

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

(Description and figures as of December 31st 2022)

The AES Corporation (NYSE: AES) is a Fortune 500 global energy company accelerating the future of energy. Together with our many stakeholders, we're improving lives by delivering the greener, smarter energy solutions the world needs. Our diverse workforce is committed to continuous innovation and operational excellence, while partnering with our customers on their strategic energy transitions and continuing to meet their energy needs today. Headquartered in Arlington, VA with a global workforce of approximately 9,100 people. AES owns and operates a diverse portfolio in 14 countries, with total gross capacity 32,326 megawatts (MW) (23,494 MW ownership adjusted) and distribution networks serving over 2.6 million customers. AES' 2022 revenues were US\$12.6 billion. As of December 31st, 2022 we were organized into four market-oriented SBUs: US and Utilities (United States, Puerto Rico and El Salvador); South America (Chile, Colombia, Argentina and Brazil); MCAC (Mexico, Central America and the Caribbean); and Eurasia (Europe and Asia). We were incorporated in Delaware in 1981.

For further details about the company please visit <https://www.aes.com/meet-aes>

C0.2

(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.

Reporting year

Start date

January 1 2022

End date

December 31 2022

Indicate if you are providing emissions data for past reporting years

No

Select the number of past reporting years you will be providing Scope 1 emissions data for

<Not Applicable>

Select the number of past reporting years you will be providing Scope 2 emissions data for

<Not Applicable>

Select the number of past reporting years you will be providing Scope 3 emissions data for

<Not Applicable>

C0.3

(C0.3) Select the countries/areas in which you operate.

Argentina
Brazil
Bulgaria
Chile
Colombia
Dominican Republic
El Salvador
India
Jordan
Mexico
Netherlands
Panama
Puerto Rico
United States of America
Viet Nam

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Equity share

C-EU0.7

(C-EU0.7) Which part of the electric utilities value chain does your organization operate in? Select all that apply.

Row 1

Electric utilities value chain

- Electricity generation
- Transmission
- Distribution

Other divisions

- Gas storage, transmission and distribution
- Battery storage

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, a Ticker symbol	NYSE: AES

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual or committee	Responsibilities for climate-related issues
Board-level committee	<p>Given its importance to AES' strategy for portfolio transformation and green growth, the Board of Directors (the "Board") has oversight and direct input on factors related to climate change which are incorporated in the Company's decision making. In addition to the AES Board's annual strategic review, there are also two committees that directly oversee related topics.</p> <p>In addition to the Board itself, the Governance Committee oversees environmental, social and governance issues and the Innovation and Technology Committee oversees AES' efforts to foster innovation as we seek to lead the industry in new sustainable solutions.</p> <p>The Risk Management Team analyses climate change risks as part of their regular updates to senior management, executive leadership and the Board of Directors. The Board receives a risk report and additional materials at each meeting that identify top risks including climate related issues and major market trends. They then also oversee the risk management practices implemented by management and maintain oversight. Ultimately Strategic Business Unit (SBU) and market leaders have direct responsibility for complying with environmental regulation and managing their operations to mitigate the impacts of climate change on their businesses.</p> <p>As an example, the Board has set and approved climate related ambitions for the company that were announced in 2021 and 2022: a) net zero carbon emissions from electricity sales by 2040. Also a broader ambition to achieve net zero carbon emissions for all business scopes by 2050 (*). b) reduce the carbon intensity of our generation portfolio in line with a well below 2°C scenario by 2030 based on the Sectoral Decarbonization Approach for power generation based on 2016 baseline and modeled 2030 portfolios (**) and c) the intention to have zero coal in our portfolio through asset sales, fuel conversions and retirements, while maintaining reliability and affordability, and subject to necessary approvals.</p> <p>(*) Actions assume new policies that facilitate transition to low emissions energy systems, such as a price on carbon. Includes scope 1, 2 and 3 emissions</p> <p>(**) Based on renewables growth and the feasibility of multiple possible asset scenarios.</p>

C1.1b

(C1.1b) Provide further details on the board’s oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	Reviewing and guiding annual budgets Overseeing acquisitions, mergers, and divestitures Overseeing and guiding employee incentives Reviewing and guiding strategy Overseeing the setting of corporate targets Reviewing and guiding the risk management process	<Not Applicable>	<p>The frequency depends on the mechanism used to communicate and inform the Board, so it could be at all meetings or some meetings.</p> <p>The Board is involved in reviewing the Company’s strategy and budget, including how these items impact climate-related issues. The Board receives a strategy update and annually conducts an in-depth review of the Company’s long-term strategy.</p> <p>The Board or a Committee of the Board receives environmental and risk management updates at each meeting.</p> <p>AES’ strategy and risk profile are discussed as part of each Board meeting. The full Board approves our corporate strategy, which considers risks and opportunities relating to climate change as well as the plan to the portfolio transition/transformation. The Board receives a risk report at each meeting that identifies top risks and major market trends. They then oversee the risk management practices implemented by management and maintain oversight over such risks through receipt of reports from the Committee Chairpersons at each meeting. The Compensation Committee of the Board is responsible for oversight of the Company’s compensation practices and performance incentive plan. As part of the Company’s Performance Score Targets the Company has implemented goals for Green Growth (that includes growth but decarbonization as well), for example. The Board receives updates on the implementation of the Company’s strategy which is aligned with the Performance Score Ambitions and the Compensation Committee oversees the performance of those objectives.</p> <p>The primary functions of the Compensation Committee are to oversee the Company’s compensation and employee benefit plans and practices, including its executive compensation plans and its incentive-compensation and equity-based plans, among others.</p>

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues	Primary reason for no board-level competence on climate-related issues	Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future
Row 1	No, but we plan to address this within the next two years	<Not Applicable>	Important but not an immediate priority	<p>While we believe certain of our Board Members have direct and indirect experience to climate related issues, it is not an aspect that is specifically assessed as part of the comprehensive process described below. We expect to consider specifically assessing for such experience in the next two years.</p> <p>As part of the Board evaluation discussed above, the Board assesses the attributes, competencies and experiences required in light of the Company’s strategy, changing business needs, and the future of the business. The performance and skills assessments are a fundamental element of the Board’s multi-year succession planning.</p> <p>The Board measures the qualification of potential candidates against the leadership attributes, competencies and experiences described below.</p> <p>when considering director nominees, including incumbent directors eligible for re-election, nominees to fill vacancies on the Board, and nominees recommended by Stockholders, the Governance Committee measures the candidates against a set of 16 leadership attributes, competencies and experiences. These characteristics are grouped and summarized below:</p> <ul style="list-style-type: none"> • Global mindset, including stakeholder and market insights; • Business agility, including customer centricity and data driven decision making; • Operations management, including public company, executive and industry experience; • Finance and investment experience, including financial strategies; • U.S. corporate governance and sustainability experience; • Innovation and technology, including disruptive technologies and digital understanding; • Strategic and transformational leadership, including business acumen and insights on people, organizational dynamics and talent management; and • Diversity along a variety of dimensions, including the candidate’s professional and personal experience, skills, background, perspective and viewpoint as well as the candidate’s race, ethnicity, national origin, gender, sexual orientation, age, and other self-identified diversity characteristics.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Position or committee

Other C-Suite Officer, please specify (Chief Financial Officer, Chief Strategy Officer, Chief operating Officer, Chief HR Officer)

Climate-related responsibilities of this position

- Managing annual budgets for climate mitigation activities
- Managing climate-related acquisitions, mergers, and divestitures
- Providing climate-related employee incentives
- Integrating climate-related issues into the strategy
- Setting climate-related corporate targets
- Assessing climate-related risks and opportunities

Coverage of responsibilities

<Not Applicable>

Reporting line

CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line

Quarterly

Please explain

Climate related issues are managed by different C-Suite officers. Within our CEO reporting line our C-Suite executives: AES' strategy (led by the Chief Strategy Officer) is influenced by the continuing risks and opportunities stemming from the overall concern regarding climate change and drives our business decisions, both at the portfolio level and the business level and sets our decarbonization ambitions. Our strategy, which is to grow our renewable solutions and sell or retire our coal-fired generation portfolio, is based on the fundamental view that there is a need to transition to less carbon-intensive sources of energy. This strategy is set at the highest level of management—with approval by the AES Board of Directors—and directly incorporates the findings from our risk management processes.

AES' business strategy formulation process combines analytical tools and innovation principles to assess long-term risks and opportunities. Our progress toward meeting strategic ambitions, including the growth of carbon-free energy solutions and reduction in coal-fired generation is directly linked to executive compensation.

Many key business decisions (including acquisitions, mergers and divestitures) must be approved by the AES Investment Committee, a multi-disciplinary team of the Company's most senior leaders and are measured against the company's strategic objectives. The planning process is designed to identify the key internal and external drivers that have a significant impact on value creation, with climate change being a key input.

The CFO has oversight over the companies' Risk Management (RM) process as well as capex and opex, merge and acquisitions (which might include investments in mitigation). The Risk Officer reports to the CFO and chairs the Risk Oversight Committee (ROC) which oversees market and commercial risks including the impact on hydrology. Under the RM process we have the Weather Risk Committee which analyses the impacts of climate change. The CFO has also oversight of the financial planning and analysis process which facilitates the Company's aggregation of key risks, including quantification of Climate Risks. We have several internal structures and processes to identify, quantify and manage risks across many categories climate change. After aggregating risks from across our businesses, our Global Risk Management team identifies the Top 10 risks based on the likelihood of occurrence and magnitude of the impact to AES, which are then assigned an ELT (C Suite reporting to CEO) sponsor with primary responsibility for managing the risk.

AES' global operations managed by the COO drive our businesses' operational excellence, performance and efficiencies; this include climate mitigation activities, achievement of KPIs, etc.

Chief Human Resources Officer -instructed by the Comp. Committee- provides information to the Comp. Committee that is required for developing compensation programs & determining executive compensation.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive

Corporate executive team

Type of incentive

Monetary reward

Incentive(s)

Shares

Performance indicator(s)

Achievement of a climate-related target

Incentive plan(s) this incentive is linked to

Long-Term Incentive Plan

Further details of incentive(s)

Commencing with the 2021 Long-Term Compensation Grant our NEOs now have a performance condition attached to the Restricted Stock Units which measures the Company's performance related to the reduction of gigawatt hours from coal generation across the Company's portfolio of fuel sources by the end of the fiscal year ending December 31, 2024.

- The timeframe of the performance indicator(s): For each NEO, the first and second tranches of the 2022 restricted stock unit awards vest on the first and second anniversaries of the grant date, respectively, based solely on continued service with the Company. The third tranche vests on the third anniversary of the grant date based

on continued service with the Company but subject to a modifier based on the achievement of ESG aspirations measured over the three-year period ending December 31, 2024. Measure (Performance by December 31, 2024 as compared to December 31, 2021)

- Quantitative details of the incentive(s) and the performance indicator(s): The number of restricted stock units in the third tranche that are eligible to vest on the third anniversary of the grant date will be adjusted up or down by an amount equal to up to 15% of the target number of restricted stock units comprising the full award granted on the grant date, based on the achievement of the ESG aspirations established : A 7.5% has been established for the Reduction of gigawatt hours from coal generation across the Company's portfolio of fuel sources by the end of the fiscal year ending December 31, 2024. (Performance by December 31, 2024 as compared to December 31, 2021)

- Operational context: Global thermal Generation portfolio

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

AES is an industry leader in developing and operating the solutions that will enable the transition to zero and low-carbon sources of energy and achievement of the Paris Agreement's goal of net-zero emissions by 2050.

We see an enormous business opportunity from the once-in-a-lifetime transformation of the electricity sector driven by decarbonization, electrification, and digitalization.

There is a substantial need for more renewable energy as well as an opportunity for innovation to develop new products and solutions that help customers accomplish their individual decarbonization goals.

We are taking decisive action to transform our own portfolio to reduce carbon emissions while working to develop new solutions that are designed to enable our customers to reduce their reliance on fossil fuels.

We aim to achieve the aspirations we have set as part of our decarbonization strategy by reducing our coal generation while increasing the share of renewables in our portfolio. These aspirations include:

- We intend to have zero coal in our portfolio by 2025, through asset sales, fuel conversions and retirements, while maintaining reliability and affordability, and subject to necessary approvals.
- Reduce the carbon intensity of our portfolio to align with a well below 2°C scenario by 2030 based on the Sectoral Decarbonization Approach for power generation. (Based on renewables growth and the feasibility of multiple possible asset scenarios)
- We have the ambition to achieve net zero carbon emissions from electricity sales by 2040. We also have a broader ambition to achieve net zero carbon emissions for all business scopes by 2050. (Actions assume new policies that facilitate transition to low emissions energy systems, such as a price on carbon. Includes scope 1, 2 (by 2040) and 3 emissions (by 2050)).

Entitled to incentive

Corporate executive team

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)

Progress towards a climate-related target

Incentive plan(s) this incentive is linked to

Short-Term Incentive Plan

Further details of incentive(s)

AES directly links compensation to goals related to Environmental, Social, and Governance ("ESG") (including climate) metrics. Our NEOs are eligible for annual incentive awards under The AES Corporation Performance Incentive Plan, a Stockholder-approved plan. In early 2022, the Compensation Committee established measures in three performance categories: Safety, Financials, and Strategic Objectives (which include the Green Growth & Customer Centricity, and New Business Models categories).

- The timeframe of the performance indicator(s): 2022 performance year

- Quantitative details of the incentive(s) and the performance indicator(s): AES' 2022 Performance Incentive Plan included a metric with a 20% weighting tied to achievement of at least 5000 MW growth in renewable energy capacity and the achievement of COD of 2300 MW.

- Operational context: Global portfolio

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

AES is an industry leader in developing and operating the solutions that will enable the transition to zero and low-carbon sources of energy and achievement of the Paris Agreement's goal of net-zero emissions by 2050.

We see an enormous business opportunity from the once-in-a-lifetime transformation of the electricity sector driven by decarbonization, electrification, and digitalization.

There is a substantial need for more renewable energy as well as an opportunity for innovation to develop new products and solutions that help customers accomplish their individual decarbonization goals.

We are taking decisive action to transform our own portfolio to reduce carbon emissions while working to develop new solutions that are designed to enable our customers to reduce their reliance on fossil fuels.

The focus of our strategy continues to be on partnering with large companies that are looking to transition to carbon-free sources of electricity. As an indication of our success, we were recognized

by BNEF for the second year in a row as the #1 global clean energy developer for corporations.

The incentive contributes to the achievement of our portfolio transformation and renewable growth targets.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	2	We define our time horizon based on our contract sales
Medium-term	2	5	We define our time horizon based on our contract sales
Long-term	5	40	We define our time horizon based on our contract sales

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

At the core of our strategic processes is our risk management approach. We have several internal structures and processes to identify, quantify and manage risks across many categories, including environmental, political, physical, regulatory, technology and market-based risks. When determining what constitutes a substantive financial impact, we consider what the impact of the risk will be on diverse aspects including Earnings per share (EPS), Adjusted (EPS), EBITDA, Adjusted EBITDA and Parent Free Cash Flow, and net income attributable to AES as well as trends or impacts that would change an investors decision making process about the company.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

At AES, our corporate strategy drives our business decisions, both at the portfolio level and the business level. Our strategy is based on the fundamental view that there is a need to transition to less carbon-intensive sources of energy and is influenced by the continuing risks and opportunities stemming from the overall concern regarding climate change, new environmental laws and changing environmental regulations. This strategy is set at the highest level of management—with approval by the AES Board of Directors—and directly incorporates the findings from our risk management processes.

Climate change assessment and discussion happens at several levels within the company. We consider potential regulations (upstream) but also our potential impact to our abilities to fulfill contracts (our customers - Downstream).

Business level impacts are discussed at the SBU level while consolidated impacts are reported up through senior management and the Board of Directors (BOD). The discussion can include short-term quantification and long-term action plans to manage climate related risk (time horizons covered) . Many key business decisions must be approved by the AES Investment Committee, a multi-disciplinary team of the Company's most senior leaders and are measured against the company's strategic objectives or the Risk Oversight Committee (ROC), comprised of the Company's CFO, COO, CRO and Segment President's. The planning process is designed to identify the key internal and external drivers that have a significant impact on value creation, with climate change being a key input. These forums typically meet monthly and consider decisions with impacts ranging from short to medium and long term (time horizons covered).

This corporate strategic process is complemented by the monthly review of financial performance risks, including those driven by climate and the Corporate Watchtower, facilitated by the Company's Financial Planning & Analysis (FP&A) and Strategy functions respectively, reporting in to the CFO. A "top ten" list provides a refreshed monthly view of the current landscape a short-term (time horizons covered) orientation on topics such as the El Nino phenomenon and climate related regulatory changes such as critical mineral development and climate risk mitigating incentives.

