

ACCELERATING SUSTAINABLE PROGRESS



Sustainability Report 2016 - 2017

In Accordance with the Global Reporting Initiative (GRI) Standards

CONTENTS

About AES-VCM	03
CEO Message	06
About Our report	11
Our Culture - Strong Foundations	14
Our Operation - Responsible Power Generation	20
Our People - Energizing Vietnam	34
GRI Standard Content Index	50



Investing in Vietnam's Progress

As we operate in Vietnam's fast-growing market in a safe and responsible way, AES-VCM Mong Duong Power Company Ltd (AES-VCM) ensures that our current investment, Mong Duong II Power Plant (Mong Duong II), delivers value and contributes to development at the national and local levels, powering the lives of 6.43 million Vietnamese in 2016 and 2017, while increasing shareholder returns. We do this by aligning our financial targets with the overall corporate strategy and anchoring our economic performance in operational excellence, robust safety and environment programs, risk management, strong ethical conduct, and a commitment to the community.

Given this sustainable approach to deliver energy solutions, AES-VCM was awarded as one of the most outstanding foreign direct investments in the country just after its first full year of operations in 2016. The award recognized foreign businesses that apply the most advanced technologies and solutions to create better products and services, while demonstrating a strong and proactive sustainability agenda.

AES-VCM also showed its strong confidence in Vietnam as CEO Mr. David Stone joined the US-ASEAN Business Council 2017 Business Mission in Hanoi. Representatives of major US companies, engaged with members of the Government of Vietnam on trade and investment opportunities as well as policy priorities to improve the business and investment climate of the country.

As CEO of one of the largest private companies operating a power plant in Vietnam, Mr. Stone talked about the indirect economic impacts that improve the quality of life in the communities hosting the power plant project, which number almost 20,000 residents. This demonstrates AES-VCM's ability to maximize economic and social benefits of its investment, a core principle of all its projects throughout the world.

Today, Mong Duong II BOT Power Plant (Mong Duong II) proves AES-VCM's expertise in Build-Operate-Transfer Projects and the strong collaboration between the company and the government to deliver sustainable energy and economic progress for all stakeholders. Ultimately, Mong Duong II is a platform to leverage our leadership position in providing market solutions such as energy storage and renewable energy to meet the evolving energy requirements in a most responsible and transparent manner.

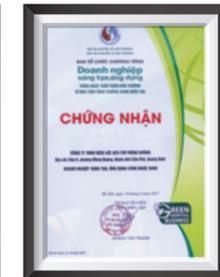


Awards, Recognition & Memberships

Our sustainability is a journey of continuous improvement and we are honored to have received numerous awards recognizing our efforts.

We have been awarded by the Vietnam Business Council for Sustainable Development as among the Top 100 Most Sustainable Enterprises in Vietnam in 2016 and 2017.

We also received the Power Utility of the Year Award from the Asian Power Award in 2016, considered the most prestigious award designed to recognize groundbreaking and trailblazing initiatives in the Asian power sector. Other awards include:



Green Business 2016 Award from the Vietnam Association for Conservation of Nature and the Environment, which recognizes businesses with environmentally friendly products and technologies



2016 & 2017 Corporate Social Responsibility Recognition Awards from the American Chamber of Commerce, which recognizes commitment to transparent, effective and sustainable business management



2016 Outstanding FDI Company Award – Merit Certificate from the Government of Vietnam to recognize the use of advanced technologies and solutions to create better products and services for domestic and international market



2016 & 2017 RoSPA Gold Award from The Royal Society for the Prevention of Accidents (RoSPA), which recognizes the effort and performance of an entity in saving lives and preventing incident/accidents in workplace.

As a member of the following organizations, AES-VCM shows commitment to the Vietnam energy sector and to the promotion of a fair, sustainable, and transparent business environment in Vietnam.



American Chamber of Commerce in Vietnam (Governor)



US-ASEAN Business Council (Member)



Vietnam Business Council for Sustainable Development (Vice Chairman)



Vietnam Chamber of Commerce and Industry (Member)

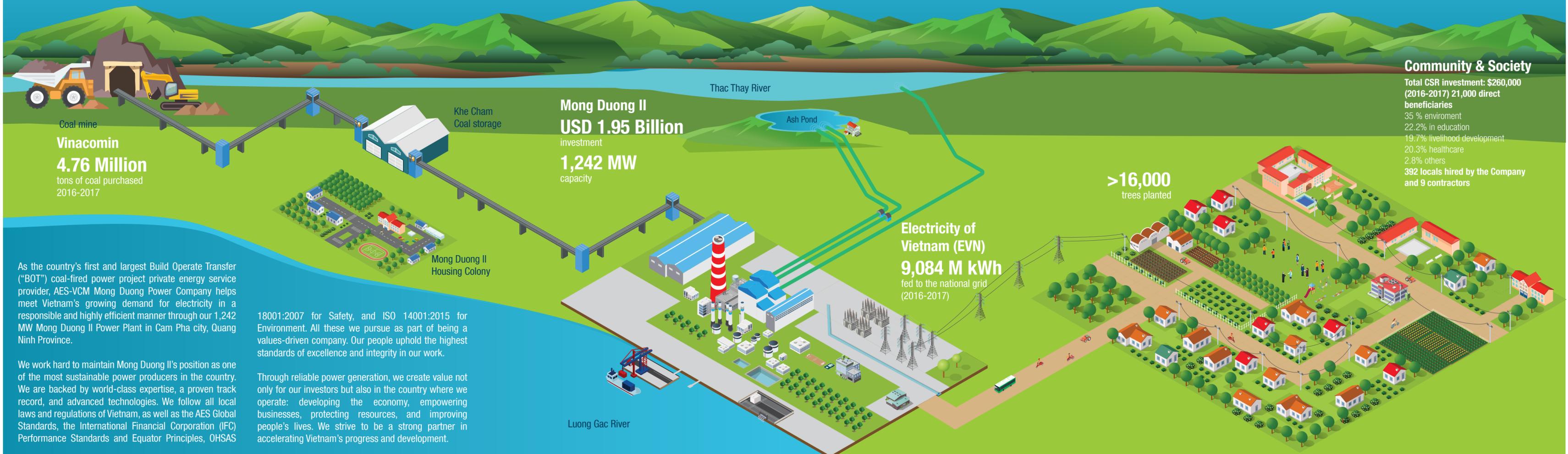
HOW WE HELP ACCELERATE SUSTAINABLE PROGRESS

Our Vision

Our vision is to be a leading sustainable power company in Vietnam 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 Vietnam current and increasing energy needs, while providing communities and country the opportunity for economic growth due to the availability of reliable, affordable electric power.

Our Mission

Improving lives by accelerating a safer and greener energy future.



As the country's first and largest Build Operate Transfer ("BOT") coal-fired power project private energy service provider, AES-VCM Mong Duong Power Company helps meet Vietnam's growing demand for electricity in a responsible and highly efficient manner through our 1,242 MW Mong Duong II Power Plant in Cam Pha city, Quang Ninh Province.

We work hard to maintain Mong Duong II's position as one of the most sustainable power producers in the country. We are backed by world-class expertise, a proven track record, and advanced technologies. We follow all local laws and regulations of Vietnam, as well as the AES Global Standards, the International Financial Corporation (IFC) Performance Standards and Equator Principles, OHSAS

18001:2007 for Safety, and ISO 14001:2015 for Environment. All these we pursue as part of being a values-driven company. Our people uphold the highest standards of excellence and integrity in our work.

Through reliable power generation, we create value not only for our investors but also in the country where we operate: developing the economy, empowering businesses, protecting resources, and improving people's lives. We strive to be a strong partner in accelerating Vietnam's progress and development.

Community & Society

Total CSR investment: \$260,000 (2016-2017) 21,000 direct beneficiaries
 35 % environment
 22.2% in education
 19.7% livelihood development
 20.3% healthcare
 2.8% others
 392 locals hired by the Company and 9 contractors



Plant availability rate
 99.41% (2016)
 99.78% (2017)

Safe man hours
 > 1.7 million hours (2016)
 > 1.6 million hours (2017)

Emissions
 > 3.6 million tons CO2 (2016)
 > 2 million tons CO2 (2017)

100% wastewater treated
Zero chemical and oil spills
108 training hours per employee on average
Solar-powered housing facilities
100% of new suppliers subjected to EHS accreditation

As AES-VCM continues to support sustainable development in Vietnam, we are committed to make our contributions to the UN Sustainable Development Goals. We have taken account of the following SDGs that align with our business priorities and programs as part of our approach to sustainability.





Dear Shareholders and Stakeholders,

These are exciting times for Vietnam. The country has continued its strong growth path since 2010, when AES first broke ground in Quang Ninh province on the Mong Duong II Power Plant. Over the next several years, bolstered by investor confidence and the acceleration of Vietnam's stability, we have seen the country's economy thrive even further. This has led to a growing need for safe, reliable, and sustainable energy solutions to continue the positive momentum that Vietnam is experiencing.

MESSAGE FROM THE CEO

Bringing World-Class Technology and Experience

We believe that we are well positioned to support the Government of Vietnam in the implementation of its Power Master Plan and fulfill its goal of sustainable development for all. As a global business, AES brings more than three decades' worth of experience in providing sustainable energy solutions that are the backbone of economic growth, inclusive development and overall security.

Building on the success of the Mong Duong II Power Plant construction safely completed in 2015, we are happy that the Plant has entered full commercial operation and become one of the most sustainable power generating facilities in the country. We have made it the Top 100 Sustainable Enterprises in Vietnam in 2016 and 2017, among many other sustainability awards and recognition we have received since we began operations in 2015. We see this as an affirmation of our continuous engagement with our stakeholders and our strategy towards business leadership, operational excellence, and environmental and social responsibility wherever we do business.



Advancing Responsible Power Generation

A testament to our strong track record and commitment to responsible power generation is Mong Duong II Power Plant. As we began to normalize our operations in 2016 and 2017, we continued to benchmark Mong Duong II's performance against the top-decile power plant operators in the world.

To be part of a sustainable energy sector, a high-tech local workforce is essential. At Mong Duong II we are especially proud of our Localization Plan, where we identified promising members of our local team whom we would train and equip for leadership positions. We also set up a signature educational program called AES-VCM Energy Career Scholarships, where we invest in the education and training of a skilled, high-tech workforce.

We are similarly proud of the fact that 50% of leadership positions in AES-VCM are occupied by women, which is unique in a traditionally male-dominated energy sector. Diversity at AES-VCM benefits us by fostering greater creativity, adaptability, and innovation, all of which are critical to thriving in an ever-evolving sector such as energy.

Because we believe that the business of power generation is about improving lives, we also strengthened AES-VCM's social agenda that serves as proof of our long-term commitment to our local communities in Quang Ninh province. Our Social Policy and Strategic CSR Framework ensure that we create meaningful and measurable impacts in the lives of our stakeholders, and maintain an engaged and positive relationship for the mutual benefit of the company and the communities.

A Continuing Commitment to Transparency and Sustainability

Ultimately, we believe that the company is able to contribute positively to the growth of the energy sector and the business environment when we collaborate with and engage our stakeholders.

As we strive to be a trusted partner of the Government of Vietnam, we regularly received delegations from the national and local authorities, who wanted to better understand our technical operations, environmental safeguards, safety standards, and social agenda. We welcome these opportunities to share knowledge and expertise that help facilitate a more productive dialogue and collaboration between the Government and our business.

We commit to greater transparency with the regular publication of our sustainability report. This second report contains more stories that demonstrate our continuous support contains contributing to Vietnam's sustainable development by delivering safe, reliable, and sustainable energy the AES way.

I would like to thank our people for contributing to the advancement of the sustainability agenda by exemplifying it in our daily work and upholding the AES Values. As Vice Chairman of the Executive Board of the Vietnam Business Council for Sustainable Development, I commit to continue to raise the profile of sustainability in our business and industry, share our lessons and experiences to truly accelerate sustainable growth in Vietnam and improve lives.

