



Entergy sustainable financing framework

August 2022



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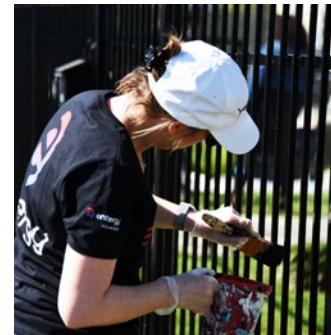
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We power life today and for future generations

That means we do more than provide electric and natural gas service. It means we're listening so we can continue to better serve, better support, and better build the future, together. Day in and day out, we're working to improve lives, build businesses and create prosperity across our diverse communities.



Entergy company overview

Who we are

Entergy, a Fortune 500 company headquartered in New Orleans, Louisiana, powers life for 3 million customers through its operating companies across Arkansas, Louisiana, Mississippi and Texas. Entergy is creating a cleaner, more resilient energy future with our diverse power generation portfolio, including increasingly carbon-free energy sources. With roots in the Gulf South region for more than a century, Entergy is a recognized leader in corporate citizenship, delivering more than \$100 million annually over the last several years in economic benefits to local communities through philanthropy and advocacy efforts.

Entergy operates primarily through two business segments: Utility and Entergy Wholesale Commodities.

- The **utility** business segment includes the generation, transmission, distribution, and sale of electric power in portions of Arkansas, Mississippi, Texas, and Louisiana, including the

City of New Orleans, and operation of a small natural gas distribution business.

- The **Entergy wholesale commodities** business segment previously included the ownership, operation, and decommissioning of nuclear power plants located in the northern United States and the sale of the electric power produced by its operating plants to wholesale customers. With the sale of its last remaining merchant nuclear plant in June 2022, Entergy has now completed its exit of the merchant nuclear business, which was the principal business of Entergy Wholesale Commodities. Entergy expects that the Entergy Wholesale Commodities segment will no longer be a reportable business segment beginning in first-quarter 2023.

Within the Entergy sustainable financing framework, “the company,” “we,” “us,” and “our” generally refer to Entergy and its consolidated subsidiaries.

Our mission

We exist to grow a world-class energy business that creates sustainable value for our four stakeholders: **customers, employees, communities and owners.**



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 affordable.



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-quartile corporate social responsibility performance. We are active in economic development, philanthropy, volunteerism, and advocacy, and we operate our business safely, resiliently, 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.

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Entergy sustainability overview

Entergy is imagining and creating a bold future using sustainable business practices that integrate environmental, social, and economic objectives into our business strategy and all we do.

Our strategies, plans, and actions, discussed further in our [Integrated Report](#), are aimed at managing risks and realizing opportunities across Entergy’s full value chain, from our customers to our company operations to our suppliers.

With sustainability as a guiding principle and business strategy, we are generating positive outcomes for all of our stakeholders. Entergy is focused on these key sustainability initiatives:

- Aggressively addressing climate change through actions that reduce our greenhouse gas emissions while balancing affordability and reliability.
- Fueling our economy and reducing societal emissions of greenhouse gases by capitalizing on unique growth opportunities for which we are geographically and operationally well-positioned.
- Further mitigating climate change through measures to protect and restore natural resources.
- Addressing the physical impact of climate change by accelerating investment in stronger, more resilient infrastructure

and leveraging partnerships to increase the resilience of our communities to the impacts of climate change.

- Building stronger communities through corporate citizenship in ways that improve lives, build businesses, and create prosperity.
- Focusing on our relentless safety objective: “Everyone safe—all day, every day.”
- Recruiting and retaining a workforce that reflects the communities we serve and has the skills needed to meet our objectives.

Creating a low carbon energy future

In 2001, Entergy was the first U.S. utility to set a voluntary CO₂ emission reduction goal, which we outperformed. We continued to raise the bar by setting a new goal in 2019 to reduce our utility carbon emission rate by 50% from 2000 levels by 2030 and a commitment in 2020 to achieve net-zero greenhouse gas emissions by 2050. Under our current plan, we now believe we will achieve our 2030 goal well ahead of schedule and are working to define the path to achieve our 2050 net-zero commitment.

