



AES SUSTAINABILITY REPORT

2015

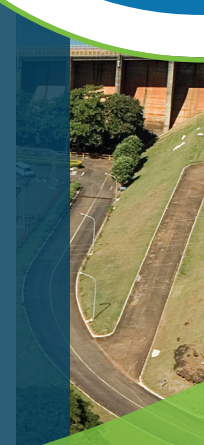


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STATEMENT FROM THE CEO

The AES Corporation has been at the forefront of bringing innovation to generating and distributing electricity more efficiently to fulfill our mission of improving lives by leveraging energy solutions that include a wide range of technologies, fuel types and renewable energy sources to help meet the world's energy needs.

AES started as one of the first independent electricity power producers in the United States and is now a major supplier of power in 18 countries around the world. Our ability to contribute to fueling the energy needs of the markets we serve relies on us being a sustainable company.

In late 2011 we implemented a new long-term strategy to create value to our shareholders by reducing complexity, leveraging our platforms for long-term growth, performance excellence, expanding access to capital and allocating it in a disciplined manner.

We continue to make important progress against our strategic objectives - enhancing shareholder returns, ranking as a sustainable company and creating a great place to work for our people.

In 2015 we were able to extend our progress despite a continuing challenging macroeconomic environment, with foreign currency fluctuations, low commodity prices and also continuing hydrology issues. We anticipate these challenges to persist in 2016 and we are taking actions to mitigate their impact on our financial results.

In 2015 AES was ranked on the Dow Jones Sustainability Index for North America for the second year in a row. AES businesses were also recognized in ten markets for being a top workplace, including Argentina, Brazil, Bulgaria, Chile, the Dominican Republic, El Salvador, Mexico, Panama, the Philippines and Puerto Rico. We were also named by Ethisphere as one of the World's Most Ethical Companies for the second year in a row.

In addition, AES and many of our businesses around the world were also recognized for excellence for customer service; Corporate Social Responsibility; safety and the environment; and operational excellence.



Building the energy company of the future

Compared to 2011, we have significantly reduced the complexity of our portfolio, while at the same time we improved both safety and our operations.

We put safety first in 2015. During the year we experienced no AES people fatalities and our safety efforts were recognized externally with finalist designations for notable awards from the Campbell Institute and the Edison Electric Institute.

We had directed the majority of our discretionary cash to share buybacks, debt repayments and dividends over the past four years, but we have also been prudently investing in platform expansion projects together with financial partners.

Mong Duong 2, our 1,200 Megawatts (MW) facility in Vietnam, came on-line ahead of schedule and under budget. With new projects we added over the course of the year, our construction portfolio remains the largest in AES' history with 7,800 MW in construction or in advanced stages of development in the United States, Chile, Panama, India and the Philippines.

Notably, AES in Panama won a competitive bid process to supply 380 MW of new capacity. The project, which we are calling AES Colon, will include the construction of the

country's first natural gas-fired plant, and a 180,000 m³ LNG storage tank and regasification facility.

We continuously review the potential impacts of technological and regulatory changes on our business, including on our planned investments. Our development efforts are increasingly focused on natural gas, energy storage, solar and hydroelectric opportunities. These projects are key to positioning AES for sustainable growth over the medium term, as well as maintaining our competitive edge.

In the 2012-2015 period, the execution of AES' strategy resulted in a 17% decline in AES' global Scope 1 emissions and in 2015 we continued to maintain our market leadership position in the use of lithium ion batteries for

energy storage and grid stability. Navigant Research named AES the number one systems integrator and Fortune Magazine declared, "Long before Tesla made grid batteries cool, there was AES."

We expect the global electric sector to reduce the carbon intensity of electric generation and we seek to maintain and strengthen our leadership position during this transformation.

The macroeconomic environment has been challenging but the strong execution of our strategy will allow us to weather this unfavorable environment and just as importantly, will allow us to continue to reposition our portfolio in spite of near-term headwinds.



Andrés Gluski, *President & CEO*

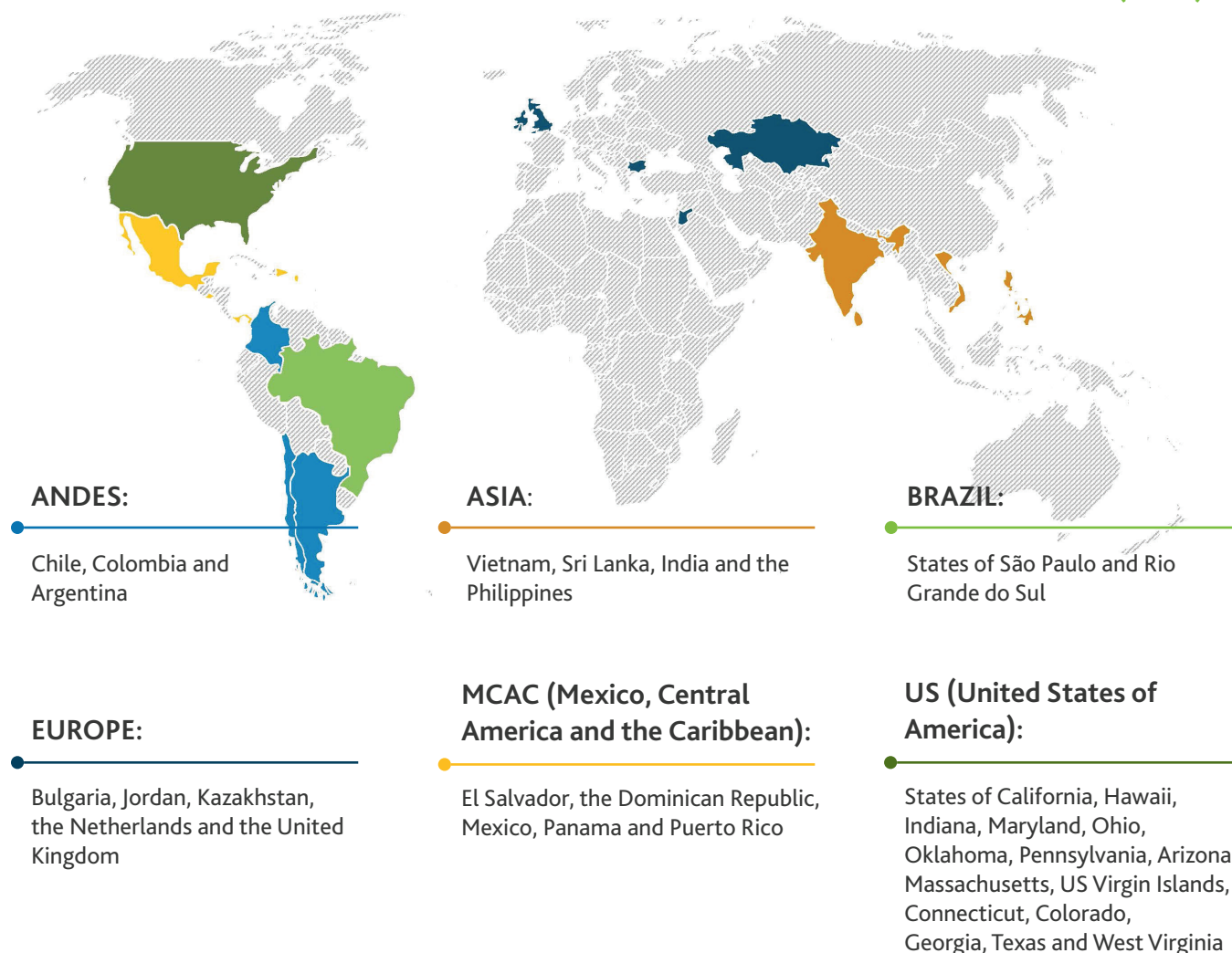
ORGANIZATION PROFILE

The AES Corporation (NYSE: AES) is a Fortune 200 global power company that was founded in 1981. The company is headquartered in Arlington, Virginia, USA and is a publically traded global power company incorporated under the laws of Delaware, governed by a Board of Directors.

We provide affordable, sustainable energy to 18 countries through our diverse portfolio of distribution businesses as well as thermal and renewable energy generation facilities. Our workforce of 20,971 people is committed to operational excellence and meeting the world's changing power needs.

We are dedicated to improving the lives of our customers by leveraging our energy solutions that encompass a broad range of technologies and fuel types, including coal, diesel, gas, oil, pet coke and renewables. Our people share a passion to help meet the world's current and increasing energy needs, while providing communities and countries the opportunity for economic growth due to the availability of reliable, affordable electric power.

THE COMPANY IS ORGANIZED IN SIX MARKET-ORIENTED STRATEGIC BUSINESS UNITS (SBUS)¹:

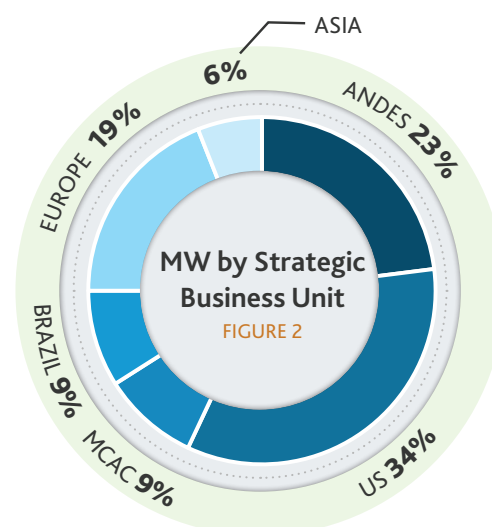
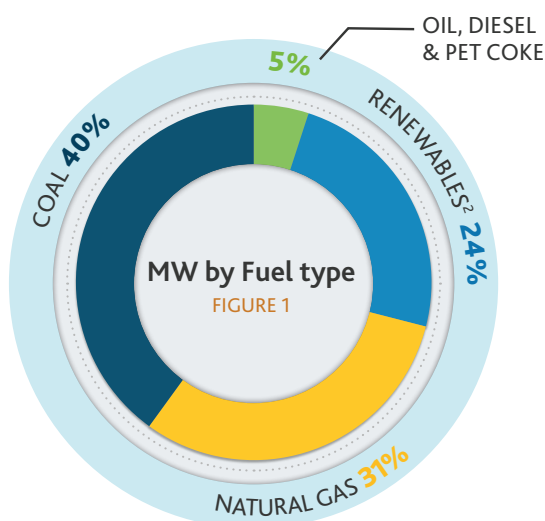


¹ As of December, 2015

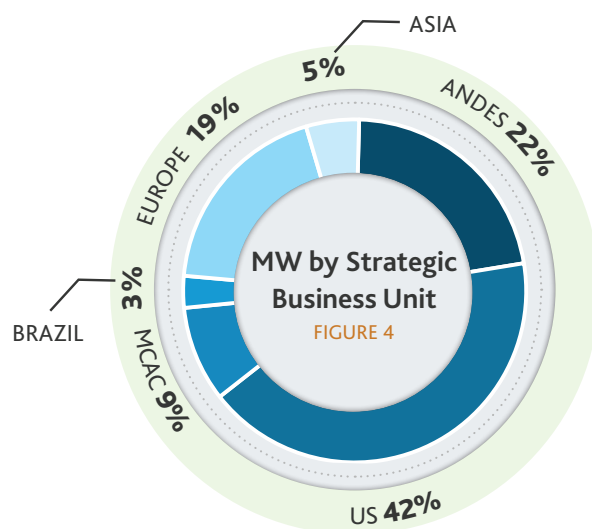
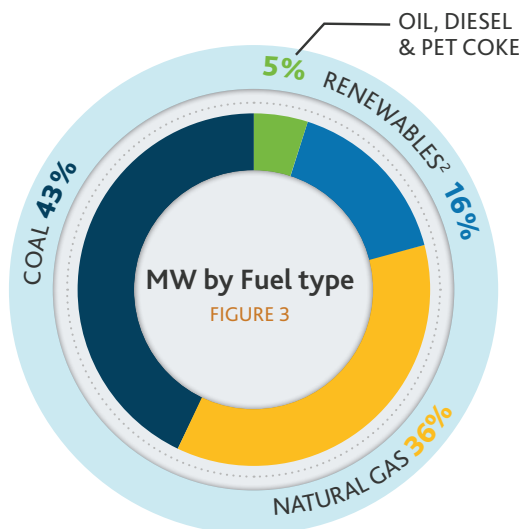
Within our six SBUs mentioned above, we have two lines of business. The first business line is generation, where we own and/or operate power plants to generate and sell power to customers, such as utilities, industrial users and other intermediaries. The second business line is utilities, where we own and/or operate utilities to generate or purchase, distribute, transmit and sell electricity to end-user customers in the residential, commercial, industrial and governmental sectors within a defined service area. In certain circumstances, our utilities also generate and sell electricity on the wholesale market.

AES has the most comprehensive and accomplished fleet of battery-based energy storage in the world, with 106 Megawatts (MW) in operation in four countries. We have another 60 MW under construction and a further 228 MW in advanced stage of development.

36,044 GROSS MW IN OPERATION (includes Energy Storage)



27,063 PROPORTIONAL MW IN OPERATION (includes Energy Storage)



² Renewables includes: small and large hydro; wind; solar; energy storage; biomass and landfill gas

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FINANCIAL EXCELLENCE

OPERATIONAL EXCELLENCE

ENVIRONMENTAL PERFORMANCE

STAKEHOLDER ENGAGEMENT

OUR PEOPLE

THE AES CORPORATION* As of December 31, 2015 (FIGURE 5)



Total number of **EMPLOYEES**

20,971

Total number of **COUNTRIES/OPERATIONS/UTILITIES**

18

Countries

112

Generation
Facilities

08

Utilities



NET revenue
\$15 Billion



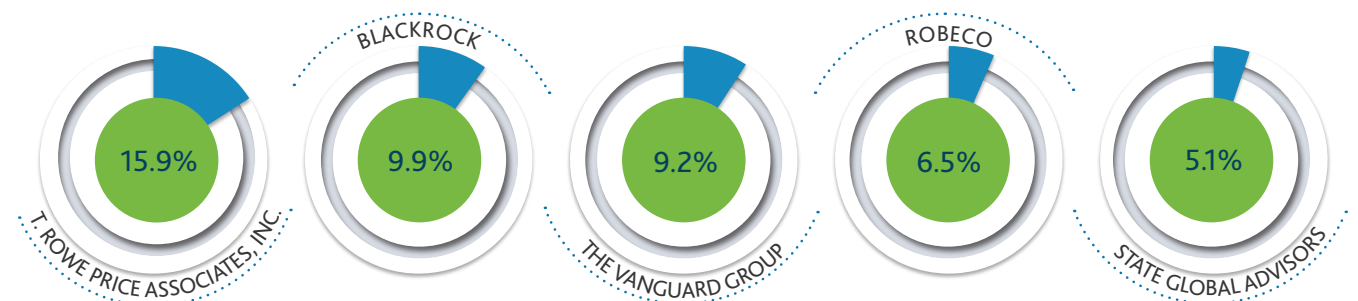
TOTAL assets
\$37 Billion

QUANTITY of products or services
provided (gross)

36,044 MW CAPACITY;

91,727 UTILITY GWH

BENEFICIAL Ownership



MATERIAL ASPECTS HIGHLIGHTED IN THIS REPORT

The report has been prepared in accordance with the recommendations of the Sustainability Reporting Guidelines, version 4.0, of the Global Reporting Initiative (GRI Guidelines). We have chosen to prepare the report in accordance with the criteria listed under the “core” option and include responses to guidance specifically for Electric Utility Sector Disclosures. We have also responded to several aspects and disclosures listed under the “comprehensive” option. This report is structured to present the following “material aspects” within the context of our five broad strategic initiatives.

FINANCIAL EXCELLENCE

Economic Performance
Investment Return on Capital Allocation

OPERATIONAL EXCELLENCE

Availability, Reliability and Access to Electricity
Cybersecurity
Disaster/Emergency Planning and Response

ENVIRONMENTAL PERFORMANCE

Aspect: Air Emissions
Aspect: Water
Aspect: Effluents and Byproducts
Aspect: Biodiversity

STAKEHOLDER ENGAGEMENT

Impacts On Education and Living Standards in Our Communities
Public Safety

OUR PEOPLE

Global Talent Management
Occupational Health and Safety

FINANCIAL EXCELLENCE

We have a unique portfolio of businesses with a presence in both stable developed markets and rapidly growing developing markets. This makes AES positioned to deliver sustainable long-term growth in cash flow, dividends and earnings.

As we strive to create long-term shareholder value by providing safe and reliable electricity related services, financial success enables us to continue to attract capital and talented people as well as to invest in new projects and innovative solutions for our customers.

To ensure the company's economic sustainability, we manage our financial performance in line with our corporate strategy set by our CEO and Executive Leadership Team (ELT) and approved by our Board of Directors.

In accordance with our strategic priorities, we operate our portfolio to create value for our stakeholders, generate capital for growth investments, enable debt repayment and support a strong and growing shareholder dividend.

We focus growth investments on platform expansions in markets where we have a competitive advantage and

exit markets where we do not; and enhance the stability of cash flow and earnings from our businesses through contractual, regulatory and hedging activities. We compare our performance relative to the Standard & Poor's 500 Utilities Index to achieve total shareholder return that is greater than our peers.

To guarantee our investment opportunities are aligned with this strategy, we have an investment decision-making process in place that incorporates comprehensive analysis of project, economic, environmental and social risks, both at the corporate and local level. The approval process includes three decision points through an Investment Committee as well as a presentation to the Board of Directors for major projects.

Anticipating, identifying and managing risk is an essential element of our governance and financial management functions. Risks are managed at the corporate and SBU levels by minimizing exposure during the initial structuring of a business, and then by combining all present risks under the Risk Management Team. Further details on risk management are available on our [website](#) and in our [2015 AES Annual Report and Form 10-K](#).