David Stone
Managing Director & CEO



Our Leadership

Executive Leadership Team



Mr. David Stone
Managing Director/CEO



Mr. Kevin Pierce
Plant Manager



Mr. Sang Geun Yang
Chief Financial Officer



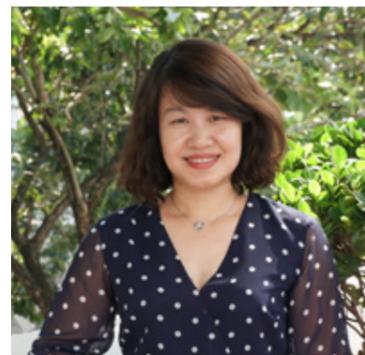
Luu Ngoc Anh
General Counsel & Compliance Officer



Nguyen Thuy Hong
HR Manager



Le Thi My Hanh
Stakeholders Manager



Tran Minh Ly
Chief Accountant / Country Controller



Nguyen My Linh
Commercial Manager

Department Managers



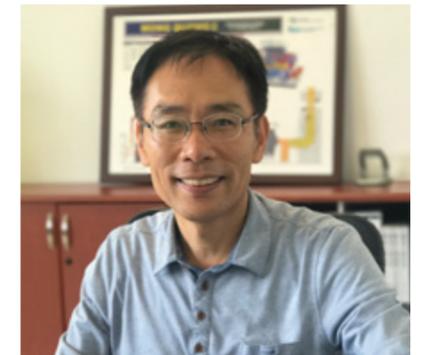
Stanley K. Riner
Operations Manager
(Power Block)



Sidney Phan
Operations Manager
(Material Handling)



Sajjad Rana
EHS Manager



Lee Sang Kil
Engineering Manager



Nadessan Sandirasegaran
Maintenance Manager



Lee Eung Chong
Supply Chain Manager



About Our Theme



Vietnam is one of the world's fastest-growing economies. Over the years, it has outperformed other countries in the region. As progress accelerates, the Government of Vietnam works hard to ensure that this promising growth is sustainable and available for all.

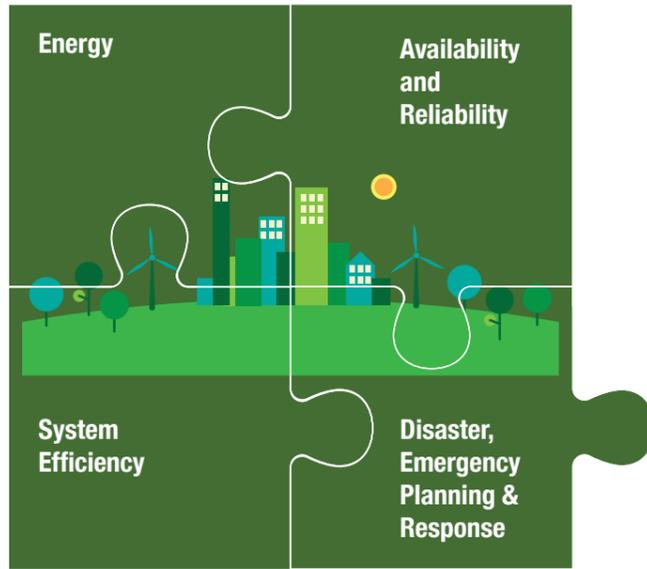
AES-VCM Mong Duong Power Company supports the vision of the government. We make sure that our presence in Vietnam, through the Mong Duong II Power Plant, means access to safe, reliable, and affordable energy to power the country's growth and improve lives. Making this possible are our people. The story of AES-VCM over the last two years since our first report is the story of a strong, competitive, and inspired local team defined by values and committed to sustainability.

About Our Report

AES-VCM commits to responsible power generation with the publication of our sustainability performance every two years. Accelerating Progress shows how we have progressed in our journey over the period of 2016 and 2017. It covers the operations of the Mong Duong II Power Plant and the AES-VCM Mong Duong Power Company's Representative Office in Hanoi, with no restatements on previously disclosed sustainability information. This report provides a more comprehensive view of our business from various internal and external stakeholders, capturing two years of commercial operations, compared to our first report that only covered our first 10 months of operations.

Sustainability reporting in AES-VCM has been updated to respond to the broader call for greater transparency. This report has been prepared in accordance with the GRI Standards: Core option. On a broader scale, it has taken into account the United Nations' Sustainable Development Goals, which have been designed to address the world's biggest challenges—poverty, inequality, and climate change. AES-VCM believes that the SDGs provide a framework for business to ensure that its sustainability journey is part of a global development agenda. AES-VCM also submits its climate-related performance to the AES Corporation in support of the overall company's commitment to adopt the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) on business strategy and include them in the AES Corporation's financial disclosures. We continue to monitor TCFD's developments to better understand the risks and opportunities that our business faces because of climate change and protect our company's financial position.

What Matters to Us and Our Stakeholders



Powering Vietnam's Progress

- How current and future projects accelerate growth in Vietnam
- Continuous improvement for better heat rate and contribution to the grid
- Collaboration with the Government to push the energy sector
- Green growth prospects in Vietnam

Ensuring Responsible Operations

- Compliance with all environmental regulations
- More disclosure on technology and monitoring for environmental protection
- Power Plant performance against the industrial mean

Empowering Our Workforce

- Leadership and talent development
- Localization of talents
- Strong safety culture
- More opportunities for contractors to grow

Improving Local Communities

- Strategic commitment to community development
- Continuous engagement through dialogue and initiatives

To determine the sustainability topics that will be included in our second report, we revisited our 2015 matrix and used highlights from 2016 and 2017 operations as well as the results of our year-round stakeholder engagements.

Based on these insights, we focused on 16 out of 21 material topics and reinstated GRI G4 energy sector-specific topics such as availability, reliability, and efficiency, which remain relevant to our core business and which we monitor along with other operations KPIs.

We mapped all material topics to the inputs of our priority external stakeholders, in particular our sole customer, Electricity of Vietnam, our supplier Vinacomin, selected members of our contractors, and the local community impacted by the construction of Ash Pond 2 represented by the village head. The CEO and Plant Manager approved the final list of material topics.

The performance data have been compiled and verified using the AES Corporation's data management systems, where standard calculations are used to ensure consistent reporting throughout the business. Our environmental, health and safety data are part of annual reports submitted to and verified by various local and national monitoring

agencies. International Finance Corporation's Performance Standards guide our social performance disclosures, which are then audited by an independent third party. These third-party assessments showed of our commitment to transparency, objectivity, and continuous improvement.

Economic performance continues to be of paramount importance to us. As a private entity we have decided not to include any financial statements this year because the topic was not raised in the stakeholder engagement activities we held to determine report content. We remain committed to the highest standards in financial disclosures. AES-VCM financial statements submitted to the AES Corporation, shareholders and lenders are prepared accordance with USGAAP. The Company also prepares its statutory financial statements in accordance with VNGAAP to submit to shareholders as required by the Company's charter and to the local authorities as required by the local laws. AES-VCM Mong Duong Power Company Ltd is the sole entity listed in these reports.

The GRI content index detailing our performance is found in page 50. For questions and clarifications about any information in this report, including third-part audit results mentioned above, please contact with our Stakeholder Manager, Ms. Le Thi My Hanh (hanh.le@aes.com).



OUR CULTURE STRONG FOUNDATIONS

Defined by Our Values



Our Values of Safety, Integrity, Agility, Fun and Excellence guide us in how we do business. Safety is everyone's priority and responsibility. We strive for excellence all the time. We act quickly and with integrity. We have fun through our work. Our employees are defined by our Values and commit to them in our daily work. Guided by our Code of Conduct/AES Values Guide, we fulfill our vision and mission, and our stakeholders can trust us to do the right thing.

SAFETY

Safety continues to be our priority, for our people, contractors and communities.

INTEGRITY

Integrity continues to be a Value. With the existence of the new Value, we merged the old Value "Honor our Commitment" into "Integrity". Our business partners, communities, customers, and shareholders can rely on our word because we do what we say.

AGILITY

In 2017, we launched a new Value, Agility. Agility means we create value by moving quickly, anticipating opportunities, avoiding risk and changing direction as necessary to grow in new ways and best serve our customers. Agility lets our employees continue to deliver safe, reliable, and sustainable energy with the same high quality that AES-VCM is known for.

FUN

Fun through work means being part of a team that is innovative, winning, and making a difference.

EXCELLENCE

Excellence is both a goal and the way to achieve that goal. Striving for excellence means continually working to improve ourselves and our business operations.

Throughout our engagement with our stakeholders and at company's events organized by AES-VCM at the Safety Day and Values Day, our Values are widely shared to enable them to better understand our culture. We demonstrate our Values not only through our words but also our actions, and strive to be a good example for other businesses at locality to emulate, especially our safety culture, honoring commitments, and anti-corruption. These also help us to enhance the relationship with the central and local authorities and the local communities as well as strengthen our brand and profile.

Stakeholders' Viewpoints



Ms. Nguyen Thi Huong, Captain of Housing Colony from NIC Human Resource Consulting JSC, our human resources service provider

My name is Huong. I have been working for AES-VCM for three years and cherish every moment that I am here. I used to work in a hotel and a cruise line and while any job requires hard work, working in AES-VCM is more fun because everyone treats each other like family.

Working here, my work ethic has improved and I am more disciplined. I learned a lot of new skills, like office and communication skills. I used to have very little confidence in myself, but I was chosen to join a coaching and mentoring program that really helped me find my voice.

I am thankful that the company invested in me and now I look forward to supporting others. If one of our team members makes a mistake, everybody learns from it. We help each other and reinforce the correct behavior and habits.

My parents and my friends are proud of me. I continue to work here because of all the team members who are now my second family. I have lots of great moments and want to continue building my career here.



Mr. Nguyen Duc Anh, Site Manager from Aden Services (Vietnam) Company Limited, our housekeeping and maintenance services provider

My name is Duc Anh. I lead a team of about 70 people working permanently at Mong Duong II Power Plant, providing cleaning and landscaping services. The majority of my team are local people who were not at all familiar with an industrial working environment such as Mong Duong II. They all, however, eventually learned and now they love to work here.

I think the relationship between AES-VCM and the ADEN staff is unique. AES-VCM shares its policies and Values with us, and the ADEN team really lives them as our values.

We learn that the safety standards here are much higher, and safety is not just at the power plant. Our local staff bring the lessons they learned to their own homes. Even if they cannot afford vacuum cleaners, they still can use brooms and rags to practice what they learned at home to make them clean and safe. They were always excited to share what they have learned to improve their home practices.

Working at AES-VCM and seeing its Values and believe in all the values, we see how the Company is able to keep the talents. We hope for more opportunities here because we want to do better and be better.

How We Manage Sustainability

Our success, leadership, and reputation rest on the sustainability of our operations. This is why sustainability is an agenda that is elevated to the Member Council, which is the highest governing body of AES-VCM Mong Duong Power Company. Our CEO/Managing Director, who oversees the daily business of the company, serves as one of its six members.

Our organization covers various sustainability aspects of the power business at the operational level. These are financial performance, operational excellence, environmental responsibility, occupational health and safety, stakeholder management, personnel development, compliance, and customer management. Their section heads form part of our sustainability technical working group.

The section heads report directly to the CEO and Plant Manager on the accomplishment of the sustainability key performance indicators (KPIs) relevant to them. They also make recommendations based on regular monitoring and evaluation activities. While the section heads are expected to lead in championing the agenda to their supervised workers, sustainability is the responsibility of every employee to make sure all aspects of our operations promote positive impacts on all our stakeholders.

Monitoring Compliance and Risks

Each department is also responsible for statutory compliance with all laws and regulations applicable to our operations, as well as all internal rules and contractual commitments. Whenever possible, we go beyond national and local statutory requirements, as part of risk management. We maintain collective consideration and decision-making in handling non-compliance issues, if any. These are reported internally and externally in a cross-functioning manner for awareness, solutions, risk management, and contingency measures, if needed.



