

The Ayala Group's commitment to nation-building became the focus,
as COVID-19 brought the company's years of history, diversity, and experience to the fore.

The initiatives we led as a group were guided by our drive to protect our employees,
serve the larger community, and pivot our businesses toward
a new normal resilient to the impact of the pandemic.

In our first 100 days into the lockdown in March 2020, we collected various stories
from among our employees across the Ayala Group.

We produced an online publication to house these stories
of hope, resiliency and silent heroism.

This special printed report is a synopsis of
more than 100 stories found in **chronicle2020.ayala.com**.

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We have collected these stories to thank all Ayala citizens who,
despite the uncertainty, rose up to show us the best of who we are.

Each story here represents thousands more unseen heroic acts
from all over our companies. To each one of you, seen and unseen heroes,
we extend our admiration and gratitude.”

\ JAIME AUGUSTO ZOBEL DE AYALA
Ayala Corporation
Chairman and CEO

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During this very difficult period it has been truly inspiring
to see how everyone has come together to offer help and
find solutions to our daily challenges. Given the many critical services
that we provide in the country, we are deeply grateful for the dedication
and hard work of all our colleagues in the Ayala Group to ensure
that important services are not interrupted. We salute all of you.
May these stories inspire us for years to come.”

\ FERNANDO ZOBEL DE AYALA
Ayala Corporation
President and COO

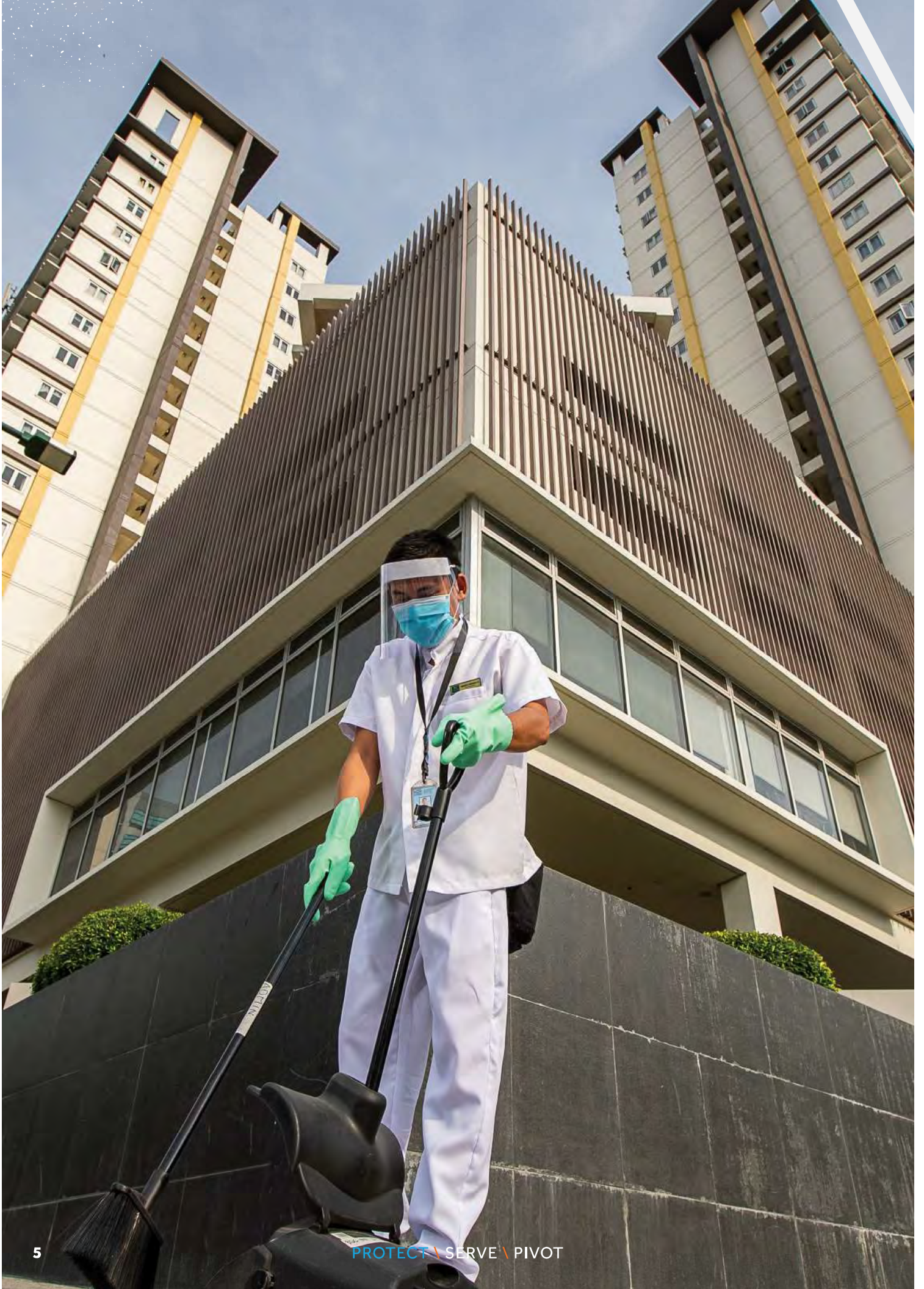
**PROTECT
SERVE
PIVOT**

AYALA'S HOLISTIC
RESPONSE TO
COVID-19

We couldn't have planned for the kind of year 2020 turned out to be.

Although the Ayala Group began the year ramping up for aggressive growth, our best-laid plans faced uncertainty when a virus brought the entire world to a halt. In a blink, business practice as we knew it changed, growth targets went out the window, and isolation became the norm. Yet, the disruption also awakened our corporate spirit, bringing us together in ways we had not seen before, and allowing us to do things we could never have imagined.





PROTECT

In the first few weeks of the year, when the effects of the little-known virus still seemed remote and the World Health Organization hesitated to declare a pandemic, alarm bells were already ringing along Ayala's many lines of service. Reports from our FamilyDoc and Generika branches revealed overflows of respiratory patients and spikes in sales of vitamins. Calls from multinational banking clients urged the Bank of the Philippines Islands (BPI) to jumpstart its pandemic crisis management plan. Human Resources officers of the largest Ayala businesses—Ayala Land, BPI, Globe, Manila Water, and AC Industrials—began to raise concerns over the safety of employees. The alarm did not only warn of the impending threat, but also hinted at the challenges our group would be called upon to respond to.