ASPECT: Economic Performance and Investment Return on Capital Allocation

During 2015, we continued to execute our long-term strategy to create sustainable shareholder value by simplifying our geographic footprint, improving our balance sheet and debt profile, fine-tuning our financial exposure by bringing in partners at the business and project level, and profitably expanding our local platforms.

Significant macroeconomic headwinds impacted our Adjusted Earnings Per Share (EPS) resulting in US \$1.22, which is down compared to US \$1.30 in 2014. However, as a result of our consistent actions, we generated Proportional Free Cash Flow of US \$1,241 million, up 39 percent compared to 2014.

By taking a long-term perspective on investing our free cash flow, we seek to maximize risk-adjusted returns to our shareholders. Since 2011, we have generated substantial cash that we allocated in line with our capital allocation framework. We invested US \$1,951 million to prepay and refinance Parent debt; returned US \$2,033 million to shareholders through share repurchases and a quarterly dividend; and invested US \$941 million in our subsidiaries, largely for projects currently under construction.

Our key achievements in 2015 included:

- Returning 62 percent of discretionary cash to shareholders

- Increasing our quarterly dividend by 10 percent, to US \$0.11 per share, beginning in the first quarter of 2016
- Investing US \$826 million in our balance sheet by repurchasing shares, as well as prepaying and refinancing debt
- Bringing online 1,484 MW of new projects, with an additional 5,620 MW currently under construction and expected to come online through 2018
- Advancing select platform expansion projects in the Philippines, Panama and California

Aligned with our goal of reducing complexity, we have exited businesses and markets where we do not have a competitive advantage to simplify our portfolio and reduce risk. Over the past four years, we have raised more than US \$3.1 billion in equity proceeds from asset sales, decreasing the total number of countries where we have operations from 28 to 18. In 2015, we announced or closed US \$787 million in proceeds from the sales or sell-downs of seven businesses.

Partnerships help us to reduce risks and enhance our returns. The more we diversify capital, the faster we can grow. If we build with capital partners, we can extend our market leadership and increase our value — and we can do it quickly. Overall, our current partners can be placed in three broad categories: local, international and institutional/multilaterals.

Since 2011, we have raised more than US \$2.3 billion by incorporating financial partners on our construction projects. In 2015 alone we brought six projects online for a total of nearly 1.5 gigawatts (GW), with each one completed on time and on budget.

The macro environment has been and continues to be challenging. However, we will be able to capture the financial upside when these trends reverse. In the meantime, our portfolio generates strong and growing free cash flow. Consistent with our track record, we will continue to cut costs, streamline our business and allocate our discretionary cash to maximize value for our shareholders.

AES AND GRUPO BAL FORM PARTNERSHIP TO DEVELOP POWER AND INFRASTRUCTURE PROJECTS IN MEXICO

In August 2015, AES announced a joint venture through its local subsidiary AES Mexico with Grupo BAL, one of the largest business conglomerates in the country. Through this alliance, both companies will contribute their own competitive advantages in operations, finance and corporate governance.

The joint venture's projects will focus on power generation through conventional and renewables, energy storage, desalination and natural gas infrastructure projects, with the objective of speeding up growth in Mexico's energy market and to become a key player in the industry.

AES has extensive experience in Mexico, including three power plants with an installed capacity of 1,055 MW. It is projected that Grupo BAL's companies will experience significant growth over the coming years, which will substantially support the development of successful energy projects in a short time.

AES Mexico has been a successful business in Mexico for more than 15 years. Now with Grupo BAL, we are poised to take advantage of the growing demand in the country's energy market.

OPERATIONAL EXCELLENCE

Excellence is both a goal in itself and the way to achieve that goal. Striving for excellence is one of AES's core values; it is what defines the company's people all around the world. It means continually working to improve ourselves and our business operations.

AES people take the initiative to improve their work, which in turn improves the performance of the entire company and allows our businesses to deliver more affordable, reliable and sustainable energy solutions to our customers and ensure our plants are available to operate as much time as possible.

AES Tietê, part of the Brazil SBU, became a pioneer by becoming the first company in Latin America to receive the ISO 55001 certification in asset management in the scope of operation and maintenance of large and small hydroelectric power plants, including the management of reservoirs, energy generation processes, and support. This important achievement proves the efficiency of our work processes. Later in the year, AES Eletropaulo and AES Sul, both part of the Brazil SBU, received the same certification, which is required for sub-transmission systems and aboveground distribution systems (and underground systems in the case of AES Eletropaulo) as well as the associated automation systems necessary for the supply of electricity within the concession area.

But our definition of operational excellence goes beyond. It also includes managing physical and cybersecurity risks, disasters and emergencies, public safety, and environmental performance.

To measure the performance of all our distribution and generation businesses, we have a uniform system of Key Performance Indicators (KPIs). The KPIs are tracked monthly and reported in Monthly Performance Review meetings. Additionally, operational KPIs are tied to the compensation of AES people at the business and corporate levels. Yearly global KPI targets, disclosed in corporate filings, are set by the Compensation Committee.



ASPECT: Availability, Reliability And Access To Electricity

Our generation businesses help markets meet their existing and growing electricity demand needs, while our utilities businesses deliver electricity to more than 10 million customers.

Providing reliable energy is essential to the millions of customers we serve in every market. Many businesses and families rely on the electricity AES provides around the world every day. Every locality has its own energy needs,

requiring different combinations of technologies and fuels. We focus on developing the ideal solutions for the markets we serve.

It is not enough for us to meet today's energy needs; we are generating new ideas at the forefront of energy — from our industry-leading battery storage solutions to our natural gas operations powering California to our smart grid that contributes to Brazil's sustainability.

Generation



AES owns and/or operates a generation portfolio of gross 36,044 MW, including the generation capabilities of our integrated utilities. We generate electricity for our customers — such as utilities, industrial users and other intermediaries — under both long-term contracts and in competitive markets. Our diversified generation fleet provides diverse fuel technologies that are well-suited to the different markets in which we operate.

We have a first-mover advantage in many markets. For example, AES implemented the first large-scale energy storage project in Chile and India, secured a 10-year Power Purchase Agreement (PPA) for Panama's first natural gas-fired plant, and built Vietnam's cleanest coal-fired plant with state-of-the-art environmental controls.

The energy industry is changing fast with increasing options available to our customers and a drive towards market integration. We are already seeing these changes play out in the United States as more consumers adopt distributed generation solutions. To speed our entry into this market, in 2015 we acquired Main Street Power Company and renamed the group AES Distributed Energy.

AES Distributed Energy currently brings reliable and cost-effective distributed energy systems to schools, municipalities, utilities, corporations, and commercial and industrial clients in the United States. AES Distributed

Energy has over 100 MW of distributed generation solar PV projects in operation or under construction in the United States with another 100+ MW in development.

During 2015 our proportional net energy generated was 88,691 Gigawatts/hours (GWh).

TABLE 1 - 2015 NET ENERGY GENERATED (GWH) BY FUEL TYPE (Equity Adjusted Values)

Fuel type	Net Energy Generated by AES
Coal	52,907 GWh
Natural Gas	19,086 GWh
Renewables (Hydro, Wind, Biomass, Landfill Gas)	11,814 GWh
Oil, Diesel & Petcoke	4,884 GWh
Total	88,691 GWh

Our generation portfolio's performance in terms of commercial availability (CA) in 2015 showed an improvement in all fuel types with the exception of our gas plants, which had a slight decrease driven by the dispatch characteristics of the units (those plants are under tolling agreements and therefore are dispatched at minimal load, negatively affecting the efficiency metrics).

TABLE 2 - COMMERCIAL AVAILABILITY BY ENERGY SOURCE, 2012-2015

Commercial Availability (CA) ³	2012	2013	2014	2015
AES Total	89.1%	93.5%	90.50%	89.85%
Coal	88.3%	88.4%	83.51%	85.13%
Gas	91.4%	90.4%	95.31%	94.15%
Hydro	97.1%	98.3%	97.0%	99.41%
Oil	99.0%	100%	95.47%	100%
Wind ⁴	96.8%	96.3%	95.65%	95.12%

³ Commercial Availability: Actual variable margin, as a percentage of potential variable margin if the unit had been available at full capacity during outages

⁴ Commercial Availability of a wind farm is determined using a different methodology, that is why it is not included in the AES Total

Our markets offer attractive long-term potential for growth. In Argentina, Chile, Colombia, Mexico and the Philippines, demand growth is in the 3-5 percent range; while in Panama, Vietnam and India, growth is expected to be in the 6-10 percent range over the next three years. The one notable exception is Brazil, where demand for electricity dropped 5 percent in 2015 and we are not forecasting a recovery until 2018.

In all these countries, local governments and authorities perform studies to anticipate energy needs and address projected long-term electricity demand. Our businesses can act as market players and make investments aligned with our corporate strategy. For our utility businesses, new plants may be built in response to customer needs or to comply with regulatory developments and are developed subject to regulatory approval. For our generation businesses, our priority for development is platform

expansion opportunities, where we can add on to our existing facilities in our key platform markets where we have a competitive advantage.

Since 2011 we have brought 15 projects online for a total of 3,636 MW. In 2015 alone, this included five projects for a total of 1,484 MW in five countries, including 20 MW of Energy Storage projects:

- 1,240 MW Mong Duong 2 in Vietnam — brought online six months early and under budget
- 152 MW Guacolda 5 in Chile
- 72 MW Estrella del Mar I in Panama
- 10 MW Kilroot Advancion Energy Storage Array in Northern Ireland
- 10 MW Netherlands Advancion Energy Storage Array in the Netherlands

We also broke ground in two additional Energy Storage projects in the United States (20 MW) and the Philippines (10 MW) and started the conversion of a coal power plant into gas (630 MW) in Indiana, in the United States. Our total new capacity under construction is 3,907 MW in six different countries:

TABLE 3 - MEGAWATTS UNDER CONSTRUCTION, 2015

Country	Power Plant	Fuel	Gross MW
Chile	Cochrane	Coal	532
	Alto Maipo	Hydro	531
	Cochrane Energy Storage ¹	Energy Storage	20
	Andes Solar	Solar	21
Colombia	Tunjita	Hydro	20
Dominican Republic	DPP (Los Mina) Conversion	Gas	112
India	OPGC 2	Coal	1,320
United State	Eagle Valley CCGT	Gas	671
	Harding Street Units 5-7	Gas	630
	Warrior Run Energy Storage ¹	Energy Storage	10
	Harding Street Energy Storage ¹	Energy Storage	20
Philippines	Masinloc Energy Storage ¹	Energy Storage	10

¹ Energy Storage MW are power plant equivalent, dispatchable resources, including supply and load capability.

In the next year, we expect to break ground on a 350 MW natural gas combined-cycle plant in Panama. Along with our partner, Grupo Motta, we won a competitive bid for this project with a 10-year PPA. Using this bid as an anchor, we plan to build a liquefied natural gas (LNG) regasification and storage facility, very similar to the one we built and have successfully operated for 13 years in the Dominican Republic. With the completion of this facility, we will be the largest LNG offtaker in the Caribbean and Central America.

In addition, we plan to break ground on a 300 MW expansion of our 630 MW Masinloc thermal power plant in the Philippines. The US \$740 million project will be funded through a combination of local debt capacity, partner equity, and free cash flow from our existing business in the Philippines.



RENDER OF THE FACILITY

CREATING THE NATURAL GAS MARKET IN PANAMA

In September 2015, AES and its subsidiary, Gas Natural Atlántico S.R.L., won the public bidding process held by Panama's electric transmission company, ETESA, to supply 380 MW of new capacity. We expect to break ground on this project in 2016 with completion expected in 2018.

The project represents an investment of more than US \$1 billion and will include the construction of a low-emission, natural gas combined-cycle plant (AES Colón) and a 180,000 m³ LNG storage tank and regasification facility — which

will supply gas to the plant as well as to potentially serve the growing demand for natural gas in Central America.

AES Colón LNG tank will have more capacity to support future growth and it will contribute to the competitiveness of local industries. It will also help mitigate emergency situations like the power rationings that occurred because of adverse weather conditions. It will generate around 2,000 direct and indirect jobs during its construction period and almost 250 during its operation.

Building a state-of-the-art LNG regasification terminal near the entrance of the enlarged Panama Canal will enable Panama to become an energy hub for Central America by supplying lower cost, reliable and sustainable fuel that will benefit many sectors, including electricity generation, transportation and ship bunkering.

AES entered Panama in 1999 and since then has invested more than US \$1.3 billion in the country. Currently, AES owns 777 MW of mostly hydroelectric generation in Panama.

Distribution

Our eight AES utility businesses distribute power to 10.5 million people in three countries. Our two utilities in the United States also include generation capacity. The utility businesses have a variety of structures, ranging from integrated utility to pure transmission and distribution businesses. In general, our utilities sell electricity directly to end-users — such as homes and businesses — and bill customers directly.

TABLE 4 - LENGTH OF DISTRIBUTION AND TRANSMISSION LINES (by SBU and Country)

Profile by SBU	Country / Business	Transmission Lines (Km) (High Voltage)		Distribution Lines (Km) (Low Voltage)	
		OVERHEAD	UNDERGROUND	OVERHEAD	UNDERGROUND
Andes	Chile	1,208	-	-	-
Brazil	Eletropaulo	1,646	202	38,558	2,213
	Sul	2,058	-	65,085	-
	TOTAL Brazil	3,704	202	103,643	2,213
MCAC	El Salvador	-	-	36,500	84
United State	IPL	1,336	8	12,802	7,700
	DPL	2,951	6	16,931	5,820
	TOTAL US	4,287	14	29,733	13,520
Total AES		9,199	216	169,876	15,817

Our utility businesses must meet certain reliability standards, such as duration and frequency of outages. Those standards may be specific with incentives or penalties for performance against these standards. In other cases, the standards are implicit and the utility must operate to meet customer expectations.

The reliability of our distribution networks is tracked by the average number and duration of system interruptions per customer and is consolidated based on ownership-adjusted EBITDA. In addition, AES sets targets for customer satisfaction (percentage of customers satisfied/greatly satisfied) as one of five KPIs for the utilities businesses.

Apart from our Brazilian businesses, the performance in the reliability KPIs improved for all distribution companies. Additionally, Indianapolis Power & Light Company (IPL), part of the US SBU, was recognized by PA Consulting Group as the recipient of the 2015 ReliabilityOne™ Award for Outstanding Midsize Utility. To be eligible for this recognition, a utility must deliver a reliability performance ranked in the top 95th percentile.

Severe weather-related impacts at our Brazilian distribution businesses produced a slight increase in overall duration of system interruptions. The area served by AES utilities in Brazil experienced a significant increase in the frequency and intensity of thunderstorms. The number of events with winds exceeding 60 km/h (capable of breaking off tree branches or uprooting trees) was 72 percent higher than in previous years in AES Eletropaulo's concession area, while winds of more than 130 km/h and more than 20,000 lightning strikes hit almost all cities in AES Sul's concession area.

TABLE 5 - SYSTEM AVERAGE INTERRUPTION DURATION INDEX (SAIDI)⁵, 2012-2015

Business	2012	2013	2014	2015	2015 Target
Actual AES	7.01	5.96	6.13	6.49	4.84
AES El Salvador	17.39	18.31	19.38	14.91	
AES Eletropaulo	8.35	7.99	13.25	23.42	
AES Sul	14.26	14.08	18.30	19.10	
Dayton Power & Light (DP&L)	1.56	1.32	1.82	1.75	
Indianapolis Power & Light (IPL)	0.95	0.81	0.95	0.81	

⁵ SAIDI - represents the total minutes of interruption the average customer experiences annually

TABLE 6 - SYSTEM AVERAGE INTERRUPTION FREQUENCY INDEX (SAIFI)⁶, 2012-2015

Business	2012	2013	2014	2015	2015 Target
Actual AES	3.93	2.97	3.70	3.50	3.46
AES El Salvador	7.52	6.92	5.93	5.71	
AES Eletropaulo	4.64	4.34	3.81	6.41	
AES Sul	8.44	7.41	8.99	8.41	
Dayton Power & Light (DP&L)	0.79	0.58	0.92	0.92	
Indianapolis Power & Light (IPL)	0.82	0.73	0.71	0.66	

⁶ SAIFI - represents the average number of interruptions the average customer experiences annually.

Customer Satisfaction

AES sets annual targets for customer satisfaction as one of five KPIs for utility businesses that impacts annual compensation of business leaders. The targets and actuals are tracked on a monthly basis in the Executive Monthly Performance Review meeting.

AES utilities participate in national and/or regional third-party surveys. These include CIER (Regional Energy Integration Commission) for our El Salvadoran utilities, ABRADÉE (Brazil Association of Energy Distributors) for Brazilian utilities, and J.D. Power & Associates for IPL and DP&L.

The overall customer satisfaction data provided represents residential retail and commercial results from all AES utility business.

TABLE 7 - AES CONSOLIDATED CUSTOMER SATISFACTION FOR DISTRIBUTION BUSINESSES, 2012-2015

	2012 ⁷	2013	2014	2015	2015 Target
Percentage of customer satisfaction	79.1	86.4	85.6	83.9	84.9

⁷ The consolidated Customer Satisfaction Totals from 2012 do not include IPL and DPL satisfaction results due to the different survey methodologies.

During 2015, we saw a decrease of 1.98 percent in overall customer satisfaction from 2014, which was caused by external factors that occurred close to the survey dates and are related to the severe weather conditions mentioned previously as well as increased rates in Brazil. (Due to a new tariff adjustment, AES Brazil distribution customer bills increased by more than 70 percent for AES Eletropaulo, and 49.59 percent for AES Sul.)

