

# 2013 SUSTAINABILITY REPORT

## *GRI Supplement*



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This document is the Supplement to The AES Corporation's Annual Sustainability Report. Performance data and information contained in this Supplement focus on the company's operations in 2013.

This report has been prepared in accordance with the recommendations of the Global Reporting Initiative, version 4.0, and includes Electric Utility Sector Disclosures. We have chosen to prepare the report in accordance with the criteria listed under the "core" option. Specific Standard Disclosures and disclosures on material topics are addressed in "AES Sustainability Report 2013".

## Strategy and Analysis

### Organizational Profile

#### G4-6 Countries where AES operates

##### US SBU /GENERATION

Business	Location	Fuel	Gross MW	AES Equity Interest (Percent, Rounded)	Date of Acquisition or Commencement of Commercial Operations	Contract Expiration Date	Customer(s)	Proportional MW
Southland - Alamitos	US - CA	Gas	2,075	100	1998	2018	JP Morgan	2,075
Southland - Redondo Beach	US - CA	Gas	1,392	100	1998	2018	JP Morgan	1,392
Southland - Huntington Beach	US - CA	Gas	474	100	1998	2018	JP Morgan	474
Shady Point	US - OK	Coal	360	100	1991	2013	Oklahoma Gas & Electric	360
Buffalo Gap II <sup>1</sup>	US - TX	Wind	233	100	2007	2017	Direct Energy	233
Hawaii	US - HI	Coal	206	100	1992	2022	Hawaiian Electric Co.	206
Warrior Run	US - MD	Coal	205	100	2000	2030	First Energy	205
Buffalo Gap III <sup>1</sup>	US - TX	Wind	170	100	2008	2015	Direct Energy	170
Deepwater	US - TX	Pet Coke	160	100	1986			160
Beaver Valley	US - PA	Coal	132	100	1985			132
Buffalo Gap I <sup>1</sup>	US - TX	Wind	121	100	2006	2021	Direct Energy	121
Armenia Mountain <sup>1</sup>	US - PA	Wind	101	100	2009	2024	Delmarva & ODEC	101
Laurel Mountain	US - WV	Wind	98	100	2011			98
Mountain View I & II <sup>1</sup>	US - CA	Wind	67	100	2008	2021	Southern California Edison	67
Laurel Mountain ES <sup>2</sup>	US - WV	Energy Storage	64	100	2011			64
Mountain View IV	US - CA	Wind	49	100	2012	2032	Southern California Edison	49
Tait ES <sup>2</sup>	US - OH	Energy Storage	40	100	2013			40
Tehachapi	US - CA	Wind	38	100	2006	2015	Southern California Edison	38
Palm Springs	US - CA	Wind	30	100	2005	2015	Southern California Edison	30
<b>United States Subtotal</b>			<b>6,015</b>					<b>6,015</b>
<b>GENERATION - US TOTAL</b>			<b>6,015</b>					<b>6,015</b>

AES owns these assets together with third party tax equity investors with variable ownership interests. The tax equity investors receive a portion of the economic attributes of the facilities, including tax attributes, that vary over the life of the projects. The proceeds from the issuance of tax equity are recorded as non-controlling Interest in the Company's Consolidated Balance Sheet.

- <sup>1</sup> the economic attributes of the facilities, including tax attributes, that vary over the life of the projects. The proceeds from the issuance of tax equity are recorded as non-controlling Interest in the Company's Consolidated Balance Sheet.
- <sup>2</sup> Energy Storage MW are power plant equivalent dispatchable resource, including supply and load capability.

##### US SBU / UTILITIES

Business	Location	Type	Gross MW	AES Equity Interest (Percent, Rounded)	Approximate Number of Customers Served as of 12/31/2013	Approximate GWh Sold in 2013	Date of Acquisition	Proportional MW
DPL <sup>1</sup>	US - OH	Integrated	3,453	100	693,000	19,561	2011	3,453
IPL <sup>2</sup>	US - IN	Integrated	3,481	100	477,000	16,034	2001	3,481
<b>United States Subtotal</b>			<b>6,934</b>		<b>1,170,000</b>	<b>35,595</b>		<b>6,934</b>
<b>UTILITIES - US TOTAL</b>			<b>6,934</b>		<b>1,170,000</b>	<b>35,595</b>		<b>6,934</b>

- <sup>1</sup> DPL subsidiary DP&L has the following plants: Tait Units 1-3 and diesels, Yankee Street, Yankee Solar, Monument and Sidney. DP&L jointly-owned plants: Beckjord Unit 6, Conesville Unit 4, East Bend Unit 2, Killen, Miami Fort Units 7 & 8, Stuart and Zimmer. In addition to the above, DP&L, also owns a 4.9% equity ownership in OVEC, an electric generating company. OVEC has two plants in Cheshire, Ohio and Madison, Indiana with a combined generation capacity of approximately 2,109 MW. DP&L's share of this generation capacity is approximately 103 MW. DP&L plants: Tait Units 4-7 and Montpelier Units 1-4.
- <sup>2</sup> IPL plants: Eagle Valley, Georgetown, Harding Street and Petersburg.

ANDES SBU

Business	Location	Fuel	Gross MW	AES Equity Interest (Percent, Rounded)	Date of Acquisition or Commencement of Commercial Operations	Contract Expiration Date	Customer(s)	Proportional MW
Chivor	Colombia	Hydro	1,000	71	2000	Short-term	Various	710
<b>Colombia Subtotal</b>			<b>1,000</b>					<b>710</b>
Gener <sup>1</sup>	Chile	Hydro/Coal/Diesel/Biomass	985	71	2000	2014-2037	Various	699
Guacolda <sup>2</sup>	Chile	Coal/Pet Coke	608	35	2000	2015-2030	Various	213
Electrica Angamos	Chile	Coal	545	71	2011	2026-2037	Minera Escondida, Minera Spence, Quebrada Blanca	387
Electrica Santiago <sup>3</sup>	Chile	Gas/Diesel	479	71	2000			340
Gener - Norgener	Chile	Coal/Pet Coke	277	71	2000	2013-2037	Minera Escondida, Codelco, SQM, Quebrada Blanca	197
Electrica Ventanas <sup>4</sup>	Chile	Coal	272	71	2010	2025	Gener	193
Electrica Campiche <sup>5</sup>	Chile	Coal	272	71	2013	2020	Gener	193
Electrica Angamos ES <sup>6</sup>	Chile	Energy Storage	40	71	2011			28
Norgener ES (Los Andes) <sup>6</sup>	Chile	Energy Storage	24	71	2009			17
<b>Chile Subtotal</b>			<b>3,502</b>					<b>2,267</b>
TermoAndes <sup>7</sup>	Argentina	Gas/Diesel	643	71	2000	Short-term	Various	457
<b>Argentina Subtotal</b>			<b>643</b>					<b>457</b>
<b>AES GENER SUBTOTAL</b>			<b>5,145</b>					<b>3,434</b>
Alicura	Argentina	Hydro	1,050	100	2000		Various	1,050
Paraná-GT	Argentina	Gas/Diesel	845	100	2001	Short-term	Various	845
San Nicolás	Argentina	Coal/Gas/Oil	675	100	1993	Short-term	Various	675
Los Caracoles <sup>8</sup>	Argentina	Hydro	125	0	2009	2019	Energia Provincial Sociedad del Estado (EPSE)	0
Cabra Corral	Argentina	Hydro	102	100	1995		Various	102
Quebrada de Ullum <sup>8</sup>	Argentina	Hydro	45	0	2004		Various	0
Ullum	Argentina	Hydro	45	100	1996		Various	45
Sarmiento	Argentina	Gas/Diesel	33	100	1996	Short-term	Various	33
El Tunal	Argentina	Hydro	10	100	1995		Various	10
<b>Argentina Subtotal</b>			<b>2,930</b>					<b>2,760</b>
<b>GENERATION - ANDES TOTAL</b>			<b>8,075</b>					<b>6,194</b>

- Gener plants: Alfalfal, Laguna Verde, Laguna Verde Turbogas, Laja, Los Vientos, Maitenes, Queltehues, San Francisco de Mostazal, Santa Lidia, Ventanas and Volcan.
- Guacolda plants: Guacolda 1, Guacolda 2, Guacolda 3 and Guacolda 4.
- Electrica Santiago plants: Nueva Renca and Renca.
- Electrica Ventanas plant: Nueva Ventanas.
- Electrica Campiche plant: Ventanas IV.
- Energy Storage MW are power plant equivalent dispatchable resource, including supply and load capability.
- TermoAndes is located in Argentina, but is connected to both the SING in Chile and the SADI in Argentina.
- AES operates these facilities through management or O&M agreements and owns no equity interest in these businesses.

