AES - VCM
Mong Duong Power Co. Ltd.

2015 Sustainability Report
In Accordance with the
Global Reporting Initiative (GRI) G4 Guidelines

ENERGIZING AND EVOLVING



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About the Theme

Energizing and Evolving

Known to deliver safe, reliable and affordable energy in the markets where it operates, AES now brings its sustainable solutions to the Vietnam industry, epitomized by the success of the Mong Duong II power project. AES-VCM ensures responsible operations by maintaining and upholding the highest standards throughout the business so that we become a trusted advisor of the Government of Vietnam.

Energizing and Evolving is a message that speaks to how AES-VCM is successfully contributing to the Vietnam energy landscape. AES-VCM addresses the country's urgent power needs: our expertise and proven track record in providing sustainable energy solutions help evolve the local industry. We are also pursuing growth as many AES investments are already taking shape in the Vietnam market.

All this could not be possible without the AES-VCM people: the core of the Mong Duong II success story. Rooted in our core mission to provide safe and reliable energy, our people will continue to energize and evolve our business.

About AES-VCM

Vietnam's strong economic growth requires stable and reliable electricity to sustain progress. As an emerging market, it requires expanding power generation, transmission, and distribution capacity in the most sustainable way, knowing that sustainable energy for the Vietnamese people is crucial to improving lives.

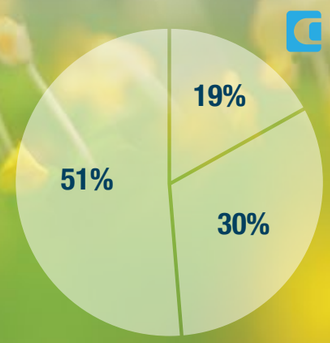
In the Vietnam power sector, AES' presence can be traced all the way back to the late 1990s, when the global corporation made its first visit and met with the Government of Vietnam to explore potential opportunities. Years later, end of 2005, it executed a memorandum of understanding to kickstart the construction of the Mong Duong II coal-fired thermal power project in Quang Ninh Province. AES conducted negotiations with the Government until 2010, at the tail-end of which the power plant's execution commenced.

Today, AES-VCM is the first and largest private energy service provider to the Socialist Republic of Vietnam. AES-VCM Mong Duong Power Company Limited (AES-VCM) is a limited liability company formed by the consortium of the AES Corporation (51%), POSCO Energy (30%) and China Investment Corporation (19%). Our headquarters are located at Mong Duong ward, Cam Pha Town, Quang Ninh province, Vietnam.

Through a Build-Operate-Transfer (BOT) contract with the Ministry of Industry and Trade (MOIT), the US$1.95 billion project is funded by 13 international lenders, with Korean Eximbank having the largest term loan allocation of US$342 million. The Project will be handed over to the Vietnamese government after 25 years of commercial operation.

The beginning has already set the bar high for us. The Mong Duong II project's success demonstrates AES-VCM's capabilities, which have been recognized and appreciated by the Government. Our cooperation with Quang Ninh Province, Electricity of Vietnam (EVN), and Vietnam National Coal-Mineral Industries Holding Corporation Limited (Vinacomin) enabled us to define a world-class power facility.

AES-VCM Business Activities: Energizing and Evolving



AES - VCM
Mong Duong Power Co. Ltd.

Power Generation

Mong Duong II is equipped with two units of 621MW using pulverized coal (PC) technology, which pulverizes coal at a highly fine degree.

GOVERNMENT OF VIETNAM

EVN

Energy Distribution

Electricity of Vietnam (EVN) is the sole customer of AES-VCM. Distribution to end-users is held under the operation of EVN.

GOVERNMENT OF VIETNAM

Transfer Ownership

After 25 years of commercial operation, AES-VCM will transfer ownership of Mong Duong II to the Vietnamese Government as per BOT contract with the Ministry of Industry and Trade (MOIT).

About AES-VCM



AES-VCM is dedicated to improving lives and making a lasting difference in the communities and markets in which we operate. We are committed to a wide range of social, economic and environmental initiatives that will improve the lives of our customers and their communities; protect the environments in which we operate; empower our people and businesses; and improve long-term returns to our investors.

Our Vision

Improving lives by providing safe, reliable and sustainable energy solutions in every market we serve

Our Mission

Our vision is to be the world's leading sustainable power company that safely provides reliable, affordable energy. We do this by leveraging our unique electricity platforms and the knowledge of our people to provide the energy and infrastructure solutions our customers truly need. Our people share a passion to help meet the world's current and increasing energy needs, while providing communities and countries the opportunity for economic growth due to the availability of reliable, affordable electric power.

Our Values

AES-VCM values are at the heart of our operations and we believe these values set AES-VCM apart from others in our industry. 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.

Awards and Recognition

AES-VCM Mong Duong Power Company Limited has received numerous recognitions during the implementation of the Mong Duong BOT coal-fired thermal power project.

- 2015 Accreditation of Technology Innovation to Green Economy, magazine of the Ministry of Natural Resources and Environment (MONRE)
- 2015 Asia Power Engineering International Project of the Year for the Best Coal-Fired Power Project, Power Engineering International Magazine
- 2015 Golden Award for Occupational Health and Safety, Royal Society for the Prevention of Accidents (RoSPA)
- 2015 Merit Certificates of the Prime Minister of Vietnam for outstanding achievements in management and construction of Mong Duong 2 Power Plant, contributing to socialism development and national security
- 2015 Outstanding Performance in Occupational, Hygiene & Safety, issued by Quang Ninh People's Committee
- 2015 Prestigious Award from the Prime Minister of Vietnam for outstanding achievements in management and construction of the Project
- 2015 recognition for outstanding contribution to protect the environment, approved and encouraged by General Department of Environment – MONRE
- 2014 Best Practices Award for the power sector, Project Finance International (PFI – Thomson Reuters)
- 2014 Green Brand and Green Energy Certificates, issued by Economy and Forecast Review, Vietnam Ministry of Investment and Planning (MOIP)
- 2014 Silver Award for Occupational Health and Safety, RoSPA
- 2014 recognition for contribution to Vietnam Green Environment Award, issued by Vietnam Environment Administration – MONRE
- 2013 Certificate of Merit from Quang Ninh People's Committee to the company and two outstanding employees for their hard work and contributions to the Project
- 2013 Golden Hard Hat Award for AES-VCM, issued by AES Corporation
- 2013 World Class Safety Culture Award based on DuPont Safety Perception Survey

The financing of the Project has also been recognized as:

- 2012 Power Deal of the Year, PFI (Thomson Reuters)
- 2011 Achievement Award for Best Vietnam Deal, Finance Asia Magazine
- 2011 Asia-Pacific Power Deal of the Year, PFI (Thomson Reuters)
- 2011 Asia Review of the Year for Best Vietnam Capital Markets Deal, International Finance Review Magazine
- 2011 Best Project Financing, Asia Money Plus



Message from the CEO

Dear Shareholders and Stakeholders,

I am proud to present the very first Sustainability Report of the AES-VCM Mong Duong Power Company Limited (AES-VCM): a celebration of what we've achieved as one team, making the 1,242 megawatt (MW) Mong Duong II Build-Operate-Transfer Power Project (Mong Duong II) a reality. Over ten years ago, we had the ambition to develop, construct and operate an entirely new facility on the coast of Quang Ninh Province. Today, we have seen the growth happen virtually from a fresh landscape of soil in 2010 to the magnificent completed Mong Duong II project in 2015 which is now providing safe, reliable and sustainable energy that improves people's lives in Vietnam.

The Success of Mong Duong II

AES-VCM is in the first chapters of operating the first and largest private sector coal fired power project in Vietnam. Part of the Vietnamese Government's Power Master Development Plan VII, Mong Duong II is one of the key projects that will meet the country's growing demand for electricity today and into the future. As Vietnam continues to develop at an average growth rate of 6.2% year on year, our company strives to contribute to this growth of the country and economy by strengthening the backbone of a stable and reliable energy sector.

With this mission at AES-VCM's core, the Mong Duong II's successful and timely construction is a feat that we take immense pride in. We reached several milestones that were indicative of the high standards that came with constructing and operating a power plant to the high standards of The AES Corporation (AES), as well as the highly skilled and qualified team who worked tirelessly to get the job done. Together, we made something great and demonstrated the prowess of AES-VCM's people.



First, we are proud that the overall facility was completed ahead of schedule in April 2015, six months earlier than our commitment to the Government of Vietnam. We not only fulfilled our company's contractual commitments but also went beyond them. As a high quality power project, we built the plant according to international standards while still exceeding our performance targets.

This is a success that can only be attributed to the workforce that made it possible. During the construction period, the AES-VCM team and contractors worked over 45 million man-hours and worked all those hours with every man and woman returning home at the end of the day. Aligned with our AES value to put safety first, we've set our company apart early on through its safe execution of our Mong Duong II project. Our safety record on a project of this magnitude has set the benchmark for others in Vietnam to follow.

Furthermore, we are very proud that nearly all of the work constructing our Mong Duong II project was completed by the hands of the local Vietnamese members of our contractors and the AES-VCM team. These first workers from the local community took pride in their work and established ownership of the project early on which enabled us to meet our goals and objectives. We would not be successful without the right people on our team. As we move forward our company is focused on continuing to develop our Vietnamese team members enabling them to strive for excellence and lead our company into the future.

Now fully operational, Mong Duong II has completed the first chapter of our story successfully. Our story will continue to evolve in the coming years as we strive to be the best operational power plant within Vietnam while living our values in a safe and sustainable way.

Proactive Engagement with Stakeholders

Our values and the culture of our team members lead us to always strive to improve and do more. As a company, AES-VCM focuses not only on being a world-class operator but also serving the needs of our customers and engaging all our stakeholders: the communities who host our operations, the partners we mutually depend on, the lenders and shareholders to whom we hold ourselves accountable.

We want to fulfill our role toward making a lasting difference where we operate. Entering the Vietnamese market, our company has initiated various corporate social responsibility projects on health and safety, education, environment, and livelihood restoration among the many nearby residents. We have supported construction and renovation programs for the local school in the Mong Duong ward, Cong Hoa and Cam Hai communes, as well as construction road access improvements in nearby villages.

Being a new operator, we strive to build strong relationships with our broad range of stakeholders over time. The only way to accomplish this is through proactive engagement, so that we thrive on shared, open lines of communication as we listen to the groups and individuals who matter to our business.

It is part of AES-VCM's culture to benchmark performance against the highest standards, and we do so in managing our impacts. The Mong Duong II project meets all requirements of the local environmental laws and regulations as well as those stipulated in the International Finance Corporation (IFC) Performance Standards and the Equator Principles, thus establishing the environmental and social safeguards to monitor our operational activities. All these help us assess and manage our environmental and social issues while allowing our international lenders to meet project financing requirements.

Growth and Long-term Sustainability

Already we've had an impressive start, but we won't stop there. Ensuring the sustainability of our business goes beyond the Mong Duong II plant so that we continuously support Vietnam's energy needs while building our long-term presence in the market. AES-VCM ultimately wants to contribute to a more sustainable country, and in doing so, we strive to be a trusted advisor of the Government—thus sharing best practices, leveraging our world-class AES experience, and strengthening our track record.

AES-VCM: A First in Sustainability Reporting

The sustainability report in your hands is a first for not only AES-VCM but also the Vietnam thermal power sector. This is a crucial step in our company's sustainability journey: to hold ourselves to a higher standard by disclosing Mong Duong II's triple bottom-line performance in 2015 using the Global Reporting Initiative (GRI) G4 framework.

As our company's story goes on to evolving in the coming years, the AES-VCM values set us apart. Putting safety first, Acting with utmost integrity, Honoring our commitments, Striving for excellence, and Having fun through work—these values are the foundation of AES-VCM's standards and culture that continuously drive the success of our project and enabling our team to meet and even exceed expectations.

I would like to thank all the members of the Sustainability Technical Working Group, who worked tirelessly during the months of data gathering and actively participated in the learning process as we undertook sustainability reporting for the first time. This is an enormous feat, and I am deeply appreciative of your dedication and commitment that made it possible. I also extend my thanks to the members of our External Review Committee, whose expertise and guidance were invaluable to us during this reporting process.