From the get-go, our instinct to protect each other was clear, and was met with swift decision-making from top management. "One of the things we had to decide early on was how to ensure that our 58,000 employees did not feel threatened," Chief Human Resources Officer John Philip "JP" Orbeta recalls. Decisions were quickly made in the first few days of the Luzon-wide Enhanced Community Quarantine (ECQ) to assure employees that the company would look after them. All employees, whether they could work from home or not, would continue to receive their pay during the ECQ.

For any employer, the instinct to protect is basic and par for the course; what was unexpected was the scale at which we found ourselves willing to do our duty. Having secured our own employees, the next thought was to look after our partners. Ayala Land (ALI), for instance, had a staggering 70,000 contractual construction workers suddenly without work, plus hundreds of security personnel, cleaning staff, and engineers at malls and other properties. Again, the decision was easy; ALI CEO Bobby Dy simply says, "We needed to continue paying them even if the projects stood still."

Even the decision to condone rent for mall merchants was a fast one. There were no lengthy discussions in the CEO huddle. The litmus test was, again, employee welfare. Because we didn't demand rent during the lockdown, the merchants could prioritize paying their own people. "It was a painful decision to make," recounts ALI Vice President Jennylle "Yeng" Tupaz. "But we also knew it was the right thing to do."

Having protected our own, we cast our net even wider, protecting the most vulnerable and the poorest in our circles. "The realization was, there was going to be a problem with hunger, and the assistance had to be massive and quick, targeting a million families and providing P1,000 worth of relief within a matter of days.



Project Ugnayan (www.projectugnayan.org) convened over 270 private corporations and individual donors to give food relief to over 14 million individuals in the Greater Manila Area after the lockdown on March 16, 2020. *Photograph by Xyza Bacani.*

Thus, Project Ugnayan was born, a rapidly assembled consortium for immediate aid, which would include the PDRF, Caritas Manila, and some of the country's biggest corporations. On an intimate scale, it looked like it was a cadre of business leaders scrolling through their directories and personally making the calls to raise money. We witnessed parish priests and lay volunteers going into shanties, deep in the most neglected communities of Manila, to deliver grocery vouchers from the donations raised. And we saw families going into supermarkets, some for the first time in their lives, to use these vouchers for food.

