


EVERY DAY

WHAT NURTURES OUR GROWTH





The background of the entire page is a photograph of a pond. In the foreground, several orange and white koi fish are visible in the water. The middle ground shows a calm body of water reflecting the sky and the surrounding greenery. In the background, there are lush green trees and a clear blue sky with some white clouds. The overall scene is peaceful and natural.

AS WE BROADEN OUR REACH, OPPORTUNITIES ABOUND FOR MORE.

We create thriving communities that make sustainable living possible for present and future generations.



THE 2015 SUSTAINABILITY REPORT

OUR COMPANY

Ayala Land is the Philippines' leading developer of sustainable estates, offering a diverse mix of properties such as residential, retail, office, hotels, and leisure developments, that support local economic growth and nation-building.

The company was established in 1988 as the real estate arm of Ayala Corporation, a pioneer conglomerate and builder of the country's premier financial and commercial district, now known as Makati Central Business District and Ayala Center.

Today, Ayala Land has a total of 19 sustainable estates and is present in 55 growth areas nationwide. It has five residential brands, namely Ayala Land Premier, Alveo, Avida, Amaia, and BellaVita, which deliver quality homes to a broad segment of the housing market. Its commercial development and leasing portfolio comprises Ayala Malls, Ayala Land Offices, and Ayala Land Hotels and Resorts Corporation.

VISION & MISSION

Our vision is to enhance our standing and reputation as the Philippines' leading real estate developer, and to be a strong partner in nation-building. By developing integrated, masterplanned, and sustainable mixed-use communities in vibrant growth centers all over the country, we strive to continually elevate the quality of life for all of our customers.

We shall be a responsible corporate citizen and act with integrity, foresight, and prudence.

We shall empower our employees to deliver products that exceed our customers' expectations and build long-term value for our shareholders.

CORE VALUES

At Ayala Land, we value integrity, long-term vision, empowering leadership, and commitment to national development.

G4-3, G4-6, G4-8, G4-9, G4-56

SUSTAINABILITY FOUR FOCUS AREAS HIGHLIGHTS

371 HECTARES OF ADDITIONAL GREEN OPEN SPACES

In Altaraza, Alviera, Circuit Makati, Cloverleaf, Vertis North and Vermosa which will provide ecosystem services to the host localities' combined population of 5.2 million upon completion

PHP 131.51 MILLION WORTH OF SAVINGS

From 16,409 mWh of electricity avoided due to energy conservation initiatives in our malls and offices

23.4 PERCENT DECREASE IN GHG INTENSITY

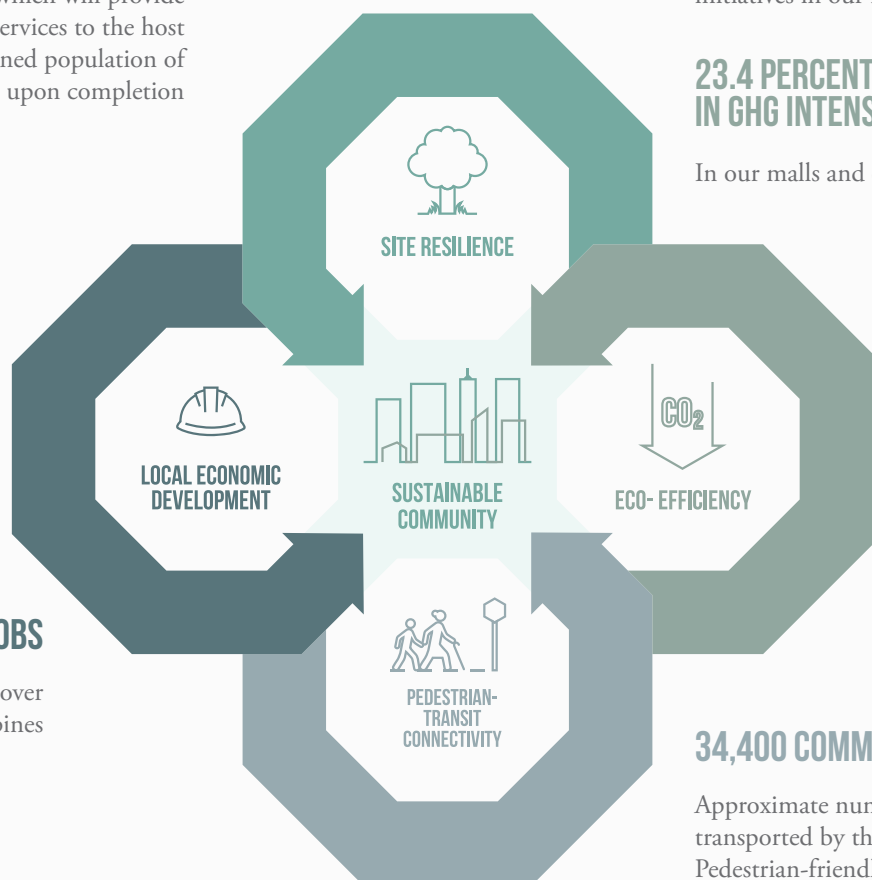
In our malls and offices in five years

62,000 JOBS

Provided all over the Philippines

34,400 COMMUTERS

Approximate number of commuters transported by the BGC bus daily. Pedestrian-friendly design enables 120,000 BGC workers to easily move around on foot.



ABOUT THIS REPORT

This is Ayala Land's 9th Sustainability Report. This year, we continue our approach to report our sustainability performance in terms of our Four Focus Areas: Site Resilience, Pedestrian-Transit Connectivity, Eco-efficiency, and Local Economic Development. This enables us to provide a comprehensive discussion on how we embed sustainability in the way we conduct the business. This report complements our 2015 Annual Report where our financial results and corporate governance practices are discussed.

We also recognize that an empowered organization is critical to the growth and sustainability of the company. We include a section on our efforts in enabling our people to develop and integrate sustainable practices in their line of work.

This Sustainability Report covers Ayala Land's units involved in project development and commercial leasing (shopping centers, offices, hotels and resorts) operations. Except for employee data, indicators do not include operations of subsidiaries that provide support services, and new business units such as QualiMed, AirSwift, FamilyMart, and Merkado Supermarket. The specific boundary and business units to which certain performance indicators are most material and applicable is specified in the Global Reporting Initiative (GRI) Content Index. This covers performance data from our operations in the Philippines from January 1, 2015 to December 31, 2015. For comparison, data from previous years are included where available. *G4-18*

This report was prepared using the GRI G4 Sustainability Reporting Guidelines 'In Accordance' with its Core option. This was externally assured by DNV-GL using the DNV-GL Report Verification Protocol (VeriSustain), covering economic, environmental, governance, and social indicators. *G4-33*

This report is available online for download at www.ayalaland.com.ph/sustainability.

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PRESIDENT'S MESSAGE

By ensuring that the whole organization is aligned with our sustainability objectives, we are able to build competence across various levels and develop a culture of sustainability leadership.

We see every day as an opportunity for our teams to improve the quality of life of Filipinos by developing vibrant sustainable estates and communities. The four sustainability focus areas we identified - site resilience, pedestrian-transit connectivity, eco-efficiency and local economic development – provide us with discipline and guidance in our sustainability journey, which ultimately benefits our customers and our communities. By ensuring that the whole organization is aligned with our sustainability objectives, we are able to build competence across various levels and develop a culture of sustainability leadership.

As a company operating in the Philippine archipelago, we recognize our responsibility to mitigate and adapt to climate change. Our focus on site resilience strengthens our projects' capacity to bounce back better through the discipline of technical due diligence, designing with native landscapes and disaster-preparedness. Our technical reviews and sustainability sessions are platforms for our people to plan, design, build and manage projects that sustain our environmental best practices, and minimize our impact on the ecosystem and neighboring communities.

To prioritize the needs of thousands of commuters in our various developments, transit terminals and stops are integrated into our estates and malls, helping mitigate traffic volume.

In the past year, our project teams continued to prepare our sites for resilience, not only for everyday activities, but also for the challenges of extreme climate events. Our newly launched estates such as Vermosa and Altaraza feature open, green spaces and water features that not only serve as focal points for social convergence, but are also intended to manage stormwater onsite.

These open spaces, combined with ample sidewalks and walkways such as those at Arca South, are designed to promote a culture of walking and healthy living. To prioritize the needs of thousands of commuters in our various developments, transit terminals and stops are integrated into our estates and malls, helping mitigate traffic volume.

We acknowledge that the property sector is responsible for about 30 percent of the planet's greenhouse gas (GHG) emissions, and urban activities consume a sizable amount of natural resources. We emphasize efficiency or getting more out of less energy, water and materials. Our energy use, measured in kWh consumption per square meter of space, continues to go down with a 3 percent reduction from 2014 to 2015, with a total reduction of 38 percent since 2011. In 2015, we avoided 16,409 mWh of electricity consumption, which translated to around Php 131.5 million in savings.

As we are on our growth track, our Scope 1 and Scope 2 GHG emissions increased to 391,460 tons of CO₂e (t-CO₂e) in 2015, from 322,706 t-CO₂e in 2014. However, we reduced our GHG intensity or GHG emissions per Gross Leasable Area (GLA) in our investment properties by 5.6 percent in 2015. In the course of five years (2010-2015), we have reduced our average GHG intensity in our malls and offices by 23.4 percent by investing in energy efficiency.

As a result of our construction activities, we were able to provide more than 40,000 jobs in our various localities all over the Philippines.

Our fourth focus area embodies our vision of enhancing land and enriching lives, with our sustainable estates providing the right platform for people to improve their quality of life. As a result of our construction activities, we were able to provide more than 40,000 jobs in our various localities all over the Philippines. Through partnerships with the Technical Education and Skills Development Authority (TESDA), Ayala Foundation, and other organizations, we supported capacity building programs for food processing, landscaping, hospitality and other skills that can be incorporated into our value chain.

We continue to enjoy our units to deploy capital productively and efficiently, develop our bench and our organization, and ensure that the right structures, systems and processes are in place. This way, we are able to fulfill the needs of consumers today, but make sure that our developments are able to adapt to changes in the future.

We thank our board of directors, investors, regulators and communities for their continued support for our vision for sustainability. We look forward to bringing our sustainability practices to the next level, and being an inspiration to colleagues and peers as we continue to build spaces that make every Filipino feel valued and important, in cities that provide safe and pleasant experiences, increase productivity, pride of place and belongingness.

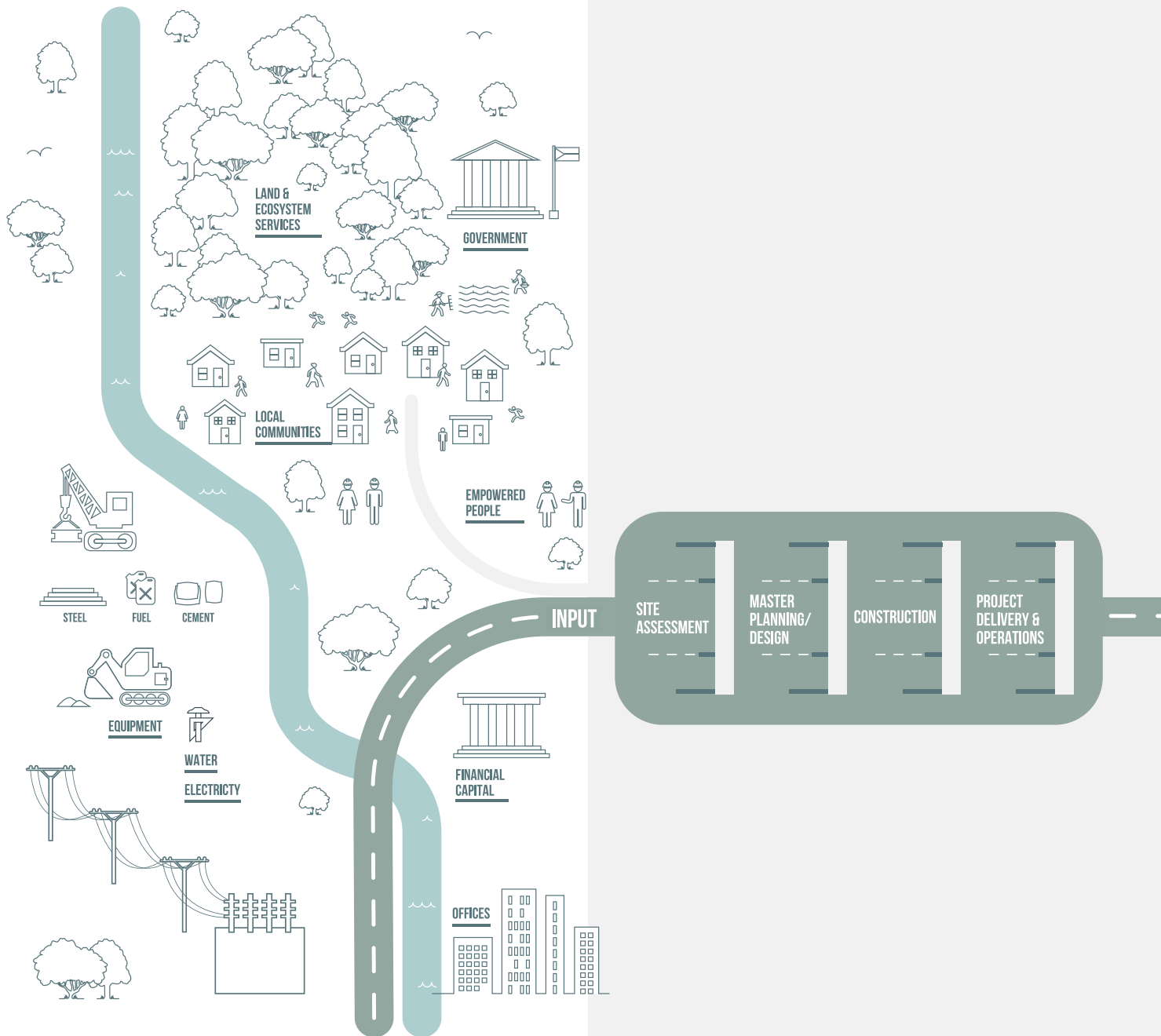


BERNARD VINCENT O. DY

President and Chief Executive Officer

HOW WE CREATE VALUE

We provide our customers with sustainable communities by embedding Ayala Land's Four Sustainability Focus Areas in the Project Development Process and Supply Chain.



VALUE CREATED AND SHARED

Each Ayala Land estate has the attributes of our Four Focus Areas that make it a sustainable community. By doing this, we create long-term value for our stakeholders, provide distinctive developments that benefit more people, and minimize our impact on the environment.

