

AES Vietnam
Sustainability Report
2020-2022

 Powering
Vietnam's
Sustainable
Future







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About our report

Welcome to the 2020-2022 Sustainability Report of AES Vietnam. This report covers our commitment to the sustainability of the Company and our communities, outlining our approach to environmental, social and governance (ESG) matters, as well as the related activities, performance, achievements, and impacts of AES Vietnam during the period from January 2020 to December 2022.

AES Vietnam strives to be a transparent company and we aim to communicate our ESG policies and achievements in Vietnam to as broad an audience as possible. This report details our sustainability journey as a power utility in Vietnam, including our existing Mong Duong 2 BOT Thermal Power Plant (Mong Duong 2 Plant), our ongoing and planned energy projects such as the Son My LNG Terminal Project and the 2.2 GW Son My 2 combined cycle power plant (CCGT), battery energy storage systems (BESS) technologies and other renewable energy opportunities, as well as our work in the broader communities where our projects are located. It also covers the sustainability challenges we've faced and what we have been doing to overcome them.

The report has been prepared with reference to the Core option of the Global Reporting Initiative (GRI) Standards 2021 (G4 Electric utilities sector supplement).

We would be delighted to receive your feedback on this report. To let us know what you think, please get in touch at aesmd.communication@aes.com.



This report covers our commitment to the sustainability of the Company and our communities, outlining our approach to environmental, social and governance (ESG) matters, as well as the related activities, performance, achievements, and impacts of AES Vietnam during the period from January 2020 to December 2022.





At AES Vietnam, we are committed to accelerating the future of energy. From our presence in Mong Duong and our activities which remain a key anchor for the community and the country, to our growing presence in the south with the Son My projects, we are committing to responsibly drive the transition to cleaner forms of energy while maximizing our positive impact in the country we serve.

As such, we are particularly excited to publish our 2020-2022 Sustainability Report, “Powering Vietnam’s Sustainable Future”. The report reflects our desire, as a responsible company, to be transparent about our operations and their impact, so all of our stakeholders can gain a clear understanding of our sustainability-related activities and our work in the community.

Since AES started our business in Vietnam in 2008, we have striven to be an exemplary corporate citizen, combining best practices in sustainability with a positive commitment to improving the lives of people in the communities where we operate. Our operations in the country generate around US\$550 million a year, making tax contributions of nearly 32 million US dollars, while we employ more than 260 people. As the nature of our business evolves, with the existing Mong Duong 2 BOT Thermal Power Plant project (“Mong Duong 2 Plant”) joined by the Son My liquefied natural gas (LNG) terminal (“Son My LNG terminal”), the 2.2 GW Son My 2 combined cycle power plant (CCGT) (“Son My 2 CCGT”) and other renewable energy opportunities that we are pursuing, our approach to sustainability remains the same.

CEO Message

That approach is informed by our core values as an organization, which include a focus on safety first, a commitment to the highest standards and what we call an “all together” mindset – working alongside our stakeholders. Sustainability at AES Vietnam is driven by its values and commitments it is in fact, core to our business plan. As a result, sustainability is absolutely central to everything we do whether it’s the way in which we conduct our operations or the work we do in the surrounding communities.

In particular, we understand that climate change is the key challenge of our time, and we’re determined to be part of the solution. So, while we will continue to operate the Mong Duong 2 Plant safely, efficiently, and at a world-class level, we are also committed to exploring other forms of energy production and transitioning to them, ensuring the Company’s continued safe operations and helping Vietnam retain its energy security. Our future, meanwhile, lies further south with our projects in Son My, where we see LNG as a lower carbon, energy-secure, reliable source of power that will help guarantee a greener future for the nation. AES is also working closely with local and international stakeholders to build local understanding, expertise, and policy formulation to demonstrate and enable the commercial viability of battery energy storage systems (BESS) which could be a “force multiplier” for carbon-free energy, stabilise the grid and contribute to the successful transition to a greener energy future for Vietnam.

Moreover, we believe that this also starts with people, from ensuring the safe operation

“ Sustainability at AES Vietnam is driven by its values and commitments rather than the business plan. As a result, sustainability is absolutely central to everything we do, and will continue to be so, whether it’s the way we conduct our operations or the work we do **in the surrounding communities.** ”

of our projects, to supporting the people who live in surrounding communities. During our 15-year journey, AES Vietnam has been committed to sustainable development, leading the transformation to cleaner and safer energy in the country while improving lives in local communities. Our various social impact programs have a long-lasting impact and have benefited more than 200,000 people in local communities.

Finally, I’d like to say a sincere thank you to all of our employees, shareholders, partners in the government and in the community and other stakeholders for their support along our sustainability journey. With your support, I’m confident we can continue to work together to protect the environment, create positive social impacts in the communities we serve, and play a key role in contributing to Vietnam’s sustainable development.



Joseph Frank Uddo III
President, AES Vietnam



About AES Vietnam

The company is aiming to **lead the global transition** to more sustainable sources of energy, helping to fuel the growth of the future while **safeguarding the planet's resources**.

AES Mong Duong Power Company Limited (“AES Mong Duong”) commenced operations in Vietnam in 2015 with the opening of the Mong Duong 2 Plant. The country’s **largest privately owned and operated power project**, located in Cam Pha city, Quang Ninh Province.

AES in the world

The AES Corporation is a Fortune 500 global energy company with an annual turnover of about US\$11.1 billion, employing approximately 8,450 people in 14 countries as of the end of 2022. It boasts expertise in a diverse range of energy businesses, including solar, wind, energy storage, LNG and regulated utilities, which it has built up over four decades in the business. It is also the co-owner of or an investor in businesses including energy storage technology leader Fluence, consumer energy interface technology company Uplight and pioneering solar pre-fabricated company 5B.

AES also aspires to be an ethical leader in the way it conducts its business, and is built on its foundational values of safety, pursuing the highest standards and working together with its stakeholders. These days, the company is aiming to lead the global transition to more sustainable sources of energy, helping to fuel the growth of the future while safeguarding the planet's resources. It has been making progress towards its ambitious goal of hitting net-zero carbon emissions from electricity sales by 2040. The company is on track to reduce the amount of energy it generates from coal to below 10% of its portfolio by 2025, five years earlier than planned. AES has also made social investments worth more than US\$10 million on more than 100 social impact programs around the world that have benefited more than three million people.



AES in Vietnam

Vietnam's demand for electricity increased by over 10% a year between 2016 and 2020. With one of the fastest power consumption growths in Asia, the government of Vietnam expects power consumption to grow 8-9% annually through 2030. AES is putting itself at the heart of meeting that demand.

AES has been investing in Vietnam since 2010, has contributed a significant portion of the locality's income, and it has employed 260 people there. AES Mong Duong Power Company Limited ("AES Mong Duong") commenced operations in Vietnam in 2015 with the opening of the Mong Duong 2 Plant. The country's largest privately owned and operated power project, located in Cam Pha City, Quang Ninh Province, it has a net capacity of 1,242 MW. Costing approximately US\$2.1 billion to build, Mong Duong 2 Plant went into operation ahead of schedule and within budget. It was built under a build-operate-transfer agreement with the Vietnamese government, and has a power purchase agreement (PPA) with the state-owned entity EVN for as long as AES operates it.

AES Vietnam's operations focus on three pillars, which together guide our mission of providing a reliable source of energy in Vietnam while working to improve people's lives in the country: maintaining a solid financial profile with stable and predictable cash flow; operating our various projects safely, efficiently and sustainably; and transitioning functions to local team members.

