

# AC HR POLICIES

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## Procurement Policy

In Ayala, all purchases, irrespective of funding, will be governed by the following policy:

It shall be the procurement policy of the group to obtain services, supplies, and equipment from reputable and quality sources that exhibit reliability, quality, and fair pricing. Payment arrangements are subject to individual contract agreements, with the commitment that both parties will abide by the terms and conditions related to the products and services. In relation to this policy, the reputation, historical performance, financial capability, and environmental impact of the suppliers are considered in the decision process. Ayala encourages sourcing from local vendors and gives prime consideration to their products and services, ensuring that there are no conflicts of interest. Competitive bids are applied whenever applicable, and all transactions comply with all legal requirements. Given Ayala's commitment to the principles of SDGs, the group considers the suppliers' compliance with human rights, specifically in ensuring that neither child labor nor forced labor is present in any part of their supply chain.

## Recruitment, Compensation, and Retrenchment Policy

The recruitment in the organization shall be handled primarily by the Talent Management unit of the company. As appropriate, all openings and related information shall be made available by the unit to both internal and external channels. In hiring part-time or full-time employees, the company considers the applicant's skills, qualification, and experience. In hiring, the company does not discriminate gender, sexual orientation, , race, ethnicity, color, religion, age, marital status, disability, economic status and political affiliation. Compensation and benefits packages are carefully reviewed and offered fairly, reflect and match the person's qualifications, and benchmarked appropriately against industry levels while ensuring that these packages adhere to all applicable laws and government regulations. Any transactions involving third-party employers will be under the management of the Human Resources unit. At the minimum, engagement with these third-party suppliers must comply with all labor standards and other related regulations.

In cases where retrenchment cannot be avoided, the company ensures adherence to all related legal requirements. Before termination or redeployment, the company explores options such as, but not limited to: freeze hiring, grant of retirement options, or provision for training programs to provide alternative skill sets. When termination of employment or redeployment is imminent, the company ensures that the employee is properly informed and given proper assistance in the process. Compliance to all related regulations is assured, particularly with the requirements of

Department of Labor and Employment (DOLE). This policy is not applicable for terminating employment of non-performers or employees with unsatisfactory disciplinary behaviors.

### Employee Development and Industrial Relations Policy

The organization supports the development of its employees. While the employees are encouraged to take responsibility for their own development, the company is committed to provide training and learning opportunities to further assist them in their professional growth. Opportunities may come from internal and external sources, including academic, professional, technical or industry-related training, career development programs, conferences, workshops, and certification courses. The company remains committed to providing necessary support and assistance to the employees for their development, including appropriate appraisal and feedback.

This policy also affirms that career advancement or promotion opportunities are to be made available to all employees in a fair manner, with consideration of their skills, work-related accomplishments, overall performance, work ethic, and initiatives beyond their current assignments—as part of the qualifications apart from the minimum requirements for the position. The promotion process is handled by the Strategic Human Resources unit which ensures that each candidate is given a fair opportunity, with no discrimination as to the person’s gender, sexual orientation, race, ethnicity, color, religion, age, marital status, disability, economic status and political affiliation.

Ultimately, as employees remain connected to the organization, the company recognizes their right to organize themselves and engage in harmonious negotiation exercises, ensuring amicable settlement of disputes, and that employees receive the right economic value befitting their contribution at work.

### Occupational Health & Safety, and Hazards Management Policy

The well-being of Ayala employees is important to us. In this regard, the organization remains responsible in ensuring the employees’ occupational health and safety. The organization remains committed to being compliant to related regulations on industrial health and safety, both locally and globally.

A fundamental part of this commitment is informing and training the employees on disaster preparedness, and in conducting their activities in a safe, healthy, and responsible manner. The organization realizes that an assessment of the risks related to business and employees is critical and to this end, the organization ensures a continuous and updated review and assessment of the related processes. It is important that hazards to the organization are identified clearly to

ensure quick and proper response in mitigating these elements. This include identifying activities that minimize the risks, and establishing control measures benchmarked with industries' best practices.

#### Policy on Child Labor and Forced or Compulsory Labor

For the purposes of this policy, a "child" is defined as an individual who is below 18 years of age, and "forced or compulsory labor" is any service exacted from a person who is unwilling, under the threat of penalty or menace. The organization recognizes that these are part of global issues and does not support such practices in its local or global operations. The organization acknowledges that employers have important roles to play and are ultimately responsible in ensuring that its workforce is treated with dignity and respect. Ayala does not tolerate the use of child labor or forced labor.

#### Policy on Indigenous People, Human Rights, and Community Safety

Ayala acknowledges its responsibility to the communities where it operates. The organization recognizes the stakeholders' legal rights and commit to engaging with them in a fair, honest, and ethical manner. Further, it gives respect to diversity of culture and historical connection of Indigenous People. It ensures meaningful engagement, that is built on open communication and mutual respect and deals with them in a manner that is consistent with business ethics and our company's code of conduct.

The organization strives to uphold the principles of Human Rights within our businesses and in the communities it serves. At Ayala, we expect each of our employees to espouse human rights and help the organization in ensuring that the workplace is free from any form of harassment. This leads us to our commitment in ensuring safety of the communities, promoting human rights in our dealings, and ensuring that the communities are dealt with fairness and respect.