



A thriving **Partnership** for a **Sustainable Future**

Sustainability Report 2018 - 2019

In Accordance with the Global Reporting Initiative (GRI) Standards



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AES Mong Duong is committed to responsible power generation while addressing stakeholders' interests and expectations by increasing the sustainability of our business operations and continuously strengthening our governance regarding sustainability in a transparent and effective manner.

AES Mong Duong continues to demonstrate positive impact through delivering sustainable value to our stakeholders, while contributing significantly to the development of the local economy through an effective partnership. We have consistently demonstrated our role in the responsible development and transformation of the electrical utilities sector, supplying affordable and reliable energy for sustainable economic growth in the country. Our stakeholders' views are important to how we adapt our business and distribute values, and we are conscious of taking them into account during our decision-making process as we manage social and environmental impacts.

AES Mong Duong adheres to the highest standards of transparency and accountability, disclosing both its financial and non-financial performance, which are audited by independent third parties.

We are delighted to publish the third Sustainability Report, setting out our management approach and the sustainability performance results in 2018 – 2019. The report has been prepared under the Core option of the Global Reporting Initiative (GRI) Standards (G4 Electric utilities sector supplement) as well as in compliance with other applicable standards such as the IFC Environmental and Social Sustainability Framework, and the Equator Principles.

This report outlines our approach to building a sustainable business underpinned by an effective governance framework to manage our social and environmental impacts while achieving strong economic performance. The governance framework sets a strong basis for aligning policies and procedures with our strategy while also incorporating international and legal standards, with constant monitoring and reporting over the year. The sustainability report details key achievements in our

sustainability journey, covering material topics relevant to the power utilities industry and the company's business context.

As reflected in the report, we increased our power generation between 2018 – 2019 through various upgrades to prepare our plant for the future. Occupational health and safety remain the cornerstones of our sustainability efforts, demonstrated through the stringent standards and monitoring procedures with which we require our employees and contractors to comply. Our "Investors in People" Silver awards are a testament to the outstanding and transparent work environment we are building. Local communities continue to receive our support and partnership through our community programs, designed to match local needs identified through interactive consultation.

The report also reflects AES Mong Duong's contribution to the implementation of the Sustainable Development Goals framework by the United Nations in terms in meeting the challenges of poverty, inequality, and climate change. The company re-emphasized its commitments to climate disclosure, and continues to monitor its performance in line with the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD). We also include details of significant changes to our operations with regard to bond refinancing through Mong Duong Finance Holdings in July 2019.



About our report

Message from the Managing Director



Dear Shareholders and Stakeholders,

AES Mong Duong has celebrated many successes during our five-year journey since commercial operations started in 2015. Driven by AES' values, we continue to demonstrate our commitments to operate Mong Duong II safely, efficiently and sustainably at a world-class level.

Our people are our competitive advantage, which sets us apart from our peers and competitors in the power sector. With our localization plan, we have successfully trained and developed our local team members to gradually replace expatriates in various leadership roles. Vietnamese team members now occupy 95% of all employment positions, while the diversity of the leadership team continues to expand with women holding 40% of these positions.

Safety is our most important value, and we ensure the highest safety standards are met and procedures are followed by all of our stakeholders. During the first five years of operation, we maintained an outstanding record of working hours free of Lost Time Incidents (LTI's). Our Integrated Management System (IMS) has been certified to conform with ISO 14001:2015 Environment Management System, OHSAS 18001:2007 and ISO 45001:2018 Occupational Health and Safety Management System.

We have enhanced our reputation of operational excellence defined by our ability to deliver expected generation output in a safe and reliable manner. We maintained availability at levels consistently higher than the Power Purchase Agreement (PPA) targets thanks to our team's efforts in optimizing the system. Innovation and digitalization have been increasingly adopted at AES Mong Duong, including the improvement of the SAP system and more than 20 new programming tools to support safety, operation and commercial activities.

The country's power demand increased by 10% each year from 2016 to 2020 and is forecast to continue to grow by 8.5% each year until 2030. Over the past 15 years, AES has been actively engaged in providing solutions to support the transformation of Vietnam's rapidly growing energy sector.

Our achievements have enabled us to solidify our market position as a trusted partner to the Vietnamese Government and established a foundation for our sustainable growth across Vietnam.

Looking at our financial results, I am proud of our 2019 refinancing project, which is the first international project bond issuance for Vietnam. This success not only proved AES' high credibility, but also opened opportunities for other Vietnamese enterprises in raising capital in international markets.

With the same vision and mission as the AES Corporation, AES Vietnam is committed to sustainable development and leading the transformation to greener and safer energy. We proactively contribute to the transformation of Vietnam's energy sector through our investment in clean energy projects. In 2019, we received approval from the Prime Minister to be the investor in the 2.2-Gigawatt Son My 2 Combined cycle gas turbine (CCGT) Power Project located in Binh Thuan Province, with total investment of US\$1.8 billion, following the approval of the Son My 2 LNG terminal. Together, the power plant and the terminal will play a major role in shaping Vietnam's energy future by diversifying the energy mix with imported LNG, as well as meeting the country's increasing demand for sustainable and affordable electricity.

The country's power demand increased by 10% each year from 2016 to 2020 and is forecast to continue to grow by 8.5% each year until 2030. Over the past 15 years, AES has been actively engaged in providing solutions to support the transformation of Vietnam's rapidly growing energy sector.

I am excited and optimistic about the future of AES in Vietnam, and we are focused on collaborating with the Vietnamese Government to deliver greener and more sustainable energy solutions.



David Stone
Managing Director and CEO

Message from the Plant Manager



Dear Stakeholders,

During the last two years, our team has demonstrated a drive for continuous improvement of plant reliability and efficiency. AES Mong Duong exceeded our generation target, set by the Ministry of Industry and Trade for the 2018-2019 period, by 23%. We are committed to supporting the Government of Vietnam in the implementation of its Power Master Plan while closely adhering to a sustainable development agenda.

AES Mong Duong has a proven track record with Build-Operate-Transfer projects and strong collaborations between the company, the government and the community to deliver sustainable energy and economic progress for all of our stakeholders. Our team is dedicated to operational excellence, while improving safety and protecting the environment. Our focus is on long term reliability of our power plant and we have fully implemented a world-class asset management system following the ISO 55001:2014 standard. AES Mong Duong now has an internationally-recognized process to manage our plant and equipment effectively and promote operational and financial excellence over the lifecycle of the plant.

We have adopted the highest safety standards in the power sector in order to protect our employees, contractors and the communities in which we operate.

During the last two years, our team has demonstrated a drive for continuous improvement of plant reliability and efficiency. AES Mong Duong exceeded our generation target, set by the Ministry of Industry and Trade for the 2018-2019 period, by 23%.

For the last six years, AES has been successful in maintaining world-class safety standards. Our programs have been recognized by The Royal Society for the Prevention of Accidents (RoSPA) with its Gold Medal Award for six consecutive years. We also implement strict corporate governance standards to ensure fairness, transparency, accountability, and responsibility in the operation of our business.

People are the foundation to AES Mong Duong's success, and we devote time and resources to develop our team and create strong leaders. In 2018 and 2019, three of our local team members were promoted into leadership roles at AES Mong Duong, helping us meet our sustainability goals. Diversity and equality are also critical, and today we have more women working for us, including in important leadership roles. I am extremely proud that we were awarded accreditation by Investors in People (IiP) at Silver level – the highest level for first-time accreditation. The award, by an internationally-recognized organization, is the outcome of a three-year process, and it is another strong indicator of our commitment to achieving success by realizing the potential of our people.

Our strong partnerships with our stakeholders were realized in 2018 and 2019, when our generous CSR activities helped ensure lasting impacts and highlighted our mission of improving lives and livelihoods in our local communities. AES Mong

Duong received CSR Recognition Awards from the American Chamber of Commerce and we are consistently recognized as one of the Top 100 Most Sustainable Businesses by the Vietnam Business Council. These are key recognitions of our efforts. Our goal is to be a reliable, energy efficient supplier of power, by applying advanced methods and technological solutions while committing to a strong and proactive sustainability agenda.

I see an exciting future for us as we continue our sustainability journey and leverage our shared values in order to meet the challenges of tomorrow.



Kevin Pierce
Plant Manager

13,832,640

Net generation (MWh)



259

permanent
employees



33

CSR projects
implemented



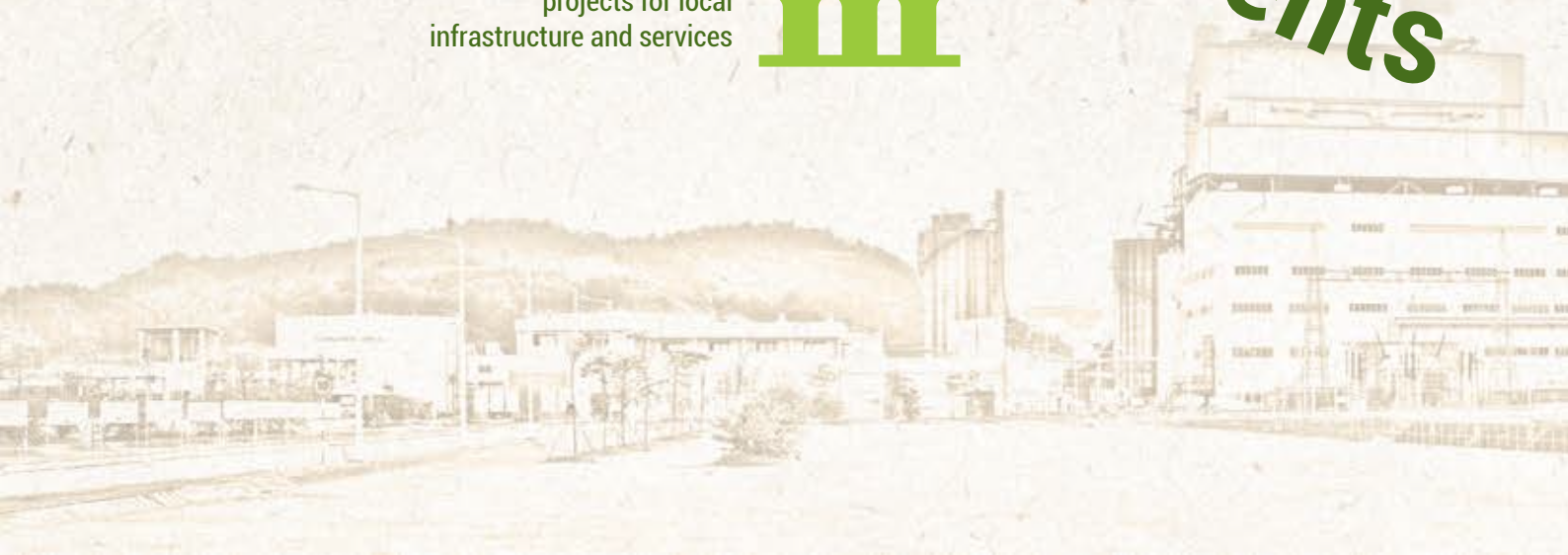
37

projects for local
infrastructure and services



Key

achievements





1,076,841,150

Net sales revenue (US\$)

sustainability 2018-2019



9,920

Actual heat rate (Btu/kWh)



56,097

training hours



US\$ 215,000

invested in the local community



About AES Mong Duong



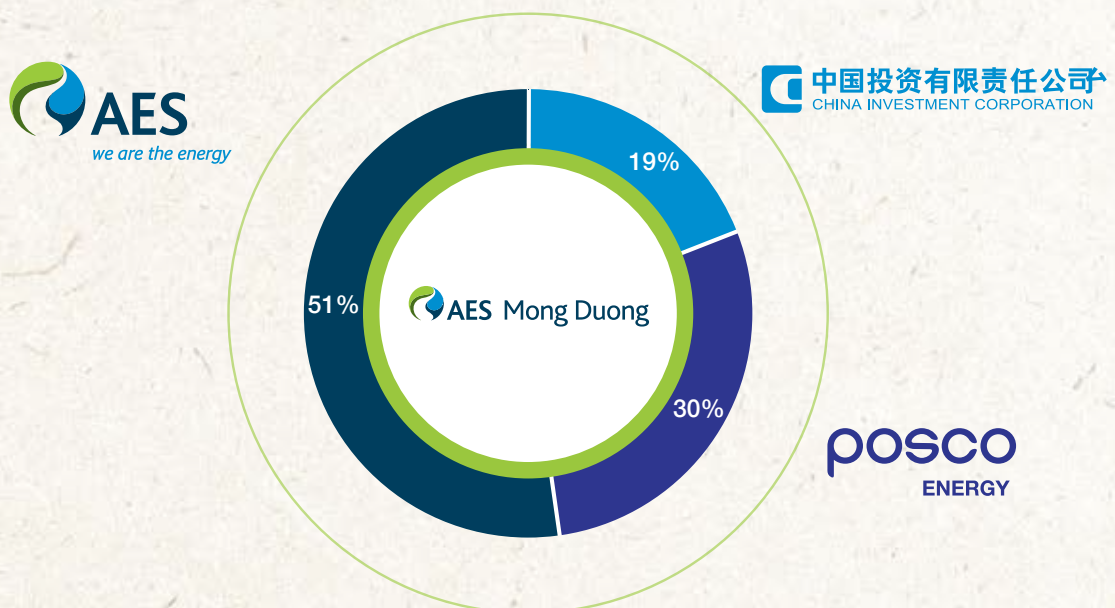
AES

Mong Duong Power Co. Ltd.

Business model

We operate the Mong Duong 2 coal-fired power plant, a 1,120 MW aggregate net capacity power plant located in Cam Pha city, Quang Ninh province, Vietnam, which is the country's largest privately-owned and operated power project to date. The plant's two coal-fired units, each with a net capacity of 560 MW, have been fully operational since March and April 2015, respectively, and were completed ahead of schedule and within budget.

The Mong Duong Power has a government guarantee on all payment obligations under a BOT scheme. The power plant will be transferred to the government after 25 years of operations. Its 25-year power purchase agreement (PPA) with the state-owned entity EVN runs until 2040.