In 2017, the company made its first moves to diversify the types of energy it supplies in Vietnam, reaching an agreement with local partner PV Gas to jointly develop the Son My LNG Terminal Project in Binh Thuan Province. The project will have a target capacity of about 6

million tonnes per year (MTPA), with the potential to grow that to 9.6 MTPA. AES announced plans to increase its investment in the province two years later, when it signed an MOU with the Ministry of Industry and Trade to become the sole investor in the 2.2GW Son My 2 (CCGT) Power Plant Project. The two projects will involve an investment of about over US\$3 billion in the country's economy and are expected to provide more than 4,500 jobs for local people.

We believe that in the future, there will be massive opportunities in Vietnam in the transition towards cleaner forms of energy, even as regulatory, legal, and fiscal challenges continue to be addressed. We aim to be in the vanguard of this transition, developing markets and assisting our partners in the country as they take advantage of the huge potential for renewables, particularly utility-scale battery energy storage systems, to meet the country's energy requirements of the future.

In addition to these investments, the company has also been unsparing in its commitment to providing support to the communities where we operate in Vietnam and has been deeply involved with social programs in the country, focusing on Health, Education, Livelihoods and Infrastructure, which have benefited more than 200,000 people. In places like Quang Ninh and Binh Thuan provinces, this takes various forms, from providing scholarships for students from underprivileged backgrounds to renovating community buildings to installing water pumps, tanks and purification systems.

Our Performance in 2020-2022



Portfolio

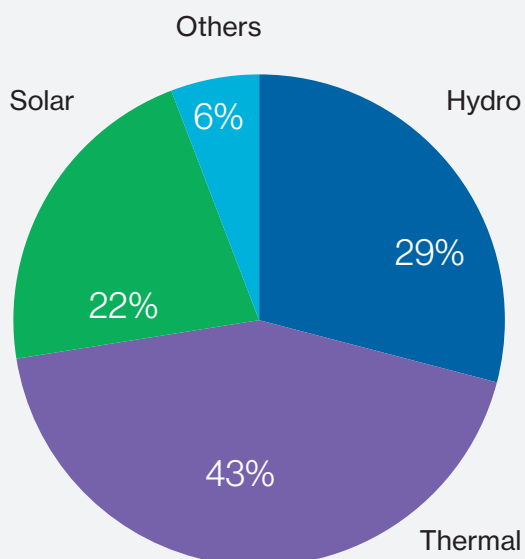
1,242 MW

Total gross MW under operation

262 Employees

Our workforce in Vietnam

Vietnam's energy mix

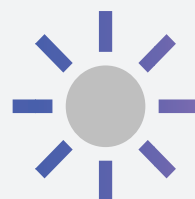


Construction & development



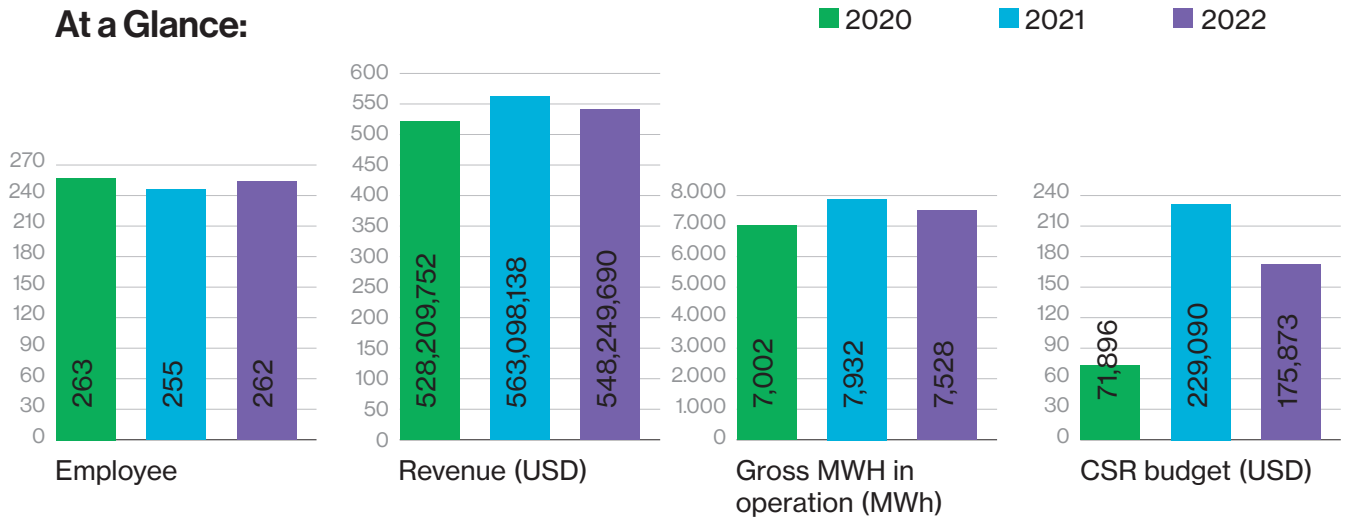
2,250 MW

Gas under construction



Building RE pipeline

At a Glance:



Mission

Accelerating the future of energy, together

Values



Safety first



Highest standards



All together

Key sustainability initiatives



Project "Improving Electrical Safety in Vietnam"