BRAZIL SBU / GENERATION

Business	Location	Fuel	Gross MW	AES Equity Interest (Percent, Rounded)	Date of Acquisition or Commencement of Commercial Operations	Contract Expiration Date	Customer(s)	Proportional MW
Tieté <sup>1</sup>	Brazil	Hydro	2,658	24	1999	2015	Eletropaulo	638
Uruguiana	Brazil	Gas	640	46	2000			294
<b>Brazil Subtotal</b>			<b>3,298</b>					<b>932</b>
<b>GENERATION - BRAZIL TOTAL</b>			<b>3,298</b>					<b>932</b>

- Tieté plants: Água Vermelha (1,396 MW), Bariri (143 MW), Barra Bonita (141 MW), Caconde (80 MW), Euclides da Cunha (109 MW), Ibitinga (132 MW), Limoeiro (32 MW), Mog-Guaçu (7 MW), Nova Avanhandava (347 MW), Promissão (264 MW), Sao Joaquim (3 MW) and Sao Jose (4 MW).

BRAZIL SBU / UTILITIES

Business	Location	Type	Approximate Number of Customers Served as of 12/31/2013	Approximate GWh Sold in 2013	AES Equity Interest (Percent, Rounded)	Date of Acquisition
Eletropaulo	Brazil	Distribution	6,682,000	46,216	16	1998
Sul	Brazil	Distribution	1,270,000	8,974	100	1997
<b>Brazil Subtotal</b>			<b>7,952,000</b>	<b>55,190</b>		
<b>UTILITIES - BRAZIL TOTAL</b>			<b>7,952,000</b>	<b>55,190</b>		

MCA&C SBU / GENERATION

Business	Location	Fuel	Gross MW	AES Equity Interest (Percent, Rounded)	Date of Acquisition or Commencement of Commercial Operations	Contract Expiration Date	Customer(s)	Proportional MW
Andres	Dominican Republic	Gas	319	100	2003	2018	Ede Este/Non-Regulated Users/Linea Clave	319
Itabo <sup>1</sup>	Dominican Republic	Coal	295	50	2000	2016	Ede Este/Ede Sur/Ede Norte/Quitpe	147
DPP (Los Mina)	Dominican Republic	Gas	236	100	1996	2016	Ede Este	236
<b>Dominican Republic Subtotal</b>			<b>850</b>					<b>702</b>
AES Nejapa	El Salvador	Landfill Gas	6	100	2011	2035	CAESS	6
<b>El Salvador Subtotal</b>			<b>6</b>					<b>6</b>
Mérida III	Mexico	Gas	505	55	2000	2025	Comision Federal de Electricidad	278
Termoelectrica del Golfo (TEG)	Mexico	Pet Coke	275	99	2007	2027	CEMEX	272
Termoelectrica del Peñoles (TEP)	Mexico	Pet Coke	275	99	2007	2027	Peñoles	272
<b>Mexico Subtotal</b>			<b>1,055</b>					<b>822</b>
Bayano	Panama	Hydro	260	49	1999	2030	Electra Noreste/Edemet/Edechi/Other	127
Changuinola	Panama	Hydro	223	89	2011	2030	AES Panama	198
Chiriqui - Esti	Panama	Hydro	120	49	2003	2030	Electra Noreste/Edemet/Edechi/Other	59
Chiriqui - Los Valles	Panama	Hydro	54	49	1999	2030	Electra Noreste/Edemet/Edechi/Other	26
Chiriqui - La Estrella	Panama	Hydro	48	49	1999	2030	Electra Noreste/Edemet/Edechi/Other	24
<b>Panama Subtotal</b>			<b>705</b>					<b>434</b>
Puerto Rico	US - PR	Coal	524	100	2002	2027	Puerto Rico Electric Power Authority	524
<b>Puerto Rico Subtotal</b>			<b>524</b>					<b>524</b>
<b>GENERATION - MCAC TOTAL</b>			<b>3,140</b>					<b>2,488</b>

<sup>1</sup> Itabo plants: Itabo complex (two coal-fired steam turbines and one gas-fired steam turbine).

MCA&C SBU / UTILITIES

Business	Location	Type	Approximate Number of Customers Served as of 12/31/2013	Approximate GWh Sold in 2013	AES Equity Interest (Percent, Rounded)	Date of Acquisition
CAESS	El Salvador	Distribution	567,000	2,142	75	2000
CLESA	El Salvador	Distribution	354,000	864	64	1998
DEUSEM	El Salvador	Distribution	72,000	123	74	2000
EEO	El Salvador	Distribution	277,000	526	89	2000
<b>El Salvador Subtotal</b>			<b>1,270,000</b>	<b>3,655</b>		
<b>UTILITIES - MCAC TOTAL</b>			<b>1,270,000</b>	<b>3,655</b>		

## EMEA / GENERATION

Business	Location	Fuel	Gross MW	AES Equity Interest (Percent, Rounded)	Date of Acquisition or Commencement of Commercial Operations	Contract Expiration Date	Customer(s)	Proportional MW
Maritza	Bulgaria	Coal	690	100	2011	2026	Natsionalna Elektricheska	690
St. Nikola	Bulgaria	Wind	156	89	2010	2024	Natsionalna Elektricheska	139
<b>Bulgaria Subtotal</b>			<b>846</b>					<b>829</b>
Kribi <sup>1</sup>	Cameroon	Gas	216	56	2013			121
Dibamba <sup>1</sup>	Cameroon	Heavy Fuel Oil	86	56	2009		SONEL	48
<b>Cameroon Subtotal</b>			<b>302</b>					<b>169</b>
Amman East	Jordan	Gas	380	37	2009	2033-2034	National Electric Power Company	141
<b>Jordan Subtotal</b>			<b>380</b>					<b>141</b>
Ust - Kamenogorsk CHP	Kazakhstan	Coal	1,354	100	1997	Short-term	Various	1,354
Shulbinsk HPP <sup>2</sup>	Kazakhstan	Hydro	702	0	1997	Short-term	Various	0
Ust - Kamenogorsk HPP <sup>2</sup>	Kazakhstan	Hydro	331	0	1997	Short-term	Various	0
Sogrinsk CHP	Kazakhstan	Coal	301	100	1997	Short-term	Various	301
<b>Kazakhstan Subtotal</b>			<b>2,688</b>					<b>1,655</b>
Elsta	Netherlands	Gas	630	50	1998	2018	Dow Benelux, Delta Nutsbedrijven, Essent Energy	315
<b>Netherlands Subtotal</b>			<b>630</b>					<b>315</b>
Ebute	Nigeria	Gas	294	95	2001		Power Holdings Company of Nigeria	279
<b>Nigeria Subtotal</b>			<b>294</b>					<b>279</b>
Kocaeli <sup>3</sup>	Turkey	Gas	158	50	2011	2016	Pirelli, Celikord, TEIAS	79
Bursa <sup>3</sup>	Turkey	Gas	156	50	2011		TEIAS, Steam Customers	78
Kepezkaya <sup>3</sup>	Turkey	Hydro	28	50	2010		TEIAS, Eltek	14
Kumkoy <sup>3</sup>	Turkey	Hydro	18	50	2011		TEIAS, Eltek	9
Damlapinar <sup>3</sup>	Turkey	Hydro	16	50	2010		TEIAS, Eltek	8
Istanbul (Koc University) <sup>3</sup>	Turkey	Gas	2	50	2011		Koc University, BEDAS	1
<b>Turkey Subtotal</b>			<b>378</b>					<b>189</b>
Ballylumford	United Kingdom	Gas	1,246	100	2010	2023	Power NI and Single Electricity Market (SEM)	1,246
Kilroot <sup>4</sup>	United Kingdom	Coal/Oil	662	99	1992		Single Electricity Market (SEM)	655
Drone Hill	United Kingdom	Wind	29	100	2012	2027	Statkraft GmbH	29
North Rhins	United Kingdom	Wind	22	100	2010	2024	E.ON UK Ltd	22
Sixpenny Wood	United Kingdom	Wind	20	100	2013			20
Yelvertoft	United Kingdom	Wind	16	100	2013			16
<b>United Kingdom Subtotal</b>			<b>1,995</b>					<b>1,988</b>
<b>GENERATION - EMEA TOTAL</b>			<b>7,513</b>					<b>5,565</b>

<sup>1</sup> Announced asset sale transaction on November 7, 2013.

