
YEAR IN REVIEW 2022
nrg

# About this report

The content and structure of this Year in Review provide stakeholders with a comprehensive update highlighting NRG's dedication to people, commitment to environmental stewardship, and the governance principles that inform our work. As sustainability has become increasingly integrated into the fabric of who we are as a company, this report reflects its importance and impact across all parts of our business.

The Year in Review is aligned with our fiscal year (FY) and is a snapshot of the period from January 1 to December 31, 2022. Featuring highlights from the reporting period as well as relevant data and disclosures, this report contains information and issues pertinent to NRG and complements our other reporting and financial filings. Unless otherwise stated, NRG refers to NRG Energy, Inc. as well as its subsidiaries and affiliates. While this report's scope is FY 2022, some longer-term projects and goals are discussed, as are certain significant current events that occurred between the end of FY 2022 and the time of publication.

Where applicable, sustainability-related disclosures are in line with the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), which was recently incorporated into the International Financial Reporting Standards (IFRS) Foundation, and the United Nations Sustainable Development Goals (SDGs). Additional details on NRG can be found in our Enivronmental, Social, and Governance **(ESG) Data Download** as well as in our reports and proxy statement on the **NRG Investor Relations website**. The **appendix section** contains our SASB table and resources with more information linked throughout the report.

# Contents


**05 About this report**

## 08 INTRODUCTION

**10 A word from Mauricio Gutierrez**

**12 Essentials for the home and beyond**

14 Bringing more to those we serve

16 Our presence

17 Brands

**18 2022 year-at-a-glance**

**22 Selected company milestones**

**24 Our values**

**26 Sustainability at NRG**

28 Q&A with Jeanne-Mey Sun

**30 Policy and advocacy**

**33 Data, technology, and security**

## 34 CUSTOMERS

**37 2022 Customers at-a-glance**

**38 Products and services for the home**

40 Finding the best fit

42 Improving the customer experience across brands

44 Big wins and milestones

**46 Products and services for business**

48 NRG Business brand integration

48 Notable deals

49 Partnerships in success

## 50 OUR PEOPLE AND OUR PURPOSE

**52 2022 People at-a-glance**

**55 Workforce**

56 Redefining Human Resources

58 Attracting and retaining the best and brightest

60 A safety-first workplace

64 Promoting diversity, equity, and inclusion

**69 Community and philanthropy**

69 PositiveNRG

73 NRG Gives

74 Reliant Gives

78 Green Mountain Energy Sun Club

80 Goal Zero

## 82 ENVIRONMENT

**84 2022 Environment at-a-glance**

**87 Our climate goals and progress**

87 NRG's climate goals

88 Progress reducing greenhouse gas emissions

90 Fleet electrification

92 Selected climate transition strategy levers

**97 Environmental management and operations**

98 Biodiversity

99 Environmental performance

104 Waste

105 Notices of Violation and spills

**107 Working toward a more sustainable supply chain**

## 108 GOVERNANCE

**112 Board of Directors**

115 Ethics and compliance

115 Risk management

**116 Governance approach for environmental stewardship and social responsibility**

116 Board of Directors

118 Executive management

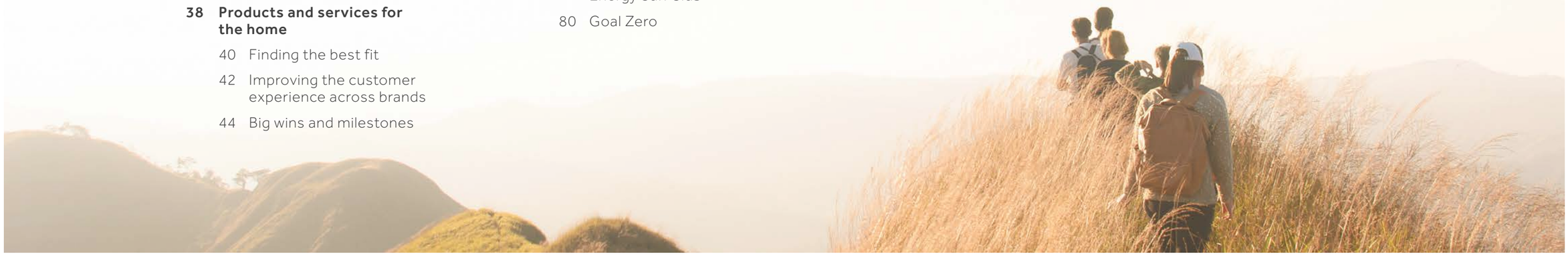
121 Sustainable Development Goals

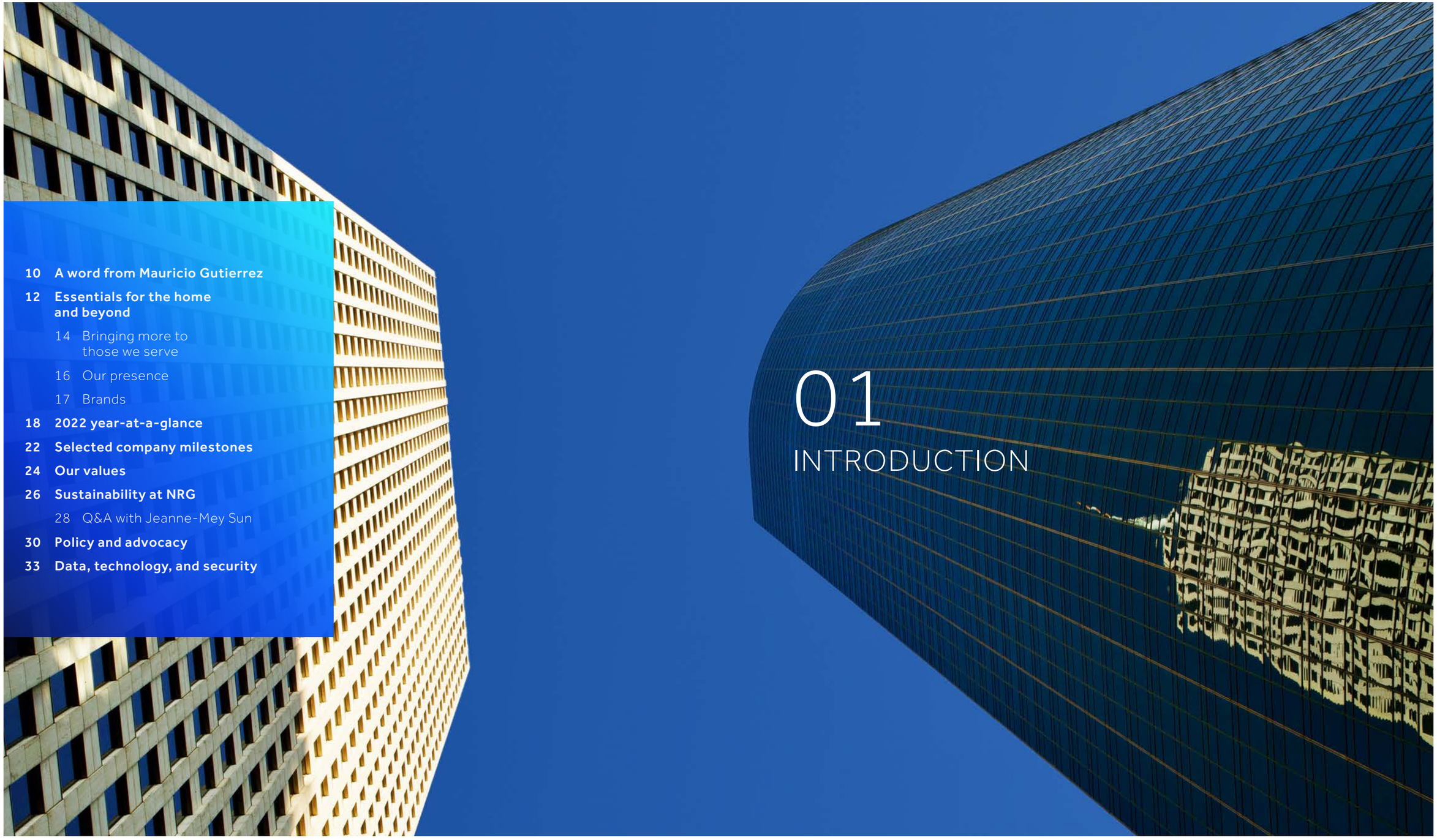
121 Sustainability reporting

**123 Stockholder and stakeholder engagement**

**129 Public policy**

## 130 APPENDIX




**10 A word from Mauricio Gutierrez**

**12 Essentials for the home and beyond**

14 Bringing more to those we serve

16 Our presence

17 Brands

**18 2022 year-at-a-glance**

**22 Selected company milestones**

**24 Our values**

**26 Sustainability at NRG**

28 Q&A with Jeanne-Mey Sun

**30 Policy and advocacy**

**33 Data, technology, and security**


# 01
# INTRODUCTION

# A word from Mauricio



We have a clear vision and are taking the road less traveled, forging our own path toward long-term value creation for everyone.

Dear NRG Stakeholders,

The trends that informed our strategy around the consumer accelerated in 2022. Congress passed the largest decarbonization incentive in history, a landmark legislation reshaping the energy industry. And the convergence of smart distributed technologies and the electrification of everything is finally becoming a reality —setting the stage for new and exciting demand-side or "behind the meter" opportunities. At the same time, the conflict in Ukraine led to extreme commodity market volatility that impacted our core power and gas business. Through it all, NRG remained steadfast in executing our 2021 strategic plan by further integrating into the home. We announced **the acquisition of Vivint**, deepening our relationship with the customer with a best-in-class smart home technology platform. Today, we sit at the intersection of energy and distributed technologies, ready to deliver innovative products that power and protect our customers' lives.

During the year, we had many accomplishments. We had another year of record safety performance and achieved record customer retention in a year marked by price volatility and inflation. We also expanded many initiatives that make NRG a place where everyone feels accepted, appreciated, and safe. Programs like Mental Health First Aid (MHFA) at Work and the inclusion of well-being goals into our total compensation plan reflect our ongoing dedication to improving employees' emotional, financial, and physical health. To further our commitment, we **evolved our Talent department** to better represent the needs of our current and future workforce.

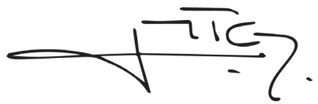
Our dedication to people extends into the communities where we work and live. Last year, we donated over $6.5 million to charitable organizations, and our passionate employees rolled up their sleeves to log 14,000 volunteer hours across the United States and Canada. And our hard work paid off: we were recognized as a top employer for **Latino Leaders**, one of **America's Most Responsible Companies**, and a **Champion of Board Diversity**.

Continuing our path to net-zero, our commitment to responsibly navigating the energy transition remains strong. Last year, we retired or sold roughly 1,400 MW of fossil fuel-fired assets as part of our ongoing portfolio optimization. While the journey is not always linear, we have achieved a 42% reduction in greenhouse gas (GHG) emissions since our 2014 base year. In 2022, less than five percent of our consolidated revenues were derived from coal-fired assets, a significant change from a few years ago. We now turn to our customers with behind-the-meter technologies that will help reduce their costs and environmental footprint – while giving them increased resilience and flexibility.

Today, the energy industry has reached an inflection point, and the connected energy future is here. Consumers expect simple, smart solutions connected through a seamless experience. The NRG platform provides just that. There was much to be proud of in 2022, but our work always continues. The core of NRG is strong, and our business is well-positioned for 2023 and beyond. We have a clear vision and are taking the road less traveled, forging our own path toward long-term value creation for everyone—customers, stakeholders, partners, and investors.

Thank you for your support. Together, we are powering more.

Sincerely,



**Mauricio Gutierrez**
*President and Chief Executive Officer | NRG Energy, Inc.*

# Essentials for the home and beyond

With our customers' needs and aspirations at the forefront, we are bringing peace of mind, customization, and convenience to the home. Our leading brands and customer experience as an energy provider have paved the way for trusted relationships inside the home, and today, we are much more than simply a power and natural gas retailer. We are empowering consumers with a unique platform that combines innovative energy services and control with home automation, smart devices, and protection.



In March of 2023, we completed the acquisition of Vivint Smart Home, accelerating the realization of our consumer-focused growth strategy and creating a leading essential home services platform fueled by unparalleled insights, proprietary technologies, and complementary sales channels.

**In short, we are focused on:**

- Serving the energy needs of end-use customers and wholesale counterparties in competitive markets through multiple brands and channels
- Expanding our customer offerings to include products and services to protect and intelligently manage the home
- Offering a variety of energy products and services that are differentiated by innovative features, premium service, sustainability, and loyalty/affinity programs
- Excellence in safety and operating performance of our power generation assets
- Optimal hedging across our integrated portfolio
- Engaging in disciplined and transparent capital allocation

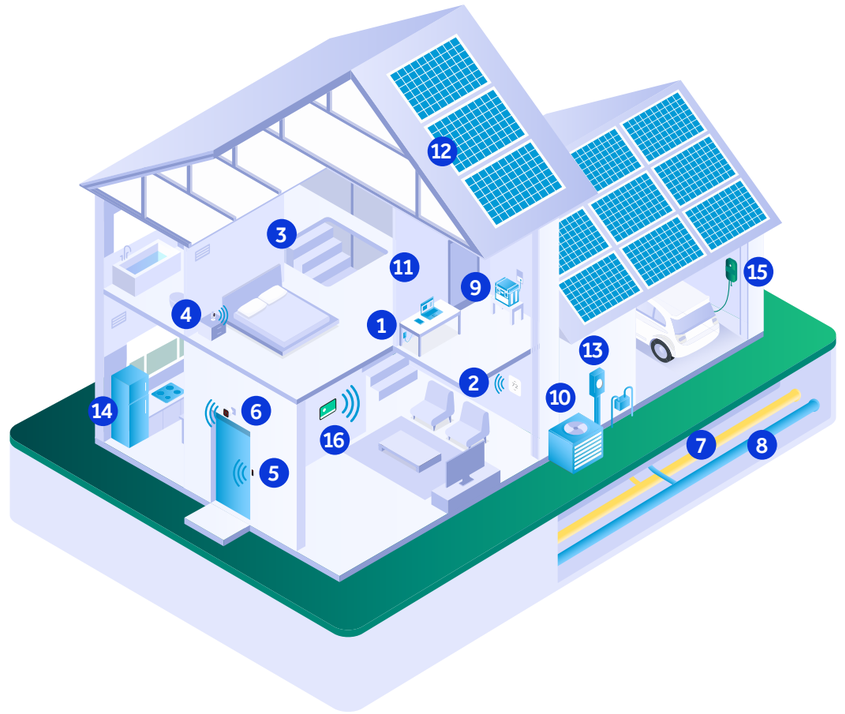
## Bringing more to those we serve

Our impact in the energy space is tangible. The starting point, always, is our customers and what they're striving to achieve—real paths to a brighter, sustainable future and more options for getting there with data, technology, and convenience. These are the drivers behind the range of solutions we deliver and the benefits they provide.

**For businesses**, we're a partner for today and for what lies ahead, bringing resilience in an age of volatility, guidance through the range of possibilities, and sustainable outcomes in a manner matched to their needs and goals.

**For homes**, we're the power that lights their way—intuitive, advanced, and increasingly propelled by renewables. We're putting power in our customers' hands with smart home technologies, serving them in ways that fit their lives, conveniently and seamlessly.

**For all those we serve**, we're delivering on an ambitious and relevant vision of personalized power—doing so with greater flexibility and care, bringing more control over costs, and always providing proven options that keep their lives moving.

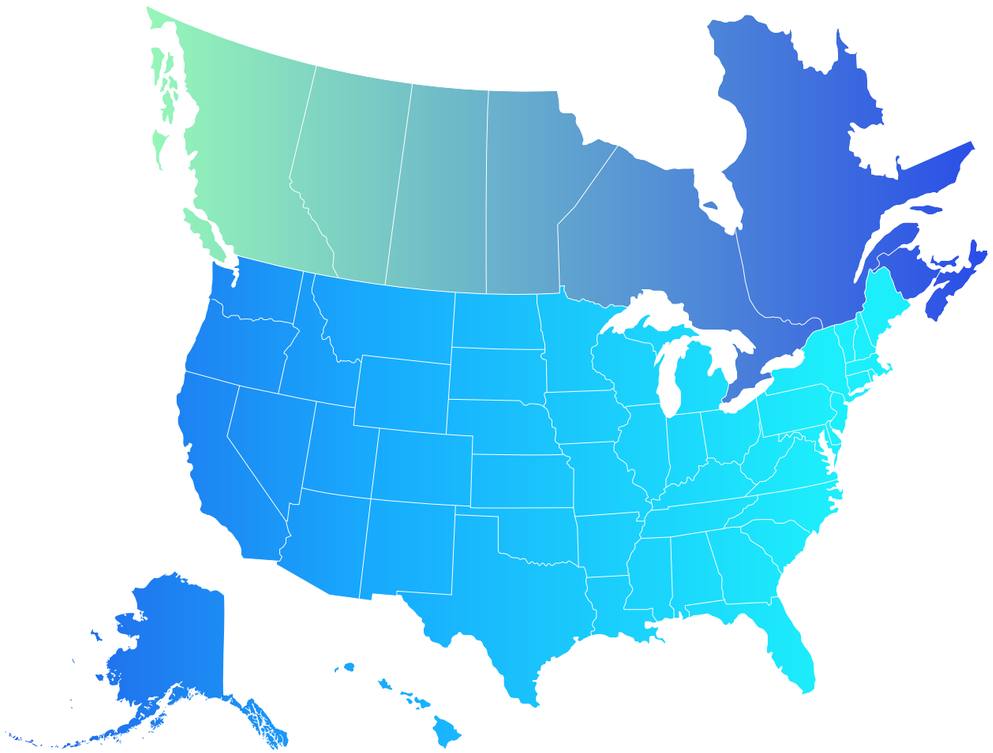



Understanding the home and its relationship with our products and services

1. Smart hub
2. Smart thermostat
3. Smart lighting switch and bulbs
4. Indoor Camera Pro
5. Doorbell Camera Pro
6. Outdoor Camera Pro with Spotlight
7. Electricity
8. Natural gas
9. Battery backup
10. HVAC maintenance and installation
11. Automation
12. Rooftop solar
13. Demand-side management
14. Home protection and security plans
15. Electric vehicle (EV) chargers and charging plans
16. Concierge

## Our presence

As of the end of 2022, NRG had recurring electricity and/or natural gas sales in 24 U.S. states, the District of Columbia, and eight provinces in Canada. Other products and services are available nationwide in both the U.S. and Canada.



## Brands

nrg

reliant. an NRG company

Direct Energy.

vivint.[1]

Green Mountain Energy

GOALZERO

XOOM energy

cirro ENERGY

AWHR

DISCOUNT POWER

Airtron HEATING & AIR CONDITIONING

1 The Vivint acquisition was announced in 2022 and completed in 2023.

# 2022 year at-a-glance[1]

We're on a mission to power, protect, and intelligently manage all things home and business—and 2022 was a benchmark year of progress.

We executed our strategic priorities, advanced our essential home services strategy, and set NRG up for continued success in 2023 and beyond. This included nearing the completion of the Direct Energy integration and the culmination of our "test and learn" phase of our growth plan, resulting in our announcement of the Vivint Smart Home acquisition.

The next phase in our consumer evolution is an exciting time for NRG. Our energy solutions and home services help millions of customers across the United States and Canada meet their energy goals and prepare for an increasingly connected world.

Together, we are building a brighter, cleaner, and more resilient future.

## 2022 by the numbers

Approximately
**$31B**
in revenue

Approximately
**6,600**
employees

Approximately
**5.4MM**
customers

**2.4GW**
of renewable power purchase agreements (PPAs)[3]

**42%**
reduction in $CO_2e$ emissions[4]

**20%**
U.S. generation with zero emissions[5]

A Fortune
**150**
Company

**64%**
Board of Directors ethnic or gender diversity

Approximately
**11 years**
average employee tenure[7]

**Top decile**
safety performance

**155TWh**
electricity sold

**1,918MMDth**
natural gas sold

Approximately
**80%**
NRG Home customer retention rate[2]

**1,000+**
charitable organizations impacted by volunteers and donations

Approximately
**$6.6MM**
donations given to charitable organizations[6]

**16GW**
generation capacity

1 As of December 31, 2022. Does not include Vivint.
2 Retention rate for U.S. electricity customers.
3 As of 12/31/2022, current Q1 PPA total 1.9 GW; 1.1 GW operational as of 4/30/2023.
4 Since 2014 base year.
5 Includes power generation from nuclear and renewables.
6 Inclusive of all monetary, in-kind, and Team NRG donations.
7 Employees who are paid by the company and issued a W2. Does not include any contractors who receive a 1099.




## Selected 2022 awards and accolades

- CEO Talent Champion, Gartner
- America's Most Responsible Companies, Newsweek
- Gulf Coast DiversityFirst Awards Organizational Recipient, National Diversity Council
- Top Employer for Latino Leaders, National Diversity Council
- Texan by Nature 20, Texan by Nature
- Corporate Philanthropy Award, NJ Governor's Award in Arts Education
- NJ State Governor's Jefferson Award, NJ Department of State Volunteer and National Service
- ESG Integration Awards: Best Board Oversight of ESG, Corporate Secretary
- Champion of Board Diversity, Forum of Executive Women
- Faces of Philanthropy, Philadelphia Business Journal

nrg

- Crisis Strategy and Management Award, Customer Centricity World Series
- Best of the Best - Electricity Company, Houston Chronicle
- Innovation Award, Customer Experience Professionals Association
- Outstanding Corporation Award, Association of Fundraising Professionals Dallas

reliant
an NRG company

- Fast50, Utah Business Magazine
- Utah 100, MountainWest Capital Network
- Green Business Award Honoree, Utah Business

GOALZERO

# Selected company milestones

## 2009

- Acquired Reliant Energy
- First reported to the Carbon Disclosure Project (now known as CDP)

## 2010

- Acquired Green Mountain Energy (GME)
- Issued first sustainability report

## 2011

- Launched the Reliant EcoShare program, making renewable power and sustainable action accessible to residential customers

## 2014

- Acquired CIRRO Energy and Goal Zero
- Set industry-leading carbon reduction goal to cut $CO_2e$ emissions by 50% by 2030 and 90% by 2050
- Started publicly reporting on our workforce diversity

## 2015

- One of the first companies in the world to have GHG emissions goals certified by the Science Based Targets initiative (SBTi)

## 2016

- Became first North American power company to report using the SASB standards

## 2018

- Acquired Xoom and Discount Power
- Governance and Nominating Committee assumed responsibility for overseeing sustainability policies and programs
- Launched Renewable Select, providing simplified renewable energy options to Business customers

## 2019

- Accelerated GHG emissions reductions goals to target a 50% reduction by 2025[1] and net-zero by 2050
- Added diversity and inclusion to our corporate values

## 2020

- Became the first North American company to issue a sustainability-linked bond
- Signed the CEO Action Pledge on Diversity and Inclusion

## 2021

- Acquired Direct Energy
- First North American power company to receive SBTi validation that climate goals are 1.5 degree Celsius-aligned[2]
- Set a goal to electrify 100% of our light-duty fleet by 2030
- Announced participation in the Climate Group EV100 initiative
- Added equity to our diversity and inclusion corporate value
- Expanded benefits to include gender-based health benefits
- Published inaugural Task Force on Climate-related Financial Disclosures (TCFD) report

## 2022

- Announced acquisition of Vivint
- Published inaugural Industry Association Climate Review
- Added sustainability-related metric to executive compensation

1 From our current 2014 base year.

2 Received in March 2021. See page 87 for more details.

# Our values

Our values inform how we move forward and achieve more for the people we serve. We constantly aim higher to provide a better experience for our customers, employees, and communities.

