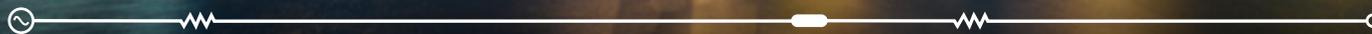




When does 1 = more?



2018 INTEGRATED REPORT

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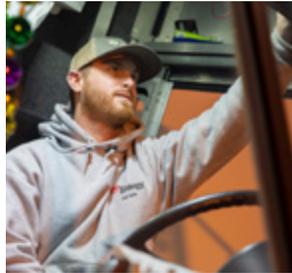
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## ICONS TO NOTE

Entergy's mission is to grow a world-class energy business that creates sustainable value for all stakeholders. In this report, the following icons indicate examples of economic, environmental, social performance or recognition we've earned that demonstrates the progress we've made on our journey.



ECONOMIC



ENVIRONMENTAL



SOCIAL



RECOGNITION

## When does 1 = more?

One equals more when serving the needs of one stakeholder creates value for all.

When embracing new technologies to provide innovative solutions to help customers save money and live greener also makes our communities more vibrant, expands opportunity for our employees and creates better returns for our owners...

When investing in our employees to build their capabilities and skills also creates the products, services and personalized solutions customers expect, as well as the economic, environmental and social well-being communities need, which then grows the enterprise value owners seek...

When supporting our communities to promote economic development also makes the cities and towns where our employees live more dynamic and resilient, fosters the strong economy our customers desire, and generates the capital investment that powers growth for our owners.

### **STRONG PERFORMANCE DRIVES VALUE**

For Entergy, another year of strong operational and financial performance reinforces our philosophy that our stakeholders' interests are increasingly aligned around sustainable value. As our journey to a world-class, pure-play utility comes to fruition,

- we seek to help our customers achieve their most ambitious dreams using fewer resources by embracing new technologies;



**LEO P. DENAULT**  
Chairman of the Board and  
Chief Executive Officer

- we're promoting the well-being of our communities by partnering to improve access to education, eradicate poverty, protect the environment and strengthen economic development; and
- we're preparing our employees to succeed in the workplace of the future through training and developmental opportunities.

In 2018, we delivered solid financial returns to our owners while reducing our overall business risk-profile through continued execution on our strategy to exit our merchant operations.

For our core Utility, Parent & Other business, 2018 adjusted earnings per share were in line with our guidance and growth expectations. And our consolidated operational earnings came in above our guidance range. On an adjusted basis, Utility, Parent & Other (non-GAAP) contributed \$4.71 to 2018 consolidated earnings per share, compared

to \$4.57 in 2017. Our total shareholder return for 2018 was 10.6 percent, which ranked sixth out of the 20 companies in our peer group, just short of our first quartile goal. We are confident in our strategy and we remain committed to our goal of delivering top-quartile returns for our owners over the long term.

The awards and recognition we received in 2018 for sustainable business practices, community support, economic development, workplace diversity, environmental stewardship and many other accomplishments outlined in this report reflect our successful efforts to create sustainable value for all our stakeholders.

**LEADING ON ENVIRONMENTAL ISSUES**

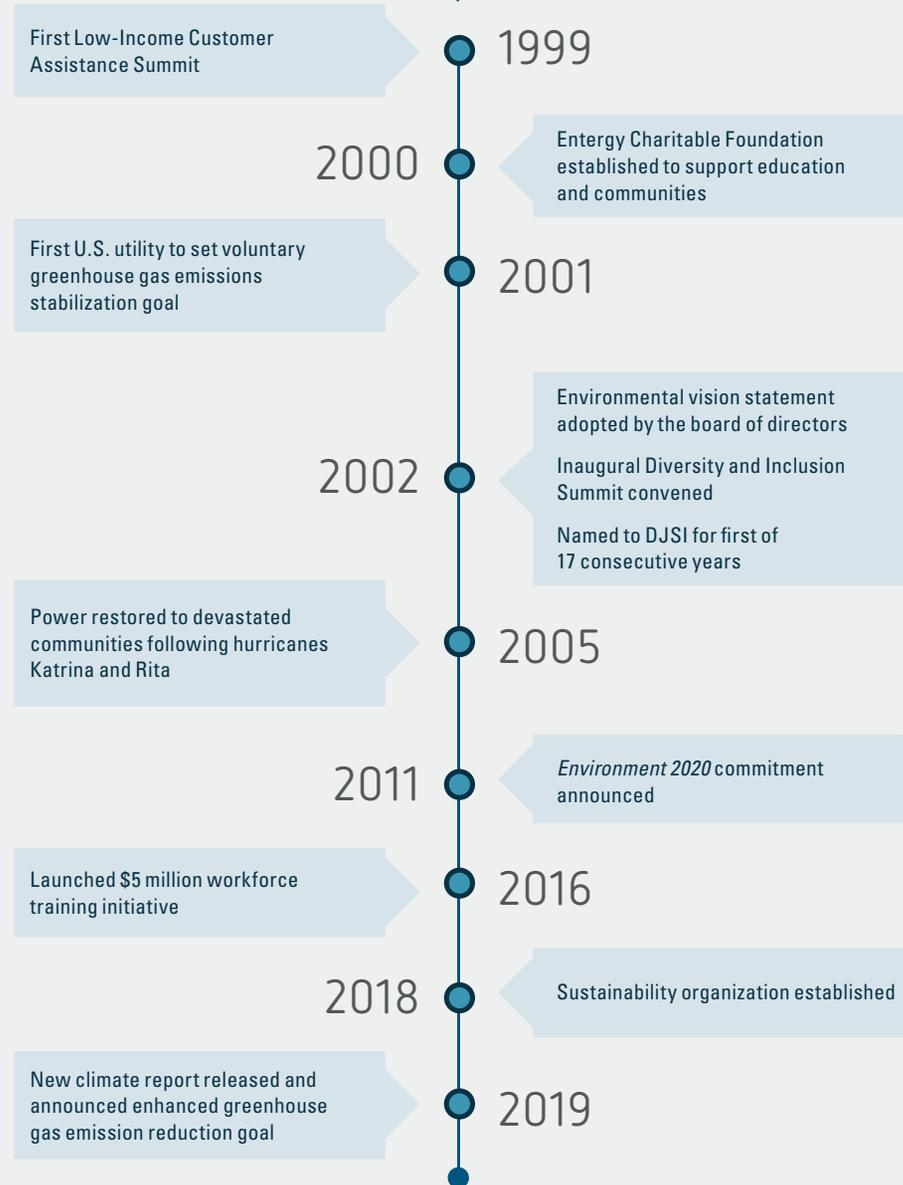
Entergy is recognized as an industry leader for taking bold action to address climate issues. In 2001, we were the first U.S. electric utility to commit voluntarily to stabilizing greenhouse gas emissions. Since then, we’ve challenged ourselves even further and set stricter reduction targets, not once, but twice. In 2011, as part of our *Environment 2020* strategy, we committed to maintaining our cumulative emissions cap for the period at 20 percent below year 2000 levels through the year 2020. Our commitments have yielded beneficial results not only for the environment, but also for our business and our stakeholders. Our carbon dioxide emissions continue to be some of the lowest among our peers.

Nevertheless, the broad consensus of current scientific data on climate change indicates that, as an industry, we must do more to reduce our footprint and that of our customers and communities. Entergy sees this not as a choice but as a responsibility and an opportunity. I’m proud to announce that we are intensifying our efforts even further and setting a new climate commitment to reduce our CO<sub>2</sub> emission rate to 50 percent below 2000 levels by 2030. Speaking plainly, this means that for every unit of electricity we generate in 2030, we will emit half the carbon dioxide we did in 2000.

Entergy’s new power generation projects will help support this commitment and enhance our capabilities to provide clean, reliable and affordable energy to power life for our customers and enhance the vibrancy of our communities.

Our nuclear power generation that serves our utility customers is a critical source of safe, large-scale and virtually emission-free baseload power that significantly contributes to our environmental sustainability goals and overall cleaner energy future. We’re ensuring their

LEADING SUSTAINABILITY



## LETTER TO STAKEHOLDERS

long-term value to our customers by investing in technology upgrades and other improvements for continued safe and reliable operations.

Growth in renewables is also an important part of our journey toward a cleaner energy future. We currently have approximately 1,000 megawatts of renewable projects in various stages of development that will add clean, cost-effective and sustainable power to the grid. We're excited about our plans to increase the use of these resources to meet our customers' increasing desire for environmentally responsible energy.

All of these actions illustrate our progress toward building a more sustainable future through purposeful planning and preparation, and they support our new climate report, which outlines our role in meeting the worldwide imperative to reduce risk posed by climate change. Our investment decisions are guided by an expectation to create value for all our stakeholders, including the basic premise to improve service and reliability for our customers

at the lowest possible cost and in a sustainable manner. We strike a balance in these decisions by often taking a phased approach to deploying new technologies – one that allows us to gather crucial performance data and customer feedback through pilot programs and other test protocols. Our approach ensures that when we are ready to fully deploy a technology, we know it is mature, reliable and economical for our customers.

### EVOLVING FROM PROVIDER TO PARTNER

The emergence of new technologies is enabling us to build more individualized relationships with our customers and partner with them on solutions that make their lives better.

An example is our recent launch of advanced meters, which we are deploying to all our customers over the next three years. These meters will give us the tools to help our customers better manage their energy usage while also helping us leverage the power of information and data analytics to develop new products and services that will improve our customers' lives.



### WHAT'S NEXT:

## INTENSIFYING OUR EFFORTS TO PROTECT THE ENVIRONMENT

**We are once again increasing our climate commitment to reduce our CO<sub>2</sub> emission rate to 50 percent below year 2000 levels by 2030. Plainly speaking, for every unit of electricity we generate in 2030, we will emit half the carbon dioxide we did in 2000.**



## LETTER TO STAKEHOLDERS

We're also exploring opportunities that go far beyond meters. Technology investments will give us the ability to create and personalize services in innovative ways. For example, consider a mobile device app that helps customers manage the impact of major storm events more effectively by giving them real-time updates on evacuation routes, road closures and the availability of local grocery stores, gas stations and shelters in their area.

That's the kind of partner we aspire to be: one that helps our customers save time and solve problems, especially at extraordinary times. We want to be a partner that makes their day, every day.

### BUILDING TOMORROW'S WORKFORCE

Our employees will drive this transformative shift in our business by adopting new skill sets to effectively implement and manage new technologies. We're also working to create more educational and training opportunities to prepare today's students for future careers. One way we're enhancing our workforce development strategy is by tapping into the power of community partnerships in our service area:

- Entergy's power generation training center at River Parishes Community College in Gonzales, Louisiana, prepares our employees to operate and maintain generating plants across our service area and master the latest technologies to enhance safety, efficiency and productivity.

- Through our shareholder-funded support of Jobs for America's Graduates, we are expanding workforce training and readiness programs and creating a competitive advantage for local communities with a \$5 million, five-year workforce development initiative.
- We're positioning Entergy for the future by actively preparing and recruiting the next generation of engineering innovators. Entergy's new Engineering Education Initiative with Southern University in Baton Rouge will develop talent to benefit our industry while creating internship and mentoring programs to strengthen the partnership.

### A LEGACY OF CORPORATE CITIZENSHIP

While Entergy's objectives are focused on the future, they are rooted in our past. Entergy's leadership in sustainability and social responsibility was firmly established in 1998 when Wayne Leonard became chairman and CEO. He quickly emerged as a visionary with the courage to challenge the traditional utility role in society and position Entergy as a successful Fortune 500 company with a conscience.

With Wayne's passing in 2018, we are once again reminded of our responsibility to carry forth the example he set as a leader, mentor and friend. Our actions and commitments build on the foundation Wayne established and position us to effectively benefit our stakeholders today while securing a bright tomorrow.

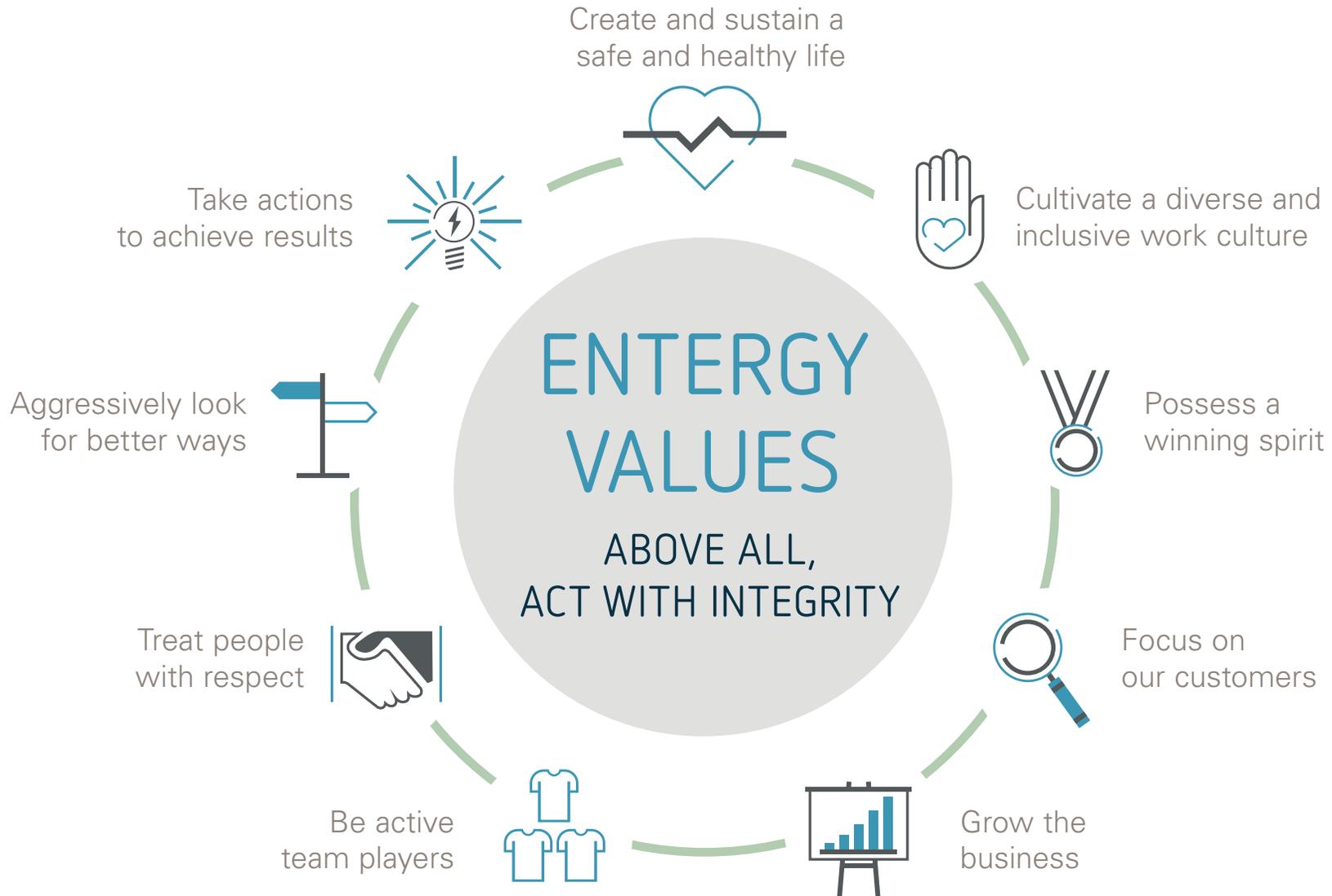
Our objectives are more than hopes. They are action plans. Entergy may be a large corporation, but we are made up of nearly 13,700 individuals who share a deep compassion for our customers and our communities. Each one of us has the opportunity to build meaningful partnerships with other stakeholders – not only by keeping the lights on and the gas flowing, but also through our daily personal interactions at the mailbox or the ball field or the coffee shop. These personal connections with our neighbors and communities make Entergy a unique place to work. They make us stronger. They fuel our drive to power life and create sustainable value for all.

Our mission continues to be to create sustainable value for all our stakeholders – our customers, our employees, the communities we have the privilege to serve and of course you, our owners. None of our stakeholders can succeed unless they all succeed. All of our actions are guided by this quest for sustainability. It is only then that, together, We Power Life.




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

March 22, 2019



# OUR LEADERSHIP



# BOARD OF DIRECTORS

(as of Dec. 31, 2018)



**KIRKLAND H. DONALD**  
Former President and  
Chief Executive Officer,  
Systems Planning and Analysis, Inc.  
Mount Pleasant, South Carolina  
*An Entergy director since 2013. Age 65*



**BLANCHE LAMBERT LINCOLN**  
Founder and Principal,  
Lincoln Policy Group  
Arlington, Virginia  
*An Entergy director since 2011. Age 58*



**STUART L. LEVENICK**  
Former Group President  
and Executive Office Member,  
Caterpillar Inc.  
Peoria, Illinois  
*Lead director of Entergy.  
An Entergy director since 2005. Age 65*



**ALEXIS M. HERMAN**  
Chair and Chief Executive Officer,  
New Ventures, LLC  
McLean, Virginia  
*An Entergy director since 2003. Age 71*



**LEO P. DENAULT**  
Chairman of the Board and  
Chief Executive Officer,  
Entergy Corporation  
New Orleans, Louisiana  
*Chairman and Chief Executive Officer  
since 2013. Age 59*



**JOHN R. BURBANK**  
Former President, Corporate  
Development and Strategy,  
Nielsen Holdings plc  
Southport, Connecticut  
*An Entergy director since 2018. Age 55*



**KAREN A. PUCKETT**  
Former President and  
Chief Executive Officer,  
Harte Hanks, Inc.  
Houston, Texas  
*An Entergy director since 2015. Age 58*



**PHILIP L. FREDERICKSON**  
Former Executive Vice President,  
ConocoPhillips  
Horseshoe Bay, Texas  
*An Entergy director since 2015. Age 62*



**PATRICK J. CONDON**  
Retired Audit Partner,  
Deloitte & Touche LLP  
Frankfort, Illinois  
*An Entergy director since 2015. Age 69*

## BOARD COMPOSITION

Our board of directors provides oversight with respect to our overall performance, strategic direction 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 deep strategic experience managing consumer-facing businesses and operations that have been impacted by disruptive technological 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 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>	Accurate financial reporting and robust auditing are critical to our success. We seek to have at least one director who qualifies as an audit committee financial expert, and we expect all of our directors to be literate in finance and financial reporting processes.
<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 a large business to develop, implement and assess our capital plan and our business strategy.
<b>Regulated utility/nuclear</b>	Due to the complexity 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. Directors should have a sound understanding of the most significant risks facing the company and the experience and leadership to provide effective oversight of risk management processes.
<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 best practices for the company.

## BOARD COMPOSITION

(as of March 22, 2019)

62

AVERAGE AGE

5

YEARS AVERAGE TENURE

4

OF 10 DIRECTORS DIVERSE  
BY GENDER

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 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 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 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 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

## NEW BOARD MEMBER

**Effective March 4, 2019, Elise "Lisa" Hyland joined the board of directors. With her strong engineering background and deep executive experience in a capital-intensive industry, Ms. Hyland brings a background and skillset that will be very valuable as the company executes on its capital investment plan.**

involving senior management, our investor relations team, our corporate governance team, and our corporate sustainability group. Input received through our shareholder engagement process has been a significant factor in numerous changes to our executive compensation programs, governance practices and disclosures, and was an important consideration in our decision to prepare and publish a climate report in 2019.

## BOARD COMMITTEES

During 2018, our board held 16 meetings. Members of the board attended on average approximately 93 percent of the total number of meetings of the board and the committees on which they served. Board responsibility for sustainable economic, environmental and social practices is maintained by various committees as part of their charters. The board's six standing committees (and their meeting frequency in 2018) are: audit (11), corporate governance (9), personnel (9), finance (8), nuclear (5) and executive (none).

NAME	AUDIT	CORPORATE GOVERNANCE	PERSONNEL	FINANCE	NUCLEAR	EXECUTIVE
John R. Burbank			●	●		
Patrick J. Condon	● (c)				●	
Leo P. Denault						● (c)
Kirkland H. Donald				●	● (c)	
Philip L. Frederickson	●			● (c)		●
Alexis M. Herman		●	●			
Stuart L. Levenick		●			●	●
Blanche L. Lincoln	●	● (c)				
Karen A. Puckett	●		● (c)			

**(c) Chair**

OUR  
LEADERSHIP

## ENERGY CORPORATION EXECUTIVE OFFICERS

(as of Dec. 31, 2018)



1

**ALYSON M. MOUNT**

*Senior Vice President and Chief Accounting Officer*  
Joined Entergy in 2002. Became senior Vice President and Chief Accounting Officer in 2012, after serving as Vice President and Corporate Controller. Age 48



2

**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 57



3

**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 57



4

**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 47



5

**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 59



6

**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 50



7

**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 57



8

**DONALD W. VINCI**

*Executive Vice President and Chief Administrative Officer*  
Joined Entergy in 1985. Became Executive Vice President and Chief Administrative Officer in 2016, after serving as Senior Vice President, Human Resources and Chief Diversity Officer. Age 60



9

**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 53

# OUR COMPANY



## HOW WE CREATE SUSTAINABLE VALUE

Energy has a clear purpose, a well-defined strategy and a plan to execute our strategy along with strong governance policies and practices. This is how we create sustainable value. We strive to communicate clearly with our stakeholders to build understanding and support for our objectives and drive our long-term success.

### VISION, MISSION AND STAKEHOLDER OBJECTIVES

We power life. This is our vision. It goes much further than powering the grid. Together, we are on a journey with our stakeholders to improve lives, build businesses and create prosperity. When we say, “We power life,” we are talking about the human power that comes from working together to create opportunities, strengthen communities and proactively find solutions to the challenges of today and tomorrow. To achieve our goals, we must understand our customers, leverage the strengths of our employees, pursue operational excellence and work to become more innovative and agile.

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

- For our customers, we create value by delivering top-quartile customer satisfaction by anticipating customer needs and exceeding their expectations while keeping rates reasonable.
- For our employees, we create value by attaining top-quartile organizational health scores and top-decile safety performance and by providing a rewarding, engaging, diverse and inclusive work environment with fair compensation and benefits and opportunities for career advancement.
- For our communities, we create value by achieving top-decile corporate social responsibility performance through economic development, philanthropy,



volunteerism and advocacy and by operating our business safely and in a socially and environmentally responsible way.

- For our owners, we create value by delivering top-quartile shareholder returns through the relentless pursuit of opportunities to optimize our business.

## BUSINESS STRATEGY

Our strategy to achieve our stakeholder objectives has two key focus areas.