How We Engage Our Stakeholders



Central Government

Monthly report
Face to face meetings



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.aesvcmongduongpower.com.vn

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

RESPONSIBLE POWER GENERATION



Our Approach

Excellence enables us to deliver the expected generation output to our customer in the safe and reliable manner that we are known for worldwide. To drive continuous improvement in our technical performance, we constantly benchmark ourselves against the top-decile power plants in the United States. Policies and processes emphasize operating efficiency, reliability, and availability of energy supply, while prioritizing the reduction of coal usage where possible and operating within environmental limits to make sure that we maintain a clean environment.

We make sure that Mong Duong II is ready to operate at full available power on request, unless there is a change in a unit's operating status and except during necessary maintenance or forced outages. Our plant personnel carry out routine activities to manage the plant's status and configuration ensuring that all areas and critical parameters of our operations are continually monitored and equipment is operating normally. All personnel are trained in routine inspection procedures that are relevant to their responsibilities.

We are prepared for any condition that may be reasonably expected to occur during periods of shortages on the electric grid. During such periods, our Shift Lead makes operational decisions to maximize each unit's availability and ability to support grid operations. The Plant Manager oversees the key performance indicators of our operational performance, environmental impacts and occupational health and safety aspects, along with compliance with customer requirements.



MESSAGE FROM THE PLANT MANAGER

To Our Stakeholders,

I believe that everyday is a good day when you get to work in a power plant. The performance of Mong Duong II Power Plant over the past two years further strengthened this belief as we started normalizing our operations. We saw first-hand the great potential for positive impacts of the work we do at Mong Duong II and found our responsible approach to power generation recognized, as we received the prestigious “2016 Power Utility of the Year – Vietnam” and the “Green Business Awards 2016”

Our technical achievements rest largely on our teamwork. The talent, commitment and drive for improvement by our employees have always exceeded our expectations. The Government of Vietnam wants responsible growth and development, and our employees share this vision and fully support our uncompromising goal when it comes to delivering safe, reliable, and sustainable energy. And as part of our commitment to help fuel a stronger Vietnamese energy sector, we launched a localization plan that would create a pipeline of skilled, values-oriented technical workers and leadership from our local team.

Our value “Strive for Excellence” and our culture of innovation has led to major operational improvements at the power plant during the reporting period. Inside this report we share initiatives that created further efficiencies and better savings for the company while mitigating negative impacts on the environment.

We worked on improving the efficiency of our coal burn and optimizing the heat rate with significant strides made towards meeting our targets, which is integral to our commitment to environmental responsibility. As we improve our heat rate, we burn less coal for the same amount of energy, which means better fuel savings for the company and, more importantly, lower resource consumption and lower emissions, which are good for the environment.

Despite being on reserve shutdown for much of 2017 (at the request of Electricity of Vietnam, given that the hydropower plants were running at high capacity due to unusually heavier rainfall), Mong Duong II was always ready when called to operate to meet our customer expectations. We also received our international certifications on occupational health and safety (OHSAS 18001) and environmental management (ISO 14001:2015) during the reporting period.

These operational highlights are a testament to the caliber of our technical team, which we are very proud of. Given the atypical scenarios of 2017, everyone looks forward to improving operational key performance indicators as we truly normalize operations and run on higher loads in 2018 and onwards.

Safety continues to be our biggest source of pride. We conducted a total of more than 93,800 safety training hours over the last two years, exceeding

target of safety training hours by 164%. We reinforce the belief and practice of “putting safety first” so that everyone adopts consistent safety behavior whether they are in the power plant or at home or in the community. To me, this is what working in AES-VCM is all about. You are a real AES-VCM person only when you are finally consistent in your safety attitude and behavior no matter where you are. This is a value we also share with the families of our employees as well as our external stakeholders, from our contractors and suppliers to local communities, to strengthen our overall safety culture and contribute to the improvements in their wellbeing and quality of life.

I would like to thank everyone who contributed to these sustainability milestones, which are just a few of the many others found in this second report. These stories showcase the skill and the promise of our People that, if further unleashed in the right and focused way, can contribute tremendously to Vietnam’s ongoing development. With the right programs in place and its talented people, the country remains a bright spot in the region and we are excited to be part of its dynamic growth.

Kevin Pierce
Plant Manager

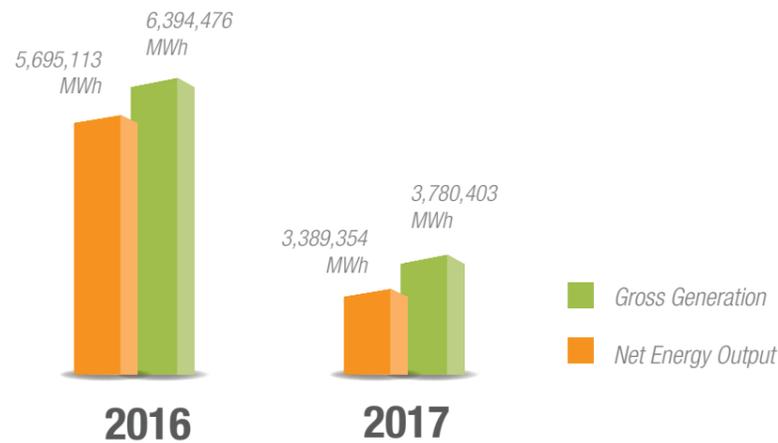


Ensuring Operational Excellence



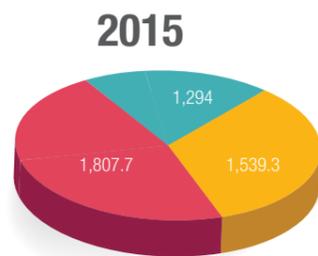
Power Utility of the Year – Vietnam 2016
awarded after our first complete year of operations

319 technical qualification cards
issued to our Operations Team (2016–2017)

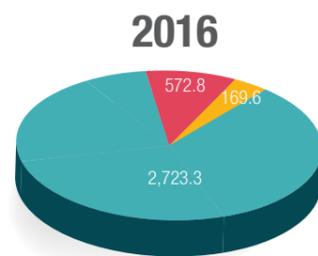


Reducing a power plant's heat rate means lower fuel consumption, lower costs, and is better for the environment. We posted minimal deviation from our target heat rate and we continue to work towards achieving our target over the coming years.

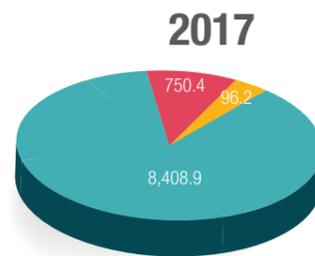
	2016	2017
Actual Heat Rate* (in Btu/kWh)	9,985	10,045
+ Vs. Target	9,795	9,793
+ Variance	-190	-252
Coal Consumed (in tons)	2,924,237	1,754,852



Average Plant Availability
83.10%



Average Plant Availability
99.41%



Average Plant Availability
99.41%

Total hours of outage duration increased in 2017 due to hydropower plant was priority dispatched. However, the power plant was ready for operating at anytime.

- Forced outage hours
- Reserve shut down hours

Our Major Operational Improvements for 2016-2017

Operations team focused on non-stop improvements for better plant performance, lower environmental impacts, and greater cost savings.

1. Reduce emissions through optimization of Soot-blower System

US\$ 653,000 savings in operation cost
12,430 tons of CO2 reduced
54 tons of SO2 reduced



We eliminated vibration issues in the furnace soot-blower system and reduced steam flow to a minimum without requiring significant investments. A change in the standard operating procedure also led to reductions in heat rate, our constant goal, given its positive impacts on costs and the environment.

2. Lower chemical consumption rate through optimization of Cycle Chemistry

US\$ 570,000 in operational cost savings



Conventional chemistry applied by a contractor had led to increases in corrosion rate, oxide deposit rates, regeneration rate of condensates, and the risk of tube failures. We improved on the cycle chemistry to correct this and developed a more comprehensive approach for maximum availability and performance of the power plant. This improved the operating efficiency and reduced losses in the boiler tubing and turbine availability. With our lower chemical consumption rate, we were also able to lower our negative impacts on the environment.

3. Waste Oil Reuse for Reclaimer Chain Lubrication

> US\$ 53,000 in total savings (annual)



Reclaimers that convey coal from the coal shed to the silo has an auto-lubrication system that requires 9,600 liters of fresh lube oil annually. This oil is wasted as it mixes with coal dust and sticks to the rollers. With this improvement project, used oil that matches the specification of the oil needed for the reclaimer chain lubrication is now collected from the gearbox. Stored separately from the normal waste oil, this oil is filtered and recycled for use in the reclaimer auto-lubrication system, reducing annual costs of the lube oil and its attendant processes.

Prioritizing the Environment

Our Approach

Environmental protection is the responsibility of every AES-VCM employees and contractors. We have an Environmental Policy that guides all Mong Duong II's operations and personnel behavior to ensure high standards of environmental performance. We meet and, where possible, exceed all relevant requirements, standards, and legislation imposed by the local, regional, and national agencies of Vietnam, the IFC Performance Standards, and the AES Corporate Global Environment Standards.

Our Physical Impact Rating Matrix, Risk Assessment Criteria, and Impact Significance Matrix identify aspects of our operations with significant impacts on the environment, identifying such factors as scale, probability, cost to business, and stakeholders concerned. We have Integrated Management Systems (IMS) on understanding, anticipating, managing, and mitigating these various environmental impacts.

The ISO 14001:2015 is the latest update of the standard, with its expansion of the scope and coverage of the organization's environmental management as well as new requirements for leadership and third-party interactions, among others. And while AES-VCM is known for having a truly robust safety culture, the OHSAS 18001 demonstrates our deeper commitment to a safer workplace for our employees and contractors. We welcome these additional measures as a path to better stewardship of both our natural and human resources and, inevitably, as a mark of our leadership.



AES-VCM recognized for its environmental responsibility

We received various important recognitions that affirm our responsible approach to power generation. In 2017, we received the Green Business 2016 Award from the Vietnam Association for Conservation of Nature and Environment, Vietnam Environment Administration, and Human & Environment Forum. The Vietnam Government's Committee for Science, Technology, and the Environment also expressed its visiting delegation's approval of Mong Duong II's environmental protection activities as well as our social development program.

Always Incubating Innovation



Driving excellence, teamwork, and constant learning at AES-VCM is APEX (AES Performance Excellence Competition), a global AES program and competition that push AES People to create innovation projects that deliver significant revenues, savings, and efficiencies to the company. In 2016 and 2017, the AES-VCM team won first and second place in the APEX Global Competition for its operation improvement initiatives

Over the last decade alone, APEX projects have delivered over US\$1 billion in benefits for the entire AES. Apart from the financial benefits from these award-winning innovations, they bring prestige to the winning teams because the practices are adapted in AES businesses worldwide, where applicable.

A Greener Mong Duong II



4 Projects

Major Emissions Reduction Projects



5,092 MT CO2

Estimated reductions in annual emissions



9,589,257 kWh

Total kWh savings in 2017
 • Coal shed – 448,652 kWh
 • Power plant processes – 7,250,938 kWh
 • Building services – 1,889,667 kWh



US\$287,678

Annual estimated benefit in terms of cost savings



We proactively identify opportunities to apply green energy technologies and operational efficiencies that help lower our emissions and promote greater cost savings. As of 2017, our investments in efficiencies and emissions reduction total almost US\$300,000. These green projects align with the overall green energy solutions of various scales in AES businesses worldwide to usher in the broader adoption of clean technologies in power generation. This is in line with our new vision of improving lives by accelerating a safer and greener energy future

10-kW solar panel
 installed in Housing Colony

8,703 kWh
 Generation of over a 12-month period

23.8 kW
 Average generation per day

ZERO
 GHG emission

10%
 Capacity factor

Controlling Our Emissions

Our Approach

We follow a strict Emissions Control Procedure, and plant is equipped with an environmental facility for emissions control, specifically Selective Catalytic Reduction for NOx Emission Control, Flue Gas Desulfurization to minimize SOx concentration in the emissions, and an Electrostatic Precipitator System for particulate control before releasing flue gas into the environment.

