales in IMI and foregone revenues from the sale of SLTEC in AC Energy & Infrastructure. As a percentage of total revenues, this account was 85% for years ending December 31, 2023 and 2022.

Real Estate

- Ayala Land's earnings grew 32% to ₱24.5 billion in 2023 as resilient property demand and heightened consumer activity fueled revenue expansion.
- Property development revenues increased 14% to ₱92.3 billion mainly on steady residential and office for sale bookings and higher completions that cushioned lower contributions from commercial and industrial lot sales.
- Reservation sales were up 9% to ₱113.9 billion as demand for its residential products remained resilient despite the elevated interest rate environment.
- Ayala Land launched a total of 25 projects valued at ₱75.9 billion, of which ₱39.6 billion came during the fourth quarter.
- Commercial leasing revenues accelerated 25% to ₱41.7 billion due to higher occupancy and rents from malls, offices and hotels and resorts.
 - Malls occupancy and lease out rates both increased three percentage points to 84% and 90%, respectively.
 - Office occupancy improved four percentage points to 92%.
- Capital expenditures were up 19% to ₱86.2 billion, roughly half of which was spent on the completion of its residential projects.
- Ayala Land launched four new estates in 2023: Batangas Technopark and Arillo in Batangas, Southmont in Cavite and Centrala in Pampanga. These additions brought Ayala Land's total estates to 52.

- AREIT's, Ayala Land's REIT vehicle, saw its net income increase 43% to ₱4.9 billion, driven by contributions from new asset infusions.

- Assets under management reached ₱87.2 billion at the end of 2023. Compared to its IPO in 2020, AUM is set to quadruple to ₱117 billion with the planned property-for-share swap transactions that include assets such as Ayala Triangle Tower Two, Greenbelt Malls 3 and 5, Holiday Inn and Suites Makati and SEDA Ayala Center Cebu.

Power

- ACEN's income from operating units jumped 2.9x to ₱4.9 billion in 2023 mainly from the ramp up of new operating capacity and its strengthened net seller position in the spot market.
- Including one-off items, ACEN's reported net income dropped from ₱13.1 billion to ₱7.4 billion because of the ₱8.6 billion net gain in 2022. This was primarily due to a remeasurement gain from the acquisition of the Australian platform, offset by 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. In 2023, ACEN booked ₱4.5 billion in gains, inclusive of ₱3.4 billion in remeasurements from the partial sale of Salak & Darajat, which was offset by a ₱2 billion impairment for the India platform due to the impact of cost overruns and project delays.
- Total attributable output was up 32% to 4,474 GWh.
 - Output from international plants rose 31% to 3,328 GWh on the back of better wind regime and increased contributions from plants in Australia, Vietnam and India.
 - Output from Philippine RE plants increased 34% to 1,145 GWh because of a stronger wind regime and the operationalization of several wind and solar plants, including Balaoi in Pagudpud and the second phase of the Arayat-Mexico facility in Pampanga. The first two phases of the SanMar plant in Zambales, totaling 384 MW, were also commissioned in 2023, with full output expected in 2024.
- Consolidated revenues were up 4% to ₱36.5 billion because of fresh contributions from New England Solar, Masaya Solar and Pagudpud Wind, as well as higher RES tariffs, which offset lower WESM prices.

- Attributable EBITDA, which includes ACEN's shares of EBITDA from non-consolidated associates and joint ventures, grew 31% to ₱18.8 billion.
- Capital expenditures were up 10% to ₱55.5 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 4,772 GW of attributable capacity from plants in the Philippines, Australia, Vietnam, Indonesia, India and United States. Renewables now account for 99% of ACEN's total generation portfolio.

Share in Net Profits of Associates and JV

Share in net profits of associates and joint ventures increased 29% to ₱46.6 billion due to higher net interest and non-interest ncome, as well as lower provisions in BPI, higher revenues and foreign exchange gains in MWCI and better results from associates and joint ventures of Ayala Land and AC Energy & Infrastructure. These were offset by the impact of the property sale of BPI and the partial sale of Globe's data center business and tower assets. As a percentage of total revenues, this account was 14% and 12% for years ending December 31, 2023 and 2022, respectively.

Banking

- BPI delivered its highest full year net income of ₱51.7 billion in 2023, up 31%, driven by higher revenues and lower provisions. Return on equity was up 221 basis points to 15.35%.
 - Excluding the impact of the one-off gain from the property sale in 2022, net income would be up 44%.
- Total revenues grew 17% to ₱138.3 billion due to improved net interest and non-interest income.
 - Total loans increased 10% to ₱1.9 trillion as all segments exhibited strong growth. Consumer loans exhibited the fastest growth at 21%. Net interest margin expanded 50 basis points to 4.09%.
 - Fee Income excluding one-offs was up 17% to ₱28.8 billion because of increased revenues from cards, wealth management and branch services.

- Total deposits increased 9% to ₱2.3 trillion as the 41% jump in time deposits more than offset the 1% decrease in CASA.
- Asset quality remained healthy despite a slight uptick in NPL ratio. NPL cover remained adequate.
 - NPLs were up 15% to ₱35.4 billion.
 - NPL ratio increased eight basis points to 1.84%.
 - NPL cover decreased 24 basis points to 156.1%.
 - Total provisions declined 56% to ₱4 billion.
- Operating expenses increased 19% to ₱69.1 billion due to larger spends on manpower, technology and marketing. Excluding the property sale gain in 2022, the bank's cost-to-income ratio decreased 108 basis points to 50%.

Telco

- Globe's core net income, which excludes non-recurring charges, foreign exchange and mark-to-market charges, was flat at ₱18.9 billion in 2023. EBITDA margin remained stable as revenue growth offset growth in operating expenses and subsidy.
 - Net income declined 29% to ₱24.6 billion mainly due to the one-time gain on the partial sale of its data center business in 2022.
- Gross service revenues grew 3% to ₱162.3 billion, driven by sustained growth in mobile data, corporate data and non-telco services.
 - Mobile data revenues were up 9% to ₱90.9 billion due to higher data traffic.
 - Corporate data revenues increased 7% to ₱18.3 billion mainly from increased ICT solutions and services.
 - Digital service revenues grew 18% to ₱4.9 billion, led by contributions from Yondu and Asticom.
 - Home broadband revenues declined 7% to ₱27.1 billion as the drop in fixed wireless outweighed the 14% growth in postpaid fiber revenues.

- Equity earnings from Mynt nearly tripled to ₱2.4 billion, driven by GCash's sustained growth momentum.
 - Total loan disbursements jumped 2.1x to ₱118 billion with unique borrowers reaching 3.9 million individuals, up 78%.
 - Insurance policies sold life-to-date has reached 16.3 million, with Glnsure users jumping 60% to four million over the past year.
- EBITDA grew 3% to ₱81.4 billion on the back of topline growth.
 - OPEX including subsidies increased 3% to ₱80.9 billion.
 - EBITDA margin stood at 50%.
- Capital expenditures dropped by 30% to ₱70.6 billion, in line with Globe's guidance of lowering spending. This led to a 20-percentage point decline in its CAPEX-to-revenue ratio, which ended at 44%.

Cost and Expenses

Cost of sales and services increased 4% to ₱219.8 billion resulting from improvements in sales as explained above, higher prices for direct costs and overheads of various BUs, higher cost of purchased power in AC Energy & Infrastructure and consolidated costs of IE Medica and AIR21. As a percentage to total costs and expenses, this account was 84% and 86% for the periods ending September 30, 2023 and 2022, respectively.

Balance Sheet Highlights

- Total assets increased 9% to ₱1.6 trillion from end-2022 levels mainly due to increases in property, plant and equipment, investments in associates and joint ventures, inventories and noncurrent accounts and notes receivables.
 - Investments in associate and joint ventures were up 8% to ₱354.0 billion due to equity earnings net dividends in BPI, Globe, LHI and Manila Water, additional investments to and higher equity earnings from the investees of Ayala Land, AC Energy & Infrastructure and AC Infrastructure, the reclassification of ACEHI Netherlands in ACEIC and Ayala Land's gain of control over its investment in AKL Properties. These were offset by lower contributions from Globe due to a gain from the partial sale of its data center business and tower assets last year.

- Property, plant and equipment rose 31% to ₱149.1 billion due to increases in investments in solar and wind farm projects in AC Energy & Infrastructure, various purchases in Ayala Land and construction of the cancer hospital and refurbishment of Qualimed hospitals in AC Health. These were partially offset by the disposal of MT C-Con and depreciation.
- Ayala continues to maintain a strong balance sheet with sufficient liquidity and low cost of debt.
- Consolidated cash stood at ₱76.2 billion.
- Consolidated net debt increased 8% to ₱513.6 billion.
- Consolidated net debt-to-equity ratio decreased four basis points to 0.75, well within the Company's covenant of 3.0x.
- Parent level cash was up 5% to ₱11.7 billion.
- Parent net debt dipped 2% to ₱146.1 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, stood at 11.2%.
- Parent net debt-to-equity ratio decreased eight basis points to 0.96 mainly due to the ₱13.1 billion preferred shares issuance.
- Parent average cost of debt increased to 5.37% from 4.48% in 2022, remaining comfortably below the 5-year benchmark of 6%.

Ayala has reported the information cited in this materiality index for the period from January 1 to December 31, 2023 in accordance with the International Integrated Reporting <IR> Framework and with reference to the UNGC principles, relevant UN SDG disclosures, the GRI Standards and the TCFD recommendations.

MATERIAL TOPICS	UNGC PRINCIPLES	UN SDGS	GRI STANDARDS	PAGE NUMBER OR RESPONSE
CLIMATE ACTION AND RESOURCE EFFICIENCY				
 Climate Action*	PRINCIPLES 7 8 9	    	GRI 302: Energy 2016 • 302-1 Energy consumption within the organization • 302-2 Energy consumption outside the organization • 302-3 Energy intensity • 302-4 Reduction of energy consumption 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	→ page 75
 Resource Conservation and Management		     	GRI 303: Water and Effluents 2018 • 303-3 Water withdrawal • 303-4 Water discharge • 303-5 Water consumption GRI 304: Biodiversity 2016 • 304-3 Habitats protected and restored • 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations GRI 306: Waste 2020 • 306-3 Waste generated • 306-4 Waste diverted from disposal • 306-5 Waste directed to disposal	→ page 86
PEOPLE-FIRST CULTURE				
 Human Capital Management and Development	PRINCIPLES 1 2 3 4 5 6	    	GRI 2: General Disclosures 2021 • 2-7 Employees • 2-8 Workers who are not 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 parttime employees GRI 404: Training and Education 2016 • 401-1 Average hours of training per employee	→ page 89
 Diversity, Equity and Inclusion		  	GRI 405: Diversity and Equal Opportunity 2016 • 405-1 Diversity of governance bodies and employees	→ page 93
 Health and Safety		   	GRI 403: Occupational Health and Safety 2018 • 403-9 Work-related injuries • 403-10 Work-related ill health	→ page 95
 Human and Labor Rights		   	GRI 2: General Disclosures 2021 • 2-30 Collective bargaining agreements	→ page 97
 Community Engagement		  	GRI 413: Local Communities 2016 • 413-1 Operations with local community engagement, impact assessments and development programs	→ page 98
RESPONSIBLE BUSINESS PRACTICES				
 Business Practices and Corporate Governance	PRINCIPLES 1 10	 		→ page 105
 Information and Cybersecurity			GRI 418: Customer Privacy 2016 • 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	→ page 113
 Innovation	PRINCIPLES 7 8 9	 		→ page 115
 Sustainable Financing and Investment				→ page 116
 Supply Chain Sustainability	PRINCIPLES 1 2 4 5 8 10	   		→ page 117

* Disclosures on this topic follow the TCFD recommendations.

Company Policies

Ayala upholds the highest standards in conducting its business and activities to ensure a sustainable enterprise in the long-term. The company's publicly available policies can be found at [ayala.com](https://www.ayala.com).

- Code of Conduct and Ethics
- Privacy Policy
- Insider Trading Policy
- Whistleblower Policy
- Related Party Transactions Policy
- Enterprise Risk Management Policy
- Human Resources Policies
 - Procurement Policy
 - Recruitment, Compensation and Retrenchment Policy
 - Employee Development and Industrial Relations Policy
 - Occupational Health & Safety and Hazards Management Policy
 - Policy on Child and Forced or Compulsory Labor
 - Policy on Indigenous People, Human Rights and Community Safety
- Environmental Policies
 - Policy on Energy, Water and Waste Management
 - Policy on Biodiversity and Management of Greenhouse Gas Emissions
- Management Succession Planning
- Ayala Group of Companies DEI Leadership Commitment Statement

Performance Indices Scope and Boundary

- Ayala Corporation (**AC**) is the parent company of one of the oldest and largest business groups in the Philippines.
- **AC Health's** Social disclosures cover its parent company, Generika, IE Medica and MedEthix, the Healthway network including the Qualimed Group and KonsultaMD, while its Environmental disclosures exclude its parent company and KonsultaMD.
- **AC Industrials'** Social disclosures cover its parent company, its two-wheel business and the ACMobility Group, while its Environmental disclosures exclude its parent company.
- **AC Infra's** Social disclosures cover its parent company, Light Rail Manila Corporation (LRMC) and AF Payments, Inc. (AFPI), while its Environmental disclosures exclude its parent company. MCX Tollway, Inc. has been fully divested from the Ayala Group in 2023.
- **AC Logistics'** Social disclosures cover its parent company and Entrego, while its Environmental disclosures exclude its parent company.
- **AffinityX** covers its Philippine operations.
- **AFI** is the social development arm of the Ayala Group.
- **ACEIC** covers Ayala's legacy thermal assets.
- The reporting scope and boundary of **Ayala Land**, **BPI**, **Globe**, **ACEN**, **IMI**, **iPeople** and **Manila Water** follow their respective annual reporting.

Restatements

- The data tables exclude AC Ventures' (Zalora Philippines) environmental and social data as Ayala does not have control of this entity. The totals of the 2022 data have been restated to reflect the exclusion of AC Ventures.
- Manila Water's water withdrawal from third-party water in 2021 and 2022 has been restated to correct typographical errors.



RESOURCE CONSERVATION AND MANAGEMENT

Biodiversity

Habitats protected and restored

	2023	
	Size in hectares	Location
AC	~32,000	Oriental Mindoro
ACEN	~2,200	Various locations within the Philippines and Vietnam
Ayala Land	4,870	Morong, Bataan El Nido, Palawan Porac, Pampanga Sta. Rosa, Laguna Sicogon, Carles, Iloilo

IUCN Red List species and national conservation list species with habitats in areas affected by operations

	2023
AC	60
Ayala Land	66

Water and Effluents

Water withdrawal from third-party water (in megaliters)

	2021	2022	2023
AC	–	–	1.80
AC Health	–	137.63	133.19
AC Industrials	–	46.69	41.83
AC Infra	–	44.24	45.27
AC Logistics	–	16.40	57.11
AffinityX	–	0.08	0.21
AFI	–	–	26.35
ACEN	129.76	166.52	92.81
BPI	–	–	213.37
Globe	114.45	111.06	126.11
IMI	–	1,290.54	1,000.58
iPeople	–	52.51	73.72
Manila Water	5,030.00	6,060.00	5,580.00
TOTAL	5,274.22	7,925.68	7,392.36

Water withdrawal from surface water (in megaliters)

	2021	2022	2023
ACEN	5.16	29.91	35.59
IMI	–	–	50.41
Manila Water	788,570.00	801,930.00	817,840.00
TOTAL	788,575.16	801,959.91	817,926.00

Water withdrawal from groundwater (in megaliters)

	2021	2022	2023
AC Industrials	–	–	1.99
ACEN	46.06	293.68	166.56
IMI	–	–	40.82
iPeople	–	0.08	0.32
Manila Water	112,250.00	112,740.00	123,260.00
TOTAL	112,296.06	113,033.76	123,469.69

Water withdrawal from seawater (in megaliters)

	2021	2022	2023
ACEN	257,256.97	220,544.81	–

Total water withdrawal (in megaliters)

	2021	2022	2023
AC	–	–	1.80
AC Health	–	137.63	133.19
AC Industrials	–	46.69	43.82
AC Infra	–	44.24	45.27
AC Logistics	–	16.40	57.11
AffinityX	–	0.08	0.21
AFI	–	–	26.35
ACEN	257,437.96	221,034.91	294.96
BPI	–	–	213.37
Globe	114.45	111.06	126.11
IMI	–	1,290.54	1,091.81
iPeople	–	52.59	74.04
Manila Water	905,850.00	920,730.00	946,680.00
TOTAL	1,163,402.41	1,143,464.15	948,788.04

Water discharge to third party (in megaliters)

	2022	2023
AC Health	10.98	11.72
AC Industrials	–	12.36
ACEN	–	27.12
IMI	–	2.91
iPeople	4.69	6.54
TOTAL	15.67	60.65

Water discharge to surface water (in megaliters)

	2021	2022	2023
AC Health	–	98.10	80.12
ACEN	–	2.32	24.91
iPeople	–	–	2.09
Manila Water	68,483.49	74,454.04	74,530.00
TOTAL	68,483.49	74,554.46	74,637.12

Water discharge to groundwater (in megaliters)

	2022	2023
AC Infra	1.01	–
ACEN	–	131.93
iPeople	–	0.85
TOTAL	1.01	132.78



Water and Effluents

Water discharge to sea water (in megaliters)

	2021	2022	2023
ACEN	–	220,580.00	–
IMI	–	–	28.63
Manila Water	1,332.69	1,929.47	2,240.00
TOTAL	1,332.69	222,509.47	2,268.63

Total water discharge (in megaliters)

	2021	2022	2023
AC Health	–	109.07	91.84
AC Industrials	–	–	12.36
AC Infra	–	1.01	–
ACEN	–	220,582.33	183.95
IMI	–	–	31.54
iPeople	–	4.69	9.48
Manila Water	69,816.18	76,383.51	76,770.00
TOTAL	69,816.18	297,080.62	77,099.17

Total water consumption (in megaliters)

	2021	2022	2023
AC	–	–	1.80
AC Health	125.33	28.56	41.35
AC Industrials	65.68	46.69	31.46
AC Infra	63.17	43.22	45.62
AC Logistics	–	16.40	57.11
AffinityX	0.12	0.08	0.21
AFI	–	–	26.35
ACEN	257,437.96	452.59	111.01
Ayala Land	13,284.20	14,968.95	10,592.57
BPI	326.04	315.35	213.37
Globe	114.45	111.06	126.11
IMI	1,352.23	1,290.54	1,060.28
iPeople	35.12	2.09	64.56
Manila Water	836,033.82	844,346.49	869,910.00
TOTAL	1,108,838.12	861,622.02	882,281.80

Waste

Total non-hazardous waste generated (in metric tons)

	2021	2022	2023
AC Health	183.29	227.69	275.35
AC Industrials	126.86	60.77	56.47
AC Infra	161.47	46.03	30.02
AC Logistics	–	178.62	190.23
AffinityX	0.49	0.20	0.77
ACEN	–	688.98	104.34
Ayala Land	21,502.00	26,370.00	38,918.59
BPI	0.86	–	6.19
Globe	86.11	203.56	158.70
IMI	2,522.77	3,004.52	2,823.00
iPeople	29.31	83.16	159.35
Manila Water	31,167.55	32,410.79	19,761.57
TOTAL	55,780.71	63,274.33	62,484.58

Total hazardous waste generated (without used oil and in metric tons)

	2021	2022	2023
AC Health	170.48	255.50	225.46
AC Industrials	119.00	48.09	36.77
AC Infra	5.39	35.47	28.93
AC Logistics	–	3.23	–
AffinityX	–	–	0.75
ACEN	126.00	260.17	94.42
Ayala Land	112.40	88.00	130.99
BPI	–	–	1.00
Globe	250.47	569.58	873.72
IMI	708.45	840.70	551.95
iPeople	1.83	1.83	4.15
Manila Water	63.18	145.17	457.56
TOTAL	1,557.20	2,247.74	2,405.70

Ayala used as reference the Department of Environment and Natural Resources (DENR) Administrative Order No. 22, Series of 2013 to determine the classification of hazardous wastes.