Some of our customer satisfaction highlights include:

US SBU

- IPL has the best satisfaction rating among Indiana investor-owned utilities as measured by the J.D. Power and Associates 2015 Electric Utility Residential Study™.
- IPL was one of only three Midwest electric utilities named as achieving the Most Trusted Brand status by Cogent Reports™, a division of Market Strategies International. In addition, IPL was ranked in the top 10 utilities overall for community outreach.

- IPL was named a 2015 Environmental Champion by Cogent Reports™
- IPL was recognized as a 2015 Customer Champion by Cogent Reports™
- IPL customers rated their overall customer satisfaction with IPL at 90.1 in 2015 as measured by Metrix Matrix, Inc.
- IPL received the ReliabilityOne™ Award for Outstanding Midsize Utility.

Brazil SBU

- AES Brazil was recognized by Smart Contact Center with two silver and one gold trophies for "Respect for the Client and Corporate Relationship."
- AES Eletropaulo received a gold trophy and two silver trophies by Smart Contact for its customer relationship practices.

Our generation businesses also focus on customer satisfaction, which is measured through surveys and discussions related to long-term purchase power agreements.

AES ELETROPAULO'S CLIENT SATISFACTION PROGRAM CELEBRATES TWO YEARS OF SUCCESS

Two years ago, AES Eletropaulo (part of our Brazil SBU) created a program that promoted a culture of customer service and customer satisfaction. Jeito AES de Atender (or AES Way of Providing Customer Service) has resulted in the training of more than 13,000 people to support a customer-oriented approach.

The program was implemented in 2013 with the primary goal of ensuring a standard in all interactions with our customers. This program helps disseminate the culture of and engagement around the quality and assertiveness we need when in contact with our customers.

Thanks to the program's success at AES Eletropaulo, the program was launched at AES Sul during 2015. Using the golden rule and consultative services as tools, we trained more than 1,300 of our people who work directly with customers.



Energy Storage

Energy storage is referred to as the holy grail of the electric power sector: reducing costs, supporting renewables, and enabling a resilient grid.

We continue to maintain our place as the world leader in battery-based energy storage solutions, which improve flexibility and reliability of the power system as well as provide customers with an alternative to traditional peaking power plants.

We currently have 106 MW in operation in four countries. We have another 60 MW under construction and a further 228 MW in advanced stage development in the United States, Latin America and Asia, including the 100 MW we have under contract in California.

In 2015 at the Warrior Run facility in Cumberland, Maryland, AES announced the first 10 MW deployment of Advancion™ 4, the next generation of battery-based energy storage. Advancion is a complete, battery-based alternative to peaking power plants that provides a dependable, smart and cost-competitive means to modernize power systems. Advancion 4 is among the most proven energy storage platforms available, resulting from more than eight years of our commercial experience operating grid-connected energy storage.

The first Advancion 4 Array in Europe and the second Advancion 4 installation globally, a 10MW energy storage

system in Vlissingen, Netherlands, began commercial operations on December 2015. Just one day later, the second European Advancion 4 Array began commercial operations in Carrickfergus, Northern Ireland. The Kilroot Advancion Energy Storage Array in Northern Ireland is the first advanced battery-based energy storage facility and the first transmission grid scale array in the country.

As a part of our drive to maintain the cost competitiveness of our product, we signed an agreement with LG Chem in 2015 to supply batteries for our pipeline of energy storage projects. Utilities, developers and power system operators seeking to install storage to lower costs, improve reliability and reduce emissions will benefit from the combination of AES, the leading grid-scale energy storage integrator, and LG Chem, the leading battery supplier.



ASPECT: Cybersecurity

At AES, we consider cybersecurity a safety issue that starts with our people — we must put safety first when leveraging the power of the Internet both at work and at home. The energy sector continues to be one of the top targeted industries in regard to industrial control system attacks.

According to the Industrial Control Systems Cyber Emergency Response Team (ICS CERT), the organization responsible for industry response to cybersecurity threats in the United States, in 2015 the energy sector garnered 16 percent of industrial control system attacks, second only to the critical manufacturing sector. Additionally, 12 percent of incidents in 2015 had evidence of actual intrusion into the victim's control system environment.

As a result of the growing cyber threats targeting industrial control systems, the U.S. Congress and the European Community (EC) continue working to strengthen national policy and regulatory requirements.

Although AES has not experienced any significant intrusion to our systems or customer data, the converging trends drove the recent evolution of our cybersecurity plan from broad strategic goals to a highly organized program supported by five well-defined elements (see Figure 6).

In order to better manage global cyber risk, the AES Cybersecurity Team implemented a Data Lifecycle Risk Model to address cybersecurity risk at the data, infrastructure/application and end user levels as well as a cyber-risk impact methodology for physical assets in the power operations environment. The Cybersecurity Team continuously refines the program's risk-based approaches to address the constantly changing threat environment that the energy sector and, more specifically, AES must counter on a real-time basis.

In 2015 we implemented an expanded version of the AES Cybersecurity Guidelines to better address critical operational systems risks. The latest guidelines were developed in synchronization with the AES Cyber Program's strategic roadmap and evolving cyber risks, and are based on industry standards such as the U.S. Department of Energy's Capability Maturity Model, SANS Institute Critical Controls and the U.S. National Institute of Standards and Technology (NIST) Cybersecurity Framework. In order to further mitigate cyber-risk, the AES Chief Information Security Officer (CISO) works in direct coordination with all AES businesses to identify risks and determine appropriate mitigation solutions and best practices in proactive monitoring. AES also partners with key U.S. government agencies and other agencies abroad as well as with leading technology companies to help reduce the likelihood of a cyberattack and allow the AES Cybersecurity Team to respond quickly and appropriately if the company is impacted.

To better communicate the growing importance of cybersecurity to our business success, the AES Cybersecurity Team developed a unified communication strategy designed to collect all of the communication

FIGURE 6 - AES CYBERSECURITY PROGRAM ELEMENTS

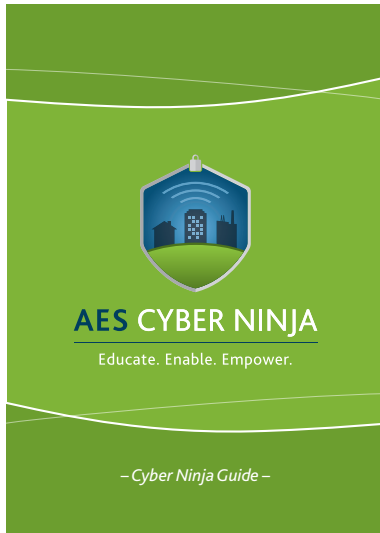


means and channels currently used as well as leveraging others used by different functions within AES. The goal is to better communicate a consistent set of cybersecurity themes and reinforce safe and secure behavior. These efforts will aid in the institutionalization of other program elements and ensure a more secure and self-perpetuating cybersecurity culture.

In 2015, the Global Cybersecurity Team received an award from Info Security for the development of the AES Cyber Ninja Guide, which provides a comprehensive set of guidelines designed to educate, enable and empower AES people and contractors to play an active role in protecting themselves and their families from the growing risks of connectivity.

The guide was prepared through a collaborative effort among all six SBUs and the AES Cybersecurity Team. It covers topics related to:

- Cybersecurity when working in the field or in AES facilities;
- Cybersecurity when working outside the office;
- Suggestions on what to do in specific threatening situations; and
- Cyber safety tips when traveling.



On the technical side of cybersecurity operations, the corporate office has continued to work with the SBUs to improve the security architecture and segmentation of their networks. In addition, AES Corporate and SBUs have begun the process of transitioning to a

single global Security Operation Center (SOC) to unify cyber defenses and create cost savings and technical synergies for both enterprise and power operations systems and applications.

Operationally, the AES Cybersecurity Team was also recognized in 2015 by Info Security for the deployment of our Global Advanced Threat Detection Initiative

conducted in partnership with FireEye, world-recognized leaders in cybersecurity intrusion protection. The initiative involved a phased rollout conducted in coordination with all our Strategic Business Units worldwide as well as our Corporate Office in the United States. This initiative adds a layer of world-class intrusion detection and response to our defense-in-depth protected enterprise environment.

Finally, from a performance management and audit perspective, we are leveraging existing capabilities and practices to augment our abilities to determine the maturity and level of implementation of our Cybersecurity Program worldwide. AES has established a robust audit schedule that includes cybersecurity audits conducted by our Internal Audits team at each of our SBUs on an annual basis. As an additional performance check, we have integrated a cybersecurity component into our governance, risk management and compliance (GRC) assessment program, which includes specific training requirements for our GRC contractor teams and specificity evaluation criteria for those teams to address during GRC assessments at our facilities.

ASPECT: Disaster/Emergency Planning And Response

Whether a power plant or a distribution business, our AES businesses face potential scenarios and risks that can disrupt operations and the service they provide. Safe, fast and effective power restoration following emergency events is essential to the reliability of electric power generation and distribution systems.

Because we are aware of the critical nature of our service, our businesses have diverse programs in place to ensure our operations are prepared to manage unusual disruptions. Our management approach includes a set of emergency preparedness standards describing requirements for the development, review and implementation of Business Continuity Plans at each AES location. These plans, which also consider local regulations, include preparedness for:

- Operational emergencies;
- Emergencies involving nature, e.g., severe weather, floods, earthquakes, tsunamis, etc.;
- Off-site emergencies that will have a significant impact on operations or staff; and
- Physical security measures, including evacuation of our employees in case of unrest.

Emergency response drills and training are also a requirement of our Global Safety Standard as well as of our Safety Management System. The Global Safety Standard on Emergency Preparedness describes minimum requirements for emergency preparedness plans that address the risk associated with operational activities, man-made emergencies, natural disasters and anticipated industry hazards.

To ensure business continuity, scenarios are defined with action plans to maintain an acceptable level of operational capability while restoring AES operations. Some of the procedures include continual monitoring of weather systems; staging of resources prior to anticipated emergencies; mobilization to restore outages; clear and frequent communications and collaboration with customers, neighboring communities, the media, contractors and government officials; continuous improvement of our emergency response capabilities based on past performance; and extensive storm response training, including detailed storm simulations. In addition, each business trains its people and, when necessary, establishes an educational program with the local communities.

As part of a proactive risk prevention plan for one of its construction projects, IPL, part of the US SBU, partnered with the local municipality for a fire training program on IPL property adjacent to the Eagle Valley power plant. Around 40 firefighters from local fire departments took part in the controlled fire training exercise of an abandoned house. Emergency medical staff and two ambulances were on site, and training was completed incident-free.

In addition to emergency preparedness standards, each business has a comprehensive playbook with the following plans: Business Continuity, Cybersecurity, Physical Asset and Personnel Security, Crisis Communication, Stakeholder Management and Succession.

AES PARTNERS CREATE DISASTER PREVENTION PLANS IN PANAMA

With the goal of empowering communities by managing risks, AES Panama and Panama's Civilian Protection Service (Sinaproc) created a contingency plan for the District of Chepo in northwest Panama.

The contingency plan, the first of its kind in Panama, identified risk scenarios and established responsibilities for each public safety entity, institution and local authority in an emergency situation. The plan documented protocols for six possible emergency scenarios of AES Panama's Bayano hydroelectric plant, including flooding of rivers within the District of Chepo and earthquakes.



The governor of the province of Panama, personnel from Sinaproc, the National Police, Panama's Fire Department, Panamanian Red Cross, Ministry of Health and Chepo's civic associations participated in a workshop to develop the plan.

The Bayano hydroelectric plant has an Emergency Action Plan in compliance with dam safety regulations established by Panama's National Public Services Authority. Bayano is located 80 km east of Panama City. It uses the Bayano reservoir, which has an extension of 352 km² and a storage capacity of 27,000 million m³ of water.

ENVIRONMENTAL PERFORMANCE

AES has been a leader in bringing innovation to generate and distribute electricity in more efficient ways since its foundation. We understand the importance given to sustainability by all our stakeholders — starting with our people and extending into the markets and customers we serve.

The AES portfolio of power generation technologies consists of hydroelectric, coal, petroleum coke, diesel fuel, natural gas, biomass, solar and wind. AES believes that energy security comes from the ability to draw from a range of fuel sources, guided by the philosophy that a diversified fuel platform is the most effective way to secure long-term, sustainable and reliable power.

Our environmental management and performance approach reflects our values and our vision of being the world’s leading sustainable power company that safely provides reliable, affordable energy.

Our Approach to Environmental Management

Aligned with our goal of achieving recognition as a top quartile sustainable company, AES takes a proactive approach to environmental management and performance for all operational businesses and construction projects.

AES is committed to:

- Setting clear responsibilities for its people, from the leadership team to our people in the field, for environmental compliance with the ultimate objective of attaining world-class performance through an established governance structure;
- Executing a consistent Environmental Management System (EMS) that begins with the AES Environmental Policy and strives for continuous environmental performance improvement;
- Communicating with and listening to all its stakeholders, whether internal or external, on environmental performance matters; and
- Applying AES Values to environmental protection, stewardship and sustainability.

Our governance structure ensures the assignment of clear roles, responsibilities and accountability for overall environmental performance and goal attainment at all levels of our organization. The Nominating, Governance and Corporate Responsibility Committee of the Board of Directors monitors environmental compliance of the company. Ultimately SBU leaders have responsibility for complying with environmental regulation and managing their operations to minimize environmental impact.

The foundation of our environmental management approach is the AES Environmental Policy, which comprises four principles applicable to all our operating businesses and construction projects. It is an expectation that our subsidiary locations apply these principles during their respective daily operations when selecting or evaluating suppliers; developing new services or projects; planning logistics; managing effluents and waste; performing engineering or maintenance operations; and performing due diligence for mergers and acquisitions.

Our EMS, consistent with the principles of the ISO 14001 Environmental Management System standard, provides a framework for managing our material environmental aspects by using continuous improvement principles. Under the framework, each business develops an environmental program that includes environmental procedures, performance monitoring, audits, risk assessments, and the setting of objectives, targets and action plans. Currently about 71 percent of AES people work at locations that have voluntarily certified their EMS to the ISO 14001 international standard.

A key part of our EMS is the 20 environmental management and technical standards that set requirements for all operational and construction locations over which the AES subsidiary or affiliate has ongoing management responsibility. These standards cover topics such as general environmental requirements and prohibitions, spill prevention and control, hazardous waste

and chemicals management, PCB management, contractor environmental management, and biodiversity protection. In many cases, the requirements of these standards are more stringent than local regulatory environmental requirements established in the jurisdictions where we are located.

To verify compliance with the AES EMS, we have an audit program in place that includes both formal external and internal audits. All the findings and possible improvements are used to develop action plans.

Since 2008 our EMS approach has focused on identifying material environmental aspects and addressing opportunities for improvement. In 2015 we conducted baseline assessments in the area of biodiversity protection, water resource management and suppliers' exposure to water-related risks. We then proactively used the results

of all these assessments to drive further action and continuous improvement.

AES used the services of Lloyd's Register Quality Assurance Inc. (LRQA) to verify and conduct a limited assurance for 2013-2015 of AES':

- Air emissions data
- Water withdrawal and discharge data
- Coal combustion product (CCP) generation and recycle/reuse data.

In addition to third-party verification, an internal AES quality assurance/quality control (QA/QC) process was used to validate reporting every year.

AES DOMINICA RECEIVES CLEANER PRODUCTION AWARDS

AES Dominicana in the Dominican Republic was recognized at the National Cleaner Production Awards ceremony (Premio Nacional de la Producción Más Limpia) for its commitment to operational excellence with the following awards:

- Cleaner Production Successful Implementation — Water Category: AES Itabo Project, Optimizing the Use of Demineralized Water in Units I and II
- Cleaner Production Successful Implementation — Energy Category: AES Andres Project, Office Air-Conditioning Optimization
- Cleaner Production Excellency — Water Category: AES Andres, Reusing Chiller Condensed Water

The National Cleaner Production Awards, organized by the Dominican Ministry of Environment and Natural Resources, recognizes companies that engage in manufacturing activities or provide services and use a cleaner production strategy such as power efficiency, sustainable use of natural resources and pollution reduction/prevention. Awards are issued in five different categories: water, energy, materials, renewable energies and environmental management systems.




2015 Global Environmental Goals

As we have previously, in 2015 we set corporate-level environmental goals designed to help us better understand and manage certain specific environmental aspects at the local site level and their impact at the global level. These 2015 corporate-level goals and their results were:

2015 GLOBAL ENVIRONMENTAL GOALS	ACHIEVEMENT
<p>1) Each AES global coal-fired generation power plant will quantify either monthly or quarterly mercury emissions</p>	<p> GOAL ACHIEVED</p>

In 2015 we decided to enhance our internal emissions quantification of mercury emissions from all coal-fired power plants owned by our subsidiaries, including those outside of the United States. While many of our subsidiaries were reporting their mercury emissions to their local regulatory authorities, we saw an opportunity in consolidating this data on a global basis. As a result, we were able to report mercury emissions from all coal-fired power plants on a consolidated basis in 2015, a significant achievement given our complex global organizational structure.

<p>2) Each AES operating and construction location will complete and submit a completed global baseline greenhouse gas (GHG), biodiversity and water resources management assessment</p>	<p> GOAL ACHIEVED</p>
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To better understand our global exposure to biodiversity and water-related risks, as well as our current local management practices related to GHG emissions, we developed an environmental questionnaire to conduct a baseline assessment. This questionnaire covered topics such as proximity to sensitive/protected biodiversity areas; impact on Red List of Threatened Species, if any; exposure to reputational, regulatory and physical water-related risks; and participation in GHG emission trading schemes. The questionnaire was completed by every AES operational business and construction project, and its results were consolidated and evaluated.

