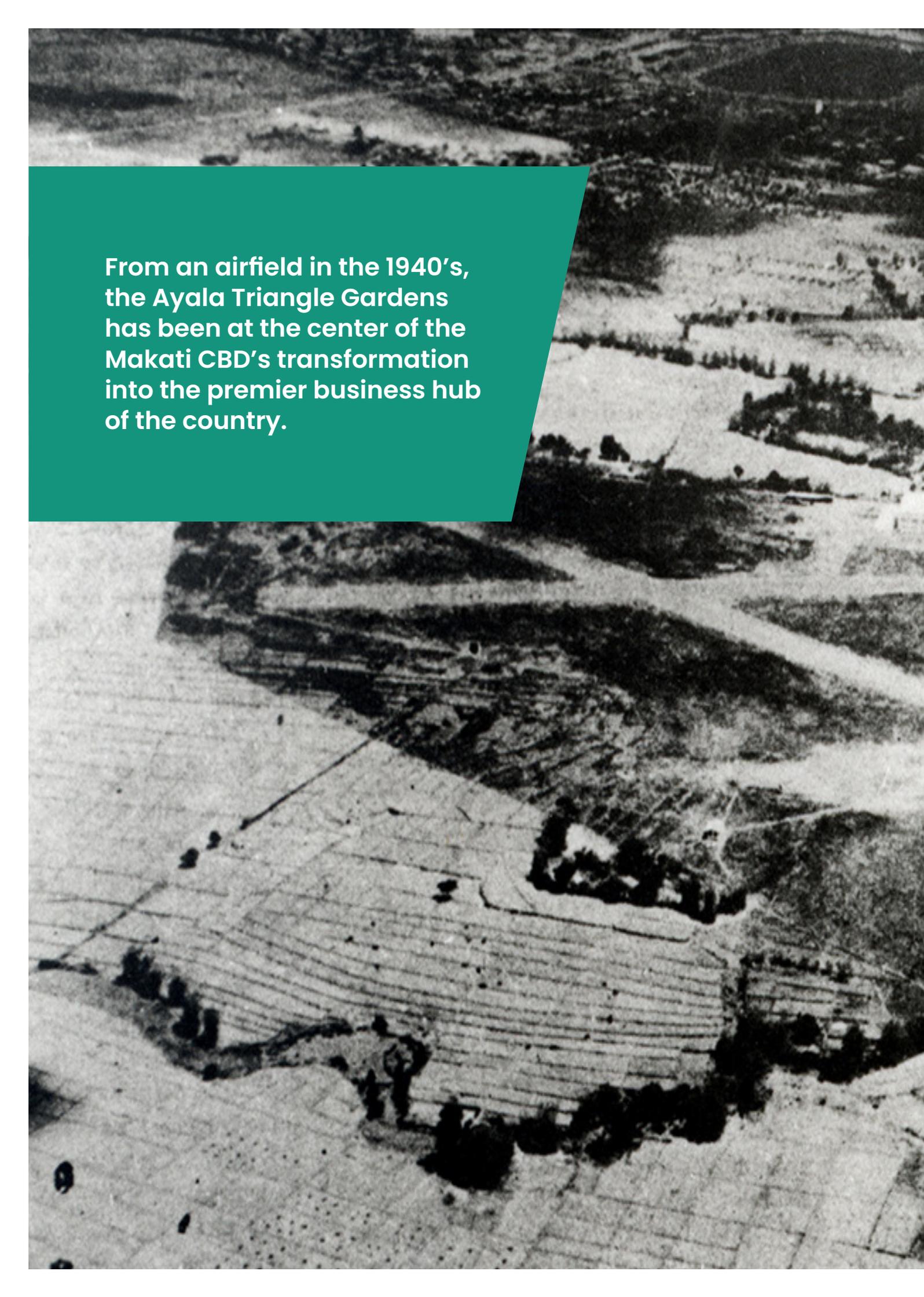




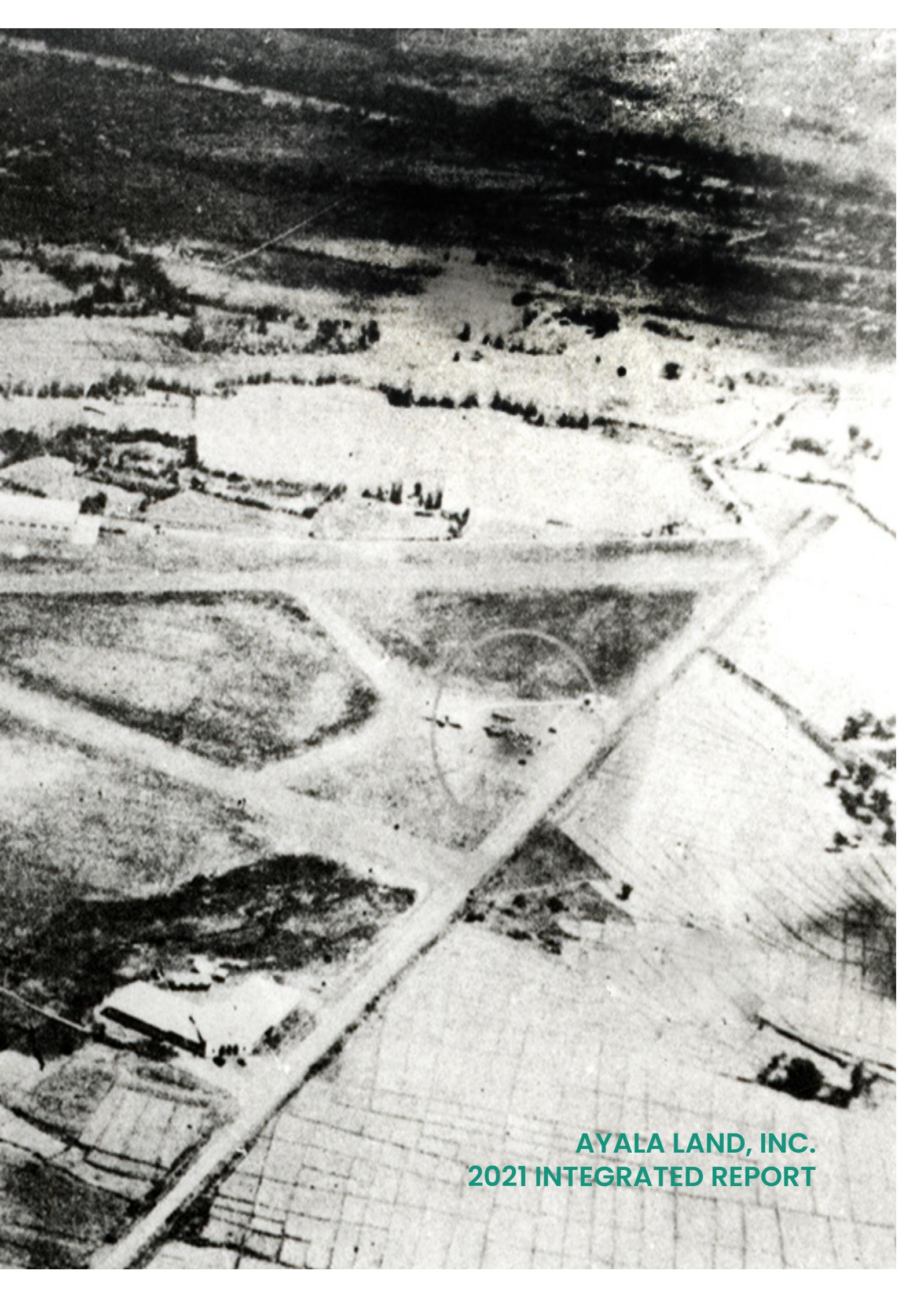
AyalaLand

Transforming
spaces to foster growth
for communities and
businesses

INTEGRATED REPORT 2021



**From an airfield in the 1940's,
the Ayala Triangle Gardens
has been at the center of the
Makati CBD's transformation
into the premier business hub
of the country.**



AYALA LAND, INC.
2021 INTEGRATED REPORT



For more than three decades, Ayala Land has upheld its vision of "enhancing land and enriching lives for more Filipinos." This vision has guided the organization's values, principles, and approach in real estate development and has driven its thrust of transforming spaces to foster growth for communities and businesses.

With responsible planning and sustainable development, Ayala Land thoughtfully builds estates and projects that enable families and local enterprises to flourish while improving the living standards for Filipinos.

In 2021, Ayala Land celebrated this ongoing endeavor as it marked its 30th year as a publicly-listed company. This momentous event in its history, made possible by the trust and support of investors and stakeholders, paved the way for its eventual growth and expansion, replicating its pioneering mixed-use model in the Makati Central Business District across more geographies and markets in the Philippines.

Today, Ayala Land continues to transform this mixed-use model by introducing new approaches that foster inclusivity and establish resiliency in its developments. Providing these features has become more critical for the sustainability of communities and businesses, especially under this challenging environment brought about by the ongoing pandemic and imminent risks from climate change.

As Ayala Land faces the future and strives for recovery and renewed growth, it will remain dynamic and responsive to the needs of its stakeholders and the environment and ensure that it creates lasting value for succeeding generations of Filipinos.



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About this Report

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

Released on April 27, 2022, it covers the results of operations ending December 31, 2021.

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

The reporting index on page 178 contains the material topics, and corresponding global standards or recommendations addressed. Except for employee data, it excludes the sustainability information of MCT Bhd. and Merkado Supermarket.

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

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

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

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

About the Company

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

With 47 estates across the country, Ayala Land hosts its diversified portfolio of complementary businesses: development of residential, office, commercial, and industrial properties for sale; commercial leasing through shopping centers, offices, hotels, resorts, factory buildings, warehouses, co-living, and co-working spaces; services such as construction, property management, retail energy supply and airlines; and strategic property-related investments.

Following the success of the Makati Central Business District (Makati CBD), Ayala Alabang, Cebu Park District, Bonifacio Global City (BGC), and Nuvali, Ayala Land pioneers sustainability standards and practices in all of its developments and acts with integrity, foresight, and prudence as a responsible corporate citizen.

Focused on the vision of “enhancing land and enriching lives for more Filipinos” Ayala Land continuously strives to deliver quality products and services that result in long-term value for our stakeholders.

VISION

Enhancing land and enriching lives for more Filipinos

VALUES “LIVEM”

Leadership

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

Integrity

We do the right thing.

Vision

We build with the future in mind.

Excellence

We give our best in all that we do.

Malasakit (Compassion)

We care enough to go the extra mile.



Operating Principles

We Build a Strong Brand.

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

We Empower Our People.

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

We Make Things Simple and Easy.

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

We Create Value for the Community.

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

We are Stewards of the Business.

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



Business Lines

ESTATE DEVELOPMENT

Mixed-Use Estates

Flagships

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

Emerging Estates

Metro Manila

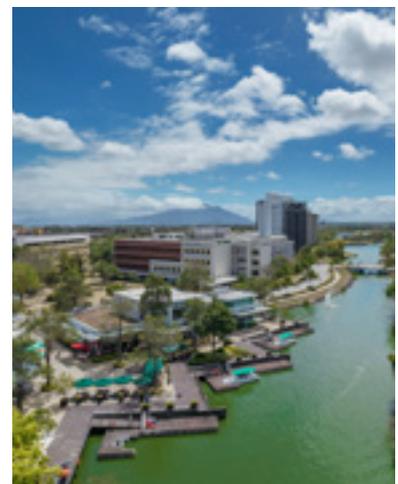
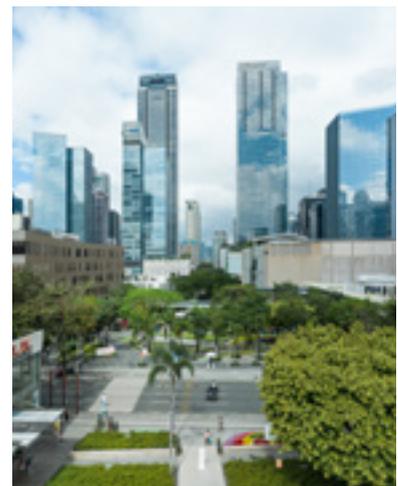
Circuit Makati (2012) | 21 ha, Makati
South Park District (2012) | 6.6 ha, Muntinlupa
Vertis North (2012) | 29 ha, Quezon City
Arca South (2014) | 74 ha, Taguig
Cloverleaf (2015) | 11 ha, Quezon City
Cerca (2017) | 6.6 ha, Muntinlupa
Parklinks (2018) | 35 ha, Quezon City and Pasig
The Junction Place (2019) | 11 ha, Quezon City

Luzon

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

Visayas and Mindanao

Abreeza (2011) | 10.1 ha, Davao, Davao del Sur
North Point (2011) | 215 ha, Talisay, Negros Occidental
Atria Park District (2014) | 20 ha, Mandurriao, Iloilo
Capitol Central (2015) | 9 ha, Bacolod, Negros Occidental
Centrio (2016) | 3.7 ha, Cagayan de Oro, Misamis Oriental
Gateway Central (2016) | 17.5 ha, Mandaue, Cebu
Azuela Cove (2017) | 25 ha, Lanang, Davao
Seagrove (2017) | 13.6 ha, Mactan, Cebu
Habini Bay (2018) | 526 ha, Laguindingan, Misamis Oriental
South Coast City (2020) | 26.3 ha, Cebu, Cebu



[ha: hectares]

Tourism Estates

Lio (2014) | 325 ha, El Nido, Palawan

Sicogon Island (2016) | 1,100 ha, Carles, Iloilo

Residential Estates

Ayala Westgrove Heights (1998) | 400 ha, Silang, Cavite

Ayala Greenfield Estates (2000) | 350 ha, Calamba, Laguna

Anvaya Cove (2008) | 620 ha, Morong, Bataan

Serin Tagaytay (2012) | 5.5 ha, Tagaytay, Cavite

Portico (2013) | 3.6 ha, Pasig, Metro Manila

Commercial Estates

UP – Ayala Land Technohub (2008) | 20 ha, Quezon City, Metro Manila

Baguio Technohub (2010) | 12 ha, Baguio, Benguet

UP Town Center (2016) | 7.4 ha, Quezon City, Metro Manila

The 30th (2017) | 2 ha, Pasig, Metro Manila

Ayala Land Manila Bay (2019) | 12.4 ha, Paranaque, Metro Manila

Industrial Estates

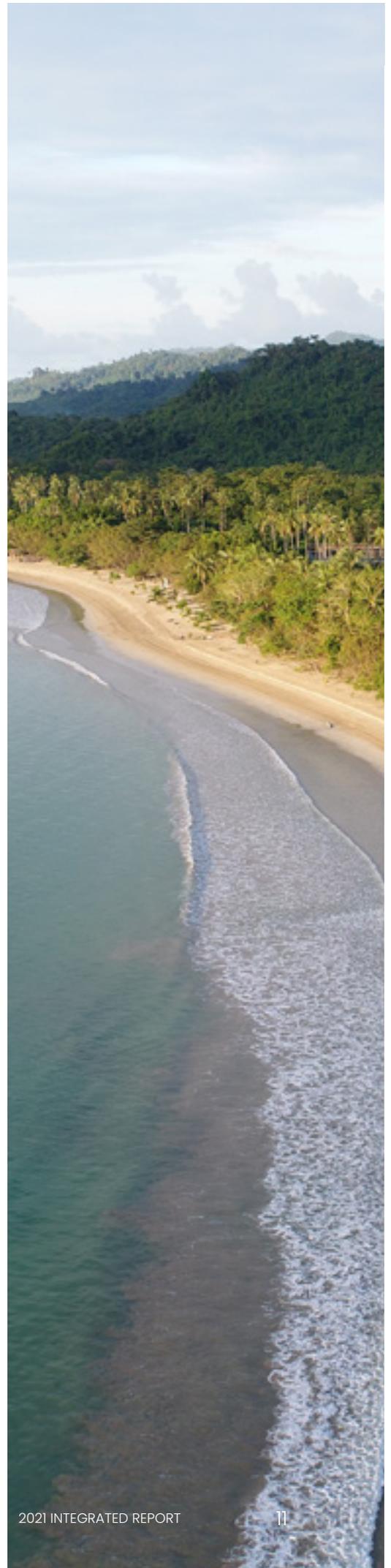
Laguna Technopark (1989) | 471 ha, Santa Rosa and Binan, Laguna

Alviera Industrial Park (2015) | 62 ha, Porac, Pampanga

Cavite Technopark (2015) | 166 ha, Naic, Cavita

Laguindingan Technopark (2019) | 105 ha, Laguindingan, Misamis Oriental

Pampanga Technopark (2019) | 192 ha, Mabalacat, Pampanga



Business Lines

PROPERTY DEVELOPMENT

Residential Brands

Ayalaland Premier (Luxury)

Alveo (Upscale)

Avida (Middle Income)

Amaia (Entry Level)

BellaVita (Socialized Housing)

Office for Sale

Offered by Ayalaland Premier, Alveo, and Avida

Commercial Lots for Sale

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

Industrial Lots for Sale

Located at Alviaera Industrial, Cavite, Laguna, Laguindingan, and Pampanga Technoparks

COMMERCIAL LEASING

Shopping Centers

Managed by Ayala Malls

32 malls, 63 retail amenities | 2.12M sqm of GLA

Offices

Managed by Ayalaland Offices

64 BPO, 8 HQ-type offices | 1.32M sqm of GLA

Hotels and Resorts

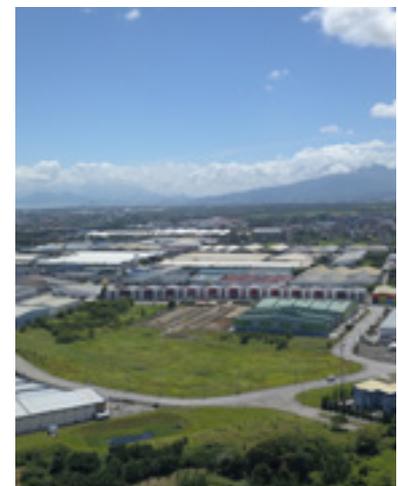
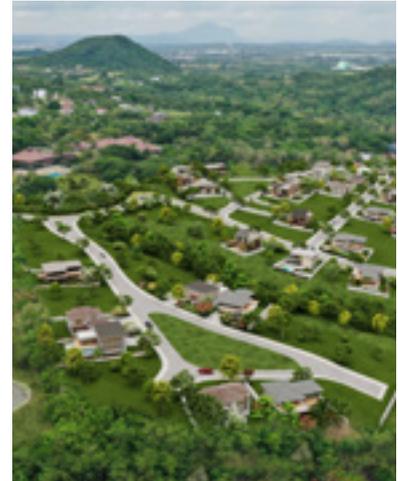
Managed by Ayalaland Hotels and Resorts

Three branded hotels, 300 rooms | Holiday Inn, Fairmont, and Raffles at Ayala Center, Makati

11 SEDA Hotels, 2,712 rooms | Abreeza Davao, Atria Park Iloilo, Ayala Center Cebu, BGC Taguig, Capitol Central Bacolod, Central Bloc Cebu, Centrio Cagayan de Oro, Lio Palawan, Nuvali Santa Rosa Laguna, Residences at Ayala North Exchange Makati, and Vertis North Quezon City

Circuit Residences, 255 rooms

Three resorts, 403 rooms | El Nido Resorts, Lio and Sicogon B&Bs



[GLA: Gross Leasable Area]

Co-Working Spaces

Clock-In

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

Co-Living Spaces

The Flats

Two branches, 1,972 Beds | 5th Avenue, BGC, and Amorsolo, Makati

Factory Buildings and Warehouses

Managed by AyalaLand Logistics Holdings, Corp. (ALLHC)

Five sites, 224,000 sqm GLA | ALogis Calamba, Alvia Industrial Park, Cavite Technopark, Laguna Technopark, and Tutuban Cold Storage, 7,300 pallet positions | ALogis Artico 1 and 2, Laguna

Services

Construction

Makati Development Corporation

Property Management

Ayala Property Management Corporation

Energy Supply

Direct Power Services, Inc.

Ecozone Power Management, Inc.

Philippine Integrated Energy Solutions, Inc.

Airlines

AirSWIFT

Strategic Investments

Healthcare

QualiMed | 40% (Acquired by Ayala Corp, effective 26 February 2021)

International (Malaysia)

MCT Bhd | 66.3%

Real Estate Logistics

AyalaLand Logistics Holdings, Corp
71.7%

Real Estate Development

Cebu Holdings | 71.1% (Merged with AI, effective 16 December 2021)

Ortigas Land | 21.0%

Real Estate Investment Trust (REIT)

AREIT, Inc. | 66.1%

Retail

Merkado Supermarkets | 50.0%



Performance Highlights

	2021	2020	2019
Statement of Income (In Php million)			
Total Revenues	106,143	96,273	168,794
EBITDA*	36,729	32,163	64,912
Net Income (attributable to equity holders of Ayala Land, Inc.)	12,228	8,727	33,188
Statement of Financial Position (In Php million)			
Cash and Cash Equivalents	14,998	18,361	21,516
Total Assets	745,464	721,494	713,923
Total Borrowings	223,097	211,951	211,097
Stockholders' Equity	270,502	260,179	242,706
Statement of Cashflows (In Php million)			
Net Cashflow provided by Operating Activities	7,926	(12,507)	36,012
Net Cash used in Investing Activities	(26,229)	(3,215)	(42,572)
Net Cash provided by Financing Activities	(14,837)	12,674	3,753
Capital Expenditures (In Php million)			
	63.98	63.67	108.72
Financial Ratios			
Current Ratio	1.58	1.62	1.30
Debt-to-Equity ratio	0.82	0.81	0.87
Net Debt-to-Equity ratio	0.77	0.74	0.78
Return on Equity (Average Equity)	5.4%	4.0%	16.7%
Return on Assets (Average Assets)	2.1%	1.5%	5.4%
Stock Information As of 31 December			
Market Capitalization (In Php billion)	544	603	670
Stock Price (In Php)	36.70	40.90	45.50
Earnings per Share (In Php)	0.83	0.59	2.25
Operational Highlights			
Sales Reservations (In Php billion)	92.2	81.9	145.87
Malls GLA (In million square meters)	2.119	2.119	2.119
Offices GLA (In million square meters)	1.317	1.231	1.165
Hotels and Resorts (No. of rooms)	4,030	4,030	3,705
Sustainability Highlights			
Economic Value Distribution (In Php million)			
Economic Value Generated			
Total Revenues	106,143	96,273	168,794
Economic Value Distributed			
Payments to suppliers/contractors	52,055	41,921	83,453
Payments to employees	3,896	6,092	6,767
Payments to providers of capital	15,101	16,752	19,921
Payments to governments	8,853	9,233	18,096
Payments to communities	39	58	54
Economic Value Retained	26,199	22,216	40,503
Environmental and Social Indicators			
Net GHG Emissions - Commercial Properties (t-CO ₂ e)**	-	23,292	77,976
% of energy consumption in RE - Commercial Properties	67%	54%	33%
Total ALI Employees (Direct and Indirectly Hired)	41,687	33,040	50,564
UN SDG Contribution			
Affordable Units Launched	3,632	1,619	5,787

*Earnings Before Interest, Taxes, Depreciation and Amortization

**To undergo third-party verification in 2022



“Our diversified portfolio has served us in good stead, especially during this pandemic, enabling us to cushion the impact of cyclicity and risks within each business line.”

FERNANDO ZOBEL DE AYALA
CHAIRMAN

Chairman's Message

Throughout our history, we boldly faced challenges by introducing transformations that have strengthened our foundation, addressed the needs of the communities and businesses, and paved the way for immense growth opportunities. These initiatives continue to shape the Ayala Land of today and will help steer the company beyond the ongoing global health crisis.

On July 5, 1991, amidst a bleak environment beset by challenging market conditions, the lingering effects of the Gulf War, and the eruption of Mt. Pinatubo, Ayala Land underwent a pivotal transformation by becoming a publicly listed company with a P2.5 billion stock offering, among the largest of its kind at the time. It was enthusiastically received by the market as it was close to five times oversubscribed. On that day, Ayala Land joined 159 listed companies in the Manila and Makati Stock Exchanges, of which only 11 were real estate companies.

This landmark listing opened significant opportunities for Ayala Land to expand into new geographies and create product lines that served a broader stakeholder base. The proceeds funded real estate projects and future acquisitions in line with the company's belief in the country's long-term growth prospects, despite the challenging environment.

Unlocked Potential

From three estates which consisted of the Makati CBD, Cebu Business Park, and Ayala Alabang, and a land bank of only 14 hectares, Ayala Land's presence has grown into 47 estates and a landbank of more than 12 thousand hectares nationwide. We diversified into the development of residential, office, commercial, and industrial

properties for sale, commercial leasing through shopping centers, offices, hotels, resorts, factory buildings, warehouses, co-living, and co-working spaces, and complementary services such as construction, property management, retail energy supply, airlines, and strategic investments.

Our diversified portfolio has served us in good stead, especially during this pandemic, enabling us to cushion the impact of cyclical and risks within each business line. It continues to give us a competitive advantage to capitalize on opportunities whenever they arise, and provide inclusive environments that foster growth for communities and businesses.

Ayala Land has also achieved solid financial milestones since our listing. The company's total assets, revenues, and net income have posted compounded annual growth rates of 16 percent, 12 percent, and 9 percent, respectively--among the highest in the industry. This performance led to the growth of its market capitalization from P42 billion in 1991 to over P500 billion at present--a near 14-fold increase, making Ayala Land the third-largest company in the Philippine Stock Exchange Index among 272 listed peers.

Solid Platform

Thirty years since Ayala Land's listing, we again faced a difficult environment, given the COVID-19 pandemic. The surge of the delta variant prompted the Inter-Agency Task Force to impose stricter quarantines. Intermittent lockdowns created pressure on mobility and the economy that adversely affected several segments in our portfolio. Headline inflation was elevated at 3.9%, and the unemployment rate stood at 6.6%, higher than the pre-pandemic

CHAIRMAN'S MESSAGE

level of 5%. Moreover, Typhoon Odette or Rai affected 36 million homes across six regions in Visayas and Mindanao.

In order to overcome challenges and harness opportunities, we executed the necessary changes in our operations.

We learned the importance of a solid balance sheet and the flexibility it provides. With financial sustainability strategies and ready funding access provided by banks and financial institutions, we were able to maintain our operations and fulfill our project commitments despite the contraction of business inflows.

At the onset of the pandemic in 2020, we adjusted our plans to conserve cash and significantly reduce spending in favor of financial resilience. In 2021, we continued this strategy and limited our spending to almost P64 billion, close to our 2020 level, as we continued to prioritize projects and plans that maximized value to our portfolio.

The residential business pivoted to cater to increased demand for horizontal products, as more people preferred open, low density environments outside urban cities. The malls group continued to reinvent itself by repurposing spaces, introducing experiential retail, and reinforcing their purpose as town or community centers. The hotels and resorts provided safe accommodations to returning Filipinos for their quarantine requirements and domestic tourists through travel bubbles.

“The pandemic highlighted the value of estates – living or working within an integrated mixed-use development wherein necessities are within reach, and which provide safety and resilience to businesses and communities.”

The pandemic highlighted the value of estates - living or working within an integrated mixed-use development wherein necessities are within reach, and which provide safety and resilience to businesses and communities.

We strengthened our commitment to support social development by launching the Alagang Ayala Land program, providing free space to social enterprises in our malls, and assisting victims of the Taal Volcano eruption and Typhoon Odette. We see this as a continuing thrust from hereon as we acknowledge our capability to extend resources to those in need and enhance lives by opening opportunities for small Filipino businesses to succeed.

Our commercial properties also reached a major milestone in environmental sustainability by reaching carbon neutral status, a year ahead of target. I am pleased with this result, which is a testament to how we have integrated sustainability into our business. We are looking ahead to expanding our coverage by including Scopes 1 and 2 emissions of all other business

units. We have also begun to account for Scope 3 emissions, or those of suppliers, tenants, and customers in our value chain, to set reduction targets for the short- and medium-term. With this goal, Ayala Land will be a major contributor to the Ayala Group's ambition to achieve net-zero emissions by 2050 and an active participant in mitigating risks of climate change and global warming.

Despite the continuing challenges, we attained a significant improvement in our topline and bottom line with revenues of P106.1 billion and a net income of P12.2 billion, a growth of 10% and 40%, respectively, from 2020.

These accomplishments are among the numerous activities that our management team has done to help Ayala Land strengthen the platform for recovery and renewed growth, and steer the business defensively against the ongoing challenges brought by the pandemic. We recollected our experiences in previous crises, and applied our learnings, allowing us to withstand economic shocks, emerge stronger,



Ayala Land Chairman, Fernando Zobel de Ayala, President and CEO, Bernard Vincent O. Dy, and CFO, Treasurer, and Chief Compliance Officer, Augusto D. Bengzon, grace the bell-ringing ceremony to celebrate Ayala Land's 30th listing anniversary.

CHAIRMAN'S MESSAGE

“We will continue to invest for our shareholders and stakeholders, given the ever-increasing importance of living in a sustainable community, especially with pressing climate change concerns. We will continue transforming our business models to regain our position and bring back the shareholder value we generated before the pandemic.”

and swiftly respond to the various needs of stakeholders while preserving shareholder value.

At Ayala Corporation, we firmly believe in Ayala Land's long-term growth trajectory. It will remain as a core driver of our earnings and value. Last year, we took advantage of attractive valuations by exercising a share block purchase program of Ayala Land shares. This has increased Ayala's stake in Ayala Land to 46.07% of outstanding common shares by the end of the year.

In January 2022, Ayala saw another opportunity to boost its stake in Ayala Land through the infusion of five prime assets valued at P17.3 billion, in exchange for 309.6 million ALI shares. Once approved by regulatory bodies, Ayala's ownership will increase to 47.20%. This transaction provides ALI with properties located in key locations that will further expand its landbank and commercial assets. We view ALI as the natural owner of these properties and is in the best position to optimize their value.

Prospects

From our listing thirty years ago until the present, Ayala Land has shown its resiliency. At the center of all these actions is our thrust to continue supporting our stakeholders, contributing

to recovery efforts, and ensuring that our properties are safe. We aim for our operations and investments to remain impactful to the community, businesses, and the local economy.

Declining new cases, the ongoing vaccination booster rollout, and improving indicators support recovery prospects. Mortgage rates have remained affordable, supported by flexible payment terms. Local consumption continues to be strong, comprising close to 70% of the GDP. Also, overseas Filipino remittances and BPO revenues continue to be important pillars of the economy.

All these prospects provide us with optimism for the future. We are and will always be here for the long term. We will continue to invest for our shareholders and stakeholders, given the ever-increasing importance of living in a sustainable community, especially with pressing climate change concerns. We will continue transforming our business models to regain our position and bring back the shareholder value we generated before the pandemic.

I want to honor the many enterprising and committed people of Ayala Land whose hard work, values, and vision over the past three

decades have made us what we are today. Allow me to extend my most profound appreciation and warmest thanks to everyone, including the many clients, merchants, and partners who have been and continue to be with us on this journey. Moving forward, we are more committed than ever to realizing the vision of enhancing land and enriching lives for more Filipinos, especially during these critical times.

To our Board of Directors, thank you for your insights and knowledge, which have guided our strategies and plans throughout the year.

To our shareholders, thank you for your continued trust and confidence in Ayala Land since our listing in 1991 until today. We look forward to the future with great hope, and we feel resolute knowing that you are with us on this journey.



FERNANDO ZOBEL DE AYALA
Chairman



“The business results we generated were realized through the collective efforts of our people and the synergies within the Ayala Land group that ensured the continued delivery of projects and services amidst the intermittent lockdowns.”

BERNARD VINCENT O. DY
PRESIDENT and CEO

President's Report

2021 turned out to be another challenging year. The operational limitations and mobility restrictions caused by the COVID-19 pandemic continued to negatively impact most of our businesses. Nevertheless, I am pleased with how our teams executed our recovery plans, ensured uninterrupted service in our communities throughout the year, and developed new initiatives to position us for a strong recovery.

Business Results

We recorded total revenues of P106.1 billion and net income of P12.2 billion, 10% and 40% higher year on year, respectively. Although this is significantly better than 2020, it was still below our peak in 2019. Property development and office leasing led our positive performance and helped mitigate the low patronage of our malls, hotels, and resorts during this period.

We took advantage of sustained property demand by launching 22 residential projects worth P75.3 billion. Forty-eight percent (48%) of the launch value was from lots and house-and-lot packages—a substantial increase from 26% before the pandemic, as we responded to a higher market preference for living in more spacious environments. This strategy translated to P92.2 billion in sales reservations, 13% higher than last year, and P167.4 billion in unbooked revenues, providing a healthy pipeline for future recognition.

The demand for commercial lots in our estates also remained firm. We sold a total of P7.1 billion, exceeding pre-COVID sales of P6.3 billion in 2019. Investors took advantage of the low-interest-rate environment to secure prime commercial lots, locking in value, while preparing to develop these when the economy resumes its previous growth trajectory.

Our office leasing portfolio remained resilient as Business Process Outsourcing (BPOs) and traditional companies maintained operations, despite most employees working from home and offshore gaming tenants closing business. The stability of these tenants enabled us to attain office revenues of P9.9 billion, 5% higher than 2020 and well within pre-pandemic levels.

This steady base has allowed AREIT, our Real Estate Investment Trust (REIT) vehicle, to successfully grow its office asset portfolio and dividends through accretive acquisitions. Since its listing, AREIT has generated a total shareholder return of 91% from dividend yield and price appreciation, making it the best performing REIT in the Philippines.

AyalaLand Logistics Holdings Corp. (ALLHC), our logistics real estate arm, exhibited notable performance in 2021, registering revenues of P4.3 billion, a 16% increase from 2020. We received robust demand for industrial lots from manufacturing and trading companies. Furthermore, the need for warehouses increased as locators decentralized logistics facilities to achieve the delivery efficiencies required due to the growth in e-commerce.

PRESIDENT'S REPORT

Our malls, hotels, and resorts, which account for a considerable part of our portfolio, continued to bear the brunt of the pandemic. Mobility and travel restrictions have significantly reduced business activity for these segments since 2020. Mall revenues were at P7.9 billion, only 36% of its peak in 2019, while hotels and resorts were at P2.8 billion or 37% in the same period.

Financial Sustainability

Given the less than favorable conditions, we remained prudent in our spending. We managed our cash flows strictly and ensured that our capital and operational expenses aligned with our plan to maintain a strong balance sheet. Capex for the year ended at P64.0 billion, similar to 2020, but only 59% of our pre-pandemic spend of P108.7 billion in 2019. Likewise, general and administrative costs were reduced to P6.5 billion, 15% lower than in 2020. These measures allowed us to end the year with a net debt-to-equity ratio of 0.77:1—well within our debt capacity limit and within the range we have kept over the last eight years. I believe our financial discipline throughout this pandemic will provide the headroom for expansion once this health crisis is over and the economy stabilizes.

As our Central Bank lowered interest rates to historic lows, we partially refinanced our debt and locked it into longer-term maturities. We secured 91% of our debt in fixed rates, resulting in a portfolio with an average maturity of 5.3 years and an overall borrowing cost of 4.4%, the lowest ever achieved by our company. These efforts are beginning to pay off as we have seen interest rates start to move higher in 2022.

“While the pandemic created operational difficulties, it also led to changes in consumer preferences that prompted us to adjust our business models and introduce new offerings.”

Our strong financial position allowed us to distribute P4.0 billion in dividends and buy back 49 million ALI shares, totaling P1.7 billion, signaling our confidence in ALI's intrinsic value and growth prospects beyond this pandemic.

Service Continuity

The business results we generated were realized through the collective efforts of our people and the synergies within the Ayala Land group that ensured the continued delivery of projects and services amidst the intermittent lockdowns.

Makati Development Corporation (MDC) followed strict protocols and safety guidelines to complete projects despite construction capacity limitations mandated by health and safety regulations. MDC's efforts enabled our residential brands to hand over 10,399 completed units to buyers, wherein 98% were accepted at first inspection.

Our estates, offices, malls, and hotels remained operational during the severe lockdowns in March and August. Ayala Property Management Corporation (APMC)

and our operating units deployed 5,132 personnel who stayed on-site during the lockdowns to provide services to all 277 managed properties.

In the aftermath of typhoon Odette, our teams enabled 24/7 operations in our Cebu estates, providing security and uninterrupted utilities supply by working closely with local fuel suppliers, Visayan Electric Corporation, Manila Water’s subsidiary, Estate Water, and the Cebu Water District. Residents, merchants, and business locators highly appreciated the service continuity as most of Cebu struggled with water and power supply for several weeks.

All these initiatives resulted in high customer satisfaction. In a survey of 4,962 respondents, we received a 95% positive rating and 5,961 commendation letters from customers. Nonetheless, execution challenges continue to

persist, and our teams are proactively finding solutions to deliver our committed product and service standards to customers.

Transformations

While the pandemic created operational difficulties, it also led to changes in consumer preferences that prompted us to adjust our business models and introduce new offerings.

Digital marketing channels were used by residential brands to generate P20.2 billion in reservation sales, representing 22% of the total. Virtual turnovers facilitated the handover of 65% of completed projects to buyers. Our residential book of standards, design, and offerings was updated to include new lifestyle trends brought about by the pandemic. These changes will ensure that succeeding projects will be adaptive to the next normal.



Ayala Land President and CEO, Bernard Vincent O. Dy delivers his message to the management team during the FY2021 Town Hall meeting at the Samsung Performing Arts Theater at Circuit Makati.

PRESIDENT'S REPORT

Shophouse lots, a new product for estates, were successfully piloted at Cresendo in Tarlac. These lots allow for vertical units that will provide space for commercial and residential use. Aside from this product, we will introduce compound lots for combined commercial and multi-family homes in Nuvali and Cresendo in 2022 in response to multi-generational families that desire to live together.

Identified open spaces in our estates and malls were repurposed for social distancing and outdoor dining. We introduced new offerings such as the Glorietta Fitness and Wellness Place and the Greenbelt Luxury Wing. The Ayala Malls' Z!ng app gained traction and reached 80 thousand members last year. Its extended offerings, Z!ngShops and Z!ngEats, hosted 122 merchants. Z!ngMall, an e-commerce platform, will be launched in 2022.

New leasing spaces were added to bolster our commercial portfolio. Ayala Triangle Gardens Tower Two and the first tower of One Ayala offices were completed, adding 94 thousand square meters of gross leasable area (GLA) in the Makati CBD. Meanwhile, ALLHC acquired two cold storage facilities in Laguna with a combined 7,300-pallet capacity to address our country's emerging cold storage needs.

Furthermore, MDC accelerated its Design for Manufacturing Assembly (DfMA) initiatives to reduce construction time and minimize rework. Today, approximately 40% of construction work for vertical developments is done offsite.

We will continue to build on these innovations to improve operating efficiency, project delivery, and customer engagement as the country enters the recovery phase.

Inclusivity and Resilience

In recent years, we introduced new approaches to foster social inclusivity and strengthen resiliency in our developments. These features have become more critical for sustainability, given the challenges of the ongoing pandemic and the imminent risks from climate change.

We supported 737 social enterprises (SE) by providing rent-free spaces in our 32 malls across the country. The program generated more than 4,000 jobs that benefited communities and families.

Ayala Malls established disaster relief assistance centers to help victims of natural calamities. Ayala Malls Solenad in Laguna and Serin in Cavite provided N95 masks to Taal volcano eruption evacuees. Meanwhile, malls in Marikina, Pasig, Taguig, and Davao distributed food to flood-affected residents. During Typhoon Odette, Cebu, Negros, and Cagayan de Oro malls delivered relief goods to 14 barangays.

We also made significant progress in environmental sustainability. In 2021, our commercial properties reached carbon neutral status—one year ahead of our target. The emissions were reduced through increased renewable energy use and continuing energy efficiency measures. They were further offset by assisted natural regeneration activities, which increased the carbon stock in our 586-hectare carbon forests.

As part of our waste management program, we processed 75 tons of clean and dry plastics as an additive to MDC's ready-mix concrete and eco products for the sidewalks and



Ayala Land Senior Leaders attend the FY2021 Town Hall meeting at the Samsung Performing Arts Theater at Circuit Makati.

perimeter fences in our developments. The plastics processed were equivalent to more than 100% of the clean and dry plastics generated in our malls in Makati and BGC (Bonifacio Global City) pre-pandemic. All of our Metro Manila malls participate in the collection and segregation program. We plan to expand it to the rest of our malls to increase our contribution to waste management in the coming years.

Finally, Ayala Land signed up as one of the first Philippine companies to support the Task Force on Climate-Related Financial Disclosures (TCFD) as we recognized the importance of disclosing our efforts to mitigate the risks of climate change to

our stakeholders. In 2021, we took our initial step by engaging a third party to evaluate the impact of climate change on our business, and the recommendations will be incorporated into our operations as part of risk management in 2022.

Recognitions

We are proud of our accomplishments that were recognized by leading local and foreign institutions.

Ayala Land was recognized as the Most Outstanding Real Estate Company in the Philippines by Asiamoney and the Best Developer for the Residential and Office sectors by Euromoney at its Annual Real Estate Survey.

PRESIDENT'S REPORT

“I believe that all our major businesses will remain relevant post-pandemic. Some will even benefit from the changes in consumer preferences, while a few businesses will require a higher level of reinvention, with changes that we need to implement quickly.”

Based on the ASEAN Corporate Governance Scorecard, Ayala Land is one of the top three listed companies in the Philippines and one of the top 20 in the ASEAN region. Ayala Land remains to be the only Philippine company in the Sustainability Yearbook and Dow Jones Sustainability Index by S&P Global and received an A- Leadership Rating on Climate Change by Carbon Disclosure Project (CDP).

We are grateful to have received 209 awards from international and local institutions—our highest tally over the last five years, reflecting our commitment to excellence.

Outlook

Looking back on our 30-year history as a listed company, I am humbled by the milestones we achieved, and the stakeholder trust we earned over time. Ayala Land has 47 estates, more than 12 thousand hectares of land bank, diversified product offerings, a progressive organization, and a proven track record.