**Our power values**

**Safety and well being**

**Customer focus**

**Collaboration**

**Accountability**

**Diversity, equity, and inclusion**



# Sustainability at NRG

Alongside our power values, our sustainability framework is a cornerstone to the development and evolution of our business. Our approach includes five key pillars that help embed sustainability into our organizational culture and ensure the long-term reliability, competitiveness, and success of NRG.

**Goals**

**50%**
reduction in GHG emissions by 2025[1]

**net-zero**
by 2050

**100%**
electrification of company-owned light-duty fleet vehicles by 2030



1 From our current 2014 base year.

**Sustainability pillars**
Our pillars drive our collective efforts to provide optimal energy solutions, leverage cleaner energy technologies, reduce our carbon footprint, and support employee advancement through health, safety, and professional growth initiatives.

**Sustainable business**
This pillar guides our company in the foundational aspects of strong sustainability leadership in areas including governance, transparency, reporting, and stakeholder engagement.

**Sustainable customers**
A vital component of our sustainability strategy is providing solutions for our customers and helping to lead the transition to a more sustainable future. Our goals are to provide more clean energy choices in more locations, closer to our customers, and to understand and help reduce the overall environmental and societal impacts associated with their energy use.

**Sustainable workplace**
Having a strong, healthy, and engaged workforce is a core tenet of our success in working towards and achieving our goals across the value chain. Our commitment includes a focus on safety, employee health, diversity, equity and inclusion, employee engagement, and environmentally conscious workplaces.

**Sustainable operations**
NRG is committed to reducing environmental impacts across all operations. This includes achieving our science-based GHG reduction targets, increasing recycling rates of coal combustion residuals (CCRs), and improving environmental performance across all facilities.

**Sustainable suppliers**
It is important for companies to address sustainability in their entire supply chain. NRG is working to accurately measure and ultimately reduce environmental impacts in our supply chain through collaboration and transparency, while pushing suppliers to be more diverse, equitable and inclusive.

## Q&A with Jeanne-Mey Sun, Chief Sustainability Officer (CSO)

**Q. Looking back on sustainability at NRG in 2022, what were some highlights?**

**A.** In 2022, we:

- Continued our commitment to transparency through our 7th annual reporting of IFRS metrics[1], 2nd annual report on the climate positions of our disclosed membership organizations, and 4th annual public policy and political contributions disclosure.
- Provided both 2022 data and additional years of historical data for certain metrics in our sustainability data file, enabling trend analysis over a longer time horizon.
- Incorporated our 13th year of sustainability reporting into this broader Year-in-Review format that includes corporate strategy and highlights the tight link between it and our sustainability strategy.

We also strengthened our GHG emissions data gathering, methodology documentation, and reporting processes and controls. I am very pleased with both the outcome of that effort – more robust processes and controls – and with the collaboration we had across the Company and with our Board. We also continued to obtain third-party assurance of our North American GHG emissions reporting.

Finally, we continued to engage with stakeholders working to advance the energy transition. Our focus included decarbonization pathways, proposed sustainability reporting rules and standards, and the climate-tech start-up ecosystem.

**Q. What are you working on now that excites you most?**

**A.** Our customer sustainability-focused work is my passion. I am excited to continue contributing to the development of various products and services – described further in the Customers chapter of this Report – that help our customers meet their sustainability goals.

I am particularly excited about our acquisition of Vivint and its unique and complementary products and services, including supply- and demand-side energy management offerings like rooftop solar, smart lighting, and smart thermostats. These offerings help customers manage their energy consumption and can reduce their carbon footprints in the process.

Lastly, we recognize that NRG's business now encompasses more than electricity generation. As such, we are in the process of quantifying our Scope 3 GHG emissions – the emissions that we don't directly control, both upstream and downstream of NRG in our value chain. We are also quantifying the emissions we help customers avoid through their use of our sustainable products and services.

**Q. What keeps you up at night?**

**A.** Meeting our climate goals[2] while ensuring that the energy we provide to our customers remains reliable and affordable – the so-called energy trilemma.

For several years, these three imperatives were aligned with one another: over 2014-2022, our GHG emissions decreased by 42% due to a reduction in power generation and a market-driven shift away from coal- toward natural gas-fired generation. However, in 2022, our GHG emissions increased relative to 2021 as power market conditions and weather resulted in increased generation. In particular, the price of natural gas increased relative to the price of coal in the wake of the Russia-Ukraine war, making it more economic to generate electricity using coal, thereby increasing emissions.

As a competitive energy provider, NRG competes for its customers every day. As such, we must serve the needs of customers that want to buy electricity, even when it has a relatively high carbon intensity. Moreover, there are rules governing the shut-down of power plants in the market. In addition to complying with these market rules, we have a fiduciary duty to preserve and enhance the financial performance of the Company.

We actively monitor various options to reduce the carbon intensity of our operations and the electricity we provide to our customers. Ultimately, I believe that our technology-agnostic approach to decarbonization will ensure that we have access to the lowest cost solutions when they are economic at scale. In the near-term, we remain committed to offering renewable electricity to those customers that demand it, and as discussed in the Environment chapter, we are pursuing renewable PPAs with third party developers so we can bring even more renewable electricity to our customers.



Jeanne-Mey Sun, Ph.D.

**Note:** The foregoing is a condensed version of the complete Q&A which can be found here.

1 Formerly known as SASB standards metrics.

2 Reduce GHG emissions by 50% by 2025 from the current 2014 base year and achieve net-zero by 2050. These goals encompass our directly controlled emissions (Scope 1), emissions from NRG's purchased electricity (Scope 2), and emissions from employee business travel (category 6 of Scope 3).

# Policy and advocacy

Consumer choice is an important component in achieving a sustainable energy transition. We want to find ways for consumers to leverage the power of the free market to influence and shape the energy future. Learn more about our advocacy work here.

**Four overarching policy principles guide our political advocacy work:**



### Competition and consumer choice

Consumers should be able to choose their electricity and natural gas providers. Competition promotes a customer-centric approach to business and drives companies to innovate and develop products and solutions.



### Sustainability and lower carbon intensity energy

Competitive markets allow energy providers to cater to consumers who would like to support renewable electricity from wind and solar resources, lower the carbon footprint of the natural gas they consume, and meet their energy efficiency goals.



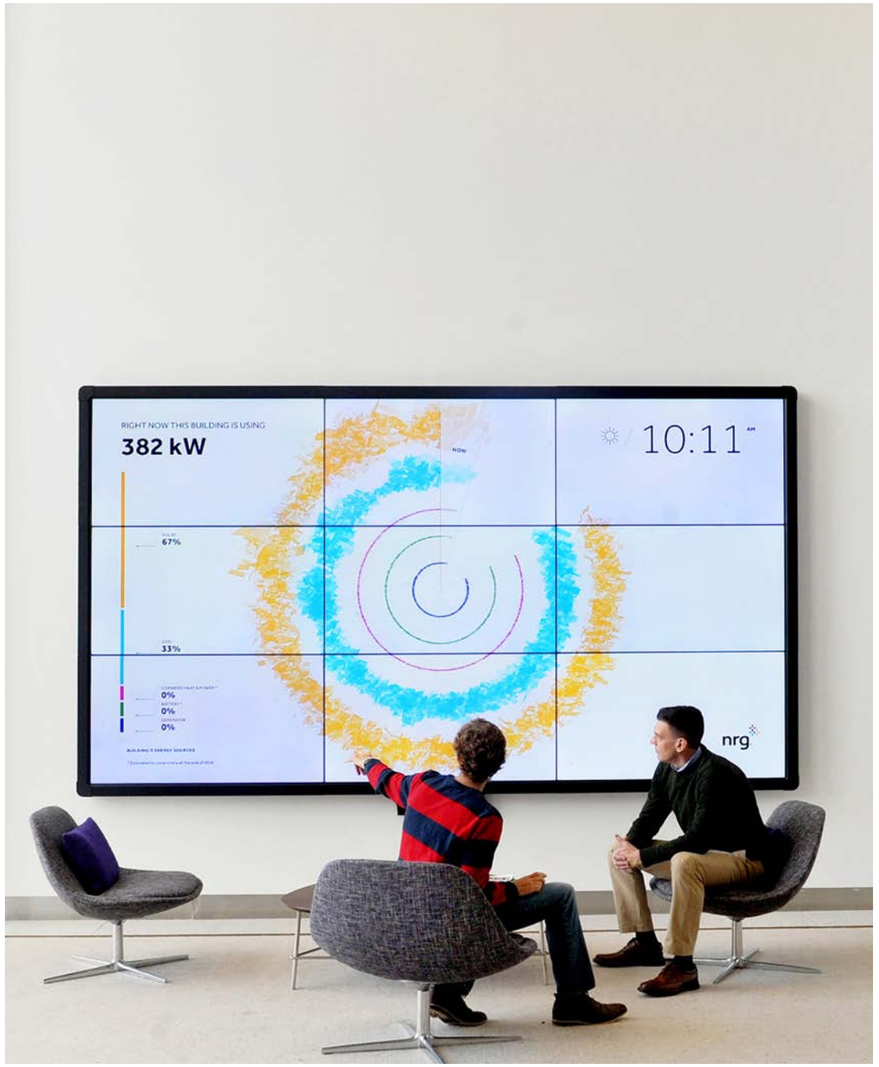
### Innovation and technologies

Retail innovation-focused policies improve consumer experiences by spurring the development of innovative technologies, products, and services.



### Resilience and reliability

Retail energy-focused policies help ensure customers have access to energy when they need it most, helping support a market system where reliability and resiliency are prioritized.



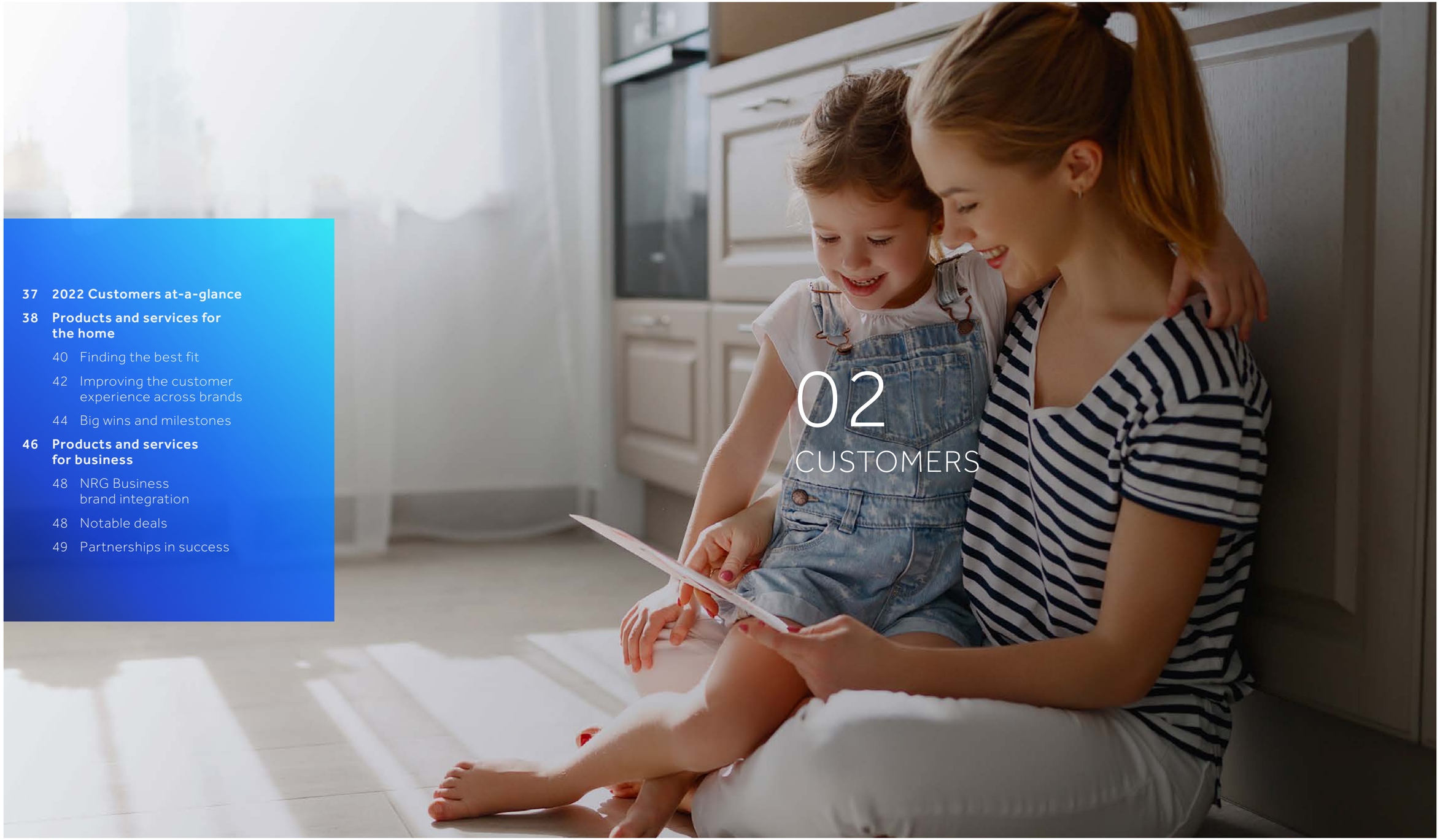

# Data, technology, and security

Data, technology, and security play a major role in our business. We have the data to make informed decisions, the technology to support business execution and optimization, and internal security controls based on the U.S. National Institutes of Standards and Technology (NIST) Cybersecurity Framework. In 2022, NRG had no material cyber security incidents. The unique power of harnessing data, technology, and security keeps us on the cutting edge of our business, allowing us to deliver excellence.

NRG's unique approach groups data and technology under the same roof. Through this combination, we are building enterprise-wide platforms to capture individual consumer insights and behavioral trends that enable us to continue innovating and enhancing customer engagement and satisfaction with our products and services.

**As part of our work we:**

- Implemented NRG's first customer data platform providing industry-leading insights and enabling real time personalization
- Built a central data marketplace, opening employee access to governed dashboards and data that are relevant to their day-to-day work
- Provided ongoing employee cybersecurity training, conducted quarterly employee phishing simulations, tested incident response procedures, and identified and remediated information security risks and vulnerabilities



# 02
# CUSTOMERS


**37 2022 Customers at-a-glance**

**38 Products and services for the home**

40 Finding the best fit

42 Improving the customer experience across brands

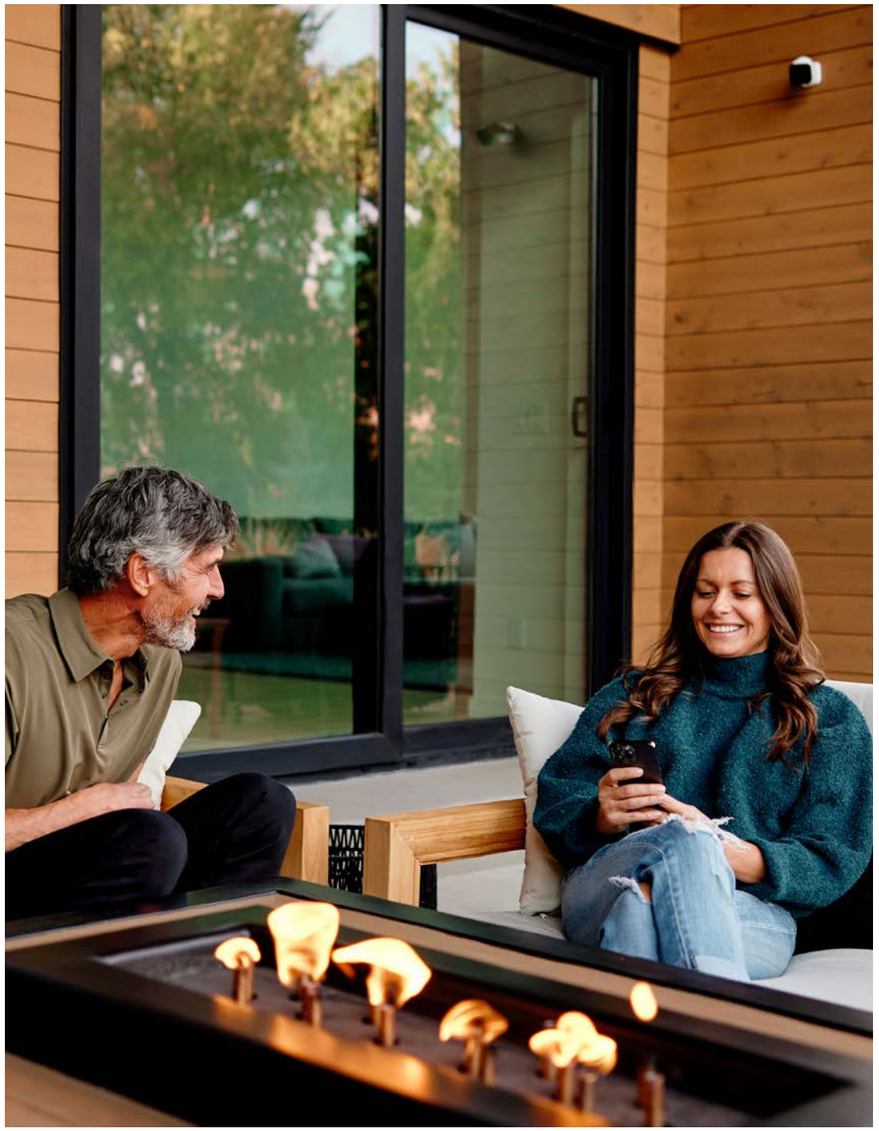
44 Big wins and milestones

**46 Products and services for business**

48 NRG Business brand integration

48 Notable deals

49 Partnerships in success



## 2022 Customers at-a-glance

Our customers are inspiring industry change and influencing how we think about resiliency solutions to meet needs for their homes and businesses.

Pairing innovative products with expert services, our residential and business customers receive cleaner, more customized solutions.

Approximately
**5.4MM**
Customers

Approximately
**80%**
NRG Home customer retention rate[1]

Celebrating
**25 years**
of Green Mountain Energy

1 Retention rate for U.S. electricity customers.

# Products and services for the home[1]

Our family of brands provides a wide range of **home and energy solutions** to fit every need. From tailored energy plans to protection coverage for your favorite devices and home appliances, we offer what customers need now and in the future. The proof is in the numbers, with NRG Home customers, on average, buying 1.2 products per household, a metric that we expect to continue to grow as we further diversify our products and services.

### Customizable demand-side solutions

Time-of-use plans tailored to nights, weekends, and EV charging

Demand Response (DR) programs that reward customers for using less electricity

Energy efficiency and management tools enabled by smart thermostats, voice control, and mobile apps

### Energy storage and resilience solutions

Home energy back-up systems

Off-grid portable power stations and solar generators

Mobile device power banks and solar chargers

Rechargeable lights and lanterns

### Carbon intensity-reducing and socially responsible solutions

Community solar

Local and national solar and wind electricity subscriptions, including Green-e©-certified

Support for EV purchases, installation, and charging through subscriptions like Reliant EV Charger Plan

Support for integrated rooftop solar subscriptions and storage systems

Renewable energy credits (RECs)

Carbon offsets

Virtual home energy efficiency consultations

Charitable electricity plans that allow customers to contribute to causes they care about

### Protective coverage solutions

Range of customized repair and maintenance plans for home systems or appliances




1 Selected products and services only; not all products and services are offered in all markets where NRG operates.

## Finding the best fit

In 2022, we expanded and launched numerous plans for residential customers.

**Degrees of Difference** is a DR program that informs customers during periods of high demand to adjust their electricity usage. Those with a smart thermostat can sign up for a completely automated experience, while those without can enroll in the manual program. In 2022, the Degrees of Difference program resulted in nearly 580 MWh curbed across 21 events and an additional 840 MWh hours saved through customers' voluntary participation.

The **EV Charger Plan** provides EV owners with a discounted rate every night between 9 p.m. to 5 a.m. to support overnight vehicle charging. The plan is supported by 100% renewable energy and comes with a complimentary Level 2 EV charger.

reliant. an NRG company

Our **Charitable Electricity Plans** allow customers to enroll in electricity service while simultaneously doing something good for an organization or community group they are passionate about. Reliant currently offers plans that give to March of Dimes, American Heart Association, Houston Livestock Show and Rodeo Scholarship Fund, and the Houston Texans Foundation.

The **EcoShare** program, a plan add-on, allows customers to use their electricity bill to support sustainability initiatives in Texas. The money raised is donated to EarthShare Texas, which distributes these funds to 35 participating Texas environmental organizations. In 2022, the program raised $163,000 and led to the purchase of over 37,000 metric tons of carbon offsets.

Our **Renewable Energy Add-On** allows customers to request the addition of renewable energy to cover 25%, 50%, or 100% of their load.

Direct Energy.

The **Daymakers program** is focused on alleviating food insecurity by providing bill credits to food bank clients who are also Direct Energy customers. This year, $52,000 in bill credits were applied, providing relief to 238 customers.

The **Smart People Accelerating Renewable Change (SolarSPARC®)** plan provides customers with the opportunity to enroll in a solar energy plan that funds projects making solar energy accessible to local communities. In 2022, $200,000 from the SolarSPARC® fund supported the City of Erie's landmark achievement of becoming Pennsylvania's first and the nation's fifth fire station to be powered 100% by solar energy and battery storage.[1]

Green Mountain Energy®

The **Choose to Give** plan allows customers to change lives for the better by contributing 1% of the supply portion of their bill to non-profits on an annual basis and a $50 contribution when they sign up. In 2022, Choose to Give reached $8 million in contributions since its debut in 2017.

nrg®

Our **Simply Flat Plan** helps customers have more control over their budget by allowing customers to pay a flat amount every month for 12 months. In 2022, more than 2,000 customers took advantage of this offer.

cirro ENERGY℠

**Smart Energy Night Plans** offer customers a reduced energy rate from 8 p.m. to 7:59 a.m., providing customized service that best meets customers' needs.

1 Solar Energy Facilities: For each month of a SolarSPARC customer's paid service, GME will set aside $2.50 for SolarSPARC 10 customers and $4.00 per month for SolarSPARC 100 customers to build new solar energy facilities in any state, excluding Texas, where GME offers a SolarSPARC product.

## Improving the customer experience across brands

Our brands are dedicated to ensuring a positive and seamless experience for our customers. That's why so much of 2022 was defined by creating new and innovative approaches to improve customer service.

### MULTI-BRAND

Launched a new loyalty platform in which Reliant, GME, and Direct Energy customers are rewarded for renewing their plan, signing up for average monthly billing, or referring a friend.

Optimized the EV interfaces of Reliant and GME apps, expanding access to a variety of EV brands.

### reliant. an NRG company

Grew our thermostat-based DR program by 50% through the promotion of **Bring Your Own Thermostat**, which allows customers to connect their existing compatible thermostats to take full advantage of automatic DR.

### Green Mountain Energy

Entered strategic partnership with Market 32, using Shopper Rewards to offer savings on electric bills to customers through enrollment in community solar.

### Direct Energy

Continued to evolve our Amazon partnership by offering customers enrolled in a Direct Energy "**On Us**" plan, an Amazon Prime membership for the length of the term as an added benefit.

### DISCOUNT POWER

Unveiled a member benefit platform, Discount Power **Discount Deals**, offering customers a monthly incentive for enrolling in either eBill or eBill and Autopay. The launch of the Discount Power mobile app provided customers with improved access to their electricity plan on the go, with customers able to readily check their account details, support, and usage data quickly and easily. The app has achieved 10,000 downloads and an average rating of 4.5 stars since the December launch.



