



Our Mission is to improve lives by providing safe, reliable and sustainable energy solutions in every market we serve.

The AES Corporation (AES) is committed to acting with the highest ethical standards in all of our business activities. We fulfil our company values when we apply ethical standards throughout our business and supply chain. In this Statement we describe our business and supply chain, and how we operate them. We explain our current policies and practices, and our plans to enhance them in light of the Modern Slavery Act.

ABOUT US

AES is a Fortune 200 global power generation and distribution company headquartered in Arlington, Virginia in the United States. Through our diverse portfolio of thermal and renewable fuel sources, we provide affordable and sustainable energy to 17 countries using diverse fuel technologies that are well-suited to the individual markets in which we operate. Our workforce of 19,000 people is committed to meeting the world's current and increasing energy needs, while providing communities and countries the opportunity for economic growth through available, reliable, and affordable electric power.

At the end of 2016, AES' total installed generation capacity was 37 gigawatts (GW) and our distribution networks served over 9 million customers. Our power plants encompass a broad range of technologies and fuel types including coal, diesel, solar, hydro-power, gas, oil, wind and biomass. Our utilities power several diverse markets, from São Paulo, Brazil to Indianapolis, Indiana, and have also brought electricity access to first-time customers in Brazil and El Salvador.

Our business is organized in six market-oriented Strategic Business Units (SBUs) so we have a better socio-political-economic understanding of our business in each market. In the United Kingdom and Ireland, AES' subsidiaries are Northern Ireland's largest electricity generator, owning and operating Ballylumford and Kilroot Power Stations, both in County Antrim.

More details about the nature and structure of our business can be found on [our website](#).

OUR CODE OF BUSINESS CONDUCT AND HUMAN RIGHTS POLICY

AES is a values driven company; our values guide our actions and provide a common framework for how we conduct business with our partners and suppliers, and serve our customers and the many communities in which we operate around the world. Our Values Guide, which we refer to as our [Code of Conduct](#), helps each AES person translate our values into action in the diverse business, legal, and cultural climates that we operate.

Our people and our stakeholders are empowered with a strong sense of ownership and accountability for their work, and we fully expect each person to adhere to our corporate values as described in the Code of Conduct. In support of our Code of Conduct we also have numerous global policies and AES people may request guidance in applying them to specific situations.

In 2016, AES adopted a global [Human Rights Policy](#) to formalize our long-standing commitment to uphold and respect human rights through our people, communities and suppliers. Our people are diverse and hired for their abilities. They are expected to work with AES in compliance with global and local safety standards. AES' subsidiaries respect local labor requirements, including the right to freedom of association and collective bargaining. They comply with all applicable laws establishing a minimum age for employment and do not use child or forced labor in any of the operations or facilities.

The Policy encourages collaborative and transparent work with local communities and development of meaningful relationships with stakeholders. Our suppliers are expected to meet these same commitments to employees and communities, and to adhere to local and relevant international laws.

AES' Code of Conduct and policies cannot provide complete advice for every business situation that may arise, but they guide our people to use good judgment and a sense of pride to do the right thing and to seek further guidance when needed.

In addition, AES people, contractors, and external stakeholders are encouraged to bring matters of concern to the company's attention for prompt resolution. An open-door culture is a key part of this, but AES also maintains the [AES Helpline](#) that is available 24 hours a day, 7 days a week for anyone to use to ask questions or report suspected wrong-doing. People may make reports anonymously and a third-party supplier operates the AES Helpline platform for that purpose.

OUR SUPPLY CHAIN AND DUE DILLIGENCE PROCESS

At AES we construct and operate power plants and distribution companies. As such we have three key business activities that engage in supply chain activities: Fuels (to obtain the fuels needed to operate); Global Supply Chain (to obtain non-fuel materials like turbines), and Engineering and Construction (to build and maintain facilities). A detailed description of our supply chain can be found in the [Supplement of our Sustainability Report](#) and our [Suppliers section](#) of our website.

AES expects everyone who acts on our behalf, including business partners, consultants, agents, and suppliers to operate consistent with our Code of Conduct and with applicable local and international laws. Contractors, suppliers, and service providers are provided a copy of AES' Code of Conduct and are required to acknowledge it. Promoting acceptable working conditions, environmentally responsible management, and ethical behavior are all parts of our commitment under our Code of Conduct and we expect our suppliers and contractors to meet those same standards.

For purchases made through our Global Supply Chain or Engineering and Construction, transactions are put through a pre-execution due diligence review tailored to the specific engagement and the supplier risk profile. Due diligence may cover screening of beneficial owners and key personnel, reputational due diligence, conflicts of interest, government relations, sanctions, anti-corruption controls, and legal and regulatory compliance.

In 2016, AES developed the "AES Sustainability Supplier View," an online survey through which AES' suppliers provide information related to the sustainability of their activities (environmental, social, and economic) including compliance of labor regulations, child labor and slavery. A pilot program was implemented in the AES Andes SBU with the intent of extending the survey to other SBUs.

AES' values and way of doing business, including our Code of Conduct, due diligence review, and supplier survey are consistent with the prevention of slavery and human trafficking. In 2016, the Europe SBU analyzed the due diligence process and standard contract terms for inclusion of topics directly related to modern slavery and human trafficking. In 2017 and 2018 the SBU plans to enhance those documents with relevant terms and also provide related training.

Approved by AES Board of Directors on July 14th, 2017

This Statement is made pursuant to Section 54, Part 6 of the UK Modern Slavery Act 2015, and constitutes AES' statement for the financial year ending December 2016.