<sup>2</sup> AES operates these facilities under concession agreements until 2017.

<sup>3</sup> Joint Venture with Koc Holding.

<sup>4</sup> Includes Kilroot Open Cycle Gas Turbine (OCGT).

## EMEA / UTILITIES

Business	Location	Type	Gross MW	AES Equity Interest (Percent, Rounded)	Approximate Number of Customers Served as of 12/31/2013	Approximate GWh Sold in 2013	Date of Acquisition	Proportional MW
SONEL <sup>1</sup>	Cameroon	Integrated	936	56	816,000	3,569	2001	524
<b>Cameroon Subtotal</b>			<b>936</b>		<b>816,000</b>	<b>3,569</b>		<b>524</b>
<b>Utilities - EMEA Total</b>			<b>936</b>		<b>816,000</b>	<b>3,569</b>		<b>524</b>

<sup>1</sup> SONEL plants: Bafoussam, Bassa, Djamboutou, Edéa, Lagdo, Limbé, Logbaba I, Logbaba II, Oyomabang I, Oyomabang II and Song Loulou, and other small remote network units. Announced asset sale transaction on November 7, 2013

## ASIA SBU

Business	Location	Fuel	Gross MW	AES Equity Interest (Percent, Rounded)	Date of Acquisition or Commencement of Commercial Operations	Contract Expiration Date	Customer(s)	Proportional MW
OPGC	India	Coal	420	49	1998	2026	GRID Corporation Ltd.	206
<b>India Subtotal</b>			<b>420</b>					<b>206</b>
Masinloc	Philippines	Coal	660	92	2008	Short-term	Various	607
<b>Philippines Subtotal</b>			<b>660</b>					<b>607</b>
Kelanitissa	Sri Lanka	Diesel	168	90	2003	2023	Ceylon Electricity Board	151
<b>Sri Lanka Subtotal</b>			<b>168</b>					<b>151</b>
<b>GENERATION - ASIA TOTAL</b>			<b>1,248</b>					<b>964</b>

## G4-8 Markets served, sectors served, and types of customers

Table 1 - Scale of AES' Strategic Business Units (SBU), businesses and revenue

Scale: Strategic Business Units	Businesses	Revenue (\$ billion)
Andes	15	\$2639
Brazil	4	\$5015
Mexico, Central America & Caribbean (MCAC)	13	\$2713
Europe, Middle East & Africa (EMEA)	21	\$1347
Asia	3	\$550
United States (US)	16	\$3630

AES is diversified across fuel sources, technologies and geographies. We generate and distribute electricity from thermal and renewable sources to help meet the world's changing energy needs. Our utilities power several diverse markets, from São Paulo, Brazil to Indianapolis, Indiana to Douala, Cameroon.

Table 2 - Electric Utility Profile Summary (by SBU)

Profile by SBU	Country / Business	Transmission Lines (Km) (High Voltage)		Distribution Lines (Km) (Low Voltage)	
		Overhead	Underground	Overhead	Underground
Andes	Chile	1,156	-	-	-
Brazil	Eletropaulo	1,614	191	41,497	-
	Sul	2,043	-	64,435	2532
	<b>TOTAL Brazil</b>	<b>3,657</b>	<b>191</b>	<b>105,932</b>	<b>2,532</b>
Mexico, Central America & Caribbean (MCAC)	El Salvador	-	-	35,919	64
Europe, Middle East & Africa (EMEA)	-	-	-	-	-
Asia	-	-	-	-	-
United States (US)	IPL	1,336	5	7,153	5,536
	DPL	2,951	4	10,554	3,536
	<b>TOTAL US</b>	<b>4,287</b>	<b>14</b>	<b>28,508</b>	<b>14,606</b>
<b>Total:</b>	<b>AES</b>	<b>9,100</b>	<b>205</b>	<b>170,359</b>	<b>17,202</b>

## G4-12 The AES Corporation Supply Chain

AES has three key areas that perform supply chain activities:

- Fuels
- Engineering and Construction Projects
- Global Supply Chain (non- fuel)

### The Fuels Group

AES has adopted a coordinated solid fuel procurement approach. This procurement protocol establishes general guidelines and procedures that allow every business to achieve the highest results through the use of risk assessment, hedging strategies, and procurement best practices. This function ensures knowledge transfer and transparency through a consolidated format while actively managing and coordinating the collaboration amongst all business units. This process maximizes cross-business synergies as well as captures market opportunities.

### Engineering and Construction

The Engineering and Construction Group is in the business of applying world class engineering and construction resources to complete projects safely, on time and within budget in order to provide high quality, competitively priced power plants and large scale alternative energy and infrastructure projects.

### Global Supply Chain

Our Global Supply Chain Group is responsible to create synergies by leveraging AES global spend as well as our relationships with the supply market. This group also coordinates the implementation of best practices in all our Strategic Business Units and identifies opportunities that can bring sustainably profitable results.

To that end our Global Supply Chain Management priorities are:

- Cost management
- Working capital optimization
- Process Improvement
- Supplier Relationship Management
- Supply Assurance & Risk Mitigation

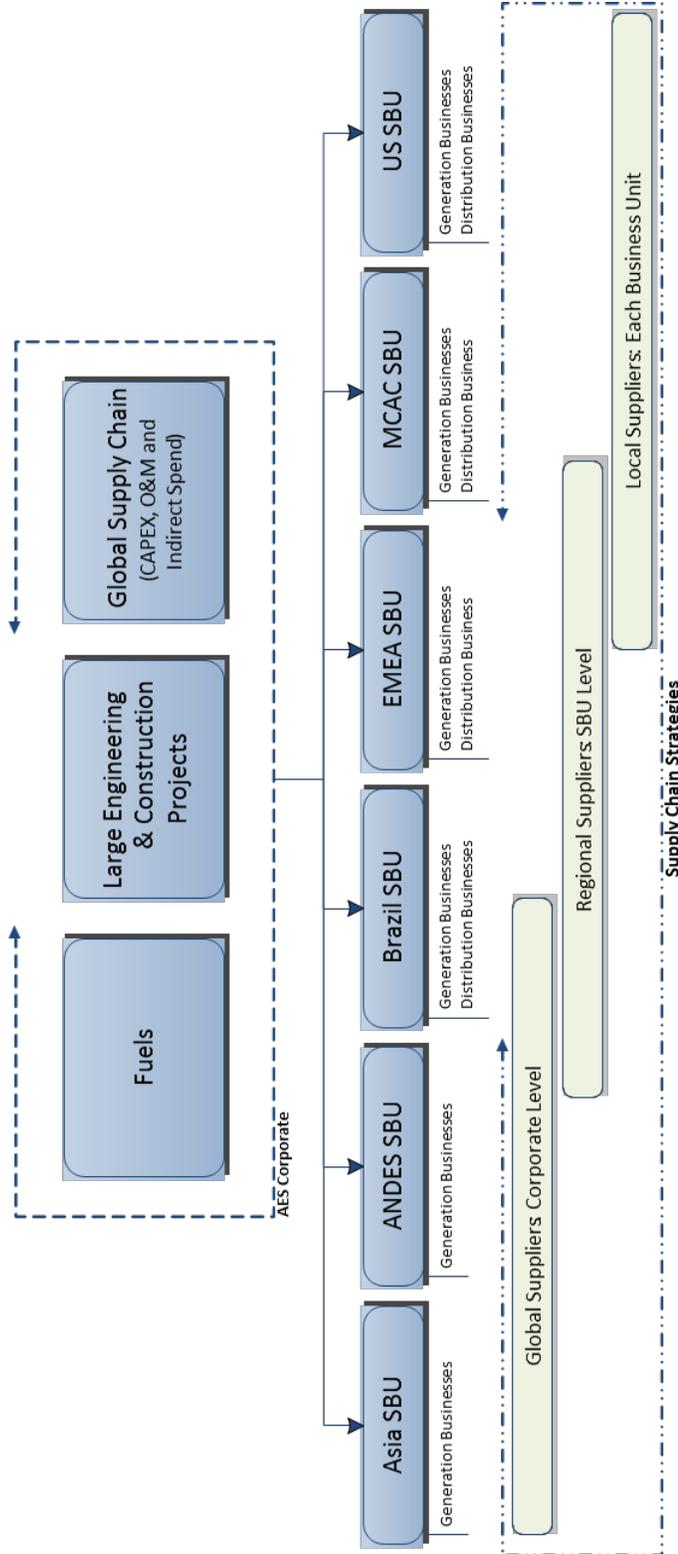
AES has a very diverse and unique portfolio of businesses and market environments. Despite the market and regulatory differences that exist across our many businesses, it is important that each business ensures that all of its procurement activities are carried out in complete alignment with AES values and operational standards.

