ENVIRONMENTAL POLICY

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Ayala Land, Inc. (ALI), including its subsidiaries and business units, recognizes that environmental stewardship is fundamental to long-term value creation, business resilience, and sustainable development. We are committed to integrating environmental considerations into our strategy, governance, investments, operations, products, and value chain, while actively contributing to climate action, resource efficiency, biodiversity conservation, and the transition to a low-carbon and nature-positive future.

SCOPE OF POLICY

This Policy applies to all Ayala Land business units, subsidiaries, affiliates, projects, developments, and operations under the Company's operational control. The Policy guides environmental decision-making across the lifecycle of our developments, including planning, design, construction, operations, redevelopment, and asset management.

ALI recognizes that significant environmental impacts, risks, opportunities, and dependencies may arise throughout its value chain. Accordingly, the Company seeks to promote alignment with this Policy among suppliers, contractors, service providers, tenants, customers, joint venture partners, and other business partners. Through collaboration, ESG screening, capacity-building, and continuous improvement initiatives, ALI aims to reduce environmental impacts and create sustainable value across its operations and value chain.

GOVERNANCE AND MANAGEMENT

Environmental priorities, targets, and action plans are informed by periodic assessments of the Company's material environmental impacts, dependencies, risks, opportunities, and regulatory obligations across its operations and value chain. These assessments support strategic planning, capital allocation, enterprise risk management, and decision-making processes, and are regularly reviewed to address evolving environmental, climate-related, and nature-related challenges

The Board Sustainability Committee provides oversight of environmental strategy, performance, targets, risks, opportunities, and compliance obligations. The Committee regularly reviews progress against environmental commitments and provides guidance on emerging environmental issues, including climate change, biodiversity, resource management, and environmental resilience.

Senior Management of the business units are responsible for implementing this Policy and integrating environmental considerations into business strategies, operations, investment decisions, and risk management processes. Sustainability leads designated across Strategic Business Units (SBUs) and corporate functions support implementation, performance monitoring, and continuous improvement throughout the organization.

Environmental risks, controls, and performance are managed through ALI's enterprise risk management framework and are subject to independent audit and assurance processes. Significant environmental disclosures are subject to independent third-party assurance.

ALI maintains environmental management systems aligned with internationally recognized standards and best practices. Key subsidiaries, including Makati Development Corporation (MDC) and Ayala Property Management Corporation (APMC), maintain ISO 14001-certified Environmental Management Systems to support the systematic identification, management, monitoring, and continual improvement of environmental performance.

The company applies a structured approach to:
- Identifying and managing environmental aspects, risks, and opportunities;
- Ensuring compliance with applicable legal and regulatory requirements;

- Driving continuous improvement through monitoring, evaluation, and corrective action.

Suppliers and contractors are expected to comply with applicable environmental regulations, support greenhouse gas reduction efforts, manage waste responsibly, prevent pollution, and participate in ESG screening and assessment processes.

CORE COMMITMENTS

Ayala Land's environmental commitments are guided by the Company's material environmental topics, including climate change, energy, water, biodiversity, natural capital, pollution prevention, resource use, circular economy, waste management, sustainable buildings, mobility, and responsible procurement. These priorities are regularly reviewed through the Company's materiality assessment process and integrated into strategy, risk management, investment decisions, operational planning, and stakeholder engagement.

Climate Change and Emissions Management

ALI recognizes climate change as one of the most significant environmental challenges affecting communities, ecosystems, and the built environment. We support the goals of the Paris Agreement and are committed to achieving Net Zero greenhouse gas emissions by 2050 through science-based decarbonization pathways and climate-resilient development.

To achieve this commitment, ALI shall:

- Reduce Scope 1, Scope 2, and material Scope 3 greenhouse gas emissions across our operations and value chain;
- Integrate climate-related risks and opportunities into business planning, investment decisions, development planning, and enterprise risk management;
- Strengthen the resilience of assets, communities, and operations to the physical and transition impacts of climate change;
- Increase the use of renewable energy, resource-efficient technologies, and low-carbon solutions;
- Seek consistency between our climate commitments and our participation in industry associations, advocacy initiatives, and public policy engagement activities; and
- Utilize internal carbon pricing and other carbon valuation approaches, where appropriate, to support investment decisions, risk assessments, capital allocation, and transition planning.

