



# Forward TOGETHER

2020 INTEGRATED REPORT



In a year defined by forces and events that threatened to divide us, Entergy's 13,400 employees came together. One Entergy team, indivisible, united around a common purpose to Power Life and build the Premier Utility.



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### ICONS TO NOTE

In this report, the following icons indicate examples of economic, environmental, and social performance that demonstrate the progress we've made on our journey.



ECONOMIC



ENVIRONMENTAL



SOCIAL

### To all our stakeholders:

While preparing to write this letter, I was acutely aware that 2020 would be one of the most analyzed and scrutinized years in modern history, the subject of countless books, essays, films, debates, dissertations, and conversations for decades to come.

The task of describing a year like no other seemed a bit overwhelming at first. From a personal and professional standpoint, I had never seen anything like it in my more than six decades on the planet, and in many ways, I'm still processing the experience.

Telling Entergy's 2020 story is a responsibility I am humbled by, and thankful for, because I am speaking on behalf of a team of employees who managed to make extraordinary things happen.

In my efforts to sum up the year, I find myself looking at it through two lenses: the first is how the year tried to divide us, and the second is how we chose to respond.

As for division, beyond any measure it was a year defined by forces and events that threatened to pull us apart:

- A frightening pandemic separated us from our families, friends, and co-workers;
- Social and political unrest polarized our nation; and
- Catastrophic storms disrupted lives and devastated communities.

These challenges took a profound toll on our lives and introduced new fears and uncertainties about the future. At times, it seemed like the best way

to protect our physical, emotional, and spiritual wellbeing was to stay apart, hunker down, and hope for the best.

Thankfully, this mindset did not take hold at Entergy. For a company whose purpose is serving others, it became apparent early on that the only response to division was unity. Our ability to stay connected and united around a common purpose, grounded in our core values, helped us stay true to ourselves and our legacy of service. United by our vision to power the lives of those we serve, we focused relentlessly on our mission — creating sustainable value for customers, communities, employees, and owners.

To those who say there was no way to prepare for 2020, all I can tell you is that the 13,400 women and men of Entergy were prepared. Whatever 2020 threw at us, we didn't back down. Whenever we encountered obstacles, we stuck together and worked through each day as one team. By choosing unity over division and estrangement, we delivered on our strategic, operational, and financial commitments, despite the challenges.

That's what our stakeholders expect from us. And that's what it takes to be the premier utility.

### Prepared for the COVID-19 Pandemic

Preparing for the unexpected has long been a hallmark of Entergy's success. Well before the novel coronavirus was an actuality, we had a detailed pandemic response plan in place.



**“To those who say there was no way to prepare for 2020, all I can tell you is that the 13,400 women and men of Entergy were prepared.”**

— Leo P. Denault, Chairman of the Board and Chief Executive Officer



**In 2020, our employees also demonstrated once again why Entergy is best-in-class in storm response.**



In January of 2020, we activated our plan and mobilized teams with four primary objectives: (1) ensuring the safety and wellness of our employees; (2) maintaining safe, reliable service for our customers; (3) supporting our communities through volunteerism and financial resources; and (4) mitigating financial impacts to the company.

Entergy's extensive preparations allowed us to quickly adapt to new working arrangements, with much of our workforce telecommuting. For field employees and others for whom telecommuting was not an option, we made sure they were equipped with tools and resources to ensure their safety on and off the job while keeping the lights on and the gas flowing for our customers.

During uncertain times, our unity and continuity mattered more than ever.

The energy we supplied in 2020 was an essential, stabilizing necessity that made it possible for hospitals, nursing homes, healthcare clinics, and a broad range of medical providers to carry out their lifesaving mission in communities throughout our service area.

Our energy kept the supply chain in motion, making it possible for grocery stores, pharmacies, relief agencies, emergency responders, and other critical entities to provide vital supplies and services to keep our communities moving forward.

With many families homebound during the pandemic, our energy powered remote offices and classrooms while helping our customers stay connected to one another and the outside world.

When the pandemic created economic hardships in our communities, our philanthropic support

and employee volunteerism provided relief for families in crisis. Through grants to more than 80 nonprofits, we provided food, rent and mortgage assistance, utility assistance, emergency grants, and workforce training for those who were laid off as a result of the pandemic.

### **Prepared for a Record-Breaking Storm Season**

In 2020, our employees also demonstrated once again why Entergy is best-in-class in storm response. During a storm season unlike any other in our history, their commitment to health, safety, and preparedness was one of our proudest achievements.

When five named storms devastated portions of our service area — including Hurricane Laura, the strongest storm to hit Louisiana in over 160 years — our storm-response teams worked around the clock to safely restore service, rebuild infrastructure, and help our communities recover, all while following virus-prevention protocols.

To ensure our communities had access to critical resources after hurricanes Laura, Delta, and Zeta, we deployed 82 generators — equal to more than 43 MW of power — across the region, including underserved areas.

When Hurricane Zeta struck the Gulf Coast in late October, we faced an additional challenge of ensuring that polling places had power by Election Day. Partnering with state and local governments, we deployed more than 200 power pods across six Louisiana parishes to ensure every polling place was operational.



**After more than two decades of setting and achieving voluntary emission-reduction targets, we intensified our commitment to achieve net-zero carbon emissions by 2050.**

Widespread storm damage deepened the crisis for many communities already struggling from impacts of the pandemic. In addition to restoring power and rebuilding infrastructure, Entergy led economic recovery efforts through charitable donations and volunteer support that helped our communities build back.

### **Leading on Environmental Stewardship**

Entergy's environmental leadership is well-established, and 2020 was another milestone year in our efforts to combat climate change. After more than two decades of setting and achieving voluntary emission-reduction targets, we intensified our commitment to achieve net-zero carbon emissions by 2050.

Our longstanding commitment to sustainability has led to measurable, undeniable results:

- For the past two decades, our emission rate has been well below the sector average,
- Our utility CO<sub>2</sub> emission rate has decreased approximately 37% since 2000, and
- Today we operate one of the cleanest large-scale power generating fleets in the nation.

We know that creating a carbon-free future calls for more investments in renewables. Entergy is already the largest utility provider of renewable energy in Arkansas and Louisiana, and we're building the largest utility-owned solar facility in Mississippi. We're working with our regulators and stakeholders to responsibly expand access

to renewable energy across our service area under a framework that balances reliability, affordability, and environmental stewardship.

We're also exploring emerging technologies and innovative partnerships to accelerate our net-zero carbon emissions actions, most recently through a partnership with Mitsubishi Power. We are focused on advancing technologies and expertise to co-fire our generation with hydrogen.

We are working today to make this a reality. With the selection of the Orange County Power Station, a self-build project in Southeast Texas, we will develop a state-of-the-art generation facility with the option to be powered partially or fully with hydrogen. Additionally, we're exploring the potential use of carbon capture and sequestration once that technology is economically available.

Being a premier utility means doing our part to create a more sustainable future for our customers, communities, and the world — a goal we are continuously striving for in all aspects of our operations.

### **Championing Diversity, Inclusion, and Belonging**

For Entergy, keeping the power on and gas flowing is just part of what we do. Our focus on diversity, inclusion, and belonging is also a critical business imperative, and our ability to deliver sustainable value to our stakeholders now and in the future depends on it.



## LETTER TO STAKEHOLDERS

We strategically elevated diversity, inclusion, and belonging as one of our corporate priorities in 2018. As part of our efforts, we've delivered training courses to better equip leaders at all levels to effectively engage in meaningful conversations about race and other sensitive issues and increase awareness of unconscious biases that may play out in the workplace.

In June of 2020, my executive team held an employee town hall on race and equality with a goal to foster transparent, productive, and even raw conversations among employees and leaders at all levels. Since that time, teams have been hard at work laying a firm foundation on which to continue building and strengthening our culture of diversity, inclusion, and belonging.

We also published a 2020 Inclusive Climate Report based on our organizational health survey results, which we made available to the entire workforce. In addition to a 90% survey participation rate, employees provided 25,000 comments on topics ranging from our COVID-19 response to our diversity, inclusion, and belonging efforts — valuable insights we are using to improve our performance and responsiveness.

### Delivering Financial Results

Our stock performance in 2020 did not reflect the extraordinary accomplishments of our organization. And of course, we're disappointed. But our strong financial results demonstrated otherwise: Entergy's adjusted earnings per share of \$5.66 was in the top half of our guidance range. We achieved this by exceeding our \$100 million cost-savings target for the year, which we established to offset lower revenues resulting from COVID-19.

Challenges and headwinds are a natural part of doing business. No company is immune, no utility is immune, and Entergy is no exception. However, the test of sustainability is less about challenges and headwinds and more about how we are equipped and prepared to successfully address them. The reality is that our achievements and strong financial results in 2020 proved our ability, in the face of adversity, to deliver on our commitments.

Today, we're positioned to accomplish even greater things in the future. I say that with confidence because of what I saw our employees do last year. All across our company, they rose to the challenge to power life while safeguarding others' health and safety.

Despite obstacles imposed by the pandemic, our employees found ways to connect, innovate, drive growth, and build toward the future. When storms caused unprecedented destruction in our service area, our workforce answered the call, again and again, with an unwavering commitment to safety, service, and professionalism.

While it's important to acknowledge our progress, we know there's more work to be done in our mission to become the premier utility. We are taking a critical look at our performance in 2020 and building on our knowledge and experience to find better ways to serve our stakeholders.

During a year marked by personal loss, crisis, and chaos, we proved that outside forces are no match for the ties that bind us. Through our decisions and actions, we proved that the values we hold in common are much more meaningful and powerful than our differences.



By moving forward with unity, we will create a stronger foundation for continued success in 2021 and beyond. And as we focus on the journey ahead, there's nowhere else I'd rather be than working alongside the employees of Entergy.

**Leo P. Denault**  
Chairman of the Board and  
Chief Executive Officer

March 26, 2021

# Entergy Values







# PREPARED FOR THE EXTRAORDINARY



**2020 presented extraordinary circumstances, not only for Entergy but for everyone around the world. COVID-19 changed the way we live our lives — personally and professionally. Social unrest gripped our nation. And a storm season unlike any other in the history of our company devastated communities across our service area.**

### **At Entergy, we were prepared.**

We provide a service that is critical for daily life. Everyone depends on reliable power for homes, businesses, and public services. And we know that in times of extraordinary and unexpected hardship, our customers and our communities need us more than ever. We understand that we have a tremendous responsibility in times like these, and we don't take that responsibility lightly. That's why we prepare for the extraordinary. We have a comprehensive, tried-and-tested incident response plan that anticipates a variety of events including storms, cyber-attacks, emergency leadership succession, and pandemics.

We run drills routinely so that everyone knows their roles and responsibilities and, when activated, the plan runs smoothly.



## COVID-19 Pandemic

In 2007, we developed our pandemic response plan specifically to address events like the one we are faced with today. For COVID-19, we mobilized our teams on January 16, 2020 — very early. We focused on four primary objectives:

- Ensuring the safety and wellness of our employees,
- Maintaining safe, reliable service for our customers,
- Supporting our communities through volunteerism and financial resources, and
- Mitigating financial impacts to protect the financial health of the company.

Our response throughout the year worked as planned. We met the needs and expectations of our customers, employees, and communities; all of our operations and major projects remained on track; and we met and delivered on our financial commitments.



We took decisive action to help our customers and our communities and to help protect our employees.

### For our employees



We implemented new safety and health protocols for face-to-face customer interactions and worked to ensure adequate supply of constrained products, such as hand sanitizer and facial coverings.



We transitioned 50% of our workforce to telecommuting. We created remote support and resources for employees and managers to help our teams continue to work effectively.



We established guidelines and training for new policies and procedures, including travel restrictions, personal protective equipment, industrial hygiene, and temperature checks.



We established a contact tracing program to provide support to workers who were ill or exposed to COVID-19.



We conducted surveys of onsite and telecommuting employees to keep our finger on the pulse of the organization. Through these surveys and other feedback forums, we measured employee well-being as well as their expectations and desires to improve their work experience. As a result, we took a wide variety of actions including adjusting training and communications, revising policies, and introducing new tools.

## For our customers and our communities



We temporarily suspended service disconnections for nonpayment and created flexible payment plans.



We built an online COVID-19 resource, [entergy.com/covid-19](https://www.entergy.com/covid-19), that offers a wealth of information on Entergy's response, customer resources, and third-party and government resources available to individuals and businesses for COVID-19 relief. We also proactively reached out to targeted customers about the Low Income Home Energy Assistance Program, or LIHEAP.



We committed \$3.3 million in charitable contributions to support response efforts across our service area, including \$1.3 million to the Entergy COVID-19 Emergency Relief Fund to help working families who experienced financial hardships as a result of the pandemic.



We worked with community partners to advocate for the inclusion of emergency utility assistance funding as part of the CARES Act, resulting in additional funding for low-income households within the states that Entergy serves.



We introduced new virtual volunteer platforms that provided hundreds of volunteer opportunities for employees to serve our communities. We also established new health and safety protocols to resume in-person volunteerism.



**We committed \$3.3 million in charitable contributions to support response efforts across our service area.**



The COVID-19 pandemic is ongoing, and Entergy's pandemic response plan remains in effect. We will remain in our current work posture until June, at the earliest. We will continue to evaluate the ever-changing circumstances, and we will continue to support our employees, our customers, and our communities.



## Record-Breaking Storm Season

The 2020 Atlantic hurricane season was the busiest ever recorded, with 30 named storms. Entergy found itself in the cone of uncertainty for seven of those storms. Five named storms hit Louisiana, making it the most active storm season ever for the state. The impact of hurricanes Laura, Delta, and Zeta was significant. Cumulatively, we experienced more than 1.5 million peak outages.

### Storm Damage Statistics

	Poles	Transformers	Wire Spans	Substations	Transmission Lines
Laura	14,000	4,600	29,600	300	225
Delta	1,500	500	3,930	215	160
Zeta	2,750	570	1,800	30	40



Entergy was prepared and staged multiple, significant response efforts. Cumulatively, we deployed more than 54,000 resources including employees, contractors, and mutual-assistance workers from more than 30 states. For Hurricane Laura, Entergy mobilized its largest restoration workforce in company history.

Hurricane Laura decimated transmission and distribution systems in southwest Louisiana. Restoring power to nearly all affected customers in just over three weeks required sustained focus and teamwork, creative thinking, and flexibility. A cross-functional team focused on several key issues:

- Managing service to the Lake Charles area, keeping a delicate balance of load and generation with one single tie connecting the city.
- Pulling resources and materials from across our system, combining work and focus into one single effort.

- Supply chain and logistics worked quickly to procure materials and set up staging sites.
- Distribution rapidly deployed emergency generators to temporarily feed loads.

The damage to Entergy's transmission system by Hurricane Laura was extensive. All nine transmission lines that deliver power into the Lake Charles area were out of service. While newer structures built with modern technology withstood Laura's winds, many older transmission structures were damaged beyond repair and required complete replacement.

In order to secure the materials needed to rebuild these structures, the company cast a wide net, looking worldwide for potential sources of transmission equipment. In total, 24 utilities provided equipment.

A unique challenge for this season's storm response was COVID-19. While the health and safety of our workforce is always at the core of every decision we make, the pandemic elevated our focus to new levels. COVID-19 presented logistical challenges with lodging and staging sites for more than 50,000 workers. We successfully completed restoration with only 0.2% of our workers requiring quarantine or isolation from exposure or infection. This result was a testament to our employees and the health safety mitigation practices we deployed.

## PREPARED FOR THE EXTRAORDINARY

Entergy's operating companies received broad support from local, state, and federal officials on their restoration efforts. We will work with our regulators to recover the costs in a manner that mitigates the impact on customer bills.

Our customers and communities were significantly impacted by 2020 storms. Entergy Corporation, Entergy Louisiana, and Entergy Texas contributed more than \$1.1 million to help local nonprofit agencies provide a range of relief services in storm-damaged areas.

Nearly 5,000 Entergy employees' homes were in the path of 2020 storms, and many employees had to leave their families and damaged homes to get the lights back on for our customers. We also made sure that our employees and their families received support, resources, and relief. With 645 employees reporting some level of property damage, our trained employee impact team reached out to each of them to assess their needs and offer support. While we couldn't deploy employee volunteers as we had in the past because of the pandemic, we were able to help through Entergy's Employee Assistance Fund and by providing tarps and other supplies, additional paid time off, counseling through the Employee Assistance Program, and alternate housing locating services.

Customer communications is critical during storms. Entergy uses multiple communications channels to ensure our customers can stay informed. Proactive messaging tools include text, email, alert messages, and phone calls. Entergy's social media platforms kept our customers and stakeholders informed with frequent storm preparation and restoration updates along with personal safety and preparedness tips.

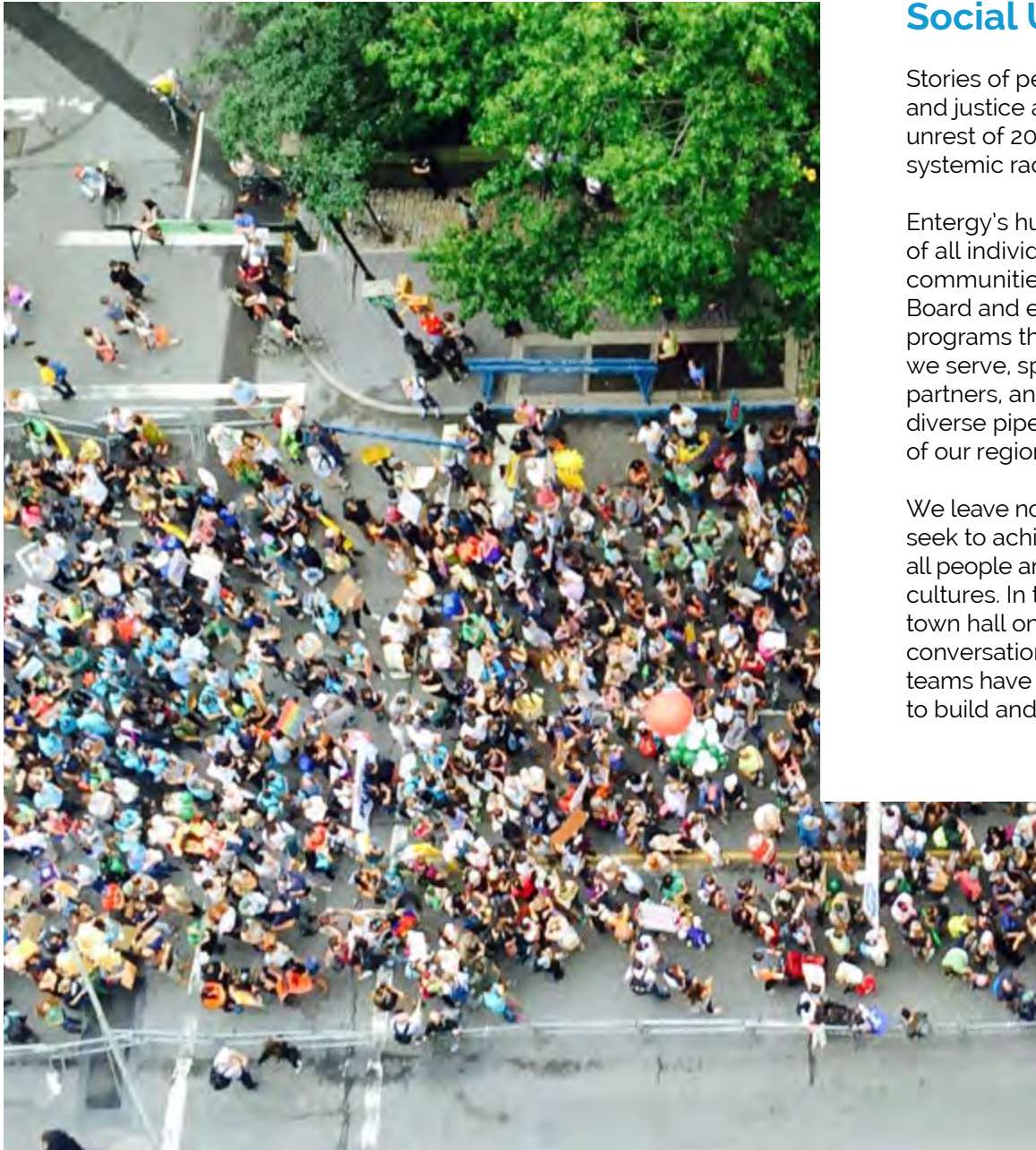
Entergy's governmental liaison group proactively engages governmental and regulatory stakeholders throughout the entirety of our incident response processes. During storm responses, we participate in regular coordination calls led by the Electricity Subsector Coordinating Council, which serves as the principal liaison between the federal government and the electric power industry on national-level disasters. We also participate in industry-wide calls coordinated by the Department of Energy's Emergency Support Function #12.



**Nearly 5,000 Entergy employees' homes were in the path of 2020 storms, and many employees had to leave their families and damaged homes to get the lights back on for our customers.**







## Social Unrest

Stories of people struggling to make their voices heard as they seek equity and justice are unacceptable, and unfortunately all too common. The social unrest of 2020 was a springboard for a constructive national dialogue about systemic racism.

Entergy's human rights statement notes, "Entergy respects the human rights of all individuals." We remain steadfast in our commitment to elevate our communities through tangible actions like ensuring diversity among our Board and executive leadership teams, establishing recruiting and retention programs that help our workforce reflect the rich diversity of the communities we serve, spending our money with diverse and local suppliers and business partners, and investing our volunteer time and financial resources to build a diverse pipeline of talent while also contributing to the economic livelihood of our region.

We leave no room at Entergy for racism, discrimination, or intolerance. We seek to achieve our vision and mission through diversity and inclusion of all people and their unique ideas, backgrounds, perspectives, religions, and cultures. In the spring of 2020, our executive team held a company-wide town hall on race and equality with a goal to foster transparent, productive conversations among employees and leaders at all levels. Since that time, teams have been hard at work laying a firm foundation on which we continue to build and strengthen our culture of diversity, inclusion, and belonging.



**We leave no room at Entergy for racism, discrimination, or intolerance.**





# OUR LEADERSHIP



Board of Directors (as of March 26, 2021)



**John R. Burbank**  
Independent Strategic Advisor  
Groton, Connecticut  
An Entergy director since 2018.  
Age 57



**Patrick J. Condon**  
Retired Audit Partner, Deloitte & Touche LLP  
Frankfort, Illinois  
An Entergy director since 2015.  
Age 72



**Leo P. Denault**  
Chairman of the Board and Chief  
Executive Officer, Entergy Corporation  
New Orleans, Louisiana  
Chairman and Chief Executive Officer since 2013.  
Age 61



**Kirkland H. Donald**  
Former President and Chief Executive Officer,  
Systems Planning and Analysis, Inc.  
Mount Pleasant, South Carolina  
An Entergy director since 2013.  
Age 67



**Brian W. Ellis**  
Senior Vice President and General Counsel,  
Danaher Corporation  
Bethesda, Maryland  
An Entergy director since 2020.  
Age 55



**Philip L. Frederickson**  
Former Executive Vice  
President, ConocoPhillips  
Arden, North Carolina  
An Entergy director since 2015.  
Age 64



**Alexis M. Herman**  
Chair and Chief Executive Officer,  
New Ventures, LLC  
McLean, Virginia  
An Entergy director since 2003.  
Age 73



**M. Elise Hyland**  
Former Senior Vice President, EQT Corporation  
and Senior Vice President and Chief Operating  
Officer, EQT Midstream Services, LLC  
Pittsburgh, Pennsylvania  
An Entergy director since 2019.  
Age 61



**Stuart L. Levenick**  
Lead Director  
Former Group President and Executive Office  
Member, Caterpillar Inc.  
Naples, Florida  
An Entergy director since 2005.  
Age 68



**Blanche Lambert Lincoln**  
Founder and Principal, Lincoln Policy Group  
Little Rock, Arkansas  
An Entergy director since 2011.  
Age 60











**Karen A. Puckett**  
Former President and Chief Executive Officer,  
Harte Hanks, Inc.  
Houston, Texas  
An Entergy director since 2015.  
Age 60

## Board Composition

Our Board of Directors provides oversight with respect to our strategic direction, overall performance, and key corporate policies. It approves major initiatives, advises on key financial and business objectives, and monitors progress with respect to these matters.

Our Board includes a diverse group of leaders in their respective fields. We believe their varied backgrounds, skills, and experiences contribute to an effective and well-balanced Board that is able to provide valuable insight to, and effective oversight of, our senior executive team. Each of the following key qualifications is well-represented on our Board.

Key Qualification	Why It's Important
 <b>Technology and Transformation</b>	Our industry is undergoing transformational change as a result of advances in technology and changing customer expectations about the products and services they want and need to power their lives. This creates opportunities for companies whose leadership is able to understand those changes and what they mean for their customers and other stakeholders. Directors with experience managing or advising consumer-facing businesses and operations that have been impacted by transformational change can provide the Board with critical insights and perspectives on these issues and challenges.
 <b>Executive Experience</b>	Directors who hold or have held significant executive or leadership positions within large organizations provide the company with unique insights. These individuals generally possess extraordinary leadership qualities as well as the ability to identify and develop those qualities in others. Their experiences developing talent and solving problems in large, complex organizations prepare them well for the responsibilities of Board service.
 <b>Finance and Accounting</b>	An understanding of finance and financial reporting processes is important for our directors to enable and assess our strategic performance and to ensure accurate financial reporting and robust controls. We seek to have directors with knowledge and experience in corporate finance, accounting, and financial reporting as well as directors with "accounting or related financial management expertise" as defined in the New York Stock Exchange listing standards.
 <b>Government / Legal / Public Policy</b>	Our businesses are heavily regulated and are directly affected by governmental actions. As such, we seek to have directors with experience in government, law, and public policy to provide insight and understanding of effective strategies in these areas.
 <b>Operations</b>	As a capital-intensive company, we seek to have directors with deep experience in a significant operations role with other large, capital-intensive businesses to develop, implement, and assess our capital plan and our business strategy.
 <b>Regulated Utility / Nuclear</b>	Due to the complexity and highly regulated nature of our business, we believe it is important to have directors with experience in the utility industry or in nuclear power operations to enable the Board to provide effective oversight of our operations.
 <b>Risk Management</b>	Managing risk in a rapidly changing environment is critical to our success. Thus, we seek directors with experience managing or overseeing the management of business, financial and other risks of a significance or complexity similar to those faced by Entergy.
 <b>Other Public Boards</b>	Directors who have served on other public company Boards are able to draw on lessons learned on their other Boards as they seek to develop and implement our business strategies and best practices for the company.



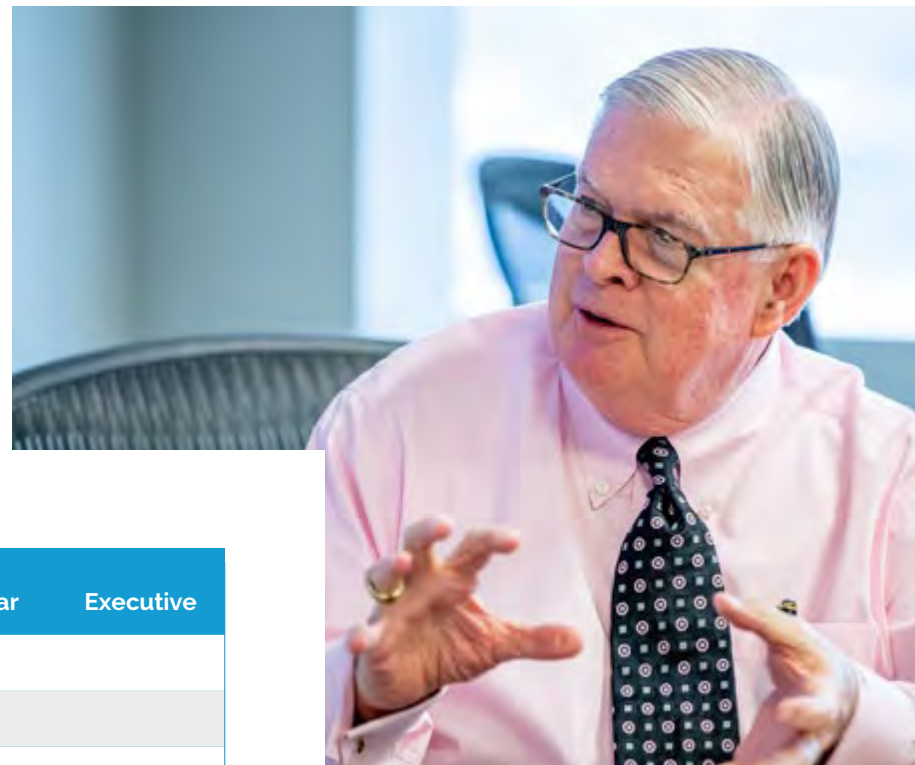


We believe that our current leadership structure, under which the Board is led by a combined chairman and CEO and a strong independent lead director, with independent directors chairing each of the Board key committees, is most suitable for Entergy at this time because it provides the optimal balance between independent oversight of management and efficient, unified leadership. Given his deep involvement in the company's business and the industry, we believe Mr. Denault is uniquely positioned to determine the issues and topics that should be on the Board's agenda, subject to the lead director's review and concurrence. At the same time, we believe that having an otherwise entirely independent Board of Directors, led by a strong, independent lead director, and independent chairs of each of our key committees, provides ample assurance that the Board will not be unduly dominated or influenced by management and will always act independently and in the best interests of our shareholders.

Our Board's and management team's commitment to understanding the interests and perspectives of our shareholders is a key component of our corporate governance strategy. We approach shareholder engagement as an integrated, year-round process involving senior management, our investor relations team, our corporate governance team, our human resources team, and our corporate sustainability group. The perspectives provided by our shareholders informed our decision making and helped guide our actions in continuing to enhance our environmental, social, and governance disclosures, and our disclosures related to our Board of Directors.

## Board Committees

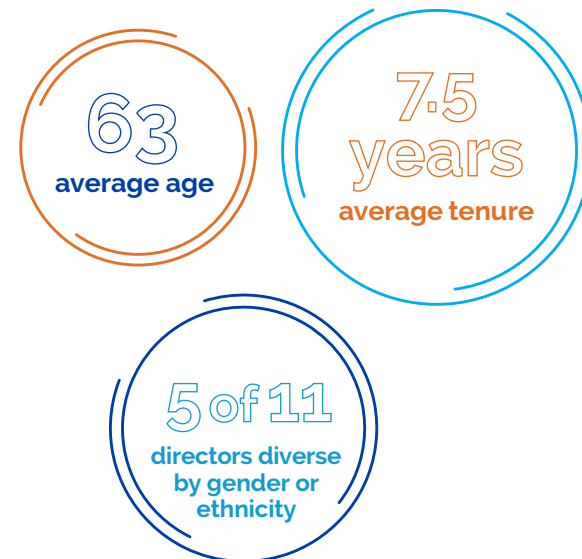
During 2020, our Board held 16 meetings. Members of the Board attended on average approximately 99% of the total number of meetings of the Board and the committees on which they served. The Board has an executive committee and five key committees, including (with meeting frequency in 2020): audit (9), corporate governance (7), personnel (10), finance (9) and nuclear (5). The executive committee did not meet in 2020.



Name	Audit	Corporate Governance	Personnel	Finance	Nuclear	Executive
John R. Burbank			✓	✓		
Patrick J. Condon	(c)				✓	
Leo P. Denault						(c)
Kirkland H. Donald				✓	(c)	
Brian W. Ellis		✓				
Philip L. Frederickson	✓			(c)		✓
Alexis M. Herman		✓	✓			
M. Elise Hyland	✓			✓		
Stuart L. Levenick		✓			✓	✓
Blanche L. Lincoln		(c)	✓			
Karen A. Puckett	✓		(c)			

(c) Chair

## Board Composition





## Entergy Corporation Executive Officers (as of March 26, 2021)



**A. Christopher Bakken III**  
**Executive Vice President and Chief Nuclear Officer**  
Joined Entergy in 2016. Former Project Director, Hinkley Point C of EDF Energy. Age 60



**Julie E. Harbert**  
**Senior Vice President, Corporate Business Services**  
Joined Entergy in 2017. Became Senior Vice President, Corporate Business Services in 2019 after serving as Vice President, Shared Services. Age 47



**Marcus V. Brown**  
**Executive Vice President and General Counsel**  
Joined Entergy in 1995. Became Executive Vice President and General Counsel in 2013 after serving as Senior Vice President and General Counsel. Age 59



**Paul D. Hinnenkamp**  
**Executive Vice President and Chief Operating Officer**  
Joined Entergy in 2001. Became Executive Vice President and Chief Operating Officer in 2017 after serving as Senior Vice President and Chief Operating Officer. Age 59



**Kathryn A. Collins**  
**Senior Vice President and Chief Human Resources Officer**  
Joined Entergy in 2020. Former Chief Human Resources Officer for Arcosa. Age 57



**Andrew S. Marsh**  
**Executive Vice President and Chief Financial Officer**  
Joined Entergy in 1998. Became Executive Vice President and Chief Financial Officer in 2013 after serving as Vice President of System Planning. Age 49



**Leo P. Denault**  
**Chairman and Chief Executive Officer**  
Joined Entergy in 1999. Became Chairman and Chief Executive Officer in 2013 after serving as Executive Vice President and Chief Financial Officer. Age 61



**Peter S. Norgeot, Jr.**  
**Senior Vice President, Transformation**  
Joined Entergy in 2014. Became Senior Vice President, Transformation in 2018 after serving as Senior Vice President, Power Generation. Age 56



**Kimberly A. Fontan**  
**Senior Vice President and Chief Accounting Officer**  
Joined Entergy in 1996. Became Senior Vice President and Chief Accounting Officer in 2019 after serving as Vice President of System Planning. Age 48

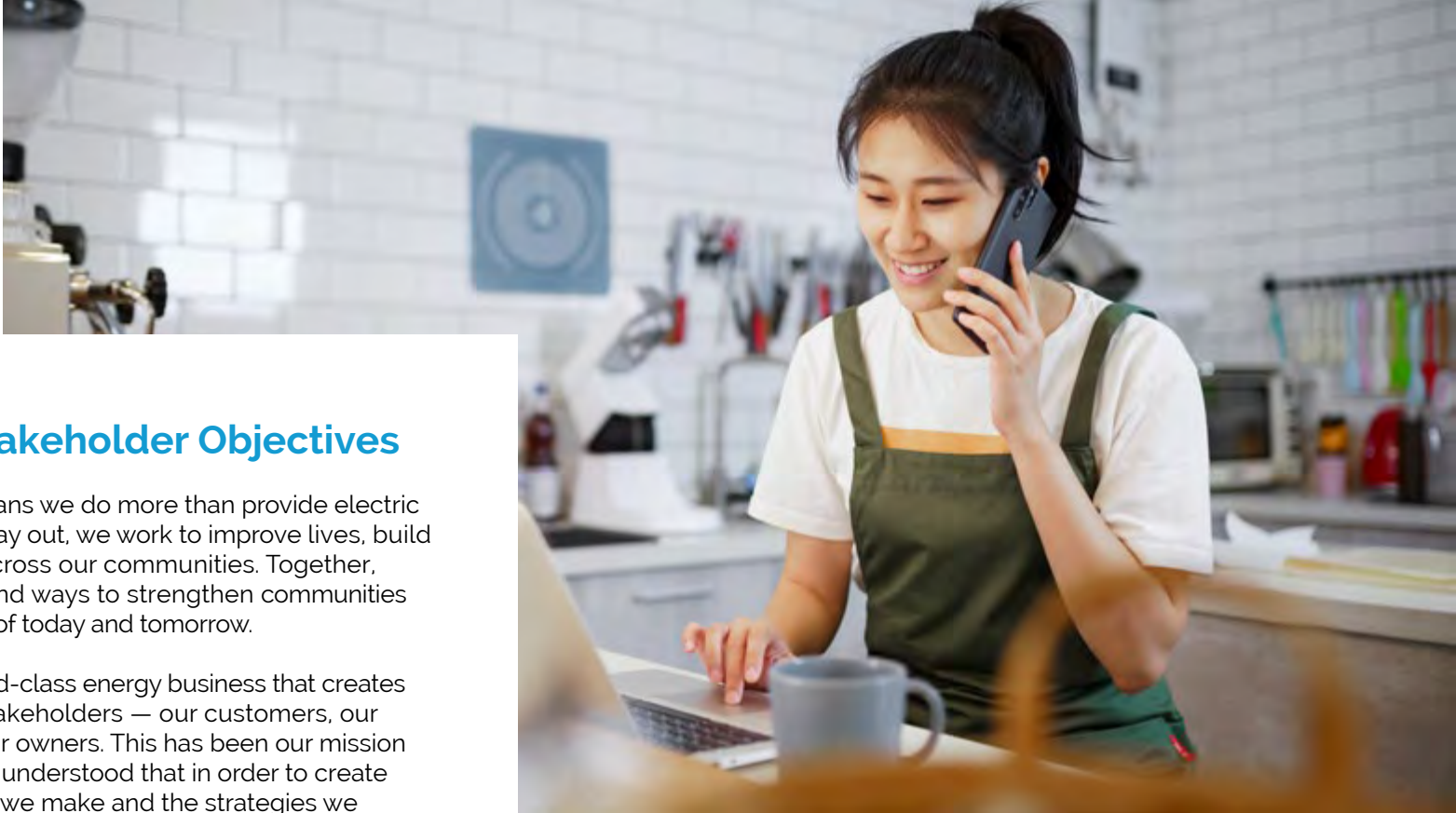


**Roderick K. West**  
**Group President, Utility Operations**  
Joined Entergy in 1999. Became Group President, Utility Operations in 2017 after serving as Executive Vice President and Chief Administrative Officer. Age 52



# OUR COMPANY





## Vision, Mission, and Stakeholder Objectives

Our vision is We Power Life. That means we do more than provide electric and natural gas service. Day in and day out, we work to improve lives, build businesses, and create prosperity across our communities. Together, working with our stakeholders, we find ways to strengthen communities and proactively solve the challenges of today and tomorrow.

Our mission is we exist to grow a world-class energy business that creates sustainable value for our four key stakeholders — our customers, our employees, our communities, and our owners. This has been our mission for many years, because early on we understood that in order to create real, sustainable value, the decisions we make and the strategies we pursue must benefit all stakeholders.



### For our customers

We create value by delivering top-quartile customer experience. We work directly with customers to understand their needs and exceed their expectations while keeping rates reasonable.



### For our employees

We create value by advocating for our employees to live safe, all day, every day. We strive to earn top-quartile organizational health scores. We provide a rewarding, engaging, diverse, and inclusive work environment with fair compensation and benefits while also providing opportunities for career advancement.



### For our communities

We create value by achieving top-decile corporate social responsibility performance. We are active in economic development, philanthropy, volunteerism, and advocacy, and we operate our business safely and in a socially and environmentally responsible way.



### For our owners

We create value by delivering top-quartile total shareholder returns. We are relentless in our pursuit of opportunities to optimize our business.



## Building the Premier Utility

At Entergy, our ambition is to be the best, to be the premier utility. To build the premier utility, we are focusing on three key priorities — customer centricity, continuous improvement, and creating a culture of diversity, inclusion, and belonging.

### Customer Centricity

Our ambition to be the premier utility starts with a deep understanding of our customers' needs and objectives. Our focus on the customer is evolving from optimizing the electric delivery system — generation, transmission, and distribution — to meeting customers' higher-level aspirations. Data, interviews, and interactions with customers influence where capital is deployed to drive positive customer outcomes through interactions and offerings; power quality, service, reliability, and restoration; value and affordability; and corporate reputation.







### Continuous Improvement

We are driving value through disciplined use of continuous improvement frameworks and best-in-class processes. We are actively identifying ways to work smarter and more efficiently by improving processes and using advanced technologies such as automation to improve our business. These efforts will enable us to redeploy resources to invest additional capital for our customers, enhance employee training and benefits, contribute to the communities we serve, and improve our financial outlooks.



### A Culture of Diversity, Inclusion, and Belonging

We're focused on strengthening our culture of diversity, inclusion, and belonging. We are committed to developing and retaining a workforce that reflects the rich diversity of the communities we serve. The diversity of employee ideas, backgrounds, perspectives, abilities, skills, and knowledge enables us to more effectively create innovative business and customer solutions. To ensure that we fully realize the potential of our diverse workforce, we are also focused on creating and nurturing a culture of belonging, with the goal of assuring that all employees feel valued, heard, and respected. A powerful and dynamic culture retains top talent, provides an environment for more engaged employees, and empowers our workforce to deliver on customer-centric opportunities and continuous improvement to create further sustainable value for all our stakeholders.



## Operations

Entergy Corporation is an integrated energy company engaged in electric power production and transmission and retail distribution operations. Entergy delivers electricity to 3 million utility customers in Arkansas, Louisiana, Mississippi and Texas. Entergy owns and operates one of the cleanest large-scale U.S. power generating fleets with approximately 30,000 megawatts of electric generating capacity, including 8,000 megawatts of nuclear power.