In addition, a more medium term periodic review (time horizons covered) at the business level, with a formal scenario analysis that we internally call "Multiple Views of the Future" (MVF), led by our Global Risk Management, Commercial and Market Strategy teams is conducted. This process provides deep insights into the factors shaping our markets, including the impacts of climate change, and expected market reactions.

Finally, our Risk Management Committees (RMCs) approve long dated market curve assumptions that are incorporated into individual business investment and risk decisions. The assumptions can be 20 years into the future (time horizons covered) and necessarily anticipate the impacts of climate related regulation, adoption of new technologies including those seeking to reduce the impacts of climate changes, consumer behavior and the resultant impact on commodity pricing. Further, our Incubation Subcommittee led by the President of AES Next and is comprised of the Company's most senior leaders monitors for medium and long term technological leaps (time horizons covered) .

At the core of our strategic processes is our risk management approach. We have several internal structures and processes to identify, quantify and manage risks and opportunities across many categories, including environmental, political, physical, regulatory, technology and market-based risks and opportunities.

Annually, each of our Strategic Business Units (SBUs) present their Market Management Strategies (MMS) at our ROC. The MMS provides market updates, risk mitigation proposals, as well as guidance on strategic questions in each of our markets,

At the SBU level, our RMC is responsible for the identification, tracking and approval of mitigation of commercial and market risks associated within our existing portfolio as well as growth projects. In addition to the formal governance described above, there are additional risk management processes that help to identify, assess and manage the potential impacts of climate change such as our Global Weather Risk Committee – In 2019, with AES' success in becoming a top global developer of solar and wind generation, we evolved our Hydrology Risk Committee into the Global Weather Risk Committee. This committee is responsible for the quantification and tracking of our risk to key weather uncertainties involving wind, irradiance and hydrology across our global markets. We also explore the dynamism of these uncertainties due to climate change looking at long term trends and patterns (time horizons covered). This cross functional committee explores the risk diversification that AES has at a global level associated with weather, works to identify new opportunities and relationships to improve AES development efforts and reports and advises on the realized and forecasted risk associated with weather. As a power company, climate change risks and opportunities are intrinsic to our industry, and thus deeply rooted in our corporate strategy. They inform our decisions for how to best achieve our customers' energy needs, drive impact through access and insights, and secure a sustainable future.

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	AES' businesses are subject to stringent environmental laws and regulations by many federal, regional, state and local authorities, international treaties and foreign governmental authorities. These laws and regulations generally concern emissions into the air, effluents into the water, use of water, wetlands preservation, remediation of contamination, waste disposal, endangered species and noise regulation The Company faces certain risks and uncertainties related to numerous environmental laws and regulations, including existing and potential GHG legislation or regulations, and actual or potential laws and regulations pertaining to water discharges, waste management (including disposal of coal combustion residuals), and certain air emissions, such as SO ₂ , NO _x , particulate matter, mercury, and other hazardous air pollutants. Such risks and uncertainties could result in increased capital expenditures or other compliance costs which could have a material adverse effect on certain of our U.S. or international subsidiaries, and our consolidated results of operations. We have incurred and will continue to incur significant capital and other expenditures to comply with these and other environmental laws and regulations. Changes in, or new development of, environmental restrictions may force us to incur significant expenses or expenses that may exceed our estimates. The current regulations of the markets we operate in is considered throughout our risk and investment processes (Climate change risk is assessed and discussed at several levels within our company. The discussions can include near-term quantification and longer-term action plans to manage climate-related risks.
Emerging regulation	Relevant, always included	AES' businesses are subject to significant government regulation and our business and results of operations could be adversely affected by changes in the law or regulatory schemes. AES' businesses have to comply with multiple environmental regulations like green/carbon taxes and others associated to current operations and the development of new projects. The Company faces certain risks and uncertainties related to numerous environmental laws and regulations, including existing and potential GHG legislation or regulations, and actual or potential laws and regulations pertaining to water discharges, waste management (including disposal of coal combustion residuals), and certain air emissions, such as SO ₂ , NO _x , particulate matter, mercury, and other hazardous air pollutants. Such risks and uncertainties could result in increased capital expenditures or other compliance costs which could have a material adverse effect on certain of our U.S. or international subsidiaries, and our consolidated results of operations. The current regulations of the markets we operate in is considered throughout our risk and investment processes (Climate change risk is assessed and discussed at several levels within our company. The discussions can include near-term quantification and longer-term action plans to manage climate-related risks.
Technology	Relevant, sometimes included	As part of the risk management process, we work to identify potential new technologies early on, and creating value and risk mitigation from our own adoption. This risk is incorporated in our risk assessments at the Board level, for example, through the Innovation and Technology committee (that discusses new technologies and concepts that are impacting our business); also it is incorporated into our Risk Management Committees and Investment Committee. There is a potential risk for proper integration. The introduction of low-cost disruptive technologies or the entry of non-traditional competitors into our sector and markets could adversely affect our ability to compete, which could have a material adverse effect on our businesses, operating results and financial condition. Emerging technologies may be superior to, or may not be compatible with, some of our existing technologies, investments and infrastructure, and may require us to make significant expenditures to remain competitive, or may result in the obsolescence of certain of our operating assets. Our future success will depend, in part, on our ability to anticipate and successfully adapt to technological changes, to offer services and products that meet customer demands and evolving industry standards. We are developing and incubating new technologies that add value today and will drive our business in the future. We understand that the energy industry is changing rapidly, and aim to proactively seek solutions that will give us a continued competitive advantage. At the core of our innovation strategy is AES Next, our business and technology incubator. AES Next works to identify new and innovative technologies and business opportunities that provide or support leading-edge greener energy solutions.
Legal	Relevant, sometimes included	Our operations are subject to significant government regulation and could be adversely affected by changes in the law or regulatory schemes. Our ability to predict, influence or respond appropriately to changes in law or regulatory schemes, including obtaining expected or contracted increases in electricity tariff or contract rates or tariff adjustments for increased expenses, could adversely impact our results of operations. Furthermore, changes in laws or regulations or changes in the application or interpretation of regulatory provisions in jurisdictions where we operate, particularly at our utilities (in the United States like AES Indiana and AES Ohio, and AES El Salvador) where electricity tariffs are subject to regulatory review or approval, could adversely affect our business AES businesses work to identify, incorporate, and risk-mitigate potential legal claims (which could be related to exceeding generation limits, failing to reduce emissions during episodes of poor air quality, exceeding limits on discharges to the sea, for example). As potential risks arise, these are identified and included in our risk processes and committees because this can represent a chance of losses as a result of adverse rulings in judicial or administrative processes.
Market	Relevant, always included	Our risk and investment committees work to contemplate the short and long-term impacts associated with changes in market conditions due to climate change such as water related risks impacting generation assets (like our hydro plants in Panama or Brazil) or strong and increasing competition mostly driven by drop in the cost of renewables generation, disruptive technologies (such as demand response, distributed energy resources, incorporation of batteries) and very low prices in long-term power purchase agreements in the market. This can impact our ability to meet our commercial obligations and our ability to obtain new power sales agreements for existing assets; a reduction in expected long term contract energy prices for existing assets, among others. The power production markets in which we operate are characterized by numerous strong and capable competitors. Further, in recent years, the power production industry has been characterized by strong and increasing competition with respect to both obtaining power sales agreements and acquiring existing power generation assets. In certain markets, these factors have caused reductions in prices contained in new power sales agreements and, in many cases, have caused higher acquisition prices for existing assets through competitive bidding practices. The evolution of competitive electricity markets and the development of highly efficient gas-fired power plants and renewables such as wind and solar have also caused, and could continue to cause, price pressure in certain power markets where we sell or intend to sell power. In addition, the introduction of low-cost disruptive technologies or the entry of non-traditional competitors into our sector and markets could adversely affect our ability to compete, which could have a material adverse effect on our businesses, operating results and financial condition. The Weather Risk Committee is responsible for the oversight of our exposure to our weather-related risks, which includes the impact of hydrology on our business in addition to other relevant weather related drivers like wind behavior, solar radiation, temperature, snow-pack, as well as incorporate long term trends into our forecasts. The commercial, strategy and development teams work to reshape our business mix, taking steps to lessen its carbon intensity and merchant exposure to reduce operational and financial risk, capitalizing on our advantaged position as a low-cost provider with locational advantages.
Reputation	Relevant, sometimes included	The reputation of AES businesses is important to our customers as it reflects our success in our commitment to providing affordable, reliable, and increasingly clean power. The reputation of AES businesses due to public perception of GHG emissions and the quality of service provided by our subsidiaries, and any such negative public perception or concerns could ultimately result in a decreased demand for electric power generation or distribution from our subsidiaries. For example, severe weather conditions could have a direct impact on AES' subsidiaries power distribution network (i.e.: AES Ohio and AES Indiana in the US; or AES El Salvador in El Salvador) impacting its performance indicators such as Customer Satisfaction Index, which impact the image of the company. We monitor our reputation via our Enterprise Risk Management process and we also monitor customer satisfaction surveys for our utilities.
Acute physical	Relevant, sometimes included	Physical impacts may have the potential to significantly affect our business and operations. For example, extreme weather events could result in increased downtime and operation and maintenance costs at our electric power transmission and distribution assets and facilities (like our electric distribution businesses in the United States -AES Ohio and AES Indiana - or AES El Salvador). Variations in weather conditions, primarily temperature and humidity, would also be expected to affect the energy needs of customers. A decrease in energy consumption could decrease our revenues. In addition, while revenues would be expected to increase if the energy consumption of customers increased, such increase could prompt the need for additional investment in generation capacity. To the extent that hydrological conditions result in droughts or other conditions negatively affect our hydroelectric generation business (like our hydroelectric stations in Panama -Changuinola or Bayano-, in Colombia -AES Chivor-, or in Brazil -AES Tiete) The Weather Risk Committee is responsible for the oversight of our exposure to our weather-related risks, which includes the impact of hydrology on our business in addition to other relevant weather related drivers like wind behavior, and solar radiation, temperature or snow-pack. In addition, our Climate Scenario Report updates our analysis of climate risk, leveraging refreshed scenarios published by the International Energy Agency (IEA) and the United Nations' Intergovernmental Panel on Climate Change (IPCC). Additionally, we have enhanced our physical climate risk analysis by including a detailed assessment of the potential risk from extreme weather events on our portfolio of generation, transmission and distribution assets.
Chronic physical	Relevant, sometimes included	Physical impacts may have the potential to significantly affect the AES' business and operations. For example, extreme weather events could result in increased downtime and operation and maintenance costs at our electric power transmission and distribution assets and facilities. Variations in weather conditions, primarily temperature and humidity, would also be expected to affect the energy needs of customers. A decrease in energy consumption could decrease our revenues. In addition, while revenues would be expected to increase if the energy consumption of customers increased, such increase could prompt the need for additional investment in generation capacity. During 2017, the company worked on the identification of physical risks for their operations related to climate change, both from gradual changes and from extreme phenomena, to approach during 2018 the development of strategies, policies, and mitigation actions. The analysis included, for example, the evaluation of the hydrology risks analyzing changes in trends in hydrology in the countries in which our businesses have hydro-electrical power plants (Panama, Colombia, Brazil, Chile and Argentina). In addition, our Climate Scenario Report updates our analysis of climate risk, leveraging refreshed scenarios published by the International Energy Agency (IEA) and the United Nations' Intergovernmental Panel on Climate Change (IPCC). Additionally, we have enhanced our physical climate risk analysis by including a detailed assessment of the potential risk from extreme weather events on our portfolio of generation, transmission and distribution assets.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Chronic physical	Precipitation and/or hydrological variability
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Primary potential financial impact

Other, please specify (Reduced revenues due to reduction of production capacity and increase cost to fulfill contract obligations by purchase power)

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

AES businesses can be affected by variations in general weather patterns and unusually severe weather. Our businesses in the 14 countries where we operate forecast electric sales based on best available information and expectations for weather, which represents a long-term historical average. While we also consider possible variations in normal weather patterns and potential impacts on our facilities and our businesses, there can be no assurance that such planning can prevent these impacts, which can adversely affect our business. Significant variations from normal weather where our businesses are located could have a material impact on our results of operations. Changes in weather can also affect the production of electricity at power generation facilities, including, but not limited to, our wind and solar facilities. Our hydroelectric generation facilities (i.e.: AES Changuinola or Bayano power plants in Panama, Chivor in Colombia, Cordillera in Chile or Tiete in Brasil) are sensitive to changes in the weather, particularly the level of water inflows into generation facilities. In the past, dry hydrological conditions in Panama (2019), Brazil (2021), Colombia and Chile have presented challenges for our businesses in these markets. Low rainfall and water inflows have caused reservoir levels to be below historical levels, reduced generation output, and increased prices for electricity. If our hydroelectric generation facilities cannot generate sufficient energy to meet contractual arrangements, we may need to purchase energy to fulfill our obligations, which could have a material adverse impact on our results of operations. As a mitigation measure, AES has invested in thermal (for example AES reduced its total generation exposure in Panama to dry hydrological conditions through investments in such complementary assets as the Colon LNG power facility) wind, and solar generation assets, which have a complementary profile to hydroelectrics. These plants are expected to have a higher generation in low hydrology scenarios, which allows them to generate additional revenues from the spot that offset purchases on the hydroelectric side.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

10100000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Dryer than normal conditions generally mean lower generation from AES' hydroelectric plants which could have a negative financial impact (for example the total energy that was not produced (amount of GWh) due to dry hydrology multiplied by spot prices, as a proxy for the revenues that would have been generated by selling the energy to the spot market). To the extent that hydrological conditions result in droughts or other conditions negatively affect our hydro generation business, our results of operations can be materially adversely affected. Additionally, our contracts in certain markets where hydro facilities are prevalent may require us to purchase power in the spot markets when our facilities are unable to operate at anticipated levels and the price of such spot power may increase substantially in times of low hydrology. The magnitude of impact and financial impact figure above is only a reference example of the most recent impact that AES Brasil had in its Water EBITDA due to bad hydrology: a reduction of R\$ 56.6 million (~US\$10.1million) (calculated based on the difference of AES Brazil's water EBITDA of 2021 compared to 2020) as a reflection of the higher volume of energy purchases in the period due to the hydro conditions.

Cost of response to risk

380000000

Description of response and explanation of cost calculation

As a mitigation measure, AES has diversified its portfolio by investing in thermal, wind, and solar generation assets, which have a complementary profile to hydroelectrics. These plants are expected to have a higher generation in low hydrology scenarios, which allows them to generate additional revenues from the spot that offset purchases on the hydroelectric side.

AES' businesses closely monitor's hydro forecasts of its basins to make sure it has adequate resources to meet its customers energy requirements. AES monitors these through a Weather Risk Committee.

S - While our operations in Panama, Colombia, Brazil, & Chile have experienced challenges arising from dry hydrology from time to time, the dry hydrological conditions in

Brazil in 2021 exceeded historical levels

T - Over the past 3 years, AES Brasil has looked for ways to diversify its portfolio to reduce exposure to hydrology.

A- As response strategy to address the impact , AES Brasil operates with market intelligence to take advantage of opportunities in energy trading and mitigate risks by optimizing contracting of the generation park. Also, in the past 3 years it started to diversify its portfolio through acquisitions & development of projects with a complementary profile to hydro seasonality (wind and solar), as a way to mitigate exposure to hydro risks.

R- Over the past 3 years, AES Brasil acquired & developed 3 solar power plants (295 MW). It has also invested in wind generation which is fully contracted in the regulated market. In 2021, AES Brasil acquired the Cajuína wind complexes (485 MW of greenfield projects). In 2022, AES Brasil: i) won the competitive process for the acquisition of the Isolated Productive Unit Cordilheira dos Ventos. ii) acquired Sky Arinos (solar 378 MW) and the Ventos do Araripe, Caetés, and Cassino wind complexes (456 MW). Timescale of implementation - The diversification strategy continues, as some of the projects acquired are under construction, with the expectation to come online between 2023 and 2024.

Explanation of cost calculation - Part of the cost of response is associated to manage this risk and diversify the portfolio of AES Brasil. In 2022, due to the growth strategy and consequent progress in the construction of the Tucano and Cajuína, AES Brasil made an approx. investment of ~R\$ 2 billion (~US\$380 million).

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Markets

Primary climate-related opportunity driver

Access to new markets

Primary potential financial impact

Increased revenues through access to new and emerging markets

Company-specific description

AES is an industry leader in developing and growing the solutions that will enable the transition to low-carbon sources of energy and achievement of the Paris Agreement's goal of net-zero emissions by 2050.

Today we see an enormous business opportunity from the once-in-a-lifetime transformation of the electricity sector driven by decarbonization, electrification, and digitalization. There is a substantial need for more renewable energy as well as an opportunity for innovation to develop new products and solutions that help customers accomplish their individual decarbonization goals.

