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A downloadable file containing the 2021 data in this report and four years of historical data is available on our sustainability reporting page.

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EXECUTIVE SUMMARY

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ABOUT NRG

We are an integrated energy and consumer services company, driven by our customer-focused strategy and powered by our people. Our dynamic retail brands bring the power of energy to approximately six million customers across the U.S. and Canada by leveraging decades of market expertise to deliver tailored energy and related products and services.

We strive to maximize stakeholder value through the safe production and sale of electricity, natural gas, and innovative solutions to the end-use energy or service customer. As we move toward a more customer-centric philosophy, we look to grow beyond our core business, evolving into a whole home and commercial partner, delivering peace of mind through superior customer service and a customized energy experience.

By building the workplace of the future, caring for the communities where we work and live, and placing the customer at the center of everything we do, NRG is leading the way toward a more sustainable energy future for all.
2021 was a year that continued to test our collective strength and resolve. Like many of you, I started the new year with cautious optimism that our new normal would be just that—normal. Yet even through the many challenging circumstances that impacted our lives, I am inspired by the resiliency of our business, our people, and the customers and communities we serve.

One thing was certain; our goal of meeting the needs of customers remained in clear focus. We officially welcomed our new colleagues from Direct Energy and, instantly, expanded our core offerings with more products—like natural gas and home services—to a wider geographic footprint across the U.S. and Canada. Bringing together our two businesses was a critical step in further advancing our best-in-class consumer services platform.

At our investor day, we articulated our ambition to become the first consumer services company in North America dedicated to providing comprehensive energy and home services to both residential and commercial customers. Our strategic roadmap outlines our focus on growing our core energy business while also evaluating how to participate in adjacent and complementary services to meet the increasing needs of consumers. Now more than ever, the home is the center of our lives, and we will build on the trust we have earned with our customers, continuing to advocate for choice in the products and services that best suit their values and lifestyle, delivered affordably and with increasing sustainability attributes.

We also thoughtfully navigated a return to the workplace for our office-based employees. While not easy and never perfect, we welcomed back our colleagues across the country to a hybrid work environment with an eye toward maximizing flexibility and fostering collaboration. This means our workplace today looks much different than it did two years ago, and with that comes both opportunities and challenges. For me personally, it has been very rewarding to visit with our teams, connect in person once again, and see leaders mentoring new members of our team.

At the same time, it is critical that we continue elevating all voices and providing a place where everyone feels valued and has a path for advancement. We remain committed to advancing our diversity, equity, and inclusion (DE&I) platform through programs that are measurable in areas such as employee education, talent recruitment, and development.

NRG once again achieved top-decile safety performance, reflecting our teams’ diligence in looking out for one another each and every day. I am also proud of how we came together to support non-profit organizations with more than 750 donations through our philanthropic arm, positiveNRG, and focused our volunteer efforts on food security through food donations and packaging meals for those in need.

We are making meaningful progress in creating a more sustainable business as we continue our path to net-zero by 2050. The Science-Based Targets initiative (SBTi) certified our carbon reduction goals as consistent with reductions needed to limit global warming to 1.5 degrees Celsius. We are the first and only North American company in our sector to receive this certification and the first in North America to issue a sustainability-linked bond, which ties our emissions reductions to interest rate benefits. Since 2019, our revenue carbon intensity has decreased by 64%, and coal generation represents less than 5% of our total revenues, which not long ago made up almost one-third.

In addition, we reimagined how to participate in the development of renewable energy. To date, we have contracted close to 2.6 GW of wind and solar generation with developers, effectively enabling them to access financing and begin construction of these projects. These accomplishments are important, but there is much work to do, and we will continue to push forward in decarbonizing our business.

While there was a tremendous amount of positive momentum in 2021, it is impossible to reflect on the year without acknowledging Winter Storm Uri in Texas. As we committed to all of you, NRG engaged with legislators, regulators, and numerous market participants to introduce and implement comprehensive, competitive solutions to harden the entire energy ecosystem. To assist our communities in Texas, NRG pledged $10 million in support of immediate community needs, financial relief for customers, and aid for affected employees. We continue to work with all stakeholders to ensure a reliable energy system that serves the needs of our customers and communities.

At NRG, we understand the significance of the responsibilities we have to you, our stakeholders. Whether supporting our employees and customers in the communities where we live and operate, caring for the environment, or being good stewards of shareholder capital, we will never hesitate to set ambitious goals. And importantly, we will continue to achieve them. Core to that success is our comprehensive approach to sustainability, as it is central to not only our purpose but also our growth agenda as a consumer services company. I am incredibly excited for the next chapter in our evolution, and we are grateful for your continued interest, collaboration, and support.

Sincerely,

Mauricio Gutierrez
President and Chief Executive Officer | NRG Energy, Inc.
2021 was another year of progress, made possible through collaboration and innovation. This is our twelfth sustainability report and it’s humbling to look back on the headway we’ve made.

We remain committed to transparency and disclosure of our sustainability strategy, governance, plans, and progress. We follow the most widely accepted standards and strive to provide our investors with information that is concise, comparable, and decision-useful. This year, we:

• Published our inaugural Task Force on Climate-related Financial Disclosures (TCFD) report.
• Reported Sustainability Accounting Standards Board (SASB) metrics for the sixth year.
• Released several years of Equal Employment Opportunity (EEO-1) reports.
• Created a data file containing figures in this report, as well as four years of historical data.
• Compiled a list of “Further Reading,” showcasing the many additional NRG publications on sustainability-related topics to guide readers who wish to delve deeper in a particular subject.

As always, we welcome your feedback on our reporting and how it can be further improved.

We continued to advance on climate. Our goals—to reduce carbon dioxide equivalent emissions by 50% by 2025 from our current 2014 baseline and to achieve net zero by 2050—were certified by the Science Based Targets initiative as consistent with limiting global warming to 1.5 degrees Celsius. We remain on track to meet our 2025 goal, and from 2014 through 2021, reduced our CO₂-equivalent greenhouse gas emissions by 27 million metric tons or by 44%, the equivalent of avoiding 68 billion miles driven by an average passenger vehicle. Expanding our ambition, we added a goal to electrify our entire light-duty vehicle fleet by 2030. Finally, we strengthened the alignment between our financing and sustainability strategies by issuing an additional series of sustainability-linked bonds on the heels of our 2020 inaugural sustainability-linked bond issuance, the first issuance for any North American company in any sector.

We recognize the critical role that energy plays not only in the lives of our customers, but also in decarbonizing the economy more broadly. However, no single entity can make this transition happen on its own and a flexible, all-of-the-above approach is required, rather than a singular reliance on any one technology. Therefore, we continued to engage with a multitude of stakeholders on various decarbonization pathways including electrification, carbon capture, use, and storage, hydrogen, and reducing the carbon footprint of the natural gas supply chain. We also continued to support the climate-tech start-up ecosystem, which we believe will help us identify technologies and partners that could help both us and our customers decarbonize.

Beyond our corporate sustainability efforts, we continued to support our customers with the achievement of their sustainability goals. In early 2021, we acquired Direct Energy, doubling our customer base to nearly 6 million residential and business customers across North America. In addition to our historic strength in electricity, our portfolio now includes a significant natural gas business and various energy services. Here are a few of our sustainable products and services:

• Renewable electricity
  - Residential: customized for specific needs such as electric vehicle charging, integration with rooftop solar and storage systems, and community solar; nearly 50 subscription options currently provided across our major brands
  - Business: renewable and virtual renewable power purchase agreements
• Certified carbon offsets and renewable electricity credits for home and business allowing customers to compensate for their consumption of natural gas, gasoline, and fossil-fired electricity
• Energy resilience and back-up solutions for both home and business
• Demand-side solutions for home and business including time-of-use plans and demand response programs that reward customers for using less electricity—and in the process reducing power grid emissions
• Sustainability concierge and advisory services including consultation, design, and installation support for residential rooftop solar and storage systems and bespoke electricity and natural gas supply solutions for business

Innovation in sustainable products and services is one way of leading the low-carbon transition and is a core part of our strategy to provide customers with more choices over the energy they consume—not only its source and type, but also how and when it is consumed. It’s inspiring to be part of this shift to cleaner energy and to witness this evolution in real time.

Finally, I am pleased that we received several sustainability-related honors in 2021: a Climate Leadership Award for Excellence in Greenhouse Gas Management from the Center for Climate and Energy Solutions and The Carbon Registry and being named to Newsweek’s “Most Responsible Companies” and to Forbes’ inaugural “Green Growth 50,” which recognized companies that have both reduced their carbon footprints and increased their profits. I was personally honored to receive an ALLI Energy GRIT (Growth, Resilience, Innovation, and Talent) Award for Climate and Sustainability Champion. The work we do every day is challenging and receiving outside recognition helps confirm we are on the right path.

I’m incredibly proud of our progress over the last year and am excited to continue our journey to 1.5. While there’s still a lot left to accomplish, with our talented team, unwavering leadership support, and aligned vision, I believe we have created the perfect storm for success.
OUR PURPOSE AND OUR VALUES

Our customers and our values fuel our direction. We constantly aim higher, achieve more, and provide better solutions for both home and business. But providing cleaner energy safely and reliably is only one piece of the puzzle. We are building a better experience—for our customers, our employees, and our neighbors.

OUR PRESENCE

All 50 U.S. states (plus District of Columbia) and 2 Canadian provinces

- Fortune 500 company
- $27 BN in revenue
- 6 MM customers
- Over 25 electricity generating assets in eight states
- 187 TWh of retail electricity provided
- 1,877 MMDth of natural gas sold
- Over 6,500 full-time employees
- 2.6 GW of renewable power purchase agreements
SUSTAINABILITY FOUNDATION

Our sustainability foundation spans five comprehensive key pillars—business, customers, workplace, operations, and suppliers—that help embed sustainability into the culture and fabric of our organization.

SUSTAINABLE BUSINESS

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

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 CUSTOMERS

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 (DE&I), employee engagement, and environmentally conscious workplaces.

