

Edison Electric Institute Qualitative Sustainability Report

In partnership with the Edison Electric Institute, Entergy Corporation is voluntarily reporting 2018 sustainability goals and actions, including environmental, social and governance measurements. This is Entergy's second year to employ the new 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 59 of our [2018 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 9 of our [integrated report](#).
- Our senior management is responsible for implementing our company's environmental vision through our Environmental Management System Policy and Procedure.
- Our Enterprise Risk Management processes identify, capture and mitigate 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. Most importantly, it reflects our central belief that the interests of all of our stakeholders are inextricably linked.

- In addition, we employ the [Global Reporting Initiative](#) standards to ensure transparency.
- We also provide key metrics for stakeholders through our [performance data table](#) and our [EEI ESG quantitative template](#).

OUR SUSTAINABILITY STRATEGY

Entergy is progressing toward building a more sustainable future through purposeful planning and preparation, including these actions:

- Publishing a new [climate report and scenario analysis](#) expanding the company's longtime history of leadership in addressing the risks of climate change. The report proposes steps Entergy is taking to prepare for a predicted carbon-constrained future including a new climate commitment to reduce our CO2 emission rate to 50 percent below 2000 levels by 2030.
- 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 the recent launch of advanced meters, which we are deploying to nearly 3 million customers over the next three years, representing an investment of \$900 million.
- Providing customer benefits through online, self-service tools. Self-serve transactions via web, text message and interactive voice response now represent nearly 50 percent 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 by adding nearly 5,900 MW of clean, highly efficient combined-cycle gas turbine generation over the past 13 years.
- Currently having approximately 1,000 MW of renewable projects in various stages of development.
- Successfully managing our financial performance by delivering top-quartile returns to our owners while maintaining investment-grade ratings.
- Investing approximately \$900 million in 2018 in transmission capital projects to connect our generation assets; support economic development by serving new customers; and enhance system reliability, efficiency and resiliency.
- Further improving reliability and realizing \$968 million annually in customer savings for the period 2014-2017 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, supplier sustainability council measuring progress toward strategic objectives and a new supplier governance board launched in 2018.
- Engaging with stakeholders for positive regulatory outcomes – including those that help us maintain one of the lowest retail rates in the country – and political advocacy on key ESG and other policy issues that impact our business.

- Announcing the sale or closure of each of our merchant nuclear assets, completing our plan to exit our Entergy Wholesale Commodities business and transition to a pure-play utility by year-end 2022.
- Ensuring the safety and security of all Entergy assets and operations through actions including the initiation of our Influencing Leader Structure Program and diligence in reporting safety hazards through our safety observation program. Our employee safety performance in 2018 led to Entergy's ranking in the top decile of the Edison Electric Institute's benchmark survey.
- Providing more than 40 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](#).
- Supporting environmental programs through charitable giving and our Environmental Initiatives Fund, totaling approximately \$1.7 million in 2018. Wetlands restoration initiatives promote greater resiliency and enhance biodiversity and local ecosystems.

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

- Meeting more than half our utility demand with electricity generated with natural gas (31 percent) and nuclear (27 percent).
- Helping customers improve energy efficiency through customer education and outreach, technology and facility improvements, and customer incentive programs.
- Operating under voluntary commitments since 2001 to stabilize our CO₂ emissions to

help reduce our environmental footprint and prepare for potential federal regulation of carbon emissions.

- Announcing a new climate goal of reducing our CO₂ emission rate to 50 percent below 2000 levels by 2030, as outlined in our new [climate report](#).
- Results from the most recent edition of M.J. Bradley and Associates' [Benchmarking Air Emissions of the 100 Largest Electric Power Producers in the United States](#) confirm that Entergy's strategy is producing positive results.
- In 2018, our cumulative CO₂ emissions were approximately 25 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 more than \$18 million in 2018 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.
- Contributing to poverty solutions that address the needs of the estimated 25 percent of Entergy customers who live at or below the poverty level.

- Providing [volunteer opportunities](#) for employees, resulting in approximately 112,000 volunteer hours contributed in 2018 in our communities.

For our employees, Entergy is transforming our organization by:

- Engaging our employees through organizational health surveys, training and educational opportunities and volunteerism.
- Fostering diversity and inclusion and encouraging employee resource groups that focus on special interests: Veterans, Women's, Multicultural, Generational, Shift 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.
- 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 new [human rights statement](#).