Related to environmental goals, we also developed a set of six environmental leadership KPIs, which support accomplishment of the annual environmental goals. These KPIs track environmental performance in areas of environmental awareness training participation, environmental audits performance, environmental operating events and regulatory proceedings, fines, etc. Each business leader’s performance against these KPIs is continually tracked using our global EHS Management Information System (EMIS), the AESOnline System.

ASPECT: Air Emissions

A growing number of stakeholders and investors are asking companies to reduce air emissions, including GHG. AES businesses track, account for and remain focused on managing air emissions, including innovation to help our customers and communities reduce their energy consumption. Businesses comply with applicable national, local and, in some cases, international regulatory requirements for air emissions.

Our diversified power generation portfolio allows us to develop the right energy solutions for the markets in which we operate. Our company and our businesses lead the industry by expanding energy storage solutions and renewable energy generation to make them more viable and relevant for the future. Additionally, in markets where fossil fuel generation is the right choice for development, we are working to ensure that those resources are used in the most efficient, effective and responsible manner.

Direct Greenhouse Gas Emissions

We follow the principles and requirements of the GHG Protocol's Corporate Accounting and Reporting Standard. Our GHG emissions inventory includes all GHGs covered by the Kyoto Protocol, except for PFCs and NF3 since these are not used in our operations.

Our 2015 Scope 1 data represents our ownership-adjusted CO2 equivalent (CO2e) emissions from the following sources:

- Major fuel-fired power generation stationary sources (e.g., boilers, gas turbines, reciprocating engines);
- Smaller fuel-fired sources (e.g., emergency generators, space heating, portable equipment);
- Vehicle emissions (passenger cars, light trucks, heavy duty vehicles); and
- Direct releases of CH4, SF6 and HFC-based gases.

AES has voluntarily disclosed these and other details on our carbon emissions via the CDP Climate Change Program. Complete details related to our inventory, methodology, regulatory regime, generation sources, etc., can be found on the CDP website.

Table 8 shows direct (Scope 1) GHG emissions values on an ownership-adjusted basis for 2012-2015. The values from 2012-2014 do not match the ones reported in previous report, because they were recalculated using updated emissions factors.

As noted in the table, our Scope 1 emissions stayed below the 2015 target of 80.8 million metric tons. Also the actual Scope 1 emissions have decreased by 15 percent since 2012 due to emission reduction activities, conversion of coal units to gas, portfolio management and lower dispatch by thermal power generation units. Further details of our emissions reduction activities are disclosed below.

TABLE 8 - SCOPE 1 GREENHOUSE GAS EMISSIONS, 2012-2015 EQUITY ADJUSTED

	2012	2013	2014	2015	FY 2015 Target
Direct Emissions (Scope 1)*, thousands metric tonnes CO2e	82,330	73,441	77,519	68,634	80,854
Emissions Intensity for Total Generation, metric tonnes CO2e per MWh	0.681	0.639	0.692	0.694	

* 2012-2013 Scope 1 emissions represent CO2e emissions (including CO2, CH4 and N2O) from major stationary combustion sources only.

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AES's 2015 CO2 emissions from biologically sequestered carbon include emissions from our biomass (Laja, Chile, Andes SBU) and landfill gas (Nejapa, El Salvador, MCAC SBU) burning power plants. The decrease since 2012 in biomass is tied primarily to divestiture of Constitución power plant in Chile. Values differ from what was reported in previous years due to recalculations made using new emission factors.

TABLE 9 - CO2 EMISSIONS FROM BIOLOGICALLY SEQUESTERED CARBON, 2012-2015

Biogenic CO2 Emissions (Equity Adjusted)	2012	2013	2014	2015
	THOUSANDS METRIC TONNES			
Biomass	176	97	82	69
Landfill Gas	19	26	22	32
TOTAL	195	123	104	101

AES GENER RECEIVES 2015 ENVIRONMENTAL MANAGEMENT IMPROVEMENT AWARD

AES Gener in Chile received the 2015 Environmental Management Improvement award for its environmental initiatives at the Costa Ventanas power plant. The award was granted by the V Region's Industries Association (ASIVA) during its 62nd Annual Partners Meeting. The award recognized AES Gener's work towards improving the environment through its biorefinery of industrial gases project for clean energy.

The biorefinery project uses gases including carbon dioxide (CO2), nitrogen oxides (NOx) and sulfur dioxide (SO2) from the two Costa Ventanas units as a source of nutrients for the growth of microalgae. Microalgae are used to produce biomass (biofuels and biogas), lipids (industrial and food) and bio fertilizers. The native microalgae are adapted to the environmental conditions of this project. The system does not use electrical energy in the biomass process, and it includes a bypass to ensure a continuous supply of gases in case of outage at one of the units.



Indirect GHG Emissions, Scope 2 And Scope 3

Based on the GHG Protocol’s Scope 2 Guidance, AES has taken a dual reporting approach to estimate 2015 emissions from energy purchases for our own use because we identified that some of our businesses are in markets, where consumers have the opportunity to make decisions about purchasing electricity from providers of their choice. However, market-based information was not available for 2012-2014, so we used a location-based method as a proxy for these years.

Our accounting process for indirect emissions due to energy purchases for our own use will be fine-tuned in the coming years as we continue our analysis of local and regional market conditions.

AES businesses’ indirect GHG emissions include emissions from:

- electricity purchased from non-AES generated sources for the our own use (Scope 2);
- for AES distribution companies, transmission and distribution losses of non-AES generated electricity sold to end users (Scope 2);
- for AES distribution companies, sales to customers by our distribution businesses (Scope 3); and
- Business air travel for our global operations (Scope 3).

TABLE 10 - AES INDIRECT GREENHOUSE GAS EMISSIONS (SCOPE 2 AND SCOPE 3), 2012-2015

	2012	2013	2014	2015
THOUSAND METRIC TONNES CO ₂ e				
Electricity-Related Indirect Emissions (Scope 2*), Equity Adjusted				
Location Based Method	87	90	290	367.8
Market Based Method	87	90	290	368.1
Other Indirect Emissions (Scope 3*), Equity Adjusted				
Emissions due to Sale of Electricity to End Users	No Data	No Data	5,853	6,238
Emissions due to Business Air Travel*	No Data	No Data	1.4	3.2

Total AES

*Note: 2012-2013 Scope 2 emissions represent emissions from our Brazil SBU only, and Scope 3 air travel emissions are not adjusted for equity ownership.

At our generation stations, a portion of generated electricity is used for “station service” (or own use), making energy purchases from the market unnecessary. Exceptions to this general rule of thumb include periods of outages, which is when electricity is purchased from the market to support our energy needs.

In addition, our transmission and distribution (T&D) businesses purchase electricity for their own use either from the grid or from AES-owned power plants. In the case of purchases from the grid, a certain degree of double counting may be present due to the fact that our portfolio consists of both generation and T&D businesses.

NOx, SO2 and Other Air Emissions

The data in Table 11 has been adjusted by equity ownership and refers to SO2, NOx and mercury emissions resulting from our businesses’ major fuel combustion units during the last four years (2012-2015).

TABLE 11 - SO2, NOX AND OTHER EMISSIONS, 2012-2015

Air Emissions (Equity Adjusted)	2012	2013	2014	2015	FY 2015 TARGET
	METRIC TONNES				
Sulfur Dioxide (SO2)	170,256	195,699	222,392	141,333	222,392
Nitrogen Oxides (NOx)	86,366	77,133	80,298	69,404	86,366
Mercury (Hg)*	0.40	0.43	0.75	0.55	0.75

* Note: 2012-2013 mercury emissions represent emissions from certain US-based coal-fired power plants only.

The increasing trend in SO2 emissions noted in 2012-2014 is due to the use of a fuel mix with higher sulfur content. However, a significant drop in SO2 and mercury emissions was observed in 2015 due to a drop in energy dispatch from our coal-fired units. Annual quantities of NOx emissions depend on the dispatch by fuel type and on the NOx emission controls utilized. The NOx emissions trend during the last four years has been decreasing because of a combination of lower dispatch by higher NOx emitting units and utilization of better NOx emission controlled units.

Air emissions data related to mercury primarily consists of emissions from coal-fired electric power generation units. The 2012 and 2013 mercury emissions data presented in Table 11 only reflects emissions data available for the majority, but not all, of our US SBU coal-fired units, and this data has not been externally verified. For 2014 and 2015, the reported values include mercury emissions from all of our global coal- and petroleum coke-fired power plants and have been externally verified.

Reduction Of Greenhouse Gas (GHG) And Other Air Emissions — Energy Efficiency For Our Customers

As part of our commitment to operational and environmental excellence, we continually look for ways to improve the efficiency of our power generation, and to find ways to reduce emissions. We also provide our distribution customers with options/tools to make more efficient use of electricity.

Through our AES Performance Excellence (APEX) program, our businesses find innovative ways to solve operational challenges, which also result in environmental benefits and reduced impact. For example, the implementation of heat rate improvement projects resulted in an estimated 246,782 metric tonnes of avoided GHG emissions during 2015. In addition, diverse emission reduction projects through process improvements and equipment replacements, including the replacement of older plant lighting systems with more energy efficient LED systems

as well as transformer and pump optimization efforts, have resulted in estimated annual CO₂e savings of 13,292 metric tonnes.

During 2015, in Chile the Carbon Bonds of Andes Solar plant (the first photovoltaic power plant of AES in Chile) Chile were accepted and registered by the United Nations Framework Convention on Climate Change (UNFCCC) as a Clean Development Mechanism (CDM). Also, the Carbon Bonds of the Alto Maipo hydroelectric project were certified by Carbon Check and registered under the Verified Carbon Standard (VCS). It is estimated that both plants, once the projects are fully operational, will avoid the emission of over 2 million metric tonnes of CO₂e per year.

Several of our distribution businesses offer renewable energy and demand-side efficiency programs, which result in GHG emission reductions by their customers. Each utility offers different levels and types of programs, depending on market conditions. Some examples of the programs and efforts carried out for residential and industrial customers to leverage energy efficiency and load optimization include modernization of lighting in public schools, health centers, and public buildings; LED replacements in traffic lights; supporting the removal and recycling of lower efficiency appliances; providing energy efficiency manuals for customer awareness; and energy management consulting for optimization of electricity use.

Some examples of specific successes at our distribution businesses are:

- From 2009-2015, DP&L's (Ohio, US SBU) residential and business programs helped customers save more than 1.2 million MW-hours (MWh) of energy and helped reduce peak capacity by 198.4 MW.
- IPL's (Indiana, US SBU) residential and commercial/ industrial demand side management programs have achieved a reduction of 598,500 MWh from 2010-2015 of first year energy efficiency savings.
- In Brazil, diverse programs executed in 2015 resulted in the reduction of more than 45,100 MWh in consumption. Also, during 2015, AES Eletropaulo regularized more than 67,000 connections, bringing the total to more than 714,600 connections regularized since 2004, benefiting more than 2.7 million people in

over 1700 communities. AES Sul also benefited 2,890 families with its regularization efforts, and the energy efficiency actions for these customers represented a reduction of 375 MWh in consumption.

We are also implementing major air emission control technology replacements at some power plants to reduce non-GHG emissions. Since 2012 three coal-fired power plants at AES Gener in Chile — Ventanas, Nueva Tocopilla and Guacolda — have implemented major projects to improve their emissions control equipment, including installation of new SO₂ scrubbers, high-efficiency electrostatic precipitators (ESPs) and bag filters, low NO_x burners and/or SCR for NO_x reduction. By the end of 2015 the majority of the improvements were completed, and the remaining replacements will be operational by mid-2016. These improvement projects represent a total investment of about US \$529 million on air emission control equipment.

With the implementation of the EU Industrial Emissions Directive (IED) in January 2016, the Emissions Limit Values (ELVs) imposed on the AES Kilroot power station in Northern Ireland for SO_x, NO_x and particulate matter will become much more stringent.

AES Kilroot is staying ahead of the curve by implementing a NO_x emissions reduction project to minimize NO_x emissions and thus maximize its electric generating capacity factor. Through plant O&M optimization, fuel strategy optimization, shifts in traditional operating practice, and the installation of novel selective non-catalytic reduction (SNCR) technology for secondary NO_x reduction, AES Kilroot forecasts that it will reduce NO_x emissions by 43 percent and stay well below the IED NO_x emission limits by 2020.



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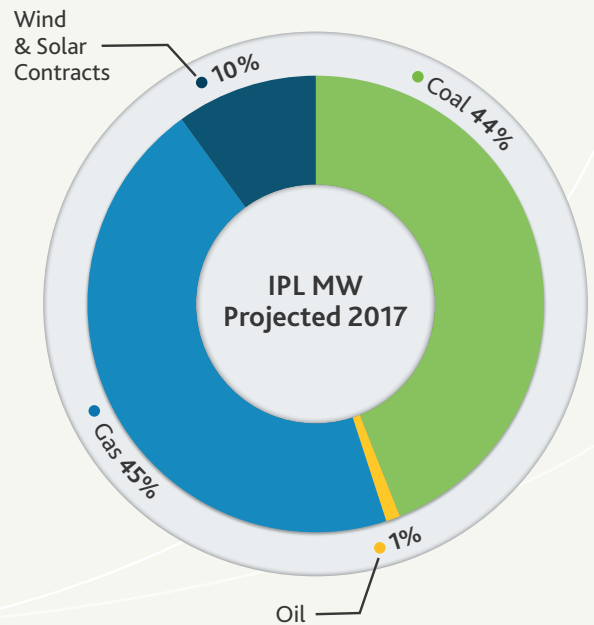
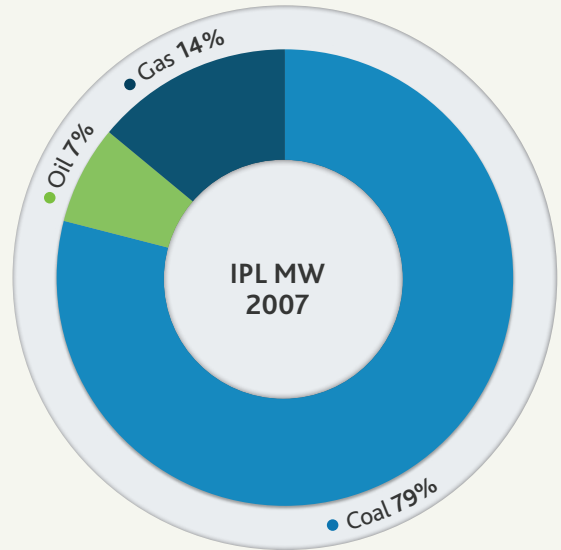
OUR PEOPLE

INVESTING IN AIR EMISSION REDUCTION AT IPL

IPL, an AES integrated utility operating in the U.S. state of Indiana, remains focused on our mission to improve lives by providing safe, sustainable, affordable and reliable power to the Indianapolis community. IPL has adopted a balanced approach of upgrading existing plants, converting and replacing retiring units from coal to natural gas, and using solar power while also utilizing state-of-the-art battery technologies for grid reliability.

Since 2013 IPL has implemented air emission control upgrades at the IPL's Petersburg coal-fired power plant in southern Indiana. At the end of 2015, IPL completed the conversion from coal to natural gas of two units at its Harding Street facility, and by 2016 the plant will completely run using natural gas.

This project, along with IPL's future plans, will significantly reduce emissions and make natural gas IPL's largest source of capacity. IPL continues to pursue a balanced generation portfolio that includes coal, oil, gas, wind and solar. In 2007, 79 percent of IPL's generation resources were from coal. By 2017, IPL's generation mix is forecasted to be 45 percent natural gas, 44 percent coal, 10 percent wind and solar, and 1 percent oil.



ASPECT: Water

Water is vital for our operations. While our solar and wind facilities do not need water to generate electricity, which makes them important in areas where demands on water resources are high, our thermal and hydro plants rely on water for cooling equipment and electricity generation.

We work hard on developing solutions that will result in lower withdrawals from freshwater aquifers, which is especially important in arid areas. As an example, we use salty/brackish water from the ocean or from existing wastewater sources that reduce the amount of wastewater discharged into waterways by treatment plants or other organizations. Also, our hydroelectric power plants only pass water through their water-driven power turbines, after which it is immediately returned to the environment.

As part of the EMS Framework, our businesses manage and monitor water quality and environmental related issues during operations, and some businesses perform periodic analysis and stress testing of water availability on a local and aggregate basis. We also monitor the management of water resources and compliance with regulatory requirements through periodic external and internal EHS audits. Findings are properly addressed and closure actions are established.

In 2015, each of our operational business and construction projects participated in a company-wide baseline water resources management assessment, which had the objective of providing better understanding of current water-related issues.

This assessment covered areas such as the current state of water resource management, including sensitivities to water quality; risk assessment; local water-related targets and goals; and initiatives and activities related to water resource management. The assessment results allowed us to better understand our local practices related to water resource management, and are being considered in our company-wide water resource management program.

Risk Assessment

As part of the company risk management process, AES has a Hydrology Risk Committee that is responsible for identifying, monitoring and establishing best practices around hydrology risk on both a portfolio and individual business basis. The committee is composed of various corporate functions and representatives from AES businesses with significant hydrological exposure. Based on input from the businesses, this committee reports to executive leadership on areas of mid- to high-risk where the potential exists to disrupt operations due to water availability.

We have modeled all of our operations using the Global Water Tool. The results indicate that 20 percent of our businesses will be in water-stressed basins by 2025. For the purposes of water management and accounting, we categorize areas identified as under water stress, water scarcity and extreme scarcity using United Nations definitions, which are:

- Water stress: An area is experiencing water stress due to annual water supplies dropping below 1,700 m3 per person.
- Water scarcity: Annual water supplies dropping below 1,000 m3 per person.
- Absolute scarcity: Annual water supplies dropping below 500 m3 per person.

The results of these assessments allow us to not only monitor but also to develop action plans to ensure that all stakeholder needs are addressed through collaborative action.

