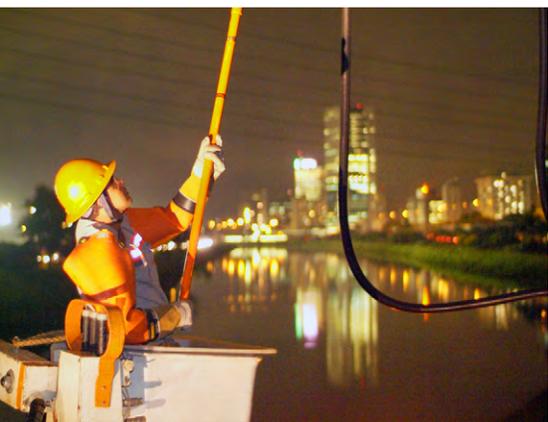




AES 2014 Sustainability Report Supplement



This document is the Supplement to The AES Corporation's Annual Sustainability Report. Information contained in this Supplement focus on the company's operations in 2014.

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 2014".

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Organizational Profile

G4-6 Countries where AES operates

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.

By the end of 2014, AES had presence in 18 countries across the globe.



Figure 1 - Countries were AES has presence

G4-8 Markets served

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

Scale: Strategic Business Units	Countries	Revenue (US\$ billion)
Andes	3	\$2642
Brazil	1	\$6009
Mexico, Central America & Caribbean	5	\$2682
Europe	5	\$1439
Asia	4	\$558
United States (US)	1	\$3826

Complete details of sectors served, type of businesses and costumers by country according to EUSS Organizational Profile protocols (EU1, EU3, EU5), can be found in our [2014 Annual Report and 10-k form](#), starting at page 11.

EU4 – Length of distribution and transmission lines

Table 2 - Length of distribution and transmission lines (by SBU and country)

Profile by SBU	Country / Business	Transmission Lines (Km)		Distribution Lines (Km)	
		(High Voltage)		(Low Voltage)	
		Overhead	Underground	Overhead	Underground
Andes	Chile	1,156	-	-	-
Brazil	Eletropaulo	1,646	201.1	38,352	2,558
	Sul	2,048	-	64,711	-
	TOTAL Brazil	3,694	201.1	103,063	2,558
Mexico, Central America & Caribbean (MCAC)	El Salvador	-	-	36,282	80.43
Europe	-	-	-	-	-
Asia	-	-	-	-	-
United States (US)	IPL	1,336	8	11,497	8,972
	DPL	2,951	6	16,931	5,820
	TOTAL US	4,287	14.3612	28,428	14,793
Total:	AES	9,137	215.4612	167,773	17,431

G4-10 The AES Corporation global Workforce

Table 3 - The AES Corporation global Workforce

Strategic Business Unit	Permanent - Full time Employees		Total operational and construction contractors	Total Workforce
	Female	Male		
Andes	233	1,365	12,171	13,769
Asia	108	445	5,408	5,961
Brazil	2,115	6,702	6,304	15,121
Europe	397	1,610	1,108	3,115
MCAC	253	1,463	3,389	5,105
US	703	2,678	2,700	6,081
Corporate	121	196	32	349
Total	3,930	14,459	31,112	49,501

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.