- First, we invest in the utility for the benefit of our customers, which supports steady, predictable growth in earnings and dividends.
- Second, we manage risk by ensuring our utility investments are customer-centric and supported by progressive regulatory constructs, and by ensuring an orderly exit of our merchant business.

## OPERATIONS

Entergy Corporation is an integrated energy company engaged primarily in electric power production and retail distribution operations. Entergy owns and operates power plants with approximately 30,000 megawatts of electric generating capacity, including nearly 9,000 megawatts of nuclear power. Entergy delivers electricity to 2.9 million utility customers in Arkansas, Louisiana, Mississippi and Texas.

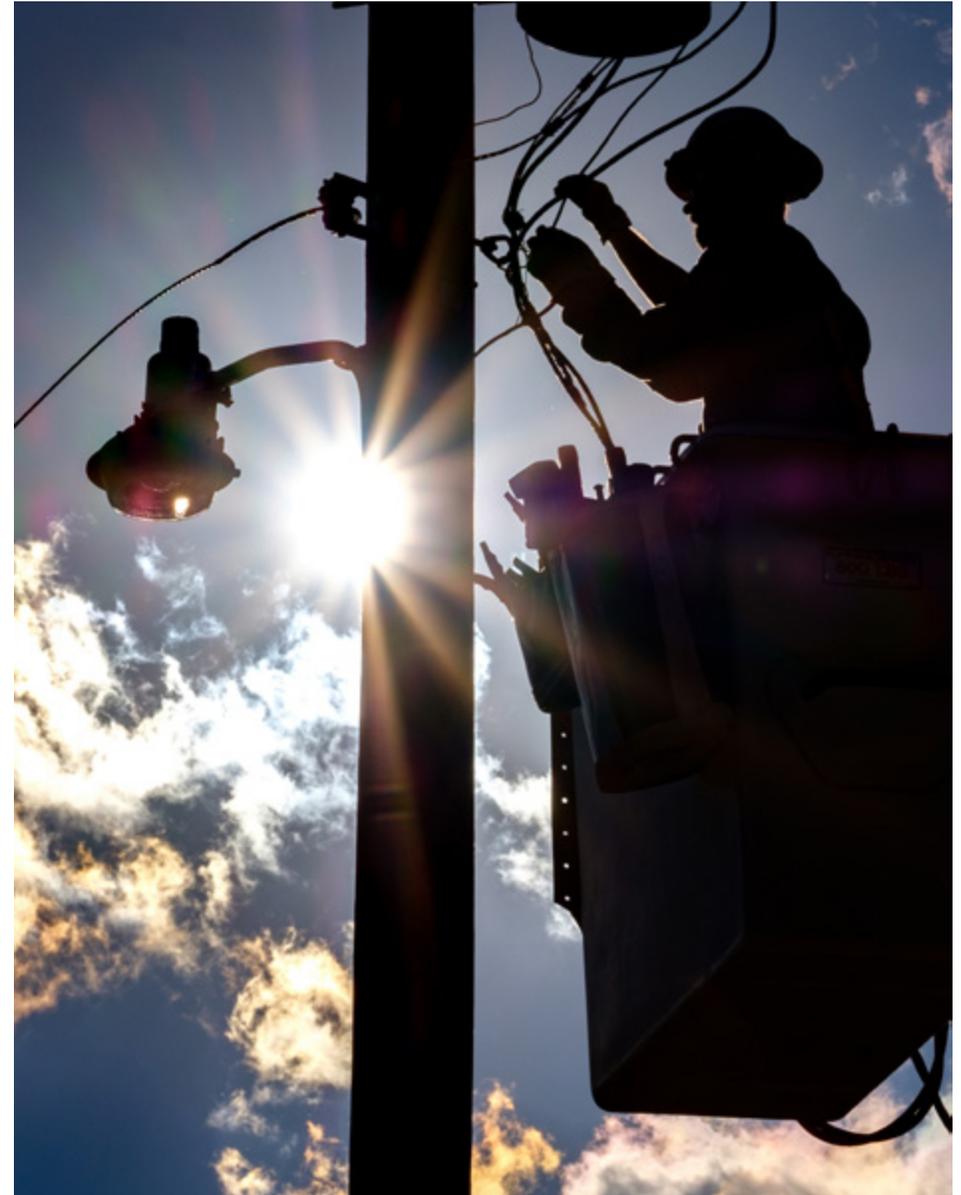
Entergy has annual revenues of \$11 billion and nearly 13,700 employees.

### UTILITY

Entergy 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. We also deliver natural gas services to 200,000 customers in New Orleans and parts of Baton Rouge, Louisiana, through two of our utility companies.

### MERCHANT GENERATION

Entergy provides power to wholesale customers primarily from three nuclear facilities located in the northern United States. We also provide services to other nuclear power plant owners. We have announced the sale or closure of all of our merchant nuclear assets, completing our plan to exit the merchant power business and transition to a pure-play utility.



## ENTERGY BY THE NUMBERS – 2018

<b>\$11.0</b> BILLION GAAP revenues	<b>\$863</b> MILLION GAAP net income	<b>\$48.3</b> BILLION Total assets	<b>25,233</b> MW Total owned and leased generating capacity
<b>15,900</b> CIRCUIT MILES Interconnected high-voltage transmission lines	<b>2.9</b> MILLION Utility retail electric customers	<b>105,000</b> CIRCUIT MILES Distribution lines	
<b>129,213</b> GWh Utility billed retail electric energy sales	<b>29,875</b> GWh EWC billed electric energy sales	<b>13,688</b> EMPLOYEES at year-end	

## TOTAL OWNED AND LEASED GENERATING CAPABILITY BY FUEL SOURCE IN MW:

**8,772**

NUCLEAR

**13,975**

GAS/OIL

**2,411**

COAL

**2**

SOLAR

**73**

HYDRO

## AWARDS AND RECOGNITION

### **DOW JONES SUSTAINABILITY NORTH AMERICA INDEX**

Entergy was named to the Dow Jones Sustainability North America Index, which measures performance in economic, environmental and social dimensions against industry peers around the globe. We earned top scores in the areas of policy influence, climate strategy, water-related risks and corporate citizenship and philanthropy. This was the 17th consecutive year for Entergy to be included on either the World or North America index or both.

### **TOP 10 UTILITIES IN ECONOMIC DEVELOPMENT**

For the 11th straight year, Entergy was named one of the nation's Top 10 utilities in economic development by Site Selection magazine for directly supporting projects that resulted in nearly \$4.25 billion of capital investment and the creation of 4,688 new jobs in our service area.

### **EMERGENCY ASSISTANCE AWARD**

In recognition of our exceptional power restoration efforts following several nor'easters in early 2018, Entergy received the Edison Electric Institute's Emergency Assistance Award. It marked the 21st consecutive year EEI has recognized Entergy employees for their outstanding mutual-assistance work. Entergy is the only utility in the nation to have earned EEI recognition every year since the launch of the Emergency Response Award program.

### **THE CIVIC 50**

For the third consecutive year, Entergy was recognized as one of the most community-minded companies in the United States by Points of Light, the world's largest organization dedicated to volunteer service. We were ranked first in integration, which measures how closely a company ties community stewardship to the success of its business objectives.

### **CORPORATE CITIZENSHIP AWARDS FINALIST**

The U.S. Chamber of Commerce Foundation named Entergy a finalist in its 2018 Corporate Citizenship Awards in the "Best Economic Empowerment Program" category. The award recognized Entergy's five-year, \$5 million workforce readiness initiative aimed at creating a competitive edge in economic development for communities throughout our service region.

### **BEST COMPANIES FOR DIVERSITY**

For the fifth consecutive year, Entergy was recognized by Black Enterprise Magazine as one of its 2018 50 Best Companies for Diversity. The list honors companies that recognize the link between diversity and engagement and that demonstrate best practices in four areas: senior management, board of directors, supplier diversity and employee base.

### **AMERICA'S TOP CORPORATIONS FOR WOMEN'S BUSINESS ENTERPRISES**

Entergy was named for a third consecutive year by the Women's Business Enterprise National Council to the list of America's Top Corporations for Women's Business Enterprises. The honor recognized our commitment to provide sustainable value for our stakeholders by empowering communities through economic growth and job creation.

### **TOP PLACES TO WORK FOR DISABILITY INCLUSION**

Entergy was recognized as one of the best places to work for people with disabilities by the 2018 Disability Equality Index, a joint initiative of the American Association of People with Disabilities and the U.S. Business Leadership Network. This annual benchmarking tool scores businesses on their disability inclusion

policies and practices in four categories: culture and leadership, enterprise access, employment practices, and community engagement and support services.

### **HIRE VETS MEDALLION AWARD**

Entergy was awarded the 2018 HIRE Vets Medallion Program Demonstration Platinum Award from the U.S. Department of Labor for our commitment to recruiting, hiring and retaining veterans. The award was also a reflection of the hard work and dedication of our military recruiting and outreach team and our Veterans Employee Resource Group.

### **TOP WORKPLACES IN NEW ORLEANS**

Entergy was again recognized by the Times-Picayune as one of the best places to work in the greater New Orleans area. Our selection was based on a survey of more than 35,000 employees representing 83 companies that measured several workplace attributes, including alignment, execution and connection.

### **TREE LINE USA**

The Arbor Day Foundation named Entergy a 2018 Tree Line USA utility in honor of our commitment to proper tree pruning, planting and care throughout our 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.



UTILITY OPERATING COMPANY LEADERSHIP



**LAURA R. LANDREAUX**  
*President and CEO,*  
Entergy Arkansas since 2018

**E-AR 2018 Highlights**

- 711,000 customers
- \$2.0 billion operating revenue
- \$10.4 billion total assets



**PHILLIP R. MAY**  
*President and CEO,*  
Entergy Louisiana since 2013

**E-LA 2018 Highlights**

- 1,084,000 customers
- \$4.3 billion in operating revenue
- \$19.7 billion total assets



**HALEY R. FISACKERLY**  
*President and CEO,*  
Entergy Mississippi since 2008

**E-MS 2018 Highlights**

- 450,000 customers
- \$1.3 billion in operating revenue
- \$3.9 billion total assets



**DAVID D. ELLIS**  
*President and CEO,*  
Entergy New Orleans since 2018

**E-NO 2018 Highlights**

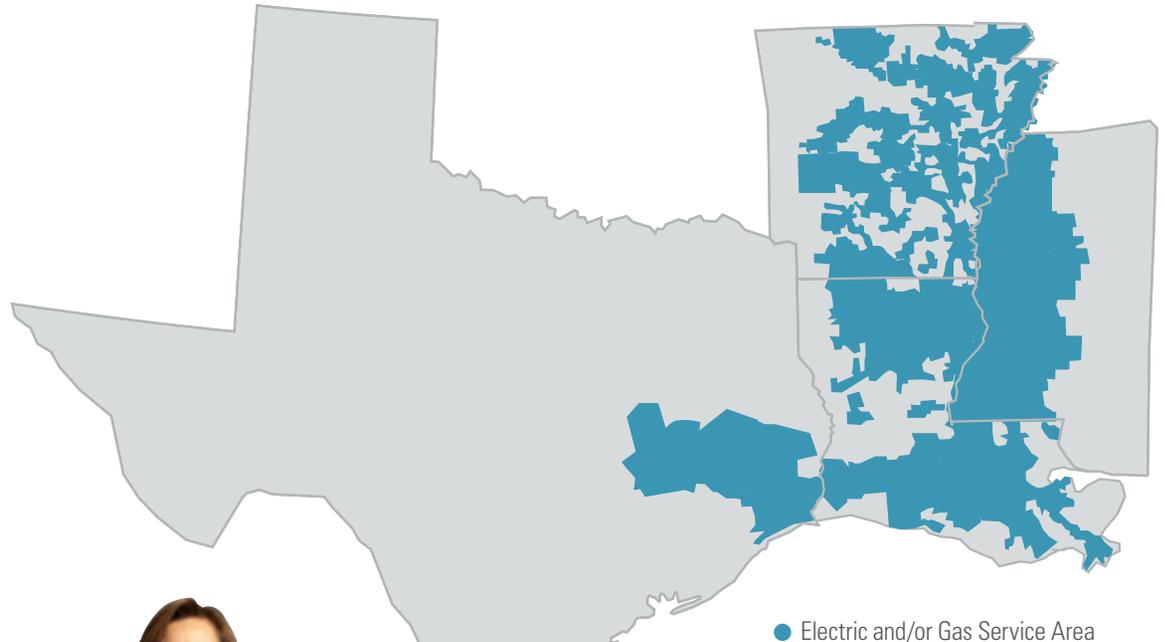
- 202,000 customers
- \$0.7 billion in operating revenue
- \$1.6 billion total assets



**SALLIE T. RAINER**  
*President and CEO,*  
Entergy Texas since 2012

**E-TX 2018 Highlights**

- 454,000 customers
- \$1.6 billion in operating revenue
- \$4.4 billion total assets



SERVING 2.9 MILLION  
CUSTOMERS

# SOLUTIONS FOR A CHANGING WORLD

Our utilities provide power at some of the lowest rates in the country to residential, commercial, industrial and governmental customers in Arkansas, Louisiana, Mississippi and Texas. We also deliver natural gas to customers in New Orleans and parts of Baton Rouge, Louisiana.

Generating and delivering power – our core business – is undergoing transformational change driven by new technologies, advanced analytics and evolving customer expectations. In 2018, as we provided power and natural gas safely, reliably and efficiently to customers, we also made significant investments in our generation, transmission and distribution infrastructure to benefit our customers. Investments in new technologies and capabilities lay the foundation for delivering tailored customer solutions in the future.

## GENERATION

In 2002, we established our portfolio transformation strategy to better meet customers' needs by replacing older, less efficient generation units with cleaner, more efficient resources.

Our resource decisions are informed by many factors such as the age of assets; prospective environmental regulations, energy efficiency and demand-side management; and evolving customer preferences and expectations. Since establishing this strategy, we have replaced nearly 30 percent of our generation resources with cleaner, more efficient resources.

### 2018 PORTFOLIO TRANSFORMATION HIGHLIGHTS

In 2018, we continued to advance our portfolio transformation strategy by enhancing our infrastructure with a mix of efficient natural gas and renewable resources.

- In June 2018, the 81-MW Stuttgart Solar Energy Center began supplying capacity and energy to Entergy Arkansas customers under a 20-year power purchase agreement.
- The Arkansas Public Service Commission approved a power purchase agreement for the Chicot Solar Project, a 100-MW solar photovoltaic installation near Lake Village, Arkansas. It is currently under construction and is expected to be completed in 2020.





- In November 2018, Entergy Arkansas reached an agreement with the Sierra Club and National Parks Conservation Association to stop burning coal at certain facilities by 2030. The agreement allows the company to move forward with plans to replace these older generating plants with newer, cleaner, highly efficient generation resources.
- Entergy Louisiana continued construction of the St. Charles Power Station, a 980-MW combined-cycle gas turbine unit in Montz, Louisiana, with a targeted in-service date of June 2019, and started construction of the Lake Charles Power Station, a 994-MW CCGT with an estimated in-service date of 2020.
- Entergy Louisiana received Louisiana Public Service Commission approval to acquire the Washington Parish Energy Center, a 361-MW simple-cycle combustion turbine in Bogalusa, Louisiana, with an expected in-service date of 2021.
- In May 2018, Entergy Louisiana filed for approval of a 20-year power purchase agreement for 50 MW from a solar photovoltaic electric generating facility located in West Baton Rouge Parish; the project was selected from Entergy Louisiana's 2016 Request for Proposals for Long-Term Renewable Generation Resources.

- Entergy Mississippi announced plans to acquire an 810-MW combined-cycle natural gas turbine in French Camp, Mississippi. The transaction is expected to close by the end of 2019. Entergy Mississippi also announced plans to partner with Recurrent Energy on a new 100-MW solar energy farm in Sunflower County, which is pending approval before the Mississippi Public Service Commission.
- In February 2019, Entergy New Orleans began construction on the New Orleans Power Station, a 128-MW unit composed of natural gas-fired reciprocating internal combustion engines. The facility has an estimated in-service date of 2020.
- In January 2018, Entergy New Orleans selected three projects totaling 90 MWs from its renewables request for proposals. In addition, the Council of the City of New Orleans approved construction of approximately 5 MWs of commercial-scale rooftop solar systems on existing buildings and properties in land-constrained Orleans Parish. The total portfolio of approximately 95 MW represents a significant step toward pursuing a full 100 MW of renewable generation for Entergy New Orleans customers.
- Entergy New Orleans is pursuing a pilot project for company-owned residential rooftop solar, with the goal of completing 100 installations in 2019.
- Entergy Texas began construction of the Montgomery County Power Station, a 993-MW CCGT located next to the company's existing Lewis Creek power units, with an estimated in-service date of 2021.

#### OUR ENERGY MIX

As a result of our portfolio transformation strategy and our power purchasing decisions, natural gas represents 39 percent of our generation required to serve our utility customer demand. Our new-build natural gas-fired units, in operation or under construction, represent nearly 4,000 MW of new generation. These units will improve system reliability and reduce costs for our customers by using less fuel and improving efficiency. New units also have lower maintenance costs, produce significantly fewer emissions and require less water.

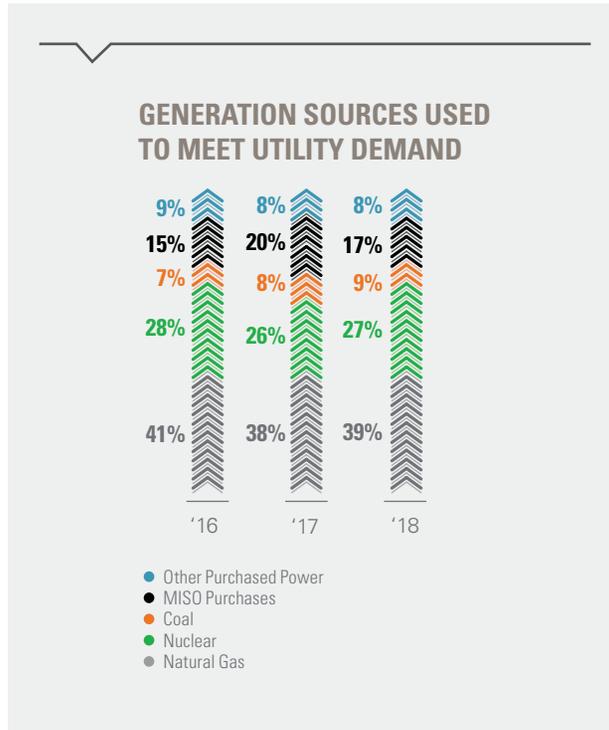
In 2018, renewable resources (wind renewable energy credits, solar, hydro, biomass, landfill gas and waste heat) supplied approximately 2.5 million MWh, or approximately 2 percent of total electric demand, to our utility customers. As technology and economics

continue to improve, we are exploring utility-scale renewable opportunities as well as potential applications for distributed energy resources. Entergy’s utilities currently have approximately 1,000 MW of renewable resources in various stages of development. As of Dec. 31, 2018, our utilities had approximately 20,000 customers with self-generation equipment, virtually all of which are 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. We also continue to engage with our regulators and stakeholders on policy matters as well as possible avenues to expand renewable energy alternatives.

Nuclear generation remains a key component of our clean generation portfolio. Our nuclear assets provide significant benefits to our stakeholders through low-cost and reliable baseload power generation with virtually no emissions, valuable fuel diversity, reduced fuel price volatility and positive economic impact on local communities. The utility operates five nuclear units: Arkansas Nuclear One units 1 and 2, Grand Gulf Nuclear Station, River Bend Station and Waterford 3 Steam Electric Station. In December 2018 Louisiana’s River Bend and Waterford 3 plants received license renewals from the Nuclear Regulatory Commission, securing an additional 20 years of affordable, reliable and virtually emissions-free electricity for customers. These plants are the largest sources of clean power in Louisiana.

## TRANSMISSION

Our utility generation assets are operated within MISO, a regional transmission organization. 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 and across its vast



footprint based on bids, offers and schedules provided by market participants. A regional commitment and dispatch results in a more efficient use of the electrical system, which lowers costs for customers and creates significant benefits.

MISO provides a number of additional benefits for Entergy and its customers. 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 timelier and more efficient congestion management. Participation in MISO provides a wealth of useful information to transmission planners about new transmission facilities and upgrades



Photo by Patrick Phillips, an Entergy transmission employee



## GAS DISTRIBUTION

Our gas distribution business delivers natural gas to about 200,000 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 and improve customer service. We will begin installing advanced meters to benefit our gas customers in 2020.

We also continue gas infrastructure replacement programs in both New Orleans and Baton Rouge to modernize the system 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 2018, we replaced approximately 9 miles of vintage polyethylene pipe in Baton Rouge at a total cost of \$5 million.

Accelerated infrastructure replacement also continues in New Orleans. In 2018, we completed the replacement of 40 miles of certain vintage piping materials at a cost of approximately \$13.5 million and 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. Once approved, our replacement

program will allow us to continue accelerated infrastructure replacement in New Orleans through 2027, with a total program cost from 2019 through 2027 of approximately \$100 million.

We also support the use of natural gas as a transportation fuel and have taken a leadership role in expanding its appeal. In addition to lower greenhouse gas emissions when compared to conventional gasoline and diesel fuels, its advantages include cleaner burn, domestic availability and widespread distribution infrastructure. For the past few years, we have worked with the Louisiana Clean Fuels Coalition and others to open an alternative fuel vehicle training center in Louisiana to promote the use of alternative fuel vehicles, such as electric and compressed natural gas. The nationally certified Automotive Technology Center at Baton Rouge Community College is a \$25 million state-of-the-art training facility that now offers an alternative fuel certification for students in its automotive technology and diesel heavy-truck technology programs.