## Big wins and milestones



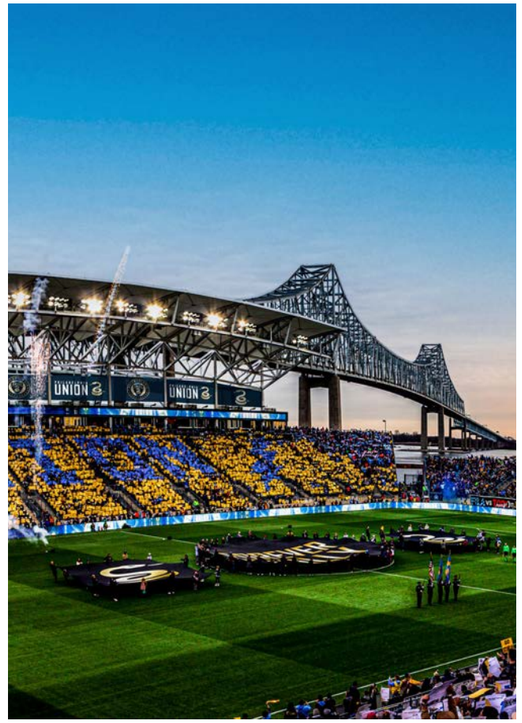
### Green Mountain Energy

GME celebrated its 25th year of business, making it the nation's longest-serving renewable energy retailer.A carbon-neutral company since 1997, GME provides its customers with only 100% renewable electricity, and these subscriptions have prevented more than 100 billion pounds (44 million metric tons) of $CO_2$ from entering the Earth's atmosphere.




### Houston Astros

Reliant was named the Official Energy Provider of the Houston Astros! Through this multi-year partnership, Reliant powers Minute Maid Park, offers Reliant customers exclusive Astros benefits, and supports our hometown through the Astros Community Leaders program.




### Philadelphia Union

GME became the Official Energy Provider of the Philadelphia Union soccer team. Under Green Mountain Energy's first professional soccer sponsorship, the renewable energy provider will supply power to Subaru Park stadium, Union Power Plant, and the team's practice facility.

# Products and services for business[1]

Our commercial and market expertise helps businesses, municipalities, and other commercial and industrial customers manage their energy strategies and reach their goals. In addition to our retail power and natural gas plans, our diverse portfolio can be customized to suit a **variety of business needs**.

### Carbon intensity-reducing and socially responsible solutions

- Community solar brokerage
- Renewable Select™
- Renewable power purchase agreements
- Renewable virtual power purchase agreements (VPPA)
- RECs
- Carbon offsets
- ESG advisory services
- Fleet electrification advisory services

### Customizable demand-side solutions

- Demand response
- Responsive Economic Dispatch: expanded program outside of ERCOT in 2022
- Energy efficiency and management tools
- Generator retrofits and peak load management

### Energy storage and resilience solutions

- Energy storage
- Emergency back-up generation
- Distributed energy resources (DERs)



1 Selected products and services only; not all products and services are offered in all markets where NRG operates.

## NRG Business brand integration

Over the next few years, we're integrating our individual business brands and businesses—including Direct Energy Business, Cirro Energy, Green Mountain Energy, and Reliant—into one brand, one platform, and one team—NRG. This will allow us to provide a cohesive experience to customers and brokers by capitalizing on the best from each brand.

To set the team up for scalable growth, we worked across NRG to create one digital sales platform for Texas, which launched in 2022.

## Notable deals

### Giant Eagle Grocery Stores

Giant Eagle, Inc., a supermarket chain, signed a long-term renewable power plan with NRG Energy, Inc. brand Direct Energy, that includes wind-based RECs providing Giant Eagle with enough renewable energy to power its central Ohio Market District, Giant Eagle, and GetGo locations.

### Iron Mountain Data and Records Management

NRG Energy, Inc. brand Direct Energy entered into a retail service agreement with Iron Mountain for source-specific RECs to match Iron Mountain's forecasted load in support of Iron Mountain's renewable energy goals.

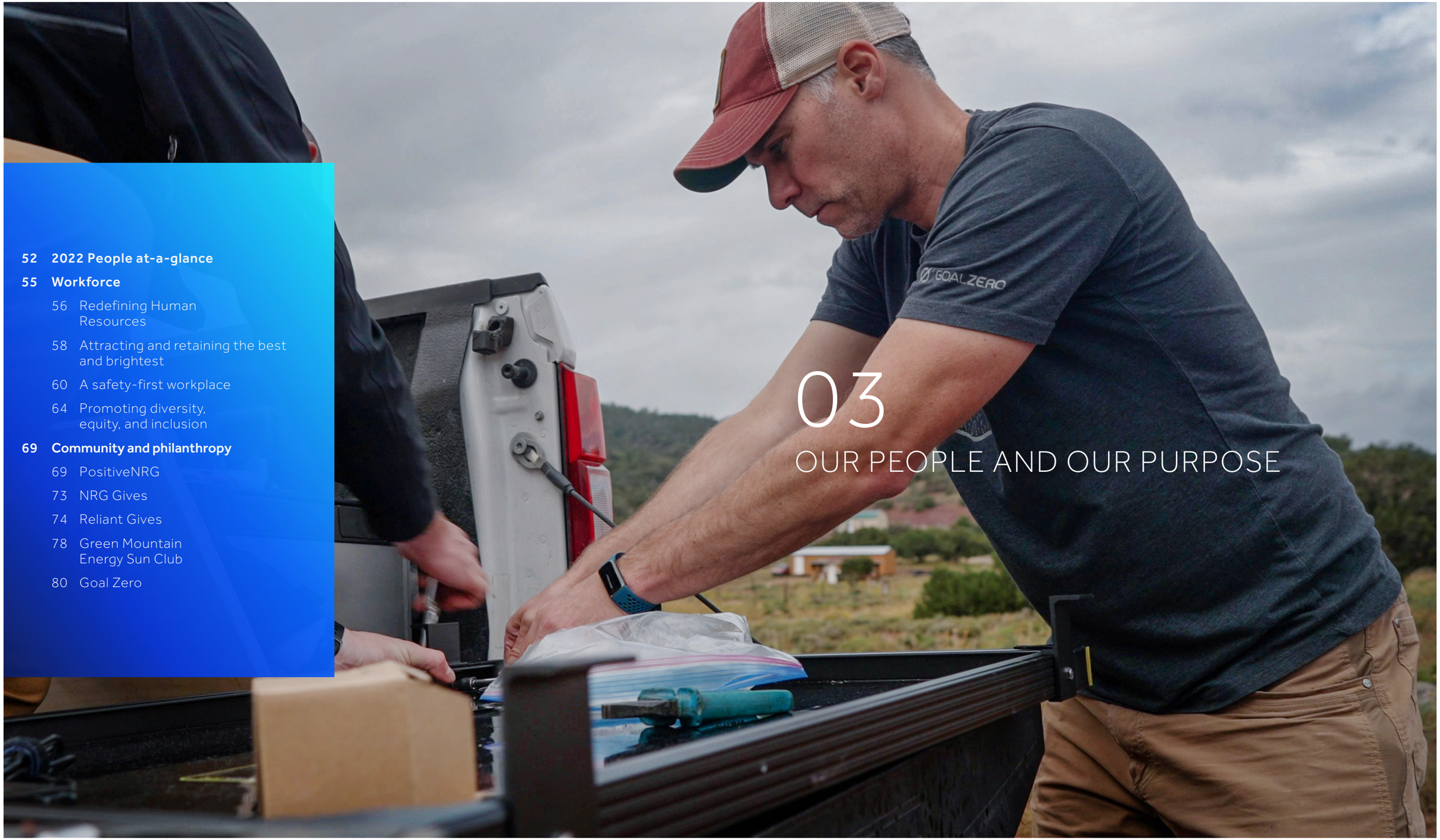
## Partnerships in success

In 2022, we helped many companies meet their energy goals and acknowledged their achievements. At our third annual Excellence in Energy Awards, we celebrated forward-thinking organizations finding innovative ways to build a better energy future.

With more than 100 submissions from across North America, the awards recognized 13 NRG Business customers in three categories: community, energy efficiency, and sustainability.

Read more about the winners and their stories.






**52 2022 People at-a-glance**

**55 Workforce**

56 Redefining Human Resources

58 Attracting and retaining the best and brightest

60 A safety-first workplace

64 Promoting diversity, equity, and inclusion

**69 Community and philanthropy**

69 PositiveNRG

73 NRG Gives

74 Reliant Gives

78 Green Mountain Energy Sun Club

80 Goal Zero

# 03

# OUR PEOPLE AND OUR PURPOSE

# 2022 People at-a-glance

People are the heartbeat of our purpose. Our employees and members of our communities are what keep us going. Read more about how they inspire the work we do.




## Workforce

Approximately **11** years average employee tenure[1]

**84%** employee retention rate[2]

Approximately **6,600** employees

**0.27** TRIR[3] our best-ever safety record

**24** plants with zero safety recordables

**7** facilities with OSHA Voluntary Protection Program (VPP) Star status[4]

**38K+** hours of safety training[5]

## positiveNRG

Approximately **$6.6MM** in donations received by charitable organizations[6]

Approximately **$360K** in employee-reported donations to organizations[7]

**1,000+** charitable organizations impacted by volunteers and donations

**21** U.S. states and Canadian provinces where employees volunteered

Approximately **14K** hours volunteered

**27%** employees participated[8]

1 Employees who are paid by the company and issued a W2. Does not include any contractors who receive a 1099.

2 Represents full-time employees only.

3 Total Recordable Injury Rate.

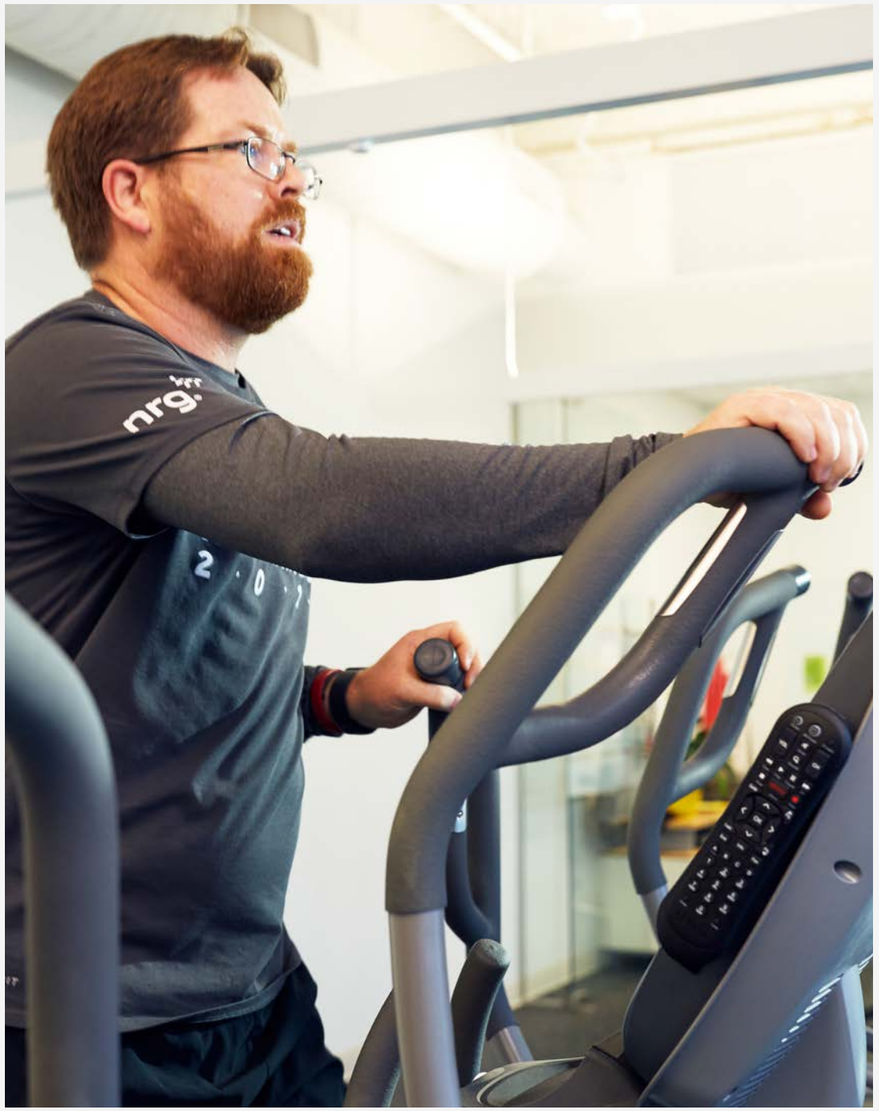
4 Occupational Safety and Health Administration Voluntary Protection Programs recognize employers and workers who have implemented effective safety and health management systems and maintain injury and illness rates below national Bureau of Labor Statistics averages for their respective industries. The "Star" designation is the highest of three levels. VPP facilities are NRG owned or operated as of December 31, 2022.

5 Includes employees and contractors.

6 Inclusive of all monetary, in-kind, and Team NRG donations.

7 Includes employee-reported giving and corporate eligible matching.

8 Includes employees who volunteered and/or donated.



## Workforce

Our team is integral to our success, and we're dedicated to fostering a workplace where everyone can thrive. Offering a dynamic corporate culture, a dedication to safety and well-being, and a keen focus on diversity and inclusion, we are reshaping our work environment. The world and the workplace have changed, and our company is changing with it.

**In 2022 that meant:**

- **Redefining Human Resources as Talent.** We are doing everything we can to support our employees, because innovative and talented people drive our success.
- **Attracting and retaining the best and brightest.** We are evaluating the entire employee experience and rethinking how we find, retain, and reward employees.
- **A safety-first workplace.** We are a safety-first company committed to securing the physical, emotional, and financial well-being of our employees.
- **Promoting diversity, equity, and inclusion.** We believe engaging different perspectives enriches our organization, and we are taking steps to accelerate becoming an even more inclusive company.

## Redefining Human Resources

In 2022, the Human Resources department was renamed Talent. It seems like a simple name change, but for us, it's so much more. This change is part of a larger culture shift at NRG—a change in perspective and approach. Highlighting the people driving our success and emphasizing their critical work, adopting the name Talent also exemplifies how we empower employees as they navigate their career.

Beyond adopting this change, we've reorganized the Talent department to better align with our workforce needs.








### Total Rewards

Provide our workforce with compelling compensation and benefits programs, focusing on the best ways to engage our teams and reward their success.

### Talent Operations

Provide information, programs, and digital tools to optimize the employee experience through innovative data dashboards showcasing areas of opportunity for us to support our people best.

### Talent Acquisition, Development, and Diversity

Focus on sourcing and hiring outstanding talent as well as supporting the growth and development of our existing employees. This group promotes a diverse and inclusive work environment.

### Talent Business Partners

Work directly with employees and business leaders to support their people-related needs. This includes organizational design, succession planning, performance discussions, promotions, management coaching, and overall employee support.

## Attracting and retaining the best and brightest

We are focused on hiring and developing people in ways that resonate with the employees of today and the future. We deployed new programs and initiatives to improve the employee experience by ensuring our benefits remain competitive and by cultivating career progression and development opportunities.

### New in 2022

- Founded the inaugural Historically Black Colleges and Universities **(HBCU) Scholarship** in partnership with the Thurgood Marshall College Fund, awarding $100,000 in scholarships to ten students from Texas Southern University or Prairie View A&M University.
- Launched the NRG Business Learn from Leaders program designed to help employees continue to enhance their skill set, get to know our leaders, hear the experiences that have shaped their careers, and broaden their NRG network.
- Increased paid parental leave to six weeks, regardless of gender, effective in 2023.
- Enhanced our Your Pension Resources (YPR) website, which provides accurate and timely information to pension-eligible employees and retirees.

### Ongoing key initiatives

- Committed to an inclusive hiring process without degree requirements, where appropriate, and without resume details that may convey a candidate's gender identity, race, religion, or socioeconomic background. These actions help to mitigate unconscious bias and build a well-rounded workforce.
- Launched an initiative at Prairie View A&M University supporting the engineering program whereby two science, technology, engineering, and mathematics (STEM) courses are facilitated by industry professionals and NRG executives.
- Since 2021, we have welcomed 11 interns through the **Patrol to Power program**, a partnership with the Department of Defense (DOD) and part of the DOD's SkillBridge initiative. Patrol to Power helps transitioning military personnel enter the civilian workforce while providing valuable experience and skills in the energy industry. Since the program began, eight interns have become full-time NRG employees.
- Welcomed the second class of employees into the Emerging Leaders Program. This two-year program provides 30 of NRG's highest potential employees the opportunity to work on business-critical projects and mentor the next cohort.
- Awarded two $15,000 NRG **Chairman's Scholarships** to high school seniors of NRG employees who have demonstrated outstanding academic performance, exemplary extracurricular performance, and model our core values. 2022 was the 12th year of the program.

Approximately
**11**
years average employee tenure[1]

**84%**
Retention rate[2]

1 Employees who are paid by the company and issued a W2. Does not include any contractors who receive a 1099.

2 Represents full-time employees only.

## A safety-first workplace

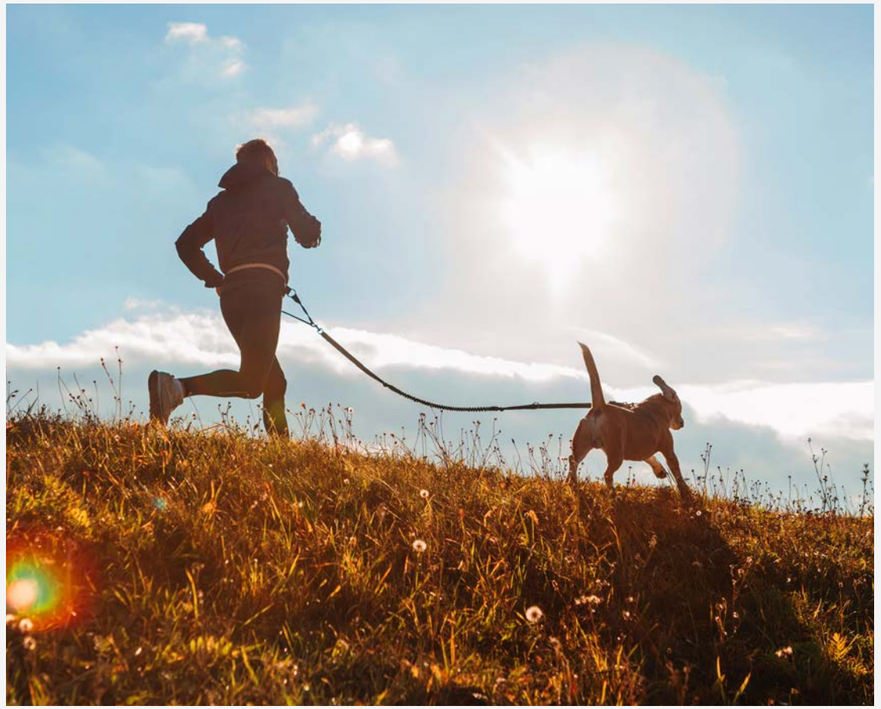
Keeping all personnel safe and well is our top priority. This includes employees' physical, emotional, mental, and financial well-being, which we support through our holistic well-being programs and comprehensive safety standards for anyone working in an NRG facility.

### New in 2022

- Included well-being goals in the Annual Incentive (bonus) Plan, ensuring participants are motivated to improve their physical, emotional, and financial well-being.
- Partnered with EHE Health to provide an annual physical for employees who may not have a primary care doctor.
- Increased the company contribution to 6% in employee retirement savings plans for eligible U.S. and Canadian employees, effective in 2023.

### Ongoing key initiatives

- Prioritized physical, emotional, and financial wellness to ensure a healthy, secure future for our employees.
- Continued the MHFA at Work program, where employees are trained to help colleagues find trusted support professionals and can act as mental health ambassadors. Today, NRG has approximately 1,600 MHFAs across the company.
- Offered free support to find childcare, manage finances, obtain legal guidance, and locate counseling through the Employee Assistance Program (EAP).
- Provided education on retirement planning, mortgages, and more.

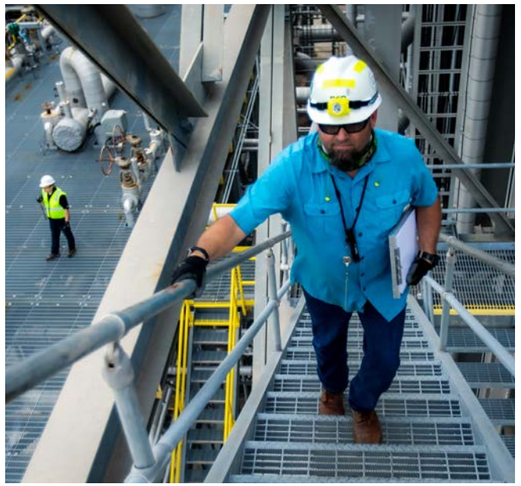


In celebration of Mental Health Awareness Month, we held a Move for Mental Health Challenge, where for every 500 steps logged by employees, NRG donated $1 to the National Alliance on Mental Illness (NAMI). At the completion of the initiative, NRG donated $25,000.

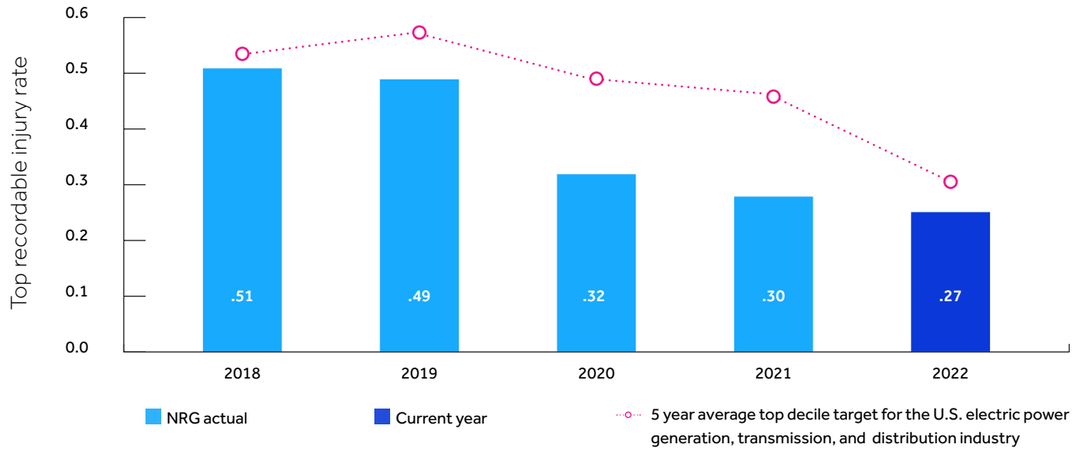
## Safety performance

Our power plant-based employees work tirelessly to provide uninterrupted energy to our customers. However, our Safety-Over-Production policy prioritizes all safety rules and requirements even if generation facilities must stop production.

In 2022, NRG again achieved our goal of top decile safety performance for Total Recordable Injury Rate (TRIR).[1] We finished the year with a 0.27 TRIR safety performance, well below the Edison Electric Institute top decile benchmark of 0.34.[2]



**NRG 5-YEAR SAFETY RECORD**




## Safety by the numbers

**24**
owned or operated plants with zero recordables status

**7**
facilities with OSHA Voluntary Protection Program (VPP) Star status[3]

**1,700+**
contractors completed safety courses

**6,500+**
employees completed safety courses

**38K+**
hours of safety training[4]

## Just transition

We are committed to ensuring a just transition in the event of a large plant downsizing or closure. Therefore, our plant operations leaders take a proactive approach to notifying employees of upcoming changes and explaining available options.