Entergy has one of the cleanest large-scale utility generation fleets in the nation on an emission rate basis, including more than five gigawatts of carbon-free nuclear capacity, a fleet of highly efficient gas resources, and a fast-growing portfolio of renewable resources. While growing our portfolio of low- and zero-carbon generation resources, we are also retiring older, less efficient, and higher emitting resources. In 2021, our remaining coal assets accounted for less than 5% of our revenue and less than 2% of our rate base. Our plan is to retire all coal-powered capacity by the end of 2030.

The opportunity for a significant expansion of our renewable energy portfolio presented by favorable operational and economic conditions coincides with our customers’ rapidly increasing demand for emission-free energy. This is particularly true among the concentration of larger commercial and industrial customers across Entergy’s service area, many of whom look to Entergy to help them achieve their own emission reduction goals. As this demand increases, it creates the potential to accelerate renewables deployment beyond the 11 gigawatts currently planned by the end of 2030.



However, our customers' needs go far beyond that. Within our large industrial customer base, comprising 44% of our total 2021 demand, are myriad forms of on-site equipment and processes that utilize fossil fuels and are thus a source of our customers' scope 1 emissions. To achieve their decarbonization goals, these customers will need to modify their operations and processes to minimize or eliminate scope 1 emissions. They are evaluating a wide set of solutions including electrification, carbon capture and storage, clean hydrogen, biofuels, and energy efficiency. Electrification is a top choice to replace and decarbonize aging equipment such as heaters, boilers, turbines, and compressors. Carbon capture and storage and clean hydrogen production will also need to be powered by clean generation.

Our three-phase approach to achieving net-zero emissions

2001-2020	2020-2030	2030-2050
<p>One of the lowest CO₂ emission rates in the electric power sector</p>	<p>A plan to reduce our carbon intensity 50% by 2030</p>	<p>Committed to net-zero greenhouse gas emissions by 2050</p>
<p>Between 2001 and 2020, after voluntarily committing to stabilize and reduce our emissions, Entergy reduced its carbon emissions by almost 25%.</p> <p>Entergy currently maintains one of the lowest CO₂ emission rates in the industry with a combination of nuclear, renewable and natural gas-powered generation.</p>	<p>Over the current decade, Entergy is committed to reducing its carbon emissions intensity by 50% below 2000 levels by 2030, while enabling carbon reductions throughout the economy through support of our customers (e.g., industrial and transportation sectors). In fact, we expect to achieve 50% reduction before 2030, even as early as 2025.</p>	<p>In 2020, Entergy expanded its climate commitment to include all greenhouse gas emissions and achieving net-zero greenhouse gas emissions (scope 1, 2 and 3) by 2050.</p>

Our comprehensive climate strategy includes other important elements that will help us achieve our net-zero ambition while also meeting the needs and expectations of our customers and other stakeholders.

- Entergy is a leader in accelerating the development of the hydrogen economy, including hydrogen co-firing in combined cycle gas turbines and expanding the infrastructure needed to produce hydrogen using renewable or other carbon-free energy resources and delivering the hydrogen to end users. We've entered into a 10-year joint development agreement with Mitsubishi to develop decarbonization strategies and technologies, beginning with Entergy Texas' proposed Orange County Advanced Power Station, which would replace a legacy plant with a cleaner and more efficient facility that would be 30% hydrogen-capable at the start of commercial operation.
- Entergy's retail operating companies, Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans and Entergy Texas currently offer their customers a total of approximately 50 energy efficiency and demand-side management offerings, which together contribute to our goal of achieving 990 megawatts of peak load reduction through 2031. In 2021, we achieved the significant milestone of completing deployment of more than 3 million advanced meters, which support faster outage restoration, enhance customer service, and provide tools that help customers manage energy usage and lower their bills.
- As a charter member of what is now known as the National Electric Highway Coalition, Entergy is contributing to the creation of a network of direct current fast chargers along major travel corridors that will accelerate the adoption of electric vehicles. We've also set our own fleet electrification goals, aiming for all new, light-duty vehicles to be electric starting in 2023 in order to have a fleet that is at least 50% electric by 2030.