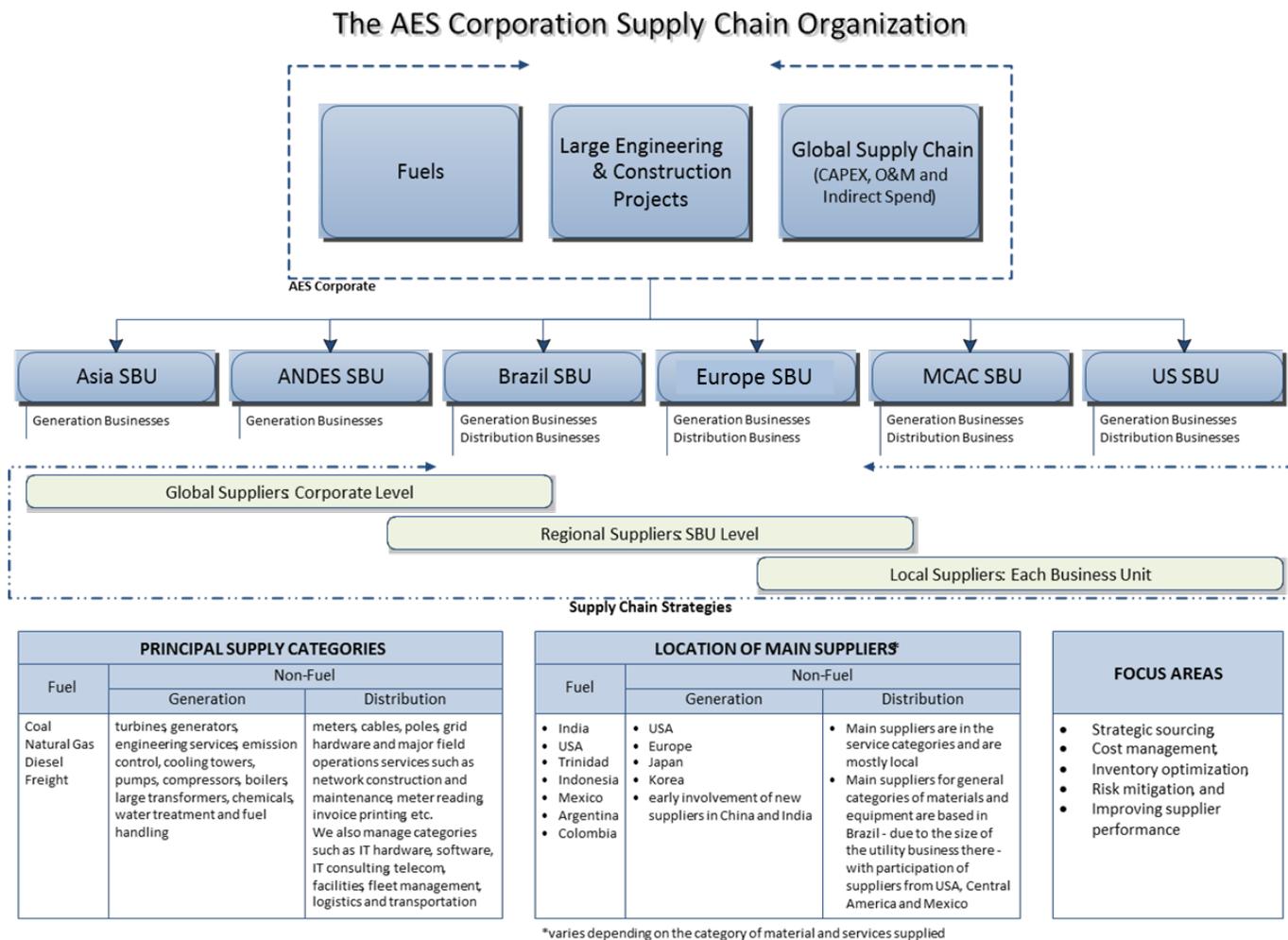


Figure 2 - AES Corporation Supply Chain

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 3 - 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.

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.

National Safety Council (NSC)

The NSC is a nonprofit, nongovernmental public service organization promoting health and safety in the United States of America. It was founded in 1913. Members include more than 55,000 businesses, labor organizations, schools, public agencies, private groups and individuals. AES is a corporate member of the NSC, and has been strategically engaged during the last year with the organization's center for safety excellence, the Campbell Institute.

American National Standards Institute (ANSI)

The ANSI has served in its capacity as administrator and coordinator of the United States private sector voluntary standardization system for more than 90 years. Founded in 1918 by five engineering societies and three government agencies, the Institute remains a private, nonprofit membership organization supported by a diverse constituency of private and public sector organizations. Company participation in ANSI is via two AES representatives being members of the ANSI Z359 committee on Fall Protection Standards.