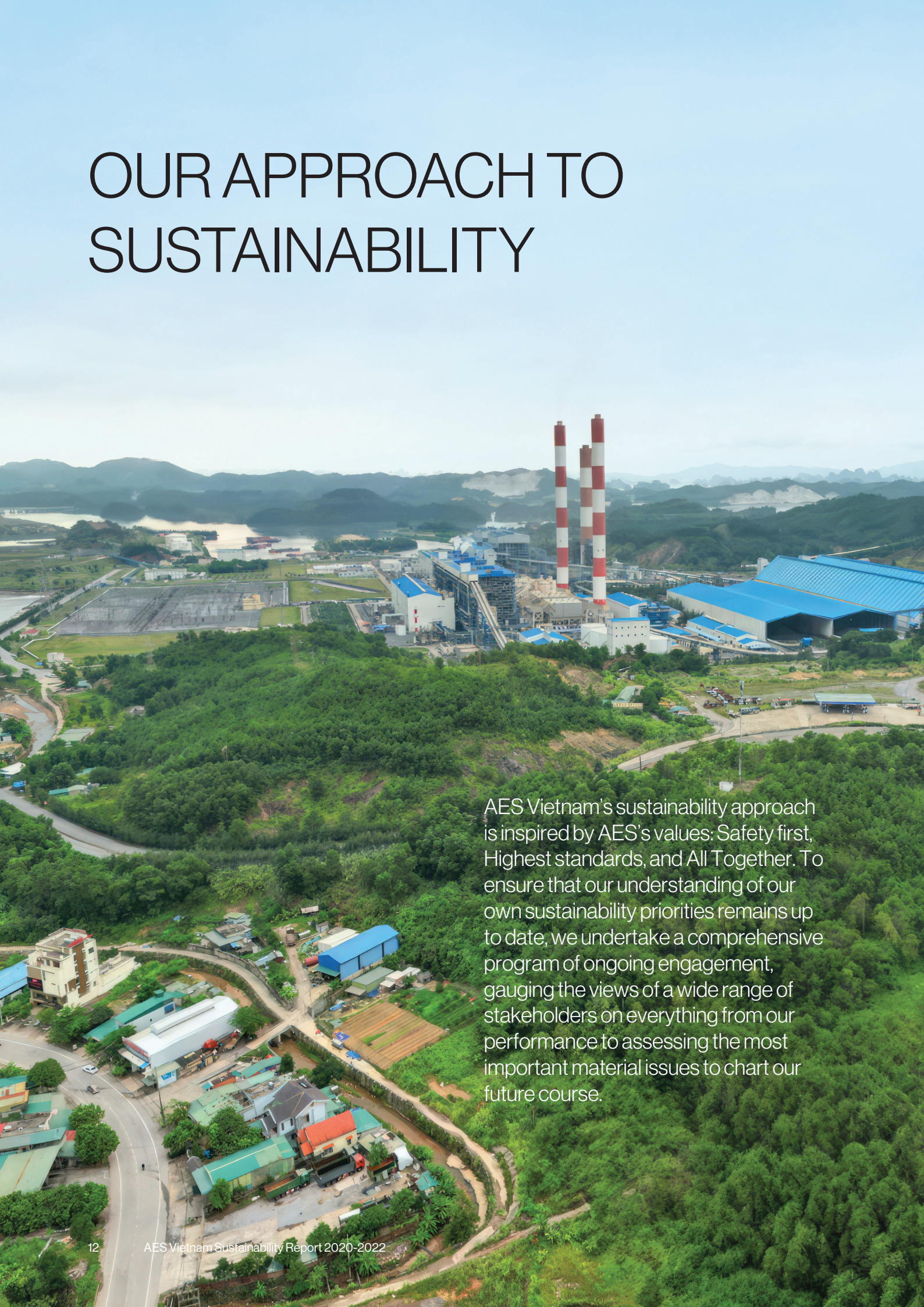
AES Future Energy Scholarship Program



Project "Development of Biosecure Sow Production and Farming in Ha Tranh Hamlet, Cong Hoa Commune"

200,000+ Beneficiaries

OUR APPROACH TO SUSTAINABILITY



AES Vietnam's sustainability approach is inspired by AES's values: Safety first, Highest standards, and All Together. To ensure that our understanding of our own sustainability priorities remains up to date, we undertake a comprehensive program of ongoing engagement, gauging the views of a wide range of stakeholders on everything from our performance to assessing the most important material issues to chart our future course.



Sustainability Approach

AES Vietnam's approach to sustainability is inspired by AES' values: Safety first, Highest standards, and All Together. To ensure that our understanding of our own sustainability priorities remains up to date, we undertake a comprehensive program of ongoing engagement, gauging the views of a wide range of stakeholders on everything from our performance to assessing the most important material issues to chart our future course. Our approach to managing our operations involves building trust with our stakeholders by taking proactive measures to ensure that we prevent negative impacts and constantly improve our performance.

This commitment to sustainability and doing things 'All Together' was demonstrated when a team from AES Mong Duong was honoured by winning second place in the Operation Category of the prestigious 2022 US and Eurasia APEX competition, a global platform that showcases projects that demonstrate improved safety, attain financial savings, and achieve process efficiencies. The project 'Reducing Mill Swapping Cost of 6-Mill Operation', improved the Mong Duong 2 Plant's heat rate by operating six mills instead of five, saving the company about US\$3 million a year with no investment cost, further enhancing AES Mong Duong's power generation reliability and reducing its environmental impact due to a reduction in the number of forced outages and restarts. With the culture of constantly improving, creating and working together, AES builds stronger work teams that aim for the highest safety standards.

Our commitment to sustainability is evolving into a broad-based ESG approach, which we manage with reference to the United Nations Sustainable Development Goals, especially related to the provision of Affordable and Clean energy (SDG 7) and how this leads to decent work and Economic growth (SDG 8) and the contribution to Industry, innovation, and infrastructure (SDG 9); Sustainable Cities and Communities (SDG 11); Climate Action (SDG 13); and Life on Land (SDG 15).



Sustainability Governance

To ensure that our sustainability initiatives are implemented consistently to the same high standard across the organization, [we have adopted a company-wide sustainability policy](#)

AES Vietnam's approach to sustainability is supported by a governance structure that ensures effective management and oversight. Globally, our Chief Ethics and Compliance Officer, who reports directly to the Financial Audit Committee of the Board of Directors, manages the AES Ethics and Compliance Program, with representatives of the program embedded in every aspect of the business. Various committees, such as the Environment, Health and Safety Committee (EHSS) and the Stakeholders team, oversee and guide our policies and actions in sustainability, safety and public well-being.

To ensure that our sustainability initiatives are implemented consistently to the same high standard across the organization, we have adopted a company-wide sustainability policy that, while mirroring the global AES commitments on environmental stewardship, also responds to the realities of the country's available infrastructure, national and local governance systems, and the socio-economic conditions of the communities surrounding the places where we work. We also conduct both internal and external assessments of our anti-corruption program, and our internal audits include several anti-corruption assessments a year.

We have a risk management process that covers diverse aspects of our business, while we also have a well-developed set of stakeholder relations plans and policies. Our voluntary social impact programs add value to the communities surrounding our facilities, further assisting us when it comes to any potential stakeholder issues.

The safety and security of AES Vietnam's facilities and people under unforeseen circumstances are covered by our comprehensive Emergency Response and Contingency Plan, which deals with a range of potential emergency situations. It is augmented by a range of emergency facilities, systems and vehicles, as well as an extensive program of emergency response training sessions and drills for both employees and contractors.

As part of our preparedness for all manner of unprecedented emergency situations, we have developed a comprehensive approach to Covid-19 with a Business Continuity Plan, which includes everything from measures to ensure a continued supply of energy to policies that help to keep our employees safe.

We are committed to acting with the highest possible standards in everything we do, in strict compliance with all relevant laws and regulations. With that in mind, we have put in place a range of policies that ensure the company and its staff consistently act according to the highest ethical standards. We believe it has been working well. AES Corporation globally has been consecutively recognized as one of the World's Most Ethical Companies for the last ten years, and we also constantly aim to implement those same values locally within Vietnam.

At the heart of our ethics and compliance policy is the AES Values Guide, which is also our Code of Conduct and applies to all AES staff and contractors, setting the rules for them to commit to the company's ethical standards.

Our ethics and compliance commitments extend to our suppliers, who we hold to the same standards as our people. We conduct an extensive and intensive due diligence process on all potential new suppliers and other business partners, pursuing contractual commitments in compliance, including but not limited to those relevant to anti-corruption, influence peddling, legal and regulatory compliance, and reporting requirements.

We have also created a scheme to encourage both AES employees and external stakeholders to bring compliance concerns to the company's attention, so that issues can be promptly addressed. In order to do so speedily and confidentially, we offer the global AES Helpline, where they can ask questions, express concerns and report wrongdoings. We expect all staff to reach out to the AES Helpline whenever they have any compliance concerns or inquiries so the company can support them with advice or an investigation. The AES Helpline is available 24/7, with live interpretation available in all major languages spoken in countries where AES has operations. Reports can even be

made anonymously, and they are all treated confidentially, with absolutely zero tolerance for retaliation against anyone who, in good faith, reports ethics and compliance concerns.

We also have in place a comprehensive training program to ensure that all of our employees, both full and part-time, as well as our suppliers, are fully up to speed with our ethics and compliance requirements. It covers various compliance topics in various forms, including but not limited to on-board compliance orientation, follow-up compliance discussion, tailored compliance training for specific groups of either AES employees or external partners/contractors/suppliers and in-person case study compliance discussions. AES' global training initiatives are often supplemented with further localized training. Our employees and partners/contractors/suppliers are expected to put these policies into action. Our AES Ethics Champions Discussion Program, which is organized annually, promotes open discussions among AES people for them to collectively talk about our Values, compliance dilemmas, and case studies, through which we understand more about the policies and how to bring them into actual implementation.