Yet, one issue I wrestled with during the past couple of years was whether COVID-19 brought about permanent disruption or impairment in our various business lines. Based on what I have seen, I believe that

all our major businesses will remain relevant post-pandemic. Some will even benefit from the changes in consumer preferences, while a few businesses will require a higher level of reinvention, with changes that we need to implement quickly. New opportunities have also been crystallized, which we will pursue aggressively.

With reduced COVID cases, high vaccination rates, and improved mobility, I am optimistic that our country is on course for resurgence, and we are positioned to accelerate our V-shaped recovery. Local consumption remains strong, and our nation's favorable demographics, a growing middle income, and a young working-class will support growth over the medium to long term.

In closing, I am grateful to our Board of Directors for their unwavering trust in me and our teams, and for their continuing guidance and engagement. I am thankful to our shareholders for their enduring belief in Ayala Land, and for standing by us during this challenging period. To my fellow employees, thank you for your service, dedication, and commitment. Your collective contributions allowed us to safely navigate through the COVID-19 crisis and position our company for renewed growth.

As we face the future, we commit to remain responsive to the needs of our shareholders, stakeholders, and the environment. We will continue to strive to achieve our vision of enhancing land and enriching lives for more Filipinos, as we seek to create lasting value for generations.

A handwritten signature in black ink, consisting of stylized initials and a surname, positioned above the printed name and title.

BERNARD VINCENT O. DY
President and CEO



“We implemented initiatives to fortify the balance sheet, and our refinancing strategies enabled us to further lower our cost of debt, realize interest expense savings, and extend our debt portfolio’s maturity profile.”

AUGUSTO D. BENGZON

Chief Finance Officer, Treasurer, and
Chief Compliance Officer

CFO's Report

Despite the challenges we faced in 2021 due to the ongoing pandemic, we ensured stable operations and fulfilled our project commitments. We focused on our liquidity position, protected margins, and efficiently used our capital to further strengthen our base for recovery.

We successfully improved our business performance since the onset of the pandemic, posting total revenues of P106.1 billion and net income of P12.2 billion, a year-on-year growth of 10% and 40% respectively, on account of resilient operations supported by relaxed quarantine restrictions in the fourth quarter of 2021.

Given the uncertainties brought about by the intermittent lockdowns, we closely monitored cash inflows and managed spending. Reduced overhead and cost-saving initiatives brought general and administrative expenses (GAE) down 18% to P6.5 billion. This resulted in a GAE to-revenue ratio of 6.2%, lower than 8.2% in 2020, and contributed to an improvement in our earnings before interest and taxes (EBIT)-to revenue ratio to 31.5% from 31.0%.

We capped the year with P64 billion in Capital Expenditures (CAPEX) to support the buildup of our residential and commercial projects; this amount was lower than the initial P88 billion budget as we prioritized high-impact CAPEX. 52% was spent on residential projects, 15% on commercial leasing projects, 17% on land acquisition, 14% on estate development, and the remainder for other general purposes.

Fortifying the Balance Sheet

We implemented initiatives to fortify the balance sheet, and our refinancing strategies enabled us to further lower our cost of debt, realize interest expense savings, and extend our debt portfolio's maturity profile.

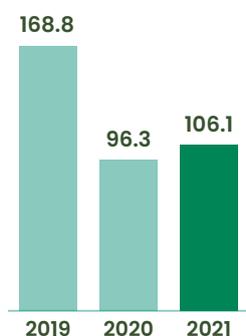
We proactively refinanced and raised a total of P56.2 billion in borrowings for the Ayala Land group with a blended interest rate of 3.76% and an average tenor of eight years, carrying a significantly lower credit spread than our comparable peer set. We issued P16.25 billion of retail bonds that were warmly received by the debt capital market. In May, our P10 billion bond due 2025 carried a coupon rate of 3.6262% and was the first bond issued under the e-Securities Issue Portal of the Philippine Dealing Exchange (PDEX). In October, we issued P3.25 billion with a tenor of 10 years at 4.0776%, the longest tenor for a corporate bond issued in PDEX for the year. In December, we introduced AREIT to the debt capital markets with its maiden issuance of a P3 billion tranche. These financing exercises generated interest expense savings for Ayala Land in 2021 and improved our overall borrowing cost by 29 basis points from 4.7% in 2020 to 4.4% at the end of the year. This is the lowest rate recorded over the past 12 years, reflecting our focused effort to reduce financing expenses and lower our cost of capital.

At the end of 2021, we recorded total borrowings of P223.1 billion, an incremental increase of P11.1 billion from 2020.

CFO'S REPORT

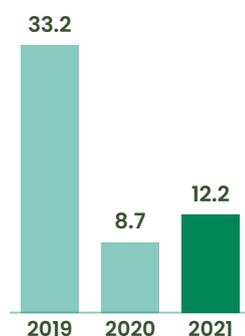
Revenues

In Php Billions

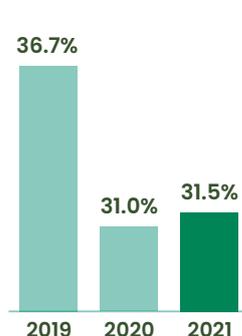


Net Income

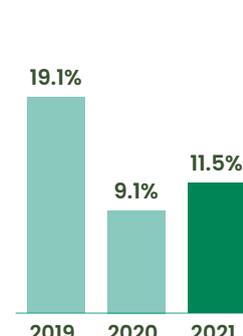
In Php Billions



EBIT Margin

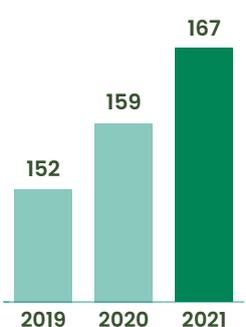


NIAT Margin

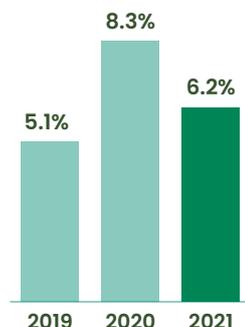


Unbooked Revenue

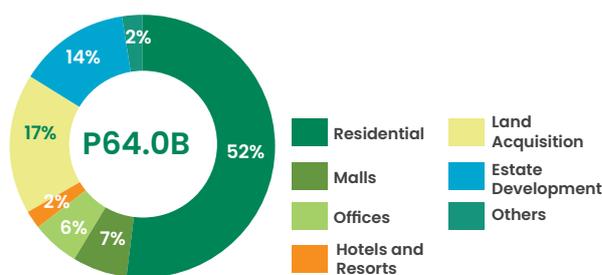
In Php Billions



GAE Ratio



Capital Expenditures



Our net gearing ratio settled at 0.77:1, which, while higher than the 0.74:1 ratio in 2020, was well within our internal target and continues to provide us with sufficient headroom to respond to either a downturn or rebound in market conditions. We locked in 91% of our debt in fixed rates to protect it against a potential rise in interest rates, with 92% contracted on a long-term basis and 8% in short-term credit facilities.

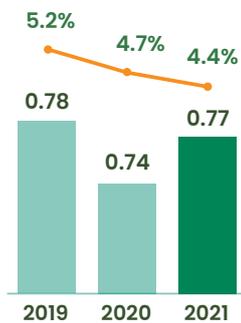
Furthermore, we successfully raised P21.9 billion through our accounts receivables sale program—the highest amount ever in a year. These receivables were sold at an effective discounting cost of 4.0% which is lower than the comparable borrowing rate of 4.2% for a loan with a 25-year tenor.

Protecting Value

With our disciplined capital management program, we distributed P4.0 billion in dividends to shareholders. In addition, we saw opportunities to buy back the equivalent of P1.7 billion worth of ALI shares in April and December, as it reached heavily discounted levels from its intrinsic value, on account of the overall bearish outlook in the Philippine stock market due to heightened COVID-19 cases, intermittent lockdowns, and the shift of foreign funds to faster-recovering markets.

To manage the adverse impact of the prolonged pandemic on our various business lines, we provided the Management Committee with comprehensive monthly reports

Net Debt to Equity **Cost of Debt**



detailing financial and operating metrics, key performance drivers, high-priority risks, and immediate action items. This enabled timely decision-making to respond to changes in market conditions, and to execute adjustments in our plans for the year.

In 2021, the Investment Committee evaluated and approved a total of 26 residential projects for launch and 40 new land acquisitions, of which 22 residential projects worth P75 billion were successfully launched within the year. We ensured that all projects for approval, whether for acquisition or launch, met their required returns or hurdle rates.

To support our thrust of cost leadership, we intensified project bidding and expanded the vendor pool to secure the best pricing. Increases in material costs were managed by locking in long term, fixed price contracts, or by sourcing products on a just-in-time or tranching basis, as appropriate. In addition, close to P1.0 billion in cost savings were generated through supply reallocation and price renegotiations. In terms of corporate requirements, we standardized and consolidated purchasing across the Ayala Land group to take advantage of bulk pricing and to maximize product options.

Debt Profile

Maturity	Interest Rate	Currency
92% Long-Term	91% Fixed	97% Local
8% Short-Term	9% Floating	3% Foreign

Our strong partnership with our long-standing panel of insurers enabled us to structure a responsive insurance program that optimized our approach to protecting our assets and physical facilities. In 2021, we successfully recovered all substantiated claims from material and business interruption losses of our operating properties and construction projects. Furthermore, claims from property damages caused by typhoon Odette (Rai) last December as validated by loss adjusters will be compensated in 2022.

Operational Transformations

On the operational front, we continued with multiple transformation initiatives, and implemented a total of 41 digitalization projects aimed at generating efficiency and enhancing customer service through process automation.

Our customer-facing businesses continued to deliver digital apps geared towards enriching customer experiences. These include the Ayala Malls Merchant portal which allows our merchants to easily view their Statement of Account and Official Receipts, and provides a channel to service their tenant requirements, and the enhanced APMC @Home, a digital one-stop concierge app for our residential home owners and tenants.

CFO'S REPORT

Digitalization contributed to higher levels of productivity and better decision-making. Our cloud-based planning, budgeting, and forecasting tool streamlined the property development project runs and financial reporting across all the business units, while reports from various transaction systems were easily consolidated and generated, enabling management to make timely and informed decisions.

Process improvements and automation enabled AMICASSA, our captive business process outsourcing (BPO) provider for documentation support to our residential business, to process and release 8,591 titles, more than double that in 2020, while our wholly-owned financial BPO, Aprisa Business Process Solutions, Inc., executed 1.2 million transactions covering payments, billings, procurement, bookkeeping, and financial reporting.

We also reinforced our cybersecurity measures through device lockdowns, laptop encryption, penetration testing, and software cleanups, to eliminate internal software and network threats and risks. Employee webinars and workshops on information security and data privacy were conducted to increase awareness of new threats and secure organizational alignment and support for this key risk mitigation program.

Enhancing Corporate Governance

In the area of corporate governance, we enhanced our business integrity and vendor audit policies and programs, as well as our Board Charter, to strengthen our implementation practices and compliance with regulatory requirements.

The policies under the Business Integrity Program (BIP) were updated to address current business needs and to adapt to changes in relevant regulatory requirements and leading practices. These included the Code of Ethics and Chart of Offenses, the Whistleblowing Policy, and the Employee Investigation Policy.

New policies for Anti-Bribery and Corruption, and Vendor Audit, were also developed to serve as a guide for engaging vendors and suppliers. Moreover, the vendor contract templates, and the Vendor's Code of Ethics (VCE) were updated to address certain provisions related to the Data Privacy Act of 2012, the inclusion of the Right-to-Audit clause, and compliance with the updated VCE, among others. These changes were made effective immediately and cascaded to all stakeholders concerned.

We amended our Related Party Transactions Policy to allow for the delegation of specific related-party transactions to management, and to require the Chief Finance Officers of the relevant companies within the Group who were involved in these transactions to provide an annual written report to the Group Chief Finance Officer and Chief Compliance Officer. These changes allow for better management of related-party transaction risks, while ensuring accountability at the appropriate organizational level.

As real estate developers categorized as covered institutions under the amended Anti-Money Laundering Law, we registered Ayala Land and its subsidiaries with the Anti-Money Laundering Council (AMLC), and implemented the Money Laundering and Terrorism Prevention Program into our operations.

In addition, the Charter of the Executive Committee was amended to align with the By-Laws of the Corporation and to allow the Committee to hold meetings via remote communication, ensuring that the Committee can still function effectively when face-to-face meetings are not possible.

The Board also approved the Guidelines on Accepting Proposals from Stockholders on Agenda Items for Stockholders' Meetings to promote a more inclusive engagement with our stockholders.

These initiatives demonstrate our drive to proactively address risks and incorporate regional standards to maintain the high quality of governance expected of Ayala Land. We remain committed to living up to our standing as one of the top three listed companies in the Philippines and one of the top 20 ASEAN companies based on the ASEAN Corporate Governance Scorecard.

Investor Engagement

We remained cognizant of the concerns of our investors and the quarantine environment in 2021 did not deter us from engaging with them. We interfaced with 158 firms and 294 representatives from the analyst and investor community, attended 15 investor conferences and 41 one-on-one virtual meetings to maintain our engagement with investors and discuss our operating and financial results for the year, as well as to apprise them of the medium to long term prospects of the business.

Forward to 2022

Throughout our more than three-decade history, we have constantly grown by transforming our businesses and unlocking value. Our dynamism and resilience would not have been possible without the unwavering stakeholder support and trust we have earned over the years. Guided by our core values, business principles, and track record, we remain steadfast in addressing the concerns of our investors and stakeholders and nurturing the trust bestowed on us.

We look forward to 2022 with renewed optimism as the country recovers from the pandemic. With our solid platform of businesses, supported by our strong financial position, we are ready to take advantage of opportunities in the new normal and aim for sustainable long-term growth.



AUGUSTO D. BENGZON

Chief Finance Officer, Treasurer,
and Chief Compliance Officer





Business Review

Estate Development



The pandemic and imminent risks from climate change highlighted the value of estates – living and working within an integrated mixed-use development where necessities are within reach, providing safety and resilience to businesses and communities.

Amidst the intermittent lockdowns in 2021, the Taal Volcano eruption, and typhoon Odette, the estates were operated with minimal disturbance, and transformations were introduced to keep the community vibrant and support businesses.

As of the end of 2021, Ayala Land had 47 estates across the country, ranging from mixed-use, tourism, residential, commercial, and industrial formats, that address the social and economic needs of various segments of the Philippine real estate market. With a healthy stock of more than 12 thousand hectares of land bank, and an optimistic view on continued economic recovery, Ayala Land is looking to launch more estates in 2022.

METRO MANILA

Makati Central Business District (CBD)

Makati CBD implemented initiatives to activate open spaces, support estate locators, and foster safe community gatherings amidst the ongoing pandemic.

The Makati Street Meet was introduced, closing off the streets of Rada, Leviste and Esteban every

other Sunday, to allow restaurants and food merchants to set up outdoor dining facilities. “Makati Parklets”, introduced in the Salcedo and Legazpi Villages, transformed select street parking slots near restaurants into extended dining outlets—the first concept of its kind in the country. In addition, the initial phase of the “Rada Promenade”, conceptualized to become an outdoor dining area along Rada Street on Sundays, was launched in December 2021, and was warmly received by the community.

Despite construction constraints, mobility and pedestrianization initiatives were completed. The Paseo de Roxas-Villar Underpass was opened in September, connecting the Ayala Triangle Gardens to Salcedo Village. The refreshed Jaime Velazquez Park was reopened in November, featuring wider open and green spaces, and a trellised walkway. Moreover, to support the increasing number of bike users in the metropolis, bike-friendly features were made available in the estate, such as bike-and-dine racks, repair stations, and rentals in partnership with Moovr, an app-enabled bike and e-scooter sharing service provider. In May, the 5-storey Legazpi Parking Building was officially opened, providing 603 more parking spaces in the CBD.

BGC

Bonifacio Global City (BGC), in coordination with the local government of Taguig City, rolled out projects to combat the spread of COVID-19. Taguig City’s first ever Drive-By Testing Facility was opened in BGC, providing a safer testing site for the community. In April, Taguig’s Mega Vaccination Center was opened in Bonifacio High Street and is the city’s only site operating until midnight to cater to BPO employees. The facility has inoculated over 200,000 people as of end-December 2021. All BGC frontliners have been fully vaccinated to ensure the protection of its residents and continuing operations.

BGC initiated multiple programs to activate open spaces within the estate to encourage safe and healthy outdoor activities. Alfresco dining areas were extended in the parks and sidewalks to provide more venues for residents and estate

guests. On weekends, a portion of 5th Avenue was closed to ongoing traffic to host “My Street High Street”, which provided outdoor seating spaces for diners and shoppers. Public spaces were expanded with the closure of select roads temporarily repurposed into Kiddy Wheely Parks, where children can safely cycle, scoot or play. BGC also pioneered the *Adopt-a-Parklet* program in partnership with its locators, where underutilized alleys were transformed into micro parks. Three (3) alleys have been sponsored and revamped into fresh parklets, with five more on the way.

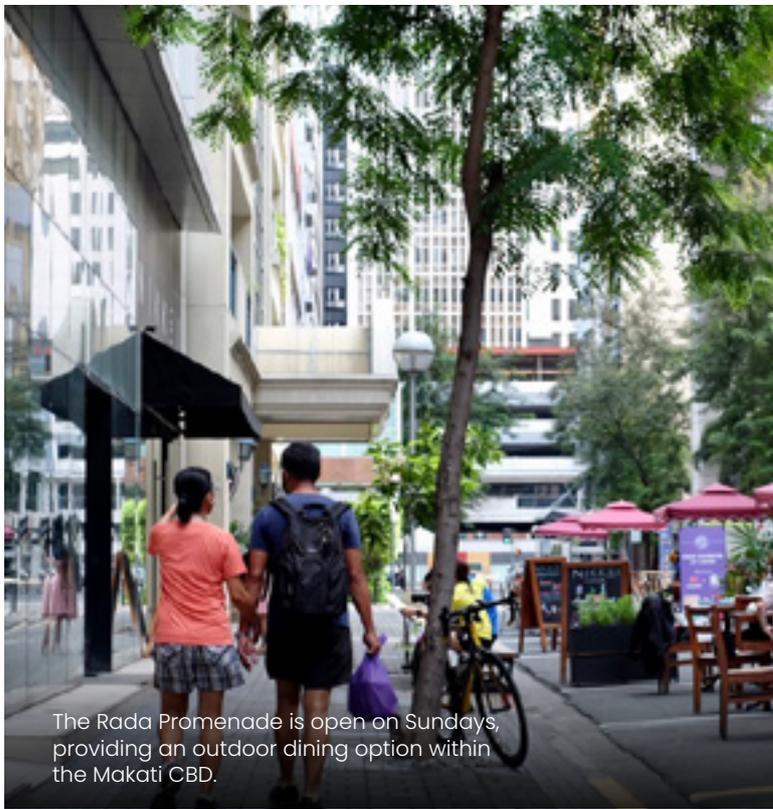
Strengthening mobility within the estate, BGC further expanded its 20-km bike lanes along 5th avenue and 32nd street and connected key gateways such as EDSA-Kalayaan and Lawton Avenue. These allowed easier access for cyclists within BGC, who presently number over 10,000 active bikers daily.

New community amenities were also set up in and around BGC. In June, The Luntian Express, a weekend mobile market, brought essential goods and products from homegrown social enterprises to residents. In October, Central Bark was introduced along Rizal Drive—the estate’s first off-leash dog park. In December, an unutilized 500-square-meter plot along 5th avenue was converted into BGC’s first Urban Farm—an edible garden where residents could “adopt a pod”, and grow their own fruits, herbs and vegetables. The Landmark Supermarket and Department Store at Three Parkade also opened in October, providing more grocery shopping options for the community.

Circuit Makati

The 22-hectare Circuit Makati activated previously unutilized areas to entice social and community activity. Being the only place in Makati that boasts of a riverside location, it revived alfresco dining through “Riverside Sessions”, offering a variety of dining concepts and entertainment while showcasing the estate’s unique outdoor space.

At the heart of the estate is Circuit Lane, a water feature showcasing an art piece by



The Rada Promenade is open on Sundays, providing an outdoor dining option within the Makati CBD.



Opened in September 2021, the Paseo de Roxas – Villar underpass connects Ayala Triangle Gardens to Salcedo Village.

Reg Yuson and lined with retail establishments in Ayala Malls Circuit. This design element connects the three venues for art within Circuit Makati (the Globe Circuit Events Grounds, Powermac Center Spotlight Blackbox Theater, and Samsung Performing Arts Theater), and provides a pleasant walking experience from the entrance of the estate (where the Samsung Performance Arts Theater is located) all the way to the riverside. The 1,500-seat Samsung Performing Arts Theater was completed, with its state-of-the-art facilities that will soon be the home of global Filipino talent.

In partnership with the local government of Makati, Ayala Malls Circuit was used as a vaccination center with onsite and drive-thru options.

Arca South

Arca South opened the Fieldside Market, featuring various food finds for the community and serving as a safe outdoor dining destination for its residents.

New office locators commenced with the construction of their buildings. To be completed in 2022 are the Manta Corporate Center and the Savya Financial Center North Tower. The Bamberton Tower is set to be finished in 2023. For the estates' residential offerings, turnover of Alveo's Veranda Towers 1 and 2 began in 2021, while Towers 3 and 4 will be ready for turnover by 2022.

Vertis North

The growing community within the Vertis estate, together with the new residents of Avida Vita, Avida Sola and Alveo's High Park, welcomed the opening of the estate's very own rain garden. This verdant area provides more space for exercise, relaxation and community building.

Construction activities in the estate are in full swing with Alveo's new residential towers, AyalaLand Premier's first office-for-sale offering, One Vertis Plaza, and Bloomberry's 40-storey integrated casino, Solaire North.

For COVID-19 testing, a drive-thru PCR testing facility was also opened in 2021.



The Bonifacio High Street Mega Vaccination Center has administered 200,000 vaccines as of December 2021.



BGC's Urban Farm allows residents to grow their own fruits, herbs and vegetables.

LUZON

Nuvali

Responsible and Safe Biking was championed at Nuvali, with the launch of the Bike Smart program which instituted guidelines for the biking community to make Nuvali a model bikeable city and promote a positive biking community culture. The program's success led to subsequent launches in Arca South and Vermosa.

Nu Spaces was created to activate outdoor areas for safe dining and recreational use. This was supported with the launch of the Weekend Farmers Market and the partnership with Mercato Centrale, which widened the dining options at Solenad I.

In support of Ayala Land's environmental sustainability initiatives, 1,000 trees were planted at the estate.

Vermosa

In accordance with IATF guidelines, the Ayala Vermosa Sports Hub was reopened in December 2021 for professional athletes and sports

enthusiasts. In addition, the Vermosa Food and Lifestyle Market, a safe dining and shopping destination in the outdoor grounds was opened to the public in time for the holidays.

The construction of the estate's residential projects is underway, with AyalaLand Premier's The Courtyards phase 4 scheduled for completion in 2022, and turnover in 2023. Avida Verra Settings is also nearing completion, with turnover to residents targeted in 2022.

Alviera

Within the estate is the 64-hectare Alviera Industrial Park, home to three locators, with another three set to operate in 2022. Meanwhile, Alviera Industrial Park 2 is ready for turnover, with two more locators operating soon.

To date, more than 4,500 residential units have been sold by AyalaLand Premier, Alveo and Avida within the seven existing villages. Three more are expected to be turned over by 2022. A total of 15 kilometers of roads have been constructed to provide access to new areas for development.

BUSINESS REVIEW

The Miriam College and Holy Angel University are geared to open their doors to students in the next two years. The opening of these academic institutions will accelerate community activity and encourage residential build up.

Cresendo

Cresendo in Tarlac piloted the Shophouses—a new product for the estates. These are vertical units located in prime locations that will provide space for both commercial and residential use.

Strategically positioned at the center of the estate’s downtown, the Shophouse lots will face a 12-meter-wide promenade while the rear side faces the service road, making these accessible from multiple vantage and access points. These lots are expected to cater to small to medium-sized businesses, whose owners and employees would opt to live next to their work spaces. The Shophouse lots at Cresendo are one of the fastest-moving offerings of AyalaLand Estates today. By the end of 2022, the estate is set to open its first set of Shophouses – hosting both government and retail establishments.

VISAYAS AND MINDANAO

South Coast City

South Coast City was launched virtually to media in June 2021. Since then, Cebu’s prime waterside district received healthy demand for its commercial lots—a total of eight lots were sold with a value of P3.6 billion. Land development at the estate is 76% completed and will soon host new projects and developments for the future community in South Road Properties (SRP).

Cebu Business Park and Cebu IT Park

Due to its site resilient features, the estates were one of the first areas in Cebu to restore power

and water after Typhoon Odette (Rai). Both estates served as distribution points for essential goods and provided free mobile and device charging services to the nearby communities. In partnership with *Alagang AyalaLand*, Cebu Business Park and Cebu IT Park also distributed relief goods and potable water to the neighboring barangays.

Azuela Cove

Azuela Cove in Davao welcomed the opening of the Gaisano G-Market and G Center—a supermarket and department store with a retail strip offering specialized cuisine, an art gallery, and Pilates Studio, to complete the lifestyle center experience of the estate.

At the height of Typhoon Odette (Rai) in December, estate personnel on the ground were quick to respond by providing power and water within Azuela Cove. Water and relief packs were distributed to neighboring barangays through *Alagang AyalaLand*.

The first phase of construction of the North and South Towers of AyalaLand Premier’s the Residences at Azuela Cove reached 90% completion in 2021.

TOURISM ESTATES

Lio and Sicogon

All locators in Lio Estate secured the Seal of Compliance from the Local Government of El Nido and the Department of Tourism (DOT) accreditation to operate following health and safety protocols during the pandemic. Lio was also cited as “Certified Sea Turtle Friendly” by the Wildlife Friendly Enterprise Network. Meanwhile, in Sicogon, resort operations resumed in December, in line with the reduction of COVID-19 cases.



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1. Circuit Makati offers a unique riverside alfresco dining option through Riverside Sessions.
2. Residents of Vertis North welcomed the opening of its Rain Garden that provides more space for exercise, relaxation, and community building.
3. The Bike Smart program was championed to make the Nuvali estate a model bikeable city.
4. Opened during the 2021 holiday season, the Vermosa Food and Lifestyle Market is a safe outdoor dining and shopping destination in Imus, Cavite.
5. Shophouses, a new product by AyalaLand Estates, was piloted in Cresendo Tarlac for both commercial and residential use.
6. In partnership with Manila Water's Estate Water, Cebu estates delivered uninterrupted water supply during Typhoon Odette.



Property Development

Construction progress and higher bookings lifted property development revenues to P75.9 billion, 14% higher from the previous year. The segment contributed 74% to total real estate revenues.

With sustained property demand, Ayala Land launched 22 residential projects worth P75.3 billion. Forty-eight percent (48%) of the launch value were from lots and house-and-lot packages—a substantial increase from 26% before the pandemic, in response to a higher market preference for living in more spacious environments. Take-up from horizontal products alone jumped 36% to P41.5 billion, led by horizontal developments in Southern Luzon by AyalaLand Premier (ALP) and Alveo.

This strategy translated to P92.2 billion in sales reservations, 13% higher than last year, and P167.4 billion in unbooked revenues, providing a healthy pipeline for future recognition.

The residential business group maximized its digital assets to augment lower selling mobility and provide a safe contactless turnover option to buyers. P20.2 billion of the reservation sales originated through digital means, equivalent to 22% of total, while 65% of turnovers were done virtually.

AyalaLand Premier

AyalaLand Premier (ALP) maintained its dominance in the luxury residential segment, launching P14.4 billion worth of lots in the growing provinces of Cavite, Laguna and Bataan. These were two phases of Lanewood Hills and Ciela Heights Phase 1A in Cavite, Ayala Greenfield Estates Phase 4C Tranche 1 in Laguna, and Hillside at Anvaya Cove in Bataan. These projects resulted in a sales take-up of P24.0 billion, a significant growth of 44% from 2020.

ALP recorded revenues of P23.8 billion, 12% higher year-on-year, due to higher bookings from Ayala Greenfield Estates in Laguna, Cerilo in Nuvali, Laguna, Anvaya Cove in Bataan, and The Enclaves in Cebu, and from the completion progress of Andacillo in Nuvali, The Courtyards in Vermosa, Cavite, West Gallery Place in BGC and Park Central North and South Towers in Makati City. ALP's leisure project, Anvaya Cove Golf and Sports Club received the World Golf Awards 2021 for Philippines Best Golf Course. In 2021, five (5) projects were completed, and 1,521 lots and units were turned over to clients.

Alveo

The upscale residential brand, Alveo, launched P19.4 billion worth of projects with a diversified geographic mix across Central Luzon, Metro Manila, Southern Luzon and Mindanao. These projects were: Corvia in Alvia, Pampanga; Sentrove Tower 1 in Cloverleaf, Quezon City; Hillside Ridge Phase 2 in Cavite; and Bayview Heights in Cagayan de Oro. Alveo recorded sales reservations of P29.8 billion, up 22% from the previous year on renewed confidence from buyers.

Residential revenues jumped 64% to P16.3 billion on higher bookings from Hillside Ridge in Cavite and Corvia in Alvia,

Pampanga, and completion progress of Ardia Phase 3 in Vermosa, Cavite, The Greenways in Alvia, Pampanga, and The Residences at Evo City Phase 2 in Cavite. In 2021, Alveo turned over 1,790 units to its customers and completed three (3) projects.

Alveo continued to enhance its marketing initiatives, including monthly targeted ads, 22 client webinars with over 6,505 attendees, and a range of virtual tours to showcase Alveo developments and the Ayala land estates where they were located in. Alveo also introduced its first interactive virtual showroom at its BGC head office, allowing clients and sellers to visit multiple Alveo developments from one place.

Alveo and its various projects were recognized with 12 awards and commendations this year, including Best Real Estate Company from the International Business and World Economic Magazines, and Best Condominium Developer from Global Economics Awards, further strengthening its brand prestige and awareness both locally and internationally.

Avida

Avida solidified its position in the middle-income residential segment by launching eight (8) projects totaling P31.2 billion, providing the sufficient inventory for 2022. Seventy-three percent (73%) of the project launches were condominiums strategically located in Metro Manila and Davao City namely: Avida Towers Verge Tower 2 in Mandaluyong City, Makati Southpoint Tower 2, Astrea Tower 2 in Quezon City, Centralis Towers in Pasay City and Abreeza Tower 2 in Davao. Avida's sales reservations amounted to P22.9 billion in 2021, 5% lower than in 2020 on account of softer demand for vertical projects.



ALP launched two phases of Lanewood Hills in Cavite during the months of January and August to cater to demand in Southern Luzon.

Revenues reached P14.1 billion, a 6% decline from the previous year owing to lower bookings from Avida Towers Sola in Vertis North Quezon City, Vireo in Arca South, Taguig, Riala in Cebu IT Park, Cebu City, Abreeza Tower 2 in Davao City and Avida Towers Prime Taft Tower 2 in Pasay City. Avida completed six (6) projects and delivered 4,268 units of residential lots and condominiums.

Avida introduced contactless customer processes to ensure buyer safety and convenience. 360° Virtual Showrooms, online appointments, and virtual turnover of units facilitated interactions with buyers while ensuring their safety during the pandemic. Chatbots and online reservation and payment capabilities were added to the Avida website to improve accessibility. The Avida app was also rolled out for mobile users. With the introduction of these initiatives, Avida's digital sales jumped 49% to P5.5 billion from P3.7 billion in the prior

year. The company won a total of 18 awards from several award-giving bodies – Asia Pacific Property Awards, 18th Philippine Quill Awards, 56th Anvil Awards, among others.

Amaia

Amaia, the affordable housing residential brand, introduced five (5) new projects in 2021 totaling P9.7 billion. These included four vertical projects in Metro Manila and Bacolod City: Steps The Junction Place Clara and Skies Tower 3 both in Quezon City; Steps Pasig Clara in Pasig City and Steps Two Capitol Tower 1 in Bacolod City. It also launched house-and-lot offerings at Scapes Bulacan S4B in Sta. Maria, Bulacan. Sales reservations during the year registered at P13.8 billion, equivalent to 95% of pre-pandemic levels.

Total revenues were at P4.5 billion—a 3% decline from 2021 due to the higher contribution of new projects which have minimal bookings, and incremental



Seventy three lots worth P1.4 billion of inventory were added at Ayala Greenfield Estates Phase 4C in Laguna.

Ayala Land launched 22 residential projects worth P75.3 billion. Forty-eight percent (48%) of the launch value were from lots and house-and-lot packages—a substantial increase from 26% before the pandemic, in response to a higher market preference for living in more spacious environments

progress on nearly completed projects such as Steps Alabang Delecia in Las Pinas, Series Bulacan S3A, and Series Nova in Quezon City. Amaia delivered 1,277 house-and-lot packages and 670 condominium units to its buyers.

In 2021, Amaia won four awards from Titan Property for its consumer marketing campaigns, and a Bronze Stevie Award for its Kadiwa on Wheels project, a partnership with the Department of Agriculture to promote and sell local products within select Amaia projects.

BellaVita

BellaVita served the socialized-housing segment by launching 1,110 house and lot packages worth P519 million in its existing projects in Alaminos, Laguna; Naga City; and Lian, Pila and Rosario, Batangas. Sales take-up was healthy at P1.8 billion, 11% higher than 2021.

BUSINESS REVIEW

BellaVita posted total revenues of P1.2 billion, a 45% jump from the previous year on higher bookings from projects in Tayabas Quezon; Porac, Pampanga; and Alaminos, Laguna coupled with substantial increase in unit completion, with construction back in full swing. The socialized housing brand delivered 873 house-and-lot packages to its clients and completed 3,434 units in 2021.

Ayala Land, through BellaVita, partnered with the Department of Human Settlements and Urban Development (DHSUD) to build housing and community-building projects under the Balanced Housing Program. In partnership with the municipalities of Muntinlupa and Orion in Bataan, the Company provided funds for the construction of 668 and 2,936 housing units, respectively, for government employees and displaced families. For the third consecutive year, BellaVita was recognized by the Philippine Home Development Mutual Fund as one of the top 20 developers in South Luzon.

Office for Sale

In 2021, Ayala Land focused on selling inventory from existing projects. Revenues amounted to P3.8 billion, up 14% from 2020, on higher completion progress of ALVEO's Stiles and Tryne Enterprise Plazas in Circuit Makati and Arca South, respectively, and ALP's One Vertis Plaza in Vertis North.

Commercial and Industrial Lots

The demand for commercial lots in Ayala Land estates remained firm in 2021. A total of P7.1 billion was sold, exceeding pre-COVID sales of P6.3 billion in 2019. Investors took advantage of the low-interest-rate environment to secure prime commercial lots, locking in value, while preparing to develop these when the economy resumes its previous growth trajectory.

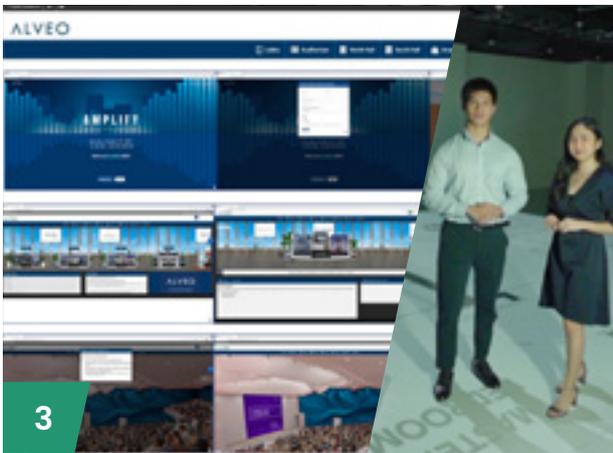
Revenues from the sale of commercial and industrial lots grew to P8.3 billion, up 23% from the previous year driven by commercial lots in South Coast City, Nuvali and Vermosa, together with industrial lots from Pampanga Technopark.



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1. Alveo's Corvia was launched in March 2021 to serve the demand for residential lots in Alviaera Pampanga.
2. With strong sales generated by the first tower, the sequel project of Avida's Makati Southpoint was offered for sale in May 2021.
3. Alveo introduced enhancements to its marketing initiatives such as Alveo Amplify, a virtual realty event, and the introduction of its first virtual showroom at BGC.
4. Virtual turnovers accounted for 65% of total handover to residential buyers in 2021.
5. Strategically located near Quirino and Tandang Sora highways in Quezon City, Amaia Steps Clara is the second mid-rise condominium project in The Junction Place estate.
6. Bellavita launched 1,110 house and lot packages in its existing projects including Bellavita Rosario in the province of Batangas.



Commercial Leasing

The commercial leasing segment generated P20.6 billion in revenues, 5% lower from a year ago, given limited operations for most of the year. With easing restrictions in the fourth quarter, revenues for the period grew 47% to P6.4 billion, as mall footfall and resort travel bubbles increased. Commercial leasing revenues contributed 20% to Ayala Land's real estate revenues.

Shopping Centers

Despite the reinstatement of stricter mobility restrictions during the year, Ayala Malls kept its operations open to the public, providing access to essential goods and services. Rent condonation and subsidies totaling P7.2 billion were granted to merchants during community quarantines in 2021. Stringent health and safety protocols were enforced to ensure the welfare of mall patrons. Moreover, Ayala Malls supported the national vaccination program, with 17 malls serving as vaccination sites.

To adapt to the changing business environment, Ayala Malls implemented strategic shifts to its operations. Open spaces were maximized for outdoor dining use, while adhering to social distancing requirements. New retail offerings were also introduced such as the Glorietta Wellness Place and the opening of the Greenbelt Luxury Wing. On the digital front, the Z!ng app gained traction and reached 80 thousand members. Its extended offerings, Z!ngShops and Z!ngEats, hosted 122 merchants. Z!ngMall, the e-commerce platform of Ayala Malls, will be launched in 2022.

Shopping center revenues declined 13% to P7.9 billion. As mobility improved in the fourth quarter, revenues accelerated to P3.0 billion, double the level generated in the same quarter of 2020. Foot traffic and tenant sales reached 60% and 78%, respectively, of pre-COVID levels. In the month of December alone, foot traffic averaged 85% of pre-COVID levels. For the full-year of 2021, average operating gross leasable area (GLA) reached 67% with foot traffic at 38% of pre-COVID levels. Total malls GLA stood at 2.12 million square meters as of end-2021.

Offices

Revenues from office leasing grew 5% to P9.9 billion, on the back of stable BPO and headquarter-type operations throughout the year. With continuing interest from business locators, AyalaLand Offices (ALO) signed over 210 thousand square meters of new leases and renewals, and handed 33 thousand square meters of newly-built office spaces to tenants.

ALO continued to deliver Triple-A grade buildings amidst the prolonged pandemic and construction restrictions. It completed two new office buildings: Ayala Triangle Gardens Tower 2 at the corner of Paseo de Roxas and Makati Avenue, with a GLA of 63,000 square meters, and the first tower of One Ayala offices, at the corner of Ayala Avenue and EDSA, with 31,000 square meters. ALO ended 2021 with a total GLA of 1.32 million square meters with an occupancy of 85% for its existing buildings, and a lease-out of 44% and 82% for Ayala Triangle Tower 2 and the first office tower of One Ayala, respectively.

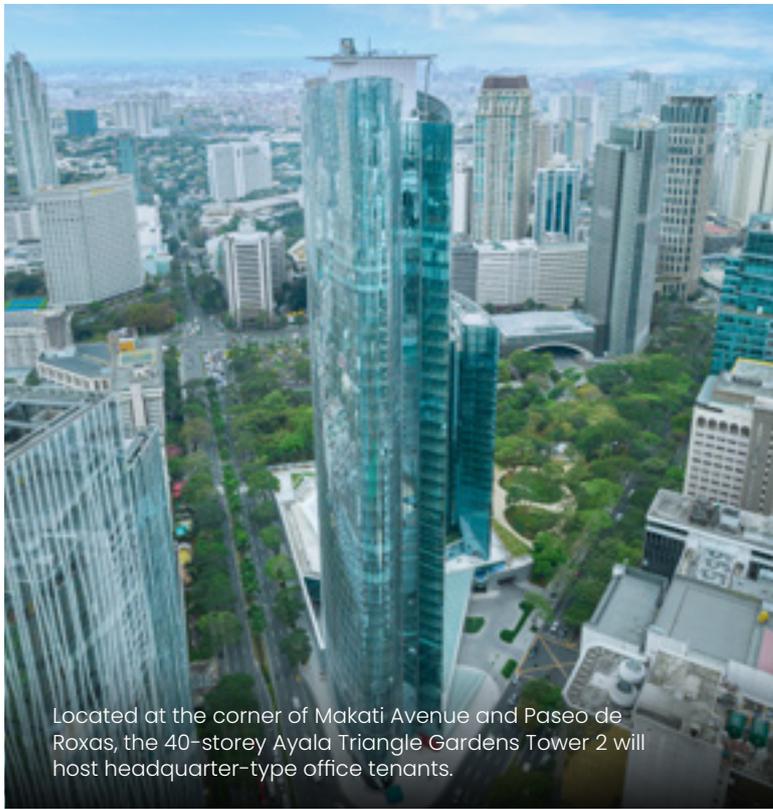
All facilities were kept open during the strictest lockdowns in March and August, with the support of 867 service personnel who were housed on-site. Health and safety guidelines as prescribed by the IATF were enforced for the welfare of all building occupants.