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Making our infrastructure more resilient to the impacts of climate change

Over the past five years, Entergy has invested more than \$10 billion to make our system more resilient; during recent major weather events, these investments have proven to be sound. Structures built to more robust engineering standards were able to withstand the stress of extreme weather. And yet, as the frequency and intensity of these storms continue to increase, we need to do our part to make the grid even more durable and resilient. Simply put, resilience is vital for our customers and communities as a means to reduce future post-storm restoration costs, reduce the duration of post-storm outages, and establish a solid foundation that reliably supports our customer’s expansion and electrification goals.

Entergy has conducted a detailed system analysis to inform the development of an approximately \$15 billion portfolio over the next 10 years that will improve our system resilience. Given the risks posed by future weather events, we have assessed our existing infrastructure using storm scenario modeling to identify key vulnerabilities, developed a range of options designed to harden the system, and conducted cost-benefit analyses (including post-storm restoration costs and customer minutes interrupted) to determine an investment plan to recommend to our regulators. Assuming regulatory approval of our accelerated resilience plan and timeline for project completion, we anticipate the results of our investments would be a significant reduction in both post-storm restoration costs (reaching up to 55% in 10 years along the Gulf Coast) and customer minutes interrupted, resulting in more resilient communities.

Creating sustainable value through corporate citizenship

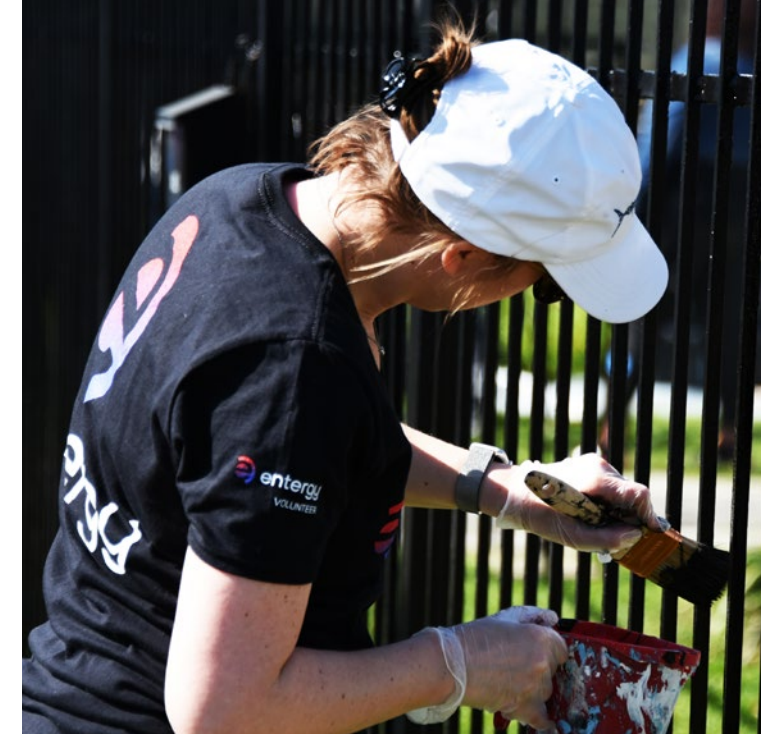
The mission of Entergy’s corporate social responsibility organization is to create sustainable value for our customers, employees, communities and owners through philanthropy, volunteerism and advocacy strategies that support corporate and business unit objectives. The essence of sustainability requires that our efforts be fully integrated and aligned with our business objectives. Therefore, the results and outcomes of the programs and projects in which we invest our resources, through philanthropic support, advocacy or volunteer services, must further business objectives while also meeting the needs of communities and stakeholders. This understanding is at the heart of Entergy’s CSR strategy and business plan.

