

# Edison Electric Institute Qualitative Sustainability Report

In partnership with the Edison Electric Institute, Entergy Corporation is voluntarily reporting 2020 sustainability goals and actions, including environmental, social and governance measurements. This is Entergy's fourth year to employ EEI's qualitative reporting mechanism. This template helps EEI member companies provide more uniform, consistent metrics and qualitative information for investors. Entergy's EEI/ESG quantitative template can be accessed [here](#).

## OUR SUSTAINABILITY GOVERNANCE

To achieve our mission of creating sustainable value for our four key stakeholders, we regularly analyze material economic, environmental and social issues that impact our ability to create value for our owners, customers, employees and communities.

- Our governance structure is outlined on page 101 of our [2020 integrated report](#).
- Our material issues determination is available [here](#).
- Our board provides environmental and sustainability oversight of our company and its performance, as described beginning on page 15 of our [integrated report](#). Detailed board committee responsibilities are outlined on page 78.
- Our senior management is responsible for implementing our company's environmental vision through our [Environmental Management System Policy](#) and [Procedure](#).
- Our Enterprise Risk Management approach, detailed starting on page 106 of our [integrated report](#), identifies, captures and mitigates material economic, environmental and social risks.

- Our [integrated report](#) provides a single integrated source of information for all stakeholders. Integrated reporting better reflects how we measure and manage our overall performance with a combination of financial, environmental, community and employee measures. Our 2020 report outlines our plan and progress on becoming the premier utility.
- In addition, we employ the [Global Reporting Initiative](#) standards to ensure transparency, as well as guidance from the Sustainability Accounting Standards Board and the Task Force on Climate-related Financial Disclosures, of which we are a supporting member. Our TCFD alignment can be viewed on page 2 of our [climate report and scenario analysis](#). Our SASB report can be found [here](#).
- We also provide key metrics for stakeholders through our [performance data table](#) and our [EEI ESG quantitative template](#).

## OUR SUSTAINABILITY STRATEGY

### **Entergy is building the premier utility through these and other actions:**

- Expanding the company's longtime history of leadership in addressing the risks of climate change as outlined in our [climate report and scenario analysis](#). The report proposes steps Entergy is taking to prepare for a predicted carbon-constrained future including a goal to reduce our CO2 emission rate to 50% below 2000 levels by 2030.
- Developing in 2020 an [addendum to our climate report](#), outlining Entergy's commitment to achieving net-zero emissions by 2050.

- Enabling new technologies to build more individualized relationships with our customers by partnering on solutions that make their lives better. Technology investments will give us the ability to create and personalize services in innovative ways.
- Modernizing our energy grid with advanced technologies to enhance energy efficiency and customer control and communication, including advanced meters. We are two-thirds of the way through installation of 3 million advanced meters across our service area. Advanced meters represent an investment of \$900 million.
- Installing advanced meters and continuing gas infrastructure replacement programs in New Orleans and Baton Rouge, La.
- Providing customer benefits through online, self-service tools. Self-serve transactions via web, text message and interactive voice response now represent nearly 55% of our customers' transactions.

**Entergy is identifying, assessing and managing sustainability risks and realizing opportunities using an integrated risk management framework. Actions include:**

- Transforming our generation portfolio. Since 2000 Entergy's utilities have added 10.5 GW of highly efficient generation while retiring 6.5 GW of legacy gas. Looking ahead, we anticipate by 2030 our generation portfolio could include 4 to 5 GW of renewables, or possibly more. By the end of 2030, we intend to retire all our coal-powered capacity.
- Having 537 MW of renewables available, approximately 445 MW of solar installations in progress, and another 380 MW announced. In addition, we have two requests for proposals for solar resources totaling 500 MW and we plan to solicit more than 800 additional solar MWs in 2021.

- Retaining nuclear generation as a key component of our clean generation portfolio.
- Partnering with Mitsubishi Power to innovate generation resources, including hydrogen, storage, and more.
- Striving to maintain top-quartile returns to our owners while also maintaining investment-grade ratings.
- Enhancing the reliability and resiliency of our transmission facilities with approximately \$800 million invested in 2020 in capital projects.
- Further improving reliability and realizing \$1.5 billion in customer savings for the period 2014-2020 through participation in the regional transmission organization, Midcontinent Independent System Operator.
- Managing a sustainable customer supply chain through a defined supplier code of conduct, supplier diversity, and supplier governance board; implementing a vendor management and risk oversight procedure and program in 2020 and industry leadership in supply chain sustainability.
- Engaging with stakeholders for positive regulatory outcomes – including those that help us maintain some of the lowest retail rates in the country – and political advocacy on key sustainability and other policy issues that impact our business.
- Accomplishing an orderly exit from our Entergy Wholesale Commodities business.
- Focusing on our safety objective of everyone safe, all day, every day, even as we responded to a global pandemic and an unprecedented 2020 storm season. Our employee safety performance in 2020 placed Entergy in the top decile for safety performance when benchmarked against peers within the Edison Electric Institute.