By the end of May, Project Ugnayan had reached 2,837,367 families, almost triple the original target. Ayala Corporation President and COO Fernando Zobel de Ayala remarked: "This unprecedented assembly of so many of the country's corporations and business families coming to the assistance of the most vulnerable in our society illustrates and speaks of the heart and generosity of the business community."

But there was another burning question in those early days of the pandemic: What happens if one of us catches the virus? It was a question that kept Paolo Borromeo, head of AC Health, awake at night. When the husband of an Ayala executive who had contracted the disease was turned away from 11 hospitals in Metro Manila, the concern became painfully urgent. Recalling his frustration then, Paolo says, "We needed to be able to guarantee the safety of our employees. We needed to build our own facilities in a rush, faster than we'd ever done before."



In partnership with the Philippine Disaster Resilience Foundation and Caritas Manila, Project Ugnayan distributed grocery vouchers worth P1000 per family to the most vulnerable communities in the Greater Manila Area. *Photographs by Xyza Bacani.*





Shuttle services, sleeping quarters, and regular testing were made available to essential workers who had to be physically present at work.



AC Health converted QualiMed hospital in Sta. Rosa and San Jose Del Monte into COVID referral centers.

By then, a mind shift had already taken place at AC Health. Temporarily pushing aside plans to build more pharmacies, clinics, and an ambitious cancer hospital, the company transformed into an internal healthcare resource for Ayala employees. It established a four-tier internal health system, beginning with keeping daily tabs on the health of employees, making testing facilities available, and eventually providing hospital facilities for COVID-19 treatment, as well as lodging facilities for asymptomatic and suspected COVID-19 patients. AC Health and its private sector partners built PCR labs in all Qualimed Hospitals and today, the Globe-Healthway lab in Mandaluyong is a state-of-the-art facility. In 2020, AC Health and the Bloomberry Cultural Foundation Inc. (BCFI) also partnered with the Tropical Disease Foundation (TDF) to establish TDF's capability to conduct confirmatory RT-PCR tests for COVID-19, in addition to other donations made to Southern Philippines Medical Center in Davao, and UC Med in Cebu. All these, at a time when Metro Manila hospitals were bursting at the seams with COVID-19 patients, testing was bottlenecked at the Research Institute for Tropical Medicine (RITM), and large-scale public quarantine facilities were still being constructed.

Support came from all over the Group: the daily health check bots, for instance, came from Globe and Ayala Corporation; and Ayala Land converted Nuvali's Evolving Center and Qualimed Hospital into lodging and treatment centers. By year's end, the Group was already sourcing and setting up a program for vaccination. Margaret "Gaget" Bengzon, AC Health consultant, describes the efforts: "It's really putting the investment in—financial, time, and priorities—and taking a belts-and-suspenders approach to making sure the whole community is safe. And it really shows leadership."



SERVE

Despite our worst fears, we continued to report for duty. The essential workers among us donned our protective gear and ventured out into the empty metropolis, making sure vital services were uninterrupted during the lockdown. Some of us hunkered down at our workplaces, willingly staying away from home for up to three months, so that life for those who depended on our services could stay as close to normal as possible. Most of us learned how to work remotely, collaborating with teams via video conferencing, even as we struggled to take care of kids stuck at home with us. We all learned to work differently to fulfill our commitments.

All over the Ayala Group, business continuity plans were put into high gear. At BPI, the Crisis Resiliency Committee ensured the unhampered circulation of physical cash through their branches and automated teller machines, even as they supported the unprecedented spikes in online banking activities. At GCash Mynt, teams worked round-the-clock to support millions of consumers and merchants who jumped into the cashless ecosystem during the quarantine. For both BPI and Mynt, sustaining these activities became a matter of national import.

Globe's ISO-certified business continuity plan and their infectious disease control plans had to be adapted quickly to keep the telecommunications backbone running despite the impact of lockdown

restrictions on their logistics chain. Cell phone and internet services were lifelines for millions of people isolating at home. AC Industrials continued to meet their global manufacturing commitments, while finding ways to shelter over a thousand factory workers. Manila Water and AC Energy had to make sure water and energy flowed uninterrupted, even as daily life came to a standstill.