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 2014 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 sustainability reports and disclosures.

G4-19 Material Aspects and boundaries

The process described above resulted in the material aspects discussed in this report. Figure 4 shows the material aspects based on a matrix of Influence on Stakeholder Assessment and decisions and the significance of Economic, Environmental and Social Impacts.

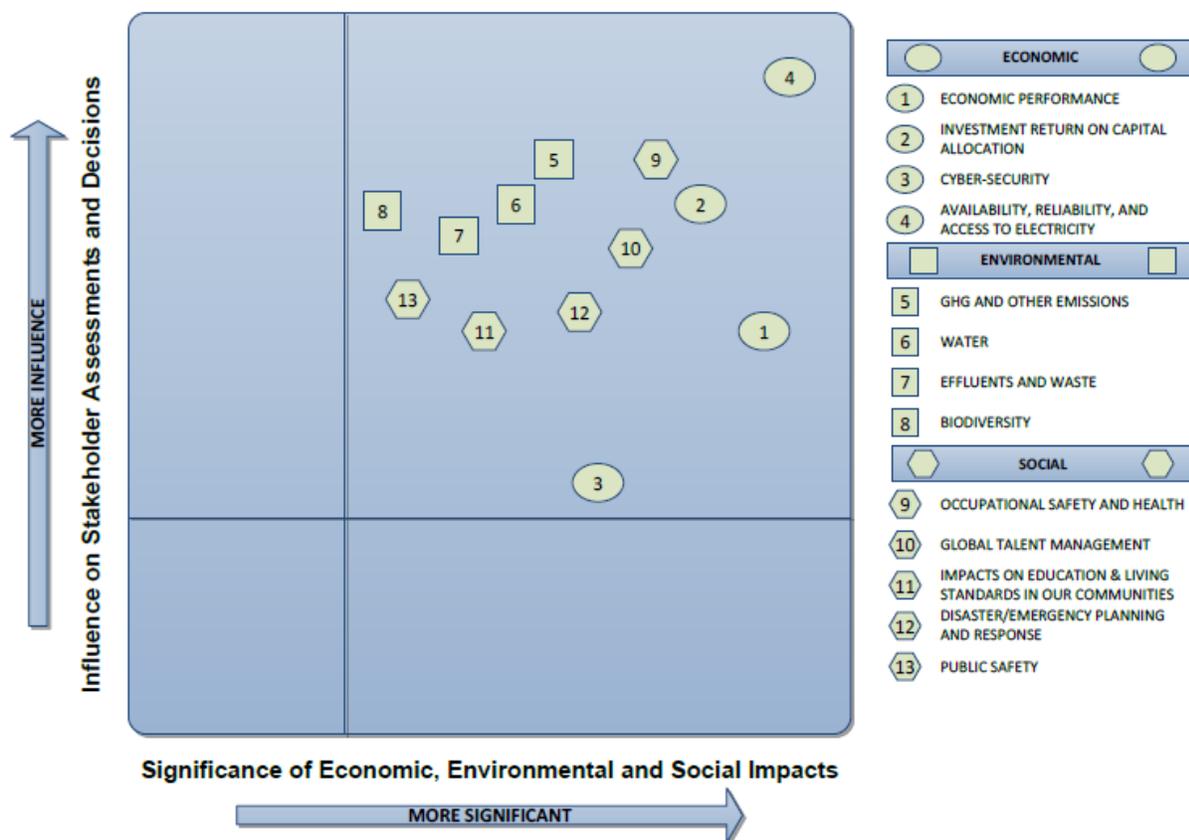


Figure 4 - Material aspects highlighted in this report

G4-20 Aspect boundaries

Boundaries for each material aspect are listed in the following figure.