Leadership Team



Mr. David Stone
Managing Director/CEO



Mr. Kevin Pierce
Plant Manager



Mr. Sang Geun Yang
Chief Financial Officer

Department Managers



Luu Ngoc Anh
*General Counsel &
Compliance Officer*



Nguyen Thuy Hong
HR Manager



Dang Thi Huong Lan
Stakeholders Manager



Tran Minh Ly
Chief Accountant / Country Controller



Nguyen My Linh
Commercial Manager

Our Leadership

Our senior management team has extensive experience in the power generation sector, both internationally and in Vietnam. These senior executives have an average of approximately 25 years of experience in the power industry, and many of them have been involved in the Project since its inception, and represented the Sponsors on similar projects around the world.

Operation Managers



Stanley K. Riner

*Operations Manager
(Power Block)*



Nicolas Chin

Facility Manager



Sajjad Rana

EHS Manager



Lee Sang Kil

Engineering Manager



Nadessan Sandirasegaran

Maintenance Manager



Lee Eung Chong

Supply Chain Manager



Awards, Recognitions & Memberships

AES Mong Duong was ranked among the top sustainable companies in Vietnam for three years consecutively, and this is the second time it was in the top ten, within CSI 100 by the Vietnam Chamber of Commerce and Industry (VCCI). The Company was recognized for improving lives by accelerating safer energy and a greener future for Vietnam. We were also a finalist for Best Stakeholders Reporting at the 4th Asia Sustainability Reporting Awards (ASRA) 2018, the highest recognition for corporate reporting in the region.



Other awards include:

2019: RoSPA Gold Medal Award from the Royal Society for the Prevention of Accidents;

2019: Certification of the occupational health and safety management system with ISO 45001:2018;

2019: Merit Certificate from the Government of Cam Pha city, Quang Ninh province for excellent contribution to natural disaster prevention, rescue and fire protection of local communities;

2019: AmCham 2018 CSR Award from American Chamber of Commerce in Vietnam for Sustainability & CSR;

2019: Recognition of contribution in Healthcare from Cam Pha People's Committee;

2018: Recognition of OHSAS 18001:2007 for Safety and ISO 14001:2015 for Environment accrediting the Power Plant's IMS Systems under the United Kingdom Accreditation Service (UKAS) Management System by Bureau Veritas;

2018: Award for Sustainable Development, among the Top 100 Most Sustainable Enterprises in Vietnam by the Vietnam Business Council;

Our memberships: American Chamber of Commerce in Vietnam (as Governor, represented by David Stone);

US-ASEAN Business Council (as a Member, represented by David Stone);

Vietnam Business Council for Sustainable Development (as Vice Chairman, represented by David Stone); and

Vietnam Chamber of Commerce and Industry (as a Member, represented by David Stone).



Our approach to sustainability

Our approach to strategic sustainability

To achieve our vision of being a leading sustainable power company, providing a reliable and affordable source of energy while accelerating impacts and improving the lives of the communities, we have crafted a strategy based on three fundamental pillars:



Maintaining a solid financial profile with stable and predictable cash flow



Continuing to operate our Project safely, efficiently and sustainably



Transitioning certain functions to local team members while continuing to provide excellent service

Defining material issues within operations and integrating stakeholders' concerns into day-to-day business activities and decision-making processes. Our operational management is based on a stewardship approach, which involves implementing preventive measures to minimize negative impacts and developing operational excellence to build trust with stakeholders.

The achievement of operational excellence is core to our overall business strategy. We strive to be a leader in the energy sector by providing safe, reliable and sustainable energy at a competitive cost to EVN and to our end customers. In this regard, we have implemented an asset management policy consistently to guide our operation and maintenance activities.

Our asset management policy is based on the following principles:



Systematic & Sustainable Vision



Complete Life Cycle Optimization



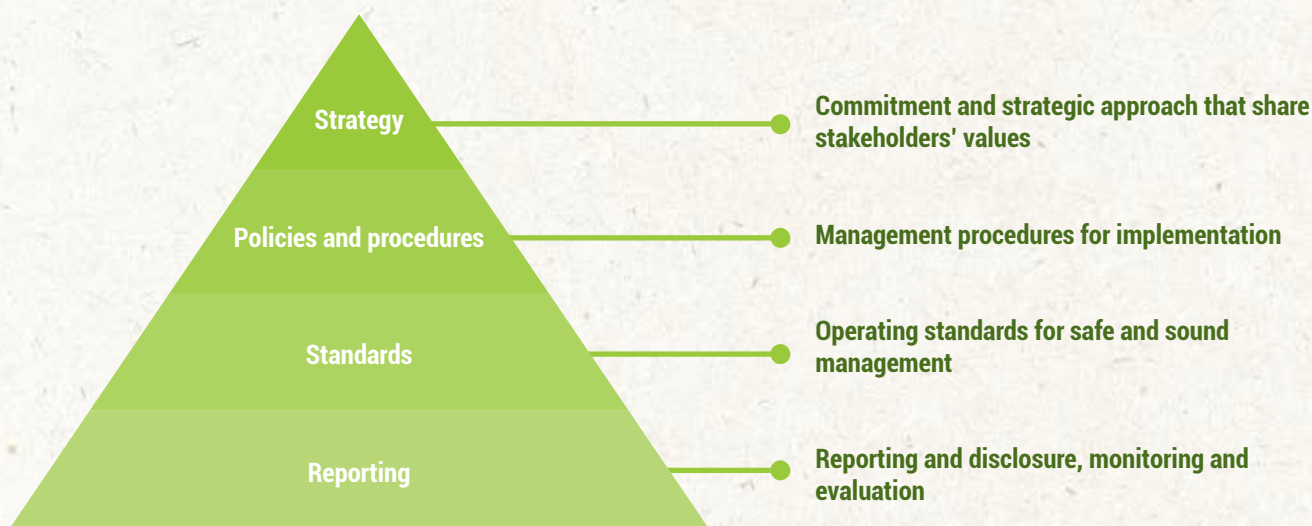
Risk Assessment



Continuous Improvement

Our governance for sustainability

Our approach to sustainability management, based on an international framework, enables us to benchmark our performance and continuously improve our sustainability initiatives. At the highest level, policies are formulated in alignment with the corporate strategy and translated into standard operating procedures. These performance indicators enable management and stakeholders to track our performance in a transparent manner.



We comply with the "Equator Principles", a risk management framework adopted by financial institutions for determining, assessing and managing environmental and social risks related to energy plant construction and operations, as well as the International Finance Corporation's environmental, health and safety general guidelines (April 2007) and the guidelines for thermal power plants. We are focused on work-related safety, emphasizing risk prevention for our employees, contractors and the community.

Our sustainability strategy is governed and managed through various committees. The EHSS Committee plays a critical role in establishing and communicating our safety policies throughout our operations in conjunction with the Stakeholders team.

How we engage our stakeholders

Our list of stakeholders is identified through a continuous process and updated annually. We understand the needs of each stakeholder group through mutual respect and transparent dialogue built through frequent interactions, and modify our operations to meet those needs. On our five-year journey, we have built trust with our diverse stakeholder groups and distributed the values that we have created. We value transparency and ethics in relationships with suppliers, with whom we seek to establish long-term partnerships and share our culture of excellence in asset management and our focus on safety. We prioritized the hiring of local suppliers and community members, which drives social and economic development in our areas.



	Frequency	Medium	Primary concerns
 Central Government	Monthly/ Quarterly	Monthly reports	Breaches of laws and regulations Breaches of Project documents by related parties Environmental issues
 Local Government	Monthly/ Quarterly	Monthly reports Quarterly meetings Frequent consultations to address their needs and concerns	Stable and safe operation of the power plant Violation of environmental standards Impact of the project on socio-economic status of local communities Management of foreign labor
 Local Community	Weekly/ Activity based	CSR monitoring activities Public consultation prior to the implementation of the CSR projects CSR programs	Environmental pollution Impacts of water discharge on the eco-system Impact on aquaculture areas
 Employees	Monthly	Monthly communications meeting Monthly safety meeting; Communication emails/bulletins on specific topics Company events: Safety Day, Family Day, CSR events	Career development Working environment Income and welfare
 Lenders	Quarterly/ Annually	Quarterly Operation report Annual audit by the Lender's consultant	Debt payment Compliance of the borrower with international and local standards; Environment and sustainable development of the borrower
 Investors	Semi-annual	Semi-annual Board meetings Ongoing business engagement as required via email/ phone call	Investment efficiency profit generated Compliance with international and local regulations and standards Sustainable development of the business
 Customer	Daily	Correspondence Face to face meetings Power dispatch software Telephone calls	Availability and stability of the plant; Fuel consumption Compliance with PPA
 Contractors/Vendors	Daily	Ongoing engagement as required by the business	Satisfying AES's requirements regarding procurement policy Long term cooperation Compliance with the applicable laws and regulations

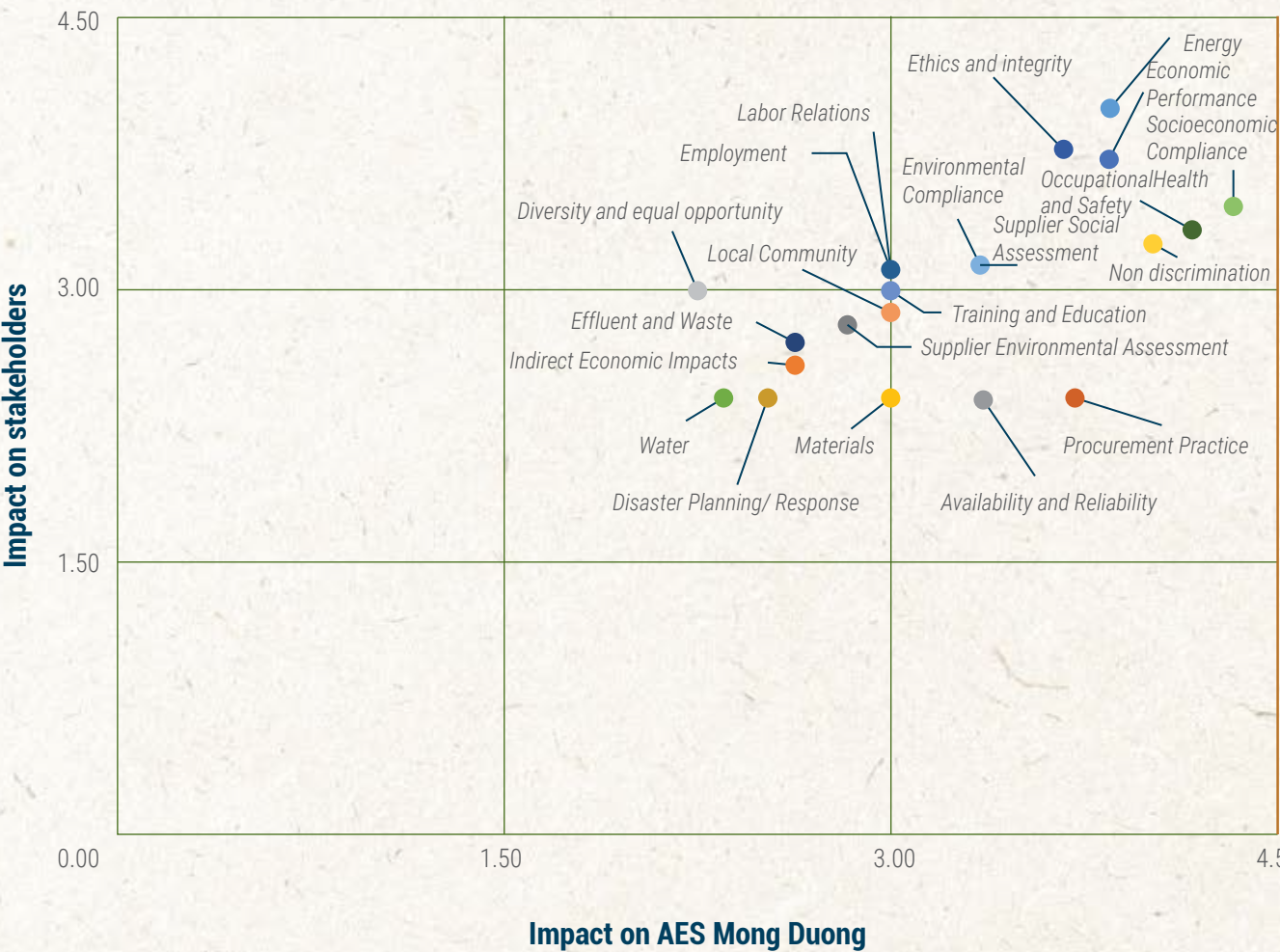
How AES Mong Duong meets stakeholders needs	Impact
Strictly comply with laws and regulations Strictly follow project agreements Mitigate impact on the environment	Support with resolving conflicts with related parties regarding the Project documents Supervising compliance with the applicable laws, regulations and Project documents
Commit to world class operational standards Improve the socio-economic status of local communities through CSR and livelihood restoration programs, as well as frequent public consultations Strictly comply with immigration laws and regulations on the registration and management of foreign labor	Provide feedback/constructive comments on plant operations, as well as SEP and CDP, meeting expectations and in line with government orientation guidance Coordinate on the organization of CSR programs
Maintain responsible operations to eliminate impacts on the environment and eco-system Hold frequent public consultations to address the concerns of local people Organize public training and communications programs	Participate and benefit from the Company's CSR activities and also provide feedback to make improvements and help to demonstrate a responsible power plant to the community
Coaching and mentoring activities are focused on preparing the next generation of leaders There is clear communication on career paths for each position Continuous improvements to working conditions to create safer and more open environments Support provided by AES Corporation to help address all employees' concerns Competitive salaries and benefits to employees	Contribute significantly to the company's operations and success by demonstrating the core values and performing jobs to the highest standards and levels of responsibility Help the company build and maintain good relationships with other stakeholders
Commit to the debt payment schedule Maintain a high standard of operations at a world class level Integrate sustainable development goals into the business strategy	Through their consultants, the lenders implement annual audits and may require improvements to the company's performance based on the audit assessment
High returns on equity Maintain sustainable operations at a world class level Mitigate impacts on the environment	Determine business strategy of the company and major business decisions Require high performance at a reasonable cost
Continuous improvements to power plant efficiency Reduce fuel consumption by improving the heat rate Strictly comply with the PPA	Supervise the implementation of the PPA Require high performance and availability of the power facility
Communicate company's procurement policy clearly Train contractors and vendors frequently on safety and other working standards applicable at AES Mong Duong Supervise contractors' compliance with the applicable laws and regulations	Contribute to the success of the company Violations of the contractors may impact AES Mong Duong's reputation

Materiality assessment

We have refreshed our materiality assessment from the previous report based on the GRI principles for defining reporting contents and processes.