Because business continuity was vital, even menial and mundane tasks turned into opportunities for heroic service. Jaybee Manuel, BPI Binondo branch manager, asked her son to vacate his bedroom for weeks so two of her tellers could stay over when there was no public transport to bring them to work and back. Generika pharmacist Sheena Gallego got in a tricycle to personally deliver medicines to her octogenarian customers who lived alone. Eva Regilme, a mall administration receptionist, volunteered to cook daily meals for the crew of 30 who lived in the Glorietta headquarters during the lockdown. In big and small ways, we lived up to the heroism that runs in our corporate DNA.

Meanwhile, the prolonged lockdown delivered knock-out punches to owners of small businesses, from restaurants and vegetable suppliers to shoe and bag stores. We couldn't just look away while so many of our SME partners—a quarter of a million of them—struggled to get back on their feet. So we



Ayala

JAYBEE MANUEL | BPI Binondo Branch Manager



SHEENA GALLEGO | Generika Pharmacist



EVA REGILME | Mall Administration Receptionist

locked arms with them, offering the resources of our group to continue their operations and recover from the impact of the pandemic.

To help control the bleeding, several of our business units applied tourniquet solutions to help meet partner SMEs' operating costs. For Ayala Malls' over 2,000 such partners, rental fees waived reached P280 million in the first two months of quarantine (*Update: P6.91 billion in rent condonation as of end-December 2020*). BPI offered loan deferment for up to 90 days to help SMEs manage their cash flows, and waived interbank transfer fees to relieve costs (*Update: P2.09 billion worth of loan deferments, fee waivers and free services as of end-December 2020*).

Helping our partners roll with the quarantine punches, we offered business continuity solutions. Globe presented various connectivity offerings to help business owners working from home transition to online operations (*Update: P434 million of free data plan upgrades and services as of end-December 2020*). Ayala Malls and Zalora explored new retail and e-commerce models to give SME tenants an alternative digital channel. AC Health offered support by making its clinic, pharmaceutical, and telemedicine services available to the SME network. By the time quarantine restrictions began to ease three months later, the Ayala Group had already shared P766 million worth of free services and business operations fees (*Update: P9.49 billion in free services, promotions and business operations waivers from across the Ayala Group as of end-December 2020*).

But the road to recovery will be long, and we intend to stay close until we all make it through. In May, we launched the Ayala Enterprise Circle, a network where small businesses can access a full range of Ayala Group solutions and offerings, including expert mentorship from industry leaders, online dialogues and masterclasses, business matching, and co-marketing opportunities. It's our way of assuring our partners that we are in their corner, ready to help get them back to fighting form.

If our SME partnerships ran deep and personal, our other partnerships were large-scale and public.

In April, responding to an invitation from the public sector, we agreed to get into the trenches with the Inter-Agency Task Force for the Management of Emerging Infectious Diseases (IATF) in its war against COVID-19. At that point, the virus was spreading at an unchecked pace, hospitals were under siege, and the economy was taking a beating. We were asked to help on two fronts: First, set up regular IATF-private sector consultations on how to deal with the economic impact of COVID-19. Second, rally the private sector around testing, tracing, and treating efforts led by National Task Force Chief Implementer Secretary Charlie Galvez.

For Jaime Augusto Zobel de Ayala, chairman and CEO of Ayala Corporation, the partnership was imperative. "We have always recognized the need to take a whole-of-nation approach, and support national objectives wherever possible, but during an unprecedented crisis like COVID-19, the desire to help becomes urgent and compelling," he explains.



Ayala donated RT-PCR machines to various hospitals, including the Sta. Ana Hospital in Manila to as far south as the Southern Philippines Medical Center in Davao City, to help increase the testing capacity of local governments in various regions.