David Stone
Managing Director and CEO





Project Key Milestone



22/10/2010
Signing Project Agreements



16/09/2011
Ground Breaking Ceremony



17/08/2012
Boiler #1 Steam Drum Lifting



17/01/2013
Boiler #2 Steam Drum Lifting



26/02/2014
Initial Oil Firing Unit 1



25/04/2014
Golden Hard Hat Award



04/06/2014
Initial Oil Firing Unit 2



26/10/2015
Announcement Commercial Operation Date Ceremony



21/04/2015
Commercial Operation of Unit 2



20/03/2015
Commercial Operation of Unit 1



17/06/2014
Synchronization

Message from the Plant Manager:
The Mong Duong II Story

To Our Stakeholders:

The Mong Duong II BOT power project is a success story for AES-VCM that would not have been possible without its people. As our CEO David Stone recapitulated in his earlier message, the project achieved targets that demonstrated both the quality and resolve of our Operation and Maintenance team. Following the highest standards of performance, our people exceeded expectations during Mong Duong II's construction, and we achieved Commercial Operations six months ahead of schedule in April 2015.

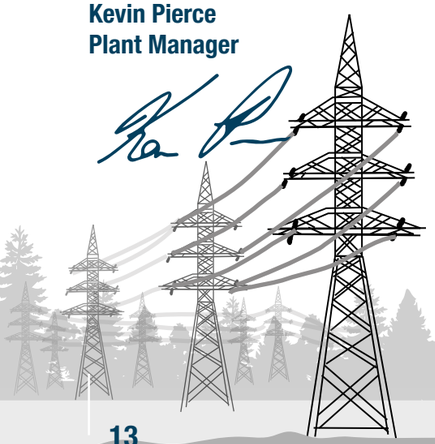
Any success is not without its challenges. As the Plant Manager, my directive was to ensure that we would have an AES-performance level plant of three years by the end of 2015, and we committed to vast improvements throughout the operational phase. From the plant commissioning to operations, I was confident we would be able to deliver.

At AES-VCM, our people have instant buy-in to the standards we set for ourselves. We benchmark how we do things against world-class standards in safety, operations and maintenance, and environmental performance, earning AES-VCM' recognition as a top decile operator.

The Mong Duong II project's success would not have been possible without this excellent team, who understood the "One team" concept and were open to assimilating with AES' culture and values. For instance, when we communicated the message of "Stop Work Authority" (SWA), which is one among our key safety programs that declares everyone has the authority and obligation to stop someone's work when deemed unsafe, the AES-VCM people took this message and ran with it. Within a few months, over 50% of our SWA were exercised by our local Vietnamese workers, building on our culture of safety. I look forward to even greater levels of change as we continuously improve and learn.

With the culmination of AES-VCM's very first Sustainability Report, I would like to express my gratitude and appreciation to our people. At face value, a power plant seems to emphasize in only its technology, but beyond the turbines, boilers, and equipment, it is the people who carefully operate it and energize growth. As the company continually grows and builds its brand name in the Vietnamese market, we will continue to place operational excellence as a pillar of our broader, ongoing sustainability journey.

Kevin Pierce
Plant Manager



Overview

With a gross capacity of 1,242 MW, the Mong Duong II power plant is Vietnam's first and largest BOT coal-fired power plant project.

Location:	Mong Duong Ward, Cam Pha Town, Quang Ninh Province, Vietnam
Net Capacity:	1120 MW with 2 units of 560 MW each
Fuel:	domestic coal
Invested capital:	approximately USD 1.95 billion
Investment type:	100% foreign investment under the Build–Operate–Transfer (BOT) scheme. The Plant will be transferred to the Government of Vietnam after 25 years of operation.
Commercial Operation Date:	April 2015
Contractors:	**Installation, Erection & Commissioning:** Doosan Heavy Industries Vietnam Co. Ltd. **Equipment Supply:** Doosan Heavy Industries and Construction **Engineering:** Doosan Power Systems India Pvt. Ltd.
Actual peak manpower during construction:	approximately 7,500 (mostly local Vietnamese)
Estimated number of employees during operation phase:	approximately 200 (mostly local Vietnamese)



Our Leadership

Executive Leadership Team



Mr. David Stone
Managing Director/CEO



Mr. Kevin Pierce
Plant Manager



Mr. Sang Geun Yang
Chief Financial Officer



Nguyen Thuy Hong
HR Business Partner



Le Thi My Hanh
Stakeholders Manager



Luu Ngoc Anh
General Counsel &
Compliance Officer



Tran Bich Huong
Commercial Director

Department Managers



Michael Savidge
Operation Manager



Fernando Mendez Cea
EHS Manager



Nadessan Sandirasegaran
Maintenance Manager



David Bae
Engineering Manager



Tran Minh Ly
Chief Accountant /
Country Controller



Lee Eung Chong
Supply Chain Manager

About the Report

Overview

Reporting Framework:	Global Reporting Initiative (GRI) G4
Reporting Period Covered:	April to December 2015 (Period of operations in the Year 2015)
Reporting Cycle:	Every 2 years
"In Accordance" Option:	Core

When AES defined the new corporate strategy in late 2011, one of the three long-term corporate objectives set was to be a sustainable company. AES-VCM met this challenge head on by being the first company to publish a sustainability report in the Vietnam power sector. It is also the first sustainability report of AES in the country.

In this report, we follow the robust framework of the Global Reporting Initiative's (GRI) G4 guidelines in order to measure our triple bottom line impacts and performance. We cover the reporting period April to December 2015

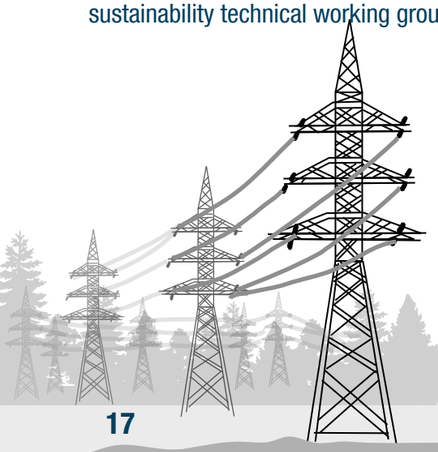
Identifying Our Sustainability Priorities

In preparing this report, AES-VCM conducted stakeholder engagement and materiality assessment using data that were drawn from baseline and existing stakeholder engagement studies that were conducted during the plant construction period. This was done given the substantial findings on stakeholder issues and concerns we knew would remain relevant within a period of time, and in consideration of time and resources allocated on these previous engagements.

The available stakeholder engagement (SE) findings were the following: [a] "Stakeholder Engagement Plan" which identified and assessed the interests, concerns and needs of stakeholders, and updated AES-VCM's socio-economic baseline for the operation phase of the Project; and [b] "Project Completion Report" which conducted stakeholder consultation aligned with GRI G4 guidelines and identified material indicators, as a basis for the promotion of a desired business-community partnership during the construction phase of the Project.

It was important to establish a robust validation process so that the findings provided a reasonable and balanced representation of our sustainability performance, and that they fit and reflect the reporting period.

AES-VCM commissioned a third-party consultant to validate the findings. Conducted together with the AES-VCM sustainability technical working group (TWG), the step-by-step validation process follows:



Validation Process: Step-by-step

Stakeholder Engagement Validation Process	**Step 1**	Confirm the stakeholder sets: Local Communities, Government, Contractors, Customers, and Employees.
	Step 2	Review stakeholder engagement (SE) findings based on relevance to the reporting period and set threshold for the most material issues.
	Step 3	Cross-check the IFC Performance Standard Requirements for Public Participation for Completeness.
AES-VCM Internal Validation Process	**Step 4**	Review SE findings of internal stakeholders (i.e. employees) based on relevance to the reporting period. This was done by testing the G4 indicators for operational relevance based on the five broad strategies for the sustainability initiatives of AES Corporation. They are: Financial Excellence, Operational Excellence, and Environmental Performance, value to Stakeholder Engagement and value to AES People.
	Step 5	Review SE findings against the five broad strategic areas of AES Corporation through the methodology: 1.Does it affect your Financial Excellence? 2.Does it affect your Operational Excellence? 3.Does it affect your Environmental Performance? 4.Does it affect your Stakeholder Engagement? 5.Does it affect the way you manage AES People?
	Step 6	Determine and set threshold to indicate the most material issues based on the reporting period.
Review and Presentation of Materiality Matrix	**Step 7**	•Reinstate all G4 Aspects and indicators pertaining to emissions generation and emissions management due to industry relevance. •Reinstate G4-EN27 as part of the requirements under the review of IFC Performance Standard Requirements for Public Participation. •Consider and include Electric Utilities Sector Disclosures for the G4-EU indicators that proved material to the business.
	Step 8	Present first cut of materiality matrix to the AES-VCM senior decision-makers

This methodology ensured that the operational interests of AES-VCM formed the basis of determining material issues given the reporting period, while recognizing the unique situation of a handover period between the Project's development and then its operations. Interventions came in the form of consultations with the members of the TWG and senior leadership (refer to step 7).

Championing Sustainability

At AES-VCM, sustainability is an agenda that is championed at the highest level of the organization. Our organizational structure reflects the coverage of various sustainability aspects including financial performance, operations, environment, occupational health and safety, stakeholder management, personnel development, compliance, and customer management, represented in the members of our sustainability technical working group.

As heads of their respective sections, they report directly to the Managing Director & CEO on the sustainability KPIs pertinent to them and are responsible for the accomplishment of these KPIs and championing the sustainability agenda to their supervised workers. For this sustainability report, the CEO is appointed as Champion of the project and Plant Manager is the Chairman.

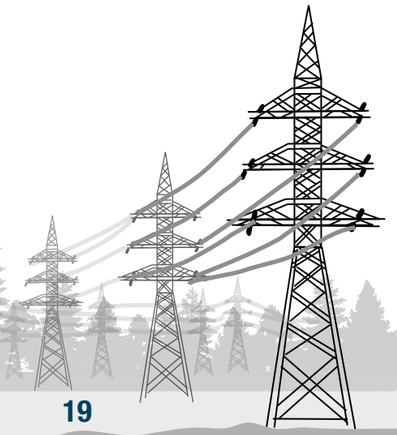
For this sustainability report, AES-VCM sought third-party review in order to provide expert feedback and commentary on the report in line with local context, industry best practices, and broader sustainability trends. We selected three local experts on the economic, environment, and social aspects to comprise our External Review Committee (ERC), who are Mr. Nguyen Viet Thinh, Mr. Nguyen Quang Vinh, and Mr. Huynh Trung Hai. The selection was approved by the company's highest governing body, and the members are local experts independent from AES-VCM. The findings and opinions about the report as well as their credentials can be found in the ERC Statement.

One of the ERC members, Mr. Nguyen Vinh, served as General Secretary of Vietnam Business Council for Sustainable Development (VBCSD), where AES-VCM's Managing Director and CEO serves as a Board member. The VBCSD Board member position is voluntary and his membership is not compensated.

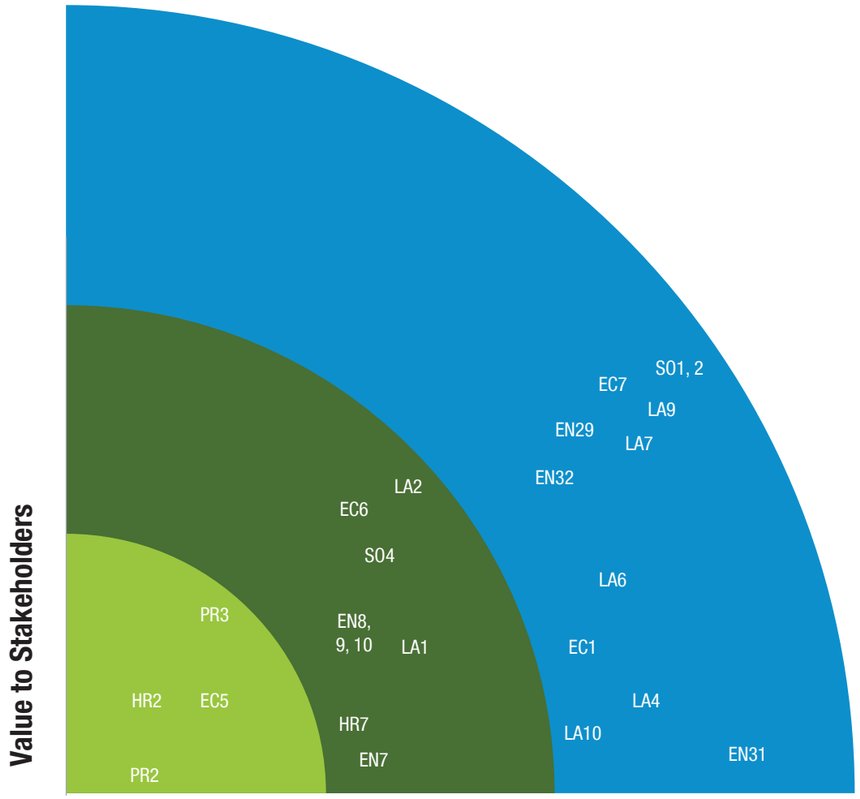
For queries regarding the content of this report, you may contact our Stakeholder Manager, Ms. Le Thi My Hanh (hanh.le@aes.com).