When it comes to maintaining our emissions levels, we are guided by the most stringent limits from the local regulation, specifically the National Technical Regulation on Emission of Thermal Power Industry, and the IFC Guidelines on limits for NOx, SO2, CO, and particulate matter. We conduct ambient air quality testing in fulfillment of the requirement of the International Finance Corporation, and use worst-case scenario modeling to understand and manage our impacts further. Our IMS for emissions control provide for notification via AES Online whenever emissions levels exceed internal operational limits, and notifications to applicable authorities when emission levels exceed the limits of local regulations and World Bank requirements.

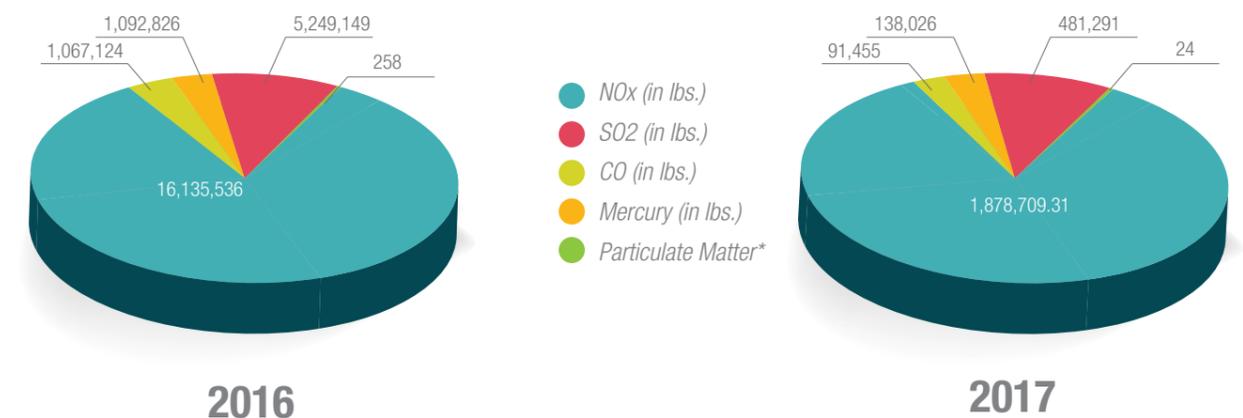
GHG Emissions

	2016	2017
GHG, Direct Scope 1 (in MT CO2)	3,637,897	2,057,601*
GHG, Indirect Scope 3 (in tons CO2e)	222	332**
GHG Intensity, Direct Scope 1 (in gCO2/kWh)	606	541

* Units were offline for five months in 2017 due to reserve shut down requested by the customer.

** Indirect emissions from the use of diesel for service vehicles and heavy equipment (on the assumption that the gasoline contain 10% ethanol, following government regulations) and from the use of unleaded gasoline for vehicles use

Other Emissions



* All type of dust size: TSP, PM10, and PM2.5

** Units were offline for five months in 2017 due to reserve shut down requested by the customer, thus the lower emissions.

Managing Our Water Impacts

Our Approach

The Water Conservation and Wastewater Management System provides for the monitoring of operational parameters and annual targets in terms of water use and wastewater generation. We use effective sequencing to minimize water use or buildup, identify processes or equipment that have the potential to cause wastewater generation or contaminate our water recycling source, and minimize the production of water that enters the wastewater stream. The IMS procedure on effluents control ensures regulatory compliance. In case of emergency spills or contamination, we have an Emergency Plan quick response and recovery from any pollution incident. Because of this, there were no significant spills during the reporting period

All volumes in m3	2016	2017
Volume of water withdrawn from Thac Thay River	1,498,468	958,126
Daily water withdrawal vs. permitted limit of 8,000 m3 to 10,500 m3	4,105	2,625
Cooling water and wastewater treated and discharged at Luong Gac*	1,197,331,064	781,744,284
Treated industrial wastewater from the main plant*	466,137	331,889
Treated Ash Pond 2 wastewater*	389,448	170,344
Domestic wastewater	5,440	6,291

* Monitored by a third party and authorized by the State; raw water is reused by the company

Minimizing Waste Generation

Our Approach

We have IMS procedures on managing hazardous wastes, including hazardous chemicals—from purchase and delivery, storage and inventory, to labeling, handling, transfer and disposal—to effectively minimize, if not eliminate, risks and threats to people and the environment. We have protocols for: determining if a waste material is hazardous; conducting a Hazardous Waste Inventory, registration and reporting activity; and handling, labeling, storing, and segregating hazardous waste, with full consideration for the compatibility of the different types of wastes. Should there be an emergency, we have a contingency plan and procedures, and oil and chemical spill response plans.

Type of waste and disposal method	2016	2017
Non-hazardous waste (tons)	1881	914
Hazardous waste* (kg)	92,369	89,870
Fly ash and Bottom ash on-site storage** (tons)	964,998	579,101

*All hazardous wastes are collected, treated, and disposed of by an accredited third party. Only non-hazardous and biodegradable wastes are disposed of directly by the organization.

** Fly ash and Bottom ash has been transported by ash pipeline by HCSD (High Concentration Slurry Disposal) and storage on-site at the Ash pond 1&2.

Leading in Occupational Health and Safety

Our Approach

Safety is a condition of employment. Our vision is to be recognized as a global leader for progressive and best-in-class health and safety practices. We have a robust safety management system and a structured, holistic implementation process designed to create Safety Excellence throughout our operations.

Our Safety Policy demonstrates our proactive and forward-thinking approach in ensuring safety at the workplace. We further strengthened our safety standards with our international certification in occupational health and safety, OSHAS 18001, which we received in 2017. The standard provides us with a consistent framework for implementing a safety management system that identifies, controls, and minimizes the risks associated with health and safety in the workplace.



TOTAL SAFE MAN-HOURS

2016: >1.7 million hours 2017: > 1.6 million hours



	2016	2017*
Total safety training hours	40,156 hours (206% above target)	53,672 hours (123% above target)
Number of safety training topics	61	51
Workforce representation in management-worker EHS committee	11.1%	6.9%

Different Ways We Keep Our People Safe

We have a Health and Safety Committee, which provides guidance on and monitors our overall safety performance. These include the regular conduct of safety meetings and safety training, development of accident prevention and contingency plans during disasters, coordination with the local authorities, safety reporting, among others. In March 2017, we finalized the composition of the committee to 9 primary and 9 secondary members, headed by the Plant Manager. Each committee member is expected to have an active and enthusiastic attitude and participation.

For emergency cases, we have developed emergency response plans for various scenarios, with appropriate procedures. It is the responsibility of the EHS Manager and the EHS Engineer to ensure emergency preparedness and that response equipment is adequately provided and maintained for their continuing operability.

Our safety practices evolve, because, similarly, laws and regulations, technologies and human behavior are never static. We make sure to monitor our OHS performance to study successes and challenges and regularly revisit our OHS procedures to meet our OHS needs. We also keep abreast of the latest OHS developments in legislation and standards. Consultations, meetings, and training on the topics are regularly made available to all plant personnel for cooperative commitment at all levels of the organization.



Stop Work Authority

We consider it the right and obligation of our People and contractors to stop work as soon as they identify a situation or behavior that makes them feel to be unsafe.

After an unsafe situation is identified, we stop the job or work immediately regardless of its priority, and it does not matter if it is later determined that the work stoppage was an error. We have zero tolerance for any condition that compromises occupational health and safety of all stakeholders so that there are no negative consequences when stopping work for safety reasons. We highlight all Stop Work Authority reports in our monthly safety meetings to emphasize its priority.

Extending Our Sphere of Safety Excellence

To spread the safety culture and push for broader adoption of safety behavior and practices, we undertake the following initiatives with different stakeholders:



Contractors and Suppliers – We have a Contractor Safety Management Program that applies to all our suppliers, contractors, and subcontractors. It describes the safety and environment management requirements, roles, and responsibilities to maintain a safe and healthy workplace. Environment, health, and safety criteria are part of our pre-qualification assessment of every supplier, contractor, and subcontractor. This has been improved in 2016 with the addition of more EHS compliance items environmental policy, EHS leadership, waste and spills management and prevention, training and orientation, and incident investigations.



Local Communities – Part of our celebration of Values Day are activities with our local communities that promote health and safety. In 2016, we conducted a traffic safety orientation and donated 600 high-quality motorcycle helmets to students and teachers at Mong Duong High School. In 2017, we handed over a sports and cultural playground to Cong Hoa Commune and promoted the significance of health and wellness to the community.

OUR PEOPLE ENERGIZING VIETNAM



Our Approach

We owe our success to the high quality of our workforce. Through their expertise, hard work, and dedication we have been able to meet our strategic objectives. From the safe and successful completion of the construction of Mong Duong II ahead of schedule in 2015 to the achievement of major industry awards, sustainability milestones, and operational improvements in 2016 and 2017, our young and diverse team in Vietnam has consistently demonstrated high-caliber performance that we are very proud of.

Our Talent Management Strategy ensures our people develop their competencies fully and take charge of their advancement within the organization. To do this, we focus on the following key areas to do this: formal learning programs, on the job training programs, assessments and career planning, and practical experience and exposure to the global network of AES businesses.

We attract and retain the best and the brightest by rewarding their positive contributions to the company. We offer a competitive compensation and benefits package that is on a par with market rates and often exceeds statutory contributions and leaves mandated by Vietnamese law. These include performance bonuses, subsidies for continuing education, medical care and insurance benefits, among many others.

In addition to employee teambuilding activities on Values Day, Safety Day, Year-end Party, etc, one of our most expected events is the annual Family Day when the employees and their families are invited to a 2-day vacation with a gala-diner and fun activities. Through the Family Day, all employees and their families are better connected with the company and its culture.



Empowered Workforce

A sustainable energy sector needs a high-tech local workforce. In late 2016, AES-VCM launched the Mong Duong II Localization Plan, which develops the capability of local engineers through technology and knowledge transfer as they get exposed to the world-class technical expertise. Materials Handling Team Leader Duong Thuc Son and BOP Team Leader Nguyen Xuan Dieu share their views and experience.



Bui Thanh Huyen,
HR Supervisor

Stakeholder Viewpoint:



Duong Thuc Son,
Materials Handling Team Leader

I have been with AES-VCM for eight years now and was a civil engineer before I became a team leader. I am very happy with this promotion.

I believe it's important for more Vietnamese to take leadership positions in the company. A Vietnamese leader can close the cultural gaps when communicating with team members, and we encourage more communication. It motivates them to develop themselves more.

I know I need to develop myself more. A Team Leader must be a role model to his team members, and he must work hard to build a strong team. I want to encourage my team members to contribute their ideas and creativity and learn from each other so that they become leaders in the future as well.

I commit myself to these goals, and AES-VCM trusts and empowers its employees to meet their goals. It is a very safe and professional working environment. The values guide all employees' actions and we are trusted and empowered us.



Nguyen Xuan Dieu
BOP Team Leader

I joined Mong Duong 2 Power Plant in 2013 as a chemist. Over the 4 years, I have always aimed for personal and career development and, for me, the promotion to team leader serves as foundation for future success. More importantly, I saw how the promotion to team leader through the Localization Plan was a powerful motivator for my co-workers.

While the foreigners' leadership helps us learn and manage new technology and improve our technical skills. Vietnamese leadership, in turn, can reduce the cultural gap and be more hand-in-hand when working with their subordinates.

Now, as a team leader, I want to develop more soft skills, especially in motivating employees, handling personal conflicts, and changing unproductive work habits.

I think AES-VCM provides us with a positive work culture where we are able to share lessons, be more creative, and work better together. It has a safety culture that I have not seen in other companies and its sustainability program helps us to build trust in the organization, enables the development of our personal goals and encourages the spirit of creativity and long-term commitment to the organization.



"The caliber of a country's power sector depends on the skills of its local technical workforce. It's not about boilers and turbines. It's about talent. Yes, it's about technical capability, but it's also about the culture. And a strong local team helps create ownership that, ultimately, benefits the company."

Kevin Pierce
Mong Duong II Plant Manager



Tran Minh Ly
Chief Accountant
Country Controller

Working as Chief Accountant and Country Controller in energy business is very different to other sectors as you are energized by making the power generation possible every day. After more than 4 years at AES-VCM experiencing all critical periods from construction and transition from construction to the operation, I feel as I still learn unique knowledge and experiences from a best team with diversifying team members. I get inspired by working with the best people from leadership team and business partners who work together to ensure our investment deliver value. I am empowered by my peers and team members who happen to be women in majority.