Plant Operations and corporate leaders maintain an open dialogue with union leadership, share job openings at NRG, prioritize displaced qualified internal employees for open roles at other plants, and relocate impacted employees willing to take those positions.

In addition, NRG offers outplacement services, resume writing skills workshops, and tuition assistance for retraining.

1 Defined as the number of work-related injuries per 100 full-time workers during a one-year period.

2 NRG-owned or operated facilities as of December 31, 2022.

3 Facilities in the OSHA VPP Star program have achieved injury and illness rates at or below the national average for the electric power generation, transmission, and distribution industry.

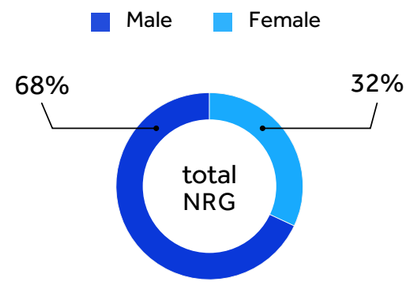
4 Includes employees and contractors.

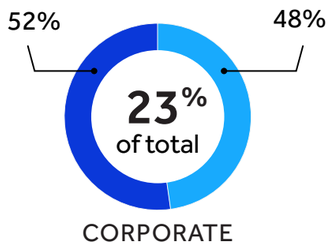
## Promoting diversity, equity, and inclusion[1]

The power of diversity is recognized and celebrated at NRG. We are building a unified and inclusive culture where a strong sense of belonging leads to better teamwork and business performance.

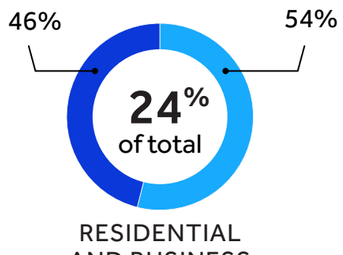
We want to be the kind of workplace where every voice is heard.

### GENDER BREAKDOWN AT NRG

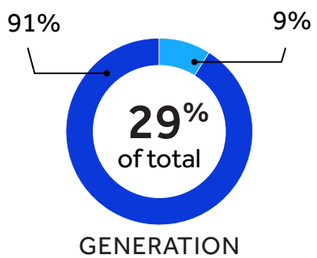


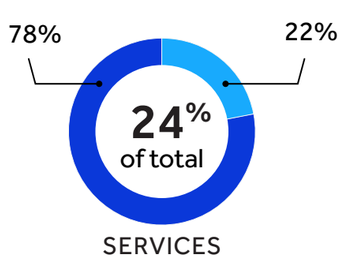

CORPORATE




RESIDENTIAL AND BUSINESS



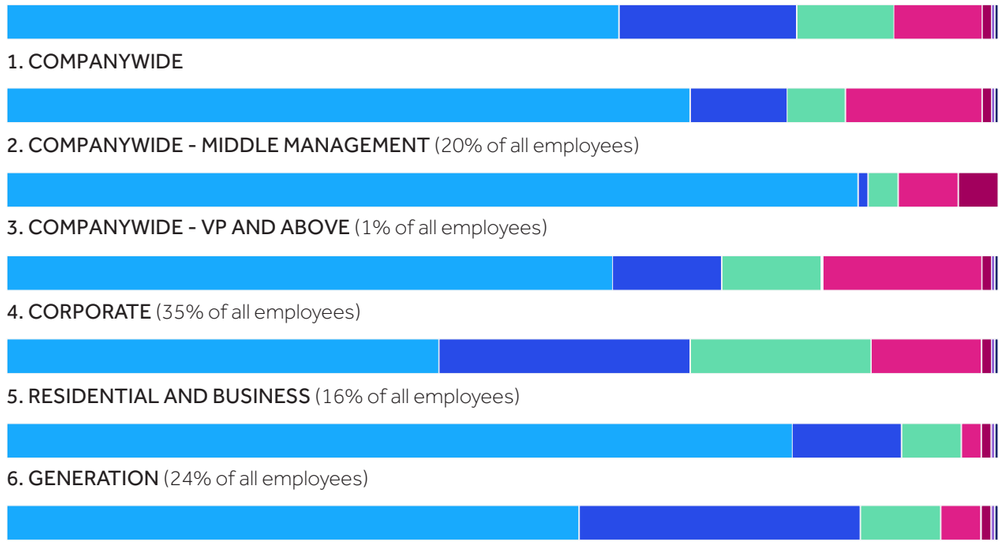

GENERATION




SERVICES

1 These charts are current as of 12/31/2022. Represent U.S.-based employees only. Data are self-selected and self-reported.

### DIVERSITY BY THE NUMBERS



1. COMPANYWIDE
2. COMPANYWIDE - MIDDLE MANAGEMENT (20% of all employees)
3. COMPANYWIDE - VP AND ABOVE (1% of all employees)
4. CORPORATE (35% of all employees)
5. RESIDENTIAL AND BUSINESS (16% of all employees)
6. GENERATION (24% of all employees)
7. SERVICES (25% of all employees)

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|---|
| White (Non-Hispanic or Latino) | 62% | 70% | 85% | 61% | 43% | 79% | 57% |
| Hispanic or Latino | 18% | 10% | 1% | 11% | 25% | 11% | 28% |
| Black or African American (Non-Hispanic or Latino) | 10% | 6% | 3% | 10% | 18% | 6% | 8% |
| Asian (Non-Hispanic or Latino) | 9% | 14% | 6% | 16% | 11% | 2% | 4% |
| Two or more (Non-Hispanic or Latino) | 1% | 1% | 4% | 1% | 2% | 1% | 1% |
| American Indian or Alaskan Native (Non-Hispanic or Latino) | <1% | <1% | 0% | <1% | 1% | <1% | <1% |
| Native Hawaiian or other Pacific Islander (Non-Hispanic or Latino) | <1% | <1% | 0% | <1% | <1% | <1% | <1% |

**BELIEVE**

POWER OF **MANY**

**CYCLING** TEAM

**POWER** SPEAKERS

**EARLY CAREER** SUCCESS

**ONE** SPACE

**ENERGIZED** PROJECT MANAGERS

**RUNNING** CLUB

**EV** CLUB

**VETS+**

**EXPLORE** MORE

**VIVIDH**

**HOLA!** CLUB

**visABILITY**

INSPIRE**ME**NRG

**WOMEN** IN POWER

### Business Resource Groups

Our employee-led Business Resource Groups (BRGs) are safe and collaborative spaces for individuals from all backgrounds to share experiences. In 2022, we had 15 BRGs with nearly 1,300 participating employees. Learn more about our BRGs here.

### Day of Understanding

With the hope of inspiring new conversations and looking more closely at where we stand in our DE&I journey, we were excited to spend the day with author Deepa Purushothaman and Robert Gaudette, EVP of NRG Business, for our second annual Day of Understanding. With ~1,200 NRG employees in attendance, the conversation delved into psychological safety in the workplace and the crucial impact this has on employees' experience and engagement in the workplace.

### Investing in diverse partnerships

A portion of reserve funds that are part of NRG's liquidity was invested in a money market fund in which part of the fund's fee delivered revenue to Rio Bank, a McAllen, Texas-based minority-owned financial institution.

### Expanding diversity within our supply chain

We formally measure subcontracted small and diverse business spend for our top 25 suppliers and intend to increase this number annually. To learn more, read about our commitment to supplier diversity.





# Community and philanthropy

We are more than just a company. Whether through volunteering or charitable giving, our philanthropic initiatives are dedicated to making a meaningful difference in the communities where we live and work.

positivenrg
a philanthropic initiative

PositiveNRG is how we put our values into action to empower healthy choices, promote community resilience, and support sustainable practices through philanthropy and volunteering.

Approximately
**$6.6MM**
in donations received by charitable organizations[1]

Approximately
**$360K**
in employee-reported donations to charitable organizations[2]

**1,000+**
charitable organizations impacted by volunteers and donations

Approximately
**14K**
hours volunteered

**27%**
of employees volunteered and/or donated

**21**
U.S. states and Canadian provinces where employees volunteered

1 Inclusive of all monetary, in-kind, and Team NRG donations.
2 Includes employee-reported giving and corporate eligible matching.

### PositiveNRG Week

This year we marked the 15th anniversary of positiveNRG Week, an event dedicated to volunteering and giving back to our communities. Building on last year's area of focus, we continued our efforts to promote food security. We're incredibly proud of the impact we can all make when we work together.

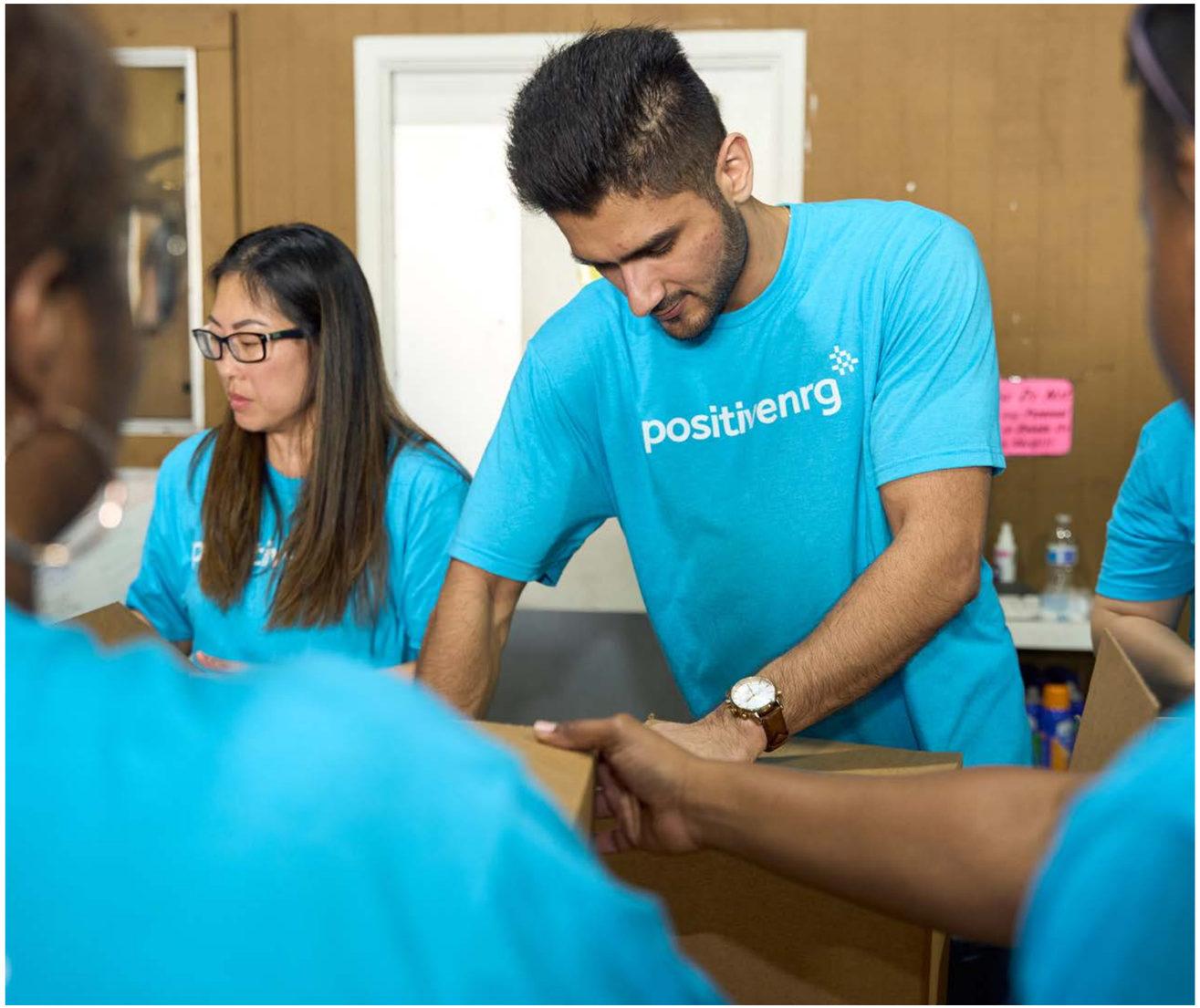
**75**
events

**102K+**
pounds of food donated

**46**
nonprofits

**103K+**
meals packed

**30**
different cities in the U.S. and Canada




### Giving Tuesday campaign

During our Giving Tuesday campaign, NRG matched employee donations 2:1, allowing employees to double their impact on their favored causes and organizations.

**$86K**
in donations

**113**
nonprofit organizations supported

## DEWEY PRAIRIE GARDEN
Rooted in Purpose

From mine to harvest

In March 2022, after three years of planning, research, and in partnership with Texan by Nature, we proudly opened the NRG Dewey Prairie Garden, a community garden on 10 acres of a reclaimed lignite mine in Jewett, Texas.

This conservation and hunger project is focused on helping alleviate food insecurity in a tri-county area where food insecurity rates are 51% higher than the national average and many residents live more than 10 miles from a grocery store.

All fruits and vegetables harvested from the garden are donated exclusively to an established food bank network, making them accessible to residents in need. At its total capacity, the community garden will yield 10,000 pounds of produce, supplying healthy food for an estimated 3,000 people each year. Additionally, the garden will create educational opportunities for students and residents to build healthy habits and learn about conservation.







**10K lbs**
of produce

**3K**
people each year

## nrg gives | NRG gives

NRG Gives is a series of **philanthropic initiatives** that invite NRG employees to nominate and support nonprofit organizations in the Northeast. The organizations chosen will receive funds from NRG Gives to advance their missions.

### Choose to Give

The 7th Media Flag Football Game donated more than $36,000 to the Choose to Give partner organizations Children's Hospital of Philadelphia, Big Brothers Big Sisters Independence, Nemours Children's Health, and Philabundance. This marked the 5th year of partnership with these nonprofits through which Choose to Give has donated more than $5 million to the organizations.




Approximately
**$100K**
in donations to local nonprofits

## reliant gives | Reliant Gives

The mission of Reliant Gives is to support causes that are important to Texas communities. In 2022, Reliant Gives focused on supporting Rebuilding Together Houston, utility assistance, severe weather preparedness, and our Home Run Derby benefit event.

**$4.1MM**
in donations

**4,000+**
volunteer hours

**220+**
organizations supported

---

### Rebuilding Together Houston

In 2022, Reliant partnered with Rebuilding Together Houston, whose mission is "Repairing Homes. Revitalizing Communities. Rebuilding Lives."

**50**
vounteers

**380+**
volunteer hours

**$65K**
in donations

---

### CARE program

Since 2002, Reliant Gives has provided more than $15 million to help Texans who need assistance with electricity costs through the Community Assistance by Reliant Energy (CARE) program.

**$1MM+**
in donations provided to more than 72 agencies that directly support customers

**$150K+**
customer donations from their utility bills




Reliant volunteers helped build a wheelchair ramp for a 90-year-old U.S. Army veteran, allowing him to safely enter and leave his Houston home and improving his quality of life.




Volunteers helped to repair a home built in 1949 whose owner had lived there for 33 years. The effort helped to make the home comfortable to live in for many more years to come.

### Hurricane preparedness

Reliant Gives continued to partner with Attack Poverty in 2022, joining the organization and the Fort Bend County Office of Emergency Management to help the community prepare for hurricane season.

**3,000+**
vounteer hours

**1,500+**
meals distributed

Approximately
**1,500**
hurricane preparedness kits provided

### Beat the Heat

For 17 years, in partnership with city governments and local health departments, Reliant Gives has opened Beat the Heat Centers across the state to provide a safe place for seniors and other vulnerable neighbors to cool off during warm weather, allowing them to decrease their energy usage at home.

**27**
Beat the Heat Centers

**500+**
personal cooling devices distributed

### Home Run Derby

In 2022, Reliant Gives brought back the Home Run Derby after a two-year hiatus. The event benefited the Salvation Army and resulted in the largest donation in the event's history.

**$135K**
raised

**22**
organizations supported



## Green Mountain Energy® | Sun Club

Green Mountain Energy Sun Club collaborates with nonprofit organizations on projects that focus on renewable energy, energy efficiency, resource conservation, and environmental stewardship. Celebrating its 20th anniversary, Sun Club has donated over $13 million to 156 unique projects and has avoided over 15,000 metric tons of $CO_2$ since 2002.










### 2022 impact

| 13 | $1.4MM | 1,814 |
|---|---|---|
| new projects | in donations | metric tons of $CO_2$ avoided |

## GOALZERO | Goal Zero

Goal Zero empowers people with energy resilience solutions like portable power stations and solar generators at home and abroad.

After a long hiatus, Goal Zero had the opportunity to revitalize two important humanitarian projects.



### Bolivia

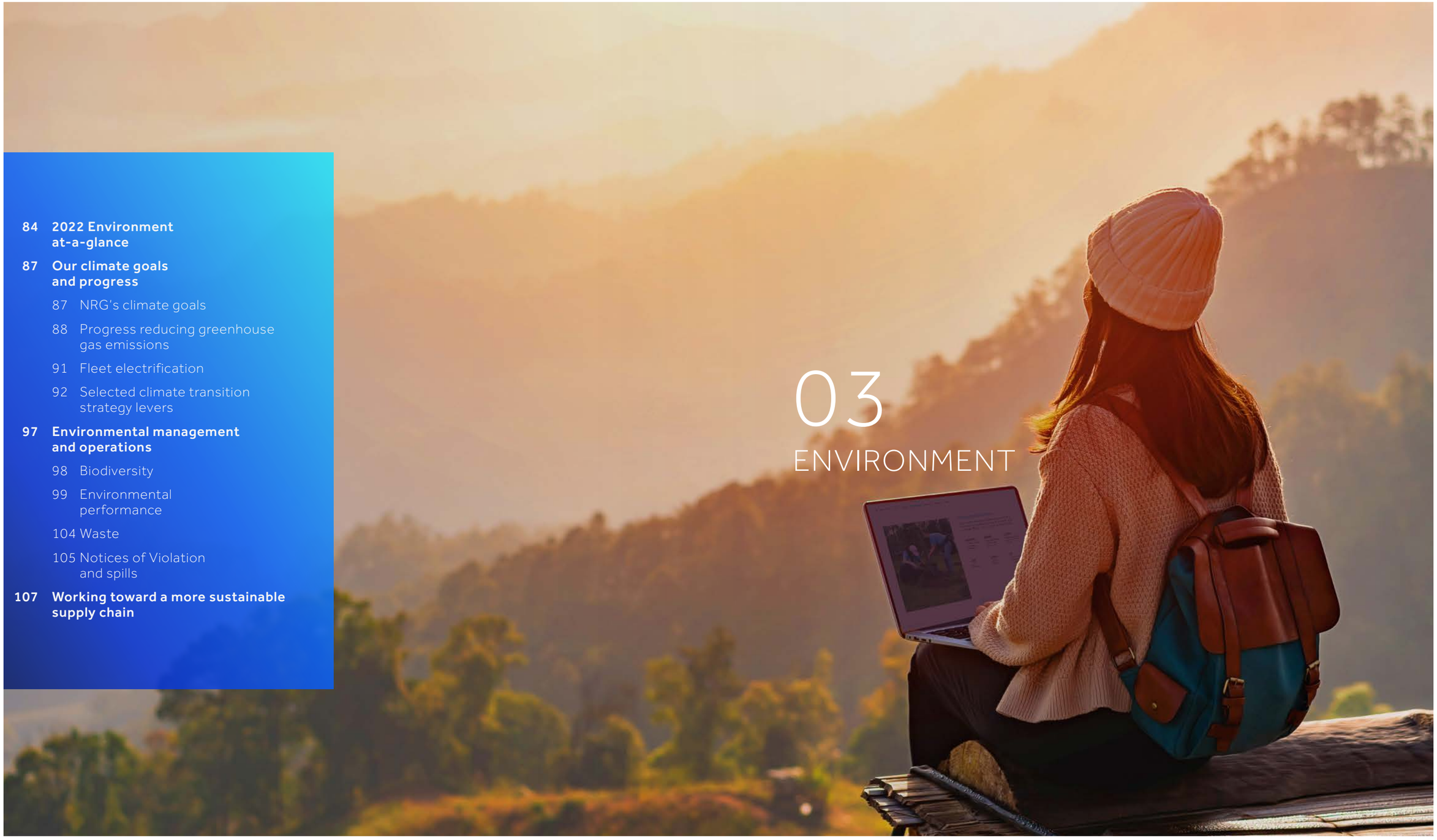
In the small towns of El Tigre and Puerto Ruso, many families previously did not have access to grid power. They were forced to rely on gas lamps, candles, and car batteries to charge electronics and light their homes and schools. Working alongside our longtime friends, Mike and Liliana Libecki, and in partnership with Dell Technologies and Choice Bolivia, **we equipped the village centers** with solar panels, power stations, LED lights, and laptops for children to build computer literacy. During this trip, we completed 30 power station and 86 solar panel installations, guided the students as they explored their new laptops, and provided instructions on maintaining the solar kits.

### Navajo Nation

In 2022, Goal Zero was able to continue its work in the Navajo Nation.

Along with **Heart of America and Navajo community liaisons**, Goal Zero identified homes that needed a consistent power source and solar recharging. With the help of 26 employees, we completed our largest installation yet, providing 58 homes with the power necessary to recharge school tablets, boost personal devices, and keep the lights on.

Goal Zero had the opportunity to partner with SOLV Energy, Heart of America, and students from California Polytechnic State University on their **Skip the Grid project**, which is focused on providing solar power and refrigeration to homes in the Navajo Nation that cannot afford or do not have access to consistent grid power. For this project, we provided the power stations and solar panels necessary for installations, and students gained the opportunity to demonstrate tools learned in class firsthand.



# 03
# ENVIRONMENT


**84 2022 Environment at-a-glance**

**87 Our climate goals and progress**

87 NRG's climate goals

88 Progress reducing greenhouse gas emissions

91 Fleet electrification

92 Selected climate transition strategy levers

**97 Environmental management and operations**

98 Biodiversity

99 Environmental performance

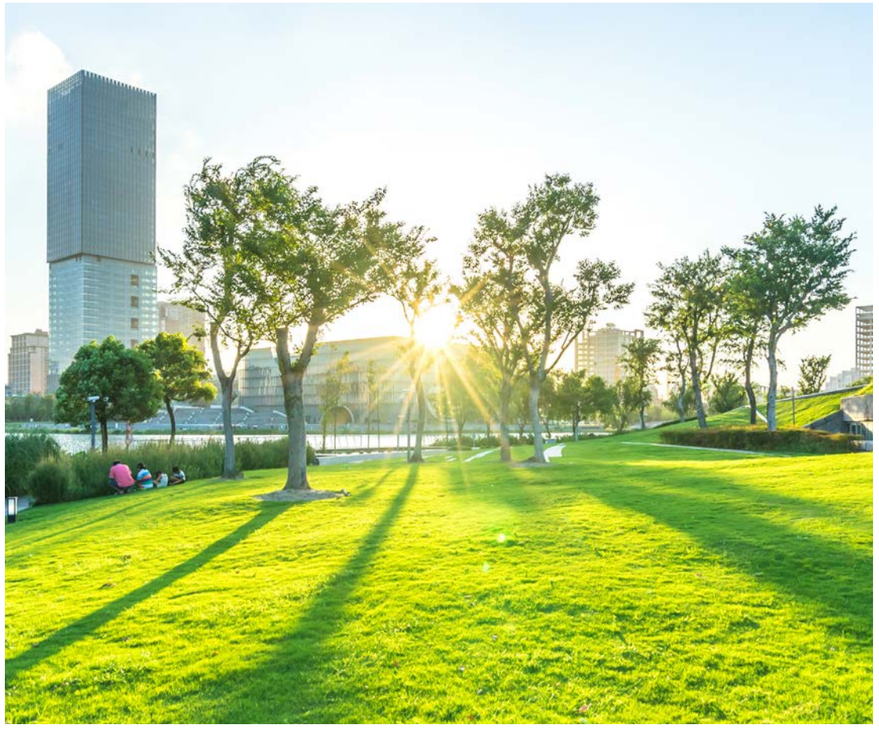
104 Waste

105 Notices of Violation and spills

**107 Working toward a more sustainable supply chain**

# 2022 Environment at-a-glance

We're committed to managing our business in environmentally responsible ways while offering products and services to help our customers do the same. Our focus on reducing our GHG emissions and achieving our climate goals remains at the forefront of strategic planning as we transition to a decarbonized global economy.