Materiality Results

For the reporting period, AES-VCM's 2015 sustainability report is defined by the following material Aspects. See Appendix on page 75-76 for material Aspects identified by stakeholders within the organization and outside the organization



In sum, the materiality process resulted in the following list of material issues on the Aspect-level for this report.



Value to AES - VCM Business

EC	Economic Performance
EN	Enviromental Performance
LA	Social-Labour Practice and Decent Work
HR	Social-Human Rights
SO	Social-Society
PR	Social-Product Responsibility
EU	Electric Utilities

List of material issues not on the Materiality Matrix but also included

EN 15,16 EN 17,18 EN 21,27	Emissions
EU 1,2,3	Installed Capacity, Net Energy Output, Customers
EU 10	Availability & Reliability
EU11	System Efficiency
EU 15,17,18	Employment (EU)
EU 28,29,30	Access

Ethics and Compliance

Considered as a power industry leader, we strive to create ethical working relationships both internally and with our stakeholders. As AES-VCM operates, we will deliver safe, reliable and sustainable energy to the country in accordance with local, provincial, and international laws and regulations and the utmost regard for human rights.

Highest Ethical Standards

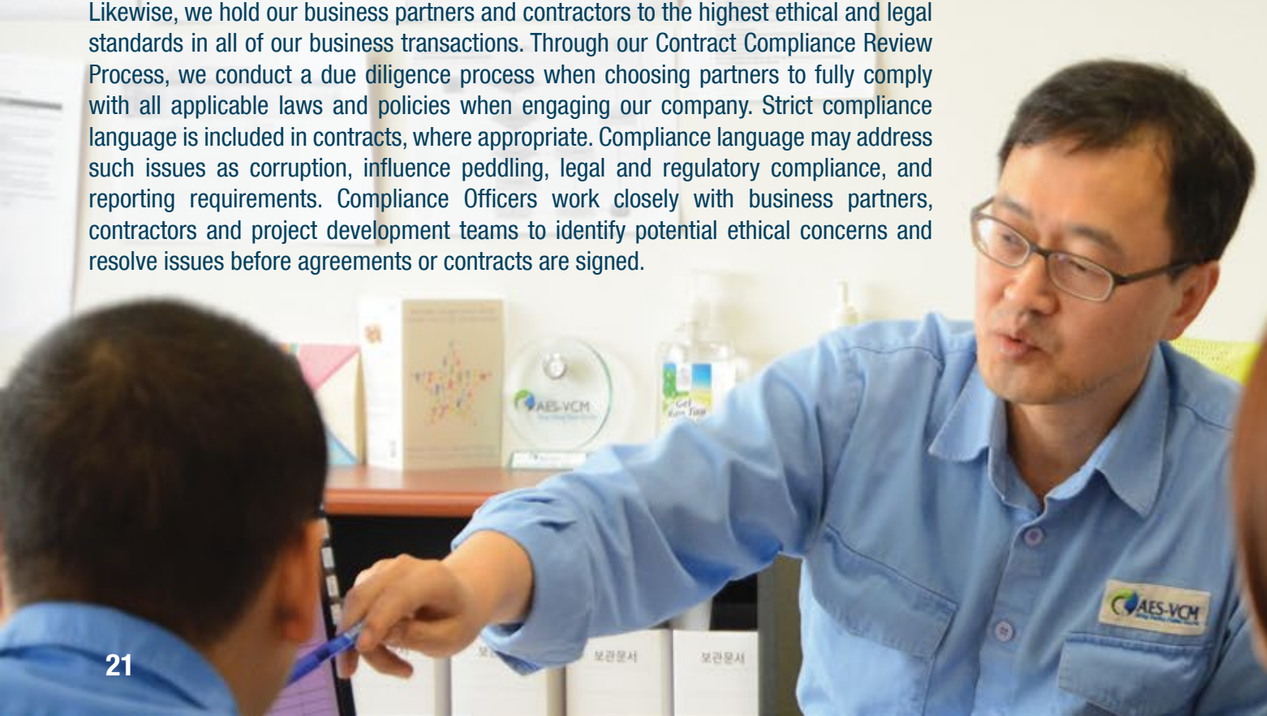
We are a values-driven organization that maintains that highest ethical standards as we operate. The AES-VCM Values of Putting safety first, Acting with integrity, Honoring our commitments, Striving for excellence, and Having fun through work provide us with the framework that shows us clearly how to put our core Values into practice and defines our responsibilities to each other, our owners and lenders, customers, contractors and suppliers, partner communities, and business partners.

The AES Code of Conduct, where our core values are encapsulated, guides all AES businesses worldwide in our commitment to act with the highest ethical standards throughout our operations, interactions, and relationships with all stakeholders.

Our Ethics and Compliance Program defines our business practices and corporate expectations worldwide. Our Code of Conduct encourages internal and external stakeholders to bring matters of concern to the company's attention for prompt resolution. Our people and our stakeholders are empowered with a strong sense of ownership and accountability for their work, and we fully expect each person to adhere to our corporate Values as described in the Code of Conduct.

Knowing that training is a fundamental requirement for all employees, we conduct regular training on various issues including our corporate values, anti-corruption, gift and entertainment policy, and conflict of interest. We hold the Ethics Champions Program twice a year, where employees discuss how the AES-VCM Values and policies are applied in real-world situations. The program presents different ethical issues to participants for resolution, using actual AES business examples to ensure the deeper understanding of our policies and the AES Ethics and Compliance program. Compliance trainings are regularly organized in the company.

Likewise, we hold our business partners and contractors to the highest ethical and legal standards in all of our business transactions. Through our Contract Compliance Review Process, we conduct a due diligence process when choosing partners to fully comply with all applicable laws and policies when engaging our company. Strict compliance language is included in contracts, where appropriate. Compliance language may address such issues as corruption, influence peddling, legal and regulatory compliance, and reporting requirements. Compliance Officers work closely with business partners, contractors and project development teams to identify potential ethical concerns and resolve issues before agreements or contracts are signed.



International Best Practices on Anti-Corruption

AES-VCM is subject to various anti-corruption laws and regulations under Vietnamese jurisdictions as well as the United States Foreign Corrupt Practices Act (FCPA). Aligned with the AES Value to Act with Integrity, AES-VCM has an Anti-corruption Policy that "strictly prohibits corruption in any form, including giving or accepting bribes, even if this prohibition results in AES-VCM losing a business opportunity."

The general rule states, "AES-VCM and its employees and agents are strictly prohibited from, either directly or indirectly, offering or giving anything of value to anyone, including government officials or private commercial parties, to improperly influence any governmental or business decision. AES-VCM People are also prohibited from requesting or accepting anything of value from current or prospective business partners in exchange for AES-VCM business or other favorable treatment."

A guiding policy throughout the AES-VCM business covers not only AES-VCM People but also temporary workers, contractors, consultants, agents, representatives, and all other third parties who perform AES-VCM work to ensure that their actions on behalf of AES-VCM meet the same high standards of integrity expected of our workforce. The policy outlines all types of prohibited corruption within both public and private sector, defining in no uncertain terms what is permissible as business transaction and those actions that may be defined or perceived as corrupt.

The Anti-corruption Policy also touches on the company's official position on charitable contributions and political donations so that they will not improperly influence a government official or any other private person for the purpose of obtaining or retaining business or an unfair business advantage for the company.

A separate policy on Charitable Contributions and Political Donations is also available for guidance. This particular policy acknowledges that while AES-VCM may use its funds or resources to enhance the social welfare and quality of life in the communities and to advance matters of public policy, it must be done so in a way that is consistent with the sustainability of our business, the AES-VCM Values, our Ethics and Compliance Program, and the laws and regulations that govern such practices. It defines what constitutes charitable contributions and political donations, and provides guidance on how to evaluate requests for either.

Both policies provide for possible avenues for seeking advice, including contacting the local Compliance Officer, the AES Chief Ethics and Compliance Officer, or using the AES Helpline (www.aeshelpline.com).

There were no incidents of corruption within the organization during the reporting period.



In Focus: Security Practices

With the utmost respect for human rights at AES-VCM, high standards of integrity and ethics are embedded in our on-site security practices. While Northern Vietnam presents a relatively low threat environment towards people and operations, property theft and other local criminal elements are potential impacts to commercial operations.

At the Mong Duong II facility, we employ the appropriate security measures to manage any risks. The plant facility also uses CCTV cameras on fence lines, and all workforce and visitors use RFID identification cards. A local, licensed, security company patrols the boundary and control access to the facility. The contracted security company makes sure that all security personnel do not have any criminal or police record and must possess good moral character and reputation.

The total number of security personnel at AES-VCM is 108 per day. As part of their security certificate training, 100% of security personnel are trained in human rights.

Management has regular meetings with the contracted security company, conducts evaluations and spot-checks to ensure effectiveness of security. Any gaps in training and quality of security personnel are addressed, and an internationally recognized security consultant also evaluates and trains our security personnel.



Total hours of employee training on policies and procedures concerning human rights



** This refers to an estimate that around half of the AES-VCM workforce attends the monthly communications meetings.*
*** Policy cascade involves manager-level employees.*

Financial Excellence

Financial excellence defines what our business can achieve and strive for. As we operate in Vietnam's vibrant economy, AES-VCM remains focused on maximizing profit, increasing shareholder returns, and working with the best people and business partners who ensure that our investments deliver value. And as the business continually evolves, our goal is that we deliver value that ultimately contributes to development, both at the national (Vietnam) and local (Quang Ninh Province) levels.

Marked by Growth

AES-VCM is guided by key cycles that manage all assets and resources in compliance with AES' business strategy and policy, local regulations, and international lenders' requirements, thus benchmarking at various levels. We regularly update ourselves with any changes in global, national, and local regulation which may significantly impact business—areas such as raw material shortages, resource security, and their financial implications—in order to take appropriate action. We also work closely with government authorities for any assistance relevant to the Project's documents and regulation, including the Build-Operate-Transfer contract with the Ministry of Industry and Trade (MOIT) and the Power Purchase Agreement with the state-owned Electricity of Vietnam (EVN), among others.

AES-VCM aligns its financial performance with the overall corporate strategy and benchmarks with other AES entities within the corporation. Financial targets in the Vietnam market are set by AES-VCM management together with the Finance team at the Asia Strategic Business Unit (SBU) level, approved by AES Corporation senior management and the Company's Board of Council, and centrally monitored at the SBU.

Key to this financial excellence is utmost compliance with the requirements of Mong Duong II, and we follow high standards that ensure and continuously improve the bottom line while maintaining operational best practices. As commercial operations of the Mong Duong II project reach its first full year in 2016, AES-VCM will leverage its position on energy storage, renewable energy, and developing BOT projects, and propose market solutions that support the Government in meeting the country's power needs.

Cultivating a good relationship with the Vietnamese Government, our sole customer, is likewise a core component of our business strategy. During construction, the success of Mong Duong II was met with recognition for AES-VCM's capabilities from government stakeholders, and this is a momentum we intend to sustain and do so.

Overall, AES-VCM anchors its financial performance in operational excellence, robust safety programs, risk management, and strong ethical conduct.

AES-VCM 2015 Economic Performance

*** Unit US$ million**



In accordance with Vietnamese Accounting Standards (VAS)

Value generated	**347.24**	**100%**
Value distributed	**308.31**	**89%**
Value retained	**38.93**	**11%**

All financial reports are prepared in accordance with the US General Accepted Accounting Principles (for group reporting purposes) or in accordance with Vietnamese Accounting Standards (for statutory reporting purposes). Only one entity, AES-VCM Mong Duong Power Company Ltd., is listed in the financial statement.

Tax Reliefs and Tax Credits

Corporate Income Tax	*Normal rate*	*BOT company's rate*	*Favorable part*	***Applicable amount**** *(in US$ million)*	*Financial assistance*
2015	22%	10%	12%	**41.09**	**2.11**

** Applicable amount is net profits before tax under local GAAP-VAS per 2015 audited financial statements.*

Tax Exemption	*Normal rate*	*BOT company's rate*	*Favorable part*	***Applicable amount*** ** *(in US$ million)*	*Financial assistance*
2015	10%	0%	10%	**34**	**3.4**

** Import tax rates are different for each type of equipment, material and supplies. 10% seems to be average rate and applicable rate to our main equipment.*
*** Applicable amount is estimated value of equipment and spare parts imported in 2015.*

AES-VCM did not receive any government subsidies; investment grants, research and development grants, and other relevant types of grants; awards; royalty holidays; financial assistance from Export Credit Agencies (ECAs); financial incentives; and other financial benefits received or receivable from any government for any operation.