- Providing approximately 50 energy efficiency and demand-side management offerings with a long-term goal to achieve 990 MW of peak load reduction through 2031. Links to these resources are shared through a variety of communication channels, including a monthly [newsletter](#).
- Investing \$1 million annually in [environmental improvement projects](#) while partnering with governmental and other environmental management organizations on wetlands restoration and other initiatives to promote greater resiliency and enhance biodiversity and local ecosystems.
- Fostering innovation by providing employees the opportunity to engage with stakeholders to understand their expectations and develop innovative customer solutions.

**Entergy is implementing sustainability plans and progress to generate power with lower carbon intensity and ensure a sustainable energy future. Actions include:**

- Leading in clean generation; 65% of the energy we supply to meet utility demand comes from clean, modern natural gas generation (34 percent), clean nuclear generation (29 percent) and renewable resources (approximately 2 percent).
- Helping customers improve energy efficiency to help address CO<sub>2</sub> emissions while reducing energy bills. Entergy's comprehensive strategy involves customer education and outreach, technology improvements and customer incentive programs.
- Leading in voluntarily limiting greenhouse gas emissions since 2001.
- Setting forth a new decade of action by setting a climate goal to reduce our CO<sub>2</sub> emission rate to 50 percent below 2000 levels by 2030, as outlined in our [climate report](#).

- Planning even farther into the future by announcing in 2020 our commitment to achieve net-zero emissions by 2050, as detailed in our [addendum](#) to the climate report. This commitment is inclusive of all businesses, all emission scopes and all gasses, including emissions from purchased power.
- Partnering with customers to help meet their sustainability goals and reduce emissions through beneficial electrification, an objective we are helping realize through the new [Gulf Coast Carbon Collaborative](#) and demonstrated by [our first shore-power installation](#), which went into service in early 2020. The shore-power installation at Port Fourchon leverages Entergy's cleaner generation profile to reduce emissions and protect the environment.
- Confirming that Entergy's climate strategy is producing positive results through the most recent edition of M.J. Bradley and Associates' [Benchmarking Air Emissions of the 100 Largest Electric Power Producers in the United States](#).
- Outperforming [our current climate goal](#) to maintain CO<sub>2</sub> emissions from Entergy-owned power plants and controllable power purchases through 2020 at 20 percent below year 2000 levels. In 2020, our cumulative CO<sub>2</sub> emissions were approximately 28 percent below our year 2000 emissions.
- Verifying our greenhouse gas inventory using a third party; see the inventory and verification report [here](#).

**Entergy is engaging with and impacting our local communities by:**

- Enabling economic development through enhanced reliability, low rates, and a [five-year, \\$5 million investment](#) supporting workforce training and education initiatives.

- Contributing \$19 million in 2020 to programs of nonprofit organizations that strengthen our communities. Examples of these programs are available online [here](#) and [here](#).
- Partnering with our [communities](#) to understand and address resiliency.
- Recognizing twenty years of poverty solution programs that address the needs of the estimated 25% of Entergy customers who live at or below the poverty level.
- Providing [volunteer opportunities](#) for employees, resulting in more than 95,000 volunteer hours contributed in 2020 in our communities.
- Contributing to the [United Nations Sustainable Development Goals](#) to protect and improve life on our planet.

**For our employees, Entergy is transforming our organization by:**

- Engaging our employees through organizational health surveys, training and educational opportunities and volunteerism.
- Introducing in 2019 a new talent management model focused on workforce strategy, talent development and organization effectiveness.
- Fostering diversity, inclusion and belonging and encouraging employee resource groups that focus on special interests: Veterans, Women's, Multicultural, Generational, Shift, Leadership, Administrative and Pride.
- Coordinating professionals from across the company as an environmental lead team representing Entergy's operating companies and power generation, nuclear, and transmission and distribution business units, along with other internal peer groups focused on air, water, waste and biodiversity issues.

- Establishing a sustainability working group representing all aspects of the company to help coordinate and support strategic priorities and key sustainability action plans.
- Providing [compensation benefits](#) that help attract and retain high performers.
- Creating a [culture of integrity](#) that exceeds laws and regulations and engenders a trusting work environment.
- Respecting human rights as outlined in our [human rights statement](#).
- Addressing environmental justice issues by working to minimize any potential adverse environmental effects of our activities on the local communities we serve, including the communities of our low-income customers.