### SOCIAL/ECONOMIC

**Having among the lowest average retail rates in the country attracts economic development to the regions we serve, which helps our communities prosper.**

## RATE ADVANTAGE

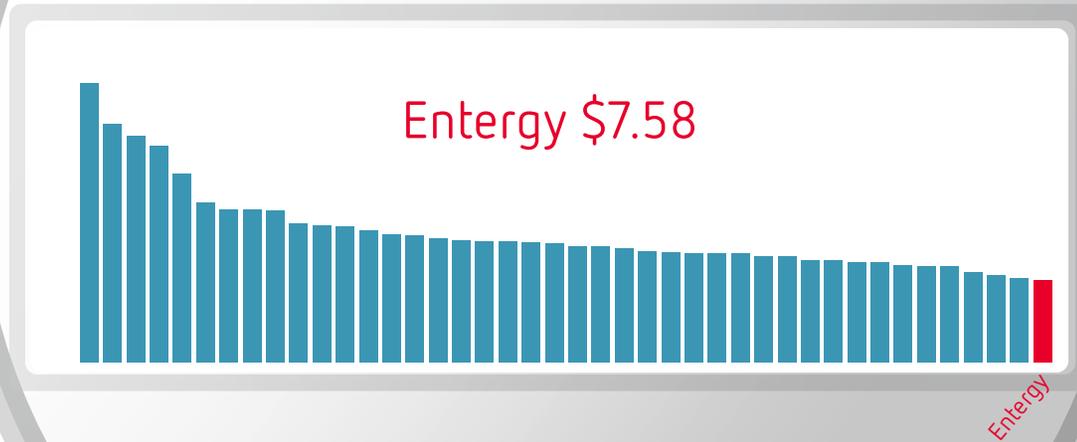
According to a 2018 study by S&P Global Market Intelligence, Entergy utilities once again had the lowest average retail rates in the U.S. We believe having competitive rates creates several advantages for Entergy and our stakeholders. Low rates attract economic development to our region, which helps our communities prosper. In addition, having a low-rate position gives Entergy more flexibility to innovate, deploy new technologies and develop tailored solutions for customers.

We strive to maintain our rate advantage through:

- Fuel efficiency
- Operational savings
- Industrial growth
- New products and services

## LOW CUSTOMER RATES

2017 average retail price by parent company, ¢ per kWh



Source: S&P Global Market Intelligence Regulated Retail Price of Electricity published 7/19/18

## CUSTOMER SOLUTIONS

As technologies, data and analytics continue to improve, so will our ability to deliver tailored solutions. We are working today to address customer needs, with an overarching goal of helping customers achieve their own unique objectives, which can include uninterrupted service, tools to save money, ease of use and environmental responsibility.

### RELIABLE SERVICE

Our investments in grid modernization target improved system reliability and reduced service interruptions. When deployed, advanced meters will allow us to identify outages to homes and businesses more quickly and in some instances, even spot problems before they occur. Our new distribution management and outage management systems will detect outages faster, improve outage communications, recommend switching for service restoration and improve visualization of the power system. In addition, we are investing in distribution automation by deploying more smart devices on our distribution grid to report near-real-time health status and configuration of the grid to further improve restoration times and to minimize customer impacts from outage conditions.

We facilitate customer-owned distributed generation and provide relevant technical standards, policies, application forms and related information online. We initiated a project in 2018 to standardize and streamline our processes for interconnecting distributed energy resources, including development of new tools and web interfaces that will improve efficiency and reduce costs. We also work directly with customers who have questions on how to safely connect to the grid. Further, we have active engagement with customers who are interested in distributed energy

## GRID TECHNOLOGIES



**New grid technologies improve resilience, enhance reliability, lower cost and improve customer service. To provide these benefits to our customers, we began installing advanced meters in early 2019. Our goal is to provide advanced meters to approximately 30 percent of Entergy customers in 2019 and to 100 percent of customers by the end of 2021. The deployment of advanced meters to all of Entergy's nearly 3 million customers represents an investment of about \$900 million.**

resources to understand their underlying objectives and to explore utility-led solutions. Such solutions would be pursued in a manner that provides the desired benefits for the customer while also providing broader system benefits. We will continue to work with our customers, regulators and other stakeholders on potential opportunities.

**These meters will provide significant benefits for our customers, from faster outage restoration to enhanced customer service and cost savings. Additionally, with these meters we will have more tools to help our customers manage their energy usage and lower their bills. Additionally, Entergy's utilities plan to use advanced meters to offer new products and services to our customers, such as prepaid service.**

**Advanced meters also lay the foundation for the next generation of grid technologies for customers. 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.**

Finally, Entergy's utilities are beginning to pursue their own investments in distributed energy resources. Both Entergy Mississippi and Entergy New Orleans made proposals to their respective regulators for utility investments in back-up generators and electric vehicle chargers located on customers' properties.

### SAVE MONEY

Energy-efficiency and demand-response offerings 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.

We offer a variety of energy-efficiency tools to all classes of customers based on their needs. Currently we have more than 40 energy efficiency and demand-side management offerings. For residential customers, these include resources such as do-it-yourself videos, online advisors and home energy calculators that offer online energy audits. We promote these tools through a monthly customer e-newsletter. A webpage, myResources, serves as a starting point for customers to research and identify actions to reduce consumption and lower their utility bills. Approximately 750,000 customers visited Entergy's website in 2018 where online information related to energy savings is available. Since 2002, our utilities have invested approximately \$515 million to deliver 764 MW of peak load reduction and 2.2 million MWh of cumulative energy savings. We have a long-term goal to achieve 990 MW of peak load reduction through 2031.

Advanced meters will also provide additional energy-saving tools, including a new customer engagement portal where customers can access data to help them manage their own energy use, get personalized savings tips and set alerts.



### RECOGNITION/ECONOMIC

**Excellent customer service is the basis of our business success. Entergy strives to achieve top-quartile rankings for Overall Customer Satisfaction Index in the annual J.D. Power Electric Utility Residential Customer Satisfaction syndicated study. In 2018, we scored 740, just below top-quartile performance in this study.**

### EASIER TO USE

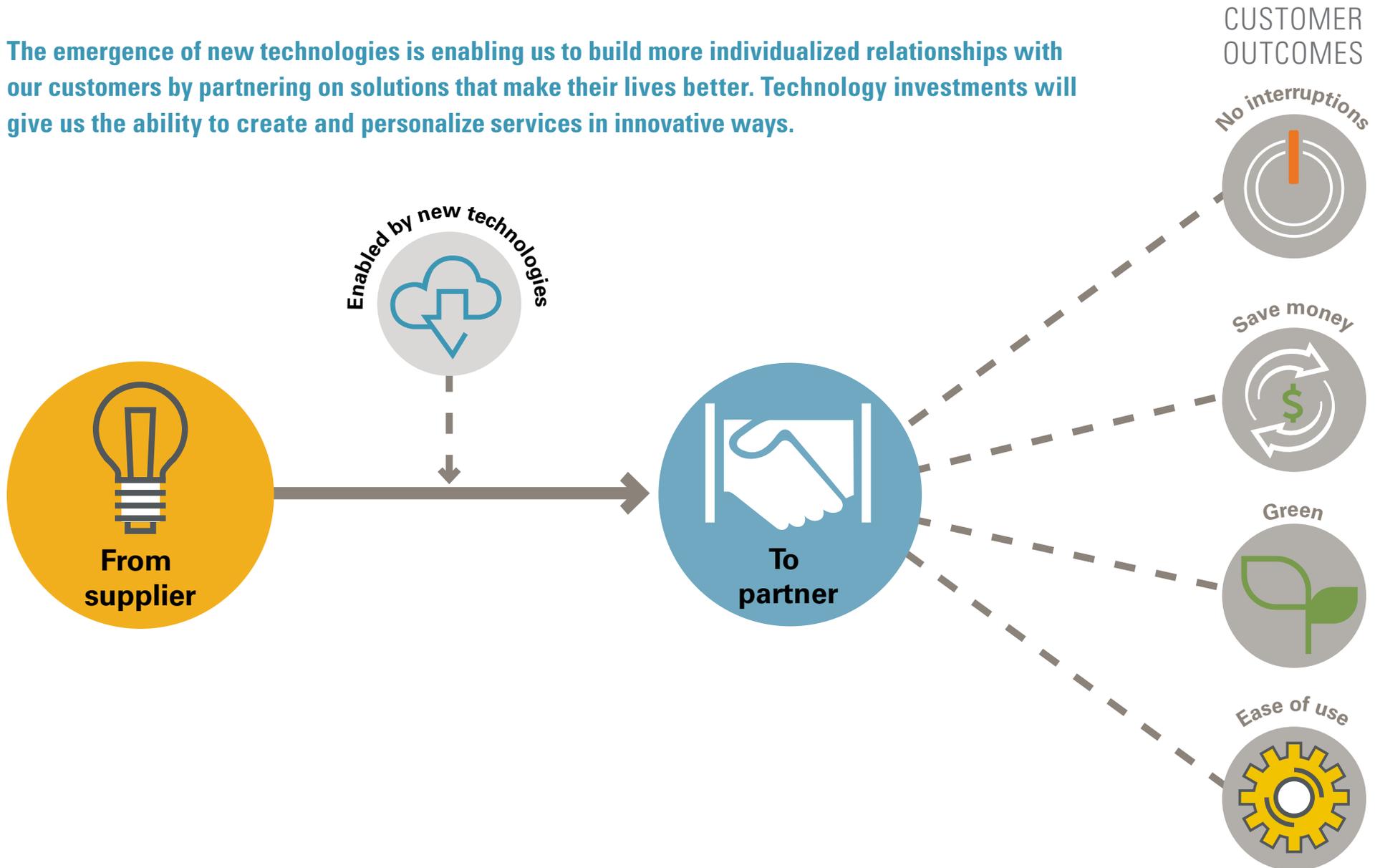
Our customers are benefiting from online, self-service tools. Self-serve transactions via web, text message and interactive voice response now represent nearly 50 percent of our customers' transactions. In 2018, we met our target goal of approximately 870,000 customers opting for paper-free electronic billing, meeting customers' needs, reducing environmental impact and representing more than \$5 million in annual operational savings versus mailing paper bills. These savings will ultimately benefit our customers.



### ENVIRONMENTAL

**As a continuation of Entergy's two decades of analysis, engagement and disclosure on climate change risks and opportunities, we published *Climate Scenario Analysis and Evaluation of Risks and Opportunities*. Our report explains how customer and sector partnerships focused on beneficial electrification efforts can result in economy-wide carbon emission reductions, especially as Entergy's already low carbon emission intensity continues to decrease through portfolio transformation. More information on our analysis is included in the ESG section of this report.**

The emergence of new technologies is enabling us to build more individualized relationships with our customers by partnering on solutions that make their lives better. Technology investments will give us the ability to create and personalize services in innovative ways.



We are also updating our customer web and mobile app experiences. In 2019 we plan to implement the first phase of our customer digital initiative, which will improve customer engagement through increased use of digital channels, including a new myACCOUNT online and an interactive voice response unit. These new tools will enable us to gather more relevant and accurate usage data and real-time feedback from customers. Future phases will focus on developing value-added services to further facilitate our customers' experience.

Finally, in 2018 we proposed several new billing and payment options in certain jurisdictions to increase choice and convenience for customers, including pre-pay, fixed billing, renewable offerings and community solar.

- Pre-pay is a voluntary pay-as-you-go billing option that gives customers greater visibility and control over their energy usage.
- Fixed billing is a flat bill option that's fixed for 12 months, subject to certain usage parameters. Customers can budget and plan with no changes to their bills during those 12 months and will pay a small premium for this option.
- Renewable offerings (such as green pricing or green tariffs) allow customers to source some or all of their energy usage with energy from renewable sources.
- Community solar is an alternative for customers looking to take advantage of "power from the sun" who may be unable or unwilling to install solar resources on their property. Participants pay fixed monthly amounts and receive bill credits tied to prorated solar output from a specific, utility-owned solar unit.

As of the date of this report, these services are still pending regulatory approval. Availability and implementation of these new products and services will vary by jurisdiction.

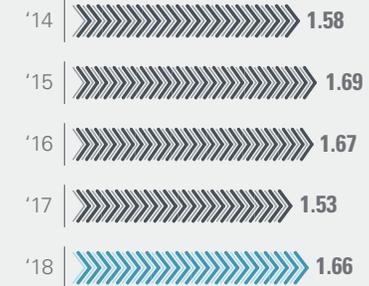
**ENVIRONMENTAL RESPONSIBILITY**

Entergy operates one of the cleanest generation fleets in the country and is nationally recognized as an environmentally responsible utility. More detail on our environmental performance is available in the Environmental, Social and Governance section of this report.

We provide resources that enable our customers to be more environmentally responsible in their lives and businesses. For example, electric vehicles account for a growing percentage of the nation's transportation portfolio. We have participated in EV-related programs since 2011, and our actions align with the U.S. Department of Energy's EV Everywhere initiative that aims to increase the adoption and use of EVs nationwide. Learn more in the Electrification section of this report.

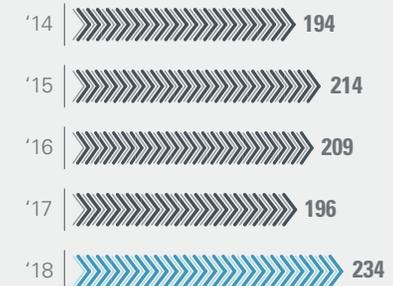
In its 2018 rate case, Entergy New Orleans proposed two separate initiatives to increase the use of electric vehicles in New Orleans. In the first initiative, Entergy New Orleans would construct, own and operate electric vehicle chargers on customer-owned property, with customers paying for the chargers over time. In the second initiative, Entergy New Orleans would invest up to \$500,000 to construct utility-owned and operated electric vehicle chargers for public use at city-owned locations, including libraries, parks and schools. Each of these initiatives would accelerate the adoption of electric vehicles, which is consistent with the city's climate and transportation modernization efforts.

**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.

## UTILITY OUR CORE BUSINESS

### ELECTRIFICATION

Entergy believes that the electrification of sectors that traditionally use fossil fuels is not only necessary to reduce economy-wide emissions but also presents an opportunity for Entergy to partner with regulators and key stakeholders on policy and incentive options to encourage adoption of electric vehicles. Entergy has taken the following actions to support electrification:

- We presented grants to 16 colleges and universities in our region to help fund the installation of 17 240-volt electric vehicle charging stations.
- We established the Power Drive program to purchase electric vehicles and install charging infrastructure at Entergy facilities.
- We presented a grant to Tulane University to help fund the purchase of electric shuttle vehicles, allowing the university to retire several internal combustion vehicles.



### ENVIRONMENTAL

Through our Power Drive initiative, we are studying technological advancements, monitoring market trends and collaborating with industry experts to ensure we're prepared to safely and reliably meet our customers' needs as electric vehicles continue to account for a growing percentage of the nation's transportation portfolio. Our Power Drive website at [www.entergypowerdrive.com](http://www.entergypowerdrive.com), includes information on choosing the right EVs, tax credits and incentives, a savings calculator and a location map for charging stations. A number of Entergy employees have purchased their own EVs and are now using the chargers installed for Power Drive to charge their vehicles while at work.



### SOCIAL/ECONOMIC

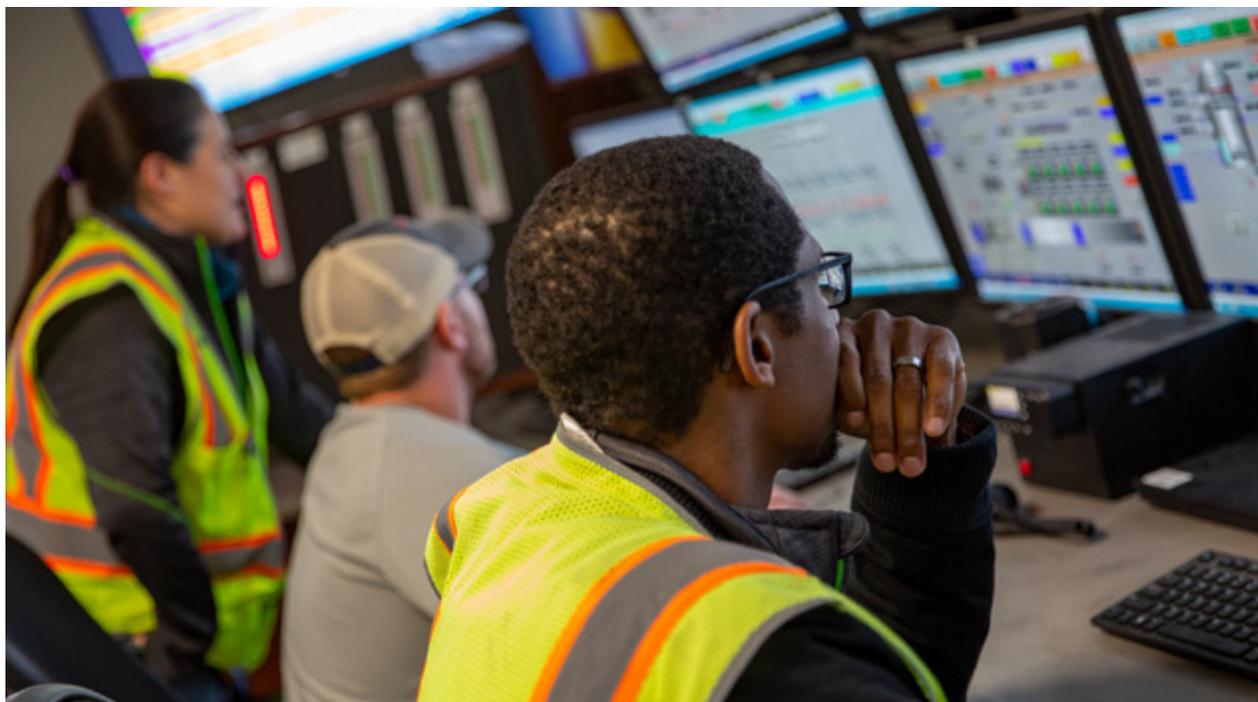
In 2018 Entergy sponsored an energy-saving tree giveaway program in partnership with the Arbor Day Foundation and distributed 700 trees to customers across our four-state service area. By planting trees in the right places, homeowners effectively shade their homes and save money on their energy bills. In addition, planting trees protects homes from damaging wind gusts, creates cleaner air and water, and creates carbon benefits. We estimate these trees will produce energy savings of 1.5 million kWh, filter 13 million gallons of stormwater runoff and capture 3.3 million pounds of carbon.

## UTILITY

### OUR CORE BUSINESS

Other significant beneficial electrification and emission reduction opportunities include ports, commercial and distribution facilities, and industrial operations.

Electric-powered technologies offer several key benefits, including lower maintenance, lower fuel consumption, increased workplace safety and efficiency, less noise, and cleaner and healthier work environments.



## SOCIAL

Energy logged another busy year for emergency response in 2018, primarily involving mutual-assistance activities outside of our service area:

- In March, we sent 300 restoration workers to help restore service to 1.5 million customers in Pennsylvania and New Jersey following a winter storm.
- In September, we deployed nearly 200 distribution workers to the Carolinas to help restore service to customers of Duke Energy following Hurricane Florence.
- In October, 390 of our distribution workers assisted Gulf Power Company and Georgia Power Company with restoration efforts following Hurricane Michael.



## RECOGNITION

At Entergy, emergency preparedness and response are key components of delivering power safely, reliably and efficiently. We take an integrated approach to prepare for extreme weather events that includes robust year-round business continuity planning, emergency response drills, asset-hardening investments to improve resilience and reduce the time it takes to restore service, and community and customer engagement to prioritize our investments and minimize business disruptions. We also invest in wetlands restoration efforts to promote greater resiliency in our service area and to enhance biodiversity and local ecosystems. We also support our communities with grants to aid in recovery.

As a result of these assistance efforts, Edison Electric Institute awarded Entergy our 30th Emergency Response Award, marking the 21st consecutive year EEI has recognized Entergy employees for their outstanding mutual-assistance work. Entergy is the only utility in the nation that has earned EEI recognition every year since the launch of EEI's Emergency Response Award program.

Entergy, our employees and our stakeholders continue to help communities rebuild and recover from disasters. As part of a two-year partnership with the American Red Cross, Entergy allocated \$500,000 for disaster response in communities impacted by disasters in our service area. To mark the one-year anniversary of Hurricane Harvey, Entergy awarded an additional \$300,000 in grants to help communities still struggling to recover.



## STAKEHOLDER ENGAGEMENT

We engage with our stakeholders to better understand their needs. Aligning our objectives with the expectations of our customers, employees, communities and owners helps us make better business decisions. Through regular communications with our stakeholders, we share our strategies and plans, gather feedback and gain support to help us achieve our goals. We communicate face-to-face at stakeholder events and through numerous other channels, including e-newsletters, social media and bill inserts.

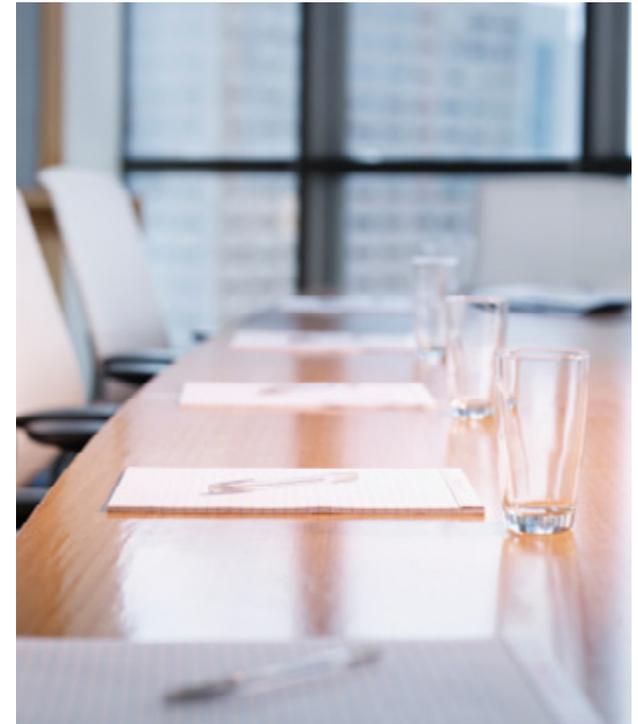
We work to understand and address the needs and concerns of our stakeholders when we propose and implement projects related to our generation, transmission and distribution infrastructure. Through our outreach efforts, we ensure that policymakers and other stakeholders know and understand our perspectives 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 as suppliers and through charitable contributions and volunteerism. We engage with stakeholders on an ongoing basis in areas such as public safety and emergency preparedness.

On state and local levels, we work constructively with our regulators to secure regulatory frameworks that support our ability to make productive investments to benefit our

customers. In Arkansas, Louisiana and Mississippi, our formula rate plans reduce administrative burdens, allow for more timely alignment of rates with costs, and reduce financing costs. We also have requested approval to use a formula rate plan construct at Entergy New Orleans. In all jurisdictions we have rider mechanisms that enable recovery of certain costs outside of traditional base rate proceedings. For example, the Public Utility Commission of Texas allows rider mechanisms to facilitate cost recovery of investments in transmission and distribution infrastructure. Positive regulatory frameworks that support investments through timely recovery make Entergy a financially stronger company.