The AES Supply Chain team is committed to establishing relationships with our businesses' suppliers under the highest standards of integrity, business ethics and compliance with local and international laws.

Our procurement guidelines define AES business practices and expectations worldwide. We promote a transparent and fair environment for potential suppliers to participate in our bidding processes. Together with our Ethics and Compliance Program, our safety and environmental guidelines and our local teams, we are able to ensure our process includes sustainable practices that support our environment, our stakeholders and the communities we serve.

Prior to agreement and throughout the duration of a contract, AES carefully monitors our suppliers' business practices to ensure they are compliant with our AES Code of Conduct, policies and guidelines. As part of our due diligence process we take notice and ensure that the selection of business partners, suppliers, and vendors follow the standards set forth in our Procure to Pay Policy.

# The AES Corporation Supply Chain Organization



PRINCIPAL SUPPLY CATEGORIES											
Fuel	Non-Fuel										
<ul style="list-style-type: none"> <li>Coal</li> <li>Natural Gas</li> <li>Diesel</li> <li>Freight</li> </ul>	<table border="1"> <thead> <tr> <th>Generation</th> <th>Distribution</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> <li>turbines, generators, engineering services, emission control, cooling towers, pumps, compressors, boilers</li> <li>large transformers, chemicals, water treatment and fuel handling</li> </ul> </td> <td> <ul style="list-style-type: none"> <li>meters, cables, poles, grid hardware and major field operations services such as network construction and maintenance, meter reading, invoice printing, etc.</li> <li>We also manage categories such as IT hardware, software, IT consulting, telecom, facilities fleet management, logistics and transportation</li> </ul> </td> </tr> </tbody> </table>	Generation	Distribution	<ul style="list-style-type: none"> <li>turbines, generators, engineering services, emission control, cooling towers, pumps, compressors, boilers</li> <li>large transformers, chemicals, water treatment and fuel handling</li> </ul>	<ul style="list-style-type: none"> <li>meters, cables, poles, grid hardware and major field operations services such as network construction and maintenance, meter reading, invoice printing, etc.</li> <li>We also manage categories such as IT hardware, software, IT consulting, telecom, facilities fleet management, logistics and transportation</li> </ul>						
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\*varies depending on the category of material and services supplied

Figure 1 - AES Corporation Supply Chain

## Commitments to External Initiatives

### G4-14 AES's approach to addressing potential environmental challenges under the precautionary approach

AES' management approach to environmental issues is embodied in our third foundational principle to make decisions on additional expenditures considering the term "environment" as broadly defined to include the external surroundings or conditions within which people live, including ecological, economic, social and all other factors that determine quality of life and standard of living.



Figure 2 - AES' Four Guidelines of Environmental Management

Some AES businesses in four countries, representing 49% of the AES global workforce, are signatories and active participants to the UN Global Compact Principles and have adopted the Ten Principles with respect to Human Rights, Labor, Environment and Anti-Corruption.

### G4-15 External charters, principles, or other initiatives endorsed by AES

AES and its subsidiaries have adopted many external charters and principles important in addressing economic, environmental and social issues.

We follow the guidelines of the Equator Principles on new development and acquisitions and several of our businesses are signatories to the United Nations Global Compact. We have adopted the Occupational Health and Safety Assessment Series, OHSAS 18001, for our health and safety management systems at all our businesses. We also subscribe to voluntary international standards and certifications including ISO 14000, Environmental Management Systems and ISO 9000, Quality Management Systems.

## **G4-16 List memberships of associations and advocacy organizations**

AES considers membership in associations and advocacy groups important in achieving our strategic goals. Following are the associations in which the company participates:

### **Edison Electric Institute (EEI)**

The Edison Electric Institute (EEI) is the association that represents all U.S. investor-owned electric companies. Organized in 1933, EEI provides public policy leadership, strategic business intelligence, and essential conferences and forums. EEI membership is important to better understanding and addressing the aspects of our industry important to our stakeholders. Our CEO is a member of the governance body and AES staff is encouraged to participate in programs related to reliability, the environment, cyber security, energy efficiency, federal regulation and more.

### **North American Electric Reliability Corporation (NERC)**

The NERC is a not-for-profit entity whose mission is to ensure the reliability of the Bulk-Power System in North America. NERC develops and enforces Reliability Standards; annually releases seasonal and long-term reliability; monitors the Bulk Power System through system awareness; and educates, trains, and certifies industry personnel.

### **Carbon Disclosure Project (CDP)**

For the past years AES has voluntarily participated in disclosing information pertaining to our greenhouse gas (GHG) emissions from all our global operations. Starting 2014, AES will also to CDP's water program.

### **Trust for the Americas**

The Trust for the Americas is a non-profit organization associated with the Organization of American States (OAS). In collaboration with its member countries, the private sector, and civil society, the Trust provides technical, financial, and human resources to build the capacities of marginalized groups throughout the Americas, focusing specifically on generating economic opportunity and fostering inclusive and safe communities. AES has partnered with the Trust to develop a joint educational program (AES POETA Jóvenes) in six countries in Latin American.

### **Council of the Americas**

The Council of the Americas (COA) is the premier international business organization whose members share a common commitment to economic and social development, open markets, the rule of law, and democracy throughout the Western Hemisphere. AES' CEO is on the organization's Board of Directors. Further, many AES Executives are engaged in key initiatives developed by the COA across the Hemisphere.

### **Institute of the Americas**

For 25 years, the Institute of the Americas (IA) has been at the forefront of U.S.-Canada-Latin America cooperation, working with the public and private sectors to encourage investment and information-sharing in energy and technology markets. The primary focus of the Institute's programs is energy, climate change and clean technology development. The AES COO holds a position on the Board of Directors. AES executives participate as speakers in the conferences organized by the Institute.

### **Business Council for International Understanding (BCIU)**

BCIU provides an ongoing forum for senior business executives to interact with heads of

state/government, cabinet ministers, and senior government officials. Since its inception in 1955, the BCIU has been a neutral, results-oriented partner, facilitating dialogue and alliances between world businesses and political leaders. BCIU coordinated several strategic meetings and gatherings with key players on the global stage. AES also holds a position on the BCIU Board of Directors.

### **The Corporate Council on Africa**

The Corporate Council on Africa (CCA) is a nonprofit, membership-based organization established in 1993 to promote business and investment between the United States and the nations of Africa. The Corporate Council works closely with governments, multilateral groups and businesses like AES Corporation to improve the continent's trade and investment climate and to raise Africa's profile. AES' COO holds a position on the CCA Board of Directors.

### **Business Round Table**

Business Roundtable (BRT) is an association of chief executive officers of leading U.S. companies working to promote sound public policy and a thriving U.S. economy. Established in 1972, Business Roundtable applies the expertise and experience of its CEO members to the major issues facing the nation. Through research and advocacy, Business Roundtable promotes policies to improve U.S. competitiveness, strengthen the economy, and spur job creation. AES' CEO is a participant member of the association.

