

Sustainability Report

EXECUTIVE SUMMARY

2018



At NRG, our comprehensive sustainability framework provides a solid foundation for operating our business at the highest standard. We believe that building a more sustainable business creates a stronger company and greater value for all our stakeholders. And as a stronger company, we are well-positioned to lead the way in redefining what power can be.

In 2018, we achieved outstanding financial and operational performance, meeting the goals we set forth in our multi-year transformation plan, while focusing on our employees, customers, and communities. As we transform our company, our people power what is possible. With their robust industry expertise, market intelligence, creativity, get-it-done mentality, and spirit of philanthropy, they are moving us toward a more sustainable energy future.

Throughout our transformation, our commitment to environmental stewardship and transparency has accelerated. We have reduced our carbon emissions 37% since 2014 while creating tremendous business value. We are nearly three quarters of the way to achieving our science-based 2030 goal, which we expect to meet years early. I am also proud to say that for the 2018 reporting year, we reached CDP's Climate Leadership level for the first time in NRG's history — one of three U.S. electric utilities and the only U.S. integrated power company to do so.

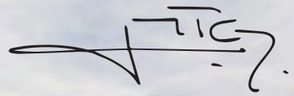
We will continue to set clear and measurable sustainability goals and communicate our progress with transparency, using the best available frameworks and standards, such as SASB and TCFD. This level of accountability creates trust and invites stakeholder dialogue. We will also continue to boldly advocate for customer choice by seeking to open markets to competition, which allows market-based mechanisms to drive down emissions and costs for the benefit of consumers, communities and the environment.

In addition to our sustainability framework, the values that hold us together are building a better NRG. We have long maintained a dedicated safety culture and, last year, achieved the best safety record in company history. While safety and employee well-being continue to be a topmost priority, we evolved our purpose and modernized our values to better reflect who we are today, and they serve as a guidepost for bringing the power of energy to our customers.

The power industry is more dynamic than ever, with the next generation of sustainable thinking pushing both government and companies to take action. Electricity is rapidly becoming the fuel that will power a low carbon economy. Climate change and the need to decarbonize has transcended policy and is now a priority for many businesses, families, and individuals. As electric cars, connected devices, and renewable generation continue to enter the market, we shifted our business to meet the needs of customers not only with reliable and affordable electricity, but also with cleaner and more tailored solutions to meet their specific needs.

For example, in 2018, we expanded our retail presence to enhance our customer value proposition. We also divested our in-house renewables development platform, allowing us to work with a broader set of developers and find the lowest cost and most flexible solution for our customers. Innovation within our business solutions space continued as we introduced our Renewable Select concept, a unique product that greatly simplifies how corporate and industrial clients buy renewable energy. By placing customers at the center of our business, we are taking the actionable steps to reimagine, reinvent, and reshape how electricity is produced, delivered, and experienced.

I am proud of the goals we set for ourselves and the way we have achieved strong financial and operational performance while exceeding our sustainability ambitions. As you read through our 2018 Sustainability Report, I trust you will share my pride as well as my excitement for our path ahead.



Mauricio Gutierrez
President and Chief Executive Officer

Our Purpose Statement

We are an energy company powered by people and built on dynamic retail brands with diverse generation resources.



We bring the power of energy to people and organizations.

Our Values

- Safety and Well-Being
- Customer-Focus
- Collaboration
- Accountability
- Inclusion and Diversity

NRG: At a Glance

50
States (plus D.C.)
where we do business

FORTUNE 500
company

Over
4,500
full-time employees

67
TWhs
served by retail

Approximately
3.1 million
customers

Over
35 assets
in nine states

Over
$9 billion
in revenue

The nation's
Leading
integrated competitive power generator

73%
of the way to
our 2030 greenhouse gas (GHG) reduction goal

74 million
tons customer
avoided emissions

7%
revenue carbon intensity
decrease since 2014

30%
water withdrawal
decrease since 2014

0.51 TCIR*
best ever
safety record



A Sustainable Energy Future

Throughout a year of substantial change, we remained committed to our comprehensive sustainability framework. While we've already made significant progress in transforming our business, our work to redefine power is just beginning. Our industry continues to evolve and create actionable opportunities for NRG.

Tackling the impacts of climate change and the decarbonization of our economy is transcending federal policy, as businesses and individuals are taking more decisive action. Technological advances have been accelerating and enabling new ways for consumers to interact with electricity, from real-time data apps to smart appliances. Our energy system is going to be more connected, smarter, and more reliable than ever.



7
facilities
with VPP Star rating

<25%
coal revenue
in our generation portfolio

~23,000 MW
generation capacity
in our North America portfolio

$3.1M
donations
given through corporate philanthropy

16,046
volunteer hours
contributed by NRG employees

*Total Case Incident Rate

Sustainability at NRG

We have a broad sustainability strategy, aimed at embedding sustainability into the culture and fabric of the organization and ensuring that sustainability becomes a core function that touches all aspects of our business. Our sustainability efforts closely align with our business and are organized with cross-functional engagement and strong governance. To help create a sustainable energy future, we prioritize our work into five key pillars. Each pillar comprises business activities that create value for NRG and its stakeholders.