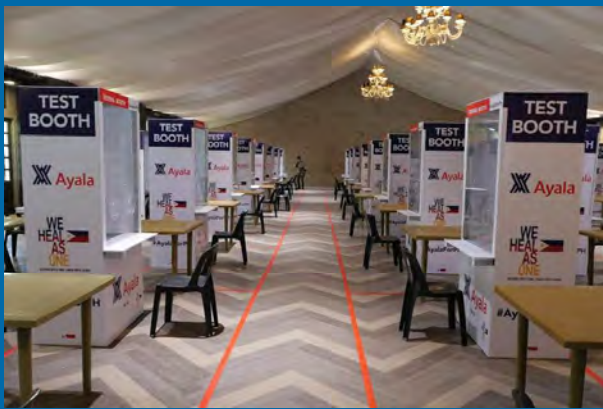
Within a few days, Task Force T3 was formed. The public-private sector partnership aimed to help increase the country's rated capacity for Reverse Transmission-Polymerase Chain Reaction (RT-PCR) testing. Over time, T3's scope expanded greatly to cover the full extent of the fight against COVID-19, spanning prevention, testing, tracing, isolation, treatment, data management, analysis and insights, LGU playbooks, training, PPE, and funding. Its membership grew to include virtually all the leading companies in the country, working closely with the lead executive branches of the government.

In April, the marching orders for the task force were to build up lab testing capacity. The country would not have a fighting chance against the invisible virus if there was no means to confirm its presence. At that time, testing capacity was limited to RITM, which had a capacity of only 4,500 tests per day. That was not even a drop in a bucket for a country with a population of 110 million. Bill Luz, one of the Ayala executives assigned to the T3 project, recalls, "It was an incredibly low figure compared to other countries."

They were given only five weeks to ramp up testing capacity to 30,000 tests per day, and four weeks more to bring it to 50,000 per day. "No one believed it could be done," Bill says.



Photograph by Kriz John Rosales/Philippine Star



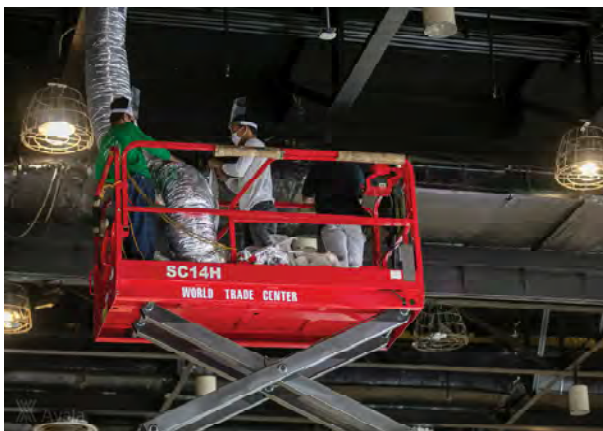
Ayala donated Covid-19 testing booths for the government's four main swabbing centers: Palacio de Maynila Tent along Roxas Boulevard, the Mall of Asia Arena in Pasay City, Enderun Colleges in Taguig City, and the Philippine Arena in Bulacan.

With the support of 56 private companies and organizations, the Department of Health (DOH) and the IATF reached a rated capacity of 74,000 per day by the end of June, more than double the original goal in May, even surpassing other countries in the region, including Japan. Pushing even further, during the last quarter of the year, we helped the local governments of Manila, under Mayor Isko Moreno Domagoso, and Quezon City, under Mayor Joy Belmonte, to build RT-PCR molecular labs that could process a thousand tests a day, making testing much more accessible to their citizens.

Another set of marching orders came simultaneously with the rush for testing capacity. To unclog hospitals, mega quarantine facilities had to be built to take in COVID-19 patients with mild or no symptoms. We agreed to convert the 9,700-square meter space within the World Trade Center Metro Manila into a functioning quarantine facility. Our business units joined forces. Makati Development Corporation (MDC) handled the construction. Globe funded a large portion of the cost and provided unlimited WiFi services. Manila Water built shower areas. Integrated Micro-Electronics Inc. (IMI) provided sanitation booths at the entrances and exits. And AC Energy committed to cover 50 percent of the facility's electricity costs until the end of May. The Ayala Group pooled together P42.5 million for the project, and its partner companies contributed another P29.5 million. Working together, we completed the conversion within deadline. *(Update: P283.2 million spent in the construction and capacitating of COVID-19 facilities as of end-December 2020)*