AES-VCM 2015 Economic Performance

*** Unit US$ million**



In accordance with United States Generally Accepted Accounting Principles (USGAAP)

Value generated	**347.30**	**100%**
Value distributed	**259.28**	**75%**
Value retained	**88.02**	**25%**

Positive Relationships with Our Lenders

For AES-VCM, how we engage our lenders comprise the backbone of our financial performance. They are key stakeholders to our evolving enterprise, and we maintain the programs and principles on environment, health and safety, and community relations that they adopt.

With a sustainability agenda, a values-based organization such as AES-VCM chooses project financing from values-based lenders. Our 13 international lenders set forth rigorous standards for the 1,242-MW Mong Duong II power plant, benchmarking the Project against the highest standards to ultimately strengthen our environmental and social performance.

Mong Duong II remains in accordance with the environmental standards under the International Finance Corporation (IFC) Performance Standards and the Equator Principles stipulated by the World Bank, the globally-recognized project finance framework that emphasizes due diligence and social responsibility where companies operate. Through these principles, AES-VCM aligns with the local conditions and the stakeholders who matter to us.

Our lenders' robust and comprehensive performance requirements account for the success of the unit's construction. The Project was completed safely, on schedule, on budget, and fully compliant with applicable regulation on both the local and international level. During this time, our AES-VCM team reached impressive milestones, including working 18 million man-hours without a lost-time incident (LTI) and completing construction six months ahead of schedule.

At AES-VCM, we position ourselves as the best partner for future projects that help facilitate growth. As we build AES' reputable brand name in the Vietnam energy industry, we continue to meet, even exceed, the expectations of our lenders and business partners—setting the benchmark for other Build-Operate-Transfer (BOT) power projects. Defined by our commitment to excellence, we continuously enable opportunities toward growth.

The financing of the Mong Duong II project has also received awards and recognition including "Asia-Pacific Power Deal of the Year 2011" by Project Finance Magazine; "Power Deal of the Year" by Project Finance International; and "Best Project Financing" by Asia Money Plus.

List of lenders

- BNPP
- Credit Agricole
- ING
- Sumitomo Mitsui Banking Corporation
- HSBC
- Société Générale
- Natixis
- Mizuho
- Unicredit
- Standard Chartered Bank
- DZ BANK AG Deutsche Zentral
- Credit Industriel at Commercial
- KEXIM Direct Loan

Operational Excellence

Operational excellence is a cornerstone of AES-VCM. For our team, it means implementing state-of-the-art technology and power infrastructure while continually improving and building the those who operate it. Backed by AES Corporation, recognized as a top decile operator globally, our company maintains world-class operating standards as we energize and evolve in the rapidly growing Vietnam market.

Mong Duong II: High Technology Project

The economic growth that makes Vietnam an attractive market comes with electricity demand that steadily grows. In 2015, power demand growth was 11.54% from 11.41% the previous year. To guarantee stable supply, an installed capacity of 60,200 MW must be secured by 2020, where the country's current installed capacity (as of 2015) is 38,628 MW.

For AES-VCM, ensuring the steady supply of electricity requires the use of safe, reliable power infrastructure that optimizes availability and upholds reliability and system efficiency. This is no different with AES-VCM as the completion of the Mong Duong II coal-fired power project applies top-of-the-line technology and engineering solutions. A high performance culture keeps the newly constructed Mong Duong II Thermal Power Plant comparable against the top-decile power plants in the United States.

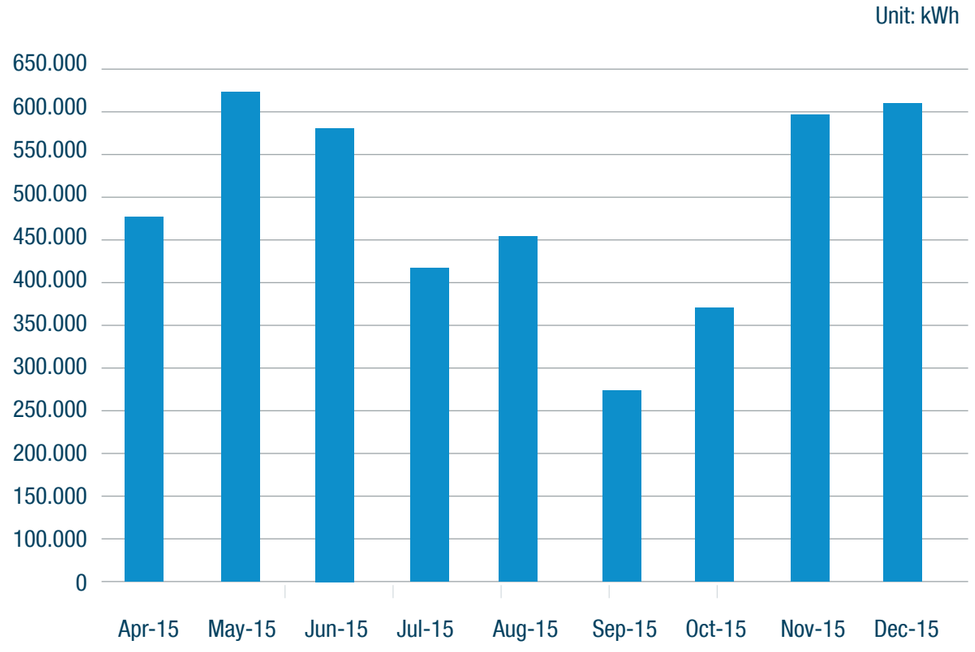
Expected to generate up to 7.6 billion kWh of electricity annually that will power more than two million Vietnamese households, the Mong Duong II Project comprises of two generating units of 620-MW gross capacity each. Mong Duong II provides power to the company's sole energy customer, Electricity of Vietnam (EVN) and adheres to sound maintenance practices, prudent operations, and a deep understanding of customer needs in the energy generation.

Mong Duong II is equipped with state-of-the-art monitoring tools that greatly improve reliability and performance monitoring with on-line and real-time analysis for monitoring critical plant equipment, which can greatly affect our set key performance indicators (KPIs) these include Equivalent Availability Factor (EAF), Net Capacity Factor (NCF), Commercial Availability and Equivalent Forced Outage Factor (EFOF).

A high performance culture keeps our newly constructed asset on par with competitive power facilities with an AES-level of sophistication. We adhere to sound maintenance practices, prudent operations, and a deep understanding of customer needs in the energy generation. Preventive maintenance is done annually and is guided by our Asset Management Policy.

While EVN is the state-owned utility which transmits and distributes power, our company's operational excellence defines how we approach and ensure people's access to electricity. Ensuring the unit's reliability ensures that we are available for dispatch in order to run the power plant for as much time as possible, and that we supply EVN with safe, reliable, and affordable energy for their own customers. There were no incidents of non-compliance with regulations concerning the health and safety impacts of products and services on EVN.

Net Energy Output



Annual Expected Generation

7.6 Bilion kWh

Our Safety Priority

We believe operational excellence goes hand in hand with Occupational Health and Safety (OHS). We have adopted world-class programs on OHS while making sure that these are specifically tailored to the Vietnam and is compliant with all legal aspects.

AES-VCM empowers employees and contractors with the right to stop work if they identify an unsafe work condition ("Stop Work Authority"), as we promote zero tolerance for any condition that compromises occupational health and safety among stakeholders. We have safety committees, conduct monthly safety meetings, and provide OHS consultation, training and information, including daily planning meetings and team- and plant-wide communication meetings.

Aligned among all AES entities, our company's Safety Management System (SMS) is built on the OHSAS 18001 OHS Management System model. It covers functional elements in the areas of leadership, structure, and processes and actions, and provides a consistent framework of our expectations in the area of safety management. The SMS requires that the business:

- Establish and maintain procedures for the identification and reduction of health and safety risks;
- Have consistent methods for managing occupational health;
- Implement our policy of conducting all business in a responsible manner, free from controllable hazards; to respect the health and safety of all AES-VCM people, contractors, customers, suppliers and community neighbors of AES-VCM business; and to comply with all applicable health and safety laws and regulations of Vietnam; and
- Achieve AES-VCM's vision of being a recognized leader for progressive, best-in-class health and safety practices.

Knowing that energy generation is a high-risk environment, we establish, implement, and maintain an Integrated Management System (IMS) that ensures workplace safety. Mong Duong II follows a Hazard Identification, Risk Assessment and Determining Controls procedure (MDPCL-EHS-SP-SP-01-001) which identifies OHS hazards and assesses risk, so that we implement control measures in a structured and holistic way. The procedure covers all persons, employees, visitors, contractors, and suppliers when at the plant, including routine and non-routine activities; identified hazards originating outside the workplace that can adversely affect health and safety; human behavior and capabilities; infrastructure and equipment machinery, whether provided by AES-VCM or others; any modifications or changes in the IMS and operational activities; and relevant legal obligations relating to risk assessment and implementation of necessary controls

Always Be On for Safety

At AES-VCM, we believe that all people must be on for safety. Sufficient funds are allocated to provide AES people, contractors, and subcontractors with proper equipment and maintain a safe and healthy workplace.

We continually provide the training programs on environment, health and safety (EHS) risks to employees. Included in the IMS training is AES-VCM's Competence, Training, and Awareness procedure, which assists workforce members, their families, as well as community members regarding serious diseases. Some prevention or risk control programs include: annual physical examinations; annual work environment monitoring; medical treatment programs; and other monitoring activities that measure the quality of ambient air, surface water, underground water, noise and vibration, and wastewater discharges.

The company has a Contractor Safety Management Program that describes the safety management requirements applied to all contracted and subcontracted work. It also discusses the roles and responsibilities from the Plant Manager down to the contractor in terms of maintaining a safe and healthy workplace.

Contractors and subcontractors also attend required monthly safety meetings and an annual safety orientation, which covers basic information such as AES-VCM safety beliefs, cardinal safety rules, emergency procedures, permit to work etc. Specific safety training (such as hotwork, firewatcher, active permit holder, etc.) are provided to appropriate contractors and subcontractors. (EU18)
AES-VCM has adopted world-class programs on OHS while making sure that these are specifically tailored to the local contexts and practices and compliant with all legal aspects. In doing so, we work closely with our sole energy customer, Electricity of Vietnam (EVN), to make sure that our safety management programs complement theirs and continuously reinforce each other's values and practices about safe work behaviors and safe workplaces. There were no incidents of non-compliance with regulations concerning the health and safety impacts of products and services on our customer, EVN. (PR2)

The entire AES-VCM leadership shares in the responsibility of putting safety first and maintaining a safe and healthy environment at work. The OHS policy implementation, plans, and procedures are headed by the Plant Manager. AES-VCM's area managers and team leaders are also expected to:

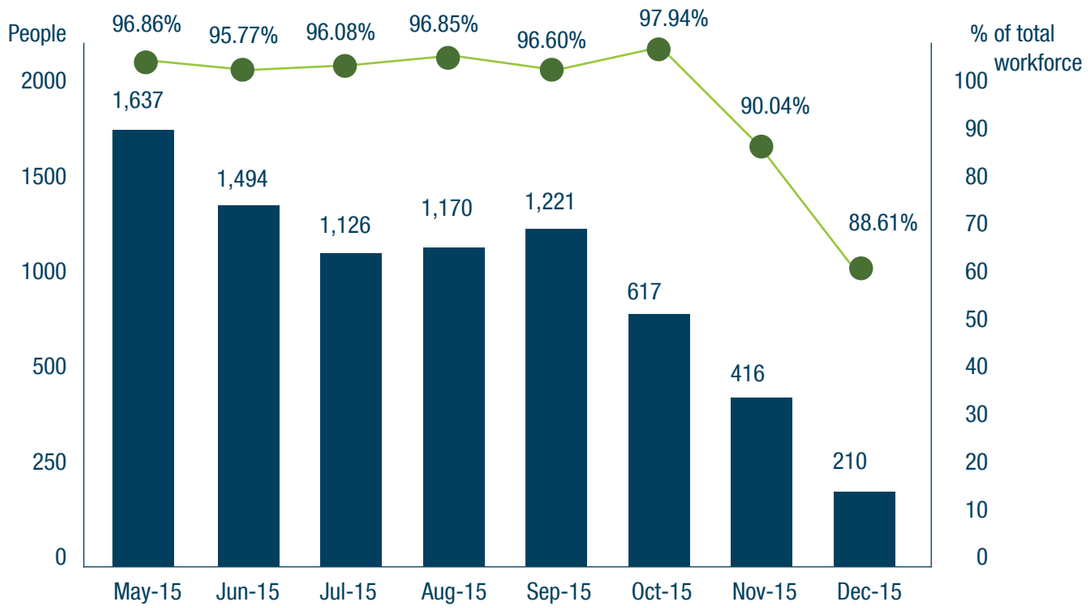
- Ensure that OHS policy, plans, and procedures are implemented;
- Make sure that all OHS duties are identified and assigned to appropriate employees;
- Conduct regular OHS discussions between AES-VCM people and management;
- Make sure that OHS procedures are regularly revised to continuously meet AES-VCM OHS needs and responsibilities;
- Provide necessary information, training, and supervision to all employees to enable them to understand and follow safe working conditions;
- Report and thoroughly investigate all OHS incidents and accidents;
- Keep abreast of OHS developments in legislation and standards that have an impact on AES-VCM;
- Make sure all contractors understand and meet the safety standards in the way they carry out their work and that all suppliers of equipment and services understand and meet the safety standards required of them;
- Monitor OHS performance regularly for improvement in the standards, including scheduled procedure revisions, walk downs, scheduled edits, etc.