Construction waste (in cubic meters)

Ayala Land	2021	2022	2023
Generated	1,136,685.00	366,690.00	218,543.00
Directed to disposal through landfilling	443,307.00	265,452.00	146,635.00
Diverted from disposal through recycling	693,378.00	101,238.00	71,908.00

Used oil generated (in liters)

	2021	2022	2023
AC Health	–	251.00	–
AC Industrials	277,363.34	277,541.69	240,235.00
AC Infra	5,118.00	6,096.00	2,600.00
ACEN	1,145,922.27	1,512,633.14	800,023.83
Ayala Land	45,276.02	25,000.00	109,912.00
Globe	8,410.00	12,956.00	32,364.29
BPI	–	–	840.00
IMI	7,944.15	10,680.70	4,290.70
iPeople	–	214.50	1,659.70
Manila Water	19,906.04	17,084.65	21,428.57
TOTAL	1,509,939.82	1,862,457.68	1,213,354.09

Non-hazardous waste diverted from disposal through preparation for reuse (in metric tons)

	2022	2023
AC Logistics	74.01	0.11
IMI	–	0.80
iPeople	0.01	1.22
TOTAL	74.03	2.13

Non-hazardous waste diverted from disposal through recycling (in metric tons)

	2022	2023
AC Health	13.64	60.80
AC Industrials	–	2.17
AC Infra	7.84	7.32
AC Logistics	101.58	7.01
Ayala Land	4,905.00	–
Globe	2.17	6.57
IMI	2,220.36	2,358.67
iPeople	13.62	6.29
Manila Water	31,214.71	17,907.27
TOTAL	38,478.92	20,356.10

Non-hazardous waste diverted from disposal through composting (in metric tons)

	2022	2023
AC Health	–	19.31
AC Infra	7.91	8.86
AC Logistics	1.94	1.38
Ayala Land	192.00	–
iPeople	0.10	10.91
TOTAL	201.95	40.45

Non-hazardous waste diverted from disposal through other recovery options (in metric tons)

	2023
AC Health	8.69
AC Logistics	118.28
TOTAL	126.97

Waste turned into refuse derived fuel.

Total non-hazardous waste diverted from disposal (in metric tons)

	2022	2023
AC Health	13.64	88.80
AC Industrials	–	2.17
AC Infra	15.75	16.18
AC Logistics	177.52	126.78
Ayala Land	5,097.00	6,519.21
Globe	2.17	6.57
IMI	2,220.36	2,359.47
iPeople	13.73	18.42
Manila Water	31,214.71	17,907.27
TOTAL	38,754.89	27,044.86

Hazardous waste diverted from disposal through preparation for reuse (in metric tons and without used oil)

	2023
AC Infra	23.00
IMI	22.32
TOTAL	45.32



Waste

Hazardous waste diverted from disposal through recycling
(in metric tons and without used oil)

	2022	2023
AC Health	0.34	0.02
AC Industrials	–	10.50
AC Infra	4.33	–
AC Logistics	–	0.03
ACEN	55.50	–
Ayala Land	7.07	–
Globe	569.58	873.72
IMI	–	53.25
Manila Water	–	418.94
TOTAL	636.49	1,356.45

Hazardous waste diverted from disposal through other recovery options
(in metric tons and without used oil)

	2022	2023
AC Infra	26.81	0.79
AC Logistics	1.23	–
IMI	–	10.04
iPeople	0.05	–
TOTAL	28.08	10.83

Total hazardous waste diverted from disposal
(without used oil and in metric tons)

	2022	2023
AC Health	0.34	0.02
AC Industrials	–	10.50
AC Infra	31.14	23.79
AC Logistics	1.23	0.03
ACEN	55.50	–
Ayala Land	7.07	–
Globe	569.58	873.72
IMI	–	85.61
iPeople	0.05	0.00
Manila Water	–	418.94
TOTAL	664.91	1,412.60

Non-hazardous waste directed to disposal through landfilling
(in metric tons)

	2022	2023
AC Health	108.86	147.38
AC Industrials	48.00	56.07
AC Infra	24.85	13.84
AC Logistics	1.19	1.50
ACEN	582.87	99.39
Ayala Land	21,037.00	32,399.00
BPI	–	459.61
Globe	201.39	152.13
IMI	–	2.17
iPeople	57.80	140.93
Manila Water	1,196.08	1,937.79
TOTAL	23,258.04	35,409.81

Non-hazardous waste directed to disposal through incineration
(in metric tons)

	2022	2023
AC Health	19.35	0.36
IMI	–	24.97
TOTAL	19.35	25.33

Total non-hazardous waste directed to disposal
(in metric tons)

	2022	2023
AC Health	128.21	147.74
AC Industrials	19.35	56.07
AC Infra	24.85	13.84
AC Logistics	1.19	1.50
ACEN	582.87	99.39
Ayala Land	21,037.00	32,399.00
BPI	–	459.61
Globe	201.39	152.13
IMI	–	27.14
iPeople	57.80	140.93
Manila Water	1,196.08	1,937.79
TOTAL	23,248.74	35,435.14

Hazardous waste directed to disposal through incineration
(in metric tons and without used oil)

	2023
AC Health	18.54
IMI	7.68
TOTAL	26.22

Hazardous waste directed to disposal through landfilling
(in metric tons and without used oil)

	2022	2023
AC Health	151.31	80.32
AC Infra	4.31	2.48
ACEN	150.12	95.82
iPeople	–	0.01
Manila Water	95.05	54.18
TOTAL	400.78	232.81

Hazardous waste directed to disposal through other disposal operations
(in metric tons and without used oil)

	2022	2023
AC Health	24.02	65.32
AC Industrials	–	2.47
AC Infra	0.02	–
Ayala Land	51.93	56.04
iPeople	1.66	4.18
TOTAL	77.63	128.01

Waste temporarily stored onsite.

Total hazardous waste directed to disposal
(in metric tons and without used oil)

	2022	2023
AC Health	175.33	164.18
AC Industrials	–	2.47
AC Infra	4.33	2.48
ACEN	150.12	95.82
Ayala Land	51.93	56.04
IMI	–	7.68
iPeople	1.66	4.18
Manila Water	95.05	54.18
TOTAL	478.41	387.04

Materials

Non-renewable materials (in metric tons)

	2021	2022	2023
Cement			
Ayala Land	173,327.00	191,400.00	201,374.00
AC Infra	–	18,966.00	12,909.60
TOTAL	173,327.00	210,366.00	214,283.60

Steel and rebar

Ayala Land	82,025.00	61,791.00	62,184.00
AC Infra	–	6,471.00	1,267.00
TOTAL	82,025.00	68,262.00	63,451.00

Chemicals

IMI	–	–	21.91
Manila Water	24,015.28	23,741.00	21,961.41
TOTAL	24,015.28	23,741.00	21,983.32

Renewable materials (in metric tons)

	2023
Manila Water	72.52

Recycled materials (in metric tons)

	2022	2023
AC Infra	32.00	194.05
AC Logistics	–	5.87
iPeople	10.02	0.01
TOTAL	42.02	199.93

Management Systems

Standard

ISO 14001:2015 Environmental management system	AC Infra (LRMC) Ayala Land (MDC, APMC) ACEN Globe IMI iPeople (Mapúa University)
ISO 50001 Energy management system	Ayala Land (APMC) Globe



Employees

Permanent employees

	2021	2022	2023
AC	151	157	180
AC Health	2,912	2,969	3,601
AC Industrials	1,425	1,318	1,374
AC Infra	1,821	1,199	1,158
AC Logistics	–	633	520
AffinityX	762	759	644
AFI	81	82	85
ACEIC	49	11	2
ACEN	702	713	914
Ayala Land	5,756	6,362	7,254
BPI	19,181	18,201	19,522
Globe	8,285	8,149	7,542
IMI	13,384	12,988	11,791
iPeople	1,967	1,844	1,848
Manila Water	2,320	2,455	2,524
TOTAL	58,796	57,840	58,959

Temporary employees

	2021	2022	2023
AC	1	2	–
AC Health	248	148	162
AC Industrials	10	11	25
AC Infra	52	26	27
AC Logistics	–	20	152
AffinityX	2	3	–
AFI	26	39	30
ACEIC	–	–	3
ACEN	48	26	42
Ayala Land	4,287	4,767	5,501
IMI	250	364	252
iPeople	547	650	739
Manila Water	144	161	139
TOTAL	5,615	6,217	7,072

Indirect hires

	2021	2022	2023
AC	56	56	–
AC Health	221	228	392
AC Industrials	578	699	566
AC Infra	1,877	1,408	7
AC Logistics	–	2,165	3
AFI	58	15	70
ACEN	5,834	18,567	19,457
Ayala Land	31,635	36,618	40,530
BPI	2,556	2,556	3,424
Globe	5,910	2,459	5,306
IMI	1,659	1,628	1,215
iPeople	199	325	365
Manila Water	851	–	6,028
TOTAL	51,434	66,724	77,363

BPI's indirect hires were not covered by their third-party assurance.

Employment

New hires

	2021	2022	2023
AC	2	19	33
AC Health	1,431	1,297	1,838
AC Industrials	281	417	613
AC Infra	393	74	211
AC Logistics	–	283	419
AffinityX	297	202	91
AFI	13	2	34
ACEIC	2	6	–
ACEN	140	288	313
Ayala Land	676	1,564	1,710
BPI	645	922	3,718
Globe	852	762	323
IMI	4,627	5,263	4,620
iPeople	516	1,021	624
Manila Water	458	486	494
TOTAL	10,333	12,606	15,041

Turnover

	2021	2022	2023
AC	13	15	4
AC Health	2,165	1,255	1,254
AC Industrials	456	493	512
AC Infra	272	116	247
AC Logistics	–	234	354
AffinityX	211	175	211
AFI	17	9	31
ACEIC	3	–	2
ACEN	110	98	129
Ayala Land	890	980	836
BPI	1,463	1,429	2,295
Globe	916	873	928
IMI	5,551	5,538	5,124
iPeople	516	838	536
Manila Water	311	339	431
TOTAL	12,894	12,392	12,894

Training and Education

Average training hours per permanent employee

	2021	2022	2023
AC	17.4	12.0	18.3
AC Health	56.8	13.9	18.6
AC Industrials	53.5	12.9	18.5
AC Infra	28.2	24.7	31.1
AC Logistics	–	3.3	26.0
AffinityX	366.2	0.2	44.7
AFI	5.3	32.1	131.9
ACEN	38.3	58.5	52.7
Ayala Land	30.1	26.9	34.5
BPI	6.2	53.5	53.4
Globe	35.8	51.0	47.0
IMI	62.6	65.7	53.4
iPeople	156.5	213.9	364.5
Manila Water	21.6	25.0	29.0

Average training hours per permanent employee by gender

	2022		2023	
	Male	Female	Male	Female
AC	11.9	12.1	15.5	20.5
AC Health	11.5	14.9	16.3	19.8
AC Industrials	13.0	12.7	17.3	20.1
AC Infra	33.5	8.1	33.9	25.5
AC Logistics	3.1	3.5	21.9	30.3
AffinityX	–	–	54.2	33.4
AFI	34.9	30.4	142.2	125.4
ACEN	76.4	30.4	49.4	59.7
Ayala Land	29.8	24.4	39.5	30.3
BPI	51.8	54.0	53.2	53.6
Globe	51.7	50.2	46.1	48.2
IMI	71.5	62.1	53.6	53.2
iPeople	228.2	203.6	490.0	271.1
Manila Water	24.9	25.3	28.7	29.7

Average training hours per permanent employee by rank

	2021			2022			2023		
	Rank and file	Middle mgmt	Senior mgmt	Rank and file	Middle mgmt	Senior mgmt	Rank and file	Middle mgmt	Senior mgmt
AC	22.8	19.0	2.4	10.2	16.6	0.7	20.8	31.4	0.9
AC Health	61.1	38.9	39.0	16.0	6.2	5.3	20.3	11.0	21.8
AC Industrials	58.9	20.5	10.5	13.0	11.6	13.2	18.4	18.1	21.1
AC Infra	23.2	42.2	38.8	21.9	32.5	21.3	30.2	34.4	21.3
AC Logistics	–	–	–	3.9	2.8	4.8	15.6	33.4	14.9
AffinityX	254.8	7.6	10.5	0.1	0.7	2.0	46.0	41.2	11.5
AFI	3.2	4.6	33.0	36.1	25.3	41.7	59.6	247.8	100.3
ACEN	40.2	34.1	46.3	57.1	71.7	11.4	49.4	55.2	55.4
Ayala Land	29.3	33.3	21.7	26.4	28.9	18.0	33.4	38.7	19.8
BPI	0.7	0.6	36.3	45.5	66.6	51.6	52.8	53.5	76.4
Globe	40.9	34.6	22.7	48.9	51.7	48.4	48.7	47.3	40.0
IMI	30.1	35.4	860.4	74.2	31.2	21.1	58.0	32.5	22.9
iPeople	17.7	617.3	17.2	98.4	626.2	425.0	233.4	932.6	99.7
Manila Water	12.0	22.6	35.9	21.5	24.9	33.9	23.7	30.5	32.4

ACEN's indirect hires and training hours were not covered by their third-party assurance.



Diversity and Equal Opportunity

Permanent employees by gender

	2021		2022				2023			
	Male	Female	Male		Female		Male		Female	
AC	70	81	71	45%	86	55%	80	44%	100	56%
AC Health	1,149	1,763	919	31%	2,050	69%	1,249	35%	2,352	65%
AC Industrials	844	581	772	59%	546	41%	807	59%	567	41%
AC Infra	1,086	735	786	66%	413	34%	774	67%	384	33%
AC Logistics	–	–	349	55%	284	45%	269	52%	251	48%
AffinityX	371	391	404	53%	355	47%	350	54%	294	46%
AFI	25	56	31	38%	51	62%	33	39%	52	61%
ACEIC	24	25	8	73%	3	27%	–	–	2	100%
ACEN	515	187	435	61%	278	39%	546	60%	368	40%
Ayala Land	2,760	2,996	2,974	47%	3,388	53%	3,343	46%	3,911	54%
BPI	6,351	12,830	6,079	33%	12,122	67%	6,637	34%	12,885	66%
Globe	4,542	3,743	4,520	55%	3,629	45%	4,200	56%	3,342	44%
IMI	5,193	8,191	4,925	38%	8,063	62%	4,338	37%	7,453	63%
iPeople	850	1,117	772	42%	1,072	58%	789	43%	1,059	57%
Manila Water	1,517	803	1,623	66%	832	34%	1,676	66%	848	34%
TOTAL	25,297	33,499	24,668	43%	33,172	57%	25,091	43%	33,868	57%

Permanent employees by age group

	2021			2022						2023					
	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	Under 30 years old	30-50 years old	Over 50 years old	Under 30 years old	30-50 years old	Over 50 years old
AC	10	87	54	10	6%	85	54%	62	39%	14	8%	108	60%	58	32%
AC Health	1,109	1,658	145	1,080	36%	1,736	58%	153	5%	1,338	37%	2,079	58%	184	5%
AC Industrials	520	785	120	386	29%	812	62%	120	9%	392	29%	863	63%	119	9%
AC Infra	420	1,196	205	169	14%	825	69%	205	17%	131	11%	815	70%	212	18%
AC Logistics	–	–	–	222	35%	394	62%	17	3%	140	27%	354	68%	26	5%
AffinityX	458	280	24	443	58%	292	38%	24	3%	317	49%	302	47%	25	4%
AFI	25	41	15	13	16%	53	65%	16	20%	16	19%	54	64%	15	18%
ACEIC	10	35	4	2	18%	5	45%	4	36%	–	0%	2	100%	–	0%
ACEN	222	393	87	212	30%	435	61%	66	9%	238	26%	599	66%	77	8%
Ayala Land	2,014	3,338	404	2,291	36%	3,610	57%	461	7%	2,666	37%	4,108	57%	480	7%
BPI	8,366	9,429	1,386	7,012	39%	9,661	53%	1,528	8%	7,394	38%	10,454	54%	1,674	9%
Globe	1,533	6,251	501	1,347	17%	6,211	76%	591	7%	1,012	13%	5,937	79%	593	8%
IMI	3,571	8,318	1,495	3,294	25%	8,113	62%	1,581	12%	2,728	23%	7,523	64%	1,540	13%
iPeople	723	926	318	634	34%	890	48%	320	17%	633	34%	899	49%	316	17%
Manila Water	654	1,299	367	604	25%	1,529	62%	322	13%	612	24%	1,630	65%	282	11%
TOTAL	19,635	34,036	5,125	17,719	31%	34,651	60%	5,470	9%	17,631	30%	35,727	60%	5,601	10%

