

# STEWARDSHIP

*through Values*

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2017 CORPORATE RESPONSIBILITY REPORT



We will invest our capital to support safety, growth, reliability, grid hardening and infrastructure replacement, as well as to meet regulatory requirements.



Approximately  
**\$8.3 billion**  
2018-22 capital  
spending plan

**\$6.5 million**  
in contributions  
to nonprofits

Approximately  
**7,000**  
trees planted  
and distributed  
through our  
Right Tree Right  
Place program

Nearly  
**8,000**  
dedicated  
employees

In the communities where we live and work, we focus our time and energy on our three strategic giving pillars: education, community development, and health and human services.





Our residential customers ranked us highest in customer satisfaction among large natural gas utilities in the South region in the annual study by J.D. Power and Associates.

**1.3 million**  
power restorations  
during Hurricane  
Harvey

Added  
**70,000+**  
metered  
customers

**1 million**  
customers enrolled  
in Power Alert  
Service

**146,000**  
hours volunteered

CenterPoint Energy strives to make a positive difference for all of our stakeholders through our values of **safety, integrity, accountability, initiative and respect.**



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# About This Report

CenterPoint Energy is pleased to report continued progress on our corporate responsibility efforts since we published our first Corporate Responsibility Report last year. Our 2017 report provides more insight into our efforts regarding corporate responsibility and stewardship.

In line with our core values of safety, integrity, accountability, initiative and respect, we strive to address issues that are important to our stakeholders in a thoughtful and transparent manner. Our stakeholder engagement overview is included on page 37 of this report.

Because we recognize that corporate responsibility is a critical aspect of our performance, CenterPoint Energy's approach continues to evolve.

A work group composed of employees from CenterPoint Energy's businesses and functions provided data for this report based on the company's material issues, as well as the programs and initiatives that address them. Our material topics include governance, ethics and compliance, environmental impacts and GHG emissions, energy efficiency, biodiversity, community relations and economic development, customers, employees and safety.

CenterPoint Energy's 2017 report follows the Global Reporting Initiative (GRI) standards, the leading framework used by organizations to disclose economic, environmental and social performance. This report has been prepared in accordance with the GRI Standards: Core option.

The information presented in our report is intended to provide an overview of CenterPoint Energy's corporate responsibility efforts and is not meant to be inclusive of all the company's activities. For CenterPoint Energy's GRI Index, Annual Report, Form 10-K and other filings and presentations, please visit the [Investors](#) section of [CenterPointEnergy.com](#).



# Letter to Stakeholders

Dear Stakeholder,

Over our long history, CenterPoint Energy has evolved into a leader in the energy industry, and we are well-positioned to enhance that role in the future. We are charting a dynamic, innovative course for what an energy delivery company can be in the 21st century. Corporate responsibility and stewardship will continue to shape our priorities as we move forward.

Our company's values of safety, integrity, accountability, initiative and respect serve as the foundation that drives our actions, including stewardship. This translates into a workforce that has a deep sense of duty to our stakeholders. While our focus is on safe and reliable delivery of electricity and natural gas, we actively engage in improving lives and addressing the needs in our communities.

We recognize that key environmental, social and governance (ESG)-related issues are integral to our performance. To that end, we have expanded our reporting to align with the Global Reporting Initiative (GRI) framework. GRI is the leading set of standards used by organizations to disclose ESG performance. In addition to greater insight into CenterPoint Energy's policies and programs, this report highlights our approach on environmental stewardship, enriching our communities and providing a safe, inclusive workplace.

In 2017, CenterPoint Energy delivered strong financial and operational results, while further positioning our company for the future through strategic capital investments. Through robust oversight, guidance and direction from our board of directors, our Operate, Serve, Grow strategy guides our value creation.

As always, safety is our highest priority. We are guided by our companywide approach to safety performance, *Safety Forward*, which we believe has resulted in improved safety metrics, expanded employee participation and an increased emphasis on the safety of our employees, contractors, systems and the public.

We strive for strong stewardship of the environment with a continued focus on reducing greenhouse gas emissions from our operations, including our participation as a founding partner in the U.S. Environmental Protection Agency's Natural Gas Methane Challenge Program.

Our nearly 8,000 employees live our values every day. We are committed to creating a safe and open work environment where business results are achieved through the talents of our diverse workforce.

2017 was another outstanding year for our community involvement. We advanced our community engagement in the areas of education, community development, and health and human services. Six out of every 10 CenterPoint Energy employees volunteered their time last year for a total of more than 146,000 hours.

Thank you for your interest in CenterPoint Energy's corporate responsibility efforts. We look forward to continuing our conversations with communities, customers, employees, investors and other stakeholders on ESG topics that are important to all of us.



**Scott M. Prochazka**  
President & CEO



# About CenterPoint Energy

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## Our Business



### Our Vision

## To Lead the Nation in Delivering Energy, Service and Value

CenterPoint Energy (NYSE: CNP), headquartered in Houston, Texas, is a domestic energy delivery company that includes electric transmission and distribution, natural gas distribution and energy services operations. The company serves 5.9 million metered customers, primarily in Arkansas, Louisiana, Minnesota, Mississippi, Oklahoma and Texas. With nearly 8,000 employees, CenterPoint Energy and its predecessor companies have been in business for more than 150 years.

Our electric transmission and distribution business provides electricity to more than 2.4 million metered customers in a 5,000-square-mile area that includes Houston, the nation's fourth-largest city. Our natural gas distribution business serves approximately 3.5 million customers in Arkansas, Louisiana, Minnesota, Mississippi, Oklahoma and Texas.

CenterPoint Energy Services (CES), our competitive natural gas sales and services business, serves 100,000 customers across 33 states. CES continues to add to its supply portfolio with renewable natural gas (RNG/biogas) and is committed to reducing greenhouse gases through the efficient use of biogas as a transportation fuel in compressed natural gas (CNG) and liquefied natural gas (LNG) vehicles. CES has also worked with landfills and continues to pursue other strategic partnerships with producers, both within and beyond its existing industrial and municipal customer base, for acquiring biogas production for use as transportation fuels.



### Our Strategy

We believe that CenterPoint Energy's success is driven by the disciplined execution of its long-term Operate, Serve, Grow strategy. At the same time, we are committed to fostering strong relationships with our customers and communities. We remain focused on our innovative, customer-focused energy delivery solutions that provide superior performance.

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#### Operate

- Ensure safe, reliable, efficient and environmentally responsible energy delivery businesses.
- Utilize new and innovative technology to enhance safety and performance.

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#### Serve

- Add value to energy delivery through superior customer service, technology and innovation.
- Demonstrate leadership in the communities we serve.

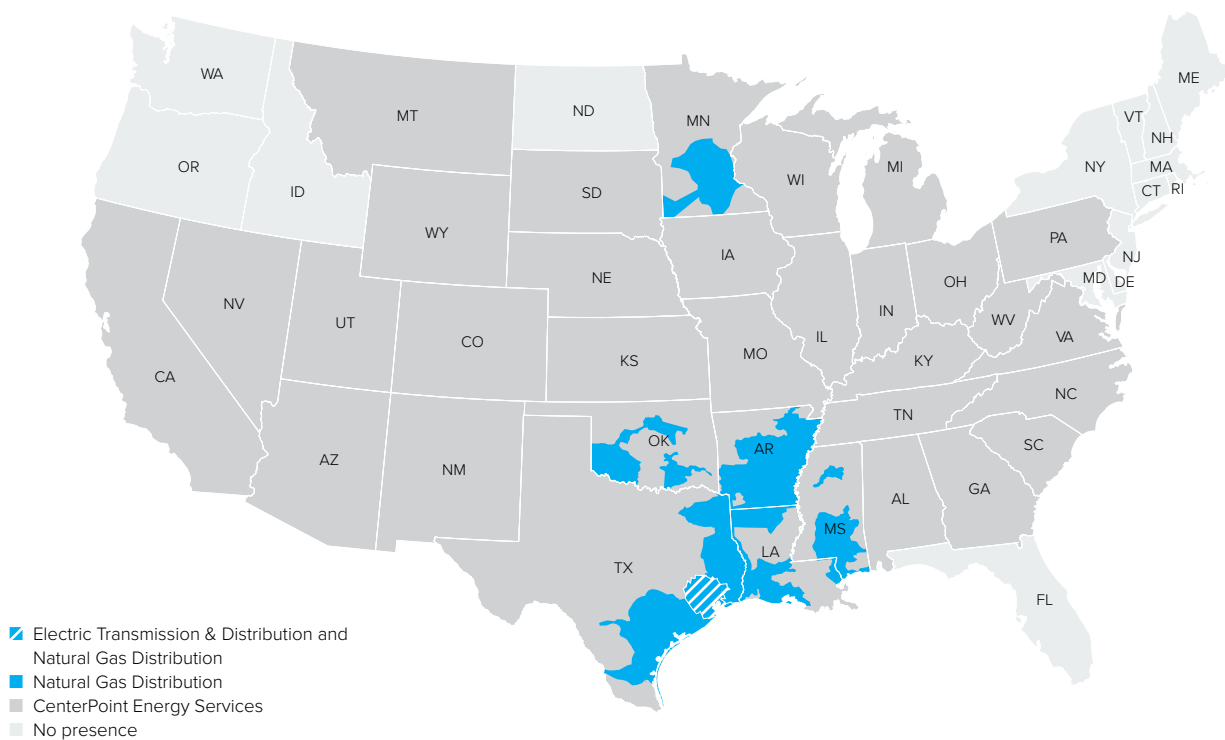
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#### Grow

- Develop a diverse and highly capable employee base.
- Invest in core energy delivery businesses.

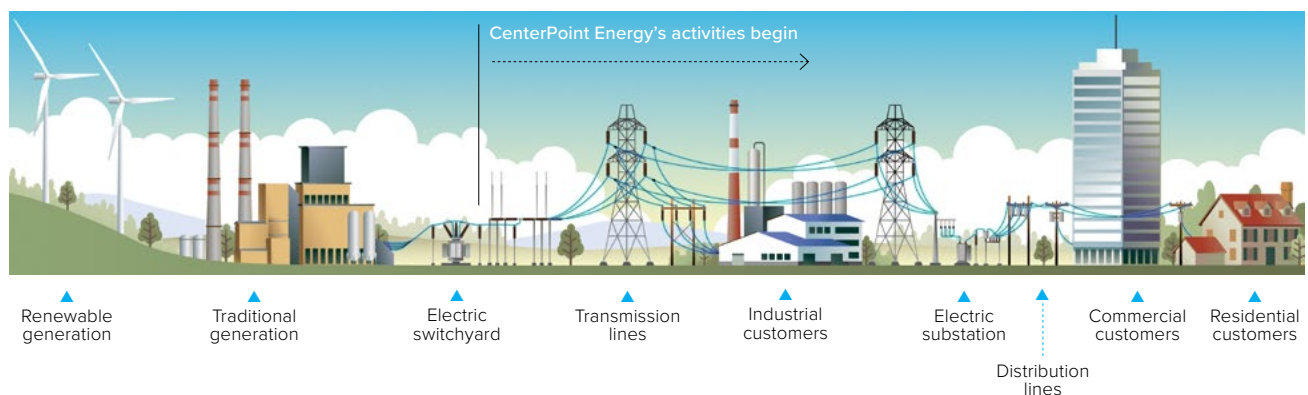
## About CenterPoint Energy

## Operations Map



## Business Activities

CenterPoint Energy's electric transmission and distribution business begins after electricity is generated and received from other companies. Our activities end at the meter. As an energy delivery company, CenterPoint Energy does not sell electricity or send electric bills.



## 2017 Results

Throughout 2017, CenterPoint Energy continued to successfully deliver on our Operate, Serve, Grow strategy, resulting in another excellent year for our company. Our disciplined performance and strategic focus contributed to our strong year-end financial results and operational excellence across our businesses.

Our electric transmission and distribution business, which serves more than 2.4 million metered customers in nearly all of the Houston/Galveston metropolitan area, benefited from growth and rate relief. Throughout the year, the business advanced its electric projects and infrastructure improvements, with a focus on recovery and resiliency.

Our natural gas distribution business also had a strong year. We continued to benefit from customer growth in our Texas footprint and in Minneapolis, as well as rate recovery mechanisms across most of our service territory. The business serves approximately 3.5 million residential, commercial and industrial customers via more than 120,000 miles of main and service lines.

In all, our electric and natural gas utilities added more than 70,000 metered customers during the year.

CES, our competitive natural gas marketing and sales business, provides a wide range of energy services to more than 100,000 customers across 33 states. The business continues to be a steady contributor to earnings growth. In 2017, *Natural Gas Intelligence* ranked CES among the top 10 North American natural gas marketers.

The Tax Cuts and Jobs Act contains several changes that will impact CenterPoint Energy, including the reduction of the corporate income tax rate from 35 to 21 percent, which became effective Jan. 1, 2018. We anticipate that a significant portion of these tax savings will be returned to customers with the approval of our regulators.