We have identified 22 material topics that reflected increasing interest in sustainability impacts on the part of internal/external stakeholders including employees, customers, suppliers, contractors, lenders, investors, government and the local community. We also reinstated GRI G4 Electric utilities sector-specific topics which remain relevant to our core business, and which we monitor along with other operations KPIs.

Trends, business priorities and stakeholder interests have been incorporated to produce our material topics, which are mapped to the matrix below.



We also mapped all material topics against the SDG frameworks to shape our sustainability performance and leadership:

SUSTAINABLE DEVELOPMENT GOALS



Ethics and Compliance

We share a vision of improving lives by delivering greener, smarter energy solutions the world needs, and we also share with stakeholders our corporate values, which define how we work towards that vision. We are guided by the AES Core Values of Safety, Integrity, Agility, Excellence and Fun, providing us with the framework for how we interact with other AES people, conduct business with our partners and suppliers, and serve our customers and the communities where we operate around the world.

The AES Code of Conduct, which encapsulates our Values, is disseminated, through communications and training, to all of AES's people and contractors, who are requested to adhere to the highest ethical standards. 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.

A robust compliance training program has been implemented within Mong Duong 2's operation to ensure that our people have a high awareness of compliance matters, including but not limited to on-board compliance orientation, follow-up compliance discussion, tailored compliance training for specific group(s) or employee(s), in-person compliance discussion, etc. The training program may supplement the AES global initiatives with further localized training to meet local needs as required by the business. Our employees and contractors are expected to put these policies into action.

Annually, we organize an event to emphasize and share the importance of our core Values with our people, business partners and the communities we serve. On the occasion, we select and honor, before the public, a single employee selected by a vote of our leadership team members as the person whose actions or spirit best exemplify our Values during the year. The event's coverage also includes community activities in which our people can participate together.

2018

- Checking and providing the necessary maintenance of firefighting and prevention equipment at Cau Ngam market
- Providing a firefighting emergency response session to the relevant groups on 22 October 2018
- Supporting the Firefighting Drill on 26 October 2018
- Providing a third-party review of the overall Natural Disaster Response Plan of the Mong Duong ward, and supporting the development of the Natural Disaster Response Plan for other units of the ward.

2019

- We organized a propaganda program on electricity safety to increase the awareness of local people in Cam Hai commune, and simultaneously delivered electricity safety inspection and improvement for fifty (50) poor households, identified by the Cam Hai People's Committee, and nine (09) public facilities.

Our main activities in Ethics and Compliance include:

- Orientation training for new hires
- Periodical online training
- Compliance survey and focus group discussion
- Ethics Champion Program
- Values Day Event celebrated annually
- AES Helpline
- Helpline Bulletin and Compliance Newsletter



The AES Helpline

Our global helpline serves as a confidential channel for asking questions and expressing concerns.

We reinforce our commitment to ethics and compliance with the expectation that all employees report suspected violations of laws and company policies. AES people are encouraged to use the helpline for guidance regarding legal or regulatory requirements, clarification of AES policies or procedures, and for counsel on appropriate behavior. AES strictly prohibits retaliation against employees who in good faith report ethics and compliance concerns.

The AES Helpline is available worldwide 24 hours a day, 7 days a week, with live interpreters available in AES's languages. This ensures that our people can conveniently make reports in their respective native languages. Reports can be even made anonymously, and there is no difference in the treatment of an anonymous report. All complaints logged are investigated thoroughly.

About our Compliance:

AES Mong Duong's Environmental Policy reflects our very high level of honoring our commitments to relevant stakeholders. The Policy requires us to meet, and where possible exceed, certain legislation, standards, and/or requirements imposed by the local, regional, and/or national authorities of Vietnam, international financial institutions and/or lenders, and the AES Corporate Global Environment Standards. Implementing environmental objectives is considered the responsibility of key line management, communicated to and followed by all our employees, contractors, suppliers, visitors, and other relevant stakeholders.



Business efficiency and operational excellence

Financial excellence and management perspective

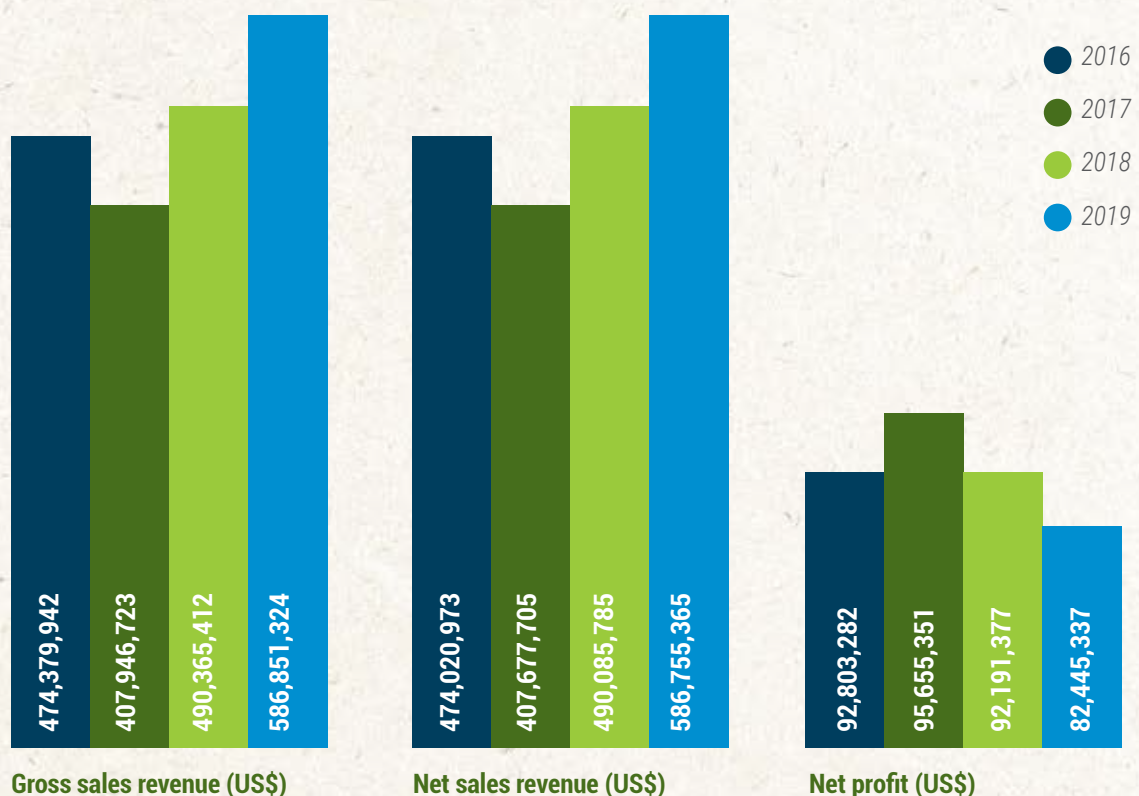
Our financial excellence is key to demonstrating our business case. The characteristics of our business model are shaped by our goal to balance shareholders returns with value created for our stakeholders.

AES Mong Duong leverages its financial excellence by aligning its performance with the overall corporate strategy and procedures. We are able continuously to benchmark ourselves against other AES entities in order to strive for better performance. Annually, our management together with the Finance Team at Eurasia Strategic Business Unit (SBU) sets the target, which is approved by AES Corporation and the Company's Members Council.

The value created for our shareholders is protected through our compliance with global, national and local regulations. This effort enables us to mitigate any significant risks that may impact the business, such as raw material shortages, resource insecurity, and their financial implications—in order to take the appropriate actions. We also work closely with government authorities to provide any assistance relevant to the Project's documentation and regulatory matters, including the Build-Operate-Transfer contract with the Ministry of Industry and Trade (MOIT) and the Power Purchase Agreement with the state-owned entity Electricity of Vietnam (EVN), among others.

Financial highlights

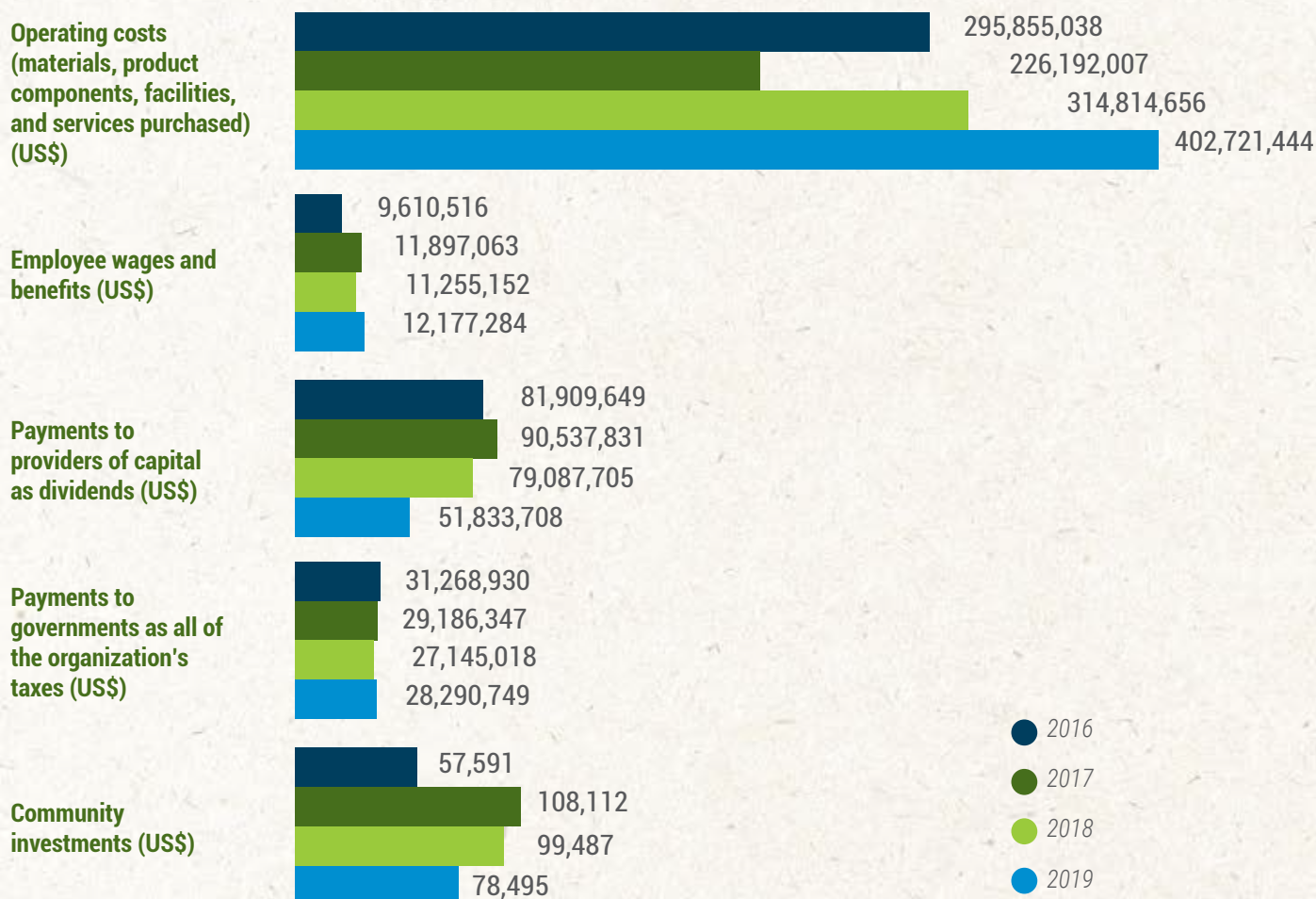
Direct economic value generated



Our direct economic value is dependent on power plant load factors, which leads to variations between the years. In 2018 and 2019, we produced at higher load factors, as instructed by EVN, resulting in a 22% increase in our net sales revenue compared to 2016 and 2017. The main increase in the economic value distributed is driven by operating costs. As the plant progresses into its 4th and 5th years of generation, our operating and maintenance (O&M) activities steadily increase to ensure the reliability of equipment.

The reduction in our net profit in 2019 is primarily due to one-off \$23 million refinancing expenses. Refinancing was a significant milestone in our financial performance between 2018-2019, demonstrating our values to investors.

Direct economic value distributed



Our profit margin is influenced not only by ensuring operational effectiveness, but also by our payments to lenders. Previously, our lenders included 13 commercial banks and one Export Credit Agency, who provided a mix of KEXIM direct, KEXIM-covered and K-Sure covered loans in 2011 for the construction of Mong Duong 2. The covenants imposed by the financiers are operationally onerous to comply with. Project bond financing will typically see looser financial and general covenants, and reduce the man-hours required to comply with the requirements of lenders. Refinancing allows AES Mong Duong to release approximately US\$80M from the debt service reserve account, with the outstanding payments of transaction costs available for distribution to shareholders. Recognizing significant financial gains and lower risks, we obtained approval to refinance our loans through the issuance of long-term bonds and the raising of short-term bank debt.

- **Reduction in future financing costs and elimination of interest rate risk;**
- **Reduction of operational requirements; and**
- **Create upfront distributions for investors.**

The outcome of refinancing exceeded our expectations of 5.80% project bond offering. There was a strong orderbook, encompassing more than 150 accounts, including the highest quality investors, and overwhelming demand and interest allowed for a 50-bps price tightening from the initial price guidance to print a coupon of 5.125%. This was the largest private sector corporate bond with the lowest coupon ever in Vietnam.