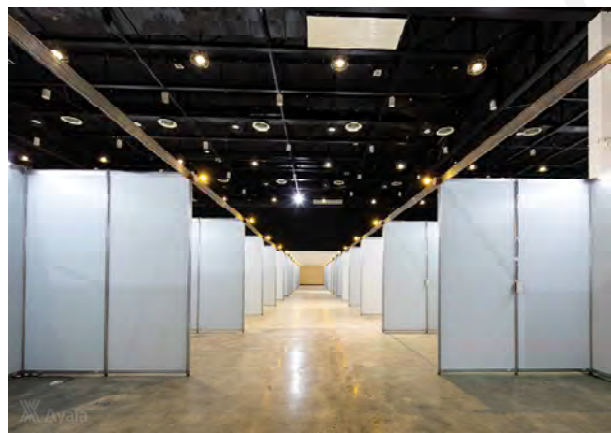
On still another front, 30,000 overseas Filipino workers (OFWs) were expected to return to the country within May, each one a potential virus carrier. At that point, big group testing of asymptomatic people was not yet a priority, and hospitals could not accommodate such an influx. Mega swabbing centers had to be constructed in six days. IATF turned to us for help, and Aniceto "Jun" Bisnar, president of Cebu Holdings and COO of Ayala Land Inc.'s Visayas-Mindanao group, took the lead. We pulled together the logistical requirements needed to build over 300 booths. Working through the ECQ, we had to reach deep into our own networks to access labor and construction materials that were so hard to come by. MDC workers teamed up with the IATF-appointed contractor to speed up work. On May 6, across the empty streets of Manila, trucks delivered the booths to four mega swabbing centers, just in time to receive the arriving OFWs.

Other forms of partnership were not as visible and dramatic but had us working at the nerve center of IATF strategy and operations. Fred Ayala, who leads Ayala's investments in the education sector, was one of a handful of Ayala executives detailed to the nuclear team. Together with consultants of the global firm McKinsey & Company, he worked tirelessly on the frontlines and in the war rooms, helping with both private sector economic consultations to jumpstart the economy, and overseeing T3 work streams.





The World Trade Center (WTC) We Heal as One Center, a 502-bed mega isolation facility was created in seven days through the collective efforts of Ayala, Ayala Land, Globe Telecom, Manila Water, Integrated Micro-Electronics, and AC Energy, with the ICCP Group and Manila Exhibition Center Inc. (MEC) and in partnership with the Bases Conversion Development Authority (BCDA), the National Government and other partners. The Ayala Group of Companies pooled P46.4 million for this project.





Working closely with Secretary Vivencio "Vince" Dizon, deputy chief implementer of the government's coronavirus response, the McKinsey team was a combined think-tank and quick-action squad. They helped identify choke points on the battle fronts, crafted end-to-end strategies, put experts in place to focus on priority areas, and prepared the organization for a smooth turnover to permanent team leads. This meant a cadence of daily stand-up meetings with the action teams, from morning to evening, and even through weekends, for months on end.

Although the McKinsey team ended their engagement in August, the Ayala core team remains. Their efforts represent our sustained commitment to public-private partnership as a solution to the pandemic. "Crises really bring out one's core beliefs," Fred says. "I think the Ayala Group's DNA has always been about spotting the opportunities to make a difference in solving national problems."

PIVOT

What's waiting for us on the other side of the pandemic? It's hard to tell. But we're certainly taking the valuable lessons from 2020 to pivot toward the next normal.

The silver lining is that many of the reinventions needed to navigate this time of quarantine were already happening before the pandemic. Our foray into healthcare, for instance, proved fortuitous. Although we were a relative newcomer in the field, we found ourselves in a good position to build on what we had, not only to take care of our employees, but also to curb the public health crisis. From launching an all-in-one health app on our mobile phones called HealthNow, to acquiring a controlling stake in Mercado General Hospital, Inc., which owns the Qualimed Health Network, we leveled up our ability to provide convenient medical care. We also pushed for innovation through IMI's non-invasive ventilator solution for COVID-19 patients, and through the partnership between AC Health and CTSI-Varian to develop the country's first cancer specialty hospital.

Even if we were already pivoting toward the online world and its digital possibilities, the pandemic accelerated all our plans. The lockdown catapulted the use of GCash and the BPI Mobile Banking App far beyond what we could have foreseen in the old normal. Transactions quickly moved online, with ALLI and Globe leading in ease of contactless service. Online shopping was made easier through Ayala Malls and Entrego's e-commerce innovations.