SUSTAINABLE WORKPLACE

NRG is committed to reducing environmental impacts across all operations. This includes achieving our science-based greenhouse gas emissions reduction targets, increasing recycling rates of coal combustion residuals, and improving environmental performance across all facilities.

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 its suppliers to be more diverse, equitable, and inclusive.
We are committed to positively affecting the communities where we live and work. Our responsibility to reduce the environmental footprint of our operations helps us ensure the long-term reliability, competitiveness, and success of NRG.

These efforts include providing sustainable energy solutions to customers, optimizing generation, reducing our carbon footprint, leveraging cleaner energy technologies, and supporting the advancement of our employees through health, safety, and professional growth initiatives.

**PERFORMANCE SNAPSHOT**

~44% total greenhouse gas (GHG) emissions reduction since 2014

64% revenue carbon intensity decrease since 2019

<5% operating revenue remaining from coal-fired power generation assets

64% Board of Directors diversity

0.30 TCIR² our best-ever safety record

7 facilities with VPP Star status

6,380+ volunteer hours safely contributed by NRG employees

~$10 MM donations given through corporate philanthropy and non-profit partnerships

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1 Diversity: 36% gender, 27% ethnic

2 Total Case Incident Rate

3 VPP = Occupational Safety and Health Administration Voluntary Protection Programs that 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. NRG is part of the electric power generation, transmission, and distribution industry. The “Star” designation is the highest of three levels. VPP facilities are NRG owned or operated as of December 31, 2021. Only facilities owned by NRG are included in all sustainability metrics.
Achieving real progress toward sustainability and carbon-reduction goals drives us—along with helping our customers to do the same. Still, outside recognition is always gratifying.

- Newsweek Most Responsible Companies 2021
- Forbes Green Growth 50
- Forbes Global 2000 2021
- Forbes America’s Best Mid-sized Employers 2021
- Sustainability, Environmental Achievement, and Leadership Business Sustainability Award
- Climate Leadership Award for Excellence in Greenhouse Gas Management
- Forum of Executive Women Champion of Board Diversity
- Platinum PR Award – Investor Relations
- C-suite Sustainability Champion 2021
- ALLY Energy GRIT (Growth, Resilience, Innovation, and Talent) Award for Climate and Sustainability Champion
- Innovation Leader Impact Award (Reliant)
- North American Customer Centricity Awards (Reliant)
- First and only power company in North America with 1.5 degree Celsius-aligned climate goal validated by Science Based Targets initiative
- A+ Leadership Level in CDP Supplier Engagement for the fifth year in a row
### MORE THAN A DECADE OF PROGRESS

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<td>• First reported to the Carbon Disclosure Project (now known as CDP).</td>
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<td>2010</td>
<td>• Issued first sustainability report.</td>
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<td>2012</td>
<td>• Expanded CDP disclosure to include CDP Water.</td>
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<td>2014</td>
<td>• Set industry-leading carbon reduction targets with a goal to cut CO₂e emissions 50% by 2030 and 90% by 2050, from a 2014 baseline.</td>
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<td>2015</td>
<td>• One of the first companies in the world to have GHG emissions goals certified by SBTI.</td>
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<td>2016</td>
<td>• Began reporting using SASB standards.</td>
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<td>2017</td>
<td>• Became one of the first companies to publicly commit to supporting the Task Force on Climate-related Financial Disclosures (TCFD).</td>
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<td>2018</td>
<td>• Governance and Nominating Committee of Board assumed responsibility for overseeing sustainability, including climate change and sustainability policies and programs.</td>
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<td>2019</td>
<td>• Accelerated our GHG emissions reductions goals. New target is a 50% reduction by 2025 from our current 2014 baseline and net-zero by 2050.</td>
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<td>2020</td>
<td>• President and CEO signed on to the Business Roundtable’s revised Statement on the Purpose of a Corporation, an effort to expand a corporation’s mandate beyond shareholder value to include value creation for all stakeholders.</td>
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<td>2021</td>
<td>• Added sustainability-linked pricing metric to the company’s corporate credit agreement.</td>
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<td>2021</td>
<td>• Published inaugural TCFD report.</td>
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<td>2022</td>
<td>• Received validation from SBTi that NRG’s climate goals are 1.5 degrees Celsius-aligned. NRG is the first and only North American power company to receive this designation.</td>
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<td>2022</td>
<td>• Set goal to electrify 100% of our light-duty vehicle fleet by 2030.</td>
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<td>2022</td>
<td>• Awarded Climate Leadership Award for Excellence in Greenhouse Gas Management.</td>
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<tr>
<td>2022</td>
<td>• Named to Forbes inaugural “Green Growth 50” list.</td>
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<td>2022</td>
<td>• On most recent CDP questionnaires, NRG earned a B on Climate Change, an A- on Water Security, and an A- on Supplier Engagement.</td>
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01 EXECUTIVE SUMMARY

YEAR AT A GLANCE

2021 was a big year for NRG. We acquired Direct Energy, adding more than three million retail customers, doubling the size of our retail portfolio while further decreasing our electricity generation capacity through the sale of 4.85 GW of fossil generating assets. Our portfolio of brands and generation assets now serve roughly six million customers across the United States and Canada. In 2021, we announced approximately 1.6 GW of fossil generating assets will be retired in 2022.1

Weathering the storm, together

In February, Winter Storm Uri swept across the U.S. and a deep freeze engulfed Texas. As the historic cold temperatures and precipitation hampered the entire state’s energy supply, we had already mobilized to ensure residential and business customers had as much information as we could provide them. Our tireless power plant employees moved quickly and worked 24/7 to try to keep the lights on. We also activated support teams to ensure that we remained available to customers. Across our retail brands and departments, NRG employees worked around the clock to help fellow Texans navigate the storm and subsequent recovery.

NRG is contributing to a more sustainable, resilient, and affordable energy ecosystem for the people we serve.

Our number one priority is to be there when our customers need us most. We have stood by them, through many challenges, including storms like, Sandy and Harvey, and the ongoing COVID-19 pandemic. We know they look to us to provide resources, education, and guidance and we remain steadfast in our commitment to them.

Looking to the future

NRG remains deeply focused on preparing for changing climate conditions and an increasingly electrified future. From integrating clean energy and building resilience, to enabling electric vehicles (EVs) and energy efficiency, we value the role we play in our customers’ lives and in fulfilling their sustainability goals.

NRG offers the energy that keeps communities safe, businesses growing, and lives increasingly connected. However, we know power, natural gas, and energy services can be so much more.

Along with our retail energy offerings, we’ve evolved our business with innovative plans, products, and digital tools. We envision becoming a home concierge by managing and advancing convenience, connectivity, sustainability, resiliency, and protection for our customers.

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1 PJM has since identified reliability impacts resulting from the proposed deactivation of one of those assets, Indian River Unit 4. As a result, NRG will continue operations at Indian River Unit 4 until the reliability upgrades identified by PJM are completed, provided that the unit receives a satisfactory and compensatory ‘reliability must run’ arrangement.
A BUSINESS STRUCTURE FOR SUSTAINABILITY SUCCESS

Environmental, social, and governance (ESG)

We are proud that our Board of Directors is among the most diverse of Fortune 500 energy companies. The differences in experience and expertise allow the Board to hear various perspectives from its members, leading to better outcomes and a more thoughtful decision-making process.

In addition to ten of our eleven directors being independent, our Board has a diversity of tenure, age, gender, and ethnicity, providing a complementary mix of experience and perspective among multiple dimensions of leadership. Further explanation of the skills we seek in our Board directors can be found in our proxy statement.

We continually evaluate the need for additional Board members whose skills and experiences will enable them to make meaningful contributions to our business, in line with our evolving strategy.

Transparency and reporting

We are committed to leading our sector in sustainability transparency and disclosure, and we follow the leading globally accepted frameworks and standards to provide key information to all our stakeholders.

GENDER DIVERSITY¹

- 64% Board of Directors gender and ethnic diversity

ETHNIC DIVERSITY¹

- 36% Directors are women
- 27% Directors are ethnically diverse

¹ Percentages may not add up due to rounding.

CDP
GLOBAL REPORTING INITIATIVE
SCIENCE-BASED TARGETS
VALUE REPORTING FOUNDATION
SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)
Task Force on Climate-related Financial Disclosures (TCFD)
Launched in 2015, the 17 Sustainable Development Goals (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 create a sustainable world by 2030. While NRG recognizes that making progress on all 17 SDGs is vital to creating a sustainable economy, the company strives to focus its resources on the SDGs that are most closely tied to our business: 3, 5, 7, and 13.
STOCKHOLDER AND STAKEHOLDER ENGAGEMENT

Engaging with stockholders and implementing their feedback as it relates to our Board, governance, compensation, and ESG practices is crucial to our success, and we discuss our long-term strategy and sustainability goals through a broad outreach program. In 2021, multiple members of our management spoke with investors representing more than 30% of shares outstanding.

To help identify and pursue potential opportunities to decarbonize our business and better serve our customers, we engage with various stakeholders, non-government organizations, and community and industry groups, among others.
In August 2021, NRG issued an additional $1.1 BN of sustainability-linked bonds (SLBs) on the back of its landmark 2019 and 2020 sustainability-linked issuances.

In 2019, NRG became the second U.S.-based power company to take out a sustainability-linked loan (SLL). This SLL embeds a pricing mechanism linked to specific sustainability metrics. This type of financing, which has become more prevalent, demonstrates how corporate responsibility can become part of long-term financial planning.