Through our OHS policy, AES-VCM ultimately enjoins all stakeholders to be vigilant in ensuring safety excellence throughout its operations, and inspires ownership of our safety culture.

Our Safety Priority



Total number of contractor and subcontractor employees that have undergone health and safety training



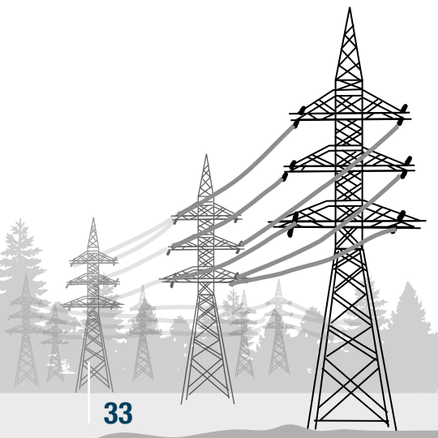
Total number contractor and subcontractor employees

Percentage of total workforce (%)

Workforce representation (management level) in health and safety meetings to monitor and advise on OHS programs*

Total for the reporting period: 94,84%

Note: 100% management-level of all departments participate in health and safety meetings to monitor and advise on OHS programs



Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities

* During the reporting period April to December 2015

Total No. of Hours Worked:
(for the reporting period April to December)

3,062,349 HOURS

AES-VCM Workforce	Contractors
433.918 HOURS	2.628.431 HOURS

AES-VCM Workforce	Contractors
Recordable case: 1	Recordable case: 3

AES-VCM works closely with our corporate safety team in the reporting of proactive and reactive safety statistics. Accident statistics falls under the reactive statistics. Regular (monthly) reporting is done online under the safety section of AES' internal website. Accidents are also included in the data collected for our Business Safety Report (also conducted monthly) which is also submitted to corporate safety office.

Incidents in AES-VCM Mong Duong can be in the form of, but not limited to:
1. Accident: a type of incident which has given rise to personnel injury, ill health or property damage (Ex. first aid, accidents requiring medical attention, recordable injuries, vehicular accidents, lost-time accidents, fatality and property damage)
2. Environmental Nonconformance Event: a type of incident which has given rise to exceedance against environmental standards or requiring agency notification (Ex. oil or petroleum spill, chemical spills greater than the threshold limit, breakdown of pollution control technology, any non-compliance to standards as part of permit conditions or any permit between AES-VCM and government agencies)

* AES-VCM's current procedure does not cover classification of absenteeism as per occupational disease. No monitoring of occupational disease rate for contractors working on-site. The company is currently undertaking a scheme for the identification of whether an illness is considered an occupational disease.

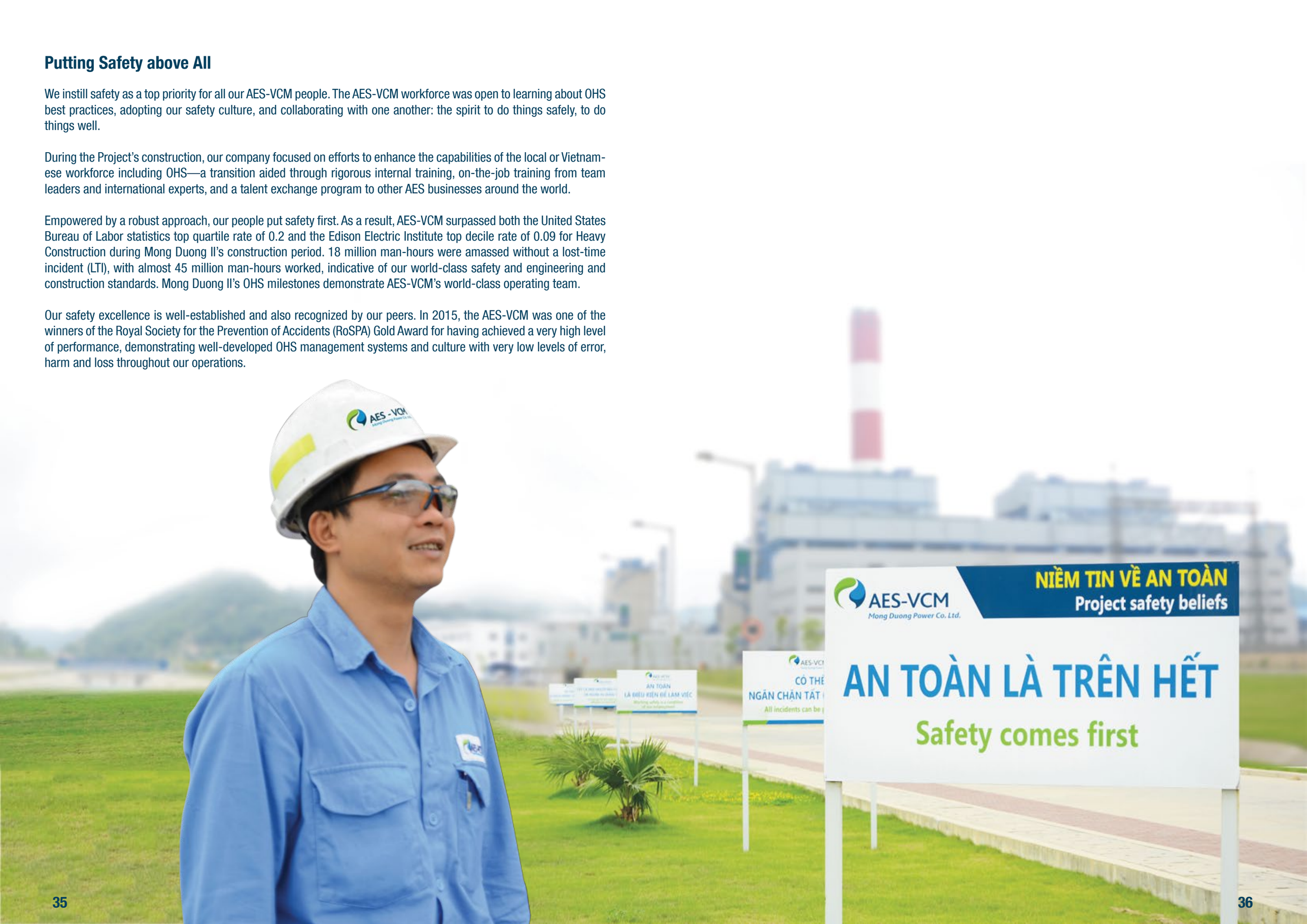
Putting Safety above All

We instill safety as a top priority for all our AES-VCM people. The AES-VCM workforce was open to learning about OHS best practices, adopting our safety culture, and collaborating with one another: the spirit to do things safely, to do things well.

During the Project's construction, our company focused on efforts to enhance the capabilities of the local or Vietnamese workforce including OHS—a transition aided through rigorous internal training, on-the-job training from team leaders and international experts, and a talent exchange program to other AES businesses around the world.

Empowered by a robust approach, our people put safety first. As a result, AES-VCM surpassed both the United States Bureau of Labor statistics top quartile rate of 0.2 and the Edison Electric Institute top decile rate of 0.09 for Heavy Construction during Mong Duong II's construction period. 18 million man-hours were amassed without a lost-time incident (LTI), with almost 45 million man-hours worked, indicative of our world-class safety and engineering and construction standards. Mong Duong II's OHS milestones demonstrate AES-VCM's world-class operating team.

Our safety excellence is well-established and also recognized by our peers. In 2015, the AES-VCM was one of the winners of the Royal Society for the Prevention of Accidents (RoSPA) Gold Award for having achieved a very high level of performance, demonstrating well-developed OHS management systems and culture with very low levels of error, harm and loss throughout our operations.



Environmental Performance

Environmental stewardship is built into the industry leadership and excellent performance of AES-VCM. As the biggest private-sector power project in Vietnam, we are positioned to be the country's leading provider of safe, accessible, and sustainable power and a strong partner in fulfilling the power sector's Master Development Plan by 2020.

Embedding Environmental Sustainability

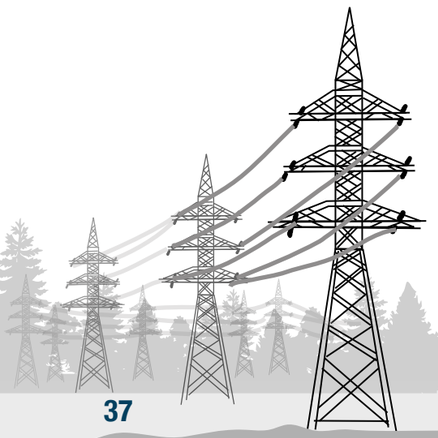
AES-VCM embeds environmental sustainability throughout its operations, both in the plant infrastructure and the policies that our workforce lives out each day. An Environmental Policy guides our operations and behavior to achieve high standards of environmental performance. In fact, the policy states that, where possible, AES-VCM must go beyond all relevant legislation, standards, and requirements imposed by the local, regional, and national agencies of Vietnam, the participating financial institutions, as well as the AES Corporate Global Environment Standards.

AES-VCM has outlined procedures to identify the environmental aspects of the activities, products, and services within the defined scope of the Integrated Management System (IMS) of Mong Duong Power II . Guided by the IMS procedure on Environmental Aspects, including energy types and usage as a critical aspect for monitoring, our company sets thermal efficiency targets while prioritizing the reduction of coal usage where possible.

We monitor all input raw materials, chemicals, water-uses, energy-uses, and all output air emissions, odor/radiation, water discharges, solid/residual wastes, spills and leaks, and other inputs and outputs that may not fall in any of the above categories, including positive environmental aspects.

A Physical Impact Rating Matrix is also available to determine those aspects that have or can have significant impacts on the environment, identifying factors as scale, probability, cost to business, and stakeholders concerned. A final Risk Assessment Criteria and Impact Significance Matrix also guides AES-VCM in understanding, anticipating, and mitigating all potential and actual impacts of various aspects of its operations.

Key roles and responsibilities are outlined in the procedure, consisting of the scope of work and expectations from the Plant Manager, Management Representative, Environmental Engineer, Team Leaders, Supervisors, and Key Operators.



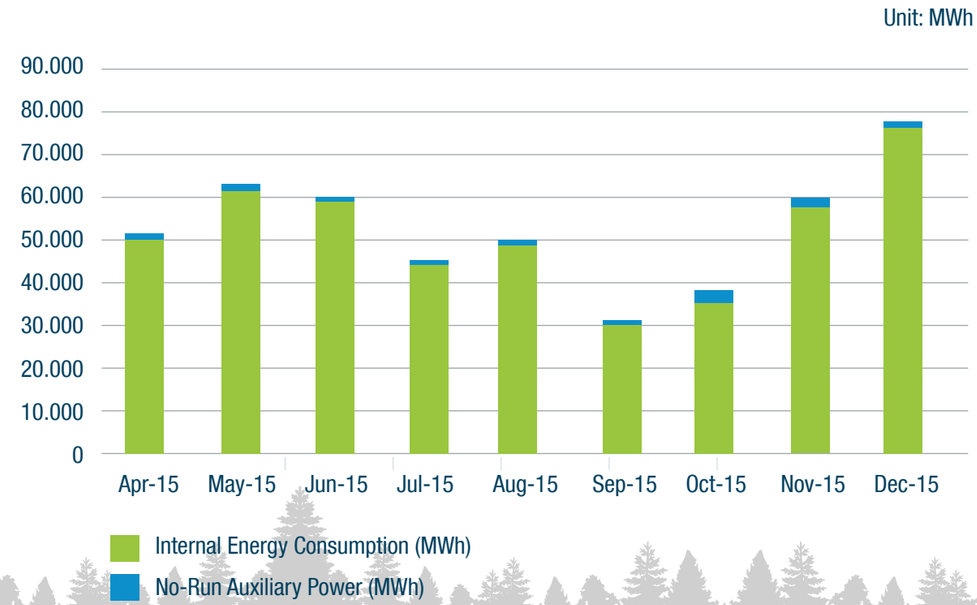
AES-VCM Environmental Objectives

The foundation of our environmental management approach is embodied in six major objectives as part of our Environmental Policy:

a. Meet or where practical, exceed the most stringent requirements of all relevant environmental legislation and industry standards and codes of practice imposed by Applicable Standard from Local and International Environmental Requirements, by participating financial institutions and by the AES Corporate Global Environmental Standards.
b. Strive to continually improve environmental performance at Mong Duong II by routinely assess the effects of current and future activities
c. Implement methods & measures to identify hazards, prevent pollution and minimize possible detrimental environmental impacts (air, soil, surface water, underground water, biodiversity, ecology system, vibration and noise)
d. Reduce and where feasible eliminate discharge emissions and waste that may have an adverse effect on the environment.
e. Communicate this Policy to all people working at AES-VCM, Contractors, suppliers, visitors and other interested parties.
f. Make short and long range planning decisions on additional expenditures based on an evaluation of the local, regional, and global environment.