Permanent employees by rank

	2021			2022						2023					
	Rank and file	Middle mgmt	Senior mgmt	Rank and file	Middle mgmt	Senior mgmt	Rank and file	Middle mgmt	Senior mgmt	Rank and file	Middle mgmt	Senior mgmt	Rank and file	Middle mgmt	Senior mgmt
AC	56	67	28	60	38%	76	48%	21	13%	65	36%	60	33%	55	31%
AC Health	2,349	492	71	2,336	79%	557	19%	76	3%	2,831	79%	689	19%	81	2%
AC Industrials	1,243	120	62	1,146	87%	119	9%	53	4%	1,185	86%	149	11%	40	3%
AC Infra	1,333	445	43	848	71%	320	27%	31	3%	806	70%	321	28%	31	3%
AC Logistics	–	–	–	245	39%	373	59%	15	2%	206	40%	303	58%	11	2%
AffinityX	660	94	8	642	85%	109	14%	8	1%	523	81%	113	18%	8	1%
AFI	49	29	3	47	57%	32	39%	3	4%	50	59%	32	38%	3	4%
ACEIC	19	28	2	–	0%	6	55%	5	45%	–	0%	1	50%	1	50%
ACEN	422	249	31	392	55%	259	36%	62	9%	353	39%	493	54%	66	7%
Ayala Land	4,409	1,316	31	4,869	77%	1,459	23%	34	1%	5,542	76%	1,676	23%	36	0%
BPI	12,412	6,527	242	11,264	62%	6,666	37%	271	1%	11,863	61%	7,370	38%	289	1%
Globe	1,564	6,125	596	1,321	16%	6,243	77%	585	7%	1,113	15%	5,866	78%	563	7%
IMI	11,011	1,862	511	10,541	81%	1,935	15%	512	4%	9,805	83%	1,536	13%	450	4%
iPeople	1,582	316	69	1,414	77%	361	20%	69	4%	1,418	77%	360	19%	70	4%
Manila Water	531	1,601	188	580	24%	1,660	68%	215	9%	627	25%	1,690	67%	207	8%
TOTAL	37,640	19,271	1,885	35,705	62%	20,175	35%	1,960	3%	36,387	62%	20,659	35%	1,911	3%

Percentage of women in senior management

	2022	2023
AC	10%	36%
AC Health	59%	49%
AC Industrials	30%	50%
AC Infra	24%	39%
AC Logistics	0%	27%
AffinityX	0%	38%
AFI	80%	60%
ACEIC	40%	50%
ACEN	38%	42%
Ayala Land	38%	36%
BPI	51%	54%
Globe	48%	46%
IMI	–	25%
iPeople	28%	17%
Manila Water	1%	48%



Occupational Health and Safety

Occupational health and safety management system

ISO 45001:2018 Occupational health and safety management systems	Ayala Land (MDC, APMC) ACEN Globe IMI
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Non-disabling (recordable) work-related injury (employees)

	2023
AC Infra (LRMC)	4
Ayala Land	8
Globe	48
IMI	20
iPeople	27
Manila Water	6

Disabling (high-consequence) work-related inquiry (excluding fatalities) (employees)

	2023
AC Infra (LRMC)	2
IMI	6

Recordable work-related ill health (employees)

	2023
AC Health	8

In 2023, both IMI and Manila Water recorded one work-related fatality each. To prevent a similar event from happening again, both companies have implemented action plans that cover compliance management, risk assessment and management and regular site inspections and audits. IMI and Manila Water consistently orient their personnel on safety protocols and ensure easy access to critical safety notices and information.



Collective bargaining agreements (CBA)

	2023	
	Number of permanent employees covered by CBA	Percentage of employees covered by CBA
AC Infra (LRMC)	1,008	87%
Ayala Land	–	3.40%
BPI	7,385	38%
Globe	243	3%
IMI	2,272	19%
iPeople (Mapúa University)	278	15%
Manila Water	240	87%

Manila Water’s percentage of employees covered by CBA includes East Zone rank-and-file employees only.

Customer-related Metrics

Customer satisfaction

	Customer satisfaction metric	Score
AC Industrials	CSAT (Sales)	ACMobility 4.88
		Honda 4.82
		Isuzu 4.85
	CSAT (After-sales)	ACMobility 4.32
		Honda 3.85/4
		Isuzu 4.66
	Sales Satisfaction Score	ACEI 4.97
		KPMC 84.5%
	After-sales Satisfaction Score	ACEI 4.22
		KPMC 86.5%
AC Infra (LRMC)	CSAT Star Rate	4.51
ACEN	ACEN RES Customer Satisfaction Index	85
Ayala Land	Customer Satisfaction Score	89%
BPI	Net Promoter Score	55.1
Globe	Net Promoter Score	43
IMI	CSAT	4.39
Manila Water	Customer Satisfaction Survey	89%

Management Systems

Standard

ISO 9001:2015 Quality Management Systems	AC Infra (LRMC) ACEN Ayala Land (MDC, APMC) Globe IMI iPeople (Mapúa University, Mapúa MCL)
ISO 22301:2019 Business Continuity Management Systems	Globe
ISO 20000-1:2018 Information Technology Management Systems	Globe
ISO 27001:2013 Information Security Management Systems	Globe IMI
ISO 19650:2018 Parts 1 and 2 for Building Information Modeling (BIM) Management Systems	Ayala Land (MDC)
ISO 30414:2018 Human Resource Management	Ayala Land (MDC)
ISO 13485:2016 Medical devices – Quality Management Systems	IMI
IATF 16949:2016 International Standard for Automotive Quality Management Systems	IMI

Supplementary Information on Ayala's GHG Methodology and Approach

Organizational Boundaries

Company	Company Acronym	Status	Nature of Business	Operational Control?
Ayala Corporation (parent entity)	AC Parent	Parent	Conglomerate	Yes
Ayala Land, Inc.	ALI	Subsidiary	Real estate and hotels	Yes
Darong Agricultural & Development Corporation	DADC	Subsidiary	Agriculture	Yes
ACEN Corporation	ACEN	Subsidiary	Power	Yes
AC Energy and Infrastructure Corporation (excl ACEN)	ACEIC (excl. ACEN)	Subsidiary	Investment holding	Yes
Integrated Microelectronics, Inc.	IMI	Subsidiary	Industrial technologies	Yes
AC Industrial Technology Holdings Inc. (excl IMI)	AITHI (excl IMI)	Subsidiary	Industrial technology and automotive	Yes
Ayala Aviation Corporation	AAC	Subsidiary	Air charter	Yes
AG Counsellors Corp	AGCC	Subsidiary	Consulting services	Yes
Ayala Healthcare Holdings, Inc.	AHHI	Subsidiary	Healthcare	Yes
Bestfull Holdings, Inc.	BHL	Subsidiary	Investment holding	Yes
AC Infrastructure Holdings Corporation	AIHC	Subsidiary	Infrastructure	Yes
AC Ventures Holding Corp.	AVHC	Subsidiary	Investment holding	Yes
AC Logistics Holdings Corporation	ACL	Subsidiary	Logistics	Yes
Azalea International Venture Partners Ltd.	AIVPL	Subsidiary	Business processing outsourcing	Yes
Philwater Holdings Co., Inc.	Philwater	Subsidiary	Investment holding	Yes
Michigan Holdings, Inc.	MHI	Subsidiary	Investment holding	Yes
Globe Telecom, Inc.	Globe	Joint Venture	Telecommunications	No
Asiacom Philippines, Inc.	Asiacom	Joint Venture	Telecommunication/ investment holding	No
Liontide Holdings Inc.	LHI	Joint Venture	Investment holding	No
Bank of the Philippine Islands	BPI	Associate	Banking	No
Manila Water Company, Inc.	MWC	Associate	Water	No
iPeople, Inc.	IPO	Associate	Education	No

1. GHG emissions related to DADC have been reported under ALI, thus DADC was not specifically carved out.

2. For Philwater and MHI, other investments in addition to Ayala related entities were excluded due to lack of data availability.

3. For Liontide Holdings (LHI), other investments in addition to Ayala related entities were excluded due to lack of data availability. Emissions from LHI's stake in BPI is technically through a JV, however due to large stake in LHI, Ayala is assumed to have a controlling equity stake and is treated as PHILWATER and MHI.

An emission factor is used to calculate the GHG emissions for a given source, relative to units of activity. Emission factors reflect average values by sector, technology type and/or fuel type. The table below shows the emission factor databases and resources that were used to calculate Ayala's baseline emissions.

Emission Factor References

Activity	Emission Factor Reference	
Stationary combustion	Department for Business, Energy and Industrial Strategy (BEIS), 2021 (AR5)	
Mobile combustion	BEIS, 2021 (AR5 for non-biogenic; AR4 for biogenic)	
Fugitive emissions	California Air Resources Board, 2023 (AR5) GHG Protocol, 2014 (AR5)	
Purchased electricity	For non-biogenic (AR5): Institute for Global Environmental Strategies (IGES), 2021 International Energy Agency (IEA) electricity EFs, 2021 IPCC, 2014	For biogenic (AR4): Ecoinvent v3.8, 2021 IEA energy statistics 2021 IPCC, 2014
Purchased goods and services	BEIS, 2021 (AR4) Carranza et. al., 2022 (unknown) CEDA 6 Global, 2021 (AR5) Ecoinvent v3.8, 2021 (AR5) The International Council on Clean Transportation (ICCT), 2023 (unknown – potentially AR6)	
Capital goods	Adobe, 2021 (AR4) Amazon, 2021 (AR4) BEIS, 2021 (AR4/AR5) Casio, 2006 (AR4) CEDA 6 Global, 2021 (AR5) Dell, 2021 (AR4) Ecoinvent v3.8, 2021 (AR5) Google, 2021 (AR4) HP, 2022 (AR4) Lenovo, 2021 (AR4) Microsoft, 2021 (AR5) Schneider Electric, 2015 (AR4)	
Fuel- and energy-related emissions	Association of Issuing Bodies (AIB), 2021 (AR5) BEIS, 2021 (AR4/AR5) Ecoinvent v3.8, 2021 (AR5) IEA electricity EFs, 2021 (AR5) IEA energy statistics 2021 IPCC, 2014 (AR4)	
Upstream transport and distribution	BEIS, 2021 (AR4/AR5) CEDA 6 Global, 2021 (AR5)	
Waste generated in operations	BEIS, 2021 (AR4) CEDA 6 Global, 2021 (AR5) Ecoinvent v3.8, 2021 (AR5) José-Luis Gálvez-Martos and Ioan-Robert Istrate, 2020	
Business travel	BEIS, 2021 (AR4) CEDA 6 Global, 2021 (AR5) Cornell Hotel Sustainability Benchmarking (CHSB), 2021 (AR5)	
Employee commuting	Anthesis, 2020 BEIS, 2021 (AR4) EU e-bike assessment, 2015 IEA, 2021 (AR5) SBB & SJ, 2023 South Pole electricity and heating emission factors, 2021 (AR4) Swedish Transport Administration, 2017	
Upstream leased assets	For non-biogenic (AR5): BEIS, 2021 CEDA 6 Global, 2021 GHG Protocol, 2014 IEA electricity EFs, 2021	For biogenic (AR4): Ecoinvent v3.8, 2021 IEA energy statistics 2021 IPCC, 2014

Activity	Emission Factor Reference	
Downstream transport and distribution	BEIS, 2021 (AR4/AR5)	
Processing of sold products	Briac Baudais, H. Ben Ahmed, Gurvan Jodin, Nicolas Degrenne, Stéphane Lefebvre, 2023 (unknown AR) Wazeem, A. Mohan, 2022 (unknown AR) Visual Capitalist, 2023 (unknown AR)	
Use of sold products	téphane Lefebvre, 2023 (unknown AR) Wazeem, A. Mohan, 2022 (unknown AR) Visual Capitalist, 2023 (unknown AR)	
	For non-biogenic (AR5): Institute for Global Environmental Strategies (IGES), 2021 International Energy Agency (IEA) electricity EFs, 2021 IPCC, 2014	For biogenic (AR4): Ecoinvent v3.8, 2021 IEA energy statistics 2021 IPCC, 2014
End-of-life treatment of sold products	BEIS, 2021 (AR4/AR5); California Air Resources Board, 2023 (AR5) Ecoinvent v3.8, 2021 (AR4/AR5)	
Downstream leased assets	For non-biogenic (AR5): BEIS, 2021 GHG Protocol, 2014 IEA electricity EFs, 2021 IGES, 2021	For biogenic (AR4): Ecoinvent v3.8, 2021 IEA energy statistics 2021 IPCC, 2014
Franchises	For non-biogenic (AR5): BEIS, 2021 GHG Protocol, 2014 IEA electricity EFs, 2021	For biogenic (AR4): Ecoinvent v3.8, 2021 IEA energy statistics 2021 IPCC, 2014
Investments	BEIS, 2021 (AR4/AR5) Department of Industry, Science, Energy and Resources (DISER), 2021 (AR4) GICS, 2021 (unknown AR)	
	For non-biogenic (AR5): IEA electricity EFs, 2021 GHG Protocol, 2014	For biogenic (AR4): Ecoinvent v3.8, 2021 IEA energy statistics 2021 IPCC, 2014

Global warming potential (GWP) is a measure of the climate impact of a GHG compared to CO₂ over a time horizon (usually 100 years). GHG emissions have different GWP values depending on their efficiency at absorbing longwave radiation and the atmospheric lifetime of the gas. The emission factor has the unit of ‘CO₂e’, which is a term for describing different GHGs in a common unit. A quantity of GHG can be expressed as CO₂e by multiplying the amount of the GHG by its GWP, e.g. if 1 kilogram (kg) of methane (CH₄) is emitted, this can be expressed as 28 kg of CO₂e.

The GWP values used in GHG accounting include the six GHGs covered by the United Nations Framework Convention on Climate Change and the Kyoto Protocol, as presented in the table below. Most emission factors used the GWP values from the Intergovernmental Panel on Climate Change (IPCC)’s Fifth Assessment Report (AR5).

Global Warming Potential

GHG	AR4 (100-yr GWP)	AR5 (100-yr GWP)
Carbon dioxide (CO ₂)	1	1
Methane (CH ₄)	25	28
Nitrous oxide (N ₂ O)	298	265
Hydrofluorocarbons (HFCs)	See GHG Protocol GWPs (pg. 2 & 3)	See GHG Protocol GWPs (pg. 2 & 3)
Perfluorocarbons (PFCs)	See GHG Protocol GWPs (pg. 2 & 3)	See GHG Protocol GWPs (pg. 2 & 3)
Sulfur hexafluoride (SF ₆)	22,800	23,500

Methodology, Assumptions and Extrapolations for Hotspot Emissions Categories

Scope 1

Stationary Combustion

IMI, AITHI and ACL, ALI and ACEN provided physical volumetric consumption data for diesel consumption in liters. Emissions were calculated using this physical data and emission factor from BEIS 2021 for 100% mineral diesel. For ALI, LPG physical data was provided in m³ which was converted to kg using the conversion factor provided by ALI’s gas supplier – Bonifacio Gas Corporation. Ayala Corporation provided data for LPG consumption for cooking in kg which was used along with BEIS 2021 emission factor to calculate related emissions. For AAC, AC Parent and AGCC – rent expenses data, which also included the spend on utilities, was provided.

Mobile Combustion

IMI, AC Parent, AITHI, ACL, AAC, AHHI and ACEN – all entities where this category is relevant provided physical volumetric consumption data for diesel or petrol consumption in liters. For ALI, spend data in ₱ was provided which was then converted to petrol consumption in liters using 2021 average gasoline prices in the Philippines¹. Consumption in liters using a conversion factor of emissions were calculated using this physical data and emission factor from BEIS 2021 for Petrol E10 or Diesel B2 based on minimum biofuel blends in 2021 according to the Philippine Department of Energy.

Fugitive Emissions

IMI and ALI provided physical consumption or refill data for refrigerants used in 2021. IPCC AR5 emission factors were used to calculate related fugitive emissions from refrigerant leakage. For AC Parent, AAC, AITHI, AHHI, BHL, DADC, ACVH, ACEN and ACL, refrigerant refill/leakage data was extrapolated based on either of the two methods which were area-based and FTE-based:

1. Area-based: BPI’s average refilled refrigerant per square area was used as the extrapolation factor. Other core services did not have sufficient data for the extrapolation exercise.
2. FTE-based: The extrapolation factor for average refilled refrigerant per FTE was calculated from Globe, BPI,

and MWC. FTE-based methodology was conducted since not all group companies have floor area data.

If a company had both FTE and floor area data, South Pole used the area-based methodology, as it was considered to yield results closer to the actual data. For the type of refrigerant to be used for extrapolation, out of all refrigerant types found in core services, only R-134A and R410A refrigerant types were in scope. Other HCFC gases are out of scope as per GHG Protocol, 2013². R-134A was selected as the final refrigerant type for extrapolated data as consumption for R-134A was higher than consumption of R410A in the reference core services data.

Scope 2

Purchased Electricity

For AC Parent’s owned facilities, IMI, AITHI, AHHI, ACL, AAC’s office, ACEN, and ALI – electricity consumption data was provided in kWh. For a few of AHHI’s facilities where spend data for electricity was provided, a conversion factor was used based on BPI’s data. For some facilities under ALI, data provided was only for a few months in 2021 and was extrapolated proportionally to account for consumption for the whole year.

For DADC under ALI, combined electricity and water consumption data was provided. Based on rent-based proxies, South Pole estimated 76% of the total combined electricity and water expense was attributed to electricity consumption for DADC.

For BHL, AVHC, and AHHI offices, two extrapolation methodologies were explored to estimate electricity consumption:

1. Area-based: The extrapolation factor for the average electricity consumption per square area was based on Globe’s data. Although South Pole had initially estimated kWh/m² factors for both Globe and BPI, the data from Globe was utilized in this analysis due to its higher value compared to BPI’s. This choice results in a more conservative value. Other core services lacked sufficient data for the extrapolation exercise.

2. FTE-based: The extrapolation factor for average electricity consumption per FTE was determined using data from all core services. The FTE-based methodology was conducted since not all group companies have floor area data.