Material Aspect	Boundary Within AES						
	SBU						CORPORATE
	ANDES	ASIA	BRAZIL	EUROPE	MCA	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 Helath	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 5 - 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 the figure below

Material Aspect	Boundary Outside AES						
	Suppliers	Community	Regulators	Investors	NGOs	Partners	Customer
Economic Performance	X	X		X			
Investment Return on Capital				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 6 - 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

G4-28 Reporting period

The reporting period covered in this report is January 1st to December 31st 2014

G4-29 Date of most recent report

The most recent report is the 2015 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.

Table 4 - General Standard Disclosures for “in accordance - CORE”

Disclosure	Page(s)		
	Sustainability Report	Supplement	Annual Report – 10K form
Strategy and Analysis			
G4-1	3-5		
G4-2			93-97
Organizational Profile			
G4-3 to G4-9	6	5,6	6, 12, 13, 20-22, 27, 28, 31-33, 37,38, 42
G4-10	53	7	
G4-11	53		
G4-12		7	
G4-13	4		3-6, 75,
G4-14		9	
G4-15		9	
G4-16		10-11	
EU-1	7		
EU-2	15		
EU-3			11-44
EU-4		6	
EU-5	30		
Identified Material Aspects and Boundaries			
G4-17 to G4-23		12-14	
Stakeholder Engagement			
G4-24 to G4-27	42-46		
Report Profile			
G4-28 to G4-33		14-17	
Governance			
G4-34- to G4-53		17-23	
G4-54- to G4-55	58		
Ethics and Integrity			
G4-56 to G4-58		23-25	

Table 5 - Specific Standard Disclosures for “in accordance - CORE”

<i>Material Aspects</i>	<i>DMA and Indicators Sustianbility Report</i>		<i>External Assurance</i>
Availability, Reliability and Access to Electricity	DMA EU28 TO EU 30	12 12-20	
Disaster/Emergency Planning and Response	DMA	22	
Economic Performance	DMA G4-EC1	9 6 (Annual Report pp 74,77)	
Investment Return on Capital Allocation	DMA	10	
Environmental Performance	DMA	25-28	
Environmental Management: GHG and Other Emissions	DMA	28	Lloyd's Register Quality Assurance Inc. Limited assurance
	G4-EN15 to G4 EN 21	29-34	
Environmental Management: Water	DMA	34	Lloyd's Register Quality Assurance Inc. Limited assurance
	G4-EN8 to G4-EN10	34-37	
Environmental Management: Effluents and Waste	DMA	37	Lloyd's Register Quality Assurance Inc. Limited assurance
	G4-EN22 to G4-EN24	37-39	
Environmental Management: Biodiversity	DMA	39	
Cyber-security	DMA	20	
Stakeholder Engagement	DMA	42	
	G4-24 to G4-27	42-46	
Impacts on Education and Living Standards in our Communities	DMA	47	
Public Safety	DMA	51	
	EU25	52	
Occupational Safety and Health	DMA	61	Lloyd's Register Quality Assurance Inc. Limited assurance
	G4-LA5 to G4-LA8	63-68	
Global Talent Management	DMA	55	
	G4-LA9 G4-LA10	55 56-58	

G4-33 External Assurance

The financial aspects included in the Sustainability Report are based upon externally audited financial statements by Ernst & Young, the corporation's existing financial auditor. All entities identified within the 2014 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 2014 data:

- air emissions (refer to page 28)
- 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 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 monitors 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.

For additional information about the Board Leadership Structure and Committees of the Board refer to pages 8-10 in the [2015 Proxy Statement](#).

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 responsible 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.

G4-37 Report processes for consultation between stakeholders and the Board

The process for consultation between The AES Corporation and its stakeholders is delegated to the functional area closest to the topic under consideration with feedback on critical substance being shared with the Board. For example:

- AES tracks and reports safety statistics on a monthly basis using a format that is based on USA Occupational Safety and Health Administration (OSHA) reporting requirements (29 CFR 1904). Safety metrics that are regularly monitored include unsafe behaviors, unsafe conditions, near misses, and progress on implementation of safety action plans identified in AES' Three Year Action Plan.
- AES has established an Environmental Management System (EMS), a series of environmental standards based on industry practices, which set environmental performance requirements for each AES business worldwide.
- Anticipating, identifying and mitigating risk is an essential element of AES' governance and financial management functions. The Risk Diagnostic Survey rates identified risks and compiles them into business-specific and aggregate "heat maps." This visual tool focuses attention on risks needing active mitigation strategies as well as on potential emerging risks.