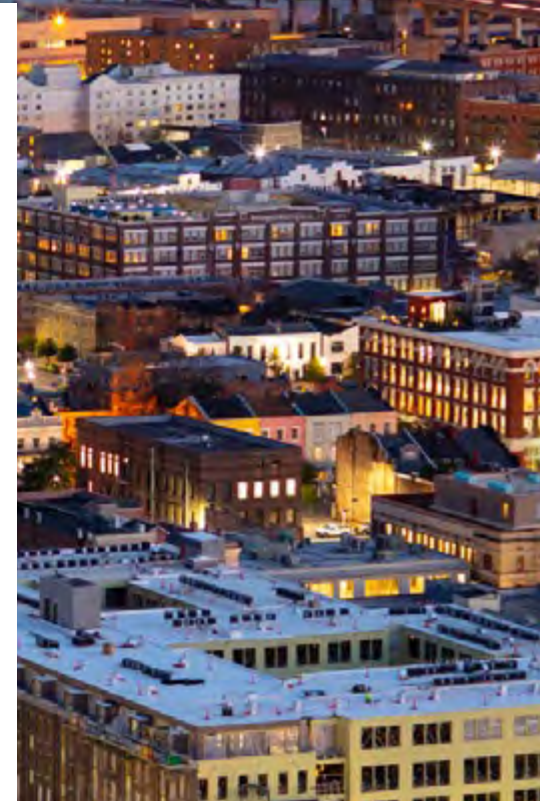
## Utility

Entergy's utility business provides electric retail and wholesale power to customers in four states through five utility operating companies: Entergy Arkansas, LLC; Entergy Louisiana, LLC; Entergy Mississippi, LLC; Entergy New Orleans, LLC; and Entergy Texas, Inc. Entergy also delivers natural gas services to 202,000 customers in New Orleans and parts of Baton Rouge, Louisiana, through two of our utility operating companies.

## Wholesale Generation

We are winding down our wholesale generation business, which provides power to wholesale customers primarily from our two remaining nuclear facilities located in the northern United States. Entergy also provides services to Cooper Nuclear Station in Brownville, Nebraska.

Our risk-mitigation strategy for the last several years has included the planned, orderly exit from our merchant business. We have announced the closure and sale of all of our merchant nuclear assets, completing our plan to exit by 2022. To date, we have completed sales of FitzPatrick Nuclear Power Plant (2017), Vermont Yankee Nuclear Power Plant (2019), and Pilgrim Nuclear Power Station (2019). We have agreements for the sale of our two remaining nuclear assets, Indian Point Energy Center and Palisades Nuclear Generating Station, with targets to complete those transactions in 2021 and 2022, respectively.





## Entergy by the Numbers — 2020



**\$10.1 billion**  
GAAP revenues



**\$1.4 billion**  
GAAP net income



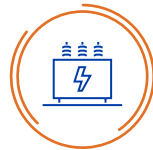
**\$58.2 billion**  
Total assets



**3.0 MILLION**  
utility retail  
electric customers



**105,500**  
**CIRCUIT MILES**  
distribution lines



**26,266 MW**  
total owned and leased  
generating capacity



**16,100 CIRCUIT MILES**  
interconnected high-voltage  
transmission lines

**124,828**  
**GWh**  
utility billed retail  
electric energy  
sales

**13,400**  
**employees**  
at year-end

**20,581**  
**GWh**  
EWC billed electric  
energy sales

### Total owned and leased generating capability by fuel source in MW:



**9,738**  
MODERN GAS



**7,069**  
NUCLEAR



**6,965**  
LEGACY GAS



**2,392**  
COAL



**101**  
HYDRO/SOLAR

## Awards and Recognition

### **Dow Jones Sustainability North America Index**

Entergy was recognized among the top 20% of companies in North America demonstrating sustainable business practices as noted by S&P Dow Jones Indices in its 2020 Dow Jones Sustainability North America Index. Entergy is one of only four companies in the electric utility sector named to the list and the only company in the sector to be included on the index for 19 consecutive years. The index recognizes outstanding transparency and performance against a highly detailed framework of long-term economic, environmental, and social criteria.

### **Edison Electric Institute — Emergency Assistance Awards and Emergency Recovery Awards**

The Edison Electric Institute presented Entergy Corporation with five emergency response awards, recognizing recovery and assistance efforts following service disruptions caused by extreme weather or other natural events. EEI has awarded Entergy with a national storm-response award for 23 consecutive years. We're the only utility in the nation to have earned EEI recognition every year since the launch of the emergency response award program.

### **Site Selection Magazine — Top Utilities in Economic Development**

Site Selection magazine named Entergy one of the nation's top 10 electric utilities in economic development for the 13th consecutive year. The recognition is due in large part to the vital role Entergy played in supporting projects that resulted in nearly \$18.2 billion of capital investment and the creation of more than 5,400 new jobs within our service area in 2019.

### **Arbor Day Foundation — Tree Line USA Utility**

The Arbor Day Foundation named Entergy a 2020 Tree Line USA utility in honor of our commitment to proper tree pruning, planting, and care in the company's service area. The Foundation measures utility performance in several areas, including adherence to industry tree-care standards, annual worker training, and participation in public education and conservation programs.

### **U.S. Department of Labor — Hire Vets Medallion Program Platinum Award**

Entergy was awarded the HIRE Vets Medallion Award for the third straight year. The company is one of only 58 employers in the country who have earned this award three times since the program's inception in 2018. The HIRE Vets Medallion Program recognizes employer efforts to recruit, employ, and retain veterans.

**DJSI Award: Entergy is the only  
U.S. utility to be included on a  
DJSI index for 19 consecutive years.**



### **Human Rights Campaign Foundation — Corporate Equality Index**

Entergy earned a 90% rating on the 2021 Corporate Equality Index released by the Human Rights Campaign Foundation. This score places Entergy among the top energy and utility companies in the survey. The Corporate Equality Index rates employers based on criteria in four categories: workforce protections, inclusive benefits, supporting an inclusive culture and corporate social responsibility, and responsible citizenship.

### **Points of Light — The Civic 50**

Entergy was named a 2020 honoree of The Civic 50 by Points of Light, the world's largest organization dedicated to volunteer service. For the fifth consecutive year, Entergy was recognized as one of the 50 most community-minded companies in the United States. The award serves as the national standard for superior corporate citizenship and showcases how effectively Entergy uses our time, skills, and resources to impact our communities.

### **The Times-Picayune | The New Orleans Advocate — Top Workplaces**

Entergy was recognized as one of the best places to work in the greater New Orleans area for the fourth consecutive year. The Times-Picayune | The New Orleans Advocate named Entergy a 2020 Top Workplace based on the results of an employee feedback survey. The anonymous survey uniquely measured 15 drivers of engaged cultures critical to the success of any organization, including alignment, execution, and connection. The Top Workplaces recognition demonstrates that Entergy is a great place to work and grow a meaningful career.

### **Volunteer Louisiana — Corporate Volunteer Champion**

Volunteer Louisiana recognized Entergy as its 2020 Corporate Volunteer Champion. Champions were selected from statewide nominees — people, groups, and businesses in Louisiana — who demonstrate compassion and dedication, leadership and initiative, or innovation and creativity in addressing community challenges while serving others.

### **Jobs for America's Graduates — Partner in the Pandemic Award**

Jobs for America's Graduates honored Entergy with their Partner in the Pandemic Award for the extraordinary leadership and support we contributed to JAG to help youth and young adults facing significant academic, environmental, economic, and social challenges, so they can succeed in their career pursuits. In 2020, Entergy donated \$290,000 (\$250,000 in annual contributions plus \$40,000 to commemorate JAG's 40th anniversary) to help sustain JAG's core programs and cover unexpected expenses arising from the COVID-19 pandemic.

### **U.S. Department of Energy — ENERGY STAR Partner of the Year**

The U.S. Department of Energy recognized three of Entergy's operating companies — Entergy Arkansas, Entergy New Orleans, and Entergy Texas — with 2020 ENERGY STAR Partner of the Year awards for their outstanding programs in promoting customer energy efficiency.

### **Forbes.com — Best Company in the State**

Forbes.com named Entergy Arkansas "Best Company in the State," based on responses from a third-party survey of employees at businesses across the state.

### **3BL Media — 100 Best Corporate Citizens**

3BL Media named Entergy Corporation to its annual 100 Best Corporate Citizens ranking, recognizing outstanding environmental, social, and governance transparency and performance among the 1,000 largest U.S. public companies. This is the eighth year Entergy has been included in this prestigious ranking since 2009.

### **American Business Awards — Stevie® Award**

Entergy won a Bronze Stevie® Award during the 18th annual American Business Awards®. Entergy was recognized in the "Other Publications" category for our 2019 report, "Climate Scenario Analysis and Evaluation of Risks and Opportunities," in which we announced new steps being taken to deliver cleaner energy solutions and promote a lower carbon future for all of our stakeholders. The report was produced almost completely with internal Entergy resources, from statistical analysis and writing to design and layout.

### **The Gold Quill Awards — Award of Merit**

Entergy was recognized with an Award of Merit for our 2019 climate report in the "Publications" category of the 2020 Gold Quill Awards, the International Association of Business Communicators' premier awards program recognizing and fostering excellence in the field of business communication.

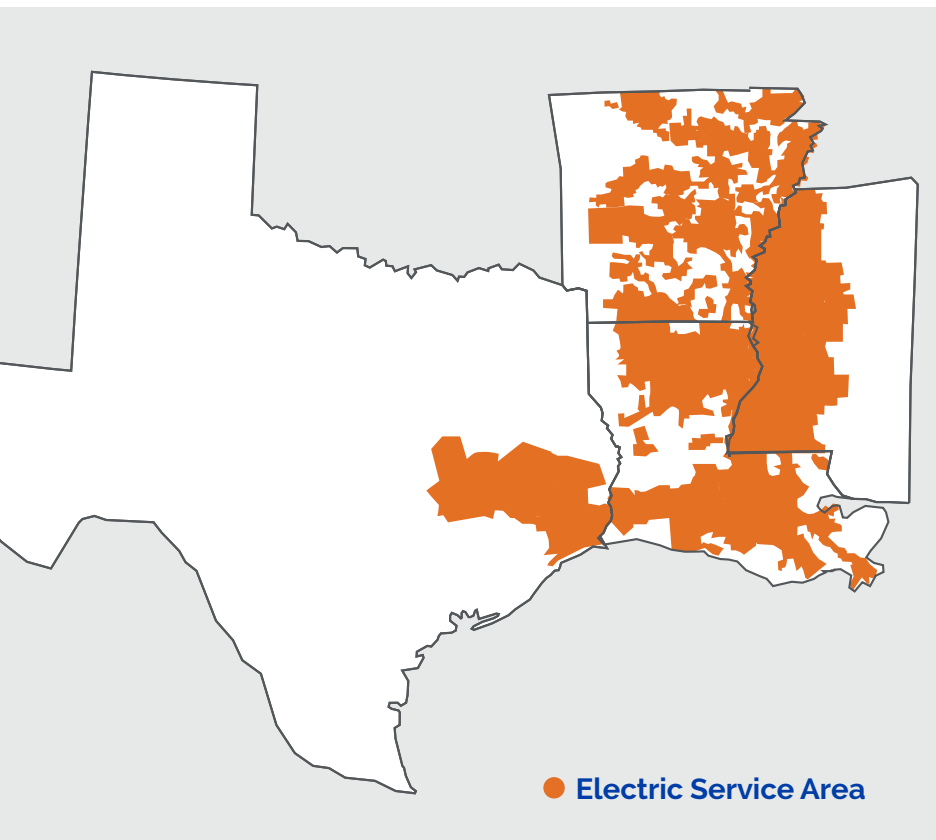






# OUR UTILITY

## Utility Operating Company Leadership



**Laura R. Landreaux**  
President and CEO, Entergy Arkansas since 2018  
E-AR 2020 Highlights  
**722,000** customers  
**\$2.1 billion** operating revenue  
**\$12.1 billion** total assets



**Phillip R. May**  
President and CEO, Entergy Louisiana since 2013  
E-LA 2020 Highlights  
**1,096,000** customers  
**\$4.1 billion** operating revenue  
**\$24.7 billion** total assets



**Haley R. Fisackerly**  
President and CEO, Entergy Mississippi since 2008  
E-MS 2020 Highlights  
**456,000** customers  
**\$1.2 billion** operating revenue  
**\$5.0 billion** total assets



**David D. Ellis**  
President and CEO, Entergy New Orleans since 2018  
E-NO 2020 Highlights  
**207,000** customers  
**\$0.6 billion** operating revenue  
**\$1.9 billion** total assets



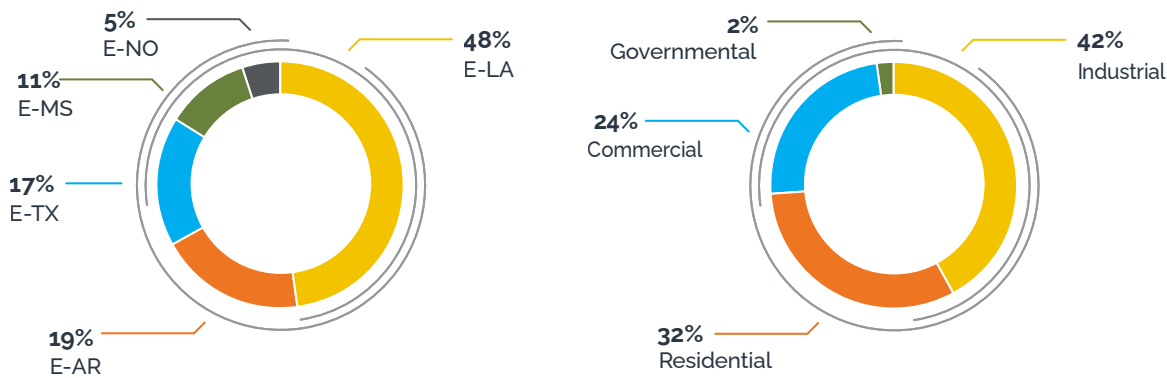
**Sallie T. Rainer**  
President and CEO, Entergy Texas since 2012  
E-TX 2020 Highlights  
**473,000** customers  
**\$1.6 billion** operating revenue  
**\$6.2 billion** total assets



## Our Utility Business

Entergy's utility operating companies provide power at some of the lowest rates in the country to retail customers in Arkansas, Louisiana, Mississippi, and Texas. We also deliver natural gas to customers in New Orleans and parts of Baton Rouge, Louisiana.

### 2020 Electric Retail Sales (in GWh billed; % of total)



In 2020, as we provided power and natural gas safely, reliably, and efficiently to our customers, we also made significant investments in our distribution, generation, and transmission systems to improve customer outcomes and drive customer solutions.

## Distribution

Entergy's distribution network includes approximately 105,500 miles of distribution lines across the utility's 94,000-square-mile service area. We focus on executing customer-centric priority investments to improve customer outcomes, with a goal to improve reliability and power quality and deliver on our customer value promise.

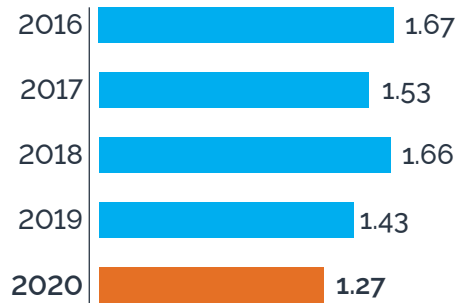
In 2020, we invested \$1.8 billion in our electric distribution and utility support systems. Spending included reliability and grid modernization projects for the benefit of our customers. Over the next three years (2021 through 2023), we plan to invest \$5.4 billion for electric distribution and utility support.

Our distribution plan is focused on three major areas: reliability improvements, asset renewal and infrastructure modernization, and new technologies. Our goal is to create positive customer outcomes by improving reliability, reducing the frequency and duration of outages, offering enhanced or new products and services that make our customers' lives better, and ultimately improving net promoter scores.

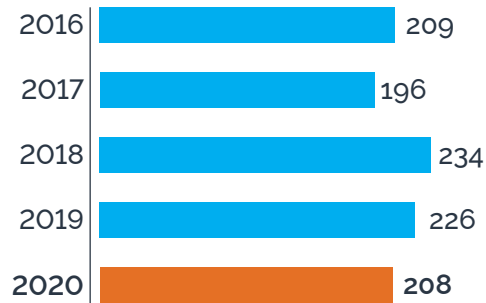


**105,500 miles**  
OF DISTRIBUTION LINES

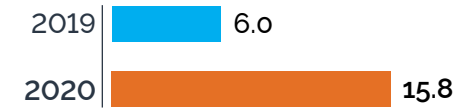
### Outage Frequency



### Outage Duration



### Net Promoter Score



**Net Promoter Score:** When asked the likelihood that the respondent would recommend Entergy to a friend or colleague, the percentage of promoters (scores 9-10) less the percentage of detractors (scores 0-6), multiplied by 100.

**System average interruption frequency index:** Average number per customer per year, excluding the impact of major storm activity.

**System average interruption duration index:** Average minutes per customer per year, excluding the impact of major storm activity.

We prioritize reliability projects to maximize stakeholder value by identifying projects that will produce the most beneficial and immediate impacts for our customers. To make these decisions, we utilize data from our systems and input from our customers.

We follow an asset renewal and infrastructure modernization program to manage our existing distribution infrastructure. As assets get older or become less efficient, we invest in upgrades to improve their resiliency and efficiency. One example is our 10-year pole inspection program that is designed to perform a condition-based assessment on our pole population on a cyclical basis, allowing us to make necessary investments or upgrades.

New technologies are also a critical part of the distribution strategy. Technology provides tools that make it easier to meet customer needs and to identify customer solutions.





## Grid Modernization

Our investments in grid modernization improve reliability, automate system operations, and provide state-of-the-art tools and technology to transform the way we serve customers while reducing costs. These investments help prevent or mitigate system damage due to weather events and lay the foundation for incorporating newer technologies and customer solutions, including distributed energy resources and energy storage. We continually look for cost-effective ways to reduce the likelihood of customer service interruptions and reduce the time it takes to restore service when interruptions occur.

We made progress on several grid modernization projects in 2020, including:

- Advanced metering infrastructure,
- Enterprise asset management systems,
- Workforce management systems,
- Customer relationship management systems,
- New and improved customer engagement portal,
- Distribution automation,
- Distribution and outage management systems, and
- Geospatial information systems.

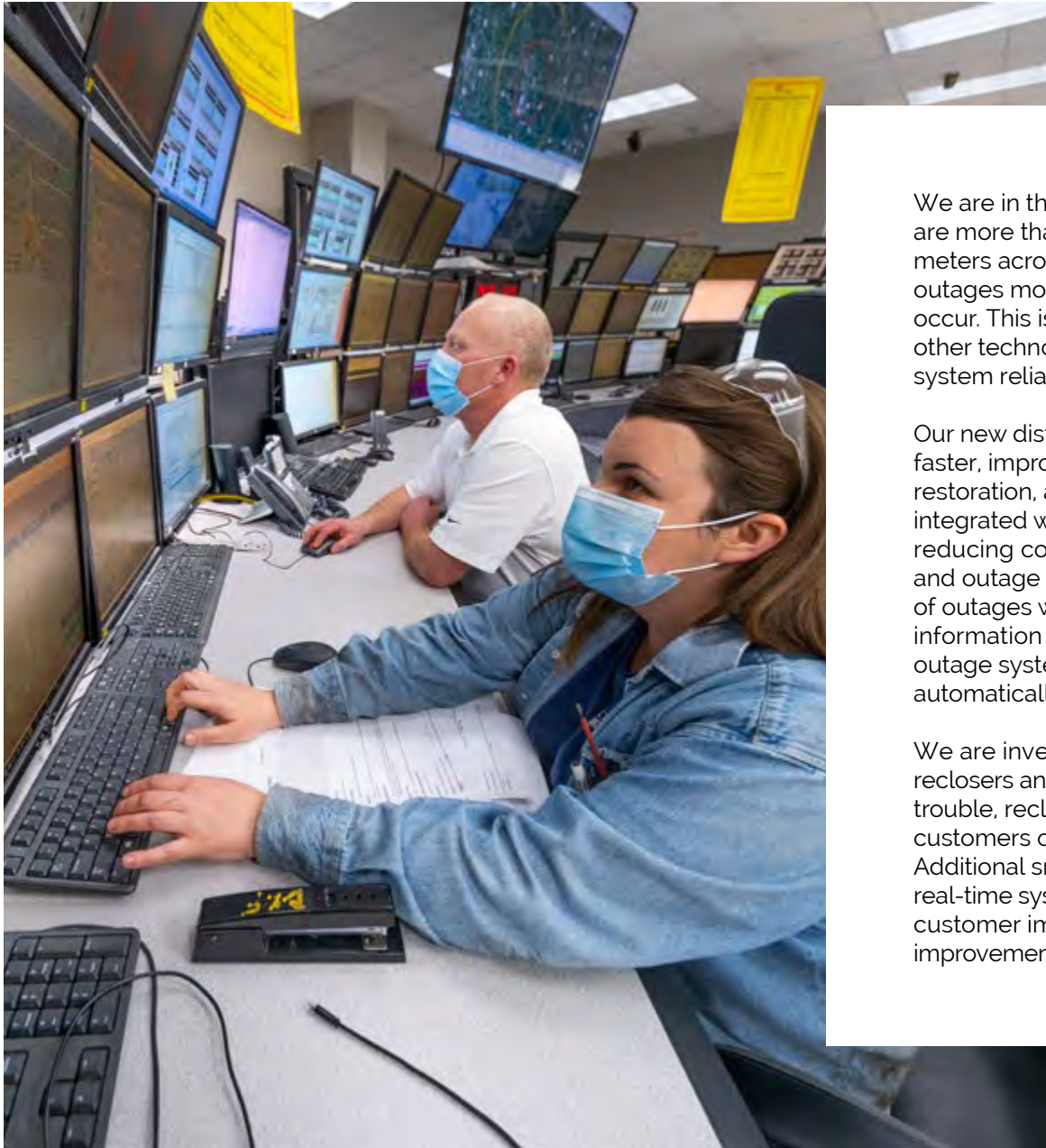


### Advanced Meter Infrastructure and Grid Modernization

In 2019, we began installing advanced meters. Through December 31, 2020, we deployed 2.1 million meters, or 70% of total meters to be deployed. Advanced meters provide significant benefits, from faster outage restoration to enhanced customer service and cost savings. Additionally, these meters provide tools to help our customers manage their energy usage and lower their bills. Entergy's utilities plan to use advanced meters to offer new products and services to our customers, such as prepaid service. Advanced meters are also laying the foundation to enable next-generation grid technologies. We are evaluating broader grid modernization initiatives, engaging with our stakeholders, and bringing forward proposals for innovation. We are also exploring technologies to improve grid reliability and resiliency through automation and grid hardening, as well as technologies and devices that enable distributed energy resources and microgrids. Our goal is to enhance our infrastructure, deploy new technologies and advanced analytics, and develop tailored solutions that anticipate customers' expectations while managing the required investments to maintain high reliability and reasonable rates.



ECONOMIC



We are in the process of deploying advanced meters to all customers and are more than two-thirds of the way through installation of 3 million advanced meters across our service area. These new meters will allow us to identify outages more quickly and, in some instances, spot problems before they occur. This is a foundational technology that will open doors to many other technological opportunities and improve our outage response and system reliability.

Our new distribution and outage management systems detect outages faster, improve outage communications, recommend switching for service restoration, and improve visualization of the power system. This system is integrated with our advanced meters to provide customer benefits beyond reducing costs. Advanced meters are now a primary input to our distribution and outage system and provide our operators near real-time awareness of outages without relying on calls from customers. Accurate and precise information significantly improves restoration speed. The distribution and outage system is also integrated with our workforce management systems, automatically creating work orders to route field personnel to jobs.

We are investing in distribution automation technologies such as smart reclosers and self-healing networks. When a self-healing network senses trouble, reclosers autonomously isolate the fault locally and restore power to customers outside of the affected area without requiring human intervention. Additional smart devices are being added to our distribution grid to report real-time system health status to further improve work times and minimize customer impacts from outage conditions. These enhancements enable improvements during regular day-to-day operations and storm events.



## Generation

The transformation of our utility companies' generation portfolios illustrates our commitment to maximizing clean energy while balancing reliability, affordability, and environmental stewardship. With Entergy's longstanding history of environmental leadership, we are modernizing our fleet to better meet customers' needs by replacing older generation with cleaner, more efficient resources. Investments in efficient, dispatchable generation result in benefits within and beyond Entergy's utility service area and allow further integration of additional intermittent renewable generation where resources are available and cost-effective.

In 2012, we recognized that modernizing our generation fleet would require us to build large-scale capital projects. We formed a dedicated organization of highly specialized employees to successfully deliver these large capital projects safely, on schedule, and on budget. In building the capital projects management organization, we benchmarked best practices across all industries. Our team now includes 100 talented employees with strengths in project planning, management, and delivery. Guided by our team, we have successfully completed major generation projects on schedule and on budget, or better.

### Balancing Reliability, Affordability, and Environmental Stewardship

Looking ahead, we will maximize clean energy options balancing reliability, affordability, and environmental stewardship. Our efforts will include renewables as well as modern resources with optionality to be powered with hydrogen and/or retrofitted with carbon capture and sequestration technology. We are already working to make this a reality with the Orange County Power Station project in Texas.



ENVIRONMENTAL



### Modernizing Our Generation Portfolio

Since 2000, we have replaced approximately 30% of our generation resources with cleaner, more efficient resources. These newer resources have, on average, a 50% lower emissions profile than assets we deactivated. Not only are they cleaner, but they also provide significant savings to customers from lower fuel costs.



Added 10.5 GW of modern gas  
Retired 6.5 GW of legacy gas



ENVIRONMENTAL

## 2020 Generation Highlights

In 2020, we continued to transform our generation fleet with a mix of renewable and efficient natural gas resources.

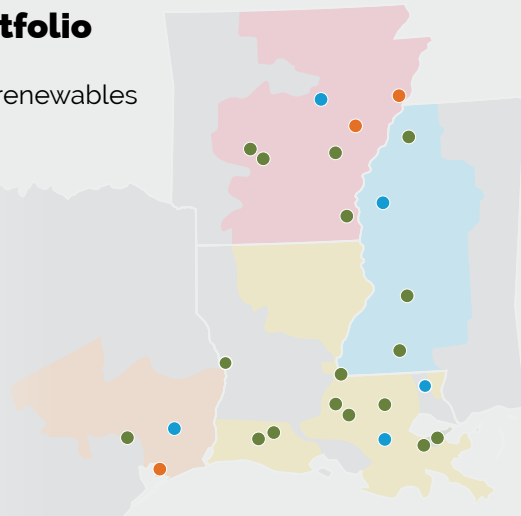
### Growing our renewables portfolio

In service, in progress, and announced renewables

- 537 MW in service
- ~445 MW installations in progress
- 380 MW announced

Plus:

- Two RFPs for solar resources totaling 500 MW
- Plan to solicit more than 800 additional solar MWs in 2021



Entergy's utility companies are investing in owned and contracted carbon-free renewable generation. In 2020, renewable resources (solar, wind, renewable energy credits, hydro, biomass, landfill gas, and waste heat) supplied approximately 2.7 million MWh, or approximately 2% of total electric demand, to our utility customers.

Entergy's utility companies continue to grow their renewable portfolios. We have 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.

- In 2020, Entergy Arkansas began taking power from Chicot Solar, a 100-MW facility, through a power purchase agreement.
- Entergy Louisiana began taking power from Capital Region Solar, a 50-MW facility, in 2020. Entergy Louisiana has a 20-year power purchase agreement for the facility's output.



### Meaningful Commitment to Grow Our Renewable Portfolio

Our utility companies are the largest providers of renewable energy in both Louisiana and Arkansas, and we're building the largest utility-owned solar facility in Mississippi. We have a meaningful commitment to grow our renewable portfolio, for which we plan significant investment by the end of the decade — as always, subject to the approval and direction of our regulators.



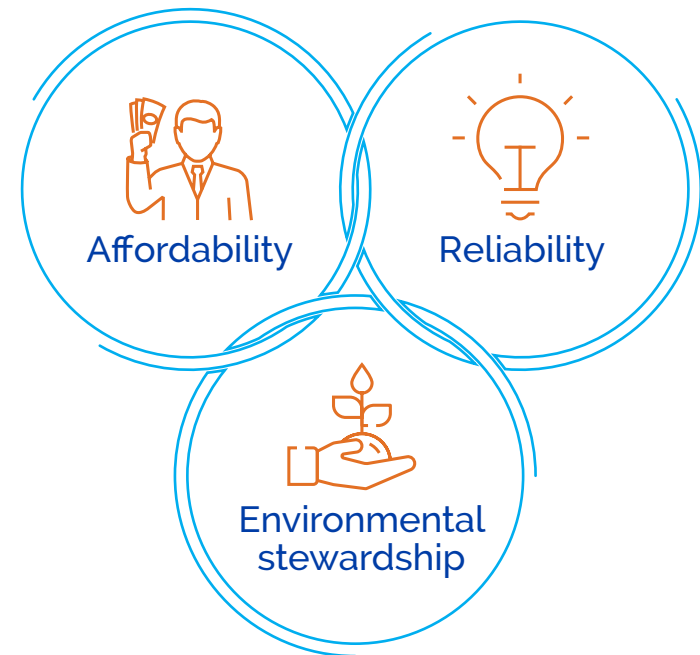
ENVIRONMENTAL



## OUR UTILITY

- The 20-MW New Orleans Solar Station, owned by Entergy New Orleans, was placed in service.
- Entergy New Orleans completed construction on 5 MW of distributed-scale solar resources through its commercial rooftop solar program. The program leases commercial building rooftops to install utility-owned solar.
- Entergy New Orleans completed approximately 100 company-owned residential rooftop solar installations totaling 0.5 MW.
- St. James Solar and Iris Solar, totaling 70 MW, are expected to be completed in 2021. Entergy New Orleans has entered into power purchase agreements for their output.
- Entergy Mississippi partnered with Recurrent Energy on Sunflower County Solar, a new 100-MW solar energy farm in Sunflower County. Recurrent Energy will construct the facility, which is expected to be completed in 2021, and Entergy Mississippi will purchase it.
- Entergy Arkansas' Searcy Solar, a 100-MW solar energy facility, is in the installation phase. This project is expected to be completed in 2021 and will be the largest utility-owned solar facility in the state and the first to feature battery storage.
- Entergy Texas selected two projects from its request for proposals. The 100-MW Liberty County Solar project will be owned by Entergy Texas, and the 150-MW Umbriel Solar project will be contracted. The proposed Liberty County Solar project is under review by the Public Utility Commission of Texas.
- Entergy Arkansas selected two solar resources from its 2019 request for proposals: 100-MW Walnut Bend and 180-MW West Memphis. Both proposals are under review by the Arkansas Public Service Commission.
- Two renewable requests for proposal are in process — one in Louisiana and one in Texas.

## Our Clean Energy Investment Strategy

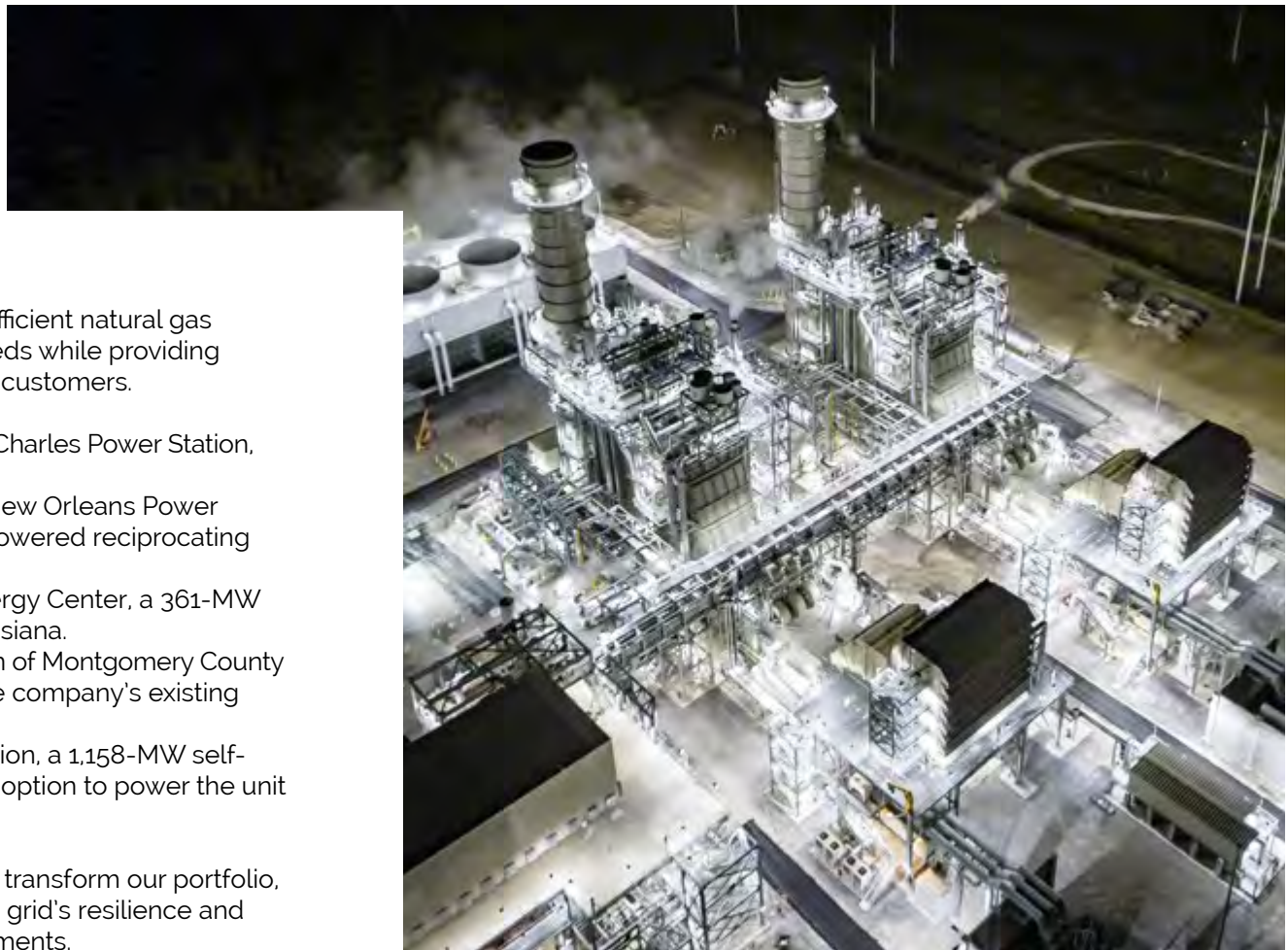


Entergy's utility companies also made progress on efficient natural gas projects that will meet intermittent and baseload needs while providing environmental, operational, and cost benefits for our customers.

- Entergy Louisiana completed construction of Lake Charles Power Station, a 994-MW CCGT.
- Entergy New Orleans completed construction of New Orleans Power Station, a 128-MW unit composed of natural gas-powered reciprocating internal combustion engines.
- Entergy Louisiana acquired Washington Parish Energy Center, a 361-MW simple-cycle combustion turbine in Bogalusa, Louisiana.
- In early 2021, Entergy Texas completed construction of Montgomery County Power Station, a 993-MW CCGT located next to the company's existing Lewis Creek power units.
- Entergy Texas selected Orange County Power Station, a 1,158-MW self-build CCGT, from its request for proposals, with an option to power the unit with 30% hydrogen upon commercial operation.

Looking ahead, our utility companies will continue to transform our portfolio, building a diverse generation fleet that maintains the grid's resilience and reliability and delivers on our environmental commitments.

We will continue to grow our renewables portfolio. By 2030, we anticipate that our generation portfolio could include 4 to 5 GW of renewables, or possibly more. Through our integrated resource planning process, Entergy's operating companies continually monitor customer needs, evolving technologies, system requirements, and government policies to create balanced portfolios to serve our customers and communities. The pace of transforming our generation portfolio will be grounded in balancing cost, reliability, and environmental stewardship.



## Entergy / Mitsubishi decarbonization collaboration

Combining the strengths of industry  
leaders to move towards net-zero



### Identified areas of collaboration

**CCGT innovation**

Demonstrate hydrogen flex concepts

**New build resource**

Includes storage, new build, and battery

**Storage projects**

Storage and conversion

**CCGT expansion**

Convert renewables to green hydrogen with battery

**Nuclear hydrogen**

Nuclear-supplied electrolysis facility with storage

Entergy is also leading the way in exploring the use of hydrogen, hydrogen co-firing, hydrogen infrastructure, and hydrogen pipelines. We've entered into a partnership with Mitsubishi to develop decarbonization strategies and technologies. The 10-year joint development agreement has identified these areas of collaboration:

- CCGT innovation, to demonstrate hydrogen flex concepts;
- New build resource including storage and battery;
- Storage projects including conversion;
- CCGT expansion to convert renewables to green hydrogen with battery; and
- Nuclear hydrogen and nuclear-supplied electrolysis facility with storage.

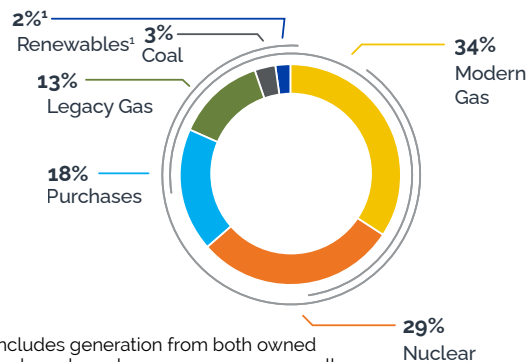
All of these efforts will help us achieve our clean-fleet objectives, including net-zero emissions by 2050.

## Our Energy Mix

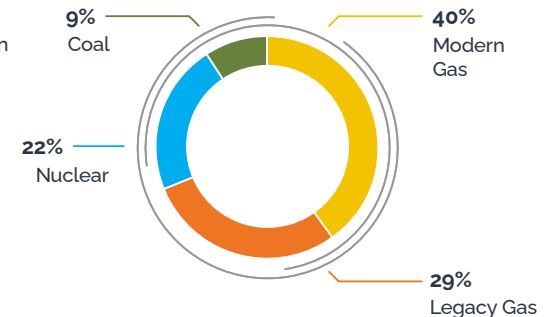
As a result of our portfolio modernization and our power-purchasing decisions, 31% of our portfolio is non-emitting, mostly coming from nuclear energy. Clean, modern natural gas represents 34% of our generation capacity. Since 2000, Entergy's utilities have added 10.5 GW of highly efficient generation. These units improve system reliability, reduce environmental impacts, and reduce costs for our customers by using less fuel. They also have lower maintenance costs, produce significantly fewer emissions than older generation, and require less water.



### 2020 Generation Sources (MWh)



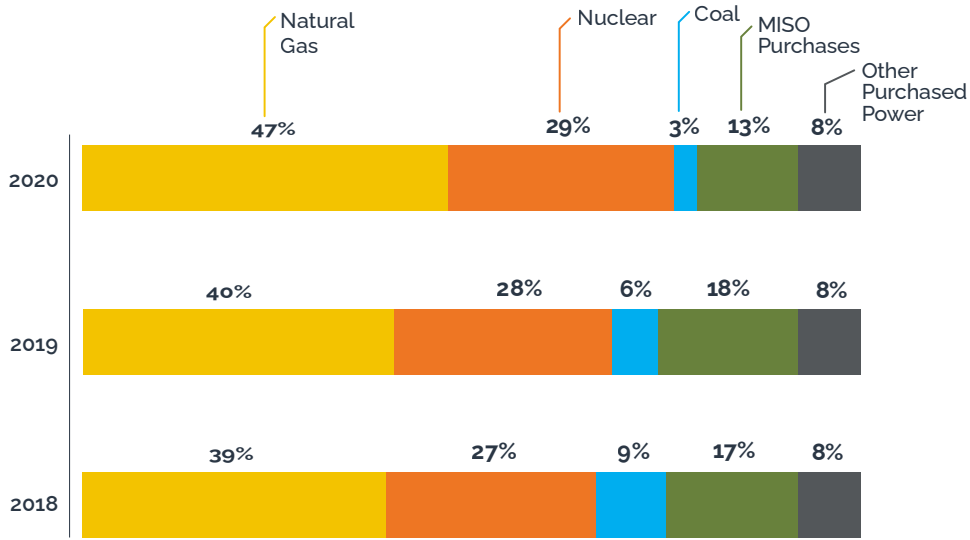
### Owned and Leased Capability as of 12/31/20 (MW)



<sup>1</sup> Includes generation from both owned and purchased power resources as well as renewable energy credits



Generation Sources Used to Meet Utility Demand (MWh)



- Natural Gas
- Nuclear
- Coal
- MISO Purchase
- Other Purchased Power





Nuclear generation remains a key component of our clean generation portfolio. Our nuclear assets provide significant benefits to our stakeholders through low-cost, reliable, and virtually emission-free baseload power generation; valuable fuel diversity; reduced fuel price volatility; and positive economic impact on local communities. Investing in our utility nuclear generation assets to maximize their output and ensure safe, reliable operation preserves the long-term benefits of our plants and is an important part of our environmental commitment to deliver low-emission energy to our customers. The utility operates four nuclear facilities: Arkansas Nuclear One units 1 and 2, Grand Gulf Nuclear Station, River Bend Station, and Waterford 3 Steam Electric Station. The Nuclear Regulatory Commission has renewed the operating licenses for all nuclear units in Entergy’s utility fleet to beyond 2030.