At the core of AES' strategy is a dual focus on: (1) growing our portfolio of low-carbon products and solutions; and (2) working to develop and incubate new solutions and business models which will help drive change in the industry in the future. Our renewable growth strategy includes taking steps to ensure and enable growth in future years. We massively expanded our pipeline of development projects, which grew from 55 GW in January 2022 to 64 GW as of the end of 2022, both through acquisitions and increased investment in development activities, such as securing land or advancing permitting and interconnection processes. We massively expanded our pipeline of development projects, which grew from 55 GW in January 2022 to 64 GW as of the end of 2022, both through acquisitions and increased investment in development activities, such as securing land or advancing permitting and interconnection processes.

Companies with renewable assets can capitalize from the development in the financial market of investment instruments with sustainability differentials, especially carbon emissions. For example: AES Andes and AES Brasil can capture additional opportunities by offering instruments such as carbon credits and I-RECs for their renewable assets like Los Cururos, Mandacaru and Salinas wind farms. This product offer supports customers in their goals to neutralize their carbon emissions.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

2200000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The financial impact figure is the result of the revenues obtained from the selling of carbon credits for AES Brasil. In 2022, AES Brasil began operating in the voluntary carbon credit market selling more than 465,000 carbon credits from the Mandacaru and Salinas wind farms, corresponding ~ US 2.2 million in revenue. AES Brasil is also evaluating the possibility of selling another 2,770,115 credits from wind and solar farms with COD (Commercial operations date) as of 2016.

(please note that the magnitude of impact and the potential financial figure are specific to the AES Brasil example, a business that among all AES portfolio is diversifying its portfolio and growing its renewable installed capacity and can serve as reference to other businesses)

Cost to realize opportunity

145000

Strategy to realize opportunity and explanation of cost calculation

- Situation: Companies with renewable assets can capitalize from the existence of the carbon credit market. Some AES Businesses (like AES Andes and AES Brasil) are expanding its renewable portfolio. AES Brasil, for example, is a company with a renewable expanding portfolio (both acquiring and constructing solar and wind farms). AES Andes, in Chile, is transitioning its portfolio and growing the renewable generation capacity (solar and wind projects are being included in the portfolio).

- Task: AES business in Brasil and Chile have looked for opportunities to certify some of its renewable assets and access new markets by offering instruments such as carbon credits and I-RECs.

- Action: In 2020, AES Brasil acquired Mandacaru and Salinas wind complexes, which had registered carbon projects and in 2022 AES Brasil studied new asset certification possibilities. Another AES Business like AES Andes started the certification process of a wind asset (Los Cururos).

- Result: In 2022 AES Andes, in Chile, completed the process to verify and certify the carbon credits for the 2016-2021 period for Los Cururos wind farm and sold the credits which represented revenues for the company. During 2022, AES Andes, for the same asset, continued with the renewal of the credit periods for the years 2021 to 2028 under the Gold Standard which is expected to be completed in the first quarter of 2023. In 2022, AES Brasil sold more than 465,000 carbon credits from the Mandacaru and Salinas wind farms, corresponding to around US\$2.2 Million in revenue. AES Brasil is also evaluating the possibility of selling another additional credits from wind and solar farms with COD (Commercial operations date) as of 2016.

- Timescale of implementation - is long-term and continuous as businesses will expect to continue to certify and could sell credits for the lifetime of the renewable assets.

Explanation of cost calculation - the calculation is example of the costs related to the expenses of verifying and certifying the credits. In this case, for Los Cururos wind farm in Chile the cost above is the result of the fees paid to consultant, the auditor, the recertification as well the gold standard. In the case of AES Brasil, the carbon credits were registered on the American Carbon Registry, prior to AES Brasil acquisition of these assets (therefore, the costs related to this opportunity for AES Brasil was 0 given that the assets were already certified by the time of acquisition)

Comment

C3. Business Strategy

C3.1

(C3.1) Does your organization’s strategy include a climate transition plan that aligns with a 1.5°C world?

Row 1

Climate transition plan

No, but our strategy has been influenced by climate-related risks and opportunities, and we are developing a climate transition plan within two years

Publicly available climate transition plan

<Not Applicable>

Mechanism by which feedback is collected from shareholders on your climate transition plan

<Not Applicable>

Description of feedback mechanism

<Not Applicable>

Frequency of feedback collection

<Not Applicable>

Attach any relevant documents which detail your climate transition plan (optional)

<Not Applicable>

Explain why your organization does not have a climate transition plan that aligns with a 1.5°C world and any plans to develop one in the future

AES’ corporate strategy and vision for the future is based on the fundamental premise that there is a need for the power sector to transition to low-carbon and carbon-free sources of generation. Our strategy, which is set at the highest level of management and approved by the Board of Directors, is focused on both growing our four product lines and selling or retiring much of our coal-fired generation fleet. Our product lines are each positioned to be an integral solution to accelerate the global transition to less carbon intensive sources of energy. Our strategy is reinforced by the expectations of our stakeholders, customer demand for low-carbon energy solutions, feedback from investors and a focus on integrating sustainability into everything we do.

As we work to accelerate the future of energy, we seek to do so across all sectors. To chart a path towards achieving this aspiration, we wanted to establish a picture of what a decarbonized energy system might look like in 2050. At AES, we envision a future powered by an energy system that is highly electrified, interconnected and digital. We have drawn on industry-leading research and modeling of net zero and 100% renewable energy systems to craft a vision of the energy systems we seek to create. Based on these insights, not only do we believe that it is critically necessary to decarbonize by 2050 to mitigate climate change and impacts, we believe it is both affordable and feasible to achieve a significant portion of this goal by relying predominantly on existing technology. In this electrified future, we believe demand for new renewable capacity supporting grid infrastructure will be tremendous, leading us to view the portfolio of solutions we are constructing as particularly well suited to meet society’s energy needs.

In crafting our portfolio of products and product lines, we seek to develop solutions that will actualize a vision of the future of energy synthesized from leading industry research.

Our strategy is backed by short and long-term measurable aspirations and a clear path for how to get there, informed by our vision for a decarbonized energy future of the entire sector. One of the aspirations is set to have the carbon intensity of our generation portfolio in-line with a well below 2°C scenario.

We envision a future energy system that has been massively electrified, with extraordinary increases in renewable generation and widespread use of synthetic fuels.

Explain why climate-related risks and opportunities have not influenced your strategy

<Not Applicable>

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	Yes, qualitative and quantitative	<Not Applicable>	<Not Applicable>

C3.2a

(C3.2a) Provide details of your organization’s use of climate-related scenario analysis.

Climate-related scenario		Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Physical climate scenarios	Customized publicly available physical scenario	Company-wide	3.1°C - 4°C	<p>We selected internationally recognized, 3rd party climate scenarios to stress test the resilience of our portfolio. We leveraged scenarios by the IPCC for physical risk (IPCC AR5; RCP 2.6 -0.9 - 2.3°C- & 6.0 - 2 - 4°C-). As these two sets of third-party scenarios are not formally harmonized, we grouped them for our stress test Covering 2 - 4°C Scenario.</p> <p>Our stress test was conducted over the projected time period of 2020 to 2040 & includes all of AES’ businesses & global assets, both current & anticipated. Our stress test includes varying growth trajectories for building new renewable energy assets & future growth in our asset-light product lines. We account for our equity stake in each asset & any publicly announced retirements or divestments.</p> <p>Our physical risk analysis expands upon our 2018 approach by incorporating additional weather and climate peril datasets from insurance and reinsurance models, simulations of how those perils intensify in the future & expanding the scope of the stress test to incorporate the breadth of our product lines, with a notable addition of analysis of our transmission and distribution assets.</p> <p>The stress test assesses how a changing climate affects the risk exposure of our current & future assets. Fundamentally, we analyzed how our total & average insured value changes in the future & the expected exposure of those assets to intensifying climate perils. Total insured value (TIV) represents exposure to loss due to damage to physical assets or interruption to business operations.</p> <p>Starting with asset-specific information such as geographic locations & the TIV from our captive insurer, we then incorporate multiple forward-looking third party catastrophe loss data sets to allow us to understand the risk of extreme weather events for each asset location.</p> <p>We leverage the Coupled Model Intercomparison Project Phase 5 climate model data sets and a have great circle mapping methodology to stress these risk levels under different climate scenarios that tie directly to the IPCC’s RCPs. We also include reasonably projected future market share assumptions to allow us to simulate the growth of future renewable energy assets we will build globally, & to reflect the physical risk associated with different types of assets into our model.</p> <p>For this analysis we created a peril exposure taxonomy that takes into consideration primary threats, such as floods, wind and wildfires, based on the geographic positioning of each asset.</p>
Transition scenarios	Customized publicly available transition scenario	Company-wide	1.5°C	<p>We selected internationally recognized, third-party climate scenarios to stress test the resilience of our portfolio. We leveraged scenarios developed by the International Energy Agency (IEA) for transition risk (STEPS - 2.7°C- & SDS - 1.5 - 2°C-). As these two sets of third-party scenarios are not formally harmonized, we grouped them for our stress test covering 1.5 - 2°C Scenario .</p> <p>Our stress test was conducted over the projected time period of 2020 to 2040 and includes all of AES’ businesses and global assets, both current and anticipated. Our stress test includes varying growth trajectories for building new renewable energy assets and future growth in our asset-light product lines. We account for our equity stake in each asset and any publicly announced retirements or divestments.</p> <p>Our transition risk analysis focus on the potential impact of carbon policies and other changes in the electricity market associated with the low-carbon transition. The key third-party variables considered: power, fuel and carbon prices, regional electricity market dynamics & the potential for energy efficiency and demand side response. Also includes AES-specific assumptions so our modeling approach enables us to assess our profitability at an individual asset and product line level to identify areas of risk, and where we are positioned for growth. We also consider expected asset retirement and potential divestment scenarios, our ownership structure for different assets, market share and margin considerations across our product lines. Our modeling approach enables us to assess our profitability at an individual asset and product line level to identify areas of risk and where we are positioned for growth.</p>

C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

By using climate-related we look to assess focal questions such as: 1) Is our strategy resilient under various climate scenarios that assess physical and transition risks?; 2) How could climate change impact our portfolio?; 3) How do our products and energy solutions growth look under two climate scenarios?

In addition to analyzing the impact of climate change risks & opportunities on our portfolio, the climate scenario report addresses the specific steps that AES is taking to reduce exposure to climate risks & articulates how our strategy & product lines are positioned to lead and accelerate decarbonization of the electric sector overall.

Rationale for selected scenarios: Proponents of scenario planning for climate change impacts have highlighted the importance of using standardized scenarios for investors to compare climate resilience across companies. The TCFD also recommends that companies use a range of scenarios and that at least one is aligned to the Paris Agreement's goal of limiting global temperature rise to well below 2°C above pre-industrial levels.

We use stress tests to evaluate our portfolio's resilience using internationally recognized, third-party climate scenarios. Specifically, we leveraged scenarios developed by the International Energy Agency (IEA) (STEPS - 2.7°C- & SDS - 1.5 - 2°C-) for transition risk and the Intergovernmental Panel on Climate Change (IPCC) for physical risk (IPCC AR5; RCP 2.6 -0.9 - 2.3°C- & 6.0 - 2 - 4°C-). As these two sets of third-party scenarios are not formally harmonized, we grouped them in 2 ways following our stress test.

We selected the IEA scenarios for implications of climate-related policies and allow us to focus on the potential impact of carbon policies & other changes in the electricity market associated with the low-carbon transition. The STEPS scenario reflects the impact of today's announced climate policy commitments & is intended to provide a view of what the world and the energy sector would look like through the year 2040 if those policies are successful.

We selected the IPCC scenarios because they assess the resulting climate impacts from varying degrees of CO2 concentration and mitigation in the atmosphere.

While these scenarios are not fully aligned with AES' view of the future, we believe in providing a standardized view based on the analysis of leading climate and energy organizations.

The IEA removed the Current Policies Scenario (CPS), a 3 - 6°C scenario, as it neglected the effects of announced policies. The use of IEA's Sustainable Development Scenario (SDS) and IPCC's Risk Concentration Pathways (RCPs) 6.0 and 2.0 still provide the most current data available for pathways of this type. These widely accepted scenario updates are encouraging and reflect the meaningful actions and firm commitments of governments, customers, providers and other energy stakeholders over the last decade toward a low-carbon economy.

Results of the climate-related scenario analysis with respect to the focal questions

1) AES strategy is resilient under various climate scenarios based on the results of our stress tests, as we transition our portfolio to smaller, globally-dispersed assets that diversify our exposure to localized extreme weather events and reduce our exposure to higher risk locations.

The stress test highlights the effectiveness of our efforts to mitigate direct risks from carbon policies, including new laws or regulations that increase the cost of carbon emissions.

Our transition risk stress test focuses on direct carbon exposed margin. Across both scenarios, our direct carbon exposed margin declines to less than 1% of our total margin by 2030 and 0% by 2040, due to 3 major factors:

- Our focus on renewables and low-carbon technologies.

- Diversifying our business into growing product lines

- For thermal assets, ensuring their gross margin is largely derived from capacity payments under long-term PPA, which are not directly exposed to carbon policy risk.

Our strategy enables us to shift our portfolio from fewer large conventional power assets to a portfolio of smaller, more distributed risk exposure in renewables.

2) Stress test demonstrates that our portfolio becomes even more diversified as we transition to more renewables & asset-light product lines, & that we effectively reduce our physical risk exposure across each of the scenarios & time horizons evaluated.

We expect our existing geographic diversification will be magnified naturally as a result. For example, our stress test shows that by 2040 approx. 76% of our assets will be in low-risk locations in the 1.5 - 2°C scenario compared to 64% today.

We see a reduction in the proportion of our assets in medium & high risk locations due to 3 major factors:

- Our anticipated growth in new renewable capacity.

- Our continual investments in hardening our assets proportionate to the expected risk exposure in their respective locations.

- Our continued transition away from large thermal assets which create concentrations of risk exposure at individual geographic locations to a larger number of smaller renewable assets

3) Our results highlight the significant growth potential of our products, which are positioned to lead the transition to a low-carbon economy & also to reduce AES' portfolio-wide physical risks. We expect to be a global leader in renewables, which reduces the carbon intensity of our generation & capitalizes on the tremendous market opportunity for low-carbon electricity.

We observed limited variance in the proportion of total margin across our 4 product lines in both scenarios & minimal direct carbon exposed margin in either scenario.