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Helping the communities we serve

For the past 22 years, working with community partners we have focused our resources and energy on helping to place thousands of our most vulnerable customers on the path to economic stability in a holistic approach that goes beyond their electric bills. Between 2000 and 2021, Entergy¹ awarded grants totaling \$175 million to support programs and services for low-income customers across Arkansas, Louisiana, Mississippi and Texas. The initiatives that we support help low-income families reduce debt, increase income, build assets (including through homeownership) and improve their credit scores.

Education is another major focus of Entergy's philanthropic efforts. We award \$6 million in grants annually to support education and workforce development across our service territory. Our education grants are targeted to equip individuals with the skills needed for high demand, living wage jobs. Career academies help ensure high school students graduate with industry-recognized certifications and college credit. Funding for science, technology, engineering and mathematics initiatives provides hands-on

learning and exposure to STEM careers for 30,000 students annually. Through our advocacy efforts at the local, state and federal levels, we have helped increase access to high quality early care and education for more than 100,000 low-income families across Arkansas, Louisiana, and Mississippi over the past 20 years.

Entergy is committed to preserving and protecting the environment and helping communities address climate change. Our Environmental Initiative Fund has helped conserve more than 28,000 acres of wetlands and other environmentally threatened areas. Urban forestry efforts help neighborhoods mitigate street flooding and address urban heat island effect that drives up energy usage, increases the threat of heat-related illness and contributes to increasingly more frequent and severe thunderstorms. Working with partners, we have helped plant more than 140,000 trees between 2015 and 2020.

Safety

To help meet our safety objective to live safe all day, every day, we worked to strengthen our enterprise-wide strategy in 2021 for both employees and contractors. With the pandemic and active hurricane season presenting significant challenges, our employees achieved a total recordable incident rate of 0.46 in 2021, compared to 0.40 in 2020 and 0.56 in 2019. This outcome helped Entergy achieve top quartile for employee safety performance when benchmarked against peers within the Edison Electric Institute.

We also continued our work to transition to an ISO 45001-compliant health and safety management system. Our Close Call, Good Catch program remains a foundational element of our safety program, and employees utilize the program to track and trend the identification and resolution of unsafe conditions.

¹Entergy grants are funded by an annual appropriation of shareholder dollars.



Diversity, inclusion and belonging

Our goal is to develop and retain a workforce that reflects the rich diversity of the communities we have the privilege to serve. By creating a culture of diversity, inclusion and belonging, we're empowering our employees to engage meaningfully at work and contribute to our mission of powering life for our customers and communities. We're building stronger relationships, gaining insights to better understand all of our stakeholders, improving our ability to recruit and retain the best talent, and creating higher performing, more inclusive teams.

The culture of diversity, inclusion and belonging starts at the top with Entergy's board of directors. The board's personnel committee has direct oversight and engagement with our DIB strategy, and we report to the personnel committee on our DIB performance at every regular meeting of the board and its committees.

Elevating different perspectives from a diverse and empowered workforce makes us smarter, stronger and more valuable to our customers, communities and each other. As we make progress on our diversity, inclusion and belonging journey, we continue to identify opportunities to enable innovation, solve problems, meet sustainability goals and instill DIB concepts into our company's culture.

We organize our DIB approach and measure our DIB progress in three areas: workforce, workplace, and marketplace. We achieve our DIB vision in these three areas by:

- Attracting, recruiting and retaining a skilled, high-performing and diverse workforce that reflects our marketplace.
- Committing resources to cultivate an inclusive workplace culture that respects employees' differences, recognizes and rewards

their diverse talents, and helps them reach their full potential.