### Utility Nuclear Fleet Capability Factor



**Capability factor:** Percentage of the maximum energy a plant is capable of supplying to the grid, limited only by factors within control of plant management. Plant performance based on 18/24-month operating cycle.

The utility has limited coal resources, totaling 9% of owned and leased generation capability, which produced only 3% of our utility’s 2020 energy mix. Less than 5% of Entergy’s revenue and less than 2% of our rate base were from coal assets. Furthermore, we intend to retire all of our coal-powered capacity by the end of 2030.

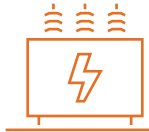
## Transmission

Our utility generation assets are operated within MISO, a regional transmission organization. In cooperation with stakeholders, MISO manages approximately 72,000 miles of high-voltage transmission and 192,000 MW of power-generating resources across its footprint. MISO's real-time and day-ahead energy markets use centralized economic dispatch and security-constrained unit commitment to optimize all resources within the region based on bids, offers, and schedules provided by market participants. Regional commitment and dispatch result in a more efficient use of the electrical system, which lowers costs for customers and creates significant benefits.

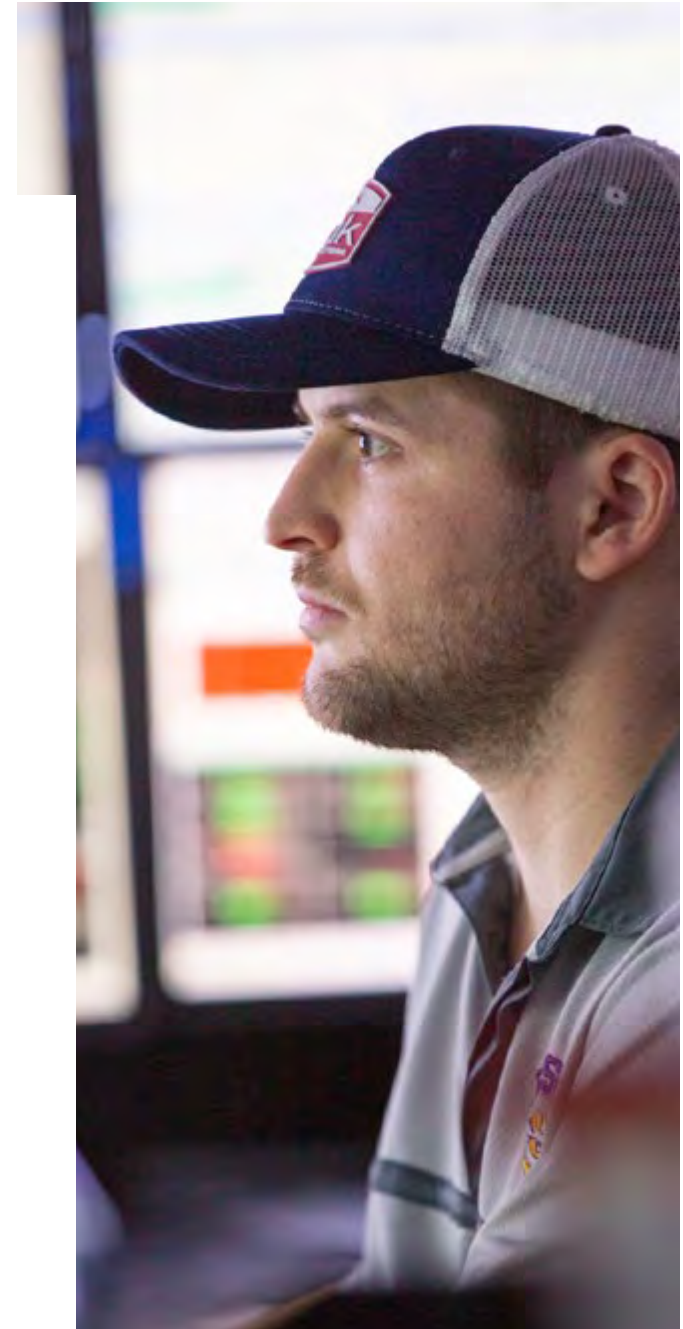
As part of MISO, the utility realizes significant benefits — and we pass any resulting savings along to customers. In the six years since we joined MISO (2014 through 2019), it is estimated that Entergy's customers saved more than \$1.5 billion on electric bills as a result of MISO membership. As part of a large pool of resources, Entergy can maintain reliability with less generation capacity than if the company were on its own. Also, because MISO dispatches from a large pool of generation to serve the needs of all customers

in its footprint, the dispatch is more efficient, resulting in a lower delivered cost of energy and long-term benefits for customers.

In addition, operating within MISO enhances reliability by informing all market participants of the state of grid conditions, market operations, and other key system information. MISO mitigates congestion, in significant part through price signals, allowing for more timely and efficient congestion management. Participation in MISO provides a wealth of useful information to transmission planners about new transmission facilities and upgrades that are likely to provide economic savings. MISO also provides mechanisms to allocate costs of new facilities and upgrades to those who benefit from them.



APPROXIMATELY  
**16,100**  
circuit miles  
OF INTERCONNECTED  
HIGH-VOLTAGE  
TRANSMISSION LINES







In 2020, we invested approximately \$800 million in transmission capital projects to connect generation assets; support economic development by serving new customers; and enhance system reliability, efficiency, and resiliency.

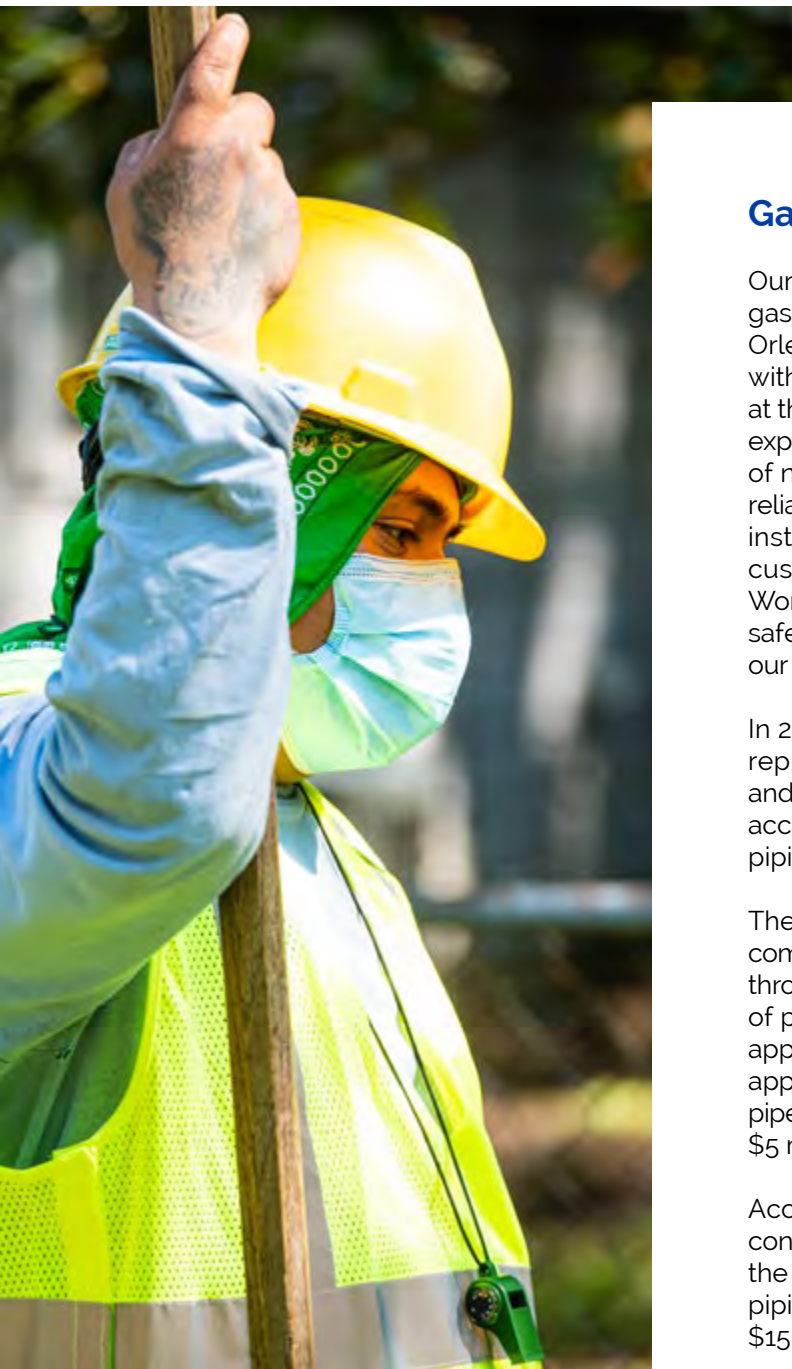
- Entergy Texas completed the \$97 million Port Arthur Reliability Improvement Project, which includes the construction of two new 230-kV substations and a new 13-mile, 230-kV transmission line between them.
- Entergy Texas also energized Phase II of the Western Region economic transmission project. This final phase, which involved building 38 miles of new 230-kV transmission line and a new 500 MW 345/230kV auto station, provides economic benefits, reduces congestion, and provides operational flexibility.
- Entergy Louisiana completed the \$104 million Jefferson Parish Reliability Improvement Project, which includes the construction of a new 230kV station, two new 115/230kV auto transformers, a new 115kV transmission line, and the conversion of several 115kV lines to 230kV.
- Entergy Louisiana completed a new \$47 million transmission line between the Nelson and Manena substations in the Lake Charles area. The new line withstood damage from Hurricane Laura and facilitated the restoration of transmission service into the Lake Charles area.
- Entergy Louisiana also completed the \$49 million Dunn-to-Winnsboro project which included 22 miles of new 230kV transmission lines and a new 230kV switching station to strengthen service reliability for customers in north Louisiana.
- Entergy Mississippi completed a \$40 million project to construct a new 115kV substation and 5.5 miles of new and upgraded 115kV transmission lines. The project strengthens reliability in central Mississippi and provides additional capacity to serve growth from the University of Mississippi Medical Center.
- Entergy Arkansas completed a \$21 million, 500/161-kV autotransformer upgrade project to strengthen service reliability for customers in northeast Arkansas.

### 2020 Storm Season

The historic storm season in 2020 significantly affected Entergy's transmission system. Hurricane Laura was the strongest storm to make landfall in Louisiana in over 160 years. The storm's path affected all of the states that Entergy serves and destroyed approximately 1,450 transmission structures and damaged approximately 450 more that represented over 20% of Entergy's transmission structures in southwest Louisiana. Primarily older structures designed to less rigorous standards were destroyed and damaged (it is important to note that structures built to current standards performed well during the storm). All structures destroyed during the storm have been rebuilt to current resiliency standards, which will improve the system's resiliency to better withstand future storms.



ENVIRONMENTAL



## Gas Distribution

Our gas distribution business delivers natural gas to about 202,000 retail customers in New Orleans and Baton Rouge, Louisiana. Working with other gas utilities and research partners at the Gas Technology Institute, we continue to explore, support, and influence the development of new technologies to improve the safety and reliability of our gas distribution system. We started installing advanced meters to benefit our gas customers in 2020 and will conclude in 2021. Work has begun on the framework for a pipeline safety management system, which will support our commitment to continuously improving safety.

In 2020, we continued our gas infrastructure replacement programs in both New Orleans and Baton Rouge to modernize their systems by accelerating the replacement of certain vintage piping materials.

The LPSC-approved program for Baton Rouge commenced in 2015 and is scheduled to continue through 2024, replacing approximately 11 miles of pipe annually at a total program cost of approximately \$48 million. In 2020, we replaced approximately 12 miles of vintage polyethylene pipe in Baton Rouge at a total cost of approximately \$5 million.

Accelerated infrastructure replacement also continues in New Orleans. In 2020, we completed the replacement of 26 miles of certain vintage piping materials at a cost of approximately \$15 million. We are currently seeking regulatory

approval to replace all remaining low-pressure, vintage piping in New Orleans with modern, high-pressure polyethylene pipe. Benefits of high-pressure technology include enhanced safety, improved reliability, and increased storm hardening by preventing the potential for water infiltration. If approved, our replacement program will allow us to continue accelerated infrastructure replacement in New Orleans through 2027.

**In 2020, we completed the replacement of 38 miles of certain vintage piping materials at a cost of approximately \$20 million.**

## Customer Solutions

The emergence of new technologies and data analytics is bringing promising new opportunities beyond traditional generating equipment, substations, poles and wires, vehicles, and tools. Reliable power at the flip of a switch is just the beginning of our relationship with customers. Instead of simply providing an input — electricity or natural gas — we're working to understand the outcomes that customers need and desire in their personal lives, in their manufacturing plants, and in their retail businesses. Through direct interactions with our customers, building a deep understanding of their needs and desires from their power consumption, and utilizing data available from smart devices throughout the system, we are developing new customer solutions that match our customers' desired outcomes — and make their lives better.

## Innovation

In 2019 we formed KeyString Labs, an employee-led innovation center that engages with our stakeholders to understand their expectations and develop scalable and innovative customer solutions that we can pilot and ultimately deploy across our service area.

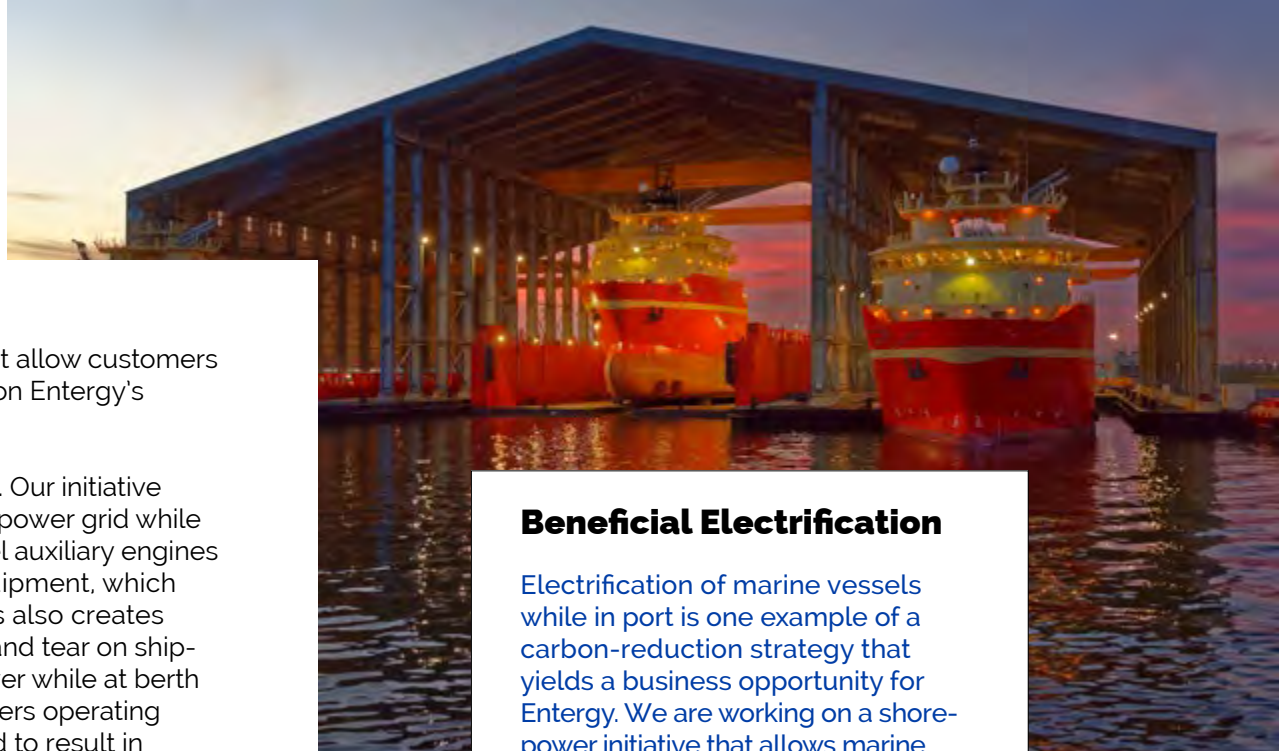
For example, our new Power Through program provides a customer-sited backup generation solution for commercial and small industrial customers. Entergy-owned generators will allow participating businesses to operate as usual during widespread outages and continue to provide services during significant weather events. In other times, Entergy could deploy the resource to benefit all customers. Power Through provides an economic backup resource to businesses when their customers need them most while providing Entergy with an added resource when the broader system needs it.

We are actively working with our regulatory teams to introduce Power Through in all our jurisdictions, with plans to install more than 400 units from 2020 through 2024.



**Instead of simply providing an input — electricity or natural gas — we're working to understand the outcomes that customers need and desire in their personal lives, in their manufacturing plants, and in their retail businesses.**





There are multiple beneficial electrification opportunities that allow customers to realize efficiencies and environmental benefits by relying on Entergy's cleaner grid power.

Electrification of marine vessels while in port is one example. Our initiative allows marine vessels to plug into the land-based electrical power grid while at berth. Many marine vessels at berth typically rely on diesel auxiliary engines to generate electrical power for on-board services and equipment, which creates significant air emissions. Using these diesel engines also creates vibration and noise pollution in port areas and causes wear and tear on ship-side equipment. Converting marine vessels to electrical power while at berth significantly reduces localized emissions and potentially lowers operating costs for vessel owners. Per vessel, shore power is estimated to result in significant reductions of net emissions:

**98%** reduction in NO<sub>x</sub>,

**48%** reduction in SO<sub>x</sub>, and

**42%** reduction in CO<sub>2</sub>.

Our first shore-power installation went into service in early 2020. We believe we have more opportunities for shore-power projects as we have 37 ports in our service area, seven of which are among the 20 largest in the United States.

Other projects currently in various stages of development include:

- Shared solar power solution that makes clean-energy participation easy
- Residential rooftop solar program
- Beneficial electrification of industrial and commercial operations
- Targeted microgrid for lowest reasonable cost solution
- Energy-efficiency service
- Centralized solution for demand-side management offerings

### Beneficial Electrification

Electrification of marine vessels while in port is one example of a carbon-reduction strategy that yields a business opportunity for Entergy. We are working on a shore-power initiative that allows marine vessels to plug into the land-based electrical power grid while at berth. Converting marine vessels to electrical power while at berth significantly reduces environmental impacts and potentially lowers operating costs for vessel owners. In 2020, our first shore-power project went into service and is expected to result in significant reductions of localized emissions.



ENVIRONMENTAL



ECONOMIC



## Starting with the Customer

Thinking about the customer in everything we do is critical to achieving our goals. We work hard every day to provide resources and solutions our customers need in a way that balances reliability, affordability, and environmental stewardship.

### Low Rates

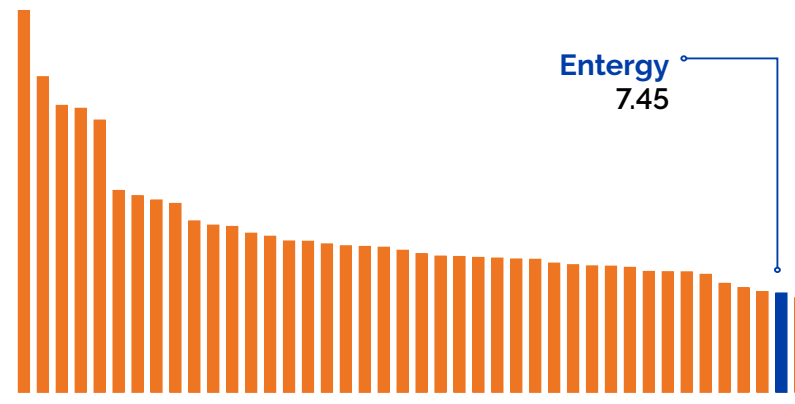
According to a 2020 study by S&P Global Market Intelligence, Entergy utilities once again had among the lowest average retail rates in the U.S. We believe having competitive rates creates several advantages for Entergy and our stakeholders. Low rates attract economic development to our region, which helps our communities prosper. In addition, having low rates gives Entergy more flexibility to innovate, deploy new technologies, and develop tailored customer solutions.

We strive to maintain our rate advantage through:

- Fuel efficiency,
- Investments in new technology,
- Continuous improvement,
- Energy efficiency,
- New products and services,
- Expanding customer base, and
- Structured financing

For customers who need help paying their electric bills, we have resources available to assist them. The Power To Care program provides emergency bill-payment assistance to low-income, elderly and disabled customers. We are also involved in Low Income Home Energy Assistance Program advocacy to ensure funds are allocated to help our most vulnerable customers.

**Among the Lowest Rates in the Country**  
2019 average retail price by parent company (¢ per kWh)



Source: S&P Global Market Intelligence Regulated Retail Price of Electricity (6/16/20)



Since 2002, our utilities have invested more than \$700 million to deliver more than 1,000 MW of peak load reduction and 3.1 million MWh of cumulative energy savings.

## Energy Efficiency and Demand-Side Management

Energy efficiency and demand-side management programs are effective ways to partner with customers to help them manage usage and costs while providing societal benefits. The objectives of these offerings are to reduce the overall cost of meeting energy resource needs, to provide customers with attractive options to reduce their energy consumption, to educate customers about the value of energy efficiency, and to support low-income and sustainability initiatives. Since 2002, our utilities have invested more than \$700 million to deliver more than 1,000 MW of peak load reduction and 3.1 million MWh of cumulative energy savings.

We help our customers improve their energy efficiency through customer education and outreach, technology improvements, and customer incentive programs. We currently have approximately 50 energy efficiency and demand-side management offerings with a stated goal of 990 MW of peak load reduction through 2031.

- For residential customers, energy efficiency offerings include air conditioning and heat pump system tune ups, no-cost energy assessments to identify qualifying energy efficiency improvement projects and install cost-effective energy-saving equipment, advanced thermostat rebates, weatherization measures, do-it-yourself videos, online advisors, and online energy audits. We promote these tools through monthly customer e-newsletters with a circulation of approximately 2.4 million. We provide a variety of online resources focused on energy efficiency and bill savings, such as the [Circuit webpage](#), which had more than 224,000 user visits in 2020.
- For our large commercial and industrial customers, we also provide support to identify efficiency opportunities and analyze associated costs and savings for projects such as retro-commissioning, process improvements, and other system-level projects involving unique equipment, as well as energy-efficient lighting and smart energy systems.

Advanced meters also provide energy-saving tools, including an enhanced customer engagement portal where customers can access data for increased transparency on their energy usage. The portal also helps customers project and manage their monthly bills, get personalized savings tips, and set alerts.



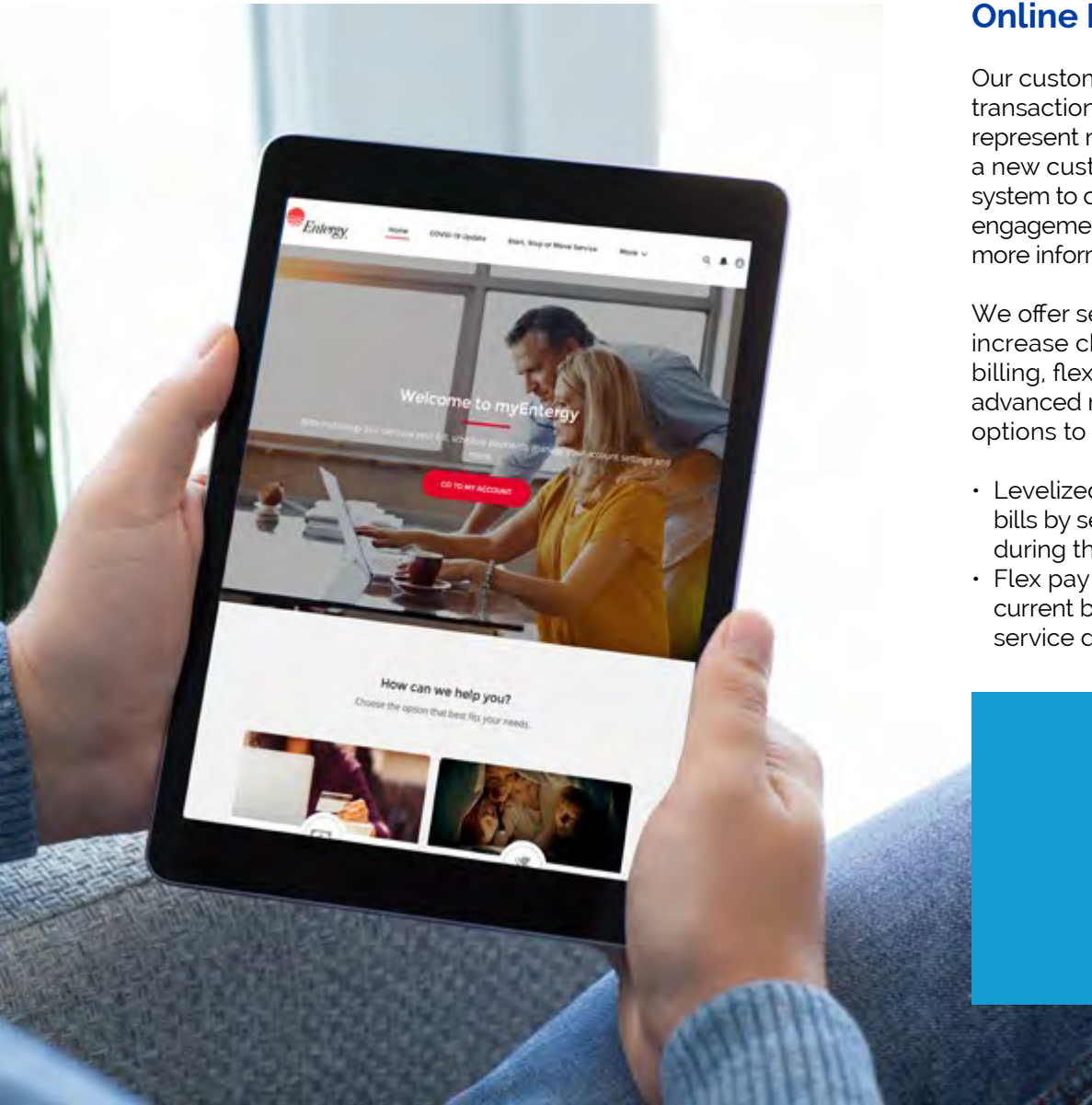
## OUR UTILITY

We recognize that our customers increasingly seek more control over their energy decisions and more renewable energy solutions. As of December 31, 2020, our utilities had approximately 22,300 customers with self-generation equipment, virtually all of which are smaller-scale rooftop solar photovoltaic systems. Over the years, we have made numerous process improvements and added dedicated resources so that customers who choose to self-generate have access to clear and timely information and resources regarding interconnection and available options. We also continue to engage and work with our regulators and stakeholders on policy matters as well as possible avenues to expand renewable energy alternatives and meet our customers' individual energy needs.

We facilitate customer-owned distributed generation and provide relevant technical standards, policies, application forms, and related information online, including online tools and interfaces for our customers. We also work directly with customers who have questions on how to safely connect to the grid. Further, we actively engage with customers who are interested in distributed energy resources to understand their underlying objectives and to explore utility-led solutions. Such solutions are being pursued in a manner that provides desired benefits for customers while also providing broader system benefits. We will continue to work with our customers, regulators, and other stakeholders on potential opportunities.

Our operating companies now spend more than \$95 million annually on demand-side management efforts (both energy efficiency and demand response), which represents more than a seven-fold increase from just 10 years ago and a 43-fold increase since these efforts were initiated in 2002. There is now a wide variety of offerings available to customers in each of our jurisdictions; these offerings help lower usage and thus customer bills, as well as provide peak load savings.





## Online Resources

Our customers are benefiting from online, self-service tools. Self-serve transactions via web, text message, and interactive voice response now represent nearly 55% of our customers' transactions. In 2020, we released a new customer web portal, notification platform, and agent desktop system to complete our customer digital initiative. This will improve customer engagement and enable our customers to access, understand, and make more informed decisions on energy usage.

We offer several billing and payment options in certain jurisdictions to increase choice and convenience for customers, including levelized billing, flex pay, renewable offerings, and community solar. When advanced meter deployment is complete, we also plan to offer pre-pay options to our customers.

- Levelized billing enables customers to budget and plan for their electricity bills by setting a customer's bill for the next 12 months based on their usage during the prior 12 months.
- Flex pay allows customers in arrears to make payments toward their current bills while paying toward an overdue balance, thereby avoiding service disconnection.

**Self-serve transactions via web, text message, and interactive voice response now represent nearly 55% of our customers' transactions.**

## Regulation

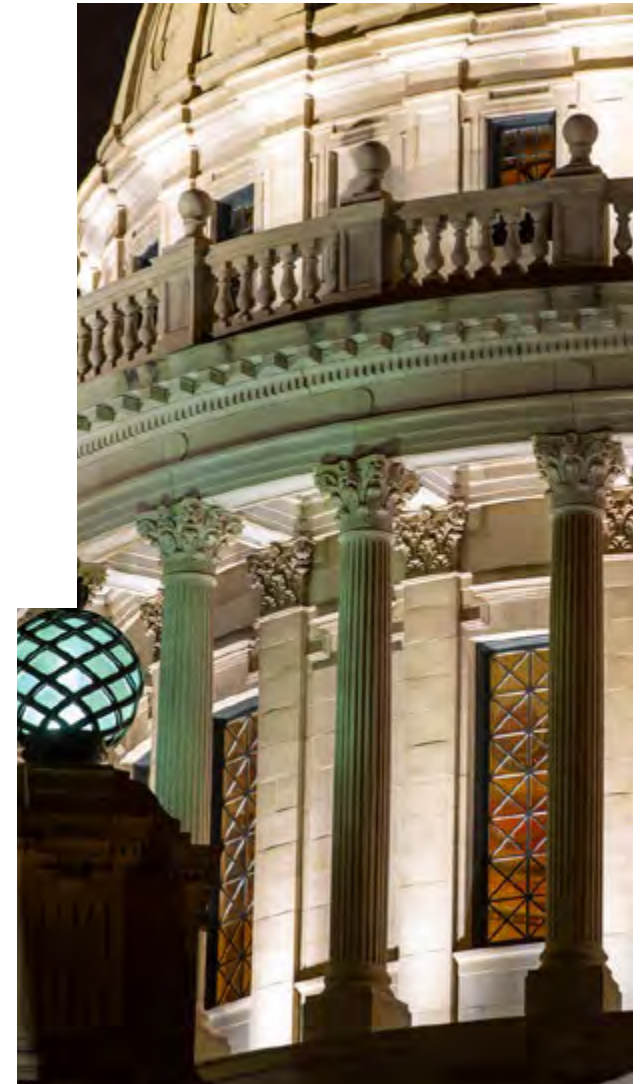
Over the past several years, we have built constructive relationships with regulators that have facilitated the development of progressive regulatory mechanisms. Our utilities' ability to recover costs when customers begin to receive the benefits of major investments enables us to deliver on commitments and benefits our stakeholders. Regulators recognize that mechanisms such as formula rate plans are efficient, less costly for customers, and help facilitate investments that provide benefits valued by customers.

Entergy's regulatory framework includes progressive and timely mechanisms.

- Entergy Arkansas has requested a five-year extension of its formula rate plan, and the request is before the Arkansas Public Service Commission. The request includes terms similar to the original FRP, with a forward test year and evaluation of the historical test year with a true-up opportunity. FRP rate changes would continue to be capped at 4% of the filing year total retail revenue.
- Entergy Louisiana has requested a three-year extension of its formula rate plan, and that request is before the Louisiana Public Service Commission. The request includes extension of existing FRP riders for more timely recovery of

investments in new generation and purchased power and new transmission that meets certain criteria. The company is also requesting the addition of a new rider for more timely recovery of certain distribution investments.

- Entergy Mississippi and Entergy New Orleans have formula rate plans with forward-looking features that take into account known and measurable changes to recover planned costs. Entergy Mississippi also has riders to recover new owned capacity and vegetation costs.
- Entergy Texas utilizes base rate cases to reset base rates and also has riders for more timely recovery of new distribution, transmission, and generation investments. The generation rider was used for the first time in early 2021 for Montgomery County Power Station.







## Working with Our Stakeholders

We engage with our stakeholders to better understand their needs and their goals. Aligning our objectives with the needs of our customers, employees, communities, and owners helps us make better business decisions. Through regular communications, we share our strategies and our plans, we gather feedback, and we gain support to help us achieve our objectives. In 2020, face-to-face communications were limited due to COVID-19. However, with communications as important as ever, we took advantage of telecommunications and other channels including e-newsletters, social media, and bill inserts.

We work to understand and address the needs and concerns of our stakeholders when we propose and implement generation, transmission, and distribution projects. Through outreach efforts, we ensure that policymakers and other stakeholders understand our perspectives and objectives.

We also work closely with the Nuclear Regulatory Commission to ensure continued safe and secure operation of our nuclear fleet. Our nuclear plants and employees maintain a strong presence in local communities by engaging with local companies and suppliers and through charitable contributions and volunteerism. We engage with stakeholders on an ongoing basis in areas such as public safety and emergency preparedness.

Each year we conduct a shareholder outreach program to explain our approach to environmental, social, governance, and other areas of interest. We gather shareholder insights and feedback on matters of mutual interest, and we discuss topics such as company performance, executive compensation, emerging corporate governance practices, climate strategy, other environmental and social issues, and sustainability oversight and performance. In 2020, we met with shareholders owning 24% of our outstanding shares. Shareholder perspectives inform our decision making, help guide our actions, and enhance our disclosures.

We also use social media to complement our stakeholder engagement. We utilize media, including blogs and social networks, to share and discuss company news, products, and initiatives. Specifically, we have a presence on Facebook, Twitter, LinkedIn, Instagram, and YouTube.



**In 2020, we met with shareholders owning 24% of our outstanding shares.**



# OUR WORKPLACE



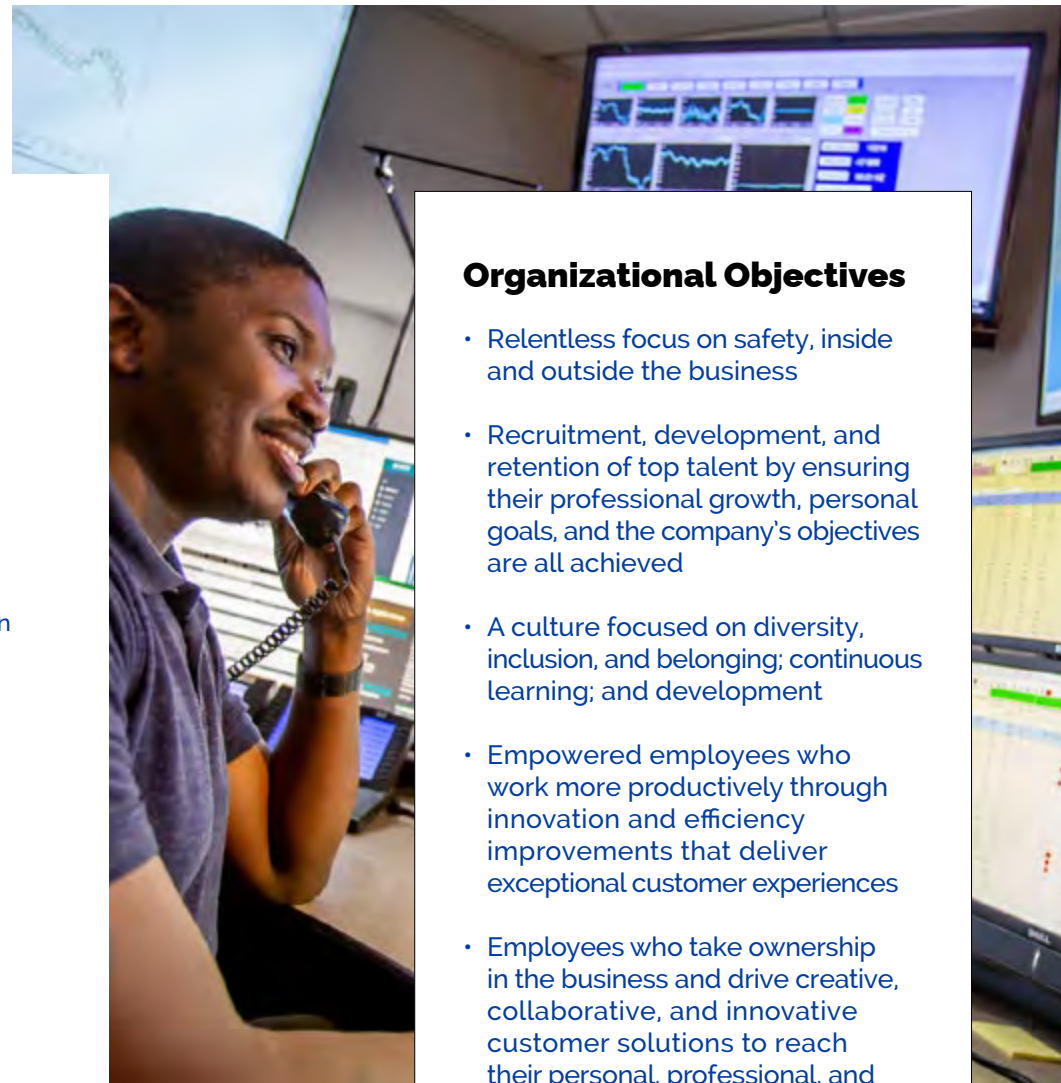
## A Pathway to the Workplace of Tomorrow

Our people and our culture enable Entergy's success, and at the end of 2020, our workforce stood at 13,400 employees. They make it possible to execute our strategy and achieve our stakeholder objectives. That's why acquiring, retaining, and developing our talent are important components of our human resources strategy. We focus on a holistic approach that includes:



## Governance and Oversight

Ensuring our workplace processes support the desired culture and strategy begins with our Board of Directors and the Office of the Chief Executive. Our Board and its committees set the tone for the company, holding senior management accountable for building our unique corporate culture. The Personnel Committee of the Board establishes priorities and reviews performance on a range of topics. It oversees our incentive plan design and administers our executive compensation plans to incentivize the behaviors and outcomes that support achievement of our corporate objectives. Annually, it reviews executive performance, development, and succession plans to align a high-performing executive team with the company's priorities. The Personnel Committee also oversees our performance through regular briefings on a wide variety of human resources topics including our safety culture and performance; our organizational health; and our diversity, inclusion, and belonging initiatives and performance.



### Organizational Objectives

- Relentless focus on safety, inside and outside the business
- Recruitment, development, and retention of top talent by ensuring their professional growth, personal goals, and the company's objectives are all achieved
- A culture focused on diversity, inclusion, and belonging; continuous learning; and development
- Empowered employees who work more productively through innovation and efficiency improvements that deliver exceptional customer experiences
- Employees who take ownership in the business and drive creative, collaborative, and innovative customer solutions to reach their personal, professional, and financial goals.



**SOCIAL**





**Our human resources mission is to build leadership and organizational capacity and capability with speed, quality, and agility to enable our evolution to the premier utility.**

Other committees of the Board oversee other key aspects of our culture. For example, the Audit Committee reviews reports on our ethics and compliance training and performance, as well as regular reports on calls made to our ethics line and related investigations. To maximize the sharing of information and facilitate the participation of all Board members in these discussions, our Board schedules its regular committee meetings in a manner such that all directors can attend.

The Office of the Chief Executive, which includes the Chief Human Resources Officer, ensures annual business plans are designed to support our talent objectives, reviews workforce-related metrics, and regularly discusses the development, succession planning, and performance of their direct reports and other company officers.

Our human resources mission is to build leadership and organizational capacity and capability with speed, quality, and agility to enable our evolution to the premier utility.

Our people approach extends across employee lifecycle practices — from talent attraction, recruitment, onboarding, and retention to separation — with a diversity, inclusion, and belonging lens embedded in all practices. A dedicated reporting and analytics team routinely collects and reports DIB analytics ensuring visibility into trends and early identification of issues. Our human resources policies, programs, compensation, and benefits are regularly benchmarked to ensure alignment with the market and are also subject to internal and external audits to validate compliance with laws and regulations. Human resources policies fall under the jurisdiction of the Corporate Compliance Committee.

Our people ascribe to Entergy's values, including above all to act with integrity. We expect our employees and contractors to behave lawfully in every aspect of our business, with the Code of Entegrity offering direction toward conducting business ethically and fairly. Each year, all employees must complete related training, and all non-bargaining employees annually acknowledge their review of the Code.