Hotels and Resorts

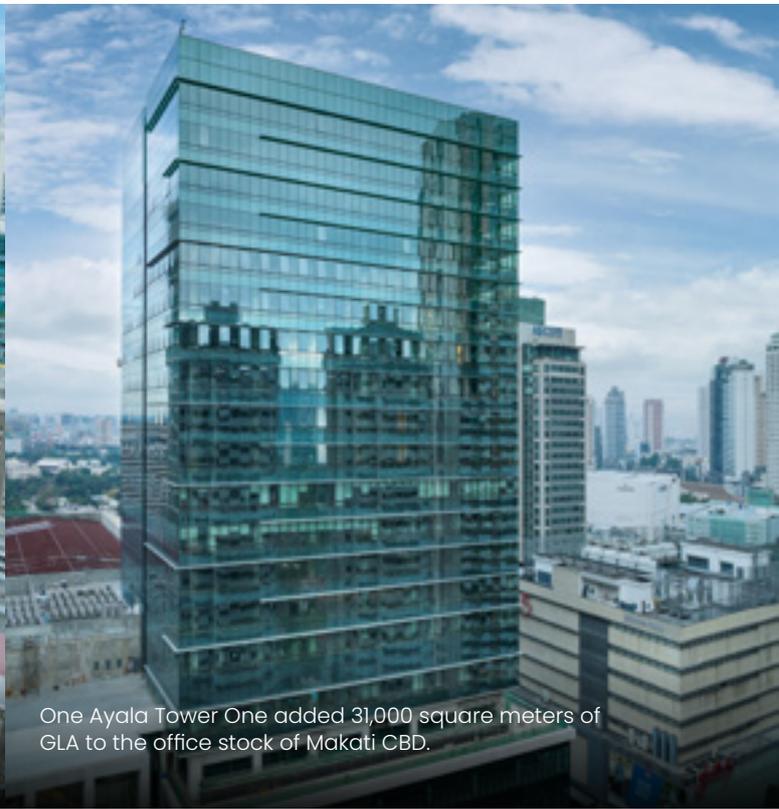
AyalaLand Hotels and Resorts (AHR) continued to provide safe accommodations to returning overseas Filipinos for their mandatory quarantine requirements, as well as the Travel Bubble program for domestic tourists. All facilities secured the necessary safety certifications from relevant government agencies while maintaining the highest levels of service quality. Undeterred by the pandemic, AHR bagged 61 awards and citations for the year, including being the first accommodation provider in the Philippines to sign the Global Tourism Plastics Initiative, and receiving the Bronze 2021 Stevie Winner International Business Awards (for its COVID-19 Corporate Response), and the World Travel Awards (for Pangulasian Island Resort).

As part of its digitalization initiatives, a Contactless check-in system was piloted in Seda BGC, Vertis North, Nuvali and Seda Residences Makati, providing a safe and convenient alternative to hotel guests. It also began the development of its own online travel agency and booking engine platform that allows guests and patrons to book their reservations with all AHR properties directly. Moreover, customers who need to order food to-go for gatherings and events now have the convenience of ordering online through Seda Food-to-Go.

Total hotels and resorts revenues registered at P2.8 billion, a 12% decline from last year, as operations were limited during the second and third quarters of 2021. The easing of travel restrictions in the fourth quarter allowed more travel bubbles to be hosted, partially cushioning lower occupancy during the first nine months of the year. For the year, a total of 120 travel bubbles were conducted at El Nido and Lio Resorts. AHR ended 2021 with 4,030 hotel and resort rooms.



Located at the corner of Makati Avenue and Paseo de Roxas, the 40-storey Ayala Triangle Gardens Tower 2 will host headquarter-type office tenants.



One Ayala Tower One added 31,000 square meters of GLA to the office stock of Makati CBD.

Emerging Leasing Formats

Co-Living Space (The Flats)

Operations of The Flats in 2021 remained challenged due to limited mobility and the prevailing work-from-home arrangements. Nevertheless, it instituted strategic pivots to ensure continuing operations and to adapt to changes in customer preferences during this pandemic. Select units were repositioned as single occupancy studio rooms for tenants requiring privacy. Internet connectivity was improved for tenants working remotely. Bulk units were also offered to corporate clients depending on the quarantine restrictions.

The Flats had a total bed count of 1,972 across its two branches in Makati CBD and BGC as of end-2021. Its third branch, The Flats Sacred Heart in Makati City, is slated to open in the second quarter of 2022, and will add 88 rooms to its growing portfolio. To highlight its positioning as the safe in-city co-living space of choice, it will rebrand as *The cityFLATS* in the second half of 2022.

Co-Working Space (Clock In)

Clock In provides flexible, co-working and serviced office facilities to a broad range of

clients from single proprietorships to Fortune 500 companies. As of end-2021, it had eight facilities located in the Makati CBD, BGC, Quezon City, Pasig City, Alabang, and Lio Palawan, and offered a total of 1,411 seats. Clock In kept all its sites operational health and safety protocol in place to accommodate its tenants and guests during the pandemic.

Standard Factory Buildings and Warehouses (Alogis)

Listed subsidiary AyalaLand Logistics Holdings Corp. (ALLHC) continued to expand its Alogis brand of standard factory buildings and warehouses to address the growing demand for industrial ready-built facilities. It added a total 17,000 square meters of GLA in Alogis Biñan at the Laguna Technopark and Alogis Calamba at the Lepanto Industrial Complex, growing its portfolio to 224,000 square meters as of end-2021.

ALLHC broadened its warehouse offering with its entry into cold storage through the Alogis Artico brand. In 2021 it acquired two existing facilities within Laguna Technopark, with a combined pallet position of 7,300 in April and December. With both cold and dry storage capabilities, Alogis aims to be the full-range brand of choice for real estate logistics.

BUSINESS REVIEW



1-2 New retail offerings were introduced with the reopening of the Glorietta Wellness Place and Greenbelt 3 Luxury Wing.

3-4 AyalaLand Hotels and Resorts properties practice strict protocols to ensure the health and safety of its guests.

5-6 ALogis entered the cold storage business with the acquisition of two facilities with a combined pallet position of 7,300

Service Businesses



The construction, property management, power distribution, and air transport businesses sustained operations amidst intermittent lockdowns in 2021.

Makati Development Corporation (MDC) followed strict protocols and safety guidelines to complete projects despite construction capacity limitations mandated by health and safety regulations. Meanwhile, Ayala Property Management Corporation (APMC), deployed personnel on-site in its managed properties to ensure 24/7 operations during the lockdowns. Total revenues reached P6.4 billion, up 2% from 2020, and comprised 6% of Real Estate Revenues.

Makati Development Corporation

Notwithstanding the reimposition of strict quarantine restrictions, MDC and its subsidiaries delivered 27 new projects in 2021—15 residential projects consisting of 10,399 condominium units, lots, and house-and-lot packages; four transportation-related infrastructure; two office buildings; two estate land developments; two industrial developments; one hotel expansion; and one museum renovation. MDC achieved a 98% acceptance rate at first inspection for units turned over to residential owners.

In preparation for recovery, 43,294 or 89% of MDC's workforce was vaccinated through its in-house medical team and in partnership with local government units. The company was able

to deploy peak manpower of around 43,900, equivalent to 90% of its pre-COVID-19 level of operations, at its project sites and offices.

As part of its pivot to adapt to the operating environment, MDC continued to accelerate the adoption and implementation of Design for Manufacturing and Assembly (DfMA). This enabled higher productivity, consistency of quality, and better safety with fewer workers required on-site. In 2021, MDC achieved a 38.1% DfMA Adoption Rate for 55 vertical residential projects, a significant improvement compared to 24.7% and 23.2% in 2020 and 2019, respectively.

MDC ended the year with 257 managed projects, of which 80 were in the preconstruction stage and 177 in construction. The company also registered 107 million construction-related man-hours (with 88 projects exceeding 1 million safe man-hours each) and handled 60 design-and-build projects resulting in consolidated revenues of P40.5 billion in 2021 (P2.7 billion revenues after intercompany eliminations). This was a 13% increase from the previous year, driven by the acceleration of works and higher productivity with the easing of COVID-19-related quarantine restrictions.

The company successfully passed the certification for ISO 19650:2018 Parts 1 and 2 (Project Management using Building Information Modelling). To date, MDC is the only Philippine company to receive this certification. Also, MDC and three of its subsidiaries successfully passed their respective second surveillance audits for ISO 9001:2015 (Quality Management), ISO 14001:2015 (Environmental Management), and ISO 45001:2018 (Occupational Health and Safety).

MDC won various awards from local and international organizations in 2021, including multiple Stevie International Business Awards such as the Gold honor for Company of the Year under Materials and Construction - Large Companies Category, and People's Choice Award for Favorite Companies for Manufacturing, Materials and Construction.

Ayala Property Management Corporation

To ensure the safety of its stakeholders, APMC deployed over 3,000 property staff who stayed on-site across all managed properties and communities amidst the various quarantine restrictions. Safety support was continuously undertaken in the properties affected by the community lockdowns, earthquakes, and typhoons.

APMC recorded zero major fire incidents for a third consecutive year due to fire and life safety programs. It also averted 95 major incidents in its managed properties through preventive maintenance, training, and technical and safety audits. A 99% equipment uptime was achieved in 2021, fully complying with regulatory compliance for its properties and communities, and secured over 23,000 permits for its managed accounts. APMC received an ISO certification on Energy management (ISO 50001:2018), making it the first local property management company with four ISO certifications (Occupational Safety and Health, Quality, Environment, and Energy).

During the aftermath of Typhoon Odette (Rai), APMC enabled 24/7 operations in the Cebu estates, providing security and uninterrupted utility supply by working closely with local fuel suppliers, Visayan Electric Corporation, Manila Water's subsidiary, Estate Water, and the Cebu Water District. Residents, merchants, and business locators highly appreciated the service continuity as most of Cebu struggled for water and power supply for several weeks.

Holding service quality in high regard, APMC maintained its overall customer satisfaction rating at 95% while its satisfaction rating for COVID-19 related efforts improved to 96.5% from 95% in 2020. From its 264 managed accounts, APMC generated net revenues of PHP1.1 billion in 2021, 14% higher compared to the previous year.

Various award-giving bodies honored APMC during the year. Notably, it was the first Philippine company to receive the Sheila Sheridan Award for Sustainable Facility Operations and Management



MDC accelerated the use of Design for Manufacturing Assembly (DfMA), which achieved an adoption rate of 38.1% for 55 vertical projects.

at the International Facility Management Association (IFMA) Awards of Excellence 2021. APMC was also the second runner-up at the ASEAN Energy Awards Tropical Building Category for the Bonifacio High Street Complex. Four of its managed properties were recognized as energy management for industry and buildings winners at the Department of Energy (DOE) Energy Efficiency Excellence Awards, namely: The Mind Museum, Teleperformance, the Bonifacio Highstreet Complex, and UP Technohub. APMC also had 33 finalists at the DOE National Energy Efficiency Competition.

AirSWIFT

AirSWIFT serves the air transport requirements of the Resorts group for guests of El Nido and Lio and Sicogon estates. Operations in 2021 remained challenged due to the reimposition of travel bans on leisure travel in the first and third quarters. Flights totaled 2,572, 15% higher than in 2020 but still significantly lower compared to pre-pandemic levels.

To augment the lower commercial flights count, AirSWIFT pivoted to offer dedicated cargo

charter flights, which accounted for 40% of total flights for the year. It also opened a new route, providing direct flights from Manila to Boracay.

The air transport provider also executed cost-saving initiatives to ensure financial sustainability. AirSWIFT negotiated concessions on its leased aircraft and parts pool access agreements, and rationalized service agreements.

Power Distribution Companies

Power Distribution subsidiaries Direct Power Services, Inc. (DPSI), Ecozone Power Management, Inc. (EPMI), and Philippine Integrated Energy Solution, Inc. (PhilEnergy) serve the power requirements of the commercial leasing assets and industrial park locators. In 2021, they delivered 865.8 gigawatts (GW) of energy to 122 clients, 12% and 16% more than the prior year, respectively. Total net revenues registered at P1.1 billion. DPSI served 78 clients and delivered 427.4 GW; EPMI, 39 clients and 399.5 GW; and PhilEnergy, 5 clients and 38.9 GW.

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- 1-2 APMC deployed over 3,000 property staff who stayed on-site across all managed properties and communities during the various quarantine restrictions.
- 3-4 APMC recorded zero major fire incidents for a third consecutive year due to fire and life safety programs.
- 5 Power service companies DPSI, EPMI and PhilEnergy supplied 865.8 GW of energy to 122 clients in 2021.
- 6 AirSWIFT offered dedicated cargo charter flights to augment lower commercial flights.



Strategic Investments

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

ALLHC

Leading real estate logistics player, AyalaLand Logistics Holdings Corporation (ALLHC), recorded revenues of P4.3 billion and a net income of P780 million, 16% and 11% higher than 2020 respectively, driven by the steady demand for industrial lots, and stable operations of its warehousing and commercial leasing businesses.

ALLHC continued to grow its warehouse gross leasable area (GLA), adding 17,000 square meters to its portfolio, and ending the year with 224,000 square meters (8% higher than a year ago). To complement its industrial parks and standard factory buildings, ALLHC entered the cold storage space through ALogis Artico, acquiring two facilities with a total pallet position of 7,300. Its commercial leasing GLA increased by 2% to 92,000 square meters with the activation of common areas in Tutuban Center.

ALLHC supported the various initiatives of the national and local government. Tutuban Center and South Park Center hosted voter registration for the 2022 elections. Moreover, South Park also served as a mega vaccination site of the City of Muntinlupa, a National ID registration site, and an RT-PCR testing site for the Philippine Red Cross.

ALLHC remains actively involved in the communities where it is located in Laguna Technopark mounted community pantries in Barangays Loma and Timbao in Binan, Laguna. Pampanga Technopark constructed and turned over an e-library in Mabalacat, Pampanga, a joint project between Pampanga Technopark, the local government of Mabalacat and Mabalacat City College.

AREIT

Following its successful initial public offering (IPO) in 2020, AREIT, Inc. (AREIT) continued to deliver on its growth plans, and provided increasing returns for its shareholders. It recorded revenues of P3.3 billion and Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) of P2.4 billion, 63% and 55%, higher, respectively, as a result of stable operations with a healthy occupancy and collection rate, both at 98%. With operational efficiencies and healthy margins, AREIT achieved a net income of P2.4 billion, inclusive of the net fair value change of its investment properties amounting to P165 million. Excluding this, net income registered at P2.3 billion, 56% higher than in 2020.

AREIT declared full-year dividends from its 2021 operations worth P1.77 per share, a 34% increase from 2020 and 12% higher than its REIT plan projection during its IPO, driven by asset acquisitions. Combined with share price appreciation and dividend per share growth, the Philippines' first REIT has delivered a total shareholder return of 91% since its public listing.

It completed multiple transactions during the year, which further expanded its portfolio by asset class and geography. In January, AREIT purchased The 30th, a 75 thousand square meter commercial development located in Pasig City, and 98 thousand square meters of commercial land at Laguna Technopark leased by Integrated Micro-Electronics, Inc. It also secured the Securities and Exchange Commission's (SEC) approval for a property-

for-share swap with sponsor Ayala Land, Inc. (ALI) and its subsidiaries, Westview Commercial Ventures Corp. and Glensworth Development, Inc., in exchange for properties that included Vertis North Office Towers and Mall, BPI Philam Life Office Condo Units in Makati and Alabang, One and Two Evotech BPO Buildings in Nuvali, and Bacolod Capitol and Ayala Northpoint BPO Buildings in Negros Occidental. The recognition of income from the new assets accrued beginning 01 October 2021. AREIT ended 2021 with a total GLA of 549 thousand square meters and Assets Under Management (AUM) of P53 billion.

In December, AREIT became the first REIT to offer a bond to the public, and to list it on the Philippine Dealing & Exchange Corp. (PDEX), issuing its maiden bond offering of P3 billion with a two-year tenor and a fixed rate of 3.04% per annum. The bond was the only two-year tenor issue in 2021, and received overwhelming interest from local bond investors as it was 5.6 times oversubscribed. The bond represents the first tranche of debt securities issued under AREIT's P15 billion Debt Securities Program registered with the SEC. The Bonds have been rated PRS Aaa by PhilRatings.

The company was awarded Most Outstanding IPO in the Philippines according to Asiamoney 2021 Asia's Outstanding Companies Poll. With increased trading volumes and market activity, AREIT became the first Philippine REIT included in the FTSE EPRA Nareit Asia ex-Japan REITs 10% capped Index, Small Cap and Micro Cap indices. It is also a constituent of the MSCI Philippine Small Cap Index, and the PSE Philippine Property, Mid Cap and Dividend Yield Indices.

AREIT successfully neutralized its Scope 1 and 2 carbon emissions in 2021, and is moving towards Scope 3 and net zero operational emissions from its existing buildings.

Cebu Holdings

On 23 February 2021, the Board of Directors of Ayala Land and Cebu Holdings, Inc. (CHI)

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approved the merger of CHI and its subsidiaries into ALI, and was ratified by shareholders on 21 April 2021 at the annual stockholders' meeting. The merger is a consolidation of ALI's Cebu portfolio under one listed entity, and is expected to result in operational synergies, efficient funds management, and simplified reporting to government agencies. The merger was approved by the Securities and Exchange Commission (SEC) on 16 December 2021. As a result of this merger, the discussion on Cebu Holdings will no longer be included in Ayala Land's succeeding integrated reports.

MCT

MCT Bhd (Malaysia) achieved consolidated revenues of P3.9 billion, driven mainly by the full sell out and higher completion from its middle-income brand Market Homes, coupled with the sales contributed by recently launched projects - Aetas Damansara, MCT's first high-end development, and Casa Bayu, an upscale development at Cybersouth estate. The listed Malaysian subsidiary recorded lower revenues from a year ago due to decreased contributions from completed projects.

Despite the restricted operating environment, MCT generated sales of P6.0 billion, 33% higher than the previous year. It launched one new project in 2021, Alira at Tropicana Metropark in Subang Jaya which is the Company's second development outside Cyberjaya and the Cybersouth estate, as part of MCT's thrust to expand its product line and footprint in the Klang Valley Area. Since its launch in November, the project has already sold 90 units equivalent to P739.9 million.

Merkado

Merkado, Ayala Land's 50-50 joint venture with the Puregold Group, recorded average daily sales of P1 million from its existing branches in UP Town Center and Vertis North, similar to pre-COVID levels. In December, it opened its third branch at Avida Asten in Makati City.

Ortigas Land Corp.

Ortigas Land Corp. (OLC) ended the year with a net income of P1.8 billion, up from P811 million in the previous year, driven by higher residential revenues and cost saving initiatives. Property development revenues reached P6.6 billion, accounting for 79% of total revenues and already at 74% of pre-pandemic levels, as it was able to sell out its inventory in Viridian Residences in Greenhills, San Juan, and The Imperium at Capitol Commons.

Despite the reimposition of strict quarantine restrictions in 2021, OLC's office leasing segment remained resilient with new sign-ups, tenant retentions, and successful renewals of existing leases. OLC will continue to expand its current office leasing portfolio with the upcoming launch of GH Tower in the first quarter of 2022.

Ortigas Malls also made steady progress in 2021 with a focus on its customers, its tenants, and incorporating omnichannel offerings to its business model. As part of its support to tenants, OLC offered concessionary rental packages and increased its online exposure to reach out to customers. It also expanded its accessibility through *My Home Dasher*, a personal shopper and delivery service. Finally, OLC established partnerships with local government units for their ongoing vaccination program.

Qualimed

On 26 February 2021, Ayala Land finalized the sale of its 40% stake in QualiMed to its affiliate, AC Health, allowing ALI to redeploy capital and focus on its core businesses. QualiMed operates four full-service hospitals and five multi-service clinics in Metro Manila, Bulacan, Laguna, Batangas and Iloilo, further strengthening AC Health by adding a hospital platform to its portfolio. As a result of the sale, the discussion on QualiMed will no longer be included in Ayala Land's succeeding integrated reports, but will be part of Ayala Corporation's reports.



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1. ALLHC manages five industrial estates including the 471-hectare Laguna Technopark in Santa Rosa, Laguna.
2. The SEC approved the asset-for-share swap between ALI and AREIT in December, which included Evo Tech 1 and 2 in Nuvali.
3. MCT launched Alira at Tropicana Metropark as part of its thrust to expand in the Klang Valley area.
4. Ortigas Land introduced “My Home Dasher”--a personal shopper and delivery service to clients to improve accessibility to its malls.
5. Mercado opened its third branch at Avida Asten in Makati City last December 2021.

KA-AKAY

#BrigadangAyalaKaakay is a concrete example of how Ayala companies come together for the Greater Good.

This 12-week food distribution program in select locations across Metro Manila targets over 10,000 families. Each family receives a weekly supply of rice, fresh vegetables, canned goods, and bread that will cover four square meals for a family of five. The food distribution is scheduled every week from November 2021 to February 2022.

Kaakay runs an inclusive eco-system of on-ground implementing partners like Virlanie Foundation, Caritas Manila, National Council for Social Development, and host barangays, while boosting the recovery and growth of local businesses by sourcing goods from rice farmers in Isabela (covering Regions 2 & 3), and vegetables from Benguet and CAR-based farmers. In addition, the bread included for food packs is produced fresh by a group of urban poor mothers who trained under TESDA's community-based bread-baking project through Virlanie Foundation.



FERNANDO ZOBEL DE AYALA "Kaakay brings together Ayala's business units, partners, and suppliers to support 10,000 primary income earners and their families."

#AyalaForTheGreaterGood



TG LIMCAOCO "Kaakay buys fresh vegetables and rice from local farmers in the provinces which directly goes to affected families in Metro Manila."



PAOLO BORROMEO "We are inspired by the stories of resilience we heard from our beneficiaries today. We are very happy that we were able to augment their needs through this program."



RENE ALMENDRAS "We hope to support breadwinners who now have less than P200 pesos a day to survive on, and they are forced to stretch that to support a family of five. We want to help them rebound by being their kaakay."



BOBBY DY "We are grateful as well for this opportunity to help our fellow Filipinos. As the economy rebounds and businesses bounce back this 2022, let's help everyone bounce back."



RUEL MARANAN "Kaakay provides us a wonderful opportunity to assist families through supplemental feeding. We hope we are able to help thousands of Filipino families in a practical and meaningful way."



ART TAN "It's easy to lose hope when one gets retrenched or loses a loved one during the pandemic. In these times, all we really need is a Kaakay, somebody to offer a hand and open opportunities."

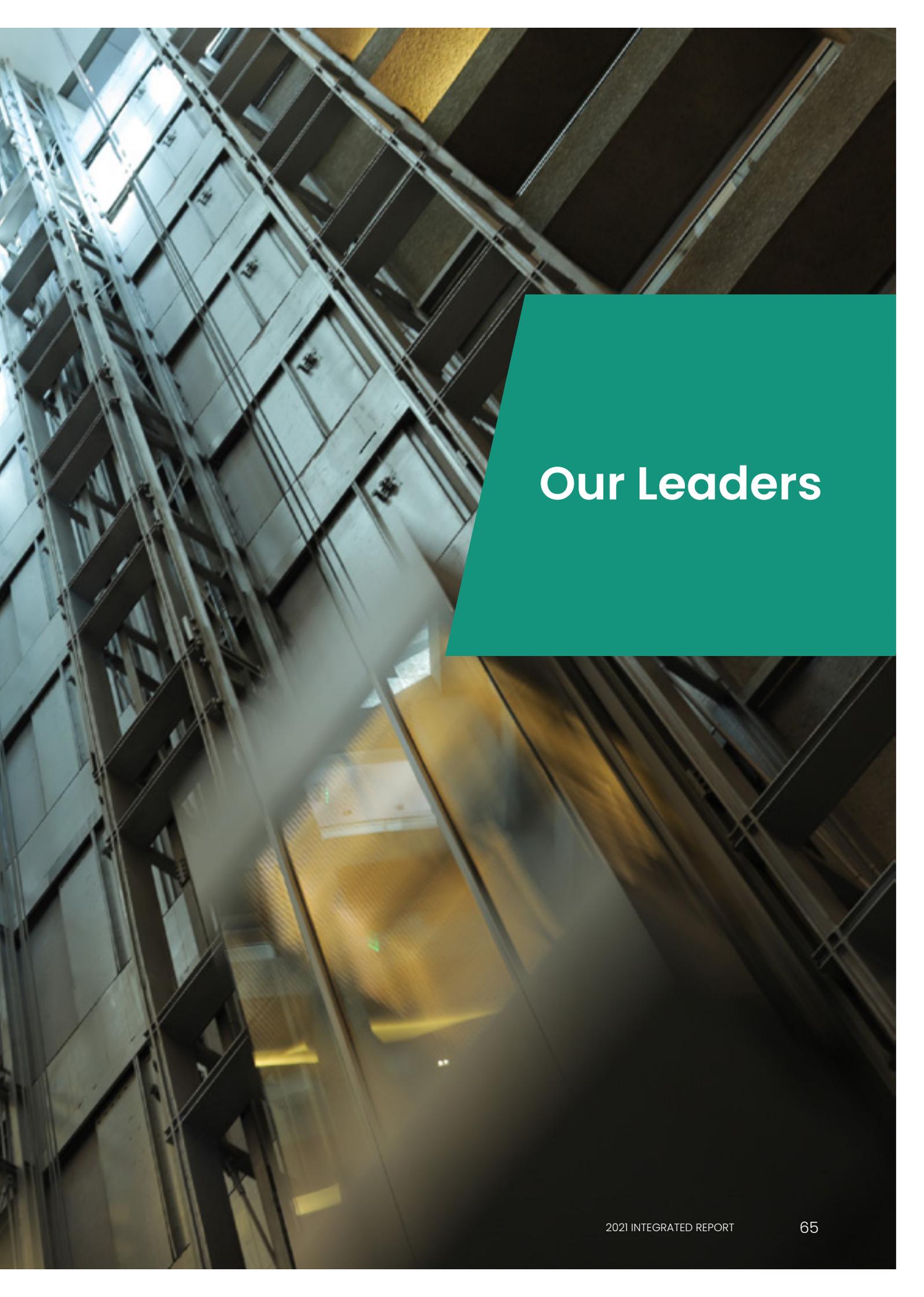


ERIC FRANCIA "The stories of our beneficiaries affirm our decision to launch Kaakay. I am inspired by their resourcefulness and creativity, making use of available resources in the area to earn extra."



ERNEST CU "Kaakay is a good program to alleviate hunger and provide livelihood opportunities. It's also great to expose our employees and executives to these kinds of programs so they are sensitized to the needs of the community, and continue to drive adoption of products that really serve these communities."





Our Leaders



FERNANDO ZOBEL DE AYALA
Chairman



JAIME AUGUSTO ZOBEL DE AYALA
Vice Chairman

Board of Directors



BERNARD VINCENT O. DY
President and CEO



RIZALINA G. MANTARING
Lead Independent Director



REX MA. A. MENDOZA
Independent Director



SHERISA P. NUESA
Independent Director



CESAR V. PURISIMA
Independent Director



ANTONINO T. AQUINO
Non-executive Director



ARTURO G. CORPUZ
Non-executive Director

OUR LEADERS

FERNANDO ZOBEL DE AYALA CHAIRMAN

Filipino, 61, has served as Chairman of the Board of ALI since April 1999. He holds the following positions in publicly listed companies: Vice Chairman, President and Chief Executive Officer of Ayala Corporation; Chairman of AC Energy Corporation (formerly AC Energy Philippines, Inc.); Director of Bank of The Philippine Islands, Globe Telecom, Inc., Integrated Micro-Electronics, Inc. and Manila Water Company, Inc.; and Independent Director of Pilipinas Shell Petroleum Corporation. He is the Chairman of AC International Finance Ltd., AC Energy and Infrastructure Corporation (formerly AC Energy, Inc.), Ayala Healthcare Holdings, Inc., Alabang Commercial Corporation, Accendo Commercial Corp., BPI Foundation, Hero Foundation, Inc., and Liontide Holdings, Inc.; Co-Chairman of Ayala Foundation, Inc.; Vice-Chairman of AC Industrial Technology Holdings, Inc., AC Ventures Holdings Corp., ALI Eton Property Development Corporation, AKL Properties, Inc., Bonifacio Art Foundation, Inc., Bonifacio Land Corporation, Berkshires Holdings, Inc., Ceci Realty Inc., Columbus Holdings, Inc., Emerging City Holdings, Inc., Fort Bonifacio Development Corporation; Director of AC Infrastructure Holdings Corporation, AG Holdings Ltd., Asiacom Philippines, Inc., Altaraza Development Corporation, BPI Asset Management and Trust Corp. and Manila Peninsula; Member of the Board of INSEAD Business School and Georgetown University; Member of the Board of Trustees of Asia Philanthropy Circle, and Asia Society; Member of International Advisory Board of Tikehau Capital; Member of the Philippine-Singapore Business Council, International Council of The Metropolitan Museum, Chief Executives Organization and Habitat for Humanity International's Asia-Pacific Development Council; Co-Chair of Asia Pacific Acquisitions Committee of the Tate Museum; and Member of the Board of Trustees of Caritas Manila, Pilipinas Shell Foundation, and the National Museum. He graduated with B.A. Liberal Arts at Harvard College in 1982 and holds a CIM from INSEAD, France.

JAIME AUGUSTO ZOBEL DE AYALA VICE CHAIRMAN

Filipino, 62, Director of ALI since June 1988. He is the Chairman of Ayala Corporation since April 2006. He holds the following positions in publicly listed companies: Chairman of Globe Telecom, Inc., Integrated Micro-Electronics, Inc. and Bank of the Philippine Islands; and Vice Chairman of AC Energy Corporation (formerly AC Energy Philippines, Inc.). He is also the Chairman of AC Industrial Technology Holdings, Inc., AC Infrastructure Holdings Corporation, and Asiacom Philippines, Inc.; Co-Chairman of Ayala Foundation, Inc.; Director of AC Ventures Holding Corp., Alabang Commercial Corporation, AC Energy and Infrastructure Corporation (formerly AC Energy, Inc.), Ayala Healthcare Holdings, Inc., Light Rail Manila Holdings, Inc. and AG Holdings Ltd. Outside the Ayala Group, he is a Director of Temasek Holdings (Private) Limited and a member of various business and socio-civic organizations in the Philippines and abroad, including the JP Morgan International Council, JP Morgan Asia Pacific Council, and Mitsubishi Corporation International Advisory Council. He is a member of the Board of Governors of the Asian Institute of Management, the Advisory Board of Asia Global Institute (University of Hong Kong) and of various advisory boards of Harvard University, including the Global Advisory Council, Asia Center Advisory Committee, HBS Board of Dean's Advisors, and HBS Asia- Advisory Committee. He sits on the Board of Singapore Management University (SMU) and is a Chairman of SMU International Advisory Council in the Philippines. He is a member of the Asia Business Council, Asean Business Club Advisory Council, Leapfrog Investment Global Leadership Council, The Council for Inclusive Capitalism, and World Wildlife Philippines National Advisory Council. He is Co-Vice Chairman of the Makati Business Club, Chairman of Endeavor Philippines, and Trustee Emeritus of Eisenhower Fellowships. He was awarded the Presidential Medal of Merit in 2009, the Philippine Legion of Honor with rank of Grand Commander in 2010, and the Order of Mabini with rank of Commander in 2015 by the President of the Philippines in recognition of his outstanding public service. In 2017, he was recognized as a United Nations Sustainable Development Goals Pioneer by the UN Global Compact for his work in sustainable business strategy and operations. The first recipient of the award from the Philippines, he was one of 10 individuals recognized for championing sustainability and the pursuit of the 17 SDGs in business. He graduated with B.A. in Economics (Cum Laude) from Harvard College in 1981 and obtained an MBA from the Harvard Graduate School of Business in 1987.

BERNARD VINCENT O. DY
PRESIDENT AND CEO

Filipino, 58, is the President and CEO of ALI since April 2014. He is a Senior Managing Director of Ayala Corporation, and a member of the Ayala Group Management Committee since April 2014. He is also a Director of publicly listed companies, AREIT, Inc., AyalaLand Logistics Holdings Corp., and MCT Bhd of Malaysia. Concurrently, he is the Chairman of Alveo Land Corporation, Amaia Land Corporation, Avencosouth Corp., Aviana Development Corp., Ayagold Retailers, Inc., Ayala Property Management Corporation, Bellavita Land Corporation, BGNorth Properties, Inc., BGSouth Properties, Inc., BGWest Properties, Inc., Cagayan De Oro Gateway Corp., Makati Development Corporation, Portico Land Corporation, Station Square East Commercial Corporation, and Vesta Property Holdings, Inc.; Vice Chairman of Alvierra Country Club, Inc., Aurora Properties Incorporated, and Ayala Greenfield Development Corporation, and Director of AKL Properties, Inc., ALI Eton Property Development Corporation, Alveo-Federal Land Communities, Inc., Amicassa Process Solutions, Inc., AyalaLand Medical Facilities Leasing, Inc., Nuevocentro, Inc., Philippine Integrated Energy Solutions, Inc., Serendra, Inc., and Whiteknight Holdings, Inc. He is also the President and CEO of Berkshires Holdings, Inc., Bonifacio Land Corporation, Columbus Holdings, Inc., Emerging City Holdings, Inc., and Fort Bonifacio Development Corporation; President of Accendo Commercial Corporation, Alabang Commercial Corporation, Bonifacio Art Foundation, Inc., Ceci Realty Inc., and Hero Foundation Inc.; Member of the Board of Trustees of Ayala Foundation, Inc. and Ayala Group Club, Inc.; and Director of the Junior Golf Foundation of the Philippines since 2010 and Vice Chairman since 2017. He earned a degree of BBA in Accountancy from the University of Notre Dame in 1985, an MBA in 1997, and Masters in International Relations in 1989 from the University of Chicago.

RIZALINA G. MANTARING
LEAD INDEPENDENT DIRECTOR

Filipino, 62, has served as an Independent Director of ALI since April 2014 and has been its Lead Independent Director since April 2020. She has been an Independent Director of Ayala Corporation since April 24, 2020. Concurrently, she is also a Director of Sun Life Grepa Financial, Inc. and an Independent Director of East Asia Computer Center Inc., First Philippine Holdings Corp. Inc., Microventures Foundation Inc., PHINMA Corp. Inc., and Universal Robina Corp. Inc., She is a recipient of the Asia Talent Management Award in the Asia Business Leaders Award organized by the global business news network CNBC. She was selected as one of the 100 Most Outstanding Alumni of the past century by the University of the Philippines College of Engineering, and was 2019 PAX awardee of St. Scholastica's College Manila, the highest award given by the school to outstanding alumni. She holds a BS Electrical Engineering degree from the University of the Philippines where she graduated with honors in 1982. She obtained her MS degree in Computer Science from the State University of New York at Albany in 1993.

OUR LEADERS

REX MA. A. MENDOZA INDEPENDENT DIRECTOR

Filipino, 59, has served as the Independent Director of ALL since April 22, 2020. He is the President & CEO of Rampver Financials, a dynamic player in financial services specializing in investments, and one of the biggest distributors of mutual funds in the Philippines. He currently serves as the lead independent director of Globe Telecom, Inc., a publicly listed company and an independent director of the National Reinsurance Corporation of the Philippines, also publicly listed companies. He is also a director of the Cullinan Group, Esquire Financing, Inc., Mobile Group, Inc., Seven Tall Trees Events Company, Inc., and TechnoMarine Philippines. He is a member of Bro. Bo Sanchez' Mastermind Group, and is cited by many as one of the best leadership, business strategy, investments, marketing and sales speakers in the country. He is the author of two books, Trailblazing Success and Firing On All Cylinders, both certified national bestsellers. He served as the President & CEO of Philam Life, one of the country's most trusted financial services conglomerates and was Chairman of its affiliates and subsidiaries. He was also Senior Adviser to the Chief Executive Officer of the AIA Group. Prior to this, he was previously Senior Vice President and Chief Marketing and Sales Officer of ALL. He was also Chairman of Ayala Land International Sales, Inc., President of Ayala Land Sales, Inc., and Avida Sales Corporation. He has a Master's Degree in Business Management with distinction from the Asian Institute of Management. He was one of the 10 Outstanding Graduates of his batch at the University of the Philippines where he obtained a BSBA degree with a double major in marketing and finance. He was awarded Most Distinguished Alumnus of the UP Cesar Virata School of Business. He is also a Fellow with Distinction at the Life Management Institute of Atlanta, Georgia, USA, a Registered Financial Planner (RFP) and a four-time member of the Million Dollar Round Table (MDRT). He was a professor of Marketing and Computational Finance at the De La Salle University Graduate School of Business. He taught strategic marketing, services marketing and services strategy. He has served as Chairman of the Marketing Department and was awarded as one of the University's most outstanding professors.

SHERISA P. NUESA INDEPENDENT DIRECTOR

Filipino, 67, has served as an Independent Director of Ayala Land, Inc. since April 22, 2020. Currently, she is an Independent Director of the other publicly listed companies of the Ayala Group, namely: Manila Water Company, Inc., AC Energy Corporation (formerly AC Energy Philippines, Inc.), and Integrated Micro-Electronics, Inc.; She is a Director of Far Eastern University, also publicly listed company. She is also an Independent Director of FERN Realty Corporation. She is a Senior Adviser to the Boards of Metro Retail Stores Group, Inc. and Vicsal Development Corporation. She is a member of the boards of trustees of the Judicial Reform Initiative, and the Financial Executives (FINEX) Institute Foundation. She was the President and Director of the ALFM Mutual Funds Group and Trustee of the Institute of Corporate Directors from 2012 to early 2021. In addition to her background as a Chief Finance Officer and currently as a Board Director, she also held previous positions in management operations and has been active in speaking and lecturing engagements. She was the Chief Finance Officer and Chief Administration Officer of IMI from January 2009 to July 2010. She was then a Managing Director of Ayala Corporation and served in various capacities in Ayala Corporation, Ayala Land, Inc., and Manila Water Company, Inc. until her retirement in 2011. She was awarded the ING-FINEX CFO of the Year for 2008. She received a Master in Business Administration degree from the Ateneo Graduate School of Business in Manila. She also attended post-graduate courses in Harvard Business School and in Stanford University. She graduated summa cum laude with a degree of Bachelor of Science in Commerce from the Far Eastern University in 1974. She is a Certified Public Accountant..

CESAR V. PURISIMA
INDEPENDENT DIRECTOR

Filipino, 61, has served as an Independent Director of ALI in April 18, 2018. He is an Asia Fellow of Milken Institute, a global non-profit, non-partisan think tank. He is a founding partner at IKHLAS Capital, a pan-ASEAN private equity platform. He currently serves as Independent Director of other publicly-listed companies, namely: Bank of the Philippine Islands, Jollibee Foods Corporation, and Universal Robina Corporation. He is also a member of the boards of AIA Group, BPI Capital Corporation, De La Salle University, International School of Manila, and World Wildlife Fund-Philippines. He is a member of the board of advisors of ABS-CBN. He is a member of Sumitomo Mitsui Banking Corporation's Global Advisory Council and Singapore Management University's International Advisory Council in the Philippines. From 2010 to 2016, Purisima was the Secretary of Finance of the Philippines and the Chair of Economic Development Cluster of the President's Cabinet. He briefly served as Finance Secretary in 2005 and Trade and Industry Secretary from 2004 to 2005. Additionally, he was a member of the Monetary Board of the Philippines Central Bank, and the Governor for the Philippines at the Asian Development Bank and the World Bank. He served as Alternate Governor for the Philippines at the International Monetary Fund. Under his leadership, the Philippines received its first investment-grade ratings. He was named Finance Minister of the Year seven times in six consecutive years by a number of publications, a first for the Philippines. Prior to his stints in the government service, he was the Chairman & Country Managing Partner of the Philippines' largest professional services firm SGV & Co., and was a member of the Global Executive Board and Global Practice Council of Ernst & Young. He obtained his Bachelor of Science degree in Commerce Major in Accounting and Financial Institutions from De La Salle University in 1979. He earned his Master of Business Administration degree from Kellogg School of Management, Northwestern University, Illinois in 1983. He was conferred a Knight in the National Order of the Legion of Honour by the French Republic (Chevalier dans l'Ordre National de la Legion d'Honneur) in 2017. In 2016, Purisima was awarded the Order of Lakandula with the rank of Grand Cross (Bayani) for his contributions to the Philippine economy. The Order of Lakandula is one of the highest civilian honors conferred by the President of the Republic of the Philippines.

ANTONINO T. AQUINO
NON-EXECUTIVE DIRECTOR

Filipino, 74, has served as Director of ALI since April 2009. He is also a Director of Manila Water Company, Inc. (MWC), another publicly listed company, since 1998. He was the President of ALI from April 2009 to April 2014, of MWC from April 1999 to April 2009, and of Ayala Property Management Corporation from 1989 to 1999. He was connected with IBM Philippines, Inc. since 1968 and was Business Unit manager when he left in 1980. He has been with the Ayala Group in various capacities for the past forty-one (41) years and has held the position of Senior Managing Director in Ayala Corporation. Currently, he is a Director the following non-listed companies: AIA Philippines Life & General Insurance Co., Anvaya Beach & Nature Club, Nuevocentro, Inc., and Mano Amiga Academy, Inc. He is a member of the Sectoral Advisory Board of the Philippine Army and the Multi Sector Governance Council of the Armed Forces of the Philippines. He is in the Advisory Board of Hero Foundation. He was named "Co-Management Man of the Year 2009" by the Management Association of the Philippines for his leadership role in a very successful waterworks privatization and public-private sector partnership. In 2015. Recently he was conferred as Honorary Fellow by the Institute of Corporate Directors (ICD). He earned a degree in BS Management and completed academic requirements for Masters in Business from the Ateneo de Manila University in 1968 and 1975, respectively.

ARTURO G. CORPUZ
NON-EXECUTIVE DIRECTOR

Filipino, 66, has served as a Director of ALI since April 2016. He was a member of the Management Committee of ALI from 2008 to December 31, 2016. He is also a member of the Board of Ceci Realty, Inc. Aurora Properties, Inc., Vesta Properties Holdings, Inc., Nuevocentro, Inc., and Alviera Country Club, Inc. He is a former President of the Philippine Economic Society and a Trustee of the Foundation for Economic Freedom and the Philippine Institute of Environmental Planning. Mr. Corpuz received his baccalaureate degree in Architecture from the University of the Philippines in 1977 and his masteral and doctoral degrees in urban and regional planning from Cornell University in 1984 and 1989.