In 2015, we also initiated a program of engaging with our core suppliers on water-related risks and best management practices. This engagement had the main objective of understanding our supply chain's exposure to water risk as well as our supplier's risk assessment methodologies, risk mitigation strategies and overall management practices.

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Water Withdrawal And Discharge

AES follows GRI guidance on reporting water withdrawal and discharge data. Our water withdrawal inventory includes cooling water, process water and potable/drinking water (with the exception of bottled water). We exclude from the withdrawal inventory water used for generation of electricity at our hydroelectric power plants. The water discharge inventory contains cooling water and process water discharges, including those from once-through and recirculating cooling water systems. Domestic sewage, rainwater and storm water effluents are not considered to be discharges and are not included in our discharge inventory. Note that the 2012-2015 annual water withdrawal and discharge quantities reported in Table 12 are not equity-owned adjusted and represent total actual volumes.

The water withdrawal target set for the year (8.1 billion m³ of water) was achieved.

TABLE 12 - WATER WITHDRAWAL AND DISCHARGE, 2012-2015

WATER CONSUMPTION	UNIT	2012	2013	2014	2015	FY 2015 TARGET
Total water withdrawal		7,311	8,117	6,553	6,393	8,117
Total salt / brackish water withdrawal		4,090	5,662	4,170	3,990	
Total municipal water supplies (or from other water utilities)	Million Cubic Meters	47	7	6	5	
Total water from all other sources		3,173	2,448	2,378	1,410	
Water returned to the source of extraction at similar or higher quality as raw water extracted		6,985	7,805	6,219	6,135	

Understanding both the importance of water supply for our operations and the impact on the water bodies allows our people to bring innovation and “out of the box” thinking to maintain a balance between the needs of the business and the environment.

As an example, our Ballylumford power plant, located in Northern Ireland, implemented a project which enabled a 20 percent reduction in cooling water withdrawal through the installation of variable speed drives on cooling water pumps. This project also

resulted in reduced power usage for operation of cooling water pumps, which minimized the power plant’s carbon footprint.

Another example is from the AES Huntington Beach power plant in the United States, which developed a project to upgrade its screen wash and circulating water pumps to reduce annual process water consumption. The project saved an estimated 27 million gallons of water savings, which is equivalent to a 51 percent reduction in prior water consumption.



AES GENER UPGRADES CHILEAN DESALINATION PROJECT

In the world’s driest desert, located in northern Chile, our affiliate AES Gener upgraded the desalination plant at our Angamos power generation facility with state-of-the-art technology that will allow more efficient use of sea water as well as a future fresh water surplus for neighboring industries, mining operations and communities.

In 2014 AES Gener signed an agreement with a third-party company for the construction and subsequent operation of the desalination plant. It replaces thermal vapor

compression (TVC) technology with reverse osmosis to increase the efficiency of the plant’s own energy use with high-quality water. The project began operations at the end of 2015 and has a production capacity of 4,800 m³ per day, which may be increased in a second phase to 19,200 m³ per day.

ASPECT: Effluents and Byproducts

Our water discharges may include cooling water and process water discharges, which can impact the temperature, pH, and chemical composition of receiving streams. AES businesses diligently control and monitor water discharges for temperature, pH and chemical composition. The control process may also include monitoring of upstream and downstream areas from our water discharge sources as well as monitoring of groundwater around our ash disposal facilities. The results of these measurements are reported to regulators on a periodic basis.

The AES EMS and global environmental standards establish minimum requirements for the management of hazardous and special wastes, chemical and raw material management, and spill prevention and control through assessment of hazards, management actions, and preventive and control measures. Each AES business is

required to have emergency response plans, including spill prevention and environmental containment plans. All spills above set quantity thresholds must be reported through our EMIS.

With the exception of coal combustion products, the waste or byproducts streams from our electric power generation, transmission and distribution businesses consist of small mass and volumetric quantity streams, and may include municipal solid wastes, construction and demolition debris, and hazardous and special byproducts such as PCBs, solvents, used oils, herbicides, fluorescent lighting, etc. Proper handling and management of these wastes and by-products is governed by the specific AES environmental standards, which represent industry best practices. Adherence to these standards is monitored through our program of internal and external audits on a periodic basis.



PRODUCING FOOD GRADE CO2

Two of our U.S. power plants — Shady Point in Oklahoma and Warrior Run in Maryland — use a process to extract CO2 from a portion of their exhaust flue gases to produce food-grade CO2, instead of releasing all CO2 emissions into the atmosphere.

The Shady Point facility is one of the newest and cleanest coal-fired plants in the state of Oklahoma. It is the first coal-fired plant in the United States to produce a food-grade CO2 product from a fossil fuel. The plant generated approximately

15,588 tons of dry ice and 61,287 tons of liquid food-grade CO2 using captured CO2. Warrior Run captures approximately 45,000 tons of CO2 per year to sell as beverage grade CO2.

Coal Combustion Products Generation, Reuse And Recycle

Coal combustion products (CCPs) include bottom ash, fly ash, synthetic gypsum (also referred to as flue gas desulfurization [FGD] gypsum), FGD solids and cenospheres. CCPs are generated when power plants burn coal to generate electricity or through the use of emission control technologies.

AES businesses, whenever possible, make efforts to recycle and allow other parties to beneficially reuse CCPs for cement and concrete, as a road base, as a cover at solid waste disposal facilities, for liquid waste

solidification/stabilization, and in the manufacturing of wallboard and even bowling balls. These practices benefit the environment, the energy industry and the products themselves.

The values presented in Table 13 are from our coal-fired power plants where we have operational oversight. They are not equity-owned adjusted, and thus represent actual CCP quantities. The percentages of recycling represent the total amount of CCP, but also include, in a small portion, some other solid fuel combustion byproducts such as wood and petroleum coke ash that were beneficially reused or recycled across AES.

TABLE 13 - CCPs GENERATION AND RECYCLING/REUSE, 2012-2015

	2012	2013	2014	2015	FY 2015 TARGET
Ash & Gypsum generated (metric tonnes)	6,918,972	7,278,372	7,507,371	9,550,936	7,507,371
Ash & Gypsum recycled/reused (%)	35	36.7	38.5	34	35

The increase in CCP generation and decrease in CCP reuse/recycle in 2015 was driven by (1) additions of new control systems (FGD) at Norgener (Chile, Andes SBU) and at Ventanas (Chile, Andes SBU), and (2) the commissioning of the new Mong Duong II power plant (Vietnam, Asia SBU).

In October 19, 2015, an EPA rule regulating coal combustion residuals (CCRs) under the Resource Conservation and Recovery Act became effective. The rule established nationally applicable minimum criteria for the beneficial use of CCRs and for the disposal of CCRs in new and existing surface impoundments and landfills. It also sets closure and/or corrective action requirements for surface impoundments and existing CCR landfills under certain specified conditions. AES's U.S. subsidiaries are still analyzing the potential impact and compliance cost associated with this final rule.

Environmental Cost Savings and Revenue Generation

CCPs can be a source of cost savings and/or revenues as a result of the reuse and recycling. During 2015, AES businesses recycled a total of 3.2 million metric tons of CCPs, which resulted in more than US \$17.5 million in avoided land disposal costs. In addition, other AES environmental management practices resulted in environmental cost savings and revenues. These activities did not need to be grand in scale and may seem routine, but they can make a lasting effect in the long run. For example, the sale of metal scrap and solid waste recycling resulted in an additional annual revenue of US \$30,000 at DPL Customer Operations in the United States, US \$40,000 at San Nicolas in Argentina, and US \$55,000 at Maritza in Bulgaria.

Promoting recycling in the communities

In the spirit of the AES Value on Honoring Commitments, we take our role as a responsible corporate citizen and environmental steward seriously. At AES we believe that one person's actions can make a difference, and if we unite our efforts with the communities we serve, we will be able to make a positive impact in our environment.

As such, our businesses promote environmental awareness through their community outreach programs and encourage community members to take proactive action with regards to the environment. For example, our

businesses in the Dominican Republic developed a program called Recycle with Clean Point, which aims to supporting communities of Boca Chica in making the right choices and fostering the culture of "Reduce, Reuse, Recycle" through education and awareness about the proper management of waste and recyclable materials.



Through the Recycle More, Pay Less initiative, AES Eletropaulo and AES Sul in Brazil offer its customers

a discount on electricity bills for residential customers who deliver recyclable materials (paper, plastic, metal and glass) at collection spots located in their concession area. In 2015, 2,517 tonnes of recyclable materials were collected at twelve collection points throughout the area served by both distribution companies. This program was recognized by the Brazilian Ministry of the Environment as a Reference Practice for the Ministry's EDucaRES program.

In El Salvador, AES El Salvador distribution companies offer to community members a practical and accessible way to recycle paper by using its 23 commercial offices as recycling centers. The ¡AES Recicla! (AES Recycles) program looks to create a culture of recycling, and during 2015 it collected over 25,500 pounds of paper — equivalent to 105 saved hectares of natural forest.



Spills and Environmental Incidents

According to our EMS and the AES Spill Prevention standard, reportable spills are any liquid spills reported to local environmental regulators and/or lost off AES property into the environment at a quantity equaling or exceeding 55 gallons (210 liters). Non-reportable spills usually represent small spills that are quickly contained or spills that are released into secondary containment.

In 2015, AES businesses recorded a total of five reportable oil and chemical spills, which exceeded the reporting threshold according to the standard. These spills were

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caused primarily by equipment leaks or failures, which were cleaned up. Any residues were disposed of properly. None of these spills resulted in significant environmental impact, regulatory enforcement actions and/or significant fines/penalties, which is why they were not addressed in our 2015 Annual Form 10-K.

In 2015, AES implemented a new global Environmental Standard #7 "AES Environmental Incidents (ENEs and Near Misses) and EOE Management Standard." This standard in part sets new requirements for environmental near-miss identification, investigation, analysis and reporting for all AES operating businesses and construction projects. All (significant and non-significant) environmental near-miss incidents are reported within three business days of their

occurrence. Since its implementation, there have been 36 environmental near-miss incident reports made through AESOnline.

The new environmental near-miss incident reporting process allows for the sharing of lessons learned by the AES corporate EHS team, which issues a monthly report to all AES EHS and business leaders highlighting the most significant near-miss incidents that have occurred during the preceding month. In addition, the AES EMS Framework requires that each business establish a process for environmental internal and external communications related to the EMS system and to define the process to detect, investigate, document and analyze environmental near-miss events as well as how to communicate such events.

ASPECT: Biodiversity

AES produces, distributes and sells energy across a large geographical area, and our operations may interact with diverse ecosystems, landscapes and species. These interactions can occur during both the construction and the operations phases of our facilities.

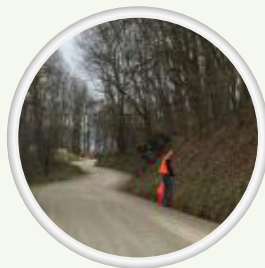
In addition to conducting annual environmental impact assessments, including biodiversity-related aspects, we have developed an AES Environmental Standard #13 titled "AES Biodiversity Assessment & Protection." This

new standard, implemented during 2015, requires each business to avoid new actions that directly impact World Heritage areas and IUCN I-IV protected areas and leading or contributing to the extinction of IUCN listed endangered species.

Protecting biodiversity and restoring habitats

Our work on protecting biodiversity focuses on three major areas:

SITE CLEAN-UPS



Laurel Mountain Wind Farm in the United States cleans up two miles of Williams Roadway three times per year as part of the "Adopt a Highway" campaign. Over the course of three years, more than 120 bags of waste were collected and disposed of.

Shulbinsk HPP in Kazakhstan collected illegal fishing nets in the water protection zone of the Shulbinsky Reservoir.

REFORESTATION ACTIVITIES



Masinloc in the Philippines works to safeguard both terrestrial and coastal ecosystems by coupling forest rehabilitation with ensuring access to safe water. The program includes rehabilitation of upland and mangrove forest (total of 60 hectares), donation of tree seedlings and maintenance of a two kilometer stretch of the Luis River.

In **Panama**, more than 30 AES Panama volunteers and their families partnered with residents of Cativa, in the province of Colon, to plant more than 100 palm trees to improve the community’s landscape. Cativa and its coastline are home to the Estrella del Mar I, an AES Panama power generation barge that started commercial operations in 2015.

HABITAT PROTECTION AND RESTORATION



Eletropaulo, Brazil installed a bridge for the safe passage of 900 mammals with habitats near distribution lines.

Gener Ventanas, Chile Rehabilitated 25 acres of its ash deposit to develop the Punchucavi Park. It includes a biological corridor and a bird watching center, and additional 246 more hectares will be developed over the next 25 years.

Biodiversity protection during construction

For construction projects, biodiversity risks are assessed and mitigation plans are developed during the pre-construction permitting and environmental impact assessment phases of the project. Stakeholders at the local level are involved in reviewing and commenting on the potential risk to or impact on biodiversity. Usually information on the environmental impact assessments for our projects under development or construction are made publicly available on dedicated webpages either by the affected businesses or regulatory bodies.

One of the many examples of biodiversity protection on our construction sites is the AES Colon’s (Panama) program, which involves the construction of a new combined-cycle gas turbine power plant and associated LNG storage and regasification facility, has resulted in the rescue of more than 45 different species of reptiles, amphibians, birds, mammals, rodents and turtles during construction.

TABLE 14 - LINKS TO THE PUBLIC WEBSITE CONTAINING EIA/AIA RESULTS

Major EPC Construction Project	Country
Alto Maipo	Chile ↗
Cochrane	Chile ↗
DPP (Los Mina) Conversion	Dominican Republic ↗
Guacolda V	Chile ↗
Los Andes Photovoltaic Park	Chile ↗
Mong Duong II	Vietnam ↗
OPGC II	India ↗

STAKEHOLDER ENGAGEMENT

At AES, stakeholder engagement refers to the process of developing strong, proactive, long-term and consistent relationships with key stakeholders of the company. In today's business environment, companies have to continuously adapt to fast traveling information, regulation uncertainty and growing scrutiny from governments, the media and public opinion.

As a company AES engages with diverse stakeholders across the globe. Non-government organizations (NGOs), governments, communities, other market players, customers, lenders, investors and employees are stakeholder groups with whom we strive to maintain solid relationships. The engagement process is integrated into the company's global strategy as we recognize that it is not only a critical part of sustainability but also important for our business units' success and their licenses to operate.

A common strategic and consistent approach to manage our numerous stakeholders is fundamental to our success. Our Global Stakeholder Engagement guidelines, available internally to all our businesses, highlight the key elements of our engagement strategy and outline steps to ensure our relationships are successful and long-lasting.

These internal guidelines were developed using the AA1000 Stakeholder Engagement Standard as a reference. The guidelines cover topics from identifying and prioritizing stakeholders to deciding on the appropriate engagement methodology to performing risk assessments.

We also use a customized online platform, as part of the management approach, to better anticipate and prepare for stakeholder risks, map stakeholders and effectively manage each stakeholder engagement strategy. We identify the key stakeholders based on the unique characteristics of each market and country where our operations are located. This identification is determined based on:

- The position or favorability (neutral, in favor, against);
- The level influence;
- The level of involvement; and
- The level of interest or concern.



Stakeholders

We strive to strengthen relationships through meaningful engagement with our stakeholders. We work to structure interactive stakeholder engagement activities so we can receive effective feedback.

At a local level, the Market Business Leaders (the highest senior leader at a country level) directly oversee stakeholder engagement with the support of functional area leads. At the corporate level, the Global Stakeholder Engagement group provides the key elements of our engagement strategy and at the same time manages certain key corporate level relationships such as heads of state, trade associations, government officials, ambassadors, international institutions, country representatives and regulators.

Interactions and communications with investors and shareholders, high-level government policy makers and institutions like the Federal Energy Regulatory Commission (FERC) and North American Electric Reliability Corporation (NERC) are also managed at the corporate level.

The following table summarizes our current stakeholders and provides examples of engagement methods, issues discussed and how the issues are addressed. The examples provided are typical but may not necessarily apply to all our businesses.