**\$1.1 billion**

Operating income

**19.59 percent**

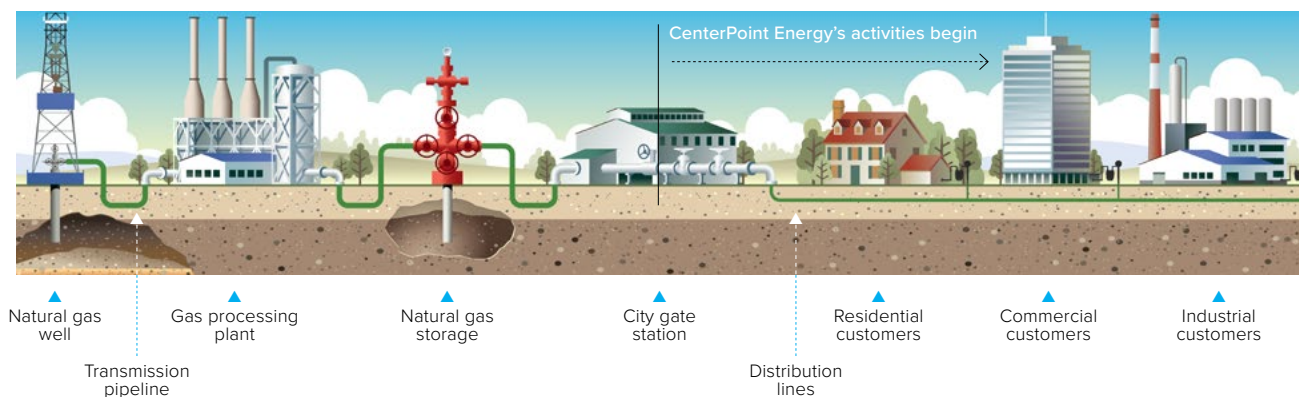
Total shareholder return

**70,000+**

Metered customers added

GRI 102-45

CenterPoint Energy's natural gas distribution and services and sales businesses begin after other companies extract and process the natural gas.





## About CenterPoint Energy

### MAJOR PROJECTS

#### Brazos Valley Connection

The Brazos Valley Connection is a 60-mile, 345-kilovolt (kV) electric transmission line in Texas that runs from Grimes County to Harris County. The project will help meet growing demand and reliability needs.

It is expected to go into service early in the second quarter of 2018 – ahead of the original June 2018 energization date – and under budget.

#### Bailey-Jones Creek Project

In late 2017, the Electric Reliability Council of Texas (ERCOT) endorsed the need for the Bailey-Jones Creek project. Totalling approximately \$250 million, the project will include enhancements to two substations and a new transmission line to serve the growing petrochemical industry along the Texas Gulf Coast. We expect that the Public Utility Commission of Texas will provide a decision in 2019 regarding the design and route of the project.

#### Substation Engineering

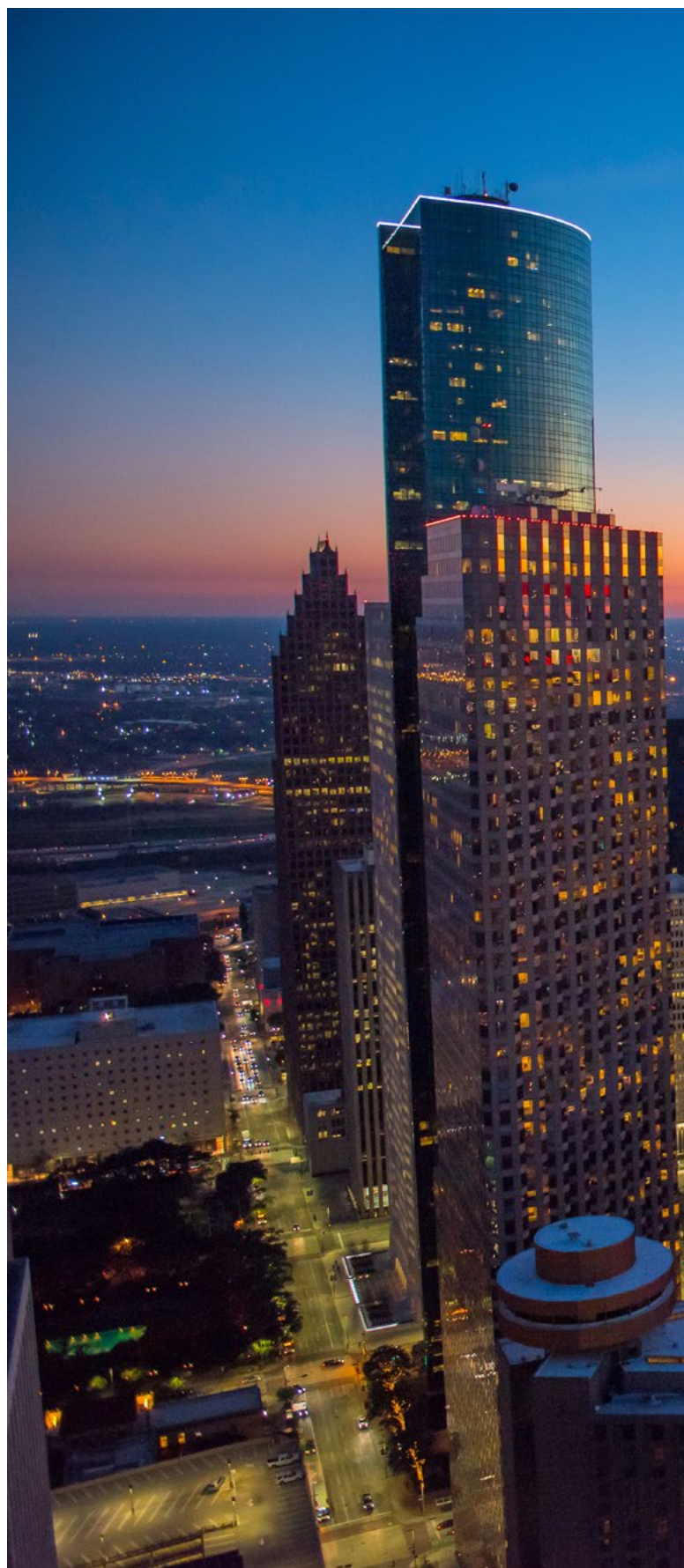
CenterPoint Energy's substation capital investments continue to increase as our load and customer base grows. Substation engineering continues to increase efficiency associated with project execution, using design and process revisions. In response to continued load growth along the Gulf Coast region, CenterPoint Energy invested approximately \$66 million to construct the Jones Creek Substation. Energized in May 2017, the substation is providing energy for the growing load in the Freeport, Texas, area.

#### Pipe Replacement

CenterPoint Energy has been investing in cast-iron and bare steel pipeline replacement programs across our service territory. We expect to replace the cast-iron natural gas pipelines across our six-state territory in 2018. The programs further enhance the efficiency and safety of our distribution system.

### LOOKING AHEAD

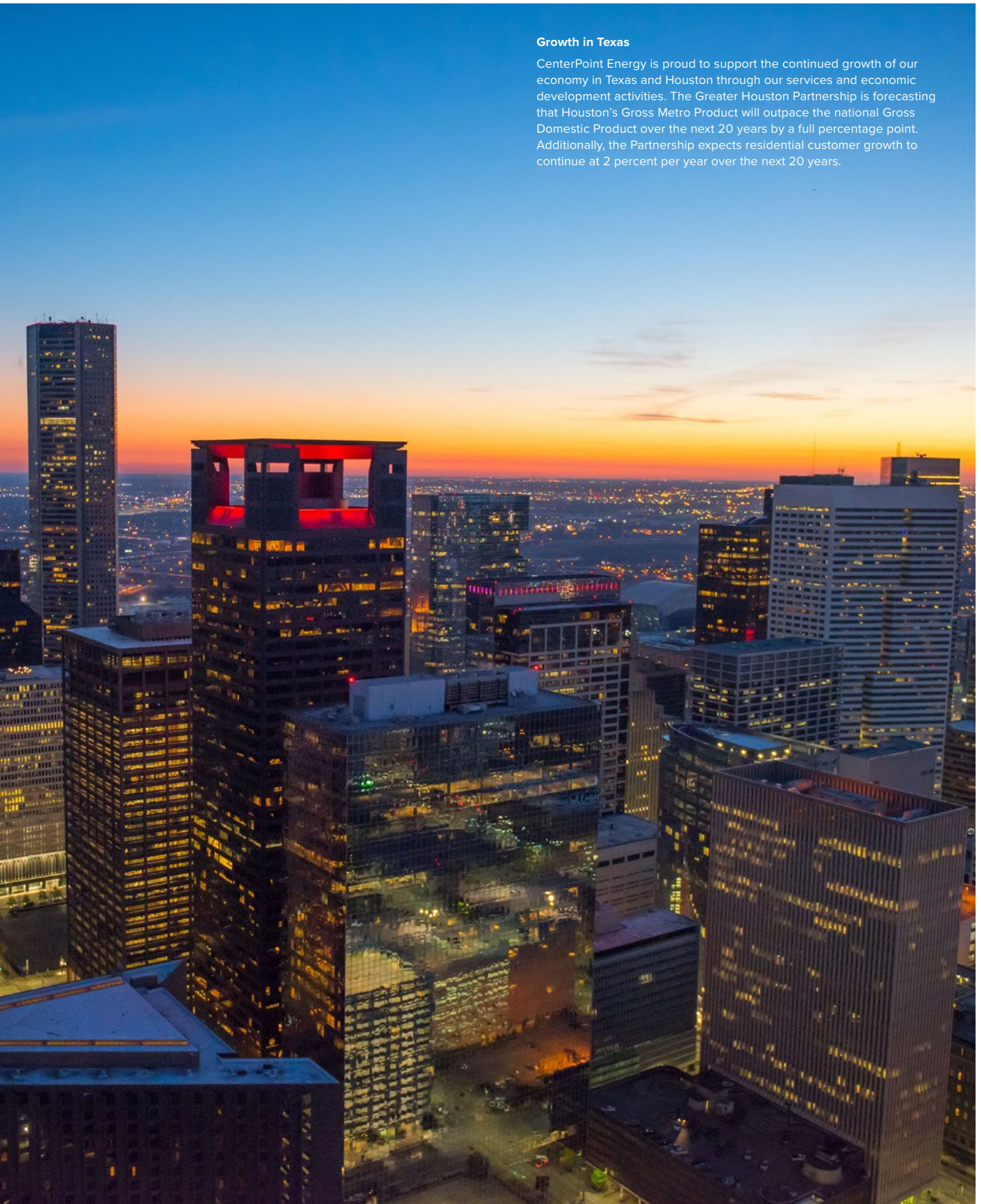
Customer growth and prudent investments will continue to drive CenterPoint Energy's performance. Over the next five years, we expect to make capital investments totaling approximately \$8.3 billion. These investments will support maintaining reliability and safety, increasing resiliency and expanding our systems through value-added projects and infrastructure programs. We will continue to seek ways to manage costs and improve system operations in order to maintain our profitability and maximize shareholder value.





### Growth in Texas

CenterPoint Energy is proud to support the continued growth of our economy in Texas and Houston through our services and economic development activities. The Greater Houston Partnership is forecasting that Houston's Gross Metro Product will outpace the national Gross Domestic Product over the next 20 years by a full percentage point. Additionally, the Partnership expects residential customer growth to continue at 2 percent per year over the next 20 years.



Texas Diversity  
Council's  
**"Top 25"  
Company**

Helpline  
available  
**24 hours  
a day**

**28**  
Ethics and  
Compliance  
roundtable  
discussions  
held

2020 Women  
on Boards  
**Winning  
Company**

Proud supporters  
of the American  
Gas Association's  
(AGA) "Your  
Energy" campaign

Second annual  
Ethics in  
Action video  
contest held

"Diversity at CenterPoint  
Energy is an important part  
of our vision to lead the  
nation in delivering energy,  
service and value. It enriches  
our work environment and  
provides social and economic  
benefits to the communities  
we serve."

**SCOTT M. PROCHAZKA**  
President & CEO

As an AGA member  
company, CenterPoint  
Energy is actively working  
to share information about  
the benefits of natural gas.

CenterPoint Energy has  
defined three key elements  
of diversity: workplace  
diversity and inclusion;  
community relations; and  
supplier diversity.





# Governance

## Approach

### Our Approach

Ethical conduct and good corporate governance are priorities for our company, leadership and board of directors. We believe that good corporate governance, as well as a strong ethics and compliance program, are in the best interests of our stakeholders and critical to our long-term success. To that end, we have implemented corporate governance and business conduct policies and procedures designed to help us operate effectively with accountability, integrity and transparency.

### 2017 Highlights

- CenterPoint Energy was recognized by the Texas Diversity Council as a “Top 25 Company for Diversity in Texas” for one of the highest percentages of women and minorities in executive leadership and on our board of directors. Awards were determined based on the results from a workforce diversity and corporate governance study conducted with 100 Texas *Fortune* 1000 corporations.
- CenterPoint Energy has been designated as a 2020 Women on Boards Winning Company. Winning companies champion diversity by having 20 percent or more of their board seats held by women.

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Living Our Values

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## Risk Management

At CenterPoint Energy, management is responsible for developing and implementing risk management with active oversight by the board of directors. To safely and responsibly deliver energy, service and value to our customers and communities, CenterPoint Energy makes significant effort to prepare for and mitigate risks and uncertainties associated with our industry. Our risk management approach is based on consensus, expertise and collaboration with all of the business units involved in the process. We strive for transparency and accountability.

For Enterprise Risk Management, CenterPoint Energy utilizes the established, corporate-adopted model from the nationally recognized Committee of Sponsoring Organizations (COSO) of the Treadway Commission. Using this framework, the company identifies risks associated with the corporation and business units, major projects and department functions.

Our company and its businesses are subject to risks and uncertainties. CenterPoint Energy utilizes a dynamic risk management process with frequent assessments. We also assign risk and risk mitigation ownership to drive accountability and maintain risk transparency.