**2.4GW**
of renewable PPAs[1]

**60%**
decrease in revenue carbon intensity[2]

**<5%**
of consolidated revenues derived from coal-fired operating assets[3]

**42%**
reduction in $CO_2e$ emissions[4]

**20%**
power generation with zero emissions[5]

**63%**
reduction in $SO_2$ emissions[4]

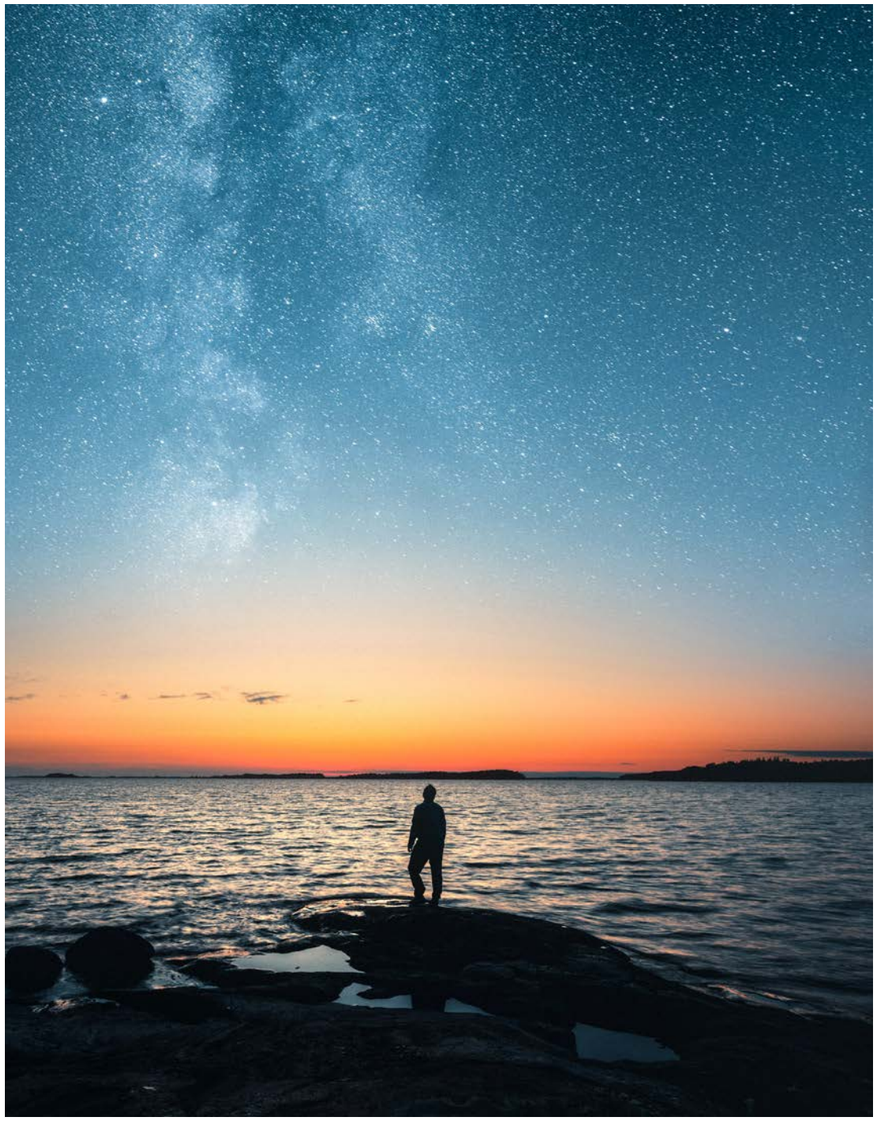
**40%**
reduction in $NO_X$ emissions[4]

**93%**
reduction in mercury emissions[4]

**59%**
reduction in water withdrawal[4]

**80%**
of CCRs recycled

1 As of 12/31/2022, current Q1 PPA total 1.9 GW; 1.1 GW operational as of 4/30/2023.
2 Since 2020.
3 For fiscal year ending December 31, 2022.
4 From 2014 base year.
5 Power generation from nuclear and renewables.



# Our climate goals and progress

## The path to one and a half

**50%**
carbon emissions reduction by 2025

**net-zero**
carbon emissions by 2050

**100%**
electrification of our vehicle fleet by 2030

Our goals encompass Scope 1, Scope 2, and the employee business travel portion of Scope 3, and our base year is 2014.

To ensure consistency and relevance, our base year GHG emissions are reviewed annually and recalculated as warranted to reflect any changes to our generation asset portfolio. Such recalculations are made according to The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition, 2004.

We are proud to be the first power company in North America to have our climate goals validated by SBTi as 1.5°C-aligned, the most ambitious designation available when our goals were validated in March 2021[1].

Today, our 2025 climate goal is characterized as 1.5°C-aligned and our 2050 goal is characterized as "committed" according to SBTi's October 2021 Corporate Net-Zero Standard. At present, we are the only North American power company to have these designations.

1 March 2021 validation was based on NRG's business in 2020, prior to its acquisition of Direct Energy. Following the acquisition, the magnitude of NRG's Scope 3 emissions changed. The Company is currently in the process of quantifying our Scope 3 emissions.

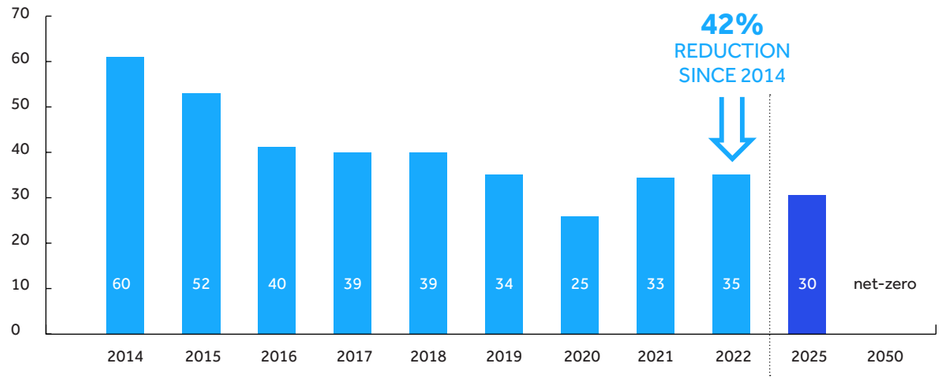
## Progress reducing GHG emissions

Since our 2014 base year, our $CO_2e$ emissions have decreased 42%, from 60 million metric tons to 35 million metric tons. The decrease is attributed to reductions in fleet-wide annual net generation and a market-driven shift away from coal as a primary fuel to natural gas. The increase in emissions in 2022, as compared to 2021, was primarily due to increased generation driven by power market conditions and weather. We are continuing to target a 50% reduction in GHG emissions by 2025, however, assuming no mitigating events occur, current power market forecasts suggest that the projected reduction in NRG's GHG emissions at that time will be less than the targeted goal. Given recent and expected future changes in regulatory policies and prices in electricity and natural gas markets, we anticipate that these forecasts will continue to evolve over time, and we are actively monitoring and exploring various options to achieve our 2025 goal when both economically and legally feasible.

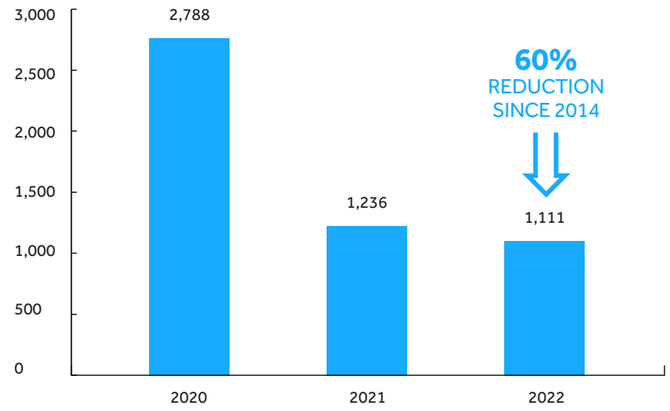
In 2022, less than 5% of our consolidated operating revenues were derived from coal-fired operating assets and since 2020, our carbon revenue intensity has decreased 60%.

Our Annual Report on **Form 10-K** also discusses NRG generation from all fuels represented in our portfolio—natural gas, coal, nuclear, oil, and renewables.

**U.S. GREENHOUSE GAS EMISSIONS[1,2]**
(millions of metric tons of $CO_2$ equivalent)




**U.S. $tCO_2e$/$M REVENUE[1,2]**




1 Only Scope 1 emissions are included in this graph, which accounts for 99.6% of the total emissions related to our goal.

2 To ensure consistency and relevance, NRG's base year (2014) Scope 1 emissions are recalculated annually following changes to NRG's generation asset portfolio. Such recalculations are made according to The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition, 2004.

## Fleet electrification

In 2022, we used our test and learn framework to develop and deploy new EV products and services for our customers while also making progress towards our 2030 goal. The first phase of our fleet electrification strategy added new all-electric trucks, with important feedback provided by employees that helped us understand the adoption experience. We also applied the learnings from our own fleet electrification experience to the development and deployment of new home charging solutions for customers.

At our Princeton office, employees enjoyed eighteen upgraded EV charging stations for more efficient charging.



## Selected climate transition strategy levers

As described further in our TCFD report, we are using four main levers to advance our carbon transition strategy:

- **Decarbonization** of existing business lines, which includes retiring fossil fuel generation assets when they reach end of life
- **Diversification** into low emissions businesses, which includes providing our customers with renewable electricity and options to reduce the carbon footprint associated with their natural gas consumption
- **Divestment** of select high emissions assets
- **Deployment** of new technologies and innovations

Here we summarize recent activities related to the first three levers.

### Asset retirements and divestitures in 2022

- Retired 1,192 MW of coal-fired capacity[1]
- Announced that we will retire 1,801 MW of natural gas-fired capacity in 2023[2]
- Divested minority ownership of natural gas-fired capacity equivalent to 204 MW[3]

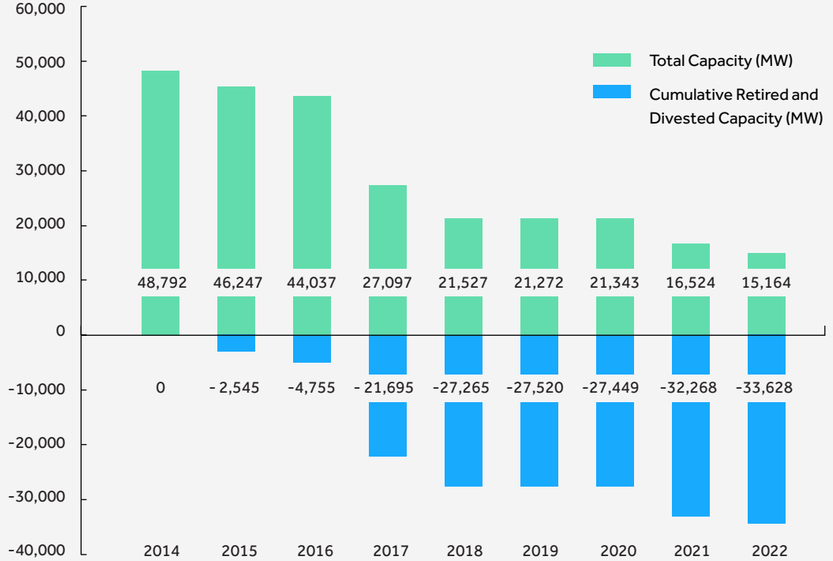
We also continued to operate the 410 MW Indian River Unit 4 coal-fired power plant under a Reliability Must-Run (RMR) agreement with independent system operator PJM. We previously announced our intention to shut down this facility in June 2021, however PJM identified reliability impacts resulting from the proposed deactivation. The RMR agreement is expected to end December 31, 2026.

As part of our portfolio optimization strategy, we intend to retire all remaining fossil power plants in Illinois[4] in time to comply with the Illinois Climate and Equitable Jobs Act, which mandates that private coal- and oil-fired electric generating units reach zero emissions by no later than January 1, 2030. In Texas, we plan to cease operating Cottonwood, a 1,166 MW natural gas-fired facility when our lease expires in May 2025, and operations revert to the facility owner.

Since 2014, we have retired or divested 33,628 MW of fossil fuel generation, a reduction of 69%. For more information about how we mitigate the impact of asset retirements on our employees, please refer to the People section of this report.

Additional detail about our asset retirements and divestitures is available in our Annual Report.

**RETIRED AND DIVESTED FOSSIL FUEL-FIRED POWER GENERATION CAPACITY (MW), 2014-2022**




1 Waukegan 7 (328 MW), Waukegan 8 (354 MW), and Will County 4 (510 MW).

2 Astoria (420 MW) and Joliet (1,381 MW).

3 Watson (416 MW).

4 These plants are the 1,538 MW coal-fired Powerton plant, the 171 MW oil-fired Fisk peaker plant, and the 101 MW oil-fired Waukegan peaker plant.

## Renewable energy

Knowing that our customers increasingly want sustainable energy solutions, we partner with developers to bring new renewables to the grid through medium- and long-term renewable PPAs. At the end of 2022, NRG had signed agreements for 2.4 GW of renewable power capacity through these PPAs, of which approximately 45% are operational.

When our renewable PPAs come online, the share of renewables in our total energy supply portfolio will rise from 1% to 14%. We expect this share to continue to grow as we retire or divest non-core fossil fuel-fired generation assets.

**NRG ELECTRICITY SUPPLY BY FUEL TYPE, END 2022[1]**

Natural Gas Coal Oil Nuclear Renewable

Figure A: NRG Electricity Generation Capacity by Fuel Type, end 2022

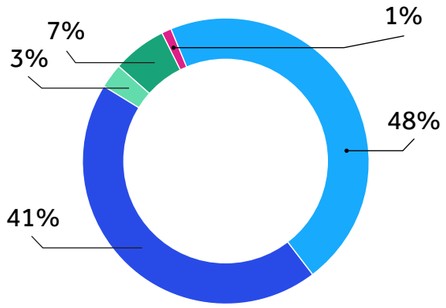
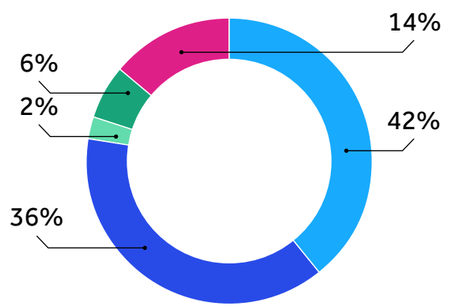



Figure B: Pro Forma NRG Electricity Supply by Fuel Type, end 2022[2]




1 These charts represent generation capacity (MW), not actual net generation or total electricity sold (MWh) – see Glossary definitions for Watt vs. Watt-hours. NRG's owned generation capacity (Figure A) served approximately one-third of the 155 TWh of electricity sold in 2022, while the remaining two-thirds was served by third-party market purchases of electricity for resale. See Form 10-K of our 2022 Annual Report for further details. Both charts exclude market purchases of electricity for resale.

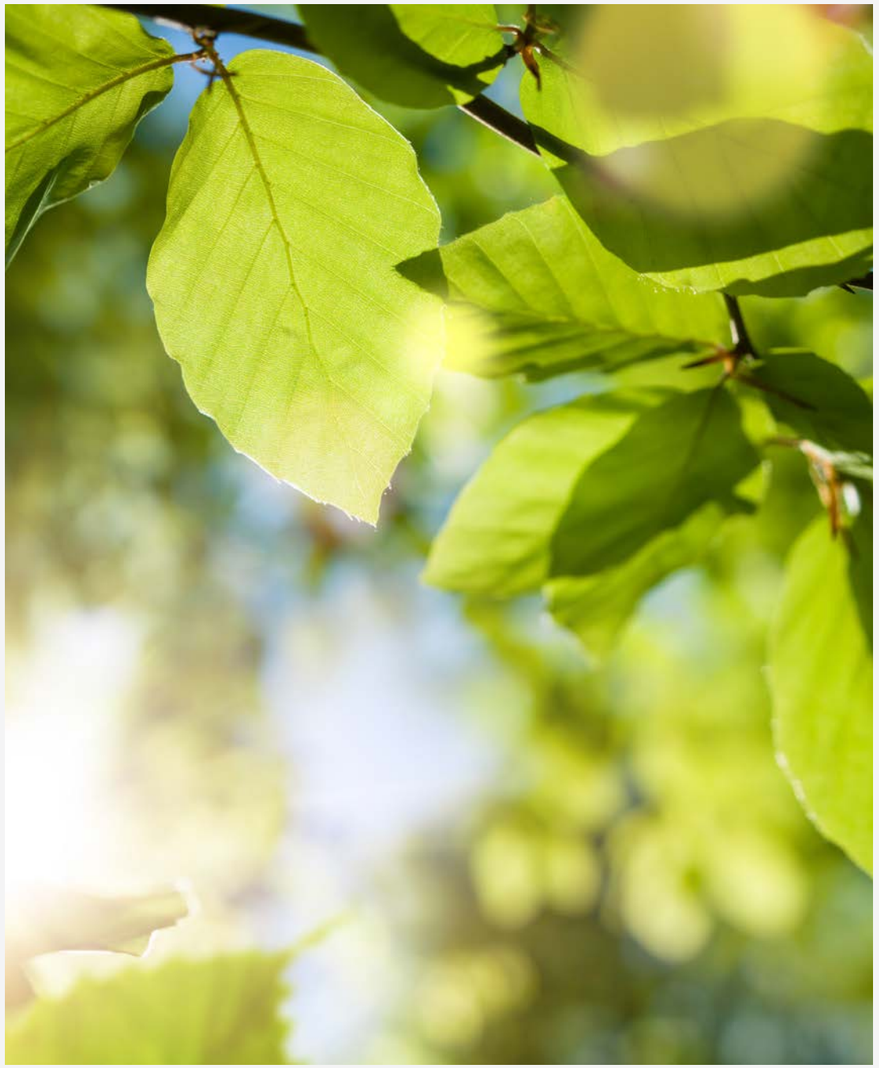
2 Equal to NRG generation capacity plus current and future renewable electricity capacity from PPAs.

## Natural gas

Natural gas is an important part of today's energy mix and we support its continued use as part of a diversified and evolving suite of energy sources. We expect that natural gas will become less carbon intense over time through advancements in emerging lower carbon and/or methane forms of gas such as renewable natural gas (RNG), producer-certified gas (PCG or simply certified gas), and hydrogen.

Our team delivers reliable, competitively priced natural gas supply and related solutions to households, companies, and state and local governments, helping them to achieve their climate goals. We also work to help reduce the carbon impact of gas consumption with products like high quality carbon offsets.





## Environmental management and operations

Integrating environmental considerations into strategic and operational decisions is of vital importance to us, and we are committed to operating in an environmentally responsible manner and in compliance with all applicable environmental requirements. Our Environment-Over-Production policy sets a clear understanding that environmental compliance takes precedence over production. As such, every employee is empowered and encouraged to take any necessary steps to maintain environmental compliance. NRG's Environmental Policy Statement can be found **here**.

### Maintaining compliance with our Environmental Management Information System (EMIS)

NRG uses an EMIS system called Intelex to track, assign responsibility, and report on all associated environmental tasks and requirements, which helps us maintain compliance. This system efficiently captures data about our generation fleet's performance, incident management, audit findings, corrective actions, and root cause determinations. We continuously analyze this information to identify opportunities for improvement.

## Biodiversity

Recognizing the potential impact of our operations on the local natural ecosystem, we strive to support and protect sustainable biological diversity in the areas where we operate.

All active NRG plants have a site-specific Biodiversity Plan that outlines practices to limit the local impact of operations including habitat protection and enhancement as well as stakeholder education. Annually, each plant chooses, designs, and implements one econrg[SM] project and this work contributes to the plant's environmental key performance indicators (EKPI) score. Our econrg[SM] projects span multiple program areas including biodiversity, climate change, and resource reduction, reuse, and recycling.

### Bee and Butterfly Habitat Establishment

Habitat loss is a major threat to bees, butterflies, and other beneficial insects. At our Powerton facility in Illinois, we planted two acres of specially designed seed mixtures on the property to help pollinator populations thrive.

### Tree Planting

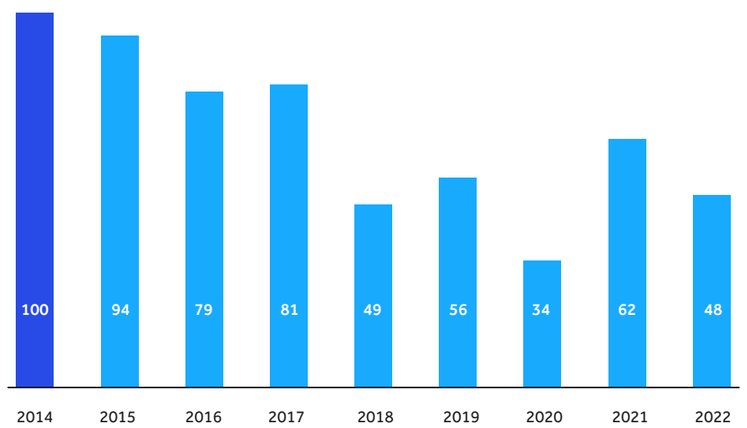
Helping to beautify Greens Bayou in Texas, our TH Wharton and Greens Bayou plant employees planted 15-young-sized trees within the watershed in coordination with the Greens Bayou Coalition.

## Environmental performance

We are proud of our progress in reducing environmental impacts in several key areas across our operations.

We carefully measure and track compliance with environmental requirements and our own standards using our EKPIs, and report on these monthly. The EKPIs measure leading and lagging indicators such as Notices of Violation (NOVs), reportable spills, and compliance with laws, and are reported internally to our management and Board, and externally here in our annual Year in Review. For 2022, 100% of our generation fleet met or exceeded their respective targets.

**ENVIRONMENTAL PERFORMANCE RECORD[1]**
% of base year *(lower is better)*




1 Our environmental performance metric counts environmental incidents such as reportable spills, permit deviations, and receipts of NOV. Fewer incidents results in a lower, more favorable score. The chart shows the company's EKPI score by year as a percentage of base year 2014, which is indexed to 100%. The score associated with the base year is updated as the composition of the NRG generation fleet changes. In some cases, that has resulted in differences from percentages previously reported.