Annually, we organize a compliance event, Values Day, to emphasize and share the importance of our core Values with our people, business partners and the communities we serve. On this occasion, we select and honor, before the public, a single employee selected by a vote of our leadership team as the person whose actions or spirit best exemplifies our Values during the year. The event also includes community activities where our people can participate together and interact with local communities, which has resulted in long-lasting benefits for many years, such as a number of activities focusing on enhancing safety knowledge and rescue skills in water for communities in Values Day 2022.



Ethics and Compliance



Environment

AES Vietnam is proud of its environmental performance between 2020 and 2022. Many of the headline figures generated by our operations in the country are extremely encouraging, with **emissions on a downward trend** and consistently below industry averages.

We have achieved this through an approach that prioritises sustainability at all times, based on our long-term strategy of transitioning to low-carbon and carbon-free sources of energy. At the core of these efforts is the Integrated Management System (IMS) that we adopted in 2016, which provides an overarching structure for our approach to health, safety and environment and other aspects of our operations. Through our Environmental Policy commits to meeting and, where possible, exceeding all the relevant legislation, standards, and requirements from the local, regional, and national agencies of Vietnam, as well as the AES Corporate Global Environment Standards. The importance we attach to environmental management is reflected in the fact that it is a specific responsibility of our key executives. We also aim to ensure that we stay up to date in our sustainability priorities with a comprehensive program of ongoing stakeholder engagement. We have set ourselves the target of achieving net zero carbon emissions from electricity generation globally by 2040.



Emissions & Energy Use

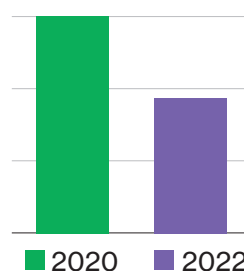
We have put in place a comprehensive program of emissions reduction activities, covering a diverse range of projects that include the replacement of machinery, process optimization and adoption of new technology, all of which have led to improved operational efficiency. Our emissions and effluent discharge levels are constantly monitored by systems that ensure they stay within our parameters. We control emissions to the highest standards according to World Bank IFC Standard, local regulation (QCVN) and environmental permits.

The company is committed to comprehensive climate disclosure. It continues to monitor its performance in line with the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD), and with the Carbon Disclosure Project (CDP).

Water

Our use of water forms a key plank of our sustainability policy, both in the ways we reduce our consumption through efficiency projects and the ways we manage the wastewater that our projects produce. The Mong Duong 2 Plant has a Water Conservation and Wastewater Management System that provides the organization with a framework for the efficient and sustainable usage of water. In 2022, for example, the project's water consumption stood at less than two-thirds of its 2020 level.

Our wastewater and effluent discharge management procedures provide effluent discharge guarantees, including industrial wastewater, cooling water and sanitary water. The system tells us when discharge levels exceed our own internal limits, and notifies the authorities if they exceed local regulations and World Bank requirements. We have also instigated a project to optimize the cycle chemistry of our operations, provide maximum availability and thereby improve the operating efficiency, thereby reducing losses in the boiler tubing and maximizing turbine availability, among other benefits.

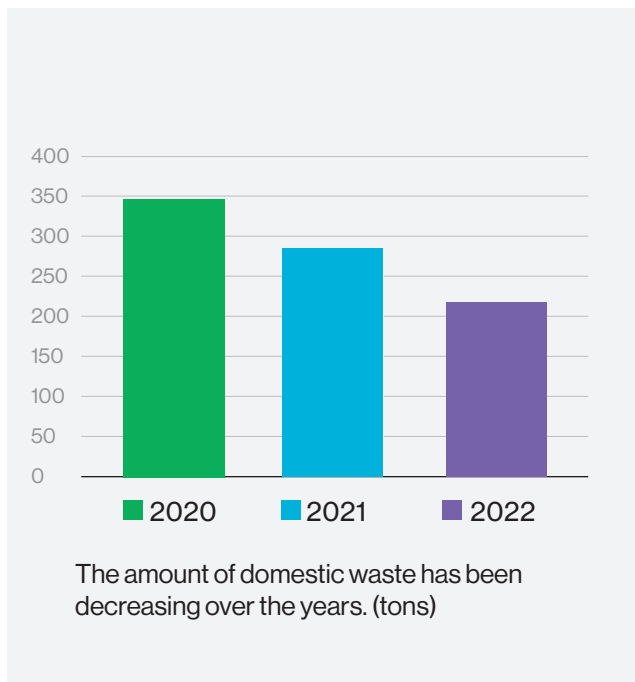


In 2022, the project's **water consumption** stood at less than two thirds of its 2020 level.

Waste

Segregating/reducing plastic waste and domestic waste

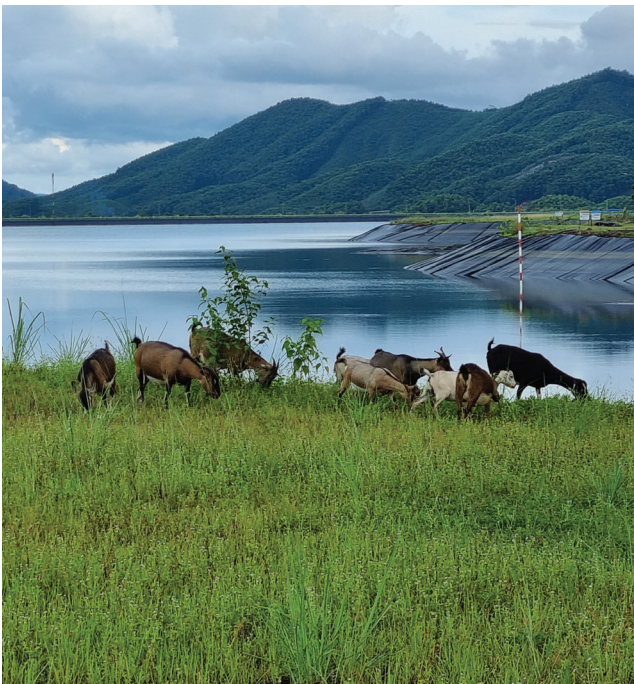
From 2020, we have adopted a range of policies in our waste segregation and management plan to reduce the amount of waste, and improve our handling of the waste we do continue to generate. We began segregating plastic waste and are moving towards eliminating all use of single-use plastics products and minimizing the use of plastic packaging in all deliveries of catered food for AES employees. We have also strengthened our supervision of all waste collection, classification and transfer activities. This has been backed up with a comprehensive publicity campaign, which aims to encourage our employees, contractors and customers to use environmentally-friendly products instead of non-biodegradable and single-use plastic products, both at work and at home.



Moreover, the amount of domestic waste has been decreasing over the years. The data from 2020 to 2022 shows that this trend has continued, and we are still working hard to achieve the target of no domestic waste buried in landfills. We have implemented various solutions to reduce, reuse and recycle our waste, such as using biodegradable packaging, composting organic materials and donating unwanted items. We are also focusing on educating our employees and customers about the benefits of minimizing waste and the environmental impact of landfills.