Furthermore, the transition to a low-carbon economy creates tremendous growth potential for our business, as our product lines are positioned to deliver key infrastructure and services needed for the transition to be successful. Our new product lines significantly diversify our financial exposure to physical risks from climate change.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Our strategy is influenced by the continuing risks & opportunities stemming from the overall concern regarding climate change, new environmental laws, changing environmental regulations, and new technologies that add value today & will drive our business in the future, among others. The Strategy set for every 5 years & revised by the Board Meeting. Changes in the environmental compliance costs may have a low impact on our ability to provide the same products & services at a similar but may have a high cost impact for our customers. If new products are required for the same service (i.e. renewable energy certificates for providing energy to our customers) than the costs may be impacted. Strategy formulation process combines analytical tools and innovation principles to assess long-term risks and opportunities & define the strategy to be followed. The process incorporates data & analysis to quantify multiple longterm views of the future & their impact on our businesses with a view to enhancing our decision-making process. Through this strategy process, and considering the impact of risks of climate change but also the opportunities AES developed its renewable growth strategy (in countries like Chile and US) and its LNG strategy in the Mexico, Central America & Caribbean region. The LNG strategy leverages our two LNG terminals (Panamá & Dominican Republic) to substitute the fuel oil and diesel traditionally used in power plants & the transportation sector throughout the region with cleaner natural gas. Also, we have invested in new & innovative business ventures that provide leading-edge & greener energy solutions, such as the creation or acquisition of subsidiaries: Fluence, our joint venture with Siemens, is a global leader in scalable energy storage technology and services. AES' investment in Uplight has allowed AES customers to implement digital technology & data to manage energy use, resulting in greater efficiency . 5B's technology design enables solar projects to be installed up to three times faster, while allowing for up to two times more energy within the same footprint . Atlas is an autonomous solar installation robot that assists the solar workforce doing the heavy lifting and repetitive portions of the solar installation process. Incubated out of AES, Motor partners with utilities to accelerate consumer adoption of electric vehicles.
Supply chain and/or value chain	Yes	Corporate strategy is set every 5 years and reviewed annually. When changes in hydrology occur, the entire value chain for energy can change in locations with large penetrations of renewable energy. As we see these shifts from low to high hydrology, we modify our commercial strategies to account for this. So in markets where this shift in hydrology can have a medium impact on our business, such as Panama, we have made investment decisions, like the Colon and Gatún generation plants and LNG terminal to diversify and decrease this risk to our customers and our value chain. AES Colón is a significant step toward diversifying the energy mix in Central America and the Caribbean, introducing cleaner alternatives in Panama and beyond; offering a cleaner alternative to petroleum-based fuels in Central America and also in the Caribbean. AES has pushed to adopt and adapt to climate change risks by investing in new technologies such as battery storage, demand side management or Energy Analytics. (The impact could be low to moderate depending of the investment). This has the ability to materially improve our stakeholder management, mitigate potential environmental factors, and be prepared for new technologies that may disrupt our markets. One example of the most substantial decision is the announced of a new Strategic Business Units named New Energy Technologies which includes investments in new and innovative technologies to support leading-edge greener energy solutions that will support not only AES decarbonization efforts, but also other sectors. AES has 3 types of innovation process to deliver on our strategy:1) Core: transforms how we operate and grow our existing offerings. 2) New: solves for customer needs, bringing us closer to our customers & advances AES growth. For example, we announced a first-of-its-kind 24/7 carbon free energy supply agreement with Google. AES will manage a diverse portfolio of green energy resources to guarantee 90% or better carbon-free energy measured on an hourly basis. 3) Exponential: we identify new and innovative business ventures that provide leading-edge and greener energy solutions such as Fluence, Uplight, and 5B.
Investment in R&D	Yes	Corporate strategy is set every 5 years and reviewed annually. AES has pushed to adopt and adapt to climate change risks by investing in new technologies such as battery storage, demand side management or Energy Analytics. (The impact could be low to moderate depending of the investment). This has the ability to materially improve our stakeholder management, mitigate potential environmental factors, and be prepared for new technologies that may disrupt our markets. One example of the most substantial decision made was the formulation of Fluence, a joint venture with Siemens. Bringing together the people, technology and customers of AES Energy Storage and Siemens' energy storage team, Fluence builds on more than a decade of grid-scale battery-based energy storage experience and one of the largest advanced battery-based energy storage fleets in the world . AES has three types of innovation to deliver on our strategy. Our Core process transforms how AES operates and grows its existing offerings. New solves for customer needs, bringing us closer to our customers and advances AES growth. Our Exponential process develops new businesses models based on strategic insights. Our AES Innovation processes demonstrate how our company is focused on fostering new ideas and fast-tracking their development and implementation. Within our Core Innovation process, we continuously strive to improve our operations and how we impact the world around us. Within our New Innovation process, we develop new products and services throughout our footprint. As our customers strive to reduce their carbon impact and become more energy efficient, we help them reach those goals. For example, in our AES Clean Energy business we announced a first-of-its-kind 24/7 carbon free energy supply agreement with Google. AES will manage a diverse portfolio of green energy resources to guarantee 90% or better carbon-free energy measured on an hourly basis. Within our Exponential Innovation, we identify new and innovative business ventures that provide leading-edge and greener energy solutions. Fluence, Uplight, and 5B are three such ventures that well represent the Exponential model and focus on accelerating the low carbon future of energy.
Operations	Yes	The most important components of the short-term strategy (over the next five years) that have been influenced by climate change have been the impact of hydrological changes on our businesses, changing environmental regulations in the various markets that we operate in and emerging technologies that provide low carbon solutions to our customers. Severe changes in precipitation patterns can represent a nominal impact to our operations. For instance, positive or negative changes in precipitation have a positive or negative impact (versus average) on the electric generation production of AES' businesses that own and operate hydroelectric facilities. Bad hydrology had an impact in 2014 of \$0.10 EPS -US\$100m (ownership adjusted), but changes and mitigations led to a nominal impact on earnings from similar hydrology in 2017. For example, AES Andes (with hydro assets in Chile) has a proactive long-term commercial strategy with the objective of minimizing hydrological risk, by defining and executing optimal contracting level (the balance between energy sold through long-term contracts and the energy sold to spot market). In order to maintain a balanced relationship between cost / benefit, a strategic plan has been promoted to improve the availability of generating units, incorporating efficiency measurement concepts for both thermal and hydroelectric plants. AES Brasil, as well, started to grow and diversify its portfolio through acquisitions and development of projects with energy sources that complement the hydro asset seasonality between them (wind and solar), as a way to mitigate exposure to hydro risks.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Acquisitions and divestments	AES's businesses work to identify risks of our business (in the short and medium term 5 years) due to many factors including climate change. The Corporate 5 year strategy set in 2016 established a ambition to reduce the carbon intensity of the portfolio, which was recently updated to an ambition to determine a generation portfolio carbon intensity in-line with a well below 2°C scenario by 2030 (based on renewables growth and the feasibility of multiple possible asset scenarios. Sectoral Decarbonization Approach ambition for power generation of 0.16 tCO2e/MWh based on 2016 baseline and modeled 2030 portfolios). To achieve such aspiration the company has to achieve two corporate objectives: a mix of the green growth (that can be through acquisitions) and the sale or shut down of thermal assets. In addition the company has set the intent to exit coal by year-end 2025 through asset sales, fuel conversions and retirements, while maintaining reliability and affordability, and subject to necessary approvals. An example in 2020, we formed AES Clean Energy by merging sPower with AES' other US renewable development channels. The combined business represents one of the top renewable growth platforms in the country with customers and projects throughout the US. This team is accelerating our vision of an energy grid that is 100% carbon-free. Another example, over the past three years, AES Brasil acquired and developed three solar power plants in the state of São Paulo, which are fully contracted with 20-year PPAs and together account for 295 MW of installed capacity. Since 2017, we have announced the sale or retirement of almost 13,1 GW of coal generation. In addition, during 2022 we completed the construction or acquisition of operating projects totaling 1,943 MW in the United States, Brazil, the Dominican Republic, Chile and Colombia, primarily wind, solar and energy storage.

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition	Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy
Row 1	No, but we plan to in the next two years	<Not Applicable>

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Intensity target

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number

Int 1

Is this a science-based target?

No, but we anticipate setting one in the next two years

Target ambition

<Not Applicable>

Year target was set

2020

Target coverage

Company-wide

Scope(s)

Scope 1

Scope 2 accounting method

<Not Applicable>

Scope 3 category(ies)

<Not Applicable>

Intensity metric

Metric tons CO2e per megawatt hour (MWh)

Base year

2016

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)

0.651

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 1: Purchased goods and services (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 2: Capital goods (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 5: Waste generated in operations (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 6: Business travel (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 7: Employee commuting (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 8: Upstream leased assets (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 10: Processing of sold products (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 11: Use of sold products (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 13: Downstream leased assets (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 14: Franchises (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 15: Investments (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Other (upstream) (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Other (downstream) (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for total Scope 3 (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

0.651

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

100

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 1: Purchased goods and services covered by this Scope 3, Category 1: Purchased goods and services intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 2: Capital goods covered by this Scope 3, Category 2: Capital goods intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) covered by this Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution covered by this Scope 3, Category 4: Upstream transportation and distribution intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 5: Waste generated in operations covered by this Scope 3, Category 5: Waste generated in operations intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 6: Business travel covered by this Scope 3, Category 6: Business travel intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 7: Employee commuting covered by this Scope 3, Category 7: Employee commuting intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 8: Upstream leased assets covered by this Scope 3, Category 8: Upstream leased assets intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution covered by this Scope 3, Category 9: Downstream transportation and distribution intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 10: Processing of sold products covered by this Scope 3, Category 10: Processing of sold products intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 11: Use of sold products covered by this Scope 3, Category 11: Use of sold products intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products covered by this Scope 3, Category 12: End-of-life treatment of sold products intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 13: Downstream leased assets covered by this Scope 3, Category 13: Downstream leased assets intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 14: Franchises covered by this Scope 3, Category 14: Franchises intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Category 15: Investments covered by this Scope 3, Category 15: Investments intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Other (upstream) covered by this Scope 3, Other (upstream) intensity figure

<Not Applicable>

% of total base year emissions in Scope 3, Other (downstream) covered by this Scope 3, Other (downstream) intensity figure

<Not Applicable>

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this total Scope 3 intensity figure

<Not Applicable>

% of total base year emissions in all selected Scopes covered by this intensity figure

100

Target year

2030

Targeted reduction from base year (%)

75

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]

0.16275

% change anticipated in absolute Scope 1+2 emissions

50

% change anticipated in absolute Scope 3 emissions

0

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)

0.51

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 1: Purchased goods and services (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 2: Capital goods (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 5: Waste generated in operations (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 6: Business travel (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 7: Employee commuting (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 8: Upstream leased assets (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 10: Processing of sold products (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 11: Use of sold products (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 13: Downstream leased assets (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 14: Franchises (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 15: Investments (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Other (upstream) (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for Scope 3, Other (downstream) (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for total Scope 3 (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

0.51

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

28.878648233487

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

We consider this to be ambitions. As part of our decarbonization ambitions we have a company-wide ambition to achieve Scope 1 carbon intensity in-line with a well below 2°C scenario based on renewables growth and the feasibility of multiple possible asset scenarios. Sectoral Decarbonization Approach ambition for power generation of 0.16 tCO₂e/MWh based on 2016 baseline and modelled 2030 portfolios

Plan for achieving target, and progress made to the end of the reporting year

Our corporate strategy and vision for the future is based on the fundamental premise that there is a need for the power sector to transition to low-carbon and carbon-free sources of generation. There is a substantial need for more renewable energy as well as an opportunity for innovation to develop new products and solutions to help customers accomplish their individual decarbonization goals.

At the core of our strategy is a dual focus that will allow us to achieve our ambitions : 1) growing our portfolio of low carbon products and solutions, 2) developing an incubating new technologies that add value today and will drive our business in the future and 3) decarbonize the portfolio, we intend to reduce our coal-fired generation to zero by 2025 (Through asset sales, fuel conversions and retirements, while maintaining reliability and affordability, subject to necessary approvals).

Since 2017, we have announced the sale or retirement of almost 13.1 GW of coal generation.

Some of the actions and emission reduction initiatives already taken to improve the intensity include the shutdown of power plants and renewable growth. In 2021, we set a target to sign 3,000 to 4,000 MW of new renewable contracts per year through 2025. We exceeded this goal with approximately 5,000 MW signed. In 2022 we brought online approximately 2 GW of new wind, solar and energy storage projects. We also signed PPAs for 5.2 GW of new renewables—the most in our history—and ended the year with a backlog of 12.2 GW.

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Net-zero target(s)

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number

NZ1

Target coverage

Company-wide

Absolute/intensity emission target(s) linked to this net-zero target

Int1

Target year for achieving net zero

2040

Is this a science-based target?

No, but we anticipate setting one in the next two years

Please explain target coverage and identify any exclusions

We consider this to be ambitions. As part of our decarbonization ambitions we have Net zero carbon emissions for entire business portfolio. (Initiated on March 3, 2021. Actions assume new policies that facilitate transition to low emissions energy systems, such as price on carbon. Includes Scope 1 and 2 emissions).

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?

Unsure

Planned milestones and/or near-term investments for neutralization at target year

<Not Applicable>

Planned actions to mitigate emissions beyond your value chain (optional)

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	0	0
Implementation commenced*	1	12.1
Implemented*	3	1000.65
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in buildings	Heating, Ventilation and Air Conditioning (HVAC)
--------------------------------	--

Estimated annual CO2e savings (metric tonnes CO2e)

207

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Voluntary/Mandatory

Mandatory

Annual monetary savings (unit currency – as specified in C0.4)

45724

Investment required (unit currency – as specified in C0.4)

307424

Payback period

21-25 years

Estimated lifetime of the initiative

16-20 years

Comment

The purpose of this project was to eliminate the use of R22 refrigerant. Replacement of 72 Air Conditioning Equipment with refrigerant R-22 to R-410

Initiative category & Initiative type

Fugitive emissions reductions	Other, please specify (Reduction of SF6 leak)
-------------------------------	---

Estimated annual CO2e savings (metric tonnes CO2e)

778.32

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

3551

Investment required (unit currency – as specified in C0.4)

2264000

Payback period

>25 years

Estimated lifetime of the initiative

16-20 years

Comment

In 2022, AES Brasil identified an SF6 leak. The problem consisted of problems in unit cubicles in wind generation complexes. A project was implemented to repair and replace cubicles with problems, reducing SF6 consumption and leakage and, consequently, the company's scope 1 emissions.

Initiative category & Initiative type

Transportation	Company fleet vehicle replacement
----------------	-----------------------------------

Estimated annual CO2e savings (metric tonnes CO2e)

27.42

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

3628

Investment required (unit currency – as specified in C0.4)

888000

Payback period

1-3 years

Estimated lifetime of the initiative

16-20 years

Comment

Partial replacement of fuel fired vehicles with electric vehicles.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Dedicated budget for energy efficiency	AES' businesses have a dedicated budget for capital investments that will support operational improvements in its facilities such as improving its assets' heat rate and fuel efficiency, installation of efficient light bulbs or HVAC; reducing technical and non-technical distribution losses which ultimately has an impact on emissions or implementing and investing in Smart Grid solutions.
budget for low-carbon product R&D	AES has three types of innovation to deliver on our strategy. Our Core process transforms how AES operates and grows its existing offerings. New solves for customer needs, bringing us closer to our customers and advances AES growth. Our Exponential process develops new businesses models based on strategic insights. Our AES Innovation processes demonstrate how our company is focused on fostering new ideas and fast-tracking their development and implementation. Within our Core Innovation process, we continuously strive to improve our operations and how we impact the world around us. For example, in our US Utilities we leverage an innovative mindset to bring Smart Grid technologies, among other things, to deliver reliable and affordable energy to our customers while accelerating integration of green energy sources into the grid. These improvements will enable our customers to make use of new products, such as electric vehicles, and lower their carbon impact. Within our New Innovation process, we develop new products and services throughout our footprint. As our customers strive to reduce their carbon impact and become more energy efficient, we help them reach those goals. For example, in our renewable business in the US we announced a first-of-its-kind 24/7 carbon free energy supply agreement with Google. AES will manage a diverse portfolio of green energy resources to guarantee 90% or better carbon-free energy measured on an hourly basis. Within our Exponential Innovation, we identify new and innovative business ventures that provide leading-edge and greener energy solutions. Fluence, Uplight, and 5B are three such ventures that well represent the Exponential model and focus on accelerating the low carbon future of energy. Fluence is an energy storage technology and services provider with a mission to create a more sustainable future; it enables wide-spread deployment of green energy by addressing the intermittent nature of renewable resources, among other things. Uplight's digital technologies engage customers in new ways for the more efficient use of energy, improving customer satisfaction while reducing the carbon footprint of utility companies. 5B is a solar technology innovator on a mission to transform the world's energy sources by delivering world-class technology that makes clean energy more competitive and accessible than ever before.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

Level of aggregation

Product or service

Taxonomy used to classify product(s) or service(s) as low-carbon

The IEA Energy Technology Perspectives Clean Energy Technology Guide

Type of product(s) or service(s)

Power	Other, please specify (Solar, Wind and hydro)
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Description of product(s) or service(s)

During the reporting year of 2022, AES' renewable portfolio (of +9,800 MW equity adjusted) allowed our customers to avoid Scope 2 CO2 emissions. In addition to allowing its electricity customers to avoid additional Scope 1 CO2 emissions by way of its significant renewable generation capacity and actual generation, the fact that AES' businesses provides electricity to these customers by way of utility grids allows these customers to avail themselves of more efficient electric generation systems rather than having to generate electricity or other energy (such as steam for heating purposes) by more carbon intensive processes.

Also, AES utility companies provide customers diverse energy efficiency products or services.

AES Brazil, is one of our subsidiaries with a fully renewable portfolio. Its installed capacity is comprised of solar, wind and hydro assets and has grown since 2016:

2016: 2.658 MW

2017: + 386 MW (Wind Alto Sertão II) + 144 MW (Solar Ouroeste)

2018: + 150 MW (Solar Guaimbê)

2019: + 322 MW (Wind Tucano)

2020: + 346 MW (Wind- Mandacaru and Salinas and Ventus)

2021: + 479 MW (Cajuína) +216 MW (Remain Lote B)

2022: + 210 MW (Ventos do Araripe) + 182 MW (Caetés) + 64 MW (Cassino)

Total Capacity in 2022- 5.200 MW (51% hydroelectric, 43% wind and 6% solar)

Total Capacity in the Next Years: Total- 6,8 GW (39% hydroelectric, 51% wind and 10% solar)

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Yes

Methodology used to calculate avoided emissions

Guidelines for Assessing the Contribution of Products to Avoided Greenhouse Gas Emissions (ILCA)

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Gate-to-gate

Functional unit used

t CO2 e/ GWh

Reference product/service or baseline scenario used

Emission factor of Brazilian National Interconnected System

Life cycle stage(s) covered for the reference product/service or baseline scenario

Cradle-to-gate

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

481729.3

Explain your calculation of avoided emissions, including any assumptions

The estimated avoided emissions correspond to the AES Brazil business example mentioned above.