The aforementioned programs are reviewed by the Board of Directors and are described in detail on our website (www.aes.com).

The Board of Directors or the Committee responsible for oversight receive reports on these topics in a series of formal and information meetings during the year.

G4-38 Composition of the Board and its committees

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

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. See pages 5-7 of the [2015 Proxy Statement](#) for a full biography of each Director.

We have five Board Committees, four 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.

The Innovation and Technology Committee is responsible for oversight of the Company's efforts to foster growth through innovation and in evaluating the Company's efforts to identify and address risks and opportunities in the power industry and adjacent industries arising from emerging or competing technologies.

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. See Board Leadership Structure on page 8 of the 2015 Proxy Statement for further information.

See Board Leadership Structure on page 8 of the 2015 [Proxy Statement](#) for further information.

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.

For additional information see page 10 of the [2015 Proxy Statement](#).

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, the Nominating Committee has adopted a Related Person Transaction Policy, which sets forth in writing the procedures for the review, approval or ratification of any transaction involving an amount in excess of \$120,000 in which in Director or Executive Officer of the Company, any Director nominee, any person who is the beneficial owner of more than 5% of the Company's stock, or any immediate family members of the forgoing, had a material interests as contemplated by Item 404(a) of Regulation S-K. For additional information regarding the Related Person Transaction Policy see pages 50-51 of the [2015 Proxy Statement](#).

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 Board of Directors annually reviews the Company's strategy. 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 invites outside speakers to address the board frequently during the year. Every other year a Board meeting is held at one of Company's businesses and members are encouraged to make additional site visits.

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.³ 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.

The Innovation and Technology Committee is responsible for oversight of the Company's efforts to foster growth through innovation and in evaluating the Company's efforts to identify and address risks and opportunities in the power industry and adjacent industries arising from emerging or competing technologies.

For additional information on the Board's role in risk management see pages 10-11 of the 2015 Proxy Statement.

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

The AES Board convened nine times in 2014, including four telephonic. Board Committees held the following number of meetings in 2014:

- Audit Committee—eight;
- Compensation Committee—eight;
- Innovation and Technology Committee – three;
- Strategy and Investment Committee—five; and
- Nominating Committee—five.

See page 11 of the [2015 Proxy Statement](#) for additional information.

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.

See Stockholder Proposals and Nominations for Director on pages 72-74 of the [2015 Proxy Statement](#) and Communications with the Board or Its Committees on page 75 of the [2015 Proxy Statement](#).

G4-50 Nature and total number of critical concerns that were communicated to the Board and the mechanism(s) used to address and resolve them

The Nominating Committee receives a Biannual Shareholder Communications Report from the Corporate Secretary who summarizes all e-mails directed to each Committee Chair and Chairman. For example, in 2014 the Corporate Secretary reported that the Board received 3825 e-mail messages, the Financial

Audit Committee received 1759 e-mails, the Nominating Committee received 1106 e-mails and the Compensation Committee received 1605 e-mails. E-mails were read and when appropriate, given further consideration. When deemed critical, e-mails were forwarded to the appropriate board member, e.g., Committee Chairman, for further action and resolution. In addition to the summaries provided to Committee members, each individual e-mail was provided to Committee member for further review if desired.

G4-51 Remuneration policies for the Board and senior executives

Director compensation and that of senior executives is explained and defined in the annual Proxy Statement, which can be accessed on the AES website, www.aes.com. See pages 12-50 of the [2015 Proxy Statement](#).

G4-52 Process for determining remuneration.