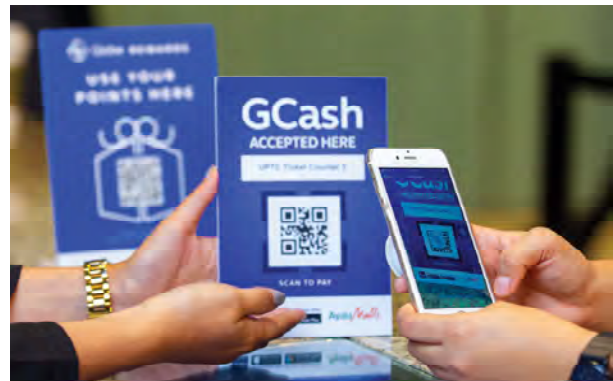
Ayala launched the HealthNow App as an all-in-one healthcare platform, where people can consult with a doctor, schedule laboratory appointments and order medicines, to help de-clog hospitals.





Ayala

The University College London Ventura Flow Generator was the first breathing aid to be manufactured in the Philippines, localized by AC Industrial's Integrated Micro-Electronics Inc.



Ayala strengthened its digital products and services to ensure that customers can continue with their productive, healthy lives despite quarantine restrictions.

Ayala and Globe partnered with different local government units, including Pasig City and City of Manila, to provide affordable and reliable Internet connection to the public.



Photograph by Marianne Bermudez/Philippine Daily Inquirer

Dreams of having “digital cities” within the decade were accelerated, as local government units looked for ways to push for better digital equity amidst the work-and-study-from-home challenges of the pandemic. Through Globe’s KonekTayo WiFi initiatives, we forged partnerships with Mayor Isko Moreno Domagoso of the City of Manila and Mayor Vico Sotto of Pasig City to expand internet coverage for their citizens. Through the deployment of school buses-turned-mobile WiFi hubs to disadvantaged areas of their cities, students and workers were given better opportunities to pivot to online study and work.

As the year came to an end, vaccine breakthroughs gave us a glimpse of the light at the end of the tunnel. Through our continued partnership with Task Force T3, the Ayala Group, together with other industry leaders, pledged to support the Government in its development and implementation of the Philippine National Vaccine Roadmap. In addition to donating vaccines, AC Health and the PDRF, together with Unilab and Zuellig Pharma, will assist in defining and implementing the crucial supply chain, leveraging private sector assets to roll out and deploy the vaccines.

In March 2021, the Ayala Group, together with the Inter-Agency Task Force (IATF), the Department of Health (DOH), the ICTSI Group, and other private sector partners, finalized the tripartite agreement for the purchase of Moderna vaccines. This is on top of the group's order of vaccines from AstraZeneca, covered under a separate tripartite agreement in collaboration with the GoNegosyo group. Taken together, this brings the total number of vaccines that Ayala has procured to 1 million doses, inclusive of donations to the government.

In support of the National Vaccine Deployment Plan, the AC Health network renews its commitment to support the government in its fight against the pandemic. The group is preparing to contribute to the country's vaccination efforts through large-scale administration. AC Health has identified and is setting up nearly 20 mega-sites nationwide with a goal to administer 1,000,000 doses by 2021. The group aims to launch its COVID