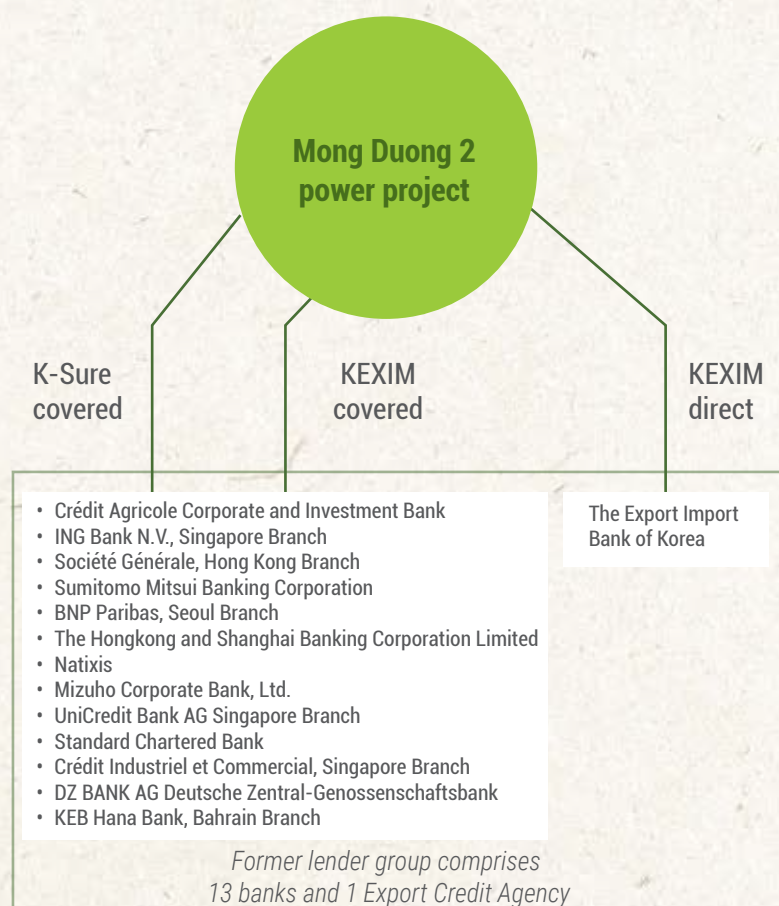
Since the refinancing occurred, we have gained both financial and non-financial benefits, generating value for our investors. Based on the forecasts available as of the Board approval date, refinancing is expected to lower the BOT Company and Mong Duong Finance Holdings B.V.'s future financing related costs by approximately US\$14M.

Alongside the 5.125% senior secured bond, our loans are refinanced at an attractive interest rate. The interest structure of the syndicated loan after the successful refinancing is as follows.

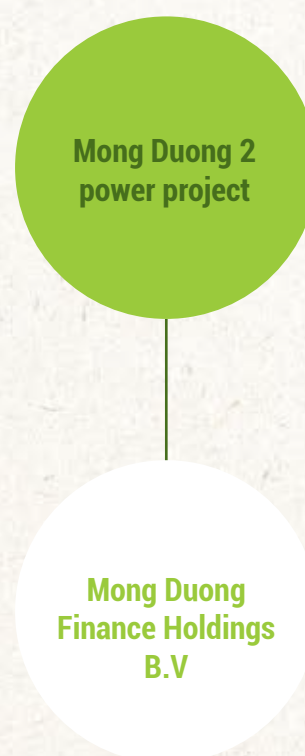
Interest rate before refinancing	Interest rate after refinancing
KEXIM Direct Facility interest rate: Libor 6m + 4.15% (up to Apr 2022) / 4.25% from Apr 2022 onward	
KEXIM Covered Facility interest rate: Libor 6m + 2.25% (up to Apr 2022) / 2.35% from Apr 2022 onward	Interest rate: Libor 6m + 1.5%
K-Sure Covered Facility interest rate: Libor 6m + 2.5% (up to Apr 2022) / 2.6% from Apr 2022 onward	

Moreover, the refinancing also simplified the structure for the BOT company, as the chart shows below:

Former financing structure



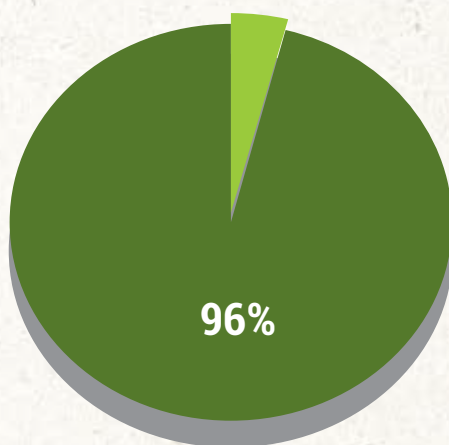
Existing financing structure



Sustainable supply chain

We recognize that, in order to build sustainable operations, we need to manage our risks across the supply chain. Our procurement practices follow SBU policies, where we aim to develop a competitive procurement environment and to buy from responsible sources of supply. Our vendors are initially evaluated by a risk management solution provider according to the following pre-defined criteria of AES:

- **Financial Condition Payment Record;**
- **Performance Checking Ownership Background;**
- **Operational Size/History;**
- **Products Offered;**
- **Global Reporting Initiative (GRI) requirements on contractors/vendors;**
- **Business ethics; and**
- **Safety and environmental requirements.**



**Procurement spending
2018 - 2019**

- Foreign vendors
- Local vendors

Between 2018 and 2019, local vendors accounted for an average of 96% of our procurement spending, creating a knock-on effect on generating local employment and economic development. Our contractors are all required to undergo safety training and adhere to our standards. The exposure to world-class practices has enabled contractors to improve their safety performance and procedures. Additionally, AES Mong Duong has organized 3 GRI training sessions for 11 contractors with 34 participants in 2018 – 2019 to improve/raise awareness of sustainability development and support them in developing sustainability development reports. As a result, five reports were issued.

We plan to continue to increase our business reliance on local suppliers and thereby enhance business continuity.

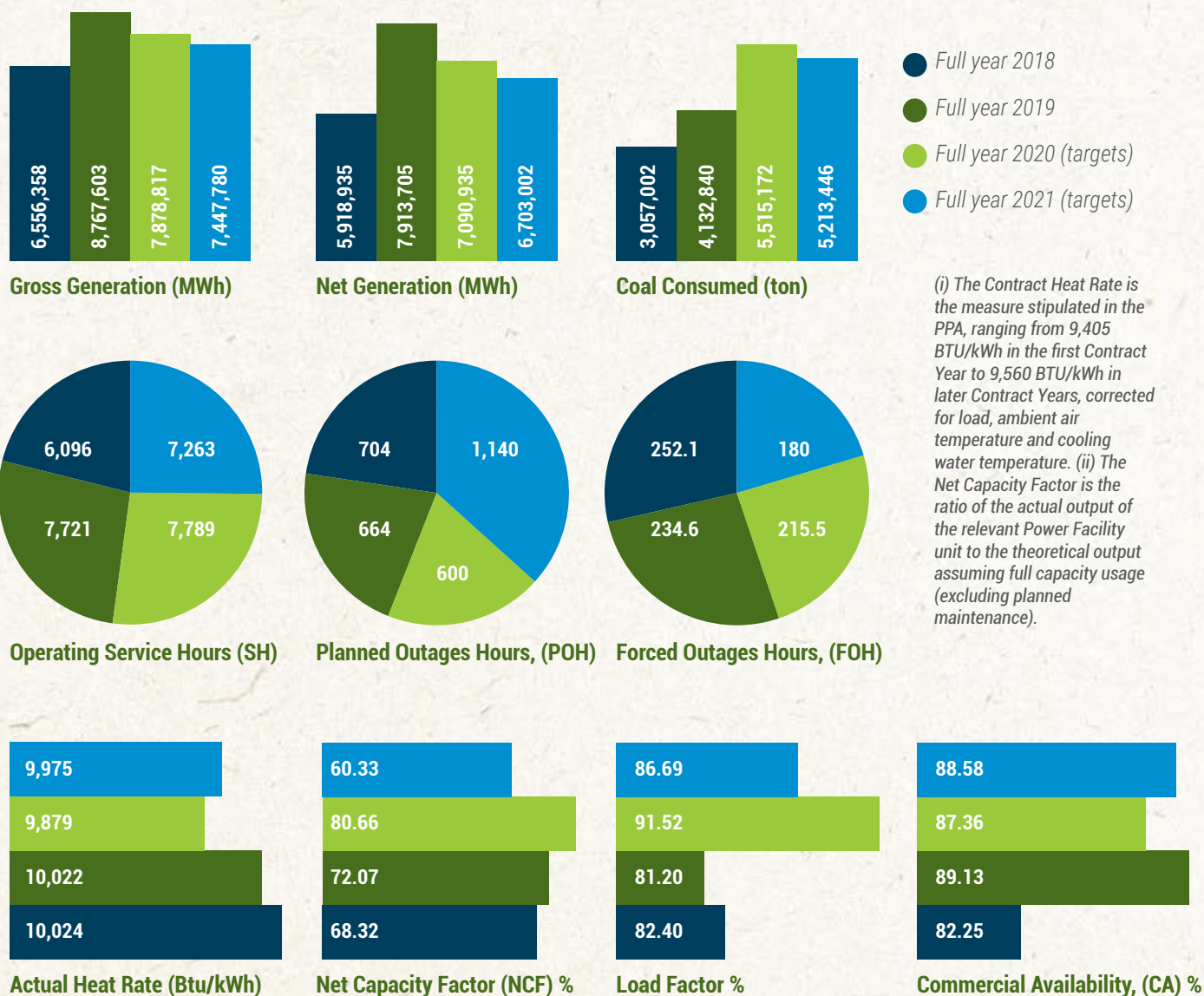
World-class operations

Our reputation for operational excellence is defined by our ability to deliver the expected generation output to our customer in a safe and reliable manner. Our policies and processes emphasize operating efficiently, reliably, and the availability of energy supply, while prioritizing reductions in coal usage where possible, and operating within environmental limits to make sure that we maintain a clean environment.

As we move into our fourth and fifth years of operations, our equipment requires continuous maintenance to meet our commitments to EVN. We are increasing our O&M investment proportionally to ensure that Mong Duong 2 is ready to operate at full capacity upon request.

Our operations

In 2018 and 2019, we have exceeded our set targets due to numerous improvements in our operations to enhance our systems efficiency, with a total of US\$ 8.2 million invested in upgrading and maintaining our plant.



Our Maintenance

The asset portfolio is recorded in the maintenance management software (SAP), and each asset has a criticality level assigned. The criticality analysis is done by a multi-disciplinary team. If there is any change in the criticality of an asset, it is updated in SAP by the Maintenance Planners. The Company has established an asset management system following ISO 55001:2014, and planned to become one of the first companies in Vietnam to obtain the certification in early 2020.

The overall maintenance process is a combination of all the above mentioned approaches, as the right balance depends on the risk context for achieving the maintenance objectives and world class maintenance standards though well-established and varied KPIs such as work management KPIs (routine maintenance), outage KPIs, and individual personnel's annual performance KPIs. Through all these KPIs, we focus on overall EHS, cost control, quality, reliability, availability, risk reduction and performance improvements to the Power Facility.

Our Improvements



Boiler feed water pump cartridge rectification

The rectification process was done to handle multiple boiler feed water pumps' vibration issues, which had led to huge financial losses and reliability issues for our customers. Our approach is to modify all four boiler feed water pump cartridges, including a spare one in inventory, one by one during every year outages to get the design change rectifications. This aggressive maintenance approach resolved the operational risk, and after rectification, the Units have been running more reliably and with full availability.



Boiler refractory replacement (reliability improvement)

The refractory replacement implemented in late 2018 and 2019 helped solve the issues through boiler protections due to slag falls in the combustion chamber. Replacing the old refractory Cresto85 (aluminum oxide-based bricks) with the new SiC90 (silicon carbide-based bricks) showed a satisfactory result, as it helped improve boilers' reliability and Units' performance.



CW header Tie Valve re-installation

The CW header Tie valve was removed due to leakage issue and blind flanges were installed at a Tie valve location in 2017. However, as part of continuous improvement process for the efficient plant operation, the removed Tie valve was re-installed in 2018 with necessary modifications and repair work, in addition to installing "Hot tap" to mitigate the safety risk. Significant benefits have been achieved.

- + Increase reliability of the unit when CW pumps are shut down;
- + Shutdown CW & ACW pumps based on sea water temperature to save the house load;
- + Improve plant efficiency;
- + Reduce maintenance costs and extend the lifetime of pumps from 3 to 5 years

**Total saving: 18,054 MWH/year,
equivalent to 750,000 USD/year**

Energy savings

What we have been doing:

- Using LED Fluorescent tubes which consume less energy whenever traditional tubes with ballast need replacement;
- Applying new technologies by installing inverters for huge equipment to reduce energy consumption while meeting operational requirements;
- Changing the operating logic of equipment, for example HVAC, to save energy. HVAC is automatically switched off at night or when nobody is inside buildings; and
- When one Unit is running and the other Unit is shut down, transfer the common load to the running Unit, saving on auxiliary power costs.