SUSTAINABILITY FOUR FOCUS AREAS



SITE RESILIENCE

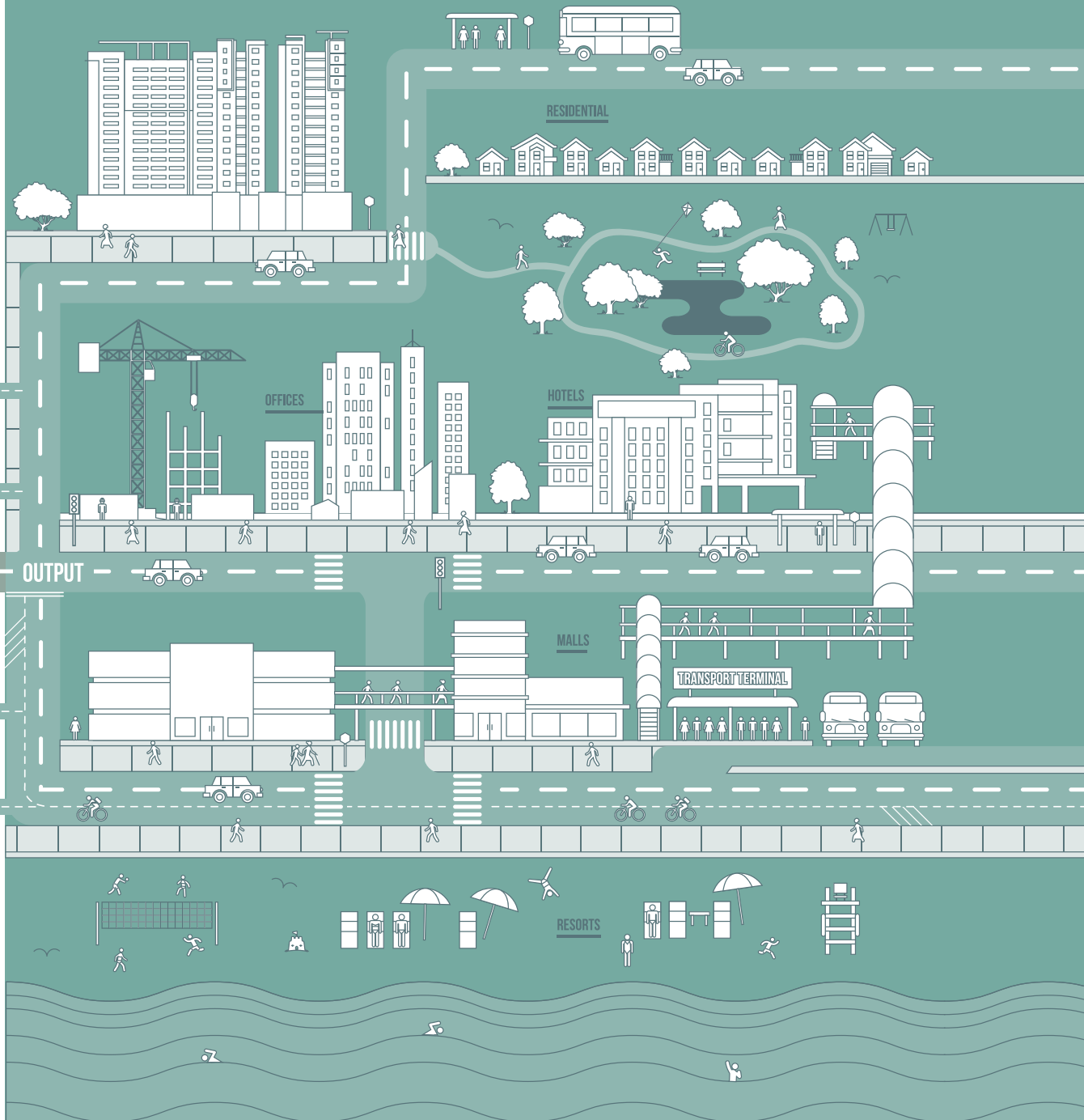


PEDESTRIAN
-TRANSIT
CONNECTIVITY

ECO-EFFICIENCY



LOCAL
ECONOMIC
DEVELOPMENT



DISCLOSURE OF MATERIALITY PROCESS

G4-18, G4-19, G4-20, G4-21, G4-25, G4-26, G4-27

AYALA LAND'S FOUR FOCUS AREAS

Ayala Land continues to be guided by the results of its 2013 materiality process in integrating sustainability programs practices in its business operations. This initial assessment of global and local real estate challenges and company strengths resulted in four focus areas where Ayala Land can positively contribute to societal sustainability and meet business goals. Using the GRI G4 framework, we were able to revisit and refine our focus on the concerns of the everyday Filipino.

We engaged various stakeholders of the company through iterative consultations and observation of trends from media reports and customer surveys. From the engagements, four major areas continue to recur as sustainability concerns in Philippine development. These are: (a) the Philippines' vulnerability to the effects of climate change and natural disasters, (b) need for urban mobility, (c) continuing loss of natural resources, and (d) unbalanced socio-economic development. These four areas served as filters for metrics and programs to use and prioritize.

The Four Focus Areas (FFA) are responses to the sustainability challenges that we envision to be present in each Ayala Land development. The FFA serve as general guides to property development and operations to mitigate sustainability risks and provide value to the environment, society, and the business. Each focus area is envisioned to be enhanced over time as we gain insights from its implementation.



Site Resilience

Strengthen sites to recover from stresses quickly.

- Undertake technical due diligence to screen for geohazards
- Provide space for refuge and rainwater absorption
- Use native plants and trees for landscaping



Pedestrian-Transit Connectivity

Promote mobility by prioritizing pedestrians and public transit facilities through design and masterplanning.

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



Eco-Efficiency

Use natural resources judiciously and manage GHG emissions in order to mitigate the effects of climate change.

- Implement energy and water conservation programs
- Implement waste management programs
- Monitor GHG emissions



Local Economic Development

Contribute to nation-building by creating value for the community and the business and be an active partner in local development.

- Invest in human capital in communities where we locate
- Prioritize local hiring
- Allocate space for homegrown businesses

CORPORATE GOVERNANCE AND EMPLOYEE ENGAGEMENT

To further support the sustainability of the organization, we continuously strengthen our standards on corporate governance and reinforce our commitment to protect shareholder rights, treat all shareholders in an equitable manner, respect and recognize the role of stakeholders, strictly adhere to the principles of disclosure and transparency, and ensure a responsible and well-functioning Board of Directors and management team. We also continuously engage our employees by developing programs to ensure their health, safety and welfare, and to promote their holistic development and personal achievement.

IMPLEMENTATION

Ayala Land continues to embed sustainability practices in project development and business operations. We started to roll-out sustainability Key Result Areas (KRA) in 2014 and continue to embed these in the performance reviews of our business units. In 2015, we further refined our sustainability scorecard and reporting system so that our business units can better translate the FFA in their specific products and operations. Regular sustainability sessions are held to foster sharing of real estate best practices among our employees and enhance our sustainability knowledge to drive product innovation. In 2015, the topics discussed in the sustainability sessions were walkability, building great cities, disaster preparedness, mixed-used development and inclusive urban development.

Sustainability KRA

- 1) Sustainability FFA Checklist
- 2) Sustainability Sessions
- 3) GRI Data Reporting (for selected business units)
- 4) Communicating Sustainability

SUSTAINABILITY ORGANIZATION

The company's sustainability program is overseen by a board-level Sustainability Committee, composed of two directors and the CEO/President. The Planning Group - Sustainability Team shepherds initiatives that support implementation of the four focus areas. These include, but are not limited to, providing technical assistance to business and support units, research and analysis, and learning events.

We are currently developing sustainability leaders in each of the business units to further advance the implementation of the sustainability KRA in their projects and operations.

VALIDATION

The Planning Group - Sustainability Team continues to consult various leads in charge of planning and design, risk management, construction and property management, as well as other units to identify risks and opportunities under each focus area. From the inputs gathered from the Sustainability Checklist, we were also able to validate and gauge the varying implementation of each focus area per business unit. We continue to enhance our programs and practices under the FFA as we gather more inputs from our business units.

Moving forward, the company is currently developing its long-term sustainability targets for our stakeholders to have a better assessment of our progress. We are also finalizing the rollout of an enhanced sustainability management structure to further empower the organization in implementing the company's sustainability program.

AYALA LAND SUSTAINABILITY FOUR FOCUS AREAS

G4-21

From the results of our materiality process, we were able to identify Material Aspects in the GRI-G4 Guidelines to help us monitor and track the impact of our Sustainability Four Focus Areas and organizational initiatives.

GRI CATEGORIES	SITE RESILIENCE	PEDESTRIAN AND TRANSIT CONNECTIVITY	ECO-EFFICIENCY	LOCAL ECONOMIC DEVELOPMENT
ECONOMIC		Indirect Economic Impacts		Economic Performance Indirect Economic Impacts
ENVIRONMENTAL	Biodiversity Compliance Overall Environmental Grievance Mechanisms		Materials Energy Water Emissions Effluents and Waste	
SOCIETY				Local Communities
PRODUCT RESPONSIBILITY	Customer Health and Safety			
AYALA LAND INDICATOR	Open space provided and planned Number of trees planted and retained Total number of native trees in developments	Transit system provided Utilization of transit systems		Total direct jobs generated Percent of jobs provided locally

GRI CATEGORIES	SUSTAINABILITY GOVERNANCE AND ORGANIZATION			
GENERAL STANDARD DISCLOSURES				
ECONOMIC	Market Presence			
HUMAN RIGHTS	Investments	Freedom of Association and Collective Bargaining	Indigenous Rights	Assessment
	Child Labor	Forced or Compulsory Labor	Supplier Human Rights Assessment	Human Rights Grievance Mechanisms
LABOR	Employment	Labor/ Management Relations	Occupational Health and Safety	Training and Education
SOCIETY	Anti-Corruption			

STAKEHOLDER SUSTAINABILITY CONCERNS AND MEANS OF ENGAGEMENT

G4-24

We believe that our long-term success rests on the support and contribution of our stakeholders. We have different methods of engagement in gathering the concerns of our stakeholders and responding to them.

STAKEHOLDER	SUSTAINABILITY CONCERNS	MEANS OF ENGAGEMENT
BUSINESS PARTNERS AND SUPPLIERS	Adherence to highest level of moral and ethical conduct	Third-party accreditation process; vendor audits in accordance with the Vendors' Code of Ethics
COMMUNITIES	Quality of life in and around Ayala Land developments	Community engagement activities and consultations with partners, barangay (village) officials, homeowners' associations and non-government organizations; third-party assessments
CUSTOMERS	Delivery of best-in-class products and services	Customer surveys; feedback through website and social media
EMPLOYEES	Adherence to Ayala Land Code of Ethical Behavior; professional and organizational development	Regular town halls, quarterly briefings, biannual third-party administered Organizational Climate Survey (OCS)
GOVERNMENT	Economic development and nation-building	Participation in local development councils, where applicable
NON-GOVERNMENT ORGANIZATIONS	Meaningful and effective engagement with communities	Partnerships to uplift environmental, social and economic conditions of poor communities near or adjacent to our developments
MEDIA	Timely and accurate news; transparency	Quarterly investor relations business briefings; briefings on project launches; press releases
SHAREHOLDERS	Access to timely, accurate, and relevant information	Investor Relations website; quarterly financial analysts' briefings; annual stockholders meetings





Lakeside Evozone, Nuvali



SITE RESILIENCE EN12

The 2015 Pacific typhoon season produced thirty-six systems designated as tropical depressions. Fifteen of these entered the Philippine Area of Responsibility (PAR). Six directly made landfall.¹

The first five months of the season were unusually active and intense due to a developing El Niño, with at least one named tropical system forming every month, the first time since 1965.² The United Nations Office for Disaster Risk Reduction (UNISDR) also reported that 2015 was the hottest year on record and confirmed that weather and climate-related disasters now dominate disaster trends linked to natural hazards.³

Recognizing that the Philippines consistently ranks among countries hit by the most number of disasters worldwide, we, in Ayala Land, keep ourselves updated on emerging approaches in developing the unique geographies of our various locations. We started to intensify our internal trainings and consultations with experts on these matters in 2015. Our teams, especially those working in areas with special ecosystems, continue to explore innovations that will best work towards the delivery of sustainable estates.

As in past years, technical due diligence continues to be regarded as a critical step in risk reduction and planning for various developments. A council made up of senior officers of the company conducted weekly technical meetings to review significant site development issues before project approval. On the other hand, disaster preparedness is ensured during operations through safety drills.

RESILIENCE AIDED BY PHILIPPINE BIODIVERSITY

Our teams involved in large-scale mixed use estates stepped up their efforts to incorporate site resilience features in their projects. Open spaces vegetated with native species, as well as natural storm water management systems such as detention and retention ponds, filtration stripes and vegetated swales, continue to be main features of our new estates. An additional 371 hectares of permeable or green landscapes will provide convergence spaces and urban biodiversity in emerging estates such as Altaraza, Alviera, Circuit-Makati, Vermosa and Vertis North.

As we understand that nature is inherently resilient and able to bounce back from upheavals, we plan and design unique spaces that are not only functional for urban use, but also provide pockets of urban biodiversity that are crucial to rapid regeneration after natural calamities. By incorporating native vegetation into our developments, for example, we uphold the ecosystem services provided by birds and bats that are dependent on them for food and shelter. In turn, these creatures are able to continue to function as pollinators, foresters and pest-control agents. Beyond providing aesthetic pleasure to our stakeholders, our parks and open spaces play an important role in supporting nature's delicate balance.

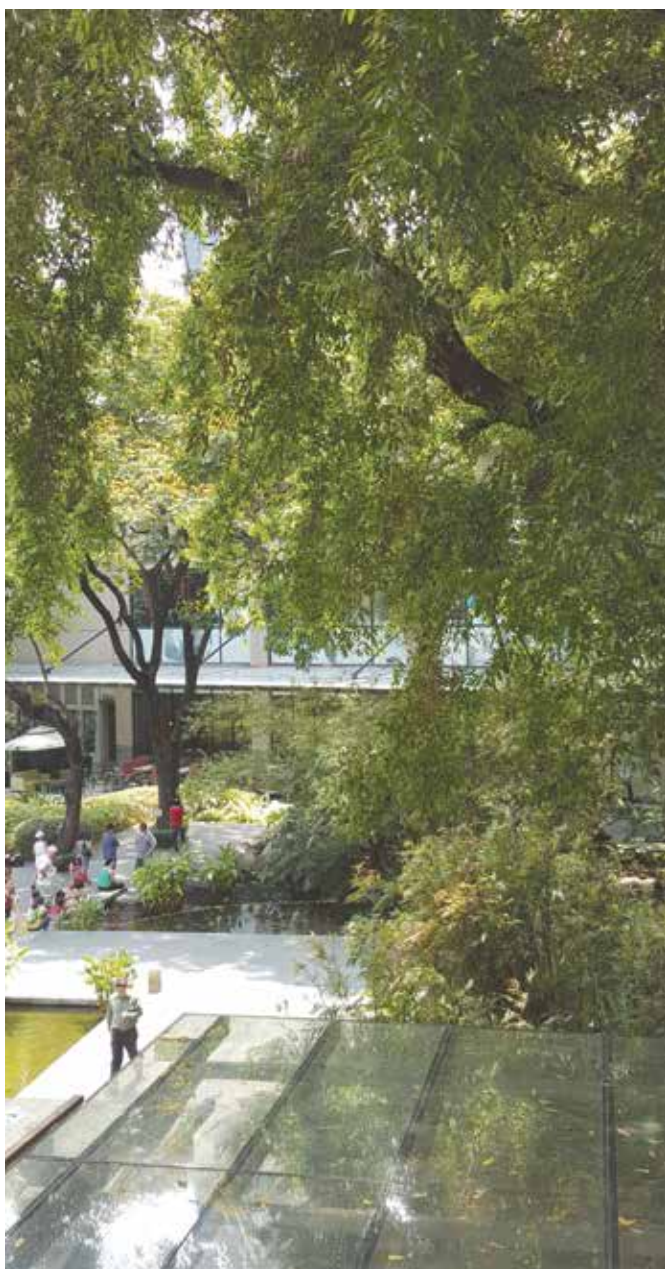
We continue to add to our knowledge of native landscaping by gathering data on native species in our various locations. Where possible, we have set up nurseries to enable teams to use vegetation that naturally grows in an area. Our new developments continue to work on increasing the percentage of native tree species used in landscaping. Supply of native tree species remains a challenge but with the roll-out of the policy, appreciation and awareness of native plants have increased among our various business units and supply chain.