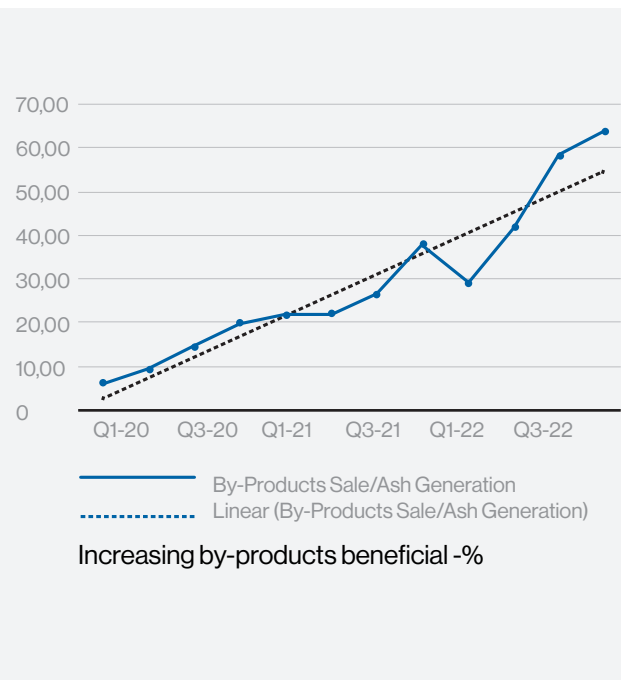
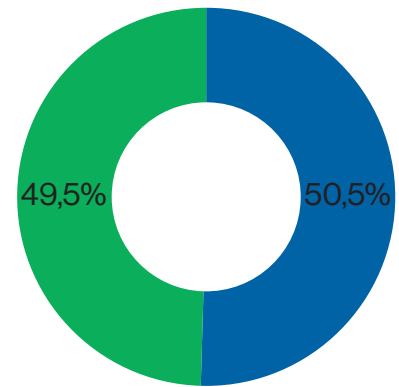
Efforts to support a circular economy

We have developed a proactive action plan for handling and using our by-products (ash and gypsum) by selling the fly ash, bottom ash and gypsum produced to cement companies or to companies that produce bricks, helping to contribute to a circular economy. Instead of dumping them into ash ponds, we seek to reuse them as valuable resources. In the first three quarters of 2022, for example, we sold 434,000 tons out of 876,000 tons of the ash we produced, which was used by the buyers for construction materials. Further substantially increasing the amount that is sold, are projected targets for the near future.



Ash we produced

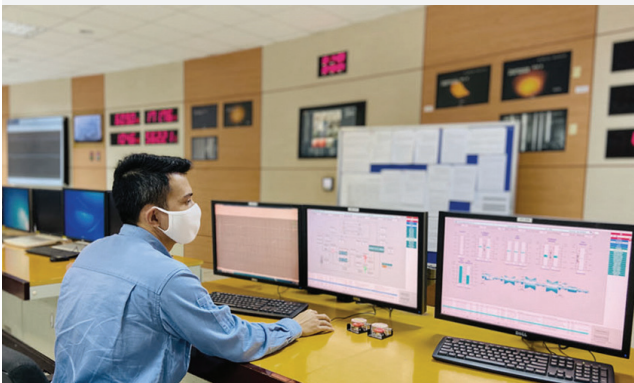
■ Sold
■ Remain



With by-products transferred for further use, the materials will be better utilized. Such policies and actions related to reducing and reusing waste resources form AES' efforts to contribute to a circular economy, which will bring us closer to our goals of not only lowering carbon emissions but also targeting zero combustion waste.

Health and Safety

We respect the health and safety of not just our employees but also **contractors, customers, suppliers and community neighbors**, and we strictly comply with all applicable health and safety laws and regulations.



ISO 45001:2018

The company's Safety Management System, based on the ISO 45001:2018 Health and Safety Management System standard and AES's own internal framework

AES Vietnam makes the safety of its staff and all its other stakeholders a matter of the very highest priority, with a range of policies that demonstrate that commitment. We are committed to adhering to the very highest standards in occupational health and safety, working towards the goal of zero injury incidents.

Consistent with AES' global approach and practices, AES Vietnam strives to conduct all business in a responsible manner, free from controllable hazards. We respect the health and safety of not just our employees but also contractors, customers, suppliers and community neighbors, and we strictly comply with all applicable health and safety laws and regulations.

The company's Safety Management System, based on the ISO 45001:2018 Health and Safety Management System standard and AES' own internal framework, aims to help it manage occupational health consistently around the world, establishing procedures for identifying and reducing health and safety risks, and cementing its leadership in safety policy and practice.

Furthermore, AES Vietnam's Hazard Identification, Risk Assessment and Determining Controls procedure identifies occupational health and safety hazards, assesses risks, and determines control measures.

Safety excellence is ensured by the company's Occupational Health and Safety Policy. As well as laying out the details of best safety practices, it enshrines safety as a condition of employment. Staff and contractors are empowered to apply Stop Work Authority as soon as they identify an action or condition they believe to be unsafe, and the company has a zero-tolerance policy for anything that potentially imperils their health and safety.

All AES Vietnam employees receive a comprehensive safety training program with regular updates. Managers and supervisors at the company are tasked with keeping all staff fully informed about any health and safety developments, and must also take staff concerns and suggestions into account.

Please refer to other sections of this report for information on how AES Vietnam addresses the health and safety of communities, suppliers and other external stakeholders.

COVID-19 Response



Our efforts in ensuring safety and maintaining the health of employees amid the Covid-19 pandemic has earned us the prestigious Royal Society for the Prevention of Accidents (RoSPA) Gold Medal for an eighth consecutive year in 2022.

From the start, we have gone above and beyond local regulations, enforcing the strictest standards to ensure that both our employees and the broader community are protected.



Our response to the COVID-19 pandemic has been to prioritise the needs of people at every point. From the start, we have gone above and beyond local regulations, enforcing the strictest standards to ensure that both our employees and the broader community are protected.

Throughout, we have provided our employees with timely access to important information, updated regularly. We have also invited health and wellness experts to provide our staff with advice on subjects including COVID vaccines and mental health while working from home.

Early on in the pandemic, we formulated a detailed, granular Business Continuity Plan to ensure that the work of generating the energy Vietnam needs could continue under any set of COVID-related circumstances. It ensures the safety of our workforce with a stringent set of measures covering every possible eventuality, including protocols to prevent infection and others to deal as effectively as possible with any possible cases.

Our efforts in ensuring safety and maintaining the health of employees amid the COVID-19 pandemic earned us the prestigious Royal Society for the Prevention of Accidents (RoSPA) Gold Medal for an eighth consecutive year in 2022.

We have provided employees and contractors with a range of medical screening resources, including tests, while also enforcing everything from daily temperature monitoring to maintaining travel records to restrictions on travel and non-essential visits. Our work-from-home, social distancing and shelter-in-place policies have also helped keep staff healthy and safe.

We have also reached out to the community to help people in the areas near our plants in their fight against the virus. We provided extensive financial support to the local authorities to fund their anti-pandemic measures in Quang Ninh Province. Additionally, in 2021 we provided vital medical supplies, including COVID-19 test kits and N95 masks, to community health centers in both Binh Thuan and Quang Ninh provinces.

SOCIAL

At AES Vietnam, we appreciate that people are at the core of everything we do. We therefore go above and beyond to ensure that we have policies in place that support the working lives and personal development of every member of our staff.