What we achieved:

	Cost Saving (US\$)		Energy Saving (kWh)	
	2018	2019	2018	2019
Lighting savings	14,902	15,045	438,301	442,496
HVAC savings	47,123	50,482	1,385,960	1,484,775
Load transfer savings	150,000	359,043		
Total	212,025	424,570	1,824,261	1,927,271





Transforming Environmental Health and Safety practices

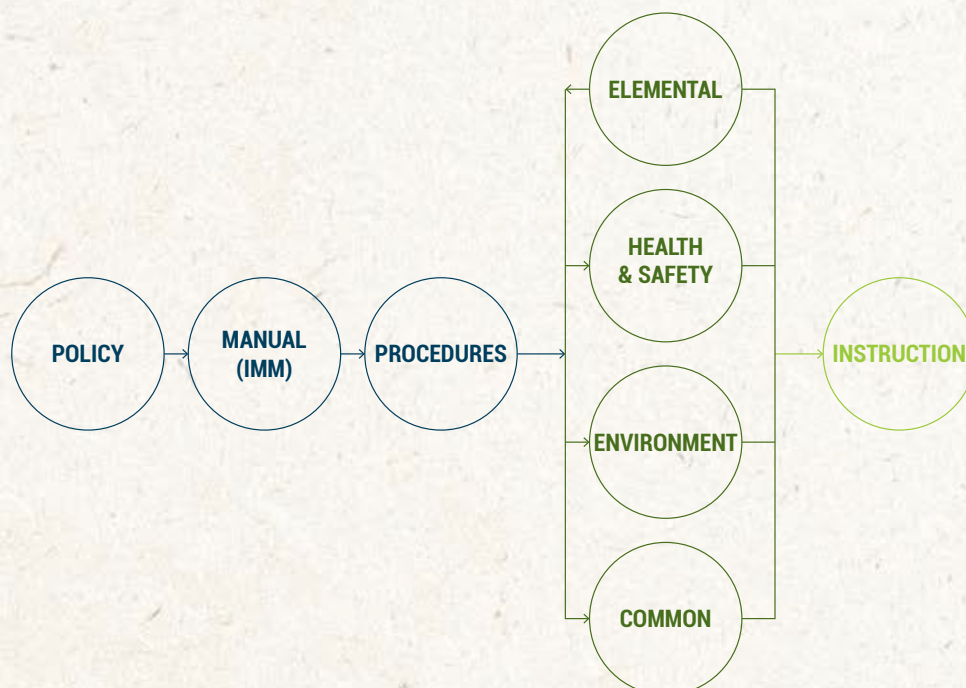
Integrated management system

Safety is at the core of everything we do. We focus on work-related safety, emphasizing risk prevention for our employees, contractors and the community.

Safety is at the core of everything we do. We focus on safety on the job, at home and in your community, ensuring the best conditions for our employees and contractors. To do so, we implement a Proactive Safety Program with Safety Walks, Safety Inspections and Work Activities Observations. The management team regularly perform Safety Walks, allowing company leaders to observe workplace activities, workers' behaviour and conditions. From these observations, they can provide positive feedback when workers exhibit safe work practices and behaviours, and to correct workplace hazards. We work continually to meet the international safety standards of AES and our other Sponsors, and to comply with Vietnamese safety regulations.

The year 2019 saw an increase in the number of safety walks and observations by 17.3% and 5.2%, respectively, compared to 2018. AES's safety culture has had a strong influence on the awareness and practices of local contractors. A working attitude formerly called "Being a Safety Leader" and since 2019 "Smart Safety" can be seen everywhere at the power plant.

Since 2016, AES Mong Duong has implemented an Integrated Management System (IMS) across its operations, covering health, safety and environmental and other aspects. The IMS structure includes an overarching policy which is the basis for our manual, and influences our procedures in these areas as well as being translated into detailed instructions.



Our policy on Health and Safety is in alignment with:

- AES Corporation's safety principles and beliefs
- Local legal requirement and other applicable standards

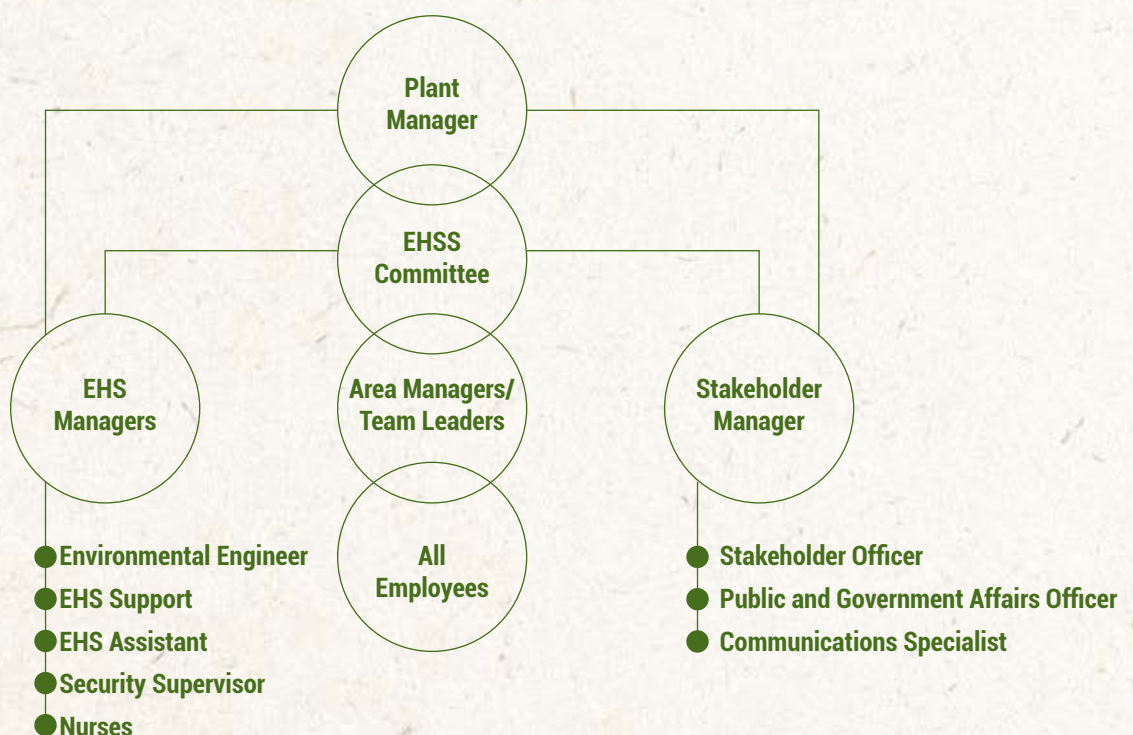
We are currently implementing safety standards which are among the most stringent in the electricity industry, with 78 IMS procedures (including 33 safety procedures, 10 environment procedures, 14 element procedures, 8 common procedures and 13 EHS instructions) already in effect in all facilities. In order to maintain our strict safety standards, we have also implemented a complete internal auditing plan at our Project, in accordance with the preventive and corrective measures and initiatives recommended by peer health and safety committees. In addition, we have worked to improve contractors' safety standards, providing technical assistance to help them improve standards and improve efficiency. Our contractors must also meet our standards, the implementation of which has resulted in a significant decrease in accidents.



Ensuring highest safety standards

- Zero accidents and injuries;
- Continuously identify, assess, control and minimize OH&S hazards and risks;
- Ensure necessary resources available to perform the jobs safely;
- Provide adequate training to employees and contractors;
- Implement the proactive safety program;
- Empower all employees and contractors with the right to stop work in unsafe working conditions;
- Review and update the OH&S systems regularly for continual improvements;
- Ensure the effective communication, consultation and/or sharing information;
- Enforce company OH&S rules and require employees and contractors to follow the rules as a condition of employment;
- Timely report and investigate accidents; and
- Keep up to date occupational health and safety legislation and standards.

We continuously communicate our policy to all employees and contractors through emails, EHS bulletin boards, the intranet (Project-wise) and the company's website. Our managers, supervisors, employees and contractors share a responsibility for a safe and healthy workplace. An EHSS committee has been established to provide a governance structure throughout the operation involving all employees. Our stakeholder manager is frequently updated to balance our impact on local communities.



In line with the corporation's strategy for adopting and using "Digital technology" and "Smart Safety" to improve working practices and safety processes, AES Vietnam has been applying drones to implement boiler and 500kV line inspections, TKPro for data storage and Tap Root for incident root cause analysis and remedy action plans, which showed remarkable working practice and safety process improvements.

In addition to the above, Job Environment and Safety Analysis (JESA) and Material Gate Pass software, GPI Learn has also been working effectively to provide online technical training to operators and technical staff and helped save hundreds of hours of working interruptions.

Continuous monitoring and evaluation are performed to continue our proactive safety approach. Safety is an important corporate value for us. Each AES person and contractor has the right and obligation to use their Stop Work Authority as soon as they identify an action or condition they believe to be unsafe. We appreciate it when our people use their Stop Work Authority to protect themselves and the people around them.

- Safety walks
- Safety inspections
- Work activity observations
- Cardinal rules
- Monthly safety meeting
- Power of observation initiatives



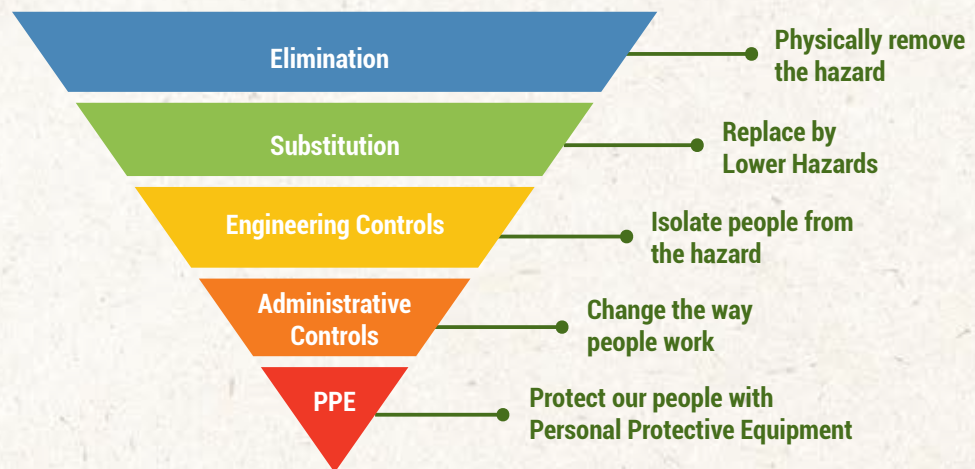
- Stop work Authority
- Safety alerts/messages
- Reporting safety issues
- Hazard Identification and Risk assessment
- Recognition program
- See it - fix it – report it initiatives

Most effective



Least effective

Hierarchy of Controls



Electrical Maintenance team honored with "Safety Excellence of the Year" 2018" award



Nguyen Kim Cuong, Galaxy M&E Company – "Golden Bell" winner

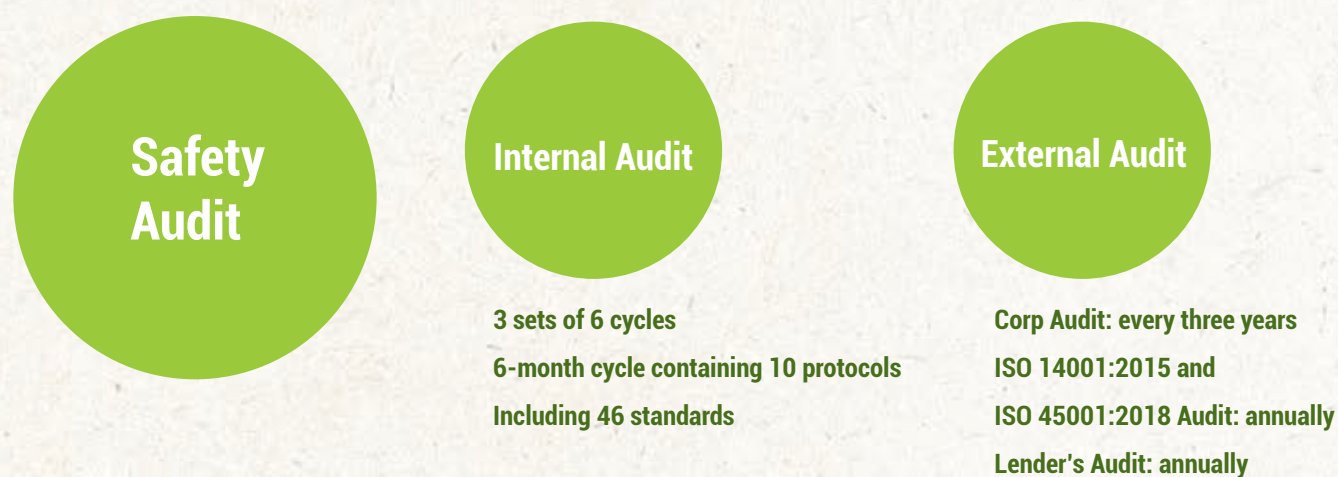


Safety Day 2019 – Contractor Golden Bell Competition: Broadening knowledge of AES's safety culture.



In addition, with 75% people working onsite coming from our contractors, their safety is also significant to us. We have been doing our best to share with them our safety beliefs and help upgrade their safety standards by providing frequent technical assistance and training. Qualifying safety standards are among the prerequisites for working with AES Mong Duong. The implementation of a strong safety culture showed very encouraging results including a significant decrease in the number of incidents caused by the contractors in recent years.

In order to maintain highest safety standards, we implement periodical internal audits at the Project in accordance with the preventive and corrective measures and initiatives recommended by the Environment, Health and Safety Committee.



100% of our employees are covered by our IMS. During 2018 and 2019 we performed well in LTIs, with zero fatalities and no work-related ill health recorded.

	2015	2016	2017	2018	2019
For employees					
The number of fatalities as a result of work-related injuries;	0	0	0	0	0
The number of high-consequence work-related injuries (excluding fatalities);	0	0	0	0	1
The number of recordable work-related injuries;	1	0	0	0	0
The number of hours worked.	552512	532684	531960	556629	550387
For contractors					
The number of fatalities as a result of work-related injuries;	0	0	0	0	0
The number of high-consequence work-related injuries (excluding fatalities);	0	0	1	0	0
The number of recordable work-related injuries;	3	0	1	1	1
The number of hours worked.	7928943	1199805	1292463	1346196	1412104

Minimizing our environmental footprint

Environmental management is a key priority for our business and operations. We have all required environmental permits and authorizations to conduct our business. We consider environmental protection a key area of performance and, as such, environmental issues are included among the responsibilities of our key executives.