Each year we conduct a shareholder outreach program to explain our approach to corporate governance and gather shareholder insights and feedback on matters of mutual interest. In these meetings, we discuss topics such as industry and business developments, corporate strategy, executive compensation, director refreshment and other corporate governance issues, environmental and social issues, and proxy statement and integrated report disclosures. In 2018, we contacted shareholders owning 48 percent of our outstanding shares, resulting in meaningful discussions with the holders of 27 percent 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 certain 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.

A night-time photograph of a nuclear power plant with two large containment domes, illuminated by warm lights and reflected in a body of water. The sky is dark blue, and bare tree branches are visible in the foreground.

**WHOLESALE GENERATION**  
OUR EXIT STRATEGY

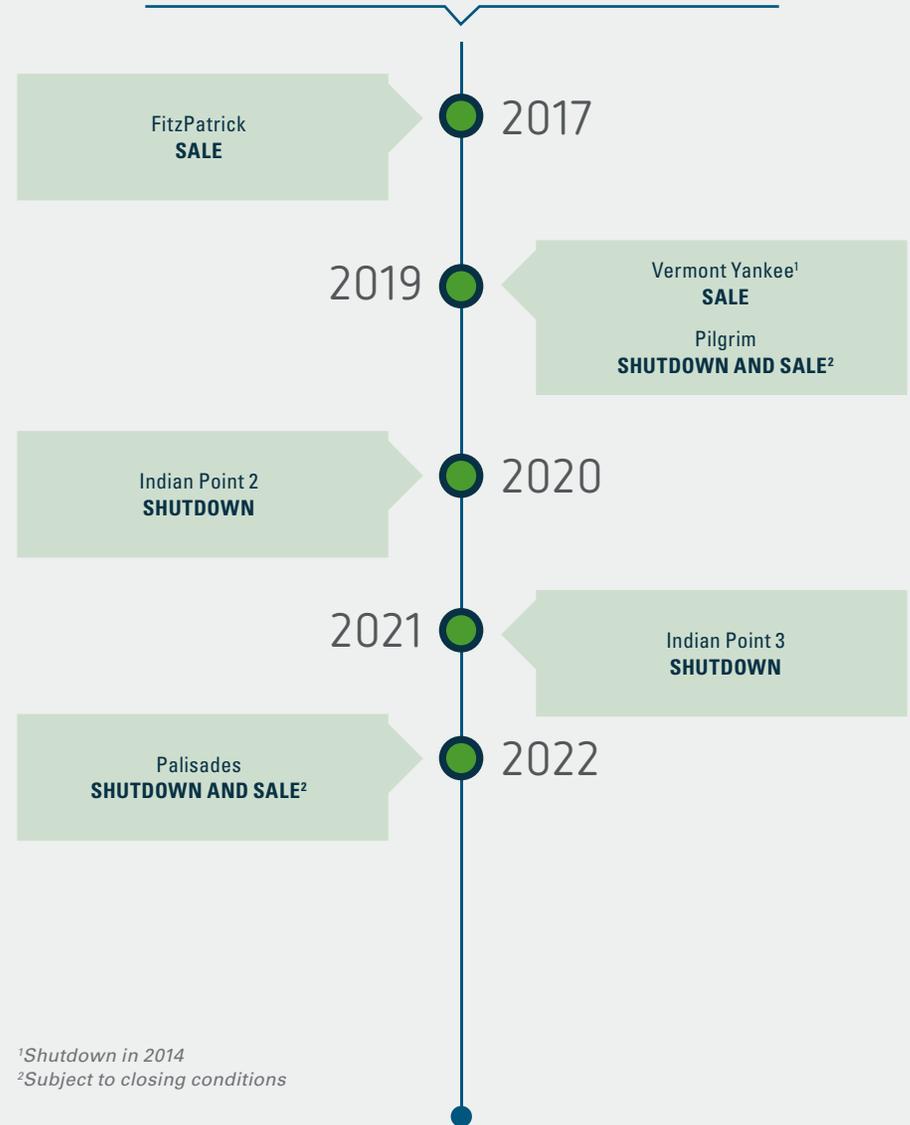
## PLANNED AND ORDERLY EXIT

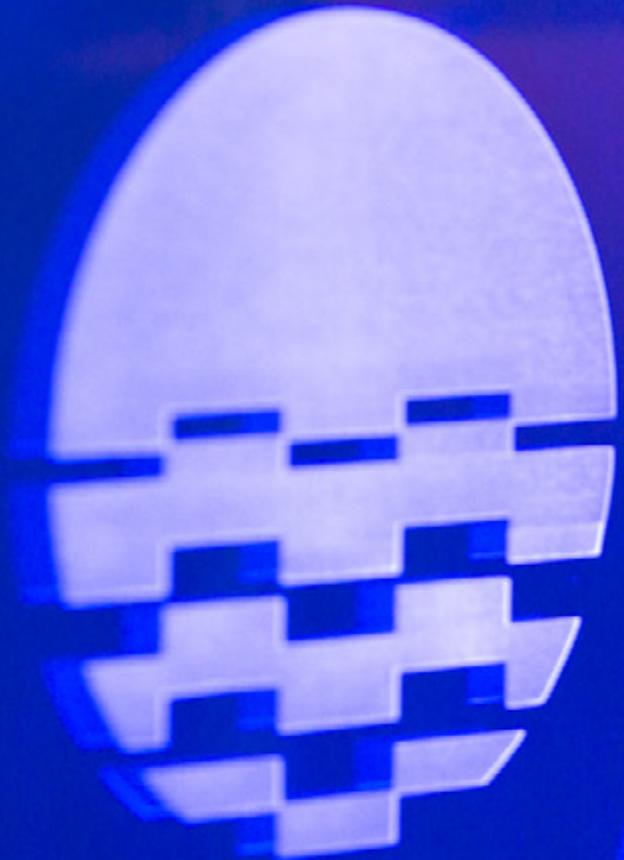
For our wholesale business, our strategy for the last several years has been to gradually eliminate our merchant footprint. We have announced the sale or closure of each of our merchant nuclear assets, completing our plan to exit the merchant power business and transition to a pure-play utility by year-end 2022. We made progress in our strategy with these notable developments:

- After receiving approvals from both the Nuclear Regulatory Commission and Vermont Public Utility Commission, the sale of Vermont Yankee to NorthStar was completed in January 2019.
- In August, we announced agreements to sell Pilgrim Nuclear Power Station and Palisades Power Plant to a Holtec International subsidiary. In November we, with Holtec, submitted the license transfer application for Pilgrim to the NRC. Targeted closings are by year-end 2019 for Pilgrim and by year-end 2022 for Palisades.
- Indian Point Energy Center Unit 2 completed its final refueling outage before the plant's scheduled closing in April 2020.

Employees displaced by our exit of our wholesale business will be offered available jobs in our other parts of the company if they are qualified, interested, and willing to relocate.

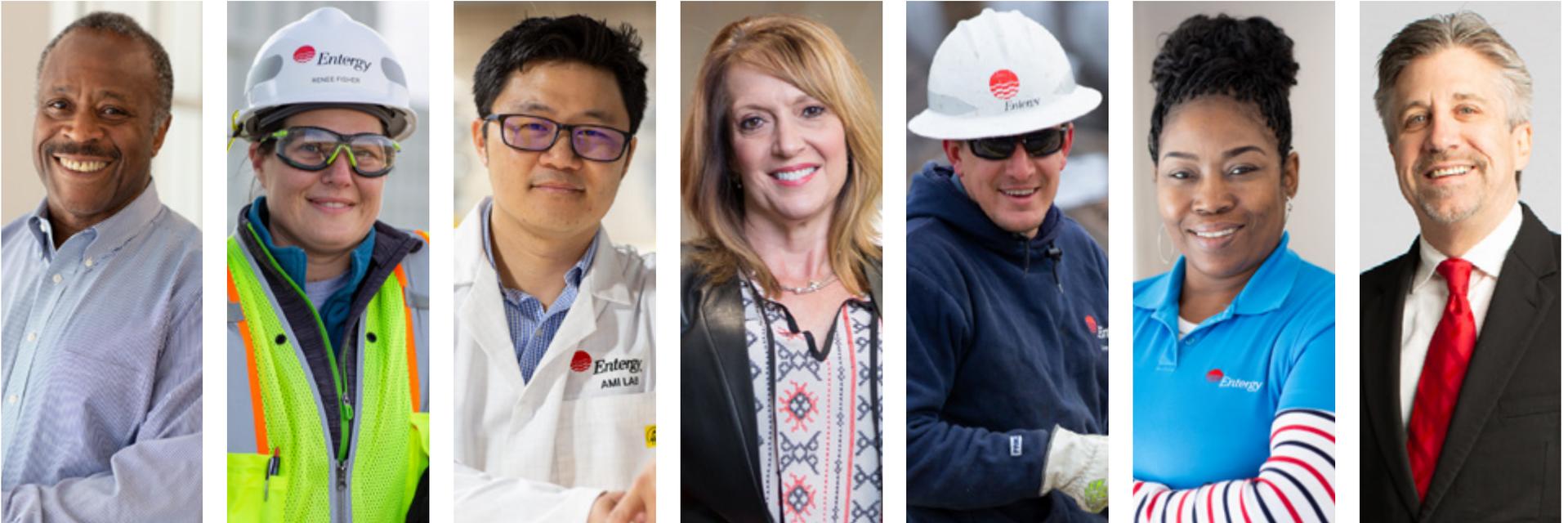
### PLANNED EXIT TIMELINE





*Entergy*

**WORKPLACE**  
OUR ORGANIZATIONAL  
TRANSFORMATION



## A PATHWAY TO THE WORKPLACE OF TOMORROW

Our people and our culture are critical to Ennergy's success. They make it possible to implement our strategy and achieve our stakeholder objectives. That's why acquiring, retaining and developing the talent we need to meet today's business needs and to prepare for the workplace of tomorrow are important components of our human resources strategy. We focus on a holistic approach that includes workforce safety and wellness, organizational health, effective and forward-looking talent management, and competitive compensation and benefits.

## OUR ORGANIZATIONAL TRANSFORMATION WORKPLACE

### WORKFORCE

Simply put, our human resources mission is to enable Entergy's people to deliver on its business strategy while making the company a great place to work. At the end of 2018, our workforce included nearly 13,700 employees across our geographic footprint.

Our people approach extends across employee lifecycle practices, from talent attraction, recruitment, onboarding and retention (development and engagement) to separation.

#### ORGANIZATIONAL OBJECTIVES

- Create and sustain a safe and healthy culture
- Prepare and enable our people to be effective today and in the future
- Embrace and manage change
- Ensure we have the right organizational and governance structures to execute our strategy



## SAFETY AND WELLNESS

At Entergy there is nothing more important than working safely and going home safely every day. In addition to protecting our people’s well-being, strong operational safety and top-tier safety practices are fundamental drivers of our business performance. We continuously evaluate our approach to safety and make ongoing improvements to achieve top-decile safety performance.

Entergy employees achieved a recordable accident index of 0.48 in 2018 compared to 0.56 in 2017 and 0.69 in 2016. There were no employee fatalities. Our steady improvement is the result of employees’ commitment to achieving an accident-free work environment, the initiation of our Influencing Leader Structure Program and diligence in reporting safety hazards through our safety observation



program – Close Call / Good Catch. Our employee safety performance in 2018 led to Entergy’s ranking in the top decile of the Edison Electric Institute benchmark survey, our stated goal.

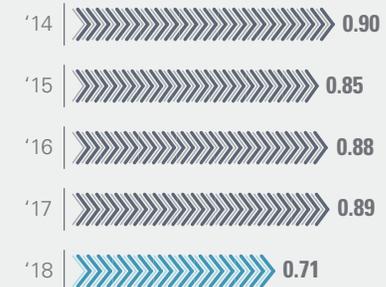
Entergy contractors achieved a recordable accident index of 0.71 in 2018 compared to 0.89 in 2017 and 0.88 in 2016. However, two contractor fatalities and injuries involving helicopter incidents occurred with crews performing maintenance on Entergy transmission lines. We are deeply saddened and concerned by these events. In response, we temporarily grounded helicopter patrol and construction activities in order to review our standards, oversight, training and certification programs. In addition, we initiated a broad unmanned aerial systems program to supplement future aerial operations. While not a complete replacement for helicopter operations, using UAS to supplement patrol and inspection reduces exposure of helicopter operations. We are fully committed to raising safety awareness and reducing identified risks for our employees and contractors.

Entergy has also implemented an advanced field oversight program to prevent injuries and to better align role clarity, technical competency and leadership capability. The goal of our Influencing Leader Structure Program is to improve the effectiveness of our field leaders by increasing field presence, performing more coaching and mentoring of front-line workers, and capturing data to improve work behaviors. Since launching the program in 2017, field observations by front-line supervision have increased along with the field presence of managers conducting paired observations. Vice presidents conduct quarterly sessions with managers to review quality and quantity results from field observations.

### EMPLOYEE YEAR-ENDING RECORDABLE ACCIDENT INDEX



### CONTRACTOR YEAR-ENDING RECORDABLE ACCIDENT INDEX



Recordable accident index: Number of recordable accidents per 100 full-time equivalents. Recordable accidents include fatalities, lost-time accidents, restricted-duty accidents and medical attentions.

## OUR ORGANIZATIONAL TRANSFORMATION WORKPLACE

Regarding the Close Call/Good Catch program, Entergy employees identified and logged more than 3,900 hazardous conditions with a high impact rating in 2018, a year-over-year increase of approximately 20 percent. Program effectiveness is evident from the steady increase in items identified as high impact – those hazards that have a high probability of causing an injury – since the program launch in 2016, in concert with the steady decline in company-wide injury rates over that same timeframe.

Improving workforce wellness benefits our employees and helps Entergy better control health care costs. Our HealthStrides long-term health care strategy has yielded savings for both employees and the company by holding medical plan cost increases to less than the national average. Factors that have helped slow the increase in costs include intentional consumerism by employees in making health care choices, vendor improvements, and greater participation in preventive health care and Entergy's ENSHAPE wellness program. We believe Exercise + Nutrition + Safety = Healthy and Productive Employees.

### 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.



### SOCIAL

**In 2018, Entergy's board of directors recognized transmission's sustained excellence in safety with a resolution honoring the group of nearly 1,000 employees for completing 397 days of injury-free performance. Transmission employees proved that our zero-injury goal is achievable on a sustained basis. We are proud of this important milestone and thankful to our employees for the focus, commitment and care they demonstrated through outstanding safety performance.**



**Entergy continually encourages its employees to adopt healthy personal lifestyles through a range of programs. We encourage employees to support local communities through Heart and Health grants for active participation in walks, runs and rides. In 2018, our employees secured \$22,000 in grants with 220 employees participating in 22 events across Entergy's geographic footprint in partnership with a wide variety of health and wellness nonprofit organizations.**



## OUR ORGANIZATIONAL TRANSFORMATION WORKPLACE

- Leverages the power of diversity to identify new and better ways to create value for our stakeholders and improve business results.

Our focus on 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.

Our new employee orientation program, employee and leadership development programs, and performance management processes all 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. The indicators assess organizational health for nine outcomes: direction, leadership, culture and climate, accountability, coordination and control, capabilities, motivation, innovation and learning, and external orientation. Underlying the nine outcomes are survey questions on 37 management practices. The survey also includes Entergy-specific questions for its leadership practices, safety, diversity and inclusion, and ethics and compliance. In five years of administering the survey, we improved from an initial score of 49 (fourth quartile) in 2014 to a score of 65 (high third quartile) in 2018, placing us on the cusp of achieving second-quartile organizational health. In addition to significantly improved scores, employee participation rose from 66 percent in 2014 to 90 percent in 2018. We stand committed to achieving top-quartile results and are taking action to accelerate improvement in organizational health.

We believe healthy organizations value and use the full power of employees' experiences and perspectives and actively work to create avenues to do so. Entergy's

### ORGANIZATIONAL HEALTH INDEX SCORE



### ORGANIZATIONAL HEALTH INDEX SURVEY EMPLOYEE PARTICIPATION



employee resource groups are pathways through which employees can engage in the business, network, and grow and develop together. ERGs are employee-led groups that provide opportunities to connect with others who share similar interests and backgrounds. Our six ERGs – Generational, Pride, Shift, Veterans, Multicultural



### SOCIAL/ECONOMIC

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, which lets 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. In 2018, employees and retirees logged close to 112,000 hours of volunteer service valued at approximately \$3.6 million.



OUR ORGANIZATIONAL TRANSFORMATION  
**WORKPLACE**

OUR WORKFORCE

2018 ENTERGY  
WORKFORCE BY AGE



17% Baby Boomers  
52% Generation X  
31% Millennials

● Baby Boomers born 1943 to 1960  
● Generation X born 1961 to 1981  
● Millennials born 1982 and after

2018 ENTERGY  
WORKFORCE BY ETHNICITY



80% Caucasian  
14% African American  
2% Hispanic  
2% Asian  
2% Other

2018 ENTERGY  
WORKFORCE BY GENDER

20% | 80%  
Female | Male

2018 U.S. BUREAU OF LABOR STATISTICS  
AVERAGE FOR U.S. UTILITIES

22% | 78%  
Female | Male

2018 ENTERGY MANAGEMENT  
WORKFORCE BY AGE



22% Baby Boomers  
68% Generation X  
10% Millennials

Based on EEO-1 classification  
● Baby Boomers born 1943 to 1960  
● Generation X born 1961 to 1981  
● Millennials born 1982 and after

2018 ENTERGY MANAGEMENT  
WORKFORCE BY ETHNICITY



88% Caucasian  
8% African American  
2% Hispanic  
1% Asian  
1% Other

Based on EEO-1 classification

2018 ENTERGY MANAGEMENT  
WORKFORCE BY GENDER

17% | 83%  
Female | Male

Based on EEO-1 classification

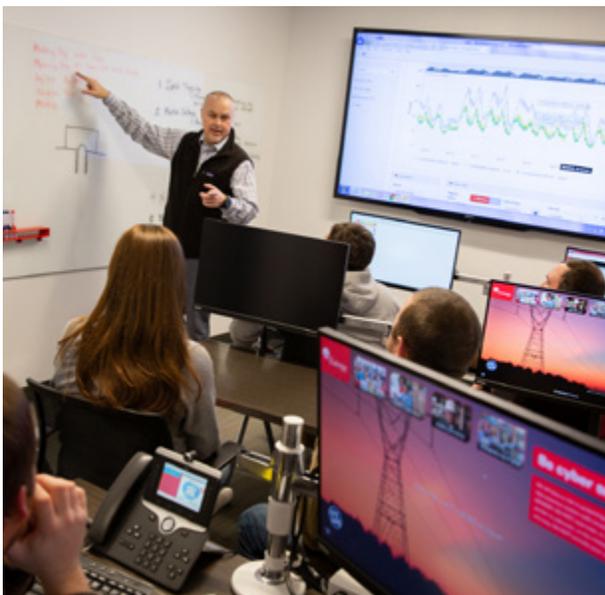
## OUR ORGANIZATIONAL TRANSFORMATION WORKPLACE



SOCIAL

In 2018, we conducted the inaugural Entergy's Women's Leadership Forum, "Developing Powerful Leaders in a Changing World." Entergy's executive-level women, including its female board members, attended the forum to discuss the evolving dynamics of our business, to share how they can build personal resilience to lead change, and to strategize steps to proactively support the growth and development of all women in the workforce.

The Women's Leadership Forum led to the establishment of the Entergy Women's Leadership Advisory Committee – a network of senior female leaders whose goal is to promote an environment of support and empowerment for women and to advocate on issues regarding professional development and advancement opportunities.



and Women's – have close to 1,700 members. ERG input informs decisions on recruiting, onboarding, retention, work/life balance, technology, policies, and employee and leadership learning and development.

We continually evaluate and enhance our approach to diversity and inclusion in the context of an evolving business environment. In 2018, Entergy's senior leadership team adopted a diversity goal formally setting forth our aspiration and commitment to develop and retain a workforce that reflects the rich diversity of the communities we serve. Powering life through the diversity and inclusion of ideas, backgrounds, perspectives, skills, knowledge and cultures inspires us to work together to grow a world-class energy business that creates sustainable value for our customers, employees, communities and owners.

Successful employee events in 2018 reflected the positive momentum of our diversity and inclusion efforts. Entergy's 16th annual Diversity and Inclusion Summit brought together Entergy's six ERGs and more than 20 diversity and inclusion councils to engage in meaningful dialogue and share best practices.

## TALENT MANAGEMENT

People are our most valuable resource. We focus on empowering our people to deliver on the company's strategy to address today's business needs and to prepare for the workplace of tomorrow. Our talent management and Total Rewards practices create a positive and differentiating experience throughout our employee lifecycle practices.

### ATTRACTING TALENT

Entergy has deepened its efforts to understand evolving workforce needs and to plan accordingly for the future, taking into account the need to incorporate new skills and capabilities. Our quarterly cross-functional workforce planning sessions provide insights into staffing and skill requirements needed in the coming years, while our continued formation of strategic partnerships helps us identify and develop future talent. We are also growing our talent pipeline through engagements with targeted colleges in specific disciplines through three campus team pilots.

## OUR ORGANIZATIONAL TRANSFORMATION WORKPLACE



In 2018, Entergy and other members of the Louisiana Energy Workforce Consortium partnered to help build Louisiana's workforce of the future by developing a Certified Line Workers Training Program at Fletcher Technical Community College in Schriever and at Delgado Community College in New Orleans. These programs hold great promise in meeting the needs of the energy industry and helping modernize Louisiana's power grid.

In addition, we piloted Career Pathways, a new program designed to help us build a diverse and inclusive workforce by creating employment opportunities for young adults in the New Orleans area. Career Pathways reduces hiring barriers by helping participants prepare for careers at Entergy, including taking – and passing – the industry standard Edison Electric Institute testing, a hiring requirement for most craft positions. Candidates for the program were identified by our community partners.

We are encouraged by the results – of the 18 students participating in the 2018 pilot program, 14 graduated.

Finally, Entergy and Southern University announced a \$2 million engineering education initiative to further support their mutual commitment to develop engineering talent for the future. Building on Entergy's commitment, Louisiana Gov. John Bel Edwards announced a \$2 million match by the State of Louisiana. Southern University is an ideal partner to support Entergy's investments in growing a diverse workforce. The multiyear initiative will focus on enhancing Southern University's engineering curriculum and staff development and funding state-of-the-art improvements to labs and classrooms. The grant will also fund internship and mentoring programs to enhance and strengthen the relationship between Entergy and Southern University.

