



NRG Energy Becomes First North American Company to Issue Sustainability-Linked Bond

December 9, 2020

--Proceeds to be Used for Direct Energy Acquisition and to Support the Advancement of the Company's Customer-Centric Strategy--

PRINCETON, N.J.--(BUSINESS WIRE)--Dec. 9, 2020-- NRG Energy Inc. (NYSE:NRG) has completed the issuance of \$900 million in senior secured first lien notes in a landmark issuance, with NRG pioneering the first Sustainability-Linked Bond (SLB) in North America, and the first issued by any energy company outside of Europe. In concert with the Direct Energy acquisition, the SLB will support the Company's efforts to pursue growth, achieve its climate transition strategy, and bring increasing value to its stakeholders.

This press release features multimedia. View the full release here: <https://www.businesswire.com/news/home/20201209005550/en/>

As a complement to the sustainability-linked pricing metric added to the Company's corporate credit agreement in 2019, the Company's issuance of the SLB aligns NRG's business and financing with company commitments and values by creating a direct link between climate and funding strategies. The SLB links attractive financing to the realization of the Company's previously announced goals to achieve a 50% reduction of absolute greenhouse gas (GHG) emissions by 2025, and reach net-zero GHG emissions by 2050, from the current 2014 baseline.

"For over a decade, we have considered our comprehensive sustainability framework foundational to our company strategy," said Jeanne-Mey Sun, Vice President, Sustainability, NRG Energy, "We have a legacy of leading our sector in sustainability, transparency and disclosure, and the issuance of this Sustainability-Linked Bond is another example of our dedication to lead in the energy transition."

"We're proud to lead the way with this innovative Sustainability Linked Bond, which ties our financing to the achievement of our sustainability objectives," said Gaetan Frotte, Senior Vice President and Treasurer, NRG Energy, "We are pleased by the overwhelmingly positive response to this offering, demonstrating the depth of interest for this type of instrument in the market."

The Company's SLB will be measured in accordance with one key performance indicator (KPI) and an associated Sustainability Performance Target (SPT), which support United Nations Sustainable Development Goals (SDG) 7 – Affordable and Clean Energy and 13 – Climate Action. The SPT set by NRG is absolute GHG emissions of 31.7 million metric tons of carbon dioxide equivalent by the end of 2025.

Reaching this goal is equivalent to removing over 6.8 million passenger vehicles from the road for a year. Measurement of the KPI will cover emissions from the production of wholesale electric power at facilities owned or controlled by the Company (Scope 1), emissions generated from the electricity purchased and consumed by the Company (Scope 2), and emissions encompassed by employee business travel (Scope 3).

Further, NRG has obtained a separate second-party opinion (SPO) from Vigeo Eiris on the robustness and relevance of the KPI and SPT. Vigeo Eiris is a global leader in environmental, social, and governance (ESG) assessments, data, research, benchmarks and analytics, and is a Climate Bonds Initiative Verified Provider of Second Party Opinions.

NRG was also advised by Natixis, which acted as sole sustainability-linked bond structurer and coordinator. Natixis is a leader in providing innovative financial products and solutions to support companies' transitions to a more sustainable business model, providing invaluable expertise and guidance as an active structurer and coordinator.

The Company's GHG emissions will continue to be reported on an annual basis through NRG's Sustainability Report and in a separate third-party assurance report from its auditor.

For full details see investors.nrg.com/fixed-income.

Forward-Looking Statements

This news release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are subject to certain risks, uncertainties and assumptions and typically can be identified by the use of words such as "expect," "estimate," "should," "anticipate," "forecast," "plan," "guidance," "outlook," "believe" and similar terms. Although NRG believes that the expectations are reasonable, it can give no assurance that these expectations will prove to be correct, and actual results may vary materially.

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 news release 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 SEC at www.sec.gov.

About NRG

At NRG, we're bringing the power of energy to people and organizations by putting customers at the center of everything we do. We generate electricity and provide energy solutions and natural gas to more than 3.7 million residential, small business, and commercial and industrial customers through our diverse portfolio of retail brands. A Fortune 500 company, operating in the United States and Canada, NRG delivers innovative solutions while advocating for competitive energy markets and customer choice, and by working towards a sustainable energy future. More information is available at www.nrg.com. Connect with NRG on Facebook, LinkedIn and follow us on Twitter @nrgenergy, @nrginsight.

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