ALI continues to measure and manage its Scope 1, 2, and material Scope 3 emissions throughout the organization. To accelerate decarbonization and improve resource efficiency, we have also set complementary 2030 targets for water, materials, procurement, and energy:

- 100% of operating and new developments connected to renewable energy sources
- 10% reduction in water withdrawal through recycled or reused water
- 20% increase in the use of low-carbon construction materials
- All suppliers and service providers to undergo ESG screening

Energy Management

ALI promotes the responsible and efficient use of energy throughout the lifecycle of its developments. We are committed to:

- Improving energy efficiency across planning, construction, operations, and asset management;
- Expanding the use of renewable and low-carbon energy solutions;
- Integrating energy-efficient technologies and building systems across our portfolio;
- Pursuing recognized green building certifications and energy management best practices; and

- Monitoring, managing, and improving energy performance through measurable objectives and targets.

Water Stewardship

ALI recognizes water as a critical resource for communities, ecosystems, and business operations and is committed to responsible water stewardship.

We shall:

- Use water efficiently and responsibly across our developments and operations;
- Protect water quality through effective wastewater treatment and pollution prevention measures;
- Promote water reuse, recycling, stormwater management, and water conservation initiatives;
- Adopt new technologies, promote behavioral adjustments to minimize water consumption and achieve optimal water efficiency while maintaining a level of comfort in our developments;
- Provide all employees with access to safe and potable water, as well as sanitation and hygiene facilities.
- Reduce impacts on freshwater ecosystems and watershed resources; and
- Strengthen water resilience through sustainable planning, infrastructure, and operational practices.

Circular Economy, Materials, and Waste Management

ALI supports the transition to a circular and resource-efficient economy and recognizes the role of circularity in reducing waste, conserving resources, lowering embodied carbon, and improving environmental performance.

ALI integrates circular economy principles into project design, procurement, construction, operations, redevelopment, and end-of-life asset management. We are committed to:

- Reducing resource consumption and material waste throughout the lifecycle of our developments;
- Designing developments that promote durability, adaptability, resource efficiency, and waste reduction;
- Reducing, reusing, recovering, and recycling materials wherever feasible;
- Implementing construction and demolition waste management programs;
- Increasing the use of recycled, renewable, responsibly sourced, and low-carbon materials;
- Supporting sustainable procurement and responsible supplier practices;
- Reducing waste sent to landfill and promoting circular material flows; and
- Measuring and improving waste, materials, circularity, and resource-use performance over time.

Pollution Prevention

ALI is committed to preventing and minimizing pollution to air, water, and land arising from development, construction, operational, and value chain activities. We seek to protect human health, ecosystems, and natural resources through proactive environmental management and continuous improvement.

To support this commitment, ALI shall:

- Identify, assess, and control sources of environmental pollution;
- Reduce emissions, contaminants, and waste streams that may adversely affect the environment;

- Responsibly manage hazardous substances and hazardous wastes in accordance with applicable regulations and best practices;
- Promote environmentally responsible construction and operational practices; and
- Continuously improve environmental controls, monitoring systems, and pollution prevention measures.

ALI manages hazardous waste in compliance with Republic Act 6969 (Toxic Substances and Hazardous and Nuclear Wastes Act of 1990) and DENR Administrative Order 2013-22, which cover the storage, transport, treatment, and disposal of hazardous waste. Designated hazardous waste storage areas are maintained across properties, and all hazardous waste is handled and treated by DENR-accredited service providers.

Sustainable Mobility

ALI integrates mobility, accessibility, and transport connectivity considerations into its developments to support low-carbon, inclusive, and resilient communities.

We are committed to:

- Promoting walkability, cycling, and public transport connectivity;
- Integrating mobility infrastructure and transit-oriented development principles;
- Supporting the adoption of low-emission and electric transportation;
- Provision of electric charging stations in our developments in support of green sustainable transport; and
- Enhancing mobility options for employees, tenants, customers, and communities.

Sustainable Buildings and Resilient Developments

ALI is committed to developing, managing, and operating buildings that advance environmental performance, climate resilience, resource efficiency, and occupant well-being.

We shall:

- Integrate sustainability considerations across planning, design, construction, operations, and asset management;
- Incorporate recognized green building and sustainable community principles into the planning and development of our projects and estates;
- Pursue recognized green building certifications where practicable;
- Promote energy efficiency, water efficiency, circularity, biodiversity enhancement, and climate resilience;
- Support responsible resource use and environmental stewardship across our portfolio; and
- Continuously improve the sustainability performance of our developments throughout their lifecycle.

ALI is committed to securing green certifications, such as USGBC's LEED, WELL, PhilGBC's BERDE, IFC's EDGE, and other green building and district certification systems, for operating properties and new developments.

Biodiversity and Natural Capital

ALI recognizes that healthy ecosystems and biodiversity are fundamental to sustainable development, climate resilience, and long-term business value. We also recognize that our business depends on ecosystem services, including water availability, climate regulation, land productivity, and biodiversity, and we seek to identify, assess, and manage these nature-related dependencies through planning, development, and operations.