CenterPoint Energy’s Form 10-K, which is available in the Investors section of CenterPointEnergy.com, provides information about the company’s risk factors.

### Affordable Natural Gas. Fueling American Families.



### Feature: Supporting Industry Dialogue

“Your Energy” is the American Gas Association’s (AGA) consumer advocacy and education campaign. The campaign is focused on raising awareness and support for natural gas. As an AGA member company, CenterPoint Energy is actively working to share the benefits of natural gas. “Your Energy” aims to identify advocates and champions for natural gas and the critical role it plays in meeting America’s energy needs. CenterPoint Energy employees are lending their voices to the conversation. In addition, information about natural gas is available at our community and industry events, as well as through our customer communications and social media channels.

## Governance

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# Ethics and Compliance: Living Our Values

CenterPoint Energy is committed to doing business in line with our core values.

- We put **safety** first in everything we do. We strive to create a culture of safety excellence at every level of our company. We are committed to performing our work safely.
- **Integrity** means doing what is right, even when no one is looking. We are committed to following our company's policies, procedures and the law. CenterPoint Energy's reputation and our customers' trust depend on our integrity.
- **Accountability** means that we accept personal responsibility for our actions and decisions.
- **Initiative** means we're prepared to speak up, take bold and innovative action and address opportunities and problems as soon as they arise.
- We show **respect** to our customers, our stakeholders and one another by giving our best effort – every day. We conduct ourselves in a way that shows we are deserving of trust.

Our [Ethics and Compliance Code](#) builds on our strong tradition of doing business the right way, without exception. The code explains many of the basic rules that apply to our business, including: having a values-driven culture; being accountable for our actions; protecting company assets and information; avoiding conflicts of interest; treating customers and competitors with respect; creating a workplace that values employee contributions; complying with company policies; providing a safe and healthy work environment; being responsible corporate citizens; and leading with integrity.

In addition, we have specific expectations for our chief executive officer, chief financial officer and senior financial officers, as well as our consultants, contractors, suppliers and vendors. They are outlined in CenterPoint Energy's respective [codes of conduct](#) for these stakeholders and available on the company's website.

## DIVERSITY

### Our Approach

At CenterPoint Energy, individuals are respected for their contributions to our company. Diversity enriches our company and work environment, and provides social and economic benefits to the communities we serve.

CenterPoint Energy has defined three key elements of diversity: workplace diversity and inclusion; community relations; and supplier diversity.

- We believe it is vital to have a workforce that reflects the diversity of our customers and the communities we serve. Our commitment to diversity extends beyond employment practices; it is also reflected in our company's long history of community involvement.
- For more than 100 years, CenterPoint Energy has supported educational initiatives, community redevelopment and other programs through financial support and employee volunteerism.
- CenterPoint Energy is proud to be a part of the success of many Minority-owned and Women-owned Business Enterprises (MWBs). We support these companies by providing business opportunities, as well as mentoring and training for future leaders. Our supplier diversity program builds partnerships that deliver value to our stakeholders.



From left:

Milton Carroll, Executive Chairman of the Board  
and Scott M. Prochazka, President & CEO



concerns  
Helpline  
888.888.3155



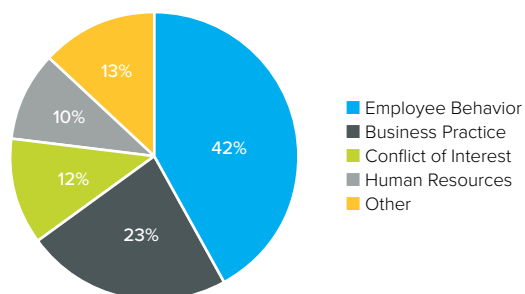
See pages 44 and 49 for additional details about our company's commitment to diversity.

### Reporting or Raising Concerns

We encourage a culture of speaking up. If an employee does not feel comfortable or if it is impractical to talk with a supervisor, help can be sought from any member of management, Human Resources, Audit Services, Legal, Corporate Security or Ethics and Compliance. Our Concerns Helpline also plays an important role in safeguarding our strong ethics and compliance culture. Employees, customers, contractors and vendors can reach the Helpline at 888-888-3155 or online at [reportlineweb.com/CenterPointEnergy](http://reportlineweb.com/CenterPointEnergy). Available 24 hours a day, seven days a week, the Helpline supports multiple languages and allows individuals to remain anonymous. CenterPoint Energy does not tolerate retaliation and will take action to protect employees from retaliation.

We received 168 concerns in 2017, compared with 182 reports in 2016 and 95 in 2015. The percentage of anonymous reports was 49 percent in 2017, compared with 39 percent in 2016 and 50 percent in 2015. Our latest employee engagement survey showed 98 percent of employees understand their responsibility to report any potential violations, and 89 percent said they would feel comfortable reporting unethical or illegal behavior.

**2017 Helpline Cases by Category**  
percent



### Training and Awareness

All CenterPoint Energy employees are required to complete annual compliance training. All active employees and the board of directors received training on our ethics and compliance code in 2017. In addition, employees completed training on safety, insider trading, data privacy and security awareness. New employees and managers receive additional training to further reinforce the company's values. All leaders receive monthly newsletters reinforcing ethical topics and maintaining awareness of our ethics and compliance program and principles. In addition to regularly scheduled training, we communicate with our employees on new, emerging or topical issues as they arise in other companies or industries.

### 2017 Highlights

- In the fall of 2017, an anonymous Ethics and Compliance Culture Survey was provided to all employees to assess how CenterPoint Energy is doing as an organization. All questions are on a seven-point scale with seven being the highest ethical value.

### 2017 Ethics and Compliance Culture Survey Results

	2017	2016 Benchmark
Comfort Speaking Up	5.82	5.82
Organizational Justice	5.67	5.71
Tone at the Top	5.60	5.54
Trust in Colleagues	5.26	5.28
Direct Manager Leadership	5.90	5.95
Clarity of Expectations	6.18	6.12
Openness of Communications	5.49	5.43

- The Ethics and Compliance department held 28 roundtable discussions reaching 6 percent of our total employee population in different businesses, functions and locations. Of these employees, 94 percent said they understood how to report an unethical issue or a violation of a policy or law. This level of response was consistent with our last employee engagement survey. Ninety-four percent of employees said they understood compliance policies and how they apply them to their jobs.
- A second annual voluntary Ethics in Action employee-driven video contest was conducted to raise positive awareness about our values.

## Governance

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## Leadership



CenterPoint Energy's board of directors serves as the company's ultimate decision-making body, except with respect to those matters reserved to the shareholders or delegated to management. The board is responsible for overseeing executive management, long-term business strategy and performance, succession planning and risk management. Through oversight, review and counsel, CenterPoint Energy's board establishes and supports the company's business and organizational objectives.

As of Dec. 31, 2017, CenterPoint Energy's board was composed of 10 members, representing a broad range of business experience and professional skills. The company's board is chaired by Milton Carroll. Our President and Chief Executive Officer Scott M. Prochazka serves as a member of our board, but does not serve on any of its committees or receive additional compensation for his service as a director. With the exception of Milton Carroll and Scott M. Prochazka, all members of CenterPoint Energy's board are independent, according to the standards established by the New York Stock Exchange. We seek diversity on our board, which includes four women or minorities.

As of Dec. 31, 2017, the average director's tenure was approximately 8.5 years. Five of the 10 board members had tenure of less than five years; two had tenure of five to 10 years; and three had tenure exceeding 10 years.

CenterPoint Energy's board has the following four standing committees, each composed solely of independent directors: Audit; Compensation; Finance; and Governance. Each committee has duties assigned by the board in compliance with the company's bylaws and committee charters. Our board and its committees meet regularly throughout the year. The board and committees routinely meet in executive sessions without members of management present to consider matters requiring their attention.

### Percentage of women or minorities

**40 percent**

Board of Directors

**40 percent**

Executive Committee

### CenterPoint Energy's 2017 Board of Directors

- Milton Carroll
- Michael P. Johnson
- Janiece M. Longoria
- Scott J. McLean
- Theodore F. Pound
- Scott M. Prochazka
- Susan O. Rheney
- Phillip R. Smith
- John W. Somerhalder II
- Peter S. Wareing

### CenterPoint Energy's Leadership Team

#### Executive Committee

- Scott M. Prochazka, President and Chief Executive Officer
- William D. Rogers, Executive Vice President and Chief Financial Officer
- Tracy Bridge, Executive Vice President and President, Electric Division
- Dana C. O'Brien, Senior Vice President and General Counsel
- Sue Ortenstone, Senior Vice President and Chief Human Resources Officer

#### Other Leadership

- Kristie Colvin, Senior Vice President and Chief Accounting Officer
- Scott E. Doyle, Senior Vice President, Natural Gas Distribution
- Gary W. Hayes, Senior Vice President and Chief Information Officer
- Gregory (Gregg) Knight, Senior Vice President and Chief Customer Officer
- Kenneth M. Mercado, Senior Vice President, Electric Operations
- Joseph J. Vortherms, Senior Vice President, Energy Services
- Richard A. (Rick) Zapalac, Senior Vice President, Gas Operations

To learn more about the board of directors and leadership team, including individual biographies, please visit the Corporate Governance section of [CenterPointEnergy.com](http://CenterPointEnergy.com).

### Shareholder Engagement

We value the trust that our shareholders place in us as stewards of their investments. We are committed to achieving our vision of leading the nation in delivering energy, service and value. CenterPoint Energy regularly communicates with our shareholders on a variety of business, financial and governance topics through quarterly earnings conference calls and news releases, one-on-one investor meetings and conference calls, industry conferences, public disclosures and our annual meeting of shareholders. Our direct engagement with shareholders provides an effective forum to address issues and share relevant information and viewpoints. Our events and presentations are available in the Investors section of [CenterPointEnergy.com](http://CenterPointEnergy.com).

### 2017 Annual Meeting Proxy Vote Summary

	Percent Voted For
Election of Directors (average) <sup>1</sup>	99%
Ratification of Appointment of Independent Auditors <sup>1</sup>	98%
Advisory Vote on Executive Compensation <sup>1</sup>	94%
Advisory Vote on Frequency of Future Shareholder Advisory Votes on Executive Compensation (every year) <sup>2</sup>	87%

<sup>1</sup> Defined as For/(For + Against), expressed as a percentage.

Abstentions and broker non-votes are not included in the calculation.

<sup>2</sup> Defined as votes cast in favor of frequency/(number of votes cast in favor of One Year + Two Years + Three Years), expressed as a percentage. Options to vote every two years and every three years received 0.5 percent and 12.7 percent of the vote, respectively. Abstentions and broker non-votes are not included in the calculation.

## Governance

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# Political Engagement

Because local, state and federal elected officials and regulators have a significant impact on our business and industry, CenterPoint Energy believes participation in the public policy process is essential to achieving our vision.

CenterPoint Energy and its employees participate in the public policy process in several ways, including:

- Outreach to government officials to help educate them on key public policy issues related to the company's business;
- Participation in CenterPoint Energy's Political Action Committees (PACs) and conduit fund; and
- Involvement in trade associations that help advance the company's business interests.

The company has decision-making and oversight processes in place to ensure that our political activities and contributions are legally permissible.

Each year, CenterPoint Energy discloses its political engagement and contributions. The Political Activities Report is available in the [Political Engagement section](#) of CenterPointEnergy.com.

### Lobbying Activity

Lobbying is one of the ways in which we communicate our positions on key issues to officials and members of their staff. Employees actively engage with public officials on issues that impact our business. The company also retains lobbyists to advocate on its behalf, as needed. It is important for CenterPoint Energy to comply with local, state and federal requirements concerning lobbying activities and related disclosures.



### Employee Involvement

To give our employees a voice in the political process, CenterPoint Energy sponsors two PACs: CenterPoint Energy Inc. PAC (federal) and CenterPoint Energy, Inc. Texas PAC. The company also sponsors the CenterPoint Energy Minnesota Conduit Fund. The PACs and fund are nonpartisan and funded by voluntary employee contributions. Through the PACs and the fund, we make political contributions when permitted by law and in accordance with established guidelines.

### Trade Associations

CenterPoint Energy is a member of several [trade associations](#) that provide business, technical and industry benefits to the company. These associations may engage in advocacy activities or lobby with respect to issues that are important to CenterPoint Energy.







## CenterPoint Energy in Action

### Case Study: Hurricane Harvey Restoration

One of the most devastating storms in U.S. history, Hurricane Harvey dropped 52 inches of rain in southeast Texas and southwest Louisiana in late August and early September 2017. More than 42,000 lightning strikes were recorded across CenterPoint Energy's electric service territory and 150 tornado warnings were issued in Houston, with more than 30 twisters touching down.

Throughout the natural disaster, CenterPoint Energy fulfilled our brand promise of being *Always There* for our customers and communities. More than 2,200 CenterPoint Energy employees, along with 1,500 contractors and mutual assistance personnel from seven states, worked safely and efficiently to execute our restoration response in partnership with local first responders and emergency organizations.

Because of CenterPoint Energy's extensive experience, comprehensive emergency response plan and innovative technology, we could quickly isolate power problems. Automation, such as intelligent grid switches, helped avoid nearly 41 million outage minutes for customers, while smart meters increased our efficiency. Fifteen drones were used to identify locations with issues and enabled us to quickly direct crews to them.

Torrential rains left multiple substations under water for days, including our Memorial substation in west Houston. To serve customers in this hard-hit area, CenterPoint Energy was able to construct the temporary Vianney Memorial mobile substation on a church parking lot in seven days.