Management Committee



BERNARD VINCENT O. DY
President and CEO



DANTE M. ABANDO
President and CEO, Makati Development
Corporation



AUGUSTO D. BENGZON
CFO, Treasurer, and
Chief Compliance Officer



ANNA MA. MARGARITA B. DY
Group Head, Estates; Head, Corporate
Marketing; Head, Urban and Regional Planning



JOSE EMMANUEL H. JALANDONI
Group Head, Commercial Business



LAURENT P. LAMASUTA
President and CEO, Ayala Property
Management Corporation



ROBERT S. LAO
Group Head, Residential Business;
Head, Central Land Acquisition



ELIEZER C. TANLAPCO
Group Head, Human Resources and Public Affairs
(Until June 31, 2021)

Senior Leaders



LYLE A. ABADIA
Head, Special Projects,
Ayala Land, Inc.



AMELIA ANN T. ALIPAO
Chief Information Officer
and Data Protection Officer,
Ayala Land, Inc.



MANUEL A. BLAS II
Corporate Services Head,
Estates Group



ANICETO V. BISNAR, JR.
General Manager,
Prime Support Services, Inc.



MA. LUISA D. CHIONG
Controller, Ayala Land, Inc.



DINDO R. FERNANDO
Head, External Affairs,
Ayala Land, Inc.



RUFINO HERMANN S. GUTIERREZ
Chief Operating Officer,
Alveo Land Corporation



JAVIER D. HERNANDEZ
President, AyalaLand Hotels
and Resorts Corporation,
and Ten Knots Development
Corporation



JOSEPH CARMICHAEL Z. JUGO
President, AyalaLand Premier, Inc.



MICHAEL ALEXIS C. LEGASPI
Board Member, AyalaLand
Hotels and Resorts Corporation,
and Ten Knots Development
Corporation



MA. DIVINA Y. LOPEZ
Chief Finance Officer,
Estates Group



CHRISTOPHER B. MAGLANOC
President, AyalaLand Malls, Inc.

Senior Leaders



MICHAEL F. MAGPUSAO
Chief Operating Officer,
Ayala Property Management
Corporation



FERDIE M. MANGALI
Group Head, Corporate
Resource and Services,
Makati Development Corporation



VINCENT H. MEDINA
Group Head, Operations
Management and Control,
Makati Development Corporation



ROMEO T. MENPIN, JR.
Group Head, Construction
Methods and Solutions,
Makati Development Corporation



CAROL T. MILLS
President, AyalaLand Offices, Inc.
and AREIT, Inc.



**JUNE VEE D.
MONTECLARO-NAVARRO**
Chief Legal Counsel and
Assistant Corporate Secretary,
Ayala Land, Inc.



WILMA MORAN-ESTAURA
Group Director, Human Resources, AyalaLand Hotels and Resorts Corporation



RODELITO J. OCAMPO
Head, Construction Operations Group 1, Makati Development Corporation



GINAFLOR C. ORIS
Chief Finance Officer, Makati Development Corporation



HENRY R. REALON
Head, Commercial Group, Makati Development Corporation



DARWIN L. SALIPSIP
Head, Construction Operations Group 3, Makati Development Corporation



ANGELICA L. SALVADOR
President, Aprisa Business Process Solutions Inc.



MARIA ROWENA VICTORIA M. TOMELDAN
President, AyalaLand Logistics Holdings Corp.



JENNYLLE S. TUPAZ
Senior Estates Development Head, Estates Group





Business Model



Business Model

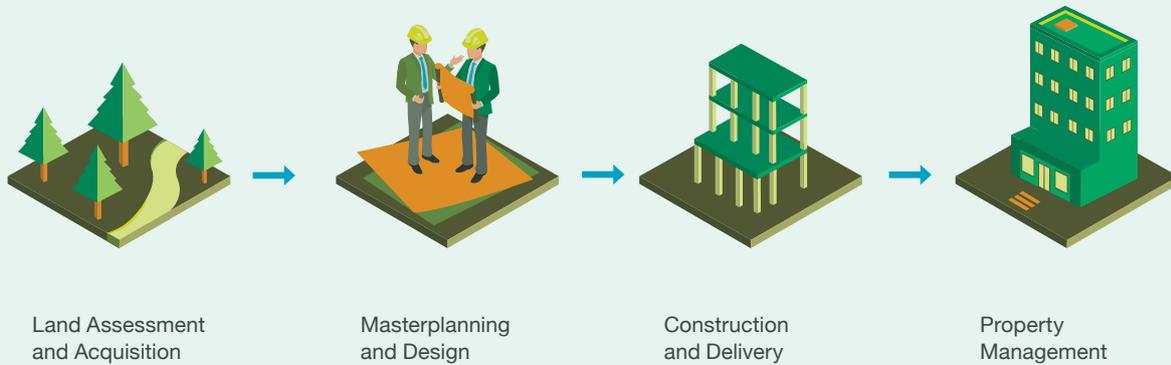
Ayala Land develops large-scale, integrated, mixed-use estates that serve as platforms for growth, providing suitable locations for various residential and commercial leasing products.

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

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

The appropriate residential and commercial leasing products are identified and allotted for each estate based on existing market conditions. Five residential brands serve the entire range of markets—luxury, upscale, middle-income, entry-level, and socialized housing. These products are matched with the estate's market and demographic profile, and are complemented by suitable commercial

AYALA LAND'S PROJECT DEVELOPMENT FRAMEWORK



leasing products, such as shopping centers, offices, and hotels and resorts.

Land banking initiatives are a critical aspect of Ayala Land's business model, being one of the drivers of the estates' growth and sustainability. The company identifies locations not only on the basis of expanding its footprint but also on their potential to contribute positively to the local economy.

By end-2021, Ayala Land has established 47 estates across the Philippines, is present in 57 growth centers across the country, and has secured over 12 thousand hectares of land bank.

Today, most of Ayala Land's developments are in Metro Manila and Central and Southern Luzon—three areas which collectively account for two-thirds of the country's GDP. These locations are supplemented by developments in highly urbanized and key cities in the Visayas and Mindanao.

The complete list of Ayala Land's estates and business lines may be found on Page 10 of this report.

Brand, Business Model, Bench

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

Brand

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

Business Model

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

Bench

Ayala Land has a collaborative team focused on achieving company goals. Through regular learning opportunities and enriching work experiences, the company nurtures competent and dedicated employees and teams who execute its strategies and transform its vision into action.

External Environment

Ayala Land regularly assesses the business environment and ensures that its operations are calibrated accordingly.

External Factor	Impact on Philippine Property Sector
<p>COVID-19</p> <p>Community Quarantines. The Philippines entered 2021 with renewed confidence, as most of the country was placed under the less strict General Community Quarantine (GCQ) from January 1 to March 21. However, with rising daily COVID-19 cases, the most stringent Enhanced Community Quarantine (ECQ) was reimposed twice during the year: from March 22 to April 11 and August 6 to 20 due to the spread of the Delta variant. Starting September 16, the government transitioned to the granular lockdown scheme, placing Metro Manila under Alert Level 4 which had similar restrictions to a Modified Enhanced Community Quarantine (MECQ) until October 15. Following improvements in the health situation, the NCR and neighboring provinces were placed under Alert Level 2, which greatly improved mobility starting November 5 until the end of the year.</p>	<p>Residential: The uncertain times dampened consumer confidence in purchasing and investing in residential products. This was further compounded by stricter community quarantines that limited mobility. In response to these, developers adjusted sales efforts by utilizing digital platforms and offering products that were more attuned to changes in market demand. Sales continued to recover during less strict GCQs and the lowering of Alert levels.</p> <p>Malls: Restrictions on mobility slowed foot traffic and tenant operations in malls, especially during ECQ and MECQ, where only merchants providing essential goods and services were allowed to operate. Foot traffic and tenant operations notably picked up as provinces transitioned to GCQ and MGCQ or Alert Level 2. In coordination with pertinent government agencies, strict health protocols were put in place to ensure the safety of mall patrons. To make up for slower foot traffic, malls and tenants began using digital platforms and other alternative selling channels. Selected open spaces were activated to encourage social interaction and dining consistent with social distancing protocols.</p> <p>Offices: Offices remained resilient as BPOs and HQ-type businesses remained operational despite the lockdowns. While some offices have allowed their employees to work from home, others have resorted to continuing on-premise office operations, as concerns about connectivity and data security grew.</p> <p>Hotels and Resorts: Occupancy rates of the hotels and resorts industry were severely impacted by travel bans, averaging only 24% during the first half of 2021 (according to Colliers International). This improved to 44% during the second half, supported by domestic tourism and returning Overseas Filipinos, but still below pre-pandemic levels.</p> <p>Real Estate Logistics and Warehousing: In 2021, this segment contributed a gross value of P602 billion to the Philippine economy, up 10% from 2020 due to increased business activity in the segment as a result of e-commerce growth and higher demand for storage space.</p> <p>Construction: Despite the reimposition of ECQ, construction was allowed to continue following strict social distancing and health protocols.</p>

External Factor	Impact on Philippine Property Sector
<p>The Philippine Economy</p> <p>GDP. The Philippine economy recovered from the recession during the previous year, growing 5.6% in 2021 and exceeding the BSP's estimate of 5 – 5.5%.</p>	<p>A strong domestic economy is a key indicator of the real estate sector's health, providing a leading indicator of demand.</p> <p>The effect of the economic recovery was also reflected in both property developer and buyer activity as industry launches increased and sales take-up improved.</p>
<p>Inflation, Interest Rates, and Foreign Exchange</p> <p>Inflation. FY 2021 inflation ended at 3.9%, which was at the upper range of the BSP's target range of 2-4%, due to supply-side price pressures.</p> <p>Interest Rates. The Bangko Sentral ng Pilipinas (BSP) kept policy benchmark rates at a historic low of 2.00% to spur economic recovery.</p> <p>Foreign Exchange. The Philippine Peso remained resilient at an average of P49.26 to US\$1, a 0.75% appreciation from the previous year.</p>	<p>With inflation remaining within the government's target range, the BSP kept interest rates at low levels throughout 2021 to support economic recovery and GDP growth.</p> <p>The low interest-rate environment provided corporates, including property developers, access to cheaper debt capital to fund growth plans, and opportunities to refinance higher interest rate loans.</p> <p>The continued affordability of long-term, fixed-rate mortgages supported the affordability of residential products especially for the affordable to middle-income segments.</p> <p>The strong peso in 2021 was supportive of the importation of construction materials.</p>

EXTERNAL ENVIRONMENT

External Factor	Impact on Philippine Property Sector
<p>Social and Demographics</p> <p>Household Consumption. The Philippines continues to be a strong consumption-driven economy, with household spending accounting for 72.7% of GDP, a 4.2% increase from 2020.</p> <p>Population. According to the latest national census (2020), the Philippines had a total population of 109.04 million, 64.4% of whom were between 15 and 64 years old, with a median age of 25.7 years. This makes it one of the largest and youngest populations in the world.</p> <p>GDP per capita. GDP per capita, at constant prices as of end-2021, rose 7.5% to US\$3,572.</p> <p>Unemployment. Unemployment improved to 6.6% from 10.3% in the previous year, with the reopening of the economy. Likewise, labor participation grew to 65.1% from 59.5% in 2020.</p>	<p>Higher disposable income will drive domestic consumption (which will be evident in sales in malls and shopping centers) and domestic tourism (which will benefit the hotels and resorts business as mobility restrictions are eventually lifted).</p> <p>The country's young, mobile, and tech-savvy working population continues to support economic activity and will sustain demand in the property sector in the long-term. This younger demographic is more attuned to new digital selling platforms and will support the growth of e-commerce in the medium to long term.</p> <p>Improvements in per capita income and employment levels will support the demand for malls, hotels and resorts, and offices.</p>
<p>Remittances. Growth in remittances was a bright spot in 2021, ending 5.1% higher at US\$31.4 billion.</p>	<p>Cash remittances provide consumers with additional purchasing power, driving household consumption which in turn feeds into shopping, tourism, and vehicle and home purchases.</p>
<p>Tourism</p> <p>International Tourism. International tourism remained restricted in 2021.</p>	<p>The reopening of Philippine borders to foreign travelers, coupled with strong domestic tourism, will support the recovery of hotel and resort occupancy rates.</p>
<p>Infrastructure Program</p> <p>Spending. Infrastructure spending picked up in 2021, up 31% to P895.1 billion, as construction of projects resumed following the realignment of spending in the government's budget.</p>	<p>The rollout of infrastructure projects will expand and accelerate development across various regions in the country, as well as help jumpstart the economy.</p> <p>Developments outside Metro Manila open up opportunities for economic growth, creating wealth for more Filipinos, spurring higher incomes, and creating strong markets for property developers.</p>

External Factor	Impact on Philippine Property Sector
<p>Tax Reform</p> <p>Corporate Income Tax. The CREATE Bill was signed into law in March 2021, lowering corporate income tax rates to 25% for large corporations and 20% for small and medium enterprises.</p>	<p>The enactment of this law is expected to generate US\$90 billion in foreign direct investments and 1.8 million jobs for Filipinos in the next 10 years. Increased FDI will be beneficial to the offices and industrial warehousing segments, while job generation can potentially benefit shopping centers and residential products.</p>
<p>POGOs</p> <p>Office Vacancy. From a peak occupancy of 1.3M square meters of GLA in Metro Manila, POGOs now occupy only 677 thousand square meters, equivalent to 5% of total GLA.</p>	<p>POGO operations lifted the demand for office space from 2017 until 2019. However, flight restrictions in 2020, which hampered the inflow of its employees, and the passing of a new tax law in 2021, triggered the exodus of POGOs. The sustainability of its business operations remains a key risk to office landlords. More POGO departures from the country will increase vacancy rates and may drive lease rates lower. As of end-2021, Metro Manila office vacancy reached 15.7% from 9.1% in 2020.</p>
<p>Natural calamities</p> <p>The Philippines is an archipelagic country in the southwestern Pacific Ocean, bounded by the Philippine Sea, the West Philippine Sea, and the Celebes Sea. It is situated on the Pacific Ring of Fire.</p> <p>In December 2021, Typhoon Odette (Rai), a Category-5 super typhoon, hit the country heavily affecting the Visayas and Mindanao region.</p>	<p>Natural calamities will adversely impact demand for property development projects in the short to medium term, as buyers will prioritize basic goods and services and think twice about purchases in the affected areas.</p> <p>Typhoon Odette caused major property damage in the Visayas and Mindanao region, resulting in power and water outages, especially in the province of Cebu.</p>

EXTERNAL ENVIRONMENT

OUTLOOK

With reduced COVID cases, high vaccination rates, and improved mobility, Ayala Land is optimistic that the country is on course for full resurgence and positioned to accelerate a V-shaped recovery. Local consumption remains strong, accounting for more than 70% of Gross Domestic Product (GDP), and the nation's favorable demographics, a growing middle income and a young working-class, will support growth over the medium to long term. Industry experts project that by 2030, the Philippines' middle-income population will grow by 37.5 million – making it the 4th largest in the world.

For 2022, the Philippine Economic team projects GDP to grow 7% - 9%. This is further affirmed by the Organization for Economic Co-operation and Development (OECD) which projects that the Philippines will exhibit the fastest GDP growth in the ASEAN Region for the year. Overseas Filipino remittances and BPO revenues are likewise expected to continue contributing significantly to the economy.

Starting March 2022, the National Capital Region (NCR) and 38 other areas transitioned to Alert Level 1 which translates to a full reopening, unrestricted mobility and 100% capacity in malls, offices, hotels and resorts, public transportation, and construction, among others. The only restrictions in place are to wear masks for both indoor and outdoor spaces, and to present the required vaccination card for indoor spaces.

COVID-19 was initially thought to bring permanent disruption to Ayala Land's business lines. However, based on how things have progressed, all of its major businesses will remain relevant post-pandemic. Some will even benefit from the shifts in consumer preferences, while a few businesses will require a higher level of reinvention, with changes that need to be implemented quickly. New opportunities have also been crystallized, which will be pursued aggressively.

In terms of Estate Development, the pandemic has shown the strength and resilience of living and working within an integrated mixed-use development where everything including necessities, health care, work, and leisure is within reach. Given this, Ayala Land plans to further strengthen its lead in Estate Development with the launch of four new Estates in 2022.

For the Residential business, there was increased demand for horizontal products these past two years as people preferred more open space that living outside the city provides. Ayala Land expects this trend to continue in 2022. With the reopening of the economy and traffic building up again, the demand for vertical projects across all income segments is expected to gain traction. In 2022, Ayala Land will adopt a balanced approach in product introductions, and will launch P100 billion worth of inventory equally split between horizontal and vertical offerings.

The Malls continue to be destinations that families, office workers, and tourists will continue to patronize. This was observed with the reopening in December, and with the transition to Alert Level 1. Ayala Land will continue to reinvent these spaces faster through repurposing, experiential retail, and strengthening the execution of its purpose – being the Town Center of the trade area that it is servicing. For 2022, the focus will be on the strong bounce-back of mall revenues, combined with the acceleration of reinvention initiatives.

For Offices, over the last two years, companies have learned that not all employees have the proper and conducive environment to effectively work from home. Aside from work focus and efficiency, so much collaboration, innovation, and culture-building were missed out by not having the environment to congregate and hold face-to-face meetings. With this realization, Ayala Land believes that the demand for offices will continue, as they remain an important fixture for work productivity and employee engagement.



During this pandemic, BPOs and corporates have remained operational, albeit on a rotational or scheduled basis so that employees can observe health protocols and social distancing requirements. BPOs and corporates are seen to sustain their operations in the next normal and eventually expand further as a result of economic reopening. Thus, Ayala Land expects these tenants to continue to be significant contributors to its office leasing business.

With the reopening of tourism, Ayala Land anticipates hotels and resorts to rebound meaningfully. Local business travel, driven by the rise in the number of conferences and events, has started to increase. “Revenge travel” can be seen in many tourist destinations, including El Nido and Lio resorts.

For real estate logistics under ALLHC, the increasing demand for warehouses and cold storage, driven by e-commerce and the economic growth in the regions where it operates, will accelerate its growth plans.

Climate change and geohazards remain as threats as evidenced by the heavy floods brought about by typhoons and earthquakes

throughout the year. Recognizing these risks to the environment and business, Ayala Land will continue to drive climate adaptation practices such as environmental hazards screening, management of carbon sinks, and implementing site resilient features. Climate mitigation actions, such as shifting to renewable energy and investing in resource efficiency programs, are continually undertaken to hasten the company’s transition to low-carbon operations.

Ayala Land signed up as one of the first Philippine companies to support the Task Force on Climate-Related Related Financial Disclosures (TCFD), recognizing the importance of disclosing to stakeholders its efforts to mitigate the risks of climate change. In 2021, Ayala Land took the initial step by engaging a third party to evaluate the impact of climate change on the business, and the recommendations will be incorporated into its operations as part of risk management in 2022.

With its geographical presence across the Philippines, high-quality product offerings, a diversified portfolio, unmatched institutional capability, and a dynamic organization, Ayala Land has a solid platform in place for recovery and growth.

How Ayala Land Creates Value

Capitals

<p>NATURAL Strategic land bank</p>	<p>INTELLECTUAL Solid track record of building large-scale, integrated, mixed-use and sustainable estates</p>	<p>MANUFACTURED Diversified product lines</p>
<p>Business Processes LAND BANKING Land in strategically located sites in key growth centers and ecologically important areas are secured through acquisitions and joint ventures for conservation and immediate and long-term development. The company considers the lands' natural and existing ecosystems to ensure their best use.</p>	<p>ESTATE DEVELOPMENT Estates are master-planned, integrating the product lines to create sustainable and vibrant communities. The company ensures that the principles of site resilience and pedestrian-transit connectivity are considered in the master-planning process.</p>	<p>PROPERTY DEVELOPMENT AND COMMERCIAL LEASING The company builds and sells residential products, office spaces, and commercial and industrial lots. It also develops and operates malls, offices, and hotels and resorts as well as other leasing formats such as standard factory buildings and warehouses, co-living spaces, and co-working spaces in line with eco-efficiency principles.</p>

Outputs

<p>Over 12 thousand hectares of developable land bank, 83% in Luzon, 17% in Visayas and Mindanao</p> <p>Protected 586 ha of carbon forests</p> <p>Planted 56,510 new native trees across 31 hectares of carbon forests</p> <p>Recorded and maintained a total of 105,291 native trees in estates and residential developments</p>	<p>Total of 880 ha of deliberately planned permeable spaces in operating estates and residential developments</p> <p>Total of 19 P2P routes with terminals located near or within the company's malls and estates</p>	<p>Completed and turned over 10,399 residential units from different brands</p> <p>Completed two new office buildings equivalent to 94,000 sqm of GLA for a total of 1.32 million sqm</p> <p>Added 17,000 sqm of warehousing space for a total of 224,000 sqm</p> <p>Shifted 65 buildings or 85% of total mall and office GLA to using renewable energy sources through power purchase agreements</p> <p>Saved P53.6 million and 10.37 million kwh through energy efficiency initiatives</p> <p>Maintained 9 LEED-certified office buildings and 2 LEED-certified hotels</p>
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Outcomes

<p>Reduced net GHG emissions by 88,224 t-CO2e</p> <p>Protected 66 International Union for Conservation of Nature (IUCN) red-list species in the company's developments</p> <p>Contribution to the UN SDGs</p> <div style="display: flex; justify-content: space-around;">    </div>	<p>Provided households and workforce in the estates with opportunities for social interaction in a healthy environment</p> <p>Improved transit connectivity for an average of 7,770 daily commuters</p> <div style="display: flex; justify-content: space-around;">    </div>	<p>Potentially benefitted 41,596 people through new residential spaces</p> <p>Provided space for malls and offices that employed more than 50K workers</p> <p>Reduced and offset 100% of scope 1 and 2 emissions of all commercial leasing properties</p> <div style="display: flex; justify-content: space-around;">    </div>
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HUMAN

Empowered organization

SOCIAL

Highly trusted brand

FINANCIAL

Strong balance sheet

CONSTRUCTION AND PROPERTY MANAGEMENT

The company prioritizes local hiring and counts on its diverse talent to consistently deliver high-quality projects.

Projects are implemented and managed by Ayala-owned construction and property management firms, namely Makati Development Corporation and Ayala Property Management Corporation.

CORPORATE SUPPORT

The company ensures the quality of its products and upholds strict sustainability and corporate governance practices for its customers and stakeholders.

CORPORATE FINANCE

The centralized Management and Investment committees are responsible for the company's financial and investment strategies, to ensure that its portfolio of businesses and capital allocation program are optimized.

Employed a total workforce of 5,756 full-time employees and 35,931 support staff

Provided 173,491 hours of training to all ALI employees

Produced 530 skills training graduates from MDC's Technical Education and Skills Development Authority (TESDA) program across 9 training centers

Maintained local hiring of 85% for APMC and Resorts

Undertook programs, projects and activities that resulted in the following awards:

Member of the 2021 Sustainability Yearbook and Dow Jones Sustainability Index by S&P Global

A- Leadership Rating on Climate Change by Carbon Disclosure Project

Member of the MSCI ESG Leaders Index

Most Outstanding Company in the Philippines (Real Estate Sector) - Asiamoney

Top 3 in the Philippines and Top 20 in the ASEAN - ASEAN Corporate Governance Scorecard

Net income of P12.2 billion

P92.2 billion sales reservations

Net D/E ratio of 0.77x

4.4% average cost of debt

P64.0 billion capital expenditures in 2021

Generated more than 41,000 jobs from direct employees and service providers

Achieved an employee engagement score of 91% for 2021

Achieved ALI Group customer satisfaction rating of 95%

Generated earned media value of P1.2 billion

Attained zero punchlist turnover rating of 98% for residential properties

AAA credit rating from PhilRatings

Euromoney Real Estate Survey
#1 Developer - Residential Sector (Philippines)
#1 Developer - Office/Business Sector (Philippines)

Frost and Sullivan Best Practices Award
Philippine Property Development
Competitive Strategy Leadership Award





Environmental, Social, and Governance (ESG) Approach

As a property developer, Ayala Land strives to be at the forefront of embedding sustainability practices in all its offerings as it fulfills its vision of enhancing land and enriching lives for more Filipinos. This approach is key to creating long-term economic, environmental, and social value for our stakeholders.

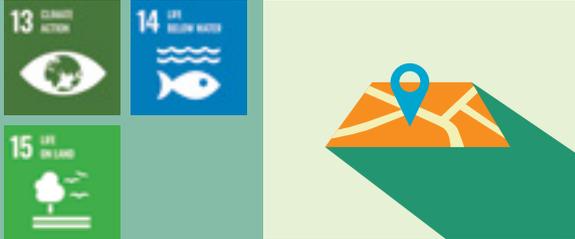
Materiality Review and Sustainability Four Focus Areas

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

The results of the company's materiality assessment in 2013 identifying sustainability focus areas remain relevant today, along with material issues emerging from the COVID-19 pandemic. Based on discussions within the company's business units, customer surveys, media reports, and the Board-level Sustainability Committee, four sustainability concerns were identified for Philippine development: vulnerability to the effects of climate change and natural disasters; need for pedestrian mobility in urban areas; continuing loss of natural resources; and socio-economic imbalances.

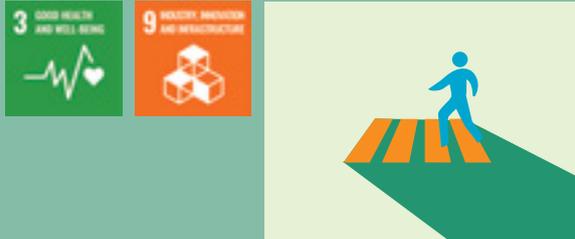
Materiality Review and Sustainability Four Focus Areas

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



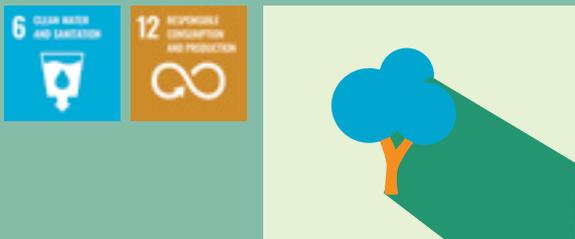
Site Resilience

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



Pedestrian Mobility and Transit Connectivity

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



Resource Efficiency

- Implementing materials, energy and water management, and conservation programs
- Aligning with a circular economy model for waste management
- Committing carbon neutrality by 2022 for commercial properties and net zero for ALLI group by 2050 (Ayala Land achieved carbon neutrality in 2021, a year ahead of the target, subject to third-party verification)



Local Economic Development

- Investing in human capital in communities where Ayala Land developments are present
- Prioritizing local hiring
- Allocating spaces for local social enterprises

Sustainability Milestones



2007

- Sustainability was formalized as a guiding principle to Ayala Land's brand of land use and development
- The first sustainability report was published using the Global Reporting Initiative (GRI) guidelines



2009

- The Board-Level Sustainability Committee was formed to oversee Ayala Land's sustainability practices and performance



2014

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



- The Ayala Land Sustainability Framework was established to guide property development. It is composed of five pillars: Environmental Stewardship and Impact Reduction; Community Stewardship and Social Development; Personnel Development, Health and Safety; Market Shaping; and Accountability



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



2014

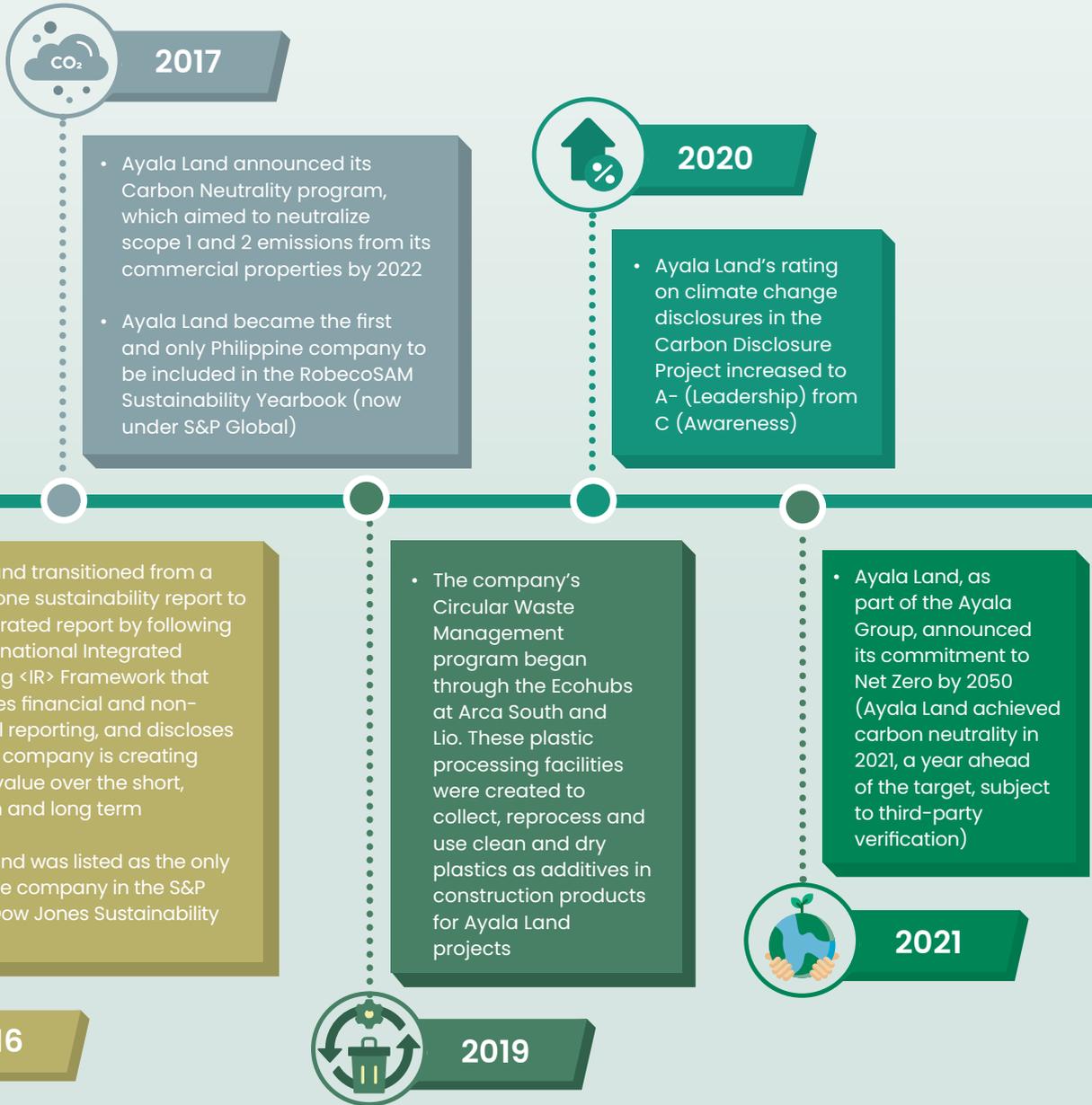


2008

Global Reporting Frameworks

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





ESG Assessments and Ratings



The only Philippine member



Index member since 2014



A- Leadership Rating on Climate Change



Index member since 2020



Index member since 2015



Low risk rating

AYALA LAND'S ESG APPROACH

Material Topics to Ayala Land

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

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

Stakeholder Engagement

Ayala Land's vision of enhancing land and enriching lives for more Filipinos rests on the support and contribution of its stakeholders. The company engages with its stakeholders through various means and initiatives to understand and address issues and concerns, gather feedback on the effectiveness of its solutions, and build and maintain strong relationships for long-term value creation.

Stakeholder	Issues and Concerns of Stakeholders	Engagement Means and Initiatives of Ayala Land
Property Buyers	<ul style="list-style-type: none"> • Customer health, welfare, and safety • Customer service and experience • Delivery of best-in-class products and services • Facilities management • Management of environmental and social impacts 	<ul style="list-style-type: none"> • Digital platforms • Customer satisfaction surveys • Customer service representatives • Ayala Land website and social media platforms
Brokers and Sellers	<ul style="list-style-type: none"> • Occupational health, welfare, and safety • Training and career development • Compensation and rewards • Labor practices and human rights 	<ul style="list-style-type: none"> • Digital platforms • Training sessions • General assemblies • Mock online presentations • Awards and recognition events
Residents, Shoppers, Tenant Employees, Tourists, and Hotel Guests	<ul style="list-style-type: none"> • Customer health, welfare and safety • Customer service and experience • Delivery of best-in-class products and services • Facilities management • Green building certifications • Management of environmental and social impacts 	<ul style="list-style-type: none"> • Digital platforms • Customer satisfaction surveys • Loyalty and appreciation programs • E-newsletters • Ayala Land website and social media platforms
Employees and Workers	<ul style="list-style-type: none"> • Occupational health, welfare, and safety • Training and career development • Compensation and rewards • Labor practices and human rights 	<ul style="list-style-type: none"> • Access to healthcare services • Townhalls, monthly or quarterly updates • Organizational climate surveys • Grievance mechanisms and channels • Performance reviews • Training and learning sessions; blended learning modalities
Business Partners Suppliers and Service Providers	<ul style="list-style-type: none"> • Compliance with all laws, regulations, codes and standards • Productivity and timely delivery of products and services • Occupational and customer health, welfare and safety • Labor practices and human rights • Procurement practices • Management of environmental and social impacts 	<ul style="list-style-type: none"> • Vendor Kapihan (coffee talks) • Training and webinar sessions • One-on-one meetings • Policies and memos • Vendor's Code of Ethics
Creditors	<ul style="list-style-type: none"> • Financial and Operating Performance • Debt servicing capacity 	<ul style="list-style-type: none"> • Financial Sustainability and Capital Management Strategies • Regular engagement with partner banks and investors
Shareholders and Analysts	<ul style="list-style-type: none"> • Financial and Operating Performance • Debt servicing capacity • Recovery and growth plans 	<ul style="list-style-type: none"> • Financial Sustainability, Capital Management Strategies, and Recovery and Growth Initiatives • Regular engagement with investors through one-on-one meetings, investor conferences and roadshows, and quarterly briefings
Communities and NGOs	<ul style="list-style-type: none"> • Local economic development • Management of environmental and social impacts • Concerns of communities pertaining to development of projects 	<ul style="list-style-type: none"> • Conferences and meetings • Community consultations • Partnerships in national and local projects, programs and initiatives • Dialogues and meetings with stakeholders, including leaders at the barangay, local government and national agency levels
National and Local Government Units	<ul style="list-style-type: none"> • Compliance with all laws, regulations, codes and standards • Economic development • Management of environmental and social impacts • Concerns of communities pertaining to development projects 	<ul style="list-style-type: none"> • Conferences and meetings • Participation in government consultations • Partnerships in national and local projects, programs and initiatives • Dialogues and meetings with stakeholders, including leaders at the barangay, local government and national agency levels
Media	<ul style="list-style-type: none"> • Timely and accurate news • Transparency • ESG (environmental, social and governance) performance 	<ul style="list-style-type: none"> • Media conferences and briefings • News releases and fact sheets • Social gatherings • One-on-one meetings • Through third-party consultants • Annual reports • Ayala Land website and social media platforms

AYALA LAND'S ESG APPROACH

Contribution to the UN Sustainable Development Goals (SDGs)

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

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

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

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



Environmental Stewardship

Ayala Land's environmental protection initiatives promote the resilience and sustainability of its estates and developments, and support in the mitigation of transition and climate change risks. The programs and practices on site resilience, pedestrian mobility and transit connectivity provide the necessary elements that make the environment livable for the community, while resource efficiency support the responsible use of resources for the long-term benefit of communities.

Ayala Land manages environmental impact and promotes stewardship through the following measures:

- Identification, mitigation, and management of material environmental risks and concerns.
- Development and implementation of effective environmental management systems recognized by international standards.
- Communication and engagement with the workforce, business partners, customers and suppliers to consult on environmental issues and to align practices with environmental objectives and targets.
- Monitoring and reporting of environmental data and targets to continuously improve environmental performance; and
- Compliance with all national and local codes, standards, and regulations.

SITE RESILIENCE

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

Ayala Land performs an evaluation at every stage of the project development process to mitigate physical risks related to climate change and ensure ecosystem and site protection.

2021 HIGHLIGHTS

Site Resilience 	Pedestrian Mobility and Transit Connectivity 	Resource Efficiency 
<p>GREEN SPACES</p> <p>880 hectares were devoted to green spaces in 22 urban estates, including 46 parks in established estates and 16 in emerging estates.</p>	<p>MOBILITY</p> <p>At the Makati CBD, the Paseo de Roxas-Villar Underpass was opened to provide access from Villar St. to Ayala Triangle Tower Two.</p> <p>Shared bike lanes in Makati CBD, BGC and Nuvali expanded to cover 29.8 km, from only 18.5 km in 2020.</p>	<p>CARBON NEUTRALITY</p> <p>100% of commercial properties' scope 1 and 2 emissions were reduced and neutralized.</p> <p>160K native trees were planted in Ayala Land's carbon forests since 2018.</p>
<p>NATIVE TREE PLANTING</p> <p>1,349 native trees representing 12 species were added; 105,291 total native trees recorded in estates and residential projects.</p> <p>Alagang AyalaLand Communitree program was launched, giving Social Enterprises spaces in estates to propagate trees and plants for landscaping.</p>		<p>RENEWABLE ENERGY USE</p> <p>85% of the energy consumed by Malls and Offices (based on GLA) was from renewable sources, higher than 73% in 2020.</p>
<p>SPECIES PROTECTION</p> <p>66 IUCN red-list species IUCN (International Union for Conservation of Nature) red-list species in El Nido and Anvaya were protected.</p>	<p>TRANSIT CONNECTIVITY</p> <p>19 P2P bus routes Located in 10 Ayala Malls continued to operate to support commuters during the ongoing pandemic.</p>	<p>CIRCULAR WASTE MANAGEMENT</p> <p>75 tonnes of plastics were reprocessed into construction material inputs (equivalent to more than 100% of clean and dry plastics generated by Makati CBD and BGC malls).</p>
		<p>87K square meters of sidewalks were constructed with ready-mix concrete with plastic inputs.</p> <p>46% E-waste Electronic waste (E-waste) was recycled.</p>

Prior to land acquisition, technical due diligence is performed to screen the site for geohazards, and impacts from climate change. Erosion and sedimentation controls, and allocation of green spaces for rainwater absorption are identified during planning and implemented upon construction.

To monitor weather conditions and facilitate disaster readiness and response, Ayala Land established 24/7 operation centers across the Philippines. The company also works to conserve and protect biodiversity to mitigate and adapt to climate change impacts.

Green Spaces

The green spaces in Ayala Land developments not only strengthen the climate resilience of the property, but also raise the quality of life of the people in its communities. The prolonged and widespread lockdowns imposed due to the pandemic have demonstrated the importance of such green spaces. They reduce air and noise pollution, mitigate heat island effect,

and expose people to nature, giving them safe outdoor spaces for physical activities. These are factors that are tied to improved mental health outcomes and overall well-being. As of 2021, 880 hectares were devoted to green spaces in 22 urban estates, including 46 parks in established estates and 16 in emerging estates.

Native Tree Planting

The company tracks and adds native trees to its projects to improve urban biodiversity and landscape. In 2021, 1,349 native trees representing 12 species were added, bringing the total native trees recorded in estates and residential projects to 105,291. These trees were mainly planted in the established estates, increasing the native tree share to 44% from 39% in previous year. The shares of native trees in emerging estates and estates under planning have decreased to 71% and 87%, from 72% and 89% in 2020 respectively, due to market availability of native trees. To address scarcity and ensure native tree supply in succeeding years, the company launched the Alagang AyalaLand Communitree program in

ENVIRONMENTAL STEWARDSHIP

2021 in which social enterprises are given spaces in estates to propagate high-quality trees and plants that will be used for the company’s future landscaping requirements.

Species Protection

In tourism developments such as Lio, Sicogon, and Anvaya Cove, local dedicated teams monitor biodiversity regularly for identification and awareness and limit the impact of the developments to the ecosystems. The company continued to protect 66 IUCN (International Union for Conservation of Nature) red-list species in El Nido and Anvaya in 2021.

PEDESTRIAN MOBILITY AND TRANSIT CONNECTIVITY

<GRI 203; SDG 3, 9, 11>

The commuter and pedestrian experience are continually enhanced with improvements aligned with government measures and urban mobility trends foregrounded by the pandemic.

Mobility

In Makati CBD, pedestrian walkway improvements have been implemented, including the newly opened Paseo de Roxas-Villar Underpass, newly-painted mural in Legazpi underpass and additional greeneries to help regulate temperature and enhance user experience.

Shared bike lanes with lane markings, bollards, and safety signages continue to be utilized in Makati CBD, BGC and Nuvali, covering a total of 29.8 km from last year’s 18.5 km.

Transit Connectivity

The company’s malls and estates have been collaborating with the Department of Transportation (DOTr) to provide commuters with premium point-to-point (P2P) buses more convenient transport option. In 2021, 19 P2P bus routes located in 10 Ayala Malls operated with an average daily passenger volume of 7,770, lower than previous year’s 8,451 as a result of the continued mobility restrictions due to the pandemic.

RESOURCE EFFICIENCY

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

Materials Management

<GRI 301; SDG 12>

The company maintains its judicious use of construction materials. MDC’s concrete batching plants use fly ash as a substitute for cement, resulting in a reduction of cement consumption by 20%. Meanwhile, rebars and hard-plastic scraps are sent back to the suppliers for recycling. Given the 2% increase in projects under the construction stage, the company’s cement consumption also rose by 2%. Rebar consumption, on the other hand, decreased by 8%.



Note: 2020 and 2021 consumption were lower due to the pandemic.

