

Improving Lives

2024
Sustainability Report



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CEO Letter



Andrés Gluski
President and Chief
Executive Officer

Dear Stakeholders,

As we reflect on 2024, I am proud to share the meaningful progress AES has made accelerating the future of energy. Our success was more than just our efforts to meet growing energy demand; it was about building the reliable energy systems our communities, industries, and economies rely on consistently. Across our markets, we delivered enough electricity to meet the annual energy needs of approximately 17 million people.

AES was once again named as the world’s #1 provider of clean energy to corporations in Bloomberg New Energy Finance’s (BNEF) Corporate Energy Market Outlook. This ranking reflects not only the strength of our portfolio, but the trust of our partners. Our best-in-class record of delivering renewable projects on time and on budget is something that our customers value highly and is one of our competitive advantages.

We also solidified our position as one of the top providers of energy to data centers. The US Department of Energy expects data center electricity demand to support Artificial Intelligence (AI) to grow at 28 percent per year through the end of the decade. We see continued

strong demand for renewables to power data centers given their advantage in time to serve and cost. AES is uniquely positioned to meet this surge and during 2024 signed 9.5 gigawatts (GW) of agreements directly with technology customers, including long-term power purchase agreements (PPAs) for clean energy and load growth at our US utilities.

In 2024, we invested more than \$1.6 billion across our utilities in the US to modernize infrastructure, improve reliability, and begin our coal-to-natural gas plant conversion at AES Indiana. These investments support the continued delivery of reliable and affordable power to our customers today, while building the infrastructure that will support economic and digital transformation tomorrow.

During the year, we completed construction of 3 GW of renewable energy projects. We also brought our second combined cycle gas plant in Panama online, significantly enhancing the resilience of the country’s power grid during drought conditions.

Our diversified portfolio of generation assets, with 32 GW in operation, together with our backlog of 12 GW of renewables (those with signed contracts but not yet in operation), will power our

communities for years to come. We are a leading all-of-the-above energy company with a portfolio of natural gas, coal, battery storage, and renewable assets, including solar, hydro and onshore wind. This breadth allows us to meet our customers’ goals and the needs of our markets in the most efficient and low-carbon way possible.

Every project we deliver, every partnership we form, and every community we support is grounded in our purpose to accelerate the future of energy. From powering the AI revolution in the US and Chile, to electrifying rural communities in El Salvador, we are focused on creating real, lasting value for all our stakeholders. I invite you to explore the stories, progress, and impact shared in this report to see how we advanced our goal of improving lives in 2024. Thank you for your continued partnership and support.

Sincerely,

Andrés Gluski
President and Chief
Executive Officer



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This report highlights our progress and achievements in 2024, while outlining our strategic approach to meeting growing energy demand in 2025 and beyond.

This past year, we continued to deliver on our purpose of [accelerating the future of energy, together](#), by providing innovative, sustainable solutions to meet evolving energy needs. Guided by our **People-Planet-Accountability** impact framework, we focused on improving lives, delivering reliable energy, and operating with integrity across the markets we serve.

To meet the evolving needs and goals of our customers and communities, we advanced our [all-of-the-above energy approach](#), integrating renewable and thermal generation, energy storage, liquefied natural gas (LNG) infrastructure, and emerging technologies. This diversified approach continues to ensure grid reliability and energy security, critical to economic growth and resilience across the markets where we operate.

AES is uniquely positioned to meet the rising electricity demand driven by the electrification of industry and our customers’ rapid energy demand growth in sectors such as AI and mining. We are expanding our partnerships with leading global technology companies, with [~70 percent of PPA signings in 2024 with corporate customers](#). Our leadership in renewable energy was once again recognized by BNEF, naming AES the [#1 provider of clean energy to corporations globally](#).

We [added 3 GW of renewable energy to our portfolio](#), commissioned a [670 MW combined cycle natural gas plant](#), and exited or announced the sale of 1 GW of coal generation. These milestones helped us accelerate our transformation, with solar and wind generation growing by over 25 percent, while coal-fired generation fell to less than 30 percent of total production. Equally important, in 2024 we exceeded safety performance benchmarks and had [zero fatalities among our](#) more than 27,000 employees and contractors, underscoring our strong culture of safety and accountability.

Our impact goes beyond capacity added or energy generated. In 2024, we generated enough electricity to meet the annual consumption needs of **17 million people**, while reducing our Scope 1 emissions by 17 percent and [lowering our carbon intensity](#) compared to 2023. Through more than [500 community initiatives](#), we reached around [1.9 million people](#), supporting access to energy, workforce development, and disaster resilience, among others.

Our achievements are driven by our ongoing commitment to innovation, a defining characteristic of AES that continues to set us apart in the industry. We pride ourselves in helping our customers address complex energy challenges by integrating advanced technologies into tailored innovative solutions. More than 15 years ago, AES pioneered the first grid-scale lithium-ion battery storage systems, laying the foundation for what is now a critical pillar in meeting global energy demand. Batteries were included in 65 percent of our new renewable projects last year, underscoring how essential energy storage is to renewable integration.



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This spirit of innovation continues to earn industry recognition. AES is the only seven-time winner of the Edison Electric Institute’s Edison Awards in the twenty-first century, a distinction honoring global leadership in advancing the electric power industry. We were proud to be named as a [2024 Edison Award finalist](#) for the Meanguera del Golfo project in El Salvador, a solar-plus-battery storage system for remote island communities. We continued to push the boundaries of innovation with the [launch of Maximo](#), our AI-enabled solar installation robot that enhances safety, speed, and precision while reducing physical strain on our construction teams.

Behind every success is our team of 9,100 individuals, who bring AES’ purpose to life. In 2024, we invested in [reskilling and development programs](#), empowering our workforce to thrive in a rapidly evolving energy landscape. We continued to foster a strong workplace culture, earning prominent positions in [Great Place to Work™](#) rankings across the markets where we operate. Further reflecting our focus on ethical leadership and accountability, AES was named one of the [World’s Most Ethical Companies](#) for the 11th consecutive year, highlighting our dedication to integrity, transparency, and responsible business practices.

From the Atacama Desert in South America to our utilities’ service areas in the Midwest of the US, our people work alongside partners and communities to deliver reliable, sustainable energy solutions that are transforming lives and powering economies.

With [every connection](#) we make and [every innovation](#) we deploy, we continue to drive progress toward a [smarter and more resilient future](#) for generations to come.



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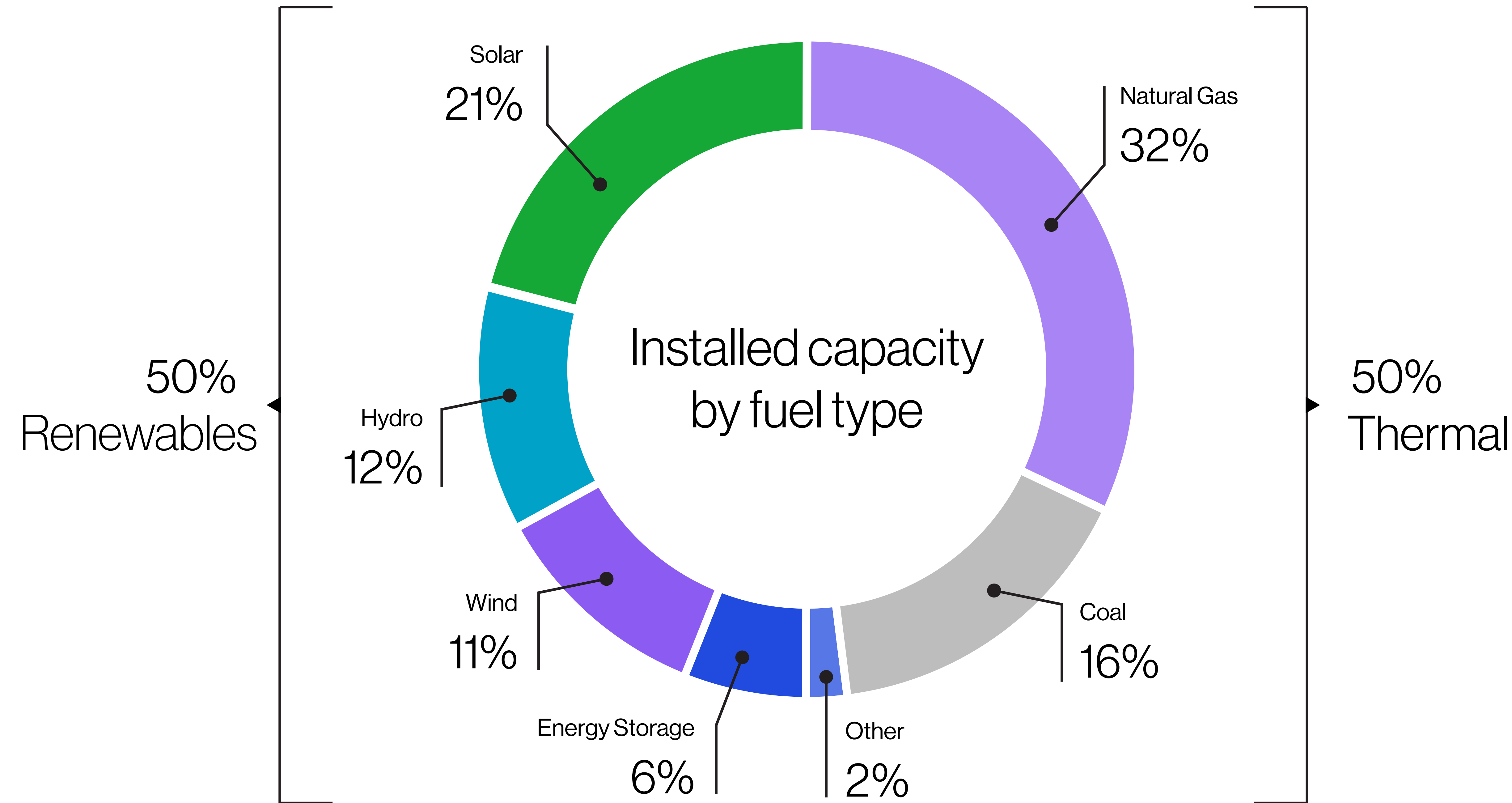
In 1981, Roger Sant and Dennis Bakke turned their vision of delivering world-class energy solutions into reality with the founding of AES. From our first power plant in Texas to our current global generation capacity of 32 GW, we align our initiatives with our purpose of accelerating the future of energy, together and our ultimate goal of improving lives, by providing the energy solutions the world needs.

Headquartered in Arlington, Virginia, AES is the largest US-based global power company with a diverse team of approximately [9,100 employees](#) across 12 countries, as of the end of 2024. We have consistently delivered innovative solutions and new technologies to create value for our customers, and support the markets and communities where we live and work. In 2024, by leveraging our scale and expertise, we generated enough electricity to power the needs of 17 million people across our markets.

Innovation is embedded in our culture. We pioneered the first documented carbon offset program in the US in 1989 and later introduced utility-scale energy storage in 2009. This passion for innovation has earned us [seven Edison Electric Institute Edison Awards](#).

AES offers a broad portfolio of energy solutions, spanning renewable and thermal generation, energy storage, LNG infrastructure, and cutting-edge technologies. We embrace an [all-of-the-above approach to meet the unique needs of each market we serve](#), ensuring grid reliability and security, which are essential to economic stability and resilience across the markets where we operate.

Our broad and flexible portfolio positions AES as the [leading provider of clean energy to corporations](#) worldwide, and the largest importer of U.S. LNG in Central America and the Caribbean.

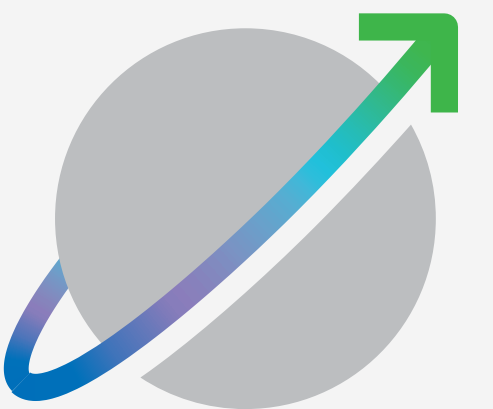


Our Values



Safety first

Safety is at the core of everything we do. We always identify potential risks to our people, contractors, customers, partners and communities, and measure success by how safely we conduct our work together while contributing to our business objectives.



Highest standards

We act with utmost integrity towards our people, contractors, customers, partners and communities, and hold the solutions we deliver together to global standards of excellence.



All together

We work as one team across our business and with our people, contractors, customers, partners and communities.

AES at the end of 2024

32.1 GW	4.9 MW	2.7 million
in operation (gross)	under construction	utility customers
\$12.3 billion	\$47.4 billion	
total 2024 revenues	total assets owned and managed	

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We are organized into four technology-oriented Strategic Business Units (SBUs)



Energy Infrastructure

Natural gas, coal, pet coke, diesel, and oil generation facilities, as well as LNG infrastructure¹.



Renewables

Solar, wind, energy storage, and hydro generation facilities¹.



Utilities

Regulated utilities businesses in AES Indiana, AES Ohio, AES El Salvador and their generation facilities.



New Energy Technologies

Investments in new and innovative technologies to support leading-edge energy solutions.



Energy Infrastructure

Renewables

Utilities

New Energy Technologies

The AES Corporation (NYSE:AES) is a publicly traded energy company incorporated under the laws of Delaware and is governed by a Board of Directors. For additional details, please refer to our [2024 Annual Report](#).

¹ Energy Infrastructure SBU included renewable assets in Chile up until the end of 2024. Starting in 2025 renewable assets in Chile are included in the Renewable SBU.



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At AES, our strategy is driven by our purpose of accelerating the future of energy, together. It is anchored in our values that align innovation with responsibility, and ambition with accountability. Through our People-Planet-Accountability impact framework, we deliver solutions that not only power homes and fuel economic growth but also benefit the environment and society across all our business units.

We lead in energy innovation, delivering smarter, more resilient solutions for a rapidly changing world. Through close collaboration with our partners and customers, we address evolving energy needs across industries and geographies. As electricity consumption growth accelerates, driven by AI, electrification, and reindustrialization, AES is uniquely positioned to meet the new demand with our outcome-focused approach and diversified portfolio.

Customers choose AES for our proven track record in delivering scalable, results-driven energy solutions. We offer customized, technology-agnostic solutions tailored to meet their unique needs and goals.

By providing reliable power, enhancing grid stability, supporting energy security, and enabling economic growth [we create value for our people, partners, customers, shareholders, and the communities that we serve.](#)



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Our Impact Framework

Our **People-Planet-Accountability** framework supports our strategy, ensuring that our decisions and actions align with our business objectives and commitments, and create shared value across our stakeholder groups. The energy transition requires smart, scalable, solutions to meet demand while improving lives, protecting the planet and promoting economic development with the highest standards.

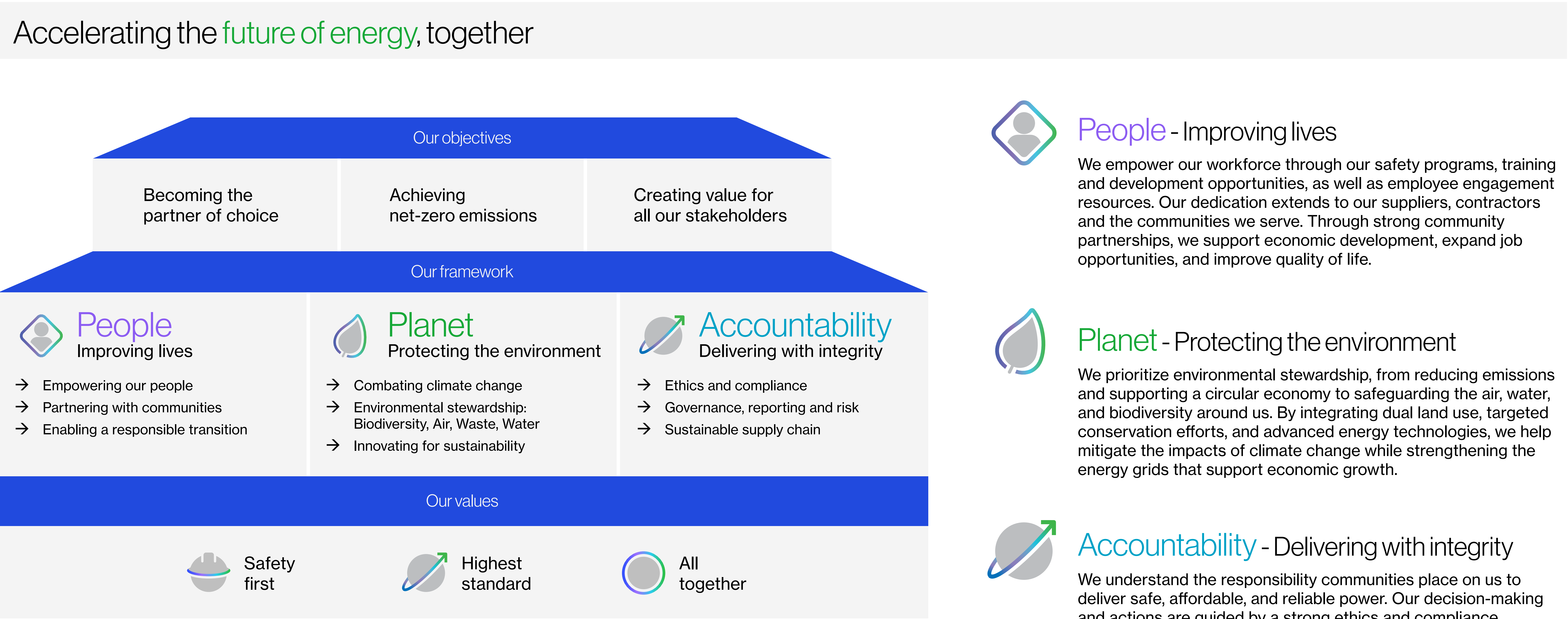


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Flexibility enabling growth

Efficient thermal generation in our Energy Infrastructure SBU, plays a critical role in supporting energy security by providing flexible, around-the-clock power. These technologies and infrastructure also complement intermittent renewable energy sources by ensuring reliability during periods of variability in supply and demand.

AES has played a [pioneering role in creating and expanding the liquefied natural gas \(LNG\) market](#) in the Dominican Republic and Panama, transforming local economies and bringing benefits beyond electricity generation. As the Central America and the Caribbean leading importer of U.S. LNG, AES channels over \$1 billion annually of natural gas into the Dominican Republic and Panama through our world-class terminals.

When LNG was first introduced in the Dominican Republic in 2003, it became one of only 15 countries globally, and the only one in an emerging market, with an LNG terminal. Since then, the fuel has transformed the country’s energy landscape, accounting for approximately 40 percent of total generation, serving as a cost-effective solution that has displaced diesel and oil-fired generation. This shift has enabled more affordable and stable electricity prices, offering long-term cost predictability that supports national planning and investment.

Combined, our LNG facilities in Panama and the Dominican Republic have delivered \$500 million in annual fuel-cost savings across both markets, helping achieve sustained economic growth.



Powering energy resilience in Panamá

In 2024, together with our partners we completed the construction of Gatún, a 670 MW combined cycle gas plant in Panama. During the construction phase the project created more than 3,000 jobs – directly and indirectly – promoting economic development in the area. We also maintained a strong commitment to safety throughout the project, completing more than 9.5 million work hours without a single lost time injury, reflecting the shared safety culture across our people and contractors.

Gatún leverages our existing LNG terminal in the country at AES Colón. Together, our natural gas assets in Panamá, reduce electricity price volatility and increase grid reliability and stability by reducing dependance on rainfall for hydro generation.



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Fastest time to power

Renewable energy generated from solar, wind, and hydro is key to meeting today’s surging electricity demand, offering a fast, cost-effective path to support economic development, including the rapid demand growth from AI, electrification and reindustrialization.

Renewable projects can come online much faster than traditional thermal projects, allowing us to meet the significant growth in customer demand in a timely manner. In addition, our carbon-free energy solutions provide price certainty (no variable fuel cost), affordability and are tailored to meet customers’ needs while helping businesses and communities achieve their goals.

We have had great success partnering with data centers and large corporations transitioning to carbon-free sources of electricity, and are the leading provider of clean energy to corporations in the world². Our well-established relationships with leading technology customers with over 9.5 GW of signed agreements since 2018, and our track record of project delivery, successfully positions AES for the expected growth in electricity demand.

In 2024, we completed the construction or acquisition of 3 GW of renewables and signed long-term contracts for 4.4 GW of renewables, bringing our backlog of projects to 11.9 GW as of year end.



Mississippi's first utility-scale wind project

Powering Amazon’s regional operations, [AES’ Delta](#) - 185 MW onshore wind plant- is located in Tunica County, Mississippi, and is the state’s first utility-scale wind farm. The project created nearly 300 jobs during construction, increasing local tax revenue. Located on 14,000 acres, the project is designed to allow continued agricultural use, harmonizing renewable energy production with traditional farming activities.

[Learn more →](#)



² According to BNEF, AES was the largest seller of clean energy to corporations through PPAs in 2021, 2022 and 2024.



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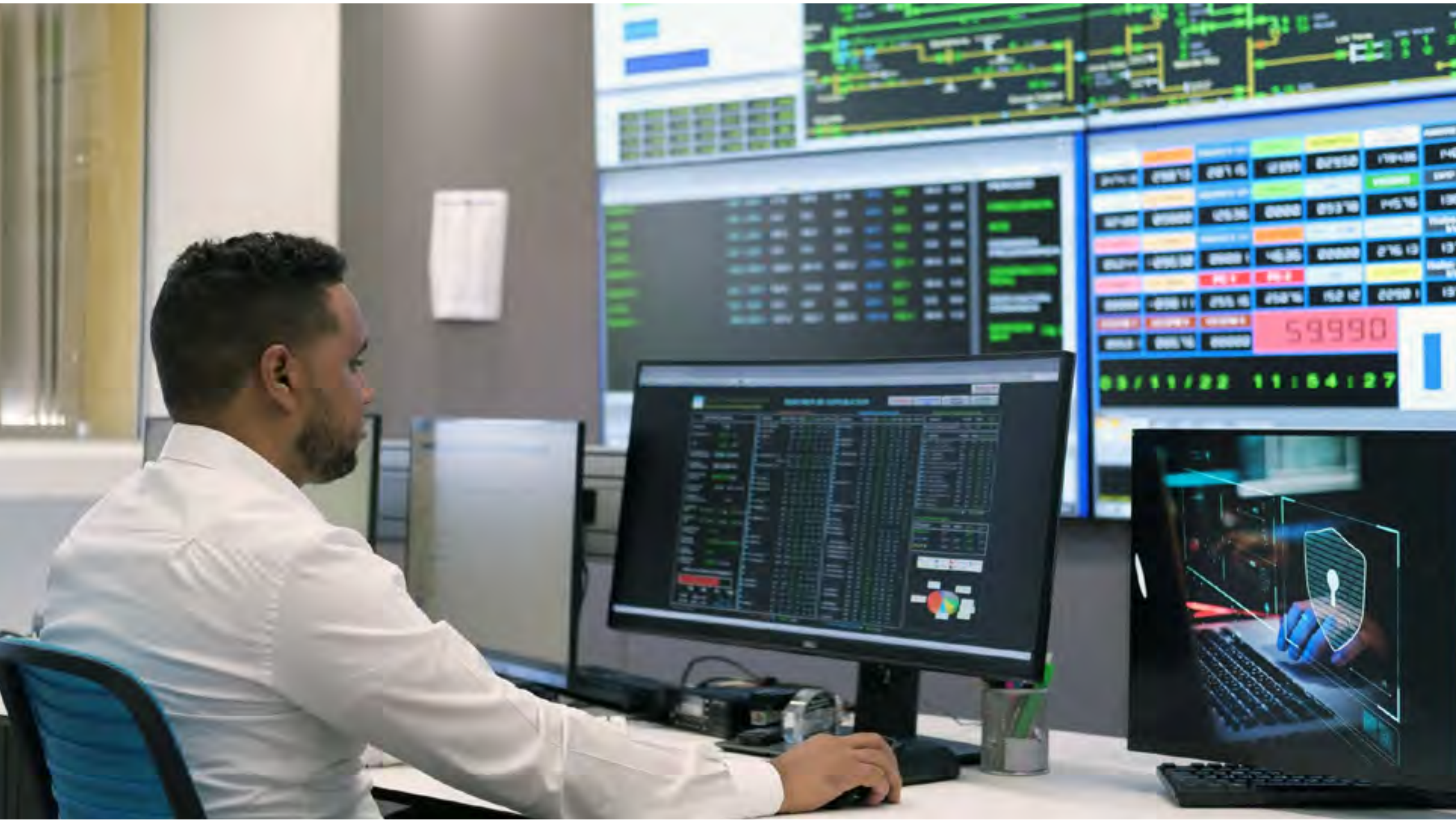
Powering communities and industries

As more renewables come online and the sector transforms, resilient grid infrastructure and digital solutions are essential to enabling the energy transition. In 2024, our utilities [served 2.7 million people](#), while supporting critical infrastructure and maintaining impactful partnerships across the communities and industries we power.

We continue to invest across our utilities in Indiana, Ohio, and El Salvador to modernize and expand energy infrastructure – strengthening grid reliability, improving service quality and operational efficiency, and enabling broader access to safe, affordable, and reliable electricity. These efforts also enhance resiliency, leading to tangible benefits such as faster power restoration after severe storm events and contributing to local economic growth.

As part of our commitment to accelerating the transition to a smarter, more sustainable energy system, we are collaborating with Google's moonshot factory on [Tapestry](#), a groundbreaking initiative harnessing advanced AI to virtualize and modernize grid operations.

[Tapestry](#) provides grid operators with a unified, virtual view of the grid, enabling faster complex scenario modeling. With highly accurate models, Tapestry helps manage all the generation and transmission assets of the grid and predict how they will behave from milliseconds to years into the future, strengthening long-term infrastructure planning. By increasing efficiency, reliability, and renewable integration, Tapestry is helping build a more resilient, affordable, and future-ready energy system.



Pike County: Investing in local growth and innovation

AES Indiana is investing \$1.1 billion in the new [Petersburg Energy Center](#), a comprehensive initiative that brings together a range of technologies to ensure customers reliable and affordable electricity. This includes the repowering of the Petersburg Generating Station from coal to a high-efficiency natural gas power plant as well as the addition of 250 MW of solar generation and 180 MWh battery energy storage.

Building on more than 50 years of partnership with Pike County, AES Indiana is committed to creating jobs and strengthening local communities. These projects are part of Indiana's Integrated Resource Plan (IRP) and are transforming the state's energy landscape while driving economic growth.



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Scaling innovative solutions

The energy landscape is rapidly evolving, and we are creating solutions to address the bottlenecks in the energy transition – like the time required for building new transmission infrastructure and the complexities of managing renewable intermittency. To meet these challenges, we develop in-house solutions, form new partnerships, and invest in innovative companies. Our methodology focuses on incubating and investing in cutting-edge solutions to address the sector’s most pressing challenges. By combining our industry expertise with insights into applications for new technologies, ideas are scaled quickly, bringing transformation across the energy sector.



Pioneering Energy Storage Solutions

AES has played a leading role in creating the global battery energy storage market, which according to BNEF, is 69 GW and is projected to grow to reach over 500 GW by 2030.

In 2009, we introduced the world’s first utility-scale battery energy storage system on the electric grid in Chile, and in the following years pioneered deployments in other markets and countries, paving the way for a cleaner, more resilient energy future. Through a joint venture with Siemens this business evolved to be Fluence and it is now a leading global provider of energy storage products and services.

Today, we continue to push the boundaries of what’s possible with battery energy storage systems, pairing them with solar to deliver flexible, low-carbon solutions and applying them to maximize generation output. Battery energy storage systems are now a major component of our growth strategy. Standalone battery and solar plus-storage projects represented 65 percent of the 2.7 GW of renewables capacity that completed construction in 2024.

[Learn more →](#)



Automating Solar Installations

Maximo is a first-of-its-kind AES-developed solar robot designed to enhance the speed, efficiency and safety of solar installations. This robot works alongside AES’ skilled workforce and construction teams by using AI to automate the lifting, placement, and fastening of solar modules with high-speed robotic arms and precision module placement, delivering full end-to-end automation of the mechanical installation of solar modules. Maximo enhances safety, supporting to the workforce by performing the heavy lifting in the installation of solar panels.

Maximo is being used for autonomous solar module installation at the Bellefield project, a 1 GW solar + storage facility in Kern County, California, under contract with Amazon. In the hot desert environment of the project, Maximo is a partner to the workforce and equipped to perform heavy lifting, keeping the project on track despite the extreme temperatures.

[Learn more →](#)



Integrating Artificial Intelligence

We are harnessing the power of AI to accelerate innovation, improve operational efficiency, and enhance safety across our business. Applications include generative AI for safety audits, predictive analytics for energy generation, and AI-driven market insights.

Our [Farseer AI program](#), developed in partnership with Google, integrates advanced machine learning for more accurate renewable generation forecasting and for automating energy market biddings strategies. This initiative supports more reliable and sustainable energy delivery and earned the 2024 CIO Award for IT Leadership and Innovation.

In 2024 we announced a strategic partnership with [AI Fund](#) to collaborate on co-building companies that leverage AI to tackle energy industry bottleneck and challenges.

[Learn more →](#)



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Empowering our People

Our strength lies in the perspectives, expertise and diverse backgrounds of [our 9,100 people](#), representing 68 nationalities across 12 countries. Our people are united by a shared passion for innovation and collaboration. We aim to create a workplace where people feel valued, empowered and engaged, enabling us to drive meaningful change and create lasting positive impact.

We want our people to feel connected to the work they do and to the colleagues they work alongside; and one way we foster this sense of belonging is through Employee Resource Groups (ERGs). These voluntary groups bring people together around shared missions or causes, helping raise awareness, strengthen relationships, and encourage collaboration. In 2024, more than 10 ERGs were active across the company.

We invest significant time and resources to ensure our compensation programs are competitive in the different markets we operate, and reward the performance of our people. Our analysis focuses on pay equity which we evaluate continuously throughout the employee lifecycle, from recruitment and hiring to annual talent and compensation reviews. We also track our minimum pay levels against the minimum wage in every country we operate.

Our program provides valuable benefits such as annual paid leave, and our people management platform enables both AES and our people to track time off and ensure leave entitlements are used. The platform also includes a time tracking system to monitor working hours and manage overtime to ensure accurate payment for eligible positions.

AES businesses regularly engage with labor unions and employee representatives on diverse topics such as working conditions or employee development. Where we have unionized workforces, we work diligently to participate in effective collective bargaining efforts. As of the end of 2024, approximately 80 percent of eligible employees were covered by collective bargaining agreements.

As an Equal Opportunity Employer, we consider applicants for employment based on merit, skills, and qualifications. We partner with [Troops to Energy](#) to support veterans, transitioning service members, and military spouses to explore open positions and start a career in the energy sector. We view learning as well as feedback as a continuous process. All AES people have tools to give, receive, and request feedback at any time and from anyone in the organization to continue to grow and develop.



9,100+ people

68 nationalities

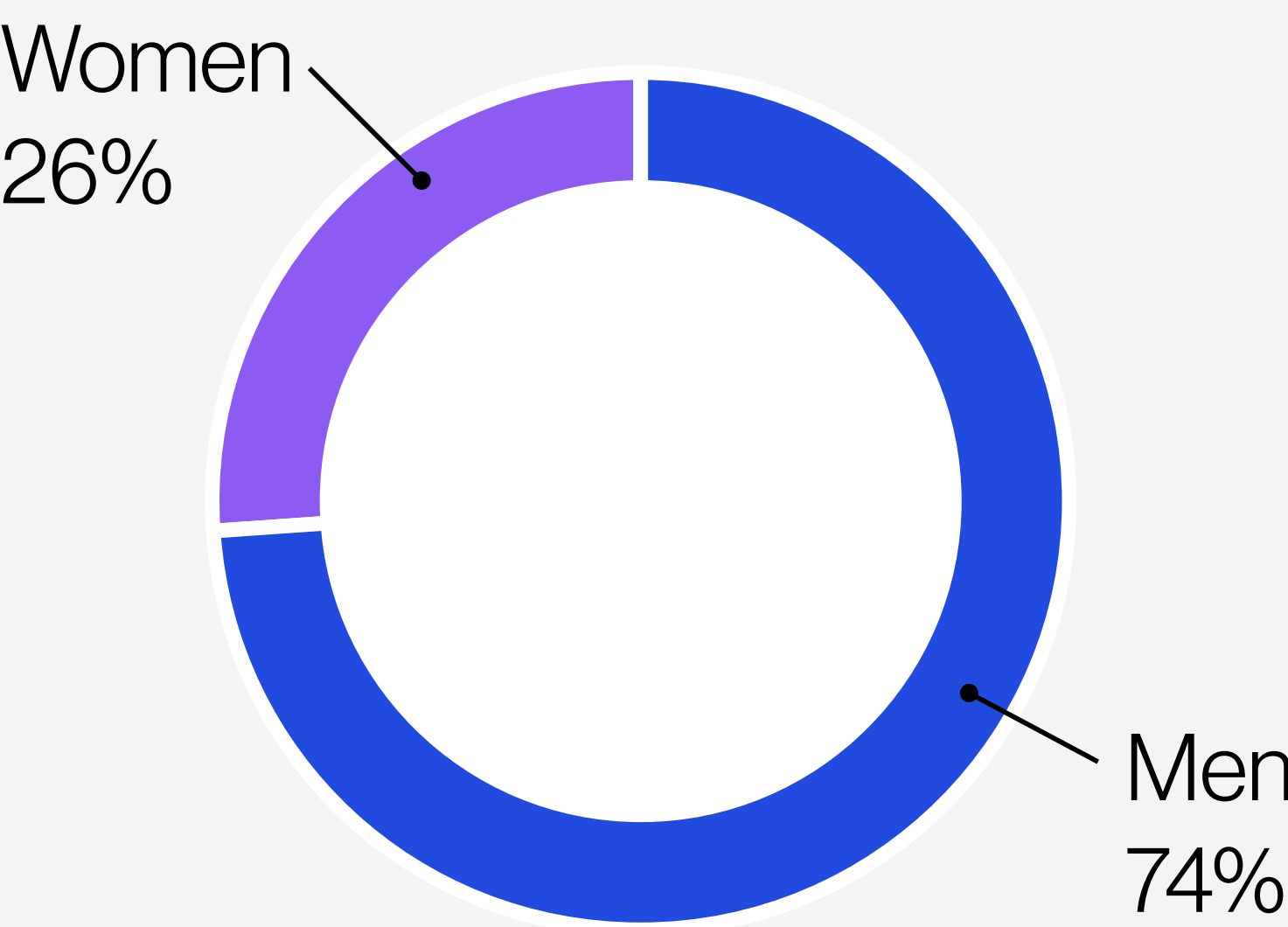
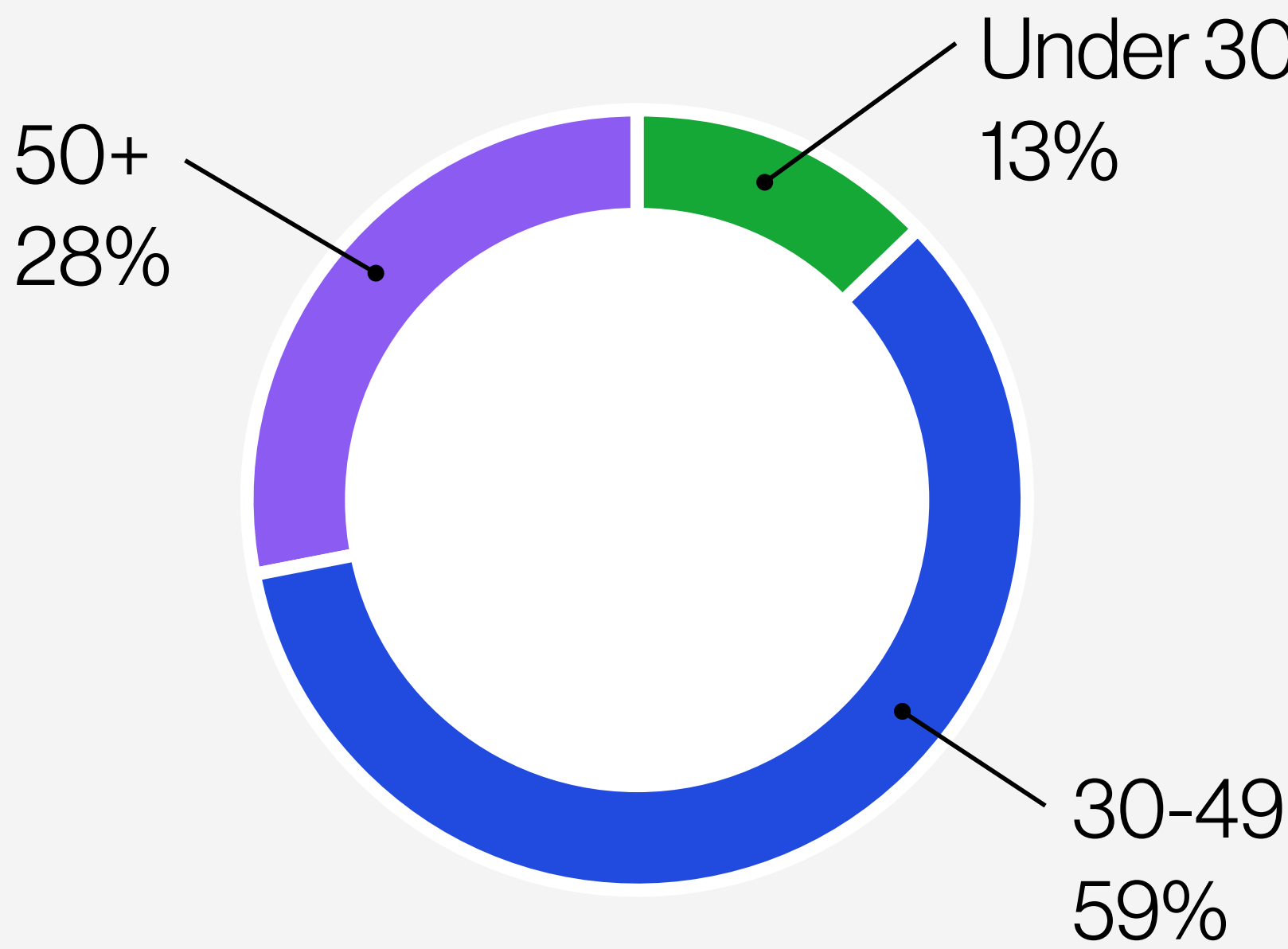


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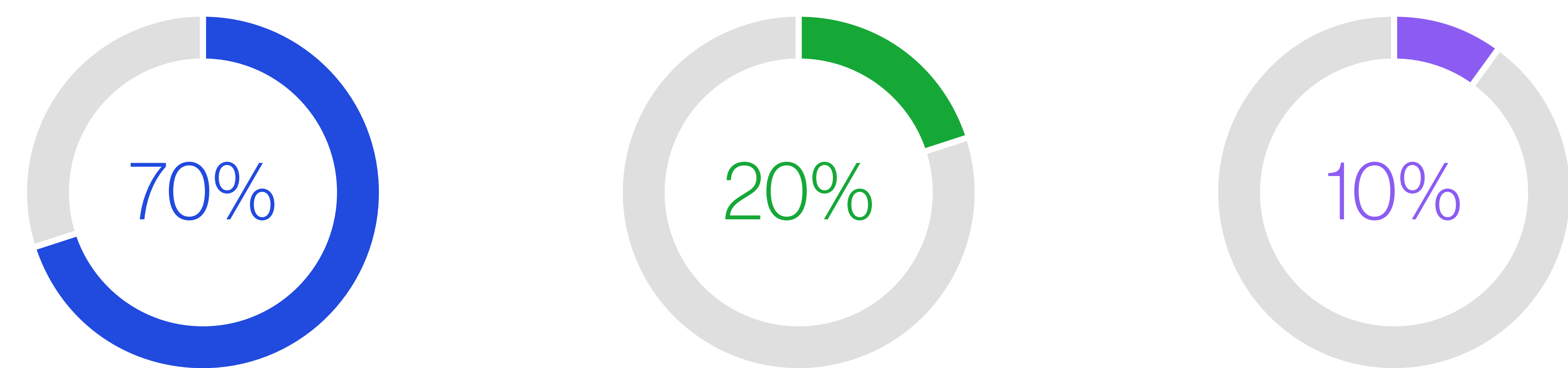
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Talent development

As we strive to attract, develop, and retain talent, we invest in our people’s growth – both professionally and personally – so they can reach their full potential, and collectively contribute to AES achieving its goals.

[The Compensation Committee](#) of the Board of Directors oversees matters related to human capital management, including, but not limited to, talent acquisition, development and retention.

We take a comprehensive approach to talent management and leadership development, ensuring our people have the skills needed for both today and the future. Our global talent management strategy supports every stage of an AES person’s journey and emphasizes the importance of on-the-job experiences and exposure. To help our people reach their full potential, we focus on three main pillars:



Experience and exposure

Employees who are exposed to new career development opportunities.

Learning through others

Leaders who gain a better understanding through continuous communication and feedback, not only better understand their role and responsibilities, but also what skills they need to grow their career.

Formal learning

Tools and programs for our people to grow their professional skillset, evolve their leadership competencies and take their career to the next level.

The talent and learning team continuously evaluate programs under the 70-20-10 framework, not only to measure the impact for the company and our people, but also to ensure the effectiveness and relevance of the programs.

Each year, all AES people can receive training and development in a variety of topics for multiple levels, from technical and reskilling programs to executive education further developing their careers. Some of these programs and training courses are performed in partnership with educational institutions.



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Assessment and career planning

We include [360° assessments](#) that help our people to identify their strengths and areas of opportunity, allowing a broader perspective on how their work is perceived and impacts others, identifying gaps for continuous improvement. We have a [yearly performance management cycle](#) that ensures all employees create and follow up on individual objectives and development plans, with manager evaluation and a team's calibration in conjunction with human resources. In addition, a variable compensation for employees is determined considering a portion of the employee individual's performance and a portion of the company goals' performance, which values the team effort on achieving a broader goal. We also leverage from Anytime Feedback, a digital tool to provide and receive feedback at any time from anyone in the organization.

AES learning

A digital platform that provides our people with professional development opportunities, learning content, and training. The tools have allowed us to integrate a global talent development framework connecting individual development plans with learning modules, supporting the development needs of the business. In addition to the courses provided by the platform, more than [7,000 internal courses](#) have been created to continue to support the development needs and professional growth of our people. In recent years we have seen an increase in the percent of open positions that are filled with internal candidates (~19 percent in 2019 before program implementation compared to ~24 percent in 2024). This was possible because we have an internal pipeline of trained employees that [acquire new skills and capabilities](#) beyond their current role and were prepared to assume different positions within the organization.

APEX (AES Performance Excellence)

For 18 years, our people have been trained in [efficiency, problem solving, and performance improvement](#) through methodologies such as Lean and Six Sigma. More than 4,580 projects have been implemented under our APEX program. During 2024, projects using APEX methodologies translated into over [\\$6 million](#) in benefits to the organization.

Multi-disciplinary transformation teams

Our Energy Star program provides AES people with an opportunity to [expand their skills, enhance their capabilities, and be a part of a cross functional team](#) that oversees a project that is considered transformational for the entire company. In 2024, 9 workstreams involving ~779 employees enabled [transformation](#) across renewables, operations, commercial, and other key business areas. The smart operations workstream, for example, included technical expertise sharing, implementation of AI and machine learning systems, and operational reliability improvements across the fleet, resulting in organizational benefits such as increased revenue and reduced maintenance costs, totaling over \$20 million.

Leadership skills

We have a program designed to provide our people with the foundation to be leaders and [grow within our company](#). The program focuses on fundamental leadership concepts, which include tools to articulate strategies for engaging team members, critical skills to improve communication, structuring strategic conversations about goal-setting and a framework to better innovate on the job. During 2024, 24 leaders from our renewable businesses in the US participated in the program. In addition, more than 400 AES people enrolled in leadership related courses and journeys, collectively completing over 3,500 hours of video content.



2024 performance

In 2024, average training per person was over 110 hours with an average amount spent per full-time employee (FTE) close to \$900. See the 2024 [Excel File \(People – Talent Management\)](#) for more performance data on training.



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Energy4Talent: Empowering the next generation of leaders

After a record number of 4,500 applications received in 2023, in 2024 [24 recent college graduates](#) across 6 countries were hired into our [two-year rotational program](#), gaining practical experience and exposure to unique insights and professional connections while working on cross-functional teams throughout our company to prepare for future leadership roles. Since its inception in 2018, our [Energy4Talent](#) (E4T) program has developed more than 150 college graduates.

“Joining AES’ E4T, I’ve found a fast track to industry expertise. E4T has a culture that fosters growth and celebrates progress, offering me diverse paths to success.”



Marie Abam-DePass
Trainee based in the US

“I believe that E4T generates a tremendously positive impact for junior professionals. I am developing both my personal and professional skills through direct contact with different areas across the organization.”



Emanuel Martínez
Trainee based in Argentina

AES Innovation Challenge



The [AES Energy Innovation Challenge](#) is an effort to develop relationships with universities and create meaningful opportunities for aspiring energy professionals to engage with AES leaders and people. It challenges teams of graduate students to solve the most pressing issues facing the energy industry. The program began in the US and has since expanded internationally. The program is led by former and current Energy4Talent Trainees to maintain its unique bottom-up approach. The Energy Innovation Challenge team has collaborated with the Talent Acquisition team to create a platform for AES people to connect with universities, professors, and students.



90+ teams
across 3 countries



40+ universities 400+ students



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Reskilling and training

As our portfolio has transformed, as part of our just transition approach, we work closely with our people, communities, local governments, unions, and other stakeholders to ensure coal plant retirements, conversions, and new builds are accompanied by a responsible path forward (further detailed in the [Community Relations](#) section).

For our people working at impacted coal plants, we aim to provide opportunities for internal mobility, as well as reskilling programs that equip them with the tools and training needed to take on roles in emerging technologies – either inside or outside the organization.

For the third year in a row, AES Chile has implemented its Labor Reconversion Training Plan in partnership with different technical institutions including Adolfo Ibáñez University. This program offers a variety of theoretical and practical courses designed to develop technical, entrepreneurial, and digital skills. Employees have access

to a multi-year learning journey designed to strengthen skills and support career development. Training opportunities include renewable energy technologies – such battery storage, solar, and wind – alongside data analytics tools and courses in entrepreneurship. The entrepreneurship course equips participants with key knowledge on market analysis and business concepts, providing participants with tools to launch their own business ventures if they choose to leave AES. By fostering a skilled and adaptable workforce, the program allows participants to [be prepared for the demands of the energy transition](#) and emerging industry needs and expand their job opportunities within the sector.

Similarly, in Hawai'i, Maryland, and Puerto Rico, we developed reskilling programs aimed at requalifying workforce competencies through a hybrid training model that combines virtual learning and hands-on experience in renewable energy technologies.



"As part of an exciting re-skilling process, the company offered me the opportunity to take renewable energy courses with a technical institution and a university for a year and a half. After the training, there were some internal job openings, and I felt motivated to apply for a new position at a wind farm. Today, after 10 years with the company, I am proud to have gone from the control room of a coal-fired power plant to overseeing a wind farm on the ground. [This process has been an incredible adventure of growth and transformation!](#)"

Gessuri García

Wind Operations and Maintenance Senior Engineer. Chile

2024 performance



More than 350+ people participated in re-skilling programs in Chile and the United States. See the 2024 [Excel File \(People – Talent Management\)](#) for more performance data on reskilling and training.



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Employee engagement

We actively seek [feedback from our employees](#) or their representatives and offer multiple opportunities to allow them to engage with leadership and ask questions, including regular company-wide meetings led by the CEO and Executive Team, quarterly senior leader updates, and management leadership and strategy meetings.

In addition, we actively listen to our employees by gathering feedback through annual assessments, engagement surveys, and questionnaires from recognized institutions. These evaluations provide a review of our programs, policies, and benefits, allowing us to continuously monitor and enhance employee satisfaction.



2024 performance



In 2024 we were ranked as one of the [best companies to work](#) for in most of the countries where we operate, including: Argentina, Chile, Colombia, the Dominican Republic, El Salvador, Mexico, Panama, Puerto Rico, and the United States.

According to the Great Place to Work Institute (GPTW), AES ranked eighteenth on the “[Best Places to Work](#)” in Latin America; AES Chile, AES Dominicana and AES Servicios América (our shared business service center in Argentina) were ranked in the top five of “Great Place to Work for Women”; and AES Servicios América ranked second in the “Companies that Care”.



During 2024 about 75 percent of our people participated in employee engagement assessments that on average showed [80 percent satisfaction](#).



In addition to the GPTW certification, AES received other recognitions for our human resources practices. A full list can be found in our [Excel file \(People – Talent Management\)](#).



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Safety and Well-being

Occupational health and safety

Safety is fundamental to everything we do. As our first value, it is embedded in our [Code of Conduct](#) and guides our actions across all operations. [The Governance Committee](#) of our Board of Directors is responsible for the periodic review and oversight of our safety program, policies, and employee health and safety.

We aim to proactively identify and mitigate potential risks to our people, contractors, customers, partners, communities and the environment, and we measure success by how safely we conduct our work together while contributing to our business objectives.

Each operation is responsible for establishing and maintaining a planning process to [identify hazards, assess risks](#), and implement effective mitigation measures based on the hierarchy of controls (elimination, substitution, engineering controls, administrative controls, and personal protective equipment). Additionally, safety risk assessments must be conducted before initiating any activity in new projects under construction and during the due diligence process for new operations.

Our [Safety Management System](#) (SMS) aligns with the OHSAS 18001/ISO 45001 Occupational Health and Safety Management System model, ensuring a consistent framework for safety expectations across all AES. This applies to both our employees and contractors working at AES facilities and construction projects. At its core, our SMS is built on [AES Safety Beliefs and Safety Principles](#), reinforcing our commitment to a strong safety culture.

The SMS establishes the expectation to involve employees in the development and review of policies and procedures to manage and reduce risks, consultations when there are changes that affect workplace health and safety and in representation on health and safety matters. Safety committees at our locations, composed of staff from various levels, play a key role in fostering a strong safety culture and driving performance improvements. These committees monitor the implementation of the SMS through inspections, observations, audits, and improvement plans.

As part of the SMS, our standardized tool enables the ability to conduct incident investigation root cause analysis to generate targeted action plans and prevent recurrence.

Compliance with the SMS and associated standards is monitored through [internal and external audits](#). Internal audits are conducted every six months, while independent/external corporate audits take place every three years. For each audit finding, a corrective action plan is developed, and overall audit performance is regularly reported to executive leadership.

Our safety program fosters a culture where everyone is responsible, empowered, and encouraged to speak up, ask questions and, raise concerns. Also, our people and contractors have the right and obligation to stop work as soon as they identify a situation they believe to be unsafe. To support this, the [Speaking Safely Helpline](#) provides a secure, anonymous channel for reporting safety concerns or violations without retaliation. Managed by a third-party vendor, the helpline ensures confidentiality and objective handling of all reports.



Wilfredo Diaz
Maintenance Manager - Puerto Rico

"The fact that we at AES always prioritize our well-being and that of our colleagues is something that gives me satisfaction and inspires me. Another thing I like is that we all have the authority to stop work. It gives me confidence that any of us can stop any work we consider unsafe, regardless of our position and without fear of retaliation."



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Contractors

Our dedication to safety extends to all AES employees, as well as contractors. We communicate our expectations to [potential suppliers](#), including our [Contractor Safety Management Standard](#), which outlines the safety management requirements for the entire contracting process: from the requisition of work to the contract closure, incorporating a site-specific safety plan.

After a contractor company has been pre-qualified, it must participate in a site safety orientation training session and pass a test before being permitted to begin any work. Upon completion of the job, a final assessment of the contractor's safety performance is required.

We measure the safety performance of our contractors using the same metrics we use for our people. The performance is evaluated on a monthly basis and whenever we observe negative trends, we perform a root cause analysis to identify areas of improvement and define action plans to control and improve the performance. Beyond additional training, some actions include: measurement of safety culture using perception safety surveys to identify behavioral improvement opportunities, improve effective monitoring and supervision of contractors, and share lessons learned from incidents with the contractors.



Public safety

Our Safety First value guides how we operate inside and outside our sites. We monitor any public injury incidents and fatality cases that may occur when members of the community interact with our medium and low voltage systems during activities like residential construction, vegetation pruning, touching downed electrical lines, flying kites, and playing near our networks and sites.

We take these incidents seriously and implement the necessary mitigation controls and measures to prevent them in the future. Our utilities have public awareness campaigns to communicate and mitigate the risks associated with activities near our power lines, and to promote the safe use of electricity.



20 years of teaching safe energy use

Across our global operations, we foster a culture of safety, education, and environmental responsibility through community outreach. Dynamic and accessible lectures, videos and interactions, help people of all ages understand how to interact safely and responsibly with electricity. From [high-voltage demonstrations](#) in that vividly illustrate the dangers of electricity, to hands-on learning in Panamá and [El Salvador](#), we teach safe and efficient energy use across all age groups. AES has been running programs like these for 20 years and [educated over 38,000 people](#) in 2024.

Well-being

We are committed to providing a safe and healthy working environment. Working across diverse jurisdictions, our comprehensive benefits are designed to support the well-being of our people and promote their long-term success. Each of our businesses tailor programs and benefits to the realities of each location, going beyond public programs. Some examples include support and flexible arrangements for lactation, parental leave and contributions for childcare and physical fitness.

Well-being resources are available on a dedicated intranet site and through third-party benefit programs. One of our partners provides comprehensive mental health solutions that support our people both personally and professionally – from managing stress and improving focus to navigating everyday challenges and maintaining overall well-being.

We also provide access to a well-being partner app that helps our people improve their health. Through the app, they can track daily and fitness activities, biometrics, join challenges, earn rewards, and access personalized coaching and resources.

US domestic partner parental leave

AES offers domestic partner benefits in the United States for anyone in a committed relationship regardless of gender or marital status. Our parental leave program in the US is designed to provide equal benefits to all parents, including the birth mother and father, adoptive parents and nonbiological parents.

The parent benefit provides six weeks of leave at full pay. An additional six weeks of medical leave is also provided to birth mothers with an extra two weeks for a cesarean section. In 2021, AES launched a fertility program, and in 2022 we expanded to include adoption benefits. Since 2023, parental leave includes time off for long-term foster placement and adjustment.

Flexible work arrangements

We enable our people to balance home and work obligations in a way that makes sense for them and the company. These arrangements are defined and reinforced by regular and candid employee-manager communications to ensure work expectations are met.



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2024 performance

We work in an inherently high-risk industry, where our employees and contractors face different risks, whether at operating facilities or performing construction activities on our sites. We achieved our target of **zero fatalities in 2024**, for our more than 27,000 people and contractors and met all our proactive safety goals.

To prevent incidents we track leading metrics, including safety walks, unsafe behaviors and conditions, reporting and investigation of near-miss incidents, and tracking the progress of SMS goals and action plans. Over **21,000 safety walks** were performed during 2024.

We also track lost time incident (LTI) rates for employees and contractors based on OHSAS standards to be comparable across industries. For LTI rates, we aim to be below the US utility industry’s top quartile benchmark LTI rates (0.18) and we continued to exceed the benchmark during 2024. We also experienced **a decrease in LTI rates** for our people, operational and construction contractors.

In 2024, more than 23,700 AES people and contractors participated in monthly safety meetings that cover key performance metrics, lessons learned, and relevant safety topics. Also, **7,000 AES people participated in online safety trainings** through our digital learning platform. Compared to 2023, we saw an increase in the number of people trained, driven by the inclusion of our renewable business in the US and the implementation of specific training on SMS updated standards.

Approximately 60 percent³ of AES people and contractors worked at a location that have voluntarily certified their SMS to the OHSAS 18001/ISO 45001 international standards.

We are proud of the recognitions AES has received for our commitment to a variety of external safety standards as well as a strong safety culture and performance. For detailed information on our health and safety metrics and a complete list of external recognitions, please refer to the [Excel file \(People – Health and Safety\)](#).



³ We are excluding renewable assets in United States, the majority of which (~84 percent) are smaller than 20 MW. Only assets that are operational as of year end 2024 were included.



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Stakeholder Engagement

As we strive to be the partner, provider, advisor, and neighbor of choice, we take a proactive and collaborative approach to build lasting trust based relationships through meaningful engagement. To reinforce this approach, our Global Stakeholder Engagement Playbook was developed in line with the AA1000 Stakeholder Engagement Standard. The Playbook is available internally and is applicable to all our operations and construction projects. It guides our country, local, and site-level engagement plans and system, including:

- Defining the purpose, scope and understanding the context including vulnerable groups
- Identifying and prioritizing stakeholders
- Defining the appropriate engagement methodology and ensuring stakeholders have sufficient capacity to participate
- Addressing stakeholder priorities and developing responsible and innovative responses
- Understanding risks and opportunities
- Evaluating progress of engagement actions
- Implementing grievance mechanisms and communication channels

In each of our operating markets, a Stakeholder Relations Manager leads engagement plans. At the corporate level, our Chief Corporate Affairs and Impact Officer, oversees the implementation of the Stakeholder Engagement Playbook, our external engagement and sustainability. Review our [Excel File \(About AES - Stakeholder\)](#) for details on how we engage with stakeholders.

Voluntary initiatives, forums and associations

AES voluntarily participates in organizations and initiatives at global, regional, national, and local levels. These platforms offer frameworks for action and forums for the sharing of insights into emerging expectations, issues, risks, and opportunities that help inform our global standards and best practices.

Below is a selection of industry associations, membership groups, and advocacy organizations where we held significant roles at the corporate level in 2024:



Members of the Board



Chair, Energy Working Group



Members of the Board



Members of the Board⁴



Chair of the Board



Executive Committee and Members of the Board



Members of the Board



Members of the Board



Members of the Board

⁴ We left the organization In October 2024, after AES concluded the sale of its equity interest in AES Brasil.



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WEF 2024

The World Economic Forum’s Annual Meeting in Davos welcomed governments and major international organizations, along with private companies, as well as civil society leaders and experts. Our CEO and COO participated in high level dialogue, sharing AES perspective on innovation, energy security ad resilience systems. Their engagement contributed to global conversations on energy priorities while also deepening our understanding of evolving stakeholders' expectations.

[Learn more →](#)



CERAWEEK

At CERAWEEK in Houston, the leading global energy conference, AES engaged directly with customers and partners. Our leaders participated in discussions around innovation and shaping the future of energy. We showcased how we deliver tailored energy solutions to meet customer evolving needs, strengthened relationships and gained valuable feedback.

[Learn more →](#)



Americas Business Dialogue

At the Energy and Climate Partnership of the Americas ministerial meeting, as [Chair of the Energy Working Group](#) of the Americas Business Dialogue (business-led partnership that fosters public-private dialogues), we delivered insights on behalf of the private sector around the importance of a diversified energy mix, the incorporation of technologies and the modernization of regulatory frameworks to advance in the development of the sector in the region.

[Learn more →](#)



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Partnering with Communities

Community relations

For AES, becoming the neighbor of choice means partnering with communities, and establishing connections founded on trust. We customize our Stakeholder Engagement strategy to address the needs of local stakeholders throughout the lifecycle of the projects.

Before obtaining approval and commencing construction, we set out to understand the demographics, culture, history, economy, and other essential attributes of the area of influence.

We also we identify the presence of Indigenous Peoples and areas of tribal importance. For example, in the US we have developed a Tribal Engagement Policy, and in Colombia we have guidelines for Intercultural relations with Wayuu Indigenous People.

As part of the project permitting processes, the initial assessment of the area of influence may evolve into a more detailed social baseline assessment, if necessary. We also carry out social impact assessments to evaluate how the project might impact the local economy, social dynamics, and essential services. These assessments serve as a foundation for developing a community engagement strategy that encompasses communication plans, a grievance mechanism, and a framework for meaningful consultation with both informal and formal meetings.

Transparency and early disclosure are essential, followed by informal and formal consultation phases. These phases provide detailed information about the project, its impacts, benefits, and mitigation

measures. This also offers communities the chance to express their views on project risks and impacts, allowing us to consider and respond to them.

During the construction phase, we maintain open lines and channels of communication with communities and local authorities, focusing on informing them about the works, potential impacts, and developing social impact programs. We often develop project websites to share visual models, explain impacts, and encourage questions and feedback.

Throughout the project's operations and lifespan, we continue to engage all relevant stakeholders and collaborate on community impact programs that align with local community need and the company strategy.



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Social impact

In collaboration with community partners, including government agencies, nonprofits, unions, and local organizations, we co-develop social impact programs that align with our strategy and local priorities, aiming to provide long-lasting benefits and strengthen communities for generations to come.

Internally, our Social Impact Framework directs the setting of program objectives and the development of memorandums of understanding (MOUs) with partners to share expectations and define the scope of work, metrics, and monitoring process. Moreover, at an individual-level, AES employees have the opportunity to participate in volunteer work within their local communities through the Global AES Volunteer Program.

As we continue seeing the widespread impacts of natural disasters, community resiliency and preparedness is critical. We take a two-fold approach in our response by first addressing the short-term relief efforts and then identifying opportunities for medium- and long-term recovery with our community partners. We match employee donations on a case-by-case basis for initiatives that, among others, support major disaster relief and long-term recovery efforts.

Our social initiatives and investments are centered around four key pillars that reflect our purpose and values, and are guided by the United Nations' Sustainable Development Goals:



Access to energy and basic services



We partner for access to safe, efficient, and affordable energy and basic services, providing basic resources (such as tools for public health) to the communities where we work.



Economic growth



We work with our partners to contribute to the economic and social development in the communities where we work. Our programs are focused on education and capacity building while contributing to local economies and preserving cultural traditions.



Environmental Stewardship



We work with our partners to develop programs focused on conservation, restoration, and the creation of green spaces, that enhance local environments and provide lasting value for the communities we serve.



Community resilience and relief efforts



We work as one team with our people, contractors, customers, and communities to respond to natural disasters or catastrophes in the communities. This includes making resources available, volunteering, and supporting front-line workers and organizations before, during, and after an event.



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2024 performance

In 2024, AES businesses engaged in over **500 community-oriented initiatives** globally, including long-term investments through our social impact programs, sponsorships and charitable donations totaling more than \$12.5 million (over \$6 million to not-for-profit organizations). Around **1.9 million people** have access to these initiatives, both directly through active participation and indirectly through education campaigns and investments in community infrastructure.



Economic growth

over 240 initiatives

Every student is a potential innovator and future energy leader, and in a rapidly evolving sector, early investment in their development is key to powering the future. At the kindergarten through 12th grade level, AES supports students through curriculum development partnerships, educational tours of our sites, and capacity building workshops for science, technology, engineering, and mathematics (STEM) educators. As part of the STEM Careers Coalition – an alliance of industries and non-profit organizations – over **10.7 million students** have been reached since 2019 through interactive learning experiences, digital content, and after-school activities, surpassing the coalition's

collective goal in 2024. At the university level, AES partners provide programmatic support for students as well as funding for research opportunities.

We also contribute to local economic development by investing in workforce training and entrepreneurship through partnerships with local landowners, small business owners, labor unions, technical training institutions, and community organizations. Our AES Mujer program, launched in [El Salvador](#) in 2013 to increase employment opportunities for women in the energy sector, has since grown to the Dominican Republic, Chile, Colombia, Puerto Rico, and most recently, [Panama](#). In 2024 alone, **more than 550 women participated** in our workforce development initiatives, gaining the technical skills and knowledge to grow their own businesses or pursue careers as electricians or line workers.

Access to energy and basic services

Over 50 initiatives

Access to energy is access to opportunity. For many communities, something as simple as turning on a light can mark the beginning of safer nights, healthier families, and brighter futures. In collaboration with public, private, and NGO partners, we have invested in essential infrastructure projects that strengthen ongoing community development. Our rural electrification programs have improved quality of life for thousands of families by extending access to education, healthcare, and public safety. Since 2009, our [Rural Energy program](#) in El Salvador has expanded electricity access to over **84,000 rural communities**. In Panama, the program brought electricity to multiple families benefiting **440 people** in the Colón Province.

During the year, our partnerships also resulted in outcomes such as the installation of a water supply system with solar pumping and a reservoir holding 100,000 gallons of water for the Calabaza community in the Dominican Republic. Additionally, a drinking water distribution system was established for an indigenous community in La Guajira, Colombia.



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2024 performance



Environmental stewardship

Over 40 initiatives

Local partnerships for the environment lead to stronger, more vibrant communities. Our [Coastal Enhancement](#) Program in Southern California promotes environmental restoration and empowers communities to take part in their protection. Through this initiative, AES is cultivating a culture of conservation among youth and families around our operations in Southern California, creating meaningful access to coastal wetlands and providing hands-on environmental education in underserved communities.

In partnership with local organizations, we are fostering the next generation of environmental leaders by offering workforce development opportunities. In 2024, we expanded the scope of our program to include an additional wetland area, workforce development for early career environmental conservation professionals and engagement with indigenous groups. Since 2022, we have reached [over 26,000 community members](#) and strengthened public-private conservation efforts of over [230 acres of coastal habitats](#) alongside our program partners.

Community resilience and relief efforts

Over 150 initiatives

Moments of crisis can test a community, but it also brings out its resilience. We work with communities to prepare, respond and recover from emergencies with dignity and strength. Since 2022, our partnership with GRID Alternatives has focused on equipping underserved communities across the US with the tools they need to withstand and recover from natural disasters and power outages. In 2024, AES and our volunteers supported the installation of a 30kWh battery energy storage system at an affordable housing within a government-subsidized housing community in Los Angeles. This hub now supports over 1,500 residents with device charging, medication refrigeration, and essential services when the power goes out. In New Mexico, a 38kW solar system was installed to power a wellness center serving a rural indigenous community of 900 people, supporting ongoing access to health services and community care.



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Volunteering

The Global AES Volunteer Program and its guidelines are designed to strengthen and elevate the volunteer spirit of our people. By helping identify, report, and celebrate volunteer efforts, we are encouraging our people to create positive impact in their communities. The program offers up to 16 hours of paid volunteer time annually.

“Volunteering is a demonstration of our AES values and beliefs through action, and for me, nothing is more powerful and resonating than being able to drive transformative change for the well-being of the communities in which we live and work. I find it highly rewarding to collaborate with my colleagues and feel that together, we can truly make a positive and lasting impact.”



Anne Le
Volunteer from the Corporate Office

“It's incredibly satisfying to work towards a common goal and witness the positive impact we can make together. These initiatives also give us a chance to combine our diverse skills and experiences for a greater purpose, making the whole experience both rewarding and enriching for all of us. Volunteer work embodies the AES values by prioritizing safety, striving for excellence, and fostering a spirit of collaboration. Through our dedication to these principles, we not only make a positive impact on the community but also inspire others to join us in creating a safer, higher-standard, and more united world.”



Modesta Vasquez
Volunteer from US Renewables



2024 performance

During the year, our people volunteered more than 12,400 hours in 600 opportunities globally as part of the Program.



#Volunteering across AES

[Read more →](#)



#Lending a hand for Shoes 4 the Shoeless

[Read more →](#)



#STEM activities and native species

[Read more →](#)



#Day in the Parks

[Read more →](#)



#Celebrating Environment Day

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#Restoration of local ecosystems

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Suppliers

Our more than 11,500+ suppliers play an important role in helping us deliver positive impact on people and the planet. We expect our business partners, suppliers and/or third-party intermediaries that create products for or offer services for us to subscribe to and contribute to these same set of standards and values, which are incorporated into [AES’ Supplier Code of Conduct](#).

Our Supplier’s Code of Conduct exists within a global environment with different legal and cultural requirements around the world. Expanding supplier diversity within our supply base benefits the local economies in which we conduct business. It strengthens our capacity to create and deliver goods and solutions globally while supporting our efforts to transform the way energy solutions are created. In a similar vein, by working with a supplier base that is broad and varied, we seek to encourage economic inclusion and job creation for underserved populations.

We take non-compliance with our Supplier Code of Conduct seriously. In addition to any other remedies available to AES, violations may result in immediate contract termination and/or exclusion from future business opportunities.

Transparency in setting expectations yields better results for all parties. AES provides additional guidance for suppliers and contractors on our website, including our [Procurement Handbook](#), [Contractor Safety Management Standard](#) and other key aspects of how expect our suppliers to behave and the performance we expect them to achieve.

As described in our [Ethics and Compliance](#) section, we implement due diligence on third parties prior to engaging them.



2024 performance



11,500+ suppliers

In 2024 more than **1,700+ suppliers** participated in capacity building and awareness programs about Compliance and Safety. See the [Excel File \(People- Suppliers\)](#) for more information on how we engage with our suppliers.

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Human rights

Our [Human Rights Policy](#) formalizes our long-standing commitment to uphold and respect Human Rights across our people, communities and suppliers. We support the Universal Declaration of Human Rights and our Policy is consistent with the United Nations’ Guiding Principles on Business and Human Rights. As a member of the American Clean Power Association, we have pledged to [prevent forced labor](#).

AES Colombia, AES México and AES Panamá are signatories and have adopted the ten principles of the [United Nations Global Compact](#), which include key commitments to human rights, labor standards, environmental protection, and anti-corruption efforts; with a commitment to respecting and advancing human rights as an aspect of our operations.

Our businesses are also members of different organizations that promote Human Rights, equity and inclusion, ethics and transparency. For example, AES Colombia is also a member of the Collective Action for Ethics in the Colombian Electricity Sector, an initiative created to establish best practices around transparency and ethics in the sector. AES Panamá is a member of UN Women; the Gender Parity Initiative aimed at reducing gender economic gaps, and of Sumarse, an organization driving Corporate Social Responsibility.



Building Capacity for Human Rights and Conflict Resolution



AES Colombia conducted training in conflict resolution and Human Rights for their environmental and social teams. The training provided tools to manage and address conflict situations in the territories where our operations are located, covering topics such as peaceful conflict management and resolution, due diligence, and the application of Human Rights in contexts of social conflict.

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Environmental Management System

Our [Environmental Policy](#) sets the principles and foundation of our [Environmental Management System](#) (EMS). Our approach to environmental stewardship is grounded in strong corporate governance, led by the [Governance Committee](#) of our Board of Directors. This committee monitors the environmental compliance of AES businesses and is responsible for the periodic review and oversight of the practices related to climate change. We are committed to responsible environmental practices and adhere to the laws and regulations of each country where we operate and, when appropriate, international standards.

The EMS – applicable to all our businesses – is based on the principles of the ISO 14001 Standard, which specifies the requirements for an environmental management system that an organization can use to enhance its environmental performance. The EMS standards cover topics such as general environmental requirements and prohibitions, PCB (polychlorinated biphenyl) management, hazardous waste and chemicals management, biodiversity protection, spill prevention and control, and contractor environmental management. The standards were updated and approved by the Vice President of EHS&S in 2023, and are part of the Environmental Policy signed by the company’s CEO.

The Global Environmental Standard further establishes, among other things, how each business is expected to define roles, responsibilities, and authority to effectively implement and maintain the EMS:

- Spill Prevention and Containment
- Waste
- Chemical and Raw Material Management
- PCB Management

- AES Compliance Data Quality Assurance and Reporting
- Environmental Incident Management
- Hydroelectric Power Plant and Reservoir Requirements
- Environmentally Related Financial Disclosure
- Contractor Environmental Risk Management Standard
- Managing Potential Contractor Environmental Impacts
- General Environmental Requirements
- Biodiversity Assessment and Protection
- Internal EHS Audit Standard
- External EHS Audit Standard

Environmental impacts must be identified and assessed in accordance with the EMS Risk Assessment methodology. An action plan should be created to address significant environmental aspects, associated risks and opportunities, and compliance obligations. This assessment must be updated biennially or when major changes occur. The Renewable Energy Construction Projects Environmental, Health, Safety, and Security Plans outline expectations for the construction phase, including the required measures for contractors.

Compliance with these standards is monitored through both [internal and external audits](#). Construction sites undergo annual audits, while operating businesses are audited every three years. For each audit finding, a corrective action plan is formulated, and the overall audit performance is regularly reported to executive leadership.

Throughout the year, we identify and monitor compliance conditions and events that could result in non-conformances and

financial impacts on the business. Our AES Environmental Incident Management Standard requires each business to establish a process for identification, investigation and reporting of environmental nonconformance events.

As of December 31, 2024, approximately 63 percent of AES people and contractors⁵ worked at locations that have voluntarily certified their EMS to the ISO 14001 Standard (51 percent of AES locations). These businesses require follow up audits to be conducted by international Certification Agencies, such as Bureau Veritas, Aenor or SGS, among others.

In 2024, none of the businesses we operate paid significant fines or penalties related to environmental matters from 2023 or 2024, including those involving water or ecological issues. However certain matters related to 2022 issues were settled in 2024.⁶



5 Excludes renewable assets in United States, the majority of which (84% percent) are smaller than 20 MW.
6 Significance is determined by a threshold and this only refers to fines that were equal to or more than \$10,000. More details [here](#) and [here](#).



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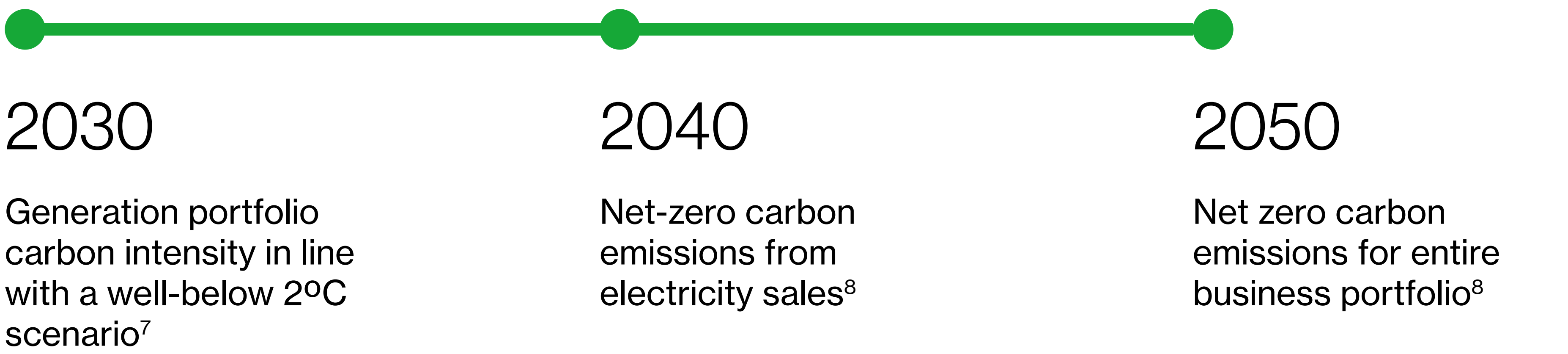
Our Ambitions

AES supports the objectives of the Paris Agreement to limit the average rise in global temperatures to well below 2°C above preindustrial levels and to pursue efforts to limit it to 1.5°C. We were the first publicly traded US utility and power company to publish a Climate Scenario Report aligned with TCFD recommendations in 2018, followed by an [expanded analysis in 2021](#). An updated report is expected to be released in 2025.

In 2021 we set ambitions based on our plan to transition out of coal, the expected renewable growth of our portfolio, and the feasibility of multiple possible asset scenarios, which we expect to review during 2025. As we execute on our intention to exit our coal businesses, we are committed to ensuring grid stability and achieving a responsible energy transition.



7 Based on renewables growth and the feasibility of multiple possible asset scenarios.
8 Actions assume new policies that facilitate transition to low emissions energy systems, such as a price on carbon. Includes scope 1 and 2 emissions for 2040 and Scope 3 for 2050.
9 The largest component of our non-hazardous waste is coal combustion residuals (CCRs)



Based on the same assumptions, we also expect to reduce the following sources of air emissions and non-hazardous waste (versus a 2016 baseline) by 2030:⁷

<div>Sulphur dioxide (SO₂)</div> <div>~63 percent reduction</div> <div>(expected intensity reduction of ~83 percent)</div>	<div>Nitrogen oxides (NOx)</div> <div>~48 percent reduction</div> <div>(expected intensity reduction of ~77 percent)</div>
<div>Particulate matter (PM)</div> <div>~56 percent reduction</div> <div>(expected intensity reduction of ~80 percent)</div>	<div>Mercury (Hg)</div> <div>~25 percent</div> <div>(expected intensity reduction of ~66 percent)</div>
<div>Non-hazardous waste (CCRs)⁹:</div> <div>~48 percent by 2030</div> <div>(expected intensity reduction of ~77 percent)</div>	



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Emissions

Combustion of fuels to generate electricity results in the release of both conventional and greenhouse gas (GHG) emissions. Many factors influence emissions, including generation diversity and efficiency, demand for electricity, weather, fuel availability and prices, and emission controls deployed.

Air control system technologies and management at our plants are primarily dictated by locally applicable environmental laws and regulations. When considering mitigation technologies, our power plants can have pulse air fabric filter systems, electrostatic precipitators, flue gas desulfurization systems, selective catalytic and non-catalytic reduction systems, SO₂ scrubbers, and low NO_x burners. Air emissions are tracked using continuous emission monitoring systems (CEMS) and/ or operational parameters (e.g., fuel use and appropriate emission factors). In addition to power generation, the use of light and heavy-duty vehicle fleets, as well as other equipment, represents another source of direct emissions which our businesses monitor.

Our air emissions include Direct GHG Emissions; direct SO₂, NO_x, PM and Hg, and indirect GHG Emissions including Scope 2 and Scope 3 (categories 1, 3, 6, 7, 11).

Our businesses are continuously looking for ways to improve power generation efficiency and reduce emissions. In 2024, AES operating businesses implemented emission reduction initiatives, including energy efficiency programs and fleet transitions to electric vehicles. Combined with the retirement of coal plants, these efforts resulted in an estimated reduction of over 2 million metric tonnes (MT) of annual carbon dioxide (CO₂) emissions. Also, energy management programs are in place in many of our assets, including energy audits, actions to reduce the amount of energy use, investments in innovation or R&D and energy efficiency training provided to employees to raise awareness.

Our Scope 1 and other air emissions continue to decrease, as we are taking actions to transform our own portfolio to reduce carbon emissions, such as retiring two coal power plants in 2024, while working to develop new solutions that are designed to enable our customers to reduce their reliance on fossil fuels. Our measurement methodologies and scope as well as our detailed performance for our air emissions are detailed in our [2024 Excel file \(Planet – Emissions\)](#).



2024 performance

We were successful in 2024 in advancing our portfolio and emissions targets. We completed the construction or acquisition of 3 GW of new renewable energy and exited or announced the sale or closure of 1 GW of coal generation in the US and Chile. We also continued to lower our Scope 1 emissions and improved our carbon intensity. As a result, in 2024 our coal-fired generation decreased to represent less than 30 percent of the total electricity produced, while wind and solar generation increased by more than 25 percent.

2024 vs 2023

~17 percent less Scope 1 emissions	~25 percent more solar and wind generation	~8 percent reduced carbon intensity
~14 percent less NOx	~29 percent less Sox	~20 percent less PM

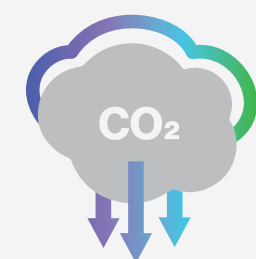
2 coal power plants retired allowed the reduction of¹⁰:



~2.1 million metric tons of CO₂

1,900 metric tons of nitrous oxides (NO_x)

~2,000 metric tons of sulfur dioxide (SO₂)



Equivalent to GHG emissions from +620,000 gasoline-powered passenger vehicles driven for one year¹¹

¹⁰ Equity-adjusted values calculated considering the average emissions of the last 3 years (2021-2023).
¹¹ Estimated using the [EPA Greenhouse Gas Equivalencies Calculator](#).



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Biodiversity

Our Biodiversity Assessment and Protection Standard is part of our EMS. Updated in 2023, it establishes a minimum standard for assessing potential positive and negative impacts to biodiversity, and promotes the incorporation of best management practices throughout planning, construction, and operation/maintenance.

AES businesses must identify and comply with all applicable legal and compliance obligations relating to Biodiversity. This includes, but is not limited to, identification of protected species, their habitats, and local regulatory requirements pertaining to them.

All projects follow the mitigation hierarchy approach, which includes steps to avoid, minimize, mitigate, and offset impacts. Management plans are developed in accordance with the mitigation hierarchy criteria as needed.

When possible, the environmental impact assessment (which includes biodiversity considerations) is made publicly available on third-party websites, typically those of regulatory agencies. Links to Environmental Impact Assessments of projects currently under construction are available in the [Excel file \(Planet – Site management\)](#).



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2024 performance

We have more than 95 operational sites¹², covering more than 76,500 hectares. In addition to any impact assessments that may have been carried out during the development and construction of a site, we have conducted biodiversity impact assessments in more than 60 sites (representing over 98 percent of our total area). Of such sites, more than 25 are in close proximity to critical biodiversity and more than 15 have biodiversity management plans in place.

With the execution of the management plans, some sites aim to have no net deforestation. Through 2024 we have **reforested more than 300 hectares** out of a total of **500 hectares to be reforested by 2028** which is when the last reforestation commitment is anticipated to be fulfilled. Compared to 2023, these figures are significantly lower due to the sale of our Brazil business, which held the largest share of our reforestation commitments.



Dual Use Innovation

We are partnering with universities and research centers across the US to fully realize the synergies of solar and agricultural activities (agrivoltaics or AgPV). By integrating crop cultivation or livestock grazing beneath and around solar panel arrays, agrivoltaics projects promote more efficient land use while maintaining energy operations.

These initiatives create added value for local economies by supporting sustainable agriculture, generating new income streams for farmers and landowners, and fostering rural economic development.

Currently, we have more than 12,000 acres under active sheep grazing at more than 55 projects across the US, Colombia and Puerto Rico, demonstrating how renewable energy infrastructure can coexist with and enhance agricultural productivity.



Urban Arboriculture

Urban arboriculture contributes to city planning by focusing on the selection and planting of tree species that complement the built environment and support sustainable development.

Since 2016, as part of AES El Salvador’s initiatives for management of trees in cities, we offer urban arboriculture seminars with the objective of providing knowledge that contributes to turning cities into spaces with more harmony between vegetation and electrical infrastructure. To date, more than 630 people from 149 environmental institutions, municipalities, construction companies, and other entities have been trained.



Protecting Native Species

Coastal ecosystems, such as mangroves, are important in supporting biodiversity. Empowering local environmental stewards is one of the ways we help strengthen coastal restoration efforts near our operations. In Panama, with the Mangrove Defenders program, we educate youth about conservation and the importance of nature-based solutions. The program is developed in partnership with Wetlands International and has allowed the reforestation of more than 5.5 hectares of mangroves in the Province of Colón. AES volunteers and community members continue to support ongoing efforts to expand mangrove forests in partnership with Fundación Verde Profundo. This initiative is helping to strengthen local biodiversity in Boca Chica, a 5.2 hectare marine area south of Santo Domingo.

¹² We are excluding renewable assets in United States, the majority of which (84% percent) are smaller than 20 MW.



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At AES, we recognize that water stewardship is essential for our operations and the livelihoods of the communities we serve. For our generation businesses, whether thermal or hydro, water availability is important not only to operate, but also to operate efficiently. At our thermal plants, water is predominantly used for the steam cooling process where >95 percent is returned to the body of water, with the rest evaporating.

For our renewables businesses, like solar and wind, water is not used as a source for generation and minimal quantities are required. For our hydroelectric power plants, water only passes through the water-driven power turbines, then it is immediately returned to the environment.

During operation, we monitor the quality of water discharges, and we are regularly supervised by environmental authorities. Controls may also include monitoring of upstream and downstream areas from our water discharge, and groundwater around our ash ponds. Also, as part of the EMS, AES businesses consider water use for potential impacts and mitigation when conducting periodical environmental risk assessments.

Water efficiency management programs are in place in many of our assets, these programs may include water use assessment to identify opportunities for water efficiency improvements, actions to reduce water consumption or application of water recycling and awareness training provided to our people.

We use the World Resources Institute (WRI) Aqueduct Global Water Tool to identify assets in water stressed areas. As we develop new projects, water is a key part of our environmental risk and impact assessments.

As we phase out our coal generation portfolio, we expect a material reduction in our water use. We work to lower water consumption and withdrawals of freshwater in arid areas. This work involves improving processes in cooling towers by monitoring water levels, installation of flow meters and routine maintenance of air handler coils. In a number of plants, we use air cooled heat exchangers instead of water cooled to reduce water use. Where possible, we recycle or reuse water, as well as use third-party recycled water, or implement water efficiency programs.

As part of the risk management process related to water, AES has a Weather Risk Committee that monitors and determines best practices around hydrology risk in our portfolio, working with Commercial, Operational and Meteorological expert counterparts. The committee works to identify new opportunities to improve AES’ development efforts and reports advises the organization on the forecasted risk associated with weather. The Risk Management team submits a report to the Board of Directors at regularly scheduled meetings. See [Risk Management](#) for more information.



2024 performance

In 2024, we advanced our water stewardship efforts and made progress in improving our performance. Both our water withdrawal and discharges decreased by more than 35 percent compared to 2023, due to assets shutdowns and less generation from large plants. Our **total water consumption continues to decrease**.

In Colombia, through the Efficient Use and Saving Program, the domestic water consumption in our hydro facilities has been reduced by 42 percent compared to 2010.

See the [Excel file \(Planet – Water\)](#) file for detailed data around water use, recycle and exposure to areas with water stress.



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As part of the EMS, we have a **Waste Management Standard** that sets forth our essential guidelines for handling hazardous and special waste, managing chemicals and raw materials, and preventing and controlling spills. We evaluate potential hazards and implement management strategies, including preventive and control measures.

Our physical disposal of non-hazardous waste is protective of the environment and in compliance with local regulations and permits. When necessary, we collaborate with specialized, pre-approved companies holding waste management licenses for the transportation and disposal of materials and hire third parties to conduct assurance on their licenses and authorizations.


We have in place waste management programs. These programs include, depending on the asset, action plans to reduce waste generation, waste reduction training or awareness provided to employees or integration of recycling programs to reduce the waste sent to landfill.

Recycling and waste reduction

We prioritize recycling whenever possible. At our sites, we segregate plastic, aluminum, paper, wood, and scrap metal where possible. Many facilities participate in recycling programs to benefit local communities. We also seek to reduce solid waste such as avoiding the use of plastic by using reusable plates and cutlery in dining rooms or providing reusable bags and coffee cups.

Coal Combustion Residuals (CCRs) serve as a valuable component in various concrete products and as a structural fill material, replacing soil or other substances. Gypsum, an air emissions control process byproduct, when recycled, can be used in wallboards for the construction industry, as a raw material in the production of cement, or for use as a soil stabilizer in agriculture. At some of our assets we work with third parties to recycle CCRs, which make up nearly 99 percent of our non-hazardous waste.

We have a US Renewables' Construction Waste Program for solar modules that, beyond recycling, also allows us to assess construction breakage and end-of-life solar panel waste. Through an agreement with SOLARCYCLE, we send damaged or retired solar panels to SOLARCYCLE's advanced recycling facility in Odessa, Texas, where they are responsibly recycled and repurposed. By reducing waste and supporting domestic clean energy supply chains, we're strengthening our commitment to the future of energy while creating American jobs.



2024 performance

Since 2021, in the La Guajira region, AES Colombia has partnered with organizations to handle the recycling and subsequent reintegration into production cycles of plastic bottles. To date, the equivalent of more than 16,000 plastic bottles have been provided to the local partner.

As we continue to reduce the coal generation from our portfolio, we are also reducing the amount of CCRs produced, **approximately 15 percent less compared with 2023**. The recycling of our non-hazardous waste increased approximately 14 percent compared to 2023.

Through our partnership with SOLARCYCLE more than **12,500 panels were recycled** to be brought back into the domestic supply chain. By diverting these panels from the landfill we have avoided the equivalent of over 400 metric tons of carbon dioxide-equivalent emissions, comparable to 1 million miles driven by an average gasoline-powered car¹³.

See the [Excel file \(Planet – Waste\)](#) file for detailed data around waste.



13 Estimated using the [EPA Greenhouse Gas Equivalencies Calculator](#).



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Board of Directors

Strong corporate governance is fundamental to our success. Grounded by our core value of Highest Standards, we remain deeply committed to ethics, integrity, and compliance.

The AES Corporation is led and managed by our Chief Executive Officer and the company’s Executive Officers with the guidance and oversight from our Board of Directors (the Board).

In 2024, the Board maintained four standing Committees: Compensation, Financial Audit, Innovation and Technology, and Governance. The [charter](#) of the Governance Committee includes oversight of matters related to environmental and safety programs as well as compliance. The Audit, Governance, and Compensation Committees comprise solely independent Directors, each with a different independent Director serving as Chairman of the Committee. Our Corporate Governance Policies reflect best practices:

- Annual Election of all Directors
- Non-Executive, Independent Chair of the Board since 2003
- Annual Board and Committee self-evaluations and review of Director qualifications
- Limits on Director tenure
- 96 percent average attendance at Board of Directors and Committee meetings
- Director compensation reviewed annually

See our [2025 Proxy Statement](#) for more information about our corporate governance, including our Board committees and structure, Director characteristics and biographies, director and executive compensation, audit matters and stock ownership, among other topics. Our [webpage](#) also includes references to other related governance documents such as the Certificate of Incorporation, Bylaws, Corporate Governance Guidelines as well as the Board’s Committee Charters.

The Board also provides oversight of the risk management practices implemented by management.



2024 Board

Characteristics of our Directors as presented in our Proxy statement in March 2025:

Gender diversity

45%

Racial/ethnic diversity

36%

Average age

68

Independence

91%

Average tenure

7.5 years

In early 2025, the Compensation Committee approved, and recommended to the Board of Directors to approve, the annual incentive payouts for 2024, which is aligned to our corporate strategy and priorities. Our Sustainability priorities – portfolio transformation and Safety – are 45 percent of the incentive structure with a 10 percent weighting tied to safety and 35 percent tied to achievement of growth in renewable energy generation and new business models. Our [Proxy Statement](#) includes detailed information on our Compensation practices.



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Ethics and Compliance

Our commitment to ethics and integrity is reflected in our [Code of Conduct](#), Ethics and Compliance Program, and company-wide policies and standards – all of which provide a clear foundation for how we engage with our employees, partners, suppliers, and the many communities and environments in which we operate.

The AES Ethics and Compliance Program, which defines our business practices and corporate expectations worldwide, is led by our Chief Ethics and Compliance Officer (CECO), who is appointed by the AES Board of Directors, reports directly to the Audit Committee, and is a member of senior management. The CECO regularly provides reports and updates on Ethics and Compliance issues to the Audit Committee and our external auditors. The Financial Audit Committee oversees the effectiveness of the Company's Ethics and Compliance Program.

The [Ethics and Compliance Program](#) is administered by approximately 20 department representatives who report to the CECO and are located at our headquarters and throughout our global business locations. We conduct regular training for our employees (both full and part-time) on a variety of related ethics and compliance topics and policies, including our [Code of Conduct](#) and corporate values, compliance with anti-corruption and other applicable laws, conflicts of interest, gifts and entertainment, and workplace harassment, among others.

We require [contractors](#), based on risk profile (such as type of supplier or location of operation), to participate in compliance training.

We conduct [regular internal and external assessments](#) of our Ethics and Compliance Program, identifying and mitigating emerging risks as our business evolves. In collaboration with our Internal Audit Department, we conduct multiple anti-corruption audits each year.

Our Code of Conduct is enhanced by global and local policies tailored to local risks and regulations. Some of our policies include anti-corruption, conflicts of interest, charitable contributions and political donations, data privacy, lobbying, workplace harassment, whistleblower and non-retaliation, cybersecurity and responsible AI, among others. Our policies are user-friendly, easy to understand and find:

- Include frequently asked question sections and supplemental guidance to address common situations

- Some are available [externally](#), but all are available on local intranets, in policy libraries, and on internal document sharing systems, translated into local languages. New policies are distributed by e-mail from Leaders and through coordinated messaging campaigns
- The policies apply to all AES people worldwide. In addition, temporary workers, contractors, consultants, agents, representatives, and all others who perform AES work are required to ensure that their actions on behalf of AES meet the same high standards of integrity expected of AES people

Our Code of Conduct and [Anti-Corruption Policy](#) encourage internal and external stakeholders to bring matters of concern to the company's attention for prompt resolution. AES' Whistleblower Policy sets procedures for the treatment of complaints, including strictly prohibited retaliation against employees who report ethics and compliance concerns in good faith.

The [AES Helpline](#) is a publicly and permanently available global confidential channel in every AES language, managed by a third party to ensure confidentiality. Contacts to the AES Helpline may be made anonymously. The Helpline can be used by AES people or any of the company's stakeholders.

Through different communication channels and regular Ethics and Compliance messages and guidance, our people are reminded that they can ask questions about our Values Guide or Company policies, or raise concerns about potentially illegal or unethical business conduct, by contacting their manager, another AES leader, an Ethics and Compliance Department representative, AES legal counsel, or using the Helpline.

The Ethics and Compliance Department investigates all allegations and responds to all questions, collaborating with management regarding disciplinary and remedial actions to ensure consistency with AES Values, policy, law, and regulation. Disciplinary measures and corrective action will depend on the specific circumstances of the violation. Actions contrary to law, our Values, our AES Code of Conduct, or other corporate policies will be grounds for disciplinary action, up to and including termination, subject to local law and the terms of any applicable collective bargaining agreement. Failure to report improper behavior, knowingly making a false report, or refusing to cooperate with an investigation may also be grounds for disciplinary action.



AES helpline

AES Helpline groups allegations of suspected wrongdoing into six main categories:

- | | |
|---|--|
| → Interactions with third party business partners | → Interactions with government officials |
| → Company property and assets | → Human resources and AES personnel issues |
| → Financial reporting and controls | → Safety and environment |

[Each investigation is documented](#) and reported to AES' independent auditor, who selects a subset for ongoing monitoring until the case is closed. The Helpline investigation data enables the identification of trends to proactively mitigate risks.

AES engages in the political process and believes good government policy benefits all AES stakeholders including our people, customers and shareholders. We participate in the public policy process in the US in a variety of ways including corporate government affairs programs designed to educate and inform elected officials on key public policy issues related to the company's business.



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Anti-Harassment and Anti-Discrimination

Along with our Code of Conduct, we have an [Anti-Harassment Policy](#) that clearly states that we do not tolerate discrimination, harassment or mistreatment of any individual in the AES work environment. The policy strictly prohibits harassment on the basis of sex, sexual orientation, gender, gender identity and/ or expression or other types of workplace harassment on the basis of, race, national origin, ethnicity, age, religion, marital status, physical or mental disability, pregnancy, childbirth, or related medical condition, military or veteran status, or any other characteristic protected under applicable law.

This policy is introduced as part of the new employee onboarding. Our people are required to complete digital training courses on Managing Bias, Compliance and AES Code of Conduct, and on Harassment and Discrimination Prevention. Complaints of harassment are taken seriously and are investigated promptly with appropriate actions taken to remedy violations of this Policy, which may include termination of employment.



2024 performance

73%

percent were allegations of suspected wrongdoing


27%

percent were requests for guidance or information

We updated our Code of Conduct to provide additional guidance on several important topics including antiretaliation, artificial intelligence and political activities. More than [7,300 people](#) completed a training on our Code of Conduct. Also, more than 2,100 people participated in the training about Preventing Harassment and Discrimination including more than [700 leaders](#). The AES Helpline received 326 reports from AES locations worldwide, of which:


Approximately 36 percent of allegations reported and closed in 2024 were found to be substantiated in full or in part. For the sustained allegations, the Ethics and Compliance Department worked with relevant business areas and defined appropriate remedial action to resolve existing issues, fix past issues when appropriate, and avoid recurrence of the same or similar issues in the future. We had [zero corruption breaches in 2024](#) and none of our people was disciplined or dismissed due to non-compliance with anti-corruption policy/policies.

During the year we were recognized across our portfolio for our ethics:



AES was recognized by Ethisphere as one of the World's Most Ethical Companies for the eleventh year in a row. This recognition celebrates companies that lead with integrity, and places AES among an elite group of only eight honorees in the energy sector worldwide.

[Learn more →](#)



Summa magazine highlighted Abraham Bichara, President of AES El Salvador, and Miguel Bolinaga, President of AES Panama, as two of the top 100 executives in Central America with the highest professional ethics.

[Learn more →](#)



AES Mexico was recognized for the fourth consecutive year as one of the +Ethical Companies by AMITAI. This ranking identifies and recognizes companies in Mexico that promote ethical practices and integrity in their operations.



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Cybersecurity

We recognize the critical importance of maintaining the safety and security of our people, systems, and data. We have a holistic process, supported by our management and Board of Directors, for overseeing and managing cybersecurity and related risks.

The Board of Directors is responsible for periodic review and oversight of the AES’ risk management and strategy related to its cybersecurity programs, policies, and practices, including review of the state of the Company’s cybersecurity programs, emerging cybersecurity developments and threats, and the Company’s strategy to mitigate cybersecurity risks.

The Chief Information Security Officer (CISO) is the head of Cybersecurity and responsible for assessing and managing our cyber risk management program, conducting employee security awareness training, developing secure business and communication practices, identifying security objectives and metrics, choosing and purchasing security products from vendors, as well as corresponding management actions. The CISO manages a global team of cybersecurity professionals with broad experience and expertise, including in cybersecurity threat assessments and detection, cloud security, mitigation technologies, cybersecurity training, incident

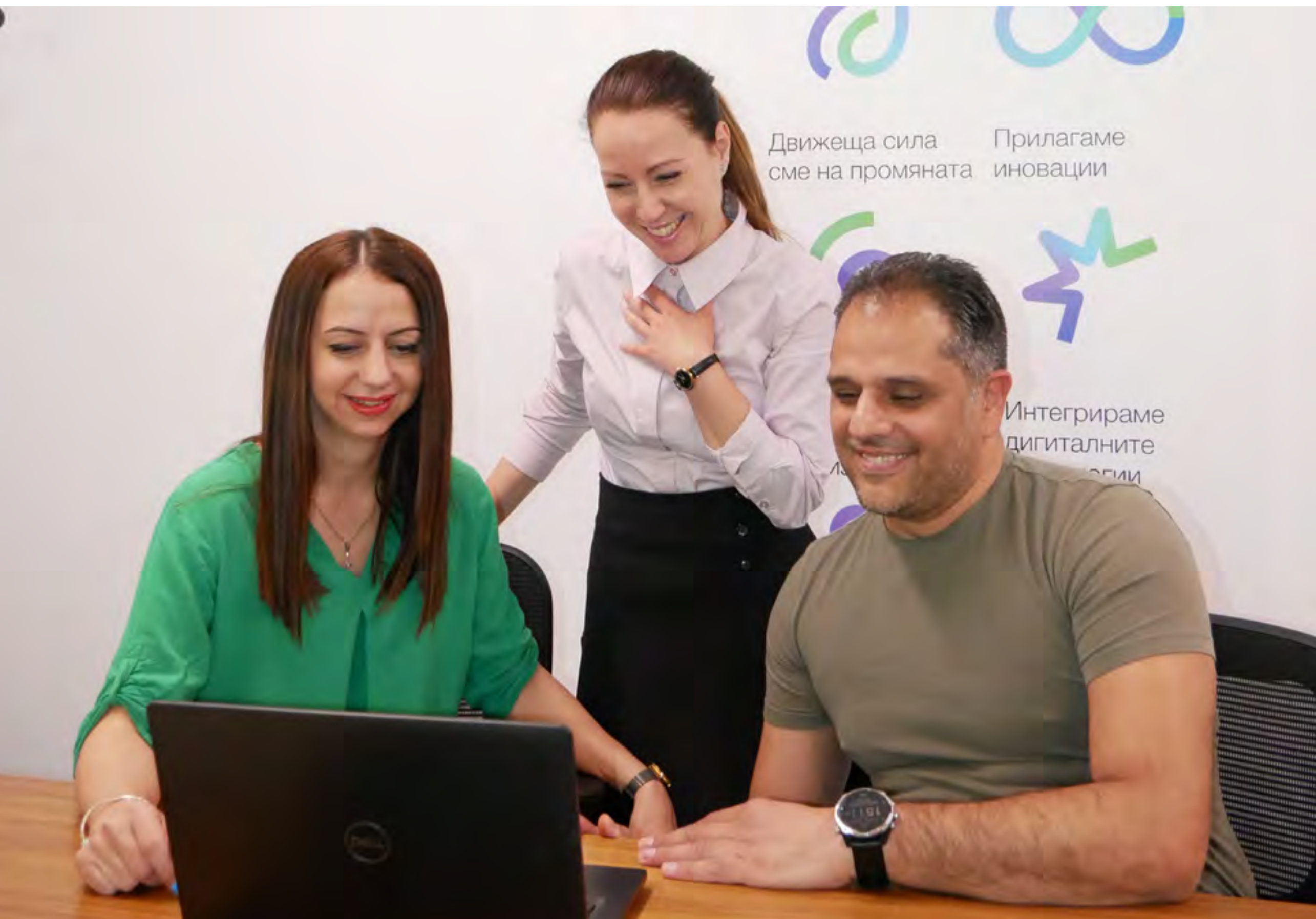
response, cyber forensics, insider threats and regulatory compliance. We rely on threat intelligence as well as other information obtained from governmental, public, or private sources, including contracted external consultants.

Our [Privacy Policy](#) describes how AES and its affiliates and subsidiaries collect, use, share, and otherwise process personal data that identifies our customers, prospects, distributors, vendors, end users, and suppliers that we collect through our websites, mobile applications, business operations, and services. Our Privacy Policy undergoes regular internal audits. Additionally, as custodians of customer data regulated by the State Utility Commission, we are subject to third-party reviews.

We have implemented measures to help prevent unauthorized access to our systems and facilities, including certain measures to comply with mandatory regulatory reliability standards. [To date, cyber-attacks have not had a material impact on our operations](#) or financial results. We continuously assess potential threats and vulnerabilities across our operations and invest in technologies and processes to address them. These efforts include global monitoring of networks and systems, identifying and implementing new technology, improving user awareness through employee security training, and updating our security policies as well as those for third-party providers.

During the year, on a continuous basis, we provide awareness training to our employees to help identify, avoid, and mitigate cybersecurity threats. Our employees participate in training, including phishing exercises, monthly safety meetings, and an annual cybersecurity awareness update. We also periodically host tabletop exercises with management and other employees to practice rapid cyber incident response. Additional details about our Cybersecurity management approach can we found in our [2024 Annual Report](#).

Cybersecurity is fully integrated into our enterprise risk management process, with structured reporting protocols. We consider cybersecurity as part of the enterprise risk process, including organized and structured reporting protocols. We have also established an Incident Response Team and Threat Management and Incident Response Standard that governs our assessment, response, and notifications internally and externally upon the occurrence of a cybersecurity incident.



2024 performance

More than 9,000 people received on average 60 phishing training emails during the year, with a fail rate below 2 percent. More than 1,200 different types of phishing training emails were sent to [create awareness and educate our people](#).

Our integrated identity security solution was recognized at the [2024 CSO Awards](#) as a security initiative that demonstrates outstanding business value and thought leadership.



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Cybersecurity

Risk Management

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Risk Management

Leaders are responsible for the management and assessment of risk at the Company, including communication of the most material risks to the Board and its Committees. The Board provides oversight over the risk management practices implemented by Management, except for the oversight of risks that have been specifically delegated to a Committee of the Board. If the oversight of a specific area of risk has been delegated to a Committee, the full Board receives reports from the Committee Chairs at each regularly scheduled full Board meeting, to the extent that all Directors have not participated in discussion of that matter at the committee level.

The Board also receives a report at regularly scheduled meetings and at least once a year a presentation from the Chief Risk Officer (CRO), who is the head of AES’ Global Risk Management Group (GRM). Through these materials, the Board is educated on the current state of AES risks while also learning new risk metrics and techniques. Additional details on the role of the Board in Risk Management can be found in the [Proxy Statement](#).

The CRO chairs the Risk Oversight Committee (ROC), which oversees diverse aspects of the Company’s strategy and business and is comprised of the Company’s Chief Financial Officer (CFO), Chief Operating Officer, CRO and the Presidents of the Renewables, Energy Infrastructure and New Energy Technologies Strategic Business Units. The risk management functions are part of the finance organization reporting to the CFO, and are independent from the operations and business lines.

See the [2024 Annual Report](#) for a discussion of risk factors related to AES’ operations, governmental regulation and laws, indebtedness and financial condition.



Disaster/Emergency planning and response

AES businesses face possible risks and scenarios that can operations and can impact the service we provide. Safe, fast and effective power restoration following emergency events is essential to the reliability of electric power generation and distribution systems and the well-being of the services and people that depend on these systems.

As provider of essential services, our businesses have diverse programs in place to ensure our operations are prepared to manage unplanned disruptions. Our management approach includes a set of emergency preparedness standards describing requirements for the development, review and implementation of Business Continuity Plans (BCP). These plans also consider local regulations and include preparedness for: operational emergencies; off-site emergencies that will have a significant impact on operations or staff; physical security measures, including evacuation of our employees in case of unrest; and emergencies involving nature, e.g., severe weather, floods, earthquakes, tsunamis, etc.

Our Safety Management System and the Global Safety Standard on Emergency Preparedness describes minimum requirements for emergency preparedness plans that address the risk associated with operational activities, man-made emergencies, natural disasters and anticipated industry hazards.

Stakeholder collaboration and engagement are also an important part of our program. Our procedures include clear and frequent communications and collaboration with customers, neighboring communities, the media, contractors and government officials. To create awareness with key stakeholders, businesses also can share information with surrounding communities about safety and how to act during an emergency, bad weather conditions, or spill overs, among others.



Edison Electric Institute (EEI) Emergency Response Award

Presented to EEI member companies, AES Ohio received the Emergency Response Award, a recognition to recovery and assistance efforts of electric companies following service disruptions caused by extreme weather or other natural events. AES Ohio efficiently restored power after two severe storms systems and five tornadoes that caused extensive damage to electrical infrastructure to more than six counties in Ohio.

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This 2024 Improving Lives Report, together with its downloadable [Excel file](#), represents our 2024 Sustainability Report and covers our activities and businesses where AES has operational control from January 1, 2024 to December 31, 2024, unless otherwise stated. The report is published on an annual basis.

We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. If one or more forward-looking statements are updated, no inference should be drawn that additional updates will be made with respect to those or other forward-looking statements.

The Excel file includes an index of how our 2024 reporting aligns to the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB).

In certain specific indicators there have been updates in the information due to recalculations or methodology adjustments. Those cases are indicated with a footnote in the Excel file.

AES has used the services of Lloyd’s Register Quality Assurance Inc. (LRQA) to verify and conduct an independent and limited assurance of the following data: Greenhouse gases Scopes 1, 2 and 3, other Air Emissions, Water withdrawal and discharge, Hazardous and Non-Hazardous Waste generation, Ash and Gypsum generation and recycling from coal combustion, Electricity Generation, Energy Use, Lost Time Incidents (LTI) incidents and fatality rate.

The Sustainability Report 2024 was prepared with reference to the Global Reporting Initiative (GRI Standards) with the inclusion of the GRI Universal Standards 2021 and the GRI Topic Standards 2021, and also considering the Electric Utilities Disclosure supplement dedicated to the sector issued in 2013, also by GRI.



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Our Priority Assessment

Our priority assessment is reviewed every year, and a reassessment is conducted every 3 years (or earlier if deemed necessary after the annual review). In 2023, with the support of an external consultant, we refreshed our priority assessment to identify the range of environmental, social, governance topics and business drivers most important to the success of the business.

We started by reviewing our external context for which we considered external stakeholder perspectives, benchmarked ourselves against peer companies, and analyzed international standards, regulations and reporting frameworks to understand stakeholder expectations

of our business. We continued with an identification of internal perspectives through AES reports, previous priority assessment documentation, publications, surveys, etc. By having an external and internal approach we ensured the creation of a list of topics that leveraged the latest thought leadership and incorporated new topics that are shaping the industry through a wide stakeholder lens.

The list of initial priority topics was then validated using over 25 leadership interviews. Executives across different functions – both at corporate and local levels – were interviewed to gather feedback around: the list of topics identified as priorities, the relative

importance of these topics to stakeholders and business and thoughts on the topics and their implications for AES.

Interviews provided unique inputs and perspectives to yield a numerical weighting that fed into the final output. Our assessment followed the GRI's guidance for determining relevant topics and includes the Sustainability Accounting Standards Board (SASB) topics for our sector.

Topics below are platted for illustrative separation, not intended to directly correlate to X & Y coordinates.

Topic prioritization matrix

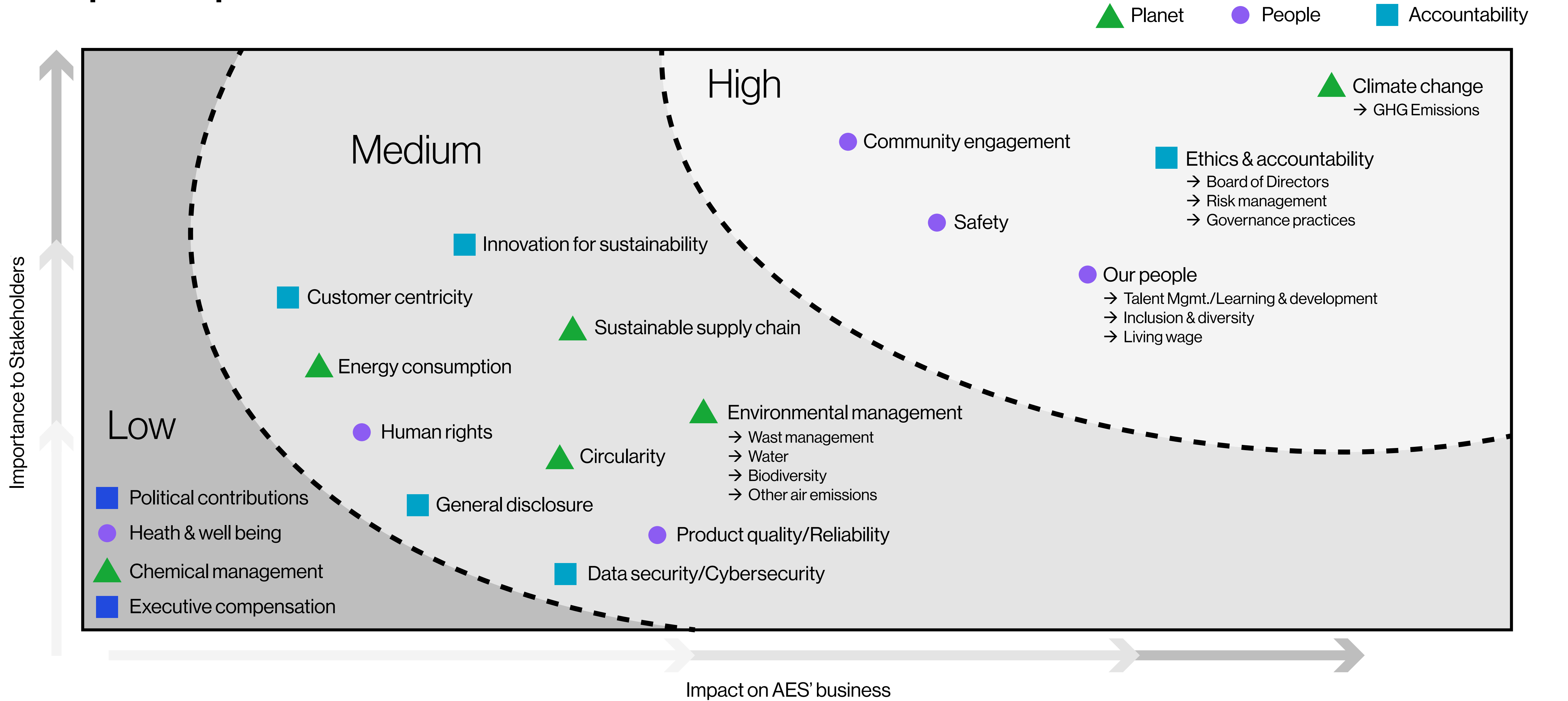


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GRI 2 - General Disclosures			
2-1	Organizational details	2024 Improving Lives Report	Page 7
2-2	Entities included in the organization's sustainability reporting	2024 Improving Lives Report	Page 50
2-3	Reporting period, frequency and contact point	2024 Improving Lives Report	Page 50
2-4	Restatements of information	2024 Improving Lives Report	Page 50
2-5	External assurance	2024 Improving Lives Report	Pages 56-58
		Excel data tables - Sustainability Report 2024	Assurance Statement
2-6	Activities, value chain and other business relationships	Excel data tables - Sustainability Report 2024	Suppliers - Table 1
2-7	Employees	Excel data tables - Sustainability Report 2024	Our People - Table 2 and Table 3
2-8	Workers who are not employees	Excel data tables - Sustainability Report 2024	Our People - Table 1
2-9	Governance structure and composition	2025 Proxy Statement	Pages 9-10, 17-22, 27-38
		Excel data tables - Sustainability Report 2024	Board of directors - Table 1 and Table 2
2-10	Nomination and selection of the highest governance body	2025 Proxy Statement	Pages 22-25
2-11	Chair of the highest governance body	2025 Proxy Statement	Page 9
2-12	Role of the highest governance body in overseeing the management of impacts	AES Corporate Governance Guidelines	Pages 2, 6
		AES Governance Committee Charter 2025	Page 6
2-13	Delegation of responsibility for managing impacts	AES Governance Committee Charter 2025	Page 1
2-14	Role of the highest governance body in sustainability reporting	AES Governance Committee Charter 2025	Pages 5, 6
2-15	Conflicts of interest	2025 Proxy Statement	Page 15
2-16	Communication of critical concerns	2025 Proxy Statement	Page 16
2-17	Collective knowledge of the highest governance body	2025 Proxy Statement	Pages 22-25
2-18	Evaluation of the performance of the highest governance body	2025 Proxy Statement	Page 22
2-19	Remuneration policies	2025 Proxy Statement	Pages 39-68
2-20	Process to determine remuneration	2025 Proxy Statement	Pages 39-68
2-21	Annual total compensation ratio	Excel data tables - Sustainability Report 2024	Talent Management - Table 5
2-22	Statement on sustainable development strategy	2024 Improving Lives Report	Page 3
2-23	Policy commitments	Code of Conduct	Pages 1-23
		Human rights Policy	Pages 1-2
2-24	Embedding policy commitments	2024 Improving Lives Report	Page 44-45
2-26	Mechanisms for seeking advice and raising concerns	2024 Improving Lives Report	Page 45



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2-27	Compliance with laws and regulations	2024 Improving Lives Report Excel data tables - Sustainability Report 2023	Page 44-45 Talent Management - Table 12
2-28	Membership associations	2024 Improving Lives Report	Page 26
2-29	Approach to stakeholder engagement	Excel data tables - Sustainability Report 2024	Stakeholders - Table 1
2-30	Collective bargaining agreements	Excel data tables - Sustainability Report 2024	Talent Management - Table 4
GRI 3 - Material Topics			
3-1	Process to determine material topics	2024 Improving Lives Report	Page 51
3-2	List of material topics	2024 Improving Lives Report	Page 51
3-3	Management of material topics	2024 Improving Lives Report	Pages 17, 36, 44
Topic Disclosures			
302-1	Energy consumption within the organization	Excel data tables - Sustainability Report 2024	Energy Consumption - Table 1
302-3	Energy intensity	Excel data tables - Sustainability Report 2024	Energy Consumption - Table 1
302-4	Reduction of energy consumption	Excel data tables - Sustainability Report 2024 2024 Improving Lives Report	Energy Consumption - Table 1 Page 38
303-1	Interactions with water as a shared resource	Excel data tables - Sustainability Report 2023 2024 Improving Lives Report	Water (all tables) Page 41
303-2	Management of water discharge-related impacts	2024 Improving Lives Report	Page 41
303-3	Water withdrawal	Excel data tables - Sustainability Report 2024	Water - Table 1 and Table 3
303-4	Water discharge	Excel data tables - Sustainability Report 2024	Water - Table 1 and Table 3
303-5	Water consumption	Excel data tables - Sustainability Report 2024	Water - Table 1 and Table 3
305-1	Direct (Scope 1) GHG emissions	Excel data tables - Sustainability Report 2024	Emissions - Table 2
305-2	Energy indirect (Scope 2) GHG emissions	Excel data tables - Sustainability Report 2024	Emissions - Table 4
305-3	Other indirect (Scope 3) GHG emissions	Excel data tables - Sustainability Report 2024	Emissions - Table 5
305-4	GHG emissions intensity	Excel data tables - Sustainability Report 2024	Emissions - Table 1
305-5	Reduction of GHG emissions	2024 Improving Lives Report	Page 38
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Excel data tables - Sustainability Report 2024	Emissions - Table 7
306-1	Waste generation and significant waste-related impacts	2024 Improving Lives Report	Page 42
306-2	Management of significant waste related impacts	2024 Improving Lives Report	Page 42
306-3	Waste generated	Excel data tables - Sustainability Report 2024	Waste - Table 1, Table 3, Table 4 and Table 5
306-4	Waste diverted from disposal	Excel data tables - Sustainability Report 2024	Waste - Table 3, Table 4 and Table 5
306-5	Waste directed to disposal	Excel data tables - Sustainability Report 2024	Waste - Table 3, Table 4 and Table 5
401-1	New employee hires and employee turnover	Excel data tables - Sustainability Report 2024	Talent Management - Table 1 and Table 3



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401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	2024 Improving Lives Report	Page 24
403-1	Occupational health and safety management system	2024 Annual Report	Page 52
		2025 Proxy Statement	Page 13
		2024 Improving Lives Report	Page 23
403-2	Hazard identification, risk assessment, and incident investigation	AES website	Keeping our people safe
403-3	Occupational health services	2024 Improving Lives Report	Page 23
403-4	Worker participation, consultation, and communication on occupational health and safety	2024 Improving Lives Report	Page 23
403-5	Worker training on occupational health and safety	2024 Improving Lives Report	Pages 23, 25
403-6	Promotion of worker health	2024 Improving Lives Report	Page 24
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	2024 Improving Lives Report	Page 25
403-8	Workers covered by an occupational health and safety management system	Excel data tables - Sustainability Report 2024	Health and Safety - Table 3
403-9	Work-related injuries	Excel data tables - Sustainability Report 2024	Health and Safety - Table 1 and Table 2
404-1	Average hours of training per year per employee	Excel data tables - Sustainability Report 2024	Talent Management - Table 8
404-2	Programs for upgrading employee skills and transition assistance programs	2024 Improving Lives Report	Page 19, 21
404-3	Percentage of employees receiving regular performance and career development reviews	Excel data tables - Sustainability Report 2024	Talent Management - Table 11
405-1	Diversity of governance bodies and employees	Excel data tables - Sustainability Report 2024	Board of directors - Table 1
		Excel data tables - Sustainability Report 2024	Our People - Table 9
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2024 Annual Report	Page 73-74

Electric Utilities Specific Disclosures (2013)			
EU1	Installed capacity, broken down by primary energy source and by regulatory regime	Excel data tables - Sustainability Report 2024	Installed capacity - Table 1 and Table 2
EU2	Energy output broken down by primary energy source and by regulatory regime	Excel data tables - Sustainability Report 2024	Generation - Table 1 and Table 2
EU3	Number of residential, industrial, institutional and commercial customer accounts	Excel data tables - Sustainability Report 2024	Operation - Table 3
EU4	Length of above and underground transmission and distribution lines by regulatory regime	Excel data tables - Sustainability Report 2024	Operations - Table 9
EU10	Planned capacity broken down by energy source and regulatory regime	Excel data tables - Sustainability Report 2024	Installed capacity - Table 4
EU11	Generation Efficiency of Thermal Plants	Excel data tables - Sustainability Report 2024	Operations - Table 4
EU12	Transmission and distribution losses	Excel data tables - Sustainability Report 2024	Operations - Table 5
EU25	Number of injuries and fatalities to the public involving company assets, including legal judgements, settlements and pending legal cases of diseases	Excel data tables - Sustainability Report 2024	Health and Safety - Table 5
EU28	Power outage frequency	Excel data tables - Sustainability Report 2024	Operations - Table 1
EU29	Average power outage duration	Excel data tables - Sustainability Report 2024	Operations - Table 1 and Table 2
EU30	Average plant availability factor by energy source	Excel data tables - Sustainability Report 2024	Operations - Table 3



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Sustainability Disclosure Topics & Metrics			
IF-EU-110a.1	(1) Gross global Scope 1 emissions, percentage covered under (2) emissions-limiting regulations and (3) emissions-reporting regulations	Excel data tables - Sustainability Report 2024	Emissions - Table 2 and Table 6
IF-EU-110a.2	Greenhouse gas (GHG) emissions associated with power deliveries	Excel data tables - Sustainability Report 2024	Emissions - Table 5
IF-EU-110a.3	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	2024 Improving Lives Report	Pages 37-38
IF-EU-120a.1	Air emissions of the following pollutants: (1) NO_{x} (excluding N_{2} O), (2) SO_{x} , (3) particulate matter (PM_{10}), (4) lead (Pb), and (5) mercury (Hg); percentage of each in or near areas of dense population	Excel data tables - Sustainability Report 2024	Emissions - Table 7
IF-EU-140a.1	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Excel data tables - Sustainability Report 2024	Water - Table 1 and Table 3
IF-EU-140a.2	Number of incidents of non-compliance associated with water quality permits, standards and regulations	2024 Improving Lives Report	Page 41
IF-EU-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	2024 Improving Lives Report	Page 41
IF-EU-150a.1	Amount of coal combustion residuals (CCR) generated, percentage recycled	Excel data tables - Sustainability Report 2024	Waste - Table 2
IF-EU-150a.3	Description of coal combustion products (CCPs) management policies and procedures for active and inactive operations	2024 Improving Lives Report	Page 42
IF-EU-240a.1	Average retail electric rate for (1) residential, (2) commercial, and (3) industrial customers	Excel data tables - Sustainability Report 2024	Customers - Table 4
IF-EU-240a.3	Number of residential customer electric disconnections for non-payment, percentage reconnected within 30 days	Excel data tables - Sustainability Report 2024	Customers - Table 6
IF-EU-240a.4	Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	Excel data tables - Sustainability Report 2024	Stakeholders - Table 1
IF-EU-320a.1	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)	Excel data tables - Sustainability Report 2024	Health and Safety - Table 1 and Table 2
IF-EU-420a.2	Percentage of electric load served by smart grid technology^{2}	Excel data tables - Sustainability Report 2024	Operations - Table 6
IF-EU-420a.3	Customer electricity savings from efficiency measures, by market^{3}	Excel data tables - Sustainability Report 2024	Customers - Table 5
IF-EU-540a.2	Description of efforts to manage nuclear safety and emergency preparedness	not applicable as AES doesn't operate any nuclear asset	
IF-EU-550a.1	Number of incidents of non-compliance with physical or cybersecurity standards or regulations	Excel data tables - Sustainability Report 2024	Cybersecurity - Table 1
IF-EU-550a.2	(1) System Average Interruption Duration Index (SAIDI), (2) System Average Interruption Frequency Index (SAIFI), and (3) Customer Average Interruption Duration Index (CAIDI), inclusive of major event days^{4}	Excel data tables - Sustainability Report 2024	Operations - Table 1 and Table 2
Activity Metrics			
IF-EU-000.A	Number of: (1) residential, (2) commercial, and (3) industrial customers served	Excel data tables - Sustainability Report 2024	Customers - Table 3
IF-EU-000.B	Total electricity delivered to: (1) residential, (2) commercial, (3) industrial, (4) all other retail customers, and (5) wholesale customers	Excel data tables - Sustainability Report 2024	Customers - Table 2
IF-EU-000.C	Length of transmission and distribution lines	Excel data tables - Sustainability Report 2024	Operations - Table 9
IF-EU-000.D	Total electricity generated, percentage by major energy source, percentage in regulated markets	Excel data tables - Sustainability Report 2024	Generation - Table 1 and Table 2
IF-EU-000.E	Total wholesale electricity purchased	Excel data tables - Sustainability Report 2024	Operations - Table 8



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LRQA Independent Assurance Statement

Relating to The AES Corporation’s GHG Inventory and EHS Report for the 2024 Calendar Year

This Assurance Statement has been prepared for The AES Corporation in accordance with our contract with AES Arlington Services, LLC.

Terms of Engagement

LRQA was commissioned by The AES Corporation (AES) to provide independent assurance of its greenhouse gas (GHG) emissions, environmental, and health and safety (EHS) inventories (“the Report”) for the calendar year (CY) 2024 against the assurance criteria below to a limited level of assurance and materiality of the professional judgement of the verifier using LRQA’s verification procedure and ISO 14064 - Part 3 for greenhouse gas emissions. LRQA’s verification procedure is based on current best practises and is in accordance with ISAE 3000 and ISAE 3410.

Our assurance engagement covered AES’ internal operations and activities in CY 2024 and specifically the following requirements:

- Verifying conformance with:
 - AES’ reporting methodologies for the selected datasets; and
 - World Resources Institute / World Business Council for Sustainable Development Greenhouse Gas Protocol: A corporate accounting and reporting standard, revised edition (otherwise referred to as the WRI/WBCSD GHG Protocol) for the GHG data¹.
- Reviewing whether the Report has taken account of:
 - GHG Protocol Scope 3 Accounting and Reporting Standard.
- Evaluating the accuracy and reliability of data and information for only the selected indicators listed below:
 - Direct (Scope 1), Energy Indirect (Scope 2) and Other Indirect (Scope 3) GHG emissions, using the equity share operational boundary;
 - Scope 3 GHG emissions verified by LRQA only include the following:
 - Category 1 Purchased Goods and Services: Municipal Water;
 - Category 3 Fuel and Energy Related Activities: Mining and transport of coal for generating stations in Puerto Rico and the Andes;
 - Category 3 Fuel and Energy Related Activities: Purchased Electricity Sold to End Users;
 - Category 5 Waste Generated in Operations: Landfilled waste;
 - Category 6 Business travel: Air and Hotel; and
 - Category 7 Employee Commuting
 - Electricity Generation, gross and net;
 - Water withdrawal and discharge;
 - Ash & Gypsum generation and recycling from coal combustion;
 - Air Emissions (SO₂, NOx, PM and Hg);
 - Hazardous and non-hazardous waste generation;
 - Energy use from fuel consumption and electricity consumption;
 - Safety lost time incident case rates (operational control);
 - Safety fatality case rates (operational control); and
 - Number of fatalities (operational control).

Our assurance engagement excluded certain data and information, as described below:

- GHG emissions at administrative offices and fugitive methane emissions from coal on the basis of their de minimis contribution to the total inventory;

¹ <http://www.ghgprotocol.org/>



- Water accessed for generation at hydroelectric plants is not considered a withdrawal or discharge and is excluded. Water use in administrative offices was also excluded; and
- GHG emissions and EHS data related to AES’ suppliers, contractors and any other third-parties were excluded, except as follows: Scope 3 GHG emissions for operations and safety metrics for operations and construction contractors where AES has personnel onsite to enforce AES’ EHS requirements.

LRQA’s responsibility is only to AES. LRQA disclaims any liability or responsibility to others as explained in the end footnote. AES’ responsibility is for collecting, aggregating, analysing and presenting all the data and information within the Report and for maintaining effective internal controls over the systems from which the Report is derived. Ultimately, the Report has been approved by, and remains the responsibility of AES.

LRQA’s Opinion

Based on LRQA’s approach, except for the effect of the matters described in the Basis for Qualified Opinion, nothing has come to our attention that would cause us to believe that AES has not, in all material respects:

- Met the requirements of the criteria listed above; and
- Disclosed accurate and reliable performance data and information as summarized in Table 1 below.

The opinion expressed is formed on the basis of a limited level of assurance² and at the materiality of the professional judgement of the verifier.

Basis for Qualified Opinion

- The inventories for waste generation, water withdrawal and discharge, and associated Scope 3 GHG emissions for these categories do not contain data from Ohio Gen Co-Owned OVEC, for which AES owns 5% equity share but does not have operational control. These omissions do not have a material impact on the associated inventories.

Table 1. Summary of AES’ Scope 1 and 2 Greenhouse Gas Emissions Equity Share Data, CY 2024.

Item	Equity Share Quantity	Unit
Scope 1 GHG emission – Fossil (excludes biogenic)	28,291,254	Metric Tons CO ₂ e
Biogenic GHG emissions	30,230	Metric Tons CO ₂ e
Scope 2 GHG emissions – (Location-based) ^{1,1}	439,475	Metric Tons CO ₂ e
Scope 2 GHG emissions – (Market-based) ^{1,1}	439,475	Metric Tons CO ₂ e
Note 1.1: Scope 2, Location-based and Scope 2, Market-based are defined in the WRI/WBCSD GHG Protocol Scope 2 Guidance, 2015		

Table 2. Summary of AES’ Scope 3 Greenhouse Gas Emissions Equity Share Data, CY 2024.

Item	Equity Share Quantity	Unit
Scope 3: Purchased Goods and Services: Municipal Water	169	Metric Tons CO ₂ e
Scope 3 FERA: Mining and Transport of coal to Puerto Rico	37,516	Metric Tons CO ₂ e

² The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



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Item	Equity Share Quantity	Unit
Scope 3 FERA: Mining and Transport of coal to the Andes	129,474	Metric Tons CO ₂ e
Scope 3: FERA: Purchased Electricity Sold to End Users	1,670,986	Metric Tons CO ₂ e
Scope 3: Waste generated in operations: Landfill	19,111	Metric Tons CO ₂ e
Scope 3 Business Travel: Air Travel	1,746	Metric Tons CO ₂ e
Scope 3 Business Travel: Hotel Stays	117	Metric Tons CO ₂ e
Scope 3: Employee Commuting: Arlington, VA Headquarters and sites in Colombia, Mexico and Panama ^{2.1}	1,450	Metric Tons CO ₂ e
Scope 3: Employee Commuting: Power Generation sites in Brazil (fossil) ^{2.2}	52	Metric Tons CO ₂ e
Scope 3: Employee Commuting: Power Generation sites in Brazil (biogenic) ^{2.2}	32	Metric Tons CO ₂ e
Note 2.1: Emissions data covers 74% of AES employees in these locations Note 2.2: Limited to transportation of employees by third party.		

Table 3. Summary of AES’ Environmental Equity Share Data, CY 2024.

Item	Equity Share Quantity	Unit
Electricity Generated - Gross	66,085,647	MWh
Electricity Generated -Net	62,580,151	MWh
Steam Generated	2,774	MWh
Energy use (fuel consumed for electricity generation)	105,047,081	MWh
Energy use (purchased electricity for own use)	204,626	MWh
Water Withdrawal	1,678,256,601	Cubic Meter
Water Discharge	1,614,228,512	Cubic Meter
Solid Waste Generation: Ash & Gypsum from coal combustion	2,982,807	Metric Tons
Solid Waste Recycling: Ash & Gypsum from coal combustion	1,312,408	Metric Tons
Air Emissions: Sulphur Dioxide (SO ₂)	25,086	Metric Tons
Air Emissions: Nitrogen Oxides (NO _x)	25,618	Metric Tons
Air Emissions: Particulate Matter (PM)	1,526	Metric Tons
Air Emissions: Mercury (Hg)	0.20	Metric Tons
Non-hazardous waste	37,900	Metric Tons
Hazardous Waste ^{3.1}	3,112	Metric Tons
Note 3.1: AES defines hazardous waste as waste classified as hazardous by local applicable rules and regulations or under the Basel Convention. PCB liquids and PCB contaminated solid waste are also included.		



Table 4. Summary of AES’ Safety Data for Operationally Controlled Facilities, CY 2024.

Item ^{2.1}	Operational Control Quantity	Unit
Lost Time Incident Case Rate-AES Employees	0.094	Per 200,000 Hours
Lost Time Incident Case Rate-Operations Contractors	0.069	Per 200,000 Hours
Lost Time Incident Case Rate-Construction Contractors	0.037	Per 200,000 Hours
Fatality Case Rate-AES Employee	0	Per 200,000 Hours
Fatality Case Rate-Operations Contractors	0	Per 200,000 Hours
Fatality Case Rate-Construction Contractors	0	Per 200,000 Hours
Number of Fatalities – AES Employees	0	Cases

LRQA’s Approach

LRQA’s assurance engagements are carried out in accordance with our verification procedure. The following tasks were undertaken as part of the evidence gathering process for this assurance engagement:

- analysing GHG emissions and EHS data from a sample of facilities;
- interviewing relevant employees of the organization responsible for managing GHG emissions and EHS data and records;
- assessing AES’ data management systems to confirm they are designed to prevent significant errors, omissions or mis-statements in the Report. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal quality control;
- verifying CY 2024 GHG emissions and EHS data at an aggregated level; and
- reviewing AES’s base year recalculation policy for conformance and confirming that AES performed the necessary analysis to determine if a base year recalculation is necessary. Base year recalculation was not needed.

LRQA’s Standards, Competence and Independence

LRQA implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 *Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition* and ISO/IEC 17021 *Conformity assessment – Requirements for bodies providing audit and certification of management systems* that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants.



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LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

Signed

Dated: 11 April 2025

		
Brooke Farrell Coordinating Lead Project 1: Scope 1 & 2 GHG Emissions Energy Base Year Conformance	Joycelyn Swamidoss Project 2: Scope 3: PG&S Water Scope 3: FERA Electricity and Steam Generation Water Withdrawal and Discharge	David Hadlet Project 3 Scope 3: Business Travel Scope 3: Employee Commuting
		
Andrea Bockrath Project 4 Ash & Gypsum Generation and Recycling Air Emissions: SO2, NOx, PM, HG	Marisol Bacong Project 5 Non-Hazardous Waste Hazardous Waste Scope 3: Waste Generated in Operations	Neville Dias Project 6 Safety

LRQA Lead Verifiers

On behalf of LRQA, Inc.,
2500 CityWest Blvd, Ste 150
Houston, TX 77042

LRQA reference: UQA00000462 / 7306440

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Forward-looking Statements / Disclaimer

This report was published June, 2025 and contains forward-looking statements within the meaning of the Securities Act of 1933 and of the Securities Exchange Act of 1934. Such forward-looking statements include, but are not limited to, those related to future energy demand, future power prices, the availability and cost of natural gas, the growth of solar and other renewable forms of electricity generation and energy storage, future carbon taxes or regulations, potential rates of reduction in coal-fired electricity generation, the expected operating life of existing coal-fired electricity generation plants, the level of energy efficiency investments, emissions or other targets, the impact of demand-side management and AES’ corporate strategy,. Forward-looking statements are not intended to be a guarantee of future results but

instead constitute AES’ current expectations based on reasonable assumptions. These assumptions include, but are not limited to, normal levels of operating performance and electricity volume at our distribution companies and operational performance at our generation businesses consistent with historical levels, as well as achievements of planned productivity improvements and execution of AES’ corporate strategy. Actual results could differ materially from those projected in our forward-looking statements due to risks, uncertainties and other factors. Important factors that could affect actual results are discussed in AES’ filings with the Securities and Exchange Commission (SEC), including, but not limited to, the risks discussed under Item 1A “Risk Factors” and Item 7 “Management’s Discussion & Analysis” in AES’ 2024 Annual Report on Form 10-K and

in subsequent reports filed with the SEC. Readers are encouraged to read AES’ filings to learn more about the risk factors associated with AES’ business. AES undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Material contained on our or any external website is not part of and is not incorporated by reference in this report. Any Stockholder who desires a copy of the Company’s 2024 Annual Report on Form 10-K filed March 11, 2025 with the SEC may obtain a copy (excluding the exhibits thereto) without charge by addressing a request to the Office of the Corporate Secretary, The AES Corporation, 4300 Wilson Boulevard, Arlington, Virginia 22203. Exhibits also may be requested, but a charge equal to the reproduction cost thereof will be made. A copy of the Form 10-K may also be obtained by visiting the Company’s website at www.aes.com.



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