CenterPoint Energy's natural gas operations crews responded to more than 8,200 natural gas emergency orders and assessed nearly 125,000 meters for damage due to flooding.

CenterPoint Energy communicated with customers, media and other stakeholders before, during and after the event. Before the storm, customers were given safety and readiness tips and encouraged to enroll in the company's Power Alert Service for personalized outage notifications. During the storm, we shared systemwide information and targeted communications to customers by neighborhood. Our website traffic at the height of the storm was 600 percent higher than average. We responded to more than 8,000 social media service requests and answered television and radio media inquiries from around the nation.

#### Relief Efforts

CenterPoint Energy and our employees are well-known for their community spirit, which we put into action with a \$1.25 million donation to Hurricane Harvey recovery and relief efforts. Our contributions included \$250,000 each to the American Red Cross, the City of Houston Mayor's Hurricane Harvey Relief Fund and the United Way of Greater Houston's disaster relief effort.

To support CenterPoint Energy employees who were significantly impacted by Hurricane Harvey, we donated \$300,000 and established the CenterPoint Energy Employees 1st Fund. The company also matched employees' contributions to the fund up to a total of \$200,000.

#### Hurricane Harvey Facts

# 147,612

Calls handled by  
Customer Service agents

# 337,843

Automated voice response  
system calls



**“In the midst of a natural disaster, our employees reinforced CenterPoint Energy’s reputation for coming together and working safely and efficiently. This crisis revealed the true character of many others in our communities, including law enforcement officers, firefighters and other emergency responders. The response of everyday citizens, taking it upon themselves to help those in need, was inspiring.”**

**Scott M. Prochazka**  
President & CEO



**352,629**

Power Alert Service notifications

**\$1.25 million**

Donated to relief and recovery efforts

The Edison Electric Institute (EEI) presented CenterPoint Energy with two Emergency Recovery Awards for its outstanding work assisting customers impacted by Hurricanes Harvey and a microburst in Sealy, Texas in May 2017. EEI also recognized the company with a third award for our mutual assistance in Florida following Hurricane Irma in September 2017.





All new facilities are built and operated to Leadership in Energy and Environmental Design (LEED) standards. Pictured is CenterPoint Energy's Nicollet Mall building in Minneapolis.



CenterPoint Energy participates in the Energy Power Research Institute's Energy Sustainability Interest Group, which works to advance sustainability in the electric power sector.



CenterPoint Energy joined the EPA Methane Challenge Program in 2016 and submits its reports annually.

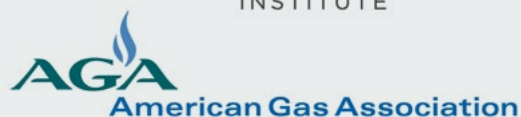
**15 million+**  
pounds of scrap  
metal recycled

More than  
**20**  
energy-efficiency  
programs

**13 years**  
as an ENERGY STAR  
Sustained Excellence  
partner

**91 percent**  
Power Alert Service  
satisfaction rate

**Less than  
0.1 percent**  
of produced natural gas is  
emitted from distribution  
systems owned and  
operated by local natural  
gas utilities\*



CenterPoint Energy, along with other AGA member companies, participated in and co-funded three methane studies within the past five years.

# Environmental

## Policy and Approach

### Environmental Policy

CenterPoint Energy is committed to ensuring safe, efficient and reliable energy delivery and providing highly valued customer service, while conducting our operations in an environmentally responsible manner. To achieve this objective, CenterPoint Energy has established the following policy:

- CenterPoint Energy management, with the support and guidance of the Environmental Services department and environmental officer, is responsible for communicating the importance of compliance with environmental laws and regulations applicable to operations in their respective areas to all employees.
- CenterPoint Energy strives to be a valued strategic partner in environmental matters and to promote environmental stewardship and effective, well-founded environmental laws and regulations.
- CenterPoint Energy strives to plan, design, build and operate our facilities in compliance with environmental laws and regulations.

Implementing this Environmental Policy as an integral part of CenterPoint Energy's corporate culture, the company will better serve its employees, customers, communities and shareholders.

### Our Approach

Environmental stewardship is an integral component of our overall corporate responsibility approach. We have a long history of conducting our businesses in a safe, environmentally responsible manner. The company is committed to compliance with all applicable environmental laws and regulations. The Environmental Services department partners with operational business units to provide environmental updates and training in a variety of ways, including targeted employee training initiatives across our footprint, meetings and computer-based project collaboration.

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In addition to compliance, actively managing short- and long-term environmental risk is a key focus and function of the Environmental Services department. This is achieved primarily through vendor audit programs, excess liability insurance and proactive involvement in the legislative and regulatory development processes, as well as collaboration with local, state and federal agencies and our communities. CenterPoint Energy's environmental policy and the Environmental Services department's mission are central to our actions at all levels. These actions are also reviewed by the company's environmental officer.

While CenterPoint Energy proactively manages its environmental risk, the company also proactively engages governmental and nongovernmental organization partners in voluntary environmental enhancement and education efforts. Our conservation initiatives include habitat restoration projects, endangered species conservation efforts and native wildlife rescue and release efforts. Our employees are active participants in local environmental events.



## Environmental: Policy and Approach

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### Environmental Services Mission

The Environmental Services department is a central resource for CenterPoint Energy's businesses. Its goal is to proactively and effectively manage and mitigate environmental risk through the following processes:

- Strategically partner with business unit leadership;
- Develop compliance strategies aligned with business unit operations and goals;
- Manage emerging environmental issues, regulations and legislation that may impact business operations;
- Develop risk mitigation strategies, as appropriate;
- Cultivate a culture of responsible environmental stewardship; and
- Engage employees and become a strategic environmental partner with communities we serve.

The Environmental Services department established and maintains a common framework of guidelines that apply to businesses operated by CenterPoint Energy. The management approach is evaluated annually and consider tools and factors, such as internal audits, changes in the regulatory and legislative landscapes, impacts to environmental indicators, changes in stakeholder priorities and related issues. Adjustments to the management approach may be made from time to time, as approved by the company's environmental officer.



## Greenhouse Gas Emissions

CenterPoint Energy has made investments and implemented controls to reduce greenhouse gas (GHG) emissions from our operations, while also deploying new technologies to increase efficiency for the company and our customers. GHG emissions are generated from the company's natural gas distribution and storage business and, to a lesser extent, from the electric transmission and distribution business and fleet operations. CenterPoint Energy does not generate electricity, nor do we own or operate natural gas production facilities. Not having electric generation or natural gas production assets reduces environmental risk and the overall level of GHG emissions relative to many industry peers.

### Our Approach

CenterPoint Energy is committed to conducting operations in an environmentally responsible manner. We are addressing GHG emissions by:

- Working to reduce our operational emissions;
- Building natural gas infrastructure that enables use of cleaner-burning natural gas;
- Helping our customers use the energy we provide efficiently; and
- Participating in external research and development programs to improve operating efficiencies.

In 2016, our Scope 1 emissions were approximately 18.4 million metric tons (mtons) of carbon dioxide equivalent (CO<sub>2</sub>e). This represents a decrease of 14.7 percent from 2014.

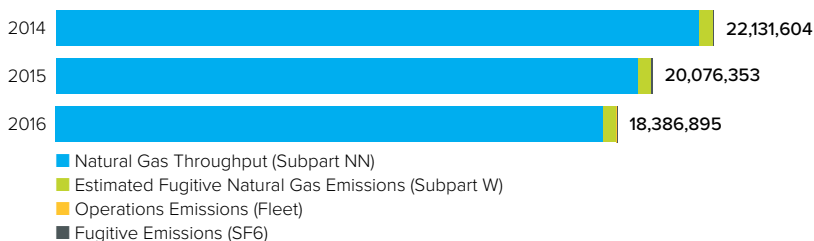
### Methane Emissions

Methane is the largest component of CenterPoint Energy's Scope 1 GHG emissions. Methane emissions have been reduced by 14.8 percent from 2014 to 2016. The reduction is primarily from investments in infrastructure and implementing operating practices that result in avoided or reduced fugitive emissions.



### Greenhouse Gas Emissions Summary

mtons CO<sub>2</sub>e



## Environmental: Greenhouse Gas Emissions

### Management of Methane Emissions: Gas Distribution

Used with permission from Richard Meyer, Director Energy Analysis and Standards, American Gas Association

The Environmental Protection Agency (EPA) made substantial updates to its estimates of methane emissions in its Inventory of U.S. Greenhouse Gases and Sinks: 1990-2015, released in 2017. The Inventory now incorporates new data available from studies on emissions, as well as its Greenhouse Gas Reporting Program.

The Inventory reveals once again that natural gas distribution systems have a small emissions footprint shaped by a declining trend. Less than 0.1 percent of produced natural gas is emitted from distribution systems owned and operated by local natural gas utilities. Annual emissions from these systems declined 75 percent from 1990 to 2015 even as natural gas utility companies added nearly 600,000 miles of pipeline to serve 19 million more customers.

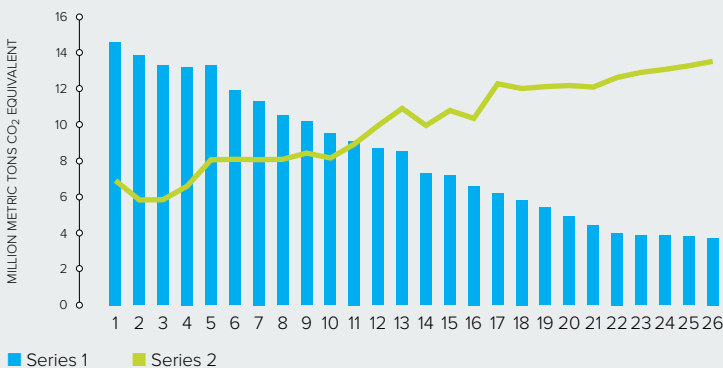
This exceptional record can be traced to safety as the top priority for gas utilities that continue to be vigilant and deeply committed to systematically upgrading infrastructure through risk-based integrity management programs. As companies and the country continue to modernize the natural gas infrastructure base and connect homes and businesses, there will be new opportunities to achieve low-cost carbon emissions reductions by leveraging this existing infrastructure and the nation's natural gas resource.

### Key Findings

- Annual methane emissions from natural gas distribution systems declined 75 percent from 1990 to 2015.
- The natural gas emissions rate of production from distribution systems is now less than 0.1 percent.
- The ratio of methane emissions per unit of natural gas produced has declined continuously during the past two and a half decades, dropping 46 percent since 1990.
- Total methane emissions from all natural gas systems have declined 16 percent from 1990 to 2015.
- Methane emissions economy-wide represent 10 percent of all greenhouse gas emissions in the United States. Along with natural gas systems, methane emission sources include enteric fermentation and manure management (livestock), landfills, coal mining petroleum systems, wastewater treatment and others.

### Pipeline Replacement Lowers Emissions

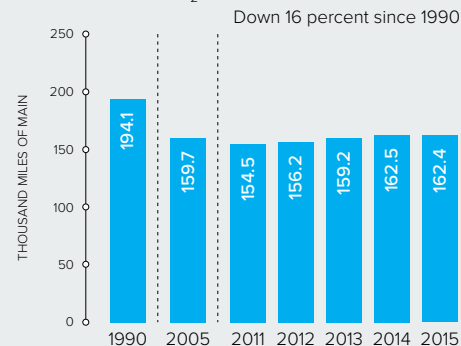
mtons CO<sub>2</sub>e



Source: AGA chart and calculations using data from EPA Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990-2014

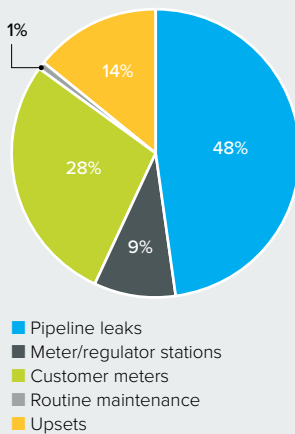
### Methane Emissions from Natural Gas Systems have Declined 16 percent from 1990 Levels

mtons CO<sub>2</sub>e



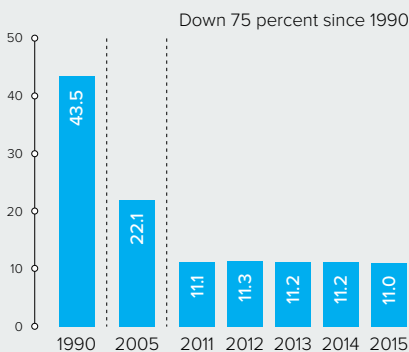
Source: EPA Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990-2015

**Sources of Distribution Systems Emissions**  
percent



Source: EPA Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990-2015

**Natural Gas Distribution Emissions**  
**Dropped 75 percent since 1990**  
mtons CO<sub>2</sub>e



Source: EPA Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990-2015

### Participation in Methane Research

- CenterPoint Energy, along with other AGA member companies, participated in and co-funded three methane studies within the past five years. The studies were conducted in conjunction with the Environmental Defense Fund and the Department of Energy, as well as with support from various universities, including Washington State University, Colorado State University and Colorado School of Mines.
- In the fall of 2017, CenterPoint Energy, along with other AGA member companies, co-funded the Gas Technology Institute's portion of a new methane study to address the large uncertainties surrounding the estimate of methane emissions from natural gas distribution systems. We believe this study will improve the characterization of the emissions from industrial meters in the natural gas distribution system, examine significant differences between vintage and new plastic pipelines, and gather data comparing pipelines with and without plastic liners.