In December 2020, NRG issued $900 million of senior secured first lien bonds in a landmark issuance, pioneering the first SLBs in North America, and the first issued by any energy company outside Europe. In concert with our acquisition of Direct Energy, the SLBs support our effort to pursue growth, achieve our climate transition strategy, and bring increasing value to our stakeholders. As a complement to the sustainability-linked pricing metric included in the SLL in 2019, the issuance of the SLBs aligns our business and financing with our commitments and values by creating a direct link between climate and funding strategies. The SLBs link attractive financing to the realization of previously announced goals to achieve a 50% reduction of absolute GHG emissions by 2025 from our current 2014 baseline and reach net-zero GHG emissions by 2050. To learn more about how the bonds fit our strategy and bring our sustainability and financial goals together, read our SLB Framework here.
ENGAGING ON POLICY

Throughout 2021, we’ve continued engaging with policymakers at both state and federal levels.

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 greenhouse gas emissions and are most active in the debate aimed at protecting and expanding competitive power markets and consumer choice. Learn more about our policy engagement efforts and our policy positions.

NRG collaborates with policy advocacy organizations including:

- Retail Energy Advancement League
- Electric Power Supply Association
- American Council on Renewable Energy
- Clean Energy Buyers Association
- Zero Emissions Transportation Association
- Various informal organizations

This year, we evaluated the climate positions of certain membership organizations to which we belong. We believe that either (i) they were in alignment with the Paris Climate Agreement or (ii) did not have a climate position. Our assessment was published in our inaugural Industry Association Climate Review which we will update annually.

1 To be included in the scope of our review, organizations received annual dues of $25,000 or more from NRG in 2021, and were registered to lobby at state or federal levels, or did, in fact, engage in such lobbying.

INNOVATION

As an active supporter of the climate-tech community, we are identifying and supporting technologies and partners that could assist both in the decarbonization of our business and help our customers achieve their climate goals.

CARBON XPRIZE

Sponsored by NRG and Canadian Oil Sands Innovation Alliance (COSIA)

Carbon XPRIZE

NRG partnered with Canadian Oil Sands Innovation Alliance (COSIA) and XPRIZE in 2015 to create a five-year global competition to address rising CO2 emissions by challenging innovators around the world to develop breakthrough technologies that convert as much CO2 as possible into products with the highest net value. Through partnerships like these, we are supporting the creation of climate technology and more sustainable solutions. The competition winners – CarbonCure Technologies and CarbonBuilt – were chosen by an independent panel of judges and announced in April 2021. Both companies developed technologies that use CO2 in the production of concrete, thereby reducing its carbon footprint.

GREENTOWN LABS

Founding Sponsor, Houston Expansion

RICE ALLIANCE FOR TECHNOLOGY AND ENTREPRENEURSHIP (RICE ALLIANCE)

Founding Supporter, Rice Alliance Clean Energy Accelerator

CARBON TO VALUE INITIATIVE

Founding Member and part of Carbontech Leadership Council (CLC)
Finally, NRG participates in several multi-stakeholder group consortia working to scale various decarbonization pathways.
Strengthen resiliency with clean back up power

The Yeti X™ line of portable power stations from Goal Zero provides clean, affordable access to power. Stations connect directly to a home’s breaker panel with an integration kit to provide continuous power during outages. Additionally, a range of solar panels can be connected to the Yeti Power Station for seamless recharging.

Support renewable energy sources

Make It Solar is an award-winning renewable product that invites customers to consume solar energy without needing to install solar panels. Customers can choose any qualifying Reliant electricity plan and “make it solar.” Receiving the 2021 Innovation Leader’s Impact Award, this program matches electricity usage with solar renewable energy credits (RECs) to help customers make a measurable environmental impact. In 2021, customers purchased over 275,000 RECs and reduced more than 400 million pounds of carbon emissions, which is the equivalent of driving 1,651,333,938 miles in a gasoline powered vehicle.

Conserve energy

Degrees of Difference™ program uses residential customers’ Google Nest, Honeywell Home, or Emerson Sensi home thermostats to help conserve energy when demand is high. Customers are notified when peak energy usage days are expected and asked to reduce their usage. By using less electricity during periods of high demand, the program allows customers to reduce their bill through Degrees of Difference bill credits.

In 2021, customers with smart thermostats curbed 67 megawatt hours of electricity usage during periods of high demand. Additionally, customers participating in the ‘manual’ program saved an additional 176 megawatt hours across three events during the summer season. Combined, that is the equivalent of greenhouse gas emissions avoided by switching 6,327 incandescent lamps to LEDs.

Maximize efficiency

Through simple voice control, Google Nest Hub offers the option to manage thermostats and lighting to maximize home energy efficiency. An additional dual fuel connected home product helps certain customers manage their gas and electricity use.

Save resources with mobile billing

Mobile Wallet features a self-service, paperless enrollment experience for Direct Energy customers. This includes a 100% digital option for every product that eliminates direct mail and focuses on enhanced email and text communication options. Since 2016, Mobile Wallet has avoided the use of approximately 35 million sheets of paper, envelopes, and stamps.

Maximize electric vehicle capabilities

In 2021, Green Mountain Energy (GME) enhanced their app by adding Electric Vehicle (EV) functionality, enabling customers to create custom charging schedules and choose when they want to start and stop charging. GME’s app promotes greater EV adoption and supports electricity customers who already own EVs, advancing more sustainable transportation.

Reliant EV customers can select a 100% renewable EV plan that includes a discounted night-time energy rate to allow customers to charge at night and save. Reliant’s app also allows customers to set up charging schedules for their Tesla model EVs.
WORKING TOGETHER FOR YOUR BUSINESS

Helping companies in various industries across the U.S. and Canada transition from ‘sustainably minded’ to ‘sustainably achieving,’ NRG’s customer-first approach heeds the call for global action around climate initiatives such as the Science Based Targets initiative (SBTi) Net Zero Standard. Addressing our customers’ ESG strategy through clean energy procurement and related consulting services, our customers can make better strategic and operational decisions thanks to our suite of integrated solutions.

Renewable Energy

Renewable Select™ enables customers to secure solar, wind, or other types of renewable power to achieve their sustainability goals. By supporting new regional renewable projects, businesses can secure a fixed price for their power purchases and become leaders in spearheading sustainability initiatives in their locality. Pairing Renewable Select™ with electricity purchases can facilitate new renewable energy development and potentially lead to cost savings.

Virtual Power Purchase Agreements (VPPAs)

Many customers want renewable electricity to meet their sustainability commitments without having to take ownership of the physical energy. NRG Trading Advisors LLC (NTA) works with customers to structure virtual power purchase agreements with counterparties in a behind-the-scenes manner. NTA works through the complexity and delivers an end-result that offers more geographic and project type flexibility, resulting in a seamless and effective solution.

Community Solar

is a shared renewable energy program available in certain states that increases the amount of local renewable generation available for customers who are unable to host onsite solar generation. Through approved legislation, local utilities offer Community Solar programs that allow customers to subscribe to offsite solar projects and receive bill credits via their utility invoice.

Renewable Energy Credits (RECs)

are certificates that represent the environmental attributes related to generating one megawatt-hour (MWh) of electricity from renewable sources. When purchased alongside fossil-fired energy, RECs guarantee that equivalent energy was produced using renewable sources and added to the electricity grid. Organizations can purchase RECs from NRG in a fixed amount or to match the entirety (or a percentage) of their electricity consumption.

Carbon Offsets

are used to compensate for the greenhouse gas emissions of a household or organization due to its combustion of fossil fuels. One carbon credit equals one metric ton of greenhouse gas emission reductions. Carbon offsets are generated by activities such as planting trees or capturing methane from landfills and wastewater treatment facilities. The purchaser of a carbon offset can retire it to claim a reduction in their emissions, thereby helping meet their emission reduction goals. NRG sells certified carbon offsets to offset customers’ consumption of natural gas in their homes and businesses, gasoline from their personal and business travel. Like RECs, customers can purchase carbon offsets in any quantity or to match their consumption from a specific usage.
The latest on fleet electrification

Transportation is the leading source of greenhouse gas emissions in the United States. Choosing to fuel vehicles with electricity instead of gasoline and pairing that electricity consumption with a renewable source are key levers to materially reducing greenhouse gas emissions. We are helping both individuals and businesses reduce their transportation-related emissions by increasing our supply of renewable electricity and assisting with personal and fleet vehicle electrification.

To learn more about customers’ interest in fleet electrification, NRG partnered with Smart Energy Decisions and published ‘The State of Vehicle Fleet Electrification,’ an industry-first study examining the transition from internal combustion engine vehicles to electrified vehicles for organizations. Sustainability and environmental goals were among the top customer priorities driving fleet electrification.

In October 2021, NRG hosted the annual Electric Vehicle Ride & Drive Event in partnership with Sustainable Princeton. This year’s showcase presented exciting new models hitting the market, including the Polestar 2, Ford’s Mustang Mach-E, VW’s ID.4, and a variety of all-electric bike options. We were onsite providing trusted advice and information to potential customers on energy-related products and services that support a sustainable lifestyle.

In the study, an overwhelming 86% of more than 200 respondents expressed some level of interest in fleet electrification. While environmental drivers were the top priority, cost remains a consideration, especially among commercial operators. Other significant factors included compliance and evolving technology. The study highlights that organizations are at different phases of EV adoption, even with fleet electrification goals gaining momentum.

Partnerships in success

In 2021, we helped many businesses meet their energy goals and acknowledged their achievements. In November, our Excellence in Energy Awards recognized nine winning customers in three key areas: sustainability, energy efficiency, and the community. This event celebrates forward-thinking companies finding innovative ways to build a better energy future.

Community
Mount Washington Tavern (PA) restaurant was selected for supporting their local pediatric hospital as was the Copperas Cove Church of Christ (TX) for their clothing donation program and community outreach.

Energy Efficiency
Dallas Independent School District (TX), Monmouth Regional High School (NJ), the Wavecrest Management Team (NY), and the University of Findlay (OH) were recognized for their excellent outcomes and savings through new technologies, solutions, and upgrades.

Sustainability
Oberlin College (OH) and the Western Pennsylvania Energy Consortium (PA) were recognized for the significant environmental impacts of their investments in sustainable infrastructure and their energy management choices.
Steel City and the Western Pennsylvania Energy Consortium (WPEC)

Pittsburgh is working to deliver on climate action and resilience goals for the city and WPEC by leveraging their energy strategy. They are partnering with NRG and Enel X energy advisors to implement it.