Social

SDG 3 Good Health and Well-being

SDG 5 Gender Equality

SDG 8 Decent Work and Economic Growth

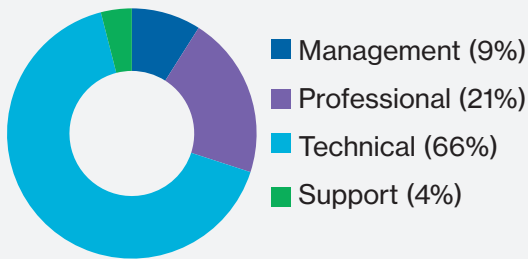
SDG 9 Industry, Innovation and Infrastructure

SDG 10 Reduce Inequalities Within and Among Countries

SDG 11 Sustainable Cities and Communities



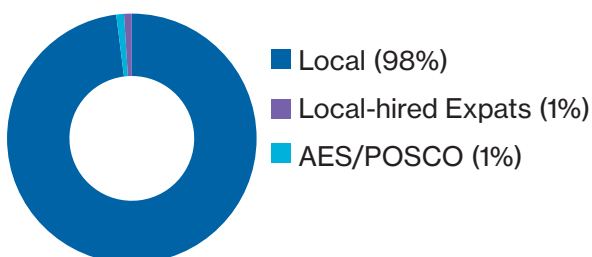
Empowering our People



Current workforce statistics

262
full-time equivalents

6.8 years
average seniority at MD2

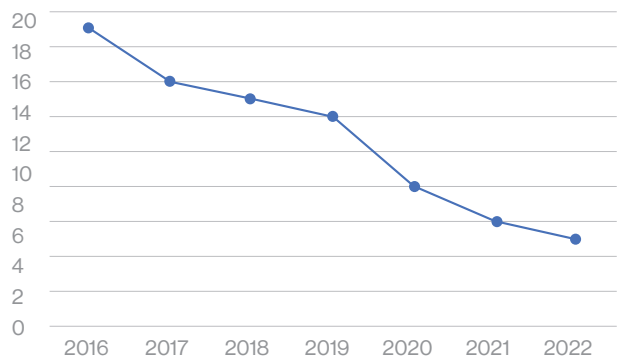


Talent development

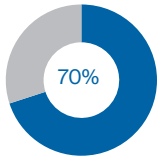
Empowering the local employees to be the next leaders

Our localization plan is a critical strategy to adapt and transfer management positions to the local workforce in Vietnam. Since 2017, the company has implemented a localization program that has resulted in impressive outcomes. This is an important program for the company to leverage the potential and talent of its local employees in the country. As of now, the company has localized 10 local team leaders in Operation and Maintenance and four key local managers in plant management who are responsible for overseeing various projects and operations. We believe that localization not only enhances performance and efficiency, but also fosters a sense of ownership and belonging among the workforce.

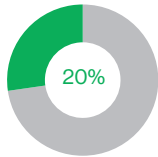
Number of expats



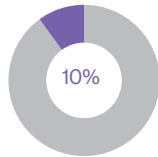
Investment in local workforce



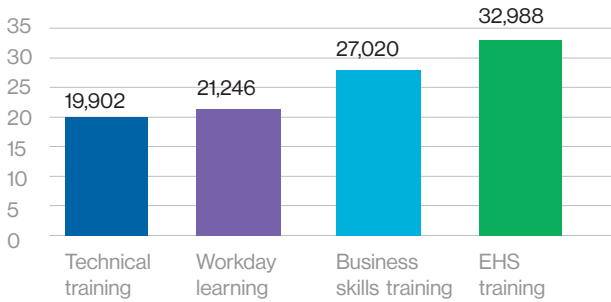
Experience and exposure



Assessment and career planning



Formal learning



Learning organization

The company cultivates a learning culture, both for our employees and the organization itself. We are committed to helping our people develop to their fullest potential. Our learning model is based on the 70-20-10 method, which means that most of our learning comes from doing our work (70%), interacting with others, including coaches, mentors, direct managers, or coworkers (20%), and attending formal training courses (10%). We invest in training content focusing on safety training, technical training, and business skills training, and we have an internal technical training program for operation and maintenance, such as the qualification cards program for operation. We also offer strong training platforms. In addition to in-person courses, we provide online training programs with various courses on Workday learning, LinkedIn learning and Learn light, where our employees can manage their own training programs, and in that way, they can proactively own their careers.

“ The success of women in the energy sector and gender equality overall is critical to driving innovation in our energy transition. Having the opportunity to become a team leader demonstrates a change in the employment of local staff and the promotion of gender equality at the AES Mong Duong plant. This was a great source of inspiration for me and my coworkers, especially the female ones. I believe that there are always chances available, but we also have to recognize the difficulties we have to overcome. Keep working hard and constantly improve yourself to reach your objectives, and don't let being a woman stop you. ”

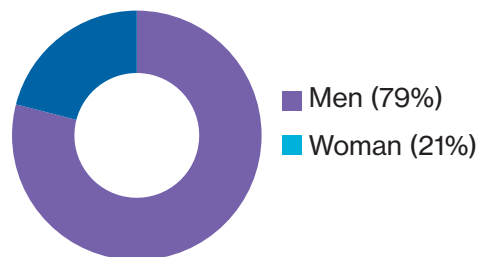
Van Nguyen, FGD Team leader

Diversity, Equity, Inclusion and Belonging



How we accelerate the future of energy is not defined by race, gender, age, or orientation. At AES Vietnam, we believe diversity empowers us to deliver the most value to our communities and to work as the strongest company we can be. We support the career development and advancement of female employees who have demonstrated their capabilities and contributions. While the ideal gender balance is often considered to be 50-50, the power industry is different and more special. AES Vietnam has a higher female ratio compared to other plants in the same industry, with 21% of women in the company. We are proud to have a lot of female operators in operation who are skilled and competent. In addition, the ratio of women in leadership in AES is around 35%, all of whom are influential and inspiring.

AES Vietnam



Management team of 9% total workforce





Employee Wellbeing

The company values the wellness of its employees and provides medical benefits to all staff members. All employees and their immediate families have health insurance coverage and accident insurance. Employees can also participate in the company's Wellbeing Program, a holistic program including tools that provide employees with opportunities to invest in their physical and psychological health and professional development. The company believes that by participating in this program, employees can better balance their work and personal lives, increasing their happiness and productivity.





Supply Chain Management

SDG 12 Responsible Consumption and Production

We ensure the **ethical compliance** of our suppliers with our global AES Supplier Code of Conduct, which stipulates that our suppliers must adhere to the same ethical standards as our staff.

We understand that our ESG performance is only as good as that of every member of our supply chain, so we seek to ensure that all our suppliers are held to the same high standards to which we hold ourselves. Our procurement practices therefore prioritise suppliers who demonstrate sound, sustainable practices. That includes judging them according to Global Reporting Initiative (GRI) criteria, monitoring the performance of their owners, and considering their business ethics and safety and environmental records. It also means that we place an ever-growing emphasis on local suppliers, from either within the country or nearby, which now account for almost 98% of our procurement spending.

We ensure the ethical compliance of our suppliers with our global AES Supplier Code of Conduct, which stipulates that our suppliers must adhere to the same ethical standards as our staff.

We ensure continuity of supply while also supporting the local economy by sourcing within Vietnam where possible, particularly in the areas around our facilities. We also sign long-term contracts with suppliers, providing them with stable revenue and workers with employment. This also has the effect of reducing the number of orders made as well as enabling inventory optimisation.

Finally, we also guarantee the stability of our supply chains with our Business Continuity Plan, which ensures that all of AES Vietnam's operations are able to continue unimpeded and at full capacity in the event of an unforeseen crisis or emergency.