Entergy's management teams, Ethics and Compliance team, the nuclear Employee Concerns program, and the Entergy Ethics Line are available to offer guidance and raise concerns. Concerns are treated with respect and confidentiality, and we do not tolerate retaliation for asking a question or reporting potential violations of law or Entergy policies.

# Employee Lifecycle With Entergy





## Safety and Wellness

At Entergy, our safety objective is: “Everyone safe. All day. Every day.” Our relentless focus on safety is a key component of our journey to building the premier utility. While the pandemic and historical hurricane season presented significant challenges, our solid safety strategy and unwavering commitment to excellence showed results in 2020.

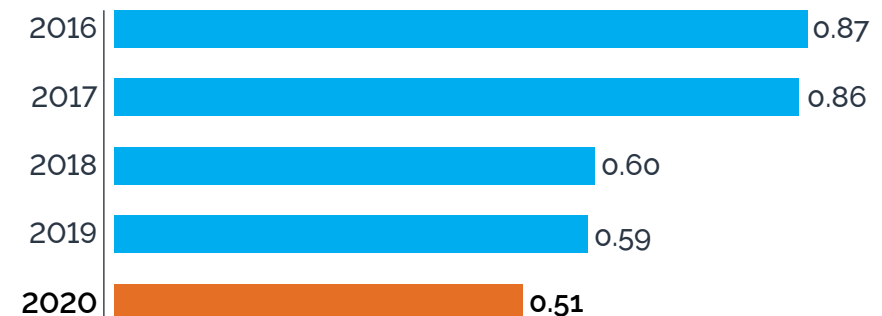
Entergy employees achieved a total recordable incident rate of 0.40 in 2020, compared to 0.56 in 2019 and 0.48 in 2018. This marked improvement placed Entergy in the top decile for safety performance when benchmarked against peers within the Edison Electric Institute.

Entergy contractors achieved a total recordable incident rate of 0.51 in 2020 compared to 0.59 in 2019 and 0.60 in 2018.

### Employee Year-Ending Total Recordable Incident Rate



### Contractor Year-Ending Total Recordable Incident Rate



Recordable incident rate: Number of recordable incidents per 100 full-time equivalents. Recordable incidents include fatalities, lost-time accidents, restricted-duty accidents, and medical attentions. Does not include potential work-related COVID-19 cases.





The enterprise-wide strategy to address serious injuries and fatalities, for both employees and contractors, was an essential element of our 2020 plans and will continue to be an area of focus in 2021. Our actions included redesigning and retraining our field workforce in hazard recognition and mitigation tools and processes. Tools jointly developed with EEI were utilized and integrated into our training program, field assessments, and corrective action program. As a result of these efforts, employee and contractor serious injuries and fatalities rates were reduced around 50% in 2020 compared to 2019.

Our safety program in 2020 was tested by an unprecedented hurricane season, during which our service area was directly impacted by five named storms. As a result, we organized the largest restoration workforce mobilization in company history. More than 54,000 restoration workers, including contractors and mutual assistance workers, completed more than 10.7 million hours of restoration work. Despite the safety progress made in 2020, there was a contractor fatality associated with driving during storm restoration activities. We are deeply saddened by this event and will continue working closely with our contractors to improve our collective safety performance.

In addition to the serious injuries and fatalities and contractor efforts, we also refined our corrective action program to standardize our approach to safety incidents, and we embarked on a journey to transition to an ISO 45001-compliant health and safety management system. ISO 45001 is an international standard focused on improving employee safety, reducing workplace risks, and creating better, safer working conditions.

Our Close Call, Good Catch program continues to be a foundational element of our safety program, and employees utilize the program to track and trend the identification and resolution of unsafe conditions.

**We organized the largest restoration workforce mobilization in company history. More than 54,000 restoration workers, contractors, and mutual assistance workers completed more than 10.7 million hours of restoration work.**

## OUR WORKPLACE

Despite an unusually challenging year, we still managed to improve our safety performance. We will continue to aggressively pursue excellence in safety as we seek to achieve our objective of "Everyone safe. All day. Every day."

Our holistic focus on wellness spans health, financial, and social aspects resulting in a healthy, productive, and engaged workforce. We focus on health through our ENSHAPE wellness program by offering programs for exercise, nutrition, and safety. Our wellness visits, health screenings (temporarily suspended in 2020 due to COVID-19), health coaches, and fitness subsidies are focused on physical health. Our ongoing education, work-life balance, and employee assistance programs benefit mental health.

From a financial perspective, we offer competitive compensation and comprehensive benefits packages, including base pay, incentive and recognition programs, health and other insurance, vacation, holidays, and parental and other leave. Combined with 401(k) savings plans that offer a company match and a discretionary annual company contribution (subject to vesting) and financial education programs, our employees have a greater chance of being financially healthy, enabling them to be healthier, productive, and engaged members of our workforce.

Finally, from a social perspective, Entergy provides communications platforms like Facebook Workplace that enable employees to engage across the company. Employee-driven networking groups, including employee resource groups and diversity councils, also offer opportunities for employees to work with others throughout the company. We further support our employees through the Employee Assistance Fund, which is funded by contributions from shareholders and employees. Community support comes in the form of providing volunteer paid time off, community grants, and matching educational and charitable contributions.



### Entergy's Employee Assistance Fund

Through the Employee Assistance Fund, more than 90 employees whose homes were destroyed or significantly damaged by storms received grants totaling almost \$400,000. Storm-impacted employees and their spouses were able to participate in Disaster Recovery 101 webinars hosted by community nonprofit partners specializing in disaster rebuilding and recovery. Employees also benefited from volunteers who helped with post-storm efforts to mitigate storm damage to their homes. Employees with special hardship situations also had access to a dedicated United Way caseworker.



SOCIAL

### Healthy Lifestyles

In addition to Entergy's traditional 10-K a Day and Right This Weigh programs, virtual programming emerged with the advent of COVID-19. Daily mindfulness sessions were introduced at the beginning of the pandemic to help employees better manage fatigue and stress. In 2020, employees logged more than 3,000 sessions over nine months, with reported benefits including increased feelings of calmness, reduced stress, a heightened sense of well-being, increased self-awareness, and improved clarity of thought. Twice-weekly virtual stretch sessions drew nearly 1,300 participants, with benefits including increased productivity, enhanced mood, and improved comfort while working.



SOCIAL



## Organizational Health, Including Diversity, Inclusion, and Belonging

### Organizational Health

Our focus on organizational health fosters an engaged and productive culture that positions Entergy to deliver sustainable value to stakeholders. A healthy organization is one that:

- Communicates a clear mission, vision, and objectives that are supported and understood by all employees;
- Fully engages the workforce so that everyone understands how they contribute to the company's success;
- Adapts quickly to changing needs of the business; and
- Leverages the power of diversity to identify new and better ways to create value for our stakeholders and improve business results.

Organizational health starts with creating a common understanding around how we can work together more effectively on a daily basis and better engage with our customers and our communities. We routinely communicate our perspective to employees through quarterly employee huddles and town hall meetings with leaders, as well as through written communications. Our New Employee Orientation program, employee and leadership development programs, and performance management processes also build common alignment around the core set of behaviors all employees must exhibit to drive Entergy's success.

We measure how we are doing through an annual organizational health survey coordinated by an external third party. The survey invites employees to weigh in on a series of indicators that reflect our progress for nine outcomes: direction, leadership, culture and climate, accountability, coordination and control, capabilities, motivation, innovation and learning, and external orientation. Underlying these outcomes are survey questions on 37 management practices. The survey also includes Entergy-specific questions for leadership practices, safety, diversity and inclusion, and ethics and compliance.





Since initially administering the survey in 2014, we improved from an initial score of 49 (fourth quartile) to a score in 2020 of 72 (near top quartile). In addition to significantly improved scores, our initial employee participation rate of 66% in 2014 rose to and has remained at 90% in 2018, 2019, and 2020. While these represent substantial improvements, we will continue taking action to improve organizational health, and we remain committed to achieving our goal of top-quartile results.

### Organizational Health Index Score



### Employee and Retiree Volunteerism (hours in thousands)



### Organizational Health Index Survey Employee Participation



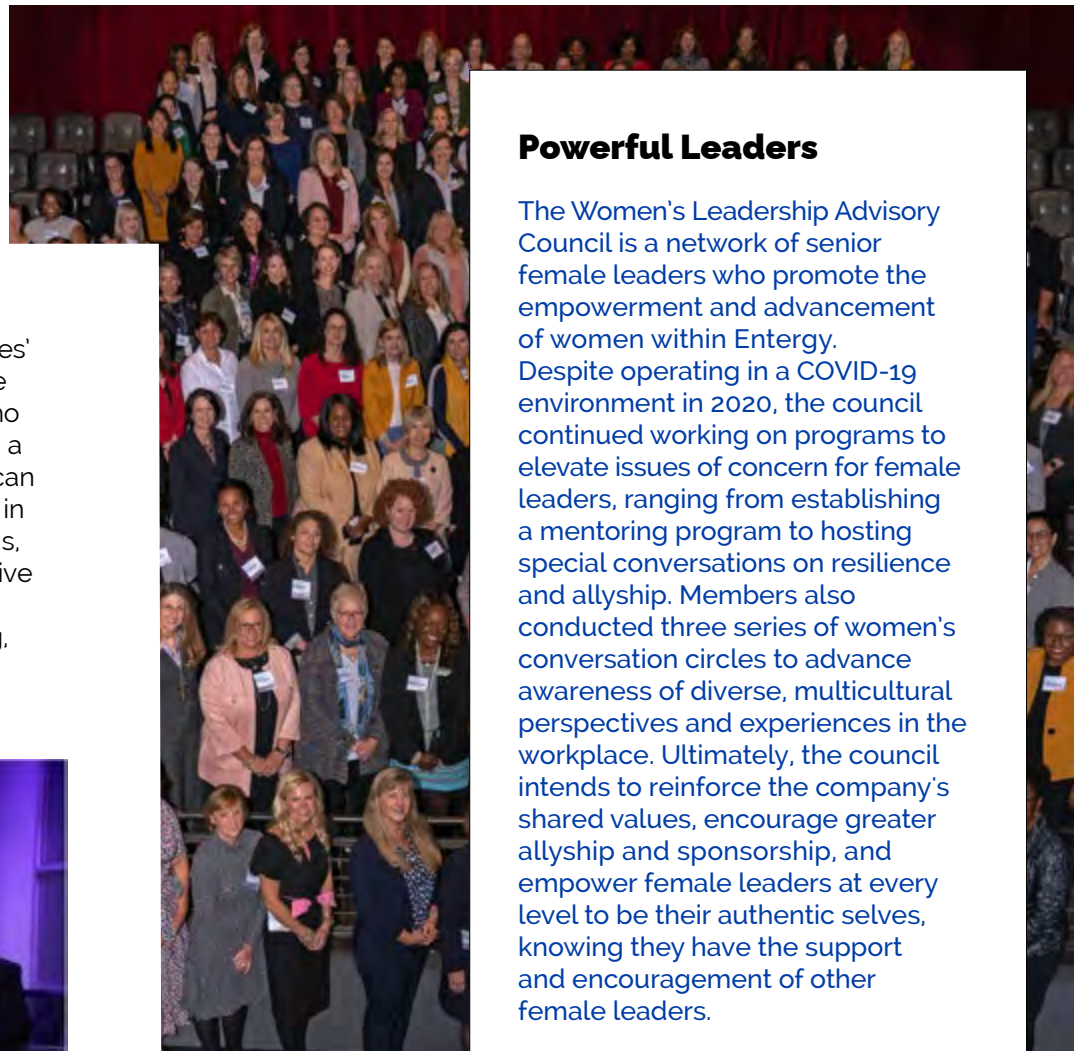
### Volunteerism

Our employee surveys indicate that employees who participate in corporate volunteer programs are more engaged in the workplace. We encourage employee volunteerism through our Community Connectors program, through which Entergy employees earn grants for their favorite nonprofit organizations by volunteering 20 hours of their time. Our paid time off volunteer benefit introduced in 2016 allows eligible employees to take up to 16 hours a year of paid time off during regular working hours to support company-approved activities at qualified nonprofit organizations. From mid-March through September 2020, Entergy suspended all in-person, company-sponsored volunteer activity due to COVID-19 and instead allowed and encouraged participation in virtual company-sponsored and independent volunteer activities. Employees and retirees logged more than 95,000 hours of volunteer service valued at approximately \$3.4 million in 2020.



SOCIAL

We believe healthy organizations value and use the full power of employees' experiences and perspectives. Entergy's employee resource groups are employee-led groups that provide opportunities to connect with others who share similar interests and backgrounds. ERGs give groups of employees a voice to make a difference and are pathways through which employees can engage in the business, network, grow, and develop together. Established in 2015, Entergy's initial groups included the women's, multicultural, veterans, and generational ERGs, followed by pride, shift, leadership and administrative ERGs formed between 2016 and 2019. Combined, our eight ERGs have more than 2,100 members, and their input informs decisions on recruiting, onboarding, retention, work/life balance, technology, policies, training, and employee and leadership learning and development.

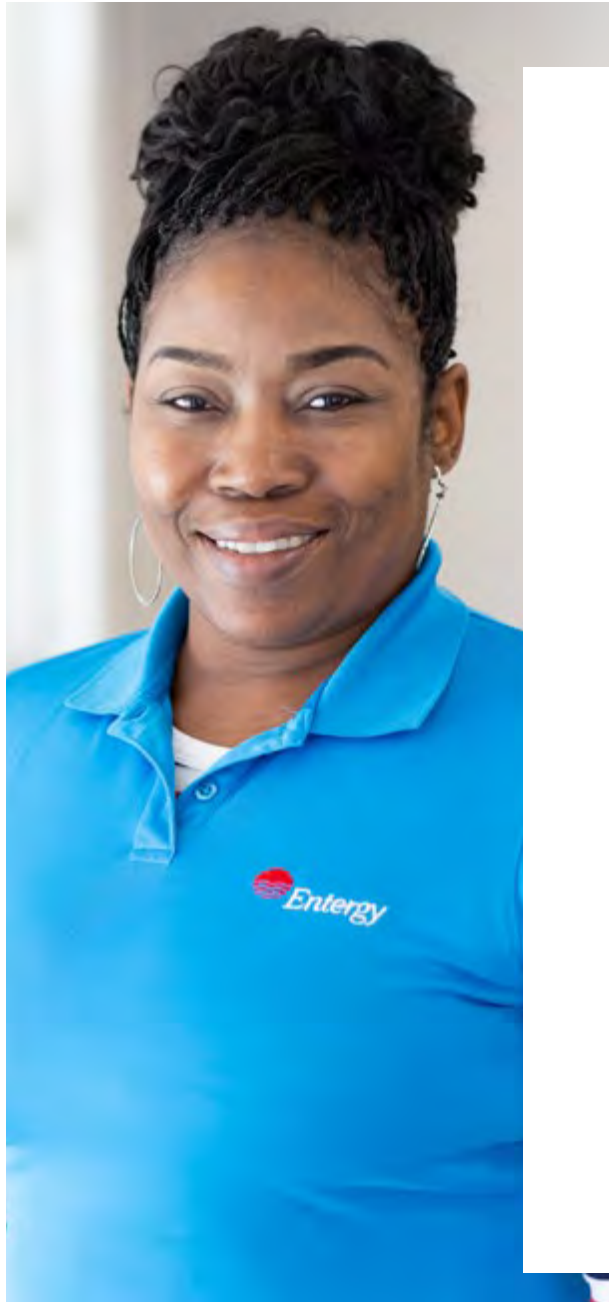
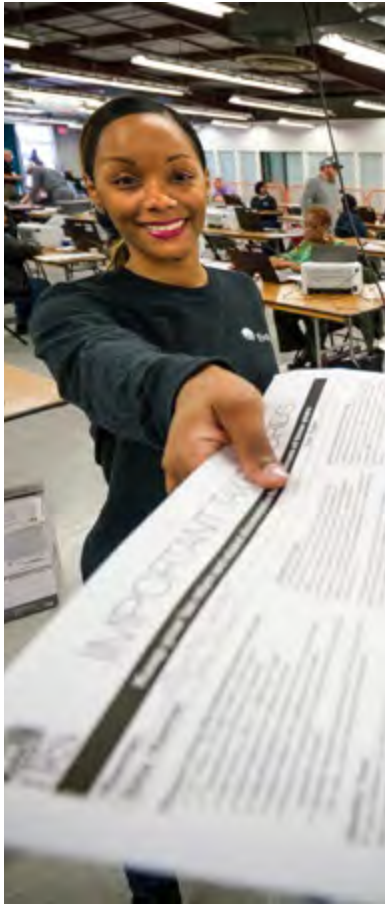


### Powerful Leaders

The Women's Leadership Advisory Council is a network of senior female leaders who promote the empowerment and advancement of women within Entergy. Despite operating in a COVID-19 environment in 2020, the council continued working on programs to elevate issues of concern for female leaders, ranging from establishing a mentoring program to hosting special conversations on resilience and allyship. Members also conducted three series of women's conversation circles to advance awareness of diverse, multicultural perspectives and experiences in the workplace. Ultimately, the council intends to reinforce the company's shared values, encourage greater allyship and sponsorship, and empower female leaders at every level to be their authentic selves, knowing they have the support and encouragement of other female leaders.



SOCIAL



## Diversity, Inclusion, and Belonging

In an evolving business environment, a culture focused on diversity, inclusion, and belonging drives foundational engagement. Entergy strategically elevated diversity, inclusion, and belonging to one of its corporate priorities in 2018. We are committed to developing and retaining a workforce that reflects the rich diversity of the communities we serve.

We power life through the diversity and inclusion of ideas, backgrounds, perspectives, skills, knowledge, and culture, which inspire all individuals to work together to grow a world-class energy business for our stakeholders. To ensure that we fully realize the potential of our diverse workforce, we are also focused on nurturing a culture of belonging — a feeling that this is our employees' company. Our employees can be themselves and use their unique experiences and perspectives to actively contribute to the business.

By seeking clear insights into what attracts, retains, and engages our workforce with respect to compensation and benefits, career development and succession planning, and establishing a healthy and collaborative culture, all of our stakeholders can benefit from increased productivity, customer centricity, continuous improvement, and overall employee engagement. Therefore, embracing diversity, inclusion, and belonging in every interaction is not just espousing our core values, but also helping Entergy build the premier utility. It's a business imperative, and our ability to thrive in the future depends on it.

Employees are embracing their roles as we reinforce our commitment to a workplace that is diverse and inclusive with a culture of belonging. In 2019, Entergy embarked on a three-year phased approach to enhance inclusion for individuals and teams. The primary focus areas of our 2020 virtual interventions were taking a stand against social injustice, reinforcing expectations, training, and leading by example — efforts that started at the top of our organization and cascaded through management ranks.



## OUR WORKPLACE

In June, Entergy's executive leadership team conducted a company-wide town hall, "The Power of Transparent Conversations," to discuss issues of race and equality in light of national events. The conversation included next steps for Entergy's diversity, inclusion, and belonging efforts to address internal and external issues, challenges, and opportunities. We have delivered unconscious bias training to more than 1,400 leaders and meaningful conversation training to over 1,100 leaders, as well as training for Entergy's ERG and diversity and inclusion council leaders and the first group of DIB game changers.

In 2019, the company enhanced its organizational health survey, which now includes questions that measure overall inclusiveness at Entergy across several dimensions. The end-product is a comprehensive Inclusive Climate Report that provides additional insights into our diversity, inclusion, and belonging efforts. Utilizing employee feedback, the report assesses three components of inclusiveness across demographic groups at Entergy: (1) Belonging — whether employees have a positive connection and sense of belonging to the organization and their peers, (2) Openness — whether employees experience their working environment as open and safe to express ideas and concerns, and (3) Equity — employees' observations of whether everyone has an equal chance of succeeding.

After gaining an understanding of our 2019 baseline and refining our process, in 2020 we published Entergy's first Inclusive Climate Report. Over the course of two years, we saw our inclusive climate score improve by 3 points, with 74% of employees considering our workplace to be inclusive (second quartile). While overall inclusion increased, differences in the inclusion experience continue to exist for some demographic groups. Accordingly, executive leaders are incorporating feedback captured from the annual organizational health survey and the specific insights gained from the Inclusive Climate Report as they continue to enhance and implement respective DIB strategies.

Continuing our momentum, we recently created a Diversity and Workforce Strategies Center of Excellence to align workforce development, talent pipelines, and organizational health with the execution of our DIB work. Insights from the Inclusive Climate Report will play a key part in Entergy's efforts to build the premier utility, leveraging our organizational health efforts and supporting ongoing initiatives to make Entergy a more diverse and inclusive workplace where employees feel like they belong and do their best work. Further, in 2021, measures that fund incentive plans for Entergy's exempt employees will include a qualitative assessment of the overall DIB effort, including a focus on the workforce, workplace, and marketplace. This measure will have a 10% weighting.





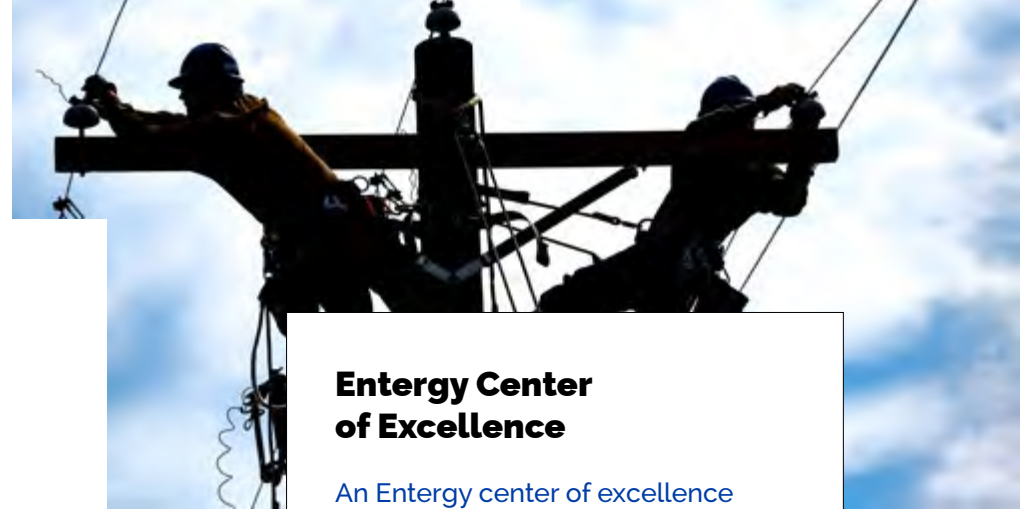
## Talent Management

Our focus on talent management is organized in three areas: developing and attracting a diverse pool of talent, equipping our leaders to develop the organization, and building premier utility capability through effective performance management and succession programs. Meeting the needs of 2020 while preparing for the future required creativity, perseverance, and patience in a year where most talent processes were challenged due to the COVID-19 pandemic and a historic hurricane season.

### Developing and Attracting a Diverse Pool of Talent

We believe that developing a diverse pool of local talent equipped with the skills we need, today and in the future, and reflecting the communities we serve, will give us a long-term competitive advantage. Our workforce development initiatives are focused on forming mutually beneficial partnerships at high school, community college, and university levels. These programs range from general promotion of energy and science, technology, engineering, and mathematics careers to technical training programs that produce graduates aligned with our future staffing needs.

In 2020, we prioritized supporting our long-term workforce development and educational partners as they navigated uncharted territories resulting from the pandemic. For example, we helped our Arkansas and Louisiana line worker training programs reopen their doors by implementing enhanced safety protocols used by Entergy line workers. We converted programming to virtual formats to continue maturing our Energy Academies at two Mississippi high schools. Assistance we provided to Jackson State University to develop courses for a new bachelor's degree in nuclear engineering technology program was one example of our continued investment in historically Black colleges and universities.



Despite many pandemic-related event cancellations, company representatives were still able to connect with about 1,400 potential job candidates in 2020. We participated in virtual recruiting forums where possible, and we also created a series of Entergy-only virtual events where diverse student populations were invited to engage directly with Entergy's management on topics such as building a personal brand and women in the workplace. In support of our need for technology-related skills, we were the lead sponsor of, and active participant in, Black Tech NOLA 2020, the inclusive innovation conference of the New Orleans Black Tech Collective.

We remained committed to our summer internship program and adapted the program to be conducted through telecommuting. This required redesigning our approach to everything from onboarding processes to executive mentoring sessions to peer networking. We successfully hosted 90 interns in 2020 and worked to maintain strong relationships with students that we unfortunately could not accommodate virtually.

In recognition of our focus on workforce development and military and diversity recruiting, Entergy received the 2020 HIRE Vets Medallion Program Platinum Award from the U.S. Department of Labor — the third consecutive year we received this national recognition.

### Talent Development

Professional development is the responsibility of every person at Entergy. Our talent development infrastructure, which includes a combination of business function-specific and enterprise-wide learning and development programs, is designed to ensure we have qualified staff with the skills, experiences, and behaviors needed to perform today and prepare for the future.

### Entergy Center of Excellence

An Entergy center of excellence opened in Clinton, Mississippi, as part of Entergy's Knowledge and Skills Training facility. The center consolidates training for line workers without previous experience from across Entergy's four-state utility service area. In addition to providing centralized, standardized, and consistent delivery of the new-hire boot camp curriculum, it serves as the pilot location for new innovative learning methods, the evolution of all instructional materials, and new technology. The facility offers an engaging and immersive environment designed to enhance the learning experience, including tools such as augmented/virtual reality, an interactive driving simulator, digital touchscreen boards, transformer simulators, and drones.

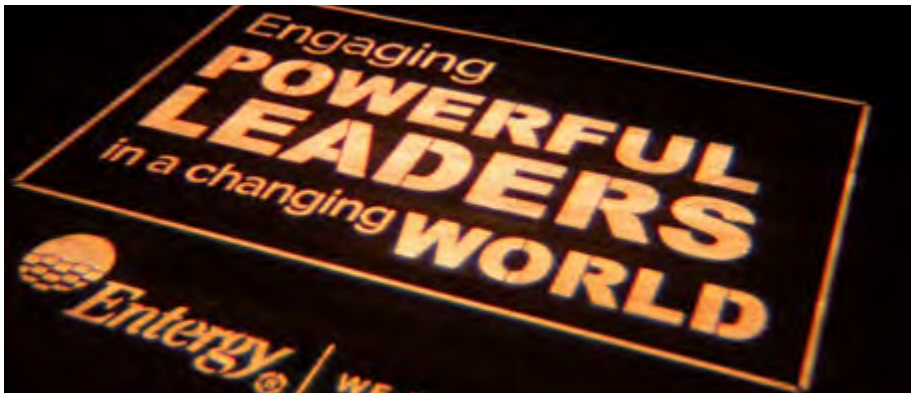


SOCIAL





Our New Employee Orientation program is structured to emphasize Entergy's core values, with a special focus on the foundational value to "above all, act with integrity."



## Employee Development

Once individuals become employees, they begin their Entergy careers by participating in our New Employee Orientation program. About 1,000 new hires participated in NEO in 2020, which was redesigned to be held virtually to ensure we could safely engage new hires. NEO is structured to emphasize Entergy's core values, with a special focus on the foundational value to "above all, act with integrity." It's an opportunity to teach new hires about our culture, introduce them to working at a regulated utility, and give them opportunities to network with peers and senior executives. NEO also provides a platform to introduce learning and career development tools available to them.

These career development tools are centered around our Grow Your Career framework and our MyLearning hub for development resources. The Grow Your Career framework conveys in four simple steps a path and resources for employees desiring to invest in and advance in their professions. All employees are encouraged to create individual development plans to outline their development goals, performance opportunities, and career interests. The MyLearning hub is a one-stop shop for development resources, providing access to hundreds of courses, book summaries, podcasts, and other resources. For those wishing to pursue certifications or advanced degrees, we offer a tuition reimbursement program as well as access to eCornell's extensive program offerings.

In 2020, we launched a new enterprise employee development curriculum. This curated content includes eight learning series to help employees quickly find resources that support our desired company culture and skills needed to build the premier utility. The curriculum series covers continuous improvement; customer centricity; diversity, inclusion, and belonging; leadership and supervision; accountability; business and financial acumen; productivity and individual effectiveness; and change leadership and resiliency.

In addition to the optional resources in the curriculum, all employees are required to complete a series of annual training modules on core topics such as ethics and compliance, safety, and cyber security. In 2020, we established a new remote work resource center to provide easy access to training courses, best practices, and technology how-to guides for telecommuters.

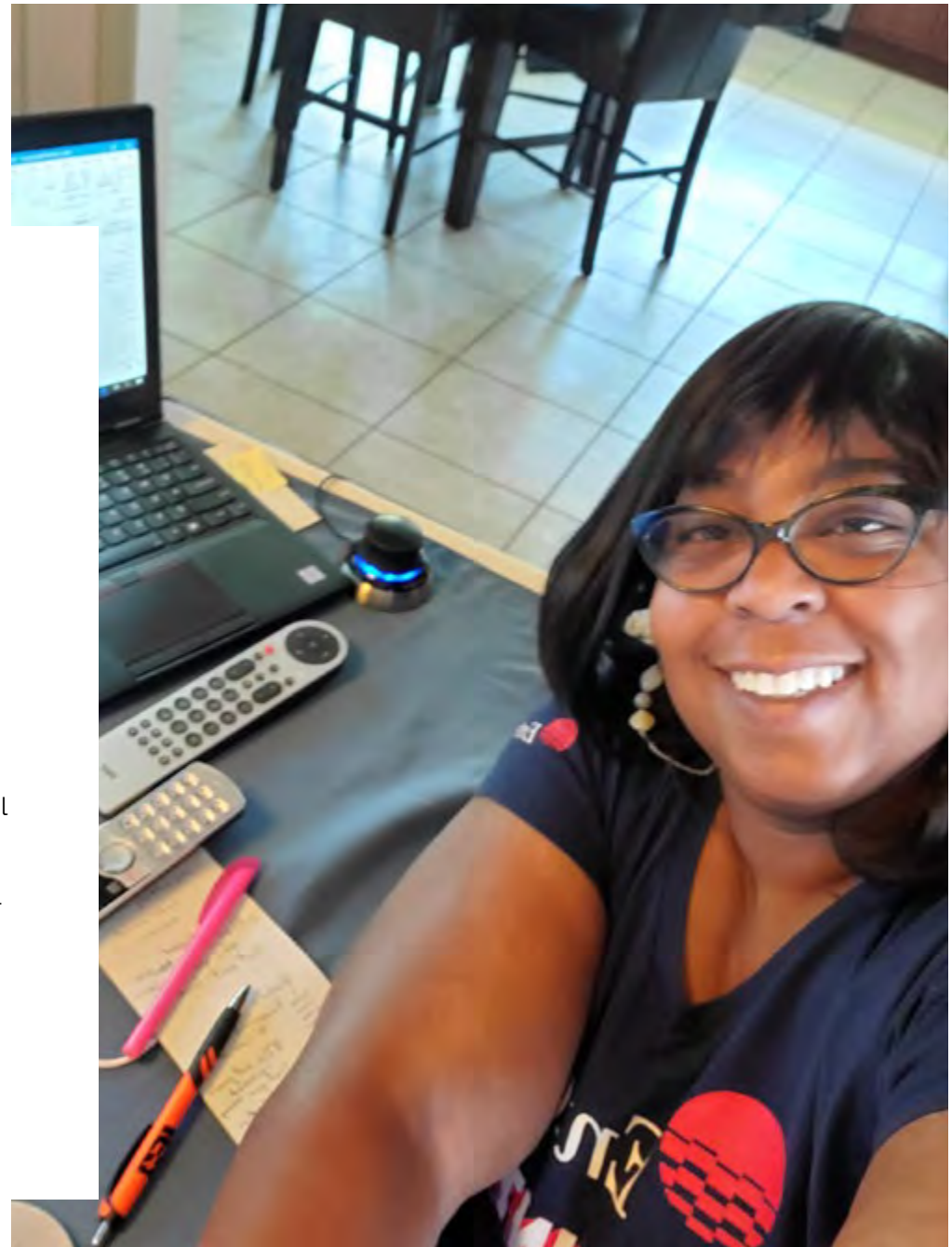
## Equipping Our Leaders to Develop the Organization

We know that culture is shaped by our leaders, and the focus of our leadership development programs is to equip our managers with the skills needed to effectively develop their teams and improve the leader-employee relationship.

Our leadership development program is centered around a core set of enterprise development experiences facilitated by human resources: our Foundation Leadership Program for frontline and new managers, an Advanced Leadership Program for senior managers and directors, and the Senior Leadership Program for vice presidents and above. We supplement these core programs with external development and continuing education programs, such as our executive MBA partnerships and function-specific leadership programs, including targeted training for line crew supervisors.

In February of 2020, we cancelled our classroom-based leadership programs due to the pandemic. We worked quickly to redesign our programs into virtual formats and trained more than 300 leaders in core programs. The satisfaction and effectiveness measures of the virtual programs were in line with pre-pandemic in-person results. While not ideal for all situations, virtual learning will remain an important component of our leadership programs moving forward.

The rapid shift of about half the company's employees into a telecommuting work posture necessitated a brand new skill set for many of our leaders. We responded quickly by offering a suite of training resources, including a series of instructor-led courses on how to effectively manage remote teams and on-demand courses such as how to lead effective virtual meetings.





## Building Premier Utility Capability

Achieving our strategic priorities requires building premier utility capability among our workforce. We do this by aligning team and individual performance with business objectives, effectively deploying talent through succession planning and managing workforce transitions.

## Performance Coaching and Evaluation

Entergy's performance coaching and evaluation process is designed to increase organizational performance and to identify and reward top performers. This process starts with executive leaders setting annual goals and performance expectations, which are then cascaded and tailored at business function, team, and individual levels. We pay special attention to ensuring individual employee performance goals are relevant, meaningful, and aligned with our corporate performance expectations.

In addition to ongoing, regular performance conversations between managers and employees, Entergy has a formal performance appraisal process that includes mid-year and year-end reviews. All eligible employees receive a formal year-end performance rating, which directly ties into the annual incentive and compensation processes. This complete cycle ensures that the activities for which employees are rewarded directly support the company's strategy.



### Talent Reviews and Succession Planning

Entergy has robust talent review and succession planning processes to identify a pool of diverse, high-potential individuals in the organization and to develop them for future opportunities. It starts with an interactive discussion between the employee and manager, focusing on the employee's career interests and aspirations, along with the skills they will need for future roles. The manager then evaluates the employee's potential for advancement using standard criteria to ensure consistency.

This information serves as a vital input into Entergy's succession planning process, whose purpose is to help ensure that a pool of prepared candidates is ready to fill vacancies in key leadership positions when needed. Succession planning sessions are collaborative discussions held to review the key business positions and nominated candidates. These sessions review the strength of the talent pool compared to the attributes of identified positions.

A key output of the entire talent review and succession process is identification of specific development actions to further prepare nominees for success and ensure that mitigation plans are in place should gaps in talent be identified. These actions are tracked in individual development plans and periodically reviewed in manager-employee conversations throughout the year.

### Managing Workforce Transitions

We recognize that our evolution in becoming the premier utility will result in shifting demands for positions and skill sets across the company. We remain committed to assisting employees in these transitions and view them as great opportunities to provide enhanced career prospects while filling the company's future needs.

In 2020, the nuclear organization continued to successfully redeploy employees affected by the shutdown of our merchant nuclear power plants. Using a structured process, we worked to match the skills and career desires of employees willing and able to relocate with available internal opportunities. Lessons learned from the nuclear experience will be applied to other strategic initiatives with future workforce impacts, including the planned closure of our coal-fired power plants.





## Competitive Compensation and Benefits

Our competitive total rewards programs are vital to effectively attract, develop, and retain a highly skilled, engaged, diverse workforce.

Entergy is committed to administering its compensation programs in accordance with applicable law and policy and without regard to race, gender, or other protected characteristics. Entergy regularly reviews jobs and compensation to fulfill its commitment to providing externally competitive and internally equitable compensation. We also reinforce high levels of individual and company performance through annual incentive and rewards and recognition programs for eligible employees, beyond annual merit pay increases.

Our comprehensive benefits package gives eligible employees access to a 401(k) savings plan that allows for deferrals on a pre-tax, after-tax, or Roth basis, with a company match, a discretionary annual company contribution (subject to vesting), and investment options, allowing employees to plan for their futures. Health and wellness benefits include medical, dental, and vision coverage options, as well as employee assistance, wellness, and work/life balance programs.

In early 2020, Entergy introduced a new paid parental leave policy for eligible employees to bond with their children for qualifying births, adoptions, or foster placements retroactive to January 1, 2019. Entergy also took multiple steps to create a more competitive vacation and sick paid time off program. In 2020, Entergy offered full-time new hires up to 80 hours of vacation, with the amount based on the month the employee was hired. In 2021, Entergy enhanced the vacation benefit at certain service milestones and increased the amount of annual sick leave, which makes these benefits more competitive to attract and retain a highly skilled and diverse workforce.

For 2021, to further align our compensation programs with our mission to create long-term sustainable value for all stakeholders, the personnel committee of Entergy's Board of Directors approved the measures that fund our annual incentive plans for exempt employees to include ESG measures: safety; customer net promoter score; diversity, inclusion, and belonging; and environmental stewardship. Each of these measures will be weighted at 10% in the determination of the funding available for these incentives.

### Our Workforce

2020 Entergy workforce by gender

**21%** Female **79%** Male

2020 U.S. Bureau of Labor statistic  
**Average for U.S. utilities**

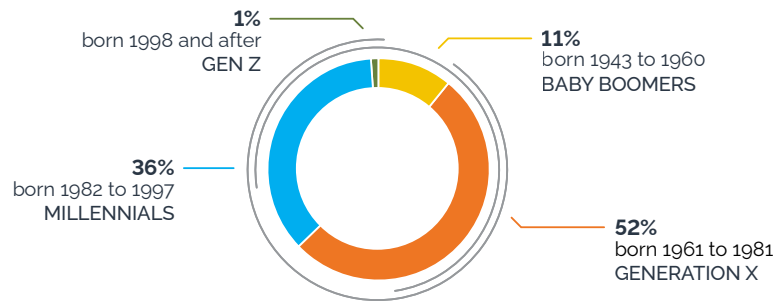
**20%** Female **80%** Male

2020 Entergy management  
**Workforce by gender**

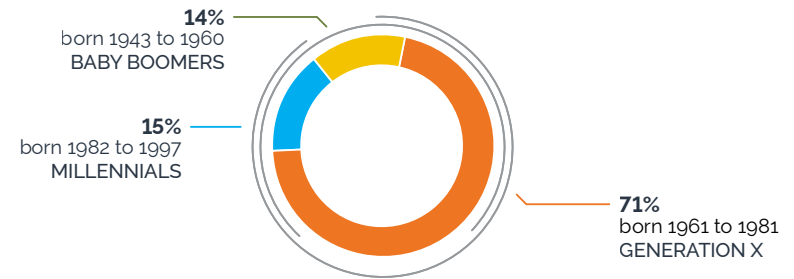
**21%** Female **79%** Male

*Based on EEO-1 classification*

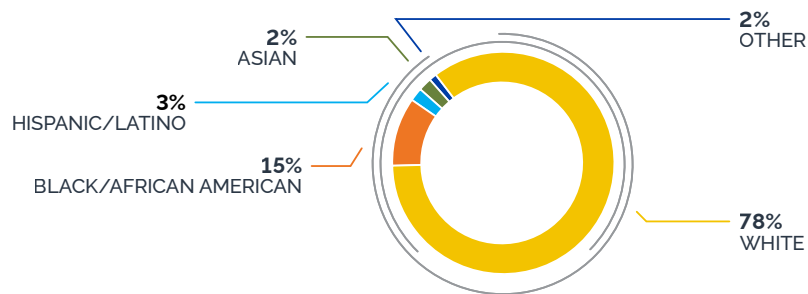
#### 2020 Entergy Workforce by Generation



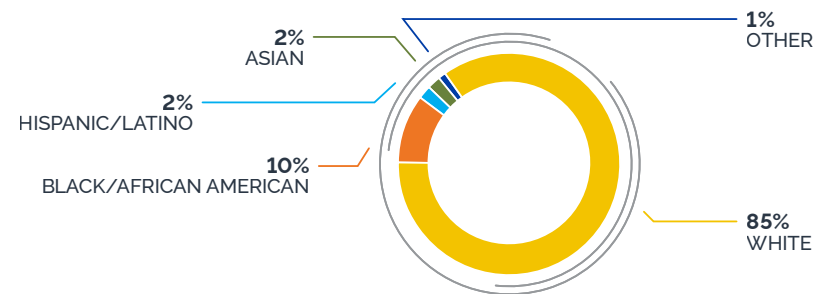
#### 2020 Entergy Management Workforce by Generation Based on EEO-1 classification



#### 2020 Entergy Workforce by Ethnicity



#### 2020 Entergy Management Workforce by Ethnicity Based on EEO-1 classification







# ENVIRONMENTAL, SOCIAL, AND GOVERNANCE





## Sustainability: The Foundation of the Premier Utility

Entergy is committed to building the premier utility by focusing on operating a customer-centric and sustainable business that creates value for four key stakeholders: employees, customers, owners, and the communities we serve.