- Engaging the community and a diverse network of suppliers to create value for our stakeholders.

Entergy has eight employee resource groups: women's, multicultural, veterans, generational, pride, shift, leadership and administrative. Combined, our eight ERGs have more than 2,400 members, and their input informs decisions on recruiting, onboarding, retention, work-life balance, technology, policies, training, and employee and leadership learning and development.

Both our Sustainability and Environmental Policy organization and our Diversity and Workforce Strategies organization are overseen by Vice President-level leaders.



Governance

Strong corporate governance ensures continued transparency, accountability, successful execution on our strategy, ethical behavior and alignment with our mission. This enables us to deliver on our commitments and create long-term, sustainable value for our stakeholders.

Board of directors

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 is a diverse, highly engaged group of individuals that provides strong, effective oversight of Entergy. Both individually and collectively, our directors have the qualifications, skills, and experience needed to inform and oversee Entergy’s long-term priorities.

The corporate governance committee of Entergy’s board of directors is responsible for oversight of the company’s sustainability program and strategy, policies, and practices. The committee meets this responsibility by ensuring that recognized sustainability risks and opportunities are being addressed by the full board or an appropriate board committee and by overseeing the company’s overall sustainability strategy.

Executive compensation

To demonstrate Entergy’s strong commitment to its environmental, social and governance goals and link executive compensation more directly to the achievement of those objectives, the personnel committee decided that starting in 2021, 40% of the performance metric used to determine the funding available for our short-term incentive awards would be determined on the basis of progress achieved in the following areas, each of which would be weighted equally: Safety, Customer Net Promoter Score, DIB, and Environmental Stewardship.

In particular, our DIB measures include an overall qualitative assessment of DIB key performance indicators assessed in the workforce, workplace and marketplace, informed by quantitative measures; progress on DIB initiatives; and responsiveness to emergent issues. Our environmental stewardship measure includes an assessment of progress toward our climate commitments through performance on key initiatives and utility CO₂ emission rate outcomes.

Robust disclosure

In addition to our annual Integrated Report, which describes progress towards our ESG goals, we also have a dedicated [sustainability website](#). Our Global Reporting Initiative indicators, Sustainability Accounting Standards Board aligned metrics, CDP disclosures, EEI ESG disclosures, EEO-1 report, and Climate Report and Addendum can all be found on the ESG Disclosures page of our sustainability website.

Framework rationale

This sustainable financing framework aligns Entergy’s strategic priorities in sustainability with its funding and financial strategy. Entergy has selected a number of eligible areas that are fundamental constituents of our business model and deliver the most positive environmental and social impact.

The framework gives us the flexibility to issue green, social, and sustainability financial instruments in support of our commitment to achieve a broad range of sustainability outcomes consistent with several of the global outcomes envisioned by the United Nations’ Sustainable Development Goals.

Sustainable financing framework







The framework was drafted in alignment to the green bond principles (2021), social bond principles (2021), and sustainability bond guidelines (2021) as published by the international capital markets association as well as the loan market association's and loan syndications and trading association's green and social loan principles (2021) and uses the core components and key recommendations of the principles:

- Use of proceeds.
- Process for project evaluation and selection.
- Management of proceeds.
- Reporting.
- External review.

This sustainable financing framework will guide future green, social, and sustainability financings, including instruments such as bonds, commercial paper, loans, and securitizations, among other financing alternatives (collectively, sustainable financing instruments), by Entergy and any of its subsidiaries (any issuer of a sustainable financing instrument, an issuing entity).

Use of proceeds

An amount equivalent to the net proceeds raised under this sustainable financing framework is intended to be allocated to finance and/or refinance, in whole or in part, existing and new eligible green and/or eligible social projects (collectively referred to as eligible projects) in accordance with the criteria outlined below. Net proceeds from any sustainable financing instrument will be allocated for eligible projects originated during the 36 months prior to the issuance date of a specific instrument through its maturity, unless otherwise noted in the related financing documents.