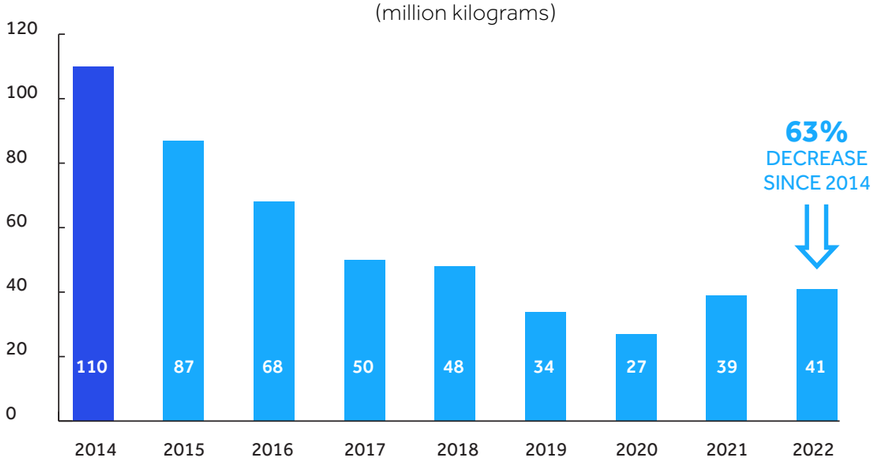
## Air emissions

Over the last eight years, our annual air emissions have declined significantly.

These improvements were driven in part by actions like emission controls and decommissioning of coal-fired units. Future plant retirements could have similar results.

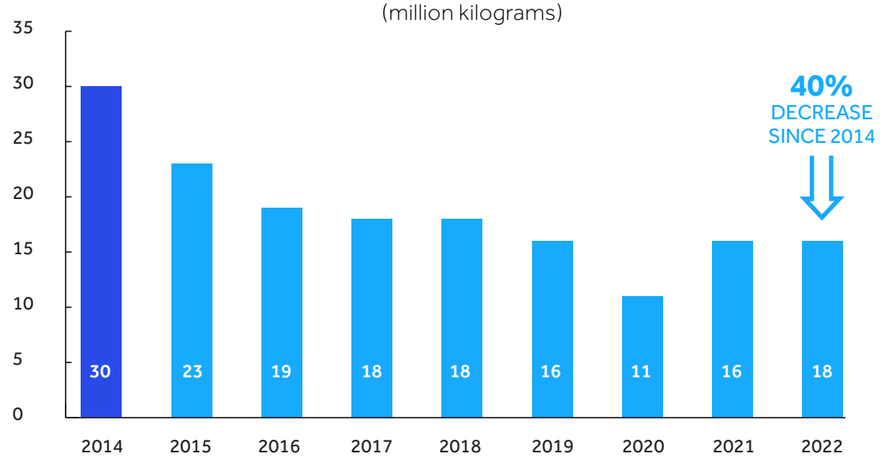
**NRG ANNUAL U.S. $SO_2$ EMISSIONS[1]**

(million kilograms)



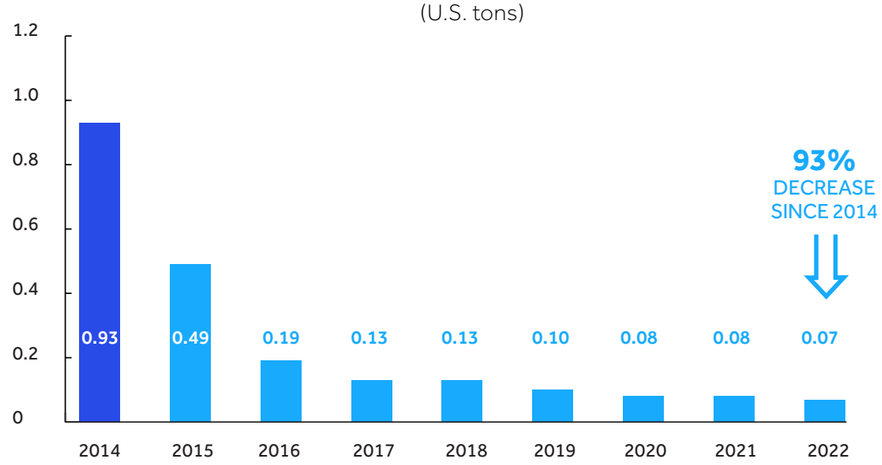

**NRG ANNUAL U.S. $NO_X$ EMISSIONS[1]**

(million kilograms)




**NRG ANNUAL U.S. MERCURY EMISSIONS[1]**

(U.S. tons)




1 In the charts above, all assets sold as of December 31, 2022 have been removed from historical inventories.

### Water withdrawal and discharge

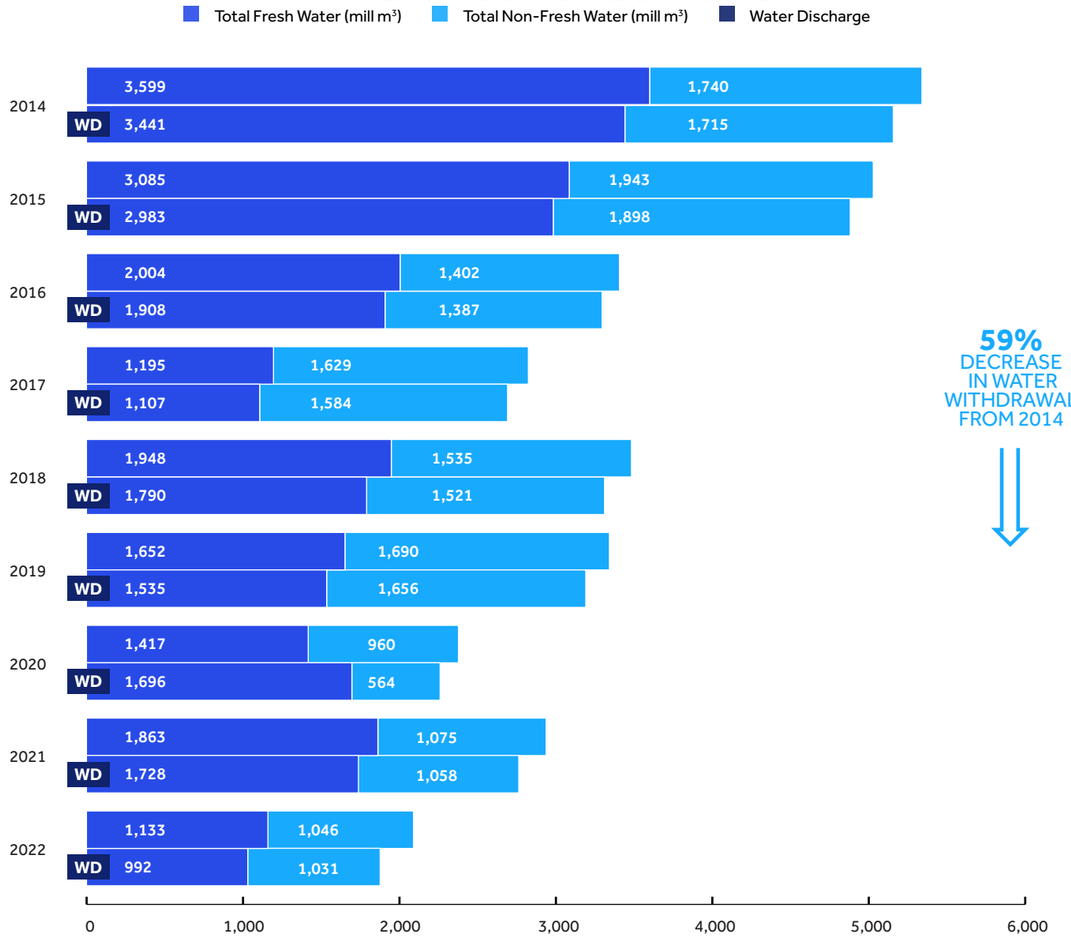
To effectively operate our power plants, we use fresh, recycled, brackish, and ocean water to cool condensers during electricity power generation and create steam for the turbines that produce electricity.

Water usage, scarcity, quality, and its effects on biodiversity are important site-specific considerations. To conserve fresh water, we use non-potable options like brackish and grey water from sewage treatment plants and leachate collection, and reuse water in plant cooling and process systems.

We have invested in water-saving technologies like cooling towers that mitigate effects on aquatic life and significantly reduce water consumption at generating stations.

Weather, plant capacity utilization, and plant retirements affect water usage. The decreases in freshwater withdrawals and corresponding discharges in 2022 are due to decommissioning the Waukegan and Will County power plants and due to less rainfall in certain regions in Texas.

**NRG WATER WITHDRAWAL AND DISCHARGE**[1]




**59%**
DECREASE IN WATER WITHDRAWAL FROM 2014

1 The chart only measures water from NRG power generation facilities and excludes non-power generating facilities like offices and warehouses. The amount of water consumed at non-generation facilities is immaterial in comparison. As organizational boundaries change, we will evaluate whether to include that consumption in future inventories. Sold assets as of Dec. 31, 2022 have been removed from historical inventories.

## Waste

We work to reduce, reuse, and recycle materials used in our daily operations to help preserve natural resources, save money, and improve operational efficiency. The scope of our waste management programs includes both corporate offices and generation facilities.

### Coal combustion residuals

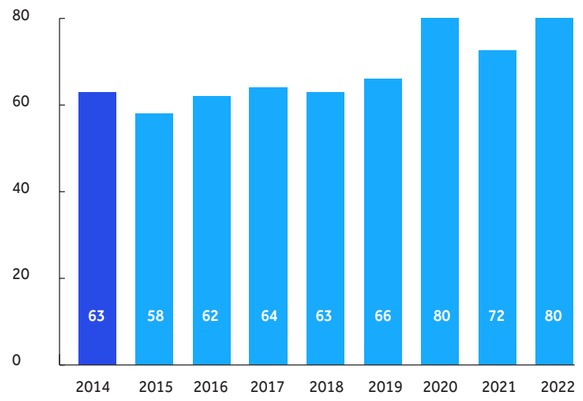
In 2022, NRG facilities generated approximately 1,035 thousand metric tons of CCRs, 80% of which—more than 830 thousand metric tons—were beneficially reused. The remainder was disposed in accordance with applicable state and federal regulations.

CCRs are used in industrial applications like on- and off-plant road construction, as well as in materials like cement, gypsum board, and roofing shingles. This practice reduces the need for mining virgin resources like native soil, gravel, and gypsum. NRG has a program for researching beneficial uses for CCRs and will continue to use these options to the extent possible.

### Electronic waste

NRG works with Compucycle to recycle electronic waste (e-waste) such as old computers and other electronic products. In 2022, NRG recycled 22 U.S. or short tons of e-waste. Since 2014, NRG has recycled 505 short tons of e-waste.

**COAL COMBUSTION RESIDUAL RECYCLING RATE (%)[1]**




## Notices of Violation and spills

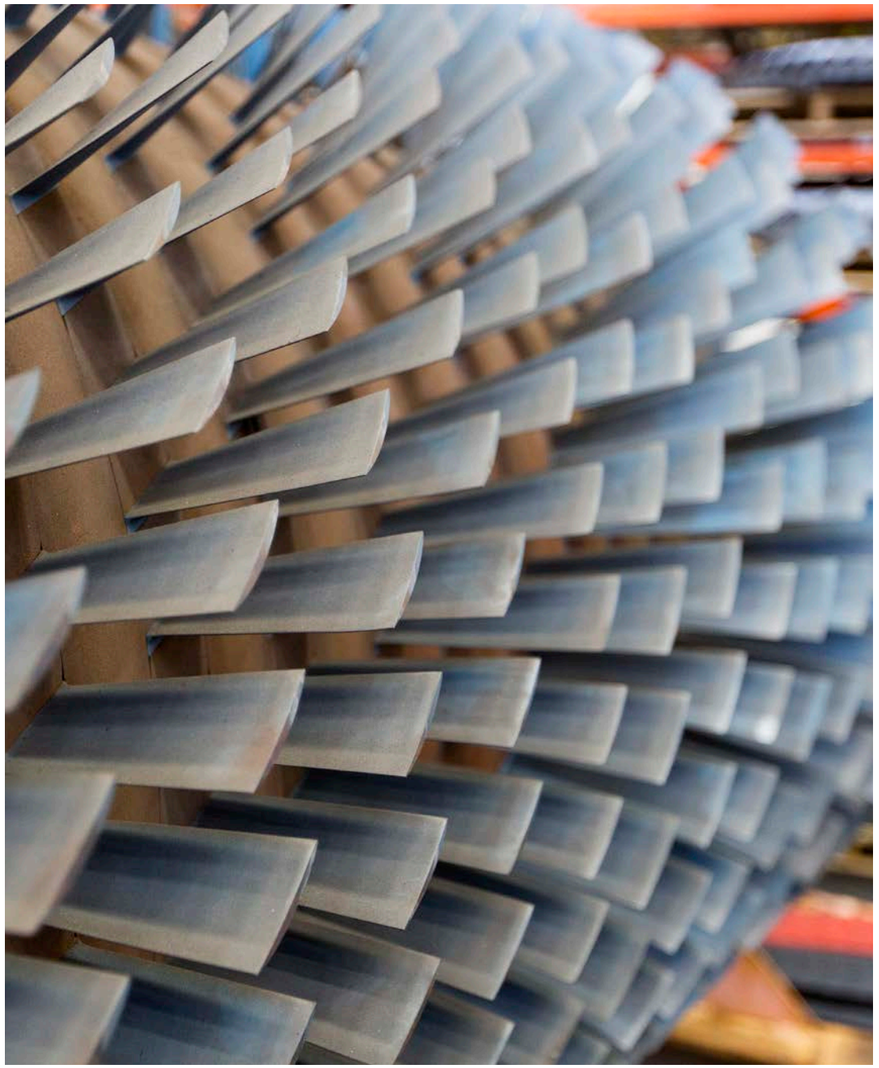
A Notice of Violation[2] (NOV) can be issued for any violation of law, regulation, permit, certification, or license, regardless of significance and may or may not result in a fine. Historically, the vast majority of NOVs issued to NRG have not included a fine. All NOVs issued to NRG, regardless of final disposition, are recorded as an incident against our EKPI.

### NOVs and spills in 2022

- Three NOVs: one from a 2019 incident which included a $125,000 fine and two that did not incur fines
- One reportable oil spill releasing approximately 4.8 barrels of oil that were contained within the designed containment system on NRG property
- One unauthorized discharge of process water totaling approximately 60 barrels that discharged from points other than the permitted outfall
- No reportable chemical spills

1 Baselines have been recalculated to reflect the composition of the NRG generation fleet. In some cases, that has resulted in differences from beneficial use percentages from previous reports. Reported numbers for 2020 include material from a cleaned-out bottom ash pond at one facility.

2 Formal written notification from an environmental regulatory agency that a noncompliance event by the company has been identified.



# Working toward a more sustainable supply chain

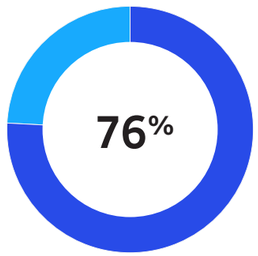
We strive to work with suppliers that share our commitment to sustainability.

**Some of our supply chain initiatives include:**

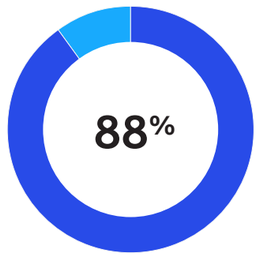
- Promoting environmental disclosure practices for those with whom we do business
- Developing strong **manufacturing standards** and **internal policies**

In 2022, we continued advancing transparency and disclosure by participating in the world-leading CDP Supply Chain engagement program. In 2022, NRG earned a B Leadership Level, for our Supplier Engagement.

**2022 CDP SUPPLIER RESPONSE HIGHLIGHTS[1]**




NRG suppliers that have an active target to reduce their emissions




NRG suppliers integrating climate-related issues into their long-term objectives

1 Data sourced from CDP.



# 04
# GOVERNANCE


**112 Board of Directors**

115 Ethics and compliance

115 Risk management

**116 Governance approach for environmental stewardship and social responsibility**

116 Board of Directors

118 Executive management

121 Sustainable Development Goals

121 Sustainability reporting

**123 Stockholder and stakeholder engagement**

**129 Public policy**

# Corporate governance

Solid corporate governance is built on a strong foundation of ethical standards and conduct. Our robust and comprehensive corporate governance strengthens our culture, supports our strategy, and underpins all we do.



# Board of Directors

Our Board of Directors is dedicated to maintaining the highest integrity for our company, and we are proud of its leadership and the contributions made to the evolution of NRG. Together with management, the Board is responsible for establishing our operating values and code of conduct as well as setting our strategic direction and priorities. The Board has adopted Corporate Governance Guidelines that, along with the Amended and Restated Certificate of Incorporation, the Bylaws, and the Charters of the Board Committees, provide the framework for the governance of NRG.

## A model for success

We are committed to upholding the highest standards of corporate governance and have taken a proactive approach to applying leading governance principles and practices.

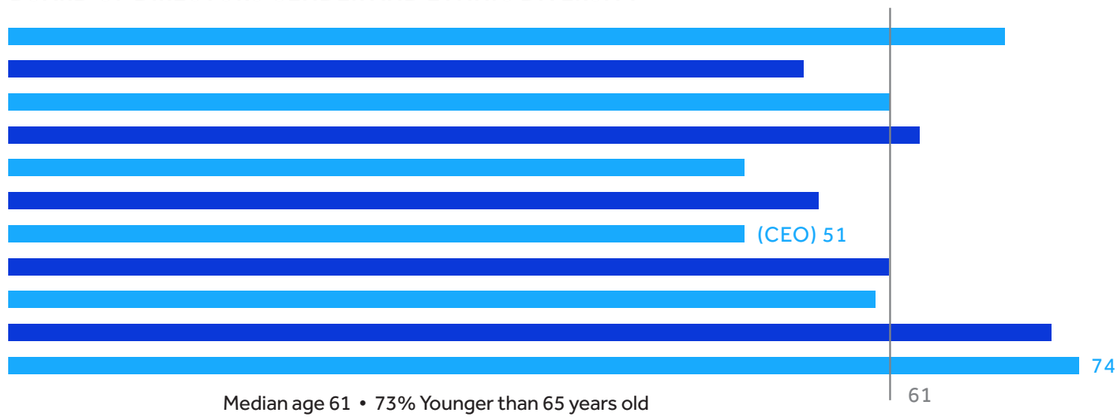
The Board is comprised primarily of independent directors.[1] In 2022, the Board included 11 directors and was composed of five standing committees: Audit, Compensation, Governance and Nominating (G&N), Finance and Risk Management, and Nuclear Oversight.

We are proud to have one of the most diverse Boards in terms of director tenure, age, gender, and ethnicity. Of our eleven directors, seven are gender or ethnically diverse.

The G&N Committee of our Board seeks to reflect the gender and ethnic diversity of our people and those we serve. In choosing director candidates, our definition of diversity goes beyond race and gender and includes valuing a diversity of viewpoints, experience, and tenure. Differences in expertise allow the Board to hear various perspectives from its members, leading to better outcomes and a robust decision-making process.

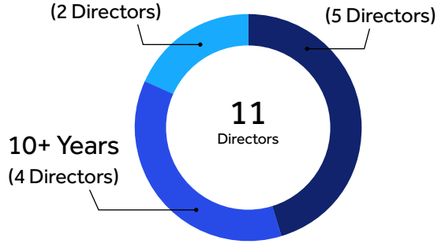
1 An "independent" director is a director who meets the definition of "independent director" under the listing standards of the New York Stock Exchange and is affirmatively determined to be "independent" by the Board.

### BOARD OF DIRECTORS GENDER AND ETHNIC DIVERSITY



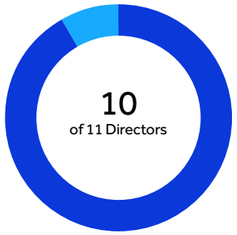

Median age 61 • 73% Younger than 65 years old

### TENURE




Median tenure 9 years

### INDEPENDENCE




**91%** Independent (all except CEO)

**91%** Meet Heightened Committee Independence Standards

### GENDER DIVERSITY




4 Women

### ETHNIC DIVERSITY




3 Ethnically diverse



## Ethics and compliance

At NRG, we care about doing the right thing—all the time and not just when it's convenient. When we demonstrate a commitment to acting ethically, we earn and preserve trust and help to ensure we meet our legal obligations as a company. Our Code of Conduct, updated in 2022, helps to keep us focused on enhancing NRG's reputation through our decisions and actions. By adhering to the Code, we are living our values and ensuring that NRG continues to be recognized for modeling integrity and ethical behavior in all that we do. Each employee is required to take Code of Conduct training annually and attest to having completed it and to comply with it.

As well as highlighting potential risks to watch out for, our Code helps us maintain a Culture of Care in which we can all thrive, providing guidance with respect to competition and fair dealing; confidentiality; conflicts of interest; corporate opportunities; protection and proper use of the Company's assets; recordkeeping; reporting illegal or unethical behavior; and compliance procedures.

## Risk management

NRG's risk management professionals, along with the Board of Directors, oversee all risks related to our capital structure, liquidity, financings, and other capital markets transactions as well as risks related to our trading of fuel, transportation, energy and related products and services, regulatory compliance, and information technology systems, data privacy and security, and cybersecurity matters as well as NRG's management of the risks associated with such activities.

In addition, NRG has both a robust Business Continuity program, as well as a corporate Crisis Management Team that oversees planning and preparation for emergency response initiatives. This team meets quarterly to train for various scenarios that may impact our business such as hurricanes, plant incidents, pandemics, winter storms, and other events.

# Governance approach for environmental stewardship and social responsibility

## Board of Directors

Sustainability is a philosophy that underpins and facilitates value creation across NRG's business for all of its stakeholders. It is an integral piece of NRG's strategy and ties directly to business success, reduced risks and enhanced reputation. At NRG, we have adopted an integrated governance approach to the oversight of environmental and sustainability issues, including climate change. Our full Board has ultimate responsibility for climate risk oversight as a component of the Company's business strategy. The Board committees are then structured to conduct more in-depth reviews of specific sustainability issues, with the Governance & Nominating Committee formerly responsible for the Company's sustainability policies and programs.

The rationale for formalizing the governance structure for climate and other sustainability-related issues is to ensure that the Board and its committees are effectively ensuring that all material risks to the company are mitigated and for guiding NRG's pursuit of significant business opportunities.



Sustainability is formally included as an agenda item at a full Board meeting and is discussed separately by the G&N Committee at least once per year. In addition, sustainability-related matters are also be discussed at other Board and Committee meetings as the context requires.