### Pipe Replacement: EPA Natural Gas Methane Challenge Program

As part of our efforts to reduce methane emissions, the company's natural gas operations business joined the EPA Natural Gas Methane Challenge Program as a founding partner in March 2016. Partner companies have committed to replacing or rehabilitating cast-iron and unprotected steel natural gas distribution mains, as well as reducing methane emissions from natural gas pipeline blowdowns. Reducing methane emissions lowers operational risk, increases efficiency and improves air quality.

CenterPoint Energy's plan includes replacement of cast-iron and unprotected steel natural gas mains at a 5 percent annual rate, along with achieving full cast-iron replacement by year-end 2018 and unprotected steel mains replacement by year-end 2032.

Since joining the program, CenterPoint Energy has replaced more than 88.6 miles of its cast-iron natural gas pipe. We anticipate achieving full replacement by the end of 2018. In addition, we expect to replace more than 227 miles of unprotected steel main by year-end 2018. We continue to achieve our committed annual replacement rate. This program is an important component of our operational strategy, as well as our commitment to safety and reliability.

	2016	2017	2018 (planned)
Cast-iron Miles Replaced	36.4	52.2	27.2
Unprotected Steel Mains Miles Replaced	79.9	83.8	64

### Emissions Avoidance and Reduction: EPA Natural Gas STAR Program

The EPA Natural Gas STAR Program provides a framework for partner companies with U.S. oil and natural gas operations to implement methane-reducing technologies and practices, as well as to document their voluntary emission reduction activities. CenterPoint Energy joined the program in 1997 and submits its reports annually.

## Environmental: Greenhouse Gas Emissions

Since joining the EPA Natural Gas STAR Program, CenterPoint Energy's natural gas operations in Minnesota have achieved cumulative methane emission reductions of more than 202,270 million cubic feet. This was accomplished through best management practices, including identifying and rehabilitating leaky distribution pipe, injecting blowdown gas into low pressure mains, and identifying and rehabilitating high-bleed pneumatic devices.

### Sulfur Hexafluoride (SF6) Emissions

Since 1999, CenterPoint Energy's electric operations business has been actively involved in SF6 emission-reduction efforts through our participation in the EPA's SF6 Emissions Reduction Partnership for Electric Power Systems. Our 2016 SF6 emission rate is 1.9 percent, which is the industry average. We have achieved this rate through effective operational controls, including the careful management, handling and recordkeeping of SF6 and SF6-containing equipment. This approach has allowed us to identify and address areas of potential SF6 loss to further reduce emission risks.

### Fleet Operations

CenterPoint Energy's fleet consists of approximately 6,000 vehicles, including small cars, light pickup trucks, service body vehicles, single- and double-bucket trucks, excavators, trailers and machinery in the specialized category. In 2014, our vehicles were equipped with telematics to reduce fuel-idle costs and to better improve route optimization. The technology has improved driving by reducing overall idling and fuel consumption across our fleet.

CenterPoint Energy has diversified our fleet by introducing both compressed natural gas hybrid vehicles and dedicated plug-in electric vehicles. We have also purchased several aerial units that manage engine runtime. The unit, known as JEMS (Jobsite Energy Management System), is paired with an idle mitigation system that operates solely on battery power while the vehicle's main engine is shut down.

We continue to seek new and innovative solutions to lower our fuel consumption, which in turn benefit the environment through a reduced carbon footprint.

## HELPING CUSTOMERS REDUCE CARBON EMISSIONS

### CES and 'Green Gas'

Thanks to innovative technology and a strong customer focus, CES is using a product from landfills to serve customers and benefit the environment. As part of its natural gas sales and supply strategy, CES purchases "green gas," also known as Renewable Natural Gas (RNG), from landfills in the United States. Green gas is methane captured from landfills that are equipped to convert organic matter into a gaseous state. CES then sells the gas to specific customers to meet their supply needs and environmental requirements. CES also shares in a monetary credit for the value RNG provides in reducing emissions as a transportation fuel.

RNG is commonly used as transportation fuel in vehicles that use compressed or liquefied natural gas (CNG or LNG). In 2014, CES structured a transportation fuel RNG deal through a long-standing relationship with Memphis Light, Gas and Water (MLGW). The arrangement involved delivering green gas to the utility's CNG stations and LNG tanks for redelivery to customers. One of these customers is United Parcel Service (UPS), which uses the RNG to fuel its fleet of trucks. The contract with MLGW is active and more UPS facilities have been added. CES has been purchasing landfill gas in Houston for more than 15 years. Since 2008, we have been delivering landfill gas to InBev's Budweiser beer production plant located in northwest Houston.

### Green Balance

Green Balance is a carbon-neutral gas purchase program that applies Green Credits to customers' natural gas purchases in order to offset all or a portion of the carbon emissions that are created during natural gas combustion. CES purchases Green Credits to offset the carbon emissions created when a customer consumes natural gas, making the purchase carbon-neutral.

By participating in the Green Balance program, our customers can conveniently manage their carbon footprint, meet greenhouse gas emissions-reduction goals and promote environmental stewardship. CES purchases its Green Credits exclusively from [Element Markets](#), a Houston-based integrated environmental credit marketing and project development company. Element Markets certifies that all Green Credits purchased by CES are sourced from voluntary carbon emissions-reduction projects that meet nationally recognized standards. The credits have been registered as required by the rules and protocols of the Climate Action Reserve, the Verified Carbon Standard or other generally accepted organizations.



CenterPoint Energy was part of the national effort to restore power to Puerto Rico in the aftermath of Hurricane Maria. We sent 140 employees, along with 60 bucket trucks, support vehicles and electric supplies to Puerto Rico from mid-January to early March 2018. In this picture, a barge carrying our vehicles leaves the port of Lake Charles, La., for the two-week trip to the island.



## Environmental

# Energy Efficiency

### ENERGY-EFFICIENCY PROGRAMS: OUR CUSTOMERS AND COMMUNITIES

CenterPoint Energy provides our customers with greater choice and control over their energy consumption. We are encouraging innovative products and services that give customers greater insights into how they use energy. We also promote the installation of energy-efficiency measures. CenterPoint Energy's electric business has more than 20 energy-efficiency programs that saved approximately 170,000 megawatt hours of electricity in 2017. The programs benefited more than 19,000 customers across all rate classes, including commercial, residential and low-income sites. The programs target builders, developers, cities, commercial and industrial facilities, homeowners, renters and schools. The savings reduced the carbon footprint by 130,000 metric tons or the equivalent of 14,000 passenger vehicles driven for one year.\*

#### Case Study: Houston Methodist San Jacinto Hospital – Energy Assessment, Chiller Plant and Controls Upgrades

Houston Methodist San Jacinto Hospital, a 360,000-square foot acute care hospital located in Baytown, Texas, was interested in upgrading its chiller plant and reducing its energy usage. By participating in CenterPoint Energy's Healthcare Energy Efficiency Program (HEEP), the hospital could receive free engineering services to assist with this goal. HEEP's consultant, Willdan Energy Solutions, worked closely with the hospital to maximize its savings and incentives, resulting in an estimated annual energy savings of 40 percent for the chiller plant and electricity cost savings of \$192,500 per year.

CenterPoint Energy's HEEP team provided an in-depth energy assessment for the chiller plant and identified potential energy savings measures with estimated energy and cost savings, anticipated project cost, incentives and simple payback.

The existing primary-secondary chilled water plant had two water-cooled chillers with a total capacity of 2,200 tons served by dedicated primary chilled water pumps and three secondary chilled water pumps. The condensing water system had five cooling towers with seven cells and two condensing water pumps. Other than the cooling tower fans that were equipped with variable frequency drives, the equipment ran on constant speeds. It was recommended the chiller plant be converted to a variable primary flow chilled water system with the controls system upgraded to optimize the chiller plant operation. After evaluating the HEEP benefits and costs, the hospital implemented the recommended upgrades.

"The significant estimated annual energy savings and reduction in electricity costs realized by Houston Methodist San Jacinto Hospital's participation in CenterPoint Energy's HEEP program allows us to greatly minimize our impact on the environment," said Jonathan Sturgis, CFO, Houston Methodist San Jacinto Hospital. "We are extremely appreciative of the cash incentive and in-depth energy assessment provided by CenterPoint Energy. Utilizing the most advanced energy-efficient systems available goes hand-in-hand with our mission to provide unparalleled safety, quality, service and innovation to the residents of Baytown and the surrounding communities."



**284.9 kilowatt (kW) peak/  
2.75 gigawatt hours  
(GWh)/year**

Demand and Energy Savings

**\$192,500 per year**

Estimated Electricity Cost Savings

**40 percent**

Estimated Electricity Savings

**\$214,935**

Total Incentive

\* Value calculated using: [www.epa.gov/energy/greenhouse-gas-equivalencies-calculator](http://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator)



### Schools Conserving Resources Energy-Efficiency Program

CenterPoint Energy's Schools Conserving Resources (SCORE) Program provides educational facilities with monetary incentives and technical assistance to help lower their energy usage and costs. CenterPoint Energy was proud to present the Klein Independent School District (KISD) board with a check for \$395,000 for their outstanding participation in SCORE. This incentive was the largest single amount any recipient has received from SCORE, and will be reinvested to cover the cost of energy upgrades at KISD. During 2017, the company incentivized nine chiller retrofits across the district and one campus light-emitting diode (LED) retrofit.

### Forklift Beneficial Electrification

Launched in 2008, CenterPoint Energy's forklift electrification program is largely driven through forklift dealer engagement and training, resulting in an average of 3.7 megawatts in load growth per year. Programs are evaluated based on load growth delivered, incremental operating margin and return on investment.

### Conservation Improvement Program

Rebates from our Conservation Improvement Program encourage residential and business natural gas customers in Arkansas, Minnesota, Mississippi and Oklahoma to choose energy-efficient equipment, as well as our energy-saving programs. In 2017, our customers saved more than 3.23 billion cubic feet of natural gas totaling more than \$25.8 million – the equivalent of the annual energy usage of more than 38,000 homes. These savings reduced our customers' total carbon footprint by approximately 172,000 metric tons, which is equivalent to removing more than 28,000 cars from the road for a year.

### University of Minnesota Historic Conservation Improvement Project

In January 2018, CenterPoint Energy awarded a historic energy conservation rebate check for \$2 million to the University of Minnesota for installation and construction of its Main Energy Plant, a high-efficiency natural gas combined heat and power plant (CHP) on the East Bank campus. Energy produced from natural gas now allows the plant to provide its own electric power to serve the Minneapolis campus' electrical loads, as well as thermal energy to heat and cool the entire campus. The project resulted in saving nearly 1 million dekatherms annually – the equivalent of the natural gas energy used in more than 10,000 homes for an entire year.

### Feature: High-Efficiency Homes



In 2017, 12,605 new houses were part of our High Efficiency Homes program, which provides incentives to builders in our electric service territory. Participants received incentives for nearly 4,000 ENERGY STAR-certified homes that deliver savings of up to 30 percent more than typical new homes. In 2017, CenterPoint Energy earned the ENERGY STAR Partners of the Year Award from the EPA.

### Feature: City of Houston LED Conversion

In addition to maintaining Houston's electric infrastructure and restoring power after storms, CenterPoint Energy operates and maintains more than 400,000 streetlights throughout its service territory. In 2015, CenterPoint Energy and the City of Houston partnered to convert the approximately 176,000 street lights in Houston from traditional lighting sources to light-emitting diode (LED) lighting over five years. The initiative is a key part of Houston's air quality and greenhouse gas emission reduction goals.

LED lighting uses 50 to 60 percent less energy and lowers associated carbon emissions. Upon completion, it is expected that Houston's consumption of electricity could be reduced by about 70 million kW hours annually. To date, we have completed about 76 percent of the project, with completion estimated by year-end 2019.

### Case Study: Smart Grid

In Houston, known as the energy capital of the world, CenterPoint Energy continues to extend the benefits of our transformative Smart Grid to improve safety, operational efficiency, reliability, environmental performance and the customer experience. Since 2009, CenterPoint Energy has deployed advanced meters to virtually all of our 2.4 million metered customers, automated 31 substations, installed 872 intelligent grid switching devices on more than 200 circuits, built a wireless radio frequency mesh telecommunications network across the company's 5,000-square-mile electric footprint, and enabled real-time grid monitoring and control.

CenterPoint Energy's Smart Grid has delivered invaluable results, including:

- More than 194 million customer outage minutes saved – a 23 percent reliability improvement on Intelligent Grid circuits;
- Restoration of more than 1.5 million outage cases without a single customer phone call; and
- Consumer savings of \$20 to \$25 million per year in eliminated fees from service automation.

From a reliability perspective, customers count on us to keep the lights on and inform them when they do go out. Our Smart Grid has improved power reliability and outage response, reducing the time to localize outages by 50 to 70 percent and isolating faults remotely to save customers more than 194 million outage minutes.

Looking ahead, CenterPoint Energy will continue to drive grid modernization efforts. In 2018, we have scheduled the installation of 88 intelligent grid switching devices across the service territory.

#### Advanced Metering System

CenterPoint Energy performs approximately 3 million electronic service orders annually with a 99.8 percent average success rate. Prior to Advanced Metering System (AMS) automation each of these required a truck roll. AMS implementation has saved the company more than 1.7 million gallons of fuel and avoided more than 15,000 tons of CO<sub>2</sub> emissions. Electronic service orders are completed in approximately 10 minutes on average, greatly improving turnaround time for customers.