### **United States Energy Association**

The United States Energy Association (USEA) is the U.S. Member Committee of the World Energy Council (WEC). USEA is an association of public and private energy-related organizations, corporations, and government agencies. USEA represents the broad interests of the U.S. energy sector by increasing the understanding of energy issues, both domestically and internationally. USEA supports the mission of the World Energy Council, "to promote the sustainable supply and use of energy for the greatest benefit of all." AES' COO is part of the Board of Directors.

## **Identified Material Aspects and Boundaries**

### **G4-17 Entities included in financial reporting**

The entities included in The AES Corporation's consolidated financial statements are listed in The 2013 AES Corporation Annual Report which is publically available on the AES website.

### **G4-18 Process for defining report content and Aspect boundaries and report content**

Our aim is to communicate with our many different stakeholders about issues that are important to them. We recognize that in addition to the financial performance information available through SEC disclosures, our stakeholders are interested in how we manage various sustainability aspects of our business and what our performance has been. In addition to the financial community, we recognize that employees, customers, local policymakers, nongovernmental organizations (NGOs), industry organizations and observers, as well as neighbors at our locations, are all our AES stakeholders.

To develop this report, we followed Global Reporting Initiative, G4 guidelines in identifying "material"

aspects that are significant for our business and for our stakeholders.

We consider material aspects and topics as those that reflect AES’ significant economic, environmental, or social impacts and those aspects and topics that substantially influence the assessments and decisions of stakeholders. We considered a set of potentially material aspects and topics that we initially identified and evaluated using various sources including research of industry sector sustainability issues, analysis of issues confronting our peers in the utility industry, media coverage of AES businesses and issues of interest, changes or potential changes in laws and regulation, and feedback received from customers, civil society, regulators and other stakeholders through our stakeholder engagement process. We also considered issues identified via our internal risk management program. Through this process we identified over 50 relevant topics.

The process of defining material aspects was led by a Steering Committee of executives from across the business and approved by the CEO. It is our intention that this process will serve as a model for guiding our continuing sustainability programs and the associated reports and disclosures.

### G4-19 Material Aspects and boundaries

The process described above resulted in the material aspects discussed in this report.

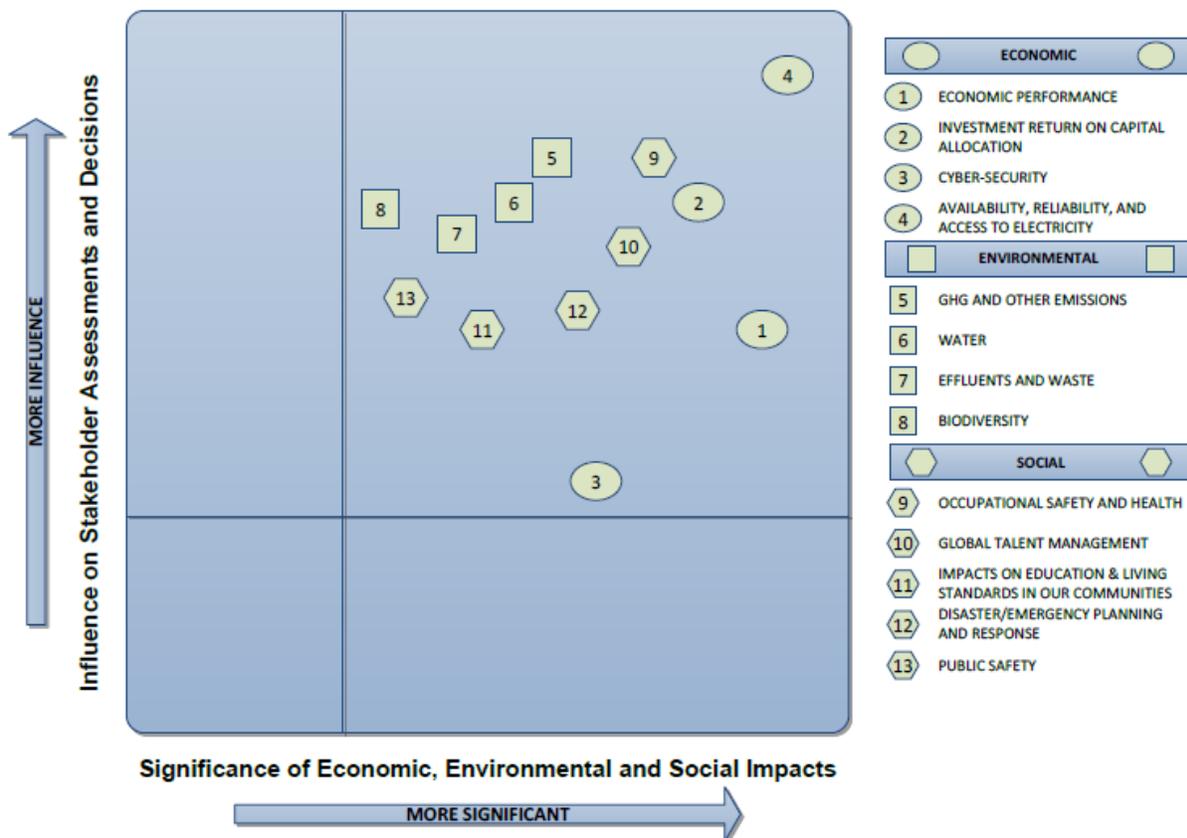


Figure 3 - Material aspects highlighted in this report

## G4-20 Aspect boundaries

Boundaries for each material aspect are listed in Figure 12 Aspect boundary for material aspects within AES.

Material Aspect	Boundary Within AES						
	SBU						CORPORATE
	ANDES	ASIA	BRAZIL	EMEA	MCAC	US	
Economic Performance	X	X	X	X	X	X	X
Investment Return on Capital Allocation							X
Availability, Reliability, and Access to Electricity	X	X	X	X	X	X	X
GHG and other Emissions	X	X	X	X	X	X	
Water	X	X	X	X	X	X	
Effluents and Waste	X	X	X	X	X	X	
Biodiversity	X	X	X	X	X	X	
Cyber-security	X	X	X	X	X	X	X
Occupational Safety and Health	X	X	X	X	X	X	X
AES Global Talent Management	X	X	X	X	X	X	X
Impacts on Education and Living Standards in our Communities	X	X	X	X	X	X	X
Disaster/Emergency Planning and Response	X	X	X	X	X	X	X
Public Safety	X	X	X	X	X	X	X

Figure 4 - Aspect boundary for material aspects within AES

## G4-21 Aspects material outside the organization

Boundaries for each material aspect outside the organization are listed in Figure 13 Aspect boundary for material aspects outside AES.

Material Aspect	Boundary Outside AES						
	Suppliers	Community	Regulators	Investors	NGOs	Partners	Customer
Economic Performance	X	X		X			
Investment Return on Capital Allocation				X			
Availability, Reliability, and Access to Electricity	X	X	X	X		X	X
GHG and other Emissions	X	X	X		X		
Water	X	X	X		X		
Effluents and Waste	X	X	X		X		
Biodiversity	X	X	X	X	X		
Cyber-security	X	X				X	X
Occupational Safety and Health		X					
AES Global Talent Management		X					
Impacts on Education and Living Standards in our Communities	X	X			X		
Disaster/Emergency Planning and Response	X	X	X	X		X	
Public Safety	X	X	X				X

Figure 5 - Aspect boundary for material aspects outside AES

## **G4-22 Effect of restatements**

There are no restatements to report.

## **G4-23 Significant changes in Scope and Aspect Boundaries**

We have not identified significant changes from previous reports.

## **Report Profile**

### **G4-29 Date of most recent report**

The most recent report is the 2012 AES Sustainability Report

### **G4-30 Reporting Cycle**

This report is issued on an annual basis.

### **G4-31 Contact point for questions regarding the report or its content**

Contact information for comments or feedback on this sustainability report and any other inquiry related to The AES Corporation can be found at <http://www.aes.com/contact-us/default.aspx>

### **G4-32 GRI content index**

The report has been prepared in accordance with the recommendations of the Sustainability Reporting Guidelines, version 4.0, of the Global Reporting Initiative (GRI Guidelines) published in May 2013. We have chosen to prepare the report in accordance with the criteria listed under the “core” option and include responses to guidance from the Electric Utility Sector Disclosures. We have also responded to several aspects and disclosures listed under the “comprehensive” option.