Native vegetation was used in BellaVita communities in Tayabas, San Pablo, Lipa, Pillila and Cagayan de Oro.



Open spaces in new developments: (clockwise from top to left): Circuit in Makati City; Vermosa in Cavite; Alviera in Porac, Pampanga; and, Vertis North in Quezon City.



Fifteen out of 32 tree species at Greenbelt are native. Among the notable native species found here are Pili, Red Balete, Siar and Narra.



ALI employees identify native trees during a walking tour at Greenbelt.



Ayala Land participated and assisted in the mobilization for the first Metro Manila Shakedrill which was held in major urban centers in the country.

RESILIENCE COMES FROM READINESS

Ayala Property Management Corporation (APMC) reported a total of 157 resident engagement initiatives in 2015. Out of these, 70 were designed to prepare residents for various safety concerns in 67 residential properties. 23 of these activities directly addressed readiness for fires and earthquakes which were participated in by residents, staff, owners and helpers. APMC is now working on enhancing and regularizing these learning activities to further enhance preparedness in the properties they manage.

Our malls and estates have likewise conducted drills for employees in their respective areas to address various natural and man-made situations. The exercises are also opportunities to create synergies between locators of the estate, and the various business units' operations teams to cooperate and innovate on their readiness capacities. Of the total 870 drills performed throughout our 20 malls in 2015, 204 were for fire, 155 for earthquake, and 73 were for typhoon-preparedness. Fire drills in the more established malls were undertaken at least once a month.

Property managers from the Ayala Land Offices (ALO), the malls group and APMC also attended a briefing by Dr. Marleen Wong and Dr. Vivien Villaverde of the University of Southern California to discuss their three-tiered model for disaster preparedness which emphasized community-based disaster preparedness strategies and peer-to-peer assistance.

SITE RESILIENCE CASE:

ECOSYSTEMS SERVICES AS AMENITY



Minimum setback based on the water code is 20 meters from the mean high tide. Lio's setback on the beachfront is 40 meters from the mean high tide. Structures along the beach are built after the tree line.

Our tourism estate development, Lio, in El Nido, Palawan, showcases our efforts to increase climate change resilience by protecting ecosystems services to the maximum extent possible. In addition to basic requirements for development permits, additional studies were undertaken by the project team to better understand coastal dynamics, waterways within and outside the development, and plant diversity.

As environmental protection is a primary consideration for planning the estate, existing site conditions such as mangroves, lagoons, and forests were creatively integrated into the estate. Like many coastal areas in the Philippines, Lio's beach front, mountains and mangrove rivers need to be protected as the project team develops coherent and functional infrastructure. The following studies were undertaken by the Lio team:

a) Bathymetry and Coastal Dynamics Studies:

These determined possible impacts of waves on the coastline and beachfront during storm events. These studies also enabled the team to identify appropriate locations of landscaping elements, seawalls, jetties and other natural and man-made infrastructure that would minimize impact on the corals, marine wildlife and the natural shape of the shore. Building footprint was limited in order to protect the coastal structure.

b) Hydrology and Flood Studies:

These studies provided information on the 50-year and 100-year post-development flood events for consideration in road design and elevation of structures in the area. Measures such as natural stormwater management systems using bioswales,



A native tree nursery was built on Lio to enhance the steady supply of tree saplings.

detention ponds and rainwater catchment areas were recommended in consideration of the wetland system in the estate. The hydrology study also provided insights on water run-off and guidance on how to prevent structures from obstruct water channels as much as possible. Structures are also elevated, i.e. built on stilts or suspended slabs, taking into account post-development flood studies.

c) Tree Survey and Floristic Assessment:

Existing trees and native vegetation were assessed to provide insights on ecosystem types and unique species that require conservation. The findings of the tree survey were used by the team to revisit initial concept plans which at first designated thickly vegetated areas and natural detention

ponds as developable due to limited information. The final masterplan designated existing wetlands, low-lying areas and littoral forests as nature reserve areas. The studies also guided the planning team on infrastructure types. For example, in a certain area, instead of a conventional road, a low bridge was built to pass through a forest of endemic species of screwpines (*Pandanus sp.*) so as not to obstruct the root systems and natural flow of water. Lio's nature reserve areas, native trees and wildlife will be protected, enhanced, and showcased during nature walks to educate guests and visitors on the importance of sustainable development.



Pedestrian crossing in Bonifacio Global City, Taguig



PEDESTRIAN-TRANSIT CONNECTIVITY EC7

With a young population and robust economic performance, the Philippines is poised to become a development leader among its neighbors. As the economy grows, Filipinos demand to be more mobile as they seek access to opportunities in various growth centers all over the country. However, mobility issues confront Filipinos daily as transport infrastructure is pushed to its limits and hazards threaten the safety of commuters. Currently, traffic volume in most urban roads in Metro Manila and surrounding areas already exceed capacity driven by an increase in car ownership.⁴ Pedestrians rank second in incidents of road-user deaths in the Philippines⁵ due to inadequate pedestrian facilities in our streets and poor road discipline.

Ayala Land recognizes that there are opportunities in promoting mobility by providing pedestrian-friendly and public transit-oriented developments. We apply lessons learned from our established developments in planning new projects to improve the pedestrian experience and enhance public transit facilities. We also recognize that continuous partnership and collaboration with our stakeholders is needed to properly provide the facilities for our commuters. As the company grows, we also look forward to helping the country develop by facilitating access to centers of growth through our pedestrian and transit connected developments.



Pedestrians crossing to Serendra from Bonifacio High Street.



The BGC Bus shuttles people going in and out of the estate.



Bonifacio High Street at BGC, Taguig

LEARNING FROM EXPERIENCE

With careful planning and investment in pedestrian and transit facilities, mature estates such as the Makati Central Business District (Makati CBD), Bonifacio Global City (BGC), and Cebu Business Park (CBP) continue to reap and share the benefits with their customers and other stakeholders. At BGC, walking around the estate is a pleasant experience as one does so along tree-lined sidewalks, and amid interesting places and art murals. Pedestrians have access to numerous parks, which are no more than five minutes away from any point in BGC. Its bus transit system enjoys growing utilization with ridership increasing to 34,400 people per day in 2015 from 24,300 people per day in 2014.

Cebu Holdings Inc. (CHI), our subsidiary handling Cebu projects, has also started to promote a culture of walking by installing pedestrian-priority signs which will benefit more than 10,000 pedestrians using its crosswalks at Cebu Business Park and Cebu I.T. Park (CITP). To facilitate access, transit stops and public utility vehicle (PUV) terminals are provided in both estates, serving an average of 10,500 daily commuters.

Access to pedestrian and transit facilities is also integral to the success of our offices and malls. Walkable greenspace, such as the two-hectare Activity Park at Solenad 3 in Nuvali, Laguna, provide a refreshing stroll around our malls.



Solenad 3 in Nuvali, Laguna



Bikers are a common sight in Nuvali

Public-transit terminals are also integrated in malls located in key locations such as in Ayala Center, Trinoma, Market! Market! and Ayala Center Cebu. Our office developments are strategically located in areas near or connected to a transport stop or terminal. Ayala Land Offices also installs bike racks in its properties to encourage people who bike to work. In 2015, the company intensified the installation of bike racks with 21 office buildings with installed bike racks compared to 6 in 2014. We look forward to improving our pedestrian and transit oriented facilities as we continue to expand our portfolio.



Arca South in Taguig City



The South ITS, a multi-modal public transit terminal, will be adjacent to Arca South.

MOVING FORWARD: ARCA SOUTH AND VERMOSA

With the lessons gathered from our existing developments, we look forward to our upcoming large-scale, mixed-use communities that will offer improved pedestrian and transit experiences.

Accessibility will be a key advantage of Arca South, our new sustainable mixed-use estate in Taguig, as it synchronizes activities of the community within and outside the development. The estate will offer residents, office workers and visitors pedestrian-friendly features, allowing them easy access to different districts of the estate. These will include dedicated bikes lanes and wider walkways for eco-friendly forms of transportation. Additionally, an integrated parking that is being built in various phases will interconnect 40 percent of the estate. This plan is targeted to be completed by 2025.

Arca South will be well connected to other parts of the metropolis through major government-initiated projects in the pipeline. It will be adjacent to the South Integrated Transport

System (ITS), a multi-modal terminal that will connect commuters from the south of Luzon to inner Metro Manila. To connect the South ITS and the estate, it will have an internal transit system with stops at strategic points of the development. This will enable at least 100,000 daily passengers of the South ITS a more convenient commute as they can easily access the amenities Arca South will offer. Alongside the South ITS project will be the Skyway ramp, a private-public partnership infrastructure project which will give Arca South a more direct connection from different areas of Metro Manila and nearby provinces.

Vermosa, on the other hand, is a 700-hectare estate in Cavite that will offer a healthy and active lifestyle for its community. It will provide a pedestrian-focused environment offering a total of 60 hectares of public space and a 14-kilometer greenway lush with native trees. The main roads will have wide pedestrian lanes and will feature a 1.5-meter wide bike lane for bike commuters. This will enable Vermosa's Central Business District to be accessed within 10 minutes just by walking or biking.



Vermosa Masterplan



An APMC engineer checking building equipment.



ECO-EFFICIENCY

Ayala Land recognizes that its construction and operation of various developments utilize significant amounts of natural resources, but these activities present the greatest opportunity to be more efficient in our consumption. To minimize our environmental impact, we remain committed to enable our products to conserve natural resources and properly manage waste. Our eco-efficiency initiatives for the past years have been focused on supply chain and process improvements by our two subsidiaries, Makati Development Corporation (MDC) and Ayala Property Management Corporation (APMC). They continue to initiate and implement projects that minimize consumption of materials, energy, water, and generation of residual waste.

Ayala Land and its business units also employ design strategies to lessen the resource demand of our developments. In 2015, Seda Nuvali received its Leadership in Energy and Environmental Design (LEED)-Silver Certification, making it the first hotel in the Philippines to receive such distinction. To save on energy, the hotel is oriented on a North-South axis to shield the rooms from direct sunlight and lower cooling demand. It is also connected to Nuvali's District Cooling System (DCS), which provides the highest energy savings for the hotel. Water consumption is likewise minimized by utilizing low-flow dual flush fixtures and intelligent plant watering system for landscaping. We continue to study and implement best practices in eco-efficient design for our existing and upcoming developments as we benchmark ourselves to global environmental standards such as the LEED.

These practices have reaped substantial benefits for the company's bottom line and for the environment. Ayala Land's eco-efficiency practices enable us to reduce costs and minimize our impact on the country's resources as the company sets its sights on new avenues of growth.

MATERIALS

Ayala Land's efforts in wise resource use are reflected through the Green Procurement initiative of MDC and its supply chain division in procuring its cement and steel. MDC uses reinforced bars and steel containing 6.5 percent pre-consumer recycled content and 88.6 percent post-consumer recycled content. In 2015, our specification of cement contained 10 to 15 percent fly-ash replacement, which contributes to the reduction of landfill space needed for fly-ash disposal and reduces the demand for

virgin materials. MDC's concrete batching plants and pre-fabrication plants for construction components reduce wastage, and minimize travel time and fuel consumption. EN2

We also constantly monitor the consumption of cement and reinforced bars. From 2014-2015, our cement consumption decreased slightly by 0.4 percent and our reinforced bars consumption increased by only 1 percent.

MATERIALS CONSUMPTION EN1
IN TONNES



CEMENT

191,558	2013
231,232	2014
230,262	2015



STEEL

96,648	2013
96,857	2014
97,774	2015



Rebars and cement are the two materials mostly used in construction.

OPTIMIZING ENERGY USE

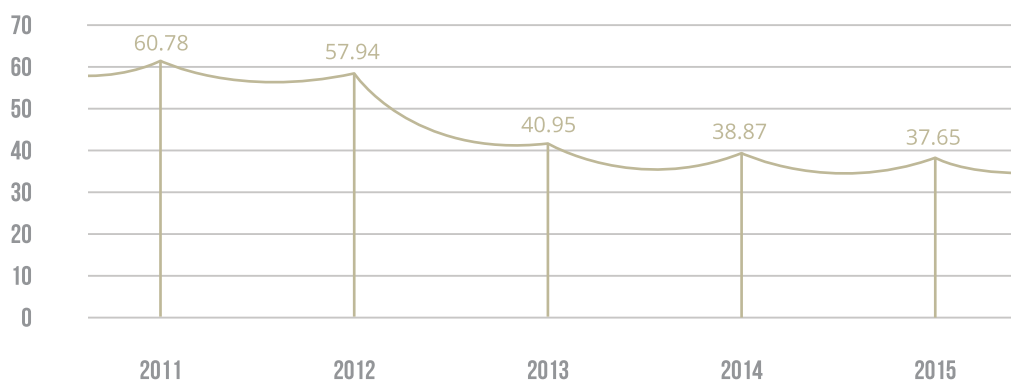
More than three-fourths of the Philippines' power generation are from fossil fuels such as coal, oil, and natural gas.⁶ With fossil fuel consumption being one of the main contributors of greenhouse gas (GHG) emissions, Ayala Land works towards reducing its energy consumption to minimize GHG emissions and save on operating costs.

Through the years, Ayala Land has made strides in minimizing its electricity consumption through conscious design and effective property management. Our malls feature naturally-ventilated spaces and corridors, reducing the need for air-conditioning. Our residential brands have started to employ passive cooling and carefully design their products to allow ample illumination from sunlight during the day.

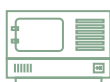
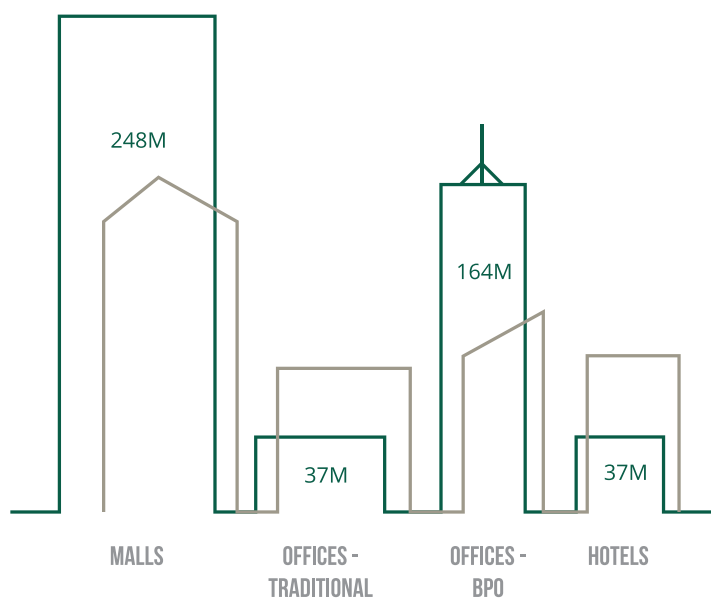
Meanwhile, through APMC, we continue to replace old light bulbs with LED equivalents, install escalator sensors, and invest in new technology for air-conditioning both in our managed and investment properties.