Community Engagement

SDG 2 Zero Hunger

SDG 3 Good Health & Well-being

SDG 4 Quality Education

SDG 8 Decent Work and Economic
Growth

SDG 9 Industry, Innovation and
Infrastructure

SDG 10 Reduced Inequalities

SDG 17 Partnerships for the Goals

Community Engagement

From 2020 to 2022:

48 projects

instituted

US\$444,000

total investment in Quang Ninh and Binh Thuan

200,000 people

directly or indirectly have been long-lasting positive impacted in local communities in Vietnam.

We are determined to support the communities surrounding our plants, helping people to improve their livelihoods, live more happily and lead more productive lives. Working together with our partners and these communities, our custom-tailored social impact programs align with our purpose of accelerating the future of energy. We take guidance from the United Nations' Sustainable Development Goals (SDGs) and our four focus areas that aim to improve the quality of life in the communities where we operate: Health, Education, Livelihoods and Infrastructure. In Vietnam, our social impact programs respond to the needs of the communities, maximize resources and deliver long-lasting benefits. These were formulated after extensive consultations with local authorities and communities to identify the genuine needs of people living near our facilities; and we maintain regular contact with those groups to ensure that our programs address those needs.

Partnering for access to **safe, efficient, affordable energy and services**



The safety of our people, contractors and communities comes first. We work with our partners on programs focused on public safety, access to basic services and resource efficiency.

Highlight: Electrical Safety Project

AES Mong Duong's Electrical Safety Project, which aims to improve safety conditions and living standards in our local communities, involves renovating outdated and potentially dangerous electrical systems in low-income households. From when it was founded in 2019 to 2022, the project has resulted in the repairs and renovations of the electrical systems of 222 low-income households and nine public facilities, including schools, community buildings and clinics, benefiting more than 20,000 people in Mong Duong Ward, Cam Hai Commune and Cong Hoa Commune, Cam Pha City.

Partnering for inclusive economic growth



Highlight: AES Future Energy Scholarship Program

We work with our partners to contribute to economic and social development in the communities where we work. Our programs are focused on education and capacity building while promoting diversity, equality and cultural preservation.

As part of our commitment to help fuel a stronger Vietnamese energy sector, we have been organizing the AES Future Energy Scholarship Program – an investment in education and training for the sector’s high-tech workforce – every year since 2016. From 2020 to 2022, AES Vietnam continued the program to be implemented through a variety of activities, including providing financial support, soft skills training, plant visits and recently, an energy forum with the topic “Energy industry and job opportunities for students”, which benefited more than 250 local students.



Highlight: Supporting the development of biosecure sow production and farming in Cam Pha City, Quang Ninh Province

“ My family had to pay for a new gas tank every two months at the current price of VND520,000 each, which is not a small sum for farmers like us. With only two pigs provided by the project, we are now able to generate 12kg of gas, which is enough for our daily lives. Whenever it runs out, the containers can easily be refilled. We sometimes do not use it all. ”

Mrs. Hoang Thi Xin, a member of a household participating in the biosecure breeding pig farming model, explained.

In 2021, we announced the three-year project “Supporting the development of biosecure sow production and farming in Cam Pha City, Quang Ninh Province”, aiming to improve the livelihoods of local communities and help farmers gain knowledge and skills in biosecure sow production; as well as improve people’s quality of life by providing the economic, social and environmental benefits of household-scale biogas projects. The first phase of the project, which deployed the model in 16 farming households, provided pigs to farmers whose herds had been devastated by African swine fever, and offered agricultural and veterinary experts to supervise the development and growth of the pigs. By the end of 2022, the number of piglets born from households participating in the project has reached more than 300, contributing to had significant source of income for the households. It also offered biogas cellars where the dung and wastewater produced by the pigs can be converted into gas, providing safe, clean energy that is sufficient to meet domestic needs, and helping households of modest means make considerable savings on their energy bills.

Partnering for the environment



Highlight: Tree planting

In 2022, we provided 4,950 seedlings to Mong Duong ward and Cong Hoa commune, including Iron-wood, Menghundur and Chukrasia, which complemented the government's large timber plantation program. Afforestation has great significance for both the economic development of forestry and environmental protection, combating climate change, improving people's quality of life and furthering the development of the country.

We work with our partners to develop programs focused on **biodiversity protection** and sustainable living.



Highlight: Clean water in Binh Thuan

This 2022 project provided four water pumps to Son My Commune and three water purification machines to local schools Son My 1 Primary School, Son My 2 Primary School and Son My Secondary School. It has helped to provide clean water to 2,500 students and others in Binh Thuan Province, making a difference in their lives. It involved the installation of pumps, tanks and arrangements of water intake faucets which were easily accessible so that people could come and get water. This is especially critical during the peak dry season months in Binh Thuan, one of the driest areas in the country, which faces regular water shortages in the dry season.

Partnering for relief efforts

Highlight: Fighting COVID-19

In 2020 and 2021, we stood side-by-side with Vietnam in the fight against COVID-19, contributing to the National Vaccine Fund and provincial COVID-19 Prevention and Fighting Fund as well as providing medical supplies to local communities in Quang Ninh and Binh Thuan provinces. Moreover, during challenging periods, we have continued to maintain the efficient operation of our facilities, which was critical during the fight against COVID-19, guaranteeing a continuous supply of energy for the country.

We work as one team with our **people, contractors, customers, partners** and communities to respond to natural disasters and catastrophes.



ESG Recognition / Awards / Ratings



Top 100 Most Sustainable Enterprise in Vietnam 2021 (VBCSD, VCCI)



AmCham 2020 CSR Award, 2021 and 2022 (sixth consecutive year)



RoSPA Health & Safety Awards 2022 (eighth consecutive year)



Excellent Company Union 2022 (Quang Ninh Provincial Labor Confederation)



Excellent Contribution to Social Security (People's Committee of Cam Gia City)



ISO 55001:2014

ISO 55001:2014 Certification on Asset Management (2020)

EHS Achievements in 2022

- ISO 45001:2018 and ISOS 14001:2015 Certification
- National Green Environment Awards
- Green Brand and Green Energy Awards
- Brand for Green Environment and Environmental-Friendly Products
- Sustainable Business Awards
- RoSPA Golden Medal Awards for eighth consecutive years
- Recognition for Firefighting and Rescue Competition
- First Place in Cam Pha Excellent Safety and Hygiene specialist competition 2022