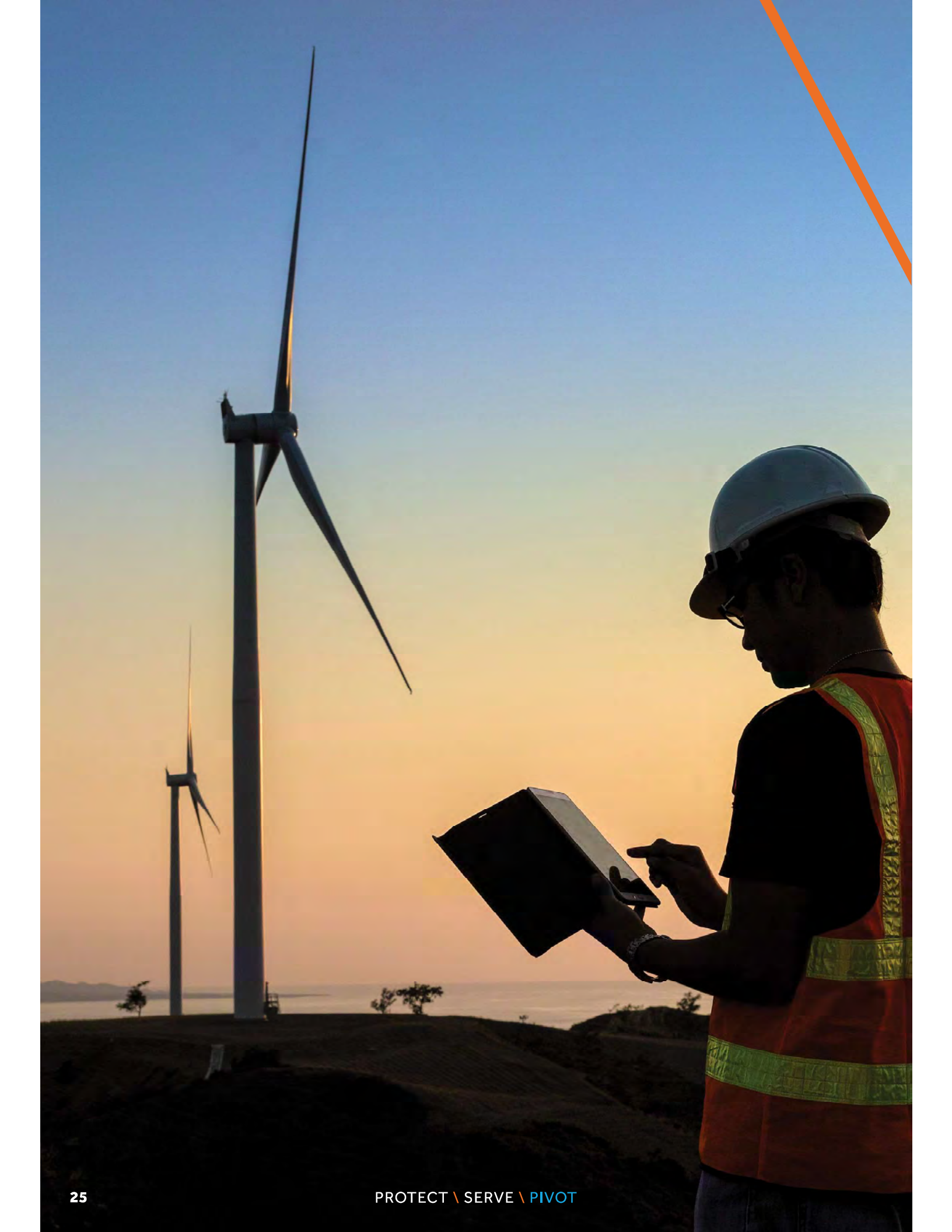
vaccination program for employees in June, pending the delivery of procured vaccines from manufacturers and the allocation of vaccines by the national government.


Confidence in our ability to ride out the pandemic came through new investments in the Ayala Group. Successful capital-raising exercises and partnerships with strategic investors lit our way forward. AC Energy confirmed the investment of GIC, Singapore's sovereign wealth fund, which acquired 17.5 percent ownership stake in AC Energy, in a transaction valued at P20 billion.

The Ayala Group also took advantage of favorable debt market conditions during the crisis to further solidify our balance sheet in these challenging times. Ayala Land, BPI, Globe, and Manila Water raised approximately US\$3 billion in combined proceeds from domestic and international capital-raising exercises. The Ayala Land Real Estate Investment Trust (AREIT) raised P13.6 billion from the initial public offering of the first real estate investment trust in the country. Globe raised US\$300 million in the overseas bond market. BPI raised P21.5 billion in COVID Action Response (CARE) Bonds. Manila Water successfully launched the US\$500 million Sustainability Bond, becoming the first ASEAN Sustainability Bond by a corporate issuer out of the Philippines.

These pivots, and how they have transformed how we work, how we connect with each other, and how we live, will surface more clearly over the coming year. The other side may not be the world we knew before, but it is Ayala's track record of reinvention and resilience, our leadership in various industries, and our commitment to nation building that will get us through.

As of end-December 2020, the Ayala Group has spent over P13.1 Billion in COVID-19-related initiatives.





This special report was developed and produced by Ayala Corporation's Brand and Reputation Management as a synopsis of more than 100 stories collected in chronicle2020.ayala.com.

Editorial and Project Leads \ John Philip S. Orbeta and Yla Patricia G. Alcantara

Writer \ An Mercado-Alcantara

Additional Photographs \ Rolly Barayang

Cover and Layout \ h2, Part of the Havas Ortega Group