If a company had both FTE and floor area data, South Pole used the area-based methodology, as it was considered to yield results closer to the actual data. For AAC, AC Parent and AGCC – rent expenses data, which also included the spend on utilities, was provided.

Scope 3

Category 1 – Purchased Goods and Services (PG&S)

In South Pole’s data collection template, PG&S activity data is classified into the subcategories of ‘raw materials’, ‘packaging materials’, ‘paper’, ‘IT services’, ‘water supply’ and ‘other goods and services’ to cover a wide spectrum of the typical upstream purchase of goods and services. These subcategories comprise of both physical and spend-based activity data, which requires the use of different calculation methodologies as follows:

1. Physical approach: This approach involves sourcing an appropriate emission factor to multiply to the physical activity data, ensuring consistency in terms of units and relevance to the attributes of the specific good or service. Following the GHG Protocol Technical Guidance for Calculating Scope 3 Emissions³, South Pole used the average-data

¹ Average gasoline price in Philippines in 2021 <https://www.fxempire.com/macro/philippines/gasoline-prices-and-an-average-usd-to-php-exchange-rate-for-2021>
<https://www.exchangerates.org.uk/PHP-USD-spot-exchange-rates-history-2021.html#:~:text=Average%20exchange%20rate%20in%202021%3A%200.0203%20USD>
² GHG Protocol, 2013 https://ghgprotocol.org/sites/default/files/2022-12/Required%20gases%20and%20GWP%20values_0.pdf
³ GHG Protocol, Technical Guidance for Calculating Scope 3 Emissions (version 1.0), Supplement to the Corporate Value Chain (Scope 3) Accounting & Reporting Standard, 2013 https://ghgprotocol.org/sites/default/files/2023-03/Scope3_Calculation_Guidance_0%5B1%5D.pdf

method which estimates PG&S emissions by collecting data on the mass (e.g. kg) or other relevant units of goods or services (e.g. number of software users, IT devices, paper reams, liters of water) purchased and multiplying by the relevant secondary emission factors (e.g. industry average emissions per unit of good or service from BEIS or Ecoinvent, for example).

Due to physical activity data not always having matching units with the available secondary emission factor, South Pole was often required to perform volume-to-weight unit conversions to ensure the emission factors are applicable.

2. Spend-based approach: This approach involved the use of the Comprehensive Environmental Data Archive (CEDA), a suite of environmental input-output (IO) databases developed to assist various environmental systems analyses⁴, including corporate carbon footprinting. Emissions are calculated as the product of spend-based activity data and an emission factor obtained from mapping a specific expenditure item to an appropriate CEDA industry sector (e.g. mapping ‘marketing/advertising’ spendings from Ayala’s finance department to an appropriate CEDA industry sector of ‘Advertising, public relations, and related services’). To ensure relevance to Ayala, these emission factors were then adjusted by inflation rates, yearly average exchange rates and power purchasing parity percentages, all of which contributed to the final emission factors for the relevant country of operation.

Due to non-uniform and imperfect raw data files, an element of data cleaning and preprocessing is often required.

Most PG&S emissions were from ALI. A substantial amount of activity data provided by ALI for PG&S were in both physical (weight or volume) and spend-based (₱) format. South Pole prioritized using physical data where applicable, as they yield more accurate emissions.

If the physical data doesn’t satisfy the above conditions, South Pole deferred to using spend-based data. The spend-based activity data were calculated using the 2012 U.S. Comprehensive

Environmental Data Archive (CEDA) emission factors. These factors were then adjusted by inflation rates, yearly average exchange rates and power purchasing parity percentages, all of which contribute to the final emission factors for the Philippines. For the calculation, received data were required to be categorized with CEDA-specific categories. However, only the top 95% of the spend data were specifically categorized. The remaining 5% were categorized with ‘All other miscellaneous manufacturing’ or ‘Other support services’. Data with negative and blank values were excluded from the calculation.

IMI was another entity that contributed substantially to PG&S emissions. IMI provided spend-based data for upstream purchases of physical goods categorized into broad-level categories of active components, electro-mechanical, chemical, mechanical, packaging, passive components and PCBs. As detailed information about the type and quantity of products under each category was not provided, South Pole assigned relevant CEDA categories for each of the product categories and used emissions factors from the CEDA database. But given the CEDA database has specific emission factors for each country and considering that IMI has production sites globally in different countries, the provided spend-based data for the physical items was further divided into different countries proportional to the electricity consumption of the IMI site in that country.

Final emissions calculations were then performed using the split of total spend per country using relevant CEDA category emission factors for the respective country. Some of the other data provided by IMI for services like repair and maintenance and software licenses was spend-based; hence, CEDA emission factors were used to calculate emissions by splitting the spend per country proportional to electricity consumption, similar to the approach used for physical materials. Freight related data provided by IMI under upstream purchases was accounted for under scope 3 upstream transportation and distribution.

Category 2 – Capital Goods

In South Pole’s data collection template, capital goods activity data is classified into the subcategories of ‘IT equipment’

and other capital goods, otherwise referred to as ‘property, plant & equipment (PP&E)’ to cover a wide spectrum of the typical upstream purchase of capital goods. Most Ayala entities reported other capital goods under PG&S or ‘upstream purchases’ given that procurement does not have a clear separation between what constitutes capital goods as opposed to PG&S in the lens of GHG accounting.

As a result, South Pole has reclassified the information provided based on whether the items in question were considered company assets e.g. property, plant and equipment (PP&E), using best judgement and in adherence with the GHG Protocol Technical Guidance for Calculating Scope 3 Emissions⁵.

1. IT equipment: Only ALI provided data relating to the number of IT devices procured in 2021. This data consisted of the type of device, vendor name and quantity. Emissions were calculated using supplier-specific emission factors where available (e.g. Dell, HP, Lenovo) or from more generic sources such as BEIS and Ecoinvent v3.8. Where the number of devices was not provided, ALI provided spend data in ₱ and emissions were calculated using emission factors from the CEDA database.
2. Other capital goods: ALI, ACEN, AC Parent, IMI, AHHI and AITHI (excl. IMI) provided ‘other capital goods’ data in units of currency. Indicators that differentiate these assets from PG&S include PP&E which also extends to other final products with an extended life such as vehicles, furniture and non-consumables. Emissions were calculated as the product of spend-based activity data and emission factors from the CEDA database based on an appropriate industry sector, adjusting for inflation rates, yearly average exchange rates and power purchasing parity percentages in 2021.

⁴ Watershed, CEDA Knowledge Base, 2024 <https://watershedclimate.notion.site/CEDA-Knowledge-Base-bf5ef10e9ac04714a5984a67ea51e7fa#a6138e8b83c840fc95c2f2540e6b1106>

⁵ GHG Protocol, Technical Guidance for Calculating Scope 3 Emissions (version 1.0), Supplement to the Corporate Value Chain (Scope 3) Accounting & Reporting Standard, 2013 https://ghgprotocol.org/sites/default/files/2023-03/Scope3_Calculation_Guidance_0%5B1%5D.pdf

Category 3 – Fuel- and Energy-Related Activities (FERA)

Most FERA emissions were related to ACEN’s emissions.

All other fuel- and energy-related activities associated with WTT emissions, upstream emissions from feedstock used to generate electricity, and T&D losses within the grid were calculated as a product of the same activity data used for scope 1 (stationary combustion, mobile combustion) and scope 2 (purchased electricity) and appropriate upstream 2021 emission factors as follows:

1. Fuels: BEIS, 2021
2. Electricity: IEA, 2021 energy statistics, Ecoinvent v3.8 and AIB, 2021

Category 4 – Upstream Transportation and Distribution

1. Physical approach: This approach was applied to all activity data provided in units of weight and/or volume. After all activity data has been converted to tonne-kilometers (tkm), emission factors from BEIS, 2021 were applied, taking into consideration the freight mode (e.g. land, sea or air). Beyond products that require a specific freight mode (e.g. fuel oil transport via oil tankers), land freight was assumed to be transported by generic heavy goods vehicles (HGVs) at average loading capacity while sea freight was assumed to be transported by container ships. Air freight was split into short-, medium- and long-haul flights based on one-way distances, where provided by Ayala. It is worth noting that the emission factors for air freight included the indirect effects of non-CO₂ emissions, such as contrails, water vapor and emissions from nitrogen oxides.

2. Spend approach: For ALI, AHHI and AITHI (excl. IMI), the spend approach was applied to spend-based activity data (e.g. in units of ₱) with fees for trucking/delivery services, courier services, warehousing/storage services and messengers, using emission factors from the CEDA database. Geographic variances of freighting from different countries were not taken into account due to lack of data.

Category 5 – Waste Generated in Operations

1. Non-hazardous waste: Emissions were calculated using the emission factors from BEIS, 2021, taking into consideration the type of waste and waste treatment method and employing the following assumptions:
 - a. Non-hazardous waste volumes without a specified waste treatment method were conservatively assumed to be landfilled.
 - b. Optional emissions from the transportation of waste are clearly labelled in the Excel GHG Inventory Annex and included within scopes, estimated by splitting waste treatment emission factors in BEIS, 2021, assuming the average transportation of waste is 50 km (two-way) by road, referring to the BEIS methodology paper⁶ which mentions 25 km as the average one-way distance from home/office to the MRF or material recycling facility. For mode of transportation, BEIS EF for articulated diesel HGV with a capacity between 3.5 to 33 tons and 50% laden is considered aligned with clause 12.28 from BEIS methodology paper⁷. Based on Table 52 from BEIS methodology paper⁸, 25 km is the average waste transportation distance for all methods; hence, the same proxy was used for calculation of transportation related emissions where BEIS EFs were used.
 - c. For ALI and ACEN⁹, South Pole applied a typical construction waste composition percentage to individual emission factors for construction waste (e.g. concrete, metals and wood) found in BEIS, 2021 and performed a weighted average to arrive at a bespoke emission factor due to a lack of suitable emission factors for landfilled average construction waste.
 - d. For ACEN, it was indicated that most of the used oil was due for recycling after filtration and dehydration treatment. South Pole, therefore, selected the emission factor for ‘mineral oil recycling’ from BEIS, 2021 after using a bespoke fuel density mix of diesel (90%) and lubricant oil (10%) to convert from volume to weight.

- e. Emissions from primary non-hazardous waste data for AC Parent, IMI, AHHI, AITHI (excl. IMI) and ACL was calculated in line with the assumptions above; where there is water supply, wastewater was also allocated to category 5, assuming at the activity data (e.g. m³ of water) remains the same between water supply and wastewater treatment.
- f. Emissions from extrapolated non-hazardous waste data for AC Parent and other group companies (e.g. AGCC, AHHI, BHL, AC Infra, ACL, AGCC, IMI and DADC reported under ALI) was calculated using the following approach:
 - Frequently generated waste types in the core services were used to estimate the waste types of AC Parent and other group companies.
 - Construction, sludge, and used oil waste were excluded as they are industry-specific waste.
 - Average annual waste generation per employee and waste type (kg waste/FTE/year) from all core services were used for the extrapolation; these factors were then multiplied by the FTE of each company which resulted in annual waste generation per waste type per group company (kg waste/year).
 - The proportion of recycling to landfill waste treatment were 72% to 28% in the Philippines and 66% to 34% in Hong Kong, respectively¹⁰. These proportions were then applied to the extrapolated waste for each respective country of operation of the Ayala Group companies.

⁶ Department for Business, Energy & Industrial Strategy, 2022 Government Greenhouse Gas Conversion Factors for Company Reporting, Methodology Paper for Conversion factors https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1083857/2022-ghg-cf-methodology-paper.pdf

⁷ Ibid.

⁸ Ibid.

⁹ Gálvez-Martos, J.-L., & Istrate, I.-R. (2020). Construction and demolition waste management. Advances in Construction and Demolition Waste Recycling, pp. 51–68. <https://doi.org/10.1016/b978-0-12-819055-5.00004-8>

¹⁰ The World Bank, 2018 <https://datatopics.worldbank.org/what-a-waste/>

2. Hazardous waste: Emissions from D406 (used lead acid batteries) and waste electrical and electronic equipment (WEEE) were calculated using the emission factors in BEIS, 2021, taking into consideration the type of waste and the waste treatment method. Emissions from I101 (used diesel oil), D407 (mercury compounds), J201 (containers previously containing toxic chemical substances) and other hazardous wastes were calculated using emission factors from Ecoinvent v3.8 due to a lack of suitable emission factors from BEIS, 2021 relating to hazardous waste incineration and hazardous waste deposit. It should be noted that where the hazardous waste was not indicated by Ayala to be incinerated, South Pole has assigned the emission factor of 'hazardous waste deposit', given that these are the two secondary emission factors available for hazardous waste treatment.

Category 6 – Business Travel

The calculation methodology for Ayala’s key business travel emission sources are as follows:

- 1. Ground travel: For AC Parent, AHHI, ACL, AC Infra, ACL, AGCC and DADC (reported under ALI), activity data was provided in spend-based form. Emissions were, therefore, calculated by selecting the ‘transit and ground passenger transportation’ emission factor from the CEDA database to the spend-based activity data. ALI is a unique case where a more granular approach was taken by optionally converting spend-based activity data into physical activity data based on South Pole’s desktop research of the unit price (e.g. ₱ per liter of fuel). The remaining ALI and ACEN ground travel activity data was provided in physical form (e.g. liter of fuel consumed in rented vehicles). Thus, emissions were calculated as the product of this activity data and emission factors from BEIS, 2021.
- 2. Air travel: For ALI, ACEN and AAC, activity data was provided in physical form with the origin and destination cities, seat class and the estimated number of travelers

for each of the one-way flights. This information was used to calculate the passenger-kilometers (pkm) travelled on each route, which was sufficient to calculate the emissions from air travel. For AC Parent, IMI, AITHI (excl. IMI), and certain ALI flights where activity data was provided in spend-based form, South Pole selected the ‘air transportation’ emission factor from the CEDA database to determine the emissions.

- 3. Accommodation: ALI was the only entity that provided physical activity data for this optional emission source which South Pole has quantified and included in Ayala’s inventory, comprising the location of hotels, the number of guests and the nights spent at the accommodation. This was sufficient to calculate the emissions from employee accommodation during business travel. For certain accommodations purchased by ALI, ACEN, and AHHI, activity data for accommodation was provided in spend-based form. Thus, South Pole selected the ‘accommodation’ emission factor from the CEDA database to determine the emissions.

- 4. Extrapolated emissions: Emissions were extrapolated for AITHI and AAC based on tCO₂e/FTE for each travel type. This methodology was selected given that activity data from the core services were varied in terms of subcategories and units, which would make extrapolating activity data dependent on a series of underlying assumptions and may skew the results, as opposed to directly extrapolating a larger stock of emissions in units of tCO₂e. It is worth noting that for AAC, only ground travel and accommodation emissions were extrapolated since AAC has provided primary data for air travel.

Category 7 – Employee Commuting

For AC Parent, AAC, AITHI, AGCC, AHHI, BHL, DADC, IMI, AC Infra and ACL where employee commuting emissions were relevant, data from core services was used to extrapolate employee commuting emissions based on headcount.

Frequently used transportation mode’s data in core services was used to estimate the commuting pattern of AC parent and other group companies. Transportation modes with low usage frequency such as e-bus, e-jeepney, carpooling and tram were excluded from the analysis. Based on the survey responses for core services (ALI, ACEN, Globe, BPI and MWC), average annual distance per respondent and transportation mode (km/respondent/year) from all core services were used for the extrapolation. These factors were then multiplied by the number of employees in each of the group companies, which resulted in annual distance (km/year) per transportation mode per group company.

The same methodology was used to also calculate the average number of teleworking days per employee based on the data from cover services.

Category 8 – Upstream Leased Assets

IMI provided spend based data for leasing of IBM power server. This expenditure was used with the relevant CEDA category and CEDA emission factor for equipment leasing to calculate the related emissions. ACEN provided South Pole with the rental area and period of usage in days for one upstream leased asset. Emissions were, therefore, estimated based on secondary data, assuming an average mixed-use office electricity consumption intensity in kWh/ft² based on the Energy Information Administration’s 2012 Commercial Buildings Energy Consumption Survey¹¹. Electricity emission factors from IEA 2021 were then applied to the kWh consumed in 2021 to obtain the final emissions, with WTT and T&D losses also taken into consideration.

¹¹ U.S. EIA Commercial Buildings Energy Consumption Survey (CBECS) <https://www.eia.gov/consumption/commercial/data/2012/c&e/cfm/pba4.php>

For leased assets under AC Parent, AAC, AGCC and AITHI, spend based data for rent including facilities was provided. Utilities consumption and emissions were then extrapolated based on the methodology described in the section on “Extrapolations for Utilities Consumption on Rent Data” on  page 174.

Category 9 – Downstream Transportation and Distribution

This category is relevant for the transportation of sold products for IMI and AHHI.

AHHI provided data for the number of capsules or tablets sold during 2021 where the stores/customers paid for transportation costs. For weight of one single tablet, it was assumed that the product is Tylenol with a weight of 500 mg per tablet/capsule¹². For weight of the packaging, it was estimated to be 82.4g per 100 tablets based on weight of a box of 100 capsules and the weight of one pill¹³. This total weight of capsules/tablets along with the weight of the packaging was considered as total weight to be transported. For transportation distance, it was assumed to be 50 km by road. This data was converted into tkm value and BEIS emission factor for generic heavy goods vehicles (HGVs) at average loading capacity assuming land transportation was used to calculate the downstream transportation emissions.

For IMI’s downstream transportation and distribution emissions, the same method was applied from upstream transportation and distribution. For each of IMI’s sold products, IMI provided Incoterms upon which South Pole made assumptions on where IMI would likely pay for transportation. In this case, where it was assumed IMI did not pay for transportation, these sold product freights were assigned to this category. Through desktop research, the average road distances of freight were identified for Europe, China and a global level. The road freight distances were calculated for each sold product (whose transportation was not paid for by IMI) and a factor was applied from BEIS, 2021. For sea freight, the port-to-port distances were estimated through desktop research with the assumption

that the capital city ports would be representative of each destination country (while the Port of Manila was assumed for the Philippines). The sea freight distance was calculated in total and the BEIS, 2021 emission factor was then applied.