I lead the finance team of 8 female team members who manage all company assets and resources in compliance with financial local regulation, business strategies, international lenders requirements by setting and maintaining a strong and transparent accounting, finance and internal control system while remain focus on maximizing profit and increasing shareholder return. Our effort was rewarded with Recognition from Quang Ninh People Committee for AES-VCM's significant contribution to the state budget and social welfare of Quang Ninh Province in 2016.

I believe strong financial performance anchors in operational excellence, robust safety programs and strong ethical conduct.

Outstanding Employee Recognition



Values Day Award 2016



Monthly Safety Champions Recognition



Environmental Champion Recognition 2016



Contractors Safety Champion Recognition

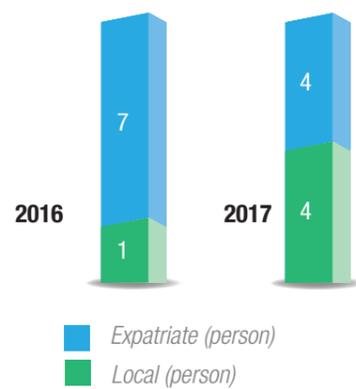
Workforce Highlights

Employee Profile

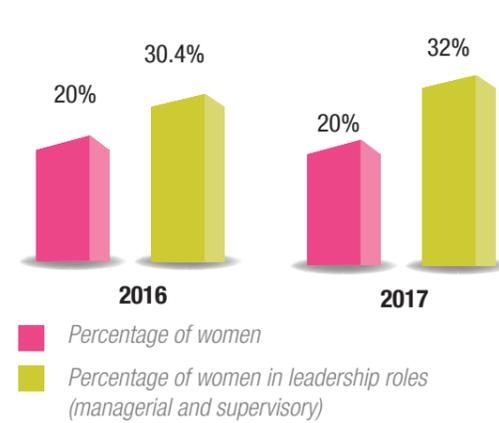
Year	2016	2017
Total employees	265	261
% local hires	93%	95%
New hires	6.0%	2.7%

100% of employees are subjected to annual performance review and parental leaves

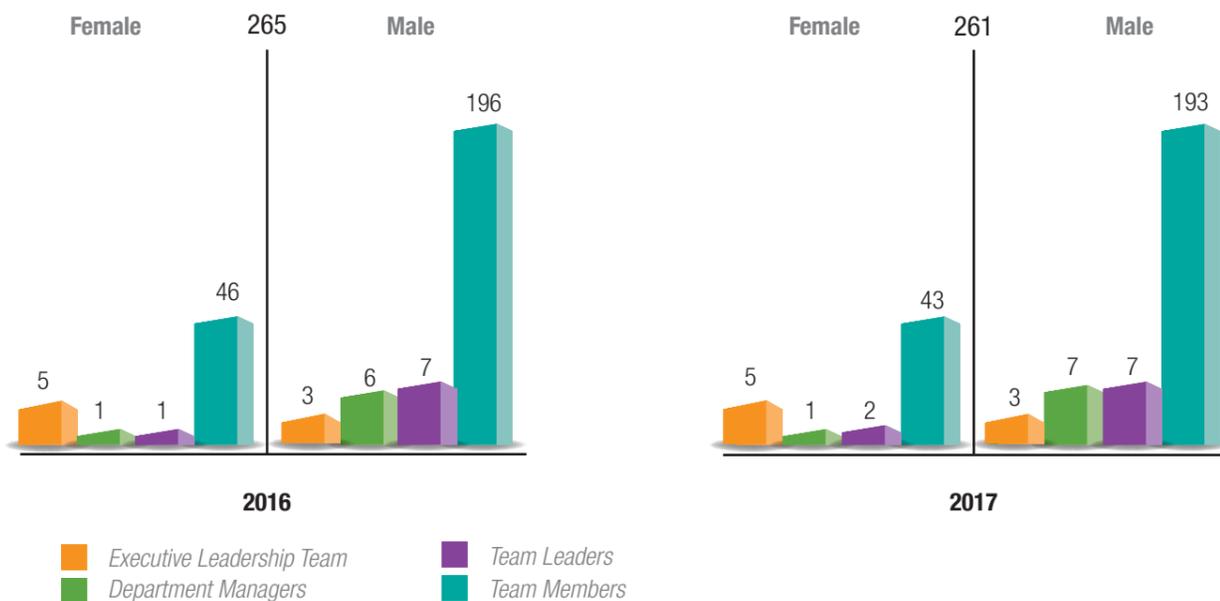
Team Leader localization progress



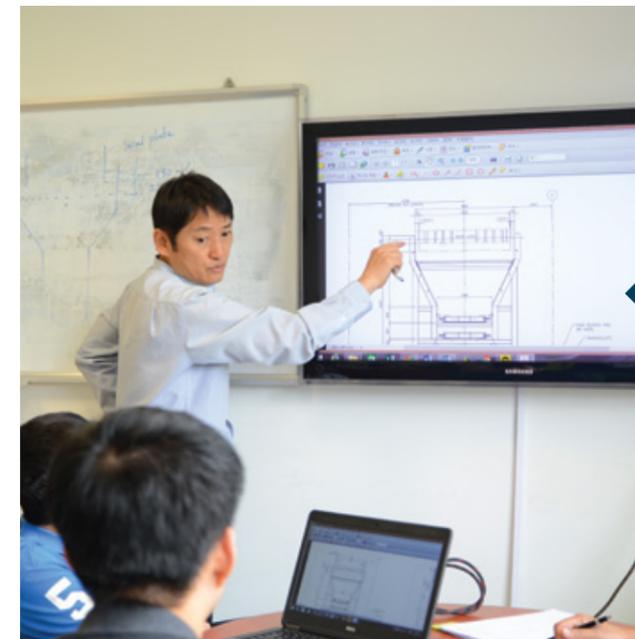
Women In Leadership



Employee breakdown according to rank and gender

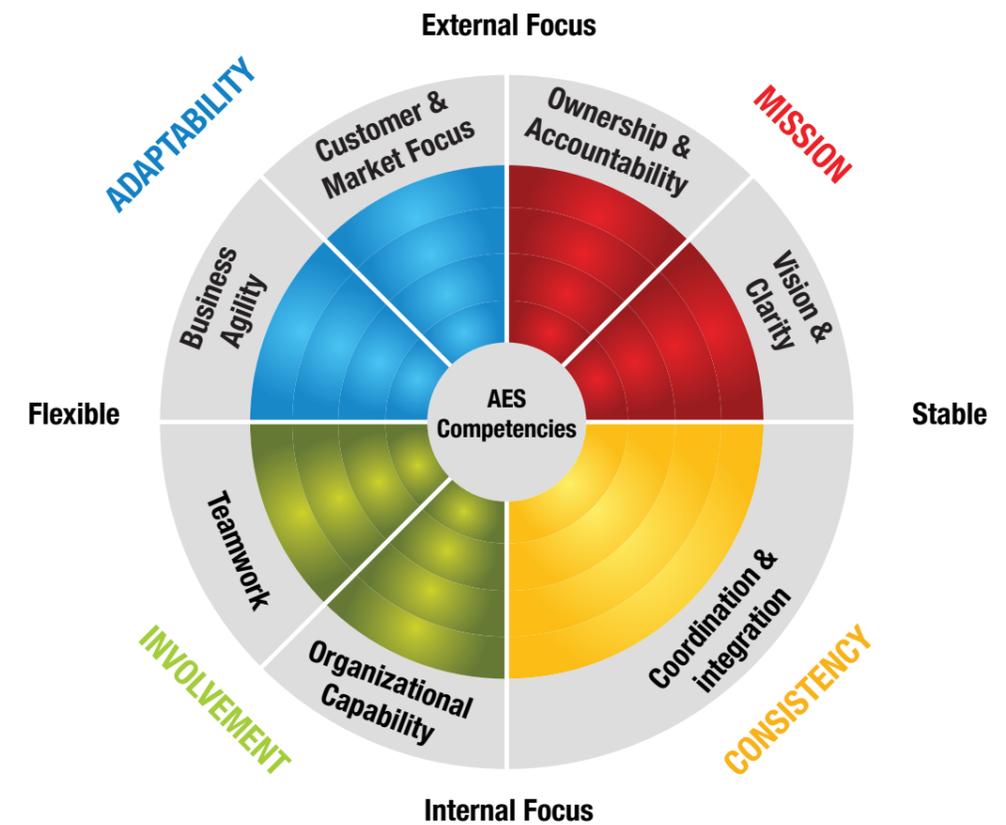


Training for Empowerment



At AES-VCM, we believe that everything starts with the person, so we focus on developing the individual aligned with the goals and the business strategies of the company. Each employee knows his/her strengths, areas for improvement, and ambitions. We harness their self-knowledge and desire for success and provide them with the right environment and guidance to reach their full potential, find fulfillment in their work, and help the business meet its objectives.

Our achievements attest to an empowered workforce. This is why AES-VCM provides its employees with a set of powerful tools that helps them take charge of their own career development and receive the necessary guidance and mentoring from their leaders. Through AES-VCM's Individual Development Plan (IDP), employees have access to a full spectrum of learning modalities, such as participation in cross-functional projects, real-work experiences, leading in important meetings, and not just formal training. The goals in the IDP are created in alignment with our business strategy and required competencies.





Managers and team members commit to specific job performance objectives on the following categories, which are important success factors in our business: Safety, Financial Performance, Efficiency, Growth, and other job-specific goals.

When we identify gaps in our employees' competencies, we address them in the most appropriate and effective way through coaching and mentoring, and in-house, on-the-job, or external training. Midyear and year-end performance reviews and development assessments are an opportunity for people to chart and plan their progress in the workplace. Employees who wish to advance in their chosen field may avail of our Continuing Education Program, which assists them in their enrollment for a masters' degree and/or licensure review classes.



**Harmony
within
the Workplace**

Open and clear lines of communication are critical to a harmonious workplace and people empowerment at AES-VCM. We have policies, procedures, and tools that promote a culture of transparency.

We cascade our organizational goals, objectives, and activities, including changes in the operations, to our employees through various communication tools including monthly meetings where we update employees of policy changes, organizational activities, employee movements, and recognition.

We protect everyone's rights to raise issues, concerns, and feedback anonymously and without fear of retaliation or harassment. Our established voice mechanisms help facilitate productive and constructive dialogues among AES-VCM People.

Training Hours

	2015	2016	2017
Total Training Hours	6,294	28,623	28,363
Average number of hours		108	109
Male	25	120	112
Female	10	59	95
By Employee Category	Average number of hours	Average number of hours	Average number of hours
Senior Manager	22	24	12
Manager	22	15	15
Team Leader	22	31	94
Staff	22	116	116

Attrition

	2015	2016	2017
According to gender			
Female	2.48%	1.89%	0.77%
Male	9.93%	10.94%	3.45%
According to age group			
Below 30	4.61%	3.02%	1.53%
30 to 50	6.03%	8.30%	2.30%
Above 50	1.77%	1.51%	0.38%
According to Region			
Vietnam	11.35%	7.92%	2.68%
Others	1.06%	4.91%	1.53%

A Strategic, Long-term Commitment to Our Communities

Our Approach

With energy comes progress. By providing safe, reliable, and sustainable electric power, we bring development to society. We also make sure that our presence in our local communities contributes to an improvement in their quality of life

We strengthened our CSR agenda over the reporting period when we created the Social Policy and Strategic Framework to help institutionalize our strategic and long-term commitment to our communities. We create and implement strategic CSR programs guided by this Policy and Framework to make sure that they are relevant to the needs of the local communities while contributing to our business objectives. These include strategic interventions in education, health care, environment protection and livelihood development.

Our CSR team regularly engages with the local authority and community to identify their interests, concerns and needs. We have addressed all complaints made by local people in a timely manner, following on our grievance mechanism. All our CSR initiatives have made significant contributions to the social and economic development at the local level, and are highly appreciated by local community.