As a result, we were able to achieve significant energy savings in APMC-managed malls and offices. Comparing the same set of malls and offices in 2014 and 2015, overall electricity consumption declined by 1.55 percent, with our HQ-type offices having the largest reduction at 10 percent. Energy intensity, measured in kWh consumption per square meter of space, continues to go down across all property types with a 3 percent reduction from 2014 to 2015, resulting in a total reduction of 38 percent since 2011. In 2015, APMC avoided 16,409 mWh of electricity consumption in our malls and offices, which translated to around Php 131.5 million in savings.⁷

ENERGY INTENSITY - APMC MANAGED PROPERTIES *EN5/CRE1*
IN KWH / SQM / YEAR



2015 ELECTRICITY CONSUMPTION - INVESTMENT PROPERTIES
IN KWH



FUEL CONSUMPTION – STATIONARY EQUIPMENT EN3

	DIESEL (L)	LPG (KG)	LPG (CUM)	REG. GASOLINE (L)	UNLEADED (L)
APMC-MANAGED PROPERTIES	551,540.00	-	-	-	-
CONSTRUCTION*	4,852,723.36	-	-	-	-
HOTELS	21,625.40	32,936.00	5,442.40	-	-
RESORTS	1,414,813.00	104,292.00	-	7,551.00	93.00
TOTAL	6,840,701.76	137,228.00	5,442.40	7,551.00	93.00

* Diesel consumption includes consumption from mobile cranes



FUEL CONSUMPTION – MOBILE EQUIPMENT *EN3*
IN LITERS

	DIESEL	UNLEADED	GASOLINE
CONSTRUCTION	946,780.24	–	–
RESORTS	253,335.00	119,340.00	8,177.00
TOTAL	1,200,115.24	119,340.00	8,177.00



2015 ELECTRICITY CONSUMPTION *EN3, EN4*
IN KWH

	2013	2014	2015
MALLS	234,534,976.88	248,862,825.57	248,909,209.33
OFFICES - TRADITIONAL	43,585,122.20	41,917,587.78	37,604,695.37
OFFICES - BPO	145,950,105.77	158,259,971.64	164,517,376.56
RESIDENTIAL - VERTICAL	16,261,223.86	18,488,634.71	14,518,283.44
RESIDENTIAL - L&H	4,131,094.35	3,759,703.07	8,807,078.09
CAR PARKS (ALL)	4,661,861.35	4,970,658.48	4,610,090.68
ESTATE	3,036,501.55	3,324,264.71	3,631,377.35
APMC-MANAGED PROPERTIES	452,160,885.96	479,583,645.95	482,598,110.82
NON-APMC MANAGED			86,390,556.00
CONSTRUCTION	9,964,481.00	15,085,725.30	13,181,753.52
HOTELS	38,482,827.40	41,721,166.00	37,666,748.60
RESORTS		3,784,946.00	3,914,025.00
TOTAL	500,608,194.36	539,957,032.25	631,297,547.67

GHG EMISSIONS: MINIMIZING CARBON FOOTPRINT

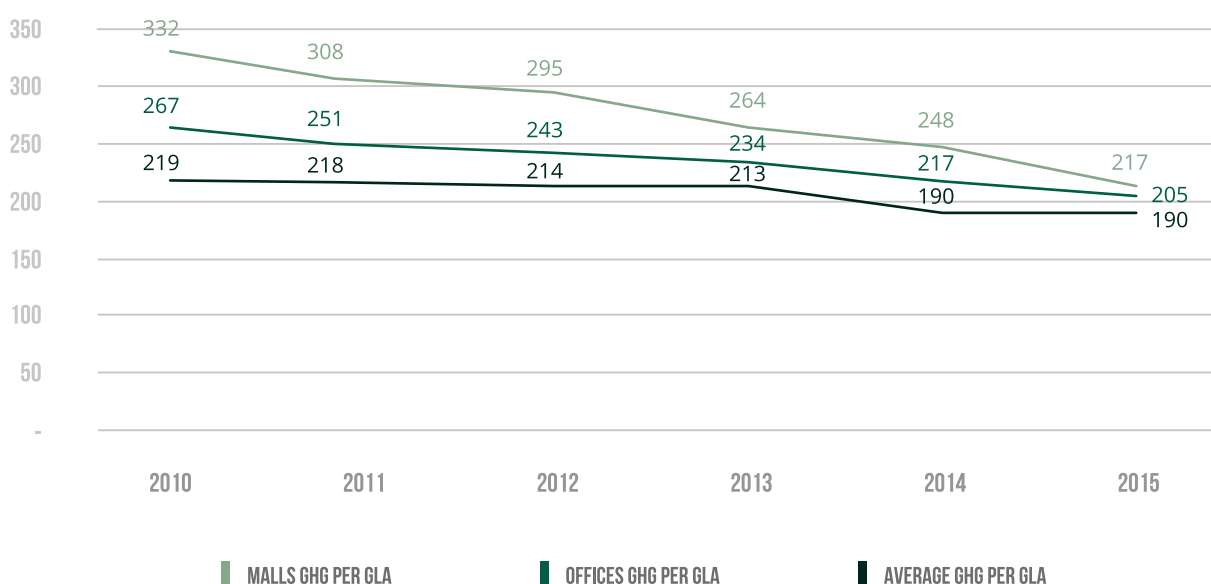
The Philippines has committed to reduce its carbon emissions by 70 percent in 2030. Ayala Land strives to contribute to this goal by tracking its GHG emissions and finding ways to reduce these. In 2015, our Scope 1 and Scope 2 emissions increased to 391,460 tons of CO₂e (t-CO₂e) from 322,706 t-CO₂e in 2014.⁸ This represents a 20 percent increase from the previous year. The increase in 2015 was primarily driven by better accounting of our GHG emissions and growth from direct fuel consumption.

We also reduced our GHG intensity, measured in GHG emissions per gross leasable area (GLA), in our malls and offices by 5.6 percent in 2015. In the course of five years (2010-2015), we have reduced our average GHG intensity in these properties

by 23.4 percent. This was driven by investments in technology to improve our energy efficiency.

Moving forward, we will continue to look for ways to report and manage our Scope 3 emissions from our residential developments and employee travel. We are also studying how to shift our energy mix towards more renewable energy as technologies become more feasible in terms of cost. Currently, our use of renewable energy comes from the solar lamp posts and panels in selected estates and malls. To better track our progress, we are preparing to set targets in GHG emissions reduction. We are also looking to offset any remaining carbon emissions through reforestation.

MALLS AND OFFICES - SCOPE 2 GHG INTENSITY
IN KG CO₂E PER GLA



WATER

Ayala Land complies with the national law (Philippine Water Code) and local policies regulating water extraction and utilization. Our developments utilize water district suppliers such as Manila Water and Maynilad, if they operate in the project sites. For properties outside of their coverage area, Ayala Land coordinates with the local water district suppliers to lessen and ultimately eliminate the use of deepwell or groundwater.

To lessen the impact of our use of water, we have specific guidelines on water efficiency and savings. Annually, we have a target water metric per type of property that is included in APMC's Key Result Areas (KRA). In APMC-managed malls

and offices, using the same set of properties from 2014-2015, water consumption decreased by 3 percent year-on-year as a result of water management initiatives in place since 2010. These include the installation of low-water consumption fixtures and occupant sensors for urinals, water closets, and faucets. A water reclamation facility has been installed in Marquee Mall to reduce water consumption for irrigation and facility washing. Rainwater harvesting is being implemented in our estates and currently being planned for our office developments. Water is also reused and recycled for landscaping and toilet flushing at El Nido Resorts. *EN10*



2015 WATER CONSUMPTION ^{EN8} IN CUBIC METERS

	2013	2014	2015
MALLS	3,180,024.62	3,271,639.72	3,268,695.57
OFFICES - TRADITIONAL	293,729.63	296,039.17	281,120.41
OFFICES - BPO	1,091,181.97	1,311,901.27	1,299,813.5
RESIDENTIAL - VERTICAL	248,267.26	357,692.21	635,017.79
RESIDENTIAL - LGH	377,221.65	1,015,836.81	1,721,181.42
CAR PARKS	30,117.17	31,536.67	63,842.12
ESTATE	214,197.03	201,337.55	176,868.44
APMC-MANAGED PROPERTIES	5,434,739.34	6,485,983.39	7,446,539.26
CONSTRUCTION	630,000.00	1,547,771.51	862,934.14
HOTELS	368,682.64	444,431.66	465,800.40
RESORTS		87,510.10	80,373.89
TOTAL	6,433,421.98	8,565,696.66	9,272,823.54

WASTE

Ayala Land manages waste in its properties through proper waste segregation. Waste segregation is continuously implemented in APMC-managed properties, and Materials Recovery Facilities (MRF) is a standard in Ayala Land developments. Our hotels and resorts have also started to implement waste segregation and report their waste metrics. In 2015, residual waste comprised majority of the hotels' waste with 79 percent of the total, while recyclable waste from our hotels comprised 21 percent. At El Nido Resorts, 78 percent of waste comes from food. El Nido Resorts turns its food waste into compost that is used in resort gardens and its organic farms in the El Nido mainland. In 2015, 14,870 kilograms of food waste at El Nido Resorts were turned into compost.



Waste segregation bins in Glorietta, Makati



WASTE GENERATION EN23 IN TONNES

	RECYCLABLE	FOOD	COMPOSTABLE	RESIDUAL	TOTAL
APMC-MANAGED PROPERTIES*	1,113.11	1,284.46	1,037.81	8,823.00	12,258.38
CONSTRUCTION (IN '000 CUBIC METERS)	3,439.55	-	-	9,248.09	12,687.63
HOTELS	335.65	-	-	1,280.18	1,615.83
RESORTS	14.94	282.59	-	64.03	361.56

* Excludes Residential - Land and House



An MDC surveyor working in a project site.



LOCAL ECONOMIC DEVELOPMENT EC7, EC8

Ayala Land's long-term commitment to build large scale mixed-use estates requires the participation of local stakeholders in activities that generate vibrant economies all over the country. Livelihood opportunities converge in our estates at every step of our project development cycle. Over the years, our developments have played significant roles in urban development as centers of production and employment, and as a result, served as venues of poverty reduction.

As a business operating in a developing country, where the average family income is around Php 644 per day,⁹ our projects provide diversified employment for urban and urbanizing populations. As cities are connected to the countryside, we are also able to reach different segments of the population directly and indirectly. By consciously making business decisions that seek to integrate local businesses, respect local culture and capacities, we make social inclusion possible and enable communities to be part of the urban value chain.

CONCENTRATIONS OF OPPORTUNITY

Along with dispersing opportunities in different locations, we also plan our developments to be compact. This will enable people from all walks of life to interact with each other in our diversified business districts.

Infrastructure and urban services bring benefits closer to people. Given the country's archipelagic nature and geographic vulnerabilities, we recognize that other forms of economic activity must be maximized to become alternative catalysts for growth.

Our established and emerging estates fulfill unique roles that add value to their respective regions and complement local capacities. An example is our Cloverleaf development, launched in March 2015, which is intended to trigger a wave of urban revitalization in the area. Meanwhile, Altaraza in Bulacan provides a much needed mix of masterplanned residential developments at different price points. It is also the site of QualiMed San Jose Del Monte, a 100-bed general hospital designed to serve the needs of the immediate municipality and province.

Our hotels and resorts continue to enhance the tourism experience throughout the country by providing high-quality standards of service, whether these are fully integrated into the natural ecosystem, as in the case of Seda Nuvali, or in the busy downtown, as in the case of Seda Centrio in Cagayan de Oro.

COOPERATIVE PARTNERSHIPS FOR EMPLOYMENT

The property development sector has great potential for employment creation, not only in construction and facilities management but also in related professional services during operations, as well as the supply of materials and components in various stages of the project cycle.¹⁰ With more than 40,000¹¹ jobs, construction continues to dominate Ayala Land's contribution to direct employment in various regions of the country.

On the other hand, the nature of the construction industry presents challenges due to the variations in demand for skill types and qualifications throughout the project timeline. Given the limited period required to accomplish construction activities, contingent and temporary working arrangements were deemed as cost-effective, especially where competition for manpower is fierce. Some practices, however, kept certain individuals from attaining stable livelihood status and accessing benefits available to regular employees.

To deal with the disadvantages brought about by such arrangements, cooperatives emerged to protect the rights of laborers. Over the past few years, Ayala Land's construction arm, MDC, actively pursued innovations in fair labor practice by engaging workers' cooperatives, whose members organized themselves in cooperative enterprises. Workers' cooperatives are increasingly recognized as effective means to preserve jobs while protecting the rights and welfare of limited-term (contractual) employees.¹²

These cooperatives, defined as "autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise" are guided by principles that emphasize mutual help, income sharing through dividends, and empowered decision-making. Through the years, these cooperatives have been able to provide their members with benefits and services such as housing, vehicle, and other loan facilities.

FINANCIAL HIGHLIGHTS

IN MILLION PESOS, EXCEPT IF INDICATED

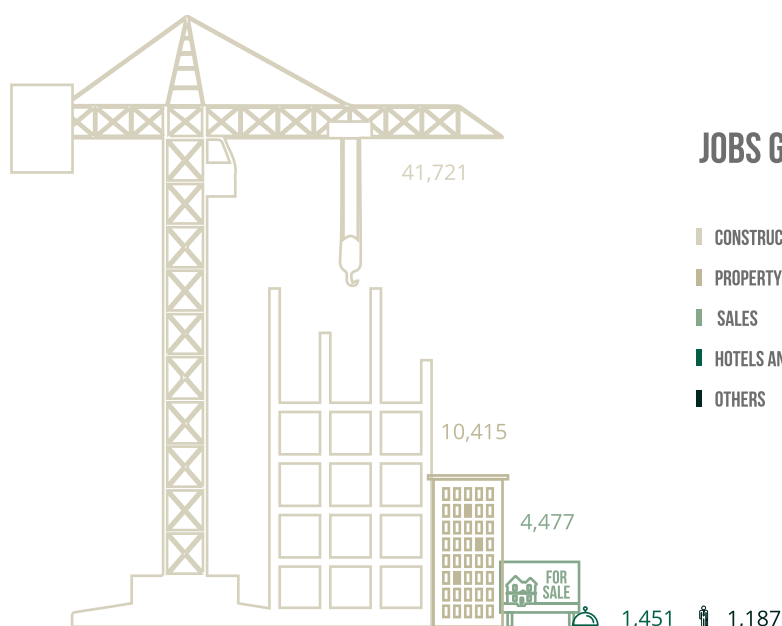
	2013	2014	2015
REVENUE	81,523.0	95,197.0	107,182.9
NET INCOME	11,741.8	14,802.6	17,639.3
MARKET CAPITALIZATION, IN BILLION PHP	350.8	478.0	506.0
CAPITAL EXPENDITURES, IN BILLION PHP	66.3	83.3	82.2

ECONOMIC VALUE DISTRIBUTION EC1, EC9

IN MILLION PESOS

	2013*	2014*	2015
ECONOMIC VALUE GENERATED			
TOTAL REVENUE	81,523.1	95,197.0	107,182.9
ECONOMIC VALUE DISTRIBUTED			
PAYMENTS TO SUPPLIERS/CONTRACTORS	45,308.9	53,616.6	58,105.5
PAYMENTS TO EMPLOYEES	5,805.3	4,387.5	4,943.6
PAYMENTS TO PROVIDERS OF CAPITAL	8,244.9	11,298.7	12,663.0
PAYMENTS TO GOVERNMENTS	6,416.4	8,343.7	9,537.4
PAYMENTS TO COMMUNITIES	316.7	27.0	126.0
ECONOMIC VALUE RETAINED	15,430.9	17,523.5	21,807.4

* Restated to reflect updated figures of Payments to Suppliers/Contractors and Payments to Employees



JOBS GENERATED BY SERVICE TYPE

- CONSTRUCTION SERVICES
- PROPERTY MANAGEMENT
- SALES
- HOTELS AND RESORTS OPERATIONS
- OTHERS

INVESTMENTS IN HUMAN CAPITAL TO PROMOTE DECENT WORK

We, at Ayala Land, believe that education and training will bridge skills gap in our project sites, increase employability and enhance the sustainability of communities where we locate. The company has, over the years, implemented a number of strategies to enable local community members to participate in our businesses, at various stages of the project cycle.¹³

To build capabilities of workers all over the Philippines, MDC established its Technical Training Center, which was accredited by the Technical Education and Skills Development Authority (TESDA) as a training institution for construction works. The MDC Technical Training Center offers National Certificate Level 2 courses in carpentry, masonry, electrical installation,

shield metal arc welding, scaffold erection, and truck mounted operation. These courses are open to both male and female workers who are members of cooperatives engaged by MDC or those involved in MDC projects.