## Specific Standard Disclosures for “in accordance - CORE”

<b>Material Aspects</b>	<b>DMA and Indicators</b>		<b>Omissions</b>	<b>External Assurance</b>
	Page(s) Report	Supplement		
Availability, Reliability and Access to Electricity	DMA EU28 EU29 EU30	10 14 13 12		
Disaster/Emergency Planning and Response	DMA	18		
Economic Performance	DMA G4-EC1	8 8		
Investment Return on Capital Allocation	DMA	8		
Environmental Performance	DMA	20		
Environmental Management: GHG and Other Emissions	DMA G4-EN15 G4-EN16 G4-EN17 G4-EN18 G4-EN19 G4-EN21	21 22 24 24 22 26 24		Lloyd’s Register Quality Assurance Inc. Limited assurance
Environmental Management: Water	DMA G4-EN8 G4-EN9 G4-EN10	27 28 28 28		Lloyd’s Register Quality Assurance Inc. Limited assurance
Environmental Management: Effluents and Waste	DMA G4-EN22 G4-EN23 G4-EN24	29 29 29 30		Lloyd’s Register Quality Assurance Inc. Limited assurance
Environmental Management: Biodiversity	DMA	31		
Cyber-security	DMA	17		
Stakeholder Engagement	DMA G4-25 G4-26 G4-27	33 33 33 33		
Impacts on Education and Living Standards in our Communities	DMA	36		
Public Safety	DMA EU25	38 38		
Occupational Safety and Health	DMA G4-LA5 G4-LA6 G4-LA8	45 55 49, 50 45		Lloyd’s Register Quality Assurance Inc. Limited assurance
Global Talent Management	DMA G4-LA9 G4-LA10 G4-LA11	40, 41 41 41 41		

## **G4-33 External Assurance**

The financial aspects included in this report are based upon externally audited financial statements by Ernst & Young, the corporation's existing financial auditor. All entities identified within the 2013 AES Annual Report are also covered in this report which is publically available on the AES website.

For the EHS aspects, AES used the services of Lloyd's Register Quality Assurance Inc. (LRQA) to conduct a limited assurance of the following 2013 data:

- air emissions (refer to page 26)
- water withdrawal and discharge (refer to page 28)
- CCP generation and recycle/reuse (refer to page 28)
- LTIR for AES people and contractors(refer to page 28)

In addition, much of the critical information provided in this report has been assured via external and internal groups. The internal organizations selected to perform assurance on specific topics are independent of the AES business units they review and are specialized in the subject area

Other measures used to ensure the validity of the information provided in this report include: certified registrars validate and certify our operations to various quality, environmental, six sigma and safety standards (e.g., ISO 9000, ISO 14001 and OHSAS 18001).

## **Governance**

### **G4-34 Governance structure of the organization, including committees**

The AES Corporation is led and managed by our CEO and the executive management team with the guidance and oversight of our Board of Directors. All our actions, including those of AES leadership and the Board, are grounded in the five shared values that shape the company's culture: Put Safety First, Act with Integrity, Honor Commitments, Strive for Excellence, and Have Fun Through Work.

The business and affairs of the Company are subject to the direction and oversight of the Board. The Board's and the Company's goals are to help meet the world's need for electric power in ways that benefit all of our stakeholders, to build long-term value for the Company's shareholders, and to assure sustained performance and viability of the Company for its owners, employees and other individuals and organizations who depend on the Company.

To achieve these goals, the Board will monitor both the performance of the Company (in relation to its goals, strategy and competitors) and the performance of the Chief Executive Officer and other senior management, and provide them constructive advice and feedback. The Board is also responsible for assuring that the Company's management and employees operate in a legal and ethically responsible manner, which includes a responsibility to ensure that adequate procedures and controls are in place to foster compliance with applicable laws, rules and regulations governing the Company's businesses.

When it is appropriate or necessary, it is the Board's responsibility to remove the Chief Executive Officer and to select his or her successor. The Board is authorized to retain outside advisors as necessary and appropriate to assist the Board.

#### **G4-35 Delegation of authority to senior executives and employees**

Our Senior Executives maintain responsibility for day to day management of the Company with oversight by the Board of Directors. The principal officers of the Corporation are elected by the Board of Directors and each such officer shall hold office until his successor is elected and qualified, or until his earlier death, resignation or removal.

#### **G4-36 Executive-level position or positions with responsibility for economic, environmental and social topics**

AES has not appointed one individual responsibility for economic, environmental and social topics. Rather, several executive positions at the corporate and business functional levels have been established and report to the Executive Leadership Team (ELT) to manage key economic, environmental and social aspects of the Company. For example, the Chief Ethics and Compliance Officer (CECO) focuses on ethics, compliance and values, the Chief Risk Office (CRO) reports potential risk to the ELT and Board, the VP of Stakeholder Management is responsible for interactions with stakeholders with a focus on governmental officials and local communities. The ELT reports to the Board in a series of formal and informal meetings each year.

#### **G4-38 Composition of the Board and its committees**

As of December 31, 2013, our Board was comprised of 12 members (See AES 2014 Proxy Statement, p. 8). Ten members, including the Chairman, are independent. One member is an Executive Director (AES CEO), and one member is a non- executive director.

In 2013, the Board added two new members and one long standing member resigned. At one point, the Board consisted of 13 members, but at the end of 2013, there were 12 members on the Board of Directors.

A number of our independent Board members are currently serving or have served as Directors or as members of senior management of other public companies. We have four Board Committees, three of which are comprised solely of independent Directors, each with a different independent Director serving as Chairman of the Committee. We believe that the number of independent experienced Directors that make up our Board, along with the independent oversight of the Board by the non-executive Chairman, benefits our Company and our Stockholders.

The Board and its Committees provide oversight of the risk management practices implemented by Management. AES Management is responsible for the management and assessment of risk at the Company, including communication of the most material risks to the Board and its Committees.

The Audit Committee maintains initial oversight of risks related to the integrity of the Company's financial statements; internal controls over financial reporting and disclosure controls and procedures (including the performance of the Company's internal audit function); the performance of the independent auditor; and the effectiveness of the Company's Ethics and Compliance Program.

The Company's Nominating Committee maintains initial oversight of risks related to workplace safety and cyber security, and our subsidiaries' continuing efforts to ensure compliance with the best practices in these areas. When appropriate, the Nominating Committee also receives environmental reports regarding our subsidiaries' compliance with environmental laws and their efforts to ensure continuing compliance with governing laws and regulations.

The Company's Compensation Committee maintains initial oversight over risks related to the Company's compensation practices, including hiring and retention, succession planning (approved by the full Board), and training of employees.

The Strategy and Investment Committee maintains initial oversight over risks related to our overall strategic plans and capital deployment in the context of our corporate strategy.

#### **G4-39 Report whether the Chair of the Board is also an executive officer**

Our Corporate Governance Guidelines provides for the separation of the offices of the Chairman of the Board ("Chairman") and CEO. If the Chairman is independent, he or she will also serve as Lead Independent Director. Since 1993, we have separated the offices of Chairman and CEO. Since 2003, our Chairman has been an independent Director who has also acted as Lead Independent Director. Our current structure, which includes an independent Chairman serving as Lead Independent Director, helps ensure independent oversight over the Company.

#### **G4-40 Nomination and selection processes for Board and its committees, and the criteria used for nominating and selecting highest governance body members**

The Nominating Committee charter requires that the Nominating Committee review the composition of the Board to ensure it has the "appropriate balance" of attributes such as knowledge, experience, diversity and other attributes. Furthermore, the Company's Corporate Governance Guidelines establish that the size of the Board shall be nine to twelve members, a range which "permits diversity of experience without hindering effective discussion or diminishing individual accountability."

Director nominees are selected on the basis of, among other things, experience, knowledge, skills, expertise, integrity, ability to make independent analytical inquiries, understanding the Company's global business environment and willingness to devote adequate time and effort to Board responsibilities so as to enhance the Board's ability to oversee and direct the affairs and business of the Company.