In order to ensure compliance with the applicable standards, and to detect opportunities for ongoing improvement periodical audits to be carried out to increase the efficiency of the management systems that have been in the process of being implemented in all of our areas of business, and have helped with overall production management. In 2019, we obtained the following external certification:

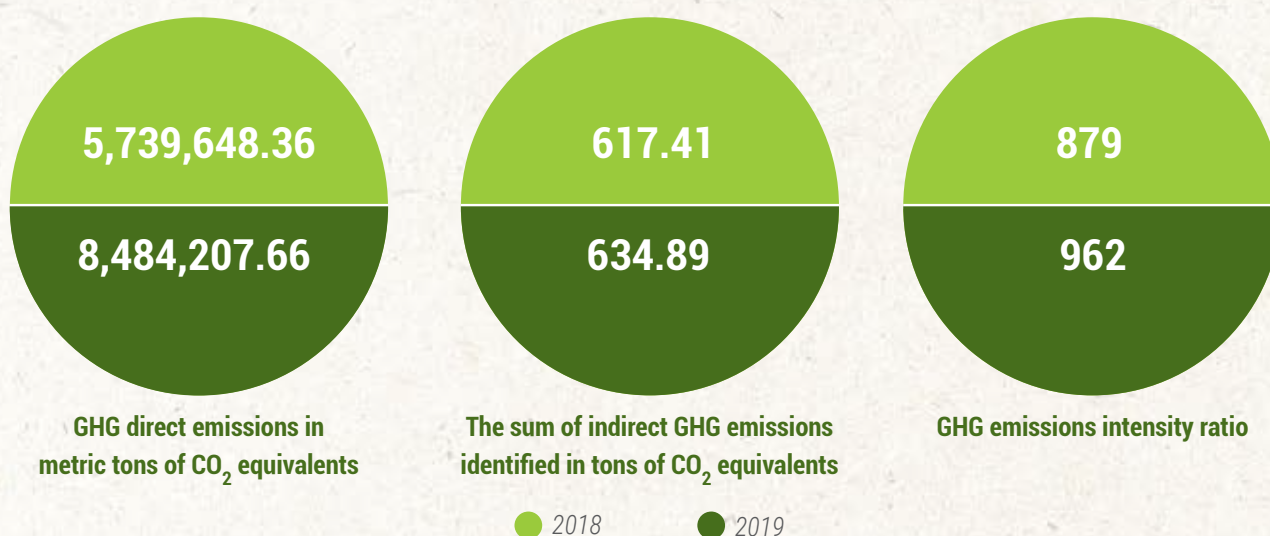
- **IMS by Bureau Veritas.**
- **ISO 14001 certification for Environment Management Systems**
- **SO 14001:2015 and ISO 45001:2018**
- **5th consecutive RoSPA Golden Award**
- **Firefighting recognition by the Provincial Fire Fighting Police**



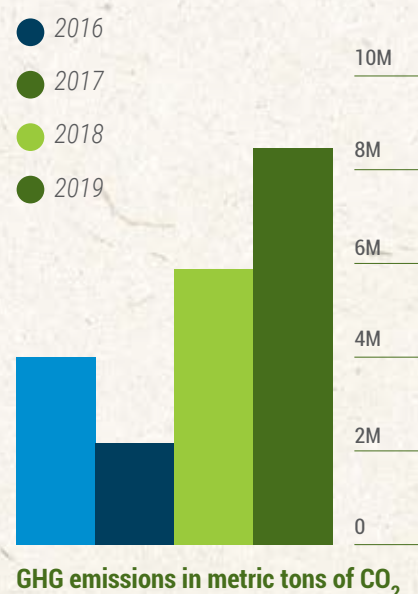
Emissions

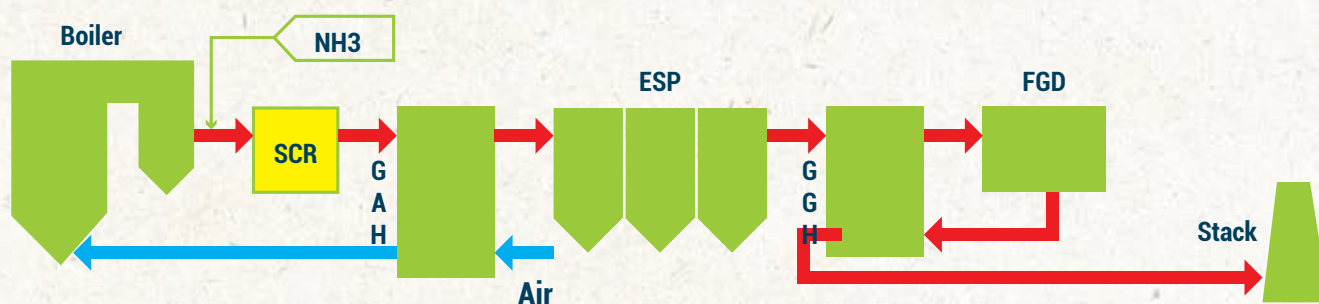
Emissions from the power plant are controlled through various Emissions Control systems, including an Electrostatic Precipitator System for dust emission control, Selective Catalytic Reduction for NO_x emission control, and Flue Gas Desulfurization for SO₂ emissions control.

AES Mong Duong continues to operate the Continuous Emissions Monitoring Systems (CEMS), which are in place for online monitoring on emission and effluent discharge. The system continuously transmits environmental monitoring data to the Operational Center of Quang Ninh Province's Department of Natural Resources and Environment based on the regulations



	Total 2018	Total 2019
The weight of significant air emissions for SO ₂ (Lbs)	8,617,981.22	8,522,499.85
The weight of significant air emissions for NO _x (Lbs)	25,601,314.90	36,155,595.49
The weight of significant air emissions for Particulate matter (PM), Lbs	1,465,080.55	2,502,322.99
The weight of significant air emissions for Mercury (Lbs)	278.30	393.32
The weight of significant air emissions for CO (Lbs)	1,939,128.24	2,312,560.61
The weight of significant air emissions for CO ₂ MT	5,739,648.36	8,484,207.66



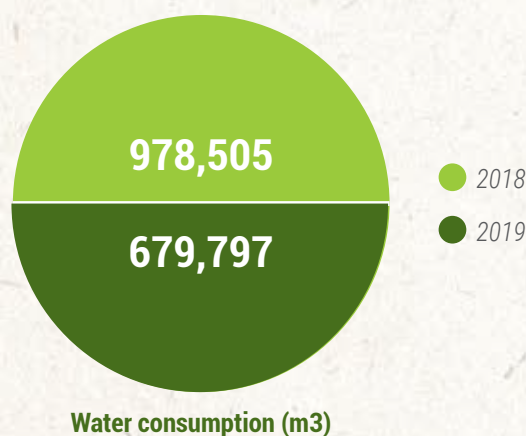


Water and effluents

AES Mong Duong has established a Wastewater Discharge Plan which verified and determined all of the potential water pollutants associated with the plant's operations and defined the controls for the measurement and monitoring plan for the water discharge into the environment. Additionally, we have decreased the BOP wastewater treatment by recycling and reusing water for other purposes.

Industrial wastewater collected to BOP Wastewater Treatment Plant has been reused for mixing with ash for transport by pipeline to Ash Ponds. Thus, industrial wastewater has been significantly reduced since June 2018

Surveillance cameras have been installed in the Wastewater Monitoring Systems at the Plant Cooling Discharge Canal and Ash Pond 2 Wastewater Treatment System Outlet Discharge Canal (each system has two cameras with internet connections) and automatic sampling devices which fully meet the requirements of Circular 24/2017/TT-BTNMT.



Waste and by-products

We have IMS procedures in place for managing hazardous waste, including hazardous chemicals from purchase and delivery, through storage and inventory, to labeling, handling, transfer and disposal in order 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 activities; and handling, labeling, storing, and segregating hazardous waste, with full consideration given to the compatibility of the different types of waste.

Fly ash and bottom ash generated from coal combustion were transported to the ash pond via wet discharge pumping and have the potential to be recycled and re-used as inputs for cement and production of construction materials. To capture the benefits from this and contribute to building a circular economy, we are taking the first steps to ensure that the by-products are handled safely. If the waste is mishandled, environmental damage could occur, and therefore the safe transportation of by-products is critical. In 2018, we entered into agreements with partners for the transfer of fly ash, bottom ash and gypsum. Receiving partners are responsible for all environmental obligations relating to such by-products.



We have developed our Emergency Response and Contingency Plan with all potential environment emergencies identified and the corresponding IMS procedures detailed for the following:

- **Ash Spill Procedure;**
- **Coal Spill Procedure;**
- **Chemical Spill Leak Procedure;**
- **Oil Spill Contingency Plan;**
- **Emergency Response for Typhoon;**
- **Emergency Response for Ammonia leak/spill**

Biodiversity

AES Mong Duong has committed to not operate, explore, mine or drill in World Heritage and IUCN protected areas. We conduct the biodiversity semi-annually monitoring and assessment including: i) Fisheries and aquaculture activity and catches; ii) Aquatic Ecosystem Monitoring; and iii) Terrestrial Ecosystems Monitoring.

AES Mong Duong has restored and offset the mangrove forest area which were acquired for the AP2 Project. We partnered with Hanoi University of Science and Technology and Quang Ninh Department of Agriculture and Rural Development to establish our monitoring plans and ensure continuous compliance.



MONITORING AREA

Mangrove area: 115 ha

Planting forest: 297.5 ha

Low savanna (bush): 02 ha



Investing
in people
to power a
brighter future

GRI 401-1, 401-2, 401-3; GRI402-1; GRI 404-1, 404-2, 404-3; GRI 405-1, 405-2; GRI 406-1
SDG 5; SDG 8

We recognize that our people are our greatest asset. They are the foundation that allows us to achieve our company's far-reaching goals, and thus AES Mong Duong is committed to concentrating on our resources to create the best working environment.

Human resources are the core value that creates the Company's success, and thus AES Mong Duong's commitment to concentrating on our resources to create the best working environment with development opportunities, non-discrimination, and optimal remuneration policies based on the quality of work and contribution to the Company.

We accelerated our key strategy to localize management positions between 2018-2019, and we have successfully localized four additional management positions, primarily in Operations & Maintenance, and are currently planning to fill the final position by the end of 2020. As of December 31, 2019 we have transitioned 88.9% of management positions as planned, with expats accounting for only 5% of employees.

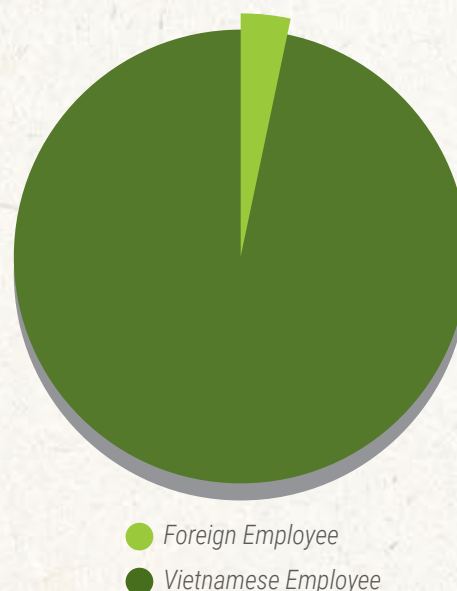
The following table provides a breakdown of our employees as of the end of each year in the four-year period ended December 31, 2019.

	2016	2017	2018	2019
Employees who returned to work after parental leave				
Female	8	5	6	7
Male	40	28	44	46
Grand Total	48	33	50	53

	2016	2017	2018	2019
Gender				
Female	53	51	51	51
Male	212	210	205	208
Grand Total	265	261	256	259

	2016	2017	2018	2019
New hires	16	7	11	13
% of new hires	6.04%	2.68%	4.30%	5.02%
Turnover	34	11	16	10
Turnover rate	12.83%	4.21%	6.25%	3.86%

Nationality	Permanent	Grand Total
India	3	3
Pakistan	1	1
Philippine	1	1
Singapore	1	1
South Korea	3	3
United States	4	4
Vietnam	246	246
Grand Total	259	259



Strategic approach to human resources development

We commit to complying with Vietnamese laws on compulsory social, health and unemployment insurance and retirement provisions to full-time employees of the organization.

For the period from 2018 to 2019, AES Mong Duong maintained the strength of its resources by rewarding employees' positive contributions to the company. Our various benefits and training programs have built a solid foundation for retaining our employees, demonstrated by 100% of employees returning after parental leave. Our employee headcount has remained steady over the years, with the lowest turnover rate being 3.86% in 2019.

Employees are informed through monthly communications meetings or email circulation of any changes in the organization. The organizational goals, objectives and activities are cascaded by the Executive Leadership Team to all employees. Employees are thus kept informed of possible changes that can be expected that will happen in the business during the year and going forward.

Each department also holds regular toolbox meetings where they are informed of management's directions and plans for the following period. In all of these, employees are given the chance to raise their concerns and submit to management their ideas on the changes being discussed

We commit to complying with Vietnamese laws on compulsory social, health and unemployment insurance and retirement provisions to full-time employees of the organization. Medical insurance is a highlight in AES's policy that medical benefits are provided across all levels for both staff and dependents.

Our staff are provided with housing in newly built facilities, as well as balanced meals per the company's policy. Our Operations & Maintenance team are entitled to an additional health check per year compared to other employees. The comprehensive health check enables any long-term injuries to be identified and treatment prescribed under health insurance provided.

Besides employee teambuilding activities on Values Day, Safety Day, Year-End Party, etc., the Family Day is held on an annual basis when the employees and their families are invited to a two-day vacation with a gala-dinner and meaningful activities. Through the Family Day, all employees and their families are better connected with the company and its culture.



The Investors in People Accreditation



AES Mong Duong has been awarded accreditation against the Investors in People (IiP) Standard at **Silver Level**, demonstrating our commitment to our people and highlighting our efforts to help them grow.

The Silver Level accreditation is testament to the company's strong leadership and management practices, which in turn engages our people and helps them fulfill their potential.

Working together for success

As a Silver-level organization, AES Mong Duong ensures continuous dialogue and listening, rather than top-down communication. Our leaders build relationships, live the company's values and involve people in decisions.

This approach gives staff the freedom to take responsibility, inspiring them to learn, and involves them in planning, as well as encouraging people to work in teams and find ways to improve, while removing obstacles that get in the way of people achieving their best.

Through this process, our people enjoy their work, collaborate across teams, take the initiative to learn, improve and feel motivated because of good leadership and because they care about the values and the purpose of the organization.

The award recognizes a culture of continuous improvement and innovation at AES Mong Duong. Investors in People is the international standard for people management, helping shape a working world where employers, employees and the community succeed by understanding the value of investing in people. Underpinning the standard is the 'Investors in People' framework, reflecting the latest workplace trends, essential skills and effective structures required to outperform in any industry.