For example, the Compensation committee regularly discusses ESG compensation metrics in the context of annual compensation plan design and achievement of compensation plan metrics.[1]

The Board oversees environmental and sustainability issues, and other ESG topics with the support of its committees as outlined below:

| | Oversight responsibilities | Selected ESG topics addressed at least annually |
|---|---|---|
| **Board** | Overall oversight of ESG risks and opportunities, and integration of ESG risks and opportunities into the Company's long-term strategy<br>• Annual sustainability update and review of sustainability reporting<br>• Certain responsibilities delegated to board committees for more in-depth review and analysis | Climate strategy, goals, and progress<br>Diversity, equity, and inclusion<br>Safety and well-being<br>Cybersecurity and data analytics<br>Community relations and philanthropy |
| **Audit** | Oversight of ESG disclosure and processes and controls to ensure disclosures are accurate, consistent, and comparable | Quarterly review of disclosure in Form 10-K/Qs and earnings releases<br>Ethics and Compliance |
| **Compensation** | Oversight of accountability for ESG goals and the talent and management succession to execute the ESG strategy | Review of executive compensation program and succession planning for senior management<br>Incorporating ESG into compensation |
| **Governance and Nominating** | Oversight of ESG engagement, board composition, and ongoing board education on ESG matters<br>Oversight of corporate sustainability issues | Annual sustainability update<br>Annual review of political spending<br>Ongoing Board refreshment and director onboarding and training program |
| **Finance and Risk Management** | Oversight of risk assessment of material ESG sustainability risks such as climate change | Review of new and emerging risks |

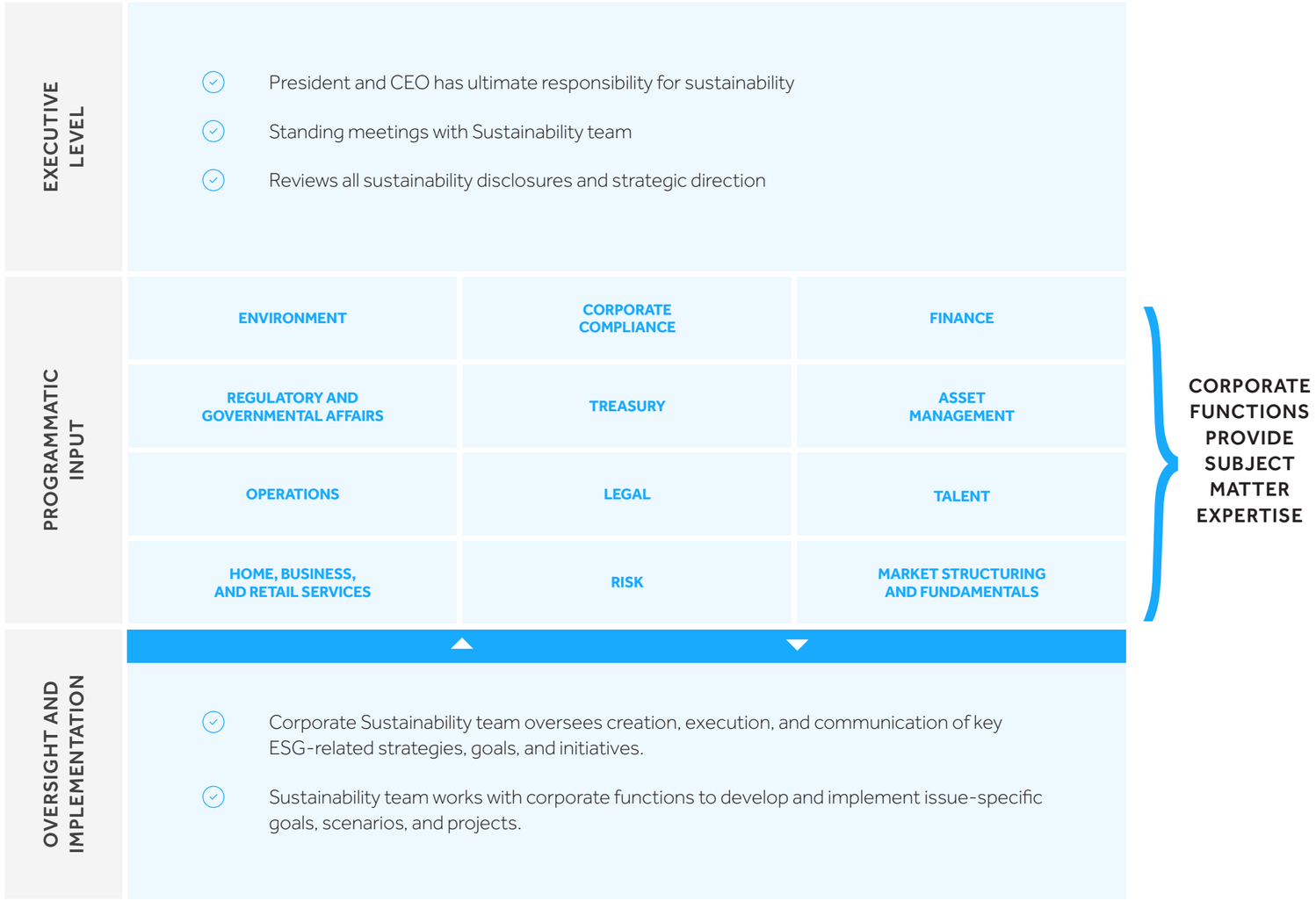
1 See the Board Skills and Experience matrix on page 16 of NRG's 2022 Proxy Statement. All Directors were asked to self-identify the top six skills and experience they bring to the Board. The matrix does not include all the skills, experiences, and qualifications that each director offers, and even though a particular skill, experience, or qualification is not listed, a director may yet possess it.

## Executive management

Responsibility for our overall sustainability approach begins with our CEO, who is tasked with reviewing all sustainability-related strategies, goals, and metrics, which are then finalized and approved by the Board before implementation.

Sustainability strategy development, implementation, and reporting are led by our CSO and our corporate sustainability function. In particular, Sustainability is responsible for the development of our climate-related policy positions, coordination between policy and commercial initiatives, stakeholder engagement, and advising on decarbonization pathways for the company as well as business and residential low-carbon energy solutions. Sustainability reports to our SVP, Administration and Chief Compliance Officer and maintains a direct line of communication to the CEO through standing one-on-one meetings.

Sustainability is a full-company effort, involving numerous functions as we work to make progress toward our goals.



### Tying ESG to compensation

In 2022, NRG began incorporating an ESG metric into its annual cash incentive plan, directly linking our executive compensation program to our ESG commitments and objectives. Items included in the 2022 ESG metric are customer satisfaction, EKPIs, development and communication of a carbon intensity measure, an emerging leaders development program, diversity recruiting practices, and employee well-being. For Named Executive Officers (NEOs), the ESG metric has a 15% weight in the determination of annual cash incentive plan funding.

### Climate opportunity and climate risk

Each pillar of our sustainability strategy embodies climate risks and opportunities that are continually evolving based on external developments and company strategy and activity. While we currently face certain climate risks, we believe our strategy is increasing the company's resilience to climate risks while positioning it to realize climate opportunities.

A more in-depth analysis of NRG's climate risks and opportunities can be found in our 2020 TCFD Report **here**.

### Environmental stewardship

As further discussed in the **Environmental Management section**, we are committed to operating in an environmentally responsible manner and in compliance with all applicable environmental requirements. Our Environment-Over-Production policy sets a clear directive that environmental compliance takes precedence over production at NRG. Every employee is empowered to take the necessary steps to continuously maintain environmental compliance. NRG's Environmental Policy Statement can be found **here**.

## Sustainable Development Goals

Launched in 2015, the 17 SDGs are a global set of goals, targets, and indicators developed by the United Nations to guide countries, communities, and organizations in their work to end poverty, fight inequality and injustice, and tackle climate change by 2030.

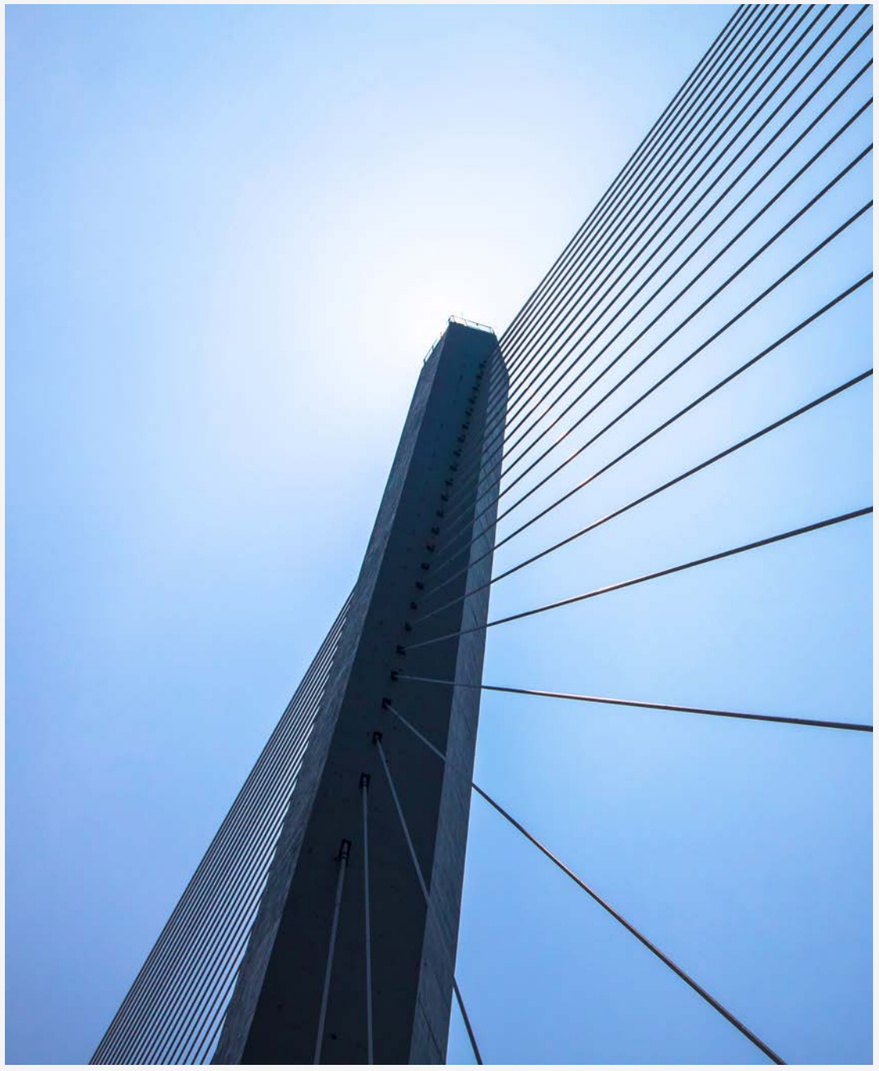
While all 17 development goals are important for global sustainability, corporations select the SDGs applicable to their business and focus their time and resources on those. In our case, these are:




For more detail regarding our SDG-aligned initiatives, **see the full chart**.

### Sustainability reporting

We are committed to leadership in sustainability, transparency, and disclosure. Disclosure quality, as well as overall sustainability performance, are assessed through ongoing stakeholder feedback, including through investor relations and engagement in voluntary disclosure organizations such as the CDP, TCFD, and SASB, which was recently incorporated into the IFRS Foundation. View our comprehensive reporting approach and historical reports **here**.



## Stockholder and stakeholder engagement

Engaging with stockholders and implementing their feedback as it relates to our Board, governance, compensation, and sustainable practices is key.

Stockholder engagement is important to our Board's decision-making process and has driven changes to our governance and compensation practices. In 2022, members of management spoke with stockholders representing 50% of our shares outstanding.

In addition to stockholders, our vast network of stakeholders is highly valued for providing diverse expertise, perspectives, and insight that supports the evolution of our organization.

| Stakeholder | Key topics | How we engage |
|---|---|---|
| **Employees** | • Recruitment and retention<br>• Diversity, equity, and inclusion<br>• Safety and well-being<br>• Just transition | • Fair hiring practices, competitive benefits, and programs to assist employees when plants are retired<br>• BRGs<br>• Safety standards and well-being programs |
| **Customers** | • Affordable energy<br>• Reliable energy<br>• Sustainable energy and related products and services<br>• Overall customer experience and satisfaction | • Customer call centers, customer-facing websites, and direct email, social media, and mail communications<br>• Home, Business, and Services products and solutions |
| **Community** | • Community impact and engagement<br>• Economic development | • Employee volunteerism<br>• Nonprofit partnerships<br>• Community events and philanthropy<br>• Sponsorships |
| **Government** | • Public policies and regulations impacting energy markets (e.g. reliability, affordability, market design, retail choice, environment and climate) | • Engagement with regulators and local officials<br>• Compliance with federal, state, and local laws and regulations |
| **Investors** | • Company financial performance and strategy<br>• Various ESG topics including climate; diversity, equity, and inclusion; and Board governance | • Shareholder meetings<br>• Quarterly earnings conference calls<br>• SEC disclosures<br>• Voluntary sustainability disclosures |
| **Non-governmental** | • Various ESG topics including climate; environmental conservation; diversity, equity, and inclusion; Board governance; and community relations | • Industry and trade associations<br>• Community development initiatives<br>• Voluntary sustainability disclosures |
| **Suppliers** | • Compliance with NRG policies<br>• Supplier sustainability goals and progress | • NRG Supplier Code of Conduct<br>• NRG Manufacturers Standards Policy<br>• NRG supplier diversity standards<br>• CDP Supply Chain program |

Building relationships with non-governmental organizations, community and industry groups, and academia, among others, helps us to identify and pursue potential decarbonization opportunities for our business and our customers.

## Stakeholder engagement

We regularly engage with stakeholders on climate issues.

In addition, we have established relationships with a variety of EV organizations that are helping us both to set and make progress toward our fleet electrification goals.

### Climate Group EV100

Climate Group EV100 is a global initiative bringing together forward looking companies committed to accelerating the transition to EVs by 2030.

### Zero Emission Transportation Association (ZETA)

ZETA is a coalition focused on advocating for 100% EV sales in the U.S. by 2030.

### Greentown Labs

**Founding Sponsor, Houston Expansion**

Greentown Labs is the largest climate-tech start-up incubator in North America, and brings together start-ups. corporations, investors, policymakers and many others, with a focus on scaling climate solutions.

### The United States Business Council on Sustainable Development

**Founding member, Gulf Coast Carbon Collaborative**

The GCCC convenes working groups on the energy transition, nature-based solutions, CCUS, and hydrogen.

### The Rice University

**Carbon Hub**

The Rice Carbon Hub aims to accelerate the energy transition such that clean hydrogen energy and advanced carbon materials are co-produced efficiently and sustainably from natural gas and oil.

### The Rice University Baker Institute Center for Energy Studies

**Working Group on Carbon Capture, Use, and Sequestration (CCUS) and Hydrogen**

The Working Group is exploring the deployment of CCUS and hydrogen technologies in the state of Texas and consists of a diverse set of stakeholders representing corporations, industry groups, academic institutions, and non-governmental organizations active in the state.

### EVolve Houston

**Founding member**

EVolve Houston is a coalition of sustainability-minded civic, business, and academic leaders who seek to accelerate clean transportation through electrification, improve regional air quality, and reduce GHG emissions in the greater Houston area.

### Greater Houston Partnership

**Houston Energy Transition Initiative (HETI) Steering Committee and Working Groups on Capital Formation; Carbon Capture, Use, and Storage; Hydrogen; Industrial Decarbonization; and Power Management; Energy and Sustainability Advisory Committee; and Energy 2.0 Committee**

The Partnership prioritizes efforts that will position Houston to lead the global energy transition to a more efficient and sustainable, low-carbon future, while accommodating growth in global energy demand.

### University of Houston and Southern States Energy Board (SSEB)

**CCUS Commercialization Effort**

University of Houston and Southern States Energy Board (SSEB) CCUS Commercialization Effort is a public-private consortium of experts who promote the rapid and transformative deployment of CCUS technologies.

### Carbon-to-Value (C2V)

**Founding Member and part of Carbontech Leadership Council (CLC)**

C2V is a multiyear program driving the creation of a thriving innovation ecosystem for the commercialization of carbontech. The CLC is creating a technology road map for the future of the carbon-tech industry and is fostering opportunities for technology validation, testing, and demonstration of carbontech.

### Rice Alliance for Technology and Entrepreneurship

**Founding Supporter, Rice Alliance Clean Energy Accelerator**

A clean energy accelerator at Rice University in Houston that supports early-stage energy start-ups from around the world, all of which have access to the Rice Alliance network of energy companies, investors, advisors, and Rice's energy tech venture forums.



# Public policy

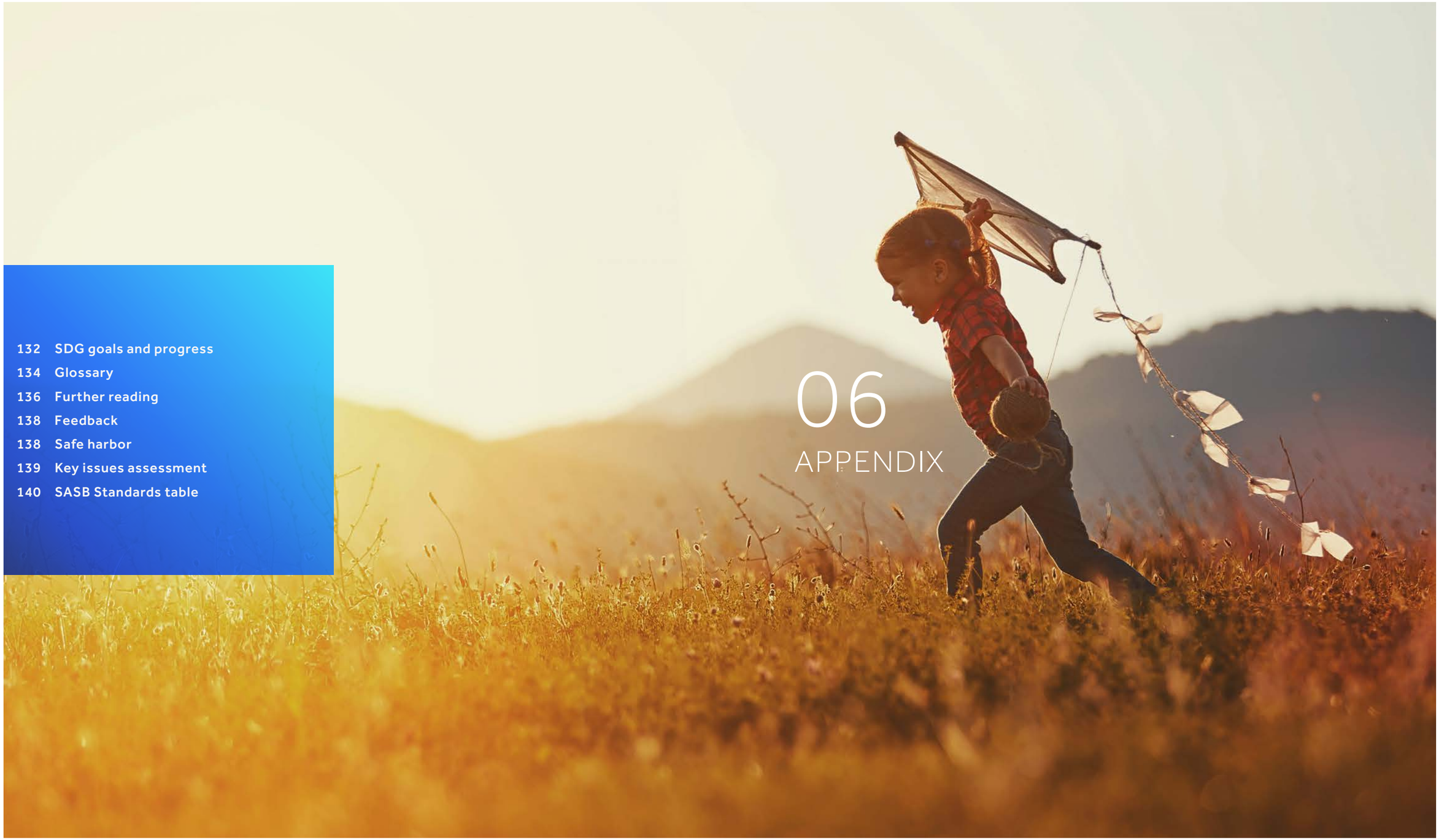
### Political contributions

NRG participates in the political process to advance our long-term strategy and the interests of our stockholders, employees, customers, and stakeholders. Dedicated to transparency, we appreciate the need to disclose our political and policy-related activity and do so annually through our **Public Policy Engagement** and **Corporate Political Contributions report**.

The report lists all membership organizations, trade associations, and social welfare organizations to which NRG paid annual dues in 2022 of $25,000 or more, and which were registered to lobby at the state or federal levels and who did, in fact engage in such lobbying; as well as the total amount paid to such organizations in 2022. The report also lists all political contributions the company made in 2022. We share more details about our engagement with third parties in our **2022 Industry Association Climate Review** and our **2022 Climate Change Principles**.

### NRG Political Action Committee (PAC)

Along with participation in civic, charitable, and volunteer activities, NRG encourages its employees to be active members of their communities. This also includes participation in the political process. Employees may contribute voluntarily to the NRG PAC which pools these contributions to support candidates seeking elective office who understand our industry.



# 06
# APPENDIX


132 SDG goals and progress
134 Glossary
136 Further reading
138 Feedback
138 Safe harbor
139 Key issues assessment
140 SASB Standards table

# SDG goals and progress

For a comprehensive look at our SDG-aligned efforts, see the chart below. For more information regarding NRG's approach to incorporating SDG guidance into our business strategy, click here.



### 3 GOOD HEALTH AND WELL-BEING

**Empowered Employees**

- **Power Up My Life** engagement program offers wellness benefits
- **Power Up Nutrition** offers free membership to three different weight management programs
- Non-tobacco user insurance discount
- Support for mental well-being and work/life balance

**SDG SUB-TARGET ALIGNMENT**

- 3.8 Access to quality healthcare
- 3.a Tobacco control



### 5 GENDER EQUALITY

**Power Values**

- Diversity, Equity, and Inclusion one of NRG's values
- Internal program "Women in Power" trains female employees for leadership roles
- Equal pay study found no evidence of gender- or racial-based discrimination
- Signed U.N. Women's Empowerment Principles
- CEO Action Pledge
- Unconscious bias training

**Governance**

- Seven of the 10 members of NRG's Board are gender and/or ethnically diverse
- Four members of NRG's Board are women (40% of independent directors)
- NRG has a minority CEO

**SDG SUB-TARGET ALIGNMENT**

- 5.1 End discrimination
- 5.5 Equal leadership opportunities



### 7 AFFORDABLE AND CLEAN ENERGY

**Empowered Customers**

- State-of-the-art retail brands and offerings
- Plans and solutions for all needs and budgets
- Advocate for competitive markets and champion of customer choice

**Sustainable Solutions**

- Energy storage
- 100% renewable plans offered in all of NRG's retail markets, including plans tailored for EV charging and rooftop solar
- Demand Response
- Carbon offsets
- Sustainable energy consulting

**SDG SUB-TARGET ALIGNMENT**

- 7.1 Access to affordable and reliable energy services
- 7.2 Increase share of renewable energy



### 13 CLIMATE ACTION

**Company Actions**

- GHG goals are science-based and 1.5 degree Celsius-aligned
- Carbon capture innovation
- Commitment to supply chain engagement
- Active engagement with climatetech ecosystem, academic, industry, and non-governmental* organizations to identify decarbonization pathways

**SDG SUB-TARGET ALIGNMENT**

- 13.2 Climate change measures
- 13.3 Improve education, awareness, and capacity on climate change

## Glossary

**Business Resource Groups (BRGs):** Voluntary, employee-led groups at NRG organized around a particular shared background, interest, or issue.

**Carbon intensity of electricity:** the amount of carbon dioxide equivalent (measured in metric tons) emitted per unit of electricity measured in a variant of watt hours (terawatt hours, gigawatt hours, megawatt hours, kilowatt hours). See also revenue carbon intensity.

**Carbon offset:** Mechanism to compensate for the GHG (carbon dioxide equivalent) emissions of a household or larger organization due to its combustion of fossil fuels. An example of a carbon offset is afforestation (planting trees).

**Community solar:** local solar facilities shared and financially supported by multiple community subscribers who might not otherwise be able to access solar.

**Demand Response (DR):** A program that provides financial incentives to end-users to reduce their consumption of electricity during periods when the electricity grid is experiencing high electricity demand (for example when temperatures are very high or very low).

**Distributed Energy Resources (DERs):** Modular energy generation and storage technologies that provide electric capacity or energy where and when it's needed. Usually deployed close to load (at the point of customer demand) and behind the customer's meter, giving customers greater control, predictability, and stability when it comes to their energy usage.

**Greenhouse gas (GHG):** Traps heat in the atmosphere, resulting in global warming and climate change. In the power sector, GHG emissions are released during the combustion of fossil fuels, such as coal, oil, and natural gas, while producing electricity. In the natural gas sector, GHG emissions are released during the production, transportation, and consumption of natural gas. Measured in metric tons of carbon dioxide equivalent.