TABLE 15 - MAIN STAKEHOLDERS

AES STAKEHOLDERS	ENGAGEMENT	KEY ISSUES	HOW ISSUES ARE ADDRESSED
<p>SUPPLIERS</p>	<p>We promote suppliers' success through clear policies, procedures, terms and conditions. It is important to ensure our suppliers are aligned with our values and standards.</p> <p>We hold our suppliers and contractors to the same high ethical standards we have.</p>	<ul style="list-style-type: none"> • Direct contact between vendors and AES supply chain buyers and sourcing specialists • Supplier performance score cards • Published policies and guidelines such as safety requirements, environmental guiding principles and supplier diversity objectives 	<ul style="list-style-type: none"> • Centralized management of key supply chain categories such as fuel sourcing • Developed and communicated safety, environmental and diversity guidelines to existing and prospective suppliers
<p>INVESTORS/ SHAREHOLDERS</p>	<p>We regularly communicate with our investors regarding our business strategy and plan, risk management, financial returns, growth and governance via:</p> <ul style="list-style-type: none"> • Quarterly earnings presentations • Investor relations website • Investor calls • Rating agency discussions • Investor and public forum events such as the Annual Shareholder Meeting • Annual and Corporate Social Responsibility Reports • Proxy communications • Traditional and social media 	<ul style="list-style-type: none"> • Strategy and growth plans • Company management • Return on investment • Capital allocation • Governance • Financial performance and liquidity • Shareholder returns, including dividends • Risk management • Environmental performance 	<ul style="list-style-type: none"> • Healthy balance sheet and sufficient liquidity • Timely information on key issues • Corporate reorganization to streamline the business for profitability

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AES STAKEHOLDERS	ENGAGEMENT	KEY ISSUES	HOW ISSUES ARE ADDRESSED
<p>CUSTOMERS</p>	<p>We are invested in understanding our customers' perspectives and in addressing their concerns via:</p> <ul style="list-style-type: none"> • Customized energy management solutions • Wholesale and retail power and gas market participation • Internet-based feedback interface • Customer satisfaction surveys • 24/7 customer call centers • Publications and reports • Energy efficiency and demand response programs • Residential customer education programs • Sustainable energy solutions • Increased focus on diversity within our key customer groups • Traditional and social media • Participation in public events 	<ul style="list-style-type: none"> • Managing energy use with new technologies • Lowering energy costs • Using cleaner energy sources, including renewables • More efficient energy use • Safety 	<ul style="list-style-type: none"> • Provide information and energy management tools via our websites • Develop peak demand management programs • Conduct advanced metering and dynamic pricing pilot • Deploy on-site renewable energy systems for commercial customers • Conduct energy-efficiency audits and building retrofits, and provide incentives for numerous energy efficiency measures • Provide risk management services for wholesale and retail customers

AES STAKEHOLDERS	ENGAGEMENT	KEY ISSUES	HOW ISSUES ARE ADDRESSED
<p>GOVERNMENTS</p>	<p>It is our duty to communicate with local, state and federal government officials in the countries where we do business to ensure that we develop sound energy policies that balance reliability, affordability and environmentally sound practices via:</p> <ul style="list-style-type: none"> • Meetings with elected officials in communities surrounding power plants and utilities infrastructure • Power plant tours • Emergency planning exercises conducted with local/state agencies • Policy white papers, testimony and briefings • Regulatory proceedings and rate cases • FERC and NERC reporting • Reporting in compliance with national and local requirements across the globe 	<ul style="list-style-type: none"> • Reliability • Security, affordability and sustainability of electricity supply • Energy market structure and regulation • Job creation • Environmental compliance • Federal policies • Financial/OTC derivatives • Safety • Fuel diversity and balanced energy matrix 	<ul style="list-style-type: none"> • Investment in new technologies to keep long-term electricity supply reliable, affordable and cleaner • Engage in discussions with federal governments, partnership groups and EPA about environmental performance and policy • Engage directly on financial reform legislation, GHG policy, clean energy standards and federal loan guarantees

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AES STAKEHOLDERS	ENGAGEMENT	KEY ISSUES	HOW ISSUES ARE ADDRESSED
<p>INDUSTRY OBSERVERS</p>	<p>We engage in dialogue with NGOs and other industry observers around the world through:</p> <ul style="list-style-type: none"> • Industry organizations, conferences and direct dialogue • Participation in advisory councils, business alliances of NGOs • Collaboration with NGOs in facilitating policy-making dialogues • Website • Traditional and social media 	<ul style="list-style-type: none"> • Employment • Business development • Infrastructure • Trends in the sector • Environmental performance and policies • Job creation • Safety • Skilled workforce development 	<ul style="list-style-type: none"> • Engage in many NGO-sponsored dialogues on energy and environmental policy topics, including GHG policy, clean energy standards and renewable energy incentives • Participate in events as expert in the field to discuss trends in the sector
<p>COMMUNITY</p>	<p>We invest in, support and ensure dialogue with the communities where we conduct business via:</p> <ul style="list-style-type: none"> • Periodic community meetings in communities surrounding our facilities • Career fairs • Volunteer projects and social sustainable programs • Participation in community events • Website • Traditional and Social Media 	<ul style="list-style-type: none"> • Employment of local talent • Business development in local community • Infrastructure • Environmental performance and policies • Job creation • Safety • Skilled workforce development • Social benefits • Emergency response and service restoration 	<ul style="list-style-type: none"> • Updates on key issues and projects and feedback mechanisms on website • Skilled workforce development programs with industry and labor stakeholders at community educational locations • Social sustainable programs • Education on safe, adequate and efficient use of energy

AES STAKEHOLDERS	ENGAGEMENT	KEY ISSUES	HOW ISSUES ARE ADDRESSED
AES PEOPLE	<p>Engaging our people is critical to our business success and our employees expect open discussions about workplace safety, career opportunities, job satisfaction, diversity and inclusion, and benefits and salary via:</p> <ul style="list-style-type: none"> • Company intranet — OurAES.com • Multi-lingual update communications from company executives • Electronic newsletters • Employee Helpline • Periodic performance reviews • Online courses, classroom training and college degree programs • Leadership and employee development opportunities • Employee surveys 	<ul style="list-style-type: none"> • Workplace safety • Career opportunities • Job stability • Diversity and inclusion • Salary and benefits • Company strategy and leadership • Positive corporate image • Safety • Environmental stewardship 	<ul style="list-style-type: none"> • Promote two-way communications • Increase feedback mechanisms • Increase involvement in company-related activities

ASPECT: Impacts On Education And Living Standards In Our Communities

Wherever we locate or operate a business — whether it is a power plant, a utility or a renewable energy initiative — we seek to create deep, meaningful relationships with the communities we serve.

Providing safe, reliable and sustainable solutions is key for the development of the communities where our businesses operate. But at the same time, infrastructure projects bring opportunities by providing employment as well as creating

a demand for services and materials that creates dynamism in the local economy.

As described in table 15, AES businesses implement varying levels of engagement with local communities. There is a permanent dialogue with community stakeholders to continue to build and strength relationships based on respect, trust and collaboration.



Whether entering a new location or operating at an existing facility, AES businesses work with the local government and communities to develop programs that can make a community stronger economically, socially or environmentally.

Local stakeholders and communities often bring knowledge of local conditions and challenges that help us develop better solutions. Where practical, our businesses involve stakeholders in the planning, implementation and evaluation of community programs. This participatory approach helps ensure accountability as well as community ownership of AES programs and, as a consequence, increases their effectiveness.

AES has internal company-wide guidelines for developing Sustainable Corporate Social Responsibility Programs. The guidelines are suitable to different local contexts and provide tools for AES businesses to develop and implement sustainable social responsibility programs that are beneficial for our core business and the sustainable development of the communities in which the company operates.

Annually AES businesses develop more than 100 community-oriented investment programs in the areas of culture, education, environment, infrastructure, safety, health and social welfare. Some of these programs, which were designed improve education and living standards, include access to electricity and basic services; vocational training and employment opportunities for young people; and safety education, among others.

AES businesses also engage in partnerships with various stakeholders to maximize the benefits of the programs and make a long-term, positive impact for the communities. Partners include government agencies, development agencies, municipalities, NGOs, universities and technical institutions, business partners and subcontractors.

During 2015, 53.9 percent of community-related activities, programs, donations and sponsorships were in education, social welfare and safety. Also, 10.7 percent of the money allocated to community-related activities, programs, donations and sponsorships was for infrastructure. This includes provision of electricity for underserved populations, education on safety, vocational training and provision of school supplies, among others.

The contribution to the communities of some of these programs is recognized locally. For example in 2015 AES Sul, part of the Brazil SBU, was recognized as one of the winners of the Top Citizenship Award ABRH-RS 2015. AES Sul received the award for the project AES Sul in the Community — Educate to Transform (Educar para Transformar). Also, AES Philippines received the Corporate Social Responsibility (CSR) Excellence Award in the corporate governance category from the People Management Association of the Philippines (PMAP) Foundation. This award honors organizations in the Philippines that have integrated, embedded and sustained their CSR program as an integral part of their business operations.



PARTNERING WITH INTERNATIONAL DONORS FOR WORKPLACE SAFETY AND ENERGY EFFICIENCY TRAINING

In April 2015, AES signed a three-year partnership agreement with the German Agency for International Cooperation (GIZ) for the Eastern Kazakhstan Regional Sustainability Project for Training in Workplace Safety and Energy Efficiency.

The project's goal is to improve the quality of technical staff and graduates training in the topics of energy efficiency and workplace safety to meet the demand of energy, mining and metallurgical industries in Kazakhstan. The project activities will focus on the most pressing issues, such as developing appropriate competencies and qualifications, know-how as well as public awareness in the fields of energy efficiency and workplace safety.

Kazakhstan has been pursuing a long-term strategy of transition to the Green Economy, which is anchored in the newly adopted Kazakhstan Energy Efficiency 2020 program to improve energy efficiency across different sectors of the economy. Continuous development of the metallurgical and mining industries in Eastern Kazakhstan will require improvements in safety standards and safety training for the people working in this sector.

There is a need to reinforce local educational institutions with professional knowledge and expertise on safety, new technologies and other technical issues connected with electricity and heat power production to address the need for a workforce well-trained in new technologies, which could drive the required change towards a Green and Sustainable Economy and the effective implementation of the strategy.

The project will benefit AES staff, trainers and contractors — including employees from local power, mining and metallurgical businesses — as well as local authorities and municipalities, academic staff and graduates from the Engineering Department of East Kazakhstan State Technical University (EKSTU) and Ust-Kamenogorsk Polytechnical College (UKPC).

AES has been present in Kazakhstan since 1996. For more than eight years all AES businesses in Kazakhstan have been certified under the ISO 14001 environmental management standard and OHSAS 18001 safety management system standard as well as under the ISO 9001 quality standards since 2011.

PROMOTING SOCIAL DEVELOPMENT IN SAN JOSÉ DE MAIPO

In San José de Maipo, in Chile, AES Gener is currently developing the Alto Maipo project. Alto Maipo is a highly engineered project that includes the construction of two run-of-river hydro power plants. The project will have a total installed capacity of 531 MW and it is the largest hydro project of this kind in the country. With over US \$2 billion investment (financed by a group of multilateral and commercial banks such as OPIC, IFC, World Bank, IDB, ITAU, BCI, COPRANCA, KfW IPEX-Bank GmbH, DNB Bank ASA) the energy generated by the project will be equivalent to half the consumption of Santiago de Chile, the capital city of the country.

In 2009, even before the Environmental Impact Assessment was approved, the company signed a Social Collaboration Agreement between the company, the Municipality of San José de Maipo, and the most important citizens' groups in the community. The Agreement includes: Promotion of local employment during construction; 30-year competitive fund for community projects; Promotion of productive activities and services that create jobs and a Tourism Development Program.

Ever since, AES Gener has implemented strong community relations plan in the area. Until now we have invested over US \$27 million in community related programs.

Since 2010 AES Gener has trained 290 residents in different capacity building courses in areas such as security guard, food handler, master chef, bookkeeper, accounting assistant, certified electrician, network operations, first aid certification, professional driver, qualified teacher, among others.

The construction of new access roads to the work sites and electrification have meant an improvement in community infrastructure. As the project



progresses the community will have more access roads to surrounding areas that will facilitate tourism development. In addition to expanding the coverage of the mobile phone network.

To promote the tourism, AES Gener developed the Training Program for Adventure Tourism guides which benefited young people that is studying tourism in the Liceo Polivalente de San José de Maipo. The company also released in 2012 a complete tourist guide of the area (Cultural Tourist Guide of San José de Maipo) which aims to provide guidance to those who visit the area, and promote local tourism, providing new opportunities for entrepreneurship and work to the local residents. The guide also includes historical, geological and paleontological data, all to help the community to be recognized as valuable tourist area.

AES Gener partnered with the Trust for the Americas, and affiliate of the Organization of American States, to develop the AES POETA program. The program includes a community center and provides vocational training and tools to start or improve businesses. Also, AES Gener established a 30 year Competitive Fund program, to finance initiatives and projects proposed by community members.

These resources are managed by a board of trustees, consisting of local authorities, community leaders and representatives of the company.

ASPECT: Public Safety

At AES, we take public safety seriously. It is our core belief that safety comes first for our people, our contractors and the individuals in our communities. Our commitment to safety extends beyond the boundary of our businesses because we are dedicated to improving lives and making a lasting difference in the communities where we operate.

Electricity is a safe and reliable energy source, but it can be hazardous when used without care and caution. As part of our public safety program, we track all serious incidents that result from public interaction with our infrastructure during activities such as residential construction and vegetation pruning; touching downed electrical lines; playing and kite flying near our networks; and when

attempting illegal network connections or thefts of network equipment. All incidents are investigated by the local AES business and, based on the results, mitigation measures are implemented as needed.

In 2015 we experienced a total of 21 public fatal incidents due to interaction with our power generation or distribution infrastructure (note this number does not include traffic incidents involving AES infrastructure such as power poles, which are not tracked and over which we have no control). As shown in Table 16, this result represents a 53 percent decrease in the number of public fatal incidents compared to 2012.

TABLE 16 - PUBLIC FATAL INCIDENTS, 2012-2015

Fatal Incident Cases	2012	2013	2014	2015 ⁹
General Public	45	44	30	21

⁹ Fatalities that occurred in 2015 took place in the following two countries: Brazil (20) and United States (1).

While our extensive public safety programs, which include increasing community electrical safety awareness, have an impact on limiting the number of public fatal incidents, the annual decreases seen in the last four years have been primarily driven by AES exiting distribution businesses in Cameroon and Ukraine.

A key element of our public safety program includes educating the people in the communities where we operate about the electric systems and facilities and how to work safely around them. This is performed through visits to schools or communities, participation in fairs and other public events, and also through [television](#) and [radio campaigns](#).

For example, AES Kazakhstan and the Ust-Kamenogorsk Educational Department completed its first joint project to teach safety in local schools over the course of one school year. The safety training program consisted of tutorial



videos and conversations with AES Safety Champions on electricity and electric device safety both indoors and outdoors.

In addition, our distribution business also provide safety information on their websites, such as safety precautions during power outages or when power lines are down, severe weather, seasonal and indoor/outdoor safety tips.



AES TEACHES FOURTH GRADERS ABOUT ELECTRICITY AND SAFETY

In late 2014, AES Headquarters, located in Arlington, Virginia, partnered with Arlington Public Schools to develop the AES Arlington Public Schools Outreach Program to teach fourth graders about how electricity is generated, safety practices and energy efficiency.

The program officially started in 2015 and is modeled after other successful AES outreach programs and takes into consideration the content of the science curriculum for fourth graders.

Lectures are carried out by AES volunteers and create the opportunity for students to learn basic concepts

about electricity. Specifically, topics include the different ways electricity is generated, the importance of energy efficiency, and the safety and personal protection equipment used when working at electric companies.

During 2015 AES volunteers visited nine different schools and taught 700 children in both English and Spanish. Students participated in a hands-on exercises to generate electricity using a hand-cranked generator to light LED, fluorescent and traditional light bulbs. The more efficient the bulb, the easier the generator was to crank and produce enough electricity to light the bulb.

To learn more about this program [click here](#).

OUR PEOPLE

Our workforce of 20,971 people share a passion to help meet the world’s current and increasing energy needs, while providing communities and countries the opportunity for social and economic growth with the availability of reliable, affordable electric power. We refer to our permanent employees or supervised workers that drive our business as AES people. As of December 31, 2015, of the nearly 20,000 permanent full-time people, 66 percent were covered by collective bargaining agreements.

We recognize that our people are our greatest asset, and they set the foundation of our ability to achieve our strategic objectives. Without the leadership, diversity, skills and knowledge that our people bring to the work they do, the success we’ve achieved would not have been possible.

Our people are comprised of individuals from diverse backgrounds, cultures and disciplines. We do not view diversity simply as a responsibility to be met, a policy to implement, benefits to offer or a program to run. Our view on diversity and the value it brings to our company and the communities we serve is not defined by race, gender, age or orientations.

We leverage our diversity and integrate it into how we work and how we compete to win in the global

marketplace. As a result of the integration of these practices into how we work and the ways in which we select and promote talent, more than 50 percent of our Executive Leadership Team (ELT) are from traditionally underrepresented groups today, including minorities and women.

The people who work in our businesses, who track our finances, run our plants and restore power after storms reflect the customers and communities whose lives we are improving through the services we provide and the investments we make in local safety, infrastructure, education and environmental programs.

We recognize the energy our people bring to their work makes everything possible. Guided by our shared values, our workforce is committed to operational excellence and meeting the world’s changing power needs. Our company tag line “We are the energy” underscores that our people are the energy that makes it all happen.

At AES, we know we need to have the right people in the right place at the right time to meet the company’s commitments and sustain our success, which is why we have a comprehensive approach to managing our talent and developing leaders.

TABLE 17 - 2015 AES PEOPLE DEMOGRAPHICS BY STRATEGIC BUSINESS UNIT (SBU)

Strategic Business Unit	Permanent - Full-time People		Total Workforce
	FEMALE	MALE	TOTAL
Andes	304	1,747	2,051
Asia	128	471	597
Brazil	1,771	8,657	10,428
Europe	414	1,652	2,066
MCAC	298	1,649	1,947
US	739	2,759	3,498
Corporate	132	252	384
Total	3,784	17,187	20,971

ASPECT: Global Talent Management

We have a comprehensive approach to managing our talent and developing leaders to honor our commitments to the communities we serve. Our global talent management strategy considers the full life-cycle of an AES person with a framework that enables us to help people reach their potential at AES

First, we understand the business needs for a particular position, the value and contribution the position will add and the skills, attributes and experiences needed. Next, we identify top talent first leveraging existing talent and then external talent as appropriate. Once the appropriate candidate is identified and on-boarded, we focus on long-term engagement.

We use three primary mechanisms to help our people reach their potential as well as challenge and enhance their personal growth.

1. Formal learning, which comes from our ACE Academy for Talent Development.
2. Assessment and Career Planning, which includes a development objective-setting component and feedback.
3. Experience and Exposure to new career development opportunities.

DEVELOPMENT SOURCES



Formal learning programs



Assessments, career planning, mentoring and coaching



Experience and exposure

ACE Academy for Talent Development

ACE Academy for Talent Development is our talent management construct that provides the tools and experiences our people need to grow their professional skillset, evolve their leadership competencies and take their career to the next level. Every year, AES people receive training and development related to competences essential to the company's business such as leadership, compliance and safety, but also to further develop their technical and leadership skills, according to their positions. Training and development programs are provided through online resources, formal classroom training and on-the-job learning opportunities. In 2015, each AES person averaged 55 hours of training. .