Eligible green project category	Criteria / descriptions	UNSDG alignment
Renewable energy	<p>Investments in, or expenditures related to the construction, acquisition, research and development, expansion, operation, production, and maintenance of new and existing renewable energy generation, including wind, solar, and hydropower², and any associated infrastructure and storage.</p> <p>Expenditures related to transmission and distribution network projects that aim to connect renewable energy sources, support increased deployment of renewables on the grid, or reduce greenhouse gas emissions through installation of equipment that will improve system efficiency or energy use management.</p> <p>Eligible expenditures may also include power purchase agreements and virtual power purchase agreements with a contract term of at least five years entered into prior to the commercial operation of a facility or the re-habilitation of an existing facility.</p> <p>Investments in green tariffs and customer portal developments to promote participation and increased usage of renewable energy.</p>	 
Climate change adaptation	<p>Investments in generation, transmission and distribution infrastructure designed to increase system/grid resilience and improve customer reliability and mitigate impacts resulting from climate change, such as severe weather events, including more frequent and intense hurricanes, flooding, heatwaves, ice storms and other severe cold weather, as well as other impacts and changing weather patterns.</p> <p>Examples including but not limited to:</p> <ul style="list-style-type: none"> • Hardening the system through installation of composite poles or rebuilds. • Distribution automation to make the system more resilient for wind or storm damage. <p>Entergy has assessed its existing infrastructure and analyzed storm vulnerability and expects vulnerability assessments to be an ongoing part of its climate change adaptation process.</p>	 
Energy efficiency	<p>Investments in, or expenditures related to reducing energy use and improving energy efficiency, including:</p> <ul style="list-style-type: none"> • Advanced metering and grid infrastructure, including smart electric meters and related communication networks, customer interface platforms and enhanced analytic, modeling and monitoring systems. • Battery storage and related grid assets. • Expenditures in programs to aid customers with improving energy efficiency, such as rebates and costs to provide customer energy audits. <p>Construction, development, expansion, production, acquisition, R&D, and maintenance, or investments in technologies that increase operational energy efficiency or reduce energy consumption (e.g., building automation systems, LED lighting, sensors).</p> <p>Investments in, or expenditures related to R&D for energy efficient solutions.</p>	 

²Hydropower with capacity of 25 MW or less.



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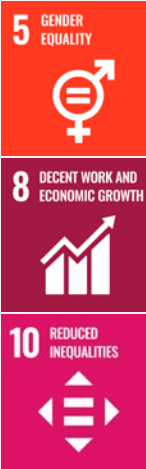

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Eligible green project category	Criteria / descriptions	UNSDG alignment
Clean transportation	Investments in, or expenditures related to the procurement, maintenance and operation of electric vehicles and related infrastructure, including but not limited to: <ul style="list-style-type: none"> • Fleet electrification including passenger cars, commercial vehicles and heavy-duty vehicles. • Acquisition, installation and maintenance of EV charging stations and infrastructure. 	
Pollution prevention and control	Investments and expenditures related to decarbonizing the gas and electric network and construction, development, renovation, and maintenance of infrastructure designed to mitigate and eliminate emissions and/or produce cleaner energy.	 
Green buildings	Investments in, or expenditures related to the new construction/renovation, development, expansion, maintenance, or operation of offices or manufacturing facilities that have received or are expected to receive: <ul style="list-style-type: none"> • LEED: Gold or above. • BREEAM: Very Good or above. • Energy Star (85+). • Realized energy savings of greater than 30%. Investments in, or expenditures related to, lease payments made by Entergy where Entergy is the primary tenant and buildings were constructed or improved at Entergy's request with a specific level of the aforementioned certifications.	
Green innovation	Investments in the R&D, construction, maintenance, acquisition, transportation, and storage of low- and no-carbon technologies (e.g., hydrogen, fuel cells, carbon capture utilization and storage, renewable natural gas).	 