In 2012, the Compensation Committee retained the services of its own independent consultant, Meridian Compensation Partners, LLC (“Meridian”), who provided the Compensation Committee with independent knowledge and experience related to executive compensation. The Compensation Committee reviewed the independence of Meridian relative to the final rules released by the SEC regarding engagement of advisors by a compensation committee. Based upon the six factors identified in the final rules, no information was presented which would affect Meridian’s independence.

G4-53 How stakeholders’ views are sought and taken into account regarding remuneration

As recommended by our Compensation Committee, Shareholders vote annually, on an advisory basis, on the Company’s Executive Compensation Program. Since 2011, Shareholders have voted “FOR” the approval of the Company’s Executive Compensation Program by at least 94 percent of the total voting block.

Ethics and Integrity

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

AES is a values driven company; our values guide our actions and provide a common framework for how we interact with other AES people, conduct business with our partners and suppliers, and serve our customers and the many communities and environments in which we operate around the world. Every day, our people and businesses around the world are guided by the following core values:

- **PUT SAFETY FIRST:** We always put safety first—for our people, contractors and communities.
- **ACT WITH INTEGRITY:** Integrity is at the core of everything we do—how we conduct ourselves and how we interact with our stakeholders.
- **HONOR COMMITMENTS:** We honor our commitments to our customers, teammates, communities, owners, suppliers and partners, and we encourage our businesses to make positive contributions to society.
- **STRIVE FOR EXCELLENCE:** We strive to be the best in all that we do and to perform at world-class levels.

- **HAVE FUN THROUGH WORK:** Work can be fun, fulfilling and exciting. We appreciate being part of a team that is making a difference and we will work to grow and strengthen our operations.

At AES we are committed to conduct business with the highest level of integrity, ethics, and compliance in all situations. Our Values Guide is a Code of Conduct that helps each AES person translate our Values into action and act with the highest ethical standards in all of our business activities.

As a global company, AES operates in many different economic and political environments and does business in the context of a wide range of social and cultural customs and traditions. Our Code of Conduct does not intend to provide complete advice for every business situation that may arise, but guides AES people to use good judgment and a sense of pride to translate the Code of Conduct and our Values into action.

Our Code of Conduct is available to AES people and external people on our webpage and is also translated into various local languages. In support of our Code of Conduct we also have numerous global policies that are often supported by additional guidance. Additionally, many AES businesses have adopted local policies further implementing our Code of Conduct.

The Code of Conduct contains global policies related to the environment, health and safety, anti-corruption and bribery, fair competition and fair dealing, insider trading, full and accurate financial and operational reporting, protection of company assets and of confidential information, and discrimination and harassment, among others. It also makes clear that AES will not tolerate retaliation against any AES person for raising questions or concerns or making a good faith report of suspected wrongdoing.

Each AES person is oriented on our Code of Conduct during on-boarding and is required to sign an acknowledgment affirming compliance with the Code. Every two years all AES people receive training on the Code and are required to certify to having read and understood the Code and to committing to abide by it. Contractors, suppliers, and service providers are provided a copy of AES' Code of Conduct and are required to acknowledge it. All AES Joint Ventures are required to have their Board of Directors adopt an Ethics and Compliance Program Charter and compliance program consistent with the AES E&C Program.

At AES we have an Ethics and Compliance (E&C) Program that 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 communications posted around AES facilities and distributed electronically or verbally, such as guidance distributed through E&C personnel, periodic newsletters, and posters. AES people are encouraged to discuss hypothetical ethical scenarios with each other through a twice yearly "Ethics Champions" program. In addition, AES celebrates and reinforces its Values through an annual Values Day during which employees discuss the meaning of AES Values and often participate in or make a commitment to involvement in social responsibility projects and to our Values.

Ethics and Compliance, and appropriate business behavior, are reinforced through policies, procedures, training, communications, reporting mechanisms, handling of investigations, and third-party reputational due diligence. 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.

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

The CECO meets regularly with the Chairman of the Audit Committee and regularly provides reports and updates on E&C issues to the entire Audit Committee.