Energy Management

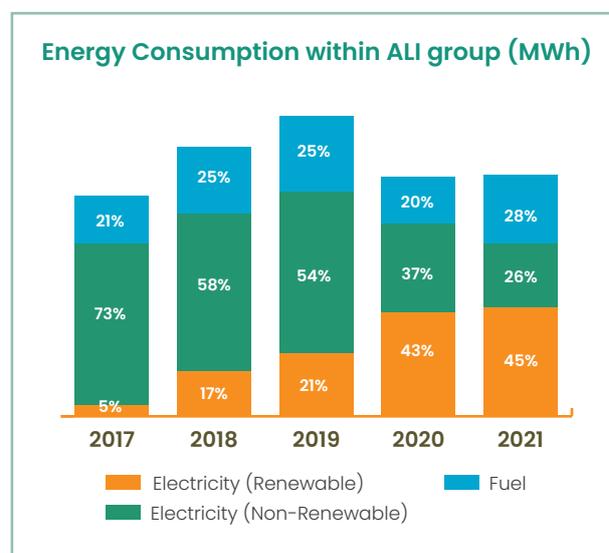
<GRI 302; SASB IF-RE-130, IF-RE-410; SDG 7, 12>

Total energy consumption of the company rose slightly by 1% due to the higher number of construction activities undertaken during the year that required for more fuel use in equipment and electricity use in construction sites, and the increase in Airswift flights.

Renewable energy constitutes 45% of Ayala Land's energy mix, or 63% of total electricity consumption, as efforts to shift properties to renewable energy sources continued under the carbon neutrality program. Meanwhile, energy consumption of residential properties more than doubled as people remained in their homes during lockdowns and improvements on the reporting system were implemented.

Abiding by the commitment to energy efficiency in Ayala Land projects, APMC received the ISO 50001 certification for Energy Management on August 12, 2021. Investments in more efficient equipment and operational adjustments also continue to be made to reduce the environmental footprint and generate savings for both the company and its tenants.

All tenants are sub-metered for their electricity consumption so that they have real-time access to energy data, allowing them to monitor and immediately identify issues and



Note: Energy consumption in 2019-2020 restated. 2020 and 2021 consumption were lower than previous years due to the pandemic.

significant movements in energy consumption. Through this, tenants can optimize their own energy performance and make immediate operational adjustments accordingly.

Total Energy Consumption (MWh)	2017	2018	2019	2020	2021
Within the organization¹	399,342	488,935	545,416	435,637	437,879
Commercial Properties (Malls, Offices, Hotels, Resorts)	269,456	293,338	346,781	274,038	240,788
District Cooling Systems	46,869	71,276	81,763	61,444	47,012
Construction	74,876	117,647	76,606	63,876	107,493
Estates and Carparks ²	8,142	6,673	7,400	12,280	14,071
Airline ³	-	-	58,696	23,448	27,699
Industrial Parks and Warehouses ⁴	-	-	-	551	817
Outside the organization⁵	572,457	484,084	520,980	454,832	532,243
Commercial Properties (Malls, Offices, Hotels, Resorts)	537,055	451,469	462,873	378,308	371,637
Residential Properties ⁶	35,402	32,615	58,107	75,683	155,328
Industrial Parks and Warehouses ⁷	-	-	-	840	5,278

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

²For properties with unavailable data on certain months, consumption was estimated based on previous month.

³Electricity and fuel consumption from AirSWIFT was added starting 2019.

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

⁵Consumption outside the organization comprises of consumption within (1) leased areas for commercial properties and industrial parks, and (2) residential properties which have been turned over.

⁶Includes only the consumption within common areas. No data available for consumption of unit owners.

⁷Consumption of cold storage facilities added starting 2021.

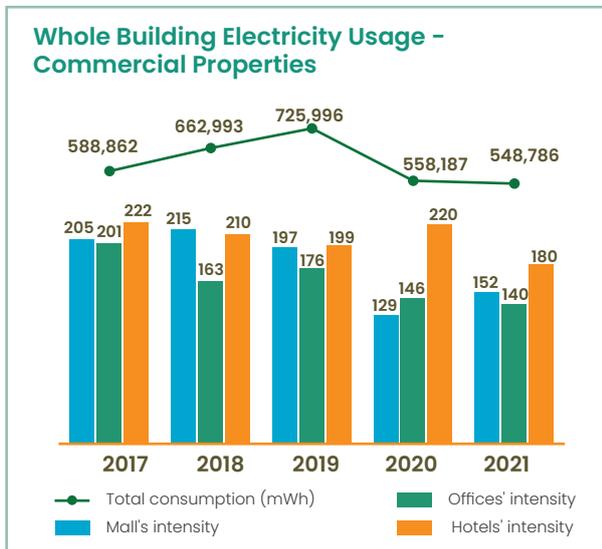
ENVIRONMENTAL STEWARDSHIP

To understand the company's energy performance, energy intensity is reported in terms of electricity usage of the entire building, as well as common and tenant areas.

Whole building intensity is the main measurement used to benchmark Ayala Land properties against ASEAN standards and identify opportunities for improvement. With benchmarks of 192, 160 and 216 kWh per sq. meter for malls, offices, and hotels, respectively, Ayala Land properties continue to perform better. Whole building electricity intensity for offices and hotels decreased by 4% and 18%

respectively, while that of malls' rose by 19% mainly due to higher power use in tenant areas and lower occupancy rates.

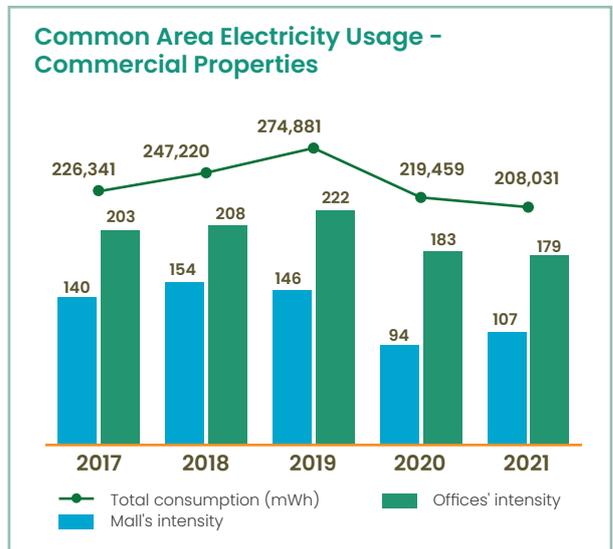
On the other hand, common and tenant area intensities are additional metrics used to assess the drivers of changes in whole building intensity, and to monitor and ensure that both aspects are becoming more efficient over time. Consistent with the changes in whole building efficiency, common and tenant area intensities rose by 13% and 21% in malls and decreased by 2% and 6% in offices.



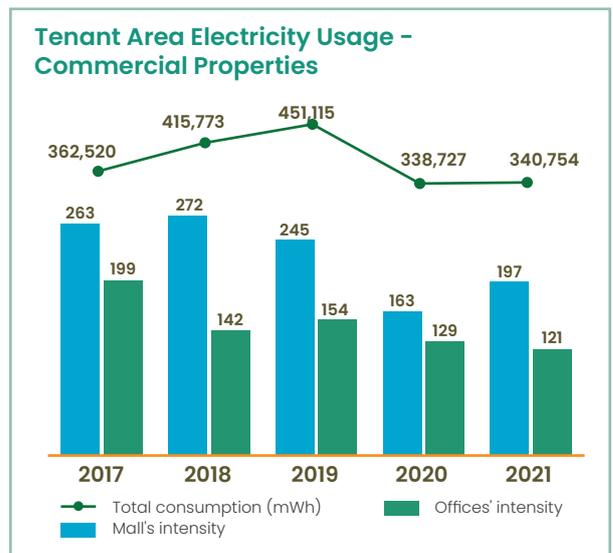
Note: Intensity was measured as kWh consumption per sq. meter of occupied floor area.

¹Includes only the consumption within common areas. No data available for consumption of unit owners.

²Consumption of cold storage facilities added starting 2021.



Note: Intensity was measured as kWh consumption per square meter of occupied common area.



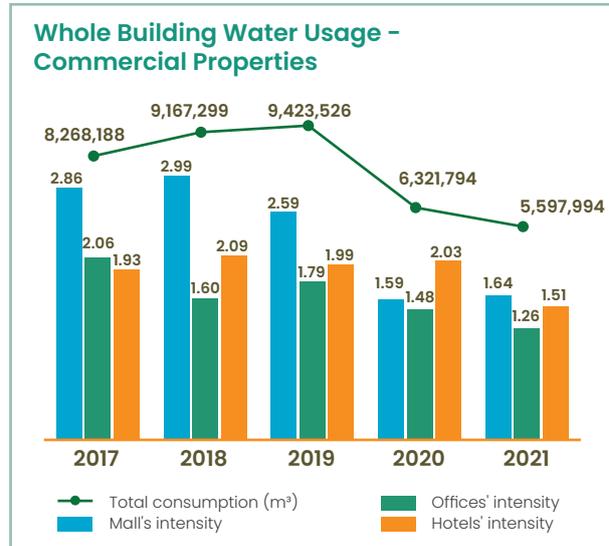
Note: Intensity was measured as kWh consumption per square meter of occupied leased area.

Water Management

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

Water consumption decreased by 4% as a result of reduced commercial operations brought about by the continuing lockdowns. On the other hand, consumption within residential properties continued to increase, with a 41% rise experienced during the year. The increase in construction projects also led to a 28% rise in consumption, with the highest usage coming from concrete batching plants, and landscaping and grounds maintenance. To conserve water in Ayala Land properties, temporary closure of restrooms in low-traffic areas in our malls, installation or replacement of faucets with more efficient fixtures, and provision of informational and educational materials on water management are conducted.

100% of mall and office tenant spaces are sub-metered to allow tenants to have real-time feedback on water consumption to promptly flag any irregularities in usage and address operational issues, ensuring effective water management. Due to continued closure of toilets in light of reduced occupancies, water intensity



Note: Intensity was measured as cubic meter consumption per sq. meter of occupied floor area.

of offices and hotels decreased by 15% and 25%, respectively, while that of malls increased by 3%.

Ayala Land uses whole building water intensity to benchmark its water use against peers. Common and area intensity will be reported next year to further measure efficiency of areas under the company's and tenants' control.

Total Water Consumption ('000s m³)	2017	2018	2019	2020	2021
Within the organization¹	10,483	13,365	10,664	8,002	7,660
Commercial Properties (Malls, Offices, Hotels, Resorts)	8,268	9,167	9,424	5,527	5,107
District Cooling Systems	361	234	162	441	409
Construction ²	966	3,379	945	1,329	1,699
Estates and Carparks ³	889	585	128	764	443
Industrial Parks and Warehouses ⁴	-	-	-	33	1
Airline	-	-	6	2	2
Outside the organization⁵	2,385	1,442	1,637	3,571	5,624
Commercial Properties (Offices, Resorts) ⁶	-	-	-	795	554
Residential Properties ⁷	2,385	1,442	1,637	3,571	5,029
Industrial Parks and Warehouses	-	-	-	26	41

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

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

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

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

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

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

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

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

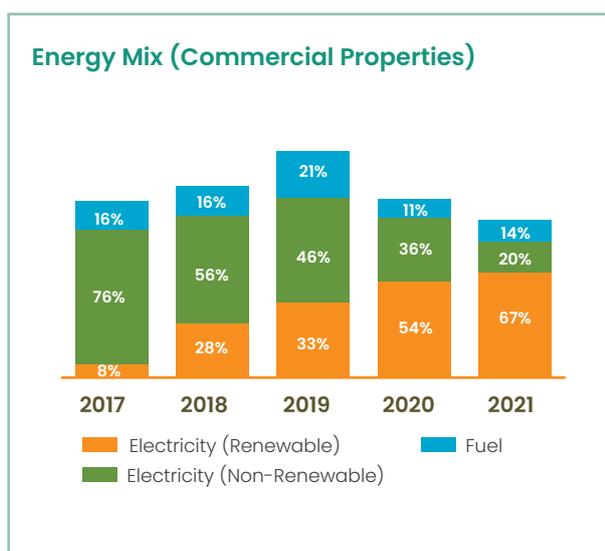
ENVIRONMENTAL STEWARDSHIP

Green Buildings

As of end-2021, the company has 11 LEED-certified buildings, representing 23% of total office GLA and 15% of hotel rooms. New offices are also in the process of securing LEED certification.

LEED-Certified Building	LEED Certification
One Evotech	Silver
Bonifacio Stopover	Gold
Vertis Corporate Center 1	Certified
Vertis Corporate Center 2	Certified
Vertis Corporate Center 3	Certified
SEDA Nuvali	Silver
SEDA Vertis North	Gold
High Street South Corporate Plaza 1*	Gold
High Street South Corporate Plaza 2*	Gold
MDC Corporate Center	Gold
Teleperformance Cebu	Gold

*Note: LEED certification corrected to Gold



Note: 2020 energy mix restated.

HIGH IMPACT PROJECTS

Carbon Neutrality and Net Zero Target

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

Carbon Neutrality by 2022

The continuous shift to renewable energy and reforestation of carbon forests resulted in a 100% reduction in net scope 1 and 2 emissions of Ayala Land's commercial properties – malls, offices, hotels and resorts – enabling the company to achieve carbon neutrality status one year ahead of its goal. Third-party verification of the achievement is scheduled in 2022.

The company's main strategy to reduce emissions is to shift to renewable energy (RE) sources through power purchase agreements undertaken by its retail electricity suppliers, DPSI and EPMI. In 2021, eight more buildings shifted to renewable energy, leading to a total of 65 buildings with renewable energy sources, representing 85% of total GLA. As a result, net emissions decreased by 163,946 t-CO₂e. The share of RE in the commercial properties' total energy mix increased to 67% from 54% the previous year.

Reforestation through assisted natural regeneration (ANR) increased the carbon stock in Ayala Land's 586 hectares of carbon forests, or carbon sinks. ANR consists of tree planting, removing competing vegetation, and rescuing and nurturing trees to accelerate forest recovery. Despite the varying lockdowns, 56,510 native trees were planted across 31 hectares of previously barren areas, bringing the total trees planted to almost 160,000 across 100 hectares since 2018. As a result of these efforts, the company's total carbon stock reached an estimated 88,224 t-CO₂e in 2020.

To validate the offsets from the carbon forests and the carbon neutrality achievement of the company, carbon stock remeasurement and third-party ISO 14064 verification are scheduled in 2022.

Carbon Neutrality Strategies	2017	2018	2019	2020	2021
Shift to renewable energy (RE)¹					
Buildings with RE	14	34	51	57	65
% to total (sq. meters GLA) ²	20%	48%	59%	73%	85%
Protect and enhance carbon forests					
Total area allocated (ha)	450	560	586	586	586
Total area planted	-	31	32	24	36
Native trees planted ³	-	42,057	35,719	25,415	56,510
Volunteers mobilized	-	1,449	4,177	635	486

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

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

³Trees planted in 2019 corrected.

Carbon forests (in hectares)	
Alaminos	133
Cebu	124
Davao	50
Lio	80
Nuvali	120
Sicogon	80

Net Zero by 2050

In October 2021, Ayala Land, as part of the Ayala Group, also announced its bold commitment to achieve net-zero emissions by 2050, covering scope 1, 2 and 3 emissions of the entire group. While scope 1 and 2 emissions are associated with the company's controllable emissions from fuel, refrigerant and electricity use, scope 3 emissions cover all other emissions from its value chain, including those of its suppliers, tenants, and customers.

The company's 2022 carbon neutrality goal addresses scope 1 and 2 emissions from its commercial properties – malls, offices, hotels and resorts. To align itself with the Paris Agreement to limit global warming

to 1.5°C compared to pre-industrial levels, decarbonization targets are extended to include emissions from other business activities, including construction, residential and estate development, logistics and airline operations by 2050.

Ayala Land is working with South Pole, a leading climate solutions provider, to develop its net-zero roadmap. The process entails completing the company's greenhouse gas inventory to cover scope 1, 2 and 3 emissions, identifying and assessing emissions reduction strategies, and setting interim science-based 1.5°C pathway targets to ensure a robust net-zero roadmap. The roadmap is scheduled to be accomplished by end-2022 and disclosed in the next annual report.

The company also signed up as a Task Force on Climate-Related Financial Disclosures (TCFD) supporter and has started to work with a third party to evaluate the impacts of climate-related physical and transition risks on the business based on various climate scenarios. The TCFD recommendations will be incorporated in the risk mitigation measures which are to be disclosed in 2022.

ENVIRONMENTAL STEWARDSHIP

CARBON NEUTRALITY

Ayala Land has set an ambitious target of achieving carbon neutrality for its commercial properties by 2022, by increasing its reliance on renewable energy and offsetting its GHG emissions with carbon forests. As of end-2021, the company has cut 100% of its emissions equivalent to 214,932 t-CO₂e.

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

	2017	2018	2019	2020	2021
Gross Emissions²	240,394	244,046	280,272	261,985	214,932
Less: Renewable energy use	20,168	60,869	121,951	154,403	163,946
Less: Carbon Forest Offset³	68,133	82,090	80,345	84,289	88,224
Net Emissions	152,093	101,087	77,976	23,292	-37,338
% Reduction	37%	59%	72%	91%	117%

Notes:

1. Emissions are market-based and calculated using the GHG Protocol Corporate Accounting and Reporting Standard.
2. Emissions if properties had not shifted to renewable energy sources (business-as-usual scenario).
3. Reductions from carbon sinks are due to the estimated carbon stock of ALI-owned forests, as calculated by a third-party. Verification of the carbon offset to be done in 2022. Excess offsets to be used in succeeding years.

Circular Waste Management

<GRI 306; SDG 12>

Solid Waste

Ayala Land strengthens its adoption of the circular economy model to reduce and avoid waste sent to landfills. This involves two main processes—segregating waste at the property level, and utilizing waste through recycling and reprocessing activities that embed them in construction materials, enabling a circular model for the company.

Efforts to segregate and collect plastics from Ayala Land developments and other sources were accelerated. In 2021, all Metro Manila malls installed their plastic collection booths to enable the mallgoers to contribute their clean and dry plastics on a regular basis. As a result, collected plastics increased by 11 tonnes or 23% compared with the previous year. This brings the total to more than 133 tonnes of plastics collected through Ayala Land's efforts since the start of the initiative in 2019.

On waste utilization, the company undertook research and development to enable more plastics to be used in construction projects. Through MDC, it successfully pioneered the development and use of a new construction product: ready-mix concrete with plastics. Shredded plastic bottles, which served as a sand

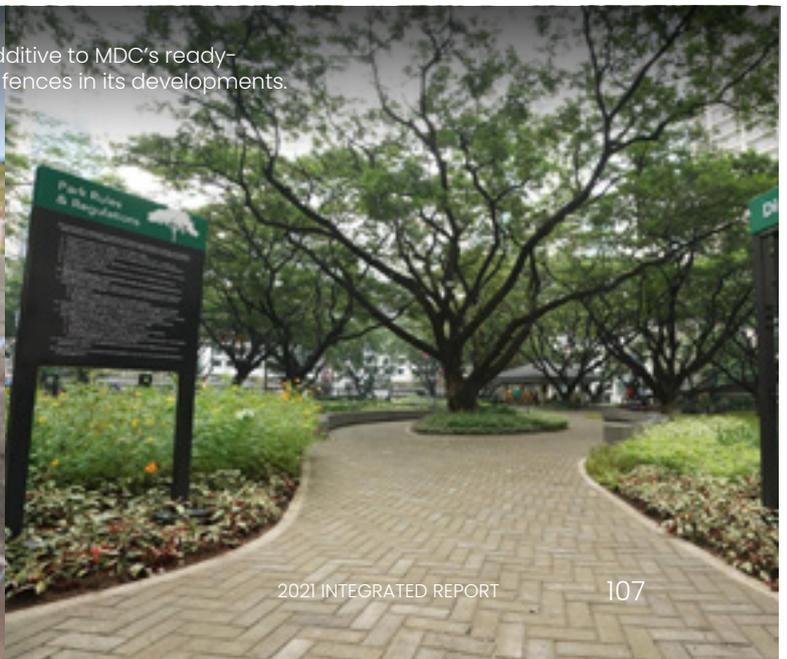
substitute, were added into the concrete mix and poured into sidewalks. The new product passed all technical requirements, allowing it to be used in all subsequent sidewalks such as those in Vermosa and Hillside Ridge in Cavite, which used 14 and 8 tonnes, respectively.

Through ready-mix concrete and continued use of eco-products from Green Antz, a social enterprise providing circular economy and waste management solutions, the company used 75 tonnes of plastics in Ayala Land developments, effectively diverting them from the landfill. A 168% increase from previous year, this amount is equivalent to more than 100% of the total clean and dry plastics generated from malls in Makati CBD and Bonifacio Global City.

Total waste generated decreased by 15%, mainly driven by waste reduction from malls and residential properties. As a result of Ayala Land's efforts to divert as much waste as possible through recycling and reprocessing for construction materials, waste diversion rate increased by one percentage point (23%) from the previous year.

Construction waste generation, on the other hand, increased by 28% because of more activities in 2021. The company is working towards establishing partnerships to divert non-recyclable waste during construction.

Ayala Land processed 75 tons of clean and dry plastics as an additive to MDC's ready-mix concrete and eco-products for the sidewalks and perimeter fences in its developments.



ENVIRONMENTAL STEWARDSHIP

Waste Generation and Diversion (metric tonnes) ¹	2017	2018	2019	2020	2021
Total Waste Generated	36,775	47,352	43,486	25,469	21,502
Landfilled	31,876	41,214	35,574	19,798	16,480
Residual ²	16,867	25,867	20,948	10,186	9,777
Food	10,467	8,749	10,593	3,355	4,865
Compostable ³	4,542	6,598	4,033	6,257	1,838
Diverted from landfill	4,899	6,138	7,941	5,688	5,078
Sent to recyclers ⁴	4,899	6,138	7,894	5,641	5,022
Plastics collected through ecohubs ⁵	-	-	32	46	56
Plastics processed for ALI projects	-	-	1	28	75
Plastics processed for non-ALI projects ⁶	-	-	2	1	-
Food composted	-	-	15	1	-

Notes:

1. Total waste generated across all businesses.
2. All other solid waste that are non-food and non-compostable.
3. Includes landscape waste such as leaves, shrubs, tree trimmings, and grass clippings.
4. Includes traditional recyclables such as paper, cartons, glass bottles and aluminum cans.
5. Plastics collected and diverted through Arca South and Lio ecohubs. Those not processed for ALI and non-ALI projects during the year were stored for future use or diverted through other plastic products.
6. Plastics that are processed in Arca South ecohub and used for construction materials for non-ALI projects.

Construction Waste Generation and Diversion ¹ (m ³)	2017	2018	2019	2020	2021
Total Construction Waste Generated	838,520	799,116	1,230,603	885,144	1,136,685
Landfilled	77%	76%	59%	61%	39%
Diverted from Landfill ²	23%	24%	41%	39%	61%

Notes:

1. Additional waste from construction activities measured in cubic meters. For accuracy purposes and due to the varying densities of construction materials, waste in cubic meters is reported separately from waste in metric tonnes.
2. Waste sent to recyclers.

Hazardous Waste

Abiding by its circular model on waste, Ayala Land works to reduce, divert and properly treat hazardous waste. Ayala Land complies with the requirements of hazardous waste management in accordance with Republic Act 6969 (Toxic Substances and Hazardous and Nuclear Waste Act of 1990) and Department of Environment and Natural Resources (DENR) Administrative Order 2013-22 (Revised Procedures and Standards for the Management of Hazardous Wastes).

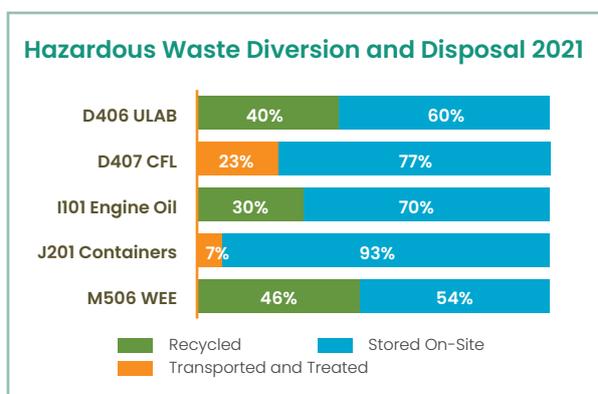
The company's properties have designated hazardous wastes storage rooms and DENR-controlled Hazardous Wastes Generators' ID Numbers. All hazardous waste generated from its properties is transported and treated by DENR-accredited vendors.

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

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

from their respective haulers as proof of proper disposal and reported to DENR on a quarterly basis or as applicable.

Hauling of hazardous waste resumed in 2021 following the easing of COVID-19 restrictions. By the end of the year, more than 30% have been recycled or transported and treated for all types of hazardous waste, except for J201 (used containers) and D407 (compact fluorescent lightbulbs) which APMC is in the process of securing transport permits.



Legend:

- ULAB – Used lead acid batteries
- CFL – Compact fluorescent lightbulbs
- WEEE – Waste electrical and electronic equipment

Environmental Certifications

The environmental management systems of MDC and APMC are ISO certified (ISO 14001:2015).

Supplemental Information

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

Hazardous Waste Generation (metric tonnes)	2017	2018	2019	2020	2021
D406 ULAB	20	12	150	34	42
D407 CFL	53	16	114	30	26
I101 Used Industrial Oil	21	78	45	19	87
J201 Containers	-	-	10	16	12
M506 WEEE	4	2	19	60	28

Legend:

- ULAB – Used lead acid batteries
- CFL – Compact fluorescent lightbulbs
- WEEE – Waste electrical and electronic equipment

Social Engagement



Ayala Land actively engages its stakeholders through various means and initiatives to ensure that their needs are addressed. The company also contributes to local economic development through employment and job creation, provision of training and development for the workforce, and ensuring the health and safety of its stakeholders.

Contribution to Local Economic Development

<GRI 401, 402; SDG 1, 8, 10>

Ayala Land provided jobs for 41,687 regular employees and support staff and generated more than 90,000 jobs through mall and office locators, and business suppliers. This was strengthened through the integration of social enterprises and creation of more more than 4,000 jobs under Alagang AyalaLand.

Employment and Job Creation

Ayala Land group had a total headcount of 41,687 direct employees and support staff as of end 2021. These were composed of 5,756 direct employees and 35,931 support staff for construction, property management, sales and other services.

2021 HIGHLIGHTS

Employment and Job Creation



- Provided jobs for 41,687 regular employees and support staff in the Ayala Land group, local hiring priority with APMC and Resorts at 85%, and MDC at 71%.
- Generated more than 90,000 jobs through mall and office locators, and business suppliers, and more than 4,000 jobs through Alagang AyalaLand
- Accredited 405 new vendors to provide project services
- Supported 737 social enterprises through Alagang AyalaLand

Training and Development



- Conducted an average of 30.11 training hours per employee for career and skills development (compared to 30.07 average training hours in 2020)
- Generated 530 graduates from the MDC-TESDA training program for employment readiness with MDC.

Health and Safety



- Recorded a 0.11 total disabling injury rate (vs 0.14 in 2020)
- Vaccinated 98% of regular group employees

Employment	2016	2017	2018	2019	2020*	2021
Direct Employees	4,369	5,040	5,358	6,180	6,133	5,756
Support Staff	54,241	53,774	54,369	44,384	26,907	35,931
Total	58,610	58,814	59,727	50,564	33,040	41,687

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

Of the company's 35,931 support staff, 10% are project and seasonal employees, 0.3% are consultants, 48% are independent contractors, and 28% are indirect hires.

The mall and office locators generated more than 90,000 jobs, while the Alagang AyalaLand program (whose thrust is to support communities and social enterprises) created more than 4,000 jobs. For more information on Alagang AyalaLand, see page 123 of this report.

Employee Profile

Ayala Land keeps track of the profile of its direct employees. Of the total number of ALI Group direct employees, 35% were below 30 years old and the balance, 65%, were 30 years old and above. By region, 88% were from Luzon, 8% from the Visayas, and 3% from Mindanao. 52% are female, 48% male. A total of 676 new direct employees were hired in 2021, wherein 62% are female. The attrition rate in 2021 reached 14.97% owing to talents pursuing other fields and addressing personal challenges brought about by the pandemic.

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	2016	2017	2018	2019	2020*	2021
Employee Attrition Rate	13.57%	12.99%	12.69%	12.55%	9.51%	14.97%

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

Local Hiring Priority

Local hiring is a priority for Ayala Land's projects. In 2021, 85% of APMC and Resorts, and 71% of MDC's workforce were comprised of locals in the areas where the projects and developments are situated.

Construction Workforce

MDC's total workforce was at 46,958 by end-2021, up from 31,595 the previous year as a result of easing of COVID-19-related quarantine restrictions and the acceleration of construction works.

Compliance to the Labor Code Notice Period Requirement

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

Health and Safety

<GRI 403; SDG 8>

Health and safety standards are continuously developed and implemented across the organization. Through MDC's continuous improvements in safety practices and initiatives during construction and operations, disabling injuries were maintained at 11 while total man-hours increased to 108 million, thereby resulting in a lower total disabling injury rate (TDIR) of 0.11 from 0.14.

MDC Construction Safety

Safety measures are always enforced in MDC workplaces including construction

projects, batching plants, and mechanical equipment yards. Increased emphasis on applying risk management practices at all construction stages, compliance, and continual improvement to the environment, health and safety (EHS) management system, safety initiatives, and utilization of the online monitoring system through scheduled internal EHS audits. An EHS committee monitors the implementation of environment, health, and safety practices in every construction site.

Safety Practices

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

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

Safety Training

Training sessions on health and safety are conducted monthly for safety personnel, with 21,438 training hours conducted in 2021. Topics covered during the year include Project Site Safety, Pre-Activity Training and Orientation on Safety (PATOS), Construction Hazard Awareness, and Incident Reporting.

Safety Performance and Target

In 2021, MDC recorded a safety performance of 0.11 total disabling injury rate (TDIR; better

Health and Safety Performance*	2018	2019	2020	2021
Total Man-hours (millions)	197	190	78	108
Total No. of Disabling Injuries/Illnesses/Fatalities	19	45	11	12
Injury/Illness Resulting in Lost Time	14	42	11	11
Injury-related Fatalities	5	3	0	1
Total Disabling Injury Rate (TDIR)**	0.10	0.24	0.14	0.11

*Combined health and safety performance of construction (MDC) and property management and operations (APMC, AHRC and ALMI).
**TDIR is measured using the following formula: (Total disabling injuries x 1,000,000) / Total man-hours

than 0.14 in 2020) covering 107 million total man-hours through continuing emphasis on safety. By year-end, 88 projects had achieved at least 1 million safe man-hours each. MDC aims to achieve a TDIR of 0.5 for every 1-million-man hours, better than the US Bureau of Labor Statistics rate of 3.

Emergency Preparedness

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

APMC Property Management Safety

APMC regularly conducts programs and seminars on government-mandated safety and health standards, fire code compliance, and occupational safety across the Ayala Land Group. These resulted in APMC averting 95 major incidents in its managed properties during the year.

APMC conducted a total of 13,676 weekly emergency response drills across all managed properties. With safety programs, proactive personnel readiness, and fire protection system reliability, no major fire incidents took place in 2021.

Vaccination and COVID-19 Care

Safety was prioritized through vaccination efforts during the second quarter of 2021 through the Ayala Vaccination and Immunization Program (AVIP). As of December 31, 2021, 98% of the regular employees in the ALI Group have been vaccinated. The company provided liaison in making ALI sites available as vaccination sites as well as seamless scheduling and assistance for any Covid and/ or AVIP-related query of the employees.

Direct employees and dependents were given access to RT-PCR testing, including assistance on scheduling test appointments, monitoring results, counselling, and referrals to Ayala group and Ayala Land Group clinics and hospitals, including Healthway clinics and Qualimed clinics and hospitals, among others. The fourth floor of The Flats Circuit in Makati was operated as a level-3 COVID-19 quarantine facility for employees who could not quarantine at home during January to June and August to November 2021.

Teleconsultation services with physicians and psychologists, and learning sessions on physical and mental health were also provided. Ayala Land also extended financial support for any COVID-19-related hospitalization expense beyond the insurance coverage. Annual employee physical examinations and flu vaccinations were extended to family members and designated dependents.

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For the construction workforce, MDC set up and operated four COVID-19 Isolation and Quarantine Facilities for its employees at Nuvali (Laguna) Circuit (Makati City), Vermosa (Cavite), and Arca South (Taguig City) and secured the accreditation of 16 vaccination sites from respective local government units (LGUs). As of end-2021, 43,294 or 89% of MDC's workforce were vaccinated through its in-house medical team and in partnership with LGUs. By October 2021, the company eliminated the disease among its ranks from a high of 273 active cases since January 2021.

Employee Wellness

Ayala Land created a Mental Health Policy to address the growing demand for mental health support and strengthen its wellness campaign. Employee wellness engagement is done through various activities such as Thursday Happy Hour, ALI Anniversary and Values Week, and Work-out From Home, among others, complemented by webinars on environmental, social, and health and wellness topics by key industry and health experts.

Flexible Work Arrangements

Across the organization, Ayala Land adopted tailor-fit work arrangements set by each business unit depending on their respective operational and functional needs. These efforts balanced employee productivity with their safety and well-being.

Training and Development

<GRI 404; SDG 1, 8>

The company recognizes the importance of continuous professional development by reskilling and upskilling among its ranks. In 2021, Ayala Land Group employees logged a total of 173,491 training hours, for an average

of 30.11 hours per employee. This is a slight decrease from the previous year's 184,431 total training hours mainly due to a lower population of direct employees compared to 2020 (5,756 vs 6,133), however the average training hours per employee was almost the same (30.07 in 2019).

Employee Training Hours (2020)	Male	Female
Total	92,351	81,140
Average	33.62	26.92

Training Programs

Reskilling and upskilling the workforce continues to be a focus of learning and employee development, with level-based training programs producing 300 graduates in 2021, 16 of which were high-potential executives who finished the Ayala-Harvard Leadership Acceleration Program. Level-based programs include the Ayala Land Group Onboarding Program, Associate Managers' Program, New Managers' Boot Camp, and Associates' and Leaders' Forum which tackled coaching, personal excellence, communication, customer service, values, and other relevant topics as the company shifts towards recovery. There are other training opportunities and customized courses aimed at increasing employees' skill sets, enabling them to perform at optimum levels. These programs cover business and technical knowledge, skills building, values, ethics, and corporate governance. To complement the webinars, self-paced learning was also made available to employees through online learning platforms Degreed ([degreed.com](https://www.degreed.com)) and Coursera ([coursera.org](https://www.coursera.org)).

To ensure that career development remains a priority for all individuals, employees and their

immediate supervisors discuss and establish training and development plans and targets at the start of the year. Performance against these targets is then monitored and reviewed by year-end.

Regular employees with at least three years of continuous service can apply for study leave, i.e., extended leave days to support formal or continuing education, subject to management approval.

Construction Skills Training

MDC continually develops in-house skills training modules to enhance the competencies of the construction workforce, supervisors, and engineers on new construction methodologies, construction components, materials, and products. To benchmark its global construction skills and competencies, MDC also maintains partnerships with the Technical Education and Skills Development Authority (TESDA), Construction Manpower Development Foundation, and Philippine Contractors Association (PCA) and collaborates with international vocational schools such as the UK’s Technical & Vocational Education & Training (TVET) and Japan’s Tone Numata Techno Academy.

MDC’s nine TESDA-accredited training centers offer programs in a range of skills, from heavy

equipment operation, reinforced steel works, to plumbing and electrical installation and maintenance, among others. MDC has 41 TESDA-accredited trainers, 13 of whom are also TESDA-accredited assessors. In 2021, MDC training centers produced 530 graduates, bringing the total number to 31,956 since the program started in 2015.

MDC optimizes digital platforms to reinforce people development in the face of new and emerging work arrangements. It developed and implemented various digital initiatives in 2021 which contribute to operational and cost efficiencies, through the use of various technologies such as artificial intelligence (e.g., robotics process automation) and cloud-based solutions. The company intensified its data-driven culture by rolling out data analytics training sessions in partnership with Globe Telecom, Inc.’s Globe University.

Property Management Skills Training

APMC launched APMC e-University last May 2021. This is a learning management system where employees can access the training courses and self-enroll for open courses, check their assigned activity history, and track their progress. APMC conducted 39,222 hours of training, or an average of 89 learning hours per employee.

MDC TESDA Graduates							
2015	2016	2017	2018	2019	2020	2021	Total
5,620	8,513	5,267	5,306	5,139	1,581	530	31,956

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Two CPD-accredited training programs were made available to APMC employees in the fields of mechanical, electrical, and civil engineering, and accounting.

Stakeholder Engagement

Ayala Land actively engages its stakeholders through various means and initiatives to ensure that their needs are addressed.

Property Buyers

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

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

In response to the restrictions caused by the pandemic, Ayala Land’s residential brands maximized the use of technology to engage property buyers. They increased digital selling initiatives across different platforms, resulting in PHP20.2-billion worth of sales reservations, equivalent to 22% of the total.

Buyers have the option of viewing the model unit, walking through the actual unit, and conducting the unit turnover online. Physical showrooms as well as on-site turnover adhered to strict social distancing and safety protocols.

Amicassa Process Solutions, Inc. processed the release of 8,591 titles to property buyers in 2021, despite mobility restrictions and the skeletal workforce deployed in regulatory offices.

Brokers and In-house Sellers

As of end 2021, Ayala Land’s residential brands and its international sales group, Ayala Land International Sales, Inc. (ALISI), have 5,764 sellers, and 4,320 brokers.

	Brokers	In-house Sellers
ALP	300	298
Alveo	781	741
Avida	1,054	1,776
Amaia	1,303	1,796
BellaVita	104	851
ALISI	778	302
Total	4,320	5,764

ALP conducted 139 training and engagement activities for its sales channels from in-house sellers to accredited brokers. Attendees ranged from 15 to a maximum of 750 participants. The majority of the activities were conducted virtually, covering Regular Project Trainings, Sales Summit, Quarterly and Mid-Year Awarding, New Hire Trainings, recurring sessions on Salesmanship, Virtual Home Workouts, and retention programs.

ALVEO held 25 virtual engagement activities, including general assemblies, virtual awards events, leader’s summit and talks and webinars on health, safety, and mental wellness attended with an average of 700+ sellers per event. A total of 178 virtual training sessions for Alveo Sellers and broker accreditation programs were conducted in 2021.

Avida conducted 172 virtual training sessions covering accreditation, professional development, wellness programs, and product knowledge, which generated 12,886 attendees. About 45 general assemblies were also conducted as part of broker engagement activities. In addition, Avida Sales Corp, Avida’s wholly owned marketing company, conducted 100 engagement activities for in-house sellers, 73 virtual open houses, 51 recruitment activities, and 54 learning sessions focusing on digital

marketing. Towards the end of the year, clients were welcomed to the different sites for actual site viewing while observing health protocols.

Amaia conducted 93 virtual training programs on accreditation, digital selling, and other technical sessions. These sessions were attended by 1,248 sellers and brokers. A total of 58 virtual engagement events were conducted in 2021.

BellaVita held a total of 128 training sessions, attended by a total of 2,095 participants. It also had 14 online engagement activities such as sales rallies, general assemblies, and awarding ceremonies, altogether attended by 788 participants. Further, sellers-focused initiatives were held – Bibo sa Bella (a weekly online activity for productive sellers for the past week) and Power Hour (a weekly online segment featuring inspiring stories for sellers). All activities were done virtually.

Residents, Shoppers, Tenant Employees, Tourists and Hotel Guests

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

APMC received a 95% overall customer satisfaction rating and 96.5% satisfaction rating for COVID-19-related efforts.

Seda Hotels' overall guest satisfaction rating was at 89% from 88% the previous year. Meanwhile, El Nido and Lio attained guest satisfaction ratings of 92% (from 94%) and 95% (from 93%), respectively.

Employees and Workers

<GRI 401, 407; SDG 8>

Workplaces at Ayala Land support and facilitate employees' individual and group endeavors. The company prioritizes employee well-being with programs that build on the capabilities of

employees, support high performance levels, and promote their health and safety at all times.

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

Initiatives to mitigate the impact of COVID-19 on Ayala Land employees are mentioned under "Health and Safety" on page 112.

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

Compensation and Rewards

<GRI 401; SDG 8>

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

The company endeavors to sustain its market competitiveness through a long-term compensation and benefits package. All regular employees receive life insurance, in-patient and out-patient health coverage, disability and invalidity coverage, retirement benefits, and medical allowances. Project employees are provided with health insurance coverage and are entitled to service incentive leaves and overtime pay.

Ayala Land has an employee compensation and rewards policy that is aligned with business performance. In particular, the

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Employee Stock Ownership (ESOWN) plan gives select employees the opportunity to participate in the growth of the company and instills a sense of personal accountability for its growth. The company also provides variable pay such as a performance-based cash bonus directly linked to an individual's key deliverables established at the start of the year.

Employee Leaves

The company implements government-mandated leaves on paternity and maternity, with all employees entitled to parental leave. In 2021, 59 male employees and 122 female employees went on parental leave, with those returning to work at 54 and 95 respectively.

Return-to-work Rates	2016	2017	2018	2019	2020*	2021
Men	82%	98%	99%	100%	95%	92%
Women	88%	90%	88%	92%	97%	78%**

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

***Of the 22%; 11% returned to work in 2022; 3% are still on maternity leave and 7% resigned.*

Diversity and Equal Opportunity

<GRI 401, 405; SDG 10>

Ayala Land recognizes the importance of diversity and equal opportunity in the workplace. Women account for 51% of the company's employees.

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

Ethical Behavior

<GRI 205, 402, 406, 408, 409; SDG 8>

Ayala Land upholds high standards of accountability and ethics, and regards employees with utmost respect and professionalism.

Open dialogue between employees and management has been the bedrock of the company's strong and sound organizational partnership.

Non-Discrimination

Ayala Land's non-discrimination policy encourages employees and stakeholders to report any discriminatory practice to Human Resources. In 2021, there were no reports of any act of discrimination.

Whistleblowing

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

The company's Whistleblowing Policy provides that any individual or entity that suspects or becomes aware of any irregularity or misconduct involving Ayala Land employees, brokers, sellers, business partners, suppliers, and service providers may report such behavior to Ayala Land management through secure channels. In 2021 no significant incident of illegal or unethical behavior was reported.

A significant incident of illegal or unethical behavior, as defined by SEC Memorandum Circular No. 2003-13, is one that reduces the consolidated total assets of the company by at least 5%.

For more information on the Whistleblowing Policy, see page 144 of this report.