Local authorities and third parties review our projects to make sure we remain aligned with the local development policies. Because of our approach to CSR, our stakeholders are able to maximize the economic, social, and environmental benefits from our operation.



Stakeholder Viewpoint



“
My name is Bang Minh Quang, and I've lived in this village for more than 60 years. I've seen many changes happen to the lives of my villagers since AES-VCM came and built the Mong Duong II Power Plant.
”

In the past, people were not interested in making a life here in Ha Chanh village. There are around 100 households or 300 residents, and most of the villagers are ethnic minorities. There was very little education or livelihood. A lot of young people dropped out of school, those who finished school left for the big cities where they can become skilled workers and improve their lives. Our income from small-scale rice farming and aquatic agriculture was not stable. Life here was hard.

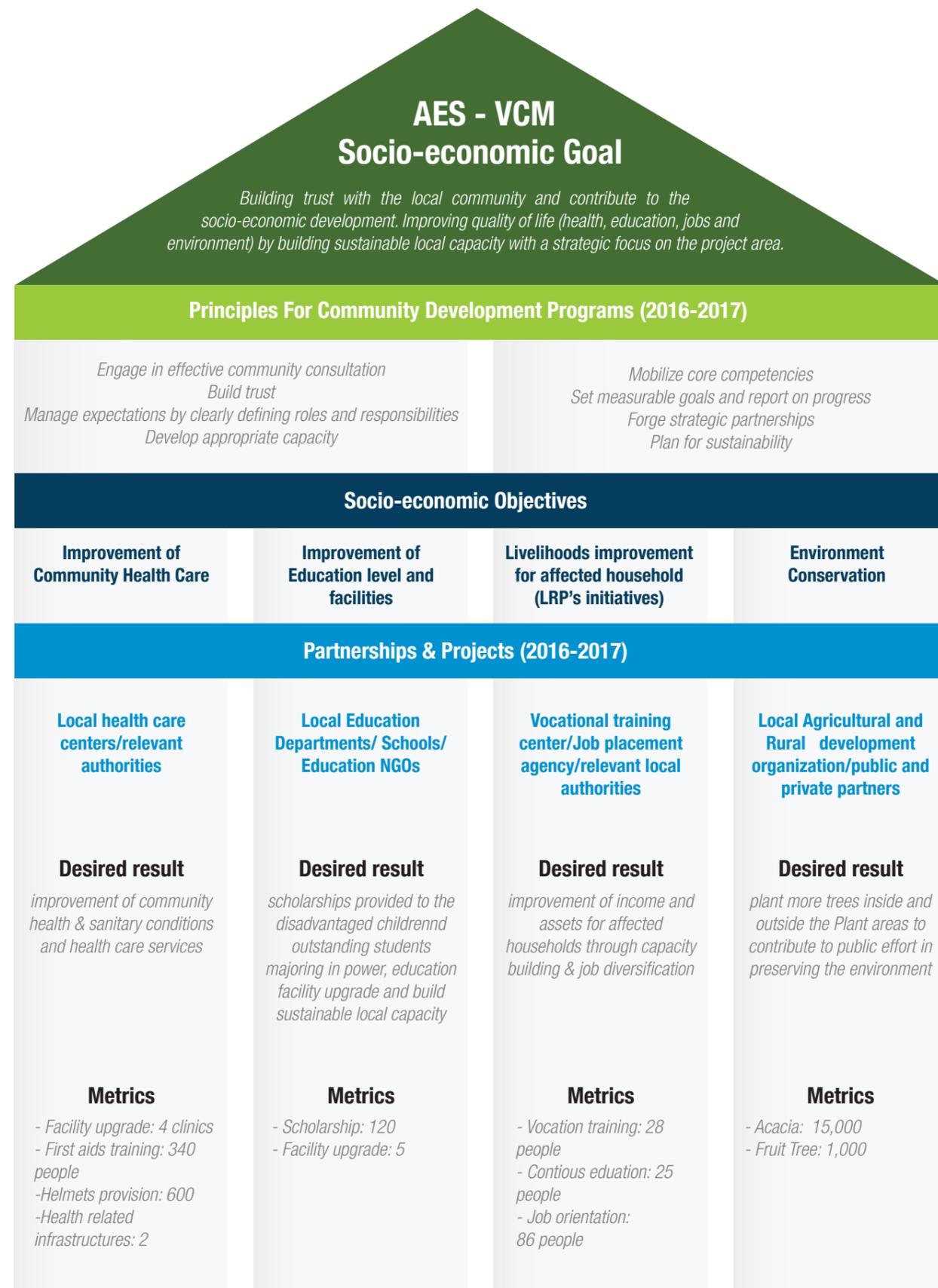
When AES-VCM came, a lot of changes happened to my villagers. The compensation from the relocation provided our farmers with capital to improve their harvest. Men and women were provided with opportunities to go to vocational and agricultural skill training courses so that they have better chances to find permanent jobs. Students who dropped out of school can get high school education and meet the minimum requirement for employment right at the Cultural House of the village with no cost. In 2017, the company donated 20 life vests and boat fees to 20 local students who are living on an island to help them get to school.

Only AES-VCM organizes this kind of assistance. They provide us with better infrastructure and help build village roads. They invested in improving the public medical station that offers basic health services in our commune. We have model gardens of native fruit-bearing trees such as orange and pomelo that the villagers can sell for extra income. These trees painted a greener and livelier landscape for the village. The seedlings were provided by AES-VCM. Never before have there been such detailed programs designed with care for the local community, addressing each group of local people—from women to men, from young to old. Everything has been provided. And it is only with AES-VCM. Without their support, we wouldn't have all of these benefits.

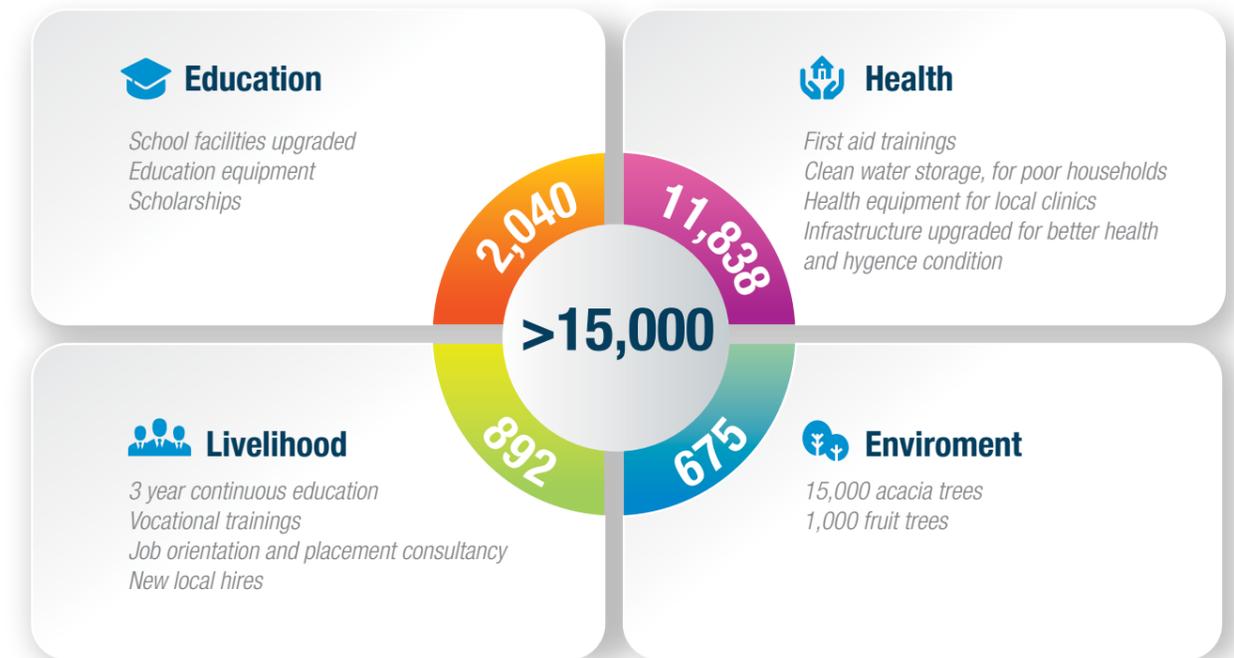
With the power plant operating, good changes are still happening to our village because of their social investments. The residents care about their surroundings and the environment more, they are more responsible when it comes to local activities. The Stakeholder/CSR team updates us frequently and they consult us when it comes to the programs. It is my job and responsibility to communicate these with the residents, and I encourage them to stay in the programs so they can harvest the benefits.

There is very strong relationship between the local village and the people at the power plant, like Mr. Ninh and Ms. Ha, and their CSR projects with AES-VCM always excite me. We ask for AES-VCM to continue in this way into the future.

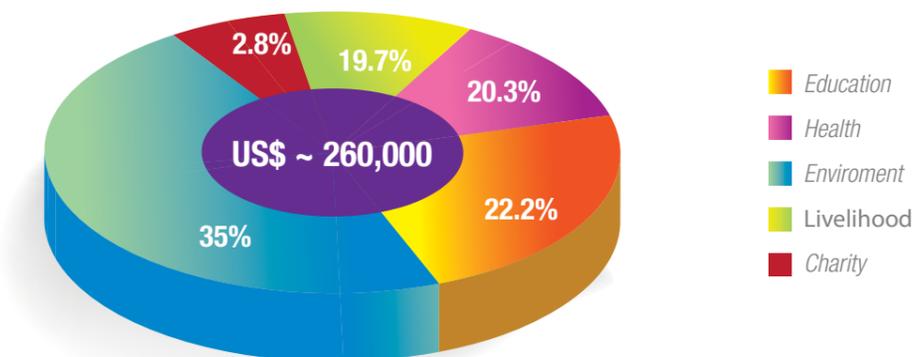
Local Community Prosperity



Number of direct beneficiaries / participants (2016-2017)



Investment on Community Development (2016-2017)



<p>Almost 16,000 trees planted in the area of the Power Plant and Housing Colony</p>	<p>300 fruit tree seedlings and fertilizers to 30 households in Cong Hoa commune to set up model farms in support of the New Rural Development Plan</p>	<p>Almost 1,000 people received First aid training and motorbike helmets</p>	<p>1 fully functional culture playground at Cong Hoa Commune</p>	<p>392 local hires from project-affected people working for 9 contractors</p>	<p>120 sholarships</p>
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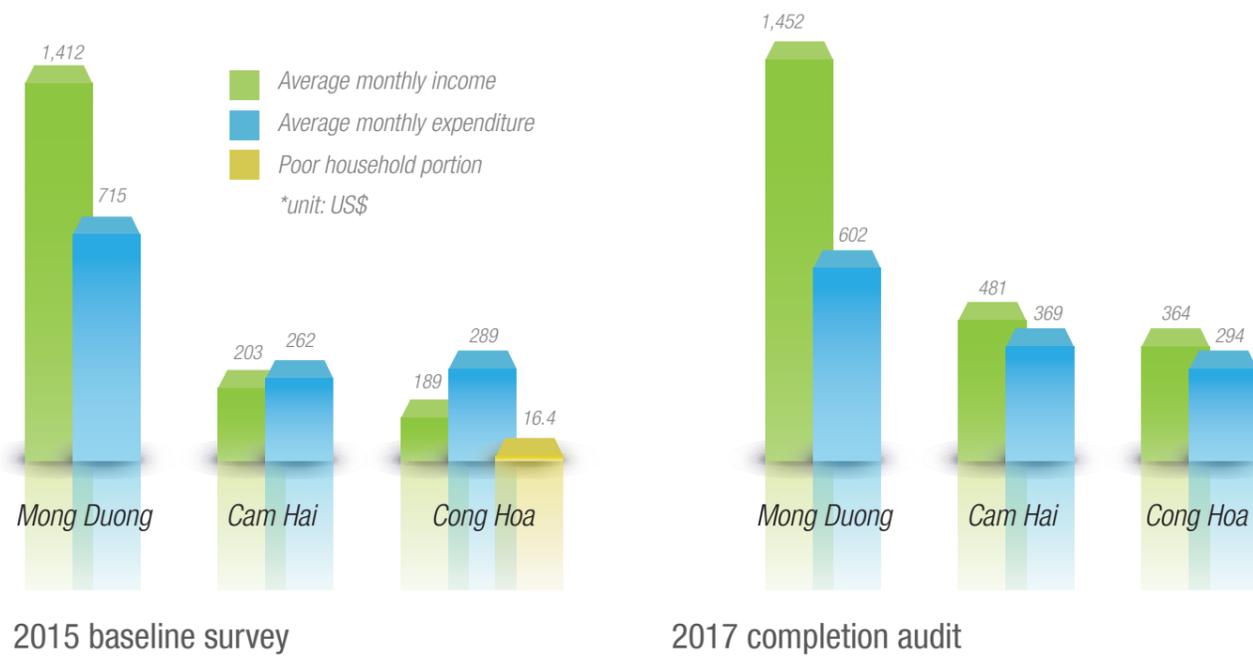
Fulfilling Our Promise to Restore Lives

Our goal was humble. When AES-VCM built Mong Duong II Power Plant and made land acquisition from 68 households for the construction of Ash Pond 2, we set up a Livelihood Restoration Plan (LRP) to restore the living conditions and quality of life of the people affected by the project equivalent to or higher than pre-existing livelihood levels.

