Material topics determination

This document provides disclosure on topics relevant to Entergy Corporation and its stakeholders. The term "materiality" in this context is intended to reflect priority sustainability topics – also known as environmental, social and governance, or ESG, topics – and such term does not carry the same meaning as defined under securities laws in the United States or other jurisdictions. Associated metrics, targets and performance are reported in the company's annual reporting materials (Performance Report and Form 10-K) and on entergy.com.

Identification of material topics

On an ongoing basis, we analyze material economic, environmental, social and governance topics that impact our ability to create sustainable value for our stakeholders. Entergy assesses the range of potentially relevant topics for our business and the relevance to the company's key stakeholders: customers, employees, communities and owners. For reporting, Entergy engages external third parties to provide assurance on several economic, social and environmental metrics.

Material economic topics 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 these conditions.

Material environmental topics are derived from monitoring developments in environmental legislation, regulation, case law, agency guidance and other actions. In addition, peer groups for air, water, waste and biodiversity facilitate identification and transfer of information on material topics.

Material social topics are derived from monitoring trends and developments, such as those of relevance to our employees, investors, regulators, communities and markets as well as from our own activities in operations, financial, legal, compliance and supply chain.

Material governance topics are identified by monitoring emerging trends and best practices in corporate governance, such as those relating to board effectiveness and oversight; controlling risk, safeguarding stakeholders, and creating long-term value for our stakeholders; practicing fairness, accountability, and transparency; and ensuring that leaders and employees conduct their work with the highest ethical standards.

Material topics

Our material economic, social, environmental and governance topics are listed in the following table. The business cases for each of these topics are summarized below.

Economic	Environmental	Social	Governance
Financial performance	Climate change risks	Safety and health	Ethics and integrity
Customer satisfaction	Conventional air emissions	Human resource management	Transparency and accountability
Energy reliability	Greenhouse gas emissions	Local communities	Corporate governance
Energy affordability	Water issues		Stakeholder engagement
Energy efficiency	Waste management		
Economic development	Habitat and biodiversity		
Fuel diversity	Environmental Justice		
Physical security			
Cybersecurity			
Regulatory policies			

Material topics are identified with guidance from the Global Reporting Index Universal Standards. Entergy's material sustainability topics are detailed in our annual web-based and integrated reporting.

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 for investors. Our information meets the qualitative and quantitative guidelines of the template and can be accessed at entergy.com/sustainability/disclosures. We also compare Entergy's public information to the Sustainability Accounting Standards Board recommendations. A report on our results is available here.

In 2022, we developed and adopted an ESG disclosure controls and procedures policy to be followed in the preparation and reporting of public or non-public disclosure of ESG information. The policy is designed to ensure the accuracy and consistency of all forms of ESG information disclosures.

Business case summaries for material economic topics

Financial performance: Generating steady, predictable financial returns for our owners affords us access to capital needed to invest in our business; to provide safe, affordable, reliable, and increasingly clean power for our customers; to compensate our employees; and to invest in our communities. Our ability to deliver strong, long-term financial performance depends on, among other things, our utility industry business model resilience as well as our ability to innovate to better serve our customers.

Customer satisfaction: Meeting customers' expectations for affordability, reliability, enhanced products and services, and other needs such as outage communications and storm restoration is a key component of our mission. Customer satisfaction can also affect approved rates of return and other regulations.

Energy reliability: Understanding the outcomes customers need and desire from their power consumption, we can develop new customer solutions that achieve those outcomes — and make their lives better. Meeting customers' expectations for service to be available on demand requires ability to invest in our system, up-to-date technologies, and robust supply solutions.

Energy affordability: Maintaining affordable retail power prices supports economic development and attracts new businesses to our service areas. Low rates are particularly important in the states served by Entergy utilities, where average customer usage is high and many customers live in poverty.

Energy efficiency: Offering energy-efficiency programs helps customers manage their bills and supports environmental goals. Energy efficiency can also free up capital for other productive investments that enhance our customer experience. Our ability to respond to the reduced customer usage from energy efficiency and secure fair cost-recovery mechanisms affects our financial performance.

Economic development: Promoting economic development generates energy demand growth and strengthens our communities, helps maintain rate stability, funds investments to modernize our operations, increases efficiency, enhances reliability, and serves new demand; and earn authorized returns.

Fuel diversity: Balancing fuel diversity and other resource attributes supports price stability, risk mitigation, energy affordability and reliability. Nuclear and renewable energy play an important role in fuel diversity.

Physical security: Maintaining continuous and reliable business operations depends on our ability to maintain the safety and security of Entergy assets and operations.

Cybersecurity: Entergy's complex, interconnected network of generation, transmission, distribution, and control and communication technologies is a crucial part of the national critical infrastructure. Protecting this infrastructure by remaining vigilant against cyberattacks and safeguarding the privacy and confidentiality of sensitive stakeholder data is a top priority for Entergy.

Regulatory policies: Complying with existing regulations and advocating for the development of constructive new regulations impact operational and investment decisions, continued operation of nuclear plants and our financial results.

Business case summaries for material environmental topics

Climate change risk: Identifying and mitigating the transition-related and physical risks associated with climate change influence operational and investment decisions and help improve the resilience of customers and communities. These risks include increased operational costs due to carbon regulation; challenges meeting growing customer demand for low- and zero-carbon energy; increased weather-driven volatility of business results; and potential physical impacts to our facilities, our customers, and our communities.

Conventional air emissions: Meeting or exceeding compliance with evolving federal and state regulation of air pollutants informs our business decisions regarding generation dispatch and design and the location, retirement, purchase, operation, and construction of electric generating units. The benefits of replacing our legacy units with cleaner technology include improved system reliability, increased environmental efficiency, and reduced costs for our customers by using less fuel and improving fleet efficiency.