Business Partners, Suppliers and Service Providers

<GRI 204, 205, 308>

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

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

As of end-2021, the company had a total of 1,891 vendors, 1,111 of whom were engaged during the year. A total of 614 vendors were counted under the civil, structural, and architectural categories. Meanwhile, 405 vendors were newly accredited in the year.

Greening the Supply Chain

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

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

Ayala Land also began the process of familiarizing its vendors with the company's emphasis on sustainability and sustainable procurement principles in 2018. The target of reaching awareness for all of its active vendors is set for 2023.

In 2021, 965 or 51% of the accredited vendors attended one or more Vendor Kapihan (coffee talks) sessions, where they learned more about the company's guidelines, processes, and programs related to sustainability. Topics discussed during the sessions included, among others, environmental health and safety, compliance with labor standards, vendor

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

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

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integrity, bonds and insurance. The sessions also served as an additional venue for vendors to express their concerns about doing business with Ayala Land.

MDC continues to expand its vendor pool and reaches the wider community of small and medium-sized entities MSMEs and social enterprises (SEs), including small-sized cooperatives. In 2021, it engaged 40 new MSMEs and 4 new SEs.

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

Vendor Audits

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

In 2021, 15 vendor audits were initiated and are currently in various stages of resolution.

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

For the BIP, various policies were created and reviewed to support the effective implementation of the program vis-a-vis the current business directions, applicable changes in laws, and regulations, and leading practices. Among the new policies created were the Anti-Bribery and Corruption Policy and Vendor Audit Program Policy, while enhancements were made to policies on Code of Ethics & Chart of Offenses, Whistleblowing Policy,

Employee Investigation Policy, Insider Trading Policy, and Related Party Transactions Policy. The Company also ensured that the BIP was aligned and implemented across all entities in the ALI Group.

Moreover, the vendor contract templates and the Vendor's Code of Ethics (VCE) were revised to include updates to certain provisions relating to Data Privacy Act of 2012, the inclusion of the Right-to-Audit clause, and the compliance with its updated VCE, among others. These changes shall be effective immediately upon cascade to all stakeholders concerned.

Against Child Labor

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

Creditors

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

Shareholders and Analysts

As a publicly listed company, Ayala Land provides financial and operational information to all its shareholders and analysts, with management and key representatives of the

company making themselves available and accessible for meetings.

Ayala Land complies with all the disclosure and transparency rules of the Securities and Exchange Commission (SEC), Philippine Stock Exchange (PSE), and Philippine Dealing & Exchange Corporation (PDEX), ensuring that all relevant information is publicly available.

Shareholder Rights to Participate in Decisions Concerning Fundamental Corporate Changes

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

Shareholder Voting Rights

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

Shareholder Rights to Participate Effectively and Vote in General Shareholder Meetings

Each shareholder is entitled to as many votes as the shares registered under his or her name during Ayala Land's annual stockholder meetings.

Shareholders are given the right to approve remuneration-related matters of the company's nonexecutive and independent directors during general meetings, whether regular or special. The last increase in remuneration of nonexecutive and

independent directors, consisting of annual retainer fee and per diem for board and committee meetings, was approved in 2011.

Noncontrolling or minority shareholders have the right to nominate candidates to the Board of Directors. For more information on the Voting Procedures, page 140 of this report.

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

Analyst Briefings

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

In response to the ongoing health crisis, videoconferencing facilities have been utilized for one-on-one meetings and analyst briefings. Video replays of the briefings are made available on the IR website.

Broker Conferences and Roadshows

The President and CEO, Chief Finance Officer, and other key members of the management team, together with the investor relations team, attend investor conferences and non-deal roadshows to ensure regular discussions with institutional shareholders. In 2021, the team attended 15 virtual conferences.

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Investor Meetings

Ayala Land hosted 41 meetings and conference calls with investors and sell-side analysts. All these activities allowed the team to meet 158 firms and 294 representatives, ensuring continued engagement throughout this time. The President and CEO and Chief Finance Officer participated in 15 and 22 meetings, respectively.

Communities and Non-Government Organizations

<GRI 413; SDG 1, 8, 10>

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

Community Support Initiatives

Ayala Land's presence across the country provides communities with opportunities for employment, livelihood, and basic health services. It conducts training programs for the communities so that their available workforce can seek employment in its projects and even other workplaces. The company also partners with local public schools and barangays to conduct feeding programs and medical missions.

Vertis North works with the National Housing Authority through the latter's Community Initiative Approach (CIA) program to relocate families, providing them with homes in Barangay Pasong Tamo, Quezon City and Barangay Graceville, San Jose del Monte, Bulacan. This approach is an alternative

financing scheme that gives families from the marginalized sector the opportunity to acquire their own homes. Families who opt for monetary compensation or assistance to return to their hometowns are also given support by the estate, in line with the government's Balik Probinsya program.

At Alviera, the project teams provided schools for the indigenous community in Porac, Pampanga. Eight classrooms have already been turned over to the relocated Barangay Sapang Uwak Elementary School and two classrooms for Junior High School since 2019. To support the community's health needs, a health center was completed in Barangay Dolores during the year and vaccination drives were conducted in partnership with AC Health. Two indigenous peoples were hired as Hortihelpers to grow ornamental plants and take care of the nursery in the estate under the Alagang AyalaLand program.

AyalaLand Hotels and Resorts (AHR) actively supported the communities near its properties. At the height of Typhoon Odette, it provided relief goods to 4,032 households in Palawan, Cebu, Iloilo, Bacolod, Cagayan De Oro and Surigao and raised P2.2 million worth of donations from employees and other sources for relief operations. It also instituted programs to help the local enterprises in Lio Palawan. The El Nido Terminal in Sitio Uno, a retail strip in Lio, showcased local farm produce in partnership with Ayala Foundation and Pilipinas Shell Foundation. It also Supported 10 social enterprises in Sitio Uno and Lio Beach through weekend markets starting November 2021 and through the e-Lengke Booth at Greenbelt 1. Lio estate provided jobs to 46 displaced workers during the pandemic through its maintenance and landscaping projects.

Alagang AyalaLand

In March 2021, Ayala Land launched the Alagang AyalaLand program to assist communities adjoining its developments whose livelihood were affected by the pandemic. The program's focus is to provide livelihood opportunities to social enterprises (SEs) by providing rent-free spaces in Ayala Land malls and estates. Through the program, the company hopes to create jobs and help local communities recover from the pandemic.

As of end 2021, Alagang AyalaLand has helped 737 SEs. These include SEs that were located within Ayala Malls, supply goods and services to MDC and APMC, deliver horticultural needs to estates, provide transport services to office employees, and are integrated in hotels and resorts' supply chain.

As part of Alagang AyalaLand, Community Engagement teams in all Ayala Malls immediately provided aid to surrounding communities during disasters. During Typhoon Odette, Alagang AyalaLand established disaster relief centers wherein food packs, clean water, and other essential goods were distributed to households in affected barangays.

National and Local Government

Ayala Land works with the government, both at the local and national levels, to help address pressing social issues. It constantly seeks to partner with the public sector in developing business solutions, initiatives, and infrastructure platforms that can serve as catalysts for social progress and contribute to raising standards of living.

The company participates in local government initiatives such as local business councils, job fairs, and medical missions. It also offers technical assistance to local government units in the areas of urban planning, and disaster response and support.

In 2021, Ayala Land continued to support national and local government partners in managing and alleviating the impact of COVID-19 on the health, economic, and overall wellbeing of the various communities. Also, all of Ayala Land's applications for project launches were approved by the government.

Media

Through its corporate communications division, Ayala Land regularly engages the media through multiple channels, such as media conferences, briefings, news releases, fact sheets, social gatherings, one-on-one meetings, and through third-party consultants. The company is focused on accessibility, making sure that media inquiries and concerns are addressed in a timely manner, using readily available means of communication, such as face-to-face interaction, telephone calls, and e-mail.

In order to comply with social distancing protocols, media communication was maintained in 2021 through online platforms. Ayala Land has established an honest and transparent relationship with media representatives. Media engagement is at all times guided by the company's commitment to good corporate governance and ethical standards. Media-initiated causes and events that are aligned with the company's principles and advocacies are occasionally supported.

SOCIAL ENGAGEMENT

At the center of all these actions is our thrust to continue supporting our stakeholders, contributing to recovery efforts, and ensuring that our properties are safe and healthy.

- 1-2** Ayala Land Chairman Fernando Zobel de Ayala, together with Makati City Officials Mayor Abigail Binay- Campos, Congressman Luis Campos, and Makati City Vice Mayor Monique Lagdameo, and Ayala Land Officers President Bernard Vincent Dy and Ayala Land SVP, Estates Group Head Anna Ma. Margarita B. Dy and Estates Group Corporate Services Head Manuel Blas II with Ms. Patsy Zobel lead the lighting ceremony of Christmas lanterns and decors along Ayala Avenue.
- 3** Ayala Land actively supported the National Vaccination Program across its estates and malls including the opening of a drive-through facility at Circuit Makati.
- 4-5** Ayala Corporation Chairman and Ayala Land Vice Chairman Jaime Augusto Zobel de Ayala, Ayala Land President and CEO Bernard Vincent Dy, Ayala Land Director Antonino Aquino and Ayala Malls President Christopher Maglanoc with Bank of the Philippine Islands representatives President and CEO Jose Teodoro Limcaoco, BPI Chief Customer and Marketing Officer Cathy Santamaria, and BPI Vice President and Deputy Head of Marketing Mariana Zobel de Ayala, and Bayan Academy Chairman and President Professor Jay Bernardo inaugurated the Alagang AyalaLand Center for social enterprises at AyalaMalls Trinoma in Quezon City.
- 6** 737 social enterprises were provided with rent-free spaces in Ayala Malls and estates across the country.
- 7-8** Alagang AyalaLand launched eight Disaster Relief Assistance (DRA) initiatives in the Visayas and Mindanao area in response to Typhoon Odette.
- 9** Ayala Land Lead Independent Director Rizalina Mantaring hosted a leadership seminar for Ayala Land officers in September 2021.





AyalaLand
LEADERS FORUM

ALI Director Riza Mantaring Reluctant Leader

Director Riza has served as an Independent Director of ALI since April 2021.

Concurrently, she also holds the following positions: Director, Sun Life; an Independent Director of Ayala Corporation, First Philippine Holdings Corp. Inc., Universal Robina Corp. Inc., East Asia Computer Center Inc. Foundation Inc.

She is also a member of the Boards of Trustees of the Makati Business for Education.

A recipient of the Asia Talent Management Award in the Asia Bus organized by the global business news network CNBC. She was selected as Most Outstanding Alumni of the past century by the University of the Philippines and was a 2019 FAJ awardee of St. Scholastica's College award given by the school to outstanding alumni.

#Leadership #Excellence

AyalaLand September 17, 2021 | 9:00 - 11:30 AM | MS Tea **9**



Corporate Governance

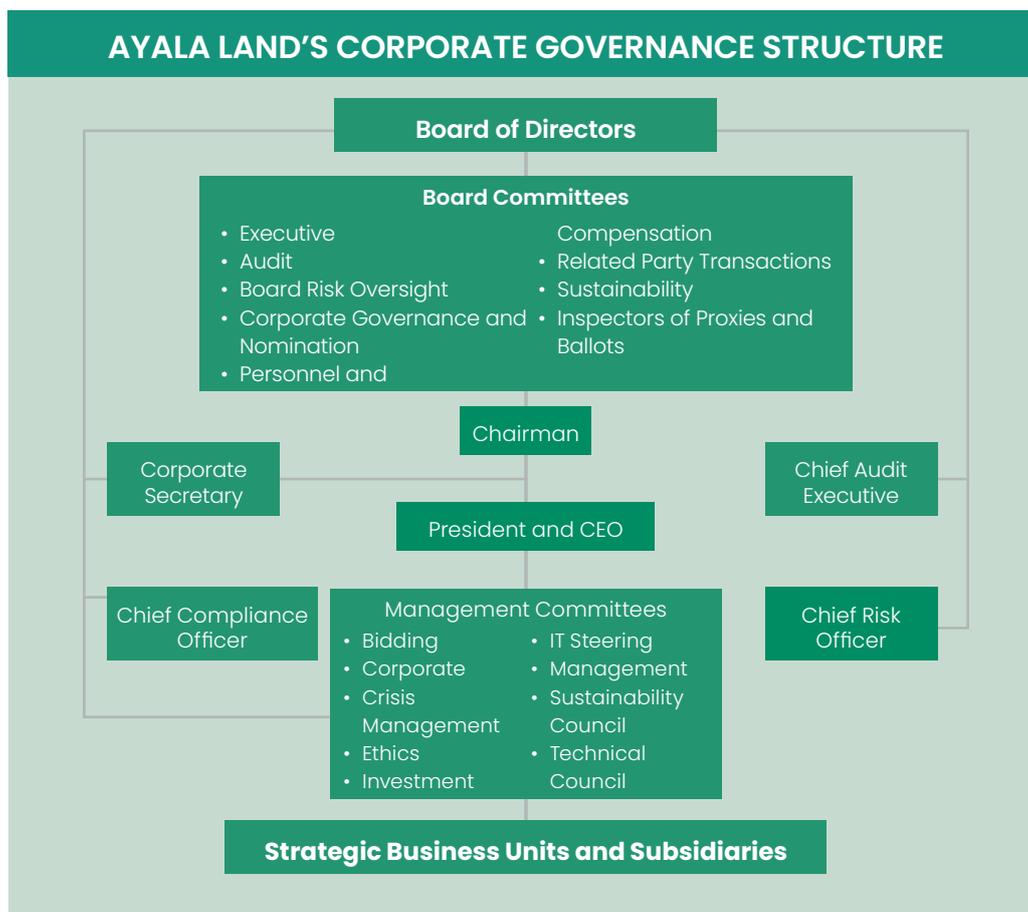
Ayala Land aligns its governance policies and practices with Philippine and regional standards. The most recent enhancements are updates to the Related Party Transactions Policy and compliance with the requirements of the Anti-Money Laundering Council as a covered entity.

Promoting a culture of good governance is aligned with Ayala Land's core value of integrity. Our corporate governance practices are ingrained in the Company's operations and all stakeholder engagements. We believe that this is integral to Ayala Land's strong brand equity, and essential for building trust with our customers, business partners, employees, and other stakeholders.

In 2021, we continued to strengthen our corporate governance framework with the implementation of several policy changes and programs that proactively address risks and incorporate regional standards. We remain committed to maintaining the high quality of governance that befits our standing as one of the top three listed companies in the Philippines, and one of the top 20 ASEAN companies based on the ASEAN Corporate Governance Scorecard.

Enhancement of the Related Party Transactions Policy

- Approval of additional related-party transactions (RPT) considered part of the ordinary course of business deemed within the scope of RPT matters delegated to



management. These transactions shall be reported annually to the Group Chief Finance Officer (CFO) or Chief Compliance Officer by the respective CFOs of the relevant companies or subsidiaries within the Group.

- A provision on compliance of all RPTs with applicable transfer pricing rules of the Bureau of Internal Revenue.

Registration with the Anti-Money Laundering Council

Ayala Land and its subsidiaries are now considered covered institutions under the Anti-Money Laundering Act of 2011, as amended. The following were carried out to comply with the Act:

- Registration of Ayala Land as a covered entity with the Anti-Money Laundering Council (AMLC);

- Adoption of the Money Laundering and Terrorism Financing Prevention Program (MTPP) of the Company as approved by the Chief Compliance Officer on 17 December 2021.

Strengthening Anti-Bribery and Corruption, and Vendor Management Practices

To better address vendor management risks and to serve as a guide for engaging vendors and suppliers, the following were implemented:

- Creation of new policies for Anti-Bribery and Corruption, and Vendor Audit;
- Updating of the Vendor's Code of Ethics (VCE) and vendor contract templates to address certain provisions related to the Data Privacy Act of 2012, the inclusion of the Right-to-Audit clause, and compliance with the updated VCE, among others.

CORPORATE GOVERNANCE

Updated Policies under the Business Integrity Program (BIP)

Several policies under the Business Integrity Program (BIP) were updated to address current business needs, and adapt to changes in relevant regulatory requirements and leading practices. These policies are found in the:

- Code of Ethics and Chart of Offenses
- Whistleblowing Policy
- Employee Investigation Policy

Other Updates

- The Charter of the Executive Committee was amended to align with the By-Laws of the Corporation and to allow the Committee to hold meetings via remote communication, ensuring that the Committee can still function effectively when face-to-face meetings are not possible.
- The Guidelines on Accepting Proposals from Stockholders on Agenda Items for Stockholders' Meetings was approved by the Board to promote a more inclusive engagement with our stockholders.

Governance Structure

Board of Directors

The Board of Directors is vested with the principal responsibility of promoting sound corporate governance. It sets the company's vision and mission, strategic objectives, and key management policies and procedures. It also establishes and approves the mechanisms by which senior management is evaluated.

The board is assisted by eight committees with delegated functions in accordance with Ayala Land's bylaws. These are the Executive, Audit, Board Risk Oversight, Corporate Governance and Nomination, Personnel and Compensation, Related Party Transactions Review, Sustainability, and Inspector of Proxies and Ballots committees.

Each committee's responsibilities are discussed in pages 133 to 137, "Board Committees," of this report.

The Chairman, Vice Chairman, and President and CEO

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

The Chairman of the board is Mr. Fernando Zobel de Ayala. He assumed the post in April 1999. The Chairman heads and leads all board and stockholders' meetings, ensuring that each director freely expresses his opinion on any matter under discussion. The Vice Chairman may lead board meetings and the President may lead stockholders' meetings when the Chairman is not available.

The Vice Chairman is Mr. Jaime Augusto Zobel de Ayala. He has served as director and member of the Executive Committee since June 1988.

The President and CEO is Mr. Bernard Vincent O. Dy, who assumed office in April 2014. The President executes resolutions of the board and those of the stockholders. In accordance with such resolutions, the President signs contracts, instruments, and powers of attorney, and represents the company and votes at stockholders' meetings or designates a proxy on the shares owned by Ayala Land in other companies. He has general supervision of the business, affairs, and property of the company, and over its employees and officers.

Corporate Secretary

The Corporate Secretary ensures that all board members receive adequate and timely information ahead of board meetings. He also serves as legal adviser to the directors on their responsibilities and obligations.

Each board member may separately and independently confer with the Corporate Secretary.

Mr. Solomon M. Hermosura is Ayala Land's Corporate Secretary. He assumed the post in

April 2011. Since April 2015, Mr. Hermosura has also served as Group General Counsel of the company.

Chief Compliance Officer

The Chief Compliance Officer (CCO) ensures Ayala Land's compliance with all regulations that govern the company, and the adoption and implementation of corporate governance best practices across the organization.

Ayala Land's CCO is Mr. Augusto D. Bengzon, who concurrently serves as the company's Chief Financial Officer and Treasurer.

Chief Audit Executive

Reporting to the Audit Committee, the Chief Audit Executive (CAE) leads the Internal Audit group in its function to assist the board and the committee in the discharge of their duties and responsibilities as provided in the Code of Corporate Governance for Publicly Listed Companies. Through the Internal Audit Division, the CAE ensures compliance with internal controls and supports corporate governance through the provision of checks and balances.

Ayala Land's CAE is Ms. Annabeth R. Bernardo who assumed the position on January 2, 2021.

Chief Risk Officer

Reporting to the Board Risk Oversight Committee, the Chief Risk Officer (CRO) conducts annual risk assessments to identify risks and their impact on the company's business and determines corresponding measures to address such risks.

Ayala Land's CRO is Mr. Maphilindo L. Tandoc.

Management Committees

In addition to board-level committees, Ayala Land has management-level committees that guide critical decision making and key practices of business units and support functions. The company recognizes the importance of adopting and maintaining clear policies, best practices, and strong internal controls to support effective corporate governance.

Strategic Business Units and Subsidiaries

Ayala Land's strategic business units (SBUs) and subsidiaries execute the company's strategies and oversee day-to-day operations. Each SBU and subsidiary is led by a group head who reports to the President and CEO.

Ayala Land has four core business groups—estates group, residential business group, commercial business group, and services group.

The estates group is responsible for the acquisition of land and the development of large-scale, integrated, mixed-use, and sustainable estates. The residential business group handles the development and sale of residential and office condominiums, lots only and house-and-lot developments, and commercial and industrial lots. The commercial business group oversees the development and lease of shopping centers, offices, hotels and resorts, and industrial warehouses. The services group handles the construction and management of facilities and properties.

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

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

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

Board Matters

Board Composition

The board is composed of nine members, more than half of whom are independent and non-executive directors. Directors have a one-year term of office, which ends when their successors are elected and qualified.

CORPORATE GOVERNANCE

Skills, Competency, and Diversity

The board encourages independence and diversity in its ranks, with each director adding value and providing independent judgment in the formulation of corporate strategies and policies.

In the selection of candidates to the board, the objectives and criteria set by the board for its composition, including knowledge, skills, abilities, and experience required to properly perform the board’s duties and to successfully manage the company, are carefully considered. Collectively, the board possesses the knowledge, skills and competencies, and experience in general business, industry, law, and finance to properly perform its duties.

The board regularly reviews its composition in line with evolving company requirements and best practices for corporate governance. The board members’ diverse professional backgrounds and expertise facilitate the effective execution and oversight of corporate governance in Ayala Land.

Independent Directors

Independent directors, who may serve for not more than nine years, cannot hold any interest or relationship with Ayala Land that could compromise or interfere with their independent judgment and exercise of responsibilities.

Ayala Land has four independent directors, equivalent to 44% of the nine-man board, exceeding the requirement of the Code of Corporate Governance for Publicly Listed Companies and the Revised Corporation Code of having at least three independent directors on the board, or such number as to constitute at least one-third of the members of the board, whichever is higher.

Following the Code of Corporate Governance for Publicly Listed Companies, the Ayala Land board has appointed a lead independent director who serves as an intermediary between the Chairman and the other directors, when necessary. Since April 22, 2020, the lead independent director has been Ms. Rizalina G. Mantaring.

Director	Designation	Year Appointed (Years in the board)	Expertise
Fernando Zobel de Ayala	Non-executive, Chairman	April 1999 (22)	General management, real estate, utilities, arts and culture
Jaime Augusto Zobel de Ayala	Non-executive, Vice Chairman	June 1988 (33)	General management, strategy and finance
Bernard Vincent O. Dy	Executive	April 2014 (7)	Real estate, accounting, finance
Rizalina G. Mantaring	Non-executive, Lead Independent	April 2014 (7)	Insurance, engineering and computer science
Rex Ma. A. Mendoza	Non-executive, Independent	April 2020 (1)	Insurance, marketing, sales and distribution, real estate
Sherisa P. Nuesa	Non-executive, Independent	April 2020 (1)	Accounting and finance, manufacturing, real estate, utilities
Cesar V. Purisima	Non-executive, Independent	April 2018 (3)	Accounting and finance, economics
Antonino T. Aquino	Non-executive	April 2009 (12)	Real estate, utilities and property management
Arturo G. Corpuz	Non-executive	April 2016 (5)	Architecture, economics, urban and regional planning, sustainability

Guidance on Directorships outside Ayala Land

A director may, with due discretion, accept and hold directorships outside Ayala Land, provided he notifies the Chairman and the Corporate Governance and Nomination Committee before accepting a directorship in another company and such directorships do not, in the director's opinion, detract him from diligently performing his duties as Ayala Land director. An independent director is encouraged to hold no more than five board seats in publicly listed companies while an executive director is encouraged to hold no more than two board seats in listed companies outside the Ayala Group.

Meetings and Attendance

Regular meetings of the Board of Directors are held at least six times annually, the schedule of which is set at the start of the year.

In 2021, the board held six regular meetings. The average attendance rate was 100%, with all members complying with the 75% minimum attendance required to be eligible for re-election, as set in the board charter. On October 19, 2021, the non-executive directors held a meeting, without any executive director present.

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

Board meeting materials are distributed to the board at least five business days before the relevant meeting.

Remuneration

Each Ayala Land non-executive director is entitled to receive compensation for services as director, pursuant to the resolution approved by the stockholders.

In no case shall the board's total yearly compensation exceed 1% of the company's net income before income tax of the preceding year.

Each non-executive director receives a fixed annual retainer fee of PHP1 million, a fixed per diem of PHP200,000 for every board meeting attended, and a fixed per diem of PHP100,000 for every committee meeting attended. Such remuneration was approved during the 2011 annual stockholders meeting.

Meanwhile, independent directors are not entitled to receive options, performance shares, and bonuses except pursuant to a resolution approved by stockholders owning a majority of outstanding capital stock.

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

The total compensation of the CEO and the four most highly compensated officers is disclosed in the Definitive Information Statement sent to all shareholders. The total annual compensation reported includes the basic salary and variable pay, such as performance-based cash bonuses and the exercise of previously granted employee stock option plans, if any.

CORPORATE GOVERNANCE

Board of Directors Attendance

Director	Full Board		Non-Executive Directors Meeting (19 October 2021)	
	Meetings Attended/Held	% Present	Meetings Attended/Held	% Present
Fernando Zobel de Ayala (Chairman, NE)	6/6	100%	1/1	100%
Jaime Augusto Zobel de Ayala (Vice Chairman, NE)	6/6	100%	1/1	100%
Bernard Vincent O. Dy (E)	6/6	100%	N/A	N/A
Rizalina G. Mantaring (NE, LI)	6/6	100%	1/1	100%
Rex Ma. A. Mendoza (NE, I)	6/6	100%	1/1	100%
Sherisa P. Nuesa (NE, I)	6/6	100%	1/1	100%
Cesar V. Purisima (NE, I)	6/6	100%	1/1	100%
Antonino T. Aquino (NE)	6/6	100%	1/1	100%
Arturo G. Corpuz (NE)	6/6	100%	1/1	100%

Board of Directors Gross Remuneration

Director	Remuneration
Fernando Zobel de Ayala (Chairman, NE)	3,000,000.00
Jaime Augusto Zobel de Ayala (Vice Chairman, NE)	2,800,000.00
Bernard Vincent O. Dy (E)	-
Rizalina G. Mantaring (NE, LI)	3,400,000.00
Rex Ma. A. Mendoza (NE, I)	3,200,000.00
Sherisa P. Nuesa (NE, I)	3,200,000.00
Cesar V. Purisima (NE, I)	3,800,000.00
Antonino T. Aquino (NE)	3,400,000.00
Arturo G. Corpuz (NE)	2,500,000.00
Total	25,300,000.00

Directors who hold executive or management positions, such as the President and CEO, do not receive directors' fees.

Disclosure of Conflict of Interest

Each director is required to disclose any conflict of interest annually using the Ayala Land disclosure form. Additionally, each independent director submits to the Corporate Secretary a confirmation letter stating that at the time of his election, appointment, or re-appointment as director, he holds no interest affiliated with the company, or in the management of its controlling shareholder. A director with any material conflict of interest

determined to be permanent in nature shall be disqualified from the board.

Notwithstanding the disclosure, a director is required to abstain from participating in the discussion and voting on any matter where he has a conflict of interest at any point during the course of his service. The board may follow any additional process to preclude such conflict.

No person shall qualify or be eligible for nomination or election to the board if he is engaged in any business that competes with or is antagonistic to the interest of Ayala Land.

Employees in the Ayala Land group are required to accomplish and file a business interest and related party disclosure form annually with their respective human resources department. The forms are documented by Human Resources and reviewed by Internal Audit, which also monitors strict compliance with this requirement.

Annual Self-Assessment

Every year, Ayala Land's board and board committees undergo self-assessments to monitor and improve their performance. This exercise requires each member to assess himself and the entire board. The assessments are compiled by the Chief Compliance Officer who, through the Corporate Secretary, sends the compilation to the board for presentation and action.

The board assessment covers broad topics which include composition, role and functions, information management, representation of shareholders and ESG factors, managing company performance, senior executives' performance management and succession planning, director development and management, risk management and internal control, overall perception of, and the performance of, individual board members. Meanwhile, the committee assessment covers key responsibilities, quality of the relationship between the board and management, effectiveness of processes and meetings, and the performance of individual members. The assessment questionnaire is reviewed regularly by the CCO to ensure its relevance and appropriateness to the responsibilities and processes of the board and the committees.

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

Training and Continuous Education

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

All directors attended the Institute of Corporate Directors (ICD) and SEC-sponsored training program, "The Board's Agenda 2021: The Pathway to Recovery Through ESG," conducted virtually on October 21, 2021.

Board Committees

The board, in accordance with its bylaws, may create committees deemed advantageous or necessary to run the company.

Each committee has a board-approved charter that outlines its powers, duties, and responsibilities. The charter states the committee's composition, powers, duties, and responsibilities. The board may delegate some of its powers, duties, and responsibilities to any of the board committees.

Executive Committee

The Executive Committee consists of five members: Mr. Fernando Zobel de Ayala, chairman; Mr. Jaime Augusto Zobel de Ayala; Mr. Antonino T. Aquino; Mr. Bernard Vincent O. Dy; and Mr. Cesar V. Purisima, all citizens of the Republic of the Philippines.

CORPORATE GOVERNANCE

The Executive Committee, with a quorum of at least two-thirds of its members, shall exercise any of the powers and attributes to the extent allowed by the bylaws during the intervening period between board meetings. Resolutions adopted by the Executive Committee shall be reported to the board in the board meeting immediately following the approval and adoption of such resolutions.

In 2021, the Executive Committee performed the following duties and responsibilities:

1. Acted on specific matters within the competence of the Board of Directors except with respect to the following: the approval of any action for which shareholders' approval is also required; filling of vacancies on the Board or in the Executive Committee; the amendment or repeal of By-Laws or the adoption of new By-Laws; the amendment of or repeal of any resolution of the Board of Directors which by its terms is not so amendable or repealable; distribution of cash dividends; and the exercise of powers delegated by the Board exclusively to other committees.
2. Deliberated on and approved various project launches, business proposals, bidding, acquisitions, disposition of properties, exit from investment, and the set-up for 2021 annual stockholders' meeting.
3. Discussed in detail the Corporation's 2022 strategic plans, directions and outlook.

Audit Committee

The Audit Committee consists of three members: Mr. Cesar V. Purisima, chairman; Mr. Antonino T. Aquino; and Mr. Rex Ma. A. Mendoza, all of whom are non-executive directors.

The committee supports corporate governance through the exercise of checks and balances, including financial reporting, internal audit, and independent audit. It has the primary

responsibility to conduct and assess the independence, professional qualifications, and competence of the independent auditor, and thereafter, recommend the appointment and remuneration to the board. The committee may also recommend the removal of the independent auditor, and ensure a rotation in the engagement of audit partners. The committee met with the external auditor on November 3, 2021, without the presence of management.

The Audit Committee performed the following duties and responsibilities in 2021:

1. Assisted the Board of Directors in the fulfilment of its oversight responsibility relating to the accuracy of the Corporation's financial statements and the soundness of its financial reporting process, the robustness of its internal control, internal audit activities, the annual independent audit of the financial statements, and compliance with legal and regulatory requirements.
2. Reviewed, approved, and endorsed the 2020 Audited Financial Statements of the Corporation as prepared by the external auditor Sycip Gorres Velayo & Co. (SGV), the full-year 2020 financial and operating results of the Corporation, as well as the 2021 quarterly unaudited financial statements.
3. Reviewed and approved the contents of the Management Representation Letter.
4. Recommended to the Board of Directors the re-election of SGV as the Corporation's external auditors for 2021, and the corresponding audit fee structure.
5. Reviewed and/or approved the overall scope and the respective audit plans of SGV and internal auditors including their updates and revisions, and discussed the results of their audits and their assessments of the Corporation's internal controls and overall quality of the financial reporting process,

all in consideration of the impact of the COVID-19 pandemic on their respective operations.

6. Reviewed and approved the Revised 2021 Internal Audit Plan, and Audit-Related and Non-Audit Services Policy.
7. Reviewed and/or discussed the report of the Corporation's Ethics Committee, the status of audit recommendations, the update on legal cases, the update on Anti-Money Laundering Act (AMLA) compliance, the Internal and External Auditor coordination, and the interim results of 2021 External Audit.

External Audit, Audit and Audit-related Fees

The principal accountant and external auditor of Ayala Land is the accounting firm of SyCip Gorres Velayo & Co. (SGV) with Mr. Michael C. Sabado as the partner-in-charge for the 2021 audit year.

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

Year	Audit and Audit-Related Fees paid to SGV	Other Fees
2021	Php34.61M	Php13.13M
2020	Php34.61M	PHP13.08M

Board Risk Oversight Committee

The Board Risk Oversight Committee consists of three members: Ms. Rizalina G. Mantaring, chairperson; Mr. Antonino T. Aquino; and Ms. Sherisa P. Nuesa.

Notwithstanding this committee's roles and responsibilities, Ayala Land management is primarily responsible for the development,

implementation, and reporting of the company's risk management framework, processes, and strategies.

The Board Risk Oversight Committee performed the following duties in 2021:

1. Assisted the Board of Directors in the fulfilment of its oversight responsibility relating to the effectiveness of the Corporation's risk management process by ensuring that risk management policies and procedures exist and by reviewing the risk management framework and processes.
2. Reviewed the results of the risk assessment reports done by the Chief Risk Officer that includes the revisit of key risks which is periodically done to ensure relevance to business and up-to-date to present situation, the identification of emerging risks, the key focus and opportunities including those brought about by the COVID-19 pandemic, and the scanning of global risks based on the surveys of the Corporation's partner advisors.
3. Reviewed the updates on the risk management initiatives of the Corporation, the insurance management program of the Corporation, and the program progress of the Task Force on Climate-related Financial Disclosures adopted by the Corporation.

Corporate Governance and Nomination Committee

The Corporate Governance and Nomination Committee is composed of three independent directors: Ms. Sherisa P. Nuesa. Ms. Nuesa, chairperson; Ms. Rizalina G. Mantaring; and Mr. Cesar V. Purisima.

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

CORPORATE GOVERNANCE

In 2021, the Corporate Governance and Nomination Committee accomplished the following:

1. Implemented and maintained a process which ensures that all directors nominated for election at the 2021 annual stockholders' meeting have all the qualifications and none of the disqualifications for directors as stated in the By-Laws, the Manual of Corporate Governance and relevant rules and regulations, and approved pursuant to the authority delegated by the Board, the final list of nominees.
2. Reviewed, approved and endorsed the final lists of key officers for election, the committee chairpersons and members for appointment, the advisors to the Board for appointment, and the lead independent director of the Corporation.
3. Reviewed and evaluated the qualifications of key executives prior to movement, promotion or hiring.
4. Reviewed, approved, and endorsed the Guidelines on Accepting Proposals from Stockholders on Agenda Items for Stockholders' Meetings.

Personnel and Compensation Committee

The Personnel and Compensation Committee is composed of the Chairman of the Board, Mr. Fernando Zobel de Ayala; Mr. Cesar V. Purisima; and Mr. Rex Ma. A. Mendoza, chairman.

The committee oversees matters related to the board, management, and overall remuneration in Ayala Land. No member of this committee may act to fix his own compensation, except to determine the uniform compensation of directors.

The Personnel and Compensation Committee accomplished the following in 2021:

1. Implemented a formal and transparent process for developing and reviewing policies related to the remuneration of corporate directors, officers and other key personnel.
2. Discussed the overall corporate scorecard, and approved and endorsed the performance bonus budget, the increase in the share allocation of Employee Stock Ownership (ESOWN) grant, the 2021 ESOWN grant, and the 2021 Executive Housing Privilege grants to qualified officers of the Corporation.
3. Conducted talent review, particularly the key positions in the Corporation to ensure business leadership continuity in the long run, and discussed the creation of a purposive development program for emerging leaders.

Related Party Transactions Review Committee

The committee is composed of three independent directors: Mr. Rex Ma. A. Mendoza, chairman; Ms. Rizalina G. Mantaring; and Ms. Sherisa P. Nuesa.

The RPT Review Committee accomplished the following in 2021:

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

2. Reviewed, discussed, approved and endorsed the proposed amendments to the Corporation's RPT Policy, the infusion of commercial assets to AREIT, Inc. in exchange for shares, the land lease agreement between Alveo Land Corp. and an AC Infrastructure joint venture company, and the proposed merger of the Corporation, Cebu Holdings, Inc., Asian-I Offices Properties, Inc., Arca South Commercial Ventures, Corp., and Central Block Developers, Inc. with the Corporation as the surviving entity.
3. Discussed the amendment to the Memorandum of Agreement executed in 2016 between Manila Water Philippine Ventures (MWPV) and the ALI Group for the purpose of the provision, by MWPV, of water and used water services to all property development projects of the ALI Group.

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

In the last three years, there was no case of non-compliance with the laws, rules, and regulations pertaining to significant or material related party transactions.

Sustainability Committee

The Sustainability Committee is composed of three members: Mr. Arturo G. Corpuz, chairman; Mr. Bernard Vincent O. Dy, President and CEO; and Ms. Sherisa P. Nuesa.

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

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

The Sustainability Committee performed the following in 2021:

1. Provided oversight to the sustainability initiatives of the Corporation, formulated policies for the Corporation's sustainability program, and ensured full Corporation support and alignment with the Ayala Group's commitment to Sustainable Development.
2. Discussed and reviewed the updates on the Corporation's carbon neutrality and carbon forest projects, the circular waste management initiatives of the Corporation including the respective project's targets, challenges and next steps, and the overall target and direction for the ALI Group's sustainability initiatives until 2030.
3. Reviewed, approved and endorsed the Corporation's participation in the Ayala Group "Net Zero by 2050" initiative.

Inspector of Proxies and Ballots Committee

The Inspector of Proxies and Ballots Committee is composed of three individuals empowered to validate proxies and tabulate votes. These individuals are not members of the board, and their term of office is fixed by the board. The board may appoint members to the committee in cases of vacancy.

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

CORPORATE GOVERNANCE

Committee Composition and Meetings Attendance

Executive	Post	Meetings Attended/Held	% Present
Fernando Zobel de Ayala (Chairman, NE)	C	5/5	100%
Jaime Augusto Zobel de Ayala (Vice Chairman, NE)	M	5/5	100%
Bernard Vincent O. Dy (E)	M	5/5	100%
Cesar V. Purisima (NE, I)	M	5/5	100%
Antonino T. Aquino (NE)	M	5/5	100%

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

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

Corporate Governance and Nomination	Post	Meetings Attended/Held	% Present
Sherisa P. Nuesa (NE, I)	C	4/4	100%
Rizalina G. Mantaring (NE, LI)	M	4/4	100%
Cesar V. Purisima (NE, I)	M	4/4	100%

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

Related Party Transactions Review	Post	Meetings Attended/Held	% Present
Rizalina G. Mantaring (NE, LI)	C	3/3	100%
Rex Ma. A. Mendoza (NE, I)	M	3/3	100%
Sherisa P. Nuesa (NE, I)	M	3/3	100%

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

Legend: NE - Non-executive, E - Executive, LI - Lead Independent, I - Independent

Policies and Practices

Annual Stockholders Meeting

Notice of the ASM

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

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

The information statement contains the profile and personal data of all the directors, including those up for election or re-election, and of the auditors recommended for election. In 2021, SGV, Ayala Land's principal accountant and external auditor, was recommended for re-election at the ASM.

The information statement also states the dividend declaration and the total amount payable.

Process and Criteria for Board Nominations

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

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

- Ownership of at least one share of stock in the corporation in their name in the books of the company;
- A college degree or its equivalent, or adequate competence and understanding of the fundamentals of doing business or sufficient competence and experience in managing a business in lieu of formal education;
- Relevant qualifications such as previous business experience, membership in good standing in a relevant industry, and membership in business or professional organizations;
- Integrity, probity, diligence, and assiduousness in the performance of their functions;
- Directorships in other companies, taking into account the nature of the business of said companies, number of directorships in other companies, and age of the director; and
- For independent directors, beneficial equity ownership in the company or in related companies, which must not exceed 2%, and term limits under applicable laws, rules, and regulations.

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

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

CORPORATE GOVERNANCE

Election and Re-appointments to the Board

In accordance with the bylaws and rules of procedure of the annual stockholders meeting, stockholders entitled to vote shall elect the company's directors.

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

The Inspector of Proxies and Ballots Committee shall validate proxies and tabulate votes, and the voting results are validated by an independent auditor. No candidate for the office of director may be a member of this committee.

Voting Procedure

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

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

Upon online registration and validation, stockholders who are unable to attend the ASM physically may vote electronically on the matters in the agenda. For this purpose, the company

sets up a website which may be accessed by stockholders to register and vote on matters through remote communication or in absentia. The requirements and procedure for electronic voting in absentia are included in the notice and the DIS sent to the stockholders at least 15 business days before the date of the meeting.

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

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

As the stockholders take up an item from the agenda, the Corporate Secretary reports on the votes received and tabulated. The final votes for each of the items are reflected in the minutes of the ASM.

Minutes of the ASM

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

Virtual ASM

To safeguard the health and safety of all parties concerned, the most recent annual stockholders meeting was held virtually on April 21, 2021 in compliance with the regulations of the Securities and Exchange Commission on the holding of meetings virtually or by remote communication.

Stockholders were allowed to attend the meeting only by remote communication, by voting in

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

Each of the proposed resolutions were likewise shown during the livestreaming as the same was taken up at the meeting.

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

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

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

Dividend Declaration

Ayala Land declared cash dividends on its common shares last February 23, 2021, and October 19, 2021. This translated to a total of PHP4.0 billion or PHP0.2718 per outstanding common share, representing a 46% payout ratio on the net income after tax attributable to shareholders in 2020.

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

The declaration of cash dividends is approved by the board of directors only. The approval by the stockholders is not required for the same.

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

Disclosure and Transparency

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

All disclosures are immediately posted on the company's Investor Relations website, <https://ir.ayalaland.com.ph/Disclosures.aspx>.