We're also updating tools and technologies to improve our outreach. Thanks to a website redesign and new mobile app capabilities, our external career website applications increased 20 percent compared to 2017. In total, Entergy reviewed roughly 110,000 external applications for positions in 2018. Through the talent attraction plan, nuclear strategic plan and other hiring programs, we hired 1,725 new employees in 2018, on par with nearly 1,800 in 2017.

### RETAINING AND DEVELOPING TALENT

Once individuals become employees, they begin their Entergy careers by participating in our new employee orientation program. In addition to learning about our culture and networking with other new employees, participants meet with senior leaders from across the organization and visit several Entergy sites in the New Orleans area to gain hands-on insights into our business operations. In 2018, 1,051 new employees participated in our orientation program.

Professional development is the responsibility of every employee at Entergy. All employees are encouraged to create individual development plans to outline their development goals, performance opportunities and career interests. In 2018, more than 9,000 employees and 96 percent of supervisors created IDPs. Entergy also launched the Grow Your Career framework, which conveys in four simple steps a path for employees desiring to invest and advance in their professions. We believe our ability to offer employees a diversity of job opportunities throughout their careers is an advantage. It's not unusual for a corporate employee to pursue an operations role, or vice versa.

We also invest in our leaders through targeted leadership development programs and processes. Programs are linked by a common language and set of leadership concepts and approaches. In 2018, 619 employees participated in our leadership programs.

Further, Entergy is investing in training to develop new skills and capabilities for the workforce of tomorrow. In 2018, more than 1,600 utility employees participated in over 100 Empowered Customer Service training classes, exploring characteristics, expectations and benefits of excellent customer service. Entergy also established three new online learning partnerships in 2018. More than 700 employees completed a course with Capella, while over 100 employees enrolled in 383 courses through the eCornell program, resulting in an end-of-year 90 percent course completion rate. Courses included data analytics and data science, robotics process automation, change management and agility, among others.

## TEAM ENTERGY: DIVERSE PATHWAYS TO SUCCESS



### DEANNA RODRIGUEZ

VP, REGULATORY AND PUBLIC AFFAIRS  
ENTERGY TEXAS, INC.

Over the course of her 25-year Entergy career, Deanna has applied her expertise in external affairs, government relations and corporate philanthropy to make a difference for customers and communities. She led an Entergy team that successfully applied for \$200 million in post-Katrina Community Development Block Grants and also created the Entergy Charitable Foundation and the company's employee volunteer program, Community Connectors.



### KIMBERLY FONTAN

VP, SYSTEM PLANNING  
AND OPERATIONS

After joining Entergy as a staff accountant in 1996, Kimberly branched out in her career journey to embrace leadership opportunities in jurisdictional finance, regulatory affairs and utility operations. Today, she leads system planning, which manages resource planning, system operations and dispatch, and fuel supply. Kimberly also serves on the Entergy Women's Advisory Council.

### WILLIE WILSON

VP, POWER PLANT  
OPERATIONS

Willie's Entergy career has allowed him to grow his leadership skills and technical expertise in a variety of areas, including gas business and operations support, distribution operations, customer service, transmission engineering and power generation. He is a former chair of Entergy's Multi-cultural and Women Employee Resource Group and a proud veteran of the U.S. Navy.



### NATALIE WOOD

VP-COORDINATOR  
RIVER BEND STATION (NUCLEAR)

Natalie flexed her leadership skills soon after joining River Bend Station as a design engineer in 2006. With a goal to enhance professional development opportunities for her plant and industry peers, she helped launch Entergy's first chapters of North American Young Generation in Nuclear and eventually became national NAYGN president. Natalie has served on River Bend's site leadership team since 2014.



### RICK RILEY

SENIOR VP, DISTRIBUTION OPERATIONS  
AND ASSET MANAGEMENT

Since being hired as a senior lead engineer in 1995, Rick has held leadership positions at Entergy Arkansas as well as in transmission, customer service, resource planning, economic development, and regulatory and public affairs. Today, Rick leads the distribution organization, which manages more than 105,000 miles of distribution circuits and supports Entergy's customer-centric strategy as we modernize and strengthen our electric grid.



### LEA TURNIPSEED

VP, CUSTOMER SERVICE  
ENTERGY MISSISSIPPI

Lea's internship with Entergy Nuclear led to a position in 1997 as financial analyst, and then financial control manager. She gained experience in accounting and investor relations before becoming a finance director for Entergy Mississippi. Relationship-building is the cornerstone of her current role as a customer service leader.



# WORKPLACE OUR ORGANIZATIONAL TRANSFORMATION

## COMPETITIVE COMPENSATION AND BENEFITS

Our competitive total compensation programs are vital in recruiting and retaining employees and are aligned with their needs and employment lifecycle. In addition to salary and benefits, our comprehensive Total Rewards package gives eligible employees access to a defined contribution savings plan with company matching and numerous investment options. Retirement plans allow employees to plan for their future. Health and welfare benefits include medical, dental and vision coverage options, as well as employee assistance and work-life balance programs. We reinforce high levels of individual and company performance through annual bonus and rewards and recognition programs for eligible employees, in addition to annual merit pay increases.



## EMPLOYEE AND RETIREE VOLUNTEERISM (hours in thousands)



**ENVIRONMENTAL,  
SOCIAL AND  
GOVERNANCE**



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE

# SUSTAINABLE VALUE FOR ALL STAKEHOLDERS

## SUSTAINABLE VALUE FOR ALL STAKEHOLDERS

Our pursuit of sustainability began nearly two decades ago, and since then we have set clear economic, environmental and social goals and implemented strategies to achieve them. We continually work to improve our sustainability performance, which has earned Entergy recognition as an environmentally and socially responsible utility.

The corporate governance committee of Entergy's board of directors has responsibility for oversight of the company's overall sustainability program and strategy and environmental, social and governance reporting. This responsibility is met by assuring that recognized sustainability risks are being addressed by the full board or an appropriate board committee. The table below provides information on sustainability oversight by Entergy's board committees.

BOARD COMMITTEE	PRIMARY SUSTAINABILITY OVERSIGHT RESPONSIBILITY
Corporate Governance	Overall corporate sustainability strategy and reporting; corporate social responsibility; corporate governance issues; governmental, regulatory, public policy and public relations matters; public advocacy activities and contributions; shareholder concerns
Personnel	Executive compensation policy; employee and human resources issues; employee training and development; talent management; employee and contractor safety; diversity and inclusion; supplier diversity
Audit	Environmental compliance and auditing and environmental policies; ethics and compliance; market and credit risks; cybersecurity risks; financial reporting processes and risks; other strategic risks and general risk oversight
Finance	Financial stability; major capital investments
Nuclear	Safety risks unique to the nuclear fleet; sustainability of our nuclear plants



Within Entergy's senior management, our executive vice president and general counsel has primary responsibility for our overall sustainability performance and for ensuring the sustainability of business practices across the company. Other members of the office of the chief executive – the chief financial officer; group president, utility operations; and chief nuclear officer – are also responsible for internal coordination of our sustainability performance.

To enhance our governance of sustainability, in 2018 Entergy created a new sustainability organization led by a vice president who reports to our executive vice president and general counsel. The new organization established a sustainability mission for the company and is responsible for implementing the mission. To effectively accomplish its goals, the organization established a working group of representatives from across the company that provides coordination and support on developing strategic priorities and action plans in the key areas of sustainability, including climate strategy, supply chain management, human resources and corporate social responsibility.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE SUSTAINABLE VALUE FOR ALL STAKEHOLDERS

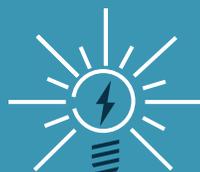
## ENVIRONMENTAL

Under the leadership of our board of directors, Entergy has been a long-time advocate for policy action and societal investments to address climate change and to adapt to physical environmental risks. In the late 1990s, we acknowledged the risk posed by climate change not only to our infrastructure, but also to our customers and the communities we serve. Demonstrating its stewardship, our board adopted a forward-looking environmental policy that extended beyond a dedication to environmental compliance. This policy committed us, among other things, 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.

Today, our board and senior management continue to provide environmental and sustainability oversight. For example, our climate strategy and current climate goals have been developed under the full board's oversight, and the audit committee receives annual reports from the Sustainability and Environmental Policy Group on Entergy's environmental programs, performance and initiatives. Our executive vice president and general counsel provides oversight in the implementation of our environmental policies and procedures, including our environmental management system as discussed in the Environmental Compliance section of this report.

### LEADERSHIP IN A CARBON-CONSTRAINED ECONOMY

The investments we are making to improve reliability and efficiency for our utility customers also help protect the environment. We are one of the cleanest generators of electricity in the United States, and one of our principal objectives is to be an environmental leader for our communities and our industry.



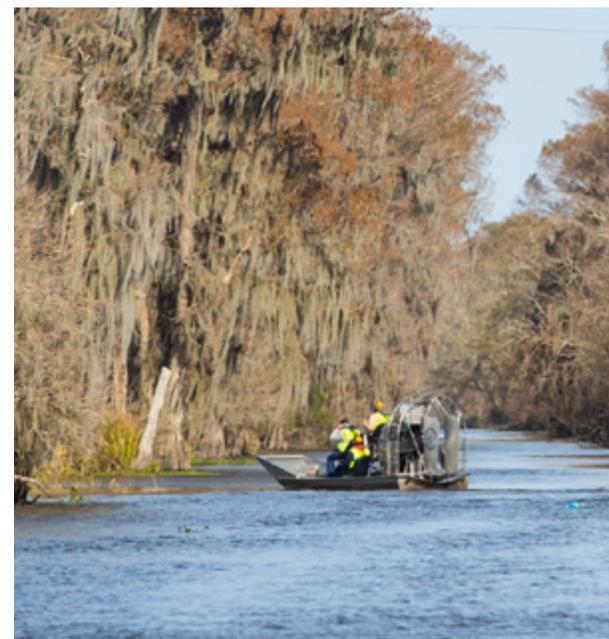
## ENVIRONMENTAL

**Entergy's new climate report announces a new greenhouse gas emissions goal and expands the company's longtime history of leadership in addressing the risks of climate change and proposes steps Entergy is taking to prepare for a predicted carbon-constrained future.**

Click [here](#) to read the report.

Entergy has considered climate risk and the risk of carbon regulation in our business planning for nearly two decades. In 2001, we were the first U.S. utility to commit voluntarily to cap CO<sub>2</sub> emissions. We extended this commitment twice, including a voluntary pledge to maintain our CO<sub>2</sub> emissions at 20 percent below year 2000 levels through the year 2020. This pledge was part of *Environment 2020*, a comprehensive environmental strategy and management system we adopted in 2011 that covers six areas of strategic action: environmental footprint, proactive adaptation, compliance leadership, energy efficiency, clean generation and stakeholder engagement. Detailed information on each of these focus areas is available at [www.entergy.com/environment](http://www.entergy.com/environment).

Through 2018, our cumulative CO<sub>2</sub> emissions were approximately 8 percent below our target.



We expect that our planned investments in portfolio transformation and grid modernization will continue to increase our overall environmental efficiency. For example:

- Highly efficient combined-cycle power stations such as St. Charles Power Station, Lake Charles Power Station and Montgomery County Power Station will produce significantly fewer carbon emissions per MWh than the facilities they replace.
- Nuclear generation is also an important source of clean, reliable baseload power for our utility customers. Prudently investing to preserve these valuable, virtually non-emitting resources for our stakeholders is an important part of our strategy to deliver sustainable value.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE

# SUSTAINABLE VALUE FOR ALL STAKEHOLDERS

- Our planned investments in new technologies to modernize our grid, such as advanced meters, will further improve efficiency, reliability and energy conservation.
- We are actively working to develop and incorporate cost-effective opportunities to expand our use of renewables, including both utility-scale and distributed-energy resources. These will allow us to further reduce emissions as the economics, performance and reliability of these resources continue to improve.

This year, we are reinforcing this focus with the release of a new analysis report, *Climate Scenario Analysis and Evaluation of Risks and Opportunities*. Its purpose is: (1) to build on Entergy's long history of discussing and managing climate change risk; (2) to use scenario planning to analyze potential impacts on – and opportunities for – Entergy and the regional economies in which we operate; and (3) to inform and engage stakeholders on Entergy's current and ongoing processes for managing climate risk and evaluating future opportunities.

Additionally, informed by this analysis, we are raising the bar again with our next climate goal. We will seek to reduce our CO<sub>2</sub> emission rate to 50 percent below 2000 levels by 2030. More information on this goal and the analysis report can be found on [Entergy's website](#).

These are just a few of the many investments and commitments we are making today to ensure our electric generating and delivery system is well-positioned for operations in a carbon-constrained economy. For further information, visit [www.entergy.com/environment](http://www.entergy.com/environment).

### CUMULATIVE CO<sub>2</sub> EMISSIONS FROM ENTERGY-OWNED PLANTS AND CONTROLLABLE PURCHASES (million tons)



- Cumulative Emissions 2001-2018
- Cumulative Goal 2001-2018
- Cumulative Goal 2001-2020

### AVERAGE CO<sub>2</sub> EMISSION RATE FROM ENTERGY-OWNED PLANTS (pounds per MWh)



- 2000
- 2014-2018 Average
- 2018

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE

# SUSTAINABLE VALUE FOR ALL STAKEHOLDERS

### CLEAN GENERATION

Entergy operates one of the cleanest large-scale generation fleets in the country, according to the 2018 Benchmarking Air Emissions Report (which is based on 2016 data). The report provides information on the top 100 power producers, of which Entergy ranks sixth-largest, while maintaining the 26th-lowest CO<sub>2</sub> emission rate. Entergy also ranks fifth in the production of virtually zero-emitting energy.

The report also looks specifically at the 20 largest privately or investor-owned power producers as an industry peer group. Entergy ranks as the fifth-largest power producer in that group while maintaining the fourth-lowest CO<sub>2</sub> emission rate. Entergy also ranks fourth in the production of virtually zero-emitting energy among that peer group.

### ENERGY RANK IN THE 2018 BENCHMARKING AIR EMISSIONS REPORT (BASED ON 2016 DATA)

	OF TOP 100	OF 20 PEERS*
Power production	6th	5th
Lowest CO <sub>2</sub> ranking	26th	4th
Production of virtually zero-emitting energy	5th	4th

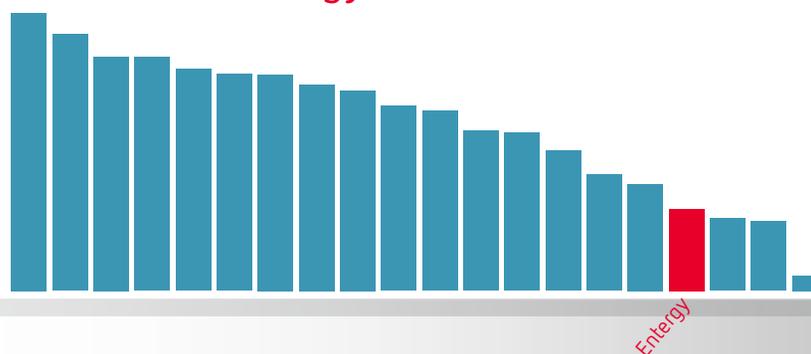
Entergy's investments in our generation portfolio transformation and nuclear improvements have greatly reduced both absolute air emissions and emission rates since 2000. Over the past 13 years, we have added approximately 5,900 MW of clean, highly efficient combined-cycle gas turbine generation.

\*Top 20 privately/investor-owned power producers

### LOW CO<sub>2</sub> EMISSION RATE

CO<sub>2</sub> emission rates of top 20 privately/investor-owned power producers (lb/MWh)

Entergy 567 lbs/MWh



Source: MJ Bradley, Benchmarking Air Emissions of the 100 Largest Electric Power Producers in the United States, published June 2018

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE

# SUSTAINABLE VALUE FOR ALL STAKEHOLDERS

CCGT plants are highly efficient and reduce the amount of fuel burned per kilowatt hour of energy produced, thus greatly reducing emissions. Entergy's strategy has allowed the deactivation of over 6,300 MW of older, less efficient gas or oil units. Since 2000, while our annual electric generation grew by more than 27 percent, our investments in clean energy capacity have resulted in:

- 72 percent reduction in absolute NO<sub>x</sub> emissions and 78 percent reduction in NO<sub>x</sub> emission rates
- 59 percent reduction in SO<sub>2</sub> emissions and 68 percent reduction SO<sub>2</sub> emission rates
- 90 percent reduction in mercury emissions and 92 percent reductions in mercury emission rates
- 25 percent reduction in absolute CO<sub>2</sub> emissions and 41 percent reduction in CO<sub>2</sub> emission rates

We account for risks related to greenhouse gas emissions in our business planning process, using our expectations on future carbon prices and compliance costs for other potential environmental requirements to test business planning decisions.

### ADDITIONAL CLIMATE CHANGE MITIGATION

In 2001, we established the Entergy Environmental Initiatives Fund to support environmentally beneficial projects with an emphasis on climate change mitigation and solutions. Since 2001, Entergy has funded a variety of creative and innovative projects through the EIF, including CO<sub>2</sub> capture/sequestration, habitat restoration, wetland restoration, water quality, energy efficiency, waste minimization, voluntary CO<sub>2</sub> offset purchases, community development for environmental outreach/education/demonstration, and creative environmental and energy-efficiency commercialization.

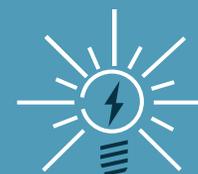
We continue to support various actions and collaborations on climate change and adaptation issues to identify the most effective solutions that policymakers can undertake now. In 2010, Entergy sponsored a study regarding adaptation investments and their cost-benefit ratio with regard to avoiding damage from extreme weather. Forums were conducted in 2011 and 2012 in partnership with America's WETLAND Foundation. In 2018, we supported the foundation's actions to conduct follow-up community forums to gauge progress since the original Blue Ribbon Resilient Community forums were held in 2011 and 2012.

### WATER USE REDUCTION AND CONSERVATION

Fleet modernization minimizes our impact on water. These cleaner, more efficient generating sources use significantly less water than our legacy units.

We are engaged with stakeholders in our local communities to find innovative new solutions related to water. We support Water Challenge 2018, an initiative presented by Propeller, a New Orleans-based nonprofit organization, which is focused on solving New Orleans' most pressing water issues through entrepreneurship.

The Lewis Creek Power Plant in Willis, Texas, is the only Entergy power plant that operates in a water-stressed area. By working with the water conservation district to optimize water use and leveraging best practices that help us use water wisely, Lewis Creek was able to exceed its water conservation goal of 30 percent water withdrawal by 2016 – a level also maintained throughout 2018. Across our operations, we protect water resources by maintaining a compliance rate with state and federal permit requirements of at least 99 percent from year to year.



## ENVIRONMENTAL

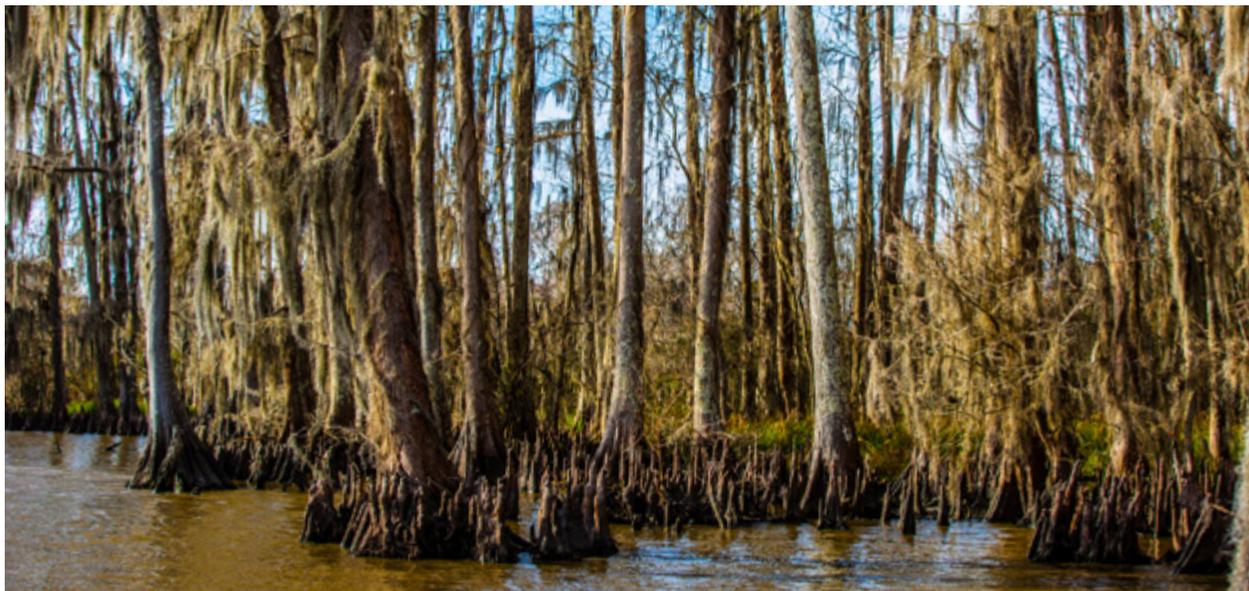
**Our investments to modernize our generation portfolio have significantly reduced our environmental footprint. While our annual electric generation has increased more than 27 percent since 2000, our investments in clean energy have resulted over the same period in a 72 percent reduction in NO<sub>x</sub> emissions, a 59 percent reduction in SO<sub>2</sub> emissions, a 90 percent reduction in mercury and a 25 percent reduction in CO<sub>2</sub> emissions.**

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE

# SUSTAINABLE VALUE FOR ALL STAKEHOLDERS

### WASTE REDUCTION

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 by selling on-road and off-road vehicles and trailers through auctions; and by using investment recovery sales for miscellaneous stored materials deemed obsolete such as pumps, valves, electronic parts, office equipment and related items. As part of our waste-reduction strategy, Entergy partners with our solid waste disposers to assess our current waste-management methods and make recommendations on emerging technologies and alternatives to consider. Entergy managed nearly 73 percent of our coal ash for beneficial use in 2018, which is significantly higher than the industry average. Coal ash is an excellent construction material used as fill for stabilization projects, road beds and replacement for portland cement.



### PERCENT OF COAL COMBUSTION BYPRODUCT MANAGED FOR BENEFICIAL USE



### RESILIENCY

Our utilities own and lease over 21 GW of generation, approximately 15,900 circuit miles of high-voltage transmission lines and 105,000 circuit miles of distribution lines in the southeastern United States – an area susceptible to storms potentially made worse by coastal wetlands loss. Entergy takes into consideration the resiliency of our assets from design and construction to operations and maintenance. Activities include infrastructure investments and upgrades, participation in the Department of Energy's Partnership for Energy Sector Climate Resilience, installation of advanced metering infrastructure, support of and participation in several community and consumer resiliency initiatives, and continued support of adaptation research and projects through Entergy's Environmental Initiatives Fund.