Leveraging their energy strategy to meet their goals

The City of Pittsburgh thinks about sustainability as comprised of three pillars – the environment, equity, and economic development. It was imperative that their energy strategy include these pillars and help meet their targets.

2030 Targets

- 100% renewable electricity
- 50% emissions reduction
- 50% energy consumption reduction

Strength in numbers

Pittsburgh’s Office of Sustainability and Resilience works with a host of local government partners as part of WPEC. The consortium got its start in 2008 when the City of Pittsburgh and the Pittsburgh Water and Sewer Authority teamed up to create a collaborative energy purchasing platform.

The consortium is comprised of a diverse group of buyers with varying individual power usage. However, all members are public benefit organizations like the Urban Redevelopment Authority or nonprofits like the Pittsburgh Zoo and PPG Aquarium.

Saving money and expanding their renewable portfolio

When Pittsburgh saves on energy costs, it passes these savings on to the consortium and WPEC members, paying it forward through the services and resources they provide. The city can also recycle savings back into building improvements and service delivery enhancements for government employees and Pittsburgh residents.

Through their partnership with NRG, the City of Pittsburgh built upon a robust, existing agreement by adding the ability to integrate PPAs and RECs into the city’s portfolio. Their newest energy contract is helping Pittsburgh and WPEC members on their long-term sustainability path.

1 For city operations.
2 From a 2003 baseline.

GOAL

Cut energy consumption by 50 percent and source more renewable electricity.

SOLUTION

Efficiency, PPAs (power purchase agreements), and renewable energy for the city.

For customers in the ERCOT market looking for a pathway to energy savings, the Reliant Economic Dispatch (RED) program is designed to give customers the benefits of demand response while eliminating major concerns. Any customer with a flexible load during peak summer hours can benefit from our enhanced demand response product for Texas during the summer months with day-ahead notifications, fewer restrictions, and greater flexibility when looking to reduce their load.

Distributed energy resources (DERs)

DERs have emerged through their ability to embrace software intelligence and integrate multiple technologies, energy sources, and tools to create better, more flexible energy systems. For our customers considering DERs, it all starts with guidance.

We are here to help explain the potential of DERs to enhance sustainability and reliability, create additional revenue streams, and reduce energy supply costs.

Key components of DER systems can include:

- Renewable energy
- Traditional backup generation
- Combined heat, and power
- Fuel cells
- Battery energy storage
- Demand response
- Microgrids
RETAIL NATURAL GAS

The Direct Energy acquisition significantly increased our capabilities and scale across the natural gas value chain. Our diversified customer load, natural gas asset portfolio, system platform, and top tier team enable us to deliver reliable, competitively priced gas supply and related solutions to our customers.

In addition to serving our own gas-fired power plant requirements, our gas business helps over one million residential, commercial, industrial, and wholesale customers satisfy their natural gas requirements in the most reliable and economic fashion, according to their unique circumstances. NRG also works to help customers reduce the carbon footprint associated with their gas consumption where so desired. These solutions include a suite of tools currently in the market and in development. One example of an in-market product is our carbon offset offering which allows all of NRG’s customer segments to offset their natural gas consumption.

Natural gas is an important part of today’s energy mix. NRG supports the continued use of natural gas as part of a diversified and evolving suite of energy sources that will become less carbon intense over time. In particular, NRG supports the evolution of the natural gas industry to advance emerging lower carbon forms of gas like renewable natural gas (RNG), certified responsibly sourced gas (RSG), and hydrogen that can help households, companies, and state and local governments achieve their climate goals. We actively participate in industry groups, like the Natural Gas Supply Collaborative, which are working to further the use of lower carbon forms of natural gas and in particular reduce the methane intensity of the natural gas supply chain.

Natural gas is an important part of today’s energy mix. NRG supports the continued use of natural gas as part of a diversified and evolving suite of energy sources that will become less carbon intense over time.
GENERATION AND SUPPLY

We serve our customers’ demand for electricity in many ways. Whether generating power from our fleet with diverse fuel sources and in geographic proximity to our customers, purchasing power from the market, or entering long-term PPAs for renewables, we’re sourcing power in ways that meet our customers’ needs and values.

Knowing that our customers increasingly want sustainable energy solutions to satisfy stakeholders and reduce cost, we have made significant progress in rebalancing our generation fleet to better serve our residential, commercial, and industrial customers.

Our asset-light renewable strategy leverages our market expertise in partnering with developers to bring new, additional renewables to the grid through short- and medium-term PPAs. At the end of 2021, we had secured 2.6 GW of renewable power through PPAs in support of our customers. As of March 31, 2022, 45% of these renewable PPAs are currently in service, with the remaining expected to come online in the next couple of years. This asset-light approach to procuring renewables allows us to stay agile to meet customer needs for sustainable energy solutions as they evolve while supporting our business strategy. As depicted in the pie charts, when our renewable PPAs come online, the share of renewables in our energy supply portfolio will rise from 1% to 14%. We expect this share to continue to grow as we divest or retire non-core fossil generation assets.

DATA AND ANALYTICS

Data is core to optimizing both energy production and consumption, and NRG is uniquely positioned at the intersection of energy supply and demand. As we become ever-more consumer centric, data plays a growing role, and we have a distinct opportunity to use it for more effective decision-making and innovative product and service development for our customers.

To meet individual customer needs and improve customer experience, we use data and analytics to help predict total electricity demand, time of use patterns, and to identify additional opportunities for simplification and automation—ensuring our offerings are as customized as possible. In our natural gas business, our highly accurate forecasting processes help mitigate utility balancing charges when supplying gas to utilities for our customers. Through robust infrastructure and smart meter data, among other tools, we can transform how we interact with our customers and propel them to make informed energy decisions, enabling them to meet their clean energy objectives.

For our power plants, data and analytics help forecast total fuel needs as well as optimize their use of different fuel types.
PRODUCTS AND SERVICES
FOR THE MODERN ENERGY CUSTOMER

This product map is intended to showcase the breadth and depth of the sustainable products and services we offer to both our home and business customers. Across several key sustainability categories, it’s important to us that we highlight the different areas in which we offer unique solutions to our customers.

<table>
<thead>
<tr>
<th>PRODUCTS AND SERVICES FOR THE MODERN ENERGY CUSTOMER</th>
</tr>
</thead>
</table>

RENEWABLE ELECTRICITY SUBSCRIPTIONS

- Local and national solar wind plans including ones Green-e®-certified
- Community solar
- Subscriptions supporting electric vehicle (EV) charging both at home and away from home
- Subscriptions integrated with rooftop solar that also allow for sellback of excess electricity generated

CERTIFIED CARBON OFFSETS AND RENEWABLE ELECTRICITY CREDITS

- Used to offset consumption of:
  - Natural gas
  - Gasoline and diesel
  - Jet fuel
  - Fossil-fired electricity
  - Waste
- Available in any quantity or to match consumption from specific usage or occasion (air travel, commuting, home, office, etc.)
- Generated from various renewable, nature-based, and non-nature-based projects

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
- Energy storage
- Emergency back-up generation
- Distributed energy resources — which can include any combination of renewable energy back-up generation, combined heat and power, fuel cells, battery energy storage, demand response, and microgrids

DEMAND-SIDE SOLUTIONS

- Time-of-use plans tailored to nights, weekends, and EV charging
- Demand response programs that reward customers for using less electricity
- Energy efficiency and management tools including enabled by smart thermostats, voice control, and mobile app

SUSTAINABILITY CONCIERGE AND ADVISORY SERVICES

- Consultation, design, and installation support for rooftop solar and storage systems
- Support for EV purchases
- Virtual home energy consultations

- Electricity and natural gas supply
- Energy efficiency
- Generator retrofits and peak load management
- ESG advisory
- Fleet electrification advisory

CERTIFIED CARBON OFFSETS AND RENEWABLE ELECTRICITY CREDITS

- Renewable power purchase agreements
- Renewable virtual power purchase agreements
- Community solar brokerage

SUSTAINABLE PRODUCTS AND SERVICES

Leading the low-carbon transition by providing clean energy solutions

1. Not all products and services are offered in every market where NRG operates.
The workplace of the future

Beyond the physical distancing and safety protocols implemented during the global pandemic, it has become increasingly clear that other aspects of the workplace need to evolve as well.

One of our 2021 company goals was to redefine NRG’s workplace of the future by transforming how and where we work. We established a cross-functional group to determine the ongoing COVID-19 response and office protocols for the new working normal.

Like many companies, we pivoted to a hybrid model, allowing our office-based employees to split their time working from home and office according to the company’s needs and their team’s needs. NRG implemented a flexible model with a range from fully remote, to one to four days in the office, to fully onsite.

Provided safety tips to improve physical and mental well-being like stretching exercises, virtual workout classes, and access to telemedicine options.

Balanced physical and virtual workspaces to promote both human interaction and virtual flexibility.

**SAFETY AND WELL-BEING**

The safety and well-being of our employees are of paramount importance.
Safeguarding our Employees

Safety of all personnel is a top priority at our company and our comprehensive safety program includes anyone working within an NRG facility. We are continually evaluating safety practices to ensure all programs satisfy regulatory requirements.

Throughout the COVID-19 pandemic, power plant-based employees continued reporting to their respective work locations. However, our Safety-Over-Production policy prioritizes all safety rules and requirements, even if generation facilities must stop production. It is our goal to achieve top decile safety performance each year for Total Case Incident Rate (TCIR), which is defined as the number of work-related injuries per 100 full-time workers during a one-year period. In 2021, we finished with a 0.30 top decile safety performance, well below the Edison Electric Institute top decile benchmark of 0.51. Below is a full list of plant locations with zero recordables and facilities with OSHA Voluntary Protection Program (VPP) Star1 status.

1 NRG owned or operated facilities as of December 31, 2021. Only facilities owned by NRG are included in all sustainability metrics. 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.