In addition, we launched our Global Executive Program and Retreat as part of our leadership development program. In partnership with Georgetown University in Washington, D.C., leaders participated in a five-day on-site transformational experience to further develop competencies in areas that we have identified as critical to our business both now and into the future.

Assessments and Career Planning

Our performance management process helps our people understand their role and responsibility in the organization as well as the skills they need to develop to their fullest potential. Our four step process includes objective setting, development goal setting, performance reviews and 360° feedback from team members. For career planning, we conduct quarterly sessions to review, measure and understand our talent. These sessions are also used to identify development opportunities and action plans for people.

Experience and Exposure

We believe the development of our people is enhanced by gaining a variety of on-the-job experiences that help people expand their skills and hone their capabilities. We strive to purposefully give people a set of experiences that not only challenge them but also help them to reach their fullest potential at AES. For exposure, our Executive Leadership Team (ELT) and other senior leaders

are committed to engaging our global talent, including high potential talent. Our high potential talent is given the opportunity to interact one-on-one or through group sessions with the leadership team.

Culture and Strategy Sessions

Each year, our senior leaders both at the global and SBU level travel to various business locations to discuss our corporate strategy and the results of our most recent AES-wide culture survey. The goal of these sessions is to focus on the direction we are taking as a company, share our plans to support our strategy and discuss how we will strengthen our culture to work together successfully.

Rewarding Our People

We invest significant time and resources to ensure our compensation programs are competitive and reward the performance of our people. Every year, AES people who are not part of a collective bargaining agreement are eligible for an annual merit-based salary increase. In addition, individuals are eligible for a salary increase if they receive a significant promotion. We also offer profit-sharing in 13 countries, including the United States.

The following table includes the ratio of compensation for the highest-paid individual in each country to the compensation for all people, and the increase in compensation for the highest-paid individual to the median increase for all people.



TABLE 18 - 2015 ANNUAL COMPENSATION RATIOS AND COMPENSATION INCREASES BY COUNTRY

Location	Ratio	Increase
Argentina	8	1.67
Brazil	62	0.00
Bulgaria	16	0.00
Chile	18	6.55
Colombia	11	1.35
Corporate	33	0.00
Dominican Republic	12	1.00
El Salvador	23	1.25
Kazakhstan	17	0.31
Mexico	15	0.00
Netherlands	5	5.03
Nothern Ireland	7	1.20
Panama	13	3.00
Philippines	24	0.46
Puerto Rico	6	0.70
USA	13	3.33
Vietnam	27	0.17

Being Recognized as a Great Place to Work

One of our strategic objectives is to be recognized as a great place to work and we use external recognition such as the Great Place to Work rankings to measure the success of our workplace initiatives. AES businesses participate in questionnaires and assessments that are performed by recognized institutions that make a comprehensive assessment not only of the company’s programs, policies and benefits, but also survey the people within the businesses. In 2015, our businesses received 16 designations as a great place to work from various reputable organizations.

TABLE 19 - 2015 HR AND WORKPLACE RECOGNITIONS

SBU	Country	Business	Recognition/Award	Institution
ANDES	Argentina	AES	Best Companies to Work for Argentina	Great Place to Work Institute
ASIA	Philippines	AES Philippines Office	Investors in People, Silver Status	Investors in People
ASIA	Philippines	AES Philippines	Investors in People, Bronze Status	Investors in People
BRAZIL	Brazil	AES Sul	150 Best Companies to Work for in Brazil	Você S/A
EUROPE	Jordan	AES Jordan	Golden List	Jordan’s Ministry of Labor
EUROPE	Kazakhstan	AES Kazakhstan	HR Brand Kazakhstan, World Category	HR Brand Kazakhstan
MCAC	Dominican Republic	AES Dominicana	Best Companies to Work for in the Caribbean	Great Place to Work Institute
MCAC	Dominican Republic	AES Dominicana	Best Companies to Work for in the Dominican Republic	Great Place to Work Institute
MCAC	Mexico	AES Mexico	Best Companies to Work for in Mexico	Great Place to Work Institute
MCAC	Panama	AES Panama	Best Companies to Work for in Central American, with up to 1,000 employees category	Great Place to Work Institute
MCAC	Panama	AES Panama	Best Companies to Work for in Panama	Great Place to Work Institute
MCAC	SBU	AES MCAC	Best Companies to Work for in Central America and the Caribbean	Great Place to Work Institute
MCAC	SBU	AES MCAC	Best Companies to Work for in Latin America	Great Place to Work Institute
MCAC	US	AES Puerto Rico	Best Companies to work for in Puerto Rico	Great Place to Work Institute
MCAC	US	AES Puerto Rico	Best Companies to work for in the Caribbean	Great Place to Work Institute
MCAC	US	AES Puerto Rico	Best Employer, Small Company Category	Aon Hewitt

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STREAMLINING HR PROCESSES AND IMPROVING HOW WE SERVE

OUR PEOPLE

To better attract and grow our global talent, we have been working to create common HR programs and offerings to take our HR performance to the next level. In support of that goal, we launched a global, sustainable Human Capital Management (HCM) system to serve as the foundation of our efforts. Our HCM stores all of our people data in one place for the first time and give us the opportunity to streamline our HR processes and services to better serve our people. Our HCM also empowers our people with self-service tools to help manage their career and development.

AES Performance Excellence

To achieve operational excellence, AES businesses around the world use AES Performance Excellence (APEX), a continuous improvement program with a set of common tools and methodologies to solve business issues or problems. APEX projects create measureable value by increasing revenue, reducing costs or avoiding costs. More than 65 percent of our people have been trained to use APEX methodology and tools, and we have implemented nearly 4,000 projects in the past decade. In 2015 alone, approximately 400 projects using APEX translated into US \$97 million in benefits for AES (exceeding the target of US \$66 million), with 18 percent of benefits representing hard dollars of new revenue and 43 percent of benefits in reduced operational expenses. The goal for 2016 is to execute 200 projects using APEX, to achieve US \$70 million in benefits and to have three percent of our

people trained on APEX methodology and tools and three percent to get updated training.

We also received external recognition for our performance excellence efforts. In the global competition of PEX (Process Excellence Network), three AES APEX projects were shortlisted in the best process improvement projects through transformation and technology as well as sustaining a mature process excellence program category. The PEX Network's Excellence in Process awards aims to recognize companies that have used process excellence to improve efficiency, reduce waste and minimize costs.

One of our 2015 APEX projects also won the People's Choice Award in the best use of data category at the 2016 World Conference on Quality and Improvement established by the American Society for Quality.

2015 AES PERFORMANCE EXCELLENCE (APEX) GLOBAL AWARDS

Each year, we host an APEX Global Awards competition to recognize the efforts of our people utilizing APEX tools and methodologies. Following local and SBU-level competitions, we invited 17 diverse projects to participate in a competition for an audience of senior leaders. Overall, these 17 projects have delivered an estimated US \$20 million in benefits in 2015 and six of the projects are expected to exceed US \$10 million in benefits each over five years. For 2015, we introduced four new categories focused on the financial benefits or value of a project over the first five years of implementation. First and second place winners were chosen in each value category.

<\$0.5M over first five years of implementation	\$0.5M - \$2M over first five years of implementation	\$2M - \$10M over first five years of implementation	>\$10M over first five years of implementation
<p>First Place: Brazil SBU, AES Eletropaulo <i>Improving the Hits in Fighting Commercial Losses</i></p> <p>Second Place: Asia SBU, OPGC <i>Improving Auxiliary Steam Pressure Control</i></p>	<p>First Place: MCAC SBU, AES Merida <i>Filters Switching Reliability and Optimization of Filter Elements in Diesel Combustion Turbine</i></p> <p>Second Place: US SBU, Laurel Mountain <i>Wear Debris Monitoring</i></p>	<p>First Place: Europe SBU, AES Kazakhstan <i>Procure-to-Pay Process Improvement</i></p> <p>Second Place: Andes SBU, AES Gener <i>Inspection by ROV in Alfalfal Tunnels</i></p>	<p>First Place: US SBU, AES Laurel Mountain <i>Battery Energy Storage System Condition Monitoring System</i></p> <p>Second Place: Europe SBU, AES Kilroot <i>Kilroot NOx Reduction</i></p>

Our success for tomorrow also depends on our businesses replicating best practices from one market to another across our global footprint. Therefore, we added a new category for replication projects and awarded a first, second and third place winner. These projects were replications from previous APEX projects. More than eight projects were submitted to the Replication Working Group to be judged.

FIRST PLACE	SECOND PLACE		THIRD PLACE
MCAC SBU, AES Andres <i>Pre-Comprehensive Rotor Inspection</i>	Asia SBU, OPGC <i>Inventory Optimization through Electronic Supply Chain Management Facility</i>	Andes SBU, AES San Nicolás <i>Inventory Optimization</i>	Andes SBU, Costa Complex <i>Early Boiler Leak Detection</i>



2015 AES INNOVATION CONGRESS

We have a track record of turning great ideas into real solutions that transform the way we do business, open opportunities for us to grow the company and ultimately move markets. We recognize and celebrate innovation through the Innovation Congress. Held every two years since 2006, the Congress helps us to identify projects that have been implemented at a business or location in support of

our mission and to share those ideas with the potential for broader impact and replication across AES' businesses.

Every AES person is eligible to submit their innovative projects in a short abstract form. A committee from diverse functional areas evaluate the projects based on strategic alignment, innovation, business impact and replicability. Projects selected were asked to submit a whitepaper with more details about how the effort supports our strategy, the ways in which it improved how things were done, what was accomplished in terms of impact and how it can be used by other businesses. The top projects were then invited to present their efforts at the Congress.

We had a total of 645 innovation project abstracts submitted for this year's congress. The field was narrowed and 241 white papers were written. The Congress Committee selected the top projects based on strategic alignment, innovation, business impact and replicability. Of the final 61 projects selected, three projects have patents and one project has a patent pending.

ASPECT: Occupational Health and Safety

At AES, we are committed to protecting our employees from work-related risks and hazards as well as promoting their health while at work and at home.

We recognize that our people are our greatest asset and they share our vision of a safe, incident-free workplace.

Over the years, we have developed the tools, equipment and procedures to create a mindset to stop an incident before it happens. Our Safety Walks program, Job Safety Analyses (JSAs) program, safety audits and training as well as our leadership communications reinforce our belief that an incident-free workplace is possible.

Our people are empowered to stop work when they see something that is unsafe, and they are committed to doing things the right way — the safe way — even when no one is looking. At AES, we call this “Always On,” which means looking out for ourselves, our teammates and our families on the job, at home and in our communities.

Our culture of being Always On for Safety has led to real, measurable progress, and we continue to pursue further opportunities to build on our results, recognizing that safety is a journey of continuous improvement.

Health & Safety Governance

Our leadership team — from the Board of Directors and Executive Leadership Team to frontline leaders — is committed to our Values, our Safety Beliefs and our Safety Principles. They drive safety by setting clear expectations, responsibilities and accountabilities, and provide the support and guidance needed to achieve an incident-free workplace.

We have instituted several senior leadership communication channels to our people which help reinforce the importance of safety and help us keep the focus on our main goal. Some examples include:

- Monthly “Safety Leadership Messages” from the AES Chief Operating Officer (COO) and SBU Presidents, which discuss the most relevant topics for the month and contain targeted calls to action to prevent incidents

“Safety is 24/7. It doesn’t take a break. Always doing things the right way, the safe way, is simply a really good habit. The more it is practiced, the easier it becomes. At AES, we call this Always On.”

— Andrés Gluski
AES PRESIDENT AND CEO

or negative trends. These messages also celebrate our successes by recognizing businesses that have reached safety milestones.

- Periodic “Safety Pauses” led by the AES COO to reflect on our current safety performance trends, lessons learned from recent incidents and improvements made over time.

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Health & Safety Management System

At AES, we strive for excellence in everything we do. Safety is not an exception. Our Safety Management System (SMS) has improved and matured significantly since 2005 when we set the foundation of our safety program.

The AES SMS is built on the OHSAS 18001 Occupational Health and Safety Management System model. Through its 18 elements, it sets expectations for risk identification and reduction, establishment of consistent methods for managing occupational health and safety, measurement of performance and driving continuous improvements to our safety and health management. As of 2015 approximately 71 percent of our people were working at businesses that have formally certified their SMS to the OHSAS 18001 international standard.

The foundation of the AES SMS comprises our Safety Beliefs and Safety Principles ([available on the AES website](#)), which establish guidelines for individual business Safety Policies. These documents demonstrate the level of leadership commitment and support to safety, as well as reinforce the importance of safety to all AES people and contractors.

FIGURE 7 - INDIANAPOLIS POWER & LIGHT POLE CLIMBING TRAINING AREA, INDIANAPOLIS (USA)



Our SMS includes specific operational and construction safety standards that each AES business is responsible for implementing and managing. The standards are based on global electric utility best practices and often exceed the local regulatory requirements for some AES businesses. The standards cover areas such as fall prevention, electrical grounding, contractor safety management, job safety analyses, proactive safety practices and more. Their main objective is to ensure that our day-to-day operational and construction activities are performed in the safest manner. Using SMS and continuous improvement principles, we constantly find ways to learn from experiences at AES businesses as well as industry best practices, and then share those lessons among AES people and contractors to improve safety performance and safety practices.

One way we share lessons learned is through the Significant Incident and Potential (SIP) initiative, including the discussion of their subsequently issued Incident Alerts among our people and contractors at AES businesses and construction projects during monthly safety meetings. The SIP initiative is designed to focus the attention of AES leaders on those safety incidents that caused or could have caused serious injuries and fatalities. Pursuant to the SIP initiative AES businesses and contractors promptly report, investigate such incidents and implement corrective actions when necessary. The SIP information sharing process has provided learning opportunities to avoid similar, but possibly more serious, safety incidents resulting in a serious injury or fatality.

As part of creating a workplace in which we empower our people to speak freely, ask questions and voice concerns when it comes to safety, the Speaking Safely helpline continues to provide a secure and anonymous way to report concerns about workplace safety and the environment. The helpline is available anywhere in the world both by phone and online to AES People and contractors. To ensure confidentiality and anonymity, the reporting platform is handled by a third-party vendor.

Health and Safety Training and Committees

Under the AES SMS framework, all AES people and contractors must undergo training to prevent work-

related risks and occupational hazards. Although this type of training is occasionally coordinated at the global and strategic business unit level, it is principally managed locally by business leadership and safety professionals.

At the local level, AES businesses and construction projects are responsible for ensuring that all regulatory and AES EHS standard required safety training is planned and performed, and the materials presented are understood and put into practice. Under the AES SMS framework, operating businesses and construction projects must maintain an EHS training matrix that outlines training requirements for every AES person and contractor based on their job responsibilities.

Many AES operational sites maintain dedicated onsite training facilities, including the ability to provide hands-on training. For example, all our T&D businesses ensure that their network electricians and linemen have a structured training program involving both class room and field instruction (see Figure 7 illustrating the linemen training center for our IPL subsidiary in Indianapolis, Indiana). Another example is the Corporate Learning Center in

Kazakhstan, which offers a range of training courses to AES people and contractors on technical (operation and maintenance of heat and power, and electrical equipment) and safety topics as well as management skills. AES safety audits assess the strength of local training programs during every external EHS audit when it reviews the SMS protocol as well as assesses the business unit’s safety culture strength using our internally developed SMS scorecard process.

Training is also provided using online and virtual reality technologies. Two new training sessions were introduced globally as part of the EHS Leaders Monthly Call. These sessions a) present EHS best practices/lessons learned from the SBUs, and b) train EHS leadership on common topics. On average 50 EHS and business leaders participate on this call each month.

Safety committees at each AES location, with representation by all levels of staff, are in place at all operational and construction locations. These committees work on a variety of local safety management, culture and performance initiatives.

VIRTUAL REALITY TECHNOLOGY FOR SAFETY TRAINING AT AES SUL, BRAZIL

AES Sul, one of our distribution companies in Brazil, launched a pilot virtual reality simulator in 2015 to train electrical technicians on the network maintenance procedures. This training is one of the many tools used by AES Sul to reduce incident rates as it allows assessment of individual trainee behaviors and risk perception when completing the task.

The benefits of the virtual reality simulator training are:

- Replicating field conditions in a controlled environment allowing for the strengthening of workers’ risk perception;
- Simulating work-related risks in a virtual environment without exposing the worker to the actual risk;
- Evaluating alternative situations through simulations and selection of the best, safest work procedures;
- Standardizing personnel training;
- Allowing for training at more distant areas from the training center because of its mobility;
- Allowing for employee behavior analysis and profiling;
- Strengthening the knowledge of employees facing the main risks of the operation;
- Reducing overall training time.

Health and Wellness Management

We have a long-standing commitment to the health and well-being of our employees. Wellness initiatives that are locally and culturally relevant are available to employees at the local business level. AES believes that health and wellness are fundamental to people's motivation and satisfaction at work. Therefore, AES businesses offer several benefits, services and policies to its employees, which are continuously improved by organizational environment and market surveys, to guarantee that they are aligned with local practices and also in compliance with all legal aspects.

AES occupational health and employee wellness programs are managed at the SBU and larger local operational business level in accordance to the health exposures and risks faced. These programs are supported globally by more than 90 AES health professionals consisting of physicians, nurses, athletic trainers, etc.