Internal Energy Consumption

Plant Performance	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
Auxiliary Power (MWh)	52.047	65.016	61.096	45.076	49.640	32.078	38.250	60.512	77.148
No-Run Auxiliary Power (MWh)	1.686	1.803	552	1.251	1.137	2.211	4.438	3.003	891
Internal Energy Consumption (MWh)	50.361	63.213	60.544	43.503	48.503	29.867	33.812	57.509	76.257



Resource Security

We strive to use resources in the most sustainable way throughout operations—managing our impacts and taking utmost care of our environment.

As a coal-power facility, our operations are water intensive and rely on this critical resource that must be sustained and secured for all. AES-VCM follows a Water Conservation and Wastewater Management System that promotes sustainable and efficient use of water in the plant operation and management of wastewater.

AES-VCM's operations are pursuant to the broader context of its environment, aligned with local and provincial regulation. Upon the selection of the freshwater source, our company ensured that we did not affect the master plan of the Quang Ninh Province's water resource; and the runoffs of rivers, streams, and biodiversity value in the area. (Announcement No. 197/TB-UBND, Quang Ninh Provincial People' Committee, Ha Long, 26th October 2006)

Initially, the first proposal for freshwater supply for the execution of the Mong Duong II project was Khe Rua Lake, which had no existing permit at the time, but its capacity was enough to supply the freshwater quantity to the two thermal power projects, Mong Duong I and Mong Duong II. Selecting Thac Thay River proved convenient for the construction of the pipeline system and had enough capacity for the project.

All fresh water for AES-VCM's operations is withdrawn from Thac Thay River, which has a capacity of 1.43 million cubic meters (m3). The company has a permit for daily water withdrawal of an average of 8,000 m3 and a maximum of 10,500 m3 based on plant design. As the plant uses less than 1% of total capacity of the water source, Mong Duong II has no significant impacts on Thac Thay River, which is also not registered as a protected area. For the reporting period, total water withdrawal is 1,213,304 m3.

In terms of water conservation, we have annual targets and periodic inspection of water use and wastewater generation, water usage monitoring and water reduction program. We implement a production plan that promotes effective sequencing to minimize water use or buildup, and monitors operational parameters that minimizes the production of water that enters into the wastewater stream. We also offer water conservation seminars and workshops to employees.

In terms of wastewater management, we have identified the processes or equipment that has the potential to cause wastewater generation or contaminate potential water recycling source. We implement a wastewater treatment procedure, and discharges are in compliance with Ministry of Natural Resources and Environment permit. Mong Duong II is well-equipped with the mechanisms to manage our water use. AES-VCM has a wastewater treatment plant that collects all kinds of industrial wastewater and a domestic wastewater treatment system to manage the Domestic Wastewater of the Facility meeting the Wastewater Quality before discharging out in compliance with the Local Regulation Limit. A laboratory has been set up to conduct basic analysis of wastewater, covering the follow parameters as for example: pH, conductance, TDS, DO, Cl2, phosphate; while other parameters will be sent to the external certified and authorized laboratories.

The Water Conservation and Wastewater Management System outlines the roles and responsibilities of the pertinent AES People, with the Plant Manager approving the water conservation program and its allotment of resources. Resource allocation and program monitoring is undertaken by the Team Leader, while the Environment, Health and Safety Manager coordinates with the Team Leader in the implementation of this Operational Procedure and provides advise to the task force when necessary. The Environmental Engineer monitors and records the water conservation program and prepares the report to the relevant authorities.

Should there be water source pollution incident, such as chemical or oil spills, an Emergency Plan outlines the means and equipment required to quickly respond to and recover from it. A Water Resource Pollution Incident Response Plan addresses pollution incidents from the wastewater discharges. The IMS procedure on Emissions and Effluents Control identifies the local regulation requirements and the operational limit values of all sanitary cooling water and industrial and sanitary wastewater parameters and pollutants.

Our Environmental Commitments

Day in and day out, it is our people who deliver on our environmental commitments. At AES-VCM, we constantly communicate our environmental policy, ensuring that our procedures are in place while helping to manage impacts at all levels of the organization. We conduct an annual review and update with employees, while more frequent updates are required when any of the following occurs: change in company policy/direction, planned or new developments, process modification, adoption of new technology, change in legal requirements, enactment of new laws, occurrence of emergencies or incidents, or complaints from employees and other interested parties.

We extend environmental leadership throughout the supply chain through screening and accreditation, where environmental criteria are a standard part of the background checking as part of our Contractor Safety and Environment Management Requirement. Prior to any business transaction, suppliers are screened through a third-party accreditation partner, as well as for any transactions breaching compliance approval amount. For the reporting period, 100% of new suppliers were screened using environmental criteria. AES-VCM subjects 100% of suppliers to environmental impact assessments, and there were no suppliers identified as having significant actual and potential negative environmental impacts.

Overall, our company protects its natural resources and maintains a clean environment by adopting a robust and comprehensive environmental management system; adopting clear accountability to support its implementation; and establishing a balanced business approach regarding our environmental management. AES-VCM will continue to do so as we grow.





Environmental Expenditures

Emission treatment cost:	2,237,121 US$
Wastewater treatment cost:	176,121 US$
Waste disposal cost (HW +Domestic waste):	49,374 US$
Environmental monitoring cost:	98,919.2 US$

Total environmental protection expenditures and investments by type (USD)

Wastewater Treatment	176,947 $	
Solid Waste Management	28,673 $	Purchase Order for solid waste transportation and treatment
Bottom Ash Management		Bottom ash trucking transported to the ash disposal area*
Emission Treatment System	2,237,121 $	Limestone and Ammonia cost for emission treatment facility; Selective Catalytic Reduction (SCR) system to deoxidize NOx; Flue Gas Desulfurization (FGD) Electrostatic Precipitator (ESP) system
Environmental Monitoring	98,919.2 $	Under the EIA requirements and MONRE discharge permit
Emergency materials	56,257 $	Oil/chemical spill kit/emergency materials
Hazardous Waste Management	20,701 $	PO for HW management, transportation and treatment
Other Environmental Cost	118,654 $	Salary for manpower of environmental employees

** Environmental expenditures are estimated figures only. We commit to collect the actual number for the next reporting period.*
** In 2015, a part of this cost still under Doosan EPC Contractor*

Managing Our Emissions

Supporting Vietnam's growing economy, we strive to deliver energy solutions in the most sustainable way possible. At AES-VCM, emissions management is of top importance to our business and its environmental sustainability.

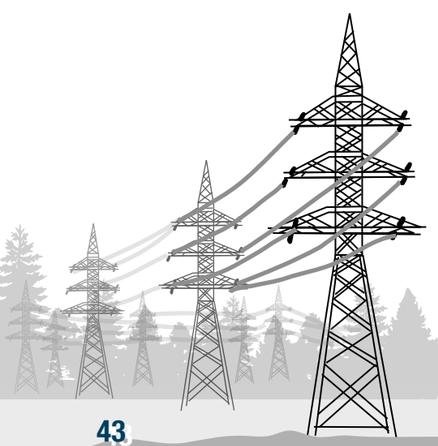
Our company maintains emission levels with the most stringent limits from the local regulation, specifically the National Technical Regulation on Emission of Thermal Power Industry, and the International Financial Corporation Guidelines (World Bank) on limits for NOx, SO2, CO, and particulate matter.

We monitor our NOx, SO2, O2, CO, CO2, dust density, and the temperature and opacity of exhausted gas at the plant through our Continue Emission Monitoring System (CEMS). Our environmental facility for emission control is in place through the Center Control Room (CCR) on site, which implements specific control measures:

- NOx Emission Control: Mong Duong II applies Selective Catalytic Reduction (SCR) system to deoxidize NOx. This technology mingles NH3 into the emission, under the reaction of selective catalytic system; the NOx will be changed into the form of N2, then discharge to ambient air.
- SO2 Emission Control: SO2 controls are accomplished by the use of advanced desulfurization technology (Flue Gas Desulfurization-FGD) in order to minimize SOx concentration in the emission. FGD is gas scrubbing tower (scrubbers), under which emission will be exposed to CaCO3 and sulfur oxides (SO2) will be absorbed.
- Particulate (Dust) Control: Mong Duong II is equipped the Electrostatic Precipitator (ESP) system for the extraction and processing of fly ash in the emission before releasing to the environment.

Our emissions control procedure stipulates that compliance with the requirements fulfilling emission control is the responsibility of all AES-VCM employees, and that any voluntary or involuntary non-compliance will be subjected to investigation and disciplinary action in accordance with AES-VCM Accountability Process. To ensure this, AES-VCM provides training that will help all AES-VCM people to understand their respective roles and responsibilities.

There were no fines or non-monetary sanctions based on environmental standards in 2015.



Emissions Indicators

Reporting Period: April to December 2015	Unit	Total
Direct greenhouse gas (GHG) emissions (Scope 1)*	tons of CO	3,076,378.88
Other indirect greenhouse gas (GHG) emissions (Scope 3)**	tons of CO_2e	190.05
Greenhouse gas (GHG) emissions intensity**	gCO_2/kWh	622.3
Nitrogen oxide (NOx)	lbs	12,123,791.35
Sulfur oxide (SOx)	lbs	2,756,956.87
Carbon monoxide (CO)	lbs	884,242.93
Carbon dioxide (CO_2)	metric tons	3,076,379.05
Particulate matter	lbs	1,005,623.02
Mercury***	lbs	200.39

Data are collected from the company's Continuous Emission Monitoring System (CEMS).

** We follow the AES Corporation guideline named AES Online Greenhouse Reporting Module-Ver 3 and GHG Emission Reporting Guidance-Rev 3. Emission factors used and the global warming potential are based on U.S. Environmental Protection Agency (EPA). Stoichiometric calculation was the chosen consolidation approach.*

*** Indirect emissions come from the diesel use by service vehicles and heavy equipment (based on the assumption that the gasoline contains 10% ethanol, following government regulation) and unleaded gasoline for vehicle use. There was no reported CO2 emission from the used of SF6. SF6 is used as an insulating gas in substations, and as an insulating and arc quenching medium in switchgear for high and medium voltage applications. These are all closed systems which are extremely safe and unlikely to leak.*

**** The AES EHS & Security Team recommends using the mercury emission factors reported in U.S. EPA Document AP-42, Table 1.1-18 (dated September 1998) as follows: 8.3E-05 pounds mercury emitted per U.S. short ton of coal fired, or 4.15E-05 kilograms mercury emitted per metric tonne of coal fired.*

Stakeholder Engagement

One of the core principles of AES-VCM's operation is to maximize the economic and social benefits associated with the development of Mong Duong II power plant. We continue to proactively engage and strengthen our relationships with our stakeholders—so that as we operate, we also energize people's lives.

Socioeconomic Development

We commit to the sustainable socioeconomic development of our communities, making sure to engage and strengthen our relationships with the residents. During construction, we addressed all impacts to local communities and shared positive benefits to the residents in Mong Duong Ward, Cam Hai and Cong Hoa communes in Cam Pha City. Today, we continue to proactively engage and strengthen the relationships we have with our stakeholders—that as we operate, we also energize people's lives.