NRG 5-YEAR SAFETY RECORD

SAFETY TRAINING

- Antelope Elk
- Arthur Kill
- Carlsbad Energy Center
- Central Repair Shop
- Cottonwood
- Deer Park
- Dunkirk
- El Segundo
- Greens Bayou
- Indian River
- Ivanpah
- Long Beach
- Marsh Landing
- Middletown
- Midway Sunset
- Montville
- Mustang
- Oswego
- Panhandle Wind Ranch
- Plum Point
- San Jacinto
- Seward
- T. H. Wharton
- Vienna
- Walnut Creek
- Cedar Bayou
- Central Repair Shop
- Limestone
- San Jacinto
- Seward
- TH Wharton
- WA Parish

Always staying safe

NRG Actual
0.6
0.5
0.4
0.3
0.2
0.1
0.0
2017 2018 2019 2020 2021

Top recordable injury rate

29,833 Hrs of safety training

7,020 employees completed safety courses

1,565 contractors completed safety courses

7 NRG owned or operated facilities with OSHA Voluntary VPP Star Status

- Cedar Bayou
- Central Repair Shop
- Limestone
- San Jacinto
- Seward
- TH Wharton
- WA Parish
Employee well-being

NRG also invests in the well-being of its employees. We provide programs that holistically support physical, emotional, and financial wellness, allowing our colleagues the opportunity to take control of their well-being and focus on what matters most to them for a healthy, secure future.

Through walking challenges, webinars on nutrition, our Quit for Life tobacco cessation program, and financial rewards for taking certain actions to support a healthy lifestyle, NRG provides a variety of programs and tools to allow employees to best support their physical well-being.

Mental and emotional health is vital to all employees, and something we continue to prioritize through various programs and initiatives. Through various partnerships and programs, our vast selection of mental health-focused benefits aims to help our employees in areas of life that become stressful or overwhelming.

Mental Health First Aiders are NRG employees that act as mental health ambassadors and are trained to support colleagues who may be experiencing mental health challenges. They help find a trusted support professional for anyone seeking self-care. NRG also offers back up care for children and elders through Bright Horizons, adoption assistance, Progyny Fertility services, ReThink Developmental Disabilities Support, and various counseling and emotional support resources and programs through our Employee Assistance Program (EAP).

NRG partners with BrightPlan, Fidelity, and Bank of America to offer financial education on retirement planning, mortgages, and more.
Acquiring and retaining top talent is a priority for us. Not only do we continuously evaluate our job opportunities to ensure they’re competitive, but we also:

- Mitigate unconscious biases in the hiring process by removing resume details that may convey a candidate’s gender identity, race, religion, or socioeconomic background.
- Implement more inclusive corporate hiring practices such as eliminating degree requirements where appropriate.
- Seek to provide competitive levels of compensation and benefits, as benchmarked against peers, to ensure incentives are properly aligned with business needs and to enable us to attract and retain qualified employees.

We recognize that we must live our values to serve our customers and communities — and one of NRG’s Power Values is Diversity, Equity, and Inclusion. NRG’s safe and supportive environment elevates every employee’s unique background and voice. Here, we engage different perspectives to solve complex challenges — together.

**A PLACE WHERE EVERYONE CAN THRIVE**

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**Investing in our people**

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**The next generation of energy engineers and sustainability practitioners**

In collaboration with Prairie View A&M, a historically black college and university in Texas, NRG launched an initiative to support the university’s engineering program and provide students hands-on learning opportunities with NRG executives and industry subject matter experts. This climate-focused course opportunity has recently expanded from mechanical, computer, and electrical engineering to include the agriculture, chemical, and civil engineering disciplines.

A key outcome of the course is the empowerment of underrepresented engineering students with the commercial dexterity necessary to apply artificial intelligence and data analytics education to real world decarbonization challenges, engineering problems, and business issues. Through weekly engagement with industry stakeholders and NRG subject-matter experts, these students also become candidates for NRG’s summer internship program where they can use what they’ve learned first-hand within our business. This collaborative program challenges students to translate and leverage their knowledge and skills to unearth data-driven solutions in conventional power generation operations, renewable energy technology, Nature Based Solution (NBS), and financial decision making.

**Opportunities for veterans**

Our commitment to service members is deeply rooted in our military hiring initiatives. We seek to attract, hire, and help develop veterans to continue bringing the power of energy to people and organizations. We recently partnered with the Department of Defense (DOD) to create the Patrol to Power program. Part of the DOD SkillBridge initiative, Patrol to Power helps transitioning military personnel enter the civilian workforce while providing valuable experience and skills in the energy industry.

The Patrol to Power program is an opportunity for service members to participate in a 12-week internship to gain civilian work experience they can parlay into a full-time role. Our goal is to help transitioning service members convert their military skills and experience into a meaningful career at NRG. Service members’ military talents and characteristics add value to our workforce and organization.

The transition from service member to civilian could occur after one tour of duty or a decades-long military career. No matter when the change, we have found considerable alignment between the technical skills of Armed Forces personnel and energy operations. Veterans’ individual accountability and past teamwork are also invaluable assets for business leaders.
Cultivating talent

We are committed to developing leaders who can refine and execute our strategy, driving value for our stakeholders. Management regularly updates its leadership and succession plans, including engaging with the Board to identify candidates for key senior leadership positions.

When employees are valued, feel heard, and are empowered daily, we foster a successful, collaborative environment. We are dedicated to improving our companywide employee experience and cultivating internal talent for career progression and development. Our goals are to empower each employee to be their authentic self and provide a space of belonging in the workplace. But, with DE&I a core value of NRG, we believe we hold a collective responsibility to educate ourselves and to act so that we can hold ourselves accountable.

The Emerging Leaders Program (ELP) is just one example of how NRG is developing our valued, high-potential employees into the leaders of the future. The current ELP cohort is comprised of some of NRG’s future leaders, representing every part of our business. The group reflects various dimensions of diversity including gender, race and ethnicity, educational background, and professional experience. For one year, the cohort is working on active, NRG business-critical projects where their impact will be felt for years to come. In their second and final year, the cohort will mentor the next group, furthering the leadership development pipeline at NRG.

Building the team of the future

There’s no denying that the best teams are diverse teams. Executive Vice President, NRG Business, Robert Gaudette is leading the charge to cultivate upcoming talent and build teams where all voices are elevated. Champions of diversity in the energy space, Robert and his team are longtime supporters of Rice University’s Women in Leadership and Diversity. Equity, and Inclusion (DE&I) conferences. Conference attendees participate in panel discussions and interactive workshops, explore various approaches to leadership, and discuss future opportunities to accomplish their career goals. To build the next generation of leadership, NRG Business launched a mentoring program called Learn from Leaders which is cultivating leadership from within the company.

Affinity Groups

Our employee-led business resource groups (BRGs) help employees embrace their unique knowledge, skills, and perspectives.

1 “BELIEVE” is the Black Employee Resource Group, the “EV Club” is the electric vehicle club, “Explore More” is a club focused on outdoor activities and sustainable energy options for outdoor activities, “HOLA! Club” is the Hispanic/Latin Employee Resource Group, “InspireMENRG” is a club promoting a sustainable living culture, “One Space” is the lesbian, gay, bisexual, transgender, queer-plus Employee Resource Group, “Power of Many” is a club for employees interested in working toward greater diversity, equity, and inclusion, “Power Speakers” is a public speaking club, “visABILITY” is a club recognizing the diverse perspectives of employees and customers, and “Vividh” is the South Asian Employee Resource Group.”
Championing diversity

Pursuing DE&I is an ongoing effort at NRG. We are building a unified and inclusive culture, where a strong sense of belonging leads to better collaboration and business performance. Our unconscious bias training for all employees had a 100% completion rate and all members of our executive management team have completed extensive inclusion sessions. Our work is never done, and we are expanding employee learning on DE&I in 2022.

DE&I Council

Our DE&I council, led by President and CEO Mauricio Gutierrez, was a 21-member, cross-functional team established in 2020 to develop actionable recommendations that enhance diversity, equity, and inclusion at NRG. The Council’s recommendations were shared with our Board and many were implemented in 2021. The Council’s efforts were critical to jumpstarting our DE&I efforts at NRG and leading our engagement with the communities we serve and the employees we value.

Just transition

In the event of a large downsizing at a plant (or a plant closure) our plant operations leadership takes a proactive approach to ensuring that employees are aware of upcoming changes with as much notice as possible and are aware of all options available to them during the transition. These include meeting with union leadership, if applicable, on the effects of the transition, meeting with all impacted employees to assess if they are interested in another role at NRG, ensuring impacted employees are aware of job openings at the company, giving preference to displaced qualified internal employees for open roles at other plants and, when the employee is willing, offering to relocate impacted employees to take those roles. In addition, NRG offers outplacement services, resume writing skills workshops, and tuition assistance for retraining.