Category 10 – Processing of Sold Products

IMI was the only business unit that was identified to produce intermediate products in their supply chain. IMI’s processing of sold products category followed the same methodology as detailed for the Use of Sold Products category. There were six FG Groups that were classified as intermediate products that could potentially result in further processing, transformation, or inclusion in another product.

Using the LCAs, the manufacturing emissions components of these LCAs were applied. The emissions per unit from the manufacturing phases of the identified LCAs were then combined with the assigned costs to develop an emissions factor per US\$ for manufacturing of the relevant FG Groups. IMI’s manufacturing phase emissions were then developed in full based on their net value of sold product data to determine the Processing of Sold Products emissions.

Category 11 – Use of Sold Products

This category is relevant only for 3 business units – AITHI, IMI and ALI. These constituted key hotspots in Ayala’s total footprint.

Under sold products, ACI (under AITHI) provided data for sold cars, motorcycles, as well as other items like lubricants, accessories, parts, materials, etc. other than for cars and motorcycles, it was confirmed that rest of the items do not consume energy in any form during their use; hence, Use of Sold Products emissions were only applicable for cars and motorcycles.

For cars and motorcycles, the data provided by AC Industrials included product specification, i.e. model and type of vehicles, type of fuel used by the vehicles (petrol or diesel) and number of units of the vehicle sold. For each vehicle and fuel type, South Pole researched the average fuel efficiency

in km/L based on public resources specifically for the Philippines. Where there was a lack of available reference from the Philippines, other Asian or global sources were considered. Where multiple fuel efficiencies were available, the least efficient value was selected as a conservative estimate, and where fuel type was not provided, petrol was assumed due to its generally high emissions intensity per kilometer.

The average distance travelled by a car in a year was considered to be 19,200 km and for a motorcycle 13,800 km based on Chong, et. al. 2018¹⁴. The average lifespan of a motorcycle and a car were both considered as 15 years based on ITA and public sources¹⁵.

Total fuel consumption of a vehicle type was then calculated based on number of units sold, fuel efficiency, lifetime and average distance travelled in a year. The fuel consumption value in liters and relevant emission factor for the specified fuel, in this case petrol or petrol E10 for the Philippines, were used to calculate in-scope emissions and out of scope biogenic emissions. In-scope emission factor for petrol E10 of diesel B2 includes the primary in-scope emission factor, and a WTT emission factor to account for well-to-tank emissions of the fuel used. Out of scope biogenic emission factor for petrol E10 of diesel B2 is used.

¹² Weight of one tablet <https://www.tylenol.com/products/tylenol-extra-strength-caplets>
¹³ Weight of a box of 100 tablets of Tylenol <https://www.rapidtables.com/convert/weight/ounce-to-gram.html?x=4.67>
¹⁴ Chong, W. W. F., et al. “Passenger transportation sector gasoline consumption due to friction in Southeast Asian countries.” Energy conversion and management 158 (2018): 346-358. <https://core.ac.uk/download/pdf/231742344.pdf>
¹⁵ For lifetime estimate of a motorcycle <https://motor.onehowto.com/article/what-is-the-average-life-expectancy-of-a-motorcycle-6656.html>
For lifetime estimate of a car – Philippines automotive Market <https://www.trade.gov/market-intelligence/philippines-automotive-market#:~:text=The%20average%20vehicle%20lifespan%20in,and%20replacement%20and%20maintenance%20parts>

IMI provided limited datasets related to their sold products due to confidentiality of sensitive data related to their product’s performance and composition. As such, South Pole built significant assumptions around received data at a product category level from IMI.

More granular data from IMI must be collected to develop a more sensible estimate of this emissions hotspot.

South Pole received the annual electricity and fuel consumption from ALI for the sold units in 2021. These were extrapolated to the lifetime consumption, assuming that the buildings’ average lifetime is 50 years. The future electricity emission factor was estimated from the Philippine Energy Plan 2020-2040, based on the report’s Reference Scenario for the power sector. The Reference Scenario adopted many assumptions underlying the model, but it was deemed more conservative than the Clean Energy Scenario, which was also cited in the report. However, due to limited data, South Pole conservatively assumed that there was no further reduction in the electricity emission factor from 2040 to 2070. Location-based and market-based average emission factors for electricity were calculated for a period of 50 years, i.e. for 2021 to 2071. This emissions factor was then multiplied with the provided data for annual electricity consumption of the units sold to calculate the use of sold products emissions for ALI.

Category 12 – End-of-life Treatment of Sold Products
This category is relevant for ALI, IMI, AITHI (excl. IMI) and AHHI, with emissions from AITHI (excl. IMI) being the largest of these.

End-of-life Treatment of Sold Products emissions under AITHI (excl. IMI) were related to sold vehicles under AC Motors. AITHI (excl. IMI) only provided vehicles sold and their types. As such, the weights of cars and motorcycles were determined through desktop research¹⁶. The composition of materials of a car was based on a study by Kaczmarek et. al. 2009¹⁷. The estimated refrigerant quantity was 0.85 kg per car¹⁸, with the assumed type being R-134A. The composition

of materials of motorcycles could not be estimated; hence, the relative percentages mirrored those of cars but excluded refrigerant and glass. Next, the end-of-life treatment of materials from cars and motorcycles was determined using research from the Economic Research Institute for ASEAN and East Asia (2017)¹⁹ – metal components, batteries, rubber and plastic components were assumed to be recycled while waste oil was assumed to be sent to landfill. Once the weight of materials were determined and treatment methods was applied, relevant emission factors from BEIS, 2021 and Ecolnvent v3.8, 2021 were applied. AITHI (excl. IMI) also provided spend data for lubricants, parts, accessories, novelty items & materials, which were converted into weight using online sources. Treatment methods were assumed to be landfill for parts and accessories, while lubricants were assumed to be incinerated.

ALI provided South Pole with the material quantity for three materials/ structures, such as concrete, rebar and interior partition. These were provided for most of the properties that were sold in 2021. Conversions to mass in kg were necessary to apply the required emission factors. It was assumed that the density of concrete was 2,400 kg/m³, while the thickness of the inner partition was 100 mm with an assumed plywood density of 700 kg/m³. On the other hand, there was no official data on the construction waste disposal method in the Philippines. Based on the World Bank’s ‘What a Waste 2.0’ report, South Pole assumed that 28% of the waste was recycled. While the report cited the other 72% as being disposed of via the ‘unknown’ method, South Pole assumed these were landfilled, based on the understanding that, currently, the majority of construction waste is sent to landfill.

IMI’s emissions were estimated based on the estimated weights of sold products. These estimated weights were aggregated, and the recycling rate of these sold products was estimated to be 17.4% based on research by Forti et. al. (2020)²⁰. The remaining sold products were assumed to go to landfill. Once the weight of sold products was split by recycling and

landfill methods, relevant emission factors from BEIS, 2021 were applied.

AHHI provided sold product quantities for general medicines (tablets, capsules, pieces); however, no details of the end-of-life treatment of their packaging was provided. As such, a common medicine for everyday use such as Tylenol was used as a proxy. Using data from Amazon (2024)²¹, the total package weight was determined, from which the weight of a single caplet²² was subtracted. A general assumption was made by South Pole that the paper and plastic contribution to this packaging would be a 50/50 split. From this, a total paper and plastic weight per pill was calculated at 0.824 g. This was then multiplied by quantities of sold general medicines provided by AHHI, for which an incineration emission factor from BEIS, 2021 was applied.

¹⁶ Chong, W. W. F., et al. "Passenger transportation sector gasoline consumption due to friction in Southeast Asian countries." Energy conversion and management 158 (2018): 346-358. <https://core.ac.uk/download/pdf/231742344.pdf>

¹⁷ Kaczmarek, L., et al. "New possibilities of applications aluminum alloys in transport." Archives of Metallurgy and Materials 54(4) (2009): 1199-1205.

¹⁸ Schwarz, W. "Emission of Refrigerant R-134a from Mobile Air-Conditioning Systems." Study conducted for the German Federal Environment Office. (2001). <https://www.oekorecherche.de/sites/default/files/publikationen/mac-loss-2001.pdf>

¹⁹ Kojima, M. "Vehicle Recycling in the ASEAN and other Asian Countries: Chapter 2." ERIA Research Project no. 16. (2017): pp. 7-57. https://www.eria.org/uploads/media/ERIA_RPR_FY2017_16.pdf

²⁰ Forti V., Baldé C.P., Kuehr R., Bel G. The Global E-waste Monitor 2020: Quantities, flows and the circular economy potential. United Nations University (UNU)/United Nations Institute for Training and Research (UNITAR) – co-hosted SCYCLE Programme, International Telecommunication Union (ITU) & International Solid Waste Association (ISWA), Bonn/Geneva/ Rotterdam, https://ewastemonitor.info/wp-content/uploads/2020/11/GEM_2020_def_july1_low.pdf

²¹ Amazon. 'Tylenol 40900 Extra Strength Dispenser Box (50 Pouches of 2 Caplets Each)'. 2024. <https://www.amazon.com/Tylenol-Strength-Dispenser-Pouches-Caplets/dp/B005NIISTY>

²² Each pill was estimated to have 500 mg of an active ingredient, with all other ingredient weights considered negligible. Active ingredient weight sourced from Tylenol. <https://www.tylenol.com/products/tylenol-extra-strength-caplets>

Category 13 – Downstream Leased Assets
This category is only relevant for ALI. South Pole relied on primary electricity and fuel consumption data provided by ALI to calculate the 2021 emissions from their leased properties. The emission factors used for the calculation includes both the primary generation or combustion emissions, as well as indirect well-to-tank (WTT) and T&D losses emissions.

Category 14 – Franchises
This category is relevant for AHHI and AITHI. AHHI provided primary diesel consumption for backup generator sets for the Generika stores under Franchises. This primary data was used with BEIS emission factor for 100% mineral diesel to estimate the emissions.

For electricity consumption at the AHHI franchise stores, this was extrapolated based on the combined area for all the stores using the area-based extrapolation methodology. The same methodology was also used to estimate electricity consumption for AITHI's franchise KTM stores based on the area data provided by AITHI. Refrigerant consumption for both AHHI and AITHI was extrapolated using the area-based methodology.

The emission factors used for the calculation includes both the primary generation or combustion emissions, as well as indirect well-to-tank (WTT) and T&D losses emissions, where applicable.

Category 15 – Investments
1. iPeople – For iPeople, AC provided diesel for generator sets and electricity primary consumption data for schools and universities, and primary fuel usage data for vehicles owned by IPO. For IPO's offices, only rent or spend-based data was provided and, thus, was used to estimate electricity, diesel for generators and refrigerant consumption as discussed in the section on "Extrapolations for Utilities Consumption Based on Rent Data" on **page 174**.

2. Asiacom – For Asiacom, spend based data was provided for utilities, i.e., water and electricity. Based on the proxy for % spend based on rent in the section on "Extrapolations for Utilities Consumption Based on Rent Data" on **page 174**, the spend data was separated for electricity and

water, and a conversion factor was used based on BPI's data to convert the spend into primary consumption data. Refrigerant consumption for AsiaCom's office was estimated using the area-based method.

3. Affinity X – For Affinity X, an investment under Azalea (AIVPL) primary electricity consumption data was provided in kWh. Emission factor used for calculation of emissions includes both the emissions related to electricity generation as well as T&D losses.

4. AC Infra – For LRMC and AFPI under AC Infra, South Pole used the primary consumption data provided in kWh for electricity and in liters for stationary and mobile fuel consumption.

5. AIVPL, AVHC, BHL, AHHI, MHI – For investments under AIVPL, AVHC, BHL, AHHI and MHI where the data provided by Ayala Corporation was either in terms of revenue or equity investment, each investee was assigned a sector based on publicly available data. Emissions were estimated using custom South Pole-derived emission factors for various industry sectors classified according to the Global Industry Classification Standard (GICS).

6. ALI – Financed emissions from ALI's portfolio were estimated using a hybrid approach. If the invested company did not have carbon intensity data (kgCO₂e/million ₱ of investment) as reported in its sustainability report, South Pole had estimated based on the available data of industry averages. Majority of the sustainability reports, however, recorded the carbon intensity as kgCO₂e per sales/revenue, rather than invested sum. This necessitated the conversion from sales to invested sum using the turnover ratio, under the assumption that the assets owned by a company were equal to the investment value. The carbon intensity, in kgCO₂e per invested sum, was then multiplied by the investment amount by ALI to get the total emissions.

7. ACEIC – Emissions from all investments in thermal and renewable assets were accounted for under ACEIC by applying the effective

equity stake % as of November 2023. During the GHG accounting done for ACEIC, South Pole accounted for multiple rounds of investments and divestments throughout 2021. ACEIC had provided primary data in terms of fuel consumption in liters and electricity consumption in kWh for all the investees. This primary data was then multiplied by the equity stake changes for various divestment rounds throughout 2021 to get the final activity data for each site.

8. Globe – As Globe is a JV, only scopes 1 and 2 emissions of Globe are accounted for under scope 3 category 15 investments for Ayala Corporation. Globe provided primary consumption data for stationary combustion, mobile combustion and refrigerant use. Purchased electricity emissions for Globe were calculated from primary data provided by Globe. For Globe's PortCos, kWh consumption data and country-level EIA (2021) emission factors were used. For Singapore, where only spend-based data was provided, a factor was used to convert to primary consumption data. Globe's scopes 1 and 2 emissions were then multiplied by a factor of 30.69% to account for AC's stake in Globe as of November 2023.

9. MWC – MWC is an associate for Ayala Corporation and only scope 1 and 2 emissions of MWC are relevant for AC and are accounted for under scope 3 category 15 investments. MWC provided primary consumption data for stationary combustion, mobile consumption and refrigerants. For mobile fuels, diesel B5 and petrol E5 blends were assumed for Vietnam and diesel B2 and petrol E10 blends for the Philippines. Process emissions and water related fugitive emissions – The emissions from different sources were associated as under: ozone-based water treatment (N₂O), wastewater processing (CO₂ biogenic, CH₄ and N₂O) and wastewater discharge to the environment (CO₂ biogenic, CH₄ and N₂O). These scope 1 and scope 2 emissions from MWC were then multiplied by direct equity stake of the three entities – AC – 19.56%, PHILWATER – 4% and MHI – 0.03% and accounted for under scope 3 category 15 investments of each of the entities.

10. BPI – BPI is also an associate for Ayala Corporation and only scopes 1 and 2 emissions of BPI are relevant for AC and are accounted for under scope 3 category 15 investments. Under stationary combustion, actual diesel consumption was provided for owned main and head offices, and for some branches (~300 out of ~800 branches). Extrapolations were applied to unavailable data in owned head/main offices, and branches. This was carried out by multiplying the office area with the average diesel consumption per m². Final consumption per subsidiary was estimated by using utility expense percentage of subsidiaries in each building. Mobile combustion emissions were not applicable. Actual refilled refrigerant amount for head and main offices were provided. Final leakage amount per subsidiary was estimated by using utility expense percentage of subsidiaries in each building. Actual electricity consumption of the owned buildings was provided.

Final consumption per subsidiary was estimated by using utility expense percentage of subsidiaries in each building.

Similar to MWC, scopes 1 and 2 emissions were then multiplied by the direct equity stake of three entities – AC – 30.64%, LHI – 18.72% and MHI – 2.05% and accounted for under scope 3 category 15 investments of each of the entities.

Emission Factors Used

For Globe, MWC and BPI, emission factors used only cover the primary combustion or electricity generation emissions, whereas emission factors used for primary or extrapolated consumption data for IPO, Asiacom, Affinity X and AC Infra include both primary combustion or generation emissions, as well as WTT and T&D losses related emissions.

As per the GHG Protocol²³, only scopes 1 and 2 emissions of investees are to be accounted for; hence, the approach used here is aligned with the minimum requirement of GHG Protocol.

Extrapolations for Utilities Consumption Based on Rent Data

- Data provided – Spend data for annual rent and utilities for a total of 8 facilities including Honda Cars Sale and Showroom Outlet, 3 office spaces, 1 parking structure and 3 documents storage warehouses under AAC, AC Parent and AITHI. Leased area was also provided for Honda Cars showroom, office space leased from Mermac and the parking structure leased from ALI. There was no data provided for electricity, diesel or refrigerant consumption for any of the sites.
- Methodology for calculation – To maintain consistency with approach, expenditure or rent data was used for estimation of fuel, electricity and refrigerant consumption in the spaces leased/used by AC. As most of the spaces were leased from ALI and there was data availability for ALI from previous engagement with South Pole, considering applicable facility type for Ayala Corporation, data from ALI for offices and car park was used to develop a proxy for dividing total rent into spend for diesel for generator sets, water, electricity, refrigerants. It was assumed that from the total expenditure for rent, 50% of the rent is the spend on utilities; hence, only 50% of the expenditure or annual rent was considered in the estimation of annual consumption of diesel, electricity and refrigerants²⁴. As these are leased facilities, there are two types of emissions – direct emissions from the space that is being leased (e.g. emissions from the floor space leased which will be recorded under scopes 1 and 2), and indirect emissions from the common spaces of the elapsed building like the lobby, parking spaces, cafeteria, elevators, etc. which are proportional to the area leased compared to the total building area and reported under scope 3 category 8 upstream leased assets.
- Facilities considered – From ALI's data, office and car parks were considered for direct emissions from the leased space. For common areas, data from the buildings where Ayala Corporation has leased the space was considered. For example, AC Parent leases a warehouse and parking spaces in TOEP; hence, data

from TOEP DCS and Tower One and Exchange Plaza from ALI inventory were considered for extrapolation for common area emissions.

- Emissions sources considered – For all the relevant facilities considered for extrapolation, data was available for water purchased, diesel used in backup generators, LPG used in cooking, purchased electricity for common area and for leased area and refrigerant use. This data was available under scope 1 stationary combustion, scope 1 fugitive emissions, scope 2 electricity and scope 3 downstream leased assets under the ALI inventory.
- Exclusions – Water consumption in the common areas was excluded as only scopes 1 and 2 of leased assets are to be included based on the GHG Protocol. HCFC refrigerants like R-22 and R-123 were excluded from the analysis as HCFC refrigerants are out of scope as per the GHG Protocol²⁵, page 120. There were minimal (<1%) emissions from petrol usage for stationary combustion in some of the ALI properties but this was excluded due to low materiality.