GWh generated (hydro + wind + solar) * Emission factor t CO2e/ GWh of the Brazilian National Interconnected System.

In base year 2021: 9,533.080 GWh

Hydro 6,795.600 GWh

Wind 2,160.300 GWh

Solar 577.180 GWh

SIN= 0.1264 t CO2/MWh = 126.4 t CO2 / GWh

t CO2e avoided = 9,533.080 GWh * 126.4 t CO2/GWh = 1,204,981.31 t CO2e

In the report year 2022: 11.308,2 GWh

Hydro 8.398,6 GWh

Wind 2.315,7 GWh

Solar 593,9 GWh

SIN= 0.0426 t CO2/MWh = .42,6 t CO2 / GWh

t CO2e avoided= 11.308,2 GWh * 42.6 t CO2/GWh = 481.729,3 t CO2e

(please note that the figure for % of revenues below is considered in terms of the AES Brasil business only, as a fully renewable company all its revenues are coming from low carbon products or services.)

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

100

C-EU4.6

(C-EU4.6) Describe your organization’s efforts to reduce methane emissions from your activities.

We consider methane emissions to be not relevant for our activities. In 2022 the releases of methane gas were negligible as it relates to AES’s total greenhouse gas emissions. For this reason, we consider methane emissions a de minimis emissions source for our overall emissions.

AES businesses combusting natural gas have employed a system of industry best management practices including a maintenance and inspection program to reduce methane emissions (natural gas leaks on equipment) from our electricity generation activities. Leaks are detected using having natural gas detectors (for example our Harding Street power plant in Indiana, have leak detection systems that alarm in the event of a leak) and are controlled when such detectors automatically shut of the gas if are activated, and by having the routine checks by the operation team on the natural gas system (for example our Eagle Valley power plant in Indiana has “auditory, visual and olfactory (AVO)” program for leak detection in addition to leak detection that will shut down the gas feed in the unit if tripped). The other source is the automatic venting during start up and shut down by design it is very minimum. For example, AES Jordan /AES Levant have detectors which automatically shuts off the natural gas if a leak is detected. Sites such as Merida in Mexico strive to reduce the amount of vented natural gas by implementation of a maintenance program for combustion turbines.

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

No

Name of organization(s) acquired, divested from, or merged with

<Not Applicable>

Details of structural change(s), including completion dates

<Not Applicable>

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	No	<Not Applicable>

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start

January 1 2016

Base year end

December 31 2016

Base year emissions (metric tons CO2e)

65223557

Comment

2016 base year scope 1 CO2e

Scope 2 (location-based)

Base year start

January 1 2016

Base year end

December 31 2016

Base year emissions (metric tons CO2e)

304451

Comment

2016 base year scope 2 CO2e (location-based)

Scope 2 (market-based)

Base year start

January 1 2016

Base year end

December 31 2016

Base year emissions (metric tons CO2e)

310008

Comment

2016 base year scope 2 CO2e (market-based)

Scope 3 category 1: Purchased goods and services

Base year start

January 1 2022

Base year end

December 31 2022

Base year emissions (metric tons CO2e)

514.58

Comment

This refer to emissions from the use of municipal water. 2022 was the first year this category was measured.

Scope 3 category 2: Capital goods

Base year start

January 1 2020

Base year end

December 31 2020

Base year emissions (metric tons CO2e)

72468

Comment

Calculated. Refers to emissions from our AES Brasil business. This emission source began to be accounted for in 2020. Emissions related to the acquisition of vehicles were calculated, and in 2020 AES Brasil acquired a flex vehicle for its own fleet. All emission values presented here in the CDP consider the consolidated CO2e metric tons from AES Brasil Energia S.A. and all subsidiary companies. In the GHG Protocol public tool, until 2019, emissions were presented separately by company.

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

January 1 2018

Base year end

December 31 2018

Base year emissions (metric tons CO2e)

10070698

Comment

2018 base year Scope 3 CO2e

Scope 3 category 4: Upstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 5: Waste generated in operations

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 6: Business travel

Base year start

January 1 2016

Base year end

December 31 2016

Base year emissions (metric tons CO2e)

1786

Comment

2016 base year Scope 3 CO2e

Scope 3 category 7: Employee commuting

Base year start

January 1 2016

Base year end

December 31 2016

Base year emissions (metric tons CO2e)

498

Comment

2016 base year Scope 3 CO2e

Scope 3 category 8: Upstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 9: Downstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 10: Processing of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 11: Use of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 12: End of life treatment of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 13: Downstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 14: Franchises

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 15: Investments

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

The Greenhouse Gas Protocol: Scope 2 Guidance

Other, please specify (The GHG Protocol: Technical Guidance for Calculating Scope 3 Emissions (version 1.0))

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

40011490

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

Scope 1 Emissions 2022 equity adjusted values

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

Location and Market based figures reported in equity adjusted basis

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

266484

Scope 2, market-based (if applicable)

266484

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

Location and Market based figures reported in equity adjusted basis. *****The value is the same because there were not energy purchases for own use from direct contract, only from the e-grid. *****

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1, Scope 2, or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source of excluded emissions

We are excluding OVEC a generation site because AES Ohio only owns a 4.9% percent equity ownership in OVEC but does not operate such facility.

Scope(s) or Scope 3 category(ies)

Scope 1

Scope 2 (location-based)

Scope 2 (market-based)

Relevance of Scope 1 emissions from this source

Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source

Emissions are not relevant

Relevance of market-based Scope 2 emissions from this source

Emissions are not relevant

Relevance of Scope 3 emissions from this source

<Not Applicable>

Date of completion of acquisition or merger

<Not Applicable>

Estimated percentage of total Scope 1+2 emissions this excluded source represents

1.4

Estimated percentage of total Scope 3 emissions this excluded source represents

<Not Applicable>

Explain why this source is excluded

We are excluding OVEC a generation site because AES Ohio owns a 4.9% percent equity ownership in OVEC but does not operate such facility. Emissions from the facility are not relevant as they represent less than 1.5% (1.42%) of total Scope 1 emissions. (please note that the question below does not allow to use decimal places, so the value has been rounded to the closest integer). Emissions from the facility are not relevant as they represent 0% of our total Scope 2 emissions.

Explain how you estimated the percentage of emissions this excluded source represents

OVEC emissions are tracked and reported in the AES Inventory, the percentage they represent is calculated: OVEC emissions (equity adjusted) / by total AES emissions (equity adjusted).

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Not relevant, calculated

Emissions in reporting year (metric tons CO2e)

514.58

Emissions calculation methodology

Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

AES businesses report emissions due to the use of Municipal Water. We believe that the direct GHG emissions from this source are negligible compared to our direct emissions from our power generation plants.

Capital goods

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

48.31

Emissions calculation methodology

Supplier-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Please note that all values presented in this category consider only the consolidated CO2e metric tons from AES Brasil Energia S.A. and its subsidiary companies. This emission source began to be accounted for in 2020, expanding the scope of sources inventoried in scope 3. Emissions related to the acquisition of vehicles were calculated. In the GHG Protocol public tool, until 2019, emissions were presented separately by company. Emission factors from vehicles acquired were considered in the Energy-Consumption study and Carbon-Emission Analysis of Vehicle and Component Manufacturing (2010).

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

7204594.58

Emissions calculation methodology

Average data method
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

AES businesses report emissions due to sale of electricity to customers by our T&D locations and emissions resulting from the transportation from Coal purchases in AES Andes and Puerto Rico in its Scope 3 emissions inventory.
Methodology: GHG Protocol "Corporate Value Chain (Scope 3) Accounting and Reporting Standard" and associated "Technical Guidance for Calculating Scope 3 Emissions(version 1.0)". ii) Activity data: each T&D location reports data on electricity sold to customers (in MWh) on a monthly basis into our EHS Data Management System. The system calculates GHG emissions based on this data and country grid factors. iii) Emission factors: Country grid factors are provided in "CO2 emissions from fuel combustion highlights" report issued by International Energy Agency (IEA, 2020 edition). For US facilities, U.S. EPA for Greenhouse Gas Inventories (Modified: 26 March 2020) Table 6 Electricity, eGRID emission factors are used.

Upstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Upstream transportation and distribution consist mainly of suppliers delivering goods and services to our businesses. These goods and services are limited to those we need to operate our electric power generation and electric T&D businesses. We believe that the direct GHG emissions from this source are negligible compared to our direct emissions from our power generation plants.

Waste generated in operations

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Except for our coal fired power plants, our businesses do not generate significant amounts of waste. Our coal fired power generation plants can generate residual coal combustion by-products (CCBs), but these are primarily managed onsite and do not result in significant Scope 3 GHG emissions (e.g., the electricity used to manage CCBs onsite is either generated onsite or purchased).

Business travel

Evaluation status

Not relevant, calculated

Emissions in reporting year (metric tons CO2e)

1314.47

Emissions calculation methodology

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Business travel includes travel by AES employees worldwide by air.

Methodology: GHG Protocol "Corporate Value Chain (Scope 3) Accounting and Reporting Standard" and associated "Scope 3 Calculation Guidance (Category 6 – Business Travel)". ii) Activity data: travel by person is collected by International SOS (ISOS) Travel Tracker system from travel agencies contracted by AES around the world. Air distance in miles is calculated based on departure and destination airport for each flight. iii) Emission factors: U.S. EPA for Greenhouse Gas Inventories (Modified: 26 March 2020) Table 10 Scope 3 Category 6: Business Travel and Category 7.

Employee commuting

Evaluation status

Not relevant, calculated

Emissions in reporting year (metric tons CO2e)

90.83

Emissions calculation methodology

Supplier-specific method
Fuel-based method
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Employee commute emission estimates presented here are for our employees located at AES corporate headquarters in Arlington, VA, and who use motor vehicle parking benefits. Also include the fuel consumption in Brazil employee commuting.

Methodology: GHG Protocol "Corporate Value Chain (Scope 3) Accounting and Reporting Standard" and associated "Scope 3 Calculation Guidance (Category 7 – Employee Commuting)". ii) Activity data: distance in miles per day roundtrip. iii) Emission factors: U.S. EPA for Greenhouse Gas Inventories (Modified: 26 March 2021) Table 10 Scope 3 Category 6: Business Travel and Category 7: Employee Commuting These emission factors do not include additional impacts of radiative forcing. iv) Due to Covid 19 pandemic AES is on a hybrid schedule (some teams work 100% remote other teams come into the office between 1-5 days per week)

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

AES businesses do not extensively utilize upstream leased assets -- our electric power generation businesses and electric T&D businesses are the prime activities of our business and these are usually directly owned and managed by AES businesses. We believe that the direct GHG emissions from this source are negligible compared to our direct emissions from our power generation plants.

Downstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Activities for downstream transportation and distribution of the electricity that we directly generate are not a significant source of CO2e emissions. As we are a utility and generation company, our products are electricity and gas. These are transported through pipes and wires as opposed to vehicles. Following GHG Protocol, emissions related to electricity and gas transportation and distribution are calculated in "Fuel-and-energy-related activities (not included in Scope 1 or 2)". Therefore, there are no emissions related to downstream transportation and distribution, and this category is not relevant

Processing of sold products

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

There is no additional processing of the electricity our power generation businesses sell that would result in additional CO2e emissions

Use of sold products

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

AES sells electrical energy that is consumed by customers. Therefore, this Scope 3 emissions category is de minimis, not material to the business.

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

End of life treatment issues for the electricity we generate at our power plants or that we distribute to customers via our electricity T&D businesses does not result in additional Scope 3 emissions.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

AES does not generally extensively utilize downstream leased assets -- our electric power generation businesses and electric T&D businesses are the prime activities of our business and these are usually directly owned and managed by AES. We believe that the direct GHG emissions from this source are negligible compared to our direct emissions from our power generation plants

Franchises

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

AES does not avail itself of business franchise arrangements, therefore, the Scope 3 CO2e emissions due to AES franchise related activities is zero.

Investments

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Investments that AES' businesses make such in the construction of greenfield new power generation plants, major improvements at existing power generation plants, and/or improvements in our electric Transmission and Distribution networks can result in direct Scope 3 CO2e emissions. Emissions associated with these types of investments would be included as Scope 1 or Scope 2. AES does not make other types of equity or debt investments or project finance or managed investments and client services

Other (upstream)

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We are not aware of any other upstream activities of our business that could result in Scope 3 GHG emissions

Other (downstream)

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We are not aware of any other downstream activities of our business that could result in Scope 3 GHG emissions.

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

Yes

C6.7a

(C6.7a) Provide the emissions from biogenic carbon relevant to your organization in metric tons CO2.

	CO2 emissions from biogenic carbon (metric tons CO2)	Comment
Row 1	80499	Biologically sequestered carbon (Biomass, Landfill Gas and Biofuel)

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.517

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

40277974

Metric denominator

megawatt hour generated (MWh)

Metric denominator: Unit total

77843946

Scope 2 figure used

Market-based

% change from previous year

9

Direction of change

Decreased

Reason(s) for change

Other emissions reduction activities

Change in output

Other, please specify (Increase of renewable generation that increase the denominator. (Denominator includes steam MWh generation))

Please explain

We continue to conduct efficiency projects, retirements and portfolio changes. As we manage our portfolio we divest/shutdown highly carbon intensive businesses and increase the share of renewables. We continue to engage in some emission reduction activities, an example of some of our emission reduction activities are Scope 1 and Scope 2 Energy efficiency: Building services to included HVAC, vehicle replacement, low carbon energy generation, among others.

Intensity figure

0.003

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

40277974

Metric denominator

unit total revenue

Metric denominator: Unit total

12617000000

Scope 2 figure used

Market-based

% change from previous year

13.2

Direction of change

Decreased

Reason(s) for change

Other emissions reduction activities

Change in output

Change in revenue

Please explain

During 2022 we increased our revenues and reduced our emissions, hence our intensity decreased. We continue to conduct efficiency projects, retirements and portfolio changes. As we manage our portfolio we divest/shutdown highly carbon intensive businesses and increase the share of renewables. We continue to engage in some emission reduction activities, an example of some of our emission reduction activities are related to change of fuel consuming vehicles to electric vehicles, among others. Our emissions are on equity adjusted basis, while our revenues are on a full basis (we do not disclose revenues adjusted by equity)

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	39716590	IPCC Fifth Assessment Report (AR5 – 100 year)
CH4	121879	IPCC Fifth Assessment Report (AR5 – 100 year)
N2O	162385	IPCC Fifth Assessment Report (AR5 – 100 year)
SF6	9665	IPCC Fifth Assessment Report (AR5 – 100 year)
HFCs	971	IPCC Fifth Assessment Report (AR5 – 100 year)

C-EU7.1b

(C-EU7.1b) Break down your total gross global Scope 1 emissions from electric utilities value chain activities by greenhouse gas type.

	Gross Scope 1 CO2 emissions (metric tons CO2)	Gross Scope 1 methane emissions (metric tons CH4)	Gross Scope 1 SF6 emissions (metric tons SF6)	Total gross Scope 1 emissions (metric tons CO2e)	Comment
Fugitives	971	0	9665	10636	
Combustion (Electric utilities)	39669070	121879	0	39790949	
Combustion (Gas utilities)	0	0	0	0	
Combustion (Other)	47520	0	0	47520	Non-Power Generation Sources such as stationary sources, transportation vehicles, mobile and portable equipment and space heating.
Emissions not elsewhere classified	162385	0	0	162385	Gross Scope 1 N2O emissions (162,385 metric tons N2O) from combustion (Electric utilities)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/area/region.

Country/area/region	Scope 1 emissions (metric tons CO2e)
South America <i>South America (Chile, Argentina, Colombia and Brazil)</i>	10675825
Eurasia <i>Includes (Jordan, India, Vietnam and Bulgaria)</i>	7494736
Other, please specify (Mexico, Central America and Caribbean) <i>Includes Panama, Mexico and Dominican Republic</i>	6723244
Other, please specify (United States and Utilities) <i>Includes US (and Puerto Rico) and El Salvador</i>	15117685

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

- By business division
- By activity

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
South America SBU (Chile, Argentina, Colombia and Brazil)	10675825
Eurasia SBU (Jordan, India, Vietnam and Bulgaria)	7494736
Mexico, Central America and Caribbean SBU (Includes Panama, Mexico and Dominican Republic)	6723244
United States and Utilities (US and El Salvador)	15117685

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Power Generation	39953333
Non-power Generation Activities	47520
Releases	10637

C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4

(C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4) Break down your organization's total gross global Scope 1 emissions by sector production activity in metric tons CO2e.