CORPORATE GOVERNANCE

Unstructured Disclosures

ALI Reinvestment Plan on the Sale of The 30th Commercial Development
Notice of Holding of the 2021 Annual Stockholders' Meeting in Virtual Format
Notice of the FY 2020 Analyst Briefing
Results of the February 24, 2021 Regular Meeting of the Board of Directors
Ayala Land's FY 2020 Results
Ayala Land 2020 Audited Financial Statements
Executive Committee Approval to infuse identified commercial properties into AREIT, Inc.
Submission of application of merger between Ayala Land, Inc. and Cebu Holdings, Inc.
Notice of Block Sale of AREIT, Inc. shares
Ayala Land's 1Q 2021 Results
Unlisted Voting Preferred Shares Dividend Declaration
ALI and AREIT execute Deed of Exchange
Notice of the 1H 2021 Analyst Briefing
Ayala Land's 1H 2021 Results
Results of the August 18, 2021 Regular Meeting of the Board of Directors
Amended disclosure on the SEC Approval of the ALI and AREIT Deed of Exchange Amendments to the Related Party Transactions (RPT) Policy
Ayala Land's 9M 2021 Results
Notice of the 2022 Annual Stockholders' Meeting

Clarifications

ALI ramps up 2021 capex
Ayala Land to offer up to P10B bonds due 2025
ALI to spend P90 billion for South Coast City development
SEC Oks offerings of four companies

Ownership Structure

In accordance with SEC requirements, the list of beneficial owners of more than 5% of the company's total outstanding stock is disclosed on a quarterly basis. The direct and indirect shareholdings of directors and senior management, and the respective changes in shareholdings are also disclosed accordingly.

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

No member of the board or management owns 2% or more of the outstanding capital stock of the company.

Fairness Evaluation in Cases of Mergers, Acquisitions, and Takeovers

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

Anti-Corruption Programs and Procedures

<GRI 205>

Trading Blackout

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

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

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

Within 10 days of their appointment, directors and identified key officers shall submit their initial statement of ownership of shares in Ayala Land through SEC Form 23-A. Thereafter, they are required to submit any change in their beneficial ownership of shares in Ayala Land through SEC Form 23-B within three business days of the transaction date. These forms are submitted to the PSE, SEC, and PDEX simultaneously.

Related Party Transactions

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

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

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

The RPT policy defines related party relationships and transactions and the guidelines and categories that govern the review, approval, and ratification of such transactions by the board or shareholders according to the International Accounting Standards (IAS) 24 and other applicable disclosure requirements. Under this

policy, all RPT transactions are required to be approved by two-thirds of the board with at least a majority of the independent directors voting to approve the same.

All directors, substantial shareholders, and officers with personal interest in a related party transaction shall fully and timely disclose all material facts, including their respective interests in the related party transaction as well as direct or indirect financial interests in any transaction or matter affecting the company. The same shall abstain from the discussion, approval, and management of such transaction or matter affecting the company. At its option, the board may require that the RPT it has approved be also submitted to the stockholders for their consideration and ratification.

No RPT may be classified as financial assistance to any entity.

The company maintains and updates its register of related parties.

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

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

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

CORPORATE GOVERNANCE

Whistleblowing Policy

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

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

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

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

Whistleblowers may report, among others, conflicts of interest; misconduct or policy violations; theft, fraud, or misappropriation; falsification of documents; financial reporting concerns; and any act of retaliation taken against persons covered by the policy. The whistleblower is protected through the following practices: anonymous reporting at the

whistleblower's option, handling of investigation and reporting with utmost confidentiality, and providing a facility to report any form of retaliation against the whistleblower.

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

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

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

The Ethics Committee ensures the confidentiality of the information received, including the identity of the whistleblower, and treats all reports as confidential unless compelled by law to reveal such information. The public may report any information relating to illegal or unethical activity or violation of stockholder rights to the whistleblower officer at myreport@ayaland.com.ph. The same information may be also conveyed to the whistleblower officer through SMS at +63 917 3118510, one-on-one meetings, and website, <https://proactivehotline.grantthorntonsolutions.ph/home/selectcategory/2c0bd053-851d-4ec3-a971-bf193acef275> which is accessible 24/7.

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

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

Gifts

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

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

Ayala Land Group Internal Audit

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

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

The company continues to improve the internal audit function by benchmarking against leading practices.

Ayala Land Group Internal Audit uses data analytics as an audit tool in its regular RBPF audits. Its information technology audits include both IT and general control audits to ensure the integrity of data and processes and complete and accurate data processing. Its expanded advisory services include the review of key processes and policies and the rollout of automation programs. It works with other internal assurance providers to achieve a comprehensive assurance process, eliminating duplication of efforts and gaps in the process.

Ayala Land Group Internal Audit increased the use of control-self assessment (CSA), specifically the CSA+ approach. CSA is an approach where the business process owners assess the efficiency of controls to assure that the objectives of the process are being reasonably met. In contrast to an RBPF audit where auditors are responsible for identifying control weaknesses, CSA allows process owners to identify and recommend solutions to address control gaps. Meanwhile, CSA+ requires auditors to test the controls recommended by the process owners and identify any other area for improvement.

Moreover, to effectively carry out the auditing practice despite the work-from-home arrangements due to the pandemic, Ayala Land Group Internal Audit continued to adopt remote auditing tools in various stages of the process. These include video conferencing for meetings, interviews, and facilitated workshops, and surprise video calls in lieu of physical site inspections. Auditing evidence, such as photographs and documents, are obtained electronically as needed.

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



Risk Management

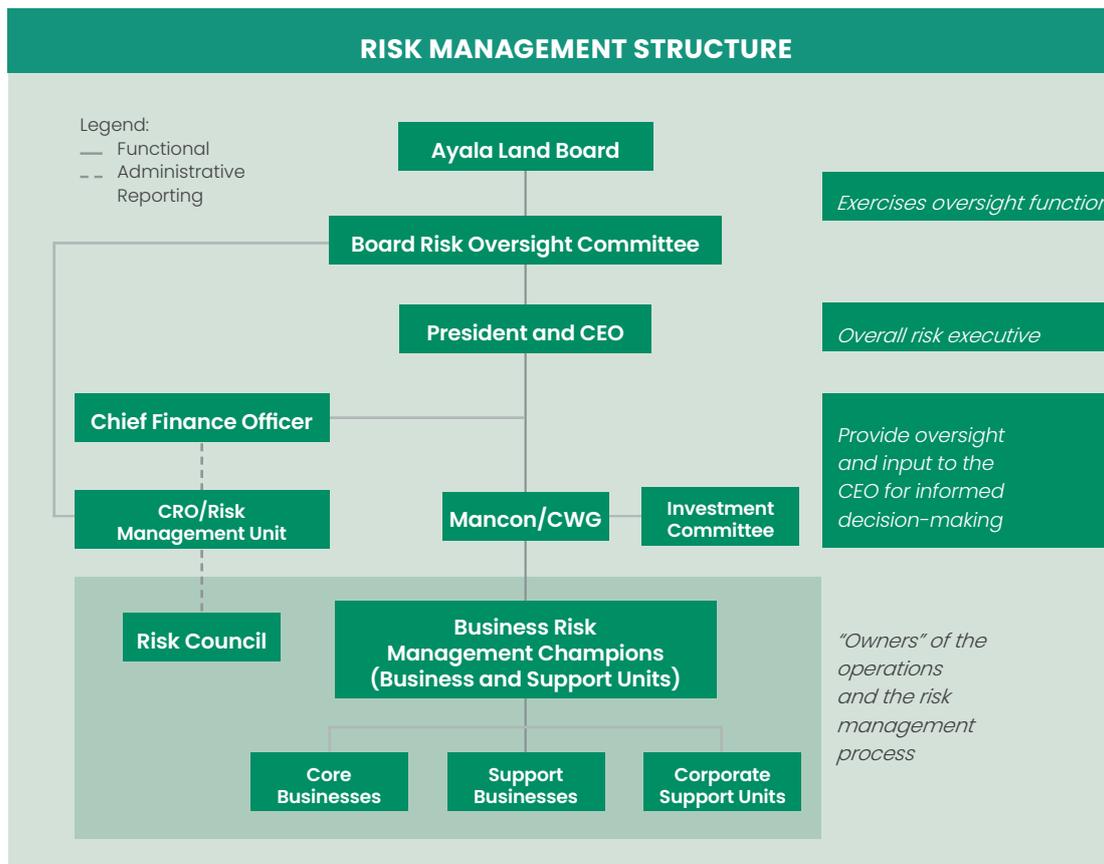
The continuing risks from COVID-19 directly affected Ayala Land's operations in 2021 and aggravated the impact of other key risks. Building resiliency into the business operations and protecting the stakeholder's interest became the priorities. These required a stronger emphasis on risk management and a close engagement with the business units to ensure that the identified mitigating measures were implemented.

COVID-19 Impact

The COVID-19 pandemic remained as the top risk for Ayala Land in 2021, impacting the company's financial standing and operations due to the intermittent reimplementations of lockdowns during the year. Although construction activities were allowed to continue even during the strictest ECQ, several projects were put on hold due to mobility restrictions that limited available manpower and softened market sentiment.

Revenues from commercial operations remained muted as foot traffic and consumption continued to be low. During the community quarantines, government-mandated safety protocols were implemented, and rental support was extended to tenants and merchants.

To manage the ongoing impact of COVID-19, cost containment measures were maintained, complemented by financial sustainability initiatives, while ensuring the health and safety of employees. Strategic pivots were also made to adapt to the new operating environment, strengthen the balance sheet, ensure the stability of operations, and eventually bring back the business to pre-pandemic levels upon full reopening of the economy.



Enterprise Risk Management at Ayala Land

Ayala Land has developed and embedded an enterprise risk management (ERM) program into its operations, making it a fundamental part of its business discipline. This ERM program ensures that key risks are properly identified, assessed, and prioritized. It also determines the key mitigation strategies and establishes the risk ownership of various business units, including assignment of senior-level risk champions for each key risk.

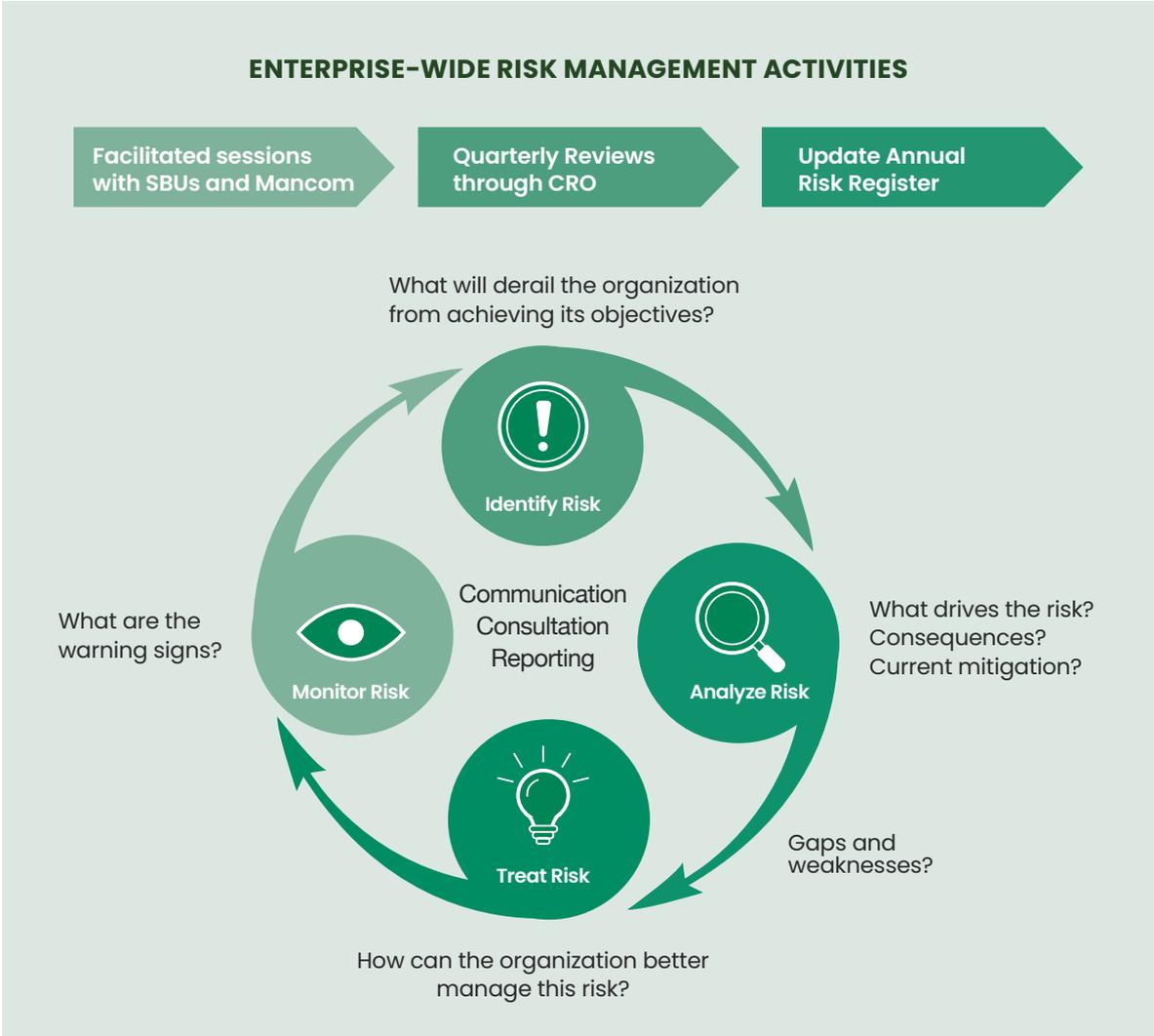
The program is a multi-step iterative process which starts with each business unit performing a ground-up risk assessment led by the business unit head, who provides valuable insights and prioritizes the unit's identified risks. These assessments are consolidated by the Chief Risk Officer (CRO) and undergo a cross-functional review by the Risk Council. Composed of senior leaders from various business lines, the Risk Council provides a multi-disciplinary and

holistic approach to processing risks, and holds cross functional discussions to better understand risk interdependencies and interrelationships. More importantly, the Risk Council establishes and agrees on the key risks confronting the business.

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

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

RISK MANAGEMENT



Key Risks and Mitigating Measures

Key Risk	Risk Description
COVID-19 or Pandemic Risk	The COVID-19 pandemic remained the top risk for Ayala Land in 2021, impacting the company's financial standing and business operations due to the intermittent reimposition of lockdowns during the year.
Mitigating Measures	
<ul style="list-style-type: none"> • Following strict health protocols and safety guidelines, and utilizing construction technologies to complete projects and expedite delivery to buyers despite capacity limitations • Implementing financial sustainability strategies to maintain a strong balance sheet, ensure liquidity and adequate funding capacity • Harnessing digital channels to reach out to property buyers and engage other stakeholders • Repurposing open spaces in estates and malls for social distancing and outdoor activities 	
Key Risk	Risk Description
Project Execution and Timely Delivery Risk	The pandemic resulted in reduced mobility, manpower scarcity, rising material prices, and constrictive operational safety protocols. These factors have significantly increased the pressure on project delivery commitments, project costs, and compliance with statutory law and quality standards.
Mitigating Measures	
<ul style="list-style-type: none"> • Enhancing procurement strategies, partnering arrangements, and the bidding process to mitigate the increase in commodity prices • Implementing pre-construction initiatives and catch-up plans • Implementing new construction methods and resuming the modernization program which includes accelerating the Design for Manufacturing Assembly (DfMA) initiatives to reduce construction time and minimize rework • Intensifying the use of digital platforms to drive efficiency • Improving the quality review process and strengthening quality consciousness among employees and suppliers • Sustaining employee engagement and training programs • Continuous on-the-spot checks and audits of offices, operations, and records of third-party contractors and vendors to ensure code-related compliance 	
Key Risk	Risk Description
Financial Risk	Lower economic activity, brought about by the pandemic, has increased liquidity risks as operating cashflows were reduced. A strong balance sheet that ensures liquidity and provides adequate funding capacity to withstand an economic downturn or capture growth opportunities must be in place.

RISK MANAGEMENT

Mitigating Measures	
<ul style="list-style-type: none"> • Establishing a three-layered approach to liquidity through prudent cash management by <ul style="list-style-type: none"> o investing in prime placements and high-quality marketable securities; o timely access to short-term and long-term funding with optimal terms and conditions; and o setting a program for the sale of receivables • Mitigating exposure to refinancing, interest rate, and currency risks by <ul style="list-style-type: none"> o active monitoring and management of a mix of short- and long-term, fixed and floating rates, and local and foreign currency borrowings, and o spreading out debt maturities within predetermined limits • Maintaining a strong credit rating and local debt capital market support • Continuous monitoring of contingent liability level to complete committed projects, even during a financial downturn, and observing the maximum gross debt-to-equity covenant • Setting counterparty bank limits for cash and investable funds to ensure these are invested only with counterparties of the highest credit standing 	

Key Risk	Risk Description
Government, Political Risk	Heightened political risk was observed in 2021 as a result of issues from the ongoing health crisis and the upcoming elections in 2022. Changes in the government’s policies and programs may affect the business operations and financial performance of Ayala Land.

Mitigating Measures	
<ul style="list-style-type: none"> • Monitoring changes and developments in government policies and programs, analyzing their potential impact on operations and financial performance, and developing strategies to address such <ul style="list-style-type: none"> o Maintaining open communication lines with government institutions, representatives, and other stakeholders o Participating in dialogues and discussions to provide the necessary business information to support the government’s research and implementation initiatives • Ensuring full compliance with relevant government policies • Disclosing necessary business information in an accurate and timely manner for transparency 	

Key Risk	Risk Description
Regulatory Risk	Ayala Land’s projects are subject to regulatory policies. Any changes to these policies will affect its operations and project implementation. The increasing portfolio of property development projects and commercial leasing operations underscore the importance of compliance to regulatory requirements. Amendments and new laws in relation to data privacy necessitate continuous monitoring to proactively prepare the organization for compliance to avoid penalties and negative citations.

Mitigating Measures

- Monitoring changes and developments in regulatory policies, analyzing their potential impact on operations and financial performance, and developing strategies to address such
 - Maintaining open communication lines with the regulators, key industry groups and other stakeholders
 - Participating in dialogues and discussions to provide the necessary business information to support the government's research and implementation initiatives
- Addressing compliance gaps or deficiencies arising from new laws and regulations
 - Compliance with government policies on anti-competitive behavior (which include collusion with competitors, monopolistic practices, and price-fixing). There has been no case filed with the Philippine Competition Commission involving Ayala Land and its businesses
 - Implementation of the ALI Data Privacy Management Program
- Rigorous review and monitoring of permit renewals and providing sufficient lead time for application to prevent delays and disruptions in implementation
- Conducting due diligence on the rights of legitimate claimants, including indigenous people, in the acquisition and development of land, and ensuring that social concerns and regulatory issues are adequately addressed

Key Risk	Risk Description
Environmental Risks <GRI 304, 307; SASB IF-RE-450; TCFD Strategy, Risk Management>	Given the country's location in the Pacific Ring of Fire, natural perils, such as earthquakes and volcanic eruption hazards, can disrupt business operations and damage the company's properties. The incidence of typhoons and other extreme weather events has also increased due to climate change.

Mitigating Measures

- Strict conduct of technical due diligence and environmental scanning for fault lines and possible flood-prone areas in the company's properties and adjacent areas before any development is started
- Faithful compliance with applicable national and local building codes, standards, and regulations, including building and fire codes, to ensure that buildings withstand a magnitude 8 earthquake
- Establishment of 24/7 operation centers nationwide to track weather conditions and advise business operations accordingly, and religious conduct of emergency drills to facilitate readiness, early mitigation, and quick response to disasters, whether natural or man-made
- Conservation and protection of indigenous biodiversity and identification of native flora and fauna, integrating such findings into the company's business model, development plans, and operations, which currently cover 4,870 hectares of high-biodiversity land
- Implementation of decarbonization programs: Carbon Neutrality for scopes 1 and 2 emissions of commercial leasing assets by 2022, and Net Zero for scopes 1, 2 and 3 emissions of the entire Ayala Land group by 2050
- Adoption of insurance programs for operating properties and construction sites to ensure loss mitigation and recovery for physical damages and business interruption arising from disasters
- Supporting the Task Force on Climate-related Financial Disclosures (TCFD) framework,
 - engaged a third party to independently identify climate-related physical and transition risks and mitigating measures to Ayala Land's business and disclose the recommendations in the 2022 Integrated Report

RISK MANAGEMENT

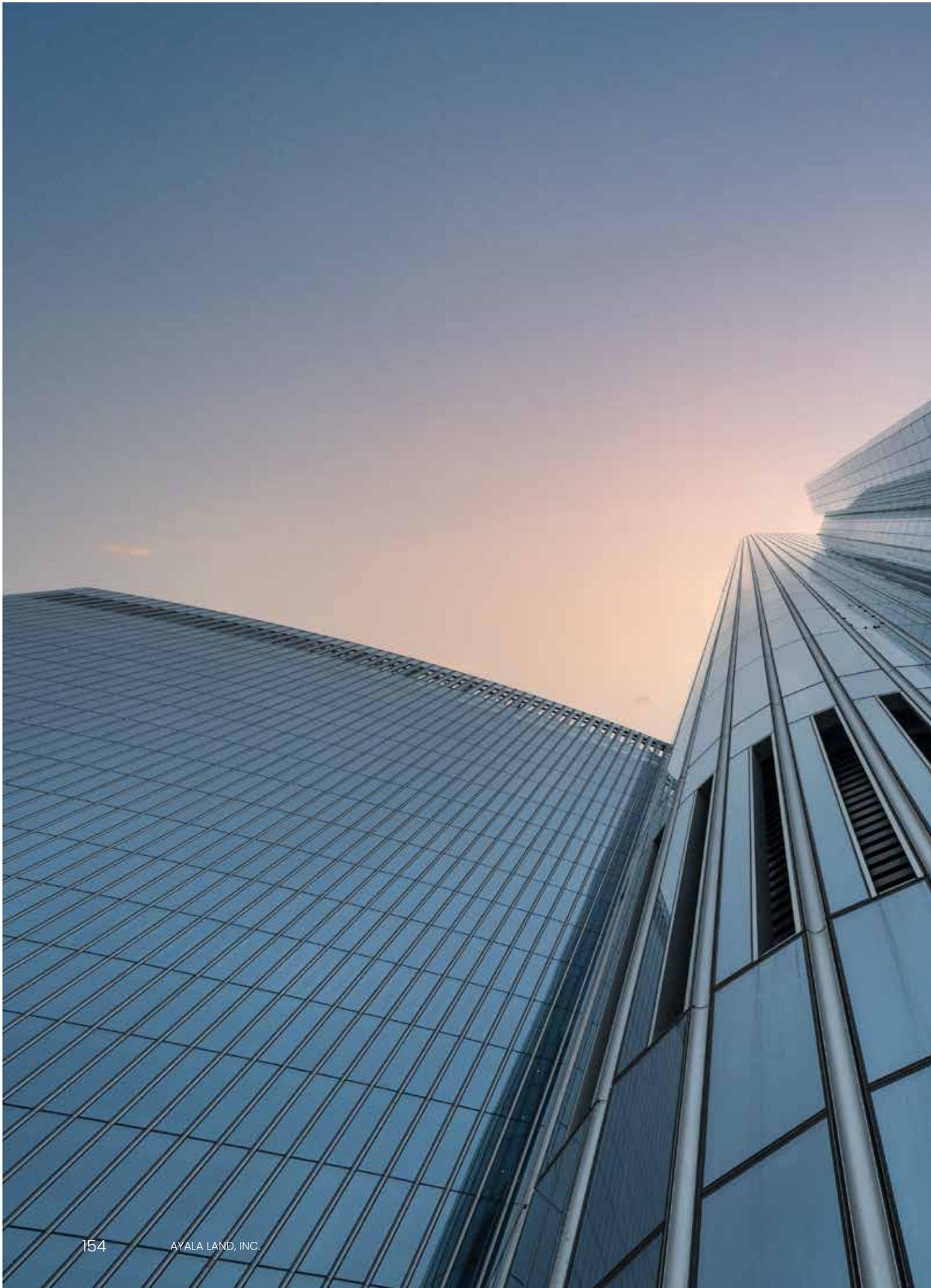
Key Risk	Risk Description
Organizational Risk	The pandemic caused enormous strain on workforce as workers' productivity was impacted by restrictions on mobility and illness, resulting in manpower scarcity especially in areas requiring on-site services. Personnel attrition due to poaching and the natural tendency of talent to look for other opportunities is a constant concern.
Mitigating Measures	
<ul style="list-style-type: none"> • Facilitating work-from-home arrangements that enable the organization to function productively under the pandemic • Implementing various programs and activities to strengthen employee engagement during the pandemic • Conducting periodic organizational climate surveys or reviews to determine employee engagement levels, address areas of concern, empower people, and create opportunities for professional development • Adopting programs such as succession planning, cross-posting, streamlining of organizational structure and operations, and employee retention programs 	

Key Risk	Risk Description
Partnerships and Alliances Risk	Any failure of suppliers or contractors to deliver projects on time, or to fully comply with regulatory requirements, can affect the company's reputation and expose it to serious legal issues. Any delay or failure by partner-landowners in meeting their deliverables or condition precedents can also impact development timelines.
Mitigating Measures	
<ul style="list-style-type: none"> • Providing assistance to affected contractors, vendors, and suppliers <ul style="list-style-type: none"> ◦ Granting rent condonation to mall merchants impacted by the pandemic • Enhancing vendor management programs <ul style="list-style-type: none"> ◦ Inviting new, capable, and competent vendors with local support capability to address challenges in mobility ◦ Increased engagement of tried-and-tested contractors ◦ Continued partnering arrangements with select vendors and suppliers • Stricter agreements and contracts on partner deliverables • Starting projects only when deliverables are fully met 	

Key Risk	Risk Description
Cyber Risk	Ayala Land's increasing dependence on IT, the shift to digital platforms, and the large volume of data the company has in safekeeping have given rise to serious exposure to cyberattacks and data breaches.
Mitigating Measures	
<ul style="list-style-type: none"> • Investment and deployment of technological and administrative solutions to address unauthorized access, control, and manipulation of data and critical information stored in the company's IT systems and infrastructure <ul style="list-style-type: none"> ◦ Penetration testing and dissemination of information on security-related policies to the entire organization ◦ Employing latest technology solutions in collaboration with specialist firms and industry partners including cloud-based service providers • Conduct of awareness programs that enhance organizational knowledge of cyber security and data privacy compliance 	

Key Risk	Risk Description
Major Security, Health, and Safety Risks <GRI 416>	The pandemic heightened security, health and safety risks which affect overall employee and worker productivity. Ensuring security, safety, and healthy surroundings for employees and stakeholders are imperative to the business and the brand.
<ul style="list-style-type: none"> • Complying with mandated safety and health protocols and guidelines from regulators and local government units • Establishment of laboratories, testing centers, and quarantine centers for employees and other stakeholders in support of government efforts to contain the spread of COVID-19 • Mandatory training of all personnel and safety inspections of all critical and hazardous activities before the start of any work in operating properties and construction sites • Designation of safety officers who are empowered to override project managers and declare work stoppage if they believe safety standards and practices are not being met • Tightened monitoring of all environmental, health, and safety permits and licenses of all projects • Proactive maintenance practices and procedures to prevent serious and unscheduled operational losses resulting from equipment breakdowns and other utility disruptions • Establishment of geographic sub-crisis management teams, aligned with the government's mandatory incident command system, for proper and efficient emergency and disaster management <ul style="list-style-type: none"> ◦ Periodic emergency response and management exercises in all buildings and estates to protect life and property and maintain business continuity • Intensified accident and loss-preventive programs through a central occupational health and safety committee • Collaboration and networking with proper authorities in addressing and managing security-related risks 	

Key Risk	Risk Description
Marginalization by Competitors <GRI 206>	The rapid adoption of e-commerce by customers during the pandemic may adversely impact the company's business model and practices. In addition, competition is getting better and more aggressive in terms of business expansion and product offerings.
<p style="text-align: center;">Mitigating Measures</p> <ul style="list-style-type: none"> • Focus on customer-centricity through improved customer service and enhanced customer experience • Continuous improvement of project delivery and product quality • Acquiring land needed for medium-term requirements and ensuring a pipeline of inventory for fastmoving products • Continued mixed-use approach in property development • Continued digital transformation and greater availability of contactless transactions 	





Financial Highlights

Management's Discussion and Analysis

Review of FY 2021 operations vs. FY 2020

Ayala Land posted total revenues of ₱106.14 billion and net income of ₱12.23 billion, a year-on-year growth of 10% and 40%, respectively, on account of resilient operations, supported by relaxed quarantine restrictions in the 4th quarter of 2021.

Real Estate revenues (composed of Property Development, Commercial Leasing, and Services) totaled ₱96.15 billion, 12% higher than ₱85.97 billion in 2020, driven by construction progress and higher bookings that compensated for limited commercial leasing operations most of the year due to quarantine measures.

Capital expenditure amounted to ₱63.98 billion, supporting the buildup of residential and commercial projects.

The Company closed the year with a net gearing ratio of 0.77:1, an average borrowing cost of 4.4%, and maturity of 5.3 years.

Business Segments

The details of the performance of each business segment are as follows:

Property Development. This segment includes the sale of residential lots and units, office spaces, commercial and industrial lots, and operations of MCT Bhd, Ayala Land's consolidated subsidiary based in Malaysia. Due to construction progress and higher bookings, property development revenues grew 19% to ₱69.14 billion from ₱57.86 billion.

Residential. Revenues from the sale of residential lots and units and MCT Bhd's operations totaled ₱57.05 billion, 19% higher from ₱47.79 billion last year owing to higher bookings and project completion.

AyalaLand Premier (ALP) recorded revenues of ₱20.85 billion, 39% higher than ₱15.01 billion in 2020, driven by higher project bookings from Ayala Greenfield Estates in Laguna, Cerilo in Nuvali, Laguna, Anvaya Cove in Bataan, and the Enclaves in Cebu. In addition, incremental percentage-of-completion (POC) of Andacillo in Nuvali, The Courtyards in Vermosa, Cavite, West Gallery Place in BGC, and Park Central North and South Towers in Makati City contributed to revenue growth.

ALVEO posted revenues of ₱13.12 billion, a 63% growth from ₱8.05 billion, on higher bookings from Hillside Ridge in Cavite and Corvia in Alvia, Pampanga, and incremental POC of Ardia Phase 3 in Vermosa, Cavite, The Greenways in Alvia, Pampanga, and The Residences at Evo City Phase 2 in Cavite.

Avida totaled ₱13.51 billion in revenues, 6% lower than ₱14.42 billion due to lower bookings from Avida Towers Sola in Vertis North Quezon City, Vireo in Arca South, Taguig, Riala in Cebu IT Park, Cebu City, Abreeza Tower 2 in Davao City and Avida Towers Prime Taft Tower 2 in Pasay City.

Amaia generated ₱4.55 billion in revenues, a 3% decrease from ₱4.69 billion on lower bookings from projects with high POC such as Steps Alabang Delecia in Las Pinas, Series Bulacan S3A, and Series Nova in Quezon City.

BellaVita recognized revenues of ₱1.15 billion, a 45% jump from ₱0.79 million on higher bookings and incremental POC from projects in Tayabas Quezon, Porac, Pampanga, and Alaminos, Laguna.

MCT Bhd posted revenues of ₱3.88 billion, 20% less than ₱4.85 billion last year, as revenues from projects under its middle-income brand, Market Homes, and new projects, Aetas, Casa Bayu Townhouse and Apartment, and Park Place were lower than the revenues generated by completed and sold-out projects in 2020.

Office for Sale. Revenues from the sale of office units rose 10% to ₱3.85 billion from ₱3.51 billion, on higher completion of ALVEO's Stiles and Tryne Enterprise Plazas in Circuit Makati and Arca South, respectively, and ALP's One Vertis Plaza in Vertis North.

Commercial and Industrial Lots. Revenues from the sale of commercial and industrial increased by 26% to ₱8.24 billion from ₱6.56 billion on take-up of commercial lots at South Coast City, Nuvali, and Vermosa and industrial lots at Pampanga Technopark.

Sales Reservations. For the full year of 2021, sales reservations amounted to ₱92.21 billion, 13% higher year-on-year, primarily due to the strong demand for horizontal products in Southern Luzon by ALP and ALVEO. Take-up from our horizontal products alone jumped 36% to ₱41.49 billion. Sales reservation in the 4th quarter reached ₱22.14 billion, 5% better than the same quarter last year.

Local and overseas Filipinos accounted for 90% of total sales, with a balance of 10% from other nationalities. Sales from local Filipinos, which comprise 74%, amounted to ₱69.84 billion, 13% higher, while sales from overseas Filipinos, which represented 16% of the total, amounted to ₱14.52 billion, a 15% uplift year-on-year. Meanwhile, sales to other nationalities amounted to ₱9.31 billion, up 3% from last year.

Project Launches. Reflective of confidence in the residential market, Ayala Land launched 22 projects worth ₱75.26 billion during the year. This figure was more than seven times the launch value in 2020. 48% are horizontal projects, while the rest are vertical projects. Launches in the fourth quarter include ALP's Ciela Heights Phase 1 in Carmona, Cavite; ALVEO's Sentrove Tower 1 in Cloverleaf, Quezon City; and Amaia's Scapes Bulacan S4B in Santa Maria, Bulacan and Steps Two Capitol Tower 1 in Capitol Central, Bacolod City.

Commercial Leasing. This segment includes the operation of Shopping Centers, Office Buildings, and Hotels and Resorts. Total revenues from commercial leasing amounted to ₱20.63 billion, a 6% decline from a ₱21.86 billion year ago as given restricted operations for most of the year.

Shopping Centers. Revenues from shopping centers declined 13% to ₱7.92 billion. With improved mobility in the fourth quarter, revenues reached ₱3.0 billion, double the level generated in the same quarter in 2020. The average occupancy rate for all malls was at 81% and 84% for stable malls. Total Malls GLA stood at 2.12 million square meters.

Offices. Revenues from office leasing grew 5% from last year to ₱9.87 billion as BPO and HQ office operations remained stable throughout the period. The average occupancy rate for all offices is 81% and 86% for stable offices. Total office leasing GLA increased to 1.32 million square meters with the completion of One Ayala Tower 1 in December 2021.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Hotels and Resorts. Revenues from hotels and resorts ended 17% lower to ₱2.83 billion from ₱3.39 billion, an improvement from the first nine months as resort operations were able to host 35 travel bubbles in the fourth quarter, partially cushioning travel restrictions and lower hotel occupancy earlier in the year. The average occupancy for all hotels and stable hotels was 53%. Meanwhile, the average occupancy for all resorts was 17% and 15% for stable resorts. In close coordination with the Department of Tourism and the Local government, 120 travel bubbles were held during the year at El Nido Resorts and Lio estate. The hotels and resorts segment ended in 2021 with 4,030 rooms in its portfolio.

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

There are 11 Seda Hotels, operating 2,712 rooms—Atria, Iloilo (152 rooms); BGC, Taguig (521); Centrio, Cagayan de Oro (150); Abreeza, Davao (186); Nuvali, Santa Rosa, Laguna (150); Vertis North, Quezon City (438); Capitol Central, Bacolod (154); Lio, Palawan (153); Ayala Center Cebu (301); Seda Residences Ayala North Exchange (293) and Seda Central Bloc (214); and Circuit Corporate Residences (255).

El Nido Resorts operates 193 rooms from its four island resorts—Pangulasian, Lagen, Miniloc, and Apulit. The Lio Tourism Estate currently has 132 rooms under its Bed and Breakfast (B&B) and Dormitel offerings, while the Sicogon Tourism Estate in Iloilo currently has 78 B&B rooms.

Services. This segment is composed mainly of the construction business through Makati Development Corporation (MDC), property management, through Ayala Property Management Corporation (APMC), and businesses engaged in power services such as Direct Power Services, Inc. (DPSI), Ecozone Power Management, Inc. (EPMI), and Philippine Integrated Energy Solutions, Inc. (PhilEnergy) and AirSWIFT, the airline for the hotels and resorts in Palawan and Sicogon. Total revenues amounted to ₱6.38 billion, 2% higher mainly due to MDC's completion progress of projects with unconsolidated JVs and external clients.

Construction. Net construction revenues rose 19% to ₱3.91 billion from ₱3.28 billion last year as construction activities continued despite the lockdowns.

Property Management and Others. APMC, power services companies, and AirSWIFT registered revenues of ₱2.47 billion, a 17% decline from ₱2.97 billion due to lower power consumption of customers and limited AirSWIFT operations.

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

Equity in net earnings of associates and JV companies rose 44% to ₱842.56 million from ₱586.50 million on higher contributions from Ortigas Land's projects The Galleon and Empress, and ALVEO-Federal joint ventures Aveia and Venido.

Interest income from real estate sales declined 21% to ₱6.80 billion from ₱8.60 billion due to lower accretion income recognized. Meanwhile, interest and investment income declined by 36% to ₱253.11 million from ₱394.70 million on lower interest income, yield, and average daily balance on cash and short-term investments.

Other income, composed mainly of marketing and management fees from joint ventures, among others, nearly tripled to ₱2.10 billion from ₱0.72 billion, recording a ₱1.37 billion gain from the sale of Ayala Land's 39.2% economic interest in Qualimed and its hospital buildings last February

Expenses

Total expenses registered at ₱85.86 billion, 6% higher than last year, driven by real estate expenses, which increased by 14% to ₱64.64 billion as operations continued to ramp up this year.

Due to reduced corporate operations and cost-saving initiatives, general and administrative expenses declined 18% to ₱6.54 billion from ₱8.01 billion. It resulted in a GAE ratio of 6.2% and an EBIT margin of 28.2%.

Interest, other financing charges, and other expenses (including interest expense related to PFRS 16 (Leases)) totaled ₱14.68 billion, 11% less than ₱16.54 billion last year due to the lower average borrowing rate and debt balance. The average cost of debt registered at 4.4%, 30 basis points lower than the 4.7% at the end of December 2020. Of the total, 91% was locked in fixed rates, while 92% was contracted long-term.

Capital Expenditures

Capital expenditures reached ₱63.98 billion for the entire year of 2021, mainly to support the buildout of our residential and commercial leasing assets. 52% was spent on residential projects, 17% for land acquisition, 15% for commercial leasing, and 14% for estate development.

Financial Condition

The Company's balance sheet stands strong with a net gearing ratio of 0.77:1.

Cash and cash equivalents, including short-term and UITF investments classified as FVPL, stood at ₱15.00 billion, resulting in a current ratio of 1.58:1.

The total borrowings registered at ₱223.10 billion. Debt-to-equity ratio is at 0.82:1, and net debt-to-equity ratio is at 0.77:1.

Return on equity was at 5.37% as of December 31, 2021.

There are no events that will trigger direct or contingent financial obligations material to the Company, including any default or acceleration of an obligation.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other Company relationships with unconsolidated entities or other persons created for the entire year of 2021.

Report of the Audit Committee to the Board of Directors

THE BOARD OF DIRECTORS AYALA LAND, INC.

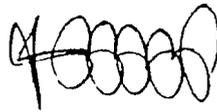
In compliance with the Audit Committee Charter and corporate governance rules, the Committee confirms the following matters:

- An independent director chairs the Audit Committee and two of the three members are independent directors;
- The Committee held four meetings in 2021 and all the members of the Committee were present during the meetings;
- The Committee reviewed and approved the amendments of the Audit Committee Charter;
- The Committee recommended to the Board of Directors the re-appointment of SGV & Co. as independent auditor for 2022, based on the review of their performance and qualifications, including consideration of management's recommendation;
- The Committee reviewed and discussed the quarterly and the annual financial statements of the Company, including Management's Discussion and Analysis of Financial Condition and Results of Operations as of and for the year ended December 31, 2021, with the Company's management, which has the primary responsibility for the financial statements and with SGV & Co., who is reporting the process for expressing an opinion on the conformity of the consolidated audited financial statements with Philippine Financial Reporting Standards;
- The Committee reviewed and approved the management representation letter before submission to the Company's independent auditors;
- The Committee discussed and approved the overall scope and the audit plans of the Company's Internal Auditors and SGV & Co. and discussed the results of the audits and their assessment of the Company's internal controls and the overall quality of the financial reporting process;
- The Committee discussed with the independent auditor and internal auditor its independence from the ALI Group;
- The Committee reviewed the reports of the Internal Auditors, ensuring that management is taking appropriate corrective actions promptly, including addressing governance, risk management, internal controls system, and compliance issues. All the activities performed by Internal Audit conform with the International Standards for the Professional Practice of Internal Auditing;
- Based on the Audit Committee's review and in reliance on the reports of Internal Auditors and Independent Auditors including management's representations, the Committee confirmed that the governance, risk management, and internal controls system of the Company are adequate and effective; and
- The Committee reviewed and approved all audit, audit-related, and permitted non-audit services provided by SGV & Co. to the Company and the related fees for such services.

Based on the reviews and discussions undertaken, within the limits of the Committee's scope and responsibilities aforementioned, the Audit Committee recommends to the Board of Directors the filing of the Company's consolidated financial statements for the year ended December 31, 2021, with the Securities and Exchange Commission, and for its inclusion in the Company's Annual Report to Stockholders.

Respectfully submitted.

February 18, 2022



CESAR V. PURISIMA
Committee Chair



REX MA. A. MENDOZA
Member



ANTONINO T. AQUINO
Member

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

The management of Ayala Land, Inc. (the Company) is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein for the years ended December 31, 2021, 2020 and 2019, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the consolidated financial statements including the schedules attached therein, and submits the same to the stockholders.

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


FERNANDO ZOBEL DE AYALA
 Chairman, Board of Directors

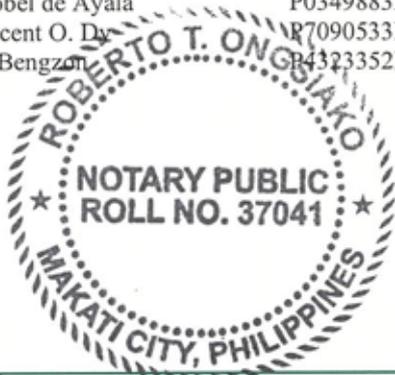

AUGUSTO D. BENGZON
 Chief Finance Officer


BERNARD VINCENT O. DY
 President & Chief Executive Officer

SUBSCRIBED AND SWORN to before me this FEB 24 2022 at Makati City, affiants exhibiting to me their respective Passports, to wit:

<u>Name</u>	<u>Passport No.</u>	<u>Date & Place of Issue</u>
Fernando Zobel de Ayala	P0349883B	January 22, 2019 – DFA Manila
Bernard Vincent O. Dy	NR7090533B	July 1, 2021 – DFA Manila
Augusto D. Bengzon	GB4323352B	January 8, 2020 – DFA NCR East

Doc. No. 101 ;
 Page No. 22 ;
 Book No. XLII ;
 Series of 2022.