Entergy invests in our service area, which creates jobs and other economic activity. We support our customers by keeping our rates affordable and ensuring reliability. We invest in our employees and our communities to improve their economic outlook. Through these investments, we are an economic engine creating value for our owners. Our employees — including executive management — live and work in the communities we serve. We operate our business as efficiently as possible while minimizing our impact on the environment. This cycle of investment, economic activity, and responsible value creation is the definition of a sustainable business.

We recognize that we have an obligation to address the impacts of climate change that threaten the resiliency of our Gulf South communities, to advocate for social justice, to provide resources and assistance for low-income customers, and to help promote the economic health and growth of our region. We are committed to take actions to meet the needs of our stakeholders today in a manner that creates opportunities for innovation tomorrow.

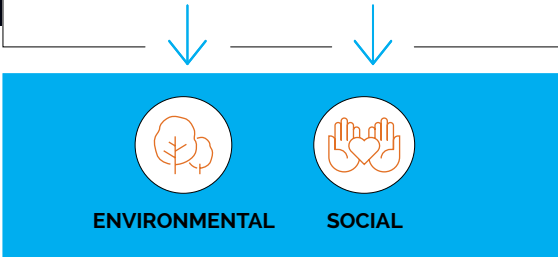
We are addressing our industry's and our planet's greatest challenges by expanding and enhancing our sustainability commitments. We're developing sustainability solutions as a leading partner with, among others, the Electric Power Research Institute, Electric Utility Industry Sustainable Supply Chain Alliance, and the Center for Climate and Energy Solutions, one of the nation's leading think tanks on energy and environmental issues.

**Entergy's sustainability mission is to create sustainable value for our customers, employees, owners, and the communities we serve by using sustainable business practices that integrate environmental, social, and economic objectives and concerns.**



### Sustainability at Entergy

We engage our sustainability working group throughout our organization to align our sustainability initiatives against a custom framework that includes our business plans along with industry and global objectives. Through our partnership with EPRI, we are helping set sustainability standards that exceed industry regulations and encourage collaboration. As we realize our vision of building the premier utility, we are also positively influencing global goals for action outlined by the United Nations Sustainable Development Goals.



## We use a series of questions to inventory and measure our sustainability programs:





## United Nations Sustainable Development Goals

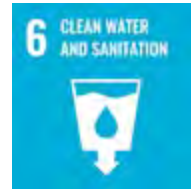
While Entergy's operations and initiatives influence all 17 of the United Nations Sustainable Development Goals aimed at improving life on Earth, we are significantly impacting these priorities:



Helping find lasting solutions for customers in need in the communities we serve, which include some of the highest poverty regions in the U.S.



Ensuring all families — particularly low-income working families — have access to high-quality, early-childhood education programs and addressing future workforce needs by supporting school robotics and STEM activities.



Addressing water availability while also managing flood risk, minimizing our water use, and ensuring our compliance with federal, state, and local regulators.



Transforming our electric generating portfolio to better protect the environment through cleaner resources while keeping costs to customers low.



Providing employees a safe, rewarding, engaging, diverse, and inclusive work environment; fair compensation and benefits; and opportunities to advance careers and encourage economic growth in our service area through reliability and affordability.



Investing in infrastructure that enhances system reliability, efficiency, and resiliency and discovering and developing new products and services for customers.



Partnering with our regulators to manage waste responsibly for the benefit of the environment and our communities.



Taking action to meet our commitment to achieve net-zero carbon emissions by 2050.



Being a good steward of the land, wildlife, and natural resources in our care, including action to maintain, enhance, or conserve biodiversity.



Helping provide equal access to justice for all, including environmental justice, and eliminating discrimination by valuing and embracing diversity as a strategic competitive advantage.



Partnering with our stakeholders to accomplish our objectives and achieve net benefits for all.

**Sustainability — Taking Action**



**Environmental/Social/Governance**

As validation of our long-term and continuing commitment to sustainability, in 2020 Entergy was once again named to the Dow Jones North America Sustainability Index. We are the only company in the index's electric utility sector to be included on a DJSI index for 19 consecutive years. We earned perfect scores in climate strategy, water-related risks, materiality, environmental reporting, social reporting, and policy influence.



ENVIRONMENTAL



SOCIAL

The corporate governance committee of Entergy's Board of Directors has responsibility for oversight of the company's overall sustainability strategy, policies, and practices. They meet this responsibility by ensuring that recognized sustainability risks are being addressed by the full Board or an appropriate Board committee.

Board Committee	Primary Sustainability Oversight Responsibility
Corporate Governance	Overall corporate sustainability strategy; corporate social responsibility and policies, including with respect to climate change and corporate governance issues; governmental, regulatory, public policy, and public relations matters; public advocacy activities; shareholder concerns
Personnel	Executive compensation policy and incentive plan design; employee and human resources issues; employee training and development; talent management; employee and contractor safety; organizational health; diversity, inclusion, and belonging; and supplier diversity
Audit	Environmental compliance and auditing, ethics and compliance, market and credit risks, cybersecurity risks, vendor and supply chain risks, financial reporting processes and risks, enterprise risks, other strategic risks, and general risk oversight
Finance	Financial stability and major capital investments
Nuclear	Safety risks unique to the nuclear fleet and sustainability of our nuclear plants

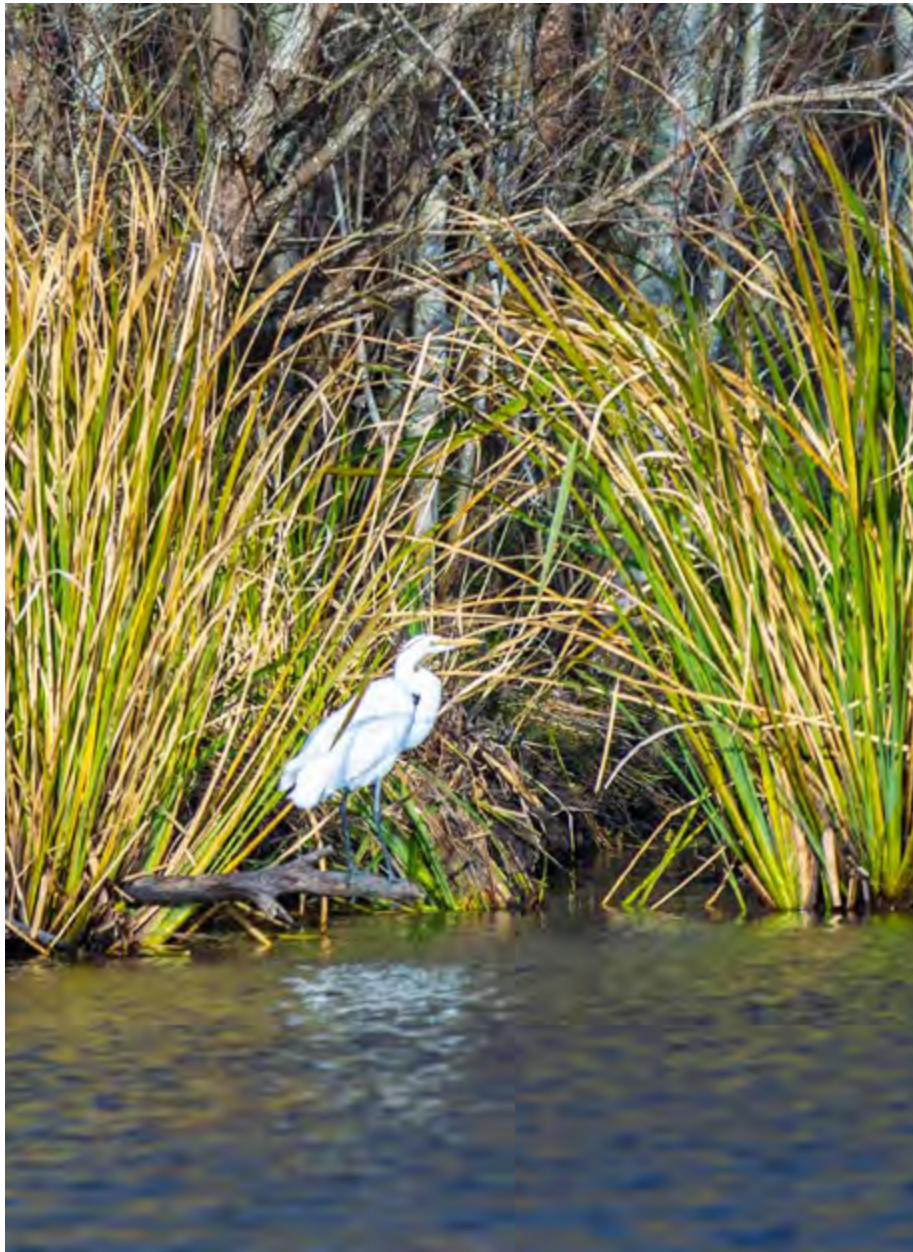


## Measuring and Reporting Our Progress

**MEASURING PROGRESS:** Entergy uses benchmarking and leverages our relationships with internal and external experts as well as trade groups to refine our suite of sustainability metrics and to ensure data integrity and proper management. For example, we recently compared Entergy's public information to the Sustainability Accounting Standards Board recommendations and posted the results at [entergy.com/sustainability](http://entergy.com/sustainability).

**PUBLIC REPORTING:** Public reporting of environmental, social, and governance metrics has become increasingly important to our stakeholders, many of whom have established their own sustainability goals. In addition to providing full disclosure of financially material information in our Securities and Exchange Commission reporting, Entergy collects ESG metrics and supporting narratives and discloses them annually in this Integrated Report as well as in our Performance Data Table, the Entergy Statistical Report and Investor Guide, the EEI ESG and American Gas Association templates, and Global Reporting Initiative and Sustainability Accounting Standards Board mapping. These documents are available on our sustainability web pages and through other communications. In addition, our March 2019 climate report, "Climate Scenario Analysis and Evaluation of Risks and Opportunities," is aligned with the recommendations of the Task Force on Climate-related Financial Disclosures.





## Environmental

At Entergy, our environmental strategy and our business strategy are inextricably linked. We see environmental stewardship and decarbonization as a responsibility and an opportunity.

Recognizing the challenges posed by climate change, Entergy has focused on the issue as a sustainability priority for two decades. Under the leadership of our Board, we have worked to ensure that our concern about climate change translates into action.

- We start with our own environmental footprint: As the first U.S. utility to voluntarily set a greenhouse gas emissions goal in 2001, we have been a leader in limiting emissions from our operations. Today, we operate one of the cleanest large-scale power generation fleets in the country.
- We look beyond ourselves to have a greater impact: Because of the large concentration of industrial activity in the regions we serve, we are uniquely positioned to partner with customers in industries such as manufacturing, ports, and transportation to help them reduce their own emissions by electrifying their energy needs and operations.
- We pioneer sustainability solutions in our industry: We are a thought leader in our industry, advancing constructive discussions to understand the risks associated with changing environmental conditions and partnering with regulators and key stakeholders on policy and incentive options that address climate change.

Utilities have a critical role to play in delivering the clean-energy solutions that are essential in lowering greenhouse gas emissions, and we see an opportunity to innovate and invest to improve the world around us. Our environmental strategy and initiatives align with the objectives of six primary impact areas of the U.N. Sustainability Development Goals.

## Environmental Management Policy

Entergy maintains a forward-looking environmental management policy that extends beyond dedication to environmental compliance. Among other things, our policy commits us to practice sustainability in all that we do, not only through our environmentally responsible behavior but also through our support of initiatives that promote local and global prosperity. One way we work to meet this commitment is by partnering on climate policy advocacy with organizations such as the Center for Climate and Energy Solutions, the Industrial Innovation Initiative, and the Gulf Coast Carbon Collaborative. For example, following the 2020 election, Entergy was among 47 leading U.S. companies to sign a statement organized by the Center for Climate and Energy Solutions which jointly urged President-elect Joe Biden and the new Congress to work together to enact ambitious, durable, and bipartisan climate solutions.



ENVIRONMENTAL





## Climate Policy Priorities and Advocacy

### Our Guiding Principles

Entergy's view that climate change poses a significant risk to our region, our business, our society, and our planet has not changed since we adopted our first carbon dioxide emissions reduction goal in 2001.

We applaud the Biden Administration for quickly re-entering the Paris Climate Agreement and will continue to make the Agreement's goal the minimum standard for our own decarbonization strategy. At the same time, we also support the adoption of effective adaptation and resiliency strategies for more vulnerable areas. Entergy has developed guiding principles that we believe should drive national and international climate change policies. These principles were first published in our 2007 sustainability report.

Today, the company's position on carbon mitigation policy is guided by the following principles:

- Climate change presents a risk to our corporate assets and to our customers, employees, communities, and owners.
- Optimally, greenhouse gas control mechanisms should be economy-wide and send a stable, predictable price signal to stimulate investment in efficient, low-carbon technologies and to take advantage of the potential net emission reductions from the electrification of other sectors of the economy.
- As a society, we need to employ advanced technologies to electrify the more carbon-intensive transportation, commercial, and industrial sectors of the economy, even as the electricity sector continues to work to further decarbonize the generation fleet.
- We need to act across the entire global economy to seek balance between CO<sub>2</sub> emission sources and sinks and to increase the resilience of both our natural and built environments.
- We support efforts to engage our stakeholders and partners in the communities we serve to evaluate and deploy adaptation efforts, resiliency investments, and natural sequestration opportunities.
- We support built-in, permanent protection for low-income customers in any greenhouse gas control mechanism.





### How We Engage

For nearly two decades, Entergy has advocated for national action on climate issues based on similar principles. Entergy has engaged policymakers directly and through collaborative groups and trade associations. We also have engaged with communities within our utility service area on strategies for adaptation and resiliency.

We are committed to participating constructively in the political and legislative process, as we believe such participation is essential to our company's long-term success. We lobby in support of our strategic priorities, including our climate policy priorities, through internal and external lobbyists, and we belong to trade associations that engage in lobbying. Our senior executives also advocate for climate policies that align with our strategic priorities, both within associations and organizations to which we belong and directly with key policymakers.

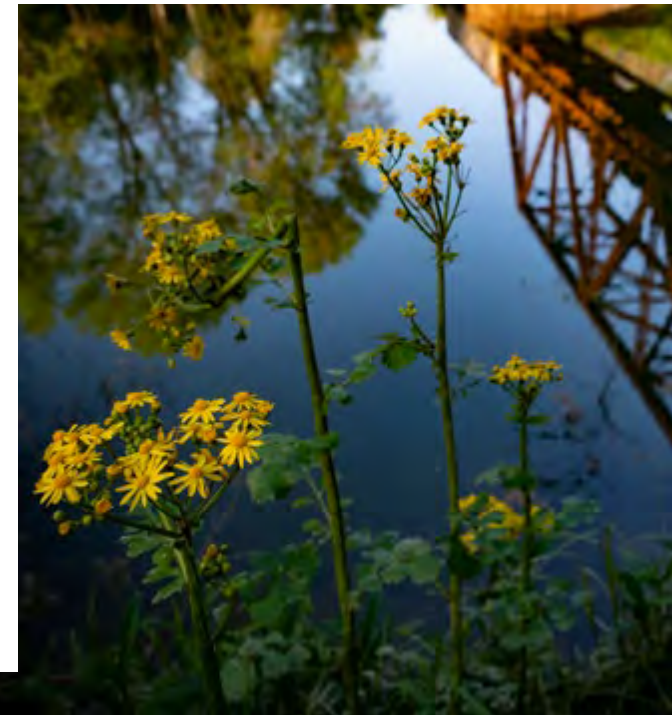
Entergy's Board has adopted a Public Policy and Advocacy Policy that outline our principles governing political and lobbying activities, including our policy prohibiting corporate contributions directly to federal, state, or local candidates. Annually, we publish an Advocacy and Political Contributions Report listing our contributions to political and social welfare organizations and the portion of dues paid to trade associations that are used for lobbying activities where dues equal or exceed \$50,000. The report also explains where detailed information concerning our lobbying activities, as well as the activities of our employee political action committees, may be found. See our [Corporate Governance webpage](#) for these documents.

Although we belong to trade associations, our most important actions to influence climate policy are undertaken by us directly, through our own lobbying activities, or through collaborative groups or organizations focused on climate change or environmental issues. We typically participate in trade associations for reasons that extend beyond their lobbying and advocacy activities, and we do not agree with all the positions taken by those trade associations to which we belong. However, within those trade associations we advocate for climate policies that align with our strategic priorities. This may take a variety of forms, depending on the degree of our involvement in the organization, ranging from responding to surveys on climate policy to participating on key committees and/or in the organization's leadership. We also consider the advocacy positions taken by trade associations on climate policy and other issues when deciding whether to join or to continue our membership.

### Governance and Oversight

Entergy's Board of Directors plays an important role in our public policy engagement and political participation. The Corporate Governance Committee of the Board is apprised of key public policy issues that may affect Entergy's business and is responsible for ensuring alignment of the company's policy advocacy efforts with Entergy's policies and values. At least annually, our Corporate Governance Committee reviews the report on our political contributions and payments to trade associations that use a portion of the dues for lobbying activity before it is published and receives an update on our lobbying activities.

Within Entergy management, the company's federal lobbying activities are overseen by Entergy's Senior Vice President — Federal Policy, Regulatory and Governmental Affairs, who also approves the participation or the engagement of individuals and/or entities that perform any federal lobbying activities on our behalf. At the state and local level, these activities must be approved by the applicable subsidiary's vice president of external or governmental affairs. All lobbyists engaged by Entergy are carefully vetted and selected by the senior governmental affairs officer in the appropriate entity. As part of their contractual agreement, external lobbyists also must agree to fully comply with all laws and regulations as they apply in the political jurisdiction where they are engaged.





## Taking Action Against Climate Change

Entergy is actively working toward a carbon-free future. Since our 2001 voluntary commitment to cap CO<sub>2</sub> emissions, we extended the commitment twice, including a voluntary pledge to maintain our CO<sub>2</sub> emissions at 20% below year-2000 levels through the year 2020. Not only did we accomplish this goal, we exceeded it. Through 2020, our cumulative CO<sub>2</sub> emissions were approximately 8% below our target.

With the 2019 release of our climate report, "[Climate Scenario Analysis and Evaluation of Risks and Opportunities](#)," we announced a new goal to reduce by 2030 our CO<sub>2</sub> emission intensity by half the level it was in 2000. Our climate report:

- Builds on Entergy's long history of discussing and managing climate change risk;
- Uses scenario planning to analyze potential impacts on, and opportunities for, Entergy and the regional economies in which we operate; and
- Informs and engages stakeholders on Entergy's current and ongoing processes for managing climate risk and evaluating future opportunities.

Our longstanding commitment to sustainability has led to measurable, undeniable results:

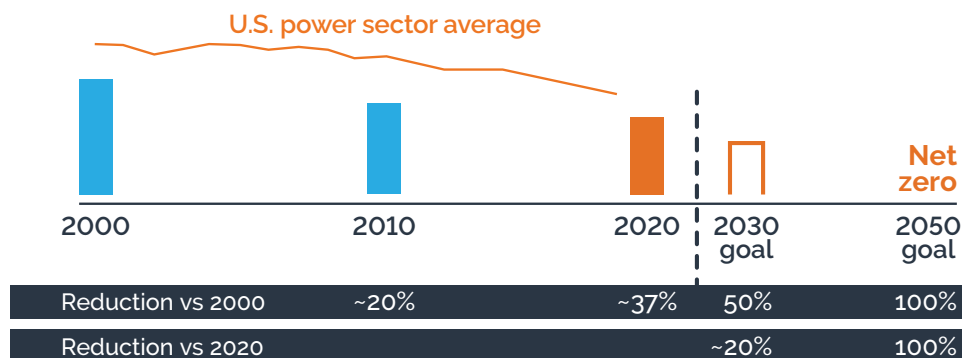
- For the past two decades, our emission rate has been well below the sector average,
- Our utility CO<sub>2</sub> emission rate has decreased approximately 37% since 2000, and
- Today, we operate one of the cleanest large-scale power generating fleets in the nation.

Now, as outlined in our [2020 climate report addendum](#), we are committed to achieve net-zero emissions by 2050. We will accomplish this goal through:

- Expanding our use of renewables, including both utility-scale and distributed-energy resources (see Our Utility section for a more detailed discussion on initiatives to expand use of renewables);
- Building in hydrogen optionality for modern natural gas-fired plants, including the Orange County Power Station selected in Entergy Texas' most recent request for proposals;
- Retrofitting generation resources with emerging technologies such as carbon capture and sequestration and storage;
- Replacing older, less efficient generating units with new, modern, efficient assets;
- Retiring all coal-fired capacity by the end of 2030 (coal resources contributed only 3% to our utility's 2020 energy mix);
- Collaborating with customers, key suppliers, and industry partners to advance the technologies and strategies necessary to reduce carbon emissions;
- Engaging with partners and gaining experience in enhancing natural systems such as wetlands and forests that absorb carbon; and
- Working across and between sectors, such as transportation and industry, on beneficial electrification and net-emission reduction initiatives.

These are just a few of the actions we're taking to ensure Entergy is well-positioned for the future. For further information, visit [entergy.com/environment](http://entergy.com/environment).

### Entergy Utility CO2 Emission Rates (pounds per MWh)



### Net Zero by 2050

As part of our plan to achieve net-zero carbon emissions by 2050, Entergy is partnering with Mitsubishi Power to develop technologies and expertise to co-fire hydrogen produced from renewable energy or other low- to zero-carbon resources. Initial actions include demonstrating the technology, producing hydrogen from renewables or nuclear power, and exploring hydrogen storage options. We anticipate having the capability to use hydrogen in our flexible modern units sometime this decade, when economical, with a longer-term strategy that includes investing in the infrastructure necessary to create regional opportunities for hydrogen usage.

We are working to make hydrogen a realistic generation resource. With the selection of the Orange County Power Station in Entergy Texas' most recent request for proposals, we will develop a state-of-the-art generation facility with the optionality to be powered partially or fully with hydrogen.



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### Climate Risk and Business Planning

Climate risk and the potential for new carbon regulations have informed our business planning for two decades. Entergy has long advocated for market-based solutions to climate risk through support for federal legislation that would incentivize lower carbon emissions on an economy-wide basis and actions at all levels of government that would mitigate climate risk. For Entergy, many of these actions have focused on coastal wetlands restoration. Entergy was a founding contributor to the Center for Climate and Energy Solutions and continues to be represented on the board of this group whose mission is to advocate in a nonpartisan manner for market-based climate solutions.

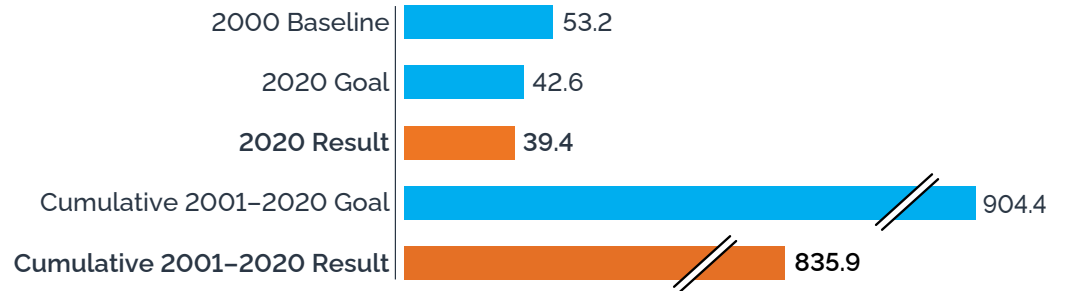


ENVIRONMENTAL

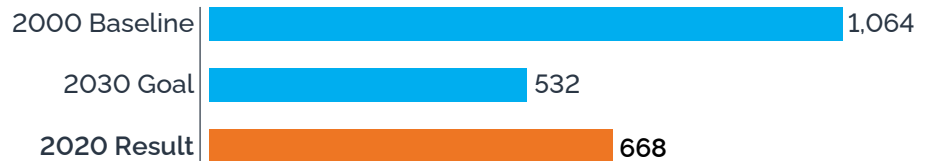


SOCIAL

### Environment 2020 Goal Entergy CO2 Emissions (million short tons)



### Entergy 2030 Goal Entergy Utility CO2 Emissions Rate (pounds per MWh)





## Clean Air Equals Healthy Communities

Entergy is one of the country's cleanest large-scale generators of electricity. Here is our performance according to the [2020 Benchmarking Air Emissions Report](#).

### Entergy Rank in the 2020 Benchmarking Air Emissions Report (based on 2018 data)

	OF TOP 100	OF 20 PEERS <sup>1</sup>
Power production	7th	6th
Lowest CO2 emission rate ranking	31st	5th
Production of virtually zero-emitting energy	6th	4th

<sup>1</sup> The top 20 privately owned and investor-owned U.S. power producers

Entergy's investments to transform its generation fleet and nuclear improvements have greatly reduced both absolute air emissions and emission rates. Since 2000, the utility has added more than 10,500 MW of clean, highly efficient, flexible, dispatchable units and deactivated more than 6,500 MW of older, less efficient gas or oil units. We are also expanding our renewable resources. In 2020, we added approximately 175 MW of renewable resources, and we currently have more than 2,000 MW of additional renewables efforts in various stages of development. By 2030, we anticipate that our generation portfolio could include 4 to 5 GW of renewables, or possibly more.

Since 2000, while our annual electric generation grew by more than 25%, our investments in clean energy capacity have resulted in:

- 33% reduction in absolute CO2 emissions and 45% reduction in CO2 emission rates,
- 75% reduction in absolute NOx emissions and 80% reduction in NOx emission rates,
- 88% reduction in SO2 emissions and 89% reduction SO2 emission rates,
- 93% reduction in mercury emissions and 94% reduction in mercury emission rates.

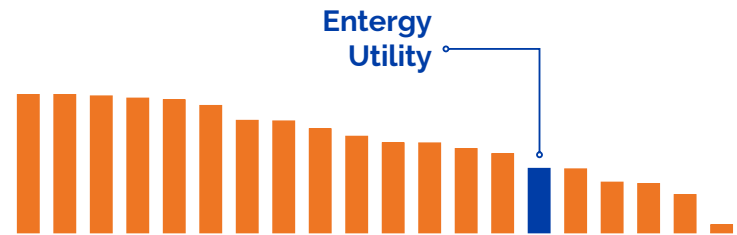
### Reducing Air Emissions

Like carbon, we also set goals for traditional air emissions. Based on our current planning assumptions for the utility, by 2030 our emissions from oxides of nitrogen (NOx) and sulfur dioxide (SO2) both will be 90% below 2000 levels; and mercury (Hg) emissions will be near zero. As we move through our regular planning cycles, we will update these projected reductions.



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### CO2 emission rates of top 20 privately/ investor-owned power producers (pounds/MWh)



Based on MJ Bradley, *Benchmarking Air Emissions of the 100 Largest Electric Power Producers in the United States*, published July 2020 (2018 data)



**At Entergy, we recognize that no one sector can tackle the challenges of climate change alone.**



## **Partnering with Customers and Other Sectors**

At Entergy, we recognize that no one sector can tackle the challenges of climate change alone. An economy-wide effort is required. We have a large concentration of industrial activity in the regions we serve. This uniquely positions us to partner with customers including manufacturing facilities, port operations, and transportation technology to help them reduce their emissions through beneficial electrification.

This is a practical and pragmatic way to help customers meet their environmental goals and reduce societal carbon emissions, as the emission rate from the electric generating sector often is lower than that of many transportation and industrial emitters. This is especially true as the electric generating sector's emission rate continues to decline.

Entergy is a founding member of the U.S. Business Council on Sustainable Development Gulf Coast Carbon Collaborative, a first-of-its-kind industry initiative focused on cross-sector solutions to reduce greenhouse gas emissions.

The US BCSD has more than 25 years' experience facilitating cross-industry sustainability initiatives and successfully translating business goals into actionable projects. Empirical data from the GC3's activities help demonstrate and communicate the value, commitment, and investment of companies in decarbonizing the Gulf region.



During 2020, GC3 and its more than 20 founding members facilitated ongoing collaboration through:

- Quarterly group meetings, where members and invited guests convened to report on working group progress and explore topics relevant to carbon reduction across all sectors;
- Monthly working group meetings where member company representatives and invited guests pursued demonstration projects within four strategy categories: carbon capture, utilization, and storage; electrification; land-based sequestration; low-emission technologies;
- Member check-ins where the program team met one-on-one with members to track company expectations and gather feedback on working group objectives; and
- Exclusive webcasts and publications, which provided opportunities to explore carbon reduction strategies and connect with enabling organizations.

Through Entergy's electric technology program, eTech, we partner with customers to promote the adoption of electric-powered alternatives to many applications that traditionally require fossil fuels, providing direct customer support by dedicated field representatives to customers who purchase and install select electric equipment. Electric-powered technologies offer several key benefits to end-users over existing technologies, including reduced maintenance, lower fuel consumption, increased workplace safety and efficiency, less noise, and cleaner and healthier work environments.

eTech initiatives include:

- Adding to our eTech portfolio of technologies incentives for electric truck refrigeration units;
- Discussing additional shore power projects with a number of customers;
- Continuing to provide incentives for electric vehicle charging stations;
- Offering customers no-cost electrification consultations and grant writing assistance; and
- Promoting the use of LED fixtures through our security lighting business (LED fixtures can reduce energy consumption by up to 60%).

Entergy New Orleans has two initiatives underway to increase the use of electric vehicles in New Orleans. Entergy New Orleans has the ability to construct, own, and operate electric vehicle chargers on customer-owned property, with customers paying for the chargers over time. Entergy New Orleans also is engaging with local stakeholders to identify locations to construct utility-owned and operated electric vehicle chargers for public use at city-owned locations, including libraries, parks, and schools. Placement of chargers for public use will be determined and deployed after receiving input from city administration and citizens. Entergy New Orleans is investing up to \$500,000 in the public use project. Each of these initiatives will accelerate the adoption of electric vehicles, which is consistent with the city's climate and transportation modernization efforts.

## Green Fleet Strategy

Our Green Fleet Strategy aims to reduce the environmental impact of our company vehicles by using more efficient options. We set a goal to achieve a 20% reduction in greenhouse gas emissions from 2008 levels by 2020 and achieved that target ahead of schedule in 2015. Through 2020, we exceeded our original goal with a 26% reduction. We also achieved the corresponding goal of a 20% reduction in our fleet fuel consumption, which resulted in a positive environmental impact equal to eliminating 2,857 vehicles annually from local streets and highways. Entergy is expanding the program with a three-pronged strategy focused on light-duty vehicles, medium-duty vehicles, and equipment as we develop 2030 objectives. The plan includes a "jump start" for Entergy's deployment of plug-in electric hybrids, 100% electric vehicles, and a jobsite energy management system that will eliminate the need for bucket trucks to idle while working by using a battery resource to power the bucket and heat/air. Battery power minimizes engine wear, eliminates jobsite emissions, and promotes jobsite safety by reducing engine noise.



ECONOMIC



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## Water Use Reduction and Conservation

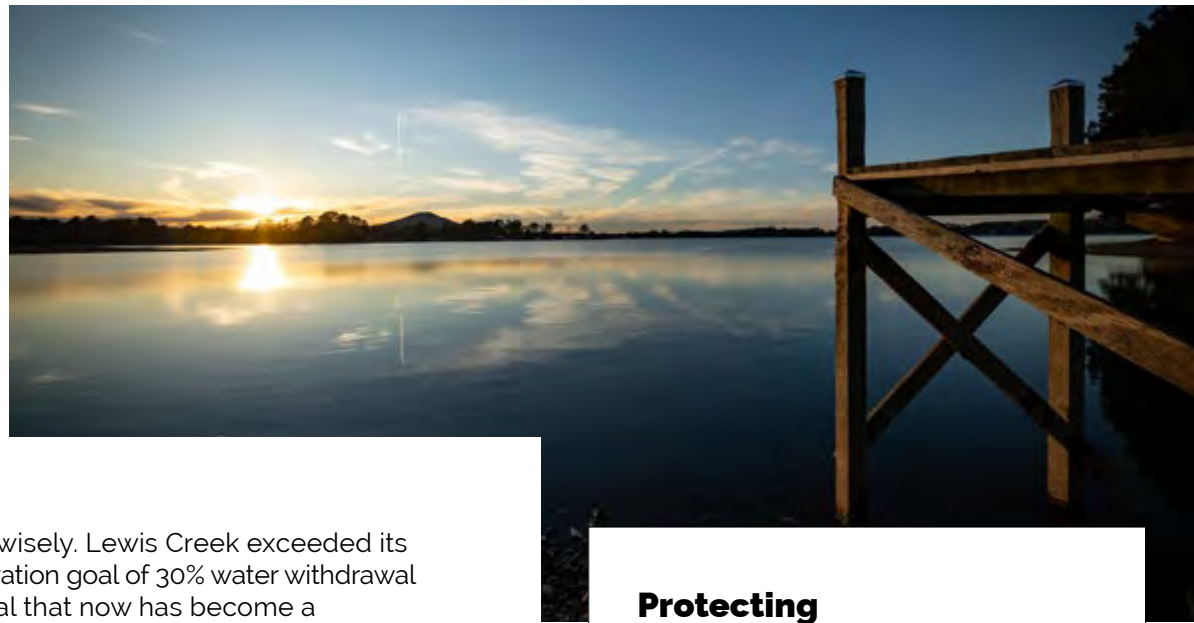
Water is essential to life but can be a risk during extreme weather events. Entergy addresses water availability while also managing flood issues. We look for opportunities to reduce water use in our operations while evaluating water availability and ensuring compliance with federal, state, and local permits and requirements. Fleet modernization minimizes our impact on water as newer plants use significantly less water than our legacy units. We also evaluate water risks from flooding as sea-level rises, coastal erosion, and subsidence in our coastal service area impact our region. Details of our water management activities are available [here](#).

### Water Conservation

The Lewis Creek Power Plant and Montgomery County Power Station in Willis, Texas, are the only Entergy power plants that operate in a water-stressed area. At Lewis Creek, we have worked with the water conservation district to optimize water use and leverage best practices that help

us use water wisely. Lewis Creek exceeded its water conservation goal of 30% water withdrawal by 2016, a goal that now has become a permitting requirement.

In 2020, by working with the City of Willis, the Lewis Creek Power Plant no longer uses any of its own groundwater wells for potable water and purchases potable water from the city. Subsequently, the Montgomery County Power Station was designed and constructed to utilize the same water supply from the City of Willis for all of its potable water needs, further reducing the strain on natural water resources in the area. Montgomery County Power Station, which began operation in January 2021, employs a heat-recovery steam generator and cooling towers and a closed-loop cooling reservoir to maximize efficiency when operating. Additionally, Montgomery County Power Station has an intake discharge of Lewis Creek Power Plants' operation water for its processes, increasing the amount of water reused.



### Protecting Water Resources

Across our operations, Entergy's water peer group monitors water issues. We protect water resources by maintaining a compliance rate with state and federal permit requirements of at least 99% from year to year.



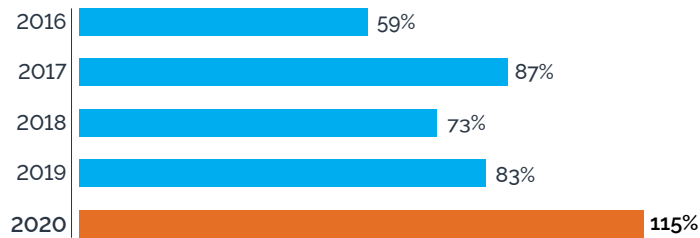
ENVIRONMENTAL



## Waste Minimization and Management

Entergy's operations can result in waste materials. To address waste management and minimization, Entergy maintains a standard that outlines our basic philosophy and expectations. We reduce waste by repurposing or recycling unused or obsolete material such as scrap wire and metal, as discussed further in the Supply Chain section of this report. Coal ash is an excellent construction material that can be used as fill for stabilization projects, as roadbeds, and to replace Portland cement. We will continue our actions to ensure that we not only minimize waste but also maximize the value recovered from end-of-life or unneeded assets. With demand for these products greater than ash produced in 2020, we used previously placed ash and blended it with current production ash to create oil stabilization products. That means Entergy managed more than 100% of our coal ash for beneficial use in 2020, significantly higher than the industry average.

### Percent of Coal Combustion By-product Managed for Beneficial Use



## Robust Commodity Recycling and Investment Recovery Processes

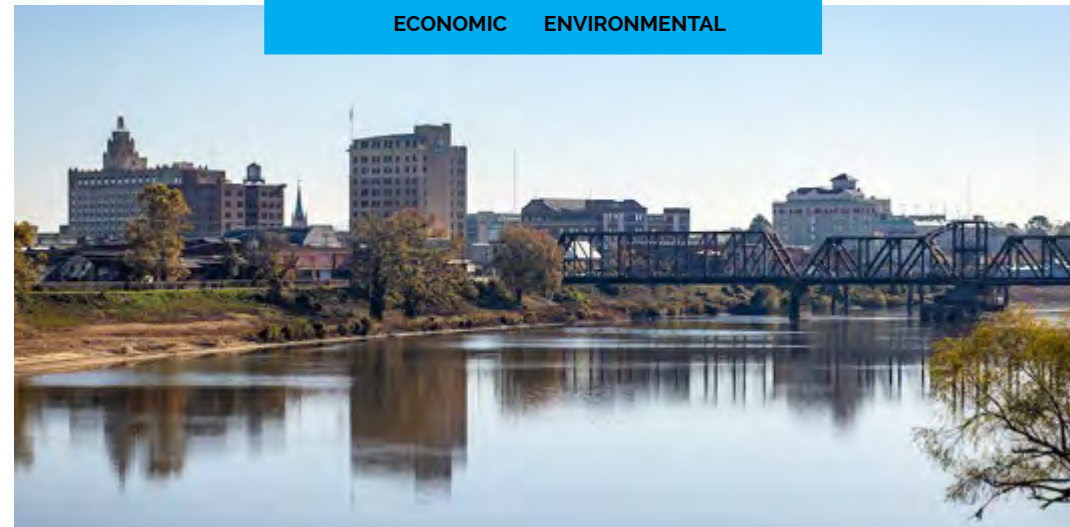
Entergy has a robust commodity recycling and investment recovery process in place that contributes to a circular supply chain. For example, as Entergy works to install advanced meters for all customers, we also are minimizing waste by partnering with our supplier to recycle older meters for beneficial use.



ECONOMIC



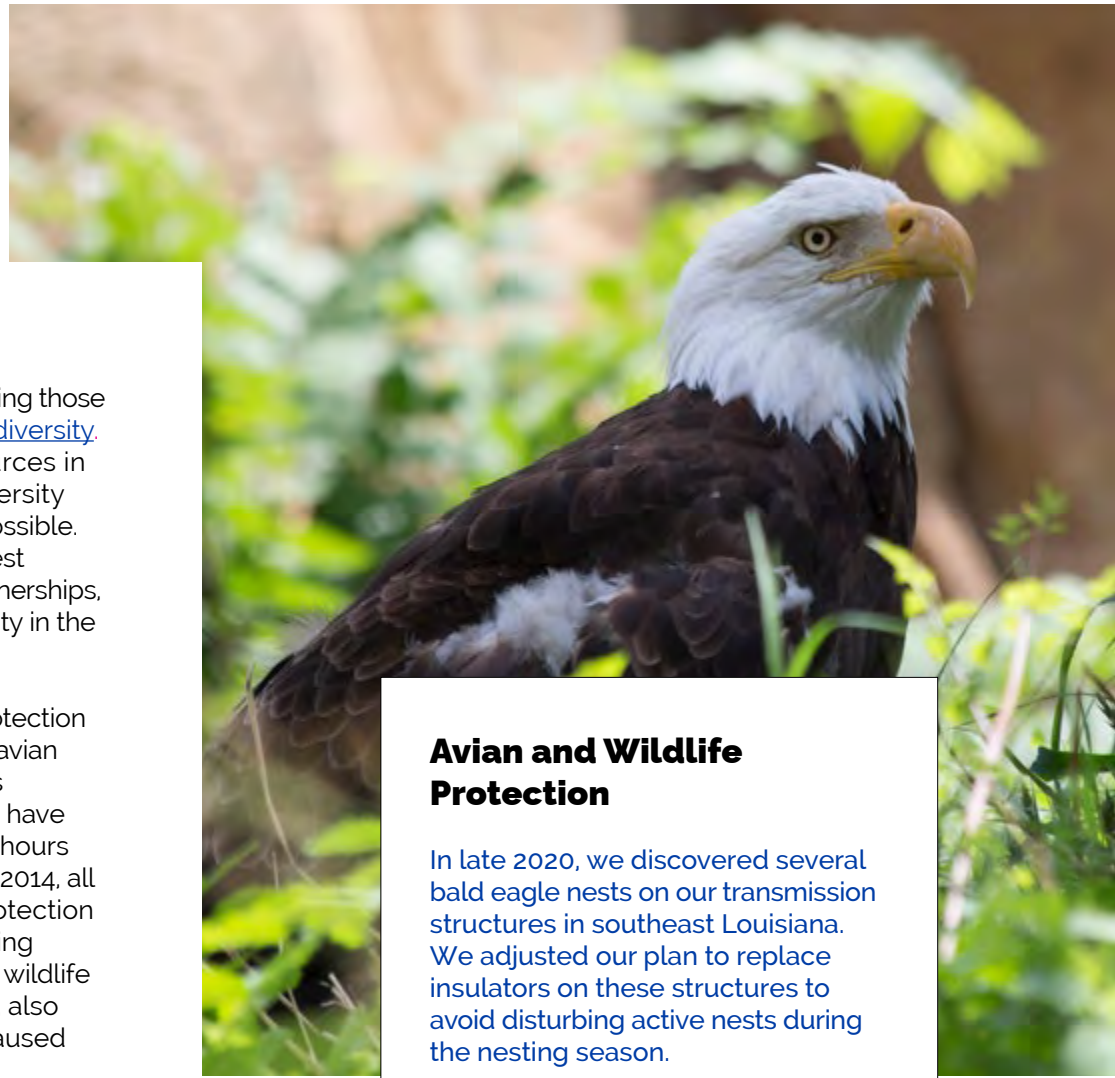
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## Biodiversity and Habitat Preservation and Restoration



Entergy's goal is to comply fully with all environmental regulations including those that govern wildlife conservation, as stated in our [Commitment to Biodiversity](#). We aim to be a good steward of the land, wildlife, and natural resources in our care. We strive not only to eliminate negative impacts on biodiversity from our operations but also to promote a net positive impact where possible. By complying with local, state, and federal regulations; incorporating best management practices; and promoting stewardship through public partnerships, we are committed to maintaining, enhancing, and conserving biodiversity in the areas we serve.