Also, AES maintains a dedicated Ethics and Compliance (E&C) Department staffed by experienced professionals at its headquarters and at AES business locations world-wide. At AES we have an open door approach and we encourage our people to discuss questions or concerns with management, the Ethics & Compliance Officers, or other appropriate AES personnel.

Employees can ask questions or report suspected wrongdoing to managers or E&C personnel directly, or they can submit reports anonymously through the AES Helpline, which 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 available globally and 24-hours a day by phone or online and in AES languages.

AES people are encouraged to discuss hypothetical ethical scenarios with each other through a twice yearly "Ethics Champions" program. Arlington E&C personnel conduct site assessments of several AES businesses each year and conduct a bi-annual survey of AES people regarding the perception of the Program and its effectiveness. In addition, AES celebrates and reinforces its Values through an annual Values Day during which employees discuss the meaning of AES Values and often participate in or make a commitment to involvement in social responsibility projects and to our Values.

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 or through the AES Helpline described above.

The E&C Department investigates all allegations and responds to all questions. E&C personnel collaborate with management regarding disciplinary and remedial actions to ensure consistency and action consistent with AES Values, policy, law, and regulation. Each investigation and inquiry is carefully documented in the Helpline and reported to AES' independent auditor that selects a subset for on-going monitoring. The Helpline investigation data enables E&C personnel to identify trends in reports and engage business areas to proactively mitigate risks.

AES does not tolerate retaliation against any AES person for raising questions or making a good faith report of improper behavior. AES people are also expected to be truthful and forthcoming. Failure to report improper behavior, knowingly making a false report, or refusing to cooperate with an investigation can be grounds for disciplinary action.

**Assurance Statement related to
Environmental, Health, and Safety Data for Calendar Year 2014
prepared for The AES Corporation**

Terms of Engagement

This Assurance Statement has been prepared for the AES Corporation.

Lloyd's Register Quality Assurance, Inc. (LRQA) was commissioned by the AES Corporation (AES) to assure its Environmental, Health, and Safety (EHS) Data Assertion for the calendar year 2014 (hereafter referred to as "the Assertion")

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

- Air emissions – Sulphur Dioxide (SO₂), Nitrogen Oxides (NO_x), and Mercury (Hg)
- Water withdrawal and discharge
- Coal Combustion and gypsum by-products generation and reuse/recycle
- Lost Time Incident Case Rates for employees and contractors

The following were excluded from the 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

AES' management was responsible for preparing the 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 Assertion in accordance with our contract with AES

Ultimately, the 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 Assertion for AES have been prepared taking into consideration 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 to review data and information related to the EHS data Assertion;
- 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 Assertion at the corporate level; and
- Checked the reported data against aggregated data and confirmations from sampled facilities



Level of Assurance & Materiality

The opinion expressed in this Assurance Statement has been formed on the basis of a limited level of assurance and at a materiality based on 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 the EHS data disclosed in the Assertion, as summarized in Table 1 below, are not materially correct and have not been prepared in accordance with the criteria except for the following qualification:

- Some records requested during the verification activities were not available. The absence of the requested records was not material.
- SO₂ and NO_x emissions reported by Gener Costa – Ventanas were not consistent with the evidence provided by the plant. This difference was not material.

Signed

Dated: May 26, 2015

Heather Moore, P.E.

Lead Verifier

On behalf of Lloyd's Register Quality Assurance, Inc.,
1330 Enclave Parkway, Suite 200,
Houston, TX 77077

LRQA Reference: RMA10161A

Table 1. Summary of AES EHS Data Assertion 2014

EHS Data	Quantity	Units
SO ₂ (Equity Share)	490,290,991	Pounds (lbs)
NO _x (Equity Share)	177,026,379	Pounds (lbs)
Mercury (Hg) (Equity Share)	1,650.2	Pounds (lbs)
Total Water Withdrawal	6,552,762,432	Cubic meters
Total Water Discharge	6,219,280,710	Cubic meters
Total Recycled and Reused	1,651,904,204	Cubic meters
Total Ash / Gypsum Generation	7,507,371	Metric Tonnes
Total Ash / Gypsum Reuse / Recycle	2,890,397	Metric Tonnes
LTI Case Rate – AES Employees	0.082	Per 200,000 hours
LTI Case Rate – AES Contractors	0.078	Per 200,000 hours
LTI Case Rate – AES Construction	0.017	Per 200,000 hours