GENDER BREAKDOWN AT NRG\(^1\)

<table>
<thead>
<tr>
<th>Category</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>CORPORATE</td>
<td>23%</td>
<td>48%</td>
</tr>
<tr>
<td>RESIDENTIAL AND BUSINESS</td>
<td>24%</td>
<td>54%</td>
</tr>
<tr>
<td>OVERALL NRG</td>
<td>29%</td>
<td>32%</td>
</tr>
<tr>
<td>GENERATION</td>
<td>29%</td>
<td>22%</td>
</tr>
<tr>
<td>SERVICES</td>
<td>24%</td>
<td>46%</td>
</tr>
</tbody>
</table>

\(^1\) As of 12/31/2021. Represents U.S.-based employees only. Data are self-selected and self-reported.
A PLACE WHERE EVERYONE CAN THRIVE

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. COMPANYWIDE</td>
<td>59% 67% 85% 52% 50% 77% 54%</td>
</tr>
<tr>
<td>2. COMPANYWIDE - MIDDLE MANAGEMENT (20% of all employees)</td>
<td>8% 13% 6% 20% 9% 3% 4%</td>
</tr>
<tr>
<td>3. COMPANYWIDE - VP AND ABOVE (1% of all employees)</td>
<td>16% 8% 2% 10% 20% 9% 27%</td>
</tr>
<tr>
<td>4. CORPORATE (23% of all employees)</td>
<td>4% 5% 0% 4% 5% 3% 5%</td>
</tr>
<tr>
<td>5. RESIDENTIAL AND BUSINESS (24% of all employees)</td>
<td>10% 5% 2% 12% 14% 6% 8%</td>
</tr>
<tr>
<td>6. GENERATION (29% of all employees)</td>
<td>1% 1% 5% 1% 2% 1% 1%</td>
</tr>
<tr>
<td>7. SERVICES (24% of all employees)</td>
<td>&lt;1% &lt;1% 0% &lt;1% 1% &lt;1% 1%</td>
</tr>
</tbody>
</table>

As of 12/31/2021. Represents U.S.-based employees only. Data are self-selected and self-reported.
positiveNRG

positiveNRG is how we put our values into action to benefit our employees, our customers, and our communities. Together we empower healthy choices, promote community resilience, and support sustainable practices through philanthropy and volunteering.

2021 Impact

<table>
<thead>
<tr>
<th>Employee Engagement</th>
<th>Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>16 U.S. states</td>
<td>1 Canadian province</td>
</tr>
<tr>
<td>6,388 Hrs volunteered</td>
<td>782 charitable donations</td>
</tr>
<tr>
<td>15% employee engagement with positiveNRG</td>
<td>$10 MM in donations</td>
</tr>
</tbody>
</table>

positiveNRG Week 2021

With the pandemic continuing to create hardship and instability for millions, positiveNRG Week focused on strengthening food security. Volunteer opportunities included virtual events, unloading food deliveries at local food pantries, packaging Thanksgiving meals, and building a community garden. Our employees donated more than 100,000 pounds of food and packed over 74,000 meals.

COMMUNITY AND PHILANTHROPY

We strengthen our connection to the communities we serve through our volunteerism and philanthropic outreach. All of our social responsibility efforts reflect a leadership-by-example approach.

Supporting Disaster Relief Efforts

Winter Storm Uri, February 2021

In the wake of Winter Storm Uri, we committed $10 million to provide relief for our fellow Texans. Relief resources included $3 million in cash donations and $7 million covering in-kind relief efforts and customer assistance. The funding aimed to address three key areas: support immediate community needs, provide financial relief for customers, and aid affected employees.

Hurricane Ida, August 2021

In late summer, Hurricane Ida, a Category 4 Atlantic hurricane, struck the East Coast causing historic flooding and destruction. NRG donated $20,000 to the American Red Cross in Philadelphia to support disaster relief efforts including clean up, shelters, and providing financial assistance to people in the surrounding areas where many of our customers live and work, and in New Jersey where many of NRG’s employees are based.
Reliant
Reliant provides power to millions of homes and businesses in Texas and is proud to give back to the places they call home through reliantgives.

2021 reliantgives impact¹

4,000 Hrs
volunteered

$5.5 MM
donated

local causes supported, including organizations committed to nature conservation and horticulture.

Organizations supported
- Dallas Zoo
- Dallas Arboretum
- Abilene Zoo
- Texas State Aquarium
- Armand Bayou Nature Center
- Galveston Bay Foundation
- Hermann Park Conservancy
- Keep McAllen Beautiful
- Nature Prairies Association of Texas

Earthshare Texas
Launched in 2011, Reliant EcoShare℠ allows customers to use their electricity bill to support EarthShare Texas and purchase carbon offsets. EarthShare Texas is a non-profit federation that supports more than 30 different local and statewide environmental organizations. With help from customer contributions, in 2021 the program reached the milestone of raising $2 million since its inception. All carbon offsets for the Reliant EcoShare℠ program meet approved standards to ensure that they represent real, verifiable reductions in greenhouse gas (GHG) emissions.

In 2021, EcoShare℠ offset over 97 million pounds of CO₂, the equivalent GHG emissions from driving an average gasoline-powered car about 110 million miles.

Green Mountain Energy Sun Club
In 2002, Green Mountain Energy founded Sun Club. By investing in the planet through sustainable solutions, conservation initiatives, and educational programs, Sun Club helps nonprofit organizations create a cleaner, brighter future.

2021 Sun Club impact

$1.3 MM
Sun Club grants totaled more than 1.3 million, funding 10 new projects – including the 100th project in Texas.

18 MM kWh
of solar electricity generated

$5.5 MM
donated

4 MM lbs.
of CO₂ avoided

10 MM Gal.
of rainwater captured

To find out more about Sun Club’s projects helping our planet, check out their annual impact report.

1 Included in positive NRG figures on pg. 70.
Our goals

NRG is targeting a 50% reduction in GHG emissions by 2025, from our current 2014 baseline, and net-zero emissions by 2050. Our goal covers NRG’s direct emissions (scope 1), its purchased energy (scope 2), and the employee business travel portion of scope 3.

We are proud to have had our emissions reduction targets approved by the SBTi—first in 2015 and more recently in March 2021 when our current goal was declared to be 1.5°C-aligned, the most ambitious designation then available and what the latest climate science has told us is needed to prevent the most damaging effects of climate change. NRG is the first, and currently the only, power company in North America to achieve this designation and among only twelve globally at the time of certification.

To further strengthen our sustainability commitments, in 2021 NRG added a new sustainability goal to achieve 100% electrification of our light-duty vehicle fleet by 2030. As part of this goal, we joined the Climate Group’s EV100, a global initiative which brings together companies committed to making electric transport the new normal by 2030.

Progress

From the current 2014 baseline to 2021, the company’s CO₂e emissions decreased from 61 million metric tons to 34 million metric tons, representing a cumulative 44% reduction, or the equivalent of avoiding nearly 68 billion miles driven by an average passenger vehicle.

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. As compared to 2020, the increase in emissions in 2021 was primarily due to higher power demand which was a result of the easing of COVID-19 pandemic lockdowns and the associated economic recovery. We are continuing to target a 50% reduction by 2025 and are on track to meet that goal.

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

In 2021, 9.2 TWh or 17.6% of NRG’s power generation was from nuclear and renewables and therefore had zero emissions.

1 Scope 1, 2, and the employee business portion of Scope 3, relative to current 2014 baseline.
2 To ensure consistency and relevance, NRG’s base year (2014) greenhouse gas 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 and are assured by a third party.
ENVIRONMENTAL MANAGEMENT

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 at NRG. Every employee is empowered and encouraged to take the necessary steps to maintain environmental compliance. Our Environmental Policy Statement can be found here.

As part of our ongoing operations, we carefully measure and track monthly compliance with environmental requirements and our own more stringent standards using our environmental key performance indicators (EKPIs). These EKPIs measure leading and lagging indicators such as notices of violation (NOVs), reportable spills, and compliance with laws, and are reported internally to management and our Board, as well as externally here in our annual Sustainability Report.

Our record in continual improvement is exemplary and measurable. For 2021, 93.1% of our generation fleet met or exceeded their respective targets. Site-specific EKPI performance impacts the compensation of all employees at that site, fostering collective accountability and environmental commitment within the workforce. Before a plant can receive credit for its performance, it must pass through an environmental “gate,” which requires completion of one or more proactive initiatives to minimize the environmental footprint of the site.

To continuously improve environmental performance, we use an Environmental Management Information System called Intelex to track, assign responsibility, and report on all associated environmental tasks and requirements whether internally or externally driven. Intelex provides us the tools and transparency to efficiently track our environmental performance. We use Intelex Incident Management, Corrective Actions, and root cause applications to report incidents, analyze root causes, and ensure completion of corrective actions.

The NRG Environmental Manual directs personnel at all NRG facilities to maintain environmental compliance in all activities and processes. In 2021, we used both internal resources and an independent auditing firm to conduct environmental audits at several of our facilities. Our audit program requires prompt completion of preventive as well as corrective actions if any issues are identified.

Our Environmental Management System (EMS) encompasses our overall program including the EKPI, site audits, Intelex, and standard policies and procedures. The figure to the right illustrates significant overall improvement in environmental compliance performance since 2014.

While our performance trend shows continued improvement since 2014, in 2021 we saw an increase in EKPIs resulting from a combination of events, including more generation operating hours, increased enforcement, and natural variation in small data sets as the number of assets in our portfolio has declined over time.

Notices of Violation

A Notice of Violation (NOV) is a formal written notification from an environmental regulatory agency that a noncompliance event by the company has been identified. It can be issued for any violation of law, regulation, permit, certification, or license, regardless of significance. An NOV may or may not result in a fine; historically, the vast majority of NOVs issued to NRG have not included a fine. Any NOV issued to NRG, whether valid or disputed, is recorded as an incident in our EKPI process.

NOVs and spills for 2021:

• Six NOVs received; one of which included a fine of $2,937.60
• Three reportable oil spills releasing a total of approximately 680 barrels of oil of which 99.999% was contained within NRG property
• One reportable chemical spill of approximately 220 barrels that was contained within its designed containment system on NRG property
• Four unauthorized discharges of cooling tower water and stormwater totaling approximately 4,230 barrels that discharged from points other than the permitted outfalls
AIR EMISSIONS

We integrate environmental considerations into strategic and operational decisions. We have demonstrated our commitment by reducing our impact on the environment in several areas. Our annual SO\textsubscript{2} and NO\textsubscript{x} air emissions have declined significantly over the last seven years.

In the charts above, all assets sold as of December 31, 2021 have been removed from inventories.
WATER

Operating some of our power generation facilities depends on having enough available fresh, recycled, brackish, or ocean water to cool condensers during electricity power generation and to provide water to boilers to produce steam for the turbines that produce electricity. We have designed our approach to water management with the understanding that water issues (usage, scarcity, quality, and biodiversity) are site-specific. Strategies and practices to mitigate water risks, as well as various water management metrics, are contained within our SASB standards table.