ROBERTO T. ONGSIAKO
 Notary Public – Makati City
 Appt. No. M-149 until December 31, 2022
 Roll of Attorneys No. 37041
 Lifetime IBP No. 02163 – RSM Chapter
 PTR No. 8852355MJ – 01/03/2022 - Makati City
 MCLE Compliance No. VII – 0000267 – 07/30/2019
 4th Floor Tower One and Exchange Plaza
 Ayala Triangle, Ayala Avenue
 Makati City, Philippines

Notarial DST pursuant to
 Section. 188 of the Tax Code
 affixed in Notary Public's copy

Ayala Land, Inc. and Subsidiaries

Consolidated Financial Statements
December 31, 2021 and 2020
and Years Ended December 31, 2021,
2020 and 2019

and

Independent Auditor's Report



A member firm Ernst & Young Global Limited

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of Ayala Land, Inc. and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group as of December 31, 2021 and 2020 and for each of the three years in the period ended December 31, 2021 are prepared in all material respects, in accordance with the Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission, as described in Note 2 to the consolidated financial statements.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 2 to the consolidated financial statements which indicates that the consolidated financial statements have been prepared in accordance with PFRSs, as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission in response to the COVID-19 pandemic. The impact of the application of the financial reporting reliefs on the 2021 consolidated financial statements are discussed in detail in Note 2. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Real Estate Revenue Recognition

The Group's revenue recognition process, policies and procedures are significant to our audit because these involve the application of significant judgment and estimation on the following: (1) assessment of the probability that the entity will collect the consideration from the buyer; (2) application of the output method as the measure of progress in determining real estate revenue; (3) determination of the actual costs incurred as cost of sales; and (4) recognition of cost to obtain a contract.

In evaluating whether collectability of the amount of consideration is probable, the Group considers the significance of the buyer's initial payments (buyer's equity) in relation to the total contract price. Collectability is also assessed by considering factors such as past history with buyers, age of residential and office development receivables and pricing of the property. Management regularly evaluates the historical sales cancellations and back-outs, after considering the impact of coronavirus pandemic, if it would still support its current threshold of buyers' equity before commencing revenue recognition.

In measuring the progress of its performance obligation over time, the Group uses the output method. This method measures progress based on physical proportion of work done on the real estate project which requires technical determination by the Group's specialists (project engineers). This is based on the monthly project accomplishment report prepared by the third party surveyor as approved by the construction manager which integrates the surveys of performance to date of the construction activities for both sub-contracted and those that are fulfilled by the Group itself.

In determining the actual costs incurred to be recognized as cost of sales, the Group estimates costs incurred on materials, labor and overhead which have not yet been billed by the contractor.

The Group identifies sales commission after contract inception as the cost of obtaining the contract. For contracts which qualified for revenue recognition, the Group capitalizes the total sales commission due to sales agent as cost to obtain contract and recognizes the related commission payable. The Group uses percentage of completion (POC) method in amortizing sales commission consistent with the Group's revenue recognition policy.

In 2021, the Group adopted the provisions of PFRS 15 covered by Philippine Interpretations Committee (PIC) Q&A 2018-12-E on the treatment of land in the calculation of POC. The Group applied the modified retrospective approach decreasing the beginning retained earnings and non-controlling interests by ₱2.84 billion and ₱16 million, respectively.

The disclosures related to real estate revenue are included in Notes 2 and 3 to the consolidated financial statements.

Audit Response

We obtained an understanding of the Group's real estate revenue recognition process, policies and procedures.

For the buyers' equity, we evaluated management's basis of the buyer's equity by comparing this to the historical analysis of sales cancellations from buyers with accumulated payments above the collection threshold. We also considered the impact of the coronavirus pandemic to the level of cancellations during the year. We traced the analysis to supporting documents such as deed of cancellations.

For the application of the output method, in determining real estate revenue, we obtained an understanding of the Group's processes for determining the POC, and performed tests of the relevant controls. We obtained the certified POC reports prepared by the project engineers and assessed their competence and objectivity by reference to their qualifications, experience and reporting responsibilities. For selected projects, we conducted ocular inspections, made relevant inquiries, including inquiries on how the coronavirus pandemic affected the POC during the period and obtained the supporting details of POC reports showing the completion of the major activities of project construction.

For the cost of real estate sales, we obtained an understanding of the Group's cost accumulation process and performed tests of the relevant controls. For selected projects, we traced costs accumulated, including those incurred but not yet billed, to supporting documents such as invoices and accomplishment reports from the contractors and official receipts.

For the recognition of cost to obtain a contract, we obtained an understanding of the sales commission process. For selected contracts, we agreed the basis for calculating the sales commission capitalized and the portion recognized in profit or loss, particularly the following: (a) the percentage of commission due against contracts with sales agents, (b) the total commissionable amount (i.e., net contract price) against the related contract to sell, and, (c) the POC against the POC used in recognizing the related revenue from real estate sales.

On the adoption of PIC Q&A 2018-12-E, we obtained and reviewed the computation and supporting documents consisting primarily of the reserves memo, contracts, billings and incurred costs. We recomputed the impact of the change in POC.

Impairment Testing of Property and Equipment and Right-of-Use Assets of Hotels and Resorts Segment

In view of the continuing community quarantines and restricted travel, the Group's hotels and resorts segment continues to be adversely affected by the lower number of guests and reduced room rates, both of which have significantly impacted the revenues reported for this segment. Also, many restaurants remain closed or allowed limited operations which impacted the food and beverage revenues of the segment. These events and conditions are impairment indicators requiring the assessment of the recoverable amount of the property and equipment and right-of-use assets, which involves significant judgment, estimation and assumptions about occupancy rates, average room rates, gross margin, as well as external inputs such as discount rates. In addition, because of the coronavirus pandemic, there is the heightened level of uncertainty on the future economic outlook and market forecast. Accordingly, such impairment assessment and testing is a key audit matter in our audit.

The disclosures in relation to property and equipment and right-of-use assets are included in Note 3 to the consolidated financial statements.

Audit Response

We involved our internal specialist in evaluating the methodologies and the assumptions used in estimating the recoverable amount. These assumptions include occupancy rates, average room rates, gross margin as well as external inputs such as discount rate. We compared the key assumptions used such as occupancy rates, average room rates and gross margin against industry forecasts and with historical information, adjusted to take into consideration the impact associated with the coronavirus pandemic. We tested the discount rate by comparing against market data. We also reviewed the Group's disclosures about these assumptions to which the outcome of the impairment test is most sensitive; specifically, those that have the most significant effect on the determination of the recoverable amount of property and equipment and right-of-use assets.

Consolidation Process

The consolidated financial statements of the Group represents the consolidation of the financial statements of Ayala Land, Inc. and its various direct and indirect subsidiaries. We consider the Group's consolidation process as a key audit matter because of the complexity arising from the numerous component entities within the Group requiring layers of consolidation, voluminous intercompany transactions within the Group that require elimination, monitoring of fair value adjustments arising from business combinations, and adjustments to non-controlling interests. Note 1 to the consolidated financial statements provides the relevant information on the Group's subsidiaries.

Audit Response

We obtained an understanding of the Group's consolidation process and the Group's process for identifying related parties and related party transactions and the reconciliation of intercompany balances. We tested significant consolidation adjustments, including elimination, deferral and realization of profit or recoveries from intercompany transactions and balances, amortization/depreciation/reversal of fair value adjustments arising from business combinations, the currency translation adjustments, movements in non-controlling interests and other equity adjustments. We evaluated whether the accounting policies of the Group has been consistently applied.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2021, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2021 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRSs, as modified by the application of financial reporting relief issued and approved by the SEC as described in Note 2 to the consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in accordance with PFRSs, as modified by the application of financial reporting relief issued and approved by the SEC as described in Note 2 to the consolidated financial statements.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

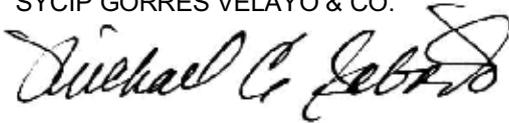
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Michael C. Sabado.

SYCIP GORRES VELAYO & CO.



Michael C. Sabado

Partner

CPA Certificate No. 89336

Tax Identification No. 160-302-865

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 0664-AR-4 (Group A)

November 11, 2019, valid until November 10, 2022

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-073-2020, December 3, 2020, valid until December 2, 2023

PTR No. 8854360, January 3, 2022, Makati City

February 24, 2022

AYALA LAND, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Thousands)

	December 31	
	2021	2020
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 4 and 29)	₱13,971,437	₱17,037,347
Short-term investments (Notes 5 and 29)	325,641	358,120
Financial assets at fair value through profit or loss (Notes 6 and 29)	700,803	965,171
Accounts and notes receivable (Notes 7 and 29)	100,097,451	101,145,909
Inventories (Note 8)	148,156,725	146,743,592
Other current assets (Note 9)	65,300,897	58,020,962
Total Current Assets	328,552,954	324,271,101
Noncurrent Assets		
Noncurrent accounts and notes receivable (Notes 7 and 29)	43,663,620	46,021,255
Financial assets at fair value through other comprehensive income (FVOCI) (Notes 10 and 29)	981,270	1,511,443
Investments in associates and joint ventures (Note 11)	28,152,733	26,601,254
Right-of-use assets (Note 33)	12,156,240	13,008,175
Investment properties (Note 12)	243,397,632	222,684,850
Property and equipment (Note 13)	41,778,353	43,446,968
Deferred tax assets - net (Note 23)	12,890,122	12,121,515
Other noncurrent assets (Notes 14 and 26)	33,891,439	31,827,813
Total Noncurrent Assets	416,911,409	397,223,273
	₱745,464,363	₱721,494,374
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term debt (Notes 16 and 29)	₱16,782,500	₱9,131,325
Accounts and other payables (Notes 15 and 29)	136,690,396	144,625,922
Income tax payable	506,638	1,455,612
Current portion of lease liabilities (Note 33)	599,363	466,801
Current portion of long-term debt (Notes 16 and 29)	26,173,997	18,732,401
Deposits and other current liabilities (Notes 17 and 29)	27,471,315	25,317,246
Total Current Liabilities	208,224,209	199,729,307
Noncurrent Liabilities		
Long-term debt - net of current portion (Notes 16 and 29)	180,140,242	184,087,192
Pension liabilities (Note 26)	2,103,735	3,020,797
Lease liabilities - net of current portion (Note 33)	17,237,991	17,289,042
Deferred tax liabilities - net (Note 23)	6,520,263	7,148,534
Deposits and other noncurrent liabilities (Notes 18 and 29)	60,735,602	50,040,170
Total Noncurrent Liabilities	266,737,833	261,585,735
Total Liabilities	474,962,042	461,315,042

(Forward)

	December 31	
	2021	2020
Equity (Note 19)		
Equity attributable to equity holders of Ayala Land, Inc.		
Paid-in capital	₱79,897,468	₱62,953,585
Retained earnings	168,980,632	161,660,724
Remeasurement loss on defined benefit plans (Note 26)	(33,279)	(818,101)
Fair value reserve of financial assets at FVOCI (Note 10)	(880,895)	(748,220)
Cumulative translation adjustments	261,612	167,395
Equity reserves (Note 1)	1,289,611	585,256
Treasury stock	(16,894,380)	(1,260,780)
	232,620,769	222,539,859
Non-controlling interests (Note 19)	37,881,552	37,639,473
Total Equity	270,502,321	260,179,332
	₱745,464,363	₱721,494,374

See accompanying Notes to Consolidated Financial Statements.

AYALA LAND, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(Amounts in Thousands, Except Earnings Per Share Figures)

	Years Ended December 31		
	2021	2020	2019
REVENUE (Note 20)			
Real estate sales (Notes 20 and 30)	₱96,144,850	₱85,965,453	₱157,848,573
Interest income from real estate sales (Notes 7 and 20)	6,801,012	8,602,775	7,890,972
Equity in net earnings of associates and joint ventures (Notes 11 and 20)	842,565	586,502	965,787
	103,788,427	95,154,730	166,705,332
Interest and investment income (Notes 6, 21 and 25)	253,107	394,701	930,445
Other income (Notes 21 and 24)	2,101,071	723,268	1,157,935
	2,354,178	1,117,969	2,088,380
	106,142,605	96,272,699	168,793,712
COSTS AND EXPENSES			
Cost of real estate sales (Note 22)	64,641,519	56,673,184	94,751,939
General and administrative expenses (Notes 22, 26 and 28)	6,538,859	8,011,813	9,367,359
Interest and other financing charges (Note 22)	11,037,772	12,745,720	12,199,758
Other expenses (Note 22)	3,636,915	3,788,771	1,644,982
	85,855,065	81,219,488	117,964,038
INCOME BEFORE INCOME TAX	20,287,540	15,053,211	50,829,674
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 23)			
Current	5,984,642	4,687,956	12,455,010
Deferred	(1,356,465)	(628,983)	859,633
	4,628,177	4,058,973	13,314,643
NET INCOME	₱15,659,363	₱10,994,238	₱37,515,031
Net income attributable to:			
Equity holders of Ayala Land, Inc. (Note 27)	₱12,228,148	₱8,727,155	₱33,188,399
Non-controlling interests	3,431,215	2,267,083	4,326,632
	₱15,659,363	₱10,994,238	₱37,515,031
Earnings Per Share (Note 27)			
Net income attributable to equity holders of Ayala Land, Inc.:			
Basic and diluted	₱0.83	₱0.59	₱2.25

See accompanying Notes to Consolidated Financial Statements.

AYALA LAND, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Thousands)

	Years Ended December 31		
	2021	2020	2019
NET INCOME	₱15,659,363	₱10,994,238	₱37,515,031
Other comprehensive income (loss)			
<i>Item that will be reclassified to profit or loss in subsequent years:</i>			
Cumulative translation adjustment	265,284	(237,531)	(617,831)
<i>Items that will not be reclassified to profit or loss in subsequent years:</i>			
Fair value reserve of financial assets at FVOCI (Note 10)	(97,378)	(426,088)	(3,220)
Remeasurement gain (loss) on pension liabilities (Note 26)	1,099,585	(686,987)	(167,754)
Income tax effect	(274,896)	206,096	50,326
	992,595	(1,144,510)	(738,479)
TOTAL COMPREHENSIVE INCOME	₱16,651,958	₱9,849,728	₱36,776,552
Total comprehensive income attributable to:			
Equity holders of Ayala Land, Inc.	₱13,049,676	₱7,872,357	₱32,449,920
Non-controlling interests	3,602,282	1,977,371	4,326,632
	₱16,651,958	₱9,849,728	₱36,776,552

See accompanying Notes to Consolidated Financial Statements.

AYALA LAND, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Amounts in Thousands)

Attributable to equity holders of Ayala Land, Inc.

	Capital Stock (Note 19)	Additional Paid-in Capital (Note 19)	Subscription Receivable (Note 19)	Appropriated Retained Earnings (Note 19)	Unappropriated Retained Earnings (Note 19)	Stock Options Outstanding	Gain (Loss) on Defined Benefit Plans (Note 26)	Fair value reserve of financial assets at FVOCI (Note 10)	Cumulative Translation Adjustment	Equity Reserves (Note 19)	Treasury Stocks (Note 19)	Total	Non- Controlling Interests	Total Equity
As of January 1, 2021, as previously stated	₱16,066,829	₱49,149,512	₱2,262,756	₱8,000,000	₱153,660,724	₱-	₱(818,101)	₱(748,220)	₱167,395	₱585,256	₱(1,260,780)	₱222,539,859	₱37,639,473	₱260,179,332
Change in accounting policies: Adoption of PFRS-15 covered by PIC Q&A 2018-12E Capitalized borrowing cost	-	-	-	-	(2,838,041)	-	-	-	-	-	-	(2,838,041)	(16,298)	(2,854,339)
As of January 1, 2021, as restated	16,066,829	49,149,512	(2,262,756)	8,000,000	152,815,712	-	(818,101)	(748,220)	167,395	585,256	(1,260,780)	219,701,818	37,623,175	257,324,993
Net income	-	-	-	-	12,228,148	-	824,689	(97,378)	94,217	-	-	12,228,148	3,431,215	15,659,363
Other comprehensive income (loss)	-	-	-	-	12,228,148	-	824,689	(97,378)	94,217	-	-	13,049,676	3,602,282	16,651,958
Total comprehensive income	-	-	-	-	17,000,000	-	824,689	(97,378)	94,217	-	-	15,072	-	15,072
Cost of stock options	-	150,072	-	-	(17,000,000)	-	-	-	-	-	-	-	-	324,725
Collection of subscription receivable	11,389	335,219	324,725	-	-	-	-	-	-	-	-	324,725	-	324,725
Stock options exercised	609,626	15,859,460	(346,608)	-	-	-	(39,867)	(35,297)	-	(276,774)	(13,976,965)	2,140,183	(2,140,183)	-
Statutory merger	-	-	-	-	-	-	-	-	-	-	(1,656,635)	(1,656,635)	-	(1,656,635)
Acquisition of treasury shares	-	-	-	-	-	-	-	-	-	981,129	-	981,129	-	981,129
Acquisition of non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net change in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividends declared	-	-	-	-	(4,063,228)	-	-	-	-	-	-	(4,063,228)	-	(4,063,228)
As of December 31, 2021	16,687,844	65,494,263	(2,284,639)	25,000,000	143,980,632	₱-	(33,279)	(880,895)	261,612	1,289,611	(16,894,380)	232,620,769	37,881,552	270,502,321
As of January 1, 2020	16,051,984	48,598,641	(1,876,179)	8,000,000	148,940,236	₱42,279	(937,210)	(457,358)	250,440	(7,066,459)	(1,104,353)	211,050,021	31,665,547	242,705,568
Net income	-	-	-	-	8,727,155	-	-	-	-	-	-	8,727,155	2,267,083	10,994,238
Other comprehensive loss	-	-	-	-	8,727,155	-	-	-	-	-	-	(854,798)	(289,712)	(1,144,510)
Total comprehensive loss	-	-	-	-	8,727,155	-	(480,891)	(290,862)	(83,045)	-	-	7,872,357	1,977,371	9,849,728
Cost of stock options	-	154,199	-	-	-	(42,279)	-	-	-	-	-	-	-	111,920
Collection of subscription receivable	-	-	26,940	-	-	-	(480,891)	(290,862)	(83,045)	-	-	26,940	-	26,940
Stock options exercised	14,845	396,672	(411,517)	-	-	-	-	-	-	-	-	-	-	-
Acquisition of treasury shares	-	-	-	-	-	-	-	-	-	-	(156,427)	(156,427)	-	(156,427)
Disposal of non-controlling interest	-	-	-	-	-	-	-	-	-	7,641,715	-	7,641,715	-	7,641,715
Increase in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividends declared	-	-	-	-	(4,006,667)	-	-	-	-	-	-	(4,006,667)	-	(4,006,667)
As of December 31, 2020	16,066,829	49,149,512	(2,262,756)	8,000,000	153,660,724	₱-	(818,101)	(748,220)	167,395	585,256	(1,260,780)	222,539,859	37,639,473	260,179,332

(Forward)

Attributable to equity holders of Ayala Land, Inc.

	Capital Stock (Note 19)	Additional Paid-in Capital (Note 19)	Subscriptions Receivable	Appropriated Retained Earnings (Note 19)	Unappropriated Retained Earnings (Note 19)	Stock Options Outstanding	Remeasurement Gain (Loss) on Defined Benefit Plans (Note 28)	Fair value reserve of financial assets at FVOCI (Note 10)	Cumulative Translation Adjustments (Note 19)	Equity Reserve (Note 19)	Treasury Stocks (Note 19)	Total	Non- Controlling Interests	Total Equity
As of January 1, 2019	P16,041,530	P47,985,990	(P1,676,556)	P8,000,000	P123,473,337	P65,462	(P219,782)	(P454,138)	P688,271	(P7,400,945)	P-	P186,683,168	P32,621,997	P219,305,166
Net income	-	-	-	-	33,188,399	-	(117,428)	(3,220)	(617,831)	-	-	33,188,399	4,326,632	37,515,031
Other comprehensive loss	-	-	-	-	-	-	(117,428)	(3,220)	(617,831)	-	-	(738,479)	-	(738,479)
Total comprehensive income	-	-	-	-	33,188,399	-	(117,428)	(3,220)	(617,831)	-	-	32,449,920	4,326,632	36,776,552
Cost of stock options	-	166,039	-	-	-	(23,183)	-	-	-	-	-	142,856	-	142,856
Collection of subscription receivable	-	-	-	-	-	-	-	-	-	-	-	255,443	-	255,443
Stock options exercised	10,454	446,612	(457,066)	-	-	-	-	-	-	-	-	-	-	-
Acquisition of treasury shares	-	-	-	-	-	-	-	-	-	-	(1,104,353)	-	-	(1,104,353)
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	344,486	-	344,486	(3,991,324)	(3,646,838)
Cash dividends declared	-	-	-	-	(7,721,500)	-	-	-	-	-	-	(7,721,500)	(1,301,758)	(9,023,258)
As of December 31, 2019	P16,051,984	P48,598,641	(P1,878,179)	P8,000,000	P148,940,236	P42,279	(P237,210)	(P457,358)	P250,440	(P7,056,459)	(P1,104,353)	P211,050,021	P31,655,547	P242,705,568

See accompanying Notes to Consolidated Financial Statements.

AYALA LAND, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousands)

	Years Ended December 31		
	2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱20,287,540	₱15,053,211	₱50,829,674
Adjustments for:			
Interest and other financing charges (Note 22)	11,037,772	12,745,720	12,199,758
Depreciation and amortization (Notes 12, 13, 14, 22 and 33)	8,820,507	9,572,572	9,058,710
Dividends received from investees (Note 11)	321,617	758,714	386,241
Provision for impairment losses (Note 22)	539,692	977,849	568,775
Cost of share-based payments (Note 28)	150,072	111,920	142,856
Unrealized (gain) loss on financial assets at fair value through profit or loss (Note 6)	(99,372)	40,116	1,965
Gain on sale of property and equipment (Note 21)	–	(23,265)	(40,870)
Equity in net earnings of associates and joint ventures (Note 11)	(842,565)	(586,502)	(965,787)
Gain on sale of investment in associates and jointly controlled entities (Note 11)	(807,618)	–	–
Interest income	(7,054,119)	(8,971,289)	(8,780,320)
Operating income before changes in working capital	32,353,526	29,679,046	63,401,002
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Accounts and notes receivable – trade	251,492	683,154	14,849,682
Inventories (Note 8)	(1,459,729)	(10,253,170)	(5,315,783)
Other current assets (Note 9)	(7,279,935)	(8,477,188)	(4,520,502)
Increase (decrease) in:			
Accounts and other payables	(7,690,011)	(16,164,090)	(15,725,408)
Deposits and other current liabilities (Note 17)	2,154,067	(155,341)	(3,071,965)
Pension liabilities (Note 26)	(92,362)	346,206	319,979
Cash generated from operations	18,237,048	(4,341,383)	49,937,005
Interest received	7,008,224	8,925,394	8,768,302
Income tax paid	(6,933,615)	(5,355,723)	(11,683,232)
Interest paid	(10,385,580)	(11,735,785)	(11,009,836)
Net cash provided by (used in) operating activities	7,926,077	(12,507,497)	36,012,239
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from:			
Sale/redemption of short-term investments	41,160	397,875	2,490,543
Sale/redemption of financial assets at FVTPL	1,168,987	1,917,237	765,763
Sale of investments in FVOCI (Note 10)	–	21,112	56,858
Disposal of property and equipment (Note 13)	483,360	161,997	124,832
Disposal of investment properties (Note 12)	294,149	2,203,774	3,669,275
Disposal of investments in associates and jointly controlled entities	807,618	326,602	–

(Forward)

	Years Ended December 31		
	2021	2020	2019
Additions to:			
Short-term investments	(P8,680)	(P138,846)	(P22,293)
Financial assets at fair value through profit or loss	(805,248)	(2,437,088)	(776,919)
Financial assets at FVOCI (Note 10)	-	(98,951)	(93,463)
Investments in associates and joint ventures (Note 11)	(778,748)	(1,837,901)	(1,529,688)
Investment properties (Note 12)	(22,030,868)	(5,544,790)	(29,215,224)
Property and equipment (Note 13)	(3,215,492)	(3,098,436)	(10,519,576)
Net decrease (increase) in:			
Accounts and notes receivable - nontrade (Note 7)	(12,981)	2,046,114	(564,222)
Other noncurrent assets (Note 14)	(2,171,784)	2,865,904	(6,957,950)
Net cash used in investing activities	(26,228,527)	(3,215,397)	(42,572,063)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short and long-term debt (Note 16)	191,282,758	226,900,910	165,401,684
Payments of short and long-term debt (Note 16)	(180,536,836)	(225,720,204)	(140,675,538)
Payments of principal portion of lease liability (Note 33)	(1,432,361)	(1,334,674)	(1,179,645)
Increase (decrease) in deposits and other noncurrent liabilities	10,695,432	5,706,022	(6,241,773)
Acquisition of non-controlling interest (Note 19)	1,534,967	-	(3,646,838)
Increase in non-controlling interests	-	235,994	-
Proceeds from IPO sponsorship (Note 19)	-	12,343,461	-
Proceeds from capital stock subscriptions (Note 19)	324,724	26,940	255,443
Acquisition of treasury shares (Note 19)	(1,656,635)	(156,427)	(1,104,353)
Dividends paid to non-controlling interests	(1,324,396)	(931,185)	(1,301,758)
Dividends paid to equity holders of Ayala Land, Inc. (Note 19)	(4,051,013)	(4,397,061)	(7,754,047)
Net cash provided by financing activities	14,836,640	12,673,776	3,753,175
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,465,810)	(3,049,118)	(2,806,649)
EFFECT OF CHANGES IN FOREIGN CURRENCY	399,900	(326,576)	(776,880)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	17,037,347	20,413,041	23,996,570
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	P13,971,437	P17,037,347	P20,413,041

For a complete copy of Ayala Land's audited financial statements including its notes, visit ir.ayalaland.com.ph

SUSTAINABILITY REPORTING INDEX

For a more detailed disclosure in line with GRI Standards, SASB Standards and TCFD Guidelines, please refer to <https://ir.ayalaland.com.ph/sustainability/>.

Dimension	Material Topic	<IR>	GRI Standards	SASB	TCFD	UN SDGs	Page Number(s)
Economic	Project Delivery, Quality and Responsibility	Natural and Manufactured Capital	-	-	Strategy Risk Management	9, 11	15; 16-29; 38-63; 149-150
	Business Ethics	Corporate Governance	205 206	-	Governance	-	126-145
	Indirect Economic Impacts	Social and Relationship Capital	203	-	-	1, 3, 8, 9, 10, 11	15; 88-89; 90-97; 110-125
	Supply Chain Management	Social and Relationship Capital	204 308	-		9, 11, 12	119-120
Environmental	Resource Efficiency	Natural and Manufactured Capital	301 302 303 306	IF-RE-130 IF-RE-140 IF-RE-410	Metrics and Targets	9, 11, 12, 13, 14, 15	88-109
	Environmental Compliance	Natural and Manufactured Capital	307	-	Risk Management	11, 12, 14, 15	98-109; 151
	Land Use, Ecological Impact and Biodiversity	Natural and Manufactured Capital	304	-	Risk Management	14, 15	88-109; 151
	Climate Action	Natural and Manufactured Capital	305	IF-RE-450	Strategy Metrics and Targets	13	88-109; 151; 179
Social	Talent Attraction, Retention and Development	Human Capital	401 402 404	-	-	8	95; 110-119
	Workforce Health and Safety	Human Capital	403	-	-	3, 8	16-29; 38-63; 95; 112-115; 153
	Customer Relationship	Social and Relationship Capital	-	-	-	11	38-63; 95; 116-117
	Community Engagement and Impact	Social and Relationship Capital	411 413	-	-	1, 3, 8, 11	38-63; 95; 122-123
	Customer Health and Safety	Human Capital	416	-	-	3	16-29; 38-63; 95; 112-115; 153
	Labor Practices	Human Capital	405 406 407 408 409	-	-	3, 8	95; 110-119

SUPPLEMENTAL ENVIRONMENTAL SECTION TABLES

For a comprehensive disclosure of sustainability data and performance across material economic, environmental and social topics, please visit <https://ir.ayalaland.com.ph/sustainability/sustainability-data-and-performance/>.

Table A: Boundary of Environmental Data					
No. of Buildings/Projects Covered	2017	2018	2019	2020	2021
Commercial Properties					
Malls	39	39	42	45	45
Offices	26	36	43	50	50
Hotels	9	10	14	15	15
Resorts	6	10	10	10	10
District Cooling System	5	7	11	12	12
Construction Projects*	174	248	273	129	129
Residential Properties	131	135	149	143	160
Estates and Carparks					
Estate	13	20	22	23	30
Carpark**	9	27	27	27	24
Airline	-	-	4	4	4
Industrial Parks and Warehouses	-	-	-	3	3

*Covers construction projects, precast plants and equipment yards of MDC.

**3 carparks were removed under APMC management in 2021.

Table B: Ayala Land Group Total Emissions, Market-Based					
in t-CO ₂ e	2017	2018	2019	2020	2021
Scope 1	16,750	30,772	40,547	44,667	61,236
Scope 2	275,489	257,679	214,227	126,037	73,316
Scope 3	340,273	286,930	218,501	140,867	47,848

Notes:

1. Emissions are computed using the GHG Protocol Corporate Accounting and Reporting Standard, with emission factors based on the Philippine Department of Energy
2. For Scope 1 emissions, reference for the GWPs (global warming potential) is the 2014 IPCC 5th Assessment Report. Gasses reported include carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O).
3. For properties that shifted to purchasing electricity from renewable energy power plants which are accompanied by iRECs (International REC Standard) certification, Scope 2 emissions are considered zero from the date of shifting.
4. 2017-2020 emissions corrected to exclude residential properties' emissions, which will be reported under "Use of Sold Products" category starting 2022.
5. Scope 3 emissions cover energy consumption under "Downstream Leased Assets" category.

Table C: 2021 Market-Based Emissions by Property Type			
in t-CO ₂ e	Scope 1	Scope 2	Scope 3
Commercial Properties			
Malls	6,978	7,645	24,537
Offices	1,849	13,074	19,717
Hotels	462	9,889	195
Resorts	3,867	-	243
Construction Projects	15,650	27,372	-
Estates and Carparks			
Estates	223	6,397	-
Carparks	116	1,462	-
District Cooling System	25,495	7,007	-
Airline	6,572	38	-
Industrial Parks and Warehouses	24	431	3,156
Total	61,236	73,316	47,848

STATEMENT OF MANAGEMENT RESPONSIBILITY

Ayala Land's 2021 Integrated Report



The management of Ayala Land, Inc. have applied their collective mind in the preparation of Ayala Land's 2021 Integrated Report in accordance with the International Integrated Reporting Council (IIRC) Integrated Reporting <IR> Framework.

The preparation of this Integrated Report was supervised by the President and CEO, Mr. Bernard Vincent O. Dy and the Chief Finance Officer and Chief Compliance Officer, Mr. Augusto D. Bengzon, who are responsible for the integrity of this report.

This report contains certain forward-looking statements that may involve risks or uncertainties as they relate to future events and circumstances that may be beyond Ayala Land's control.

In addition, regulations of the Philippine Stock Exchange (PSE) prohibit making price sensitive forecasts without considerable independent review and process. The management therefore advise readers to use caution regarding interpreting any forward-looking statements in this report.

A handwritten signature in black ink, appearing to be 'BV Dy', written over a white background.

Bernard Vincent O. Dy

President and CEO

A handwritten signature in black ink, appearing to be 'AB Bengzon', written over a white background.

Augusto D. Bengzon

Chief Finance Officer, Treasurer
and Chief Compliance Officer



INDEPENDENT ASSURANCE STATEMENT

Introduction

DNV AS Philippine Branch ('DNV') has been commissioned by the management of Ayala Land, Inc. ('ALI' or 'the Company', Securities and Exchange Commission Identification Number: 152747) to undertake an independent assurance of the sustainability / non-financial disclosures in ALI's 2021 Integrated Report ('the Report') in its printed format for the year ended 31 December 2021. The intended users of this Assurance Statement are the management of the Company.

We performed a limited level of assurance using DNV's assurance methodology VeriSustain™¹, which is based on our professional experience, international assurance best practice including International Standard on Assurance Engagements (ISAE) 3000 Revised*, along with the Global Reporting Initiative's ('GRI's') Principles for Defining Report Content and Report Quality and the Sustainability Accounting Standards Board's ('SASB's') industry-specific Standards. The verification engagement was carried out from December 2021 to March 2022.

Scope and Boundary of Assurance

The scope of assurance included a review of sustainability related disclosures and performance data of ALI as identified under reporting boundary in "About This Report" section of the Report.

Our assurance engagement included limited level of verification of sustainability performance disclosures for the identified material topics of ALI as detailed under the section 'Materiality Review and Sustainability Four Focus Areas' in the Report i.e., covering entities over which ALI has operational control or has seconded employees in operations. Our verification applies a ±5% uncertainty threshold towards errors and omissions for the performance data brought out in the Report.

Responsibilities of the Management of ALI and of the Assurance Provider

The Company's management has sole responsibility for the integrity of the Report and this responsibility includes designing, implementing and maintaining internal controls over collection, analysis, aggregation and preparation of data, fair presentation of the information, ensuring that data is free from material misstatement and maintaining the integrity of their website under digital domain. The Board has complete oversight and is responsible for the Company's sustainability reporting. ALI has stated that this Report has been prepared based on the Guiding Principles and Content Elements of the International <IR> Framework (the '<IR> Framework') and has adopted general disclosures and selected topic-specific disclosures related to identified material topics from the GRI Standards (2018 and GRI 306: Waste 2020) as well as the SASB Standards 2018 (Real estate) and TCFD for climate-related financial disclosures.

In performing our assurance work, DNV's responsibility is solely towards the Management of ALI in accordance with terms of reference agreed; however, this assurance statement represents our independent opinion and is intended to inform the outcome of the assurance to the Company's stakeholders. DNV's responsibility is to form an independent conclusion. In doing so, we carried out the sampling procedures required for the evidence for a limited level of assurance based on VeriSustain i.e., DNV is responsible for planning and performing the engagement to obtain assurance about whether the selected information is free from material misstatement and meets the disclosure requirements.

Basis of our Opinion

We planned and performed our work to obtain the evidence considered necessary to provide a basis for our assurance opinion as part of the assurance engagement. We adopted a risk-based approach, i.e., we concentrated our verification efforts on the issues of high material relevance to ALI and its key stakeholders. A team of sustainability assurance specialists reviewed non-financial disclosures related to the Head Office at Makati City, and selected sites of ALI (One Ayala Construction and the 30th BPO) in the Philippines, based on DNV's sampling plan. Due to the COVID-19 pandemic and associated travel restrictions, we undertook remote audits in line with DNV's remote assessment methodology as site visits were not possible. We undertook the following activities:

- Reviewed the non-financial sustainability-related disclosures in this Report;

¹ The VeriSustain protocol is available on www.dnv.com

* Assurance Engagements other than Audits or Reviews of Historical Financial Information.



- Reviewed approaches to materiality determination and review of outcomes of stakeholder engagement; DNV did not have any direct engagement with external stakeholders;
- Reviewed information provided to us by the Company on its reporting and management processes related to sustainability performance for the reporting year based on the framework adopted by ALI;
- Interviewed select members of leadership team, and senior managers responsible for the management of sustainability issues and review of selected evidence to support generic disclosures. We were free to choose interviewees, and interviewed those with overall responsibility for the programmes to deliver the targets for medium- and long-term vision, mission and milestones;
- Performed desk review of selected sustainability parameters for sampled entities, and discussed findings and resolved with the Corporate Sustainability Team;
- Carried out remote assessments with two (2) sites (One Ayala Construction and the 30th BPO) to review the processes and systems for preparing site level sustainability data and implementation of sustainability strategy. We were free to choose the sites for remote assessment or verification;
- Reviewed supporting evidence for key claims and data disclosed in the Report. Our verification processes were prioritized based on risk-based approach, i.e., relevance of identified material topics and sustainability context of the business;
- Reviewed the processes for gathering and consolidating the performance data and, for a sample, checking the data consolidation at site and corporate levels.

Opinion and Observations

On the basis of the assurance engagement undertaken, nothing has come to our attention to suggest that ALI's 2021 Integrated Report does not properly describe the non-financial performance of identified material topics based on the Guiding Principles and Content Elements of the International <IR> Framework. Without affecting our assurance opinion, we also provide the following observations against the principles of VeriSustain:

Stakeholder Inclusiveness

The participation of stakeholders in developing and achieving an accountable and strategic response to Sustainability.

The Report has brought out key stakeholders to engage with, to build trust based on significant influence on ALI's sustainability performance under 'Stakeholder Engagement' section of the Report. The Report also brings out how ALI interacts with the key stakeholders on a regular basis through various channels to assess their concerns and respond to them through various disclosures on strategies and value creation in the Report.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Stakeholder Inclusiveness.

Materiality

The process of determining the issues that are most relevant to an organization and its stakeholders.

The Report states that the results of the Company's materiality assessment in 2013 (identifying sustainability focus areas) remain relevant today, along with material issues emerging from the COVID-19 pandemic. The material topics under the four focus areas are mapped to identified GRI, SASB, TCFD and UNSDGs, considering the significance of their impacts on communities, business partners, workforce and the environment.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Materiality.

Responsiveness

The extent to which an organization responds to stakeholder issues.

The Report brings out the Company's responses to identified material topics, key challenges faced and significant issues including risks which have arisen during the reporting period through disclosures on Governance, Business Review, strategic responses to key stakeholders' concerns, to deliver shared values. Further the Report also brings out its non-financial performance related to its material topics through selected GRI Topic Specific Standards and SASB industry-specific Standards as Performance Indices, including the organization's ability to create value on the six capitals of <IR> framework.



Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Responsiveness.

Reliability

The accuracy and comparability of information presented in the report, as well as the quality of underlying data management systems.

The majority of the performance disclosures verified through offsite verification, i.e., at the Head Office and sampled sites, and through desk reviews, were found to be fairly accurate, reliable, identifiable and traceable to the source. Considering the limited sampling, we did not detect any major errors related to data collection or aggregation. We also reviewed the calculations and related assumptions used for its suitability, taking into account the principle of Reliability, however our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems. Some of the data inaccuracies identified during the verification process were found to be attributable to interpretation and aggregation errors. These identified errors were communicated, and the responses and corrections made to the reported data and information were reviewed.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Reliability.

Completeness

How much of all the information that has been identified as material to the organization and its stakeholders is reported.

The Report discloses the Company's non-financial disclosures based on the <IR> Framework and performance during the reporting period 2021 related to its material issues using appropriate GRI Topic Specific Standards and SASB disclosures, for the identified boundary of operations and covers the Company's approaches to value creation during the reporting period.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Completeness.

Neutrality

The extent to which a report provides a balanced account of an organization's performance, delivered in a neutral tone.

The Report presents disclosures related to the Company's performance, challenges and concerns of stakeholders during the reporting period in a neutral, consistent and balanced manner, applying adequate consideration to not unduly influence stakeholders' opinion made based on the reported data and information.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Neutrality.

Limitations

DNV's assurance engagements are based on the assumption that the data and information provided by the Company to us as part of our review have been provided in good faith, are true, and is free from material misstatements. Because of the selected nature (sampling) and other inherent limitations of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected. The engagement excludes the sustainability management, performance, and reporting practices of ALL's suppliers, contractors, and any third parties mentioned in the Report. The Company's position statements (including the Company's claim on carbon neutrality), the statements for the management approach, and case studies and examples are excluded from the scope of our work. We did not interview external stakeholders as part of this assurance engagement.

We understand that the reported financial data and related information are based on statutory disclosures and Audited Financial Statements[#], which are subject to a separate independent statutory audit process. We did not review financial disclosures and data as they are not within the scope of our assurance engagement

The procedures performed in a limited assurance engagement vary in nature and are shorter in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained if a reasonable assurance engagement had been performed. During the assurance process, we did not come across limitations to the scope of the agreed assurance engagement.



Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2015 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct² during the assurance engagement and maintain independence wherever required by relevant ethical requirements.

This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of any statement or datum included in the Report except for this Assurance Statement. DNV maintains complete impartiality toward internal stakeholders interviewed during the assurance process.

DNV has provided assurance to Ayala Corporation, Bank of the Philippine Islands, Manila Water Company Inc, AREIT, AC Energy Corporation and Globe Telecom, Inc. In our opinion, there is no conflict of interest in the assurance engagement provided to the business units of Ayala Group. DNV did not provide any services to ALI in 2021 that could compromise the independence or impartiality of our work.

Purpose and Restriction on Distribution and Use

This report, including our conclusion has been prepared solely for the Company in accordance with the agreement between us. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our work or this report.

For and on behalf of DNV AS Philippine Branch

 <p>Thamizharasi Kaliaperumal Lead Verifier Sustainability Services DNV Business Assurance India Private Limited.</p>	 <p>Percy Lakdawalla Regional Manager – APAC Supply Chain and Product Assurance DNV Business Assurance Singapore Pte. Ltd.</p>	 <p>N Sathishkumar Assurance Reviewer Head, Sustainability Services DNV Business Assurance Singapore Pte. Ltd.</p>
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20 April 2022, Manila, The Philippines.

DNV AS Philippine Branch is part of DNV, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. www.dnv.com

² The DNV Code of Conduct is available from the DNV website (www.dnv.com)
02 March 2022

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