AES-VCM's approach to stakeholder engagement is captured in our Community Development Plan (CDP) and Stakeholder Engagement Plan (SEP), previously Community Engagement Plan (CEP), which were prepared during Mong Duong II's construction in 2011. The CDP focuses on stakeholders in our communities and appropriate CSR programs, while the SEP focuses on developing strong, proactive and consistent relationships with all stakeholders from local to central authorities to garner sufficient community participation throughout our operations. guiding our company as we contribute to socioeconomic development.

We endeavor for CSR to be responsive, needs-based, and with long-term positive impacts. We define community development as investments that are technically appropriate, environmentally sound, financially beneficial and socially responsible—so that we build lively and sustainable communities in line with social justice and equity, participation, learning, cooperation and social cohesion.

Through our community development initiatives we strive to build trust with local communities and contribute the socio-economic development of the project area. Our company's CSR approach has three socioeconomic objectives: (1) Improvement of Community Health Care, (2) Education and Capacity-building Initiatives, and (3) Improvement of Livelihoods of Impacted Households.

Benchmarking against high standards, the CDP also adheres to the International Finance Corporation (IFC) Performance Standards. Following IFC's standards, we make sure that Mong Duong II fulfills established environmental and social safeguards. The result is a comprehensive AES-VCM stakeholder engagement strategy that follows community development principles, links the core business with our stakeholders, and identifies the partners and mechanisms needed in implementing the CDP.

Thus, it shows a combined strength that—with the appropriateness of the CDP, our relationship-building through SEP, and environmental and social safeguards aligned with international standards—AES-VCM focuses on building a strong stakeholder strategy that benefits its communities.



Objective	CSR Programs
Improvement of Community Health Care	Annual community healthcare activities (such as donation of medical equipment and tools, local clinic facilities upgrade, teeth and eye check for schoolchildren) Improvement of community water supply systems Improvement of community health care system (such as first aid training courses for residents, working with the local medical center) to raise awareness
Education and Capacity-building Initiatives	Improvement of education system (such as donation of computers, books and other equipment at schools, setting up libraries, and construction of new classrooms) Tertiary education scholarship program – to be implemented after working with the managers of the high school and secondary schools of the project area
Improvement of Livelihoods of Affected Households	Local recruitment and procurement support Provide vocational training such as household financial management, automobile driving courses Job orientation to enable job diversification







Communities at the Core

With a strong community development agenda, AES-VCM ensures that our programs and project decisions are locally relevant. Defining our community engagement, the CDP was designed to ensure consistency with the social development policies of the local area, where in fact several community development programs of the Vietnamese Government are already underway, such as the New Rural Development Program. We also make sure our programs are aligned with the IFC guidelines on community development planning.

Our CSR approach is rooted in the local needs while acknowledging that we must adapt to developing issues and local development policies. As part of our Social and Environmental Management System (SEMS), the SEP is also aligned with Vietnamese regulations on public consultation and the information and communication requirements stipulated under the IFC Performance Standards and Equator Principles—thus guiding how we engage our local community stakeholders.

The construction of the power plant's Ash Pond 2 had an impact on the neighboring communities. In response, AES-VCM created a Livelihood Restoration Plan (LRP) that protects the rights of the affected community and provides them with entitlements or benefits as compensation. Our LRP is guided by national and provincial regulations and fulfills IFC Performance Standard on Involuntary Resettlement, so that we can address and mitigate potential negative impacts from the displacement. The LRP also lets us identify those who require assistance other than cash compensation to restore livelihood and establishes monitoring and evaluation mechanisms. It was recently updated to improve our monitoring process as we enliven living conditions in terms of education, income restoration and job diversification.

Throughout our operations, AES-VCM conducts timely impact assessments and frequently communicates our Project activities and community programs. These include the SEMS, Environmental Impact Assessment (EIA), periodic reports to government authorities, monthly reports to the Ministry of Trade and Industry (MOIT), People's Committee of Quang Ninh Province, the Department of Industry and Trade of Quang Ninh Province, the People's Committee of Cam Pha City, Mong Duong ward, Cong Hoa and Cam Hai communes every first week of each month.

The CDP clarifies the roles and responsibilities of the various positions, with the Managing Director overseeing the approval of programs, budget and resources. The ultimate responsibility for its implementation including planning, training, and monitoring falls exclusively with the Stakeholder Manager. The Stakeholder Management Department as well as Environment, Health and Safety Department are in charge of dealing with any community impacts.

Our Stakeholder Engagement Strategy

AES-VCM is committed to continuously improving how we support our host communities and respond to their needs. We use key performance indicators when monitoring and evaluating how the community development programs are rolled out, which include progress and effectiveness of work along with limitations and constraints, how resources were used, the benefits to the community and improvements in living conditions (health, education, access to services), and program feedback, among others.

We proactively listen and properly address any grievances. We have a formal grievance mechanism that studies the complaint, measures levels of scale, complexity, urgency and the appropriate redress (such as direct interaction, deploying an investigation team, etc.) so that we accurately communicate the issues and achieve the right solutions. During the reporting period, AES-VCM received six external grievances, two of which were environmental impacts (dust and cooling water). All have been adequately addressed and resolved in a timely manner based on our grievance mechanism.

As AES-VCM continually evolves as an organization, we engage stakeholders through continuous consultation. Our SEP is a live document that we update based on ongoing discussions between AES-VCM and local authorities as well as town hall meetings, guaranteeing the relevance, effectiveness, and community satisfaction of our objectives and initiatives.

We are also developing the appropriate mechanism for monitoring (internal) and evaluation (external) so that we enhance our development programs. We do internal reporting on a semi-annual ba sis while external reporting is done annually.



AES-VCM received acknowledgment from Cong Hoa Commune in April 2016 for its community development efforts.

"Cong Hoa Commune received many spiritual and physical supports from organizations and enterprises in the area. We would like to convey our sincere thanks to AES-VCM Mong Duong Power Company Ltd. for your significant support of material infrastructure to the commune's government and community during the last years. Being a poor agricultural commune with a lot of difficulties, the support from AES-VCM Mong Duong was greatly appreciated."
(Acknowledgment letter, Cong Hoa People's Committee)

Our Stakeholder Engagement Strategy

Communication and Implementation

Central government

Monthly report

Local government

Monthly report
Quarterly meeting
On-going engagement with local authorities and communities to understand their needs and concerns and address them timely

Local Community

Public consultation prior to important project milestones
Public notifications
Various CSR Programs

Lenders

Semi-annual report
Annual audit by independent consultant

Employees

Monthly communication meeting
Monthly safety meeting
Periodically notification for specific topics
CSR events
Company events

Investors

Semiannual meeting
On-going engagement as business required

Customer

On-going engagement as business required

Contractors/Vendors

On-going engagement as business required

General public

Company website: www.aesvcmmongduongpower.com.vn

Important Topic to Stakeholders	Stakeholder Group	Objectives
Environment		Meet or, where practical, exceed the most stringent requirements of all relevant environmental legislation and industry standards Strive to continually improve environmental performance Reduce and where feasible eliminate discharge emissions and waste that may have an adverse effect on the environment
Social		CSR Programs focus on health, education and environment being implemented in the project area to improve quality of life Encourage the volunteer participants of employees to raise CSR awareness and increase corporate image within the community. Work closely with the local authority to ensure public security at the project area Prioritize local recruitment where possible Improve or at least restore livelihoods and standards of living of displaced persons
Economic		Honor commitment with contractual partners Fulfill all financial obligations with the host governments, contractors, lenders Ensure financial health of the company Promote job stability and benefits for employees Promote economic development of project area
Technical		Aim for optimal operation and avoid technical issue and production Strictly follow committed operation standards

NOTE: Stakeholder engagement was conducted in 2011 to understand stakeholder concerns during the construction phase of the Mong Duong II project (CDP and SEP), and then updated in 2016 during the Project operations based on the result of socio-economic base-line survey done at the end of 2015. The survey was conducted in Mong Duong ward, Cong Hoa and Cam Hai communes to study the status of the local community with special attention to 68 affected households of the Ash Pond 2 Project. As the result of this survey, we made some modifications to our current CSR approach and LRP, to be implemented in the future:

- *Education: Improve education level, organize continue education classes and vocational training*
- *Community Health: Improve local healthcare clinics in term of infrastructure and organization capabilities, Conduct health check-ups, especially for respiratory-related diseases*
- *Infrastructure: Improve water supply system*
- *Local Recruitment: Work with local recruiters, job promotion centers to improve employment rate*

Economic Empowerment for Our Communities

At AES-VCM, we work hard so that our presence enables and empowers people's lives. Now contributing significant socioeconomic impacts to the local area, Mong Duong II has resulted in high appreciation from central level government to the local communities and received strong the support from government and local people.

As we grow, we want our success to translate to direct economic opportunities at the community level. Our company always pays special attention in creating employment opportunities for our stakeholders, within the BOT Company as well as its contractors. Part of our Livelihood Restoration Program are also vocational training courses and provision of un-skilled and skilled job opportunities for affected households of the Project, enhancing their skills and building long-term employability.

As of March 2016, 26 members from affected households now work for AES-VCM and our contractors: Aden Services (Vietnam) Co. Ltd. (ADEN); Premier Security Service Business and Investment Co. Ltd. (PSS); and NIC Human Resource Consulting Joint Stock Company. We are also working closely with other local businesses to provide jobs for local residents.

CSR Highlights for reporting period in 2015

Total community donation (during the reporting period April to December 2015): **1,083,356,950 VND**

Healthcare	Education	Infrastructure	Charity and Others
No. of activities: **2**	No. of activities: **5**	No. of activities: **0**	No. of activities: **3**
Amount in VND: **332,650,950 VND**	Amount in VND: **220,907,000 VND**	Amount in VND: **0 VND**	Amount in VND: **529,799 VND**
Ratio: **49%**	Ratio: **20%**	Ratio: **0**	Ratio: **31%**

Summary of CSR Efforts from 2012-2015

Total value of CSR activities from March 2012 to November 2015: **5,740,567,135 VND with 52 activities**

Healthcare	Education	Infrastructure	Charity and Others
No. of activities: **8**	No. of activities: **30**	No. of activities: **6**	No. of activities: **8**
Amount in VND: **911,928,000 VND**	Amount in VND: **3,382,655,159 VND**	Amount in VND: **668,342,979 VND**	Amount in VND: **777,400,997 VND**
Ratio: **16%**	Ratio: **59%**	Ratio: **12%**	Ratio: **14%**

AES-VCM PEOPLE

Our AES-VCM people are the backbone of what we do and how we operate. Our company's success and sustainability rely on our AES-VCM team—those who run plant operations, manage our finances, engage our communities, and ultimately deliver the safe, reliable and affordable energy solutions to the market we serve.

Our People at the Core

Guided by our values, AES-VCM follows AES Corporation's Global Talent Management strategy and framework, which takes into consideration the full cycle of an AES-VCM employee so that we are able to develop their competencies and provide opportunities for advancement within the organization. Our company's Manpower Selection and Placement Policy also ensures that we choose employees based on their merits and how they can contribute to achieving the strategic goals of the business.

We strive to attract and retain the best people. In doing so, AES-VCM's compensation and benefits practice is robust, mature and often exceed what is mandated by law. Positions are graded using the Hay methodology, based on the job grade, salary brackets are determined and reviewed based on market data annually by a corporate compensation team. Increments are determined based on performances of the individual, business unit, and the organization.

We also follow Vietnam laws on the participation for compulsory social, health and unemployment insurance and retirement provisions to full-time employees of the organization. Medical benefits are provided across all levels, including contract-based work. AES-VCM is composed of 100% full-time employees. Given AES-VCM's predominantly young workforce, there are no employees slated to retire in the next five and ten years, with the exception of one local staff employee (an actual percentage 0.35% of total workforce for the year 2020).

At AES-VCM, employees who meet the conditions on the period of payment of social insurance (stipulated by the law on social insurance) are entitled to a pension when reaching full 60 years of age, for males, or full 55 years of age, for females.

Fostering the Best Team

At AES-VCM, we foster the skills and capabilities of our team through robust training and people development programs, set against and proven to AES' world-class standards. Our company focuses on three key areas—Formal Learning Programs, Assessments and Career Planning, and Experience and Exposure—which we adapt to the local context and specific business needs.

We mentor and coach our employees in order to build the competencies. Our company implements the Learning and Development Policy, ensuring that we effectively address competency gaps and equip our workforce with the knowledge, expertise, and values required for individual and organizational success. Various training activities are conducted within and outside of the company, such as on-the-job and company-sponsored overseas training.

As our people grow and evolve as an organization, we make sure that we deliver performance measurements and evaluation results effectively. 100% of employees are subjected to performance reviews; probationary employees are reviewed on their first or second month, and regular employees are reviewed every mid-year and year-end.