	Gross Scope 1 emissions, metric tons CO2e	Net Scope 1 emissions , metric tons CO2e	Comment
Cement production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Chemicals production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Coal production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Electric utility activities	40011490	<Not Applicable>	
Metals and mining production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (upstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (midstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (downstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Steel production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport OEM activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport services activities	<Not Applicable>	<Not Applicable>	<Not Applicable>

C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Yes

C7.7a

(C7.7a) Break down your gross Scope 1 and Scope 2 emissions by subsidiary.

Subsidiary name

AES Brasil Energia S.A.

Primary activity

Other renewable generation

Select the unique identifier(s) you are able to provide for this subsidiary

ISIN code - equity

ISIN code – bond

<Not Applicable>

ISIN code – equity

BRAESBACNOR7

CUSIP number

<Not Applicable>

Ticker symbol

<Not Applicable>

SEDOL code

<Not Applicable>

LEI number

<Not Applicable>

Other unique identifier

<Not Applicable>

Scope 1 emissions (metric tons CO2e)

459.24

Scope 2, location-based emissions (metric tons CO2e)

141.16

Scope 2, market-based emissions (metric tons CO2e)

Comment

We have many subsidiaries all of which are considered in our emission accounting disclosed in sections 5 and 6. As we stated in a previous question we only have one exclusion related to a power generation facility which is not relevant. We are including here only a couple as an example.

Subsidiary name

AES Andes

Primary activity

Energy services & equipment

Select the unique identifier(s) you are able to provide for this subsidiary

ISIN code - equity

ISIN code – bond

<Not Applicable>

ISIN code – equity

AESGENER:CI

CUSIP number

<Not Applicable>

Ticker symbol

<Not Applicable>

SEDOL code

<Not Applicable>

LEI number

<Not Applicable>

Other unique identifier

<Not Applicable>

Scope 1 emissions (metric tons CO2e)

7862332.3

Scope 2, location-based emissions (metric tons CO2e)

16747.36

Scope 2, market-based emissions (metric tons CO2e)

Comment

We have many subsidiaries all of which are considered in our emission accounting disclosed in sections 5 and 6. As we stated in a previous question we only have one exclusion related to a power generation facility which is not relevant. We are including here only a couple as an example.

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a**(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.**

	Change in emissions (metric tons CO2e)	Direction of change in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	No change
Other emissions reduction activities	1012.75	Decreased	0.0024	In 2022, with the scope of reduce emissions we implemented projects tha resulted in 1,012.75 tCO2e. Our total S1 and S2 emissions in the 2021 were 40,956,151 tCO2e, therefore we arrived at 0.00247% through $(1,012.75 / 40,956,151) * 100 = 0.00247\%$
Divestment	863764	Decreased	2.1	We sold businesses that operated during certain months in 2021, contributing to decreased emissions of 863,754 tCO2e when compared to a full year in 2022. Our total S1 and S2 emissions in the 2021 were 40,956,151 tCO2e, therefore we arrived at 2.1% through $(0 - 863,764 / 40,956,151) * 100 = 2.1\%$
Acquisitions	0	No change	0	Various Solar facilities in the United States. The renewables acquisitions during the year do not affect emissions.
Mergers	0	No change	0	No mergers during the year.
Change in output	1017776	Decreased	2.5	The decrease in emissions because of changes in output is due to less generation from Coal (13%) and Petcoke (4%) which represents 1,017,776 tCO2e less in 2022, therefore we arrived at 2.5% through $(0 - 1,017,776 / 40,956,151) * 100 = 2.5\%$
Change in methodology	0	No change	0	No changes in the methodology.
Change in boundary	0	No change	0	No changes in boundary.
Change in physical operating conditions	0	No change	0	No changes in physical operating conditions.
Unidentified	0	No change	0	N/A
Other	2533376	Increased	6.2	AES increased the equity ownership of its AES Andes subsidiary from 67% to 99% at the beginning of 2022. Considering that we report emissions based on Equity approach, this represented additional 2,533,376 tCO2e, therefore we arrived at 6.2% through $(2,533,376 / 40,956,151) * 100 = 6.2\%$

C7.9b**(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?**

Location-based

C8. Energy**C8.1****(C8.1) What percentage of your total operational spend in the reporting year was on energy?**

More than 55% but less than or equal to 60%

C8.2**(C8.2) Select which energy-related activities your organization has undertaken.**

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	291994	144020404	144312398
Consumption of purchased or acquired electricity	<Not Applicable>	74081	120121	194202
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	108636	<Not Applicable>	108636
Total energy consumption	<Not Applicable>	474711	144140525	144615236

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	No
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	Yes

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

0

Comment

No consumption from this fuel

Other biomass

Heating value

HHV

Total fuel MWh consumed by the organization

198493

MWh fuel consumed for self-generation of electricity

8528

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

0

Comment

Biomass from wood. The fuel for cogeneration is the same consumed for electricity generation.

Other renewable fuels (e.g. renewable hydrogen)

Heating value

HHV

Total fuel MWh consumed by the organization

93501

MWh fuel consumed for self-generation of electricity

2381

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

0

Comment

Landfill gas

Coal

Heating value

HHV

Total fuel MWh consumed by the organization

79338127

MWh fuel consumed for self-generation of electricity

3122360

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

0

Comment

Includes Bituminous Coal, Subbituminous Coal, Lignite, Anthracite

Oil

Heating value

HHV

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

0

Comment

No generation with this source

Gas

Heating value

HHV

Total fuel MWh consumed by the organization

53624336

MWh fuel consumed for self-generation of electricity

623342

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

0

Comment

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value

HHV

Total fuel MWh consumed by the organization

11057941

MWh fuel consumed for self-generation of electricity

382438

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

0

Comment

Pet Coke information

Total fuel

Heating value

HHV

Total fuel MWh consumed by the organization

144312398

MWh fuel consumed for self-generation of electricity

4139049

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

0

Comment

C-EU8.2d

(C-EU8.2d) For your electric utility activities, provide a breakdown of your total power plant capacity, generation, and related emissions during the reporting year by source.

Coal – hard**Nameplate capacity (MW)**

4626

Gross electricity generation (GWh)

24847.7

Net electricity generation (GWh)

22295

Absolute scope 1 emissions (metric tons CO2e)

22415744

Scope 1 emissions intensity (metric tons CO2e per GWh)

902.12

Comment

Includes coal and anthracite. Installed capacity is adjusted by equity ownership

Lignite**Nameplate capacity (MW)**

690

Gross electricity generation (GWh)

4131.4

Net electricity generation (GWh)

3561.7

Absolute scope 1 emissions (metric tons CO2e)

3580632

Scope 1 emissions intensity (metric tons CO2e per GWh)

866.68

Comment**Oil****Nameplate capacity (MW)**

43

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

NO generation from this source

Gas**Nameplate capacity (MW)**

7827

Gross electricity generation (GWh)

23112.8

Net electricity generation (GWh)

22490.5

Absolute scope 1 emissions (metric tons CO2e)

9981914

Scope 1 emissions intensity (metric tons CO2e per GWh)

431.87

Comment

Sustainable biomass**Nameplate capacity (MW)**

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

NO generation from this source

Other biomass**Nameplate capacity (MW)**

13

Gross electricity generation (GWh)

40.3

Net electricity generation (GWh)

31.8

Absolute scope 1 emissions (metric tons CO2e)

64332

Scope 1 emissions intensity (metric tons CO2e per GWh)

1596.33

Comment

Biomass from wood. The fuel for cogeneration is the same consumed for electricity generation.

Waste (non-biomass)**Nameplate capacity (MW)**

6

Gross electricity generation (GWh)

20.6

Net electricity generation (GWh)

18.3

Absolute scope 1 emissions (metric tons CO2e)

16722

Scope 1 emissions intensity (metric tons CO2e per GWh)

811.75

Comment

Non-biomass Waste information (Landfill)

Nuclear**Nameplate capacity (MW)**

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

No generation from this source

Fossil-fuel plants fitted with CCS**Nameplate capacity (MW)**

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

No generation from this source

Geothermal**Nameplate capacity (MW)**

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

No generation from this technology

Hydropower**Nameplate capacity (MW)**

4695

Gross electricity generation (GWh)

12630.6

Net electricity generation (GWh)

12559.4

Absolute scope 1 emissions (metric tons CO2e)

8609

Scope 1 emissions intensity (metric tons CO2e per GWh)

0.68

Comment**Wind****Nameplate capacity (MW)**

2579

Gross electricity generation (GWh)

5481.6

Net electricity generation (GWh)

5448.9

Absolute scope 1 emissions (metric tons CO2e)

2884

Scope 1 emissions intensity (metric tons CO2e per GWh)

0.53

Comment

Solar**Nameplate capacity (MW)**

1953

Gross electricity generation (GWh)

3340.3

Net electricity generation (GWh)

3336.1

Absolute scope 1 emissions (metric tons CO2e)

2685

Scope 1 emissions intensity (metric tons CO2e per GWh)

0.8

Comment**Marine****Nameplate capacity (MW)**

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

No generation from this source

Other renewable**Nameplate capacity (MW)**

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

No other renewable sources used

Other non-renewable**Nameplate capacity (MW)**

544

Gross electricity generation (GWh)

3844.8

Net electricity generation (GWh)

3462.4

Absolute scope 1 emissions (metric tons CO2e)

3917843

Scope 1 emissions intensity (metric tons CO2e per GWh)

1018.99

Comment

Petcoke

Total

Nameplate capacity (MW)

22976

Gross electricity generation (GWh)

77450.1

Net electricity generation (GWh)

73204

Absolute scope 1 emissions (metric tons CO2e)

39991365

Scope 1 emissions intensity (metric tons CO2e per GWh)

516.35

Comment

The total figure of Absolute scope 1 emissions (metric tons CO2e) doesn't include non generation activities (transmission, distribution and construction) that the emission is 20,124 metric tons CO2e.

C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

Country/area

Other, please specify (South America: Argentina, Brazil, Chile & Colombia.)

Consumption of purchased electricity (MWh)

57730

Consumption of self-generated electricity (MWh)

1131728

Is this electricity consumption excluded from your RE100 commitment?

<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

1189458

Country/area

Other, please specify (Eurasia: Jordan, Vietnam and Bulgaria)

Consumption of purchased electricity (MWh)

19828

Consumption of self-generated electricity (MWh)

970811

Is this electricity consumption excluded from your RE100 commitment?

<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

990639

Country/area

Other, please specify (Mexico, Central America and Caribbean: Panama, Mexico and Dominican Republic)

Consumption of purchased electricity (MWh)

16768

Consumption of self-generated electricity (MWh)

944030

Is this electricity consumption excluded from your RE100 commitment?

<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

960798

Country/area

Other, please specify (United States and Utilities)

Consumption of purchased electricity (MWh)

99876

Consumption of self-generated electricity (MWh)

1201116

Is this electricity consumption excluded from your RE100 commitment?

<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

1300992

C-EU8.4

(C-EU8.4) Does your electric utility organization have a transmission and distribution business?

Yes

C-EU8.4a

(C-EU8.4a) Disclose the following information about your transmission and distribution business.

Country/area/region

El Salvador

Voltage level

Distribution (low voltage)

Annual load (GWh)

4042

Annual energy losses (% of annual load)

8.8

Scope where emissions from energy losses are accounted for

Scope 2 (location-based)

Emissions from energy losses (metric tons CO2e)

45137.03

Length of network (km)

40470

Number of connections

1548000

Area covered (km2)

17939

Comment

The Annual load (GWh) refers to the approximate GWH of energy sold to customers.
The number of connections refer to the number of customers of the distribution company

Country/area/region

United States of America

Voltage level

Distribution (low voltage)

Annual load (GWh)

15385

Annual energy losses (% of annual load)

4.9

Scope where emissions from energy losses are accounted for

Scope 2 (location-based)

Emissions from energy losses (metric tons CO2e)

27764

Length of network (km)

21282

Number of connections

519000

Area covered (km2)

1370

Comment

The Annual load (GWh) refers to the approximate GWH of energy sold to customers.
The number of connections refer to the number of customers of the distribution company (AES Indiana)

Country/area/region

United States of America

Voltage level

Distribution (low voltage)

Annual load (GWh)

13875

Annual energy losses (% of annual load)

5.5

Scope where emissions from energy losses are accounted for

Scope 2 (location-based)

Emissions from energy losses (metric tons CO2e)

112020

Length of network (km)

23332

Number of connections

536000

Area covered (km2)

15540

Comment

The Annual load (GWh) refers to the approximate GWH of energy sold to customers.
The number of connections refer to the number of customers of the distribution company (AES Ohio)

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C-EU9.5a

(C-EU9.5a) Break down, by source, your organization's CAPEX in the reporting year and CAPEX planned over the next 5 years.

Coal – hard

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0.1

Most recent year in which a new power plant using this source was approved for development

2012

Explain your CAPEX calculations, including any assumptions

We do not provide Capex data by technology, only total Capex US4,551 million. We do not provide data for future capex but we included 0.1 so we were able to include the most recent year for transparency.

Lignite

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

Most recent year in which a new power plant using this source was approved for development

<Not Applicable>

Explain your CAPEX calculations, including any assumptions

We do not provide Capex data by technology, only total Capex US4,551 million. We do not provide data for future capex.

Oil

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

Most recent year in which a new power plant using this source was approved for development

<Not Applicable>

Explain your CAPEX calculations, including any assumptions

No CAPEX associated with this source

Gas

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

Most recent year in which a new power plant using this source was approved for development

<Not Applicable>

Explain your CAPEX calculations, including any assumptions

We do not provide Capex data by technology, only total Capex US4,551 million. We do not provide data for future capex.

Sustainable biomass

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

Most recent year in which a new power plant using this source was approved for development

<Not Applicable>

Explain your CAPEX calculations, including any assumptions

Not a source of generation in the company, hence no capex associated

Other biomass

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

Most recent year in which a new power plant using this source was approved for development

<Not Applicable>

Explain your CAPEX calculations, including any assumptions

We do not provide Capex data by technology, only total Capex US4,551 million. We do not provide data for future capex.

Waste (non-biomass)

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

Most recent year in which a new power plant using this source was approved for development

<Not Applicable>

Explain your CAPEX calculations, including any assumptions

We do not provide Capex data by technology, only total Capex US4,551 million. We do not provide data for future capex.

Nuclear

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

Most recent year in which a new power plant using this source was approved for development

<Not Applicable>

Explain your CAPEX calculations, including any assumptions

No generation from this source

Geothermal

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

Most recent year in which a new power plant using this source was approved for development

<Not Applicable>

Explain your CAPEX calculations, including any assumptions

No generation from this source

Hydropower

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

Most recent year in which a new power plant using this source was approved for development

<Not Applicable>

Explain your CAPEX calculations, including any assumptions

We do not provide Capex data by technology, only total Capex US\$4,551 million. We do not provide data for future capex.

Wind

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

Most recent year in which a new power plant using this source was approved for development

<Not Applicable>

Explain your CAPEX calculations, including any assumptions

We do not provide Capex data by technology, only total Capex US\$4,551 million. We do not provide data for future capex.

Solar

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

Most recent year in which a new power plant using this source was approved for development

<Not Applicable>

Explain your CAPEX calculations, including any assumptions

We do not provide Capex data by technology, only total Capex US\$4,551 million. We do not provide data for future capex.

Marine

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

Most recent year in which a new power plant using this source was approved for development

<Not Applicable>

Explain your CAPEX calculations, including any assumptions

No generation from this source

Fossil-fuel plants fitted with CCS

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

Most recent year in which a new power plant using this source was approved for development

<Not Applicable>

Explain your CAPEX calculations, including any assumptions

No generation from this source

Other renewable (e.g. renewable hydrogen)

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

Most recent year in which a new power plant using this source was approved for development

<Not Applicable>

Explain your CAPEX calculations, including any assumptions

No other renewable sources of generation

Other non-renewable (e.g. non-renewable hydrogen)

CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)

0

CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

Most recent year in which a new power plant using this source was approved for development

<Not Applicable>

Explain your CAPEX calculations, including any assumptions

We do not provide Capex data by technology, only total Capex US\$4,551 million. We do not provide data for future capex.

C-EU9.5b

(C-EU9.5b) Break down your total planned CAPEX in your current CAPEX plan for products and services (e.g. smart grids, digitalization, etc.).