In 2015, MDC has eight fully operational training centers located in Bonifacio Global City, Makati, Las Piñas, Quezon City, Laguna, Cebu, Davao and Iloilo, and has trained 5,620 workers.

This partnership between MDC and TESDA will help align the quality of skills with the Philippine Contractors Association in MDC's preparation for the ASEAN integration.



MDC Technical Training Center



A trainer demonstrating the basic parts of a mobile crane.



As Ayala Land continues to diversify and expand to new geographic locations, we ensure that communities around us feel valued and important.

EMPOWERED ORGANIZATION

LA9, LA10

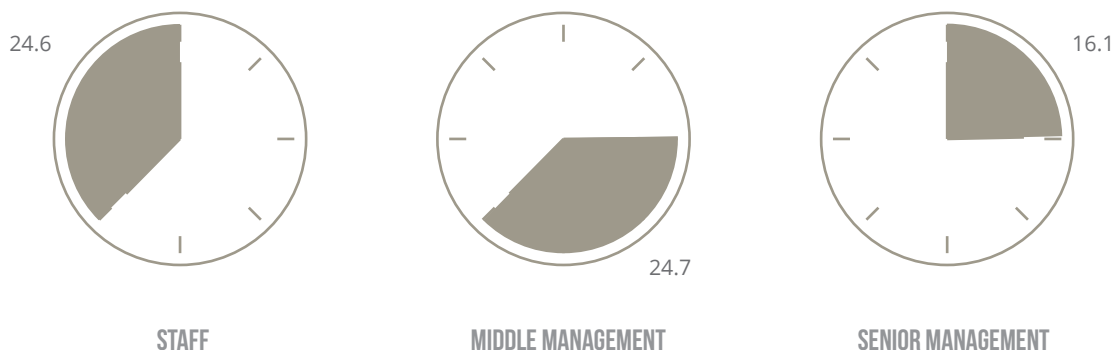
As Ayala Land embarks on its 2020-40 plan, its accomplishment hinges upon an empowered workforce with the necessary skills and motivation to complete the tasks at hand. As a key growth strategy, Ayala Land empowers its 4,220 employees by providing them with a work environment that promotes personal fulfilment and professional advancement.

PROFESSIONAL AND ORGANIZATIONAL DEVELOPMENT

Ayala Land continues to provide quality training programs to promote the holistic development of our employees. Level-appropriate training programs are provided to employees such as the Professionals-in-Development (PID) Program, Associate Managers Program, and New Managers' Boot Camp. These programs are currently being customized to cater to various units of the company. In 2015, the Associate Managers Program was successfully adapted by El Nido Resorts.

To drive sustainability awareness and implementation, sustainability orientations are included in our Professionals-in-Development (PID) program for new employees. We also continue to conduct regular sustainability sessions on Ayala Land's Four Focus Areas with a total of 454 attendees in 2015. Most of the sustainability sessions focused on best practices in real estate with our own colleagues sharing their insights on walkability, mixed-used developments, and building great cities. Other topics discussed in our sustainability sessions were disaster preparedness and inclusive urban development.

OVERALL AVERAGE TRAINING HOURS PER EMPLOYEE CATEGORY LA9





One of the Sustainability Sessions in 2015.

ENSURING HEALTH AND SAFETY

We recognize that our activities in property management and construction entail risks on the health and safety of our workforce and service providers. To address this, we have a Safety Council that monitors the implementation of safety practices. Construction personnel are required to use personal protection equipment (PPE) such as helmets, safety glasses, and dust masks. We also have a detailed Emergency Response Plan in place and regular fire, earthquake, and emergency response drills are conducted.

MDC continuously strives to maintain a safe work environment in all its construction projects. To improve its safety performance, MDC is implementing safety action plans to (1) focus on high risk activities, (2) increase the safety compliance and awareness in all projects, and (3) strengthen safety practitioners' performance.



Safety procedures are continually strengthened in our construction projects.

KEEPING EMPLOYEES ENGAGED

Ayala Land continues to maintain open lines of communication between management and its employees through regular town halls, quarterly updates, performance feedback and grievance mechanisms.

According to the results of our 2015 Organizational Climate Survey, Ayala Land was able to maintain its overall employee engagement score at 82, the same level of engagement score in 2013. We have observed significant improvement across all dimensions of employee engagement. The following dimensions below are what we consider as key drivers of engagement for Ayala Land:

- 1) Prospects for growth and career advancement
- 2) Communication
- 3) Ability to make key improvements
- 4) Recognition and compensation

As a strategy, we will focus on working on a per unit/ department level in order to address key areas and sustain the improvements we have already gained from the previous survey.



Ayala Land employees in a training session.



El Nido Resorts Associate Managers Program participants.



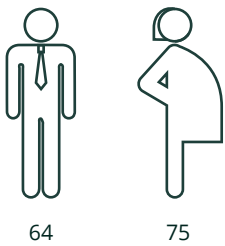
Employees from the parent company and subsidiaries of Ayala Land participated in the group-wide Christmas Party in 2015.

AYALA LAND PERSONNEL REPORT CARD

Ayala Land and its subsidiaries have a fairly even distribution of male and female employees. 51 percent of our employees are male, while 49 percent are female. Majority of our employees are aged 30 to 49, comprising 53 percent of the total, while 39 percent of our employees are under 30 years old, and those aged 50 and above comprise 8 percent of our personnel. In terms of location, 90 percent of our employees are based in Luzon. The remaining 10 percent are located in Visayas and Mindanao.

PARENTAL LEAVES AND RETURN TO WORK RATES

EMPLOYEES WHO TOOK PARENTAL LEAVES

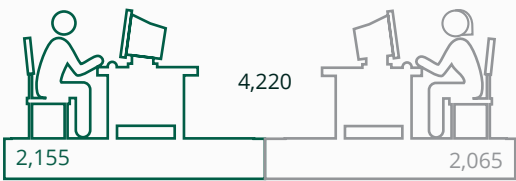


RETURN TO WORK RATES

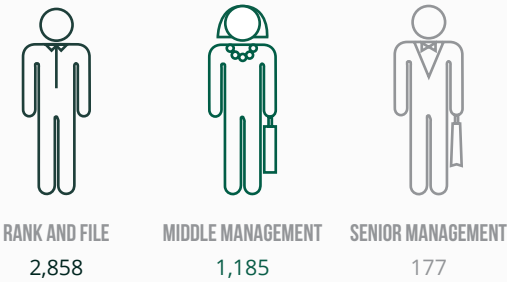


EMPLOYEE DISTRIBUTION

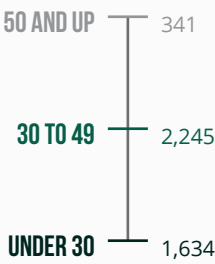
BY GENDER



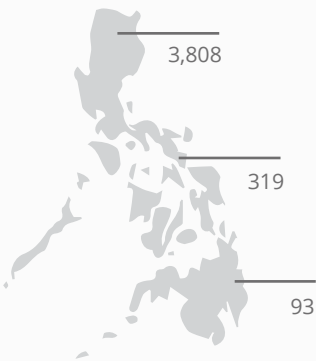
BY POSITION



BY AGE



BY REGION



NOTES, APPENDIX, GRI CONTENT INDEX

NOTES

- 1 <http://pagasa.dost.gov.ph/index.php/tropical-cyclones/annual-tropical-cyclone-tracks>
- 2 <https://global.weathernews.com/news/8494/>
- 3 Global Assessment Report on Disaster Risk Reduction 2015 http://www.preventionweb.net/english/hyogo/gar/2015/en/gar-pdf/GAR2015_EN.pdf
- 4 Roadmap for Transport Infrastructure Development for Metro Manila and Its Surrounding Areas (Region III & Region IV-A). JICA Study 2014
- 5 WHO Global Status Report on Road Safety 2015. http://www.who.int/violence_injury_prevention/road_safety_status/2015/country_profiles/Philippines.pdf
- 6 DOE, Philippine Power Statistics https://www.doe.gov.ph/sites/default/files/pdf/energy_statistics/power_statistics_2015_summary.pdf
- 7 Computation based on the meter reading before the installation of the new equipment. Baseline was established before equipment installation. Peso savings computed based on a fixed electricity rate.
- 8 2014 GHG Emissions recalculated to include CHI properties.
- 9 2012 FIES
- 10 http://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---sector/documents/publication/wcms_416378.pdf
- 11 These include jobs that mainly contribute to core construction activities such as welding, earthworks, carpentry and the like. This number may be higher when workers that provide support services such as canteen operations and security are included.
- 12 http://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---actrav/documents/publication/wcms_312039.pdf
- 13 http://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---sector/documents/publication/wcms_416378.pdf

APPENDIX



MATERIALS CONSUMPTION ENI

MATERIAL	UNIT	2013	2014	2015
CEMENT ('000 BAGS)	BAGS	4,788.95	5,780.81	5,756.56
CEMENT	METRIC TONNE	191,558	231,232	230,262
REBARS/STEEL	METRIC TONNE	96,648	96,857	97,774



ENERGY INTENSITY CREI, APMC-MANAGED PROPERTIES

ENERGY	2011	2012	2013	2014	2015
ENERGY INTENSITY*	60.78	57.94	40.95	38.87	37.65



GHG EMISSIONS

IN T-CO₂E

SCOPES	2014*	2015
SCOPE 1 <small>EN15</small>	21,226	33,574
SCOPE 2 <small>EN16</small>	294,423	357,885
SCOPE 3 <small>EN17</small>	7,057	5,380
TOTAL	322,706	396,839

* Restated to include CHI projects and properties

NOTE

Standards used for the computation are the GHG Protocol Corporate Standards.

Calculation tool used for fuel stationary emissions: *World Resources Institute (2015). GHG Protocol tool for stationary combustion*. Calculation tool used for fuel mobile emissions: *World Resources Institute (2015). GHG Protocol tool for mobile combustion Version 2.6*.

Emission factors used for electricity are from the Philippine Department of Energy. Reference for the GWP rates is the 2014 IPCC 5th Assessment Report. Scope 2 Emission Factor is broken down into Luzon-Visayas Grid and Mindanao Grid. Gasses reported include carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O).

GHG TOTALS AND INTENSITY EN18 / CRE3

PER BUSINESS	MALLS	OFFICE	HOTELS & RESORTS	RESIDENTIAL	CAR PARKS	ESTATES	CONSTRUCTION	OTHERS	TOTAL
TOTAL GHG (<i>t-CO₂e</i>)	186,681	122,563	38,845	5,380	2,781	763	30,149.51	9,677.35	396,839
INTENSITY	217	190	36	7.0	21.0	0.06	N/A	N/A	
UNIT	kg-CO ₂ e/GLA	kg-CO ₂ e/GLA	kg-CO ₂ e	kg-CO ₂ e	kg-CO ₂ e	kg-CO ₂ e	N/A	N/A	
	scope 2 only	scope 2 only	per room per day	per common area	per GLA	per managed area			



INVESTMENT PROPERTIES – GHG INTENSITY

IN KG-CO₂e / SQM

AVERAGE SCOPE 2 GHG INTENSITY	2010*	2011*	2012*	2013*	2014*	2015
INVESTMENT PROPERTIES	267	251	243	234	217	205
MALLS	332	308	295	264	248	217
OFFICES	219	218	214	213	190	190

* Restated to include CHI projects and properties

AYALA LAND EMPLOYEE STATISTICS

AS OF DECEMBER 31, 2015 *G4-10, LA1, LA3*



EMPLOYEE DISTRIBUTION BY GENDER

BUSINESS UNIT	TOTAL HEADCOUNT	MALE	FEMALE
AYALA LAND PARENT*	458	216	242
RESIDENTIAL	845	276	569
SHOPPING CENTERS	139	47	92
OFFICES	16	3	13
HOTELS & RESORTS	1,305	814	491
CONSTRUCTION	533	388	145
PROPERTY MANAGEMENT	355	236	119
SERVICES	569	175	394
GRAND TOTAL	4,220	2,155	2,065



EMPLOYEE DISTRIBUTION BY AGE

BUSINESS UNIT	TOTAL HEADCOUNT	UNDER 30	30 TO 49	50 & UP
AYALA LAND PARENT*	458	81	299	78
RESIDENTIAL	845	428	404	13
SHOPPING CENTERS	139	76	58	5
OFFICES	16	14	2	0
HOTELS & RESORTS	1,305	435	742	128
CONSTRUCTION	533	94	350	89
PROPERTY MANAGEMENT	355	158	178	19
SERVICES	569	348	212	9
GRAND TOTAL	4,220	1,634	2,245	341



EMPLOYEE DISTRIBUTION BY POSITION

BUSINESS UNIT	TOTAL HEADCOUNT	STAFF	MIDDLE MANAGEMENT	SENIOR MANAGEMENT
AYALA LAND PARENT*	458	203	230	25
RESIDENTIAL	845	719	124	2
SHOPPING CENTERS	139	110	29	0
OFFICES	16	16	0	0
HOTELS & RESORTS	1,305	879	315	111
CONSTRUCTION	533	381	150	2
PROPERTY MANAGEMENT	355	0	323	32
SERVICES	569	550	14	5
GRAND TOTAL	4,220	2,858	1,185	177



EMPLOYEE DISTRIBUTION BY REGION

BUSINESS UNIT	TOTAL HEADCOUNT	LUZON	VISAYAS	MINDANAO
AYALA LAND PARENT*	458	455	2	1
RESIDENTIAL	845	803	35	7
SHOPPING CENTERS	139	129	10	0
OFFICES	16	16	0	0
HOTELS & RESORTS	1,305	1,028	204	73
CONSTRUCTION	533	501	25	7
PROPERTY MANAGEMENT	355	317	33	5
SERVICES	569	559	10	0
GRAND TOTAL	4,220	3,808	319	93



NEW HIRES BY GENDER

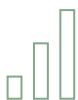
BUSINESS UNIT	NEW HIRES	MALE	FEMALE
AYALA LAND PARENT*	10	7	3
RESIDENTIAL	219	69	150
SHOPPING CENTERS	34	1	33
OFFICES	8	1	7
HOTELS & RESORTS	261	145	116
CONSTRUCTION	166	120	46
PROPERTY MANAGEMENT	95	64	31
SERVICES	109	37	72
GRAND TOTAL	902	444	458



NEW HIRES BY AGE

BUSINESS UNIT	NEW HIRES	UNDER 30	30 TO 49	50 & UP
AYALA LAND PARENT*	10	5	4	1
RESIDENTIAL	219	165	54	0
SHOPPING CENTERS	34	30	4	0
OFFICES	8	8	0	0
HOTELS & RESORTS	261	149	103	9
CONSTRUCTION	166	54	98	14
PROPERTY MANAGEMENT	95	58	36	1
SERVICES	109	106	3	0
GRAND TOTAL	902	575	302	25