Working with clients across the globe, Investors in People enables organizations to benchmark against the best in the business on an international scale to evolve their talent management, while developing a supportive and engaging people management strategy. From the survey results, when benchmarking with other Investors in People organizations in the size range from 250 to 4,999 people that have conducted the survey, AES - VCM Mong Duong is ranked 20th out of 816.

A meaningful recognition

The accreditation is the outcome of a 3-year accreditation process where IiP assesses the company's people management practices through base line surveys, training, briefings, focus group discussions, online surveys and on-site visits.

Paul Devoy, Head of Investors in People, said: "We'd like to congratulate AES Mong Duong Power. An 'Investors in People' accreditation is the sign of a great employer, and an organisation committed to achieving success by realising the potential of their people. AES Mong Duong Power should be extremely proud of their achievement."

Speaking about the Award, Kevin Pierce, Plant Manager said, "This recognition is another strong indicator of our team's progress towards our goal of becoming the number one power plant in Vietnam. I am extremely proud of the entire Vietnam team on adopting behaviors which encourage everyone to be the best they can be."

The accreditation will last for the next three years and, in line with IiP's recommendations, AES Mong Duong will continue to look to make improvements in people management throughout the organization.



**INVESTORS
IN PEOPLE** |

Silver



A Learning Organization

At AES Mong Duong, we have cultivated a learning culture. As a learning organization. We facilitate the learning of our members and continuously transform ourselves. We have identified three broad factors essential for organizational learning and adaptability: a supportive learning environment, concrete learning processes and practices, and leadership behavior that provides reinforcement. The company provides a set of powerful tools that help our members take charge of their career development and receive the necessary guidance and mentoring from their leaders. We strive to offer employees opportunities that match their potential and ensure that everyone is encouraged to learn and develop. Our learning philosophy follows the 70:20:10 People Development Model.



The model means 70% of learning comes from direct experience and working in the “tougher jobs”; 20% comes from coaches, mentors, direct managers, or coworkers; and 10% comes through formal training and reading. The model improves performance throughout the organization. The 70:20:10 development model approach aligns very well with a paramount corporate need to learn at business speed. Better yet, it can be applied for safety training, operations and maintenance training, business skills, and leadership development as well.

Technical Training

Technical training has been offered continuously to our technical members, who can gain qualifications applicable to their position to enable them to move to the next level. We have collaborated with accredited overseas training agencies and the Hanoi University of Science and Technology to customize technical training programs to our plant's operations and maintenance.

Learning Management System

AES has deployed the AES GPiLEARN+ Site – a learning management system with various courses to develop and maintain a highly-skilled and productive workforce to ensure safe, environmentally-friendly, efficient, and reliable energy solutions. Through the GPiLEARN+ site, training courses are assigned, completed, and tracked to build our members' knowledge base, develop their skill sets, and ultimately provide our team the tools necessary to make safe operational decisions every day.

Business Skills and Coaching culture

Our business skills training course focuses on Human Performance Improvement and developing soft skills, including communication, teamwork, EQ, leadership, coaching and mentoring. We have cultivated a coaching culture. We believe that managers and team members equipped with coaching skills are critical to building a culture of performance and continuous improvement.

A coaching culture is the fastest and most effective way to ingrain company values, build authentic relationships, increase employee engagement and productivity, and retain top talent. Coaching creates a great sense of ownership, accountability, and commitment from the members that enables greater accomplishments in work and life. Coaching and mentoring is highly fulfilling and rewarding work that can last a lifetime. By the end of 2019, 31 employees have become Certified Coaching and Mentoring Professionals (CMMP). They are all cross-function champions for enhancing coaching culture at AES Vietnam in the future.

Learning Culture

Individual development at AES Vietnam is not only about attending the many training programs, so much as learning through experience, which is where leaders really need to know their people to support their development.

In operations, the qualifications card system means that team leaders assess people's capabilities in different sections. In maintenance, team leaders see their team members' technical knowledge and training skills in the in-team learning sessions. Operators lead the daily meeting so leaders can see how well they conduct meetings and communicate. Our culture encourages people to learn from mistakes. Many problems can arise if people are afraid to make or report errors, but we believe that mistakes are part of the learning process we are all going through.

Average training hours per gender 2018				Average training hours per gender 2019		
Gender	MALE	FEMALE	Total	MALE	FEMALE	Total
Training hours	32,617 (90.1%)	3,578 (9.9%)	36,195	18,235 (91.6%)	1,668 (8.4%)	19,902

Average training hours per category 2018						
Employee category	Executive Leadership team	Department Manager	Team Leader	Staff	Total	
Training hours	124 (0.3%)	341 (0.9%)	2,498 (6.9%)	33,232 (91.8%)	36,195	

Average training hours per category 2019						
Employee category	Executive Leadership team	Department Manager	Team Leader	Staff	Total	
Training hours	61 (0.3%)	138 (0.7%)	578 (2.9%)	19,126 (96.1%)	19,902	

2018 - GPI LEARN (e-learning)			2019 - GPI LEARN (e-learning)	
MGT LEVEL	Executive Leadership team		Executive Leadership team	19
	Department Manager	1	Department Manager	113
	Team Leader	213	Team Leader	203
	Staff	7,781	Staff	4,222
	Grand Total	7,995	Grand Total	4,557
GENDER	Female	1,825	Female	630
	Male	6,170	Male	3,927
	Grand Total	7,995	Grand Total	4,557

Empowered workforce

"I joined AES Mong Duong in 2014, and before becoming a Team Leader, I worked as an Operator. For me, being promoted to FGD Team Leader is an excellent foundation in my career. The promotion process shows how transformation in the use of local staff and gender equality in the AES plant is a big motivation for our colleagues. Working as a woman in a thermal power plant is not only an ample opportunity but also a challenge for me. I need to be more flexible, stronger with some situations while in some cases, the softness of a woman is also an advantage (as we can quickly build relationships with other colleagues and handle difficult situations in many flexible ways with different mindset).

While the expert leader helps us to learn new technology skills and how to handle difficult situations, a local leadership, in turn, can reduce the cultural gap and be more hand-in-hand when working with their subordinates.

As a team leader, I need to learn more soft skills in people management and development, encourage and motivate them to develop, be a role model to the team members, and help our members for their future success.

At AES Mong Duong, we work together as a team, share positive things, and learn from mistakes. I would say we have an excellent safety culture at AES Mong Duong, which I am always proud to share with my friends, family or whoever I meet. On the other hand, the AES values make us trust in the organization, enable us to develop our personal goals, and encourage the spirit of creativity and long-term commitment

"I joined AES Mong Duong in July 2014 with a very unforgettable memory. First, I joined as a Control Engineer and worked with the Consultants and Commissioning team, where I feel great to work with a great team. When the plant was handing over, I moved to the Maintenance team, worked as an Instrument & Control Supervisor with great team members and managers. We have overcome many challenges. Working at a power plant with high automation and high technology as AES Mong Duong plant is always my dream.

I was delighted to be promoted as an I&C Maintenance Team Leader in June 2018 through the localization program. I need to continue learning and improving at the new role. I realized the strategy of the company for localization is a great opportunity and motivates everyone. At AES, there are many opportunities to learn, and it is opening discussion for everything. Plenty of technical training and soft skills training courses have been provided for local staff development. The GPI learn is a useful tool that I have found and learned through it a lot. I was fortunate that beside me there were many great leaders and managers. Step by step, we built a good and strong team that we manage in order to run the plant well.

Still, there are many things to learn and develop, but I firmly believe that when we have a good strategy, support, and good vision from management, the local team will successfully manage the plant."



Nguyen Thi Van, FGD Team Leader



Nguyen Van Quang, I&C Team Leader



Sharing values and empowering the locals through community development activities

GRI 203-1 | GRI 203-2 | GRI 413-1 | SDG 3 | SDG 4 | SDG 8 | SDG 9 | SDG 10 | SDG 17

Approach to community development activities

In 2018 and 2019, guided by AES Values, our community development initiatives have benefited more than 200,000 local people, focusing on four main pillars - health, education, livelihoods and infrastructure.

One of the core operation principles of AES Mong Duong is to maximize the economic and social benefits associated with the development of Mong Duong 2 Coal-fired Thermal Power Plant. In that context, our Community Development Plan (CDP) was developed and implemented since 2016. Guided by IFC's Performance Standards, the Plan has been developed as part of our Social Policy and Strategic Framework in order to institutionalize our commitments to stakeholders and local communities. Its key social economic goals have been to build trust with the local community and contribute to socio-economic development in the area.

In 2018 and 2019, guided by AES Values, our community development initiatives have benefited more than 200,000 local people, focusing on four main pillars - health, education, livelihoods and infrastructure. Education remains an important pillar, with 39.18 % of total investment made in improving education facilities and capacity building for the future workforce, while health and livelihood account for 3.64% and 17.71 %, respectively.

In order to gain insights and develop initiatives that respond to local needs and priorities, we have conducted permanent dialogue with local authorities and community stakeholders. We engage in partnerships with various stakeholders, including local government agencies, development agencies, NGOs, universities and technical institutions, business partners and subcontractors to maximize the benefits of the programs and make a long-term, positive impact on the communities.

Providing safe, reliable and sustainable solutions is key for the development of the communities where our businesses operate. In parallel, we also support infrastructure projects. In 2018 and 2019, 4 infrastructure projects totalling US\$52,378 were implemented. These projects have not only brought opportunities by providing employment but also created a demand for services and materials that creates dynamism in the local economy.

2019 also marks the completion of our Livelihood Restoration Plan which was launched in 2014 with the aim to improve the quality of life for 68 households living near the project area. Through close collaboration with local job placement centers and AES contractors, we have provided 97 people with jobs at the power plant and the plant's contractors. As part of the Plan, the company has also invested resources in continuous education and vocational training for 148 people, providing these local residents with skills to find a better job and salary in the future.

Sharing AES values and accelerating sustainable impacts

Overall, our community development activities focused on four main pillars - health, education, livelihood and infrastructure - have helped improve the quality of life of local people and made a lasting difference:

We offered a package including a disaster response plan review, fire safety training and a fire drill at Cau Ngam Market in Mong Duong ward on AES Values Day 2018.

We provided 320 scholarships for pupils from low income families in Mong Duong ward, Cong Hoa, Cam Hai, Duong Huy and Cua Ong Communes. Our AES Energy Career scholarship provided financial support and development skills for outstanding students from top energy Universities.

We promoted access to technology by donating computers and printers to 16 local clinics in Cam Pha City and 13 local cultural houses in Mong Duong ward. Digital medical data of patients in 16 clinics were synchronized and digitized. The initiative also helped build up digital capacity for leaders of the communes.

We helped improve electrical safety for fifty (50) low-income households and all public facilities in Cam Hai Commune including schools, communal houses, and public clinics. All unqualified sockets, electric lines, light bulbs or appliances with high risk of electric shock were replaced or reinforced to ensure the safety for 1900 people in the commune.



Community Development activities in numbers/facts

AES Mong Duong Socio-Economic Goal

Building trust with the local community and contribute to the socio-economic development. Improving quality of life (health, education, jobs and environment) by building sustainable local capacity with a strategic focus on the project area.

Principles for Community Development Program

- Engage in effective community consultation;
- Build trust;
- Manage expectations by clearly defining roles and responsibilities;
- Develop appropriate capacity;
- Mobilize core competencies;
- Set measurable goals and report on progress;
- Forge strategic partnerships; and
- Plan for sustainability.

Socio-economic Objectives

**Improvement of
Community Health Care**

**Education Capacity
Building Initiatives**

**Infrastructure and
Livelihoods improvement**

Partnerships and projects (2018 – 2019)

**Local health care
centers/relevant
authorities**

**Ministry of Education,
local education
departments/
Schools/Education
NGOS**

**Vocational training
centers/relevant
authorities**

**Other public and private
partners**

Result

Improvement of community health and sanitary conditions. Better equipment and enhanced quality of medical services

Result

Educational infrastructure was improved, benefitting local students. Scholarships provided to disadvantaged students in Quang Ninh and outstanding students from top energy Universities in Hanoi

Result

Job replacement and improvement of income for local people

Result

Local roads and electrical systems improved

Total of programs	2018	2019
Budget for local infrastructure and services (US\$)	100,633	92,614
Number of projects	23	14
Number of direct beneficiaries	>1,500	7,000
Number of indirect beneficiaries	>200,000	>200,000
Number of direct beneficiaries that belong to vulnerable groups	243	312
Budget overall (US\$)	215,089	



AES Mong Duong handed over 14 sets of computers with a total value of VND180 million to the leaders of Mong Duong ward, Cam Pha city



In 2018 and 2019, AES Mong Duong presented 320 scholarships to children from low-income families over five wards and communes of Cam Pha city, including Mong Duong, Cam Hai, Cong Hoa, Cua Ong and Duong Huy



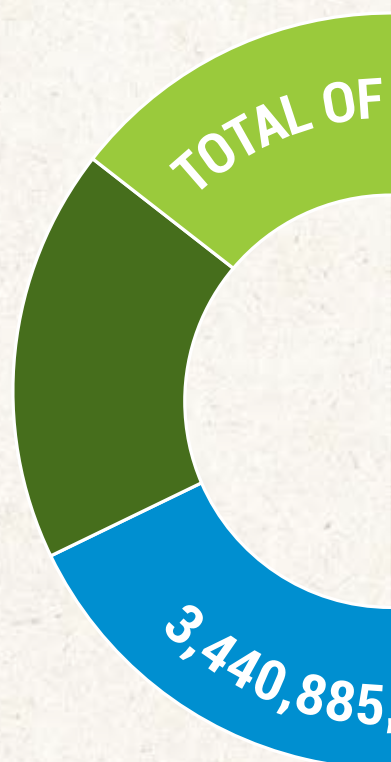
AES Energy Career Scholarship for students in Hanoi and Quang Ninh



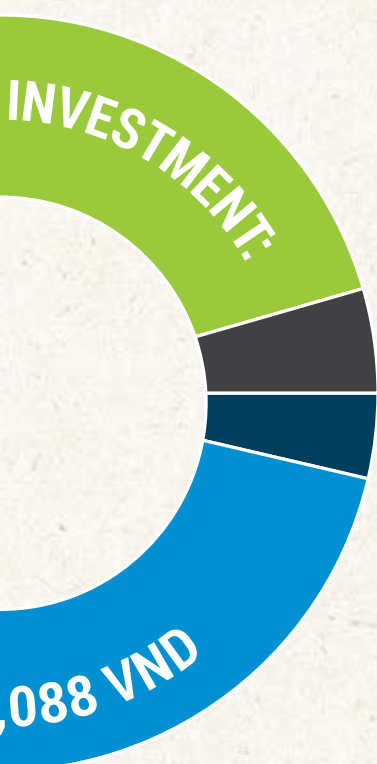
Training on electrical safety for 174 households in Zone 10, Dong Mo Village



Training on World Environment Day for local people



	2018	2019
Number of projects		23
Beneficiaries		232,000
Number of social impact assessments conducted	4	3
Number of environmental impact assessments and ongoing monitoring processes conducted	3	3
Number of consultations undertaken with communities and affected households	5	4
Average number of participants in consultations	173	87
Number of grievances raised	12	6
Number of grievances resolved	9	3



Mr. Kevin Pierce, the Power Plant Manager:

"We are committed to improving the educational environment, since this is one of the most important factors in improving living standards and ensuring the sustainable development of the community. We are very pleased to partner again with the Quang Ninh Fund for Children to implement this important mission for the second year."