#### Power Alert Service

Power Alert Service (PAS) serves registered electric customers in the Houston area. PAS is a free tool that notifies customers about power interruptions at or near their address and keeps them informed throughout the outage event. PAS has a 95 percent call deflection rate – a figure that reflects the reduction in phone calls customers would have made to CenterPoint Energy if the system had not proactively notified them. During Hurricane Harvey, more than 350,000 outage notifications were sent via PAS. Recent PAS accomplishments include:

- In 2017, CenterPoint Energy celebrated the five-year anniversary of PAS, which has a 91 percent customer satisfaction rate;
- In coordination with electric crews, 91 percent of outages are being resolved within the initial estimated time of restoration provided by PAS; and
- In December 2017, we enrolled our millionth customer in PAS.

#### Outage Tracker

- Our Outage Tracker website provides a full report on power outages in our service territory with estimated restoration times. The site is updated every five minutes and is accessible on mobile devices.
- In 2017, the company met its reliability goal of 107.5 minutes for System Average Interruption Duration Index (SAIDI), the index that measures the total duration of an interruption for the average customer during a given timeframe.



## Biodiversity

Access to land for electric transmission facilities and pipeline rights-of-way is critical for our operations. Our business may affect areas of biological or cultural sensitivity during the construction or operation of these facilities and rights-of-way.

### Our Approach

CenterPoint Energy's Environmental Policy furthers the company's commitment to responsible environmental operations and effective environmental stewardship. The policy guides our approach to biodiversity protection. The company:

- Assesses proposed locations for electric transmission facilities and pipeline routes in order to identify sensitive areas, including protected species and habitats;
- Avoids environmentally or culturally sensitive areas when practical and when alternative locations or routes are feasible;
- Minimizes project footprints and ecological impact of facilities;
- Mitigates impacts through restoration and careful vegetation management of pipeline rights-of-ways, avoiding active bird nests during the breeding season;
- Monitors and works collaboratively with regulatory agencies in the management of affected listed species and ecosystems; and
- Partners with federal and state regulatory agencies and non-profit conservation groups to support biodiversity conservation efforts beyond our operational footprint.

Our electric business' facilities and construction activities typically consist of narrow linear power lines and substations, as well as service centers with relatively small footprints. We work diligently to minimize project footprints and ecological impacts.

CenterPoint Energy's natural gas operations business reviews projects during the design phase using an Environmental Review Worksheet to assess any environmental impacts. The review incorporates the impact our projects have on air, water and land resources so we can manage and permit projects, as necessary, in compliance with all biodiversity-related environmental laws and regulations. Upon completion of the review, it may be necessary to survey potential critical habitats for the presence or absence of species that are threatened, protected or endangered. In these cases, natural gas operations personnel coordinate with state and federal agencies, as appropriate, prior to initiating construction.

### Avian Protection Program – Electric Operations

CenterPoint Energy operates in a service territory with a rich diversity of habitats, including forests, prairies, marshes, swamps, bayous, rivers, lakes and the Galveston Bay system. These habitats support an abundance and diversity of wildlife, including more than 300 species of birds. We have developed a robust avian protection program, taking great care to prevent harm to birds around our energy delivery facilities. Since 2010, we have installed avian protection materials on more than 4,000 distribution and transmission structures throughout our service territory. We work to develop practical products to efficiently protect the avian population and collaborate with industry groups to share experiences.

As of 2017, we have identified the locations of more than 20 bald eagle nests within our service territory and have taken protective measures around the nests with input from the U.S. Fish and Wildlife Service (USFWS). Assistance from this agency and others, including the Texas Parks and Wildlife Department and Houston Audubon Society, and private citizens, is critical to our bald eagle protection efforts.

Due to the vast number of birds that utilize CenterPoint Energy's power lines, towers and poles for hunting, resting and nesting, it is impossible to completely eliminate harmful interactions, despite our efforts to make our system safer for them. When harmful contact occurs, or when nests are found in equipment posing risks to the birds and system reliability, CenterPoint Energy files a report with the USFWS. We immediately implement preventative solutions, such as installing protective guards or relocating the nests to a licensed wildlife rehabilitator on a case-by-case basis. Additionally, we file an annual report with the USFWS, listing avian contact incidents and nest relocations. Finally, we provide updates on proactive avian program successes, such as progress on proactive retrofitting.

CenterPoint Energy has a robust vegetation management program, which is critical in maintaining safe and reliable service. Employees are trained to watch for and avoid bird nests during tree trimming and mowing activities. Active bird nests are avoided until the young have fledged and left the nest, at which time crews return to finish trimming. Particular caution is taken near bald eagle nests.



## Environmental: Biodiversity

### Feature: Bald Eagle Rescue



In February 2017, CenterPoint Energy and our vegetation management contractor, Davey Tree, helped rescue an eaglet from a nest in northwest Houston. The eaglet was found in poor condition after one of its parents was killed. The USFWS, Texas Parks and Wildlife Department, and Harris County Flood Control District discovered the nest during their investigation of the incident. After several hours of observing the nest, local USFWS biologists saw the surviving parent, which only delivered one small fish to the baby bald eagle. Concerned for the well-being of the eaglet, which requires a near-continuous supply of food to grow, the local biologists consulted a national eagle expert with the USFWS, who agreed that it would be best to rescue the eaglet. The USFWS transferred the eaglet to the Wildlife Center of Texas, which frequently partners with the agencies and CenterPoint Energy in wildlife rescue efforts. The bird was examined and prepared for transfer to a facility equipped to rehabilitate and train eagles for later release back into the wild.

### Collaborative Partnerships

As part of our avian protection program, we have forged strong collaborative partnerships with federal and state wildlife agencies, local nonprofit conservation organizations and members of the public. The program has received extensive positive local media coverage and recognition by the Galveston Bay Foundation. Nest management activities are conducted under permit from the USFWS.

CenterPoint Energy is also an active participant in the Avian Power Line Interaction Committee (APLIC), which is composed of more than 50 utilities and the USFWS. This organization has led the development of an effective avian protection approach for more than 25 years. CenterPoint Energy's program applies major avian protection elements established by the APLIC and is guided by employees from our Avian Protection Team, comprised of Operations, Engineering and Legal.

### Wildlife Center of Texas

The company's environmental team works closely with local nonprofit conservation organizations and state and federal resource agencies in implementing its avian protection program. In some cases, nests with eggs or young must be removed from the power equipment. This not only protects the birds, but also prevents outages caused by electrical contact. Nest removals are conducted under permit from the USFWS. Eggs and young from these nests are carefully relocated to the Wildlife Center of Texas, where they are incubated, raised and then released back into the wild at locations that will support their survival.

CenterPoint Energy employees volunteer at the center, which relies on volunteerism in caring for injured animals. We also partner with the Texas Parks and Wildlife Department, the USFWS and local conservation organizations, including the Houston Audubon Society. The organizations provide important information on avian issues, such as locations of bald eagle nests and water bird colonies. In turn, CenterPoint Energy shares avian species management information with government agencies and conservation organizations.

### Avian Protection Program – Natural Gas Operations

CenterPoint Energy's natural gas operations business recognizes the need to protect migratory birds and eagles while operating its pipeline distribution system. Consistent with CenterPoint Energy's environmental policy, the business has established Migratory Bird Conservation Guidance, a set of engineering and operations implementation guidelines. The document was developed to minimize potential impacts to migratory birds and eagles, as well as to comply with the Migratory Bird Treaty Act and the Bald and Golden Eagle Protection Act.

When assessing projects that may disturb natural vegetation or affect protected migratory birds, CenterPoint Energy implements the applicable peak nesting season restrictions and eagle nest buffers. If work activities cannot be scheduled outside of the peak nesting season, or are within the established avoidance buffers of active eagle nests, a survey of the workspace is performed by trained CenterPoint Energy personnel. The survey is completed prior to construction in order to verify that nests, nesting migratory birds or eagles are not present.







## Environmental

# Waste and Recycling



### WASTE

CenterPoint Energy generates wastes from our operations. Waste is derived primarily from maintenance and replacement of electric transmission and natural gas infrastructure, as well as from our offices.

#### Our Approach

CenterPoint Energy is committed to conducting our operations in accordance with all applicable environmental laws and regulations. We manage all operational controls, policies and procedures to ensure compliance. In addition, we maintain a robust environmental audit program on all solid waste disposal vendors.

CenterPoint Energy tracks all hazardous and regulated waste to ensure proper management. In order to reduce the quantity of hazardous waste generated, the company continuously strives to find suitable nonhazardous alternatives to solvents and other products that are needed to conduct our operations. Most of our facilities are listed as “small quantity generator” or “very small quantity generator” status.

### INVESTMENT RECOVERY

Part of CenterPoint Energy’s Purchasing and Logistics organization, Investment Recovery was created to be a customer-oriented service group dedicated to obtaining maximum value for the disposition of surplus assets and scrap material. Investment Recovery also promotes an effective recycling program. If a company asset can no longer be used for its intended purpose, the Investment Recovery team works to identify a responsible way to reuse it in a new application or recycle it in a responsible manner.

During 2017, CenterPoint Energy’s Investment Recovery team recycled 15,186,522 pounds of scrap metals, including donating used computers to nonprofit organizations and contributing office furniture to organizations affected by Hurricane Harvey. During the storm restoration, the group also assisted in selling excess materials to companies and expanded its recycling efforts for scrap wire, cable and transformers.

### 2017 Recycling Summary

**50 tons**

Paper and cardboard

**498,823 gallons**

Transformer oil

**208**

Wood reels

**11,490**

Distribution transformers

**15,186,522 lbs.**

Scrap metal

**116,722 lbs.**

Batteries

**19,523 gallons**

Motor oil

**102,422**

Lamps

**236,323 lbs.**

E-Waste

**129**

Computers (donated)



#### Case Study: Picarro System

## PICARRO

*offers superior leak detection*



The Picarro Surveyor system is the next generation of methane detection technology. With 15 units, CenterPoint Energy has the largest fleet in the world of the state-of-the-art Picarro Surveyor leak survey technology, which is a thousand times more sensitive than other current techniques. In 2013, the company began a pilot study of the Picarro Surveyor in its natural gas operations to proactively identify leaks in underground natural gas mains and service lines, as well as above-ground facilities.

In addition to enabling us to locate and respond to natural gas leaks much faster, Picarro Surveyors are more efficient in terms of accuracy and coverage area. As a result, Picarro also plays a key role in the company's methane emissions-reduction efforts.

Traditional survey methods use methane detection devices with optical, laser, infrared or flame ionization technology. These devices are either mounted on a vehicle that drives slowly through an area or a handheld instrument used by a technician who walks over the lines to detect methane plumes near underground natural gas mains and service lines.

Picarro can be used at driving speeds of up to 40 miles per hour to accurately survey a much broader area. Each night, a single surveyor can cover up to 30 miles of natural gas mains and service. Night is the optimal survey time as the ground is cooler and natural gas does not rise as quickly as it does during the day. In the "survey" mode, Picarro constantly collects precise data, including Global Positioning System (GPS) readings, wind speed and direction, as well as methane and ethane concentration. This data is utilized in complex algorithms to determine areas where there may potentially be a natural gas leak.

Picarro's sensitivity to methane is measured in parts per billion, while traditional technology measures in parts per million. This innovative tool helps detect leaks before customers even know about them. As a result, Picarro technology has proven to detect significantly more natural gas leaks than traditional leak survey methods.

CenterPoint Energy tested and phased Picarro into operations beginning in 2016. Our Texas region conducted a pilot program and has been using Picarro since January 2016. Arkansas completed full deployment in 2016, with the remaining regions being implemented in early 2018.

To further enhance the Picarro system, CenterPoint Energy has deployed industry-leading business processes and technology systems, including:

- Real-time tracking of the leak survey results and natural gas system assets surveyed in the geographic information system, replacing the need to manually track completed leak surveys using paper maps;
- Automation of paperless work orders to investigate potential leaks identified by Picarro, which replaced a manual process; and
- Leak survey applications on computer tablets allow technicians to document survey results with cameras and GPS capabilities. Providing crews with mobile data access to digital photos and GPS coordinates significantly reduces the time spent determining where to excavate.

CenterPoint Energy is currently partnering with Picarro to integrate its Emission Quantification (EQ) technology into our distribution integrity management program. For users, selected pipe segments EQ can predict the number of leaks and methane emission volume. By adding EQ information into our integrity management program, we expect to enhance the ability to select and design pipe replacements that deliver increased value in safety and emission reductions.



**68,640**  
students  
and teachers received  
safety information

More than  
**\$1 billion**  
in spending with small  
business suppliers

CenterPoint Energy is committed to developing strong relationships with diverse suppliers and using innovative approaches to continually improve business opportunities.



Gulf Coast  
Regional Blood  
Center Corporation  
of the Year



**6th**  
on Indeed.com's  
Top 10 Best  
Places to Work

**2,100 people**  
reached through  
CenterPoint Energy's  
Speakers' Bureau

With more than  
146,000 hours  
volunteered by  
employees,  
CenterPoint Energy  
received the Corporate  
Philanthropy Award  
from the *Houston  
Business Journal*  
in 2017.



# Social

## Stakeholder Engagement

CenterPoint Energy actively works to engage with our stakeholders to build trust, strengthen relationships and make a positive impact in our service territory. Our major stakeholders include individuals and groups who impact – or are impacted by – our company and its business operations. They include customers, communities, employees, investors, suppliers and regulators.

The chart below outlines some of our ongoing engagement practices with our stakeholders.