Our Livelihood Restoration Completion Audit, conducted in December 2017 after three years of implementation of the LRP, shows that we have surpassed our goal.

The monthly incomes in all affected households have exceeded the regular monthly expenditure, which help indicate a more sustainable livelihood for the affected communities. This, in turn, helped the residents to meet their average monthly expenditures, unlike in 2015, especially in Cam Hai and Cong Hoa.

Table: Difference in the Monthly average income expenditure and proportion of poor households between 2015 and 2017 of 68 affected households



Skills Training

We offered vocational training courses that equip the villagers with skills that improve their employability. These courses are based on the continuous consultations of our CSR team with the villagers, local authorities, and local education and training agents.



Continuing Education Program

A high school diploma is the minimum work requirement in most local jobs in the province. Our three-year continuous education program provides 25 young people who had dropped out of school with a chance to complete their high school education to open up more job opportunities for the participants.



Employment Creation

We work with our contractors, businesses in the area, as well as employment agencies to provide qualified residents with employment opportunities and recruitment information. Specifically, ADEN, our housekeeping and maintenance contractor, supports the job creation activities and now employs 97 people who were displaced.



As the LRP comes to its completion, we intend to continue to support our local communities in their development, guided by our Social Policy and Strategic CSR Framework. We are committed to the sustainability of the livelihood initiatives that we helped create and ultimately improve their quality of life for the long term.

"Thanks to the Company's support, our income was not only restored but even improved much higher than before the implementation of the Project."

Ms. Tran Thi Huong,
Ha Chanh Village, Cong Hoa commune



"It's my great honor to work with the community and contribution to local social and economic development. I highly appreciate the significant support that our contractors extended to our local community, especially our ADEN contractor, who is hand-in-hand with AES-VCM in our CSR activities, such as the provision of job opportunities for affected households. We consider them as family."

Mr. Bui Khang Ninh,
Government & Public Relations Officer

Stakeholder Viewpoint

Life for Le Trung Son was about home, school, and his part-time job. A diligent student, Son had always dreamt of working in the energy industry. It was an interest that was sparked by his father's work at Mong Duong Coal Stock Company in Quang Ninh Province. Growing up in Cam Pha city, the province's key coal mining area, Son learned more about coal and electricity from his father's stories at dinner. Soon, the flicker of interest fired up into a passion for electrical energy that he carried with him since high school. He went on to become a thermoelectric major at Electric Power University (EPU), and was a senior student when he became one of the recipients of the AES-VCM Energy Career Scholarship. Son knew his life had changed after receiving the scholarship.



**Le Trung Son,
Thermoelectric Major,
Electric Power University**

"My life has become more fun, exciting, and more memorable. The opportunities that are offered, especially the visit to Mong Duong II Power Plant, have given me much more motivation to pursue the energy industry. When I learned that Mong Duong II, with its modern technology, was developed right in my hometown of Quang Ninh, I dreamed of working as an engineer at the Power Plant. The staff and technicians are young, active, and friendly, and it seems that there is no limit to them. They share knowledge and many stories honestly and intimately. After the trip to the power plant, I received specialized knowledge and other useful things. The real-life technology is much more advanced than what I've learnt in the university. As senior student, I really want to have an opportunity to work in an environment like this. I am very happy and proud to receive this AES-VCM Energy Career Scholarship from AES-VCM. This scholarship means a lot to me not only because of the financial support but also the soft-skills to equip me for the future career readiness. This support would surely be an engine to advance my dream career."

Today, Son has received his degree from EPU. Energized by all the knowledge, experience, and skills received from the scholarship, Son, the boy with the dream, is now a man ready for a brighter future in the Vietnam energy sector.



Lighting Up a Brighter Future

AES-VCM Energy Career Scholarships is a signature CSR program that combines AES-VCM's strength in responsible power generation with Vietnam's requirement for an equipped high-tech workforce that will power the country's growth.

Our Energy Scholarship invests in the education and training of 20 promising university students from Quang Ninh Province, majoring in power and electricity from Hanoi University of Science and Technology (HUST) and Electric Power University (EPU). In its first year, the AES-VCM Energy Career Scholarship provided its scholars from HUST and EPU with financial assistance as well as training in soft skills and fluency in English as second language as part of the support.

For the engineering scholars, one of the highlights of the scholarship is the field visit to Mong Duong II where they were exposed to state-of-the-art power plant operations and facilities. The students received safety training and a tour of the power plant where they learned directly from the engineers about highly efficient technologies that minimize impacts on the environment. They also learned about the broader social development agenda of the company, of which the Energy Scholarship is part, as AES-VCM's commitment to contribute to an improvement in the quality of life in communities where we do business.



GRI Content Index

GRI 102: General Disclosures

	GRI Indicator	Description	References and Remarks
GRI 102: Organizational Profile	102-1	Name of the organization	How We Help Accelerate Sustainable Progress
	102-2	Activities, brands, products, and services	How We Help Accelerate Sustainable Progress
	102-3	Location of headquarters	About Our Report How We Help Accelerate Sustainable Progress
	102-4	Location of operations	How We Help Accelerate Sustainable Progress
	102-5	Ownership and legal form	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%).
	102-6	Markets served	How We Help Accelerate Sustainable Progress (illustration)
	102-7	Scale of the organization	
	102-8	Information on employees and other workers	Empowered Workforce: Performance Highlights
	102-9	Supply chain	How We Help Accelerate Sustainable Progress (illustration)
	102-10	Significant changes to the organization and its supply chain	There is no significant change during the reporting period.
GRI 102: Strategy and Analysis	102-11	Precautionary Principle or approach	How We Manage Sustainability
	102-12	External initiatives	How We Help Accelerate Sustainable Progress
	102-13	Membership of associations	Awards, Recognition & Membership
GRI 102: Ethics and Integrity	102-14	Statement from senior decision-maker	Message from the CEO Message from the Plant Manager
	102-15	Key Impacts, Risks, and Opportunities	Message from the CEO Message from the Plant Manager
GRI 102: Governance	102-16	Values, principles, standards and norms of behavior	Defined by Our Values
	102-18	Governance structure	How We Manage Sustainability
GRI 102: Stakeholder Engagement	102-40	List of stakeholder groups	What Matters to Us and Our Stakeholders Defined by Our Values: Stakeholders Viewpoints Strong Foundations: Stakeholder Viewpoint Empowered Workforce: Stakeholders Viewpoints
	102-41	Collective bargaining agreements	OMISSION AES-VCM will not report on this topic given the different nature of labor union and collective bargaining in Vietnam.
	102-42	Identifying and selecting stakeholders	What Matters to Us and Our Stakeholders Defined by Our Values: Stakeholders Viewpoints
	102-43	Approach to stakeholder engagement	Empowered Workforce: Stakeholders Viewpoints Strong Foundations
	102-44	Key topics and concerns raised	-Stakeholder Viewpoint -Fulfilling Our Promise to Restore Lives

GRI 102: Reporting Practice

102-45	Entities included in the consolidated financial statements	What Matters to Us and Our Stakeholders
102-46	Defining report content and topic Boundaries	About Our Report What Matters to Us and Our Stakeholders
102-47	List of material topics	What Matters to Us and Our Stakeholders
102-48	Restatements of information	About Our Report What Matters to Us and Our Stakeholders Defined by Our Values
102-49	Changes in reporting	About Our Report What Matters to Us and Our Stakeholders
102-50	Reporting period	About Our Report
102-51	Date of most recent report	About Our Report
102-52	Reporting cycle	About Our Report
102-53	Contact point for questions regarding the report	What Matters to Us and Our Stakeholders
102-54	Claims of reporting in accordance with GRI Standards	About Our Report
102-55	GRI Content Index	
102-56	External assurance	What Matters to Us and Our Stakeholders

Material Topics

	GRI Indicator	Description	References and Remarks
GRI 203: Indirect Economic Impacts	103-1	Explanation of the material topic and its Boundary	Strong Foundations: -A Strategic, Long-term Commitment to Our Communities: Our Approach
	103-2	The management approach and its components	How We Manage Sustainability
	103-3	Evaluation of the management approach	Strong Foundations: -A Strategic, Long-term Commitment to Our Communities: Our Approach
	203-1	Infrastructure investments and services supported	Strong Foundations: -A Strategic, Long-term Commitment to Our Communities -Fulfilling Our Promise to Restore Lives
	203-2	Significant indirect economic impacts	Strong Foundations: -A Strategic, Long-term Commitment to Our Communities -Fulfilling Our Promise to Restore Lives
Availability and Reliability (G4-referenced)	103-1	Explanation of the material topic and its Boundary	How We Manage Sustainability
	103-2	The management approach and its components	Responsible Power Generation: -Ensuring Operational Excellence: Our Approach
	103-3	Evaluation of the management approach	
	G4-EU10	Planned capacity against projected electricity demand over the long term, broken down by energy source and regulatory regime	Message from the CEO (Fast Facts)
System Efficiency (G4-referenced)	103-1	Explanation of the material topic and its Boundary	How We Manage Sustainability
	103-2	The management approach and its components	Responsible Power Generation: Ensuring Operational Excellence: Our Approach
	103-3	Evaluation of the management approach	

System Efficiency (G4-referenced)	G4-EU11	Average generation efficiency of thermal plants by energy source and by regulatory regime	Responsible Power Generation: -Ensuring Operational Excellence: Performance Highlights
	G4-EU28	Power outage frequency	Responsible Power Generation: -Ensuring Operational Excellence: Performance Highlights
	G4-EU29	Average power outage duration	Responsible Power Generation: -Ensuring Operational Excellence: Performance Highlights
	G4-EU30	Average plant availability factor by energy source and by regulatory regime	Responsible Power Generation: -Ensuring Operational Excellence: Performance Highlights
GRI 302: Energy	103-1	Explanation of the material topic and its Boundary	How We Manage Sustainability Responsible Power Generation:
	103-2	The management approach and its components	-Ensuring Operational Excellence
	103-3	Evaluation of the management approach	
	302-1	Energy consumption within the organization	Actual heat consumed: 2016 – 56,867,566 MMBtu 2017 – 34,045,183 MMBtu
GRI 303: Water	103-1	Explanation of the material topic and its Boundary	How We Manage Sustainability Responsible Power Generation:
	103-2	The management approach and its components	-Prioritizing the Environment: Our Overall Approach -Managing Our Water Impacts: Our Approach
	103-3	Evaluation of the management approach	
	303-1	Water withdrawal by source	Managing Our Water Impacts: Performance Highlights
	303-2	Water sources significantly affected by withdrawal of water	Managing Our Water Impacts: Performance Highlights
GRI 305: Emissions	103-1	Explanation of the material topic and its Boundary	How We Manage Sustainability Responsible Power Generation:
	103-2	The management approach and its components	-Prioritizing the Environment: Our Overall Approach -Controlling Our Emissions: Our Approach
	103-3	Evaluation of the management approach	
	305-1	Direct (Scope 1) GHG emissions	Responsible Power Generation: -Controlling Our Emissions: Performance Highlights
	305-3	Other indirect (Scope 3) GHG emissions	Responsible Power Generation: -Controlling Our Emissions: Performance Highlights
	305-4	GHG emissions intensity	Responsible Power Generation: -Controlling Our Emissions: Performance Highlights
	305-5	Reduction of GHG emissions	Responsible Power Generation: -A Greener Mong Duong II
	305-6	Emissions of ozone-depleting substances (ODS)	We currently do not monitor this.
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Responsible Power Generation: -Controlling Our Emissions: Performance Highlights
GRI 306: Effluents and Waste	103-1	Explanation of the material topic and its Boundary	How We Manage Sustainability Responsible Power Generation:
	103-2	The management approach and its components	-Prioritizing the Environment: Our Overall Approach -Managing Our Water Impacts: Our Approach -Minimizing Waste Generation: Our Approach
	103-3	Evaluation of the management approach	
	306-1	Water discharge by quality and destination	Responsible Power Generation: -Managing Our Water Impacts: Performance Highlights
	306-2	Waste by type and disposal method	Responsible Power Generation: -Minimizing Waste Generation: Performance Highlights