We are celebrating 10 years of implementing our Avian and Wildlife Protection Standard, which promotes compliance with wildlife conservation and avian protection laws. Over the last decade, our avian protection program has successfully created a more avian-friendly environment. Since 2011, we have invested more than \$7 million and contributed more than 20,000 manhours retrofitting our distribution system to ensure it is safe for birds. Since 2014, all our new distribution construction meets nationally recognized avian protection standards. Our program includes annual training of our staff, a reporting system to track incidents, and retrofitting of problem poles. Protecting wildlife from potential impacts with our facilities, such as wires and substations, also improves reliability for our customers by avoiding potential outages caused by birds and other animals.

### Avian and Wildlife Protection

In late 2020, we discovered several bald eagle nests on our transmission structures in southeast Louisiana. We adjusted our plan to replace insulators on these structures to avoid disturbing active nests during the nesting season.



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Potential threats and impacts to biodiversity are identified as part of the investment approval process, before we undertake major projects or acquisitions. Risk identification and management processes are required to avoid, minimize, or mitigate such risks as needed to complete construction, commissioning, and transition to operation. Each business function's environmental leadership team works closely with Entergy project managers to ensure biodiversity issues are managed appropriately. When an expansion or permit change is required, operations are re-assessed for their impact on biodiversity as warranted.

Entergy will continue working to enhance our natural environment. Preserving, restoring, and improving natural systems, as well as sustainably managing the natural assets we own, provides water management, biodiversity, and carbon sequestration benefits. We continue proactive actions through our biodiversity peer group, a team of environmental professionals focused on protecting wildlife and enhancing the natural environment.



### Partnership with Arbor Day Foundation

One of many reforestation projects the company supports, Entergy partners with the Arbor Day Foundation to provide free trees to customers. Trees are delivered to customer homes along with guidance on where to plant them to maximize their energy-saving benefits. An interactive online program helps customers determine the best places to plant their trees for shade and other energy-saving benefits, as well as making sure power lines are avoided. Since the program's inception in 2018, 4,700 customers have received free trees to plant at home. Entergy's investment of \$206,000 is projected to result in savings and community benefits exceeding \$2 million. Our tree giveaways also are projected to avoid or capture more than 23 million pounds of carbon, absorb nearly 51,000 pounds of other air pollutants, and filter more than 92 million gallons of stormwater over the next 20 years.



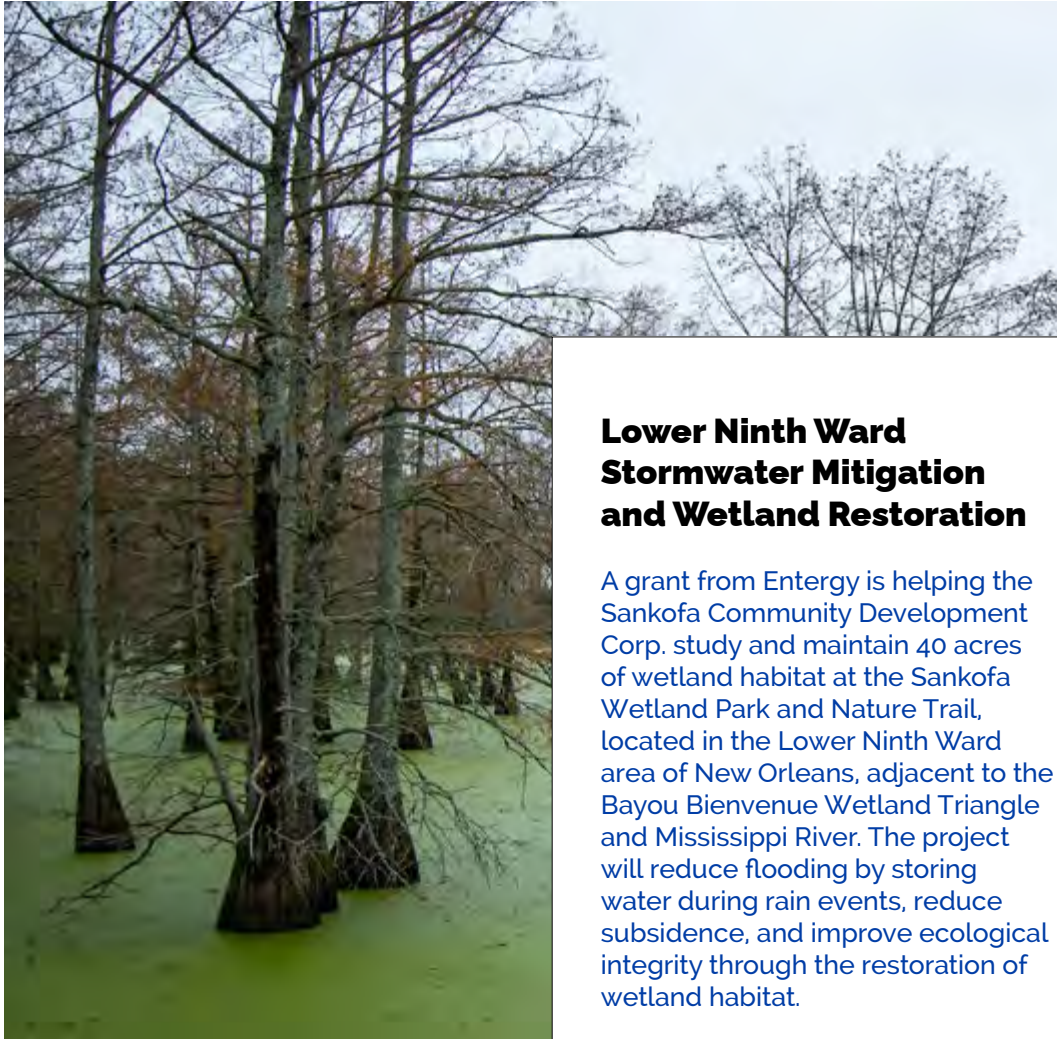
ENVIRONMENTAL

### Partnership with Nature Conservancy

In 2020, Entergy partnered with the Nature Conservancy in Louisiana to support community-based habitat restoration of Grand Isle's maritime forests. Grand Isle is Louisiana's only inhabited barrier island and the only barrier island that supports this last remaining live oak forest community. Participants in restoration activities are recruited from school programs, universities, residents, and volunteers. Activities include planting of seedlings, removal of invasive species, and outreach and engagement at the annual Migratory Bird Festival. More than 100 species of songbirds and 35 warblers use the forest on Grand Isle, and this project will result in the restoration and management of over 120 acres of maritime forest and salt marsh habitat in and around the Lafitte Woods Preserve.



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### Lower Ninth Ward Stormwater Mitigation and Wetland Restoration

A grant from Entergy is helping the Sankofa Community Development Corp. study and maintain 40 acres of wetland habitat at the Sankofa Wetland Park and Nature Trail, located in the Lower Ninth Ward area of New Orleans, adjacent to the Bayou Bienvenue Wetland Triangle and Mississippi River. The project will reduce flooding by storing water during rain events, reduce subsidence, and improve ecological integrity through the restoration of wetland habitat.



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### Restoring Forests and Wetlands and Protecting a Vulnerable Community

Pointe-aux-Chenes in south Louisiana is a last line of defense protecting more than 200,000 residents against storm surge and rising sea levels.

To strengthen and rebuild this natural buffer, Entergy partnered with Restore the Earth Foundation to help plant 5,000 acres of bald cypress trees in the area, with Entergy funding 225 acres planted to date. In 2021, 6,000 to 10,000 native bald cypress trees will be planted in the area of the Maurepas Land Bridge. This re-established forest will generate more than 20,000 metric tonnes of carbon emission reductions as well as restore wildlife habitat and reduce the risk of storm surge for surrounding communities.

A grant from Entergy's Environmental Initiatives Fund further enhanced the project by funding a retrofit of flood control pumps into an innovative system that, when not needed for pumping out flood water during significant weather events, returns vital nutrients from the Mississippi River to nearby Bayou Terrebonne. The pump project is now delivering 10-15 billion gallons per year into the wetlands, a freshwater diversion that helps increase sediment to build up land and nutrients to support the growth and health of the replanted cypress forest.



ECONOMIC

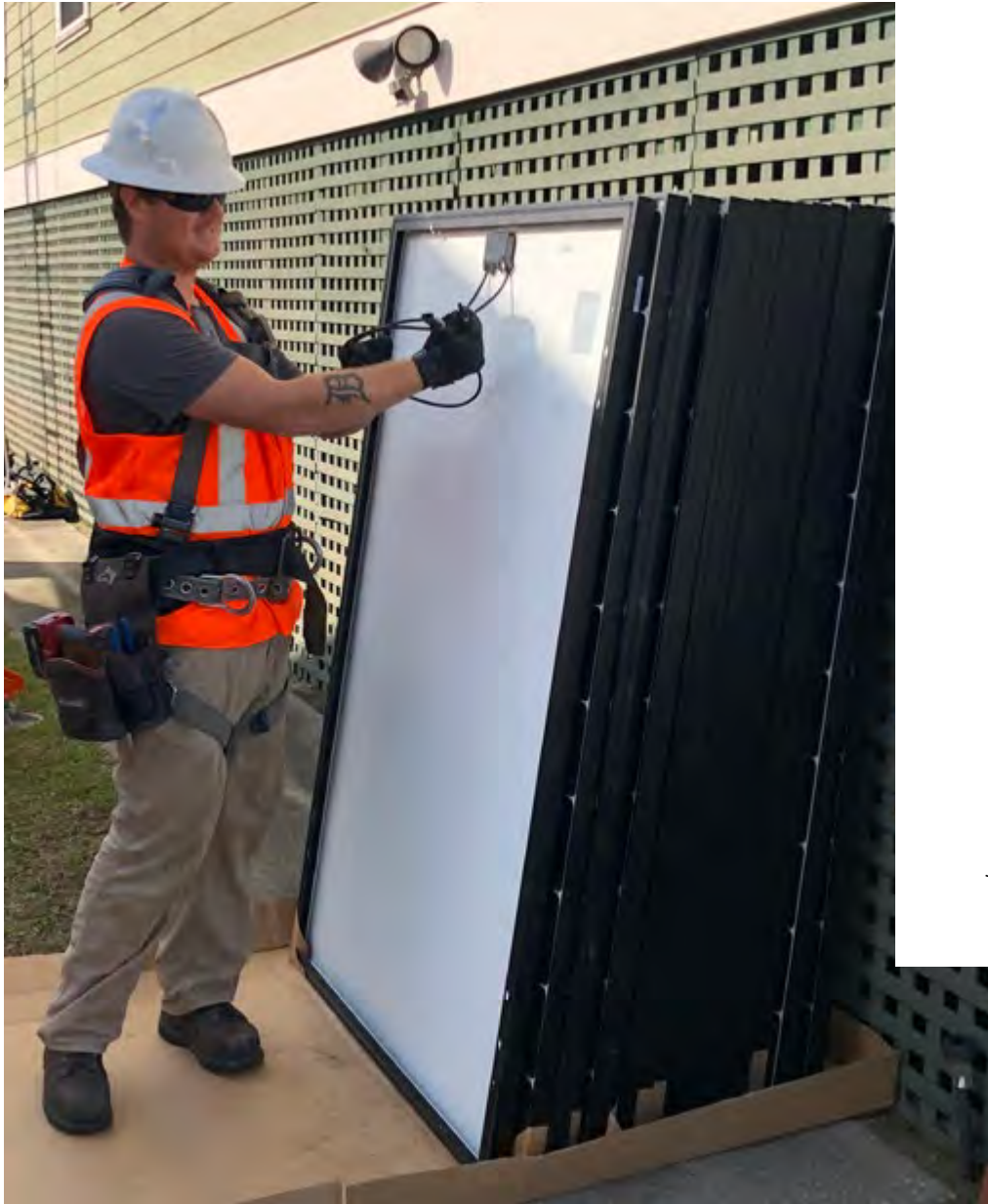


ENVIRONMENTAL



SOCIAL





### Environmental Compliance

Environmental compliance is a basic tenet of our sustainability strategy, and our environmental management system drives compliance and continuous improvement. We continuously evaluate environmental risks and opportunities and focus compliance management and continuous improvement actions on our entire value chain. Our environmental management system details company objectives for all sites and includes policy and strategy, identification of compliance requirements, risk assessment, and clear objectives, programs, and procedures in addition to training and an annual senior management review. We validate our environmental management system and our environmental performance through annual third-party audits and provide transparency through performance reporting.

### Addressing Environmental Justice

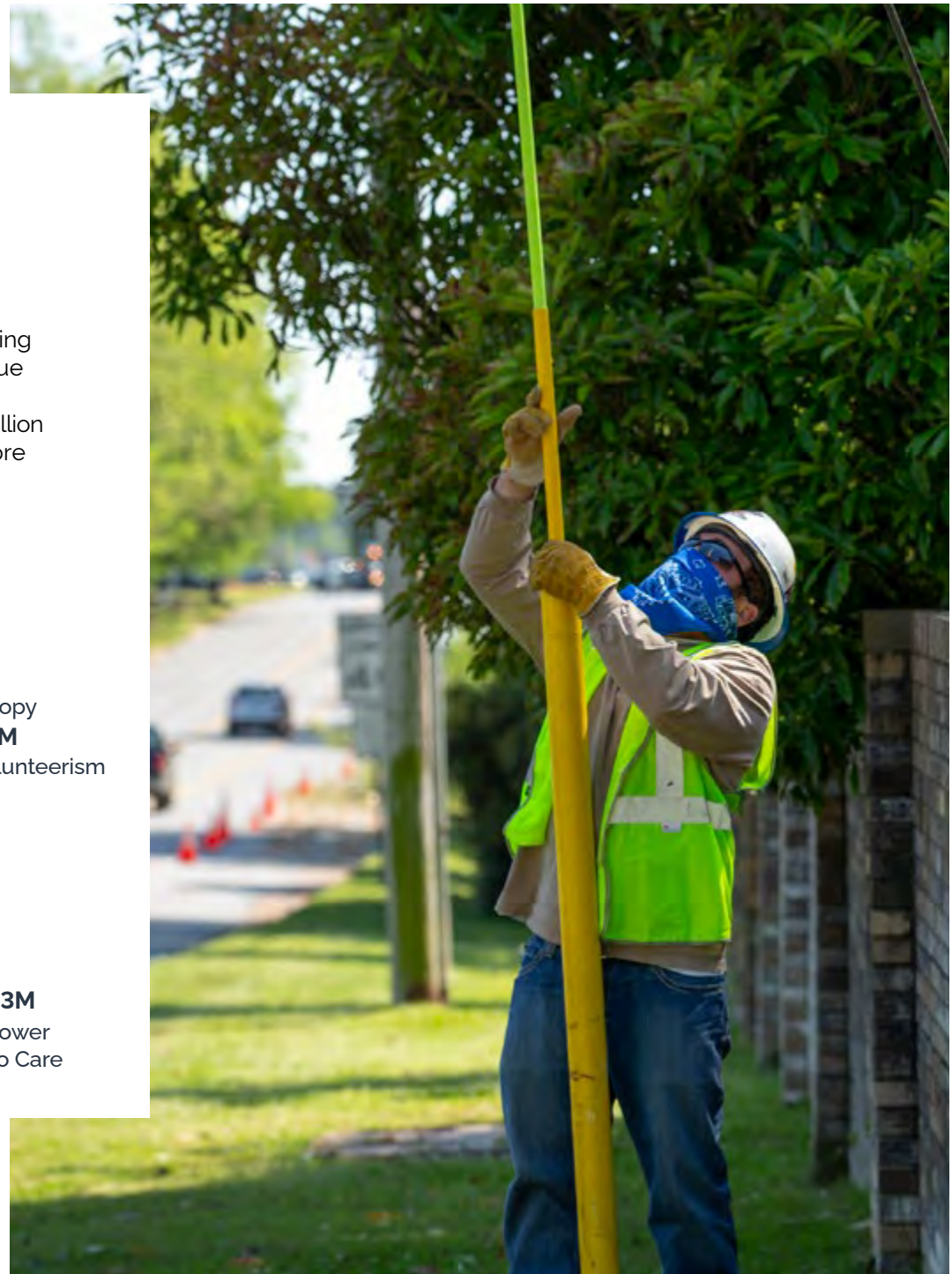
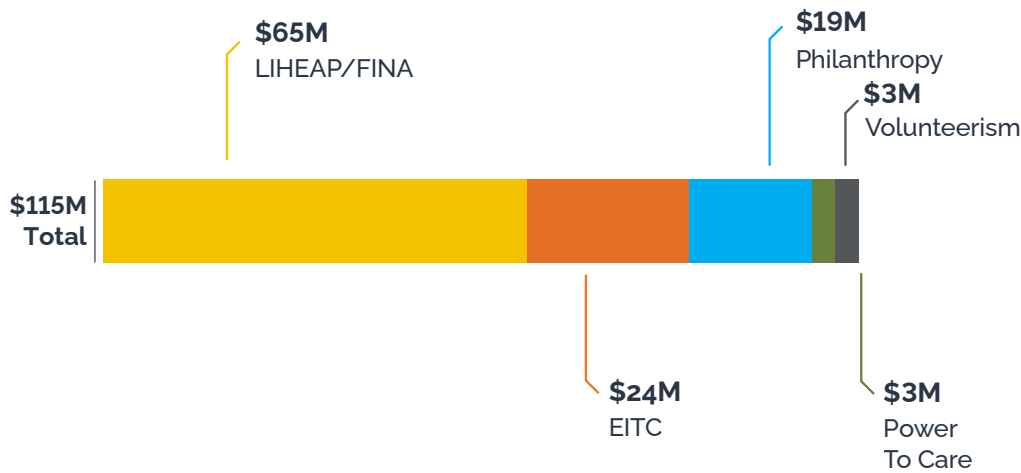
Entergy considers environmental justice impacts in our policies, to minimize adverse environmental effects and to sustain our communities. We consider environmental justice in our capital planning and corporate risk evaluations. We also work to ensure equal sharing of the benefits and opportunities associated with our transition to cleaner resources. For example, we are currently working to gain a greater understanding of the economic and environmental impacts and opportunities for nearby communities as we follow our plan to retire our coal plants in Arkansas. We employ open communication and seek opportunities to partner with our stakeholders to address such environmental justice concerns.

## Social

### Delivering Value in Times of Uncertainty

Amidst a pandemic, economic recession, social unrest, and a record-setting storm season, Entergy delivered on our mission to create sustainable value for our stakeholders through philanthropy, volunteerism, and advocacy. Working with our community partners, our social initiatives delivered \$115 million in benefits to our communities in 2020, and our employees contributed more than 95,000 volunteer service hours to a variety of charitable causes.

### Delivering Value through Philanthropy, Volunteerism, and Advocacy







## Engaging Employees

COVID-19 presented challenges that impacted volunteerism as in-person, company-sponsored volunteering was suspended from mid-March through September. But employees rose to the challenge when we launched new platforms that enabled them to volunteer virtually with non-profits in our back yard and around the world. This brings our five-year total for volunteering to more than 500,000 hours.

## Serving Low-Income Customers

In 2020, we commemorated 20 years since the launch of our Low Income Customer Service Initiative and reaffirmed our commitment to the fight against poverty. In keeping with that commitment, we doubled the shareholder match to The Power to Care fund from \$500,000 to \$1 million and expedited the payment of that match to help customers economically impacted by COVID-19. Our employees did their part by increasing employee giving to the fund by more than \$34,000, or 14%. In total, employees, customers, and shareholders donated more than \$3.1 million to The Power to Care in 2020. We also implemented supplemental payments to elderly customers in Louisiana who qualified for the senior rate discount. Supplemental payments totaling \$100,000 enabled 700 senior citizens whose accounts were in arrears to bring their accounts up to date.

In addition, we implemented an innovative process to automatically notify low-income customers who were struggling to afford their bills and connect them with agencies that could help, resulting in \$6.6 million in bill-payment assistance for almost 12,000 customers. We also automated a process to track bill-payment assistance credits when customers close accounts. The automated process transfers assistance payments to customers' new accounts, making it easier and more affordable for them to re-establish service.

In concert with community partners, Entergy worked with our congressional delegation to maximize relief resources available for low-income customers through the CARES Act as well as the Low Income Home Energy Assistance Program. We hosted webinars and convenings for partner agencies to share best practices to expedite the delivery of funds to customers in need as efficiently as possible. We also awarded \$150,000 in grants to help agencies purchase additional laptops, equipment, and supplies such as plexiglass shields, masks, and hand sanitizers to enable their staffs to serve clients safely while observing COVID-19 protocols.

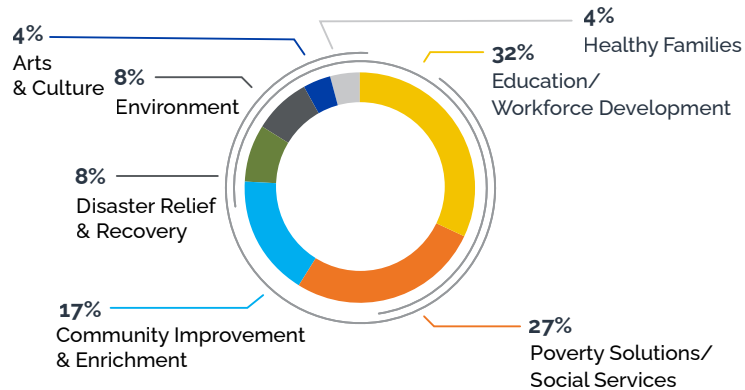




## Building Stronger Communities

Entergy shareholders invested \$19 million to build strong, vibrant, and resilient communities in 2020.

### 2020 Philanthropy Invested \$19 Million



- \$6.0 million education and workforce development
- \$5.1 million poverty solutions / social services
- \$3.2 million community improvement and enrichment
- \$1.6 million disaster relief and recovery
- \$1.5 million environmental
- \$0.8 million arts and culture
- \$0.7 million healthy families

MORE THAN



**\$3.3 million**

IN GRANTS AWARDED BY  
ENERGY AND THE ENERGY  
CHARITABLE FOUNDATION  
TO HELP COMMUNITIES  
WITH PANDEMIC RESPONSE



## Helping Communities Respond to COVID-19

Entergy and the Entergy Charitable Foundation awarded more than \$3.3 million in grants to help communities with pandemic response. We teamed up with community partners to address the economic hardships of our most vulnerable customers — low-income families and the elderly. We focused our efforts on providing basic necessities: food, rent/mortgage assistance, utility assistance, emergency cash grants, personal protective equipment, technology, tools to facilitate distance learning for schools, and upskill training opportunities for workers in hard-hit industries.

Entergy employees and shareholders also raised more than \$200,000 to support COVID-19 relief efforts of local United Way organizations in communities across our service territory.

Here are some of the innovative ways the company, employees, and community partners teamed up to serve communities in 2020:

- Election Protection — Specially trained members of Entergy’s legal team volunteers worked to ensure election integrity and protect the rights of citizens to vote by staffing election protection hotlines.
- Phone-a-Senior — Volunteers provided a lifeline for elderly residents who were isolated during COVID-19 lockdowns.
- STEM Online — With help from Entergy, STEM NOLA was able to provide STEM learning virtually to kids from Gretna, Louisiana, to Ghana and Metairie, Louisiana, to Mexico.
- Virtual Vocational Education — A \$482,000 grant to the State of Arkansas Education Department enabled high school students across the state to earn industry-recognized credentials online for high-demand jobs.
- Virtual Volunteering — Individuals selected from a plethora of opportunities curated by the company to apply their skills to nonprofit projects. For example, one employee helped the New York Public Library with a mapping project of his local area by finding and creating control points so the library could layer corresponding maps from its massive historical collection into its database.
- Fueling the Frontline — Through this initiative, we teamed up with restaurants and nonprofits to provide healthy, nutritious meals to healthcare workers and families in need, providing jobs for service industry staff during the COVID-19 lockdown.
- Hospitality Cares Pandemic Response Fund — Entergy partnered with United Way of Southeast Louisiana to launch the Hospitality Cares Pandemic Response Fund, which awarded up to \$500 emergency cash grants to hospitality workers who were furloughed during the pandemic.

- United for Grocery Workers Relief — Entergy joined forces with Hollywood and Broadway star Anthony Mackie, the New Orleans Council on Aging, and the United Way of Southeast Louisiana to salute essential grocery store workers by providing \$50,000 in utility bill-payment assistance credits.
- Retraining Furloughed Hospitality Workers — Entergy helped the New Orleans Career Center jumpstart new careers for almost 100 hospitality workers as patient care technicians in local health organizations.

### Advancing U.N. Sustainable Development Goals

2020 also marked the completion of five years of progress toward the United Nations Sustainable Development Goals. Significant five-year highlights include the following initiatives:

- No Poverty — Entergy volunteers helped process \$191 million in Earned Income Tax Credit refunds for low-income customers.
- Decent Work and Economic Growth — Our efforts helped 1,400 individuals earn industry-recognized certifications and created 20,000 new jobs.
- Climate Action — Our actions ensured that 142,000 trees were planted and 16,000 acres of forest or wetlands were restored or placed into conservation.
- Quality Education — With our support, 30,000 students engaged in STEM activities and \$177 million in additional state and federal funding was awarded for early childhood education across Entergy's service area.
- Affordable and Clean Energy — We helped secure more than \$289 million in LIHEAP funding for low-income customers and helped them pay more than 1 million utility bills.
- Peace, Justice & Strong Institutions — Employees logged more than 500,000 hours of volunteer service.







## Bringing Hope and Healing to Storm-Impacted Communities

A record-breaking storm season wreaked havoc on communities served by Entergy. While crews worked tirelessly to repair catastrophic damage, we awarded more than \$1.1 million in disaster relief grants to community partners including:

**\$200,000** to the American Red Cross,

**\$200,000** to the Community Foundation of Southwest Louisiana,

**\$180,000** to the Southeast Texas Community Foundation,

**\$100,000** to the United Way of Southwest Louisiana, and

**\$469,000** to other community partners.

## Addressing Social Justice Challenges

As events across the nation sparked a movement to address systemic racism and inequities, Entergy pledged to be part of the solution by bringing our philanthropic, volunteerism, and advocacy resources to bear on these issues of critical importance. Some of the steps we are taking include:

- Providing ongoing diversity, inclusion, and belonging training for corporate social responsibility team members;
- Reviewing existing programs for implicit bias and making changes where necessary;
- Establishing a Social Justice and Equity Fund;
- Engaging in community conversations about equity; and
- Leveraging community partnerships to create pathways to careers at Entergy for individuals from underserved communities.

### Governance

We operate our business with transparency, accountability, and integrity. Strong governance enables us to deliver on our commitments and to create sustainable value for our stakeholders.

### Material Issues

On an ongoing basis, we analyze material economic, environmental, and social issues that impact our ability to create value for our stakeholders. In 2020, we refreshed our sustainability material issues through a review by members of the sustainability working group.

We engage in a variety of informal and formal communications with our key stakeholders to help identify our most critical material issues and guide our strategies. These stakeholders include owners, lenders, and other members of the financial community; regulators; suppliers; nongovernmental and nonprofit organizations; and professionals in industry, government, labor, and education. More detail on the process we use to determine material issues is available on the [Entergy sustainability webpage](#).



## ENVIRONMENTAL, SOCIAL, AND GOVERNANCE

Material economic issues are identified by monitoring developments in energy demand; energy supply, including generation technologies and fuels; industry and general business regulation; and economic conditions. Local, state, regional, national, and global economic conditions all impact our business, and we monitor them accordingly.

**Our material economic issues for 2020 are summarized in the following table.**

Issue	Why it Matters
Financial Performance	Generating steady, predictable financial returns for our owners affords us access to capital needed to invest in our business; to provide safe, affordable, reliable, and increasingly clean power for our customers; to compensate our employees; and to invest in our communities. Our ability to deliver strong, long-term financial performance depends on, among other things, our utility industry business model resilience as well as our ability to innovate to better serve our customers.
Customer Satisfaction	Meeting customers' expectations for affordability, reliability, enhanced products and services, and other needs such as outage communications and storm restoration is a key component of our mission. Customer satisfaction can also affect approved rates of return and other regulations.
Energy Reliability	Understanding the outcomes customers need and desire from their power consumption, we can develop new customer solutions that achieve those outcomes — and make their lives better. Meeting customers' expectations for service to be available on demand requires the ability to invest in our system, up-to-date technologies, and robust supply solutions.
Energy Affordability	Maintaining affordable prices supports economic development and attracts new businesses to our service areas. Low rates are particularly important in the states served by Entergy utilities, where average customer usage is high and many customers live in poverty.
Energy Efficiency	Offering energy-efficiency programs helps customers manage their bills and supports environmental goals. Energy efficiency can also free up capital for other productive investments that enhance our customer experience. Our ability to respond to the reduced customer usage from energy efficiency and secure fair cost-recovery mechanisms affects our financial performance.
Economic Development	Promoting economic development generates energy demand growth and strengthens our communities, helps maintain rate stability, funds investments to modernize our operations, increases efficiency, enhances reliability, and serves new demand.
Fuel Diversity	Balancing fuel diversity and other resource attributes supports price stability, risk mitigation, energy affordability, and reliability. Nuclear and renewable energy play an important role in fuel diversity.
Security	Maintaining continuous and reliable business operations depends on our ability to maintain the safety and security of Entergy's assets and operations.
Cybersecurity	Entergy's complex, interconnected network of generation, transmission, distribution, and control and communication technologies is a crucial part of the national critical infrastructure. Protecting this infrastructure by remaining vigilant against cyberattacks and safeguarding the privacy and confidentiality of sensitive stakeholder data is a top priority for Entergy.
Regulatory Policies	Complying with existing regulations and advocating for the development of constructive new regulations impact operational and investment decisions, continued operation of nuclear plants, and our financial results.



We identify material environmental issues by monitoring developments in environmental legislation, regulation, case law, agency guidance, industry trends, best management practices, and other actions. In addition, peer groups for air, water, waste, and biodiversity facilitate the identification and sharing of information on material issues.

## Our material environmental issues for 2020 are summarized in the following table.

Issue	Why it Matters
Climate Change Risks	Identifying and mitigating climate change financial and physical risks influence operational and investment decisions and help improve the resiliency of customers and communities. These risks include increased operational costs due to carbon regulation; increased weather-driven volatility of business results; and potential physical impacts to our facilities, our customers, and our communities.
Conventional Air Emissions	Meeting or exceeding compliance with evolving federal and state regulation of air pollutants informs our business decisions regarding generation dispatch and design and the location, retirement, purchase, operation, and construction of electric generating units. The benefits of replacing our legacy units with cleaner technology include improved system reliability, increased environmental efficiency, and reduced costs for our customers by using less fuel and improving fleet efficiency.
Greenhouse Gas Emissions	Reducing greenhouse gas emission intensity helps us reduce the risk of climate change impacts to our assets and our communities. Our actions taken to reduce emissions define our leadership role in industry-wide decarbonization efforts. Net reduction in carbon emissions can result from beneficial electrification of industry sectors served by our system.
Water Issues	Risks to water supply issues are mitigated by using water-saving technologies, monitoring available supplies, and minimizing our water withdrawal in water-stressed areas. We also recycle water in some of our cooling systems and operate one air-cooled combined-cycle gas unit. Water quality is protected through robust permitting and compliance programs.
Waste Management	A robust waste management and minimization process plays a key role in reducing risks to human health and the environment. Waste-related risks are mitigated by programs that support source reduction, recycling, and repurposing. This includes recovering the value of obsolete parts and equipment through investment recovery sales and recycling ash for beneficial use. All of these efforts result in diversion of waste from landfills and the reduction of liability for hazardous substance management and disposal.
Habitat and Biodiversity	Having a goal to fully comply with all environmental regulations, including those that govern wildlife conservation, reduces environmental risks, including threats and impacts to biodiversity. Our investment review process identifies potential biodiversity risks as well as plans to avoid, minimize, or mitigate any risks identified for construction, commissioning, and/or operation. We view this as our responsibility as strong environmental stewards.
Environmental Justice	To ensure we minimize any potential adverse effects of our activities on the local communities we serve, including the communities of our low-income customers, we consider environmental justice impacts in our policies, including climate change policies. We also maintain open communication and seek opportunities to partner with our stakeholders on environmental justice concerns.

Material social issues are identified by monitoring trends and developments such as those among our employees, owners, regulators, communities, and markets, as well as from our own activities in operations, financial, legal, compliance, and supply chain.

**Our material social issues for 2020 are summarized in the following table.**

Issue	Why it Matters
Safety and Health	Ensuring strong operational and workforce safety practices is fundamental to our business.
Human Resource Management	Relying on an aligned, engaged, and capable employee culture is fundamental to meeting our objectives. Diverse cultural backgrounds and perspectives of employees and supply chain partners provide us with a strategic advantage.
Local Communities	Sustaining business growth depends on healthy and vibrant communities. Our support of local communities through employment, tax payments, financial investment, and community outreach is reciprocated by community support for ongoing company operations. Community engagement in areas such as emergency planning is especially important where we have nuclear generating facilities.

Material governance issues are identified by monitoring emerging trends and best practices in corporate governance, such as those relating to board effectiveness and oversight; controlling risk, safeguarding stakeholders, and creating long-term value for our stakeholders; practicing fairness, accountability, and transparency; and ensuring that leaders and employees conduct their work with the highest ethical standards. More detail on the process we use to determine material issues is available on the [Entergy sustainability webpage](#).

## Our material governance issues for 2020 are summarized in the following table.

Issue	Why it Matters
Ethics and Integrity	Promoting a culture in which leaders and employees conduct business ethically fosters an environment where employees know leaders are approachable, engaged, and open to seeking the opinions of others to create a sense of teamwork, inclusion, and mutual support. Teams where members feel valued and are confident that their peers and leaders act with integrity are more effective and productive. When employees are comfortable speaking up about potential concerns, without fear of retaliation and with confidence that their concerns will be addressed, we are able to address concerns promptly and effectively and prevent issues that can negatively impact the company.
Transparency and Accountability	Creating an environment where all employees, from senior leaders to entry level, are open and honest about their actions and motivations builds confidence among all stakeholders (customers, employees, communities, and owners) that the company's actions will not adversely affect our reputation or industry standing.
Corporate Governance	Corporate governance includes policies, processes, procedures, and practices that direct, control, and order corporate behavior. Strong corporate governance helps ensure fairness, transparency, and accountability and is critical to creating and maintaining investors' and other stakeholders' trust and confidence in Entergy and our ability to achieve strategic objectives, manage risks, and create long-term value for stakeholders. Corporate governance starts with the Board of Directors and is more likely to be effective when the Board is diverse, participates in regular self-evaluations, engages in a refreshment process that aligns with our strategic direction, and sets a strong tone at the top. Effective corporate governance extends to senior management and cascades throughout the organization.
Stakeholder Engagement	Stakeholders are groups, entities, and individuals who hold an investment in the company or an interest in how we operate. From the customers that we have the privilege to serve, to the communities in which we operate, to our employees and our owners, our stakeholders are central to everything we do. By engaging with our stakeholders and gathering diverse points of view, we strive to build strong, trusted connections that result in solutions with broad support. Stakeholder feedback and engagement help us create smart, forward-thinking plans that benefit our stakeholders and encourage sustainable practices throughout our organization. Further, Entergy's engagement with regulatory, government, and public policy officials and organizations, including through lobbying and political contributions, must be conducted with the highest ethical standards and in compliance with laws, regulations, and company policies and values.

Material economic, environmental, and social issues are integrated into Entergy's enterprise risk management processes. Our ERM processes identify, monitor, and mitigate risks that have the potential to impact Entergy's ability to achieve our objectives. More information on our ERM processes is available in the Risk Management section of this report.



### Opportunities and Risks

Sustainability of our business depends on multiple factors, including the following.

- Delivering value as measured by strong net promoter scores, consistently positive customer interactions, high levels of service reliability, superior and affordable products and services, highly skilled and engaged employees, strong corporate brand recognition, and industry-leading financial performance.
- Maintaining the safety and security of all Entergy assets, employees, and operations.
- Maintaining a reputation of excellence among our stakeholders.

To preserve these abilities, Entergy proactively manages risk using a hierarchy that ties directly to our mission of creating sustainable value for our key stakeholders — customers, employees, communities, and owners. For each group, we consider expectations and key deliverables that are integral in meeting our sustainability mission. We then identify short- and long-term actions to help us better anticipate and mitigate risks. We map these risks and actions to our stakeholders as illustrated in the following risk-management matrix.