Conversion Factors Used

The following conversion factors were used to convert physical consumption data into spend data:

- a. Electricity – 23.08 ₱/kWh (based on data provided by BPI during South Pole's engagement with BPI)
- b. Water – 123.24 ₱/m³ (based on data provided by BPI during South Pole's engagement with BPI)
- c. Diesel for gensets – 47.71 ₱/liter (Oil price in Philippines in 2021)
- d. Refrigerant R134A – 647.06 ₱/kg²⁶

²³ GHG Protocol – scope 3 category 15 Investments <https://ghgprotocol.org/sites/default/files/2022-12/Chapter15.pdf>

²⁴ Outsource Accelerator. 2023 <https://www.outsourceaccelerator.com/articles/how-much-rent-lease-office-space-manila-costs/#:~:text=The%20electricity%20%28A/C%29%2C%20utilities%2C%20CUSA%20and%20internet%20%28with%20backup-%29%20can%20cost%2030%25%2D50%25%20on%20top>

²⁵ GHG Protocol Corporate Standard, page 120

²⁶ Department of Energy (DoE). 'NCR Prevailing Retail Pump Price as of December 14, 2021'. Department of Energy, Philippines. 2021 https://www.doe.gov.ph/sites/default/files/pdf/price_watch/petro_ncr_2021-dec-21.pdf

Jaime Augusto Zobel de Ayala

Filipino, 64, has been 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 Energy and Infrastructure Corporation (formerly AC Energy, Inc.) and Asiacom Philippines, Inc.; Director of AC Ventures Holding Corp. 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 and HBS Asia Advisory Committee. He sits as Chairman of the Board 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 World Wildlife Funds 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 first recipient 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 B.A. in Economics (Cum Laude) from Harvard College in 1981 and obtained an MBA from the Harvard Graduate School of Business in 1987.

Cezar P. Consing

Filipino, 64, has been the President and Chief Executive Officer of Ayala Corporation since September 27, 2022 and has been a Director since December 3, 2020. He has been a member of the Ayala Group Management Committee since April 2013. He is currently the Vice Chairman of the following publicly listed companies of the Ayala Group: Ayala Land, Inc., Globe Telecom, Inc., Bank of the Philippine Islands (BPI) and ACEN Corporation. Concurrently, he holds the following positions in the Ayala Group: Chairman of AC Logistics Holdings Corporation, AC Infrastructure Holdings Corporation, AC Industrial Technology Holdings, Inc., AC Ventures Holding Corp. and AC Mobility Holdings Incorporated; Vice Chairman of AC Energy and Infrastructure Corporation and Ayala Healthcare Holdings, Inc.; and, Director of Asiacom Philippines, Inc. and ACEN International, Inc. He is the Chairman of Philippine Dealing System Holdings and the College of St. Benilde. 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 the Vice Chairman of BPI's Executive Committee of the board and a member of the Nomination Committee. He served as the Chairman and President of the Bankers Association of the Philippines and was the President of Bancnet, Inc. He was a Director of the Singapore-listed Yoma Strategic Holdings Ltd. and the Myanmar-listed First Myanmar Investment Public Company Limited. 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.

He 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 was a board director of the US-Philippines Society. He is a board director of the Philippine-American Educational Foundation and a board trustee of the Manila Golf Club Foundation. He has been a member of the Trilateral Commission since 2014. He 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.

Fernando Zobel de Ayala

Filipino, 63, has served as a Director of Ayala Corporation (AC) since September 28, 2023. He previously served as AC Director from May 1994 to September 12, 2022. He was the President and COO of AC for 15 years, before assuming the role of CEO until September 12, 2022. He currently serves as Chairman of the Board at AC Health, Director of Bank of the Philippine Islands and as a Special Advisor to the Board of Ayala Land, Inc. He serves as Independent Director of Shell Pilipinas Corporation, Chairman of Accendo Commercial Corp. and Alabang Commercial Corp., and Vice Chairman of Fort Bonifacio Development Corporation, AKL Properties, Inc. and Bonifacio Art Foundation, Inc. He also serves on several civic boards and advisory groups including as Chairman of Ayala Foundation and Hero Foundation, member of the Board of Trustees of Georgetown University, Caritas Manila, Pilipinas Shell Foundation and Asia Society. He is also a member of the Asia Philanthropy Circle, The Metropolitan Museum International Council, TATE Asia Pacific Acquisitions Committee and Habitat for Humanity International’s Asia Pacific Development Council. He holds a liberal arts degree from Harvard College and a CIM from INSEAD, France.

Delfin L. Lazaro

Filipino, 77, has been a Non-Executive Director of Ayala Corporation since January 2007. He holds the following positions in publicly listed companies: Chairman of 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.; Chairman and President of 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 Advisor 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.

Rizalina G. Mantaring

Filipino, 64, has been an Independent Director of Ayala Corporation since April 24, 2020. Concurrently, she is also a Director of Sun Life Grepa Financial, Inc. and an Independent Director of Bank of the Philippine Islands, BPI Asset Management & Trust Group Inc., First Philippine Holdings Corp., PHINMA Corp. Inc., Universal Robina Corp., GoTYME Bank Inc., Maxicare Healthcare Corporation 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 and a member of the Private Sector Advisory Council to the President of the Philippines. 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

Filipino, 63, has been an Independent Director of Ayala Corporation since April 26, 2024. 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, Ayala Land, Inc., Universal Robina Corporation, Jollibee Foods Corporation, Bank of the Philippine Islands, BPI Capital Corporation, member of the Board of Trustees of 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. He is a member of the Bloomberg Task Force on Fiscal Policy for Health since December 2023. 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. Mr. Purisima completed the Harvard Business School’s CEO Harvard Presidents’ Seminars in 2023 and 2024. He was a recipient of Centenary Award of Excellence by the Professional Regulatory Board of Accountancy on the occasion of the 100th year of the Philippine accounting profession in 2023. 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

Singaporean, 66, has been an Independent Director of the Company since April 26, 2024. She is a Senior Advisor at Singapore Telecommunications Limited, Asia’s leading communications technology group, having served as its Group Chief Executive Officer for thirteen (13) years until December 31, 2020. She sits on the boards of Bharti Airtel Limited and Bharti Telecom Limited, She is also a Director of Prudential plc and Member of the Supervisory Board of Royal Philips and Securities Industry Council. She is Deputy Chairman of the Public Service Commission and a member of the Council of Presidential Advisers. On March 14, 2024, she stepped down as director of the Defence Science and Technology Agency and Cap Vista Pte Ltd. She was also a director of Research, Innovation & 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.

Mercedita S. Nollado

Filipino, 82, has served as a Director of Ayala Corporation from September 27, 2022 to September 28, 2023. 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. Nollado 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. Nollado 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.

Alberto M. de Larrazabal

Filipino, 68
Senior Managing Director, Chief Finance Officer and Finance Group Head

Alberto M. de Larrazabal has been a Senior Managing Director and Chief Finance Officer (CFO) of Ayala Corporation since 23 April 2021. He also holds the following positions in Ayala Group’s publicly listed companies: Chairman of the Board of Directors of Integrated Micro-Electronics, Inc. (IMI), Director of Manila Water and ENEX Energy Corp. He is the Vice Chairman, President and CEO of AC Ventures Holdings Corp., Chairman of Ayala Aviation Corporation, Ayala Group Legal and Livelt Investments Limited; Chairman and President of Liontide Holdings, Inc.; President and CEO of AC Infrastructure Holdings Corporation, AC International Finance Ltd., AYC Finance Limited and Bestfull Holdings Limited; Vice Chairman of Lagdigan Land Corporation; President of Philwater Holdings Company, Inc.; CEO of Azalaea International Venture Partners Limited; Director, Treasurer and CFO of WeAreAyala Business Club, Inc., Trustee of Ayala Foundation, Inc., Director of AC Energy and Infrastructure Holdings, Inc., AC Industrial Technology Holdings, Inc., AC Logistics Holdings Corporation, ACEN International, Inc., A.C.S.T Business Holdings, Inc., Air 21 Holdings, Inc., APPPPS Partners, Inc., Asiacom Philippines, Inc., Ayala Healthcare Holdings, Inc., Healthnow, Inc., Light Rail Manila Holdings, Inc., Merlin Solar Technologies, Inc., Michigan Holdings, Inc., Mobility Access Philippines Ventures Inc., Affinity Express Holdings, Ltd., AG Holdings Limited, AG Region Pte. Ltd., AI North America, Inc., Ayala International Pte. Ltd., Ayala International Holdings Pte Limited, AYC Holdings Limited, BF Jade E-Services Philippines, Inc., Fine State Group Limited, Pioneer Adhesives, Inc., Purefoods International Limited (“PFIL NA”), Strong Group Limited, Total Jade Group Limited and VIP Infrastructure Holdings Pte. Ltd.

He has over two decades of extensive experience as a senior executive in Finance, Business Development, Treasury Operations, Joint Ventures, Mergers and Acquisitions, as well as Investment Banking and Investor Relations.

Prior to joining Ayala Corporation, he served as Chief Commercial Officer and CFO of Globe Telecom. Before he was with Globe Telecom, he held positions such as Vice President and CFO of Marsman Drysdale Corporation, Vice President and Head of the Consumer Sector of JP Morgan Hong Kong and Senior Vice President and CFO of San Miguel Corporation.

He holds a Bachelor of Science degree in Industrial Management Engineering from De La Salle University.

Solomon M. Hermosura¹

Filipino, 61
Senior Managing Director, Chief Legal Officer, Corporate Secretary, Compliance Officer, Data Protection Officer and Corporate Governance Group Head

Solomon M. Hermosura served as a Senior Managing Director, Group Head of Corporate Governance, Chief Legal Officer, Corporate Secretary, Compliance Officer and Data Protection Officer of Ayala Corporation until February 29, 2024. He has served as a member of the Ayala Corporation Management Committee since 2009 and the Ayala Group Management Committee since 2010.

He was the Corporate Secretary and Group General Counsel of Ayala Land; Corporate Secretary of IMI, Globe Telecom, ACEN Corporation, AREIT and Ayala Foundation and Corporate Secretary and a member of the Board of Directors of a number of companies in the Ayala Group. He served as Managing Director of Ayala Corporation from 1999 to June 2022.

Atty. Hermosura is currently a member of the faculty of the College of Law of San Beda University.

He graduated valedictorian with a Bachelor of Laws degree from San Beda College in 1986 and placed third in the 1986 Bar Examinations.

Jose Rene Gregory D. Almendras

Filipino, 63
Senior Managing Director, Group Head of Public Affairs, and President and CEO of AC Logistics Holdings Corporation

Jose Rene Gregory D. Almendras serves as a Senior Managing Director and Group Head of Public Affairs of Ayala Corporation. He is also a Director in ACEN Corporation and concurrently holds the following positions within the Ayala Group: Chairman of Entrego Fulfillment Solutions, Inc.; Chairman, CEO and President of Air 21 Holdings, Inc., Waste & Resources Management, Inc. and Integrated Waste Management, Inc.; President and CEO of AC Logistics Holdings Corporation; Chairman of A-Movement Corporation, Airfreight 2100, Inc. Air 2100, Inc., U-Freight Philippines, Inc., U-Ocean, Inc., LGC Logistics, Inc. and Cargohaus, Inc.; Director of AA Infrastructure Projects Corporation, AC Energy and Infrastructure Corporation, AC Infrastructure Holdings Corporation, AF Payments Inc., Light Rail Manila Holdings, Inc. and Mobility Access Philippines Ventures Inc.; and Executive Vice President of Asiacom Philippines, Inc.

He served as President and CEO of Manila Water from September 1, 2019 to June 4, 2021. He spent 13 years with the Citibank group where he started as a management trainee and landed his first CEO position as President of City Savings Bank of the Aboitiz Group at the age of 37.

In 2011, he was recognized by the World Economic Forum as a Sustainability Champion for his efforts as President of Manila Water. Also during his time at Manila Water, the company received multiple awards and was recognized as one of the Best Managed Companies in Asia, Best in Corporate Governance, one of the Greenest Companies in the Philippines and hailed as the world’s Most Efficient Water Company.

Under the Administration of President Benigno S. Aquino III, Mr. Almendras served as a member of the Cabinet, holding the position of Secretary of the Department of Energy, Office of the Cabinet Secretary and the Department of Foreign Affairs. In June 2016, he was acknowledged by the Administration

for his remarkable performance in addressing the country’s urgent issues and was awarded the highest Presidential Award given to a civilian – Order of Lakandula, Rank of Gold Cross Bayani.

He graduated from the Ateneo de Manila University with a bachelor’s degree in Business Management in 1981.

Francisco Romero Milán

Filipino², 41
Managing Director, Chief Human Resource Officer and Corporate Resources Group Head

Francisco Romero Milán has been a Managing Director, Corporate Resources Group Head and Chief Human Resource Officer of Ayala Corporation (AC) since March 2023. Prior to this, he served as Strategic Human Resources Adviser at AC and Head of HR Council and the HR Executive Committee of the Ayala Group.

He joined the Ayala Group in 2019 as Vice President, member of Management Committee and Human Resources Officer of Integrated Micro-Electronics, Inc. (IMI), a leading global manufacturing solutions expert in the work of manufacturing portfolio of AC Industrial Technology Holdings, Inc. (“AC Industrials”), a wholly owned subsidiary of the Corporation. He was the Group Head of Human Resources and Sustainability of AC Industrials. Concurrently, he serves on the Boards of HCX Technology Partners Inc. and Ayala Group Legal.

He is also member of the Board of Trustees of Teach for the Philippines, where he has served for over seven years as a Thought Partner and Vice-President and a Board Member of the European Chamber of Commerce in the Philippines.

Prior to this, he held increasingly senior roles at A.P. Moller-Maerks, a global shipping and energy conglomerate located in Copenhagen, Denmark, with operations in over 130 countries and around 90,000 employees worldwide. In his last position he was responsible for HR Operations in 15 countries across Asia and the Pacific. He serves as a Partner, member of the Board and Strategic Advisor of Penbrothers International,

a Philippine-based talent management partner for startups and SMEs from all over the world.

Karl Kendrick T. Chua

Filipino, 45
Managing Director and Data Science and Artificial Intelligence Group Head

Karl Kendrick T. Chua has served as the Managing Director for Data Science and Artificial Intelligence in Ayala Corporation since July 2023.

He is a Director of BPI, BPI Direct Banko and AC Ventures and is an Independent Director of D&L Industries, Inc and Golden ABC, Inc. He is also a Board adviser in LH Paragon, Inc.

He has extensive experience in the areas of economic and fiscal policy, statistical development, national identification, labor and social protection policy, poverty analysis and digital transformation, among others. He was also an adviser for the World Bank’s World Development Report and was a member of the Selection Committee of the Asian Development Bank and International Economic Association Innovative Policy Research Award.

Mr. Chua was a senior official in the Government of the Philippines for six years, holding the positions as Secretary of the National Economic and Development Authority (NEDA) and Undersecretary for Strategy, Economics and Results at the Department of Finance. As Secretary of Socioeconomic Planning and Chief Economist of the country, he provided strategic leadership on economic policy during the Covid-19 pandemic and the further liberalization of key sectors of the economy. He also oversaw the implementation of the national ID program. As Undersecretary in the Department of Finance, he led the technical team in the passage of the Comprehensive Tax Reform Program and the Rice Tariffication Law.

Prior to joining the government, he was with the World Bank for 12 years and was the senior economist for the Philippines.

In 2018, he was awarded the Ten Outstanding Young Men of the Philippines (TOYM) for economic development.

Mr. Chua graduated from the Ateneo De Manila University in 2000 with a bachelor’s degree in Management Engineering. He earned his M.A. Economics in 2003 and Ph.D. Economics in 2011 from the University of the Philippines and recently studied data science at the Asian Institute of Management.

Mark Robert H. Uy

Filipino, 36
Executive Director, Corporate Strategy Group Head, Business Development and Digital Ventures Head

Mark Robert H. Uy has served as Ayala Corporation’s Management Committee Member, Corporate Strategy Group Head, Business Development and Digital Ventures Head since August 2023.

He has over a decade of investment banking experience, more recently as Credit Suisse’s Country Manager and Head of Investment Banking and Capital Markets in the Philippines. Prior to joining Credit Suisse, he spent 12 years at J.P. Morgan in Manila, Chicago and Singapore offices. His industry experience includes transactions in the energy, agriculture, packaged food and restaurant industries, among others.

He graduated from the Ateneo de Manila University with a bachelor’s degree, cum laude, in Management Engineering, minor in Finance. He is also CFA charterholder.

Jaime Z. Urquijo

Filipino, 35
Associate Director, Chief Sustainability and Risk Officer

Jaime Z. Urquijo joined the Ayala Group Management Committee as Chief Sustainability and Risk Officer (CSO/CRO) of Ayala Corporation in August 2023.

He was previously Vice President for Business Development at Ayala Corporation’s listed energy platform, ACEN Corporation. During his tenure at ACEN, he led the initiatives to expand the group’s

¹ Resigned effective February 29, 2024

² By naturalization, subject to probationary period of two-years from promulgation of RTC Decision.

portfolio of assets in the Philippines, Vietnam, Myanmar and Indonesia. Most recently as country manager for Indonesia, he established ACEN's office in Jakarta. These initiatives resulted in 500MW of operating wind and solar assets in Vietnam and over 2GW of pipeline projects for ACEN across the region.

Prior to his time at ACEN, Mr. Urquijo served as the Head of Business Development for AF Payments, Inc., a joint venture between the Ayala Group and Metro Pacific which was awarded and successfully delivered on a concession to modernize the ticketing system of the LRT 1, LRT 2 and MRT 3. He and the AF Payments team created the Beep Card payment system, which delivered the country's first interoperable public transport payment card, integrating the rail commute of the 1.5 million commuters who use the LRT and MRT daily, with buses and retail use cases.

In addition to his CSO/CRO role, he is currently a Director of BPI, BPI/MS Insurance, IMI, AC Industrial Technology Holdings, Inc., AC Ventures Holdings Corp., Merlin Solar Technologies, Inc., Merlin Solar Technologies (Phils.), Inc. and Chairman of Klima 1.5 Corp. He is also Vice Chairman of the Board of Trustees and Chairman of the Executive Committee of Ayala Foundation.