Consistent with these governing documents, both the Nominating Committee and the full Board seek Director Nominees with distinct professional backgrounds, experience and perspectives so that the Board as a whole has the range of skills and viewpoints necessary to fulfill its responsibilities. As part of our annual Board self-evaluation process, the Board evaluates whether or not the Board as a whole has the skills and backgrounds for the current issues facing the Company. The Board also evaluates its effectiveness with regard to specific areas of expertise.

The Nominating Committee is responsible for assessing the appropriate balance of criteria required of Board members and to review annually such assessment with the Board.

#### **G4-41 Processes for the Board to ensure conflicts of interest are avoided and managed.**

Each year the Board and ELT are required to complete Director and Officer (D&O) Questionnaires designed to provide information about executive compensation, securities ownership, outside board memberships, potential related-person transactions and insider transactions which permits the Company to confirm the accuracy of its disclosure in its Form 10-K and Proxy Statement. In addition,

from the economic perspective, the AES Corporation hired Ernst & Young as the company's principle accounting firm.

#### **G4-42 Board and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts**

The Executive Leadership Team promotes the Company's mission and branding efforts. The Strategy and Investment Committee maintains initial oversight over risks related to our overall strategic plans and capital deployment in the context of our corporate strategy. The purpose of the committee is to focus on the evaluation of the Company's strategic plans. Finally, the Nominating Committee considers governance, social responsibility and cyber security issues relating to the Board and the Company and considers the scope of the Company's internal environmental and safety audit programs.

#### **G4-43 Report the measures taken to develop and enhance the Board's collective knowledge of economic, environmental and social topics**

During each Board Meeting, Management provides regular updates on Risk, Safety and Environment, Operations, Finance, Compliance, Dispute Resolution, Strategy and other matters. The Board also receives a bi-monthly Reading Materials briefing designed to provide insights into the external factors affecting the Company's businesses across the globe.

Management from time to time will provide educational sessions and site visits for Board members on a wide range of topics.

#### **G4-44 Evaluation of the Board's performance with respect to governance of economic, environmental and social topics.**

The Nominating Committee is responsible for assessing the appropriate balance of criteria required of Board members and to review annually such assessment with the Board. Two members of the Nominating Committee process the Board's yearly Self-Assessment. They request that all members of the Board complete and return the Questionnaire and they also follow up with each Board member to conduct an oral interview. From these sources, they quantitatively summarize responses and produce a final report which is shared with the full Board in February and where the Board participates in a discussion regarding the results.

#### **G4-45 Board's role in the identification and management of economic, environmental and social impacts, risks, and opportunities.**

Our Management is responsible for the management and assessment of risk at the Company, including communication of the most material risks to the Board and its Committees, who provide oversight over the risk management practices implemented by Management. The Chief Risk Officer provides regular reports and updates to the Board. Our full Board provides oversight with respect to risk management, except for the oversight of risks that have been specifically delegated to a Committee of the Board.<sup>3</sup> Our Stakeholder Management Team supports our strategic objectives by interpreting and influencing both external and internal environments by creating positive relationships with stakeholders through appropriate management of their expectations and agreed objectives.

#### **G4-46 Board's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics**

The Board and its Committees provide oversight over the risk management practices implemented by Management. AES Management is responsible for the management and assessment of risk at the Company, including communication of the most material risks to the Board and its Committees.

The Audit Committee maintains initial oversight over risks related to the integrity of the Company's financial statements; internal controls over financial reporting and disclosure controls and procedures (including the performance of the Company's internal audit function); the performance of the independent auditor; and the effectiveness of the Company's Ethics and Compliance Program.

The Company's Nominating Committee maintains initial oversight over risks related to workplace safety and cyber security, and our subsidiaries' continuing efforts to ensure compliance with the best practices in these areas. When appropriate, the Nominating Committee also receives environmental reports regarding our subsidiaries' compliance with environmental laws and their efforts to ensure continuing compliance with governing laws and regulations.

The Company's Compensation Committee maintains initial oversight over risks related to the Company's compensation practices, including practices related to hiring and retention, succession planning (approved by the full Board), and training of employees.

The Strategy and Investment Committee maintains initial oversight over risks related to our overall strategic plans and capital deployment in the context of our corporate strategy.

#### **G4-47 Frequency of the Board's review of economic, environmental and social impacts, risks, and opportunities**

The AES Board convened thirteen times in 2013, including eight telephonic. Board Committees held the following number of meetings in 2013:

- Audit Committee—ten;
- Compensation Committee—seven;
- Strategy and Investment Committee—five; and
- Nominating Committee—seven.

#### **G4-48 Highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered**

The Company's Nominating Committee maintains oversight over the issuance of The AES Corporation Sustainability Report. The Nominating Committee also receives environmental reports regarding subsidiaries' compliance with environmental laws and their efforts to ensure continuing compliance with governing laws and regulations.

On an annual basis, the AES Sustainability Steering Committee, made up of executives from various functional areas, presents the Sustainability Report to the Nominating Committee of the Board of Directors for their consideration and presentation to the full Board for final review and approval.

#### **G4-49 Process for communicating critical concerns to the Board**

AES has established various means of communication for stakeholders to address the Board with their concerns including secure voice mail and e-mail. Also, the process for presenting Stockholder proposals and nominations for Director are included in our Proxy Statement.

#### **G4-51 Remuneration policies for the Board and senior executives**

Director compensation and that of senior executives is defined in the annual Proxy Statement, which can be accessed on the AES website, [www.aes.com](http://www.aes.com).

### **Ethics and Integrity**

#### **G4-56 Values, code of conduct and ethics and compliance program**

AES operates under a broad range of economic, political, social and cultural customs and traditions, and an equivalent variety of local, regional and international laws and regulations. These situations can pose challenges and we believe it is our duty and responsibility to conduct business with the highest level of integrity, ethics, and compliance in all situations.

As part of our commitment to integrity, AES has a Code of Conduct and a well-defined Ethics and Compliance Program (E&C Program) that encourages internal and external stakeholders to bring matters of concern to the company's attention for prompt resolution. Ethics and Compliance, and appropriate business behavior, are reinforced through policies, procedures, training, communications, reporting mechanisms, and the handling of investigations. Our people and stakeholders are empowered with a strong sense of ownership and accountability for their work. We expect each person to adhere fully to our core corporate Values as described in the Code of Conduct.

Our Code of Conduct communicates our adherence to high ethical standards and how these connect to our core AES Values. The AES Code of Conduct is available at [www.aes.com](http://www.aes.com).

The AES Ethics and Compliance (E&C) Program is implemented by the Chief Ethics and Compliance Officer (CECO), who is appointed by the AES Board of Directors, reports directly to the Audit Committee, and is a member of senior management. Representatives of the E&C Program are located in corporate headquarters and throughout AES business locations globally. The AES Ethics and Compliance Team regularly communicates with employees through regular E&C training and an AES Ethics & Compliance Newsletter which is sent to all AES People and posted on the AES Intranet.

#### **G4-57 Internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity**

AES maintains an open door policy and encourages its employees to discuss questions or concerns with management, the Ethics & Compliance Officers, or other appropriate AES personnel.

In addition, AES maintains a Helpline that is a confidential resource for AES employees, contractors, business partners and others to ask questions or report concerns regarding AES business conduct. The AES Helpline is accessible 24 hours per day, 7 days per week via the AES Helpline website ([www.aeshelpline.com](http://www.aeshelpline.com)) or via toll free telephone lines in all countries where AES conducts business.

Reports to the AES Helpline may be made anonymously, and both the website and the telephone lines are available in multiple languages. The AES Helpline is operated by a third-party provider and all reports to the AES Helpline are recorded and followed-up on or investigated by AES Ethics & Compliance Department personnel, with support from other AES departments as appropriate.

#### **G4-58 Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity**

AES employees, contractors, business partners and others are encouraged to report concerns or alleged improper behavior directly to their manager, or local Compliance Officer. In addition, as referenced above, the AES Helpline is available 24 hours per day, 7 days a week for confidential and anonymous reporting of concerns. All allegations of improper conduct are fully investigated by Ethics & Compliance Department personnel, with support from other AES departments as appropriate. When an allegation is substantiated or the investigation reveals potential improvements in policies or procedures, E&C personnel work with management to take remedial action. AES will not tolerate retaliation against any AES person for raising questions or making a good faith report of improper behavior. We provide a summary report of all inquiries and allegations made to the AES Helpline to the Financial Audit Committee of the AES Board of Director at each scheduled committee meeting.