We keep communication lines open throughout our organization, and through established voice mechanisms, we empower all our people to communicate freely with each other and with management. As a company, we are proud of the dynamic relationships that exist among AES-VCM people, that they provide feedback and address any complaints efficiently without fear of retaliation; organizational policies are in place to further promote our culture of transparency. During cases of significant operational changes, we also communicate and notify all employees immediately. AES-VCM employees are not represented by collective bargaining unit.

AES-VCM is a learning organization that supports our people's continued employability. Our Continuing Education Program supports employees who wish to advance in their chosen field, providing them with opportunities for higher studies which include master's degrees and licensure review classes. The company subsidizes as much as US$ 11,000 per course. The program involves a training bond of two years upon completion of the course

Shared Values: An Evolving AES-VCM Team

We are a diverse organization with a shared passion to energize the market we serve. As the Mong Duong II enters its first year of commercial operations, we are focused on developing AES-VCM's organizational culture, knowing that it is our AES-VCM values and world-class standards that define and drive how we work.

We strive to build our "one team" concept by harnessing the diversity of our team while ensuring that we develop the local or Vietnamese talent as part of our long-term sustainability. Our company is in the midst of building capacities through robust training, transferring knowledge as our transitional expatriates roll out, and tapping potential among local staff for leadership positions. Throughout all our people management activities, we are guided by our core values to put safety first, act with integrity, honor our commitments, strive for excellence, and have fun at work.

Our Human Resources team is in charge of personnel development, working closely with employees and their team leaders to ensure professional advancement. Our Leadership Team provides the direction of manpower requirements in line with business needs.









Housing Facilities

















Family Day















Values Day


















SWITCH ON
Switch on and stay on for safety
SAFETY DAY 2015





Safety Day




SWITCH ON
Switch on and stay on for safety
SAFETY DAY 2015



AES-VCM Workforce: Total Employment

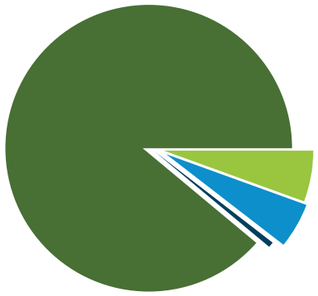
Total number and rates of new employee hires and employee turnover by age group, gender and region

Count per Gender



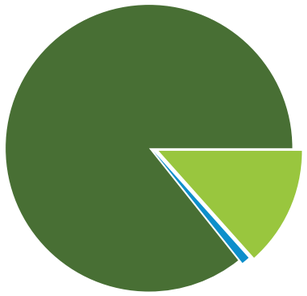
Female	21	7.45%
Male	79	28.01%

Count per age Group



Below 30	56	19.86%
30 to 50	43	15.25%
Above 50	1	0.35%

Count per Region



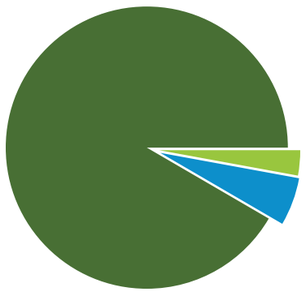
Mong Duong	93	32.98%
Hanoi	7	2.48%

Total leavers in 2015 is 35 (~12.41% of 282 total Employees)

	Regisnation	Retirement	End of Contact	Termination	Did not pass probation	Death	Total
2015	20	0	14	0	1	0	35

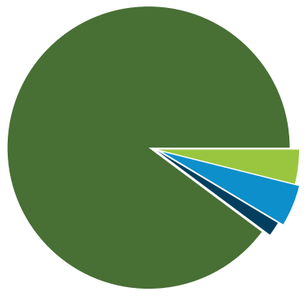
Employee Turnover : 7.09%

Count per Gender



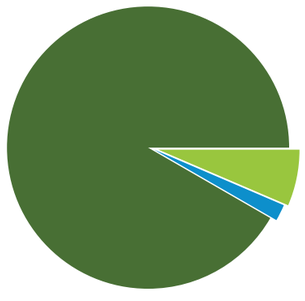
Female	7	2.48%
Male	28	9.93%

Count per age Group



Below 30	13	4.61%
30 to 50	17	6.03%
Above 50	5	1.77%

Count per Region



Mong Duong	32	11.35%
Hanoi	3	1.06%

Total workforce by nationality



Bangladesh	1
India	9
Pakistan	1
El Salvador	1
Singapore	1
South Korea	5
United States	7
Vietnam	255
Philippines	1
Total # of Employees	282

Total workforce by staff-type

STAFF-TYPE	
AES	9
Local workforce	255
Locally-hired expat	13
POSCO	5
Total # of Employees	282

Percentage of employees receiving regular performance and career development reviews, by gender and by employee category

	Female	Male	Grand Total
Senior Manager	0	2	2
Manager	5	9	14
Team Leader	0	8	8
Staff	51	207	258
Total	56	226	282

Proportion of senior management hired from the local community

By area of operation:	Senior Manager	Manager	Team Leader	Staff	Total
Mong Duong	1	8	8	246	**263**
Hanoi	**1**	6		12	**19**
Total					**282**

By employee type:	Senior Manager	Manager	Team Leader	Staff	Total
AES	2	4	3		**9**
Local (Vietnamese)		5	1	249	**255**
Locally-hired Expat		2	2	9	**13**
POSCO		3	2		**5**
Total	2	14	8	258	**282**

Employees who took parental leave:	Female	Male	Grand Total
Entitled to parental leave:	56		56
Employees who took parental leave:			
	5		5
Total	4	0	5

Employees who returned to work after leave:			
Parental leave	5	5	5
Less than 12 months from end date of availment	0	0	0
Total	5	5	5

Average hours of training per year

Total average training hours: 6,294

Average training hours by gender	Male	Female	Total
Total training hours	5,740	554	**6,294**
Average training hours per person	25.40	9.89	

Average training hours by employee category

Senior Manager	Manager	Team Leader	Staff	Total
44.64	312.47	178.55	5,758.34	**6,294**



Sustainability Technical Working Group



David Stone
Managing Director & CEO

Michael Savidge
Operation Manager

Lee Eung Chong
Supply Chain Manager

Luu Ngoc Anh
General Counsel & Compliance Officer

Le Thi My Hanh
Stakeholders Manager

Tran Minh Ly
Chief Accountant/ Country Controller

Pham Thi Thuy Ha
CSR Officer

Kevin Pierce
Plant Manager

Fernando Mendez Cea
EHS Manager

Ta Thi Thu Thuy
Communication Specialist

Bui Thanh Huyen
HR Executive

Nguyen Trung Kien
Commercial Officer

Bui Viet Hung
Compliance Officer

Sang Geun Yang
Chief Financial Officer

Nguyen Thuy Hong
HR Bussines Partner

Dao Thuy Ninh
Administrative Officer

Nguyen Thanh Cong
Environmental Engineer

Pham Hai Son
SCM Officer

Bui Khang Ninh
GA Officer

External Review Committee Statement

The ERC would like to applaud the AES-VCM's significant effort in producing a Sustainability Report after only the first year of official operation. We believe that the report has followed GRI guidelines in terms of principles to define report content and quality. The ERC also appreciates the level of information, engagement and cooperation the AES-VCM's senior leaders and reporting team provided during the ERC's review process.

AES-VCM was successful in identifying the material issues relating to its sustainable performance for the reporting period; and in projecting its long term goals of sustainability. The report has reflected the company's economic value, financial excellence, market presence, and its significant impacts to the local community. The report has addressed the requirements for stakeholder inclusiveness and standard disclosures.
The ERC is impressive with sucessful safety performance of AES-VCM with zero Lost-time incident (LTI) rate during the first year of operation. This such amazing result is supplemented by a strong health and safety program being implemented at all level of the Company.

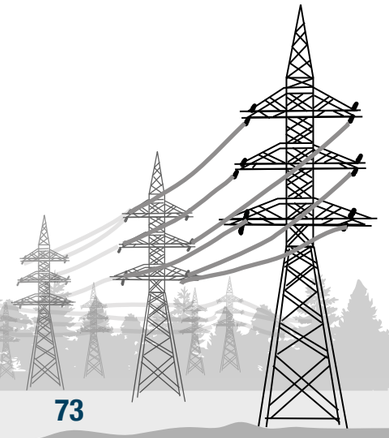
Regarding the report's quality, the ERC acknowledges the AES-VCM's effort in presenting ample info-graphics to illustrate its successes and challenges in the first year. While all data is up to date, it has not yet fully demonstrate the series of sustainability activities of AES-VCM. Similarly, the report has mentioned the company's CSR plan and activities as well as results it has reached, but it has not yet indicated strategic-focus CSR's activities. We understand that in 2016, AES-VCM has developed a more strategic CSR program with more visible outcomes which we expect to see the results. The ERC believes clearer narratives and a better reference system throughout the report will help increase the comparability and comprehensiveness of the report.

In conclusion, with the first ever Sustainability Report in the thermal power sector in Vietnam, AES-VCM has set a high bar for the industry not only in applying international best practices, but also in promoting reporting transparency to relevant stakeholders. The ERC encourages the AES-VCM to improve its data quality, measurable performance outcome and to lead the way in using multi-media tools to help its report reach a wider range of audiences.

The ERC congratulates the AES-VCM on laying a solid foundation for forthcoming Sustainability Report and ethical corporate leadership. We appreciate the effort you put in to this and look forward to assisting you in future endeavor.

With best regards,

The External Review Committee



External Review Committee Members



Mr. Nguyen Viet Thinh, ERC Chairman

Director and Founder of NVT Consulting Firm, Former Director of PwC in charge of Sustainability Report Consulting Service, Member of judging panel for Sustainability Report Award for State Security Commission of Vietnam for listed companies.



Mr. Nguyen Quang Vinh

Member of the standing Committee and Deputy Secretary General of Vietnam Chamber of Commerce and Industry, Secretary General of Vietnam Business Council for Sustainable Development.



Mr. Huynh Trung Hai Ph.D

Director of Science and Technology Office of Hanoi University of Science and Technology. He has earned his Ph.D. in Physical Chemistry.

APPENDIX: List of Material Aspects

Material Aspects: Within the Organization

Material Aspects: Outside the Organization

	Plant Site	Head Office	Government	Contractors/ Suppliers	Customer	Communities
Economic Category	X	X	X	X	X	X
• Economic Performance	X	X				X
• Market Presence	X	X	X			X
• Indirect Economic Impacts	X	X	X	X	X	
• Availability and Reliability				X	X	
• System Efficiency						
Environment Category	X		X			X
• Energy	X		X			X
• Water	X		X	X	X	X
• Emissions	X	X	X	X	X	X
• Compliance	X	X	X	X	X	
• Overall	X	X		X		
• Supplier Environmental Assessment						
Social Category						
Labor Subcategory	X	X	X			
• Employment	X	X	X			
• Labor/Management Relations	X	X	X	X	X	
• Occupational Health and Safety	X	X	X	X	X	
• Training and Education						X
Human Rights Subcategory		X	X			
• Investment	X	X		X		X
• Security Practices						
Society Subcategory	X	X	X			
• Local Communities	X	X	X	X	X	
• Anti-corruption						
Product Responsibility Subcategory	X	X	X	X	X	
• Customer Health and Safety	X	X	X	X	X	
• Product and Service Labeling	X	X	X	X	X	

NOTE: During the stakeholder engagement process, the G4 Aspect "Product and Service Labeling" under Product Responsibility ranked as a material issue; however, the nature of AES-VCM's products and services do not involve any labeling. In response to product responsibility, AES-VCM complies with all applicable laws and regulations, as well as specific conditions and key performance indicators set in the Power Purchase Agreement with Electricity of Vietnam (EVN); however, these are kept confidential and cannot be disclosed in this report.

Materiality Disclosures
AES-VCM Mong Duong Power Co. Ltd
Aug 2016 Service

GRI G4 Content Index

GENERAL STANDARD DISCLOSURES		
Standard Disclosure	**Standard Disclosure Title**	
STRATEGY AND ANALYSIS		**Location in Manuscript**
G4-1	Statement from the most senior decision-maker of the organization	Page 07 - 13
G4-2	Description of key impacts, risks, and opportunities	Page 07 - 13
ORGANIZATIONAL PROFILE		**Location in Manuscript**
G4-3	Name of the organization.	Page 04
G4-4	Primary brands, products, and services.	Page 04
G4-5	Location of the organization's headquarters.	Page 04
G4-7	Nature of ownership and legal form.	Page 04
G4-8	Markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	Page 04
G4-9	Scale of the organization	Page 04
G4-10	Total number of employees by employment contract and gender.	Page 67-68
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