

# ESG Governance at NRG

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NRG is committed to maintaining the highest standards of corporate governance and has taken a proactive approach in applying leading governance principles and practices. These include:

- Executive and director stock ownership guidelines to align interests with our stockholders;
- Ongoing succession planning for the CEO and other senior management;
- Annual performance evaluations of the Board and each of its standing Committees, as well as periodic peer review for individual directors;
- Director orientation and continuing education program, including Company site visits and information sessions with Company management;
- Access to and engagement of outside advisors and consultants to assist the Board and the Committees in the performance of their duties, as appropriate; and
- Active engagement with our stockholders regarding governance practices and other matters

NRG's Code of Conduct, **Powering our Values: A Field Guide**, defines each of our five Power Values – Safety and Well-being; Customer Focus; Collaboration; Accountability; and Diversity, Equity, and Inclusion. These values unite us and serve as the foundation for ethical and responsible behavior toward each other, our business partners, and the communities where we live and serve. The Code of Conduct is a field guide for the NRG journey, translating our values into the standards of behavior we expect from one another. It also provides guidance on solving problems, finding answers, and communicating concerns. In addition to all of NRG's employees and directors, it covers our contractors, consultants, and agents. We also expect all of the companies with which we do business to share, respect, and act consistently with our Code.

The NRG Board of Directors continually evaluates the need for Board refreshment and has been focused on identifying individuals whose skills and experiences will enable them to make meaningful contributions to the business in light of our company's evolving strategy and direction.

The Board also aims to strike a balance between the knowledge and understanding of the business that comes from longer-term service to the organization with the ideas and perspectives that can come from adding new members. Our director nominees have a diversity of tenure, age, gender, and ethnicity, which provides our Board with a

complementary mix of experience and perspective. In addition, ten of our eleven directors are independent. The skills matrix of specific qualifications that the Governance and Nominating Committee and the Board believe should be represented on the Board includes:

- **Environmental/Sustainability:** Understands and assesses the impact and influence of environmental/sustainable issues on the company's business strategy. Currently, five of our eleven directors (45%) meet this qualification through previous experience.
- **Diversity:** The Board is committed to maintaining a diverse and inclusive Board. Of our eleven directors, seven (64%) are diverse, including four women directors (36%) and three male directors with ethnically diverse backgrounds (27%). Our Corporate Governance Guidelines specify that the Governance and Nominating Committee must seek to maintain occupational and personal diversity of the Board. To enhance customer-centricity, a new Board member was added this year bringing considerable consumer/marketing expertise to the group. In its recruitment process, the Governance and Nominating Committee and the Board seek to reflect gender and racial/ ethnic diversity in the pool of director candidates. Diversity spans not only race and gender, but also diversity of viewpoints and tenure. The differences in experience and expertise allow the Board to hear various perspectives from its members, leading to better outcomes and a more robust decision-making process.

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