* A number of Ayala Land Parent headcount is assigned to subsidiaries



NEW HIRES BY POSITION

BUSINESS UNIT	NEW HIRES	STAFF	MIDDLE MANAGEMENT	SENIOR MANAGEMENT
AYALA LAND PARENT*	10	6	4	0
RESIDENTIAL	219	212	7	0
SHOPPING CENTERS	34	32	2	0
OFFICES	8	8	0	0
HOTELS & RESORTS	261	171	63	27
CONSTRUCTION	166	134	32	0
PROPERTY MANAGEMENT	95	0	92	3
SERVICES	109	109	0	0
GRAND TOTAL	902	672	200	30



NEW HIRES BY REGION

BUSINESS UNIT	NEW HIRES	LUZON	VISAYAS	MINDANAO
AYALA LAND PARENT*	10	10	0	0
RESIDENTIAL	219	204	6	9
SHOPPING CENTERS	34	34	0	0
OFFICES	8	8	0	0
HOTELS & RESORTS	261	195	58	8
CONSTRUCTION	166	155	8	3
PROPERTY MANAGEMENT	95	83	12	0
SERVICES	109	108	1	0
GRAND TOTAL	902	797	85	20

ATTRITION LA1

BUSINESS UNIT	2015 HEADCOUNT	2014 HEADCOUNT	TOTAL # OF EMPLOYEES LEAVING IN 2015	MALE	FEMALE	UNDER 30	30 TO 49	50 AND UP	LUZON	VISAYAS	MINDANAO	ATTRITION RATE
AYALA LAND PARENT*	458	498	39	15	24	14	19	6	38	1	0	
RESIDENTIAL	845	604	96	38	58	61	34	1	94	2	0	
SHOPPING CENTERS	139	-	23	7	16	18	5	0	23	0	0	
OFFICES	16	-	1	1	0	1	0	0	1	0	0	
HOTELS & RESORTS	1,305	1,242	229	108	121	97	112	20	183	23	23	
CONSTRUCTION	533	329	39	29	10	9	26	4	36	3	0	
PROPERTY MANAGEMENT	355	319	58	41	17	21	36	1	53	5	0	
SERVICES	569	-	93	31	62	79	14	0	92	1	0	
GRAND TOTAL	4,220	2,992	578	270	308	300	246	32	520	35		16%

PARENTAL LEAVES AND RETURN TO WORK RATES

BUSINESS UNIT	NO. OF EMPLOYEES ENTITLED TO PARENTAL LEAVE	NO. OF EMPLOYEES THAT TOOK PARENTAL LEAVE (MALE)	NO. OF EMPLOYEES THAT TOOK PARENTAL LEAVE (FEMALE)	NO. OF EMPLOYEES WHO RETURNED TO WORK (MALE)	NO. OF EMPLOYEES WHO RETURNED TO WORK (FEMALE)	RETURN TO WORK RATE (MALE)	RETURN TO WORK RATE (FEMALE)
AYALA LAND PARENT*	458	2	1	2	1		
RESIDENTIAL	845	4	5	4	5		
SHOPPING CENTERS	139	1	5	1	1		
OFFICES	16	0	0	0	1		
HOTELS & RESORTS	1,305	23	22	23	19		
CONSTRUCTION	533	13	5	13	4		
PROPERTY MANAGEMENT	355	11	10	11	10		
SERVICES	569	10	26	10	21		
GRAND TOTAL	4,220	64	75	64	66	100%	88%

EMPLOYMENT CATEGORY *G4-10, LA1*



SENIOR MANAGEMENT BY GENDER

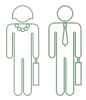
BUSINESS UNIT	TOTAL HEADCOUNT	MALE	FEMALE
AYALA LAND PARENT*	25	20	5
RESIDENTIAL	2	0	2
SHOPPING CENTERS	0	0	0
OFFICES	0	0	0
HOTELS & RESORTS	111	69	42
CONSTRUCTION	2	2	0
PROPERTY MANAGEMENT	32	23	9
SERVICES	5	3	2
GRAND TOTAL	177	117	60

* A number of Ayala Land Parent headcount is assigned to subsidiaries



SENIOR MANAGEMENT BY AGE

BUSINESS UNIT	TOTAL HEADCOUNT	UNDER 30	30 TO 49	50 AND UP
AYALA LAND PARENT*	25	0	7	18
RESIDENTIAL	2	0	2	0
SHOPPING CENTERS	0	0	0	0
OFFICES	0	0	0	0
HOTELS & RESORTS	111	13	79	19
CONSTRUCTION	2	0	1	1
PROPERTY MANAGEMENT	32	0	27	5
SERVICES	5	0	3	2
GRAND TOTAL	177	13	119	45



MIDDLE MANAGEMENT BY GENDER

BUSINESS UNIT	TOTAL HEADCOUNT	MALE	FEMALE
AYALA LAND PARENT*	230	112	118
RESIDENTIAL	124	72	52
SHOPPING CENTERS	29	8	21
OFFICES	0	0	0
HOTELS & RESORTS	315	156	159
CONSTRUCTION	150	119	31
PROPERTY MANAGEMENT	323	213	110
SERVICES	14	3	11
GRAND TOTAL	1,185	683	502



MIDDLE MANAGEMENT BY AGE

BUSINESS UNIT	TOTAL HEADCOUNT	UNDER 30	30 TO 49	50 AND UP
AYALA LAND PARENT*	230	3	188	39
RESIDENTIAL	124	3	112	9
SHOPPING CENTERS	29	2	25	2
OFFICES	0	0	0	0
HOTELS & RESORTS	315	76	208	31
CONSTRUCTION	150	5	96	49
PROPERTY MANAGEMENT	323	158	151	14
SERVICES	14	0	13	1
GRAND TOTAL	1,185	247	793	145



RANK AND FILE BY GENDER

BUSINESS UNIT	TOTAL HEADCOUNT	MALE	FEMALE
AYALA LAND PARENT*	203	84	119
RESIDENTIAL	719	204	515
SHOPPING CENTERS	110	39	71
OFFICES	16	3	13
HOTELS & RESORTS	879	589	290
CONSTRUCTION	381	267	114
PROPERTY MANAGEMENT	0	0	0
SERVICES	550	169	381
GRAND TOTAL	2,858	1,355	1,503



RANK AND FILE BY AGE

BUSINESS UNIT	TOTAL HEADCOUNT	UNDER 30	30 TO 49	50 AND UP
AYALA LAND PARENT*	203	78	104	21
RESIDENTIAL	719	425	290	4
SHOPPING CENTERS	110	74	33	3
OFFICES	16	14	2	0
HOTELS & RESORTS	879	346	455	78
CONSTRUCTION	1,503	90	252	39
PROPERTY MANAGEMENT	0	0	0	0
SERVICES	550	348	196	6
GRAND TOTAL	2,858	1,375	1,332	151



2015 COMPOSITION OF GOVERNANCE BODIES

	TOTAL HEADCOUNT	GENDER DISTRIBUTION		AGE DISTRIBUTION		
		MALE	FEMALE	UNDER 30	30 TO 50	OVER 50
ALI BOARD OF DIRECTORS	9	8	1	0	0	9
ALI MANAGEMENT COMMITTEE	9	8	1	0	2	7
GRAND TOTAL	18	16	2	0	2	16

* A number of Ayala Land Parent headcount is assigned to subsidiaries

GRI CONTENT INDEX

AR - Annual Report

SR - Sustainability Report

GENERAL STANDARD DISCLOSURES		
INDICATOR	SHORT DESCRIPTION	FOUND IN, PAGE/S
G4-1	Statement from the most senior decision-maker.	SR pp. 6-9
G4-2	Description of key impacts, risks, and opportunities.	SR pp. 6-9
G4-3	Name of the organization	SR p. 1
G4-4	Primary brands, products, and services.	AR pp. 36-53
G4-5	Location of the organization's headquarters	AR p. 231
G4-6	Number of countries where the organization operates, and names of countries where either the organization has significant operations	AR p. 3
G4-7	Nature of ownership and legal form	AR p. 85, 134-138
G4-8	Markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	AR p. 3
G4-9	Scale of the organization	AR pp. 3, 6-7, 135-138
G4-10	Total number of employees by employment and gender	SR pp. 50,55-60
G4-11	Percentage of total employees covered by collective bargaining agreements	5%
G4-12	Describe the organization's supply chain	SR pp. 10-11
G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.	AR pp. 138-141
G4-14	Whether and how the precautionary approach or principle is addressed by the organization.	AR pp. 94-65, 100, 106-112
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	AR p. 74
G4-16	Memberships of associations (such as industry associations) and national or international advocacy organizations.	AR pp. 114, 116
G4-17	Entities included in consolidated financial statements and exclusions	AR pp. 135-138
G4-18	Process for defining the report content and the Aspect Boundaries; b. How the organization has implemented the Reporting Principles for Defining Report Content.	SR pp. 12-15
G4-19	Material Aspects identified in the process for defining report content.	SR pp. 12-15
G4-20	Whether the Aspect is material within the organization.	SR pp. 12-15
G4-21	Whether the Aspect is material outside of the organization.	SR pp. 12-15
G4-22	Effect of any restatements of information provided in previous reports, and the reasons for such restatements.	SR pp. 45, 53
G4-23	"Significant changes from previous reporting periods in the Scope and Aspect Boundaries."	SR pp. 53, 68
G4-24	List of Stakeholder Groups engaged by the organization	AR pp. 80-82, SR p. 15
G4-25	Basis for identification and selection of stakeholders with whom to engage	SR pp. 12-15
G4-26	Organizations approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication whether any of the engagement was undertaken specifically as part of the preparation process	SR pp. 12-15
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns	SR pp. 12-15
G4-28	Reporting period (such as fiscal or calendar year)	SR p. 4
G4-29	Date of most recent previous report	2015
G4-30	Reporting cycle	Annual
G4-31	Contact point for questions regarding the report or its contents.	SR p. 74
G4-32	'In accordance' option the organization has chosen.	SR p. 4
G4-33	Organization's policy and current practice with regard to seeking external assurance for the report.	SR p. 4
G4-34	Governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	AR pp. 98-102
G4-35	Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	AR pp. 98-102
G4-36	Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	AR pp. 98-102

GENERAL STANDARD DISCLOSURES		
INDICATOR	SHORT DESCRIPTION	FOUND IN, PAGE/S
G4-37	Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.	AR pp. 98-102
G4-38	Composition of the highest governance body and its committees.	AR p. 87, 98-102, 112-113, 116
G4-39	Whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).	AR p. 87, 98-102, 112-113, 116
G4-40	Nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members.	AR p. 87, 98-102, 112-113, 116
G4-41	Processes for the highest governance body to ensure conflicts of interest are avoided and managed.	AR p. 104
G4-42	Highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	AR pp. 58-71, 76-78, 87, 98-102, 112-113, 116
G4-43	Board competencies and performance evaluation measures taken to development collective knowledge of economic, environmental and social topics	AR pp. 113-115
G4-44	Processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment.	AR pp. 100, 103, 115
G4-45	Highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes.	AR pp. 90-99, 106-112
G4-46	Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	AR pp. 90-99
G4-47	Frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	AR pp. 87, 98-102, 112-113, 116
G4-48	Highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	AR pp. 87, 98-102, 112-113, 116
G4-49	Process for communicating critical concerns, nature and number	AR pp. 87, 98-102, 112-113, 116
G4-50	Nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	AR pp. 87, 98-102, 112-113, 116
G4-51	Remuneration policies for the highest governance body and senior executives.	AR p. 105
G4-52	Process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization.	AR p. 105
G4-53	How stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.	AR pp. 96-97, 105
G4-54	Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	Omitted, not currently part of internal accounting metrics
G4-55	Ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.	Omitted, not currently part of internal accounting metrics
G4-56	Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	AR pp. 3, 74, 82-83
G4-57	Internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	AR pp. 82-83
G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	AR pp. 82-83

GRI 64 DISCLOSURE OF MANAGEMENT APPROACH

SPECIFIC STANDARD DISCLOSURES - ECONOMIC
ECONOMIC PERFORMANCE
We shall maintain our standing and reputation as the Philippines' leading real-estate developer. We develop integrated, masterplanned mixed-use communities in growth centers as platforms for our end-to-end real estate products – ranging from residential, retail and office developments, as well as hotels and island resorts, to construction and property management services. Our long-term growth is built on this market-leading platform and our five-pillar strategy of growth, margin improvement, capital efficiency, and brand building.
MARKET PRESENCE
Expansion into new growth centers provides us with opportunities for creative and sustainable solutions that distinguish our real estate products. Our projects help stimulate the local economies, contribute to local employment, and improve public infrastructure where we establish our presence.
DIRECT ECONOMIC PERFORMANCE
We see ourselves as a strong partner in nation-building.
PROCUREMENT PRACTICES
Ayala Land utilizes a third-party vendor/supplier pre-qualification system to screen for legitimacy and credit worthiness of our suppliers. Potential environmental impacts are identified during the technical evaluation of pre-qualified vendors and products during the actual procurement exercises, most especially for projects with environmental sensitivities. Vendors and suppliers are strongly encouraged to conform with Ayala Land's Vendors' Code of Ethics, and abide by the same code in their dealings with their subcontractors. The Code provides guidelines on the following aspects: labor practices, health and safety, environment, management system, and ethics. Incidents involving the supply chain are also reviewed through the enterprise- wide risk management system, and used as basis for improvement.

SPECIFIC STANDARD DISCLOSURES - ENVIRONMENTAL
MATERIAL
We optimize plant resources and optimize materials efficiency in our construction activities.
ENERGY
The Philippines has one of the highest energy costs in Southeast Asia, and energy efficiency is as much a business decision as it is an environmental concern for Ayala Land. Energy savings are achieved by the company through: 1) the use of low-energy technology such as LED lights, motion sensors in common areas of new buildings, and retrofitting old ones, where appropriate; 2) management systems using intelligent energy-efficient equipment to control pumps, motors; and 3) inclusion of energy efficiency metrics in property managers' performance evaluation. Ayala Land also has two subsidiaries, PhilEnergy and DirectPower that design and install district cooling systems (DCS), engage in retail electricity supply, and explore new energy savings technologies for Ayala Land properties and other clients.
WATER
Ayala Land complies with the national law (Philippine Water Code) and local policies regulating water extraction and utilization. Our developments only utilize water district suppliers such as Manila Water and Maynilad if they operate in the project sites. For properties outside of their coverage area, Ayala Land coordinates with the local water district suppliers to lessen and ultimately eliminate the use of deepwell/ ground water. Annually, we have a target water metric per type of property that is included in our Key Result Areas (KRA). On average, we improve our performance by at least 3% year-on-year.
BIODIVERSITY
Ayala Land abides by local and national Philippine law for biodiversity management. These laws include the National Integrated Protected Areas System, Wildlife Act, Environmental Impact Statement Law, Marine Protected Areas, and other relevant laws, directives and ordinances that protect biodiversity. Flora and fauna studies are part of our technical due diligence processes. These studies guide masterplanning exercises, and best efforts are undertaken to minimize any impact on the habitat. We have started to increase the number of native plant species in our urban developments and identify native/existing tree stands, and we exert best efforts to maintain heritage and protected tree/plant species. We apply lessons learned from previous projects to protect biodiversity, especially as we expand our hotels and resorts portfolio and move into environmentally significant areas in the Philippines.
EMISSIONS
The Philippines currently does not have regulations and policies for emissions and mainly focuses on adaptation measures in its climate change policy. Ayala Land is voluntarily tracking its emissions. Our reduction policy increase efficiencies in energy use of our projects through design, technologies and behavioral approaches. By tracking and measurement, and refining our metrics we are able to identify areas for improvement, as well as best practices that we could use for design and planning, as well as operations.
EFFLUENTS AND WASTE
Ayala Land ensures that its properties and projects are properly connected to the wastewater treatment facilities of Manila Water and Maynilad, where possible. In areas which are not serviced, Ayala Land installs Septage Treatment Plants (STPs) for proper treatment of waste water.
OVERALL
Ayala Land exerts best efforts to minimize impacts on the environment and surrounding communities, paying particular attention to resource efficiencies, stormwater and flood management.
COMPLIANCE
Ayala Land complies with all national and local laws and regulations as well as voluntary standards on the environment as part of our Enterprise-Wide Risk Management Program.
ENVIRONMENTAL GRIEVANCE MECHANISMS
Projects with potential environmental impacts are required to secure an Environmental Compliance Certificate (ECC), which also stipulates that multipartite monitoring teams (MMTs) conduct regular inspections. Regular Philippine feedback channels such as the barangay (village) councils and local government units (LGU) have also been used by community members to provide feedback to the company and are received and acted upon by our external affairs division and project teams. Grievances are also brought to our attention through various media such as the company website, customer service hotlines, through our external affairs division, and the concerned Ayala Land business unit.