### Stakeholder Engagement at CenterPoint Energy

#### Communities

- Advocacy groups
- Community and charitable organizations
- Economic development organizations
- Environmental partners and organizations
- First responders/emergency agencies
- Government officials
- K-12 and higher-education institutions

#### How We Engage

- Participation in industry dialogue through agencies such as AGA and EEI
- Support for local programs through community investments, grants and sponsorships
- Leadership by company officers and employees on nonprofit organization boards
- Host meetings, conferences and community development initiatives
- Engage with community partners and environmental agencies on voluntary programs and beautification projects
- Hold workshops and training with public safety teams, local emergency agencies and first responders
- Provide public safety materials
- Employee volunteerism
- Speakers Bureau presentations and leadership speaking engagements
- Proactive outreach to community and government officials
- Workforce training and development

#### Customers Served by Our Three Businesses (Residential, Commercial and Industrial)

- Electric
- Natural Gas
- Energy Services

#### How We Engage

- Refreshed online account self-service
- Customer satisfaction surveys and focus groups
- Power Alert Service notifies customers about power interruptions and restoration times
- Social media platforms
- Customer call center and local service centers
- Energy-efficiency programs
- Public safety and awareness efforts

### SOCIAL CONTENTS

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Safety

#### Employees

- Current and prospective employees
- Retirees
- Labor unions

#### How We Engage

- Employee engagement surveys
- Leadership meetings
- Employee meetings, video-streams and webcasts
- Training and skills development, including leadership development and knowledge transfer programs
- Informal, ongoing meetings, such as floor meetings, location visits, lunches and conversations over coffee with leaders
- Professional networking and affinity groups
- Workforce recruiting program
- Helpline for employees with a grievance or concern
- Health and wellness initiatives include Employee Assistance Program
- Retiree communications and annual events
- Labor and management joint engagement on key topics, such as safety

#### Investors

- Approximately 77 percent of CenterPoint Energy common shares were held by institutional investors

#### How We Engage

- Quarterly earnings conference calls
- One-on-one investor meetings and presentations
- Industry conferences
- Public disclosures
- Annual Meeting of Shareholders
- Website

#### Suppliers

- Diverse suppliers
- Local, small suppliers

#### How We Engage

- Formal supplier diversity program
- Supplier Diversity Advisory Council promotes mentoring, capacity building and outreach initiatives
- Scholarship program for MBWEs
- Annual Supplier Diversity Month for employees and vendors
- Participation in minority and women supplier development councils
- Annual recognition breakfast
- Engagement with diverse business organizations

#### Regulators

#### How We Engage

- Participate in the regulatory process with various federal, state and local governmental agencies on requirements and processes
- Workshops
- Legislative sessions

## Social

# Communities

### Our Approach

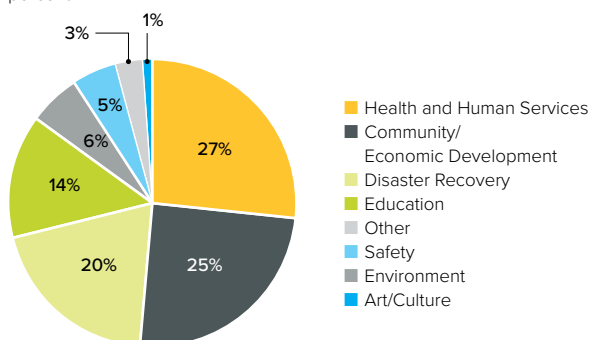
CenterPoint Energy's Community Relations mission is to build and enhance our brand, image and reputation in the communities we serve. Our vision is to be a highly valued, respected and influential community partner with a reputation for excellence in the results we achieve for the business and the community.

### 2017 CORPORATE CONTRIBUTIONS

As a company and as individuals, we are committed to making a positive difference in the communities we touch. Lending a helping hand is a strong part of our company culture, and we are proud to serve as a responsible corporate citizen. Our focus areas include education, community development and health and human services.

We believe education, community development and health and human services are inextricably linked and critical to the sustainability of our communities. We also use relationships with our employees, elected officials, community and civic leaders, neighbors and others in these communities to assess areas of need. That is why we focus our charitable investments, volunteerism and other community-based activities on the non-profit organizations and causes in these three core giving areas.

**2017 Corporate Contributions  
by Focus Area**  
percent



### COMMUNITY INVOLVEMENT AND VOLUNTEERISM

#### Our Approach

Employee volunteerism is an important part of CenterPoint Energy's commitment to our communities. Volunteerism provides opportunities for our employees to form lasting relationships with each other and the communities we serve. Volunteerism also helps develop career and leadership skills.

#### 2017 Achievements

- Employees contributed more than 146,000 employee volunteer hours. When calculated using the Independent Sector's value of \$24.14 for a volunteer hour, this equates to approximately \$3.5 million in labor.
- Retirees and employees' families and friends contributed an additional 16,531 volunteer hours.
- Donated \$6.5 million to nonprofit organizations.
- Supported approximately 500 nonprofit boards and advisory councils through 300 employees serving in volunteer leadership positions.
- Received the Corporate Philanthropy Award from the *Houston Business Journal* for volunteering the most hours among large companies in Houston.

#### 2017 Highlights

- In the spirit of innovation, Community Relations launched its CNP Cares system, a one-stop, mobile-friendly digital platform for managing volunteer activities. Employees and retirees can easily sign up for volunteer opportunities and track their progress on personal volunteer goals.





- Junior Achievement USA honored CenterPoint Energy with a Bronze level U.S. President's Volunteer Service Award for providing more than 5,000 volunteer hours in support of Junior Achievement during the 2015-2016 school year.
- United Way is a signature program for CenterPoint Energy. Our 2017 companywide campaign contributed more than \$2.5 million to 85 chapters across our service territory.
- Employees in Minnesota celebrated 25 years of volunteerism for Twin Cities Habitat for Humanity at a build site in the city of Blaine. Approximately 20,000 volunteer hours from more than 2,100 employees and retirees have been contributed in support of the organization.
- Through Easy Match, CenterPoint Energy's higher education matching gift program that supports employee donations to accredited colleges, universities, community colleges and technical schools, 54 grants were awarded totaling \$63,161.
- Every year, the company recognizes 10 Outstanding Volunteers of the Year for activities completed in the prior year. Each winner is awarded a \$500 GIVE (Grant Incentives for Volunteer Employees) grant that is donated on their behalf to an approved nonprofit of their choice. Employees are selected based on their volunteer efforts in both company and community events.
- Our GIVE program recognizes, supports and encourages contributions of our employees' and retirees' volunteer efforts during their personal time, aligning the company's charitable support with employees' passions. Grants are awarded to nonprofit organizations based on employee and retiree volunteer involvement. In 2017, 166 GIVE grants were awarded totaling more than \$65,000.



- CenterPoint Energy honored John Slanina, vice president of Business and Operations Support, as the Executive Volunteer of the Year. His organization participated in many team volunteer projects in recent years, including beach cleanups in Galveston, youth fishing events in Lake Jackson, supporting the Houston Furniture Bank, and logistics advice for Rebuilding Together Houston. In 2017, employees in his organization donated 7,800 volunteer hours.

#### Blood Drives

CenterPoint Energy's blood drive program addresses a critical need in the community – life-saving blood. In 2017, our employees donated 4,914 units of blood, which is enough to benefit 14,742 lives. In partnership with the Gulf Coast Regional Blood Center, which serves the world's largest medical campus, our employees in Houston have collected 68,554 units of blood since 2002, enough to save 230,367 lives. Several drives even engaged community partners to support collection efforts. In 2017, CenterPoint Energy held 149 blood drives.

#### Salvation Army Angel Tree Program

CenterPoint Energy recently celebrated more than 20 years of supporting the Houston-area Salvation Army Angel Tree program. Continuing our tradition of serving as the largest corporate participant, our employees set a record in 2017 by adopting more than 800 children and senior "angels" and fulfilling their holiday wishes. Employee groups pooled donations and purchased items totaling more than \$80,000. Employees volunteered to deliver gifts to the Salvation Army warehouse, as well as check and sort gifts for distribution to recipients. Employees in Minneapolis brightened the holidays for 175 children and seniors through their Angel Tree program, bringing the company's record total to nearly 1,000 "angels."

## Social: Communities

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### Tree Trust

CenterPoint Energy partners with Tree Trust in Minnesota, sponsoring the Learning with Trees program that brings the classroom outdoors. Since 2004, CenterPoint Energy has sponsored a tree planting at a school served by the company. More than 950 volunteer hours have been donated to plant more than 280 trees with elementary-level students. Tree Trust presented a 2017 Community Partner Award to CenterPoint Energy, which for more than 20 years has provided financial and volunteer support to the program.

Learning with Trees provides an outdoor classroom for local schools to create a more beautiful educational setting and invest in students by enriching their appreciation for the environment and the importance of “paying it forward.” Employees from numerous departments volunteered to help create an outdoor classroom for the 625 pupils at Lake Marion Elementary School. Volunteers planted 26 trees, while the crew set 10 benches in place for use in outdoor classes.

### ECONOMIC DEVELOPMENT

#### Our Approach

CenterPoint Energy’s approach to economic development is to be a force for growth and economic prosperity in the communities we serve. We create and retain jobs that facilitate growth, provide a stable community tax base and grow employment within our service area. Our Economic Development team works to support and leverage local communities’ efforts to promote economic growth. We also strive to influence the decisions of current and prospective customers to expand, relocate and retain their businesses in CenterPoint Energy’s service area, therefore increasing regional economic prosperity.

#### Regional Economic Impact

In 2017, our team – in collaboration with regional partners – engaged in economic development projects that are expected to create more than 2,000 new jobs and result in more than \$1 billion in total economic impact for the region. These projects are also expected to produce more than \$1.6 billion in new capital investments for the communities we serve.

Over the past 10 years, we have been involved in projects that have resulted in nearly 30,000 new jobs, as well as tens of thousands of indirect regional jobs. Our staff has also partnered with economic development organizations (EDOs) on recent issues impacting future economic development, including workforce development and training initiatives, local and state incentive programs, infrastructure improvements, and community resiliency efforts following Hurricane Harvey.

### Community Leadership

Economic Development staff serves in more than 50 leadership roles within local EDOs. President and CEO Scott M. Prochazka is the chair of the Greater Houston Partnership’s Regional Economic Development Advisory Committee. CenterPoint Energy has taken a leadership role in national and international EDOs, including the International Economic Development Council and the Utility Economic Development Association.

The Economic Development department is recognized by the International Economic Development Council as an Accredited Economic Development Organization (AEDO). CenterPoint Energy continues to be one of only two utility companies in the nation to receive the AEDO certification.

### Targeted Initiatives

CenterPoint Energy produces valuable research data, such as demographic information, market trends and data analysis. Our staff also prospects for leads at trade shows and conferences, cultivates industry alliances and leads or assists with initiatives, such as strategic planning, community assessment studies and workforce training projects.

CenterPoint Energy is actively engaged in local and state marketing initiatives to help support growth in the region, including Opportunity Houston, Texas Economic Development Corporation and Team Texas. These programs have specific domestic and international outreach strategies to connect with company executives, site selection consultants and real estate professionals to promote growth opportunities in our service territory.

### Energy Insight Center Tours

CenterPoint Energy’s Energy Insight Center (EIC) is an innovative educational and technological demonstration facility where we showcase our electric grid’s technology and capabilities. Since the facility opened in 2006, it has hosted nearly 1,000 tours for industry executives, government officials, community groups and students. The facility uses science, technology, engineering and mathematics education to further enhance student learning opportunities about our industry and business.





## Social: Communities

### Power Tools for Nonprofits Conference

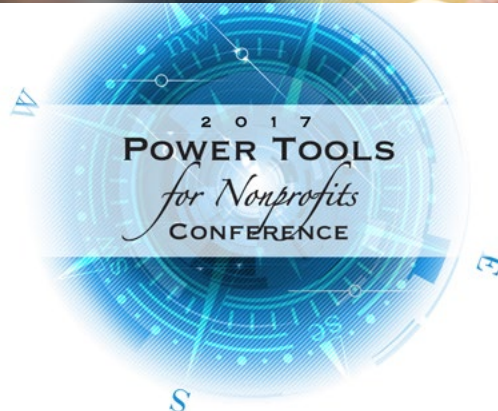
The 24th Annual Power Tools For Nonprofits Conference – held with our community partner, the University of Houston-Downtown – provides an educational forum for nonprofit professionals, volunteers and board members. The event offers ideas on how to leverage resources, strengthen organizational effectiveness and improve lives. To date, the conference has served more than 10,000 nonprofit professionals and volunteers in improving their effectiveness through education, resources, networking and collaboration. Power Tools is one of the most affordable professional development opportunities for nonprofit leaders in the region.



#### Feature: Energy Assistance Program

CenterPoint Energy understands that paying natural gas utility bills during the heating season may pose a challenge. That is why we support local energy assistance programs for customers in the communities we serve. Our energy assistance activities include:

- Supporting efforts to fund of Low-Income Home Energy Assistance Programs (LIHEAP);
- Encouraging our customers to contribute to energy assistance funds by checking a box on their bills; and
- Donating window insulator kits to agencies to distribute to low-income customers to help lower heating costs.





## Customers

### Our Approach

CenterPoint Energy's vision is to lead the nation in delivering energy, service and value. We are committed to putting the customer in the center of everything we do. Our Customer Service organization prides itself on its ability to consistently provide reliable, value-added service to customers. Through our innovative, customer-centric solutions, we strive to make CenterPoint Energy easy to do business with by providing the information our customers want, when and how they want it.