GRI 306: Effluents and Waste	306-3	Significant spills	There were no significant spills during the reporting period.
	306-4	Transport of hazardous waste	Responsible Power Generation: Minimizing Waste Generation: Performance Highlights Omission: Standards, methodologies, and assumptions used. Reason for omission: The information is not currently available. We are working on improving our data collection system and plan to report progress in future.
GRI 307: Environmental Compliance	103-1	Explanation of the material topic and its Boundary	How We Manage Sustainability Responsible Power Generation:
	103-2	The management approach and its components	-Prioritizing the Environment: Our Overall Approach -Controlling Our Emissions: Our Approach -Managing Our Water Impacts: Our Approach -Minimizing Waste Generation: Our Approach
	103-3	Evaluation of the management approach	
	307-1	Non-compliance with environmental laws and regulations	There were no incidences of noncompliance during the reporting period.
GRI 308: Supplier Environmental Compliance	103-1	Explanation of the material topic and its Boundary	How We Manage Sustainability
	103-2	The management approach and its components	Responsible Power Generation: -Prioritizing the Environment: Our Overall Approach -Extending Our Sphere of Safety Excellence
	103-3	Evaluation of the management approach	
	308-1	New suppliers that were screened using environmental criteria	100%
	308-2	Negative environmental impacts in the supply chain and actions taken	100% of suppliers assessed as part of our Contractor Safety and Environment Management Requirement.
GRI 401: Employment	103-1	Explanation of the material topic and its Boundary	How We Manage Sustainability Empowered Workforce: Our Approach
	103-2	The management approach and its components	
	103-3	Evaluation of the management approach	
	401-1	Total number and rates of new employee hires and employee turnover by age group, gender and region	Empowered Workforce: Performance Highlights
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Empowered Workforce: Our Approach
	401-3	Parental leave	Empowered Workforce: Performance Highlights
GRI 402: Labor/Management Relations	103-1	Explanation of the material topic and its Boundary	How We Manage Sustainability Empowered Workforce: Harmony within the Workplace
	103-2	The management approach and its components	
	103-3	Evaluation of the management approach	
	402-1	Minimum notice periods regarding operational changes	Empowered Workforce: Harmony within the Workplace
GRI 403: Occupational Health and Safety	103-1	Explanation of the material topic and its Boundary	How We Manage Sustainability
	103-2	The management approach and its components	Responsible Power Generation: -Leading in Occupational Health and Safety: Our Approach
	103-3	Evaluation of the management approach	
	403-1	Workers representation in formal joint management-worker health and safety committees	Responsible Power Generation: -Leading in Occupational Health and Safety: Performance Highlights and Our Approach

	403-2	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Responsible Power Generation: -Leading in Occupational Health and Safety: Performance Highlights
	403-3	Workers with high incidence or high risk of diseases related to their occupation	Responsible Power Generation: -Leading in Occupational Health and Safety: Performance Highlights
GRI 404: Training and Education	103-1	Explanation of the material topic and its Boundary	How We Manage Sustainability Empowered Workforce: Training for Empowerment
	103-2	The management approach and its components	
	103-3	Evaluation of the management approach	
	404-1	Average hours of training per year per employee	Empowered Workforce: Performance Highlights
	404-2	Programs for upgrading employee skills and transition assistance programs	Responsible Power Generation: -Ensuring Operational Excellence Empowered Workforce: Performance Highlights
	404-3	Percentage of employees receiving regular performance and career development reviews	Empowered Workforce: Performance Highlights
GRI 413: Local Communities	103-1	Explanation of the material topic and its Boundary	How We Manage Sustainability Strong Foundations:
	103-2	The management approach and its components	-A Strategic, Long-term Commitment to Our Communities: Our Approach
	103-3	Evaluation of the management approach	
	413-1	Operations with local community engagement, impact assessments, and development programs	Strong Foundations: -A Strategic, Long-term Commitment to Our Communities -Fulfilling Our Promise to Restore Lives
GRI 419: Socioeconomic Compliance	103-1	Explanation of the material topic and its Boundary	How We Manage Sustainability Strong Foundations:
	103-2	The management approach and its components	-A Strategic, Long-term Commitment to Our Communities: Our Approach
	103-3	Evaluation of the management approach	
	419-1	Non-compliance with laws and regulations in the social and economic area	There were no incidences of noncompliance during the reporting period.

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Yang Sang- Geun- Tran Minh Ly- Ngo Thuy Linh-
Nguyen Phuong Thao- Nguyen Thi Chung-
Nguyen Kim Hanh- Nguyen Thi Nhung- Nguyen Thi Phuong- Ha Phuong Giang- Thieu Quang Hai- Nguyen Thuy Hong- Bui Thanh Huyen- Cao Ngoc Anh- Bui Khang Ninh- Luu Ngoc Anh- Bui Viet Hung- Nguyen My Linh- Nguyen Trung Kien- Nguyen Thuy Chi- Lee Eung Chong- Pham Hai Son-Tran Kim Oanh- To Thi Hung- Luong Hoang Ha- Tran Bich Nhuan- Phan Van Long- Le My Hanh- Pham Thuy Ha- Nguyen Thanh Hoa- Sajjad Ali Rana- Nguyen Xuan Lap- Jishin Kumar- Mervin Macandili- Vu Thuy Ha- Nguyen Thanh Cong- Nguyen Chi Thanh- Pham Quoc Viet- Sang Kil Lee- Nguyen Duy Quang- Dinh Quy Toan- Duong The Anh- Can Huy Cuong- Vu Hong Phong- Nguyen Huu Hung- Ha Anh Dung-Hoang Quang Trung- Ngo Quang Hung- Nguyen Van Thang- Vu Huyen Trang- Chin Goon Heng- Dao Van Quang- Nadessan Sandirasegaran- Le Huy Lan- Hoang Thanh Nhan- Pham Van Hung- Le Minh Dinh- Nguyen Huu Tuyen- Nguyen Van Hanh- Nguyen Van Hung- Nguyen Thanh Binh- Pham Van Quan- Hoang Van Thuy- Nguyen Manh Hung- Ngo Anh Son- Nguyen Van Manh- Ngo Quang Thien- Ngo Quang Thien- Nguyen Tien Thanh- Pham Ngoc Quyen- Gopi Raghavan- Pham Van Thang- Do Xuan Hoi- Pham Van Nguyen- Cao Dinh Son- Vu Van Tuan- Le Dinh Khuong- Le Xuan Thanh- Nguyen Van Toan- Giang Van Dat- Nguyen Quang Dao- Nguyen Van Huong- Pham Manh Thang- Nguyen Danh Tien- Phung Thanh Ha- Nguyen Xuan Nam- Nguyen Van Thuy- Vu Huu Manh- Nguyen Van Binh- Nguyen Tien Dung- Nguyen Van Tuan- Nguyen Trong Quang- Nguyen Duc Lam- Le Van Long- Hoang Manh Cuong- Phung Duc Bac- Nguyen Van Quang- Dang Minh Luu- Nguyen Van Hien- Nguyen Van Toan- Vu Trong Manh- Duong Chi Cong- Nguyen Tien Hung- Nguyen The Dung- Do Duc Hiep- Vu Hong Thuan- Vu Hong Thuan- Ngo Quy Ngoc- Le Minh Canh- Tran Trong Tai- Bui Van Quynh- Nguyen Van Vy- Ta Van Hung- Le Xuan Binh- Tran Huy Hung- Tran Quynh- Phung Duc Anh Hai- Nguyen Van Tho- Doan Van Nam- Bui Quynh Tram- Nguyen Tien-Pham Cong Tinh-Pham Van Tung-Ngo Minh Toan-Nguyen Binh Minh-Pham Quang Trung-Vuong Duc Duong-Nguyen Huu Long-Pham Van Quy-Pham Xuan Tung-Nguyen Van Chap-Nguyen Ba Cuong-Nguyen Van Cong-Bui Dinh Hau-To Tuan Anh-Nguyen Van Chung-Nguyen Trong Dat-Dang Hoang Long-Le Ngoc Dung-Nguyen Van Hiu-Pham Quoc Dung-Le Duy Thanh-Pham Van Thiep-Stan Riner-Hoang Van Ngan-Nguyen Van Dung-Nguyen Van Thinh-To Thai Hung-Tran Van Dang-Vu Van Thuoc-Bui Viet Dung-Tran Cong Truong-Nguyen Van Quang-Bui Van The-Pham Van Cham-Dao Ngoc Tuyen-Dang Ngoc Quy-Ha Minh Tuan-Pham Hai Ha-Trinh Van Chien-Vu Thi Huyen-Nguyen Huu Loi-Nguyen Thai Lai-Nguyen Huu Luat-Phung Duc Tien-Nguyen Anh Son-Cao Xuan Trung-Hoang Van Trung-Vu Duc Hung-Nguyen Van Hai-Nguyen Duc Hieu-Vu Duy Vinh-Pham Thi Thu-Pham Thi Thuy-Nguyen Thi Van-Do Manh Cuong-Cao Ba Lam-Nguyen Xuan Hung-Nguyen Cong Thai-Do Van Hoa-Le Anh Tuan-Nguyen Thanh Van-Nguyen Thi Tien-Dang Dinh Nghiem-Lai Thi Thu-Bui Van Quyen-Nguyen Thi Nhan-Ta Thi Dung-Nguyen Thi Nhien-Le Huu Phuoc-Do Van Hien-Tran Thi Loan-Vu Dang Phong-Nguyen Dang Hung-Sydney Phan-Nguyen Van Hop-Tao To Quynh-Le Thanh Hai-Bui Van Duc-Nguyen Ngoc Truong-Vu Quang Hieu-Nguyen Van Hien-Doan Van Duy-Bui Duy Phuc-Phan Van Kien-Tran Ngoc Ha-Nguyen Thanh Son-Ngo Thi Thu Hang-Le Tien Do-Nguyen Manh Tuan-Tran Van Uoc-Nguyen Van Thuy-Duong Thuc Son-Bui Thi Tham-Dang The Dung-Pham Hong Quang-Nguyen Cong Son-Luong Minh Tam-Vu Thanh Tiep-Tran Thuy Dung-Vu Tho Duong-Dang Quang Viet-Doan Van Trung Hung-Bui Thai Phung-Pham Ngoc Van Tan-Pham Quynh Ngoc Tan-Nguyen Xuan Dieu-Nguyen Thi Huyen-Luong Thi Huong-Pham Le Huong-Pham Ngoc Linh- Le Cong Tuan- Vu Thanh Luan- Hoang Van Long-Do Thi Hoa-Nguyen Hong Hai- Phan Van Dieu-Pham Thanh Hai- Nguyen Cao Hoang- Nguyen Thanh Tuan- Nguyen Thi Thuy-Pham Tuan Anh-Chu Van Giang-Le Van Tung-Pham Duy Quy-Hoang Van Tung-Hoang Thuy Ngan-Ho Thi Huyen Trang-Dao Thuy Ninh

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