We invest in water-saving technologies when cost effective such as cooling towers that reduce water consumption and environmental impact. We also reduce our use of fresh water by using non-potable water such as brackish water, grey water from sewage treatment plants, leachate collection systems, and by reusing water in plant cooling and process systems.

WASTE

We work to reduce, reuse, and recycle any material used in our daily operations to help preserve natural resources. These actions also affect our bottom line and operational efficiency. The scope of our waste management programs includes both corporate offices and generation facilities and the information below focuses on e-waste (such as old computers and other electronic products) and on non-hazardous and hazardous waste from our generation facilities.

The amounts generated each year vary with the activities of the organization and its facilities. In 2021, we continued to enhance the current waste diversion program by evaluating waste generated and identifying recycling opportunities.

Coal combustion residuals

In 2021, NRG facilities generated 1.179 million metric tons of coal combustion residuals (CCR), 72% of which (more than 853 thousand metric tons) were recycled. Coal combustion residuals are used in industrial applications such as on- and off-plant road construction, as well as in materials such as cement, gypsum board, roofing shingles, and other applications. This practice reduces the need for mining of virgin resources such as native soil, gravel, and gypsum. In April of 2015 (amended in 2018 and 2020), the EPA promulgated a rule which regulates the disposal of CCRs and beneficial use activity, a rule implemented in addition to existing state solid and liquid waste and beneficial use regulations.

We maintain a CCR Rule compliance data and information website that provides information on our CCR facilities, our CCR management practices, and monitoring data.

1 The chart only measures water from NRG power generation facilities. 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, 2021 have been removed from historical inventories.

2 Sold assets as of Dec. 31, 2021 have been removed from historical inventories.

3 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.
We are committed to working with suppliers that bring innovation and sustainable solutions to our organization. We strive to maintain a position of leadership in supplier diversity among energy and energy services companies. Our core values provide the basis for our business decisions and drive our commitment to diversity within our supply chain. We ensure that diverse business enterprises — such as those that are small, minority-owned, women-owned, and veteran-owned — have open access to contracting opportunities available at NRG.

We are committed to:

- Maximizing opportunities for diverse businesses wherever we operate in the U.S. and Canada
- Fostering a culture that promotes the economic and sustainable development of diverse business enterprises in the communities in which we operate
- Building partnerships with suppliers to deliver value creation and exceptional service to our customers

In 2021 compared to 2020, the percentage of spend with small business and diverse suppliers increased from 12% to 20%. We are also formally measuring subcontracted small business and diverse business spend for our top 25 suppliers and intend to increase this number of top suppliers annually.

Read our CEO supplier diversity commitment letter on our website.

Our supply chain initiatives include evaluating risks and opportunities in our purchased goods and services, enhancing the ways we select suppliers, developing strong manufacturing standards and internal policies, and promoting environmental disclosure practices for those with whom we do business. In 2021, we continued advancing transparency and disclosure by participating in the world-leading CDP Supply Chain engagement program. Once a year, we ask our top suppliers to disclose information about their climate change performance. In 2021, NRG earned an A- Leadership Level, for our Supplier Engagement.

This year’s data shows that consistent engagement from purchasers creates momentum in key areas... Corporate buyers have the ability to make change happen at the required scale and speed...

CDP Global Supply Chain Report 2021

NRG has a robust Supplier Code of Conduct as well as a manufacturing standards policy. We require all contract manufacturers (including subcontractors) to adhere to our Social Responsibility Standards for Manufacturers Policy. Third-party audits are conducted regularly, and NRG reports the results of such third-party manufacturing audits to the Audit Committee of its Board of Directors.

<table>
<thead>
<tr>
<th>76%</th>
<th>NRG suppliers that have an active target to reduce their emissions</th>
</tr>
</thead>
<tbody>
<tr>
<td>90%</td>
<td>NRG suppliers integrating climate-related issues into their long-term objectives</td>
</tr>
</tbody>
</table>

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1 Data sourced from CDP
NRG requires all contract manufacturers (including subcontractors) to adhere to our Social Responsibility Standards for Manufacturers which, at minimum, require compliance with applicable laws and regulations, industry best practices, and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. Third-party audits are conducted regularly and NRG reports the results of such third-party manufacturing audits to the Board’s Audit Committee. Manufacturers who employ subcontractors shall verify that these standards are upheld by their subcontractors. These standards are referenced and made part of any manufacturing contract agreed by NRG. To manage compliance with these standards, manufacturers are encouraged to establish policies and performance objectives related to labor, grievances, health and safety, environmental responsibility and ethics, and business integrity. Read the full policy here.

1 https://www.scientificamerican.com/article/how-bad-of-a-greenhouse-gas-is-methane/. This harm is measured by global warming potential (GWP), which in turn is measured over different time horizons. For methane, its GWP over 20 years is 86, while over 100 years it is 34. In other words, it has a particularly potent impact in the first two decades after being emitted.

2 https://www.mjbradley.com/content/natural-gas-supply-collaborative-0

While the share of coal in the power generation fuel mix has declined over time, natural gas remains an important input to the generation of baseload power. It is also an important direct source of energy for many homes and businesses, and as discussed in the Customers chapter, NRG is a retailer of natural gas to over one million customers. Although natural gas emits around 50% less CO₂ than coal when combusted, the methane emissions associated with the natural gas supply chain are 86 times more harmful as a greenhouse gas than CO₂.

An early analysis of carbon and water in our supply chain revealed at the time that most of our environmental impacts occur upstream of our operations, from fuel producers and in particular natural gas producers whose gas is used to fire our natural gas power generation plants. This finding enabled us to craft strategies that address our most significant areas of impact and the vendors that comprise the largest portion of our supply chain footprint. As a result, in 2017 we became a founding member of the Natural Gas Supply Collaborative (NGSC), a voluntary collaborative of natural gas purchasers promoting increased transparency through voluntary reporting by natural gas producers. NGSC members include some of the largest natural gas purchasers in North America. Collectively, NGSC participants deliver enough natural gas to meet the needs of more than 60 million households and generate enough electricity from natural gas to power almost 29 million households.

Operating at the intersection of the natural gas supply chain and end-use customers, NGSC participants — including NRG — are increasingly being asked about the carbon footprint, particularly the methane emissions, associated with their natural gas supply chains. Most recently, the NGSC has been reviewing various voluntary standards that aim to certify natural gas as responsibly sourced. This gas is known as responsibly sourced gas (RSG) or, equivalently, producer-certified gas (PCG). As part of this process, the NGSC has engaged with the relevant certification bodies, with producers that have certified their gas as responsibly sourced, and with pipeline companies seeking to facilitate the transportation and transaction of such RSG / PCG. As it becomes commercially viable, NRG plans to offer RSG / PCG to its customers to help them achieve their sustainability goals and will evaluate using this for its own power generation as well.
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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, or changes in the wholesale power and gas markets, changes in government or market regulations, the condition of capital markets generally, our ability to access capital markets, 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, unanticipated outages at our generation facilities, adverse results in current and future litigation, failure to identify, execute or successfully implement acquisitions or asset sales, our ability to implement value enhancing improvements to plant operations and companywide processes, our ability to achieve our net debt targets, our ability to achieve or maintain investment grade credit metrics, 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, our ability to realize value through our market operations strategy, 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.

FEEDBACK

If you have any comments or questions about this report, or would like more information on our sustainability efforts, please visit nrg.com or email sustainability@nrg.com.
NRG is committed to leading its sector in sustainability transparency and disclosure. Our sector is defined as electric utilities and power producers. Disclosure quality and transparency, as well as overall sustainability performance, are assessed through ongoing stakeholder feedback, including through investor relations and participation in engagement and disclosure organizations such as the Global Reporting Initiative (GRI), Task Force on Climate-related Financial Disclosures (TCFD), and Sustainability Accounting Standards Board (SASB), which is now known as the Value Reporting Foundation (VRF).

By adhering to the Financial Stability Board’s TCFD recommendations, we are better equipped to inform investors, lenders, and insurance underwriters of climate-related risks, opportunities, and scenarios. NRG published its inaugural TCFD report in 2021 and intends to update it periodically. The content in the TCFD is intended to be complementary to the sustainability report, as part of a broader ESG communication strategy to deliver decision-useful metrics to NRG stakeholders.

This sustainability report is based on NRG corporate performance for all operations in calendar year 2021 and, where stated, NRG refers to NRG Energy, Inc. as well as its affiliates. However, some longer-term projects and goals are discussed as are certain significant current events that occurred between the end of 2021 and the time of publication. The NRG website also provides visitors the latest news and events on the company’s environmental, social and governance initiatives.

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 these data to them. However, given the rapidly growing landscape of voluntary sustainability reporting this past decade, we must also focus on compiling the most relevant information while achieving greater transparency each year.

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, build our annual sustainability report, 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 Sustainability Report, these findings are also compared with external best practice publications on sustainability metrics, such as the Electric Power Research Institute’s Metrics for the Electricity Producers Industry, TCFD Recommendations, and the SASB/VRF. We use this independent analysis to better inform business decisions and shape our voluntary reporting process. For the purposes of sustainability reporting, NRG considers 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 2021 Annual Report on Form 10-K. Additional financial statements or equivalent documents can be found [here](https://www.nrg.com).
The mission of the Sustainability Accounting Standards Board (SASB), now known as The Value Reporting Foundation (VRF), 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 as defined by the VRF’s 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 2021 Form 10-K, NRG’s 2021 Proxy Statement, and in NRG’s 2021 Sustainability Report. Quantitative data may be followed by narrative information that contextualizes the data table and is also responsive to any qualitative metrics.