Eligible social project category	Criteria / descriptions	UNSDG alignment
<p>Socioeconomic advancement and empowerment</p>	<p>Investments in, or expenditures, including but not limited to:</p> <ul style="list-style-type: none"> • Procurement of products and services from diverse suppliers. • Assistance related to technological infrastructure and professional development for minority populations. • Investments designed to ensure a “Just Transition” including education, training, assistance, and employment opportunities for employees impacted by plant closures. <p>Target population: minority, female, veteran, and/or LGBTQ-owned small businesses and suppliers.</p>	
<p>Access to essential services</p>	<p>Investments in, or expenditures related to, advancing equity and economic opportunity for underserved populations and under-represented groups</p> <p>Examples including but not limited to:</p> <ul style="list-style-type: none"> • Partnerships to advance diversity, equity and inclusion within STEM and technology focused schools. • Initiatives to support students at historically Black colleges and universities. • Efforts to lift families in our service area out of poverty through training programs, counseling, and investments. <p>Target population: underserved employees, under-represented communities, individuals and families living below the poverty line.</p>	

Net proceeds raised by each sustainable financing instrument issued under this framework may be allocated to a single eligible project or any combination of eligible projects, and no assurances can be provided that any amount will be allocated to fund any particular category of eligible projects.

Exclusionary criteria

- We will not intentionally allocate an amount equal to the net proceeds from any sustainable financing to:
- Activities related to the exploration, production or transportation of fossil fuels.
 - Consumption of fossil fuels for the purpose of power generation.

Process for project evaluation and selection

Entergy’s sustainable finance committee (comprised of members of the treasury, sustainability & environmental policy, finance business partners, and legal departments) will assess and evaluate projects to ensure that only projects aligning with the eligible project categories outlined above are selected for allocation. The sustainable finance committee’s responsibilities include overseeing the establishment of this framework, assessing and evaluating, in coordination with the corporate risk committee, project alignment with the eligible project categories, approving allocation to eligible project expenditures, overseeing the internal tracking system to ensure allocation remains

aligned with the eligible project categories, identifying projects that no longer align with the eligible project categories, and overseeing the process to report on allocation and, where feasible, impact. The sustainable finance committee will also ensure that eligible projects comply with the company’s risk management processes, including those relating to environmental and social risk. For additional information on our risk management strategy, our material issues assessment, and our stakeholder engagement strategy please see our [ESG disclosures website](#).

Management of proceeds

Entergy's treasury department will manage the allocation to Eligible Projects of an amount equivalent to the net proceeds of its Sustainable Financing Instruments. So long as a sustainable financing instrument remains outstanding, our treasury department will maintain internal records to track an amount equivalent to the net proceeds from the sale of such sustainable financing instruments and the allocation of such amount to eligible projects. Pending allocation, an amount equivalent to the net proceeds will be managed in accordance with Entergy's standard liquidity management practices, which may include application to general corporate purposes, investment in cash or other liquid securities and/or repayment of outstanding indebtedness. If a material project to which proceeds have been allocated no longer meets the eligibility criteria, we will use reasonable efforts to reallocate the funds to other Eligible Projects as soon as practicable.

Payment of principal and interest on any sustainable financing instrument will be made from the Issuing entity's general funds and will not be directly linked to the performance of any eligible projects.

Reporting

During the term of any sustainable financing Instrument, we will provide, and keep publicly available, information related to the allocation or disbursement of an amount equivalent to the net proceeds from the sale of such sustainable financing instrument, and, wherever feasible and subject to confidentiality considerations, on the impact of the eligible projects. Reporting will be provided no later than one year after issuance of any sustainable financing instrument and updated at least annually until full allocation or disbursement of an amount equivalent to the net proceeds and as necessary thereafter in the event of material developments.

Allocation reporting

- I. The total amount of proceeds allocated or disbursed to each eligible project category.
- II. The balance of proceeds not yet allocated or disbursed.
- III. The proportional amount of proceeds between refinancing and financing (prior and future eligible project expenditures).