He is an advisor to the Board of the Philippine Rugby Football Union and is the current President of the Notre Dame Club of the Philippines. He is also an Executive Committee member of the INSEAD Alumni Association of the Philippines and a Trustee of WWF Philippines.

Prior to joining the Ayala Group, Mr. Urquijo was an associate at JP Morgan in New York.

He received his Bachelor of Arts degree in Political Science from the University of Notre Dame in the US and his MBA from INSEAD in France.

Anna Margarita Ma. B. Dy

Filipino, 54

Senior Managing Director and President and CEO of Ayala Land, Inc.

Anna Margarita Ma. B. Dy is a Senior Managing Director of Ayala Corporation. She has served as a Director, President and CEO of Ayala Land since October

2023 and as a member of the Management Committee of Ayala Land since August 2008. She was also an Executive Vice President (EVP) from January to September 2023 and a Senior Vice President (SVP) from January 2015 to December 2022.

Prior to becoming President, she was the Head of the Residential Business Group of Ayala Land in 2022 and the Head of the Malls Group in 2023. Before that, she also headed the Ayala Land Estates Group.

Her other significant positions are: Chairman of Amaia Southern Properties, Inc., Ayala Land Premier, Inc., Ayala Land International Sales, Inc., Avida Land Corp. and Solinea, Inc.; Vice Chairman of Alveo-Federal Land Communities Inc.; Director and EVP of AKL Properties, Inc., Avencosouth Corp. and Portico Land, Inc.; and Director of Accendo Commercial Corp., Alveo Land Corp., Ayala Land Eton Property Development Corporation, Altaraza Development Corporation, Amaia Land, Inc., Amicassa Process Solutions, Inc., Aurora Properties, Inc., Ayala Greenfield Development Corporation, Ayala Property Management Corporation, Ayala Land-Tagle Properties, Inc., BGWest Properties, Inc., Bellavita Land Corp., Berkshires Holdings, Inc., Bonifacio Land Corporation, Cagayan de Oro Gateway Corp., Columbus Holdings, Inc., Emerging City Holdings, Inc., CECI Realty, Inc., Fort Bonifacio Development Corporation, Nuevocentro, Inc., Serendra, Inc. and Vesta Properties Holdings, Inc.

Prior to joining Ayala Land, Ms. Dy was Vice President at Benpres Holdings Corporation.

She graduated magna cum laude from the Ateneo De Manila University with a bachelor's degree in Economics (Honors Program) in 1990. She earned her master's degree in Economics from the London School of Economics and Political Science in 1991 and MBA at Harvard Graduate School of Business Administration in Boston in 1996.

Jose Teodoro K. Limcaoco

Filipino, 62

President and CEO of Bank of the Philippine Islands

Jose Teodoro K. Limcaoco was appointed as President and Chief Executive Officer of Bank of the Philippine Islands (BPI)

in April 2021. He serves as chairman of BPI Wealth – A Trust Corporation, Bank of the Philippine Islands (Europe) Plc., BPI Capital Corporation, ALFM Money Market Fund, Inc., ALFM Peso Bond Fund, Inc., ALFM Dollar Bond Fund, Inc., ALFM Growth Fund, Inc., Philippine Stock Index Fund Corporation, ALFM Global Muti-Asset Income Fund, Inc., ALFM Real Estate Income Fund, Inc., BPI/MS Insurance Corporation and BPI AIA Life Assurance Corporation. He is Vice Chairman of BPI Century Tokyo Lease & Finance Corporation and BPI Century Tokyo Rental Corporation. He is also President and Vice Chairman of BPI Foundation, Inc. Outside of BPI, he is President of the Bankers Association of the Philippines, Chairman of Philippine Payments Management Inc., a Trustee of the Asian Institute of Management and a Director of AC Mobility Holdings, Inc.

He is also a current member of the Management Association of the Philippines, the Financial Executives Institute of the Philippines (FINEX) and the Rotary Club of Makati West (where he is a Past President). Lastly, he is a Director of Just for Kids, Inc., a homegrown business of his family.

From 2015 to 2021, he was a Senior Managing Director and the Chief Finance Officer, Chief Risk Officer, Chief Sustainability Officer and Finance Group Head of Ayala Corporation. He was also a Director of the Board of several Ayala companies, including publicly-listed companies, namely: Globe Telecom, Inc., Integrated Micro-Electronics, Inc. and SSI Group, Inc. He also served as a director of a number of Ayala group companies including those involved in healthcare, infrastructure, education, energy and industrial technologies.

Previously, he served as President of BPI Family Savings Bank from 2010-2015 and President of BPI Capital Corporation from 2007-2010. He was also Officer-in-Charge of Ayala Life Assurance, Inc. in 2009, director/chairman of Ayala Plans, Inc. in 2010-2015 and director of Globe Fintech Innovations, Inc. in 2017-202 and AC Energy International Inc. in 2019-2022. He also worked at BPI from 1989 to 1992 and at BPI Capital from 1995 to 1997. He joined Ayala Corporation as a Managing Director in 1998. His responsibilities prior to his secondment to BPI in 2007 included Assistant Treasurer of Ayala

Corporation, Trustee and Treasurer of Ayala Foundation, Inc., President of myAyala.com and CFO of Azalea Technology Investments, Inc. from 2001-2006. He also served as the President of the Chamber of Thrift Banks from 2013-2015. He was named as the ING-Finex CFO of the Year in 2018. He has held prior positions with JP Morgan & Co. and with BZW Asia.

He graduated from Stanford University with a BS Mathematical Sciences (Honors Program) degree in 1984 and from the Wharton School of the University of Pennsylvania with an MBA (Finance and Investment Management) in 1988.

Ernest Lawrence L. Cu

Filipino, 63

President and CEO of Globe Telecom, Inc.

Ernest Lawrence L. Cu has been an Ayala Group Management Committee member since January 2009. Under his visionary leadership as President and CEO of Globe, the company has outperformed industry growth, breaking records across product groups, brands and market segments, catapulting the Globe Group as the top mobile brand and digital solutions provider in the country. The company is now setting its sights on catalyzing and driving the nation forward with its family of tech companies at varied corporate life stages.

He holds the Chairmanship of Globe Capital Venture Holdings, Inc., 917Ventures Inc., Globe Fintech Innovations, Inc. and Techglobal Data Center, Inc. He is a Director of AC Mobility Holdings Inc., Asiacom Philippines Inc., GTI Business Holdings Inc., Innove Communications Inc., Kickstart Ventures, Inc., Bridge Mobile Alliance, GLOBE STT GDC, Inc. and Prople BPO Inc. He is a Trustee of Ayala Foundation and Hero Foundation. Mr. Cu is also a member of the Private Sector Advisory Council, Digital Infrastructure Sector.

Prior to joining Globe, he was the President and CEO of SPI Technologies, Inc. At the cusp of the new millennium, he spurred the beginning of the BPO business model for the Philippines, earning him the recognition as one of the founding fathers of BPO in the country. After only two years in the

telco industry, he was hailed as the Philippines' Best CEO by Finance Asia and received the award again in 2017. Mr. Cu was also named CEO of the Year in 2012 by Frost & Sullivan Asia Pacific and CEO of the Year at the Asia Communications Awards in 2017. From 2013 to 2017, he was included in the list of 100 most influential telecom leaders worldwide by London-based Global-Telecoms Business Magazine Power 100. He was named the Best Telecommunications CEO at the 2021 International Finance Awards, Asia's Best CEO by Corporate Governance Asia at its 10th Asian Excellence Awards in 2020 and he was recently hailed as the Best Telco CEO by London-based business magazine, The Global Economics in its 2022 Awards.

He was recently recognized as one of the Industrial Engineer Luminaries by the Philippine Institute of Industrial Engineers (PIIE) in 2023. He earned a BS Industrial Management Engineering degree from the De La Salle University in 1982 and completed his MBA at Kellogg School of Management in 1984.

John Eric T. Francia

Filipino, 52

Senior Managing Director and President and CEO of ACEN Corporation

John Eric T. Francia is a Senior Managing Director of Ayala Corporation and the President and CEO of ACEN Corporation. Under his leadership, Ayala established its energy platform from a standing start in 2011 to become one of the largest renewable energy platforms in the region, with -4,800 MW of attributable renewables capacity across Asia Pacific. He has also led pioneering initiatives in early coal retirement, including the successful completion of the world's first marketbased Energy Transition Mechanism (ETM).

He earned a master's degree in Management Studies at the University of Cambridge in the United Kingdom, graduating with First Class Honors. He received his undergraduate degree in Humanities and Political Economy from the University of Asia & the Pacific, graduating magna cum laude.

Paolo Maximo F. Borromeo

Filipino, 46

Managing Director and President and CEO of Ayala Healthcare Holdings, Inc.

Paolo Maximo F. Borromeo has been a Managing Director of Ayala Corporation since January 2016. He is the President and CEO of Ayala Healthcare Holdings Inc. (AC Health) and is the Chairman of the Healthway Medical Network and IE Medica, the Vice Chairman of the Generika Group of Companies and Director at KonsultaMD.

In addition, he serves as the Chair of the Private Sector Advisory Council for Health under the current administration. He is also a Board Member of Operation Smile Philippines and the Philippine Cancer Society.

Previously, he was the Group Head for Corporate Strategy and Development of Ayala Corporation. He also sits on the Board of AC Ventures, AC Industrials, Ayala International and AC Logistics.

Prior to joining Ayala, he was a Principal at strategy consulting firm Booz & Company, which is based in San Francisco, California.

He obtained his bachelor's degree in Management Engineering from the Ateneo de Manila University and his MBA (with honors) from the Wharton School at the University of Pennsylvania.

Jaime Alfonso E. Zobel de Ayala

Filipino, 33

Associate Director and Co-CEO, AC Industrial Technology Holdings, Inc. and President and CEO AC Mobility Holdings, Inc.

Jaime Alfonso E. Zobel de Ayala is an Associate Director of the Company. He is the CEO, AC Motors Group of AC Industrials, the industrial technologies arm of the Ayala Group which manages a portfolio of companies in the manufacturing and mobility industries and the President and CEO of AC Mobility Holdings Incorporated, managing a mobility portfolio comprised of automotive distribution, dealerships, aftermarket services and electric vehicle infrastructure businesses.

He is also a Director of Globe Telecom, ACEN Corporation, Ayalaland Logistics

Holdings Corporation, AC Industrials, Isuzu Philippines, Yoma Strategic Holdings Ltd Singapore (YSH), BPI Capital Corporation, among others. Prior to his roles in AC Industrials and ACMobility, he was the Co-Head of the Strategic Development Group and Head of Business Development and Digital Ventures of Ayala Corporation. Before joining Ayala Group, he was an Analyst at Goldman Sachs Singapore under the Macro Sales Desk (Securities Division).

He graduated from Harvard University, Cambridge, Massachusetts, USA, with Primary Concentration in Government in 2013 and obtained his Masters of Business Administration from Columbia Business School in New York in 2019.

Arthur R. Tan
Filipino, 64
Senior Managing Director and President and Co-CEO, AC Industrial Technology Holdings, Inc. and CEO, Integrated Micro-Electronics, Inc.

Arthur R. Tan has been a Senior Managing Director of Ayala Corporation since January 2007 and a member of the Ayala Group Management Committee since 2002. He is the Vice Chairman, President and Co-CEO of AC Industrial Technology Holdings, Inc. He has been the Chief Executive Officer of Integrated Micro-Electronics, Inc. (IMI), a publicly listed company, since April 2002 and will serve as such until April 2024. He was re-elected as President of IMI effective January 2020 and served as such until June 2021. He was elected as Vice Chairman of IMI in June 2021.

Mr. Tan is also the Chairman of the Board and CEO of Merlin Solar Technologies (Phils.), Inc., Merlin Solar Technologies, Inc.; Chairman of the Board of Psi Technologies Inc., Adventure Cycle Philippines, Inc., KTM Asia Motorcycle Manufacturing, Inc., Speedy-Tech Electronics, Ltd.; Director of AC Mobility Holdings Incorporated, Mobility Access Philippines Ventures Inc., Automobile Central Enterprises, Inc., Iconic Dealership, Inc., KP Motors Corporation; Member of the Board of Advisors of Via Optronics; and Independent Board Member of SSI Group, Inc., Lyceum of the Philippines University and East Asia Computer Center/FEU Institute of Technology.

Prior to IMI, he was the Northeast Area Sales Manager and Acting Design Center Manager of American Microsystems Inc. (Massachusetts, USA), from 1994 to 1998, where he became the Managing Director for Asia Pacific Region/Japan from 1998 to 2001.

He graduated with a bachelor’s degree in Electronics and Communications Engineering from the Mapua Institute of Technology in 1982 and attended post-graduate programs at the University of Idaho, Singapore Institute of Management, IMD Business School, and Harvard Business School.

Alfredo I. Ayala
Filipino, 62
Managing Director and President and CEO of iPeople, Inc.

Alfredo I. Ayala is a Managing Director of Ayala Corporation and is the President of iPeople, the publicly listed Yuchengco-Ayala partnership, which has over 60,000 students across the country. iPeople’s seven schools include Mapua University (the leading STEM university) and its subsidiaries, Mapua Malayan Colleges Laguna in Cabuyao, Mapua Malayan Colleges Mindanao in Davao and Malayan High School of Science, as well as Naga-based University of Nueva Caceres (the largest private university in Bicol), National Teachers College (the first private college in the country to offer Education courses) and APEC Schools (the largest chain of standalone high schools in the country).

Mr. Ayala is a Trustee of the Philippine Business for Education (PBEd) and a member of PBEd’s National Industry Academe Council and Brown University’s Center for Human Rights and Humanitarian Studies’ Global Advisory Board. He is also a member of the Advisory Council of The Second Congressional Commission on Education (EDCOM II) and of the Jobs Committee of the Private Sector Advisory Council convened by the Office of the President.

He holds an MBA from Harvard University and a BA in Development Studies (Honors) and Economics from Brown University. Prior to that he attended the Ateneo de Manila University.

Mariana Beatriz E. Zobel de Ayala
Filipino, 35
Executive Director and Director and Senior Vice President of Ayala Land, Inc.

Mariana Beatriz Zobel de Ayala is an Executive Director and Group Management Committee Member of Ayala Corporation. She has been a Director of Ayala Land since October 2022. She is also a member of its Executive, Board Risk Oversight and Sustainability Committees and a Senior Vice President, heading its Leasing and Hospitality Group, overseeing Ayala Malls, Ayala Land Offices and Ayala Land Hotels and Resorts. Additionally, she is a Board Director of Ayala Land’s listed REIT subsidiary, AREIT.

Aside from her directorships at the Ayala Land Group, she also serves as a Board Director for several Ayala Group companies, such as Ayala Healthcare Corporation, ACTIVE Fund and BPI’s Asset Management and Trust Company.

She was named a Board Advisor for Asia Partners, a Singapore-based private equity firm with over US\$500 million in funding, focused on enabling the next generation of high-growth technology companies in Southeast Asia. She is also a Board Director of U-Go, looking to drive education equality in emerging markets by providing scholarship grants to women looking to pursue a university education.

She previously worked for BPI as a Senior Vice President, leading the development of its marketing and digital platforms for its Consumer Banking Group. Before this position, she served as the Deputy Head of Ayala Malls and initially as part of Alveo Land’s project development team. She started working in the Ayala Group as a Corporate Strategy and Business Development associate at Ayala Corporation, supporting its portfolio reviews across the conglomerate and business development interests in the healthcare industry.

She began her career at J.P. Morgan in New York.

She obtained her BA in Social Studies (Philosophy, Politics and Economics) from Harvard College and an MBA from INSEAD.

As of December 31, 2023

Senior Managing Director

Jose Rene Gregory D. Almendras
Ernest L. Cu
Alberto M. De Larrazabal
Anna Ma. Margarita B. Dy
John Eric T. Francia
Solomon M. Hermosura¹
Jose Teodoro K. Limcaoco
Arthur R. Tan²

Managing Director

Alfredo Antonio I. Ayala
Paolo Maximo F. Borromeo
Karl Kendrick T. Chua
Ma. Cecilia T. Cruzabara
Ginaflor C. Oris
Francisco Romero Milán

Executive Director

Josette Adrienne A. Abarca
Fatima P. Agbayani
Catherine H. Ang
Robert Michael N. Baffrey
Estelito C. Biacora
Josephine G. De Asis
Felipe Antonio P. Estrella III
Pauline Clarisse K. Feria-Darre
Antonio Joselito G. Lambino
Gabino Ramon G. Mejia
Jenara Rosanna F. Ong
Alfonso Javier D. Reyes
Isabel D. Sagun
Vivian L. Santamaria
Ma. Victoria A. Tan
Norma P. Torres
Mark Robert H. Uy
Mariana Beatriz E. Zobel de Ayala

Associate Director

Jose Rodrigo C. Abrillo
Janet A. Bautista
Gabriel P. Blaza
Victoria D. Frejas
Sherry M. Gosiengfiao
Elma Y. Guinto
Sylvia Felisa R. Maghirang
Theodore Ivan R. Paris
Rafael Jaime V. Recio
Jaime Z. Urquijo
Gabriel Q. Villaluz
Jaime Alfonso E. Zobel De Ayala

Consultant

Gerardo C. Ablaza Jr.
Yla Patricia G. Alcantara
Emmanuel T. Bautista
Catherine R. Bengzon
Joseph Anton A. Bengzon
Cherry J. Cabangon
Roque C. Egama
Ramon L. Jocson
Noel Eli B. Kintanar
Guillermo M. Luz
Kenneth C. Stern
Antonette S. Valdez
Jaime P. Villegas