Ms. Pham Thi Thuy Ha, Stakeholder Officer:

"A key success factor is the support from local governments and communities. Through our regular consultations, we were able to prioritize needs and design our approach to suit both sides. Another key factor is the support from AES leadership. The development of the Social Policy and AES Mong Duong's SEMS has been a strong foundation for us to implement our CSR activities successfully."

Supporting New Rural Development program in Cam Hai Commune



Orange and pomelo tree seedlings and fertilizer given to farmers

Cam Hai is a mountainous commune far from the center of Cam Pha city in Quang Ninh Province. Its mountainous terrain is home to many ethnic minorities living together – communities which have faced numerous hardships in the past. Many villages were only accessible by dirt roads, meaning travel was both difficult and dangerous.

A number of households in the area depended on growing acacia trees to earn a living. After five years of cultivation, one hectare of acacia trees brought just VND25 million in profit (approximately US\$1,000). Thus, farmers have been wanting to convert their land to other crops to achieve higher incomes.

During the 2018-2019 period, AES Mong Duong implemented an overall support initiative which aimed to improve local living standards via better transportation, improved hygiene and healthcare services, and the development of livelihoods. The company's support program included the donation of materials for the construction of 255 meters of concrete roads in village 3 and village 2; construction of drainage system in Cam Hai Primary & Secondary school, as well as donating equipment to the commune health station. The support focused particularly on agriculture, with the donation of 300 orange and pomelo tree seedlings and fertilizer to farmers in the commune for trial planting.

The initiative was in line with the National Rural Development Program in the commune and bore initial results. In 2020, with support from AES combined with contributions from local people, infrastructure in the commune has been improved with 100% concrete roads, considered "a miracle" by many local people.

By 2019, there were no poor households in the commune, while only eight near-poor households remain. The average income level increased significantly to VND47 million per year in 2019. After only a year, in 2019, the garden of Mr. Thang, one of the farmers in the support program, yielded three quintals of oranges and he expects to harvest up to one ton of oranges in 2020.



*Construction of drainage system in Cam Hai
Primary & Secondary school*



Construction of drainage system in village 2



*Mr. Aamer Shamim – Director, Global Environment, Health Safety & Security, The AES Corporation
and Ms. Dang Thi Ha – Chairwoman of Farmer Union – Cam Hai Commune at the fruit tree trial planting model*

The initiative benefits 1800 local residents and contributes to the realization of United Nations Sustainable Development Goal No. 1 No Poverty, Goal No. 8 Decent work and Economic growth and Goal No. 9 Industry, Innovation and Infrastructure.

Mr. Ha Manh Cuong, Vice Chairman, Cam Hai People's Committee:

"AES Mong Duong Power Company has made a very important contribution to Cam Hai commune and the day-to-day improvement in infrastructure such as electricity, roads, schools, medical centers and cleaner living environment. Living standards of local people increased significantly".

Raising awareness of fire safety in Mong Duong Ward

As part of AES' continuing commitment to Safety - our first Value, our Values Day 2018 incorporated a special program on fire safety in Cam Pha City with the aim to enhance the firefighting capabilities of the local community and increase awareness of fire safety among residents, businesses and the authorities

In collaboration with Mong Duong Ward People's Committee and Quang Ninh Fire and Rescue Police, we offered a package including a natural disaster response plan review, a series of fire safety training sessions and a fire drill at Cau Ngam Market in Mong Duong ward.

The fire drill included the participation of up to 200 visitors. As soon as the fire was detected, measures were put in place to alert the visitors and evacuate them to safety. Six fire trucks were dispatched to the scene of the fire and firefighting teams began battling the blaze. The teams also helped move property out of the area to prevent the flames spreading to other buildings.

The drill and fire safety training sessions helped local people to effectively respond to emergency incidents, including the checking and maintenance of firefighting equipment, as well as providing vital fire safety knowledge that will help save lives and reduce property damage in the event of a fire. By providing a real-life example of a fire, the drill underlined the importance of preparedness when it comes to fire safety.

"Each year, fires affect thousands of households and businesses around the country, resulting in tremendous damage to families, workers and property. By improving the disaster response awareness and skills of local people, we hope to reduce the risk posed by fires. The skills gained during the drill will be useful in ensuring fire safety at home and around the community," said Nguyen Xuan Lap, EHS Engineer, AES Mong Duong.

The initiative once again affirms AES' determination to make a lasting difference in the communities in which our businesses operate. By establishing a fire prevention and firefighting preparedness initiative, we hope to improve safety conditions and living standards while ensuring safe and sustainable development of our local communities.



Fire safety training and a fire drill at Cau Ngam Market in Mong Duong ward

AES scholarships continue to help talented students advance their academic studies

Over the past 20 years, Vietnam has reached a remarkable GDP growth rate of between 6-7% per year. This is the main driver for rapidly increasing annual electricity production, which rose more than tenfold during this period. An energy transition is also taking place in Vietnam, with a focus on shifting from fossil fuels to cleaner energy resources including LNG and renewables. Therefore, going forward, the country needs a highly-skilled, technical workforce, which can help accelerate the transition to more advanced and innovative energy options and technologies.

As part of our commitment to help fuel a stronger Vietnamese energy sector, in 2016, AES launched the AES Future Energy Scholarship Program as an investment in education and training for a high-tech workforce in the sector. In 2018 and 2019, scholarships are awarded to 40 students from three universities, including Hanoi University of Science and Technology, Electric Power University and Vietnam National University - University of Science. The program is also designed to help students develop essential professional skills. Each selected student will not only receive US\$600 in financial support but also benefit from soft skills training, career information exchanges, volunteer activities and site visits to Mong Duong 2 BOT Power Plant, which is operated by AES Mong Duong in Quang Ninh Province.

The initiative contributes to the realization of United Nations Sustainable Development Goal No. 4 Quality education, and Goal No. 8 Decent work and economic growth.



AES Future Energy Scholarship Program



"Học bổng đã tạo một nền tảng vững chắc cho tương lai của em" Bùi Đức Tiến, Trường Đại học Bách Khoa Hà Nội
"The scholarship created a solid foundation for my future career," Bui Duc Tien, Hanoi University of Science and Technology



"Học bổng là nguồn động lực thúc đẩy em tiến lên" Bùi Thanh Tùng, Trường Đại học Điện Lực
"The scholarship motivated me to go further," Bui Thanh Tung, Electric Power University

GRI 102: General Disclosures

	GRI INDICATOR	DESCRIPTION	REFERENCES & REMARKS
GRI 102: ORGANIZATIONAL PROFILE	102-1	Name of the organization	Business model
	102-2	Activities, brands, products, and services	Business model
	102-3	Location of headquarters	Business model
	102-4	Location of operations	Business model
	102-5	Ownership and legal form	Business model
	102-6	Markets served	Business model
	102-7	Scale of the organization	Business model
	102-8	Information on employees and other workers	Business model
	102-9	Supply chain	Business model
	102-10	Significant changes to the organization and its supply chain	Business model
	102-11	Precautionary Principle or approach	Business model
	102-12	External initiatives	Business model
	102-13	Membership of associations	Business model
GRI 102: STRATEGY	102-14	Statement from senior decision-maker	Business model
GRI 102: ETHICS AND INTEGRITY	102-16	Values, principles, standards, and norms of behavior	Business model
	102-17	Mechanisms for advice and concerns about ethics	Business model
GRI 102: GOVERNANCE	102-18	Governance structure	Business model
GRI 102: STAKEHOLDER ENGAGEMENT	102-40	List of stakeholder groups	Business model
	102-42	Identifying and selecting stakeholders	Business model
	102-43	Approach to stakeholder engagement	Business model
	102-44	Key topics and concerns raised	Business model
GRI 102: REPORTING PRACTICE	102-45	Entities included in the consolidated financial statements	Business model
GRI 102: REPORTING PRACTICE	102-46	Defining report content and topic Boundaries	Business model
	102-47	List of material topics	Business model
	102-48	Restatements of information	Business model
	102-49	Changes in reporting	Business model
	102-50	Reporting period	Business model
	102-51	Date of most recent report	Business model
	102-52	Reporting cycle	Business model
	102-53	Contact point for questions regarding the report	Business model
	102-54	Claims of reporting in accordance with the GRI Standards	Business model
	102-55	GRI content index	Business model
	102-56	External assurance	Business model
Material Topics			
GRI 201: ECONOMIC PERFORMANCE	201-1	Direct economic value generated and distributed	Financial excellence and management perspective
GRI 203: INDIRECT ECONOMIC IMPACTS	203-1	Development and impact of infrastructure investments and services supported	Sharing AES values and accelerate the sustainable impacts
	203-2	Significant indirect economic impacts, including the extent of impacts	Sharing AES values and accelerate the sustainable impacts
GRI 204: PROCUREMENT PRACTICES	204-1	Proportion of spending on local suppliers	Sustainable supply chain
GRI 301: MATERIALS	301-1	Materials used by weight or volume	World-class operations
GRI 302: ENERGY	302-1	Energy consumption within the organization	World-class operations
GRI 303: WATER	303-1	Total water withdrawal by source	Water and effluents
	303-2	Water sources significantly affected by withdrawal of water	Water and effluents
GRI 304: BIODIVERSITY	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity
	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity
GRI 305: EMISSIONS	305-1	Direct greenhouse gas (GHG) emissions (Scope 1)	Emissions
	305-3	Other indirect greenhouse gas (GHG) emissions (Scope 3)	Emissions
	305-4	Greenhouse gas (GHG) emissions intensity	Emissions
	305-5	Reduction of greenhouse gas (GHG) emissions	Emissions
	305-6	Emissions of ozone-depleting substances (ODS)	Emissions
	305-7	NOX, SOX, and other significant air emissions	Emissions
GRI 306: EFFLUENTS AND WASTE	306-1	Total water discharge by quality and destination	Water and effluents

GRI INDICATOR		DESCRIPTION	REFERENCES & REMARKS
	306-2	Total weight of waste by type and disposal method	Waste and by-products
	306-3	Total number and volume of significant spills	Waste and by-products
	306-4	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	Waste and by-products
	306-4	Percentage of new suppliers that were screened using environmental criteria	Sustainable supply chain
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT	308-1	Percentage of new suppliers that were screened using environmental criteria	Sustainable supply chain
	308-2	Significant actual and potential negative environmental impacts in the supply chain and actions taken	Sustainable supply chain
GRI 401: EMPLOYMENT	401-1	Total number and rates of new employee hires and employee turnover by age group, gender and region	Investing in people to power a brighter future
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	Investing in people to power a brighter future
	401-3	Return to work and retention rates after parental leave, by gender	Investing in people to power a brighter future
GRI 402: LABOR/MANAGEMENT RELATIONS	402-1	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	Investing in people to power a brighter future
GRI 403: OCCUPATIONAL HEALTH AND SAFETY	403-10	Work-related ill health	Integrated management system
	403-8	Workers covered by an occupational health and safety management system	Integrated management system
	403-9	Work-related injuries	Integrated management system
GRI 404: TRAINING AND EDUCATION	404-1	Average hours of training per year per employee by gender, and by employee category	Investing in people to power a brighter future
	404-2	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Investing in people to power a brighter future
	404-3	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Investing in people to power a brighter future
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY	405-1	Diversity of governance bodies and employees	Investing in people to power a brighter future
	405-2	Ratio of basic salary and remuneration of women to men	Investing in people to power a brighter future
GRI 406: NON DISCRIMINATION	406-1	Incidents of discrimination and corrective actions taken	Investing in people to power a brighter future
GRI 413: LOCAL COMMUNITIES	413-1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	Sharing AES values and accelerate the sustainable impacts
GRI 414: SUPPLIER SOCIAL ASSESSMENT	414-1	New suppliers that were screened using social criteria	Sustainable supply chain
AVAILABILITY AND RELIABILITY	Formerly GRI G4-EU metrics	Planned capacity against projected electricity demand over the long term, broken down by energy source and regulatory regime.	World class operations
SYSTEM EFFICIENCY	Formerly GRI G4-EU metrics	Average generation efficiency of thermal plants by energy source and by regulatory regime	World class operations
DISASTER/ EMERGENCY PLANNING RESPONSE	Formerly GRI G4-EU metrics	Power Outage Frequency	World class operations
	Formerly GRI G4-EU metrics	Average Power Outage Duration	World class operations
	Formerly GRI G4-EU metrics	Average Power Outage Duration	World class operations
AVAILABILITY AND RELIABILITY	Formerly GRI G4-EU metrics	Planned capacity against projected electricity demand over the long term, broken down by energy source and regulatory regime.	World class operations
SYSTEM EFFICIENCY	Formerly GRI G4-EU metrics	Average generation efficiency of thermal plants by energy source and by regulatory regime	World class operations
DISASTER/ EMERGENCY PLANNING RESPONSE	Formerly GRI G4-EU metrics		World class operations



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