<table>
<thead>
<tr>
<th>Topic</th>
<th>Accounting Metric</th>
<th>SASB Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Gross Global Scope 1 Emissions (metric tons of CO₂)</td>
<td>36,557.416*</td>
<td>IF-EU-110a.1</td>
</tr>
<tr>
<td>*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, 2021. 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.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) Percentage Covered under Emissions-Limiting Regulations, and</td>
<td>4%</td>
<td>IF-EU-110a.2</td>
</tr>
<tr>
<td>(3) Percentage Covered under Emissions-Reporting Regulations</td>
<td>99.9%</td>
<td>IF-EU-110a.3</td>
</tr>
</tbody>
</table>

Clarification of percentage covered under emissions-limiting and emissions-reporting regulations:

Nearly all (99.9%) 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 (94% specified under IF-EU-110a.1(2) above) also report to regional and state CO₂, CO₂e reporting programs (RGGI, AB32) that are disclosed annually as part of NRG’s financial reporting data.

<table>
<thead>
<tr>
<th>Topic</th>
<th>Accounting Metric</th>
<th>SASB Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discussion of accounting, estimations and uncertainty for Scope 1 Emissions:</td>
<td></td>
<td>IF-EU-110a.1</td>
</tr>
<tr>
<td>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 in Title 40, Chapter I, Subchapter C, Part 98, Subpart A, C, and D of the Code of Federal Regulations. The determination of the equity share of GHG emissions is consistent with equity share methodologies for Scope 1 emissions as described in the GHG Protocol. 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 hydrofluorocarbons (HFC) leaks, releases, or from refrigeration and air conditioning equipment, sulfur hexafluoride (SF₆), from electrical equipment, and methane releases from natural gas transport.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greenhouse Gas (GHG) Emissions &amp; Energy Resource Planning</td>
<td></td>
<td>IF-EU-110a.2</td>
</tr>
<tr>
<td>Description of Long-term and Short-term Strategy on Plan to Manage Scope 1 Emissions, Emission-Reduction Targets, and an Analysis of Performance v. Those Targets</td>
<td></td>
<td>IF-EU-110a.3</td>
</tr>
<tr>
<td>NRG’s goals to reduce its U.S. Scope 1, 2, and 3 (business travel CO₂ emissions 50% by 2025, from the current 2014 baseline, and achieve net-zero by 2050. From 2014-2021 our emissions decreased 44%. Disclosures 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 and NRG’s Sustainability Linked Bond Framework.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Air Quality</td>
<td></td>
<td>IF-EU-110a.4</td>
</tr>
<tr>
<td>Air emissions source</td>
<td></td>
<td>IF-EU-120a.1</td>
</tr>
<tr>
<td>Air emissions metric tons</td>
<td></td>
<td>IF-EU-120a.1</td>
</tr>
<tr>
<td>Number of customers served in markets subject to renewable portfolio standards (RPS) and percentage fulfillment of RPS target by market</td>
<td></td>
<td>IF-EU-120a.1</td>
</tr>
<tr>
<td>Air emissions source</td>
<td></td>
<td>IF-EU-120a.1</td>
</tr>
<tr>
<td>Air emissions metric tons</td>
<td></td>
<td>IF-EU-120a.1</td>
</tr>
<tr>
<td>Percentage from production facilities within urbanized areas</td>
<td></td>
<td>IF-EU-120a.1</td>
</tr>
</tbody>
</table>

Discussion of accounting, estimations, and uncertainty for Air Emissions:

Data collection varies based on the generation facility and may include engineering calculations and/or continuous emissions monitoring systems (CEMS).

<table>
<thead>
<tr>
<th>Topic</th>
<th>Accounting Metric</th>
<th>SASB Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>PM**</td>
<td>2.791</td>
<td>IF-EU-120a.1</td>
</tr>
<tr>
<td>Pb**</td>
<td>0.232</td>
<td>IF-EU-120a.1</td>
</tr>
<tr>
<td>Hg**</td>
<td>0.075</td>
<td>IF-EU-120a.1</td>
</tr>
</tbody>
</table>

*The requirement to report PM** emissions in annual emissions inventories or emissions statements varies between states. In addition, the earliest reporting deadline for reporting PM** is July 1 of the following year. For sites in NRG’s fleet that are not yet required to report PM** emissions at the time of submission to SASB, NRG has used the U.S. EPA’s R4-72 emission factor to estimate emissions. **In the case of lead and mercury emissions, volumes are estimated for some facilities due to incomplete data at time of publication.
### Water Management

#### 1. Total Water Withdrawn (thousands of cubic meters)

<table>
<thead>
<tr>
<th>Water Source</th>
<th>Total (Thousands of Cubic Meters)</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fresh Water</td>
<td>1,863.100</td>
<td>63.9%</td>
</tr>
<tr>
<td>Non-Fresh Water</td>
<td>522.489</td>
<td>18%</td>
</tr>
<tr>
<td>Ocean</td>
<td>552.081</td>
<td>19%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,937.669</td>
<td>100%</td>
</tr>
</tbody>
</table>

#### 2. Total Water Consumed (thousands of cubic meters)

<table>
<thead>
<tr>
<th>Water Stress Area</th>
<th>Withdrawal from areas with High or Extremely High Baseline Water Stress</th>
<th>Consumption from areas with High or Extremely High Baseline Water Stress</th>
<th>Percent of Total Water</th>
<th>Percent that is Non-Fresh*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baseline Water</td>
<td>2%</td>
<td>36%</td>
<td>2%</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>Stress High</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stress Extremely</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*NRG uses the WRI Aqueduct tool to model and analyze water basin risks in combination with regional internal expertise.

*Non-Fresh water has a total dissolved solids greater than 1,000 mg/l and is not used for agriculture or municipal water supply.

#### Discussion of Water Management Risks

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:

- **Financial impact**
  - Corporate earnings
  - Capital expenditure on technologies to reduce water consumption and withdrawal
- **Plant operation**
  - Operation disruption due to shortage
  - Increase in water cost
  - Supply chain risk
- **Environmental impact**
  - Availability
  - Quality of river basins
  - Regulations that impact supply and/or management of water

#### Coal Ash Management

- **Amount of Coal Combustion Residuals Generated (metric tons rounded to nearest thousand)**: 1,179,000

- **Percentage Recycled (metric tons rounded to nearest thousand)**: 72% (853,000)

- **Total Number of Coal Combustion Residual Impoundments**: 11 surface impoundments as defined by 40 CFR 257.2

- **NRG Impoundment Structural Integrity Rating and Hazard Potential Classification**

- **Number by EPA Hazard Potential Classification, Broken Down by EPA Structural Integrity Assessment**

<table>
<thead>
<tr>
<th>Classification</th>
<th>Less than Low</th>
<th>Low</th>
<th>Significant</th>
<th>High</th>
<th>Incised*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfactory</td>
<td>0</td>
<td>1</td>
<td>5</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Fair</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Poor</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Unsatisfactory</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Not Applicable*</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>0</td>
<td>2</td>
</tr>
</tbody>
</table>

*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.
**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 2021 10-K SEC filing, Item 1-A, Risk Factors Related to NRG Energy, Inc., pages 24-37. Throughout 2021, 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 major environmental groups 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.

This year, we evaluated the climate positions of certain membership organizations to which we belong. We believe that either (i) they were in alignment with the Paris Climate Agreement or (ii) did not have a climate position. Our assessment was published in our inaugural Industry Association Climate Review which we will update annually.

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 http://www.nrg.com/company/energy-policy. In 2021, 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 http://www.nrg.com/company/energy-policy.
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 greenhouse gas (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.

**Google Nest Hub:** A smart energy product that serves as a virtual assistant for the home, making automation easy and intuitive, especially through voice commands. Acts as a command center, uniting home automation devices and simplifying everyday tasks, including home energy management.

**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). 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

Links to all NRG reports cited in this Report as well as to additional NRG sustainability-related publications.
NRG’s Sustainability Report is our flagship publication describing our accomplishments and efforts across our 5-pillar sustainability strategy over the past year. However, we recognize that some readers may wish to delve deeper into certain topics. To facilitate such further reading, the list below is a catalog of the most recent, additional publications spanning our five sustainability pillars. 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 sustainability at NRG. As always, if you do not find what you are looking for, please email us at sustainability@nrg.com.

BUSINESS

Governance Documents
- Powering our Values: A Field Guide
- Our five Power Values underlie ethical decision-making at NRG and are the foundation of our culture
- 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

Most Recent Policy Statements and Disclosures
- 2021 Industry Association Climate Review
- 2021 Public Policy Engagement & Corporate Political Contributions

Most Recent Environmental, Social, Governance, and Financial Reports and Disclosures

Environment
- SASB Standards Table
- 2021 CDP Climate Questionnaire
- 2021 CDP Water Security Questionnaire
- 2020 TCFD Report
- 2019 GRI Content Index

Social
- 2021 Equal Employment Opportunity Report (EEO-1)
- 2021 Conflict Minerals Disclosure

Governance
- 2021 Annual Meeting of Stockholders and Proxy Statement
- Finance, Sustainable Finance, and Company Strategy
- 2021 Form 10-K
- Other U.S. Securities and Exchange Commission Filings

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

WORKPLACE AND COMMUNITY

Life at NRG
- Diversity, equity, and inclusion
- NRG Statement on Addressing Racial Injustice

OPERATIONS

- The path to one and a half Deepening our decarbonization commitment
- Nuclear Oversight Committee
- Environmental Policy Statement
- Climate Change Principles
- Coal Combustion Residuals Rule Compliance Data and Information

SUPPLIERS

- CEO Commitment Letter on Supplier Diversity
- Suppliers Overview and Working with NRG
- NRG Manufacturers Standards Policy
- CEO Commitment Letter on Supplier Diversity
- 2021 Equal Employment Opportunity Report (EEO-1)

Social impact
- Pillars of positiveNRG
- Choice and education
- Community
- Resilience and sustainability
- Well-being
- Employee goodwill programs
- positiveNRG Year in Review 2020
- positiveNRG Week 2021
- For fourteen years, NRG employees have come together during our annual positiveNRG Week to volunteer and support nonprofits throughout the U.S. and Canada.
- 2021 Earth Day Reflections
- 2021 Conflict Minerals Disclosure

FURTHER READING