¹ Resigned effective February 29, 2024
² Will retire on April 25, 2024

Changes in shareholdings

Changes in shareholdings of the Directors and Officers in 2023

	Security	Balance as of December 31, 2022	Addition	Disposal	Balance as of December 31, 2023
Directors					
Jaime Augusto Zobel de Ayala	Common	805,997			805,997
	Preferred B Series 1	20,000			20,000
	Voting Preferred	543,802			543,802
Cezar P. Consing	Common	204,386	120,000		324,386
Delfin L. Lazaro	Common	97,554			97,554
	Voting Preferred	258,297			258,297
Fernando Zobel de Ayala ¹	Common		910,079		910,079
	Voting Preferred Shares		554,983		554,983
Mercedita S. Nollado ²	Common	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	350,203	20,000		370,203
Catherine H. Ang	Common	48,790	5,000		53,790
	Voting Preferred Shares	5,290			5,290
	Preferred A		400		400
	Preferred B Series 2	2,000			2,000
Estelito C. Biacora	Common	21,763	4,000		25,763
Josephine G. de Asis	Common	51,287	4,000		55,287
Alberto M. de Larrazabal	Common	86,575	20,000		106,575
Solomon M. Hermosura	Common	237,484	20,000	(10,000)	247,484
	Voting Preferred Shares	53,583			53,583
Francico Romero Milan ³	Common		28,965		28,965
Pauline Clarisse K. Feria ⁴	Common		9,808		9,808
Karl Kendrick T. Chua ⁵	Common		–		–
Jaime Z. Urquijo ⁶	Common		15,627		15,627
Mark Robert H. Uy ⁶	Common		–		–
Rosario Carmela G. Austria	Common	1,098	3,000		4,098
TOTAL		3,019,562	1,715,862	(180,007)	4,555,417

¹ Effective September 28, 2023
² Resigned on September 28, 2023
³ Effective March 1, 2023
⁴ Effective April 28, 2023
⁵ Effective July 1, 2023
⁶ Effective August 1, 2023

2023 Unstructured Disclosures

Ayala submitted SEC Form 17-C and Press Statements to PSE, SEC and PDEx on the following matters in 2023:

1. SEC Approval of the Property-for-Share Swap between Ayala Corporation, Ayala Land, Inc. and Mermac, Inc.

2. Declaration of Cash Dividend to all Outstanding Shares

3. Attendance of Directors in 2022

4. Trainings of Directors and Officers in Corporate Governance in 2022

5. Additional Issuance of Common Shares

6. Notice of Holding the 2023 Annual Stockholders’ Meeting in Virtual Format

7. Notices of Analysts’ Briefings

8. Detailed Notice and Agenda of the 2023 Annual Stockholders’ Meeting

9. Election of Officers

10. Election of Director

11. Board’s Approval on the Re-issuance of Preferred “A” Shares

12. Results of the Regular Meeting of the Board of Directors

13. Full Year 2022 Financial and Operating Results

14. Quarterly Financial and Operating Results

15. Change in Business Address

16. Filing of the Registration Statement to the SEC for the proposed offer and re-issuance of Preferred “A” Shares

17. Amended Detailed Notice and Agenda of the 2023 Annual Stockholders’ Meeting

18. Participation by AC Infra in the Consortium Formed to Transform NAIA Into a World-Class Airport

19. Results of 2023 Annual Stockholders’ Meeting and Organizational Board of Directors’ Meeting

20. Results of 2023 ESOWN Grant

21. Receipt of Certificate of Permit to Offer Securities for Sale from the SEC
22. Redemption of Ayala Corporation’s ₱10 billion 3.9200% Bonds Due 2023

23. Result of the public offering and sale of ACPAR shares

24. MIAC Unveils Proposal for Multi-phased NAIA Masterplan

25. Updates on Property Dividend Distribution

26. Sale by AC Energy of its stake in Kauswagan coal plant

27. Signing of definitive agreements with Prime Asset Ventures, Inc. for the sale of AC’s 100% stake in MCX Project Company, Inc.

28. Signing of Distribution Agreement between Ayala Corporation and BYD Philippines Corp.

29. Ayala Corporation’s divestment of its indirectly-held 92.45% stake in MT Technologies GmbH

30. Establishment of a joint venture among Ayala Corporation, 917Ventures, Inc. and Gogoro Network Pte Ltd (“Gogoro SG”) for the importation, sale, distribution, operation, management and maintenance of Gogoro two-wheeled scooters (“E-Scooters”) with battery swapping technology, battery swapping stations for the E-Scooters and after-sales services business in the Philippines through Gogoro Philippines, Inc. (“Gogoro PH”)

31. Redemption of all outstanding Preferred B Series 1 Shares (ACPB1)

32. Voluntary Trading Suspension on ACPB1

33. Partial sale of Ayala Corporation’s investment in Manila Water Company, Inc.

34. Notice of Redemption to ACPB1 Stockholders

35. AC Health strengthens pharma footprint through investment in St. Joseph Drug

Clarification of News Article

1. Ayala Group spending ₱264 billion in 2023 on property, telecom, power businesses

2. Ayala sees completion of US\$1 billion asset sale this year

3. Ayala group, Singapore firm to expand data center capacity by 5.2 MW

4. Ayala-led joint venture opens cold storage facility in CDO

5. Ayala signs ₱5 billion landmark sustainability-linked loans

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

8. Annual Report

9. Integrated Annual Corporate Governance Report (I-ACGR)

₱3.806

semi-annual dividends
per common share

4.8096% p.a.

dividend rate for Voting
Preferred Shares

5.25% p.a.

dividend rate for Preferred B,
Series 1 shares

4.8214% p.a.

dividend rate for Preferred B,
Series 2 shares

Ayala consistently declares semi-annual dividend payments to common shares from the unrestricted retained earnings of the previous year. In 2023, Ayala declared semi-annual dividends at ₱3.806 per common share. Further, dividends are also declared annually for voting preferred shares at a dividend rate of 4.8096 percent per annum and quarterly for Preferred B Series 1 and Series 2 shares, the dividends are given at 5.25 percent and 4.8214 percent per annum, respectively. Dividends for the Preferred A shares are given at 6.3587 percent per annum starting on the third quarter of 2023. It is the company's policy to treat all shareholders equally, ensuring payment of dividends in an equitable and timely manner – within 30 days after being declared and finally cleared.

Ayala understands that its shareholders view dividends as a regular source of both income and capital returns and strive to maintain consistent distributions from year to year. Moving forward, Ayala will continue to revisit potential sustainable adjustments in the regular dividend rate, with the ability to make new or additional investments as the primary consideration.

Report of the Executive Committee to the Board of Directors

For the year ended December 31, 2023

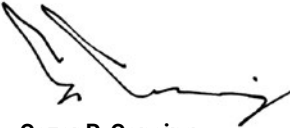
The Executive Committee is empowered to exercise and perform delegated powers and duties, within the competence of the Board, in the intervening period between scheduled board meetings. Acting by majority vote of all its members, in 2023, the Committee deliberated, reviewed and approved transactions relating to Ayala's operations, execution of business and financial strategy and investment decisions.



Jaime Augusto Zobel De Ayala
Chairman



Delfin L. Lazaro
Vice-Chairman



Cezar P. Consing
Member

Report of the Finance Committee to the Board of Directors

For the year ended December 31, 2023

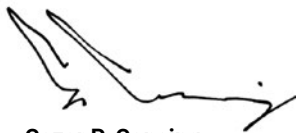
The Finance Committee oversees the Corporation’s financial policy and strategy, including capital structure, dividend policy and capital allocation decisions. In 2023, the Committee convened one (1) meeting and acted on and approved six (6) written resolutions by electronic mail.

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 balance sheet management and financing plans.
- Discussed foreign currency, interest rate and credit management, including peso bonds, sustainable financing, exchangeable and convertible bonds and bilateral bank facilities.


Delfin L. Lazaro
Chairman


Jaime Augusto Zobel De Ayala
Member


Cezar P. Consing
Member

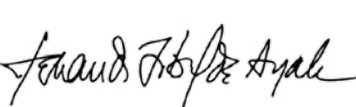
Report of the Sustainability Committee to the Board of Directors

For the year ended December 31, 2023

The Sustainability Committee supports the Board of Directors in the latter’s commitment to sustainable development and efforts to fully integrate sustainability 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, is tasked with creating value for all stakeholders, minimizing negative externalities and enhancing the reputation of the company.

The Committee held four (4) meetings in 2023, during which it:

- Approved the updated Sustainability Committee Charter;
- Provided oversight on Ayala’s compliance with internationally recognized reporting frameworks for its annual Integrated Report;
- Approved Ayala’s Task Force on Climate-related Financial Disclosures Statement for 2022;
- Reviewed the Ayala Group’s Sustainability Blueprint performance and feedback from the business units on their UN Sustainable Development Goals targets;
- Reviewed the Sustainability Team’s 2023 Workplan in line with Ayala’s strategy;
- Monitored progress of the Ayala Climate Ambition and Project Kasibulan;
- Reviewed Ayala’s ESG ratings and scores;
- 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 global developments and issues of growing importance to the general public;
- Recommended training for the Board of Directors on Environment, Social and Governance matters;
- Approved the Ayala ESG Reporting Guide, which served as the business units’ reference on the ESG indicators that Ayala reports on in the annual Integrated Report;
- Approved SGV & Co. as the External Auditor for Ayala’s 2023 Integrated Report.


Fernando Zobel De Ayala
Chairman


Cesar V. Purisima
Member

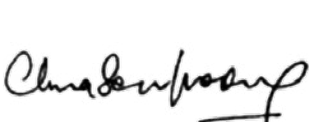

Chua Sock Koong
Member

Report of the Corporate Governance and Nomination Committee to the Board of Directors

For the year ended December 31, 2023

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 seven (7) written resolutions by electronic mail and accomplished the following in 2023:

- Reviewed and endorsed for Board approval the engagement of Aon Singapore Pte. Ltd. as external facilitator for the Board assessment exercise and discussed the Board assessment results;
- Reviewed the qualifications of all persons nominated to positions requiring appointment by the Board and endorsed their nominations to the Board;
- Approved the final list of nominees for directors for election at the 2023 annual shareholders' 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 changes in the Board of Directors, Officers and Board Committee members; and
- Reviewed and endorsed for Board approval the amendments to the Corporation's Data Privacy Manual.


Chua Sock Koong
Chairman


Rizalina G. Mantaring
Member


Cesar V. Purisima
Member

Report of the Risk Management and Related Party Transactions Committee to the Board of Directors

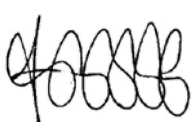
For the year ended December 31, 2023

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 nine meetings, during which it:

- Reviewed the Committee's charter and the Company 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 and their possible effects on the company.
- Discussed the outcome of risk transfer optimization program for the group's common exposures.

The Committee also held one joint meeting with the Audit Committee to discuss the status and updates on the Ayala Group Cybersecurity Transformation Journey.


Cesar V. Purisima
Chairman


Rizalina G. Mantaring
Member


Fernando Zobel De Ayala
Member

Report of the Audit Committee to the Board of Directors

For the year ended December 31, 2023

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 four (4) meetings and three (3) executive sessions with the internal auditors, external auditors and management. We also had one (1) joint meeting 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 2023 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 all audit, audit-related and non-audit services provided by SGV & Co. to Ayala Corporation and the related fees.
- We reviewed and approved the changes to the Policy on Pre-approval of Audit and Non-Audit Services and the pre-concurrence process on non-audit services to comply with the requirements of the International Ethics Standards Board for Accountants Code of Ethics from the external auditors.
- We assessed the compatibility of non-audit services rendered by SGV & Co. to Ayala Corporation and subsidiaries directly or indirectly controlled by the Corporation, to ensure that such services will not impair the external auditors’ independence;
- We reviewed the Audit Committee and Internal Audit Charters to ensure that these are 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, 2023, 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 and the related audit fee for 2024 based on their performance and qualifications.


Rizalina G. Mantaring
Chairman


Chua Sock Koong
Member


Cesar V. Purisima
Member

Report of the Personnel and Compensation Committee to the Board of Directors

For the year ended December 31, 2023

The Personnel and Compensation Committee is responsible for 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 meetings, acted on one written resolution by electronic email and accomplished the following:

- Reviewed and endorsed for Board approval the 2023 merit increase budgets for managers and staff and the 2022 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 2023 ESOWN plan; and
- Reviewed and endorsed for Board approval the amendment to the Ayala Corporation's Retirement Plan and updating of the policy on club memberships.



Chua Sock Koong
Chairman



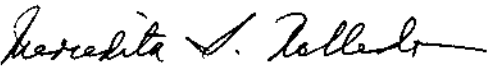
Delfin L. Lazaro
Member
(January-April)



Cesar V. Purisima
Member
(January-April)



Rizalina G. Mantaring
Member
(April – December)



Mercedita S. Nollado
Member
(April – September)



SyCip Gorres Velayo & Co.
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Independent Limited Assurance Report

The Stockholders and Board of Directors

Ayala Corporation

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Scope

We have been engaged by Ayala Corporation to perform a 'limited assurance engagement,' as defined by Philippine Standard on Assurance Engagements 3000 (Revised) [PSAE 3000 (Revised)], *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, here after referred to as the engagement, to report on selected sustainability information as detailed below (the "Subject Matter") contained in the 2023 Ayala Integrated Report for the year ended December 31, 2023 (the "Report").

Subject Matter

The Subject Matter includes the following selected environmental, social and governance (ESG) indicators/metrics and report contents which are covered in our limited assurance engagement:

- A. ESG indicators / metrics with reference to the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards)
 - 1. Environmental
 - a. Water and Effluents 2018
 - i. 303-3 Water withdrawal
 - ii. 303-4 Water discharge
 - iii. 303-5 Water consumption
 - b. Waste 2020
 - i. 306-3 Waste generated
 - ii. 306-4 Waste diverted from disposal
 - iii. 306-5 Waste directed to disposal
 - 2. Social
 - a. General Disclosures 2021
 - i. 2-7 Employees
 - ii. 2-8 Workers who are not employees
 - b. Employment 2016
 - i. 401-1 New employee hires and employee turnover
 - c. Training and Education 2016
 - i. 404-1 Average hours of training per employee

- d. Diversity and Equal Opportunity 2016
 - i. 405-1 Diversity of governance bodies and employees
- e. Occupational Health and Safety 2018
 - i. 403-9 Work-related injuries
 - ii. 403-10 Work-related ill health

B. Report contents based on International Integrated Reporting <IR> Framework (IR Framework)

Disclosures in relation to the Content Elements of the IR Framework, as presented in the 2023 Ayala Integrated Report.

1. Organizational overview and external environment
2. Governance
3. Business model
4. Risks and opportunities
5. Strategy and resource allocation
6. Performance
7. Outlook
8. Basis of presentation

C. Report contents based on Task Force on Climate-related Financial Disclosures (TCFD) Framework

Disclosures in relation to the TCFD Recommendations, as presented in the 2023 Ayala Integrated Report, which excludes the assumptions and approach supporting scenario analysis, as well as environmental information relating to GHG emissions.

TCFD elements	Recommended disclosures
1. Governance	a) Describe the board's oversight of climate-related risks and opportunities. b) Describe management's role in assessing and managing climate-related risks and opportunities.
2. Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term. b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning. c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.
3. Risk Management	a) Describe the organization's processes for identifying and assessing climate-related risks.

TCFD elements	Recommended disclosures
	b) Describe the organization's processes for managing climate-related risks. c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.
4. Metrics and Targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks. c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Ayala Corporation

In preparing the Subject Matter, Ayala Corporation applied the following criteria (the "Criteria"):

- With reference to the GRI Standards
- IR Framework
- TCFD Framework

Ayala Corporation's responsibilities

Ayala Corporation's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

SGV's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *Philippine Standard on Assurance Engagements* 3000 (Revised) [PSAE 3000 (Revised)], *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, and the terms of reference for this engagement as agreed with Ayala Corporation on November 14, 2023. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the Professional Regulation Commission and have the required competencies and experience to conduct this assurance engagement.

SGV also applies Philippine Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

1. Interviewed the management and relevant process owners to:
 - a. Understand the principal business operations.
 - b. Appreciate the key sustainability issues and developments related to the Subject Matter.
 - c. Understand the processes for the collection, processing and accurate reporting of ESG information.
 - d. Identify the data providers with their responsibilities, and
 - e. Recognize the likelihood of possible manipulation of sustainability data.
2. Checked the accuracy of calculations performed.
3. Performed analytical tests and obtained documentation/reports on a sampling basis to test assumptions, estimations and computations made by management in relation to the Subject Matter in the Report.
4. Tested that the data and statements had been correctly transcribed from corporate systems and/or supporting evidence into the Report.
5. Reviewed the disclosure contents of the Report to check compliance in accordance with the Criteria.

We also performed such other procedures as we considered necessary in the circumstances.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter for the year ended December 31, 2023, in order for it to be in accordance with the Criteria.

SYCIP, GORRES, VELAYO & CO.

Benjamin N. Villacorte
Benjamin N. Villacorte

Partner

CPA Certificate No. 111562

PTR No. 10082034, January 6, 2024, Makati City

16 April 2024

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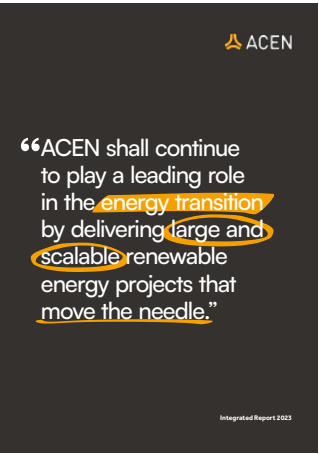
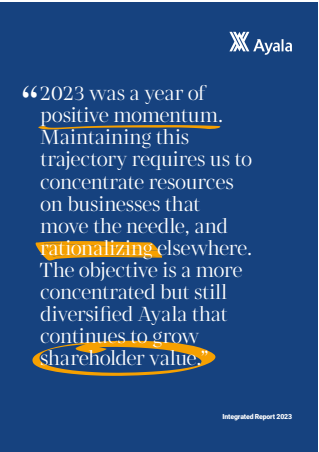
AC Ventures Holdings Corp.

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“Capital raised by Ayala will be provided to winners or clear potential winners. We want to create the next Manila Water, or ACEN or Mynt.”

Cezar P. Consing
President & CEO, Ayala Corporation



For more information
on the BUs, click on their
respective report covers.

Corporate Information

Stakeholder Inquiries

Ayala Corporation welcomes inquiries from analysts, the financial community, institutional and retail investors, customers, media and the general public.

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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 2023 Financial Statements are available for download on its website:

WEBSITE www.ayala.com

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Investor Relations and Group Sustainability and Risk Management	➔ Cyrus Panganiban
CONCEPT, DESIGN, CONTENT ARCHITECTURE, AND EDITORIAL DESIGN	OPERATIONAL PHOTOGRAPHY
➔ Sedgwick Richardson	Rolly Barayang
	ADDITIONAL PHOTOGRAPHY
	from Ayala Group of Companies



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