**Power purchase agreement (PPA):** A medium- or long-term contract between two parties, one which generates electricity (the seller), and one which is looking to purchase electricity (the buyer, either a corporate end-user or a power company reselling the electricity to a corporate end-user). PPAs are often used in renewable energy, especially solar, as a way for buyers to access solar electricity without having to directly install solar generating capacity onsite. Buyers take ownership of the physical energy and receive renewable electricity credits.

**Revenue carbon intensity:** the amount of carbon dioxide equivalent (measured in metric tons) per unit of revenue typically measured in a variant of dollars (millions of dollars, thousands of dollars).

**Virtual Power Purchase Agreement (VPPA):** A variation of a PPA in which the buyer does not take ownership of the physical energy generated. Instead, a VPPA is a financial transaction whereby a corporate customer agrees to purchase power at a negotiated price from a wind or solar project over a predetermined number of years, committing to pay a fixed price to the owner of the facility for each unit of electricity produced. As with a PPA, the buyer receives renewable electricity credits, but the developer takes responsibility for managing the delivery and sale of the electricity produced on the open market.

**Watt (W):** A measure of electricity generation capacity at a particular point in time. Variants include kilowatts (kW, thousand watts), megawatts (MW, million watts), gigawatts (GW, billion watts), and terawatts (TW, trillion watts).

**Watt hours (Wh):** A measure of the amount of electricity provided over a particular period of time (typically one year or one month). 1 Watt hour is equal to 1 Watt of average power flow over the course of an hour. Variants include kilowatt hours (kWh, thousand-watt hours), megawatt hours (MWh, million watt hours), gigawatt hours (GWh, billion watt hours), and terawatt hours (TWh, trillion watt hours).

## Further reading

This Year in Review is an integrated report of company data and sustainability progress. The content of this report strives to provide stakeholders with a comprehensive sustainability update, highlighting our commitment to people, the environment, and the governance principles that inform our work. To delve deeper into certain topics, the list below is a catalog of the most recent publications spanning our business.

This list is also posted on NRG's **website** and will be refreshed as additional reports are published. We hope this provides an even more complete view of NRG. As always, if you do not find what you are looking for, please email us at **communications@nrg.com**.

### BUSINESS

- 2023 Annual Meeting of Stockholders and Proxy Statement
- 2022 Form 10-K
- Other U.S. Securities and Exchange Commission Filings
- NRG Sustainability-Linked Bond Framework
- Second Party Opinion on NRG's Sustainability Linked Financing Framework
- 2021 NRG Investor Day

#### Insights

- Energy education
- People and community
- Sustainability
- Innovation
- Archive of white papers, webinars, and videos

### CUSTOMERS

#### Residential Solutions

- Energy plans
- Sustainable living
- Electric vehicle driving
- Backup power
- Smart technology
- Home services

#### Solutions for Business

- Power
- Natural gas
- Load management
- Sustainability and renewables
- Energy brokers
- Case studies by goal and industry

### PEOPLE

- Life at NRG
- Diversity, equity, and inclusion
- NRG Statement on Addressing Racial Injustice
- CEO Commitment Letter on Supplier Diversity
- 2021 Equal Employment Opportunity Report (EEO-1)
- Pillars of positiveNRG
- Employee goodwill programs
- positiveNRG Week 2022
- 2022 Conflict Minerals Disclosure

### ENVIRONMENT

- 2022 Third Party Assurance of NRG Greenhouse Gas Emissions Report
- 2022 SASB Standards table
- 2022 CDP Climate Questionnaire
- 2022 CDP Water Security Questionnaire
- 2022 Industry Association Climate Review
- 2022 Public Policy Engagement & Corporate Political Contributions
- 2020 TCFD Report
- 2019 GRI Content Index
- Energy policy and regulatory filings
- The path to one and a half
- Nuclear Oversight Committee
- Environmental Policy Statement
- Climate Change Principles
- Coal Combustion Residuals Rule Compliance Data and Information
- Suppliers overview and working with NRG
- NRG Manufacturers Standards Policy

### GOVERNANCE

- The Power to Become: NRG Code of Conduct
- Corporate Governance Guidelines
- NRG Management
- NRG Board of Directors
- NRG Board Committee Composition
- Audit Committee
- Audit Committee Procedures
- Compensation Committee
- Governance and Nominating Committee
- Finance and Risk Management Committee
- NRG Political Contribution Policy
- NRG Manufacturers Standards Policy
- Nuclear Oversight Committee
- Environmental Policy Statement
- Climate Change Principles

## Feedback

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

## Safe harbor

The information presented in this report includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Exchange Act. These statements involve estimates, expectations, projections, goals, assumptions, known and unknown risks and uncertainties and can typically be identified by terminology such as "may," "should," "could," "objective," "projection," "forecast," "goal," "guidance," "outlook," "expect," "intend," "seek," "plan," "think," "anticipate," "estimate," "predict," "target," "potential" or "continue" or the negative of these terms or other comparable terminology. Such forward-looking statements include, but are not limited to, statements about NRG's future revenues, income, indebtedness, capital structure, plans, expectations, objectives, projected financial performance and/or business results and other future events, and views of economic and market conditions. Although NRG believes that its expectations are reasonable, it can give no assurance that these expectations will prove to be correct, and actual results may vary materially. Factors that could cause actual results to differ materially from those contemplated herein include, among others, general economic conditions, hazards customary in the power industry, weather conditions and extreme weather events, competition in wholesale power and gas markets, the volatility of energy and fuel prices, failure of customers or counterparties to perform under contracts, changes in the wholesale power and gas markets, our ability to execute our market operations strategy, unanticipated outages at our generation facilities, changes in government or market regulations, the condition of capital markets generally, our ability to access capital markets, failure to identify, execute or successfully implement acquisitions or asset sales, our ability to achieve our net debt targets, our ability to achieve or maintain investment grade credit metrics, the potential impact of COVID-19 or any other pandemic on the Company's operations, financial position, risk exposure and liquidity, data privacy, cyberterrorism and inadequate cybersecurity, adverse results in current and future litigation, our ability to implement value enhancing improvements to plant operations and companywide processes, our ability to proceed with projects under development or the inability to complete the construction of such projects on schedule or within budget, the inability to maintain or create successful partnering relationships, our ability to operate our business efficiently, our ability to retain retail customers, the ability to successfully integrate businesses of acquired companies, including Direct Energy, our ability to realize anticipated benefits of transactions (including expected cost savings and other synergies) or the risk that anticipated benefits may take longer to realize than expected, and our ability to execute our Capital Allocation Plan. 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. The foregoing review of factors that could cause NRG's actual results to differ materially from those contemplated in the forward-looking statements included in this report should be considered in connection with information regarding risks and uncertainties that may affect NRG's future results included in NRG's filings with the Securities and Exchange Commission at www.sec.gov.

## Key issues assessment

NRG strives to report decision-useful information to our stakeholders in an efficient and concise manner. We recognize that we have many different stakeholder groups which may each require information presented in a variety of ways and on numerous topics. We engage proactively with our key stakeholders to understand the type of information that is of greatest interest and the processes that will most effectively deliver data to them. However, given rapidly growing interest in voluntary sustainability reporting, we must also focus on compiling the most relevant information while achieving greater transparency.

As part of the above process, we periodically conduct a key issues assessment to ensure that we identify potential strategic and operational risks and opportunities as well as specific sustainability issues that are relevant to our current and potential future business and operating environment. The key issues assessment provides a foundation of topics from which to prioritize our sustainability goals and initiatives, prepare annual sustainability reporting, as well as provide insight into emerging issues that our stakeholders care about.

To conduct the key issues assessment, we monitor the competitive, regulatory, and media landscapes. For the purpose of NRG's Year in Review, these findings are also compared with external best practice publications on sustainability metrics, such as from the Electric Power Research Institute, TCFD, and SASB / IFRS. We use this independent analysis to better inform business decisions and shape our voluntary reporting process. For the purposes of sustainability reporting, NRG has considered the GRI framework to report on issues of importance to the company and its stakeholders. Relevant financial implications, as well as a discussion of risks and opportunities associated with some of these issues, can be found in Part 1, Item 1A in our 2022 form 10-K. Additional financial statements or equivalent documents can be found here.

# SASB Standards table

The mission of SASB, now known as The International Financial Reporting Standards (IFRS) Foundation, is to develop sustainability metrics for public corporations to disclose material, decision-useful information to investors. NRG supports work that contributes directly to providing comparable and consistent data. The nature of our business directs us to consult the SASB Standards for *Infrastructure Sector – Electric Utilities & Power Generators* as defined by the Sustainable Industry Classification System (SICS). Below is a table which contains those topics we have identified as key issues and against which we are able to report as a publicly-traded company. Topics that are not applicable to NRG are denoted as such. Activity metrics that may assist in the accurate evaluation and comparability of disclosure may be found in NRG's 2022 Form 10-K and in NRG's 2022 Year-in-Review Report, which now includes NRG's sustainability reporting. Quantitative data may be followed by narrative information that contextualizes the data table and is also responsive to any qualitative metrics.

| Topic | Accounting Metric | | SASB Code |
|---|---|---|---|
| Greenhouse Gas (GHG) Emissions & Energy Resource Planning | **(1) Gross Global Scope 1 Emissions (metric tons of $CO_2e$)** | 37,417,583*<br>*Includes 37.5% ownership of a 605 MW capacity coal plant in Australia. Reported greenhouse gas metrics include emission and consumption data from all facilities located in the United States that were owned, controlled, or for which the Company had an equity interest as of December 31, 2022. The Company employs a hybrid methodology of operational and financial control, as defined in the World Resources Institute / World Business Council for Sustainable Development *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard*, Revised Edition, 2004 (GHG Protocol), to determine facilities within the organizational boundary. Emissions and consumption data from jointly-owned electric generating facilities are allocated based on the Company's equity share of ownership at the plant level. Note that tolling agreements are currently excluded from the organizational boundary. | IF-EU-110a.1 |
| | **(2) Percentage Covered under Emissions-Limiting Regulations, and** | 0.6% | |
| | **(3) Percentage Covered under Emissions-Reporting Regulations** | 99.4% | |
| | **Clarification of percentage covered under emissions-limiting and emissions-reporting regulations:**<br>Nearly all (>99%) of NRG's emission sources are subject to mandatory U.S. federal (Environmental Protection Agency (EPA)) greenhouse gas reporting regulations. In addition, some of these emission sources (0.6% specified under IF-EU-110a.1(2) above) also report to regional and state $CO_2e$ reporting programs (RGGI, AB32) that are disclosed annually as part of NRG's financial reporting data. | | |

| Topic | Accounting Metric | | SASB Code |
|---|---|---|---|
| Greenhouse Gas (GHG) Emissions & Energy Resource Planning | **Discussion of accounting, estimations and uncertainty for Scope 1 Emissions:**<br>Scope 1 includes only direct GHG emissions associated with fuel combustion in boilers, turbines, and engines used to produce electric power. Scope 1 GHG emissions were determined by using methods specified within Title 40, Chapter I, Subchapter C, Part 98, Subparts A (Jan. 1, 2018 update), C (Sep. 21, 2018 update), and D (Jan. 3, 2017 update). The determination of the equity share of GHG emissions is consistent with equity share methodologies for equity share accounting for greenhouse gas emissions as described in the GHG Protocol.<br><br>GHG emissions from combustion of fossil fuels used for other activities or equipment, such as auxiliary boilers, starter engines, and company fleet vehicles are not included at this time as the associated emissions are immaterial. Scope 1 emissions do not include emissions from fugitive sources such as hydrofluorocarbon (HFC) releases from use of refrigeration and/or air conditioning equipment, sulfur hexafluoride ($SF_6$) from electrical equipment, and methane releases from natural gas transport as they are not material sources of greenhouse gases for the Company. | | IF-EU-110a.1 |
| | **GHG emissions associated with power deliveries** | The calculation of this metric is under consideration. | IF-EU-110a.2 |
| | **Description of Long-term and Short-term Strategy or Plan to Manage Scope 1 Emissions, Emission-Reduction Targets, and an Analysis of Performance v. Those Targets** | NRG's goal is to reduce its U.S. Scope 1, 2, and 3 (business travel) $CO_2e$ emissions 50% by 2025, from the current 2014 baseline, and achieve net-zero by 2050. From 2014-2022 our emissions decreased 42%.<br><br>Disclosure of our strategy to manage Scope 1 emissions is reported annually through the CDP Climate Change questionnaire as well as in NRG's 2020 Task Force on Climate-related Financial Disclosures (TCFD) Report, NRG's Sustainability Linked Bond Framework, and in NRG's 2022 Year-in-Review report. | IF-EU-110a.3 |
| | **Number of customers served in markets subject to renewable portfolio standards (RPS) and percentage fulfillment of RPS target by market** | The calculation of this metric is under consideration. | IF-EU-110a.4 |

| Topic | Air emissions source | Air emissions (metric tons) | Percentage from production facilities within urbanized areas | SASB Code |
|---|---|---|---|---|
| Air Quality | **$NO_x$** | 17,812 | 30% | IF-EU-120a.1 |
| | **$SO_x$*** | 40,993 | 76% | |
| | **$PM_{10}$**** | 3,185 | 69% | |
| | **Pb***** | 0.287 | 44% | |
| | **Hg***** | 0.066 | 24% | |
| | **Discussion of accounting, estimations, and uncertainty for Air Emissions:**<br>Data collection varies based on the generation facility and may include engineering calculations or continuous emissions monitoring systems (CEMS).<br>* NRG only has $SO_2$ emissions so $SO_X$ emissions are equivalent to $SO_2$ emissions.<br>** The requirement to report $PM_{10}$ emissions in annual emissions inventories or emissions statements varies across states. In addition, the earliest reporting deadline for a reporting year is July 1st of the following year. For sites in NRG's fleet that have not yet or are not required to report $PM_{10}$ emissions at the time of submittal to SASB, NRG has used the U.S. EPA's AP-42 emission factors to estimate emissions.<br>*** In the case of lead and mercury emissions, volumes are estimated for some facilities due to incomplete data at time of publication. | | | |

| Topic | Accounting Metric | | | | SASB Code |
|---|---|---|---|---|---|
| Water Management | **(1) Total Water Withdrawn** (thousands of cubic meters) | 2,179,643 | | | IF-EU-140a.1 |
| | | **2022 NRG GLOBAL WATER WITHDRAWN BY SOURCE** | | | |
| | | **Water Source** | **Total (Thousands of Cubic Meters)** | **Percent** | |
| | | Fresh Water | 1,133,432 | 52% | |
| | | Non-Fresh Water | 516,389 | 24% | |
| | | Ocean | 529,822 | 24% | |
| | | Total | 2,179,643 | 100% | |
| | **(2) Total Water Consumed** (thousands of cubic meters) | 157,362 | | | |
| | **Percentage of Each in Regions with High or Extremely High Baseline Water Stress** | **Baseline Water Stress High (40-80%) or Extremely High (>80%)** | **Withdrawal from areas with High or Extremely High Baseline Water Stress** | **Consumption from areas with High or Extremely High Baseline Water Stress** | |
| | | Percent of Total Water | <1% | <1% | |
| | | Percent that is Non-Fresh* | 0% | 0% | |
| | | NRG uses the WRI Aqueduct tool to model and help assess water basin risks in combination with regional internal expertise.<br>*Non-Fresh water has a total dissolved solids greater than 1,000 mg/l and is not used for agriculture or municipal water supply. | | | |
| | | **Type of Generating Facility in Baseline Water Stress Area** | **Number** | | |
| | | Fossil Fuel (Natural Gas, Coal, Oil) | 0 | | |
| | | Renewable (Solar and Wind) | 1 | | |
| | | Nuclear | 0 | | |
| | | Thermal (District Heating and Cooling) | 0 | | |
| | | Total | 1 | | |
| | **Number of Incidents of Non-Compliance with Water-Quality and/or Quantity Permits, Standards, and Regulations** | 0 | | | IF-EU-140a.2 |
| | **Discussion of Water Management Risks**<br>NRG's definition of substantive risk from water is the possibility that an event will occur and significantly affect the achievement of NRG's business goals. Risk identification and assessment process applies to both direct operations and supply chain. NRG uses measures, metrics, and indicators for water risk assessment leveraging management and professional judgment from the following perspectives:<br>• **Financial impact**<br>- Corporate earnings<br>- Capital expenditure on technologies to reduce water consumption and withdrawal<br>• **Plant operation**<br>- Operation disruption due to shortage<br>- Increase in water cost<br>- Supply chain risk<br>• **Environmental impact**<br>- Availability<br>- Quality of river basins<br>- Regulations that impact supply and/or management of water | | | | IF-EU-140a.3 |

| Topic | Accounting Metric | | SASB Code |
|---|---|---|---|
| Water Management | **Discussion of strategies and practices to mitigate risks**<br>Water risk is monitored by the risk owners (individual plant operators) and reported to management upon material changes with a threshold of 20% in water consumption and withdrawal levels. If determined that a water supply risk exists that could impact projected generation levels at any plant within a two-year time frame, risk mitigation efforts are identified and economically evaluated for implementation.<br>NRG's Plant Operations team reviews modelling scenarios generated. Plant water usage is reviewed annually. Analysis is reviewed by the senior leaders of NRG's Operations, Engineering, and Commercial Operations teams. The WRI Aqueduct tool is used annually to develop a high-level view of basin-level risk that informs strategic decision-making and the setting of goals and targets. This tool was chosen because of its open-source nature and ease of use. Each generating facility is unique, and the water risk approach identifies and addresses risks for each covering:<br>• Availability • Quality • Regulatory • Stakeholders<br>• Financial • Operational • Environmental • Supply chain impacts<br>Risk response decisions are primarily made and executed by managing plant operations to maintain compliance with all regulations. NRG reports supply chain water risk annually through the CDP Water Security Questionnaire. | IF-EU-140a.3 |

| Topic | Accounting Metric | | | | | | | SASB Code |
|---|---|---|---|---|---|---|---|---|
| Coal Ash Management | **Amount of Coal Combustion Residuals Generated (metric tons rounded to nearest thousand)** | 1,035,000 | | | | | | IF-EU-150a.1 |
| | **Percentage Recycled (metric tons rounded to nearest thousand)** | 80% (830,000) | | | | | | |
| | **Total Number of Coal Combustion Residual Impoundments** | 11 surface impoundments as defined by 40 CFR 257.2 | | | | | | IF-EU-150a.2 |
| | **Number by EPA Hazard Potential Classification, Broken Down by EPA Structural Integrity Assessment** | NRG Impoundment Structural Integrity Rating and Hazard Potential Classification | | | | | | |
| | | | Less than Low | Low | Significant | High | Incised* | |
| | | Satisfactory | 0 | 1 | 5 | 0 | 0 | |
| | | Fair | 0 | 0 | 0 | 0 | 0 | |
| | | Poor | 0 | 0 | 0 | 0 | 0 | |
| | | Unsatisfactory | 0 | 0 | 0 | 0 | 0 | |
| | | Not Applicable* | 0 | 1 | 2 | 0 | 2 | |
| | | *To align with EPA reporting we have added a column for 'Incised' and a row for 'Not Applicable' to account for all impoundments as defined by the EPA. | | | | | | |

| Topic | | Accounting Metric | SASB Code |
|---|---|---|---|
| Workforce Health and Safety | **(1) Total Recordable Injury Rate** | 0.27 | **IF-EU-320a.1** |
| | **(2) Fatality Rate** | 0 | |
| | **(3) Near-Miss Frequency Rate** | 9.93<br>Process for classifying, recording, and reporting:<br>*# of Near-Misses Reported / Total Hours Worked x 1,000,000 = Near-Miss Frequency Rate*<br>The National Safety Agency defines near-misses as "an unplanned event that did not result in injury, illness, or damage, but had the potential to do so." NRG uses an electronic Incident Management System to document, communicate, track, and trend specific factors about each event including causal factors and corrective actions; this system provides automated fleet-wide notifications. The number of near misses is derived from a report pulled from the Incident Management System. NRG's Operational Health and Safety (OHS) management system applies to 100% of U.S. operations. The system also includes notifications to executive management when significant safety events occur that meet the defined criteria for a Significant Event notification. The system also generates weekly reports to communicate any events from the previous week to NRG personnel. | |

| Topic | | Accounting Metric | SASB Code |
|---|---|---|---|
| Nuclear Safety and Emergency Management | **Total Number of Nuclear Power Units, Broken Down by Nuclear Regulatory Commission (NRC) Action Matrix Column** | NRG South Texas Project LP (STP) is a 44% owner of a joint undivided interest in STP. | **IF-EU-540a.1** |

| Reactor Unit | Action Matrix Column | Current Regulatory Oversight |
|---|---|---|
| South Texas 1 | Licensee Response | Baseline inspection |
| South Texas 2 | Licensee Response | Baseline inspection |

Table source: https://www.nrc.gov/reactors/operating/oversight/actionmatrix-summary.html

| | | | |
|---|---|---|---|
| | **Discussion of Efforts to Manage Nuclear Safety and Emergency Preparedness** | As a holder of an ownership interest in STP, NRG South Texas Project LP is an NRC licensee and is subject to NRC regulation. The NRC license gives NRG the right only to possess an interest in STP but not to operate it. As a possession-only licensee, i.e., non-operating co-owner, the NRC's regulation of NRG South Texas Project LP is primarily focused on NRG's ability to meet its financial and decommissioning funding assurance obligations. In connection with the NRC license, NRG and its subsidiaries have a support agreement to provide up to $120 million to support operations at STP. | **IF-EU-540a.2** |

| Topic | | Accounting Metric | SASB Code |
|---|---|---|---|
| Management of the Legal & Regulatory Environment | **Discussion of Positions on the Regulatory and Political Environment Related to Environmental and Social Factors and Description of Efforts to Manage Risks and Opportunities Presented** | A discussion of risks can be found in the 2022 10-K SEC filing, Item 1-A, Risk Factors Related to NRG Energy, Inc., pages 24-37.<br>Throughout 2022, we continued to engage with policymakers in Washington, D.C. and at the state level. We also maintained our relationships with groups such as the Electric Power Supply Association and various informal organizations. When possible, we collaborate with groups focused on clean energy access and climate solutions. Typically, we engage on legislative and regulatory actions designed to mitigate GHG emissions, as well as policies that support the development and deployment of competitive low-carbon power generation technologies. We are most active in the debate aimed at protecting and expanding competitive power markets and consumer choice, both of which we believe are critical enablers of achieving least-cost low-carbon outcomes.<br>This year, we once again evaluated the climate positions of certain membership organizations, trade associations and social welfare organizations to which we pay annual dues.[1] In 2022, the organizations evaluated were either (i) in alignment with the Paris Climate Agreement or (ii) did not have a climate position. Our assessment was published in our Industry Association Climate Review which we update annually.<br>Regulatory filings, white papers, presentations, and other materials that NRG has prepared and submitted setting forth NRG's positions on a variety of critical subjects driving our business and the industry can be found at https://www.nrg.com/energy-policy.html. | **IF101-21** |

**The following SASB topics and corresponding activity metrics are not appliable to NRG.**

- Energy Affordability (IF-EU-240a)
  - This topic pertains to regulated electric utilities, and NRG is not a regulated utility.
- End-Use Efficiency & Demand (IF-EU-420a)
  - This topic pertains to regulated electric utilities, and NRG is not a regulated utility.
- Grid Resiliency (IF-EU-550a)
  - NRG does not have transmission and distribution operations.

1 To be included in the scope of our review, organizations received annual dues of $25,000 or more from NRG in 2022 and were registered to lobby at state or federal levels, or did, in fact, engage in such lobbying.