Impact reporting

Where feasible and subject to any confidentiality considerations, Entergy will report, through impact metrics and case studies, estimated environmental and social impacts of any eligible projects to which a portion of the net proceeds of any sustainable financing instrument has been allocated. Entergy intends to disclose calculation methodology and key assumptions for metrics where feasible and relevant.

Potential impact metrics may include the following:

Eligible project categories	Potential impact metrics
Renewable energy	<ul style="list-style-type: none"> Annual greenhouse gas emissions reduced/avoided in tonnes of CO₂e. Annual renewable energy generated in MWh/GWh (electricity) and gigajoule/terajoule (other energy). Renewable energy generating capacity connected in MW.
Climate change adaptation	<ul style="list-style-type: none"> Increase in grid resilience, energy generation, transmission/distribution and storage in MW. Number of miles of transmission and distribution lines/stations built, rebuilt or reconducted. Number of substations built or rebuilt. Annual outage frequency/duration per customer.
Energy efficiency	<ul style="list-style-type: none"> Annual energy savings in MWh/GWh (electricity) and gigajoule/terajoule (other energy savings). Annual greenhouse gas emissions reduced/avoided in tonnes of CO₂e. Peak MW demand reduction or number of System Average Interruption Duration Index minutes avoided, each to the extent applicable.
Clean transportation	<ul style="list-style-type: none"> Number of EVs procured. Number of EVs serviced with charging infrastructure. EV charging stations installed. Displaced diesel/gasoline gallon equivalents.
Pollution prevention and control	<ul style="list-style-type: none"> Fugitive emissions reduction (metric tons of carbon dioxide equivalent, or MTCO₂e).
Green buildings	<ul style="list-style-type: none"> Square footage of green buildings that meet criteria. Greenhouse gas emissions reduced/avoided in tonnes of CO₂e.
Green innovation	<ul style="list-style-type: none"> Qualitative description of technology developed through investments. Expected reduction in/avoided greenhouse gas emissions in tonnes of CO₂e. Number of low- to zero- carbon energy pilot programs. Proportional share of impact reported by our venture capital investments, including Energy Impact Partners³.
Socioeconomic advancement and empowerment	<ul style="list-style-type: none"> Number of small- and/or medium- sized businesses that identify as minority-owned, female-owned, veteran-owned, or LGBTQ+-owned businesses, and/or businesses owned by other excluded, marginalized or underserved individuals reached. Percentage or dollar spend on diverse and local suppliers.
Access to essential services	<ul style="list-style-type: none"> Number of programs/partnerships to build diverse talent pipelines. Number of individuals reached.

Definitions, calculations and reporting of the impact metrics will be at the sole discretion of Entergy. Entergy reserves the right to report alternate impact metrics.

³Energy Impact Partners is a global investment platform leading the transition to a sustainable energy future, bringing together entrepreneurs and the world's most forward-looking energy and industrial companies to advance innovation.



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External review

Second party opinion

Entergy has retained S&P Global with recognized environmental and social expertise to conduct an external review of its Sustainable financing framework, and to issue a Second Party Opinion on the Framework’s alignment with ICMA’s Green Bond Principles (2021), Social Bond Principles (2021), and Sustainability Bond Guidelines (2021) and the LMA’s and LSTA’s Green and Social Loan Principles (2021). The SPO will be made available on the Entergy’s Investor Relations’ and S&P Global’s websites.

Verification and assurance

Annually, until full allocation or disbursement of an amount equal to the net proceeds of each Sustainable Financing Instrument, Entergy will publish a management assertion regarding the allocation or disbursement of net proceeds toward Eligible Projects which will be accompanied by a report from an independent registered public accounting firm in respect of its examination of management’s assertions conducted in accordance with attestation standards established by the American Institutes of Certified Public Accountants.

Disclaimer

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