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Due to inherent limitations in any internal control, it is possible that fraud, error, or non-compliance with laws and regulations may occur and not be detected. Further, the verification was not designed to detect all weakness or errors in internal controls so far as they relate to the requirements set out above as the verification has not been performed continuously throughout the period and the verification carried out on the relevant internal controls were on a test basis. Any projection of the evaluation of control to future periods is subject to the risk that the processes may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

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**Assurance Statement related to
Greenhouse Gas Emissions Inventory CY2014
prepared for The AES Corporation**

Terms of Engagement

This Assurance Statement has been prepared for the AES Corporation.

Lloyd's Register Quality Assurance, Inc. (LRQA) was commissioned by the AES Corporation (AES) to assure its GHG Emissions Inventory and GHG Assertion for the calendar year 2014 (hereafter referred to as "the Inventory")

The Inventory relates to direct GHG emissions (Scope 1), energy indirect GHG emissions (Scope 2), and other indirect emissions (Scope 3). Scope 3 emissions include electricity sales to customers by T&D locations and business air travel.

The following GHG emissions sources were excluded from the Inventory on the basis of their de minimis contribution to the total GHG Inventory:

- Administrative offices and associated activities (i.e. vehicle emissions, energy consumption, etc)
- Energy storage locations (operational and construction)
- Norgener Transmission Lines & Gener Transmission Lines
- Fugitive methane emissions from coal piles

Management Responsibility

AES' management was responsible for preparing the Inventory and for maintaining effective internal controls over the data and information disclosed. LRQA's responsibility was to carry out an assurance engagement on the Inventory in accordance with our contract with AES

Ultimately, the Inventory has been approved by, and remains the responsibility of AES.

LRQA's Approach

Our verification has been conducted in accordance with ISO 14064-3:2006 *Specification with guidance for validation and verification of greenhouse gas assertions* to provide limited assurance that GHG data as presented in the Inventory have been prepared in conformance with the World Resources Institute /World Business Council for Sustainable Development/ (WRI/WBCSD) *GHG Protocol: A Corporate Accounting and Reporting Standard*.

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

- Conducted a site visit to AES headquarters to review data and information related to the GHG Inventory for CY 2014 included in the entity level GHG Emissions Inventory;
- Reviewed the processes for the management of data and information related to the Inventory 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
- Checked the reported data against aggregated data and confirmations from sampled facilities



Level of Assurance & 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, Scope 2 and Scope 3 GHG emissions disclosed in the Inventory, as summarized in Table 1 below, are not materially correct and the Inventory has not been prepared in accordance with the WRI/WBCSD GHG Protocol except for the following qualification:

- Some records requested during the verification activities were not available. The absence of the requested records was not material.

Signed

Dated: May 26, 2015

Heather Moore, P.E.
Lead Verifier
On behalf of Lloyd's Register Quality Assurance, Inc.,
1330 Enclave Parkway, Suite 200,
Houston, TX 77077

LRQA Reference: RMA10161A

Table 1. Summary of AES GHG Inventory 2014

Scope	Tonnes CO ₂ e
Scope 1 Emissions (Equity Share)	74,972,890
Scope 2 Emissions (Equity Share)	577,533
Scope 3 Emissions (Equity Share) (electricity sales and business travel)	2,921,981

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Due to inherent limitations in any internal control, it is possible that fraud, error, or non-compliance with laws and regulations may occur and not be detected. Further, the verification was not designed to detect all weakness or errors in internal controls so far as they relate to the requirements set out above as the verification has not been performed continuously throughout the period and the verification carried out on the relevant internal controls were on a test basis. Any projection of the evaluation of control to future periods is subject to the risk that the processes may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

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