### HABITAT PRESERVATION AND RESTORATION

Entergy's goal is to fully comply 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, which includes actions to maintain, enhance or conserve biodiversity. We strive to eliminate negative impacts from our operations on biodiversity and 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.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE

# SUSTAINABLE VALUE FOR ALL STAKEHOLDERS

We actively participate in avian monitoring programs such as those for eagles. We have an avian and wildlife protection standard and an avian protection plan that promote compliance with wildlife conservation and avian protection laws. 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.



Photo by Bruce Reid, Wildlife Mississippi

Key environmental risks including threats and impacts to biodiversity are identified as part of the investment approval process before we undertake major construction 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. Every time an expansion or permit change is required, operations are re-assessed for their impact on biodiversity as warranted.

Many of Entergy's biodiversity programs offer net positive benefits to our stakeholders. For example, at Trinity River National Wildlife Refuge near Houston, Entergy Texas, the U.S. Fish and Wildlife Service and The Conservation Fund planted more than 45,000 trees in 2018.

Even more trees are planned for 2019 as part of the two-year initiative to restore more than 100 acres of bottomland hardwood forest. The project also supported Entergy's commitment to build a future workforce by providing funding for interns to perform all types of work at the refuge, from spraying weeds to protecting seedlings from feral hogs.



### ENVIRONMENTAL / ECONOMIC

**Entergy has considered climate risk and the risk of carbon regulation in its business planning for nearly two decades. Entergy has long advocated for market-based solutions to climate risk in the form of 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 focused on coastal wetlands restoration. Entergy was a founding contributor to the Center for Climate and Energy Solutions, one of the top-ranked global environmental think-tanks. Entergy continues to serve on the board of this group whose mission is to advocate in a nonpartisan manner for market-based climate solutions. Entergy also works annually with America's WETLAND Foundation to encourage funding of the Louisiana Coastal Master Plan for wetlands restoration and similar projects.**

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE

# SUSTAINABLE VALUE FOR ALL STAKEHOLDERS



### ENVIRONMENTAL

Energy has invested more than \$1.5 million through the Restore the Earth Foundation in a landscape-scale reforestation project in the Tensas River National Wildlife Refuge in Louisiana. Every \$1 invested is estimated to generate more than \$36 in environmental, social and economic value, including cleaner air and water, soil stabilization, storm protection and flood control, enhanced recreational opportunities and job creation.

A \$150,000 grant to Wildlife Mississippi from Energy's Environmental Initiatives Fund will help open The Fannye Cook Natural Area on the Pearl River near Jackson for the education and enjoyment of urban residents. Three times the size of New York City's Central Park, the area will include bridges, boardwalks and trails, wildlife viewing areas, and kayak, canoe and boat launches. The company erected an eagle nesting structure to commemorate the contribution and attract more wildlife.



Photo by Bruce Reid, Wildlife Mississippi

Energy Louisiana works with a number of conservation organizations to help manage fragile, rare Louisiana coastal prairie within Energy rights-of-way. Vegetation management and elimination of herbicide use help preserve and restore the area's natural beauty and diversity.

We support grants and volunteerism, several in collaboration with The Nature Conservancy. In 2018, projects were performed at the Roy E. Larson Sandyland Sanctuary in Texas and on the Saline River in Arkansas. Additional support was provided to TNC to acquire approximately 18,000 acres of contiguous bottomland hardwoods in the Mississippi Delta.

#### ENVIRONMENTAL COMPLIANCE

Environmental compliance is a basic tenet of our comprehensive environmental strategy and our environmental management system. Our EMS connects overall company objectives to all operating sites through a common policy and strategy; identification of compliance requirements; a risk assessment; and clear objectives, programs and procedures in addition to training and an annual senior management review. We validate our EMS and our environmental performance through annual third-party audits and provide transparency through extensive environmental performance reporting.



### ENVIRONMENTAL

Energy voluntarily reports its sustainability performance, actions and goals, including ESG measurements, using a new reporting mechanism. In partnership with the Edison Electric Institute, Energy helped develop a new means to report sustainability goals and actions. The EEI ESG template helps EEI member companies provide more uniform, consistent metrics for investors. In 2018, Energy was the first U.S. utility to report its ESG qualitative and quantitative information using the new template. This year's report is available at [www.energy.com/sustainability](http://www.energy.com/sustainability).

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE

# SUSTAINABLE VALUE FOR ALL STAKEHOLDERS

### SOCIAL

We aspire to contribute to a society that is healthy, educated, and productive, where none of our customers live in poverty and the environment poses no threat to future generations. We can only be as successful as the communities we serve.

Our top corporate social responsibility priorities include:

- Poverty solutions
- Workforce development and education
- Environmental programs

We invest in our communities through our corporate social responsibility strategy, which is fully aligned with our business strategies and the United Nations' Sustainable Development Goals. Our investments are focused on issues that solve business needs, contribute



to strong, healthy communities and deliver tangible benefits to our stakeholders. In 2018, Entergy Corporation and the Entergy Charitable Foundation awarded grants totaling more than \$18 million to more than 2,000 nonprofits in communities where we operate, and our employees logged approximately 112,000 volunteer hours.

Our overall corporate social responsibility goal is to achieve top-decile CSR performance. In 2018, our CSR programs received top scores from the Dow Jones Sustainability Index, and our performance ranked in the top one percent of all DJSI companies.

#### POVERTY SOLUTIONS

An estimated 25 percent of our customers live at or below the poverty level. Our low-income customer assistance initiatives aim to help qualifying customers achieve economic self-sufficiency, become better educated on managing their bills, and receive bill-payment assistance. Our signature poverty solutions program, Super Tax Day Presented by Entergy, focuses on the Earned Income Tax Credit, which studies have shown to be the nation's most effective federal anti-poverty program. On Super Tax Day 2018, Entergy and its partners helped individuals file 1,218 returns, exceeding our stated goal of 1,150 returns.

Our support of Volunteer Income Tax Assistance sites helped put almost 64,000 customers on the path to economic self-sufficiency by helping them file for and receive more than \$95 million in total refunds, including almost \$30 million in EITC refunds. Entergy sponsored more than 200 VITA sites in four states, and our employees logged more than 2,100 hours of volunteer service helping our low-income customers receive the refunds they earned.



### SOCIAL/ECONOMIC

**The United Way of Southeast Louisiana's J. Wayne Leonard Prosperity Center in New Orleans completed its first year of operations in 2018.**

**The center, named in honor of Entergy Corporation's longest-serving chairman and CEO, is a one-stop resource that connects low-to-moderate-income individuals and families to employment and financial capability services. The center served approximately 2,000 individuals, resulting in:**

- \$2.4 million in asset purchases
- 22 first-time homeowners
- 9 new small businesses

**Participants are growing their assets, reducing their debt and improving their credit scores.**

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE

# SUSTAINABLE VALUE FOR ALL STAKEHOLDERS

### WORKFORCE DEVELOPMENT AND EDUCATION

Site selection for new industrial and economic development projects is often driven by the availability of a skilled and ready workforce. In 2015, we initiated a \$5 million, five-year workforce development and education initiative to address education and skills gaps in our local communities. Our initiative has two components:

- Workforce training grants that are designed to increase the number of certified workers.
- School-to-career readiness grants that are designed to improve the long-term talent pipeline by ensuring high school students graduate on time and are career-prepared or college-ready.

Entergy's Workforce Development Initiative was selected by the U.S. Chamber of Commerce Foundation as a finalist for Best Economic Empowerment Program.

In 2018, a number of nonprofit organizations that received Entergy workforce training grants were directly involved in corporate relocation projects. For example, grant recipient Operation Spark in New Orleans played a key role in convincing decision-makers at DXC Technologies and Accruent that a skilled and ready workforce would be in place to fill the combined total of 2,350 jobs they planned to bring to the city. Indirectly, corporate relocation projects supported by Entergy grantees helped attract an additional 7,352 jobs to the region.



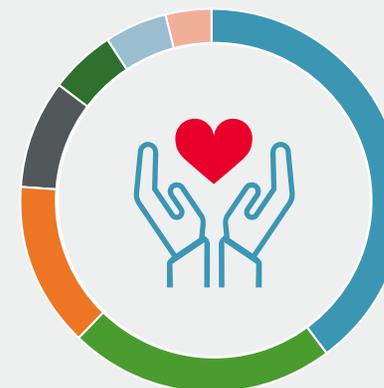
### SOCIAL/ECONOMIC

**The transition to college is hard for many students, but it can be especially challenging for those from low-income households and for first-generation college students. Through the College Beyond initiative, Entergy is helping close the freshman retention gap for students from underserved communities by ensuring they have the resources, counseling and support services they need to persist and graduate.**

### ENVIRONMENTAL PROGRAMS

We have a responsibility to partner with our communities to help them assess their environmental risks and develop mitigation plans. We engage customers, employees and environmental nongovernmental organizations as partners in both conservation and advocacy. In 2018, our support for environmental programs through charitable giving and our Environmental Initiatives Fund totaled approximately \$1.7 million.

### 2018 PHILANTHROPY INVESTED MORE THAN \$18 MILLION



- \$7.4** Education and workforce development
- \$4.2** Poverty solutions/social services
- \$2.6** Community improvement and enrichment
- \$1.7** Environmental
- \$1.0** Healthy families
- \$1.0** Arts and culture
- \$.07** Disaster relief

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE

# SUSTAINABLE VALUE FOR ALL STAKEHOLDERS

### 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.

#### 2018 MATERIAL ISSUES

On an ongoing basis, we analyze material economic, environmental and social issues that impact our ability to create value for our stakeholders. We use stakeholder input to help identify our most critical material issues and guide our strategies.

We engage in a variety of informal and formal communications with our key stakeholders and other important groups, including 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 [Energy sustainability webpage](#).



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE

## SUSTAINABLE VALUE FOR ALL STAKEHOLDERS

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 2018 were:

ISSUE	WHY IT MATTERS
Financial performance	Generating strong, competitive financial returns for our owners affords us ongoing access to capital needed to invest in our business and provide affordable, reliable power for our customers, compensate employees and invest in our communities.
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 and may affect approved rates of return and other regulations.
Energy reliability	Meeting customers' expectations for service to be available on demand requires robust supply solutions, up-to-date technologies and the ability to invest for the future.
Energy affordability	Maintaining favorable retail power prices supports growing energy needs and attracts new economic development to our service areas. Low rates are particularly important in the states served by Entergy utilities, where many customers live in poverty.
Energy efficiency	Offering energy-efficiency programs helps customers manage their bills and supports environmental goals. Select amounts of cost-effective energy efficiency can free up capital for other productive investment while keeping rates low. Our financial performance depends on the number of energy efficiency programs and on our ability to respond to the impact on load growth or obtain cost-recovery mechanisms.
Economic development	Promoting economic development generates energy demand growth and helps us strengthen our communities; maintain rate stability; fund investments to modernize our operations, increase efficiency, enhance reliability and serve new demand; and earn authorized returns.
Fuel diversity	Balancing fuel diversity and other resource attributes supports price stability, energy affordability and reliability. Nuclear energy plays an important role in fuel diversity.
Security	Maintaining continuous and reliable business operations depends on our ability to maintain the safety and security of all Entergy assets and operations.
Cybersecurity	Protecting the privacy and confidentiality of sensitive stakeholder data is a top priority for Entergy. Additionally, protecting critical infrastructure goes beyond stakeholder information privacy concerns for most enterprises. Entergy's complex, interconnected network of generation, transmission, distribution, control and communication technologies is a crucial part of the national critical infrastructure, demanding even greater vigilance against cyberattacks.
Regulatory policies	Complying with existing regulations and encouraging development of constructive new regulations impact numerous operational and investment decisions, continued operation of nuclear plants and our financial results.
Commodity price risk	Delivering on financial performance objectives is impacted by our ability to accurately identify and quantify underlying commodity price risk in our business and mitigate it through effective hedging programs and strategies.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE

# SUSTAINABLE VALUE FOR ALL STAKEHOLDERS

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 2018 were:

ISSUE	WHY IT MATTERS
Climate change	Identifying and mitigating climate change financial and physical risks guide operational and investment decision-making 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.
Air emissions	Meeting or exceeding compliance with evolving federal and state regulation of various air pollutants informs our business decisions regarding generation dispatch and design and the location, retirement, purchase, operation and construction of electric generating units. The co-benefits of replacing our legacy units with clean technology include improved system reliability, increased environmental efficiency and reduced costs for our customers by using less fuel and improving fleet efficiency.
Water quality and quantity	Risks to water supply issues are mitigated by using water-saving technologies and minimizing our water withdrawal in water-stressed areas. This also includes using reclaimed or recycled water in some of our cooling systems. 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 or the environment. Waste-related risks are mitigated by program elements that support source reduction, recycling and repurposing. This includes recovering the value of obsolete parts and equipment through investment recovery sales. All of these efforts result in efficient use of materials and less waste being disposed and possibly entering our environment.
Greenhouse gas emissions	Reducing greenhouse gas emission intensity helps us reduce the risk of climate change impacts to our assets and the communities we serve. This activity also defines our role as a utility in transition to a lower carbon economy. A low and decreasing emission rate results in net carbon emission reductions as other industry sectors transition to electrical power.
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 as identified in our investment approval and permitting process. Requiring that proposed projects avoid, minimize or mitigate biodiversity-related risks during construction, commissioning and operation is our responsibility as strong environmental stewards.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE

# SUSTAINABLE VALUE FOR ALL STAKEHOLDERS

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 2018 were:

ISSUE	WHY IT MATTERS
Safety and health	Ensuring strong operational safety and top-tier workforce safety practices are fundamental drivers of our business performance.
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. Entergy's support of local communities through employment, tax base 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 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 meet 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 our ability to:

- Maintain the safety and security of all Entergy assets, employees and operations.
- Maintain a reputation of excellence among our stakeholders.

To preserve these abilities, Entergy proactively manages risk using a hierarchy that ties directly to Entergy's 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 and then identify short-term and long-term actions to help us better anticipate and mitigate risks throughout our operations. We map these risks and actions to our stakeholders as illustrated in the following risk management matrix.


 ENVIRONMENTAL, SOCIAL AND GOVERNANCE  
**SUSTAINABLE VALUE FOR ALL STAKEHOLDERS**

## FOR OUR CUSTOMERS

OPPORTUNITIES AND RISKS	ENERGY'S MANAGEMENT APPROACH
Energy delivery	<ul style="list-style-type: none"> <li>• Utilize reliable, efficient generation and transmission 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 that effective emergency preparedness and response processes are in place</li> <li>• Install automated meters</li> </ul>
Interaction experience	<ul style="list-style-type: none"> <li>• Improve customer interactions by introducing 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 develop customer solutions that help eliminate interruptions, save money, are more environmentally responsible and make our services easier to use</li> <li>• Explore new technologies to provide enhanced products and services</li> <li>• Increase reliance on renewable energy</li> </ul>
Total cost of use	<ul style="list-style-type: none"> <li>• Invest to modernize our generation fleet by building new, modern, more efficient CCGTs and to retire older, less efficient plants</li> <li>• Continue to implement our nuclear strategic plan</li> </ul>
Privacy and security of information	<ul style="list-style-type: none"> <li>• <i>Refer to the Cybersecurity Management section elsewhere in this report</i></li> </ul>

## FOR OUR OWNERS

OPPORTUNITIES AND RISKS	ENERGY'S MANAGEMENT APPROACH
Financial	<ul style="list-style-type: none"> <li>• <i>Refer to the Financial Performance Management section elsewhere in this report</i></li> </ul>

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE

# SUSTAINABLE VALUE FOR ALL STAKEHOLDERS

### FOR OUR EMPLOYEES

OPPORTUNITIES AND RISKS	ENERGY'S MANAGEMENT APPROACH
Health and safety	<ul style="list-style-type: none"> <li>• Continuously improve our systems, processes and communications to support employee and contractor safety</li> </ul>
Workforce capabilities, including organizational health	<ul style="list-style-type: none"> <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>• Invest in education and workforce development, including working with community partners to support regional workforce readiness</li> </ul>

### FOR OUR COMMUNITIES

OPPORTUNITIES AND RISKS	ENERGY'S MANAGEMENT APPROACH
Environmental impact	<ul style="list-style-type: none"> <li>• Implement a comprehensive environmental strategy that includes partnering with communities and customers to enact adaptation measures and meet our voluntary CO<sub>2</sub> emissions commitments, while engaging in the regulatory process on applicable environmental issues</li> <li>• Ensure readiness for extreme weather events with industry-leading emergency response capabilities</li> <li>• Advocate for coastal infrastructure and resiliency investment at all levels of government; actively engage in climate change discussions at the federal and local levels</li> </ul>
Economic development	<ul style="list-style-type: none"> <li>• Aggressively pursue economic development and customer expansion at all levels of the organization, 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 help lift customers out of poverty while minimizing utility write-offs</li> </ul>
Overall quality of life	<ul style="list-style-type: none"> <li>• Support local communities through employment, tax base and community outreach, which should promote community support for Entergy's business</li> <li>• Engage in ongoing community engagement, especially emergency planning in areas where we have nuclear generating facilities</li> </ul>

## OTHER INFLUENCERS 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>• Engage with regulators and stakeholders to understand their objectives, to help stakeholders understand the company's 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>• Follow established NRC guidelines for decommissioning nuclear plants</li> <li>• Support employees and communities through the transition from operating state to decommissioning</li> </ul>

### RISK MANAGEMENT

As Entergy's business evolves toward a more customer-centric model, 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 analyzing and monitoring a full range of economic, environmental and social risks that supports the company's focus on sustainability. As we add new benefits and solutions for customers 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 our discrete risks. Our integrated risk management framework is designed to ensure that these risks are consistently identified, thoroughly assessed and effectively managed throughout our business.

At the same time, we consider the impact of our business on global risks such as those associated with climate change, environmental regulation and the vibrancy of our communities. This helps ensure we operate according to universally accepted standards for responsible business practices. We report on these 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 on our EEI/ESG template, performance data table and GRI index at [www.entergy.com/sustainability](http://www.entergy.com/sustainability).

Our risk management team also submits regular 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 and cybersecurity risks.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE

# SUSTAINABLE VALUE FOR ALL STAKEHOLDERS

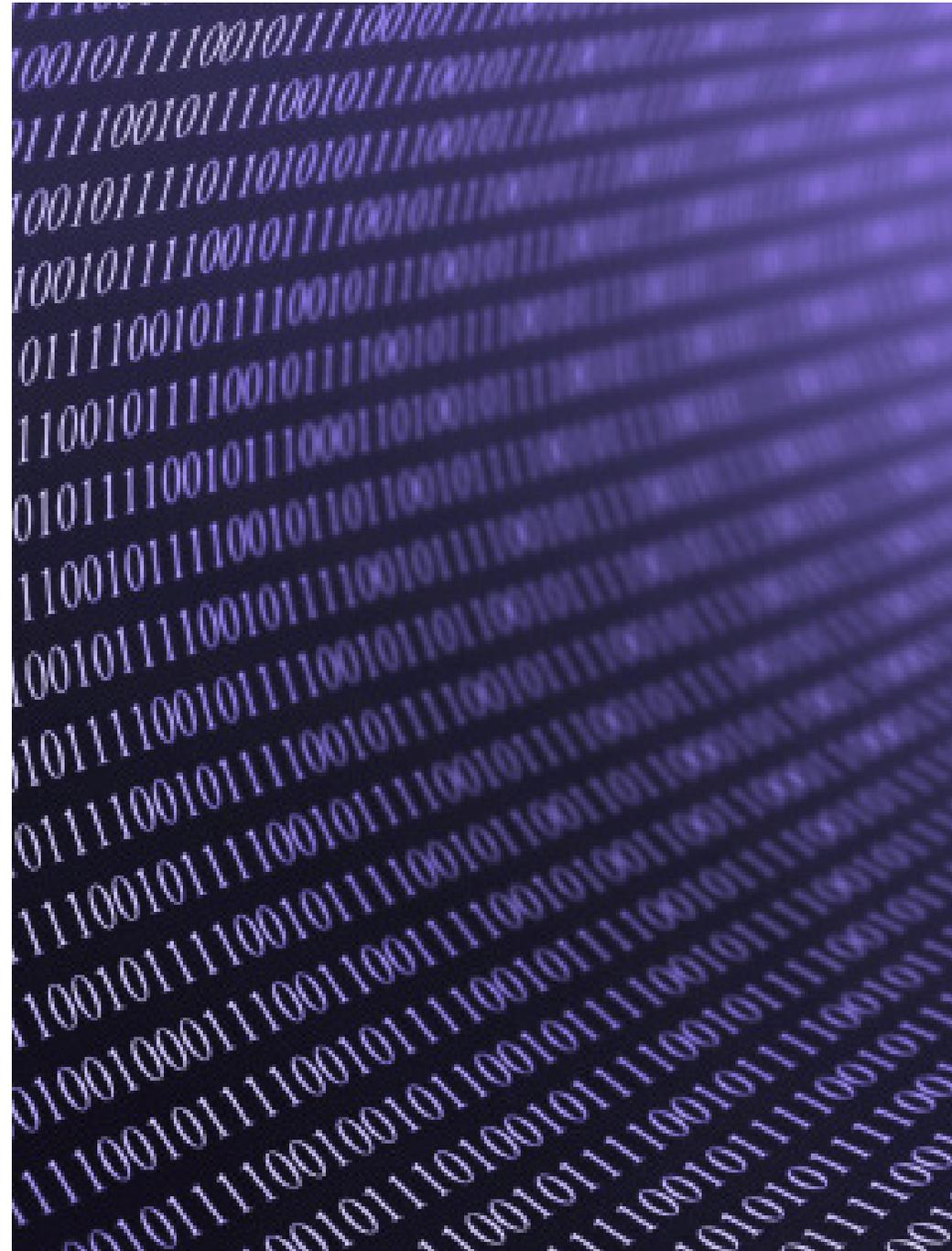
### CYBERSECURITY MANAGEMENT

As we expand and automate our utility infrastructure, a comprehensive and coordinated “three lines of defense” risk management model has been implemented to ensure that effective protections and controls are being managed and monitored to secure our part of America’s electric grid. We manage physical and cybersecurity threats to our critical infrastructures as an enterprise risk with a comprehensive strategy 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 the audit committee of our board of directors and corporate senior executives. We consider ourselves stewards of the customer, employee and vendor information we collect, maintain and use and we have a corporate obligation to ensure data privacy through a comprehensive data governance program and effective data security controls.