For Our Customers

Opportunities and Risks	Entergy's Management Approach
Energy Delivery	<ul style="list-style-type: none"> <li>• Utilize reliable and efficient generation, transmission, and distribution resources</li> <li>• Maximize value of existing assets through operational excellence</li> <li>• Explore emerging technologies</li> <li>• Invest in transmission and distribution</li> <li>• Invest in storm hardening</li> <li>• Maintain business continuity planning</li> <li>• Ensure effective emergency preparedness and response policies and procedures are in place</li> </ul>
Interaction Experience	<ul style="list-style-type: none"> <li>• Consistently deliver positive customer experiences</li> <li>• Improve customer interactions through an upgraded online platform and an interactive telephone voice response system</li> </ul>
Value-added Benefits	<ul style="list-style-type: none"> <li>• Leverage technologies to better understand customer behavior</li> <li>• Leverage technologies and utilize data analytics to further enhance our customers' experience</li> <li>• Explore new technologies to provide enhanced products and services</li> <li>• Increase reliance on renewable energy</li> <li>• Maintain productive regulatory relationships</li> </ul>
Total Cost of Use	<ul style="list-style-type: none"> <li>• Continue delivering affordable, efficient, and clean energy solutions while offering affordable retail rates</li> <li>• Invest to modernize our generation fleet by building new, modern, more efficient plants and retiring older, less efficient facilities</li> <li>• Leverage continuous improvement efforts to enable redeployment of resources to incrementally benefit stakeholders</li> </ul>
Privacy and Security of Information	<ul style="list-style-type: none"> <li>• Refer to the Cybersecurity Management section in this report</li> </ul>
Supply Chain	<ul style="list-style-type: none"> <li>• Refer to the Supply Chain Management section in this report</li> </ul>

For Our Employees

Opportunities and Risks	Entergy's Management Approach
Health and Safety	<ul style="list-style-type: none"><li>• Relentless focus on everyone being safe, all day, every day</li><li>• Continuously improve our systems, processes, and communications to support employee and contractor safety</li></ul>
Workforce Capabilities and Organizational Health	<ul style="list-style-type: none"><li>• Foster a culture focused on diversity, inclusion, and belonging</li><li>• Promote continuous learning and development</li><li>• Make long-term, fundamental improvements in the way we work to ensure efficient, cost-effective, and sustainable practices</li><li>• Sustain a work culture that is aligned, adaptable, engaged, and able to get the right things done</li><li>• Align our approach for training, developing, and promoting employees to support current and future business needs</li><li>• Develop human resource programs to recruit and retain a workforce that has the knowledge, skills, diversity, and abilities to achieve our strategic imperatives</li><li>• Recruit, develop, and retain top talent by ensuring each individual's professional growth goals and the company's objectives are all achieved</li><li>• Invest in education and workforce development, including working with community partners, to support regional workforce readiness</li><li>• Empower employees to work more productively and implement innovative solutions that deliver exceptional customer experiences</li><li>• Encourage employees to take ownership in the business</li><li>• Be the employer of choice for talent acquisition and ongoing employee development</li></ul>



## For Our Communities

Opportunities and Risks	Entergy's Management Approach
Environmental Impact	<ul style="list-style-type: none"> <li>• Deliver industry-leading environmental stewardship while maintaining affordable rates</li> <li>• Implement a comprehensive environmental strategy that includes partnering with communities and customers to take action to meet our voluntary CO2 emissions commitments</li> <li>• Engage in the regulatory process on environmental issues</li> <li>• Ensure readiness for extreme weather events with industry-leading emergency response capabilities</li> <li>• Advocate for investment in coastal infrastructure and resiliency and actively engage in climate change discussions at federal, state, and local levels</li> </ul>
Economic Development	<ul style="list-style-type: none"> <li>• Aggressively pursue economic development and customer expansion, which will ultimately help mitigate bill effects by spreading fixed costs over a larger customer base</li> <li>• Support economic growth in our region, which will benefit our customers</li> </ul>
Overall Quality of Life	<ul style="list-style-type: none"> <li>• Support local communities through employment, tax base, financial investments, and community outreach that result in a positive social and economic impact</li> <li>• Take part in community engagement</li> <li>• Maintain effective communications regarding emergency planning in areas where we have nuclear generating facilities</li> </ul>

## For Our Owners

Opportunities and Risks	Entergy's Management Approach
Financial	<ul style="list-style-type: none"> <li>• Realize steady, predictable growth in earnings and dividends while maintaining key credit metrics</li> <li>• Refer to the Financial Performance Management section in this report</li> </ul>

## Other Influences of Our Business

Opportunities and Risks	Entergy's Management Approach
Preserve Constructive Relationships with Other Influencers of Our Business	<ul style="list-style-type: none"> <li>• Foster constructive relationships with regulators that result in positive customer outcomes</li> <li>• Engage with regulators and stakeholders to understand their goals, to ensure that they understand our objectives, and to obtain input on key issues</li> </ul>

## Exiting Our Merchant Business

Opportunities and Risks	Entergy's Management Approach
Ensure Orderly Exit of EWC	<ul style="list-style-type: none"> <li>• Maintain safety as a top priority</li> <li>• Manage transition as we exit the merchant business</li> <li>• Support employees and communities through the transition from operating state to sale of the facility post shutdown</li> </ul>

## Risk Management

As Entergy's business strategy focuses on customer outcomes, we are enhancing our enterprise risk hierarchy to enable aggregation, tracking, and reporting of risks at the enterprise level. We've developed a bottom-up risk identification and assessment model that supports the company's focus on sustainability and analyzes and monitors a full range of economic, environmental, and social risks. We're linking the bottom-up model with our top-down risk process to establish an integrated risk management framework throughout the enterprise. As we implement customer solutions

through technology and other enhancements and as we manage the orderly exit from our Entergy Wholesale Commodities business, the model will leverage the expertise of the people closest to discrete risks. Our integrated risk management framework is designed to ensure that these risks are consistently identified, thoroughly assessed, and effectively managed.

At the same time, we consider the impact of our business on global risks such as those associated with climate change and environmental regulation. This helps ensure we operate according to universally accepted standards for responsible business practices. We report on economic, environmental, and social assessments and

actions through investor-led indices such as the Dow Jones Sustainability Index. More detailed information on our sustainability initiatives can be found throughout this report and in our EEI/ESG template, performance data table, and GRI index at [entergy.com/sustainability](http://entergy.com/sustainability).

Our risk management team routinely submits reports to the audit committee of the Board of Directors, which has primary responsibility for risk management at Entergy. Reports focus on key topics such as environmental compliance, corporate compliance, significant legal matters, insurance programs, market and credit risks, cybersecurity risks, and overall enterprise risk.



## Cybersecurity Management

As we expand and automate our utility infrastructure, our comprehensive and coordinated “three lines of defense” risk management model has evolved to ensure that effective protections and controls are in place and are being monitored to secure our part of North America’s electric grid. We manage physical and cybersecurity threats as an enterprise risk with a comprehensive strategy and security framework that includes close coordination and information sharing with our federal, state, and local partners and our internal risk and control resources. Cyber and physical security risks are regularly reviewed by corporate senior executives and the audit committee of our Board of Directors. We consider ourselves stewards of customer, employee, and vendor information that we collect, maintain, and use. We have an obligation to ensure data privacy through a comprehensive data governance program and effective data security controls.

To prevent cyber incidents, we have implemented modern access-management controls including a layered multi-factor authentication process for network and system access and a defense-in-depth security ecosystem that includes advanced threat detection from independent third parties and federal partners, security logging and monitoring, and independent third-party penetration and vulnerability assessments. All employees are required to complete computer-based cybersecurity training modules throughout the year to enhance security and threat awareness, to promote best practices, and to meet regulatory requirements where applicable. Additionally, employees are subject to disciplinary measures for security policy violations and repeat responses to Entergy’s simulated phishing campaigns. Should an event occur nonetheless, we have a corporate incident response plan that is tested and exercised annually and continuously improved based on lessons learned.

Security is an evolving landscape, and Entergy maintains a comprehensive security strategy to keep pace with the changing risk and threat landscape and to make investments to improve enterprise security capabilities. A risk-based methodology is in place to ensure security initiatives address the most significant risks and provide the most value in terms of risk reduction.

We engage with local, state, and federal law enforcement agencies on initiatives to share threat information and participate in a wide range of industry collaborations and classified briefings on cybersecurity. These partnerships include:

- Utilities United Against Scams, a consortium of electric, gas, and water utilities dedicated to combating utility scams by providing a forum to share data and best practices and working together to implement initiatives to inform and protect customers;
- Electricity Information Sharing and Analysis Center, a provider of security services to North American electric utilities;
- Department of Energy Cybersecurity Risk Information Sharing Program;
- Federal Bureau of Investigation Domestic Security Alliance Council, a strategic partnership between the FBI and U.S. private industry that enhances communication and promotes the timely and effective exchange of security and intelligence information;
- Electricity Subsector Coordinating Council, a provider of the primary security communications channel for the electricity subsector as well as a resource to assist with incident preparedness; and
- American Gas Association Natural Gas Security Committee.



## Financial Performance Management

Our overarching goal for owners is to deliver top-quartile total shareholder returns. This enables us to attract the capital we need to serve customers and grow our business. We also strive to maintain investment-grade ratings at our utilities and Entergy Corporation. A strong financial and credit position gives us the financial flexibility necessary to respond to unexpected events and changing market conditions. In 2020, we underperformed the Philadelphia Utility Index by 16.4 percentage points. For the three-year period 2018 through 2020, Entergy outperformed the index by 2.9 percentage points.

Our overarching financial objective is to produce steady, predictable growth in earnings and dividends. Generating strong financial results supports our sustainability goals by enabling us to provide safe and reliable power to customers over the long term; to attract, retain, and compensate employees; to invest in our

communities; and to satisfy our owners. We have an objective to realize steady, predictable dividend growth over time. In 2020, we raised our dividend for the sixth consecutive year.

Our finance organization, led by our chief financial officer and governed by the finance committee of the Board of Directors, oversees our financial performance using prudent policies, strategies, procedures, and investment processes. We proactively manage our business to ensure compliance with all laws and regulations.



## Ethics and Compliance

Our ethics and compliance culture is based on our core value, "Above all, act with integrity." This is more than a culture of compliance; it is a culture in which our employees are expected and trusted to engage in ethical behavior, even when there are no clearly defined rules.

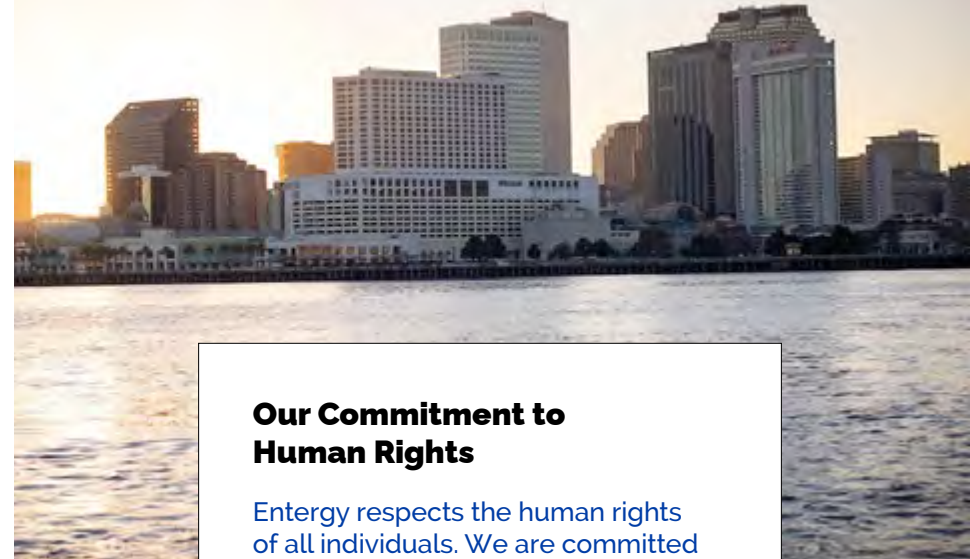
The ethics and compliance group is charged with leading a program designed to promote and foster this organizational culture of integrity, ethical decision-making, and commitment to Entergy's values to ensure that the company's directors, officers, and employees conduct business with the highest standards of integrity and in compliance with all applicable laws, regulations, and company policies; and to provide employees a safe haven for reporting concerns.

The Corporate Compliance Committee, made up of top management from each of Entergy's business and assurance functions, oversees the ethics and compliance program. The Chief Compliance Officer provides regular reports on the program to the audit committee of the Board of Directors.

Our Code of Entegrity provides overarching guidelines for business ethics and compliance and is reinforced by codes of business conduct for nonemployees and suppliers, as well as policies with specific guidance on complying with applicable laws, regulations, and company policies. Employees receive regular training and communications to help them understand Entergy's ethical expectations, and all non-bargaining employees annually acknowledge their review of the Code.

Employees can raise concerns and seek guidance from Entergy's management teams, Ethics and Compliance team, the nuclear Employee Concerns program, and the Entergy Ethics Line (which can accept concerns anonymously). The Entergy Ethics Line is also available to contract employees, customers, and other members of the public. All matters reported are appropriately investigated by a pool of trained investigators. Concerns are treated with respect and confidentiality, and we do not tolerate retaliation for asking a question or reporting potential violations of law or Entergy policies.

Should a violation be detected, Entergy takes all reasonable steps necessary to correct the area of concern. Such steps may include modifications to Entergy's overall Ethics and Compliance Program to detect or prevent future recurrences of similar violations. Violators of Entergy policies and procedures are subject to disciplinary action in accordance with the Entergy System Discipline Policy.



### Our Commitment to Human Rights

Entergy respects the human rights of all individuals. We are committed to the advancement and protection of human rights in all our operations and have summarized our philosophy regarding human rights in our Human Rights Statement. The document reflects the values by which Entergy strives to operate as a business leader, employer, and corporate citizen and is consistent with the general principles for business enterprises set forth in the United Nations' "Guiding Principles on Business and Human Rights" to comply with all applicable laws and to respect human rights. Click [here](#) to read the document.



**SOCIAL**





## Supply Chain Management

Beginning in 2017, Entergy's average annual purchase of materials and services has exceeded \$5 billion, with \$5.9 billion purchased in 2020. Last year, we continued to roll out our vendor management oversight program across the enterprise. This program applies more than a dozen lenses of risk management and mitigation including a focus on environmental and sustainability risks. This ensures we make quality decisions when purchasing materials and contracting for services as well as managing collaborative relationships with many of our key suppliers. In this way, supply chain creates value for our stakeholders.

All suppliers are expected to conduct business in a manner consistent with our Supplier Code of Conduct. Entergy expects our suppliers to provide goods and services in a safe and environmentally conscientious manner. We actively seek suppliers who operate in a fair, honest, and socially responsible manner and share our commitment to protect the environment. We have incentive and non-incentive scorecards that target multiple performance indicators for the company and our key suppliers, including sustainability-related measures. Although specific scorecard measures differ based on services and products provided, standard metrics used to align contractor performance with company objectives include safety, budget, schedule, reliability, and human performance.

2020 was another year of action for Entergy's supply chain organization as an influential

member of the Electric Utility Industry Sustainable Supply Chain Alliance. EUISSCA is known as the leader in establishing and promoting sustainability best practices in the electric utility supply chain in North America. Comprised of 20 North American electric utilities, the alliance represents a combined spend of \$170 billion.

We received the 2020 Utility Member of the Year award among a group of the top 20 utility companies across the United States. Several supply chain members served on key subcommittees addressing issues such as the social aspects of sustainability, measuring key suppliers' sustainability performance, investment recovery, and embedding sustainability questions in utility sourcing processes. More than 50 supplier affiliate members work together with participating utilities toward a common mission to improve environmental performance and advance sustainable business practices.

Key Entergy supply chain initiatives in 2020 included the following:

- Through our telecommuting due to COVID-19 and ongoing Print Smart Partnership with Xerox, we reduced our printed paper consumption in 2020 by over 21 million printed pages. Resulting positive environmental impacts included important reductions of 120 million BTUs, 819 thousand gallons of wastewater, 114 tons of wood, and more than 225,000 pounds of greenhouse gas emissions.



**In 2020, Entergy purchased \$5.9 billion of materials and services.**



- We continue to grow our partnership with Xerox through the Print Releaf program. From 2019 through 2020, we offset approximately 165 million sheets of paper printed by the company by replanting the equivalent — almost 20,000 trees — to support global reforestation projects in Brazil, Dominican Republic, India, Ireland, Madagascar, Mexico, and the U.S. Plantings were accomplished through a grant from Entergy's Environmental Initiatives Fund. This and other company reforestation initiatives support Entergy's work to influence UNSDG 15, which aims to sustainably manage forests and halt the loss of biodiversity around the world.
- Strong demand for fly ash led to a strategic marketing solution that will improve landfill maintenance at Entergy's coal sites. This new by-product partnership will increase revenues from fly ash sales from \$13 million to \$38 million over the five-year agreement while supporting stringent environmental compliance. Increased sales of fly ash benefit the environment and our communities by delivering less waste to landfills.
- In 2020, we included sustainability questions in requests for information as part of our bid process. These questions set expectations with current and potential suppliers around the importance of our sustainability mission and goals and illustrate that we understand the important role suppliers play in achieving our sustainability objectives. We continue to build out our supplier sustainability assessment program and have 30 participating suppliers. We have now embedded sustainability discussions with many of these suppliers in our regular strategic business reviews.

Supply chain manages the enterprise investment recovery program that aims to obtain the best return for assets that Entergy no longer needs. Instead of disposing retired assets in landfills, this program facilitates recycling and repurposing retired assets and components, selling surplus assets, and assessing market conditions and trends to assure that Entergy receives the maximum value in investment recovery sales, which will ultimately benefit our customers. In 2020, our sales totaled \$4.5 million, and our cumulative sales over the last five years totaled close to \$60 million. In addition, Entergy recycled 24.2 million pounds of metals from our distribution operations, including legacy meters from our advanced meter infrastructure project. These actions diverted waste from landfills while securing value for Entergy and our customers. Looking ahead to 2021 and beyond, Entergy is focusing on a sustainability strategy to reduce warehoused inventory that will ultimately result in fewer assets to sell or recycle.

Entergy's local and diverse supplier development and sourcing initiative is designed to identify and develop a robust population of safe, competent, and competitive suppliers capable of meeting our procurement needs. Diverse and local suppliers provide a variety of products and services and support investments across our business. Entergy makes a concerted effort to ensure that diverse suppliers are included in all applicable



sourcing opportunities. In 2020, it was increasingly important to provide additional opportunities to this supplier base in the communities we serve, especially during the challenging economic environment resulting from the pandemic. Each sourcing event is required to include at least one qualified diverse supplier, if available.

In 2020, Entergy spent more than \$865 million with approximately 780 diverse firms. In addition, an Entergy buyer was recognized as the Buyer of the Year by the Southern Region Minority Supplier Development Council.

Entergy's diverse spend goal for 2020 was 14% of managed spend; we achieved 15%, resulting in an increase of approximately \$100 million in diverse spend compared to 2019. Building on this accomplishment, Entergy has set a diverse spend target of 17% of managed spend for 2021, which will result in approximately \$663 million in diverse spend. To support Entergy's economic impact to our local communities, we are also developing a more robust strategy to provide more opportunities for local suppliers. In 2020, we spent more than \$1.1 billion with approximately 5,260 local suppliers.



## Advocacy and Political Accountability

Stakeholders are central to everything we do at Entergy. After all, stakeholders are the groups, entities, and individuals who have an interest in how we operate. From the customers we serve directly by delivering reliable power and natural gas they need, to the communities in which we operate, to our employees and owners, our stakeholders are important to us.

Stakeholder feedback and engagement helps us create smart, forward-thinking plans that encourage and promote sustainable practices throughout our organization. By engaging with our stakeholders and gathering diverse points of view, we strive to build strong, trusted connections that result in solutions with broad support.

We are involved in a number of legislative and regulatory initiatives across a broad spectrum of policy areas that can dramatically affect our operations. We take positions on key economic, environmental, regulatory, and social policy issues affecting our business, such as potential environmental regulations and poverty relief. We also participate in legislative and regulatory processes through trade organizations. We encourage employee participation in the political process through the Entergy Corporation

Political Action Committee. ENPAC supports state and federal political candidates who satisfy ENPAC's contribution criteria, and our procedures ensure corporate political contributions comply with all applicable laws and are reported in a timely manner.

Approximately half of our employees are members of EnPower, Entergy's grassroots advocacy group. EnPower educates members on issues of importance to the company and encourages members to get personally involved, including reaching out to public officials.

Entergy's Stakeholder Engagement Management Program allows us to purposefully plan and execute our interactions with stakeholders on key initiatives. The program ensures that all stakeholders are informed of our business pursuits and that their concerns and positions are heard. The program also includes a publicly facing [website](#).

More information on Entergy's advocacy and political accountability can be found in our annual Advocacy and Political Contributions Report on the Corporate Governance section of Entergy's Investor Relations [webpage](#).





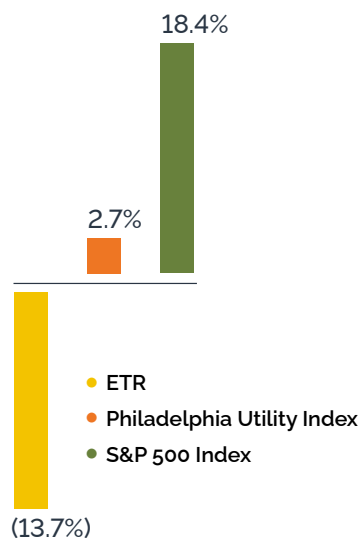
# 2020 FINANCIAL HIGHLIGHTS



## Summary of 2020 Financial Performance

Entergy's total shareholder return for 2020 was (13.7)%, which ranked 17th out of the 20 companies in our peer group. We believe our strategy to build the premier utility — with a focus on innovative customer solutions and a steady, predictable earnings trajectory — positions us well to deliver top-quartile returns for our owners in the future.

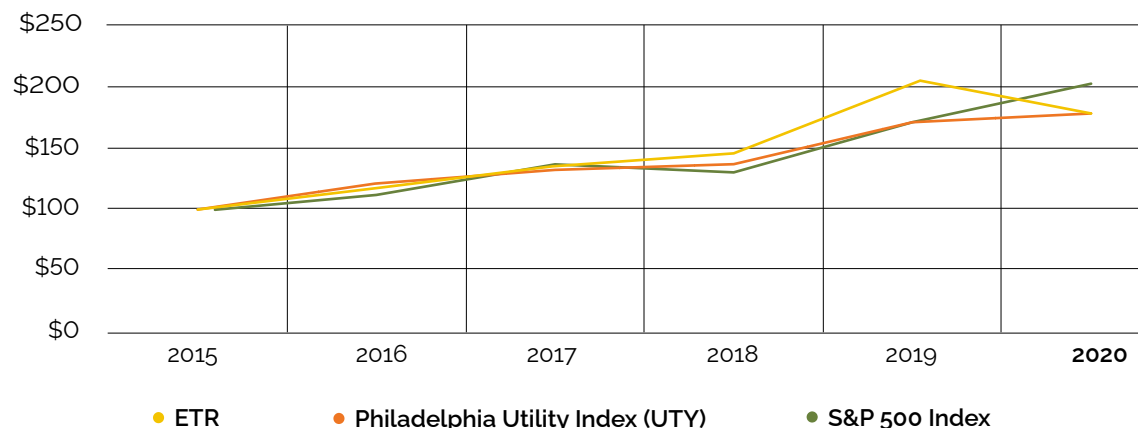
### 2020 Total Shareholder Return



Source: Bloomberg

### Comparison of Five-Year Cumulative Return

The following graph compares the performance of the common stock of Entergy Corporation with the Philadelphia Utility Index and the S&P 500 Index (each of which includes Entergy Corporation) for the last five years ended December 31.



	2015	2016	2017	2018	2019	2020
ETR	\$ 100.00	\$112.52	\$130.40	\$ 144.22	\$208.16	<b>\$ 179.62</b>
UTY	\$ 100.00	\$117.40	\$132.45	\$ 137.11	\$173.87	<b>\$ 178.61</b>
S&P 500 Index	\$ 100.00	\$111.95	\$136.38	\$ 130.39	\$ 171.44	<b>\$ 202.96</b>

Assumes \$100 invested at the closing price on December 31, 2015, in Entergy Corporation common stock, the Philadelphia Utility Index, and the S&P 500 Index, and reinvestment of all dividends.

Source: Bloomberg

### Credit Ratings as of March 26, 2021

Entity	Standard & Poor's		Moody's	
	Rating	Outlook	Rating	Outlook
Entergy Arkansas <sup>1</sup>	A	Stable	A2	Stable
Entergy Louisiana <sup>1</sup>	A	Stable	A2	Stable
Entergy Mississippi <sup>1</sup>	A	Stable	A2	Stable
Entergy New Orleans <sup>1</sup>	A	Stable	Baa2	Stable
Entergy Texas <sup>1</sup>	A	Stable	Baa1	Positive
System Energy Resources <sup>1</sup>	A	Stable	Baa1	Positive
Entergy Corporation <sup>2</sup>	BBB+	Stable	Baa2	Stable

<sup>1</sup> Senior secured ratings    <sup>2</sup> Corporate credit rating

## 2020 FINANCIAL HIGHLIGHTS

Selected Financial Data — Five-Year Comparison	2020	2019	2018	2017	2016
<b>Selected Financial Data — In Thousands, Except Percentages and Per Share Amounts</b>					
Operating revenues	\$ 10,113,636	\$ 10,878,673	\$ 11,009,452	\$ 11,074,481	\$ 10,845,645
Net income (loss)	\$ 1,406,653	\$ 1,258,244	\$ 862,555	\$ 425,353	\$ (564,503)
<b>Earnings (loss) per share:</b>					
Basic	\$ 6.94	\$ 6.36	\$ 4.68	\$ 2.29	\$ (3.26)
Diluted	\$ 6.90	\$ 6.30	\$ 4.63	\$ 2.28	\$ (3.26)
Dividends declared per share	\$ 3.74	\$ 3.66	\$ 3.58	\$ 3.50	\$ 3.42
Return on common equity	13.13%	13.02%	10.08%	5.12%	(6.73)%
Book value per share, year-end	\$ 54.56	\$ 51.34	\$ 46.78	\$ 44.28	\$ 45.12
Total assets	\$ 58,239,212	\$ 51,723,912	\$ 48,275,066	\$ 46,707,149	\$ 45,904,434
Long-term obligations <sup>(a)</sup>	\$ 21,477,974	\$ 17,351,449	\$ 15,758,083	\$ 14,535,077	\$ 14,695,422
<b>Utility Electric Operating Revenues — In Millions</b>					
Residential	\$ 3,550	\$ 3,532	\$ 3,566	\$ 3,355	\$ 3,288
Commercial	2,293	2,476	2,426	2,480	2,362
Industrial	2,331	2,541	2,499	2,584	2,327
Governmental	212	228	226	231	217
<b>Total billed retail</b>	<b>8,386</b>	<b>8,777</b>	<b>8,717</b>	<b>8,650</b>	<b>8,194</b>
Sales for resale	296	286	300	253	236
Other	365	367	367	376	437
<b>Total</b>	<b>\$ 9,047</b>	<b>\$ 9,430</b>	<b>\$ 9,384</b>	<b>\$ 9,279</b>	<b>\$ 8,867</b>
<b>Utility Billed Electric Energy Sales — In GWh</b>					
Residential	35,173	36,094	37,107	33,834	35,112
Commercial	26,466	28,755	29,426	28,745	29,197
Industrial	47,117	48,483	48,384	47,769	45,739
Governmental	2,414	2,579	2,581	2,511	2,547
<b>Total retail</b>	<b>111,170</b>	<b>115,911</b>	<b>117,498</b>	<b>112,859</b>	<b>112,595</b>
Sales for resale	13,658	13,210	11,715	11,550	11,054
<b>Total</b>	<b>124,828</b>	<b>129,121</b>	<b>129,213</b>	<b>124,409</b>	<b>123,649</b>
<b>Entergy Wholesale Commodities</b>					
Operating revenues (In Millions)	\$ 943	\$ 1,295	\$ 1,469	\$ 1,657	\$ 1,850
Billed electric energy sales (GWh)	20,581	28,088	29,875	30,501	35,881

(a) Includes long-term debt (excluding currently maturing debt), non-current finance lease obligations, and subsidiary preferred stock without sinking fund that is not presented as equity on the balance sheet.

## Consolidated Income Statements (Unaudited)

(in thousands, except share data)	For the Years Ended December 31,		
	2020	2019	2018
<b>Operating Revenues</b>			
Electric	\$ 9,046,643	\$ 9,429,978	\$ 9,384,111
Natural gas	124,008	153,954	156,436
Competitive businesses	942,985	1,294,741	1,468,905
<b>Total</b>	<b>10,113,636</b>	<b>10,878,673</b>	<b>11,009,452</b>
<b>Operating Expenses</b>			
Operation and Maintenance:			
Fuel, fuel-related expenses, and gas purchased for resale	1,564,371	2,029,638	2,147,793
Purchased power	904,268	1,192,860	1,658,799
Nuclear refueling outage expenses	184,157	204,927	153,826
Other operation and maintenance	3,002,626	3,272,381	3,346,397
Asset write-offs, impairments, and related charges	26,623	290,027	532,321
Decommissioning	381,861	400,802	388,508
Taxes other than income taxes	652,840	643,745	641,952
Depreciation and amortization	1,613,086	1,480,016	1,369,442
Other regulatory charges (credits) — net	14,609	(26,220)	301,049
<b>Total</b>	<b>8,344,441</b>	<b>9,488,176</b>	<b>10,540,087</b>
<b>Operating Income</b>	<b>1,769,195</b>	<b>1,390,497</b>	<b>469,365</b>
<b>Other Income</b>			
Allowance for equity funds used during construction	119,430	144,974	129,602
Interest and investment income	392,818	547,912	63,864
Miscellaneous — net	(210,633)	(252,539)	(129,754)
<b>Total</b>	<b>301,615</b>	<b>440,347</b>	<b>63,712</b>

Continued on next page



## 2020 FINANCIAL HIGHLIGHTS

Continued

### Consolidated Income Statements (Unaudited)

(in thousands, except share data)	For the Years Ended December 31,		
	2020	2019	2018
<b>Interest Expense</b>			
Interest expense	837,981	807,382	768,322
Allowance for borrowed funds used during construction	(52,318)	(64,957)	(60,974)
<b>Total</b>	<b>785,663</b>	<b>742,425</b>	<b>707,348</b>
<b>Income (Loss) Before Income Taxes</b>	<b>1,285,147</b>	<b>1,088,419</b>	<b>(174,271)</b>
Income taxes	(121,506)	(169,825)	(1,036,826)
<b>Consolidated Net Income</b>	<b>1,406,653</b>	<b>1,258,244</b>	<b>862,555</b>
Preferred dividend requirements of subsidiaries	18,319	17,018	13,894
<b>Net Income Attributable to Entergy Corporation</b>	<b>\$ 1,388,334</b>	<b>\$ 1,241,226</b>	<b>\$ 848,661</b>
Earnings per average common share:			
Basic	\$ 6.94	\$ 6.36	\$ 4.68
Diluted	\$ 6.90	\$ 6.30	\$ 4.63
Basic average number of common shares outstanding	200,106,945	195,195,858	181,409,597
Diluted average number of common shares outstanding	201,102,220	196,999,284	183,378,513

### Consolidated Statements of Comprehensive Income (Unaudited)

(in thousands)	For the Years Ended December 31,		
	2020	2019	2018
<b>Net Income</b>	<b>\$1,406,653</b>	<b>\$ 1,258,244</b>	<b>\$ 862,555</b>
<b>Other comprehensive income (loss)</b>			
Cash flow hedges net unrealized gain (loss) (net of tax expense (benefit) of (\$14,776), \$28,516, and \$5,830)	(55,487)	115,026	22,098
Pension and other postretirement liabilities (net of tax expense (benefit) of \$5,600, (\$6,539), and \$30,299)	22,496	(25,150)	90,143
Net unrealized investment gains (losses) (net of tax expense of \$17,586, \$14,023, and \$6,393)	30,704	27,183	(28,771)
Other comprehensive income (loss)	(2,287)	117,059	83,470
<b>Comprehensive Income</b>	<b>1,404,366</b>	<b>1,375,303</b>	<b>946,025</b>
Preferred dividend requirements of subsidiaries	18,319	17,018	13,894
<b>Comprehensive Income Attributable to Entergy Corporation</b>	<b>\$1,386,047</b>	<b>\$ 1,358,285</b>	<b>\$ 932,131</b>

## Consolidated Statements of Cash Flows (Unaudited)

(in thousands)	For the Years Ended December 31,		
	2020	2019	2018
<b>Operating Activities</b>			
Consolidated net income	\$ 1,406,653	\$ 1,258,244	\$ 862,555
Adjustments to reconcile consolidated net income to net cash flow provided by operating activities:			
Depreciation, amortization, and decommissioning, including nuclear fuel amortization	2,257,750	2,182,313	2,040,555
Deferred income taxes, investment tax credits, and non-current taxes accrued	(131,114)	193,950	(256,848)
Asset write-offs, impairments, and related charges	26,379	226,678	491,739
Changes in working capital:			
Receivables	(139,296)	(101,227)	98,546
Fuel inventory	(27,458)	(28,173)	45,839
Accounts payable	137,457	(71,898)	97,312
Taxes accrued	207,556	(20,784)	39,272
Interest accrued	7,662	937	5,220
Deferred fuel costs	(49,484)	172,146	(25,829)
Other working capital accounts	(143,451)	(3,108)	(164,173)
Changes in provisions for estimated losses	(291,193)	19,914	35,706
Changes in other regulatory assets	(784,494)	(545,559)	189,193
Changes in other regulatory liabilities	238,669	(14,781)	(803,323)
Changes in pensions and other postretirement liabilities	50,379	187,124	(304,941)
Other	(76,149)	(639,149)	34,424
<b>Net cash flow provided by operating activities</b>	<b>2,689,866</b>	<b>2,816,627</b>	<b>2,385,247</b>

Continued on next page

## 2020 FINANCIAL HIGHLIGHTS

Continued

### Consolidated Statements of Cash Flows (Unaudited)

(in thousands)	For the Years Ended December 31,		
	2020	2019	2018
<b>Investing Activities</b>			
Construction/capital expenditures	(4,694,076)	(4,197,667)	(3,942,010)
Allowance for equity funds used during construction	119,430	144,862	130,195
Nuclear fuel purchases	(215,664)	(128,366)	(302,584)
Payment for purchase of plant or assets	(247,121)	(305,472)	(26,623)
Proceeds from sale of assets	—	28,932	24,902
Insurance proceeds received for property damages	—	7,040	18,270
Changes in securitization account	5,099	3,298	(5,844)
Payments to storm reserve escrow account	(2,273)	(8,038)	(6,551)
Receipts from storm reserve escrow account	297,588	—	—
Decrease (increase) in other investments	(12,755)	30,319	(54,500)
Litigation proceeds for reimbursement of spent nuclear fuel storage costs	72,711	2,369	59,643
Proceeds from nuclear decommissioning trust fund sales	3,107,812	4,121,351	6,484,791
Investment in nuclear decommissioning trust funds	(3,203,057)	(4,208,870)	(6,485,676)
<b>Net cash flow used in investing activities</b>	<b>(4,772,306)</b>	<b>(4,510,242)</b>	<b>(4,105,987)</b>

Continued on next page



## 2020 FINANCIAL HIGHLIGHTS

Continued

### Consolidated Statements of Cash Flows (Unaudited)

(in thousands)	For the Years Ended December 31,		
	2020	2019	2018
<b>Financing Activities</b>			
<b>Proceeds from the issuance of:</b>			
Long-term debt	12,619,201	9,304,396	8,035,536
Preferred stock of subsidiary	—	33,188	73,330
Treasury stock	42,600	93,862	103,315
Common stock	—	607,650	499,272
Retirement of long-term debt	(8,152,378)	(7,619,380)	(6,965,738)
Repurchase / redemptions of preferred stock	—	(50,000)	(53,868)
Changes in credit borrowings and commercial paper — net	(319,238)	4,389	364,031
Other	(7,524)	(7,732)	26,453
<b>Dividends paid:</b>			
Common stock	(748,342)	(711,573)	(647,704)
Preferred stock	(18,502)	(16,438)	(14,185)
<b>Net cash flow provided by financing activities</b>	<b>3,415,817</b>	<b>1,638,362</b>	<b>1,420,442</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,333,377</b>	<b>(55,253)</b>	<b>(300,298)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>425,722</b>	<b>480,975</b>	<b>781,273</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 1,759,099</b>	<b>\$ 425,722</b>	<b>\$ 480,975</b>
<b>Supplemental Disclosure of Cash Flow Information:</b>			
Cash paid (received) during the period for:			
Interest — net of amount capitalized	\$ 803,923	\$ 778,209	\$ 734,845
Income taxes	\$ (31,228)	\$ (40,435)	\$ 19,825

## Consolidated Balance Sheets — Assets (Unaudited)

(in thousands)	For the Years Ended December 31,	
	2020	2019
<b>Current Assets</b>		
<b>Cash and cash equivalents:</b>		
Cash	\$ 128,851	\$ 34,242
Temporary cash investments	1,630,248	391,480
<b>Total cash and cash equivalents</b>	<b>1,759,099</b>	<b>425,722</b>
<b>Accounts receivable:</b>		
Customer	833,478	595,509
Allowance for doubtful accounts	(117,794)	(7,404)
Other	135,208	219,870
Accrued unbilled revenues	434,835	400,617
<b>Total accounts receivable</b>	<b>1,285,727</b>	<b>1,208,592</b>
Deferred fuel costs	4,380	—
Fuel inventory — at average cost	172,934	145,476
Materials and supplies — at average cost	962,185	824,989
Deferred nuclear refueling outage costs	179,150	157,568
Prepayments and other	196,424	283,645
<b>Total</b>	<b>4,559,899</b>	<b>3,045,992</b>
<b>Other Property and Investments</b>		
Decommissioning trust funds	7,253,215	6,404,030
Non-utility property — at cost (less accumulated depreciation)	343,328	332,864
Other	214,222	496,452
<b>Total</b>	<b>7,810,765</b>	<b>7,233,346</b>

Continued on next page

## 2020 FINANCIAL HIGHLIGHTS

Continued

### Consolidated Balance Sheets — Assets (Unaudited)

(in thousands)	For the Years Ended December 31,	
	2020	2019
<b>Property, Plant, and Equipment</b>		
Electric	59,696,443	54,271,467
Natural gas	610,768	547,110
Construction work in progress	2,012,030	2,823,291
Nuclear fuel	601,281	677,181
<b>Total property, plant, and equipment</b>	<b>62,920,522</b>	<b>58,319,049</b>
Less — accumulated depreciation and amortization	24,067,745	23,136,356
<b>Property, plant, and equipment — net</b>	<b>38,852,777</b>	<b>35,182,693</b>
<b>Deferred Debits and Other Assets</b>		
Regulatory assets:		
Other regulatory assets (includes securitization property of \$119,238 as of December 31, 2020 and \$239,219 as of December 31, 2019)	6,076,549	5,292,055
Deferred fuel costs	240,422	239,892
Goodwill	377,172	377,172
Accumulated deferred income taxes	76,289	64,461
Other	245,339	288,301
<b>Total</b>	<b>7,015,771</b>	<b>6,261,881</b>
<b>Total Assets</b>	<b>\$ 58,239,212</b>	<b>\$ 51,723,912</b>

Continued on next page



## 2020 FINANCIAL HIGHLIGHTS

Continued

### Consolidated Balance Sheets — Liabilities (Unaudited)

(in thousands)	For the Years Ended December 31,	
	2020	2019
<b>Current Liabilities</b>		
Currently maturing long-term debt	\$ 1,164,015	\$ 795,012
Notes payable and commercial paper	1,627,489	1,946,727
Accounts payable	2,739,437	1,499,861
Customer deposits	401,512	409,171
Taxes accrued	441,011	233,455
Interest accrued	201,791	194,129
Deferred fuel costs	153,113	197,687
Pension and other postretirement liabilities	61,815	66,184
Current portion of unprotected excess accumulated deferred income taxes	63,683	76,457
Other	206,640	201,780
<b>Total</b>	<b>7,060,506</b>	<b>5,620,463</b>
<b>Non-Current Liabilities</b>		
Accumulated deferred income taxes and taxes accrued	4,361,772	4,401,190
Accumulated deferred investment tax credits	212,494	207,113
Regulatory liability for income taxes-net	1,521,757	1,633,159
Other regulatory liabilities	2,323,851	1,961,005
Decommissioning and asset retirement cost liabilities	6,469,452	6,159,212
Accumulated provisions	242,835	534,028
Pension and other postretirement liabilities	2,853,013	2,798,265
Long-term debt (includes securitization bonds of \$174,635 as of December 31, 2020 and \$297,981 as of December 31, 2019)	21,205,761	17,078,643
Other	807,219	852,749
<b>Total</b>	<b>39,998,154</b>	<b>35,625,364</b>
<b>Commitments and Contingencies</b>		
Subsidiaries' preferred stock without sinking fund	219,410	219,410

Continued on next page

## 2020 FINANCIAL HIGHLIGHTS

Continued

### Consolidated Balance Sheets — Equity (Unaudited)

(in thousands)	For the Years Ended December 31,	
	2020	2019
<b>Equity</b>		
Common stock, \$.01 par value, authorized 500,000,000 shares; issued 270,035,180 shares in 2020 and in 2019	2,700	2,700
Paid-in capital	6,549,923	6,564,436
Retained earnings	9,897,182	9,257,609
Accumulated other comprehensive loss	(449,207)	(446,920)
Less — treasury stock, at cost (69,790,346 shares in 2020 and 70,886,400 shares in 2019)	5,074,456	5,154,150
<b>Total common shareholders' equity</b>	<b>10,926,142</b>	<b>10,223,675</b>
Subsidiaries' preferred stock without sinking fund	35,000	35,000
<b>Total</b>	<b>\$ 10,961,142</b>	<b>\$ 10,258,675</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 58,239,212</b>	<b>\$ 51,723,912</b>

## Consolidated Statements of Changes in Equity (Unaudited)

(For the Years Ended December 31, 2020, 2019, and 2018)	Common Shareholders' Equity						Total
	Subsidiaries' Preferred Stock	Common Stock	Treasury Stock	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	
<b>Balance at December 31, 2017</b>	\$ —	\$ 2,548	\$ (5,397,637)	\$ 5,433,433	\$ 7,977,702	\$ (23,531)	\$ 7,992,515
Implementation of accounting standards	—	—	—	—	576,257	(632,617)	(56,360)
<b>Balance at January 1, 2018</b>	—	2,548	(5,397,637)	5,433,433	8,553,959	(656,148)	7,936,155
Consolidated net income <sup>(a)</sup>	13,894	—	—	—	848,661	—	862,555
Other comprehensive income	—	—	—	—	—	83,470	83,470
Settlement of equity forwards through common stock issuance	—	68	—	499,932	—	—	500,000
Common stock issuance costs	—	—	—	(728)	—	—	(728)
Common stock issuances related to stock plans	—	—	123,918	18,794	—	—	142,712
Common stock dividends declared	—	—	—	—	(647,704)	—	(647,704)
Subsidiaries' capital stock redemptions	—	—	—	—	(1,723)	—	(1,723)
Preferred dividend requirements of subsidiaries <sup>(a)</sup>	(13,894)	—	—	—	—	—	(13,894)
Reclassification pursuant to ASU 2018-02	—	—	—	—	(32,043)	15,505	(16,538)
<b>Balance at December 31, 2018</b>	—	2,616	(5,273,719)	5,951,431	8,721,150	(557,173)	8,844,305
Implementation of accounting standards	—	—	—	—	6,806	(6,806)	—
<b>Balance at January 1, 2019</b>	—	2,616	(5,273,719)	5,951,431	8,727,956	(563,979)	8,844,305
Consolidated net income <sup>(a)</sup>	17,018	—	—	—	1,241,226	—	1,258,244
Other comprehensive income	—	—	—	—	—	117,059	117,059
Settlement of equity forwards through common stock issuance	—	84	—	607,566	—	—	607,650
Common stock issuance costs	—	—	—	(7)	—	—	(7)
Common stock issuances related to stock plans	—	—	119,569	5,446	—	—	125,015
Common stock dividends declared	—	—	—	—	(711,573)	—	(711,573)
Subsidiary's preferred stock issuance	35,000	—	—	—	—	—	35,000
Preferred dividend requirements of subsidiaries <sup>(a)</sup>	(17,018)	—	—	—	—	—	(17,018)
<b>Balance at December 31, 2019</b>	35,000	2,700	(5,154,150)	6,564,436	9,257,609	(446,920)	10,258,675

(a) Consolidated net income and preferred dividend requirements of subsidiaries include \$16.5 million for 2020, \$16.5 million for 2019, and \$13.9 million for 2018 of preferred dividends on subsidiaries' preferred stock without sinking fund that is not presented as equity.