Products and services	Description of product/service	CAPEX planned for product/service	Percentage of total CAPEX planned products and services	End of year CAPEX plan
Smart grid	AES Indiana, an AES Company, provides retail electric service to more than 500,000 residential, commercial and industrial customers in Indianapolis, as well as portions of other Central Indiana communities surrounding Marion County. The company is currently undertaking a seven-year plan to invest \$1.2 billion in the modernization of AES Indiana's electric grid, to continue meeting the rapidly changing needs of our customers throughout the Indianapolis area. Smart Grid includes upgrades and replacement of aging equipment, hardware and other assets, new technology, equipment and systems, which include: A self-healing electric grid, allowing AES Indiana, to isolate problems automatically and re-route power around the problem, reducing the customer impact and duration of service interruptions. "Smart" AMI meters and other corresponding technology that automatically let AES Indiana, know when the power is out, as well as inform estimated time of restoration during outages. It also provide customers improved service reliability, efficiency and performance; fewer outages; improved safety; enhanced equipment performance and reliability. Improved Customer experience and communications. (the value included in the "Percentage of total CAPEX planned products and services" is approximate and refers only to the total capex of AES Indiana in new products and services)	1200000000	43	2027

C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D	Comment
Row 1	Yes	

(C-CO9.6a/C-EU9.6a/C-OG9.6a) Provide details of your organization's investments in low-carbon R&D for your sector activities over the last three years.

Technology area	Stage of development in the reporting year	Average % of total R&D investment over the last 3 years	R&D investment figure in the reporting year (unit currency as selected in C0.4) (optional)	Average % of total R&D investment planned over the next 5 years	Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan
Other, please specify (Energy Management Services)	Large scale commercial deployment	64		55	<p>We understand that the energy industry is changing rapidly, and we aim to proactively seek solutions that will give us a continued competitive advantage. At the core of our innovation strategy we work to identify new and innovative business ventures that provide leading-edge and greener energy solutions that add value today and are expected to drive our business in the future. One area of focus is digital systems which enable energy efficiency and resource optimization. This R&D Investment includes projects such as Uplight—which connects energy providers to their decarbonization goals. Uplight partners with more than 80 leading electric and gas utilities, serving more than 100m customers. It provides home energy management tools, marketplaces through which utilities offer energy management solutions, and demand management services, among many other products.</p> <p>Given that as part of our innovation process, we continually work to identify new and innovative business ventures that provide leading-edge and greener energy solutions that add value today and are expected to drive our business in the future, the % value in the column "Average % of total R&D investment planned over the next 5 years" is an estimate.</p>
Other, please specify (Renewable Energy)	Small scale commercial deployment	31		40	<p>We understand that the energy industry is changing rapidly, and we aim to proactively seek solutions that will give us a continued competitive advantage. At the core of our innovation strategy we work to identify new and innovative business ventures that provide leading-edge and greener energy solutions that add value today and are expected to drive our business in the future. We are working to develop and incubate technologies that help us accelerate our deployment of renewables to achieve our decarbonization strategic objectives.</p> <p>This R&S spending includes investment in technology such as 5B: MAVERICK design enables customers to add solar resources at a pace that is three times faster while providing up to two times more energy within the same footprint of traditional solar facilities.</p> <p>Given that as part of our innovation process, we continually work to identify new and innovative business ventures that provide leading-edge and greener energy solutions that add value today and are expected to drive our business in the future, the % value in the column "Average % of total R&D investment planned over the next 5 years" is an estimate.</p>
Other, please specify (Robotics)	Pilot demonstration	4		4.5	<p>We understand that the energy industry is changing rapidly, and we aim to proactively seek solutions that will give us a continued competitive advantage. At the core of our innovation strategy we work to identify new and innovative business ventures that provide leading-edge and greener energy solutions that add value today and are expected to drive our business in the future. We are working to develop and incubate technologies that help us accelerate our deployment of renewables to achieve our decarbonization strategic objectives.</p> <p>This R&D includes investment in projects such as Atlas: an autonomous solar installation robot that assists the solar workforce doing the heavy lifting and repetitive portions of the solar installation process. This reduces construction timelines while improving safety.</p> <p>Given that as part of our innovation process, we continually work to identify new and innovative business ventures that provide leading-edge and greener energy solutions that add value today and are expected to drive our business in the future, the % value in the column "Average % of total R&D investment planned over the next 5 years" is an estimate.</p>
Other, please specify (Robotics)	Applied research and development	1		0.5	<p>We understand that the energy industry is changing rapidly, and we aim to proactively seek solutions that will give us a continued competitive advantage. At the core of our innovation strategy we work to identify new and innovative business ventures that provide leading-edge and greener energy solutions that add value today and are expected to drive our business in the future. We are working to develop and incubate technologies that help us accelerate our deployment of renewables to achieve our decarbonization strategic objectives.</p> <p>As part of our robotics development, this includes investments such as applied research for computer vision combined with artificial intelligence for construction environments to detect many parts of a solar power plant as a way to support solar module installation and other activities involved on building renewable plants.</p> <p>Given that as part of our innovation process, we continually work to identify new and innovative business ventures that provide leading-edge and greener energy solutions that add value today and are expected to drive our business in the future, the % value in the column "Average % of total R&D investment planned over the next 5 years" is an estimate.</p>

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Underway but not complete for reporting year – previous statement of process attached

Type of verification or assurance

Limited assurance

Attach the statement

CY21 AES Final Assurance Statement.pdf

Page/ section reference

Access, All: Pages, All 4

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Underway but not complete for reporting year – previous statement of process attached

Type of verification or assurance

Limited assurance

Attach the statement

CY21 AES Final Assurance Statement.pdf

Page/ section reference

Access, All: Pages, All 4

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 2 approach

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Underway but not complete for reporting year – previous statement of process attached

Type of verification or assurance

Limited assurance

Attach the statement

CY21 AES Final Assurance Statement.pdf

Page/ section reference

Access, All: Pages, All 4

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)
Scope 3: Business travel

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Underway but not complete for reporting year – previous statement of process attached

Type of verification or assurance

Limited assurance

Attach the statement

CY21 AES Final Assurance Statement.pdf

Page/section reference

Access, All: Pages, All 4

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Purchased goods and services
Scope 3: Employee commuting

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Underway but not complete for current reporting year – first year it has taken place

Type of verification or assurance

Limited assurance

Attach the statement

Page/section reference

No page reference as it is the first year of assurance and is underway

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C8. Energy	Other, please specify (Total Gross and Net generation (MWh))	ISO 14064-3	The validation data is the total Gross, Net generation and steam by AES generation facilities. CY21 AES Final Assurance Statement.pdf

CY21 AES Final Assurance Statement.pdf

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

California CaT - ETS
Chile carbon tax

C11.1b

(C11.1b) Complete the following table for each of the emissions trading schemes you are regulated by.

California CaT - ETS

% of Scope 1 emissions covered by the ETS
9

% of Scope 2 emissions covered by the ETS
0

Period start date
January 1 2022

Period end date
December 31 2022

Allowances allocated
1860854

Allowances purchased
690000

Verified Scope 1 emissions in metric tons CO2e
3413147

Verified Scope 2 emissions in metric tons CO2e
0

Details of ownership
Facilities we own and operate

Comment
2022 Total Scope 1= 3,413,147 & Scope 2= 0 (verification July, 2023): Alamitos Scope 1= 445,942 & Scope 2 = 2,227, Huntington Beach Scope 1 = 67,049 & Scope 2 = 1,636 Redondo Beach Scope 1= 197,812 & Scope 2= 3,230, Alamitos CCGT Scope 1= 1,275,313 & Scope 2= 988 Huntington Beach CCGT Scope 1= 1,427,031 & Scope 2= 851. Total Site Reported Scope 2 emissions= 8,933

C11.1c

(C11.1c) Complete the following table for each of the tax systems you are regulated by.

Chile carbon tax

Period start date
January 1 2022

Period end date
December 31 2022

% of total Scope 1 emissions covered by tax
16

Total cost of tax paid
37899623

Comment
16% of total Scope 1 emissions covered by tax is in terms of the total Scope 1 emissions of AES portfolio. In specific and in reference to the percentage of the emissions for our assets under this carbon tax it represents +99% of Scope 1 emissions. The thermal power plants in Chile are subject to emission taxes at a rate of \$5 per metric ton of CO2. The amount of 37,899,623 USD includes the tax for Scope 1 as well as other emissions such as NOx, SO2 and Particulate Matter (these other emissions represented approximately to 2-3% of the total payment).

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

A limited percentage of AES' Scope 1&2 emissions are covered under emission trading schemes. AES businesses operate in compliance with regulations where such schemes exist and apply. The program has been in place from 2013 and was in place through 2022. Based on contractual agreements with the electricity off taker, AES' businesses have limited exposure in complying with carbon regulation under the CaT (in California)

· Businesses face certain risks and uncertainties related to numerous environmental laws and regulations, including existing and potential GHG legislation or regulations, and actual or potential laws and regulations. Such risks and uncertainties could result in increased capital expenditures or other compliance costs which could have a material adverse effect on certain of our U.S. or international subsidiaries, and our consolidated results of operations.

Business has different strategies such as: reducing its GHG emissions and to this aim, the decarbonization of the energy mix is a key pillar, as well as to achieve the coal phase-out (timeframe: intention by 2025) and increase renewable installed capacity (continuous timeframe at least until 2027 Nearly Doubling Installed Capacity with Renewables Growing More than 3x). AES has included as part of its strategy its intention exit coal generation by the end of 2025 (Through asset sales, fuel conversions and retirements, while maintaining reliability and affordability, and subject to necessary approvals). Another strategy could be the use of an internal carbon price (timeframe: continuous until the carbon taxes exist), like the one being used in our business AES Andes in Chile to estimate the costs in which the company will incur to comply with the "green taxes" established on Chilean Tax Reform. The Internal carbon price strategy is based on Chilean Law N° 20.780 (Chilean Tax Reform of 2014), which came into effect in 2017. The law establishes for Co2 air emissions a tax of 5 US/ton which remained in place through 2022.

·The price is also used for evaluating future business opportunities and decisions. AES supports the objectives of the Paris Agreement to limit the average rise in global temperatures to well below 2°C above preindustrial levels and to pursue efforts to limit it to 1.5°C. There are many policy tools available to pursue these objectives, and we support the following policies: Placing a price on carbon The pricing mechanism should be market-based and could take the form of a carbon tax, cap and trade system or other mechanism designed to incentivize a substantial reduction in greenhouse gas (GHG) emissions while fostering the development of new technologies.

In addition, another strategy could be to develop projects under the Clean Development Mechanism or certify carbon credits to create offset for use by the facilities or to be sold on the open market. Another strategy could be the use of a emission controls systems: GHG Emissions Data Control System is in conformance with the installation's Regulator approved Monitoring Plan and Permit, and is in compliance with the California Global Warming Solutions Act of 2006 (AB 32) ((MMR)) - externally verified.)

Another strategy is to have a proper risk management process in place (timeframe: continuous. Our Risk management process evaluates short-medium and long term risks).

The current regulations of the markets we operate in are considered throughout our risk and investment processes (timeframe: Climate change risk is assessed and discussed at several levels within our company. The discussions can include near-term quantification and longer-term action plans to manage climate-related risks). The Environmental Managers are also responsible for monitoring any proposed new or modified environmental laws, regulations, AES Environmental Standards, and emerging issues that could affect the businesses. The sources of information that are drawn upon to identify and track new/modified requirements and emerging issues include but not limited to email subscriptions to regulatory agency updates, subscriptions to environmental associations, regulatory agency contacts, industry and professional publications, participation of environmental conferences/seminars/workshops/rulemaking working groups, and communications with AES Corporate and regional environmental group (timeframe: this strategy is ongoing basis).

C11.2

(C11.2) Has your organization canceled any project-based carbon credits within the reporting year?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Type of internal carbon price

Shadow price

How the price is determined

Alignment with the price of a carbon tax

Objective(s) for implementing this internal carbon price

Drive low-carbon investment
Identify and seize low-carbon opportunities
Navigate GHG regulations

Scope(s) covered

Scope 1

Pricing approach used – spatial variance

Uniform

Pricing approach used – temporal variance

Static

Indicate how you expect the price to change over time

<Not Applicable>

Actual price(s) used – minimum (currency as specified in C0.4 per metric ton CO2e)

5

Actual price(s) used – maximum (currency as specified in C0.4 per metric ton CO2e)

5

Business decision-making processes this internal carbon price is applied to

Operations
Opportunity management

Mandatory enforcement of this internal carbon price within these business decision-making processes

Yes, for some decision-making processes, please specify

Explain how this internal carbon price has contributed to the implementation of your organization's climate commitments and/or climate transition plan

The internal carbon price is being used in our business AES Andes in Chile to estimate the costs in which the company will incur to comply with the "green taxes" established on Chilean Tax Reform. The price is also used for evaluating future business opportunities and decisions. For example AES Andes is constructing several renewable projects in Chile (over 870 MW as of end of 2021 including solar, wind and batteries). This constitutes an advantage and positive implication, because under the current regulation run of rivers, solar and wind power plants, will always be dispatched (because of their zero variable cost). Also, if in the future the regulation becomes more restrictive in terms of emissions, renewable plants can serve as a trade off plant.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers
Yes, our customers/clients

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect GHG emissions data at least annually from suppliers

% of suppliers by number

100

% total procurement spend (direct and indirect)

100

% of supplier-related Scope 3 emissions as reported in C6.5

100

Rationale for the coverage of your engagement

Coverage an values above refer to AES Brasil. The business collects information from its suppliers to account for Scope 3 emission sources, such as commuting, and other energy-related activities not covered by Scopes 1 and 2 , among other hence reaching to all their suppliers is important to have most accurate data related to the Scope 3 categories measured.

Impact of engagement, including measures of success

Impact: Gathering primary data with suppliers has allowed the consolidation and disclosure of Scope 3 emissions more precisely. For example AES Brasil businesses can report more accurate information around employee commuting without estimations by receiving distance and fuel consumption from suppliers for the transportation of employees (The company hired by AES Brasil to transport employees to and from work provides information on fuel consumption and average daily distance in this transport. This data is then entered by AES Brasil into the GHG Protocol calculation tool).

Succes: engagement is considered successful when all engaged suppliers (100%) respond and the company can be recognized. For four years, AES Brasil has been awarded the Gold Seal of the Brazilian GHG Protocol Program for submitting the complete inventory to an external audit, which includes Scope 3 emissions and data provided by business partners for its consolidation.

In the future, new opportunities may arise for working together with key suppliers to drive their improvement in emissions, also impacting Scope 3 of the company's GHG inventory.

Comment

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement & Details of engagement

Education/information sharing	Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services
-------------------------------	---

% of customers by number

100

% of customer - related Scope 3 emissions as reported in C6.5

100

Please explain the rationale for selecting this group of customers and scope of engagement

Our distribution businesses offer renewable energy and demand-side efficiency programs, which result in GHG emission reductions by their customers. Utilities offers different levels and types of programs, depending on market conditions (for example AES Indiana offers cash rebates and incentives to incorporate energy efficiency upgrades into businesses and residential customers). The method varies from programs to replace light bulbs, rebates for energy efficiency appliances, to lectures, educational programs and information, tools and tips in the companies´ website or bills. We have chosen customers as part of our engagement given the scope of our business (distribution of electricity) and the impact it they can have in the reduction of emissions. Each utility offers different levels and types of programs, depending on market conditions, thus the prioritization varies: in some cases, the methods are available for all customers (such as education campaigns using diverse media such as social media, in person lectures, information in bills, among others), in others the target are low income customers or specific customers as a result of a partnership or type of program (such as rebates, for example, for US utilities -about 50% of our utility customers-). Also, the company disclose public information about the strategy and climate related performance through different channels such as press releases, web page and sustainability Reports which reaches all our customers.

Impact of engagement, including measures of success

The measure of success varies depending of the program and can include but is not limited to: people reached out through communication efforts or lectures; amount of energy saved, among others. As an example, in the United States, since 2009, AES Ohio customers saved enough energy to power over 150,000 homes for a year (the measure of success was achieved by increase the amount of energy savings).

In El Salvador, AES El Salvador has installed over 30500 efficient public lighting systems in the municipalities of Atiquizaya, Nejapa, Colón, Soyapango, Sonsonate, Ahuachapán, Santa Ana, Ciudad Barrios and San Bartolomé Perulapia, that has allowed its customers to saved over 3,100 MT of CO2. (the measure of success achieved by maintaining the increase in participating municipalities in the program every year and when customers can reduce consumption)

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?

Yes, climate-related requirements are included in our supplier contracts

C12.2a

(C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization's purchasing process and the compliance mechanisms in place.

Climate-related requirement

Complying with regulatory requirements

Description of this climate related requirement

Our Supplier Code of Conduct states that our suppliers: 1) must comply with all applicable laws. 2) shall act in accordance with the applicable statutory and international standards regarding environmental protection. 3) shall maintain work practices and environments that support sustainability. Our Suppliers shall provide solutions that support a sustainable social, economic, and environmental future.