SPECIFIC STANDARD DISCLOSURES - LABOR	
LABOR PRACTICES AND DECENT WORK	
EMPLOYMENT	
We believe that organizational development is a key pillar of our growth strategy. We empower our employees by providing them a work environment that promotes personal fulfillment and professional advancement. We provide competitive compensation and benefits package that is at par with industry standards.	
LABOR MANAGEMENT RELATIONS	
We believe in open lines of communication between management and employees. We conduct regular townhall meetings, observe and implement formal and informal grievance mechanisms, and administer an Organizational Climate Survey every two years.	
OCCUPATIONAL HEALTH AND SAFETY	
Ayala Land ensures full and effective compliance with all relevant government regulations. Ayala Land employees to undergo annual physical exams and regular flu, cervical, and pneumonia vaccinations. Employees receive health risk assessments, timely information on prevention of serious diseases, and there is extensive health insurance coverage for both employees and eligible family members. We have our clinic with a company nurse and doctor available to employees. A Safety Council has been instituted in 2013 and there are programs and officers for Safety and Pollution Control for all field personnel. We mandate the use of personal protective equipment, safety glasses, and dust masks among construction personnel. We have a detailed Emergency Response Plan in place and regular fire, earthquake, and emergency response drills are conducted.	
TRAINING AND EDUCATION	
We believe in holistic development of our talent and espouse the culture of building from within. We offer quality training opportunities and custom-fit courses that recognize and address the needs of Ayala Land's Leadership Pipeline. Training modules cover business and technical knowledge, skill-building, values, ethics and corporate governance. Knowledge transfer and building of capabilities is done through the shared efforts of the individual and their boss, executives, managers and subject-matter experts.	
SPECIFIC STANDARD DISCLOSURES - HUMAN RIGHTS	
INVESTMENTS	
Our company's Statement of Principles as discussed in ALI Vendors' Code of Ethics, clearly uphold the human rights of workers, support diversity and equal opportunity in employment and recognize and respect freedom of association and collective bargaining. We require our vendors to share and embrace these principles which also prohibit forced, bonded or indentured labor, child labor, discrimination and harsh or inhumane treatment. Our due diligence processes in land acquisition ensures that our locational choices considers the rights of communities and legitimate claimants, in accordance with Philippine law. Joint venture partners and subsidiaries are expected to provide support for legitimate community claims, and to come up with mechanisms to protect minority rights.	
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING	
Ayala Land protects freedom of association and has neither policies nor aspects of our operations that will prohibit any employee from exercising this freedom to unionize and the right to collective bargaining. Among the Ayala Land parent company and its subsidiaries, employees of Ayala Land parent alone are currently covered by collective bargaining agreements.	
CHILD LABOR	
Ayala Land does not tolerate the use of child labor in any of our operations. We do not work with suppliers and partners that use any form of child labor. Our supplier accreditation process checks potential suppliers for violations of anti-child labor laws.	
FORCED OR COMPULSORY LABOR	
Our Compensation and Benefits guidelines and our regular performance reviews of all employees ensure that all work is compensated according to Philippine labor laws and the company's performance incentive program. Economic sanctions placed on erring employees do not include any form of unpaid labor.	
INDIGENOUS RIGHTS	
Our due diligence processes ensures that our locational choices considers the rights of indigenous peoples living in the area of operation, in accordance with the Indigenous People's Rights Act (IPRA) of the Philippines. We work with legitimate community and non-profit organizations on capacity building programs to increase opportunities for indigenous and local communities' participation in our value chain.	
ASSESSMENT	
Human rights of employees and stakeholders of our value chain are protected through the company's adherence to the Labor Code of the Philippines and other relevant laws protecting community rights.	
SUPPLIER HUMAN RIGHTS ASSESSMENT	
Our company's Statement of Principles as discussed in the ALI Vendors' Code of Ethics, clearly uphold the human rights of workers, support diversity and equal opportunity in employment and recognize and respect freedom of association and collective bargaining. We require our vendors to share and embrace these principles which also prohibit forced, bonded or indentured labor, child labor, discrimination and harsh or inhumane treatment.	
HUMAN RIGHTS GRIEVANCE MECHANISMS	
Grievances are brought to our attention through various media such as the company website, customer service hotlines, through our external affairs division, and the concerned Ayala Land business unit.	

SPECIFIC STANDARD DISCLOSURES - SOCIETY
LOCAL COMMUNITIES
We collaborate with and consult local government and local community organizations to ensure that our large-scale mixed-use projects are relevant to host communities. Project teams review environmental, social, economic impacts of projects, design and develop communities in a manner that promotes long-term value, and support community programs to mitigate negative impacts on vulnerable groups in the area. As a company operating in a climate-vulnerable country, we also make sure that we respond to the needs of communities affected by calamities.
ANTI-CORRUPTION
Anti-corruption is important to us at Ayala Land. Our Company has been defined by our continued commitment and fidelity to our values and to doing things the right way. Our strict adherence to these high standards have been the bedrock upon which we have built our reputation. We have established the policies and implemented best practices covering all entities and employees within ALI Group regarding anti-corruption. These include the following: 1) Code of Ethical Behavior for all employees; 2) Code of Ethical Procurement Conduct; 3) Vendor's Code of Ethics; 4) Conflict of Interest Policy; 5) Whistleblowing Policy; 6) Establishment of ALI Business Integrity or Reporting Channels through https://services.punongbayan-araullo.com/extdata/proactive.nsf/goto/aligroup ; 7) Establishment of the ALI Ethics Committee; and the 8. Implementation of the Vendor Audit. All told, our good corporate governance practices, which include anti-corruption initiatives, have been manifested in the positive performance of our businesses and in various corporate governance awards and recognition.

SPECIFIC STANDARD DISCLOSURES - PRODUCT RESPONSIBILITY
CUSTOMER HEALTH AND SAFETY
Safety is our topmost priority when it comes to our operating principles. Our technical due diligence and project development process identify our potential positive and negative impacts on the environment, community, and customers from site assessment to delivery of our real-estate products and property management. Our sustainability checklist enables us to monitor in our projects the implementation of proper design and operational procedures that ensure the safety of our customers.
PRODUCT AND SERVICE LABELLING
Customer service is a key component of Brand Building, one of ALI's five pillar strategy. An annual customer satisfaction survey is undertaken across all APMC-managed properties to monitor and improve customer experience in our properties.

GRI G4 SPECIFIC STANDARD DISCLOSURES

ECONOMIC			
INDICATOR	SHORT DESCRIPTION	DATA/PAGES	BOUNDARY
ECONOMIC PERFORMANCE			
EC1	Direct economic value generated and distributed	SR p. 43	Ayala Land and subsidiaries
MARKET PRESENCE			
EC6	Proportion of senior management from hired local community	100% of Senior Management, with rank Vice President and above, are Filipinos.	Ayala Land and subsidiaries
INDIRECT ECONOMIC IMPACTS			
EC7	Development and impact of infrastructure investment and services supported	SR pp. 25-29, 41-45	Mature and new estates
EC8	Significant indirect economic impacts, including the extent of impacts	SR pp. 41-45	MDC, APMC, Hotels and Resorts; mature and new estates
PROCUREMENT PRACTICES			
EC9	Spending on local suppliers	SR p. 43	Ayala Land and subsidiaries

ENVIRONMENTAL			
INDICATOR	SHORT DESCRIPTION	DATA/PAGES	BOUNDARY
ECONOMIC PERFORMANCE			
EN1	Materials used by weight and volume	SR pp. 32, 53	All 2015 construction projects of MDC
EN2	Percentage of material used that are recycled input material	1) Rebar - As per Steel Asia, there is 88.6% post consumer recycled content and 6.5% preconsumer recycled content 2) Cement - contains flyash of 10-15% cement replacement	MDC
ENERGY			
EN3	Energy consumption within the organization	SR pp. 35-36	All APMC-managed properties, non-APMC managed properties, construction activities, hotels and resorts properties
EN4	Energy consumption outside the organization	19 sold residential properties (vertical and horizontal) posted 8,918,625 kWh of consumed electricity	19 Residential properties managed by APMC
EN5/CRE1	Energy Intensity	SR pp. 34, 53	APMC-managed properties
EN6	Reduction of energy consumption	Actual savings: 16,409,490.81 kWh through APMC initiatives	APMC-managed properties
EN7	Reductions in energy requirements of products and services	The following initiatives in our investment properties enables our locators, tenants, and customers to reduce their energy requirements in the use of our development: 1) Replacement of old chillers with high efficiency chillers that consumes 30% to 40% lower electricity. 2) Installation of Lepro seva which reduces energy consumption of pumps and motors by 25-40%. 3) Installation of Variable Frequency Drives allows us to generate savings of up to 20%. 4) Installation of escalator sensors enables us to generate 5%-20% savings on escalator operation depending on passenger traffic. 5) Installation of LED lights which provide 15% savings on lighting consumption.	APMC-managed properties
WATER			
CRE2	Building water intensity	APMC-Managed Properties: 0.64 cum/sqm/year	APMC-managed properties
EN8	Total water withdrawal by source	SR p. 38	All APMC-managed properties, construction projects, hotels and resorts properties
EN10	Percentage and total volume of water recycled and reused	SR p. 38	El Nido Resorts
BIODIVERSITY			
EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas of high biodiversity value outside protected areas	o Anvaya – 470 hectares o El Nido – 25 hectares o Alviera – 1,125 hectares o NUVALI – 1,860 hectares	Selected projects
EN12	Description of significant impacts of activities and products and services in biodiversity	SR pp. 17-23	Ayala Land and subsidiaries
EN14	Total number of IUCN red list species and national conservation list species	6 IUCN Red List Species. Olive Ridley Turtle (<i>Lepidochelys olivacea</i>) at Anvaya Cove. Palawan Peacock Pheasant (<i>Polyplectron napoleonis</i>), Palawan Hornbill (<i>Anthraceroceros marchei</i>), Hawksbill Turtle (<i>Eretmochelys imbricata</i>), Green Turtle, (<i>Chelonia mydas</i>), Mantanani Scops Owl (<i>Otus mantananensis</i>) at El Nido Resorts.	Anvaya and El Nido Resorts

ENVIRONMENTAL			
INDICATOR	SHORT DESCRIPTION	DATA / PAGES	BOUNDARY
EMISSIONS			
EN15	Direct greenhouse gas emission	33,574.5 tons of GHG CO ₂ e	This covers 23 properties managed by APMC which had diesel requirement for 2015, all construction projects, equipment, and batching plants, all properties under our hotels and resorts portfolio.
EN16	Energy indirect greenhouse gas emission	357,885.2 tons of GHG CO ₂ e	Whole building kWh consumption including tenants.
EN17	Other indirect greenhouse gas emission	5,379.7 tons of GHG CO ₂ e	19 Sold residential properties
EN18/ CRE3	Greenhouse gas emission intensity	SR p. 54	All APMC-managed properties, construction projects, hotels and resorts properties.
EN19	Reduction of greenhouse gas emissions	Estimated reduction of 9,898.20 tons of GHG CO ₂ e using Luzon-Visayas Grid Emission Factors	APMC-managed properties
EFFLUENTS AND WASTE			
EN23	Total weight of waste by type and disposal methods	SR p. 39	All APMC-managed properties except horizontal residential properties, construction projects, hotels and resorts properties
COMPLIANCE			
EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance	There were no significant fines (exceeding Php 50,000) imposed on any Ayala Land project.	Ayala Land and subsidiaries
OVERALL			
EN31	Total environmental protection expenditures and investments by type	MDC's actual and planned spending for environmental expenditures from 2012-2016 is Php 1.64 billion, with 99% allocated to prevention. The remainder was allocated on remediation and environmental management at Php 3.37 million and Php 7.3 million respectively	Selected construction projects
ENVIRONMENTAL GRIEVANCE MECHANISMS			
EN34	Number of grievances about environmental impact is filed addressed, and resolved, through formal grievance mechanism	<p>In 2015 in Pasig, Renaissance residents complained of construction noise from the construction site from 10pm to 7am. In 2016, they had the same issue and mall construction operations put in place mitigating measures. BPO construction operations continued 24-hour construction activities but complied with the 10pm to 7am ban on noisy works.</p> <p>In Portico, residents complained of dust and noise pollution. Mitigating measures are put in place to minimize dust and noise.</p> <p>For Amaia Skies Shaw, no formal complaint was filed but an affected stakeholder took to writing in a broadsheet and to blogging to air her complaint. MDC Build Plus strictly complied with LGU order to stop noisy construction activities from 10pm to 7am but the affected stakeholder continued to complain.</p>	Ayala Land and subsidiaries

SOCIAL			
LABOR			
INDICATOR	SHORT DESCRIPTION	DATA/PAGES	BOUNDARY
LABOR PRACTICES AND DECENT WORK			
EMPLOYMENT			
LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	4,220 employees for 2015 vs. 2,992 in 2014 representing a 4% increase. Increase was mainly due to the inclusion of other subsidiaries in reporting. Refer to pp. 55-60.	Ayala Land and subsidiaries
LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	Life insurance, in-patient and out-patient health coverage, disability and invalidity coverage, retirement benefits and medical allowance are the benefits received by regular full-time employees	Ayala Land and subsidiaries
LABOR PRACTICES AND DECENT WORK			
LA3	Return to work and retention rates after parental leave, by gender	SR pp. 50, 58	Ayala Land Parent, APMC, MDC
LABOR MANAGEMENT RELATIONS			
LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	We comply with the Labor Code of the Philippines for minimum notice periods regarding operational changes which involve termination of employment.	Ayala Land and subsidiaries
OCCUPATIONAL HEALTH AND SAFETY			
LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work related fatalities	<p>Ayala Land parent and APMC had zero incidence of work-related injury/illness as reported to the Department of Labor and Employment (DOLE).</p> <p>MDC recorded a total of 1.135 Total Recordable Incident Rate (TRIR) (vs. 1.059 in 2014) which involves 156 near miss incidents and 3 Work-Related Fatalities. To improve safety performance, MDC will implement its safety action plans that will address the following safety issues: (1) Focus on High Risk Activities (2) Increasing the safety compliance and awareness of all projects, (3) Strengthening Safety Practitioners Performance.</p> <p>Moving forward, our hotels and resorts group will work on systematically monitoring and measuring material health and safety metrics.</p> <p><i>Note:</i> TRIR calculation includes fatalities, property damage, minor and major incidents.</p>	Ayala Land Parent, APMC, MDC
TRAINING AND EDUCATION			
LA9	Average hours of training per year per employee by gender, and by employee category	24.3 hours (vs. 25.62 in 2014). Refer to SR p. 46	Ayala Land and subsidiaries
LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career ending	SR pp. 46-50	Ayala Land and subsidiaries