To prevent cyber incidents, we have implemented strong access management controls and a defense-in-depth security ecosystem that includes advanced threat detection, security logging and monitoring, and independent third-party penetration and vulnerability assessments. 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. 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.

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:

- UNITE, a utility company and energy sector consortium;
- Electricity – Information Sharing and Analysis Center, a provider of security services to North American electricity owners and operations;
- Department of Energy – Cyber Threat 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; and



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE

# SUSTAINABLE VALUE FOR ALL STAKEHOLDERS

- 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.

### FINANCIAL PERFORMANCE MANAGEMENT

Generating strong financial returns allows us to provide safe and reliable power to customers over the long term, to compensate employees, to invest in our communities and to satisfy our owners. Our overarching financial goal is to deliver top-quartile returns to our owners, which 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 to respond to changing market conditions in ways that create sustainable value for our stakeholders.

In addition to investing in our business, we also place a high priority on providing a competitive dividend payout relative to our peers while maintaining strong credit metrics. Our board of directors sets a dividend-payout guideline and regularly reviews the guideline and payout with the objective of maintaining a steady, predictable trajectory in the dividend over time. We raised our dividend for the fourth consecutive year, a trend we expect to continue, subject, as always, to board approval.

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, where we follow laws and regulations relevant to our operations. It is also a culture of integrity – our employees are trusted to take the right actions and engage in ethical behavior, even when there are no clearly defined rules.

Our ethics and compliance program includes a Code of Entegrity with overarching guidelines for business ethics and compliance. We also have codes of business conduct for nonemployees and suppliers, as well as policies with specific guidance on complying with applicable laws, regulations and company values. We identify risks of noncompliance and then mitigate those risks through preventive and detective measures and corrective actions.

Our practices include addressing compliance issues as they arise. The Entergy Ethics Line (toll-free telephone line or via internet) is available for all employees. It is managed by a third party and permits anonymous reporting of any ethics violations or concerns.

## ENERGY ETHICS

**At Entergy, we strive to maintain a positive and productive work environment that recognizes the dignity and worth of each individual. It is our policy to create a workplace where hostile, intimidating or abusive behavior is not tolerated. We have a strict discrimination and harassment policy in place that we use to define expectations for how we should treat one another at work.**

**Our policy includes expectations for our employees and contractors regarding appropriate behavior at work and prohibitions against sexual harassment and intimidating and/or abusive behavior in the workplace. It goes beyond what the law requires, as our goal is to stop inappropriate behavior before it becomes a violation of the law. Allegations of inappropriate conduct are taken very seriously and are thoroughly investigated with appropriate disciplinary action taken based on investigation results.**

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE

# SUSTAINABLE VALUE FOR ALL STAKEHOLDERS

### 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. This document 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.

#### SUPPLY CHAIN MANAGEMENT

Entergy purchases approximately \$4.9 billion annually in materials and services. In 2018, we launched a Supplier Governance Board to ensure that we make quality decisions that create value for our stakeholders when managing the supply-chain process of purchasing materials and contracting for services from third-party suppliers.

All suppliers are expected to conduct business in a manner consistent with our supplier code of conduct. Entergy expects its suppliers to provide goods and services in an 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 nonincentive 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, radiation protection, schedule, reliability and human performance. Entergy is very active in the Electric Utility Industry Sustainable Supply Chain Alliance, with representatives serving on the executive committee and key subcommittees. The alliance is known as the leader in establishing a robust and sustainable electric utility industry supply chain.

Our Entergy supplier diversity and development initiative is designed to secure a diverse base of suppliers capable of meeting the company's various procurement needs. Diverse suppliers provide a variety of products and services and support the company's investments in transmission line construction, AMI meter deployment, power generation, corporate services and information technology.

In 2018, Entergy spent more than \$550 million with diverse firms and was recognized by the Women's Business Enterprise National Council as a Top Corporation for women-owned businesses.

#### ADVOCACY AND POLITICAL ACCOUNTABILITY

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. 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 contributions directly support state and federal political candidates. Entergy procedures ensure corporate political contributions are made in compliance with all applicable laws and are reported in a timely manner. More than a third 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 Entergy business pursuits and that their concerns and positions are heard.

More information on Entergy's advocacy and political accountability can be found in our annual Advocacy and Political Contributions Report on Entergy's Investor Relations webpage.



# 2018 FINANCIAL HIGHLIGHTS

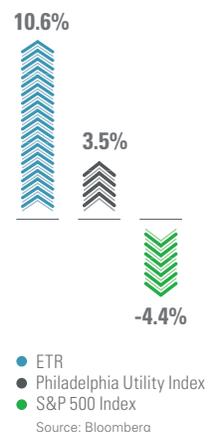
2018

## FINANCIAL HIGHLIGHTS

SUMMARY OF 2018  
FINANCIAL PERFORMANCE

In 2018, Entergy reported earnings of \$849 million, or \$4.63 per share, compared with earnings of \$412 million, or \$2.28 per share in 2017. On an operational basis, 2018 earnings were \$1,341 million, or \$7.31 per share, compared with earnings of \$1,300 million, or \$7.20 per share, in 2017. We also raised our dividend for the fourth consecutive year, a trend we expect to continue, subject as always to board approval. Our 2018 results were the outcome of exceptional performance and have positioned us well to achieve our financial outlooks in the coming years.

Entergy's total shareholder return for 2018 was 10.6 percent, which ranked sixth out of the 20 companies in our peer group, just short of our first quartile goal. We believe our strategy to fundamentally reposition our company as a pure-play utility — with a focus on innovative customer solutions and a steady, predictable earnings trajectory — has clear potential to deliver top-quartile returns for our owners. We strive to build positive regulatory relationships that support timely cost recovery and make Entergy a financially stronger company.

2018 TOTAL  
SHAREHOLDER RETURN

## 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.



	2013	2014	2015	2016	2017	2018
<b>ENTERGY CORPORATION</b>	\$100.00	\$144.76	\$118.46	\$133.29	\$154.48	\$170.85
<b>PHILADELPHIA UTILITY INDEX</b>	\$100.00	\$128.94	\$120.87	\$141.90	\$160.09	\$165.72
<b>S&amp;P 500 INDEX</b>	\$100.00	\$113.68	\$115.24	\$129.02	\$157.17	\$150.27

Assumes \$100 invested at the closing price on Dec. 31, 2013, 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 12, 2019

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	Stable
System Energy Resources <sup>1</sup>	A	Stable	Baa1	Stable
Entergy Corporation <sup>2</sup>	BBB+	Stable	Baa2	Stable

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

2018

## FINANCIAL HIGHLIGHTS

## FIVE-YEAR SUMMARY OF SELECTED FINANCIAL AND OPERATING DATA

	2018	2017	2016	2015	2014
<b>SELECTED FINANCIAL DATA</b>					
<b>In Thousands, Except Percentages and Per Share Amounts</b>					
Operating revenues	\$11,009,452	\$11,074,481	\$10,845,645	\$11,513,251	\$12,494,921
Net income (loss)	\$862,555	\$425,353	\$(564,503)	\$(156,734)	\$960,257
Earnings (loss) per share:					
Basic	\$4.68	\$2.29	\$(3.26)	\$(0.99)	\$5.24
Diluted	\$4.63	\$2.28	\$(3.26)	\$(0.99)	\$5.22
Dividends declared per share	\$3.58	\$3.50	\$3.42	\$3.34	\$3.32
Return on common equity	10.08%	5.12%	(6.73)%	(1.83)%	9.58%
Book value per share, year-end	\$46.78	\$44.28	\$45.12	\$51.89	\$55.83
Total assets	\$48,275,066	\$46,707,149	\$45,904,434	\$44,647,681	\$46,414,455
Long-term obligations <sup>(a)</sup>	\$15,758,083	\$14,535,077	\$14,695,422	\$13,456,742	\$12,627,180
<b>UTILITY ELECTRIC OPERATING REVENUES</b>					
<b>In Millions</b>					
Residential	\$3,566	\$3,355	\$3,288	\$3,518	\$3,555
Commercial	2,426	2,480	2,362	2,516	2,553
Industrial	2,499	2,584	2,327	2,462	2,623
Governmental	226	231	217	223	227
<b>Total retail</b>	<b>8,717</b>	<b>8,650</b>	<b>8,194</b>	<b>8,719</b>	<b>8,958</b>
Sales for resale	300	253	236	249	330
Other	367	376	437	341	304
<b>Total</b>	<b>\$9,384</b>	<b>\$9,279</b>	<b>\$8,867</b>	<b>\$9,309</b>	<b>\$9,592</b>
<b>UTILITY BILLED ELECTRIC ENERGY SALES</b>					
<b>In GWh</b>					
Residential	37,107	33,834	35,112	36,068	35,932
Commercial	29,426	28,745	29,197	29,348	28,827
Industrial	48,384	47,769	45,739	44,382	43,723
Governmental	2,581	2,511	2,547	2,514	2,428
<b>Total retail</b>	<b>117,498</b>	<b>112,859</b>	<b>112,595</b>	<b>112,312</b>	<b>110,910</b>
Sales for resale	11,715	11,550	11,054	9,274	9,462
<b>Total</b>	<b>129,213</b>	<b>124,409</b>	<b>123,649</b>	<b>121,586</b>	<b>120,372</b>
<b>ENERGY WHOLESALE COMMODITIES</b>					
Operating revenues (In Millions)	\$1,469	\$1,657	\$1,850	\$2,062	\$2,719
Billed electric energy sales (GWh)	29,875	30,501	35,881	39,745	44,424

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

2018

## FINANCIAL HIGHLIGHTS

## CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

In Thousands, Except Share Data	For the Years Ended December 31,		
	2018	2017	2016
<b>OPERATING REVENUES</b>			
Electric	\$ 9,384,111	\$ 9,278,895	\$ 8,866,659
Natural gas	156,436	138,856	129,348
Competitive businesses	1,468,905	1,656,730	1,849,638
<b>Total</b>	<b>11,009,452</b>	<b>11,074,481</b>	<b>10,845,645</b>
<b>OPERATING EXPENSES</b>			
Operation and Maintenance:			
Fuel, fuel-related expenses, and gas purchased for resale	2,147,793	1,991,589	1,809,200
Purchased power	1,658,799	1,427,950	1,220,527
Nuclear refueling outage expenses	153,826	168,151	208,678
Other operation and maintenance	3,346,397	3,306,694	3,225,477
Asset write-offs, impairments, and related charges	532,321	538,372	2,835,637
Decommissioning	388,508	405,685	327,425
Taxes other than income taxes	641,952	617,556	592,502
Depreciation and amortization	1,369,442	1,389,978	1,347,187
Other regulatory charges (credits) — net	301,049	(131,901)	94,243
<b>Total</b>	<b>10,540,087</b>	<b>9,714,074</b>	<b>11,660,876</b>
<b>Operating Income (Loss)</b>	<b>469,365</b>	<b>1,360,407</b>	<b>(815,231)</b>
<b>OTHER INCOME</b>			
Allowance for equity funds used during construction	129,602	95,088	67,563
Interest and investment income	63,864	288,197	145,127
Miscellaneous — net	(129,754)	(113,426)	(112,851)
<b>Total</b>	<b>63,712</b>	<b>269,859</b>	<b>99,839</b>
<b>INTEREST EXPENSE</b>			
Interest expense	768,322	707,212	700,545
Allowance for borrowed funds used during construction	(60,974)	(44,869)	(34,175)
<b>Total</b>	<b>707,348</b>	<b>662,343</b>	<b>666,370</b>
<b>Income (Loss) Before Income Taxes</b>	<b>(174,271)</b>	<b>967,923</b>	<b>(1,381,762)</b>
Income taxes	(1,036,826)	542,570	(817,259)
<b>Consolidated Net Income (Loss)</b>	<b>862,555</b>	<b>425,353</b>	<b>(564,503)</b>
Preferred dividend requirements of subsidiaries	13,894	13,741	19,115
<b>Net Income (Loss) Attributable to Entergy Corporation</b>	<b>\$ 848,661</b>	<b>\$ 411,612</b>	<b>\$ (583,618)</b>
Earnings (loss) per average common share:			
Basic	\$ 4.68	\$ 2.29	\$ (3.26)
Diluted	\$ 4.63	\$ 2.28	\$ (3.26)
Basic average number of common shares outstanding	181,409,597	179,671,797	178,885,660
Diluted average number of common shares outstanding	183,378,513	180,535,893	178,885,660

2018

## FINANCIAL HIGHLIGHTS

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

In Thousands	For the Years Ended December 31,		
	2018	2017	2016
<b>Net Income (Loss)</b>	<b>\$ 862,555</b>	<b>\$ 425,353</b>	<b>\$(564,503)</b>
<b>Other Comprehensive Income (Loss)</b>			
Cash flow hedges net unrealized gain (loss) (net of tax expense (benefit) of \$5,830, (\$22,570), and (\$55,298))	22,098	(41,470)	(101,977)
Pension and other postretirement liabilities (net of tax expense (benefit) of \$30,299, (\$4,057), and (\$3,952))	90,143	(61,653)	(2,842)
Net unrealized investment gains (losses) (net of tax expense of \$6,393, \$80,069, and \$57,277)	(28,771)	115,311	62,177
Foreign currency translation (net of tax benefit of \$-, \$403, and \$689)	—	(748)	(1,280)
Other comprehensive income (loss)	83,470	11,440	(43,922)
<b>Comprehensive Income (Loss)</b>	<b>946,025</b>	<b>436,793</b>	<b>(608,425)</b>
Preferred dividend requirements of subsidiaries	13,894	13,741	19,115
<b>Comprehensive Income (Loss) Attributable to Entergy Corporation</b>	<b>\$ 932,131</b>	<b>\$ 423,052</b>	<b>\$(627,540)</b>

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## FINANCIAL HIGHLIGHTS

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ENERGY  
2018 INTEGRATED  
REPORT

## CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

In Thousands	For the Years Ended December 31,		
	2018	2017	2016
<b>OPERATING ACTIVITIES</b>			
<b>Consolidated Net Income (Loss)</b>	\$ 862,555	\$ 425,353	\$ (564,503)
<b>Adjustments to Reconcile Consolidated Net Income (Loss) to Net Cash Flow Provided by Operating Activities:</b>			
Depreciation, amortization, and decommissioning, including nuclear fuel amortization	2,040,555	2,078,578	2,123,291
Deferred income taxes, investment tax credits, and noncurrent taxes accrued	(256,848)	529,053	(836,257)
Asset write-offs, impairments, and related charges	491,739	357,251	2,835,637
Changes in working capital:			
Receivables	98,546	(97,637)	(96,975)
Fuel inventory	45,839	(3,043)	38,210
Accounts payable	97,312	101,802	174,421
Prepaid taxes and taxes accrued	39,272	33,853	(28,963)
Interest accrued	5,220	742	(7,335)
Deferred fuel costs	(25,829)	56,290	(241,896)
Other working capital accounts	(164,173)	(4,331)	31,197
Changes in provisions for estimated losses	35,706	(3,279)	20,905
Changes in other regulatory assets	189,193	595,504	(48,469)
Changes in other regulatory liabilities	(803,323)	2,915,795	158,031
Deferred tax rate change recognized as regulatory liability/asset	—	(3,665,498)	—
Changes in pensions and other postretirement liabilities	(304,941)	(130,686)	(136,919)
Other	34,424	(566,247)	(421,676)
<b>Net Cash Flow Provided by Operating Activities</b>	<b>2,385,247</b>	<b>2,623,500</b>	<b>2,998,699</b>
<b>INVESTING ACTIVITIES</b>			
Construction/capital expenditures	(3,942,010)	(3,607,532)	(2,780,222)
Allowance for equity funds used during construction	130,195	96,000	68,345
Nuclear fuel purchases	(302,584)	(377,324)	(314,706)
Payment for purchase of plant or assets	(26,623)	(16,762)	(949,329)
Proceeds from sale of assets	24,902	100,000	—
Insurance proceeds received for property damages	18,270	26,157	20,968
Changes in securitization account	(5,844)	1,323	4,007
Payments to storm reserve escrow account	(6,551)	(2,878)	(1,544)
Receipts from storm reserve escrow account	—	11,323	—
Decrease (increase) in other investments	(54,500)	1,078	9,055
Litigation proceeds for reimbursement of spent nuclear fuel storage costs	59,643	25,493	169,085
Proceeds from nuclear decommissioning trust fund sales	6,484,791	3,162,747	2,408,920
Investment in nuclear decommissioning trust funds	(6,485,676)	(3,260,674)	(2,484,627)
<b>Net Cash Flow Used in Investing Activities</b>	<b>(4,105,987)</b>	<b>(3,841,049)</b>	<b>(3,850,048)</b>

## CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED) (CONTINUED)

In Thousands	For the Years Ended December 31,		
	2018	2017	2016
<b>FINANCING ACTIVITIES</b>			
<b>Proceeds From the Issuance of:</b>			
Long-term debt	\$ 8,035,536	\$ 1,809,390	\$ 6,800,558
Preferred stock of subsidiary	73,330	14,399	—
Treasury stock	103,315	80,729	33,114
Common stock	499,272	—	—
Retirement of long-term debt	(6,965,738)	(1,585,681)	(5,311,324)
Repurchase/redemptions of preferred stock	(53,868)	(20,599)	(115,283)
Changes in credit borrowings and commercial paper — net	364,031	1,163,296	(79,337)
Other	26,453	(7,731)	(6,872)
<b>Dividends Paid:</b>			
Common stock	(647,704)	(628,885)	(611,835)
Preferred stock	(14,185)	(13,940)	(20,789)
<b>Net Cash Flow Provided by Financing Activities</b>	<b>1,420,442</b>	<b>810,978</b>	<b>688,232</b>
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(300,298)</b>	<b>(406,571)</b>	<b>(163,117)</b>
<b>Cash and Cash Equivalents at Beginning of Period</b>	<b>781,273</b>	<b>1,187,844</b>	<b>1,350,961</b>
<b>Cash and Cash Equivalents at End of Period</b>	<b>\$ 480,975</b>	<b>\$781,273</b>	<b>\$ 1,187,844</b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>			
Cash paid (received) during the period for:			
Interest — net of amount capitalized	\$ 734,845	\$ 678,371	\$ 746,779
Income taxes	\$ 19,825	\$ (13,375)	\$ 95,317

2018

## FINANCIAL HIGHLIGHTS

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ENERGY  
2018 INTEGRATED  
REPORT

## CONSOLIDATED BALANCE SHEETS – ASSETS (UNAUDITED)

In Thousands	December 31,	
	2018	2017
<b>CURRENT ASSETS</b>		
Cash and cash equivalents:		
Cash	\$ 56,690	\$ 56,629
Temporary cash investments	424,285	724,644
Total cash and cash equivalents	480,975	781,273
Accounts receivable:		
Customer	558,494	673,347
Allowance for doubtful accounts	(7,322)	(13,587)
Other	167,722	169,377
Accrued unbilled revenues	395,511	383,813
Total accounts receivable	1,114,405	1,212,950
Deferred fuel costs	27,251	95,746
Fuel inventory — at average cost	117,304	182,643
Materials and supplies — at average cost	752,843	723,222
Deferred nuclear refueling outage costs	230,960	133,164
Prepayments and other	234,326	156,333
<b>Total</b>	<b>2,958,064</b>	<b>3,285,331</b>
<b>OTHER PROPERTY AND INVESTMENTS</b>		
Investment in affiliates — at equity	—	198
Decommissioning trust funds	6,920,164	7,211,993
Non-utility property — at cost (less accumulated depreciation)	304,382	260,980
Other	437,265	441,862
<b>Total</b>	<b>7,661,811</b>	<b>7,915,033</b>
<b>PROPERTY, PLANT, AND EQUIPMENT</b>		
Electric	49,196,578	47,287,370
Property under capital lease	634,908	620,544
Natural gas	496,150	453,162
Construction work in progress	2,888,639	1,980,508
Nuclear fuel	861,272	923,200
<b>Total Property, Plant and Equipment</b>	<b>54,077,547</b>	<b>51,264,784</b>
Less — accumulated depreciation and amortization	22,103,101	21,600,424
<b>Property, Plant and Equipment – Net</b>	<b>31,974,446</b>	<b>29,664,360</b>
<b>DEFERRED DEBITS AND OTHER ASSETS</b>		
Regulatory assets:		
Other regulatory assets (includes securitization property of \$360,790 as of December 31, 2018 and \$485,031 as of December 31, 2017)	4,746,496	4,935,689
Deferred fuel costs	239,496	239,298
Goodwill	377,172	377,172
Accumulated deferred income taxes	54,593	178,204
Other	262,988	112,062
<b>Total</b>	<b>5,680,745</b>	<b>5,842,425</b>
<b>Total Assets</b>	<b>\$ 48,275,066</b>	<b>\$ 46,707,149</b>

2018

## FINANCIAL HIGHLIGHTS

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ENERGY  
2018 INTEGRATED  
REPORT

## CONSOLIDATED BALANCE SHEETS – LIABILITIES AND EQUITY (UNAUDITED)

In Thousands	December 31,	
	2018	2017
<b>CURRENT LIABILITIES</b>		
Currently maturing long-term debt	\$ 650,009	\$ 760,007
Notes payable and commercial paper	1,942,339	1,578,308
Accounts payable	1,496,058	1,452,216
Customer deposits	411,505	401,330
Taxes accrued	254,241	214,967
Interest accrued	193,192	187,972
Deferred fuel costs	52,396	146,522
Obligations under capital leases	1,617	1,502
Pension and other postretirement liabilities	61,240	71,612
Current portion of unprotected excess accumulated deferred income taxes	248,127	—
Other	132,820	221,771
<b>Total</b>	<b>5,443,544</b>	<b>5,036,207</b>
<b>NON-CURRENT LIABILITIES</b>		
Accumulated deferred income taxes and taxes accrued	4,107,152	4,466,503
Accumulated deferred investment tax credits	213,101	219,634
Obligations under capital leases	20,378	22,015
Regulatory liability for income taxes — net	1,817,021	2,900,204
Other regulatory liabilities	1,620,254	1,588,520
Decommissioning and asset retirement cost liabilities	6,355,543	6,185,814
Accumulated provisions	514,107	478,273
Pension and other postretirement liabilities	2,616,085	2,910,654
Long-term debt (includes securitization bonds of \$423,858 as of December 31, 2018 and \$544,921 as of December 31, 2017)	15,518,303	14,315,259
Other	985,871	393,748
<b>Total</b>	<b>33,767,815</b>	<b>33,480,624</b>
Commitments and Contingencies		
Subsidiaries' preferred stock without sinking fund	219,402	197,803
<b>COMMON EQUITY</b>		
Common stock, \$.01 par value, authorized 500,000,000 shares; issued 261,587,009 shares in 2018 and 254,752,788 shares in 2017	2,616	2,548
Paid-in capital	5,951,431	5,433,433
Retained earnings	8,721,150	7,977,702
Accumulated other comprehensive loss	(557,173)	(23,531)
Less — treasury stock, at cost (72,530,866 shares in 2018 and 74,235,135 shares in 2017)	5,273,719	5,397,637
<b>Total</b>	<b>8,844,305</b>	<b>7,992,515</b>
<b>Total Liabilities and Equity</b>	<b>\$ 48,275,066</b>	<b>\$ 46,707,149</b>