(Please note that below in the values we wanted to include a range but the system is not allowing to)

% suppliers by procurement spend that have to comply with this climate-related requirement

50

% suppliers by procurement spend in compliance with this climate-related requirement

50

Mechanisms for monitoring compliance with this climate-related requirement

Supplier scorecard or rating

Other, please specify (Supplier code of conduct)

Response to supplier non-compliance with this climate-related requirement

Exclude

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

Yes, we engage directly with policy makers

Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact the climate

Yes, we fund organizations or individuals whose activities could influence policy, law, or regulation that may impact the climate

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

Yes

Attach commitment or position statement(s)

Statement available at: <https://www.aes.com/investors/governance/website-disclosure-political-activities>

AES' purpose is to accelerate the future of energy, together. In support of that purpose, AES engages in the political process and believes good government policy benefits all AES stakeholders including customers, employees and shareholders. We participate in the public policy process in the United States in a variety of ways including corporate government affairs programs designed to educate and inform elected officials on key public policy issues related to the company's business. AES' direct lobbying activities support our business objectives and carbon reduction targets, and are consistent with the goals of the Paris Agreement.

Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan

AES has an assigned team within the company to ensure our corporate strategy is well coordinated with executive leadership and consistently and effectively communicated to all businesses and external stakeholders. This leads to a common approach to multiple climate engagement activities across business divisions and geographies consistent with your strategy on climate change. The team assigned to this position is responsible for direct communications and interactions with policy makers and is the company contact for key industry organizations with a focus on climate policy such as Edison Electric Institute and The Business Roundtable, among others. All AES company-level policy setting with regards to greenhouse related issues includes this assigned person from our corporate offices in Arlington, VA. AES subsidiary businesses are expected to ensure local policy related activities are aligned with business objectives, climate related targets, and carried out in a coordinated fashion with the corporate office.

AES maintains memberships in trade and other associations which help advance our business objectives. AES maintains an active role in the trade associations in which we belong so that we may address any significant conflicts between our values and perspectives of the trade associations. We continuously monitor our membership in trade associations and the positions they endorse. If we identify any actual or potentially significant misalignment on these or other high-priority issues, we will advocate for our views within the trade association and, depending on the circumstances, we may publicly dissent from a trade association position. Before considering withdrawal from any trade association due to misalignment, we would consider the overall benefits from continued membership and the impact we can have from remaining in the association

Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

C12.3a

(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?

Specify the policy, law, or regulation on which your organization is engaging with policy makers

HR 5376 Inflation Reduction Act of 2022

Category of policy, law, or regulation that may impact the climate

Carbon pricing, taxes, and subsidies

Focus area of policy, law, or regulation that may impact the climate

Subsidies for renewable energy projects

Policy, law, or regulation geographic coverage

National

Country/area/region the policy, law, or regulation applies to
United States of America

Your organization's position on the policy, law, or regulation
Support with no exceptions

Description of engagement with policy makers
Direct lobbying activity with federally elected officials and administrative offices.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
<Not Applicable>

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?
<Not Applicable>

Specify the policy, law, or regulation on which your organization is engaging with policy makers
HR 3684 Infrastructure Investment and Jobs Act

Category of policy, law, or regulation that may impact the climate
Carbon pricing, taxes, and subsidies

Focus area of policy, law, or regulation that may impact the climate
Subsidies for renewable energy projects
Subsidies for low-carbon, non-renewable energy projects
Subsidies on infrastructure

Policy, law, or regulation geographic coverage
National

Country/area/region the policy, law, or regulation applies to
United States of America

Your organization's position on the policy, law, or regulation
Support with no exceptions

Description of engagement with policy makers
Direct lobbying activity with federally elected officials and administrative offices.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
<Not Applicable>

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?
<Not Applicable>

Specify the policy, law, or regulation on which your organization is engaging with policy makers
S 1298 Clean Energy for America Act

Category of policy, law, or regulation that may impact the climate
Carbon pricing, taxes, and subsidies

Focus area of policy, law, or regulation that may impact the climate
Subsidies for renewable energy projects

Policy, law, or regulation geographic coverage
National

Country/area/region the policy, law, or regulation applies to
United States of America

Your organization's position on the policy, law, or regulation
Support with minor exceptions

Description of engagement with policy makers
Direct lobbying activity with federally elected officials

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
Concerns that workforce requirements may not be reflective of available resources currently available in the labor market.

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?
<Not Applicable>

Specify the policy, law, or regulation on which your organization is engaging with policy makers
S.1017 Clean Hydrogen Production Incentives Act of 2021

Category of policy, law, or regulation that may impact the climate
Carbon pricing, taxes, and subsidies

Focus area of policy, law, or regulation that may impact the climate
Subsidies for renewable energy projects

Policy, law, or regulation geographic coverage

National

Country/area/region the policy, law, or regulation applies to

United States of America

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

Direct lobbying activity with federally elected officials and administrative offices.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

<Not Applicable>

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?

<Not Applicable>

Specify the policy, law, or regulation on which your organization is engaging with policy makers

S.627 Energy Storage Tax Incentive and Deployment Act of 2021

Category of policy, law, or regulation that may impact the climate

Carbon pricing, taxes, and subsidies

Focus area of policy, law, or regulation that may impact the climate

Subsidies for renewable energy projects

Policy, law, or regulation geographic coverage

National

Country/area/region the policy, law, or regulation applies to

United States of America

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

Direct lobbying activity with federally elected officials and administrative offices.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

<Not Applicable>

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?

<Not Applicable>

Specify the policy, law, or regulation on which your organization is engaging with policy makers

H.R. 848 GREEN Act of 2021

Category of policy, law, or regulation that may impact the climate

Carbon pricing, taxes, and subsidies

Focus area of policy, law, or regulation that may impact the climate

Subsidies for renewable energy projects

Policy, law, or regulation geographic coverage

National

Country/area/region the policy, law, or regulation applies to

United States of America

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

Direct lobbying activity with federally elected officials and administrative offices.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

<Not Applicable>

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?

<Not Applicable>

Specify the policy, law, or regulation on which your organization is engaging with policy makers

H.R. 1512 CLEAN Future Act

Category of policy, law, or regulation that may impact the climate

Carbon pricing, taxes, and subsidies

Focus area of policy, law, or regulation that may impact the climate

Subsidies for renewable energy projects

Policy, law, or regulation geographic coverage

National

Country/area/region the policy, law, or regulation applies to

United States of America

Your organization's position on the policy, law, or regulation

Support with minor exceptions

Description of engagement with policy makers

Direct lobbying activity with federally elected officials and administrative offices.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

Concerns that timetables for decarbonizing the electricity sector may not match up to plans already established by AES and concerns around market based trading program development.

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?

<Not Applicable>

Specify the policy, law, or regulation on which your organization is engaging with policy makers

H.R. 1684 Energy Storage Tax Incentive and Deployment Act of 2021

Category of policy, law, or regulation that may impact the climate

Carbon pricing, taxes, and subsidies

Focus area of policy, law, or regulation that may impact the climate

Subsidies for renewable energy projects

Policy, law, or regulation geographic coverage

National

Country/area/region the policy, law, or regulation applies to

United States of America

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

Direct lobbying activity with federally elected officials and administrative offices.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

<Not Applicable>

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?

<Not Applicable>

Specify the policy, law, or regulation on which your organization is engaging with policy makers

S. 2377 Energy Infrastructure Act

Category of policy, law, or regulation that may impact the climate

Carbon pricing, taxes, and subsidies

Focus area of policy, law, or regulation that may impact the climate

Subsidies for renewable energy projects

Policy, law, or regulation geographic coverage

National

Country/area/region the policy, law, or regulation applies to

United States of America

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

Direct lobbying activity with federally elected officials and administrative offices.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

<Not Applicable>

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?

<Not Applicable>

C12.3b

(C12.3b) Provide details of the trade associations your organization is a member of, or engages with, which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association

Edison Electric Institute (EII)

Is your organization's position on climate change policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

EII's position is that global climate change presents one of the biggest energy and environmental policy challenges this country has ever faced.

In January of 2021, EII issued a statement stating: "We support America rejoining the Paris Agreement. U.S. electric companies collectively have reduced their carbon emissions more than every nation in the world since 2010 and have achieved a 33-percent reduction from 2005 levels as of the end of 2019. That is a decade earlier than what was called for in the original U.S. commitment under the Paris Agreement. To achieve meaningful worldwide action on climate change, it is essential that we continue to engage in these global conversations and that we continue to build on the progress we already have made."

The CEO of AES is a member of the EII board and AES is actively involved in several energy and climate related committees. A key factor for his participation in the Executive Committee is the leadership he and AES have shown on clean energy and technology investments. Our CEO continuously works to forward EII's clean energy agenda and to do so safely, reliably and affordably.

This industry association works on a multitude of various issues important to the member companies, including climate related issues. We pay annual membership dues, however there is not a portion specifically designated for climate issues.

AES is part of EII because is the association that represents all U.S. investor-owned electric companies. Its members provide electricity for 220 million Americans and operate in all 50 states and the District of Columbia.

EII member companies are committed to addressing the challenge of climate change and have undertaken a wide range of initiatives over the last 30 years to reduce, avoid or sequester GHG emissions. Policies to address climate change should seek to minimize impacts on consumers and avoid harm to U.S. industry and the economy.

The CEO of AES is a member of the EII board and AES is actively involved in several energy and climate related committees.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)**Describe the aim of your organization's funding**

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify (American Clean Power Association)

Is your organization's position on climate change policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

ACP is a trade association of companies from across the clean power sector that are powering America's future and providing cost-effective solutions to the climate crisis while creating jobs, spurring massive investment in the U.S. economy, and driving high-tech innovation across the nation. ACP gives a voice to the renewable power sector to speak at a time when renewable investments can help rebuild our economy and address climate change.

Shortly after their formation in January 2021, ACP issued a statement after President Biden committed the U.S. to rejoining the Paris Climate Agreement.

"Climate change is a global threat that requires international collaboration to address, and American Clean Power applauds the Biden-Harris Administration for re-asserting America's place in the Paris Agreement."

Further, ACP issued the report, "A Majority Renewables Future," in March of 2021 conducted by Wood McKenzie highlighting the role that clean energy policies and programs can have in stimulating investment and creating jobs while helping meet the climate goals of the Paris agreement.

"In addition to reducing harmful air pollutants that can lead to asthma and other respiratory illness, this clean energy deployment will lower emissions from the electric sector by 76 percent below 2005 values, helping meet most of the target set under the Paris Agreement."

An AES Senior Executive sits on ACP's board and AES is actively involved in several ACP committees. A key factor in adding him to the Board is the leadership he and AES have shown on clean energy and technology investments. Our President continuously works to forward ACP's clean energy agenda and to do so safely, reliably and affordably.

This industry association works on a multitude of various issues important to the member companies, including climate related issues. We pay annual membership dues, however there is not a portion specifically designated for climate issues.

An AES Senior Executive sits on ACP's board and AES is actively involved in several ACP committees.

ACP's goal is to make clean energy the dominant electricity source in the United States by uniting the power of solar, wind, storage, and transmission companies along with manufacturers and construction companies, developers and owners/operators, utilities, financial firms, and corporate purchasers in the clean energy value chain.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)**Describe the aim of your organization's funding**

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Business Roundtable

Is your organization's position on climate change policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

In its September 2020 report, "Addressing Climate Change," BRT states that addressing climate change and its impacts demands a robust, coordinated effort with a sound policy portfolio. Business Roundtable CEOs called for a well-designed market-based mechanism and other supporting policies to provide certainty and unleash innovation to lift America toward a cleaner, brighter future. Specific to the Paris Agreement, the report states the following:

"Business Roundtable believes that to avoid the worst impacts of climate change, the world must work together to limit global temperature rise this century to well below 2

degrees Celsius above preindustrial levels, consistent with the Paris Agreement.”

The CEO of AES is active with BRT leadership and the company has engaged with BRT in the development of its climate policy.

This industry association works on a multitude of various issues important to the member companies, including climate related issues. We pay annual membership dues, however there is not a portion specifically designated for climate issues.

AES participates in BRT because it is an association of chief executive officers of America’s leading companies working to promote a thriving U.S. economy and expanded opportunity for all Americans through sound public policy. The CEO of AES is active with BRT leadership and the company has engaged with BRT in the development of its climate policy.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

Describe the aim of your organization’s funding

<Not Applicable>

Have you evaluated whether your organization’s engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Solar Energy Industries Association (SEIA)

Is your organization’s position on climate change policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization’s position is consistent with or differs from the trade association’s position, and any actions taken to influence their position

The Solar Energy Industries Association (SEIA) backed the Paris Agreement when it was signed in 2016 and continues to support this agreement and other global efforts to combat climate change.

The Vice President of External Affairs for AES’s U.S. renewables business is a member of the SEIA Board and AES is active on several committees.

This industry association works on a multitude of various issues important to the member companies, including climate related issues. We pay annual membership dues, however there is not a portion specifically designated for climate issues.

We are part of the SEIA as is the national trade association for the solar and solar + storage industries. SEIA, along with their members and allies across the energy system, have set an ambitious goal: solar energy will comprise 30% of all U.S. electricity generation by 2030.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

Describe the aim of your organization’s funding

<Not Applicable>

Have you evaluated whether your organization’s engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.3c

(C12.3c) Provide details of the funding you provided to other organizations or individuals in the reporting year whose activities could influence policy, law, or regulation that may impact the climate.

Type of organization or individual

Other, please specify (Industrial coalition)

State the organization or individual to which you provided funding

American Energy Action

Funding figure your organization provided to this organization or individual in the reporting year (currency as selected in C0.4)

500000

Describe the aim of this funding and how it could influence policy, law or regulation that may impact the climate

American Energy Action was formed with the purpose of educating the public and raising awareness of the issues impacting renewable energy, advocating for policies necessary for the economic, social, and environmental benefits of renewable energy, and holding elected officials and policy makers accountable for their positions on renewable energy issues

Have you evaluated whether this funding is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.4

(C12.4) Have you published information about your organization’s response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports

Status

Complete

Attach the document

2023-annual-report-wrap-10K_FINAL.pdf

Page/Section reference

Ambitions page 5 & 6 // Strategy page 15 and 16 of the PDF // RISK FACTORS page 68-89 of the pdf // GHG emissions totals Page 81 of the PDF

Content elements

Strategy
Risks & opportunities
Emissions figures
Emission targets

Comment

Publication

In voluntary sustainability report

Status

Underway – previous year attached

Attach the document

2021 Improving Lives report.pdf
2021 ESG Indicators.pdf

Page/Section reference

Pages 6-8
Pages 17-18

Content elements

Strategy
Emissions figures
Emission targets

Comment

C12.5

(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative framework, initiative and/or commitment	Describe your organization’s role within each framework, initiative and/or commitment
Row 1	Task Force on Climate-related Financial Disclosures (TCFD) UN Global Compact	TCFD - in 2018 we became supporters of the Task Force on Climate-related Disclosures (TCFD) and made a commitment to adopt the recommendations of the Task Force . Since then we have published two Climate Scenario Reports following TCFD recommendations. UN Global Compact - some of our businesses (Colombia, Dominican Republic, Panamá, Brasil, El Salvador) are signatories of UN Global Compact, and report in its Communication on Progress.

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity	Scope of board-level oversight
Row 1	Yes, both board-level oversight and executive management-level responsibility	The Governance Committee of the Board of Director is periodically review and oversee the Company’s programs, policies, and practices related to environmental and safety matters. The Committee shall be responsible for the periodic review and oversight of the Company’s environmental and safety programs, policies, and practices related to sustainability, climate change, and employee health and safety. The Committee shall also be responsible for the periodic review and oversight of the risks related to such environmental and safety matters. In addition, Environmental Managers are responsible for the compliance with applicable biodiversity issues including mitigation and monitoring plans, impact assessments, etc.	<Not Applicable>

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	Please select	<Not Applicable>	<Not Applicable>

C15.3

(C15.3) Does your organization assess the impacts and dependencies of its value chain on biodiversity?

Impacts on biodiversity

Indicate whether your organization undertakes this type of assessment

Value chain stage(s) covered

<Not Applicable>

Portfolio activity

<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity

<Not Applicable>

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)

<Not Applicable>

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment

Value chain stage(s) covered

<Not Applicable>

Portfolio activity

<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity

<Not Applicable>

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)

<Not Applicable>

C15.4

(C15.4) Does your organization have activities located in or near to biodiversity- sensitive areas in the reporting year?

Please select

C15.5

(C15.5) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity- related commitments
Row 1	Please select	<Not Applicable>

C15.6

(C15.6) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	Please select	Please select

C15.7

(C15.7) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
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C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Global ESG Director	Other, please specify (Global ESG Director)

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
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SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms