

Corporate Social Responsibility Strategy – AES UK & Ireland

The AES Corporation improves the lives of more than 100 million people every day around the globe by delivering safe, reliable and sustainable energy in every market we serve. Improving lives and making a lasting difference in the communities in which our businesses operate is the core of AES' mission. Our UK & Ireland Corporate Social Responsibility (CSR) strategy supports that mission.

AES owns and operates 1,920 MW of generating capacity in Northern Ireland at Kilroot and Ballylumford Power Stations in County Antrim. We also have an active renewable energy and energy storage development pipeline and track record across the UK.

At AES, we understand that the success and sustainability of our businesses depends on the social licenses we obtain from local communities to operate and prosper in our business activities. We have developed a CSR strategy to ensure we deliver strategic programmes and initiatives which develop longer-term relationships with local communities.

As a values-led company, our CSR programme is founded upon our values. Every day, our people and business are guided by the following core values:

Put Safety First

We always put safety first—for our people, contractors and communities.

Act with Integrity

Integrity is at the core of everything we do—how we conduct ourselves and how we interact with our stakeholders.

Honour Commitments

We honour our commitments to our customers, teammates, communities, owners, suppliers and partners, and we encourage our businesses to make positive contributions to society.

Strive for Excellence

We strive to be the best in all that we do and to perform at world-class levels.

Have Fun through Work

Work can be fun, fulfilling and exciting. We appreciate being part of a team that is making a difference and we will work to grow and strengthen our operations.

Our Approach

CSR is fully integrated into AES' core work. We support a broad range of CSR programmes and initiatives, all intended to work towards our overarching CSR priorities. The focus and prioritisation of our CSR is rooted in an understanding of the specific needs and opportunities of our local area, to ensure maximum positive impact for our business and our communities.

Our CSR team currently delivers activities relating to:

- Health, Safety and Environment
- Employee and Community Engagement
- Charitable Donations and Partnerships.

Our CSR strategy consciously moves the company's activities away from one-off donations towards sustainable partnerships, community engagement and longer-term initiatives. AES emphasises programmes and supporting activities that forge partnerships, as opposed to merely making a financial donation to a single fund or event that would only have short term benefit for one or a limited number of people. By developing and effectively implementing sustainable programmes and initiatives, AES develops longer-term relationships with local communities, which in turn ensures a stable operating environment for our businesses.

Prioritising Education and Training

AES contributes to improving community access to economic opportunities and social development through education and training. Our CSR strategy prioritises education, training and capacity-building initiatives to make a longer-term positive impact on our local communities.

Sustainable programmes should be connected to the greatest extent possible to the business of AES (i.e. having a focus on cost-effective use of energy resources; increasing understanding of power generation or distribution; developing skills required to work at an energy company, its suppliers or customers etc.) so that skills are developed in the community which will have long-term, direct and indirect benefits on community members' lives.

Selecting CSR partners

AES people drive the identification and selection of CSR partners, but we also accept applications for financial support and/or partnership working. Partners should be well-established and viewed positively by the communities and local governments. They should also have the appropriate technical skills (case specific), experience and sufficient funding to develop and implement a programme that will reflect positively on AES and benefit the community in a sustainable manner. The selection of CSR partners lies solely with AES.

Measuring our Impact

AES seeks to ensure that our CSR programmes achieve the maximum beneficial impact for our communities, environment and AES people. We monitor and evaluate the impact of our CSR programmes through a number of key performance indicators (KPIs). Our CSR programme is internally audited on an annual basis to share learning and improve delivery.

The AES Corporation produces an annual Sustainability Report in line with the Global Reporting Initiative. AES UK & Ireland contributes to The AES Corporation’s Dow Jones Sustainability Index annual submissions. From 2015 we will produce a Sustainability Report for AES UK & Ireland.

CSR Strategic Temple 2015-2018

AES UK & Ireland’s CSR strategy is reflected in the below strategic temple. The roof of the temple describes the measurable strategic objectives of our CSR programme. The pillars define the four areas of strategic focus, and the foundation represents the capabilities, knowledge, and culture that we leverage in the execution of the strategy.



All activities in our CSR programme fit within one or more pillars of the CSR Strategic Temple, with the exception of small charitable donations of up to £500 that directly benefit our local communities and financial support for disaster relief.

AES has selected the CSR temple pillars to address the issues with the highest relevance to our core business and the greatest potential impact on our local communities.

Environmental Improvement

Production of electricity has direct impacts on the environment. As this is at the core of AES UK & Ireland's business, our CSR programme targets issues relating to energy use, water, biodiversity, emissions and waste as outlined in the Global Reporting Initiative guidelines on sector specific material issues for Electric Utilities.

Employability

AES promotes Science, Technology, Engineering and Mathematics (STEM) study in order to grow a dynamic, innovative economy for the UK & Ireland and a skilled future workforce for our businesses. AES supports national efforts to reverse the decline in STEM study through schools and university outreach, mentoring and training, and a clear programme of entry level jobs to demonstrate the benefits of a STEM career in Northern Ireland and with AES.

Unemployment, particularly youth unemployment, is a particular issue of concern in communities across the UK with 6% experiencing unemployment and 13% of 16-24 year olds being out of work. AES supports broader employability training to increase the opportunities open to people in our community including mentoring, work experience, training and provision of a significant number of high quality jobs in the local area.

Supporting Communities

Energy efficiency is a key government priority in supporting household and business energy consumers with rising costs. It also helps to maintain secure energy supplies and increase business productivity. Fuel poverty is a related problem for some regions of the UK in which AES operates: 42% of people in Northern Ireland currently live in fuel poverty and 39% of Scots. Our CSR strategy recognises that energy issues can have a significant impact on vulnerable groups, and we work in partnerships to target these issues.

Employee Engagement

Improving Employee Engagement is a fundamental objective for AES UK & Ireland and is core to supporting the business objectives of growth, sustainability and people development. AES is committed to supporting an Employee Engagement programme that encourages employee participation in the broad range of CSR activities identified in the categories above.

Involvement in CSR activities offers employees the opportunity to engage with and contribute to their local community while at the same time providing opportunities for personal growth and development that they may not otherwise have. It enables employees to contribute directly to their own success and in turn to that of the company.