Appendices



GRI Index

ESG Performance Data	2020	2021	2022
Environmental			
Water			
Total water withdrawn (m3)	980,855,671	638,371,507	1,071,234,979
Surface withdrawn (m3)	2,728,321	2,902,496	2,319,299
Seawater withdrawn (m3)	978,127,350	635,469,011	1,068,915,679
Total water discharged/returned to the source (at similar or higher quality as raw water extracted) (m3)	979,577,008	639,991,289	1,071,711,090
Water consumption (m3)	1,278,663	-1,619,783	476,111
Emission			
Direct (Scope 1) GHG emissions (MT)	6,100,280	6,626,124	6,385,515
Other indirect GHG emissions (Scope 3) (MT)	23,796	6,583	8,250
GHG emissions intensity (gCO2/kWh)	871	835	854
NOX (Lbs)	30,284,588	36,185,225	31,610,920
SOX (Lbs)	5,900,856	8,860,337	8,299,364
CO (Lbs)	1,582,813	1,994,047	1,589,213
Mercury (Lbs)	301	287	288.5
Particulate matter (Lbs)	1,498,822	1,480,763	1,618,140
Waste			
Hazardous Waste (kg)	90,792	80,159	414,015
Non-Hazardous Waste (ton)	1,146,506	1,287,179	1,143,966
Industrial waste (paper, wood, packaging, junk) - Salvage junk, recycling, re-sue (ton)	156	476	68
Domestic solid waste - landfill (ton)	346	284	263
Sludge from industrial waste water treatment system - landfill (m3)	38	0	0
Ash disposal from coal combustion - Storage in Ash Pond 1 and 2 (ton)	1,145,966	1,286,419	1,143,159
Wastewater (m3)			
Industrial wastewater (Main Plant) - Discharge at the Luong Gac	0	0	300
Industrial wastewater (Ash Pond 2) - Discharge at the Thac Thay River	1,437,306	4,508,410	2,483,792
Energy			
Gross Energy Generated (GWH)	7,023	7,938	7,480
Energy consumption - (tons of coal)	3,269,205	3,634,882	3,395,273
Energy consumption - Energy from the grid (MWh)	28,547	8,311	10,433
Total number and volume of significant spills	No spill event during the reported year	No spill event during the reported year	No spill event during the reported year
Percentage of new suppliers that were screened using environmental criteria	100%	100%	100%
Social			
Employee			
Permanent Employees (Total)	263	255	262
Permanent (Female)	50	51	51
Permanent (Male)	213	204	211
Workers who are not employees (seasonal workers, shifts, short-term contracts)	393	406	414
Percentage of employees receiving regular performance reviews and career development reviews	100%	100%	100%

Total number and rates of new employee hires			
New hires	19	19	20
New hires rate (%)	7.2%	7.5%	7.6%
Employee turnover (%)			
Overall	8.0%	9.8%	4.6%
Female	1.1%	0%	0.8%
Male	6.8%	9.8%	3.8%
Age Group (Below 30)	1.9%	0%	0%
Age Group (30 to 50)	5.7%	7.8%	3.8%
Age Group (Above 50)	0.4%	2.0%	0.8%
Return to work and retention rates after parental leave, by gender			
Employees who took parental leave (number)			
Female	4	3	2
Male	22	16	16
Employees who returned to work after leave (number)			
Female	4	3	1
Male	22	16	16
Average hours of training (hours)			
Female	76	98	121
Male	83	109	128
Executive Leadership team	20	28	21
Department Manager	24	32	38
Team Leader	82	84	137
Staff	87	118	137
Number of work-related fatalities			
Employees	0	0	0
Contractors	0	0	0
Number of work-related injuries			
AES Mong Duong			
Near Miss	14	11	8
First aid case	1	2	0
Contractor			
Near Miss	6	4	6
First aid case	0	1	0
Percentage of workers represented in formal joint management-worker health and safety committees	14%	8%	8%
Community investment			
Investment (USD)	71,896	229,090	175,873
Number of projects	11	18	20
Number of people benefited	200,000	200,000	200,000
Supply chain			
Percentage of new suppliers that were screened using environmental criteria	100%	100%	100%
Procurement spending (Local vendors) %	98%	98%	99%
Procurement spending (Foreign vendors) %	2%	2%	1 %

GRI Index

GRI		Chapter
GRI 2	General Disclosures	
2-1	Organizational details	About AES Vietnam
2-2	Entities included in the organization's sustainability reporting	About AES Vietnam
2-3	Reporting period, frequency and contact point	About Our Report
2-6	Activities, value chain and other business relationships	About AES Vietnam
2-7	Employees	About AES Vietnam
2-8	Workers who are not employees	ESG Performance Data
2-9	Governance structure and composition	Our Approach to Sustainability
2-22	Statement on sustainable development strategy	Our Approach to Sustainability
2-23	Policy commitments	Our Approach to Sustainability
2-28	Membership associations	Our Approach to Sustainability
2-29	Approach to stakeholder engagement	Our Approach to Sustainability
2-30	Collective bargaining agreements	The company does not have any Collective bargaining agreement at the time of report
GRI 3	Material Topics	
3-1	Process to determine material topics	Our Approach to Sustainability
GRI 203	Economic Performance	
203-1	Infrastructure investments and services supported	Social - Community Engagement
203-2	Significant indirect economic impacts	Social - People Management
GRI 204	Procurement Practices	
204-1	Proportion of spending on local suppliers	Social - Supply Chain Management
GRI 205	Anti-Corruption	
205-1	Operations assessed for risks related to corruption	Ethics and Compliance
205-2	Communication and training about anti-corruption policies and procedures	Ethics and Compliance
205-3	Confirmed incidents of corruption and actions taken	Ethics and Compliance
GRI 300	Environmental Disclosures	
GRI 301	Materials Used	
301-1	Materials used by weight or volume	ESG Performance Data
GRI 302	Energy	
302-1	Energy consumption within the company	ESG Performance Data
GRI 303	Water and Effluents	
303-1	Interactions with water as a shared resource	Environmental - Water
303-2	Management of water discharge related impacts	Environmental - Water
303-3	Water withdrawal	ESG Performance Data
303-4	Water discharge	ESG Performance Data
303-5	Water consumption	ESG Performance Data
GRI 305	Emissions	
305-1	Direct (Scope 1) GHG emissions	ESG Performance Data
305-3	Other indirect (Scope 3) GHG emissions	ESG Performance Data
305-4	GHG emissions intensity	ESG Performance Data
305-5	Reduction of GHG emissions	Environmental - Emissions & Energy Use
305-7	Significant air emission pollutants	ESG Performance Data
GRI 306	Waste	
306-1	Waste generation and significant waste-related impacts	Environmental - Waste
306-2	Management of significant waste related impacts	Environmental - Waste
306-3	Waste generated (overall by composition)	ESG Performance Data
306-4	Waste diverted from disposal	ESG Performance Data
306-5	Waste diverted to disposal	ESG Performance Data

GRI 308	Supplier Environmental Assessment	
308-1	New suppliers that were screened using environmental criteria	ESG Performance Data
GRI 400	Social Disclosures	
GRI 401	Employees	
401-1	New employee hires and employee turnover	ESG Performance Data
401-2	Benefits provided to employees	Social - Employment
401-3	Parental leave	ESG Performance Data
GRI 402	Labor/Management Relations	
402-1	Minimum notice periods regarding operational changes	Social - Employee Engagement
GRI 403	Occupational Health and Safety	
403-1	Occupational health and management system	Social - Health and Safety
403-2	Hazard identification, risk assessment, and incident investigation	Social - Health and Safety
403-3	Occupational health services	Social - Health and Safety
403-4	Worker participation, consultation, and communication on occupational health and safety	ESG Performance Data
403-5	Worker training on occupational health and safety	Social - Health and Safety
403-9	Work-related injuries	ESG Performance Data
GRI 404	Training and Education	
404-1	Average hours of training per year per employee	ESG Performance Data
404-2	Programs for upgrading skills and transition assistance programs	Social - Talent Development and Retention
404-3	Percentage of employees receiving regular performance reviews and career development reviews	Social - Talent Development and Retention
GRI 405	Diversity and Equality	
405-1	Diversity of governance bodies and employees	Social - Diversity and Inclusion
GRI 406	Non-Discrimination	
406-1	Incidents of discrimination and actions taken	Nil
GRI 413	Local Communities	
413-1	Operations with local community engagement	Social - Community Engagement
GRI 414	Supplier Social Assessment	
414-1	New suppliers that were screened using social criteria	Social - Supply Chain Management



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