ALI integrates biodiversity and natural capital considerations into development planning, investment decisions, environmental management systems, and risk management processes. To support the protection and restoration of nature, ALI shall:

- Identify, assess, and manage biodiversity-related impacts, dependencies, risks, and opportunities;
- Apply the mitigation hierarchy by prioritizing avoidance, followed by minimization and restoration, with offsetting considered only as a last resort;
- Avoid deforestation and the conversion of natural ecosystems associated with our developments and supply chain activities;
- Conduct environmental and biodiversity assessments, including Environmental Impact Assessments (EIAs), High Conservation Value (HCV) assessments prior to development and other relevant studies, where appropriate;
- Protect, conserve, and restore natural habitats through reforestation, revegetation, ecosystem restoration, nature-based solutions, and biodiversity enhancement initiatives;
- Promote the use of native species and ecological design approaches across developments;
- Avoid activities involving the trade of species protected under CITES and the IUCN Red List; and
- Progressively align our practices with the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) and the Kunming-Montreal Global Biodiversity Framework.

ALI aims to achieve no net loss of biodiversity and contribute to nature-positive outcomes wherever practicable.

STAKEHOLDER ENGAGEMENT

ALI recognizes that effective environmental stewardship requires meaningful engagement and collaboration with stakeholders across its operations and value chain. The Company seeks to maintain open, transparent, and constructive dialogue with stakeholders to better understand environmental concerns, identify opportunities for improvement, and support long-term sustainable development.

To advance environmental objectives and shared value creation, ALI commits to:

- Engaging stakeholders to understand and address material environmental issues and opportunities;
- Integrating stakeholder feedback into the management of environmental impacts, risks, and opportunities;
- Collaborating with value chain partners to advance climate action, biodiversity conservation, resource efficiency, and circular economy practices;
- Promoting environmental awareness and capacity-building among employees and stakeholders; and
- Supporting industry and multi-stakeholder initiatives that contribute to environmental protection, resilience, and sustainable development.

COMPLIANCE AND CONTINUOUS IMPROVEMENT

ALI is committed to maintaining compliance with applicable environmental laws, regulations, permits, standards, and other obligations in all jurisdictions where it operates. The Company adopts a proactive approach to environmental management that seeks to anticipate emerging risks, adapt to evolving stakeholder expectations, and continuously improve environmental performance across its operations and value chain.

The Company is committed to:

- Maintain effective environmental management systems and controls to identify, assess, monitor, and mitigate environmental impacts and risks
- Comply with applicable legal, regulatory, permitting, and reporting requirements and take prompt corrective action where gaps are identified;
- Pursue continual improvement in environmental performance through the establishment of objectives, targets, monitoring programs, audits, reviews, and corrective and preventive actions
- Adopt internationally recognized standards, frameworks, and best practices to strengthen environmental stewardship and operational resilience;
- Promote innovation, resource efficiency, climate resilience, pollution prevention, biodiversity conservation, and circular economy principles in support of sustainable development; and
- Build environmental awareness and accountability among employees, contractors, suppliers, and business partners through training, engagement, and performance monitoring.

MONITORING, REPORTING, AND TRANSPARENCY

ALI is committed to maintaining a transparent, consistent, and data-driven approach to monitoring, measuring, verifying, and reporting environmental performance. The Company recognizes that high-quality environmental information supports informed decision-making, strengthens stakeholder trust, and enables accountability for achieving environmental commitments and targets.

ALI references and aligns its environmental disclosures, where applicable, with internationally recognized standards, frameworks, and guidance, including:

- IFRS Sustainability Disclosure Standards (IFRS S1 and IFRS S2)
- Global Reporting Initiative (GRI) 2021 Standards
- Sustainability Accounting Standards Board (SASB) Real Estate Standard
- Task Force on Climate-related Financial Disclosures (TCFD) recommendations
- United Nations Sustainable Development Goals (SDGs)
- The Paris Agreement
- The Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard
- Science-Based Targets Initiative (SBTi) Corporate Net-Zero Standard
- Taskforce on Nature-related Financial Disclosures (TNFD) Recommendations
- Kunming-Montreal Global Biodiversity Framework
- IFC Biodiversity Finance Reference Guide
- ISO 14001 Environmental Management System
- ISO 50001 Energy Management System
- ASEAN Corporate Governance Scorecard (ACGS) principles for governance reporting
- Applicable Philippine environmental laws, regulations, and national development plans

This Policy has been reviewed and approved by the Sustainability Council on July 31, 2026 and shall be effective immediately.