Continued on next page



## 2020 FINANCIAL HIGHLIGHTS

Continued

### Consolidated Statements of Changes In Equity (Unaudited)

(For the Years Ended December 31, 2020, 2019, and 2018)	Common Shareholders' Equity						Total
	Subsidiaries' Preferred Stock	Common Stock	Treasury Stock	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	
<b>Balance at December 31, 2019</b>	35,000	2,700	(5,154,150)	6,564,436	9,257,609	(446,920)	10,258,675
Implementation of accounting standards	—	—	—	—	(419)	—	(419)
<b>Balance at January 1, 2020</b>	35,000	2,700	(5,154,150)	6,564,436	9,257,190	(446,920)	10,258,256
Consolidated net income <sup>(a)</sup>	18,319	—	—	—	1,388,334	—	1,406,653
Other comprehensive loss	—	—	—	—	—	(2,287)	(2,287)
Common stock issuances related to stock plans	—	—	79,694	(14,513)	—	—	65,181
Common stock dividends declared	—	—	—	—	(748,342)	—	(748,342)
Preferred dividend requirements of subsidiaries <sup>(a)</sup>	(18,319)	—	—	—	—	—	(18,319)
<b>Balance at December 31, 2020</b>	<b>\$ 35,000</b>	<b>\$ 2,700</b>	<b>\$ (5,074,456)</b>	<b>\$ 6,549,923</b>	<b>\$ 9,897,182</b>	<b>\$ (449,207)</b>	<b>\$ 10,961,142</b>

(a) Consolidated net income and preferred dividend requirements of subsidiaries include \$16.5 million for 2020, \$16.5 million for 2019, and \$13.9 million for 2018 of preferred dividends on subsidiaries' preferred stock without sinking fund that is not presented as equity.

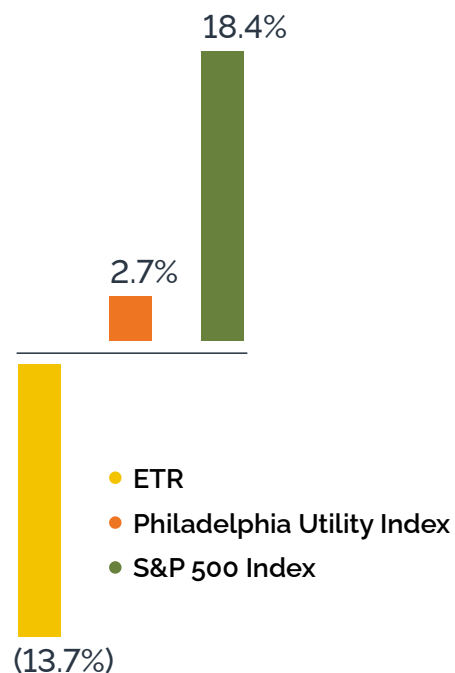


# 2020 KEY PERFORMANCE INDICATORS

## 2020 KEY PERFORMANCE INDICATORS

Entergy provides key performance indicators that inform our investment community and other stakeholders on our sustainability progress. In recent years, we enhanced both the organization and number of KPIs within our performance data table. Through an initiative with the Edison Electric Institute, Entergy reports many relevant sustainability KPIs that are consistent across our sector in terms of content, timing, and presentation. Information provided includes both quantitative and qualitative data that describes where we are in each corresponding sustainability area as well as our expected trajectory.

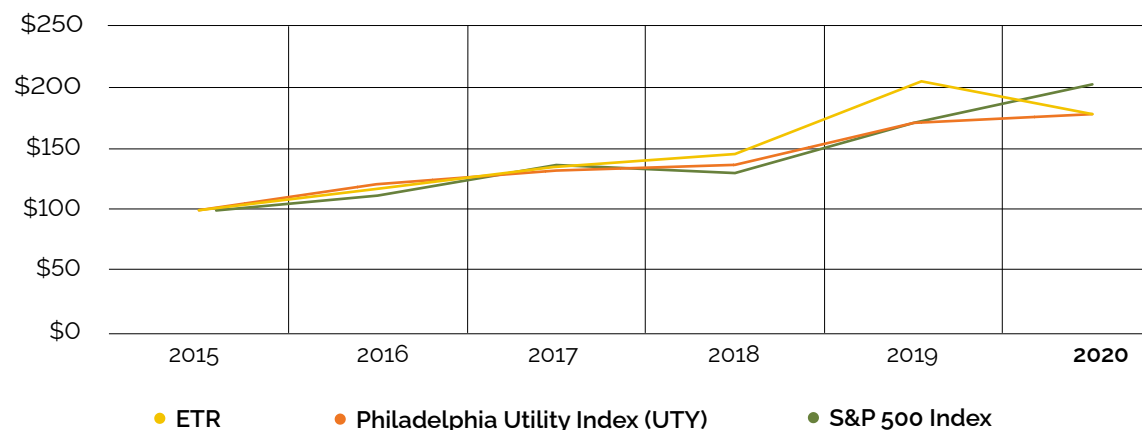
### 2020 Total Shareholder Return



Source: Bloomberg

### Comparison of Five-Year Cumulative Return

The following graph compares the performance of the common stock of Entergy Corporation with the Philadelphia Utility Index and the S&P 500 Index (each of which includes Entergy Corporation) for the last five years ended December 31.



	2015	2016	2017	2018	2019	2020
ETR	\$ 100.00	\$112.52	\$130.40	\$ 144.22	\$208.16	<b>\$ 179.62</b>
UTY	\$ 100.00	\$117.40	\$132.45	\$ 137.11	\$173.87	<b>\$ 178.61</b>
S&P 500 Index	\$ 100.00	\$111.95	\$136.38	\$ 130.39	\$171.44	<b>\$202.96</b>

Assumes \$100 invested at the closing price on December 31, 2015, in Entergy Corporation common stock, the Philadelphia Utility Index, and the S&P 500 Index, and reinvestment of all dividends.

Source: Bloomberg

### Credit Ratings as of March 26, 2021

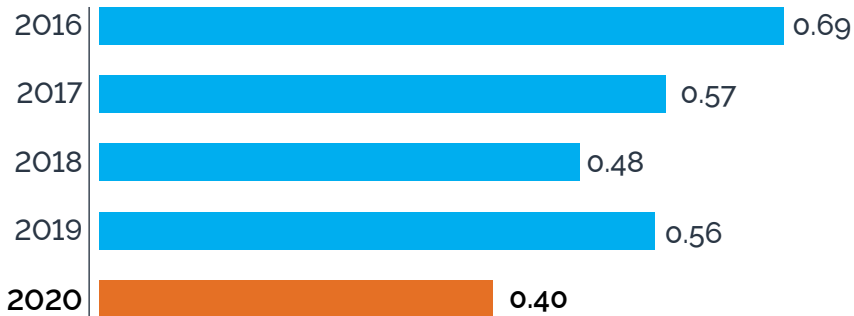
Entity	Standard & Poor's		Moody's	
	Rating	Outlook	Rating	Outlook
Entergy Arkansas <sup>1</sup>	A	Stable	A2	Stable
Entergy Louisiana <sup>1</sup>	A	Stable	A2	Stable
Entergy Mississippi <sup>1</sup>	A	Stable	A2	Stable
Entergy New Orleans <sup>1</sup>	A	Stable	Baa2	Stable
Entergy Texas <sup>1</sup>	A	Stable	Baa1	Positive
System Energy Resources <sup>1</sup>	A	Stable	Baa1	Positive
Entergy Corporation <sup>2</sup>	BBB+	Stable	Baa2	Stable

<sup>1</sup> Senior secured ratings    <sup>2</sup> Corporate credit rating



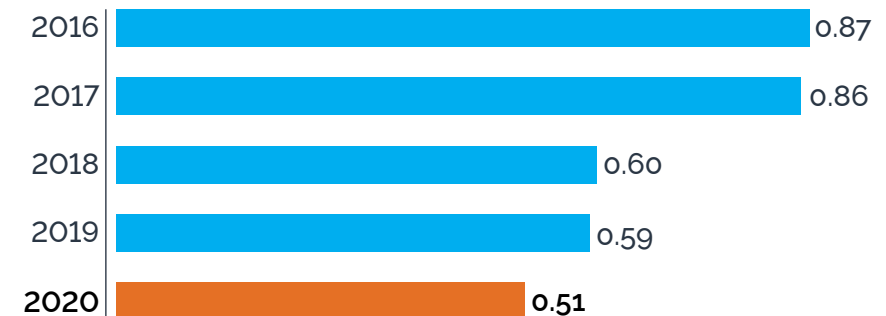
## Economic/Operational

### Employee Year-Ending Total Recordable Incident Rate



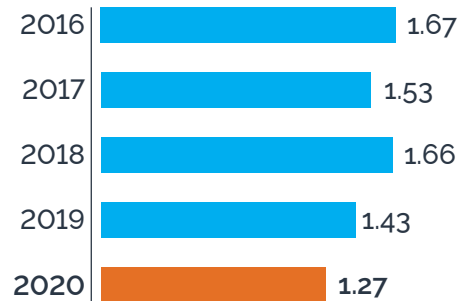
Entergy contractors achieved a total recordable incident rate of 0.51 in 2020 compared to 0.59 in 2019 and 0.60 in 2018.

### Contractor Year-Ending Total Recordable Incident Rate



**Recordable incident rate:** Number of recordable incidents per 100 full-time equivalents. Recordable incidents include fatalities, lost-time accidents, restricted-duty accidents, and medical attentions. Not inclusive of potential work-related COVID-19 cases.

### Outage Frequency



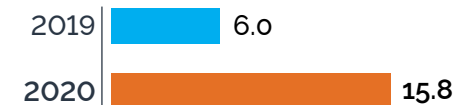
**System average interruption frequency index:** Average number per customer per year, excluding the impact of major storm activity.

### Outage Duration



**System average interruption duration index:** Average minutes per customer per year, excluding the impact of major storm activity.

### Net Promoter Score



**Net Promoter Score:** When asked the likelihood that the respondent would recommend Entergy to a friend or colleague, the percentage of promoters (scores 9-10) less the percentage of detractors (scores 0-6), multiplied by 100.

## Economic/Operational

### EWC Nuclear Fleet Capacity Factor



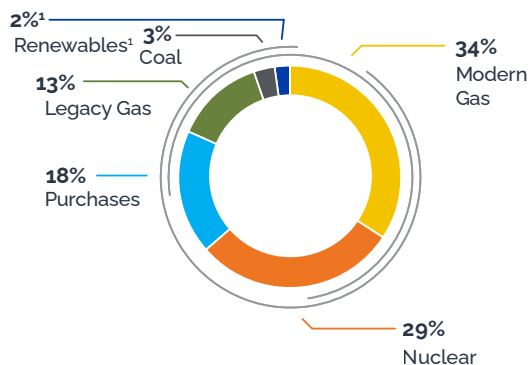
**Capacity factor:** Normalized percentage of the period that the nuclear plants generate power.

### Utility Nuclear Fleet Capability Factor



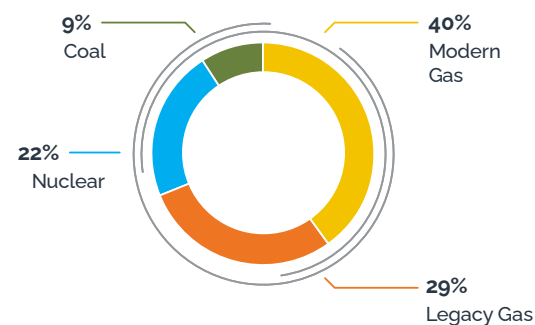
**Capability factor:** Percentage of the maximum energy a plant is capable of supplying to the grid, limited only by factors within control of plant management. Plant performance based on 18/24-month operating cycle.

### 2020 Generation Sources (MWh)



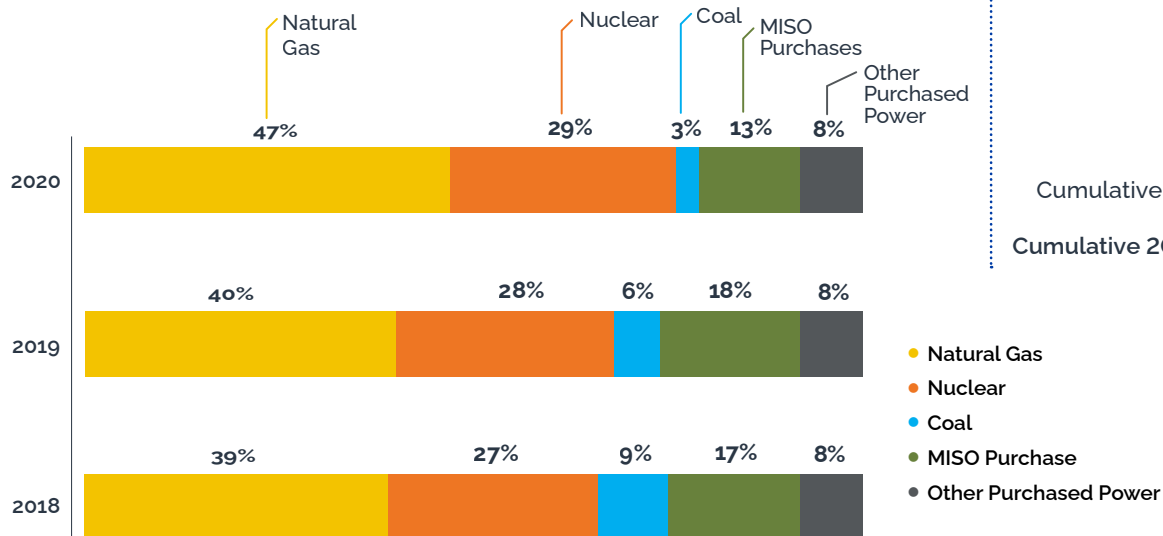
<sup>1</sup> Includes generation from both owned and purchased power resources as well as renewable energy credits

### Owned and Leased Capability as of 12/31/20 (MW)

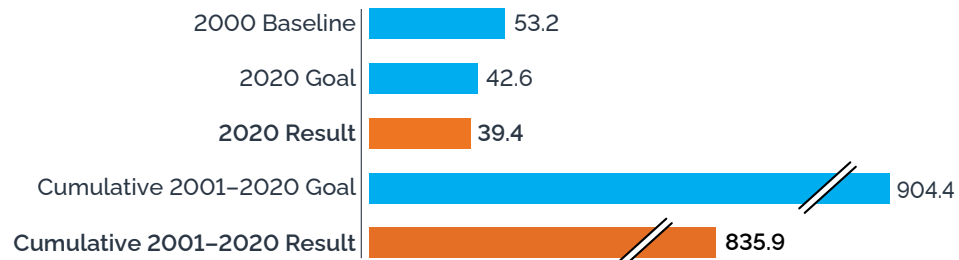


## Environmental

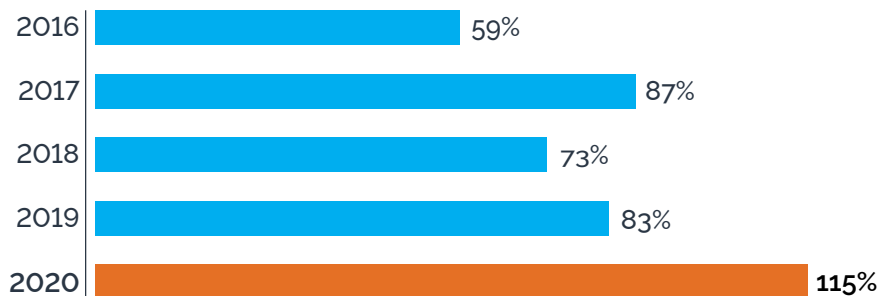
### Generation Sources Used to Meet Utility Demand (MW)



### Environment 2020 Goal Entergy CO2 Emissions (million short tons)



### Percent of Coal Combustion By-product Managed for Beneficial Use



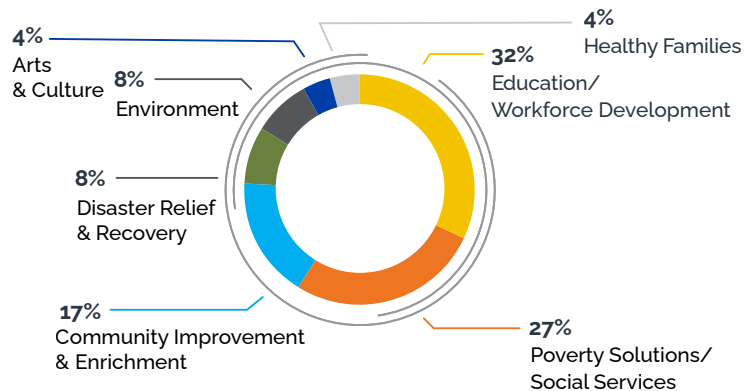
### Entergy 2030 Goal Entergy Utility CO2 Emissions Rate (pounds per MWh)



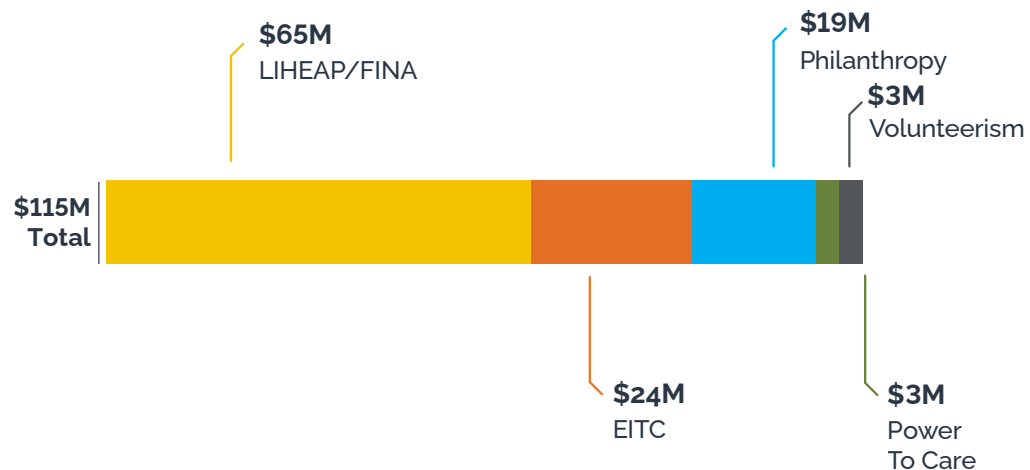


## Social

### 2020 Philanthropy Invested \$19 Million



### Delivering Value through Philanthropy, Volunteerism, and Advocacy



### Employee and Retiree Volunteerism (hours in thousands)



### Organizational Health Index Survey Employee Participation



### Organizational Health Index Score



Social

Our Workforce

2020 Entergy workforce by gender

**21%** Female **79%** Male

2020 U.S. Bureau of Labor statistic

**Average for U.S. utilities**

**20%** Female **80%** Male

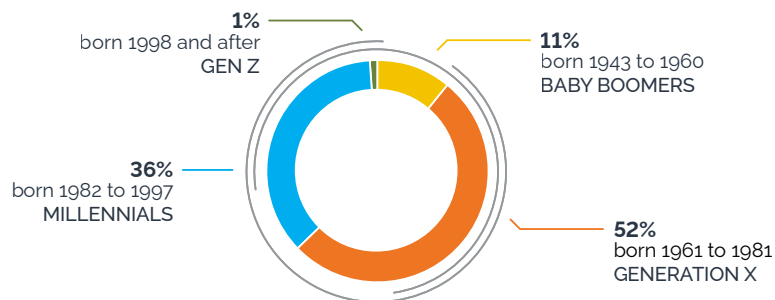
2020 Entergy management

**Workforce by gender**

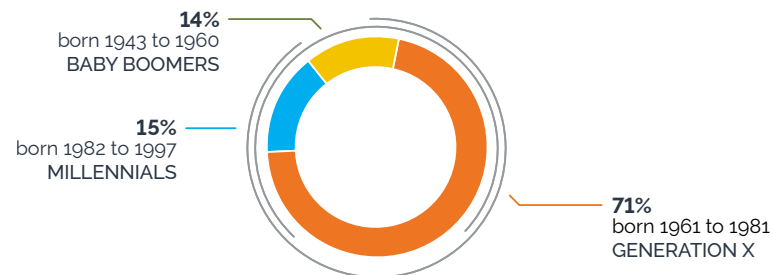
**21%** Female **79%** Male

*Based on EEO-1 classification*

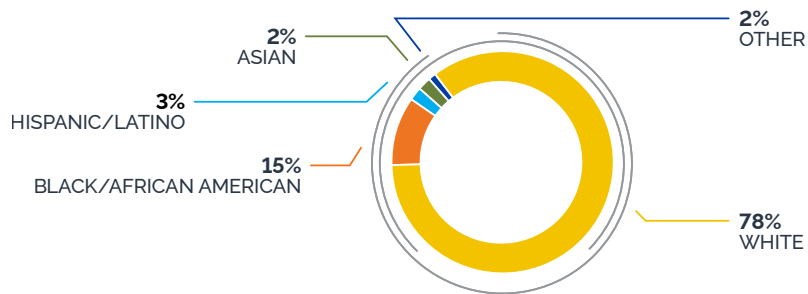
2020 Entergy Workforce by Generation



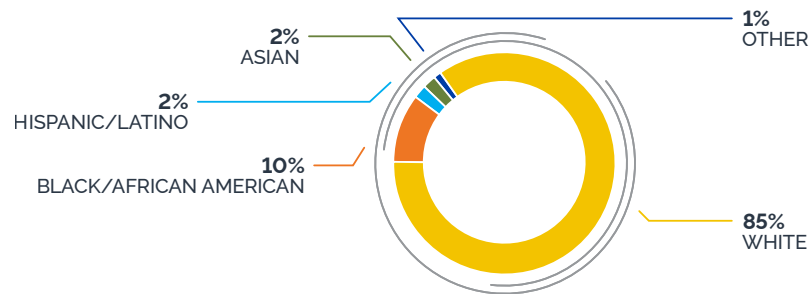
2020 Entergy Management Workforce by Generation  
Based on EEO-1 classification



2020 Entergy Workforce by Ethnicity



2020 Entergy Management Workforce by Ethnicity  
Based on EEO-1 classification





# ABOUT THIS REPORT



### Our Reporting

This integrated report presents Entergy's 2020 economic, environmental, social, and governance performance. The report relies upon guidance issued by the Global Reporting Initiative, the world's most widely used sustainability reporting framework. Our 2020 reporting is in accordance with the GRI standards, including the Electric Utility Sector Supplement. Further detail is provided in the online index and performance data table, found in Environmental, Social, and Governance Disclosures, available at [entergy.com/sustainability/disclosures/](https://www.entergy.com/sustainability/disclosures/). We continue to review our reporting and disclosures and make improvements as appropriate to offer greater transparency on Entergy's performance to our stakeholders. For example, we partner with the Edison Electric Institute on a reporting template that helps EEI member companies provide more uniform, consistent metrics and supporting information for investors. The template can be found under Environmental, Social, and Governance Disclosures, available at [entergy.com/sustainability/](https://www.entergy.com/sustainability/).

In 2020 we added disclosures for the Sustainability Accounting Standards Board and the CDP, both also available at [entergy.com/sustainability/disclosures/](https://www.entergy.com/sustainability/disclosures/).

This report includes 2020 data from Entergy's primary business segments, which operate entirely within the United States.

Assurance of financial data in this report comes from our internal controls over financial reporting, which Entergy management assesses annually using criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control — Integrated Framework. Deloitte & Touche LLP has issued an attestation report on the effectiveness of Entergy's

internal control over financial reporting as of December 31, 2020.

Our 2020 greenhouse gas inventory is reported in accordance with international standards (ISO 14064-1) and was verified by an independent third party in accordance with international standards (ISO 14064-3) in early 2021. The GHG inventory is available at [americancarbonregistry.org](https://www.americancarbonregistry.org) and [entergy.com/environment](https://www.entergy.com/environment).

We invite you to engage with us by visiting [entergy.com/integratedcontact](https://www.entergy.com/integratedcontact). We welcome your feedback and suggestions to help us continue to improve our reporting.

### Supporting United Nations Sustainable Development Goals

The Sustainable Development Goals, adopted by all United Nations Member States in 2015, are the blueprint to achieve a better and more sustainable future for all. Entergy Corporation's strategies and initiatives align with these goals, especially:







# **FORWARD-LOOKING INFORMATION AND REGULATION G COMPLIANCE**



## Forward-Looking Information

In this combined report and from time to time, Entergy Corporation and the Registrant Subsidiaries each makes statements as a registrant concerning its expectations, beliefs, plans, objectives, goals, projections, strategies, and future events or performance. Such statements are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "may," "will," "could," "project," "believe," "anticipate," "intend," "expect," "estimate," "continue," "potential," "plan," "predict," "forecast," and other similar words or expressions are intended to identify forward-looking statements but are not the only means to identify these statements. Although each of these registrants believes that these forward-looking statements and the underlying assumptions are reasonable, it cannot provide assurance that they will prove correct. Any forward-looking statement is based on information current as of the date of this combined report and speaks only as of the date on which such statement is made. Except to the extent required by the federal securities laws, these registrants undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Forward-looking statements involve a number of risks and uncertainties. There are factors that could cause actual results to differ materially from those expressed or implied in the forward-looking statements, including (a) those factors discussed or incorporated by reference in Item 1A. Risk Factors contained in the Form 10-K for the year ended December 31, 2020, (b) those factors discussed or incorporated by reference in Management's Financial Discussion and Analysis contained in the Form 10-K for the year ended December 31, 2020, and (c) the following factors

(in addition to others described elsewhere in this combined report and in subsequent securities filings):

- resolution of pending and future rate cases and related litigation, formula rate proceedings and related negotiations, including various performance-based rate discussions, Entergy's utility supply plan, and recovery of fuel and purchased power costs, as well as delays in cost recovery resulting from these proceedings;
- continuing long-term risks and uncertainties associated with the termination of the System Agreement in 2016, including the potential absence of federal authority to resolve certain issues among the Utility operating companies and their retail regulators;
- regulatory and operating challenges and uncertainties and economic risks associated with the Utility operating companies' participation in MISO, including the benefits of continued MISO participation, the effect of current or projected MISO market rules and market and system conditions in the MISO markets, the allocation of MISO system transmission upgrade costs, the MISO-wide base rate of return on equity allowed or any MISO-related charges and credits required by the FERC, and the effect of planning decisions that MISO makes with respect to future transmission investments by the Utility operating companies;
- changes in utility regulation, including with respect to retail and wholesale competition, the ability to recover net utility assets and other potential stranded costs, and the application of more stringent return on equity criteria, transmission reliability requirements or market power criteria by the FERC or the U.S. Department of Justice;
- changes in the regulation or regulatory oversight of Entergy's nuclear generating facilities and

- nuclear materials and fuel, including with respect to the planned or actual shutdown and sale of each of the nuclear generating facilities owned or operated by Entergy Wholesale Commodities, and the effects of new or existing safety or environmental concerns regarding nuclear power plants and nuclear fuel;
- resolution of pending or future applications, and related regulatory proceedings and litigation, for license modifications or other authorizations required of nuclear generating facilities and the effect of public and political opposition on these applications, regulatory proceedings, and litigation;
- the performance of and deliverability of power from Entergy's generation resources, including the capacity factors at Entergy's nuclear generating facilities;
- increases in costs and capital expenditures that could result from changing regulatory requirements, emerging operating and industry issues, and the commitment of substantial human and capital resources required for the safe and reliable operation and maintenance of Entergy's nuclear generating facilities;
- Entergy's ability to develop and execute on a point of view regarding future prices of electricity, natural gas, and other energy-related commodities;
- prices for power generated by Entergy's merchant generating facilities and the ability to hedge, meet credit support requirements for hedges, sell power forward or otherwise reduce the market price risk associated with those facilities, including the Entergy Wholesale Commodities nuclear plants, especially in light of the planned shutdown and sale of each of these nuclear plants;
- the prices and availability of fuel and power



## FORWARD-LOOKING INFORMATION AND REGULATION G COMPLIANCE

- Entergy must purchase for its Utility customers, and Entergy's ability to meet credit support requirements for fuel and power supply contracts;
- volatility and changes in markets for electricity, natural gas, uranium, emissions allowances, and other energy-related commodities, and the effect of those changes on Entergy and its customers;
  - changes in law resulting from federal or state energy legislation or legislation subjecting energy derivatives used in hedging and risk management transactions to governmental regulation;
  - changes in environmental laws and regulations, agency positions or associated litigation, including requirements for reduced emissions of sulfur dioxide, nitrogen oxide, greenhouse gases, mercury, particulate matter and other regulated air emissions, heat and other regulated discharges to water, requirements for waste management and disposal and for the remediation of contaminated sites, wetlands protection and permitting, and changes in costs of compliance with environmental laws and regulations;
  - changes in laws and regulations, agency positions, or associated litigation related to protected species and associated critical habitat designations;
  - the effects of changes in federal, state, or local laws and regulations, and other governmental actions or policies, including changes in monetary, fiscal, tax, environmental, trade/tariff, domestic purchase requirements, or energy policies;
  - the effects of full or partial shutdowns of the federal government or delays in obtaining government or regulatory actions or decisions;
  - uncertainty regarding the establishment of interim or permanent sites for spent nuclear fuel and nuclear waste storage and disposal and the level of spent fuel and nuclear waste disposal fees charged by the U.S. government or other providers related to such sites;
  - variations in weather and the occurrence of hurricanes and other storms and disasters, including uncertainties associated with efforts to remediate the effects of hurricanes (including from Hurricane Laura, Hurricane Delta, and Hurricane Zeta), ice storms, or other weather events and the recovery of costs associated with restoration, including accessing funded storm reserves, federal and local cost recovery mechanisms, securitization, and insurance, as well as any related unplanned outages;
  - the risk that an incident at any nuclear generation facility in the U.S. could lead to the assessment of significant retrospective assessments and/or retrospective insurance premiums as a result of Entergy's participation in a secondary financial protection system, a utility industry mutual insurance company, and industry self-insurance programs;
  - effects of climate change, including the potential for increases in extreme weather events and sea levels or coastal land and wetland loss;
  - changes in the quality and availability of water supplies and the related regulation of water use and diversion;
  - Entergy's ability to manage its capital projects, including completion of projects timely and within budget and to obtain the anticipated performance or other benefits, and its operation and maintenance costs;
  - Entergy's ability to purchase and sell assets at attractive prices and on other attractive terms;
  - the economic climate, and particularly economic conditions in Entergy's Utility service area and the northern United States and events and circumstances that could influence economic conditions in those areas, including power prices, and the risk that anticipated load growth may not materialize;
  - changes to federal income tax laws and regulations, including continued impact of the Tax Cuts and Jobs Act and its intended and unintended consequences on financial results and future cash flows;
  - the effects of Entergy's strategies to reduce tax payments;
  - changes in the financial markets and regulatory requirements for the issuance of securities, particularly as they affect access to capital and Entergy's ability to refinance existing securities, execute share repurchase programs, and fund investments and acquisitions;
  - actions of rating agencies, including changes in the ratings of debt and preferred stock, changes in general corporate ratings, and changes in the rating agencies' ratings criteria;
  - changes in inflation and interest rates;
  - the effects of litigation and government investigations or proceedings;
  - changes in technology, including (i) Entergy's ability to implement new or emerging technologies, (ii) the impact of changes relating to new, developing, or alternative sources of generation such as distributed energy and energy storage, renewable energy, energy efficiency, demand side management and other measures that reduce load and government policies incentivizing development of the foregoing, and (iii) competition from other companies offering products and services to Entergy's customers based on new or emerging technologies or alternative sources of generation;

## FORWARD-LOOKING INFORMATION AND REGULATION G COMPLIANCE

- Entergy's ability to effectively formulate and implement plans to reduce its carbon emission rate and aggregate carbon emissions, including its commitment to achieve net-zero carbon emissions by 2050, and the potential impact on its business of attempting to achieve such objectives;
- the effects, including increased security costs, of threatened or actual terrorism, cyber-attacks or data security breaches, natural or man-made electromagnetic pulses that affect transmission or generation infrastructure, accidents, and war or a catastrophic event such as a nuclear accident or a natural gas pipeline explosion;
- the effects of a global event or pandemic, such as the COVID-19 global pandemic, including economic and societal disruptions; volatility in the capital markets (and any related increased cost of capital or any inability to access the capital markets or draw on available bank credit facilities); reduced demand for electricity, particularly from commercial and industrial customers; increased or unrecoverable costs; supply chain, vendor, and contractor disruptions; delays in completion of capital or other construction projects, maintenance, and other operations activities, including prolonged or delayed outages; impacts to Entergy's workforce availability, health, or safety; increased cybersecurity risks as a result of many employees telecommuting; increased late or uncollectible customer payments; regulatory delays; executive orders affecting, or increased regulation of, Entergy's business; changes in credit ratings or outlooks as a result of any of the foregoing; or other adverse impacts on Entergy's ability to execute on its business strategies and initiatives or, more generally, on Entergy's results of operations, financial condition, and liquidity;
- Entergy's ability to attract and retain talented management, directors, and employees with specialized skills;
- Entergy's ability to attract, retain, and manage an appropriately qualified workforce;
- changes in accounting standards and corporate governance;
- declines in the market prices of marketable securities and resulting funding requirements and the effects on benefits costs for Entergy's defined benefit pension and other postretirement benefit plans;
- future wage and employee benefit costs, including changes in discount rates and returns on benefit plan assets;
- changes in decommissioning trust fund values or earnings or in the timing of, requirements for, or cost to decommission Entergy's nuclear plant sites and the implementation of decommissioning of such sites following shutdown;
- the decision to cease merchant power generation at all Entergy Wholesale Commodities nuclear power plants by mid-2022, including the implementation of the planned shutdowns and sales of Indian Point 2, Indian Point 3, and Palisades;
- the effectiveness of Entergy's risk management policies and procedures and the ability and willingness of its counterparties to satisfy their financial and performance commitments;
- the potential for the factors listed herein to lead to the impairment of long-lived assets; and
- Entergy and its subsidiaries' ability to successfully execute on their business strategies, including their ability to complete strategic transactions that Entergy may undertake.

## Regulation G Compliance

This report includes the non-GAAP financial measure of adjusted earnings per share. The reconciliation of this measure to the most directly comparable GAAP measure is below.

2020

### GAAP to Non-GAAP Reconciliation — Adjusted Earnings and Earnings Per Share

(\$ in millions, except diluted average common shares outstanding)

<b>Net income attributable to ETR Corp</b>	<b>1,388</b>
Less adjustments:	
Utility	
SERI regulatory liability for potential refund for rate base reduction retroactive to 2015	(25)
Income tax effect on Utility adjustment above	6
2014/2015 IRS settlement — E-LA business combination	396
Total Utility	377
Parent & Other	
2014/2015 IRS settlement — E-LA business combination	(61)
Total Parent & Other	(61)
EWC	(65)
Total adjustments	250
<b>ETR Adjusted Earnings</b>	<b>1,138</b>
Diluted average common shares outstanding (in millions)	201
(After-tax, \$ per share) <sup>(a)</sup>	
<b>Net income attributable to ETR Corp</b>	<b>6.90</b>
Less adjustments:	
Utility	
SERI regulatory liability for potential refund for rate base reduction retroactive to 2015	(0.09)
2014/2015 IRS settlement — E-LA business combination	1.96
Total Utility	1.87

Calculations may differ due to rounding.

(a) Per share amounts are calculated by dividing the corresponding earnings (loss) by the diluted average number of common shares outstanding or the period.

Continued on next page



## FORWARD-LOOKING INFORMATION AND REGULATION G COMPLIANCE

Continued

2020

### GAAP to Non-GAAP Reconciliation — Adjusted Earnings and Earnings Per Share

Parent & Other	
2014/2015 IRS Settlement — E-LA business combination	(0.31)
Total Parent & Other	(0.31)
EWC	(0.32)
Total adjustments	1.24
<b>ETR Adjusted Earnings</b>	<b>5.66</b>

Calculations may differ due to rounding.



# INVESTOR INFORMATION

## Shareholder Materials

Visit our investor relations website at [entergy.com/investor\\_relations](http://entergy.com/investor_relations) for earnings reports, financial releases, SEC filings, and other investor information, including Entergy's Corporate Governance Guidelines; Board Committee Charters for the audit, corporate governance, and personnel committees; and Entergy's Code of Entegrity and other ethics policies. You can also request and receive information via email. Printed copies of the above are also available without charge by calling 504-576-5225 or writing to:

Entergy Corporation Investor Relations  
P.O. Box 61000  
New Orleans, LA 70161

## Individual Investor Inquiries

Individual shareholders may contact Shareholder Services at 504-576-3074.

## Institutional Investor Inquiries

Securities analysts and representatives of financial institutions may contact William Abler, Vice President, Investor Relations, at 281-297-5436 or [wabler@entergy.com](mailto:wabler@entergy.com).

## Shareholder Account Information

EQ Shareowner Services is Entergy's transfer agent, registrar, dividend disbursing agent, and dividend reinvestment and stock purchase plan agent. Shareholders of record with questions about lost certificates, lost or missing dividend checks, or notifications of change of address should contact:

EQ Shareowner Services  
P.O. Box 64874  
St. Paul, MN 55164-0874  
Phone: 1-855-854-1360  
Online: [shareowneronline.com](http://shareowneronline.com)

## Common Stock Information

The company's common stock is listed on the New York and Chicago exchanges under the symbol "ETR." The Entergy share price is reported daily in the financial press under "Entergy" in most listings of New York Stock Exchange securities. Entergy common stock is a component of the following indices: S&P 500, S&P Utilities Index, Philadelphia Utility Index, and the NYSE Composite Index, among others.

As of February 1, 2021, there were 201,061,356 shares of Entergy common stock outstanding. Shareholders of record totaled 22,815. On February 3, 2021, there were 285,318 investors holding Entergy stock in "street name" through a broker.

## Certifications

In June 2020, Entergy's chief executive officer certified to the New York Stock Exchange that he was not aware of any violation of the NYSE corporate governance listing standards. Also, Entergy filed certifications regarding the quality of the company's public disclosure, required by Section 302 of the Sarbanes-Oxley Act of 2002, as exhibits to our Annual Report on Form 10-K for the fiscal year ended December 31, 2020.

## Dividend Payments

All of Entergy's 2020 distributions were non-dividend distributions. The Board of Directors declares dividends quarterly and sets the record and payment dates. Subject to Board discretion, those dates for 2021 are:

Declaration Date	Record Date	Payment Date
January 29	February 12	March 1
April 12	May 6	June 1
July 30	August 12	September 1
October 29	November 15	December 1

## Quarterly Dividend Payments (in cents per share)

Quarter	2021	2020	2019	2018	2017
1	95	93	91	89	87
2		93	91	89	87
3		93	91	89	87
4		95	93	91	89

## Dividend Reinvestment/Stock Purchase

Entergy offers an automatic Dividend Reinvestment and Stock Purchase Plan administered by EQ Shareowner Services. The plan is designed to provide Entergy shareholders and other investors with a convenient and economical method to purchase shares of the company's common stock. The plan also accommodates payments of up to \$10,000 per month for the purchase of Entergy common shares. First-time investors may make an initial minimum purchase of \$250. Contact EQ Shareowner Services by telephone or internet for information and an enrollment form.

## Direct Registration System

Entergy has elected to participate in a Direct Registration System that provides investors with an alternative method for holding shares. DRS will permit investors to move shares between the company's records and the broker/dealer of their choice.





*Entergy*

639 Loyola Ave. New Orleans, LA

[Entergy.com](http://Entergy.com)