Some of the wellness programs include:

- Assessments and improvements including illumination, noise, indoor air quality, temperature and ergonomic workplace layout;
- Programs against smoking for employees and their families, including informative and motivational lectures, weekly psychological support group sessions as well as medication when necessary;
- Nutrition programs that offer educational lectures on the importance of well-balanced nutrition and healthier routines (including personalized professional assistance);
- Programs focused on non-work-related stress management and sedentary lifestyle, including walks for employees and family recreation; welfare advisors that employees can contact directly and confidentially; training activities conducted on topics related to cardiovascular risks; and promotion of physical activity;
- Labor gymnastics focused on ergonomic risk control and prevention of musculoskeletal disorders caused by fatigue arising from muscle tension at work, non-corrected posture vices as well as movements or efforts in detriment of joint health; and

- Vaccination campaigns such as seasonal flu shots for employees.

AES also employs the services of International SOS, which covers all its employees and contractors to ensure their proper care in the event of a workplace or business travel medical or physical safety emergency, including evacuation to better medical facilities in the event an upgrade in medical care is needed.

Contractor Safety Management

The AES Safety Beliefs and expectations apply equally to our contractors. Our contractors are expected to put safety first in everything they do, to use their Stop Work Authority when they see an unsafe condition and to adhere to all applicable safety requirements.

The key safety standard that drives AES contractor performance is the Contractor Safety Management standard, which sets expectations for contractor pre-qualification, contract administration and management, as well as contractor monitoring. AES businesses are responsible for managing and implementing this standard.

Each AES business has established contractor safety protocols and procedures that verify contractor qualifications and outline required training for all contractors before beginning work. This includes site- and task-specific safety training that must be completed prior to the commencement of the contract. Contractors are responsible for implementing and managing the contractor safety protocols.

Examples of such procedures include mandatory safety orientations that cover the site's safety requirements from personal protective equipment (PPE) and local hazards to emergency procedures and traffic rules. In some countries, our practices have helped to improve the overall quality and safety performance of contractor companies.

PUTTING SAFETY FIRST FOR OUR CONTRACTORS

Operational and construction contractors make up more than 50 percent of our workforce, and it is critical that they share our safety culture.

During 2015 we engaged with our businesses operational frontline leaders through an online survey and leadership workshops to evaluate contractor safety performance and get input about how to improve their performance and strengthen their safety culture.


Via the survey responses and workshops deliberations, we are obtaining better insights on contractor safety

management in areas like Stop Work Authority use; contractor incident management; application of proactive safety measures such as safety walks, job safety analyses (JSAs) and pre-job safety briefings; and how contractors want to be engaged around safety.


What we learn from these good practices are then shared for the benefit of AES as a whole. As a result, we took the actions necessary to elevate the safety culture of our contractors and we set the goal to reduce our construction and operational contractor Lost Time Incidents by 50 percent in 2016.

2015 Global Safety Goals


In order to achieve world-class safety and environmental performance and create a culture that will sustain it, AES and its businesses have a clear picture of the continuous improvement steps we need to take. Our annual corporate-level safety goals are one of the ways we demonstrate our commitment to our people, our contractors and the communities in which our businesses operate.

TARGET GOAL	ACHIEVEMENT
1) Complete 100% of Monthly Safety Walks targets per business	 130% OF SAFETY WALK GOAL COMPLETED


The Safety Walks program is one of the cornerstones of our proactive safety management program and emphasizes the importance of identifying and addressing workplace hazards and unsafe behaviors and providing effective feedback on our people's behavior and safety practices.

2) Conduct monthly safety meetings with at least 95% participation of AES People and Contractors	 98% PARTICIPATION RATE ACHIEVED
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Mandatory monthly safety meetings are one of the tools used to obtain feedback on safety concerns, drive safety initiatives and share best practices. Topics covered during these meetings range anywhere from AES Safety Belief discussions to managing stress at work, and always include a review of recent incidents and sharing of best practices.

TARGET GOAL	ACHIEVEMENT
<p>3) Establish new safety action plans addressing SMS / safety culture gaps</p>	<p> ALL ACTION PLANS WERE ESTABLISHED</p>

This initiative was completed at the SBU level with the creation of 21 SMS action plans during 2015 in topic areas related to off-the-job safety, safety recognition, safety communications, mentoring, and contractor safety.

<p>4) Establish a routine process to communicate monthly "safety lessons learned" information</p>	<p> COMMUNICATION PROCESS WAS ESTABLISHED</p>
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In coordination with the SBU safety leads, a new monthly safety lessons learned communication process was initiated during 2015. It involved Global EHS & Security developing and distributing a monthly presentation on company-wide safety metrics, a safety awareness topic, and lessons learned summaries for recent significant safety incidents to each SBU. The SBUs then distributed this monthly presentation to their individual business locations.

In addition to management systems goals, annual organizational safety goals are set that affect AES people's variable compensation. Leadership commitment to the goals is shown by their involvement in setting the goals, and by the impact to their compensation on whether or not annual goals are attained.

Another mechanism used to instill leadership commitment to EHS goal progress is the AES Leadership EHS KPIs program — under which 22 separate KPIs, 16 of which are related to safety, are continuously tracked and whose attainment support accomplishment of EHS management and performance improvement.

Leadership tracking of EHS goal progress is provided via our EMIS, the AESOnline system, for both annual safety goals at the corporate, SBU and individual business level, and for the individual leader EHS KPIs.

Reactive Safety Metrics

Reactive safety metrics are those related to actual unsafe events that have occurred, and include first aid cases,

OSHA recordable cases, Lost Time Incident (LTI) cases and occupational fatality incidents. AES reactive safety metrics reporting is substantially based on U.S. OSHA reporting requirements (29 CFR 1904).

Occupational Fatalities

AES experienced two occupational fatality events during 2015 in our AES Sul T&D business in Brazil; one involving a contractor and electrical contact during a pole replacement operation, and one involving an AES Sul person drowning during inclement weather while conducting electrical grid repairs. After the investigations were complete, lessons learned and corrective actions were shared and implemented not only at AES Sul but across AES' businesses globally.

As tragic as these two incidents were, our occupational fatality performance in 2015 still represented a 90 percent reduction in occupational fatalities compared to the annual rates of 2000-2004 and reflected a 50 percent reduction compared to the preceding three-year average of four incidents per year for both AES people and contractors.

TABLE 20 - AES OCCUPATIONAL FATALITY CASES, 2012-2015

Occupational Fatalities	2012	2013	2014	2015
AES People	1	1	0	1
Contractors	6	3	1	1

During the four-year reporting period, the number of these incidents involving contractor personnel has tended to be higher than those involving AES employees. However, as a result of our operational business and construction project leadership focus on contractor personnel safety and health, we have seen an improvement in the past two years. At AES, our goal is to have an incident-free workplace, and we will not be satisfied until the program achieves a zero fatalities and other significant safety incident rate for our people and contractors. We continue to execute our Occupational Health and Safety (OHS) program focused on safety management system excellence and proactive safety because we believe that a workplace for our people and contractors with no significant safety incidents is achievable in the near future at AES.

Lost Time Incident (LTI) Rates

Our target for LTI rates was set to be below the U.S. utility industry top quartile benchmark LTI rates. Our businesses have been below this benchmark for the last several years. Although there was a slight uptick in overall LTI rate for both AES people and contractors in 2015, our LTI rate performance remains well below the industry-based top quartile performance benchmark. AES businesses calculate LTI rates for their employees and contractors based on OSHA standards, so they are comparable across any industry or group. The standard is based on 200,000 labor hours, which equates to 100 workers who work 40 hours per week and 50 weeks per year.

FIGURE 8 - LOST TIME INCIDENT RATES – AES PEOPLE, 2012-2015

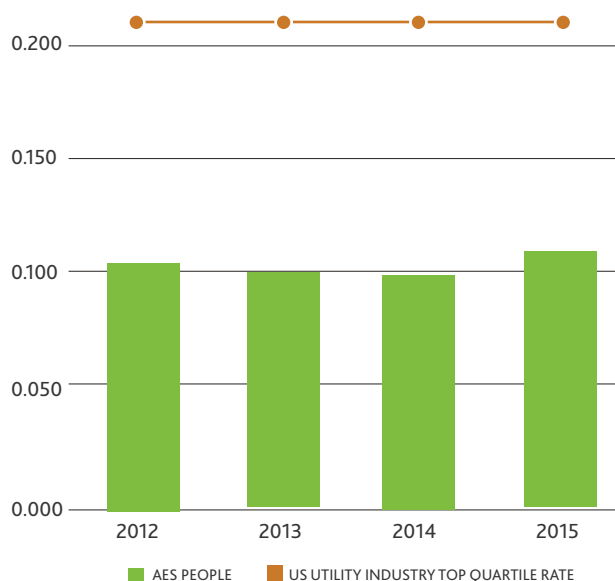
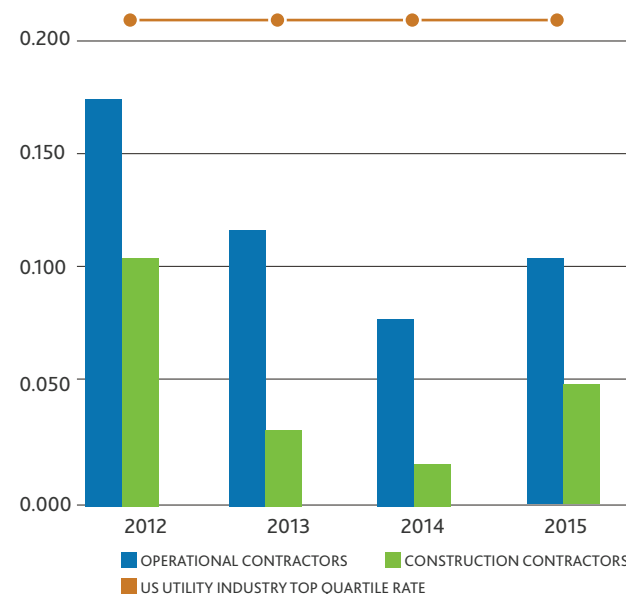


FIGURE 9 - LOST TIME INCIDENT RATES — OPERATIONAL & CONSTRUCTION CONTRACTORS, 2012-2015



AES has been able to maintain its lost time occupational safety incident rates at better than top quartile industry levels by rigorous implementation of its OHS programs across the globe during the last four years. However, there has been an increase in LTI rates for both AES people and contractors during 2015 compared to 2014 performance. AES businesses are addressing this increase by continuing to execute the SMS— implementing new initiatives in areas such as predictive incident modeling and focusing on improving contractor safety management.

2015 LTI rates for AES people and contractors have been verified by Lloyd’s Register Quality Assurance Inc. (LRQA), which conducted a limited assurance of our LTI rate data and results.

Proactive Safety Metrics

AES businesses take a proactive approach to safety management. Proactive safety metrics include Safety Walk performance, identification of unsafe behaviors and conditions, reporting and investigation of near-miss incidents, and setting of and tracking the progress of SMS goals and action plans.

Safety Walks are performed to identify potential safety risks and improve safety culture in the field. We can also prevent incidents and save lives by reporting, collecting, sharing and analyzing near miss and workplace hazards cases that, if not addressed, may lead to a more serious injury.

The proactive Safety Walk and near miss efforts completed during the 2012-2015 period are illustrated in the following table.

TABLE 21 - PROACTIVE SAFETY METRICS, 2012-2015

Proactive Safety Indicator	2012	2013	2014	2015
Safety Walks	114,613	115,885	109,241	104,294
Near Misses	575	721	571	869

The annual numbers of Safety Walks are consistently high, indicating our leaders and teams are frequently interacting on safety. The number of near miss incidents reported in 2015 increased from the annual levels seen during the three prior years, which is a sign of safety culture improvement.

HEALTH AND SAFETY RECOGNITION

Internal Safety Recognitions

As we strive to create a workplace free of incidents, it is important to recognize our people and businesses that exemplify what it means to put safety first. Recognition for positive efforts and results is an essential element of a world-class safety culture. At a global level AES has three different safety recognitions: I’m Always On, Safety Milestone Program and the annual Golden Hard Hat award. Also, AES businesses have local and regional programs that provide positive reinforcement for individuals and teams that demonstrate exceptional safe work practices.

I’m Always On

“I’m Always On” is a new program implemented in 2015 that celebrates our people who are Always On for Safety. We want to recognize their behaviors and inspire others to learn from them. People who are Always On for Safety are looking out for their coworkers, family and community by having safety as a permanent mindset.

Safety Milestone Program

The *Safety Milestone Program* grants recognition to operational businesses and construction projects that achieve significant number of hours or years without an LTI to an AES person (employee) or contractor.

The businesses that achieved one or more “no LTI” safety milestones in 2015 were:

TABLE 22 - INTERNAL AES SAFETY MILESTONES, 2015

AES Business	Country	Period without an LTI
Andes SBU		
Cochrane Construction Project	Chile	4 million hours
Gener Costa Ventanas	Chile	5 years
Gener Guacolda V Construction Project	Chile	2 million hours
Cochrane Construction Project	Chile	2 million hours
Alto Maipo Construction Project	Chile	2 million hours
Alicura	Argentina	10 years
Asia SBU		
OPGC II Construction Project	India	2,4 and 6 million hours
Mong Duong II	Vietnam	1 million hours
Brazil SBU		
AES Sul	Brazil	4 million hours
AES Eletropaulo	Brazil	2,4 and 6 million hour
Europe SBU		
AES Elsta	Netherlands	5 years
Europe SBU		
Nejapa	El Salvador	5 years
AES El Salvador	El Salvador	2, 4 and 6 million hours
Merida III	Mexico	5 years
Europe SBU		
Southland Huntington Beach	United States	5 years

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FINANCIAL EXCELLENCE

OPERATIONAL EXCELLENCE

ENVIRONMENTAL PERFORMANCE

STAKEHOLDER ENGAGEMENT

OUR PEOPLE

Golden Hard Hat Award

Created in 2009, each year the *Golden Hard Hat Award* honors an AES business that makes significant improvements in comparison to prior safety performance, develops and rolls out new safety techniques or practices, or implements systematic proactive practices. This is the highest safety recognition, and in 2015 it was granted to IP&L's Eagle Valley Construction Project. Past winners include a complex of three power plants in the Dominican Republic, Mong Duong II in Vietnam, AES Chivor in Colombia, AES Tiete in Brazil, AES Palm Springs in California and Amman East Construction Project in Jordan.

External Safety Recognition

Awards and recognition are external markers of the achievement we have made in safety. They reinforce our programs and initiatives, and they validate that we are on the right path to reaching a workplace free of incidents.

Our businesses have received numerous external safety awards as recognition of their strong safety culture and performance.

The following list identifies awards received during 2015.

TABLE 23 - EXTERNAL SAFETY RECOGNITIONS, 2015

AES Business	Country	Recognition	Granted by
Mong Duong II	Vietnam	Quang Ninh Merit for Outstanding Achievement in EHS Performance	Quang Ninh People Committee
Mong Duong II	Vietnam	RoSPA Gold Award 2015 for Occupational Health and Safety	Royal Society for the Prevention of Accidents (RoSPA)
OPGC	India	Kalinga Safety Award in Gold Category in the power sector for the assessment year 2014.	Institute of Quality & Environment Management Services Pvt. Ltd.
Ballylumford	Northern Ireland	RoSPA Gold Award for Occupational Health and Safety	RoSPA
Kilroot	Northern Ireland	RoSPA Gold Award for Occupational Health and Safety	RoSPA
Levant	Jordan	British Safety Council with Merit	British Safety Council
Levant	Jordan	RoSPA Gold Award for Occupational Health and Safety	RoSPA
Levant	Jordan	Safety Achievement Award	Edison Electric Institute
Amman East	Jordan	British Safety Council with Merit	British Safety Council
Amman East	Jordan	RoSPA Gold Award for Occupational Health and Safety	RoSPA

AES Business	Country	Recognition	Granted by
Amman East	Jordan	Safety Achievement Award	Edison Electric Institute
Amman East	Jordan	Excellence Award for Superior HSE performance	Social Security Department of Jordan
Maritza	Bulgaria	British Safety Council with Merit	British Safety Council
Elsta	The Netherlands	British Safety Council with Merit	British Safety Council
Elsta	The Netherlands	RoSPA Gold Medal Award for Occupational Health and Safety	British Safety Council
Shulba HPP	Kazakhstan	British Safety council with Merit	British Safety Council
UK HPP	Kazakhstan	British Safety Council with Merit	British Safety Council
UK HPP	Kazakhstan	RoSPA Silver Award for Occupational Health and Safety	RoSPA
AES Tietê	Brazil	Prêmio Eloy Chaves	COGE Association
AES Eletropaulo	Brazil	Prêmio Eloy Chaves	COGE Association
AES Brazil	Brazil	Special award for getting seven Safety Awards from COGE Association in the last 15 years	COGE Association
TEG TEP	Mexico	Empresa Segura	Delegation of the Labor and Social Prevision
AES El Salvador	El Salvador	Reconocimientos Cruz Roja de El Salvador	El Salvador Red Cross



CREATING A SAFETY CULTURE IN VIETNAM

Completed in early 2015, the 1,200 MW Mong Duong II power plant in Vietnam set new standards for safety in the country.

The team's unprecedented safety levels started with local leadership, who demonstrated

their passion for safety to the team. Peaking at more 7,000 people working on the site working with more than 20 subcontractor firms with high personnel turnover, it required everybody to be Always On for Safety.

The AES team emphasized a safety mindset from the project start to show our contractors the importance of being The project team was successful in engaging its contractors and building a qualified and experienced construction team. To build such a strong safety culture, they incorporated several elements into their safety program that can be replicated by other AES businesses including 14 different proactive safety initiatives to address safety challenges. As a testament of the safety culture achieved, the project at one point reached more than 15 million hours without a lost time incident. It was a recipient of the 2013 AES Golden Hard Hat Award.

The safety culture also extended to local schools where our people provided safety training materials, gave lectures on the safe use of electricity and electrical appliances, and helped repair and replace unsafe electrical appliances in school classrooms.

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