## **Assurance Statement related to Greenhouse Gas Emissions Inventory and Greenhouse Gas Emissions Assertion for Calendar Year 2013 prepared for AES Corporation**

### **Terms of Engagement**

This Assurance Statement has been prepared for AES Corporation (AES).

Lloyd's Register Quality Assurance Inc. (LRQA) was commissioned by AES to assure its Greenhouse Gas (GHG) Emissions Inventory and GHG Assertion for the calendar year (CY) 2013.

The GHG Emissions Inventory includes direct (Scope 1) GHG emissions from stationary combustion sources associated with power generation. AES reported total Scope 1 GHG emissions of 75,169,843 MT CO<sub>2</sub>e. The inventory includes only Carbon Dioxide (CO<sub>2</sub>), Methane (CH<sub>4</sub>), and Nitrous Oxide (N<sub>2</sub>O).

The following were excluded from the GHG Emissions Inventory and were not reviewed by LRQA:

- GHG emissions from hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF<sub>6</sub>) from refrigerant gases.
- All Scope 1 GHG emissions other than GHG emissions from stationary combustion sources associated with power generation.
- Energy indirect (Scope 2) GHG emissions.

### **Management Responsibility**

The management of AES was responsible for preparing the GHG data and information disclosed in the GHG Emissions Inventory and GHG Assertion and for maintaining effective internal controls over the data and information disclosed. The final GHG Assertion was prepared by AES and delivered to LRQA in an email dated May 13, 2014. LRQA's responsibility was to carry out an assurance engagement on the GHG data and information, as presented in the GHG Emissions Inventory and GHG Assertion, in accordance with our contract with AES.

Ultimately, the GHG Emissions Inventory and GHG Assertion have been approved by, and remain the responsibility of AES.

### **LRQA's Approach**

Our verification was conducted in accordance with ISO14064 – 3:2006 *Specification with guidance for validation and verification of greenhouse gas assertions*, to provide limited assurance that the GHG data as presented in the GHG Emissions Inventory and GHG Assertion for AES have been prepared in conformance with the World Business Council for Sustainable Development/World Resources Institute (WBCSD/WRI) GHG Protocol: *A Corporate Accounting and Reporting Standard* and the internal AES GHG Reporting Protocol, Version 2.3.

To form our conclusion, the assurance was undertaken as a sampling exercise and covered the following activities:

- Conducted a site visit to AES headquarters office to review data and information related to the Scope 1 GHG emissions for CY 2013 included in the entity level GHG Emissions Inventory;
- Reviewed the processes for the management of data and information related to the Scope 1 GHG emissions used at the corporate level and by each AES Business Unit;
- Interviewed relevant staff responsible for managing and maintaining data and information and for preparing the GHG Emissions Inventory at the corporate level; and
- Verified the Scope 1 GHG emissions included in the GHG Emissions Inventory for CY 2013 through review of aggregate level data and information provided by AES.

### **Level of Assurance and Materiality**

The opinion expressed in this Assurance Statement has been formed on the basis of a limited level of assurance and at a materiality of the professional judgment of the verifier.

### LRQA's Opinion

Based on LRQA's approach, nothing has come to our attention that would cause us to believe that the total Scope 1 GHG Emissions from stationary combustion sources associated with power generation disclosed by AES in its GHG Emissions Inventory and GHG Assertion for CY 2013 are not materially correct.

This opinion is subject to the following qualifications:

- LRQA is unable to provide assurance of the AES total Scope 1 and Scope 2 GHG emissions for CY 2013 because we were only contracted to verify CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O emissions from stationary combustion sources associated with power generation;
- LRQA is unable to provide assurance that the AES GHG emissions data management system were in conformance with WBCSD/WRI GHG Protocol because our contract:
  - o extended only to the verification of data management systems associated with Scope 1 CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O emissions from stationary combustion sources associated with power generation as disclosed in the Scope 1 GHG emissions Inventory and GHG Assertion for CY 2013; and
  - o did not extend to the verification of any other Scope 1 GHG emissions or Scope 2 GHG emissions within the GHG Emissions Inventory and GHG Assertion for CY 2013.

Signed

Dated: May 20, 2014



Ivor John, PhD  
LRQA Lead Verifier  
On behalf of Lloyd's Register Quality Assurance, Inc.,  
1330 Enclave Parkway, Suite 200,  
Houston, TX 77077

LRQA Reference: RMA10132A

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## Assurance Statement related to Environmental Health and Safety Data for Calendar Year 2013 prepared for AES Corporation

### Terms of Engagement

This Assurance Statement has been prepared for AES Corporation (AES).

Lloyd's Register Quality Assurance Inc. (LRQA) was commissioned by AES to assure its Environmental Health and Safety (EHS) Data Assertion for the calendar year (CY) 2013.

The EHS Data Assertion includes the following as they relate to AES power generation facilities:

- Air emissions, including sulfur dioxide (SO<sub>2</sub>), nitrous oxides (NO<sub>x</sub>), particulate matter (PM) and mercury (Hg) from AES' major combustion sources;
- Water withdrawal and discharge;
- Solid waste generation and reuse/recycle, which is limited to coal combustion by-products (ash and gypsum);
- Lost Time Incident (LTI) Case Rates for AES employees and contractors.

The following were excluded from the EHS Data Assertion and were not reviewed by LRQA:

- Air emissions from stationary and mobile sources other than operational power generation.
- Water withdrawal and water discharges at AES offices.

### Management Responsibility

The management of AES was responsible for preparing the EHS data and information disclosed in the EHS Data Assertion and for maintaining effective internal controls over the data and information disclosed. LRQA's responsibility was to carry out an assurance engagement on the EHS data and information, as presented in the EHS Data Assertion, in accordance with our contract with AES. Ultimately, the EHS Data Assertion has been approved by, and remains the responsibility of AES.

### LRQA's Approach

Our verification was conducted using the principles of ISO14064 – 3:2006 *Specification with guidance for validation and verification of greenhouse gas assertions*, to provide limited assurance that the EHS data as presented in the EHS Data Assertion for AES have been prepared in conformance with the following reporting criteria:

- GRI G4 Part 1, Reporting Principles and Standard Disclosures
- GRI G4 Part 2- Implementation Manual
- GRI G4 Electric Utilities Sector Disclosures specifically Environmental Disclosures on Total Weight of Waste by Type and Disposal Method (G4-EN23), Total Water Withdrawal by source (G4-EN8) and Total Water Discharge by Quality and Destination (G4-EN22).
- AES Online Reporting System for air emissions
- AES Incident Management Standard, September 3, 2011, for LTI Case Rate data

To form our conclusion, the assurance was undertaken as a sampling exercise and covered the following activities:

- Conducted a site visit to AES headquarters office;
- Reviewed the processes for the management of data and information related to the EHS data used at the corporate level and by each AES Business Unit;
- Interviewed relevant staff responsible for managing and maintaining data and information and for preparing the EHS data reports at the corporate level; and

- Verified the EHS Data for CY 2013 included in the EHS Data Assertion through a review of aggregate level data and information provided by AES.

### Level of Assurance and Materiality

The opinion expressed in this Assurance Statement has been formed on the basis of a limited level of assurance and at a materiality of the professional judgment of the verifier.

### LRQA's Opinion

Based on LRQA's approach, nothing has come to our attention that would cause us to believe that the EHS data and information disclosed by AES in the EHS Data Assertion for CY 2013 are not materially correct and prepared in accordance with the reporting criteria, except for one qualification related to reporting of mercury emissions. AES did not report mercury emissions for any Strategic Business Units other than for the United States and Puerto Rico. Therefore reported mercury emissions are not materially correct for the corporate reporting boundary.

Signed

Dated: May 20, 2014



Ivor John, PhD  
LRQA Lead Verifier  
On behalf of Lloyd's Register Quality Assurance, Inc.,  
1330 Enclave Parkway, Suite 200,  
Houston, TX 77077

LRQA Reference: RMA10132A

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