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

For the Years Ended December 31, 2018, 2017, and 2016	Common Shareholders' Equity						Accumulated Other Comprehensive Income (Loss)	Total
	Subsidiaries' Preferred Stock	Common Stock	Treasury Stock	Paid-in Capital	Retained Earnings			
In Thousands								
<b>Balance at December 31, 2015</b>	\$ —	\$ 2,548	\$ (5,552,379)	\$ 5,403,758	\$ 9,393,913	\$ 8,951	\$ 9,256,791	
Consolidated net income (loss)	19,115	—	—	—	(583,618)	—	(564,503)	
Other comprehensive loss	—	—	—	—	—	(43,922)	(43,922)	
Common stock issuances related to stock plans	—	—	53,795	13,487	—	—	67,282	
Common stock dividends declared	—	—	—	—	(611,835)	—	(611,835)	
Subsidiaries' capital stock redemptions	—	—	—	—	(2,889)	—	(2,889)	
Preferred dividend requirements of subsidiaries	(19,115)	—	—	—	—	—	(19,115)	
<b>Balance at December 31, 2016</b>	\$ —	\$ 2,548	\$ (5,498,584)	\$ 5,417,245	\$ 8,195,571	\$ (34,971)	\$ 8,081,809	
Consolidated net income	13,741	—	—	—	411,612	—	425,353	
Other comprehensive income	—	—	—	—	—	11,440	11,440	
Common stock issuances related to stock plans	—	—	100,947	16,188	—	—	117,135	
Common stock dividends declared	—	—	—	—	(628,885)	—	(628,885)	
Subsidiaries' capital stock redemptions	—	—	—	—	(596)	—	(596)	
Preferred dividend requirements of subsidiaries	(13,741)	—	—	—	—	—	(13,741)	
<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	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	(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	

# 2018 KEY PERFORMANCE INDICATORS

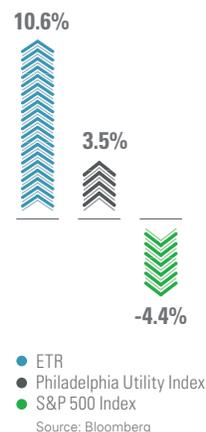


2018

## KEY PERFORMANCE INDICATORS

Entergy has always been proactive in providing key performance indicators that inform our investment community and other stakeholders on our sustainability progress. We have enhanced both the organization and number of the KPIs within our [performance data table](#). We also worked with the Edison Electric Institute and member utilities to make additional improvements based on feedback from the investment community. Through that initiative, Entergy will report many relevant sustainability KPIs that are consistent across the sector in terms of content, timing and presentation. The additional information provided on some key KPIs will include both quantitative and qualitative data that describes where we are in each corresponding sustainability area as well as our expected trajectory.

## ECONOMIC/OPERATIONAL

2018 TOTAL  
SHAREHOLDER RETURN

## 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.



	2013	2014	2015	2016	2017	2018
<b>ENTERGY CORPORATION</b>	\$100.00	\$144.76	\$118.46	\$133.29	\$154.48	\$170.85
<b>PHILADELPHIA UTILITY INDEX</b>	\$100.00	\$128.94	\$120.87	\$141.90	\$160.09	\$165.72
<b>S&amp;P 500 INDEX</b>	\$100.00	\$113.68	\$115.24	\$129.02	\$157.17	\$150.27

Assumes \$100 invested at the closing price on Dec. 31, 2013, 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 12, 2019

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	Stable
System Energy Resources <sup>1</sup>	A	Stable	Baa1	Stable
Entergy Corporation <sup>2</sup>	BBB+	Stable	Baa2	Stable

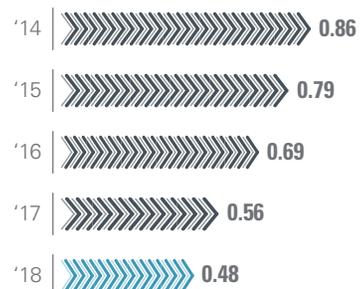
<sup>1</sup>Senior secured ratings    <sup>2</sup>Corporate credit rating

2018

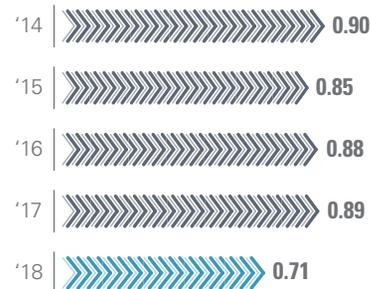
# KEY PERFORMANCE INDICATORS

## ECONOMIC/OPERATIONAL

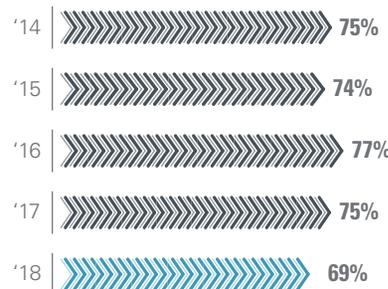
### EMPLOYEE YEAR-ENDING RECORDABLE ACCIDENT INDEX



### CONTRACTOR YEAR-ENDING RECORDABLE ACCIDENT INDEX



### BELLOMY PERCEPTION SURVEY



### OUTAGE FREQUENCY

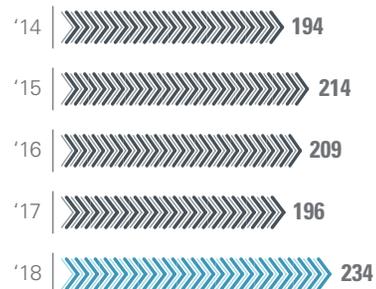


Recordable accident index: Number of recordable accidents per 100 full-time equivalents. Recordable accidents include fatalities, lost-time accidents, restricted-duty accidents and medical attentions.

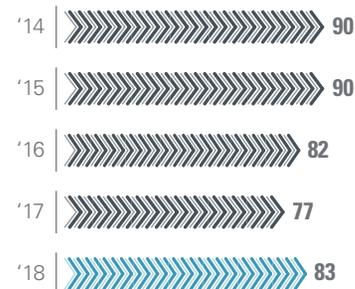
Percent of randomly selected residential customers who responded to the Bellomy Perception Survey with a score of 8, 9 or 10 when asked how satisfied they are with Entergy as a utility company on a scale of 0-10, 10 being the highest.

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

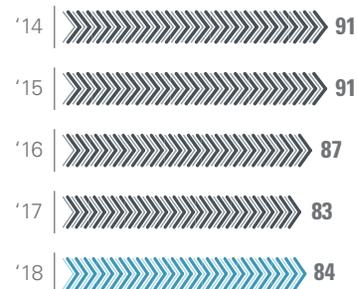
### OUTAGE DURATION



### UTILITY NUCLEAR FLEET CAPABILITY FACTOR



### EWC NUCLEAR FLEET CAPACITY FACTOR



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

Capability factor: Percentage of the maximum energy generation a plant is capable of supplying to the grid, limited only by factors within control of plant management.

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

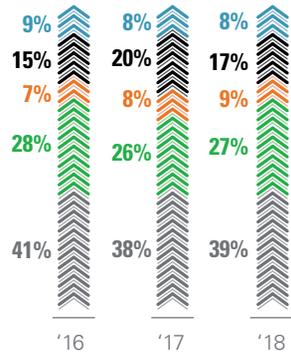
Plant performance based on 18/24-month operating cycle.

2018

# KEY PERFORMANCE INDICATORS

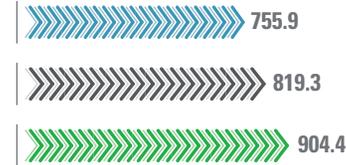
## ENVIRONMENTAL

### GENERATION SOURCES USED TO MEET UTILITY DEMAND



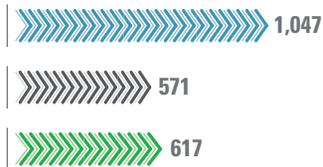
- Other Purchased Power
- MISO Purchases
- Coal
- Nuclear
- Natural Gas

### CUMULATIVE CO<sub>2</sub> EMISSIONS FROM ENERGY-OWNED PLANTS AND CONTROLLABLE PURCHASES (million tons)



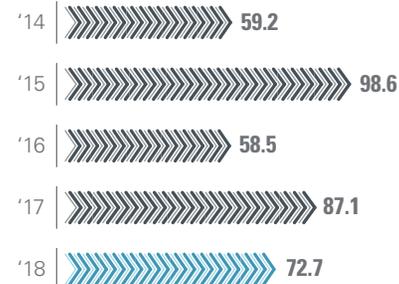
- Cumulative Emissions 2001-2018
- Cumulative Goal 2001-2018
- Cumulative Goal 2001-2020

### AVERAGE CO<sub>2</sub> EMISSION RATE FROM ENERGY-OWNED PLANTS (pounds per MWh)



- 2000
- 2014-2018 Average
- 2018

### PERCENT OF COAL COMBUSTION BY-PRODUCT MANAGED FOR BENEFICIAL USE

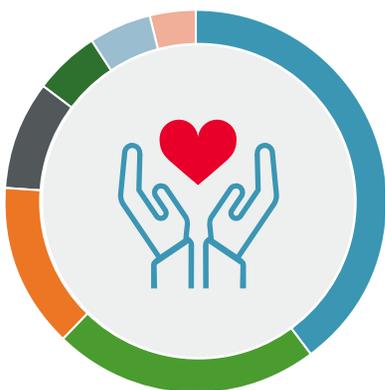


2018

# KEY PERFORMANCE INDICATORS

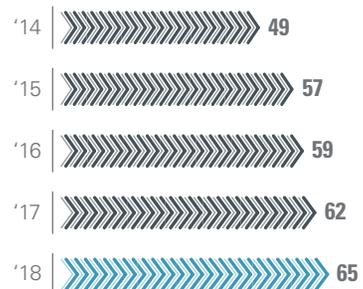
## SOCIAL

### 2018 PHILANTHROPY INVESTED MORE THAN \$18 MILLION

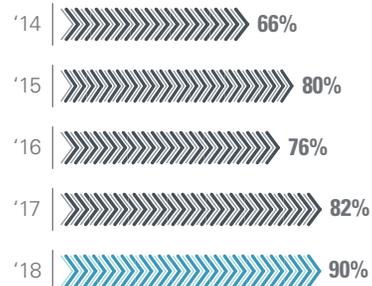


- \$7.4** Education and workforce development
- \$4.2** Poverty solutions/social services
- \$2.6** Community improvement and enrichment
- \$1.7** Environmental
- \$1.0** Healthy families
- \$1.0** Arts and culture
- \$0.7** Disaster relief

### ORGANIZATIONAL HEALTH INDEX SCORE



### ORGANIZATIONAL HEALTH INDEX SURVEY EMPLOYEE PARTICIPATION



### EMPLOYEE AND RETIREE VOLUNTEERISM (hours in thousands)



## SOCIAL

### 2018 ENTERGY WORKFORCE BY AGE



17% Baby Boomers  
52% Generation X  
31% Millennials

● Baby Boomers born 1943 to 1960  
● Generation X born 1961 to 1981  
● Millennials born 1982 and after

### 2018 ENTERGY WORKFORCE BY ETHNICITY



80% Caucasian  
14% African American  
2% Hispanic  
2% Asian  
2% Other

### 2018 ENTERGY WORKFORCE BY GENDER

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

### 2018 U.S. BUREAU OF LABOR STATISTICS AVERAGE FOR U.S. UTILITIES

**22%** | **78%**  
Female | Male

### 2018 ENTERGY MANAGEMENT WORKFORCE BY AGE



22% Baby Boomers  
68% Generation X  
10% Millennials

Based on EEO-1 classification

● Baby Boomers born 1943 to 1960  
● Generation X born 1961 to 1981  
● Millennials born 1982 and after

### 2018 ENTERGY MANAGEMENT WORKFORCE BY ETHNICITY



88% Caucasian  
8% African American  
2% Hispanic  
1% Asian  
1% Other

Based on EEO-1 classification

### 2018 ENTERGY MANAGEMENT WORKFORCE BY GENDER

**17%** | **83%**  
Female | Male

Based on EEO-1 classification

# ABOUT THIS REPORT



## OUR REPORTING

This integrated report presents Entergy’s 2018 economic, environmental and social performance. The report relies upon guidance issued by the Global Reporting Initiative, the world’s most widely used sustainability reporting framework. Our 2018 reporting is in accordance with the GRI standards, including the Electric Utility Sector Supplement. Further detail is provided in Entergy’s online GRI index and performance data table, available at [www.energy.com/sustainability](http://www.energy.com/sustainability). 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 accessed at [www.energy.com/sustainability](http://www.energy.com/sustainability).

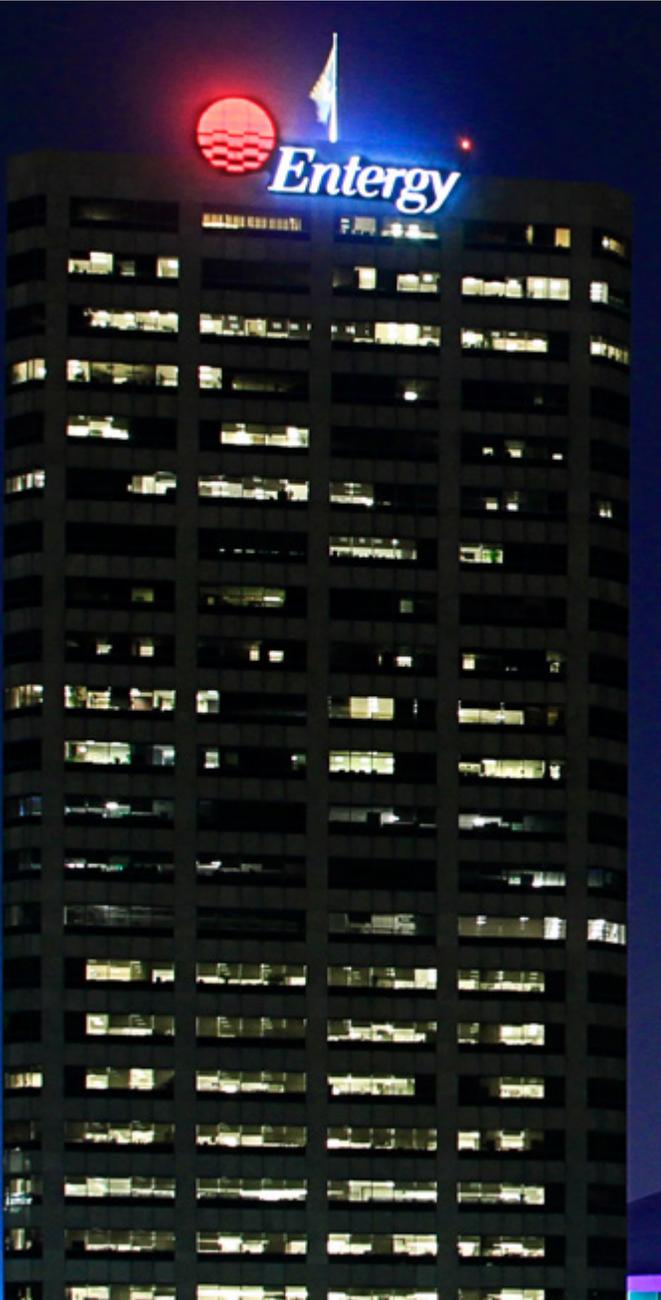
This report includes 2018 data from Entergy’s two primary business segments: Utility and Entergy Wholesale Commodities, both of which operate entirely within the United States. Assurance of financial data in this report comes from our internal controls over financial reporting, which Entergy management 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 Dec. 31, 2018.

Our 2018 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 2019. The GHG inventory is available at [www.americancarbonregistry.org](http://www.americancarbonregistry.org) and [www.energy.com/environment](http://www.energy.com/environment).

We invite you to engage with us by visiting [www.energy.com/integratedcontact](http://www.energy.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 AND REGULATION G COMPLIANCE

### FORWARD-LOOKING INFORMATION AND REGULATION G COMPLIANCE

#### FORWARD-LOOKING INFORMATION

In this report and from time to time, Entergy Corporation makes statements as a registrant concerning its expectations, beliefs, plans, objectives, goals, 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 Entergy 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 report and speaks only as of the date on which such statement is made. Except to the extent required by the federal securities laws, Entergy undertakes 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 Dec. 31, 2018, (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 Dec. 31, 2018 and (c) the following factors (in addition to others described elsewhere in this report and in subsequent securities filings):

- resolution of pending and future rate cases, 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;
- 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, 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 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, potential, or actual shutdown of 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 or sale of each of these nuclear plants;
- the prices and availability of fuel and power 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;

## FORWARD-LOOKING INFORMATION AND REGULATION & COMPLIANCE

- 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, 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, 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;
- 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 and 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;
- federal income tax reform, including the enactment 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, especially in light of federal income tax reform;
- 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 effect 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 (iii) competition from other companies offering products and services to Entergy's customers based on new or emerging technologies or alternative sources of generation;
- 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;
- Entergy's ability to attract and retain talented management, directors, and employees with specialized skills;
- 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 of Pilgrim, 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;
- factors that could lead to impairment of long-lived assets; and
- the ability to successfully complete strategic transactions Entergy may undertake, including mergers, acquisitions, divestitures, or restructurings, regulatory or other limitations imposed as a result of any such strategic transaction, and the success of the business following any such strategic transaction.

## FORWARD-LOOKING INFORMATION AND REGULATION G COMPLIANCE

### REGULATION G COMPLIANCE

This report includes the non-GAAP financial measure of consolidated operational earnings (loss) per share and Utility, Parent & Other adjusted earnings per share. The reconciliation of these measures to the most directly comparable GAAP measures is below.

#### GAAP to Non-GAAP Reconciliation – Consolidated Earnings (Loss) Per Share

(per share in dollars) <sup>(a)</sup>	2018	2017
As-reported earnings	4.63	2.28
Less special items:		
Items associated with the strategic decision to exit the EWC business	(2.89)	(2.26)
Income tax benefit resulting from FitzPatrick transaction	—	0.25
Tax reform	0.21	(2.91)
Total special items	(2.68)	(4.92)
Operational earnings	7.31	7.20

#### GAAP to Non-GAAP Reconciliation – Utility, Parent & Other Adjusted Earnings and Earnings Per Share

(dollars in millions)	2018	2017
Utility as-reported earnings (loss)	1,483	762
Parent & Other as-reported (loss)	(292)	(175)
UP&O as-reported earnings	1,191	586
Less:		
Special items	38	(129)
Estimated weather <sup>(b)</sup>	90	(128)
Tax effect of estimated weather <sup>(c)</sup>	(23)	49
Portion of E-AR and E-MS weather reserved for customers	(15)	—
Tax effect on E-AR and E-MS customer reserve <sup>(c)</sup>	4	—
Estimated weather, net of customer reserve (after-tax)	56	(79)
Difference between effective and statutory income tax rates <sup>(d)</sup>	233	(31)
UP&O adjusted earnings	864	824
(After-tax, per share in dollars) <sup>(a)</sup>		
Utility as-reported earnings	8.09	4.22
Parent & Other as-reported (loss)	(1.59)	(0.97)
UP&O as-reported earnings	6.50	3.25
Less:		
Special items	0.21	(0.71)
Estimated weather, net of customer reserve	0.31	(0.44)
Difference between effective and statutory income tax rates <sup>(d)</sup>	1.27	(0.17)
UP&O adjusted earnings	4.71	4.57

Calculations may differ due to rounding

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

(b) The effects of weather were estimated using heating degree days and cooling degree days for the billing cycles from certain locations within each jurisdiction and comparing to “normal” weather based on 20-year historical data. The models used to estimate weather are updated periodically and are subject to change.

(c) Income tax effect is calculated by multiplying the pre-tax amount by the estimated income tax rates that are expected to apply.

(d) Other income tax items represent the adjustment made to income tax expense to reflect a statutory tax rate estimated to be 25.5% in 2018 and 38.5% in 2017. The 2018 period excludes a reduction of \$775 million for the return of unprotected excess ADIT (no earnings impact).

(e) Per share amounts are calculated by multiplying the pre-tax amount by the estimated income tax rate that is expected to apply to each adjustment and then dividing by the diluted average number of common shares outstanding for the period.



# INVESTOR INFORMATION

## INVESTOR INFORMATION

### SHAREHOLDER MATERIALS

Visit our investor relations website at [www.energy.com/investor](http://www.energy.com/investor) 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, 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 504-576-4846 or writing to:

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

Investor Relations materials are also available on the Entergy Investor Relations mobile web app. The app provides a convenient way to access the company's latest financial news and information, including financial releases, presentations and SEC filings. The mobile web app is available at [iretr.com](http://iretr.com).

### 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 David Borde, Vice President, Investor Relations, at 504-576-5668 or [dborde@energy.com](mailto:dborde@energy.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  
Internet: [www.shareowneronline.com](http://www.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 Jan. 31, 2019, there were 189,580,512 shares of Entergy common stock outstanding. Shareholders of record totaled 24,919, and 175,045 investors held Entergy stock in "street name" through a broker.

### CERTIFICATIONS

In May 2018, 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 Dec. 31, 2018.

### DIVIDEND PAYMENTS

All of Entergy's 2018 distributions were taxable as dividend distributions. The board of directors declares dividends quarterly and sets the record and payment dates. Subject to board discretion, those dates for 2019 are:

Declaration Date	Record Date	Payment Date
February 1	February 14	March 1
April 3	May 9	June 3
July 26	August 8	September 3
October 25	November 7	December 2

### QUARTERLY DIVIDEND PAYMENTS (IN CENTS-PER-SHARE):

Quarter	2019	2018	2017	2016	2015
1	91	89	87	85	83
2		89	87	85	83
3		89	87	85	83
4		91	89	87	85

### 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.



For more information please visit [www.entergy.com](http://www.entergy.com)