Greenhouse gas emissions: Reducing greenhouse gas emission intensity helps us reduce the risk of climate change impacts to our assets and our communities. Our actions taken to reduce emissions define our leadership role in industry-wide decarbonization efforts. Net reduction in carbon emissions can result from additional beneficial electrification of industry sectors served by our system.

Water issues: Risks to water supply issues are mitigated by using water-saving technologies, monitoring available supplies, and minimizing our water withdrawal in water-stressed areas. We also recycle water in some of our cooling systems and operate one air-cooled combined-cycle gas unit. Water quality is protected through robust permitting and compliance programs.

Waste management: A robust waste management and minimization process plays a key role in reducing risks to human health and the environment. Waste-related risks are mitigated by programs that support source reduction, recycling, and repurposing. This includes recovering the value of obsolete parts and equipment through investment recovery sales and recycling ash for beneficial use. All of these efforts result in diversion of waste from landfills and the reduction of liability for hazardous substance management and disposal.

Habitat and biodiversity: Having a goal to fully comply with all environmental regulations, including those that govern wildlife conservation, reduces environmental risks, including threats and impacts to biodiversity. Our investment review process identifies potential biodiversity risks as well as plans to avoid, minimize, or mitigate any risks identified for construction, commissioning, and/or operation. We view this as our responsibility as strong environmental stewards.

Environmental Justice: To ensure we minimize any potential adverse effects of our activities on the local communities we serve, including the communities of our low-income customers, we consider environmental justice impacts in our policies, including climate change policies. We also maintain open communication and seek opportunities to partner with our stakeholders on environmental justice concerns.

Business case summaries for material social topics

Safety and health: Ensuring strong operational and workforce safety practices are fundamental to our business.

Human resource management: Relying on an aligned, engaged, and capable employee culture is fundamental to meeting our objectives. Diverse cultural backgrounds and perspectives of employees and supply chain partners provide us with a strategic advantage.

Local communities: Sustaining business growth depends on healthy and vibrant communities. Our support of local communities through employment, tax payments, financial investment, and community outreach is reciprocated by community support for ongoing company operations. Community engagement in areas such as emergency planning is especially important where we have nuclear generating facilities.

Business case summaries for material governance topics

Ethics and integrity: Promoting an ethical culture in which leaders and employees conduct business ethically fosters an environment where employees know leaders are approachable, engaged and open to seeking the opinions of other to create a sense of teamwork, inclusion and mutual support. Teams where members feel valued and are confident that their peers and leaders act with integrity are more effective and productive. When employees are comfortable speaking up about potential concerns, without fear of retaliation and in confidence that their concerns will be addressed, the company is able to address such concerns promptly and effectively and prevent issues that can negatively impact the company.

Transparency and accountability: Creating an environment where all employees, from senior leaders to entry level, are open and honest about their actions and motivations, builds confidence among all stakeholders (customers, employees, communities, and owners) that the company's actions will not adversely affect our reputation or industry standing.

Corporate governance: Corporate governance includes the policies, processes, procedures and practices that direct, control and order corporate behavior. Strong corporate governance helps ensure fairness, transparency and accountability and is critical to creating and maintaining its investors' and other stakeholders' trust and confidence in Entergy and our ability to achieve its strategic objectives, manage risks and create long-term value for stakeholders. Corporate governance starts with the board of directors and is more likely to be effective when the board is diverse, participates in regular self-evaluations, engages in a refreshment process that aligns with our strategic direction, and sets a strong tone at the top. Effective corporate governance extends to senior management and cascades throughout the organization.

Stakeholder engagement: Stakeholders are the groups, entities, and individuals who hold an investment or interest in how we operate. From the customers that we have the privilege to serve, to the communities in which we operate, to our employees and our owners, our stakeholders are central to everything we do. By engaging with our stakeholders and gathering diverse points of view, we strive to build strong, trusted connections that result in solutions with broad support. Stakeholder feedback and engagement helps us create smart, forward-thinking plans that benefit our stakeholders and encourage sustainable practices throughout our

organization. Further, Entergy's engagement with regulatory, government and public policy officials and organizations, including through lobbying and political contributions, must be conducted with the highest ethical standards, above reproach and in compliance with laws, regulations, and company policies and values.

Risk management

Material economic, environmental and social topics are integrated into Entergy's enterprise risk management processes. Our ERM processes identify, capture and mitigate risks that have the potential to impact Entergy's ability to meet our objectives. More information on ERM is available in our risk management strategy overview available [here](#).

Participation in external forums

We partnered with the Edison Electric Institute to create the reporting template that helps EEI member companies provide more uniform, consistent metrics and supporting information for investors. The information voluntarily provided by member companies is publicly available and meets the qualitative and quantitative guidelines of the template. Entergy's template can be accessed [here](#).

The company co-sponsored a previous EPRI Material Sustainability Issues for the North American Electric Power Industry technical study. The research initiative was directed toward identifying which sustainability issues affecting the power companies in North America are considered to be the most material and gathering perspectives on those issues from the industry and its stakeholders. The research team collected information from direct interviews with utility managers and stakeholders at government, private sector, non-profit, environmental and academic organizations. As an extension of the EPRI ESIG materiality study, a benchmarking forum has been established. The forum's goal is to identify appropriate benchmarking metrics to communicate, predict and compare electric utilities. The group reviews and maintains sustainability priorities for the North American energy industry, available [here](#).

In addition, through our participation in external organizations and industry peer groups, we identify and obtain insights and information on material social issues.

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