SPECIFIC STANDARD DISCLOSURES - HUMAN RIGHTS			
INDICATOR	SHORT DESCRIPTION	DATA/PAGES	BOUNDARY
HUMAN RIGHTS			
INVESTMENTS			
HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Our due diligence process in land acquisition enables us to recognize locations with potential human rights impacts in relation to legitimate claims on ownership. We follow existing laws and regulations that safeguards human rights, and our Vendors' Code of Ethics requires protection of human rights by our suppliers. Adequate legal research is undertaken to ensure that rights of legitimate claimants are recognized, and potential impacts mitigated.	Ayala Land and subsidiaries
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING			
HR4	Operations and suppliers in which the right to exercise freedom of association and collective bargaining may be at risk and actions taken to support these rights	Among the Ayala Land Parent company and its subsidiaries, only employees of Ayala Land Parent have a union. Subcontractors by MDC have cooperatives organized by the workers themselves.	Ayala Land and subsidiaries
CHILD LABOR			
HR5	Operations and suppliers identified as having significant risk for incidents of child labor	No aspect of our operations has been identified as having significant risk for child labor.	Ayala Land and subsidiaries
FORCED OR COMPULSORY LABOR			
HR6	Operations and suppliers identified as having significant risk for incidents of forced labor	No aspect of our operations has been identified as having significant risk for forced labor.	Ayala Land and subsidiaries
INDIGENOUS RIGHTS			
HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken	None of our operations and developments are located in ancestral domains, therefore there are no incidents involving the violation of rights of indigenous peoples.	Ayala Land and subsidiaries
ASSESSMENT			
HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessment	Our due diligence process in land acquisition enables us to recognize locations with potential human rights impacts in relation to legitimate claims on ownership. Adequate legal research is undertaken to ensure that the rights of legitimate claimants are recognized, and potential impacts are mitigated.	Ayala Land and subsidiaries
SUPPLIER HUMAN RIGHTS ASSESSMENTS			
HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	No significant human rights impacts on the supply chain were identified in 2015.	Ayala Land and subsidiaries
HUMAN RIGHTS GRIEVANCE MECHANISMS			
HR12	Number of grievances about human rights impact filed, addressed, and resolved through formal grievance mechanism	No formal grievances were submitted against Ayala Land and the subsidiaries concerning impacts on human rights in 2015.	Ayala Land and subsidiaries

SPECIFIC STANDARD DISCLOSURES - SOCIETY			
INDICATOR	SHORT DESCRIPTION	DATA/PAGES	BOUNDARY
SOCIETY			
LOCAL COMMUNITIES			
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	All projects are assessed for impacts and undergo regulatory impact assessment processes, which include scoping for community impacts. Project teams continue to monitor for impacts throughout the project cycle and respond to concerns of affected communities and local government.	Ayala Land and subsidiaries
SO2	Operations with significant actual and negative impacts on local communities	All new developments have possible impacts on surrounding communities. Projects in already urbanized areas have impacts on traffic and transport. To mitigate these impacts, we undertake traffic impact assessment and ensure that the intensity and duration are abated and are reversible. We work with local governments and incorporate transport facilities in our projects to serve the riding public. Thus, there were no projects that had significant negative impacts on the communities. Developments in non-urban areas may have impacts on agriculture production in neighboring areas. Our due diligence processes ensure that our developments are located in areas zoned for commercial and residential use, minimizing the impact on agricultural activities and maximizing the economic potential of land resources.	Ayala Land and subsidiaries
ANTI-CORRUPTION			
SO3	Total number and percentage of operations assessed for risk related to corruption and the significant risk identified	Our enterprise-wide risk assessment exercises assessed 100% of our core business units (Residential, Shopping Centers, Hotels and Resorts, Services like Property Management and Construction) where 24 key SBU-specific risks and 8 key risks common to several SBUs were identified. Fraud risk is one of the said 8 key risks which is under the monitoring/mitigation of the office of the Finance Group Head. We deal with Local Government Units (LGU) in accordance with proper procedures implemented by LGU's and any corruption practices in our transactions are discouraged from our end. We abide to all local ordinances and regulatory requirements in the course of our business. Aside from fraud risk assessments as part of our Enterprise Wide Risk Management, key controls are put in place to address risks related to corruption practices. We have strong internal audit function to test if these controls are effectively working as planned.	Ayala Land and subsidiaries

SPECIFIC STANDARD DISCLOSURES - PRODUCT RESPONSIBILITY			
INDICATOR	SHORT DESCRIPTION	DATA/PAGES	BOUNDARY
PRODUCT RESPONSIBILITY			
CUSTOMER HEALTH AND SAFETY			
PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	All new projects are subjected to technical due diligence that assess for health and safety impacts on the environment, our customers, and surrounding communities.	Ayala Land and subsidiaries
PRODUCT AND SERVICE LABELING			
PR5	Results of surveys measuring customers satisfaction	<p>In 2015, APMC garnered a rating of 92.67% on its customer satisfaction surveys vs. its target of 80%, while it scored 93% satisfaction rating on its Service Level Agreements (SLA) vs. target rating of 80%. Our overall recommendation score from residents in our residential properties is 3.30 in 2015 (vs. 2014: 3.44).</p> <p><i>Note:</i> <i>The Customer Satisfaction Survey covers APMC-managed properties less than three years old such as malls, offices, car parks, estates and residential areas. This is facilitated by the parent company, Ayala Land.</i></p> <p><i>The Service Level Agreement ratings cover the same type of APMC-managed properties older than three years. This survey is conducted by APMC.</i></p>	APMC AND Residential Business Units

EXTERNAL ASSURANCE STATEMENT

DNV·GL

INDEPENDENT ASSURANCE STATEMENT

2015 SUSTAINABILITY REPORT OF AYALA LAND, INC.

Introduction

Ayala Land, Inc. ("Ayala Land") commissioned DNV GL Business Assurance Philippines ("DNV GL"), part of DNV GL Group to undertake independent assurance of Ayala Land's 2015 Sustainability Report (the "Report") for the year ended 31st December 2015. This assurance engagement was planned and carried out using DNV GL's assurance methodology VeriSustainTM (Version 5.0) which is based on our professional experience, international assurance best practice including the International Standard on Assurance Engagement 3000 (ISAE3000) and the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines.

Scope of Assurance

The scope of assurance included a review of sustainability activities and performance data. The Report covers the sustainability performances from the operations in Philippines over which Ayala Land has management control. The boundary of the report for each area and performance indicators are defined in 'About this report' section, the respective chapters and GRI Content Index. The scope of assurance engagement is limited to the boundary of reporting. We evaluated the Report for adherence to the reporting principles for defining the sustainability report content as defined in the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines 4.0 and we also evaluated if the Report is prepared in accordance with GRI G4 guideline, Core option, including sector disclosures (Construction and Real Estate). We understand that the reported financial data and information are based on data from Ayala's Annual Report 2015, which are subject to a separate independent audit process. The review of financial data taken from the Annual Report is not within the scope of our work. We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our assurance opinion.

Responsibilities of Ayala Land and of the assurance providers

Ayala Land has sole responsibility for the collection, analysis, aggregation and preparation, fair presentation of the printed version of the Report. In performing our assurance work, our responsibility is solely towards the management of Ayala Land in accordance with the terms of reference agreed on with Ayala Land, however our statement represents our independent opinion and is intended to inform Ayala Land's stakeholders. DNV GL was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement. We have no other contract with Ayala Land. DNV GL did not provide any services to Ayala Land during 2015 that could compromise the independence or impartiality of our work. DNV GL's assurance engagements are based on the assumption that the data and information provided by Ayala Land to us as part of our review have been provided in good faith. DNV GL expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Assurance Statement.

Basis of our opinion

A multi-disciplinary team of sustainability and assurance specialists performed work at Ayala Land's headquarter in Makati city in Philippines and three (3) sites operated by Ayala Land's subsidiaries were also visited to test the reliability of data and the robustness of data transfer process.

As part of the verification, we performed sample-based audits and undertook the following activities;

- challenged the sustainability-related statements and claims made in the Report;
- reviewed the current sustainability issues that could affect Ayala Land and are of interest of stakeholders;

¹ The VeriSustain protocol is available upon request at www.dnvgl.com/assurance/reporting/verification.html

- reviewed Ayala Land's approach to stakeholder engagement;
- assessed the robustness of the underlying data and information flow and controls and;
- interviewed CEO of Ayala Land, senior management and representatives selected in conjunction with Ayala Land, with responsibility for management of sustainability issues;
- conducted document reviews, data sampling and interrogation of supporting databases and associated reporting system and associated reporting systems as they relate to selected content and performance data.
- visited sites are fully owned by and operated by Ayala Land, including a construction project site operated by MDC (Makati Development Corporation), BGC (Bonifacio Global City) management office and Seda Hotel.

The primary purpose of the visits was to assess adequacy and effectiveness of the processes being implemented by these reporting units to collect, aggregate, analyse and report the sustainability data within scope. This was carried out mainly through interviews with data owners, on-site review of the data repositories and performance records, and desktop study of performance data sent from site to Group. The interviews also enabled DNV GL to assess compliance with Group procedures, processes and guidance. Our checking processes were prioritized according to materiality and we based our prioritization on the materiality of issues at a consolidated headquarters level.

Conclusion

On the basis of the work undertaken, we provide a limited level of assurance over Ayala Land's 2015 Sustainability Report. Nothing has come to our attention that causes us to believe that the data and information mentioned in the subject matter and disclosed in the Report does not give a fair representation of Ayala Land's related sustainability performance. Furthermore, nothing has come to our attention causing us to believe that the Report does not adhere to the Principles as described below. We believe that the Report is in line with the "Core" requirements of the GRI G4 Guidelines. Further conclusions and observations on the adoption of reporting principles are made below.

Observations

Without affecting our assurance opinion, we also provide the following observations. As in previous years, we found continued commitment to sustainability performance at top management. Ayala Land has measures in place to communicate requirements around sustainability data collection and reporting to sites through regular contact via email, through its sustainability questionnaires so called KRA. We recommend that Ayala Land develops sustainability targets associated with corporate sustainability strategy in 2017 and going forward. Evidence of internal engagement around the strategy and improvements in collaboration across business units were observed. Further opinions with regards to the adherence to the following Principles are made below;

Stakeholder Inclusiveness

Ayala Land has implemented the programs to engage with stakeholders not only to get the insight of stakeholders but also to share its sustainability policy. Eight internal and external stakeholder groups are identified in the Report and sustainability concerns by respective stakeholder groups and means of engagement are described in the Report. Stakeholder engagement activities of Ayala Land are occurred both at the corporate level and at the subsidiary levels through various platforms. Senior management and head of respective departments have explained how they engage stakeholders and how the expectations and concerns of stakeholders are received and discussed and feedbacks are made.

Sustainability Context

The Report presents how sustainability values are created by Ayala Land and how these are in turn shared with communities in which they operate. The CEO of Ayala Land has explained during the interview how the four focus areas of sustainability are derived and how Ayala Land embeds sustainability concepts in their daily business operations. The representatives and data owners have demonstrated how their activities are connected to the sustainability aspects of Ayala Land during the assurance engagement. Ayala Land can positively influence on the sustainability performance of its suppliers, hence we recommend to report the policy on supply chain management in detail.

Materiality

Ayala Land maintains a range of internal processes to identify material issues. The initial materiality assessment was performed in 2013 and Ayala Land reviews its material issues and refines on a regular basis by engaging stakeholders and analysis of media report. The materiality assessment process has resulted in four focus areas such as Site Resilience, Pedestrian and Transit Connectivity, Eco-efficiency and Local Economic Development. The corresponding GRI performance indicators with the four focus areas are addressed in the Report. We recommend assessing the materiality and potential

impact of topics and issues at each business division level to identify material topic applicable to specific business divisions as per business nature.

Completeness

The Report has fairly attempted to disclose the General and Specific Standard disclosures including the disclosure on management approach covering the sustainability strategy, management approach and sustainability performances indicators against the GRI G4. The reporting boundary includes major operations of Ayala Land and the operations which are not covered is described in the Report. The audit team has not noted any material aspects nor boundaries which were missing during the engagement process. Ayala Land can further improve the principle of completeness by providing clearer views on the changes of organizational boundary since the number of construction project sites are variable year by year so as to help readers of the Report get better understanding of the changes and trend of performance data in the event it differs from the organizational boundary.

Principles for defining report quality

Ayala Land has selected, compiled and reported information in a consistent manner. The Report provides a fair and balanced representation of sustainability approach and performance in 2016. The data measurement techniques and basis for calculations have been duly described to DNV GL and can be replicated with same results. The data used for reporting of the sustainability performance presented in the Report is collected from the subsidiaries by a centrally, dedicated function in Ayala Land's headquarters and consolidated for reporting, which is a common approach used by large corporations. DNV GL has evaluated the accuracy of data and information by sampling of several data sets. Any errors or misstatements identified during the engagement were corrected prior to the Report being published. We recommend proactive actions to improve the robustness of data collected and reported. Data owners were able to demonstrate the origin and interpretation of the data in a reliable manner. The data were identifiable and traceable.

Ayala Land has published the Reports every year. We recommend that the Report can be published in the earlier time of year, e.g. in the first half of year, to update the stakeholders with sustainability performance more effectively.

Limitation

The engagement excludes the sustainability management, performance and reporting practices of Ayala Land's associated companies, suppliers, contractors and any third-parties mentioned in the Report. The company position statements and the statements for the management approach are excluded from the scope of our work. DNV GL did not interview external stakeholders as part of this Assurance Engagement. Economic performances based on the financial data were cross-checked with internal documents and the audited consolidated financial statements. The aggregation and calculation process for building economic performances is reviewed and tested by the verification team. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied. The baseline data for Environmental and Social performance are verified with samples randomly taken by and the aggregated data at the corporate level are used for the verification. The qualitative statements directly addressed in the GRI Content Index and the statement in Annual report referred in the GRI Content Index are not verified but the audit team has just confirmed that the indicator is reported in the GRI Content Index to meet G4 – Core reporting.

Statement of Competence and Independence

DNV GL is a leading provider of sustainability services, including the verification of sustainability reports. Our environmental and social assurance specialists operate in over 100 countries. DNV GL was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement. DNV GL maintains complete impartiality toward stakeholders interviewed during the verification process.

25 November 2016

DNV GL AS Philippine Branch



Seung Hyun Kwak

Lead Assuror



Antonio Astone

Technical Reviewer

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Produced by Ayala Land, Inc.

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COVER AND CONCEPT

Medium3

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Tink Tank Studio

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Ayala Land Strategic Business Units

We look forward to bringing our sustainability practices to the next level, and being an inspiration to colleagues and peers as we continue to make spaces that make every Filipino feel valued and important.

Bernard Vincent O. Dy
President and Chief Executive Officer