Sustainable business

The Sustainable Business pillar guides our company in the foundational pieces of strong sustainability leadership including governance, transparency, sustainability reporting, and stakeholder engagement.

Sustainable operations

Our commitment to sustainable operations includes strong goals in reducing greenhouse gas emissions and water use, and increasing recycling rates of coal combustion residuals across all facilities.

Sustainable customers

A key aspect of our sustainability strategy is providing sustainable solutions for our customers and helping to lead in the transition to a more sustainable future. Our goals are to continue to provide more clean energy choices and help reduce the overall environmental impacts.

Sustainable suppliers

It is also important for companies to address sustainability in their entire value chain. We have established ambitious goals and started to put systems in place to measure and ultimately reduce the impacts in our supply chain.

Sustainable workplace

Our commitment to a sustainable workforce at NRG includes a focus on worker safety, health and wellness, equality, diversity, and employee engagement, as well as environmentally conscious workplaces.

Notable accomplishments

Reached leadership level of A- in **CDP Climate scoring**

One of the first companies to publicly commit to the **Task Force on Climate-related Financial Disclosures (TCFD)**

Only company in our sector to report using the **Sustainability Accounting Standards Board (SASB)** standards since 2016

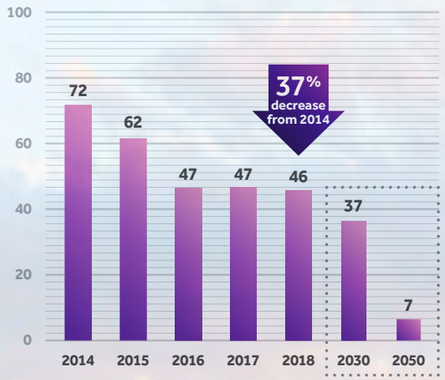
Named **CDP Supplier Engagement Leader** for second year in a row

2018 Performance Highlights

73% of the way to our 2030 goal

Tracking toward our GHG reduction goals

(NRG U.S. CO_2e emissions scopes 1, 2, & 3*) $mTCO_2e$



To ensure consistency and relevance, NRG's base year emissions have been recalculated according to GHG Protocol: A Corporate Accounting and Reporting Standard, Revised Edition following generation asset portfolio changes. This revised base year has been verified by a third party.

Environmental Snapshot

Scope 1 emissions*	46 million mT CO_2e
Scope 2 emissions*	189,000 mT CO_2e
Scope 3 emissions* (business travel)	13,000 mT CO_2
Revenue carbon intensity	4,628 tCO_2e /$M revenue
Generation emissions intensity	.68 mT/MWh
Water usage intensity	.05 megaliters/MWh
Water consumption*	185 million m^3
Coal Combustion Residuals (CCR) recycling rate	63%
SOx	60 million kg
NOx	22 million kg

Diversity at NRG**

Companywide employees



- **WHITE** (NOT HISPANIC OR LATINO)
- **BLACK OR AFRICAN AMERICAN** (NOT HISPANIC OR LATINO)
- **HISPANIC OR LATINO**
- **ASIAN** (NOT HISPANIC OR LATINO)
- **TWO OR MORE** (NOT HISPANIC OR LATINO)
- **AMERICAN INDIAN OR ALASKAN NATIVE** (NOT HISPANIC OR LATINO)
- **NO ELECTION**
- **NATIVE HAWAIIAN OR OTHER PACIFIC ISLANDER** (NOT HISPANIC OR LATINO)

Board diversity

Gender Diversity



2 Women

Ethnic Diversity



2 Ethnically Diverse

Independence



90% Independent (All Except CEO)

90% Meet Heightened Committee Independent Standards



*Third-party verified

**Self-selected

Feedback

If you have any comments or questions about this report, or would like more information on our sustainability efforts, please visit nrg.com or email sustainability@nrg.com.

Safe Harbor

Forward-looking statements

The 2018 Sustainability Report contains forward-looking statements that may state NRG's or its management's intentions, beliefs, expectations or predictions for the future. Such forward-looking statements are subject to certain risks, uncertainties and assumptions, and typically can be identified by the use of words such as "will," "expect," "estimate," "anticipate," "forecast," "plan," "believe" and similar terms. Although NRG believes that its expectations are reasonable, it can give no assurance that these expectations will prove to have been correct, and actual results may vary materially. Factors that could cause actual results to differ from those implied by the forward-looking statements are set forth in the Company's most recent Annual Report on Form 10-K, quarterly and other periodic reports, current reports and other filings with the Securities and Exchange Commission at www.sec.gov. NRG undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