As consumer expectations increase and technology evolves, so do the wants and needs of our customers. Mobile devices are also increasing consumers' ability to control and make real-time decisions about services. It is critical that CenterPoint Energy provides its customers the innovative, personalized experiences they want, while continuing to broaden our understanding of their expectations.

### 2017 Highlights

- In late 2017, we enhanced our *My Account* self-service web tool, enabling Houston-area customers to manage their natural gas service and view electric usage online for the first time. Throughout our service territory, the refreshed *My Account* experience allows customers to add authorized users, manage multiple natural gas accounts and add multiple ways to receive alerts.
- CenterPoint Energy's residential customers ranked our company highest in customer satisfaction among large natural gas utilities in the South region in an annual study by J.D. Power and Associates. 2017 was the first time we recorded the top ranking in the South.
- Natural gas customers in the South named CenterPoint Energy a "Most Trusted Brand" in a Cogent Reports study by Market Strategies International. The study benchmarks brand performance of 130 utilities on a quarterly basis among nearly 60,000 utility consumers.

We are committed in our efforts to become our customers' trusted energy advisor and reliability partner. At the same time, we have our sights set on the future, including a team focusing on emerging energy technology, such as distributed generation and electric vehicles.



### Customer Service Excellence

We honor exceptional Customer Service performance by our employees each quarter through our Service of Excellence Awards. Winners are recognized for their outstanding work and ideas that impact our work processes, customers and profitability.

### Building the Future

Our smart grid facilitates the integration of emerging energy technology, such as solar panels, wind turbines and electric vehicle charging stations. We believe the grid of the future must be reliable and resilient; safe and secure; affordable; enable customer choice; and integrate distributed generation. We expect to invest in innovative solutions that address our customers' needs.

## Employees

### Our Approach

CenterPoint Energy places a high priority on sustaining a strong culture of ethics, opportunity and mutual respect at all levels. Our Human Resources organization oversees compensation, benefits, hiring, recruiting, learning and organizational development, as well as other employee-related services. Using a strategic approach to managing people and workplace culture, Human Resources provides employees with tools and resources to support their career and development goals.

### 2017 Highlight

- Employees cited a strong workplace culture, growth opportunities and relationships with co-workers in reviews that earned CenterPoint Energy the sixth spot in Indeed.com's Top 10 Best Places to Work. Indeed.com is an employment-related search engine for job listings.

### WORKPLACE DIVERSITY

#### Our Approach

CenterPoint Energy is committed to creating an open and inclusive work environment where business results are achieved through the skills, abilities and talents of our diverse workforce. At CenterPoint Energy, individuals are respected for their contributions toward our company's goals. From our board of directors to each of our nearly 8,000 employees, we foster a culture where different backgrounds and viewpoints are valued.

We embrace the power of diversity because it enriches our work environment and provides social and economic benefits to the communities we serve. It is not only a focus that our employees, customers, communities and shareholders expect from us; it is also the right approach from a business standpoint.

Every employee at CenterPoint Energy is encouraged to support diversity and inclusion. In fact, all employees actively participate in diversity awareness training. We believe the training provides our company with a competitive advantage to have people from different backgrounds and viewpoints united in purpose.

#### Total number of employees by gender

	Female	Male	Total
Permanent	1,971	5,993	7,964
Temporary	4	26	30

### EMPLOYEE ENGAGEMENT

#### Our Approach

CenterPoint Energy's goal is to create a work environment in which every employee is engaged, aligned with our vision and values, and understands how they contribute to the company's long-term performance. In order to achieve this goal, we strive to connect with our employees in meaningful ways.

#### Leadership Meetings

CenterPoint Energy held an Officer & Director Meeting in May 2017 to review company strategy with senior leaders across the company. As a follow up to the meeting, Scott M. Prochazka, president and CEO, and senior leaders hosted nine Leadership Meetings across our locations to discuss strategy and other key performance areas with supervisors and managers. The goal of the meetings was to equip managers and supervisors with information to engage their employees on key issues. We will hold 11 leadership meetings in 2018.

#### Employee Meetings

Six employee meetings took place in 2017, reaching more than 4,100 employees across the company. While all meetings were video streamed to remote locations, company leaders also made a point to incorporate face-to-face communications and facilitate a portion of the agenda. Surveys showed that employees embraced the use of technology for these meetings, particularly an audience polling app that enabled employees' feedback to shape the meeting content. We will hold four employee meetings in 2018.

#### 2017 Employee Survey

CenterPoint Energy's 2017 employee survey was administered to help us gain deeper insights into specific topic areas from the 2016 Employee Engagement Survey, which reflected high levels of employee engagement. The 2017 survey results also showed favorable ratings in most areas and scores reflected high levels of pride, commitment and employee engagement. The participation rate was 56 percent. We expect to conduct brief surveys with employees in 2018 and 2019 to assess engagement.

#### Informal Ongoing Meetings

In addition to structured engagement initiatives, employee outreach occurs throughout the year through informal floor meetings, location visits, lunches and conversations over coffee with President & CEO Scott M. Prochazka and other member of our leadership team.



Volunteerism as an important part of CenterPoint Energy's employee engagement strategy. From building relationships with each other and the communities we serve, volunteer activities help employees develop career and leadership skills.

### Performance Management

CenterPoint Energy's Performance Management process supports employees' career goals through ongoing feedback and development. Performance Management is a foundational element of our organization's talent management efforts and represents the processes to effectively lead, manage, develop, assess and reward employees. We have eight competencies – key skills, knowledge and behaviors that are closely aligned with our values. They include:

- Business and financial acumen;
- Coaching and development;
- Collaboration;
- Connecting, listening and sharing;
- Customer focus through service;
- Enterprise mindset;
- Results orientation; and
- Steadiness.

Through our formal review process, goal management and job aids, our company encourages supervisors to provide timely feedback throughout the year, in addition to regular performance reviews. In 2017, more than 99 percent of eligible employees received a performance evaluation.

### Knowledge Transfer

Our knowledge transfer program aims to capture expertise when employees retire or change jobs, thus preserving experience and transferring it to others. We utilize knowledge transfer to keep a record of the knowledge required in certain positions or job roles, lessening the impact of employee departures and enhancing career development opportunities.

## Social: Employees

### Professional Networks

CenterPoint Energy's professional networks aim to foster a culture of collaboration, knowledge sharing and development. A governing committee, OurPoint, oversees the company's four professional development and networking organizations. They include:

- EnPoint: Gas Engineering employees;
- EPN (Engineering Profession Network): Houston Electric Engineering employees;
- MyPoint: Finance, Audit and Technology Operations employees; and
- OnPoint: Employees in CenterPoint Energy Tower in Houston who work in CenterPoint Energy Services, Customer Services, Electric Operations, Natural Gas Operations, Human Resources, Legal and Regulatory, and Communications and Community Relations.

### Women in Leadership

CenterPoint Energy's Women in Leadership organization provides opportunities for mentoring and interaction among its members. The organization's goals include providing networking opportunities and fostering career and leadership development. The organization hosts two professional development events each year, volunteers with Dress for Success, a nonprofit organization that helps women thrive in work and in life, and sponsors a webinar series for emerging women leaders.

### Veterans Support

CenterPoint Energy is a strong supporter of training and hiring veterans and military members. We recognize the experience, skills and perspectives they can offer companies. Currently, nearly 500 CenterPoint Energy employees are veterans. More than 60 employees are active military reservists. *U.S. Veterans Magazine* named CenterPoint Energy one of its 2017 Top Veteran-Friendly Companies for our participation in military job fairs and our hiring practices, including our commitment to hiring veterans with disabilities. Through our participation in the Houston Volunteer Lawyers program, our in-house lawyers provide free legal services to veterans at the DeBaKey Veterans Hospital in Houston.

## LEARNING AND DEVELOPMENT

### Our Approach

CenterPoint Energy recognizes the importance of employee and career development to ensure a motivated and skilled workforce. To help meet these needs, the Learning and Organizational Development (LOD) team provides opportunities for employees across the company to develop skills and competencies to operate our business safely, meet customer needs and identify opportunities for innovation.



LOD works with individuals and teams to evaluate needs and provide solutions that bridge the gap between current and desired performance. The group also implements a leadership development strategy that provides a specific curriculum and experiences to targeted, identified audiences, including emerging leaders, leaders new to supervision and high-potential employees.

CNP University is CenterPoint Energy's corporate university. The system is made up of six colleges that represent all formal learning and training operations designed to meet employees' needs. Available resources focus on professional development, including leadership, business excellence and personal effectiveness. These resources include instructor-led training, web-based courses, on-demand express learning, live virtual events, and library resources.

### 2017 Training

CNP University	
Total online courses completed	236,824
Total hours of online courses completed	118,412*
College of Professional Development – Instructor/virtual Instructor-led training:	
Total participants	2,315
Total hours completed	14,689

\*Each course averages approximately 30 minutes or 0.5 hours

### Training and Apprentices Programs – Electric Operations

Electric operations provides three apprentice classes per year, ranging in size from 30 to 35 participants. In addition, up to three helper classes are offered for 35 to 40 new hires who aspire to become apprentices.



Becoming a helper in electric operations is the first step toward completing a three-year lineman apprentice program. This highly skilled job requires a significant amount of physical strength and dexterity, as well as the ability to work in adverse conditions. All apprentices must obtain a certification and commercial driver's license (CDL) within the initial period of employment. We partner with Houston Community College's East Technical Driving School to assist in obtaining CDLs.

Each apprentice receives training on all aspects of lineman work, including working on poles. Training is also offered on meter testing and installation. We provide refresher courses for apprentices who want to improve their skills or receive training. The center employs 16 technical trainers, two supervisors and an administrator. In 2017, the company trained 105 helpers and 90 apprentices completed the first module of their technical training.

#### Apprentice Program – Natural Gas Operations

This program has three technical trainers, two training coordinators and one supervisor. At least two apprentice classes are typically offered each year, ranging in size from 10 to 18 employee apprentices, depending on operational needs.

All apprentices are enrolled in a two-year technical training program. They must obtain a welding certification and a CDL within their initial period of employment. Each apprentice receives training on leak investigation, plastic pipe fusion, natural gas fundamentals, carbon monoxide investigation, and other safety-related courses. Classes have constructed a new leak field, enabling employees to conduct hands-on leak investigations, work on large meter sets and investigate house line leaks. In 2017, the company trained 41 apprentices with training hours totaling 13,462. In January 2018, the program began a pilot partnership with the Houston Community College Stafford Campus for oxygen-acetylene welding training.

### HEALTH AND WELLNESS

#### Our Approach

CenterPoint Energy is committed to providing health and wellness initiatives to our employees.

- To promote an active lifestyle, a fitness facility is available in the CenterPoint Energy Tower in Houston. Employees can also utilize the GlobalFit health discount program, which provides a lowest-price guarantee on memberships to their network of fitness clubs nationwide.
- Our Employee Assistance Program provides free consulting, legal, financial and other services.



- The company supports the use of various work schedules, such as flextime, compressed work weeks and reduced work schedules, to increase employee flexibility and reduce commuting costs, while also maintaining and enhancing productivity.
- Our Sick Leave Policy provides income protection to employees who are unable to perform their job because of illness or injury.
- CenterPoint Energy helps cover public transportation commuting costs by offering subsidized bus passes or reimbursement for certain car pool expenses.
- Our Education Assistance Program helps employees finish a degree or embark on a new one by providing reimbursement for tuition and required fees toward a degree from a state or federally accredited school.
- For dependents of CenterPoint Energy employees, we offer scholarship programs to help cover education costs.

As a responsible employer, we also offer a robust, comprehensive benefits package that is competitive for our industry. We offer retirement and savings plans, in addition to benefits such as medical, dental, vision, life, disability and accident coverage. Please visit our Benefits page on [CenterPointEnergy.com](http://CenterPointEnergy.com) for more details.

## Social

## Labor Relations



Approximately 35 percent of CenterPoint Energy's employees are represented by seven collective bargaining agreements. We work with our labor unions to achieve business results that benefit our employees, customers and the communities we serve. We have negotiated labor agreements with each union regarding the working rules and other terms and conditions of employment.

### Safety Collaboration

Employees of CenterPoint Energy's electric transmission and distribution business and the International Brotherhood of Electrical Workers (IBEW) Local 66 launched the Union Safety Program (USP) in 2017. This new collaborative approach strives to help achieve continuous improvement and a safer workplace. The program's goal is to improve safety performance, safety culture and morale through updates to important work practices. New roles and "Rules to Live By" were introduced to empower employees to engage in safe work practices with increased accountability.

## CenterPoint Energy Houston Electric UNION SAFETY PROGRAM



## Purchasing and Supplier Diversity

CenterPoint Energy's Purchasing and Logistics organization maintains the purchasing processes for all goods and services. Employees are expected to conduct fair and transparent purchasing and payment practices, which provide benefits, support and internal controls for the company. The Purchasing and Logistics organization also oversees our robust supplier diversity program.

### SUPPLIER DIVERSITY

#### Our Approach

CenterPoint Energy recognizes the economic importance of diverse suppliers, such as MWBEs and all categories of small business concerns, to the community. We are committed to developing strong working relationships with diverse suppliers and using innovative approaches designed to continually improve business opportunities.

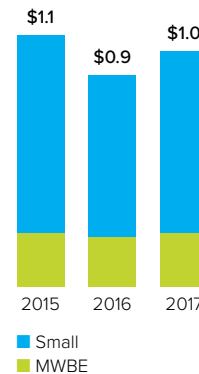
The relationships we seek must provide value to both CenterPoint Energy and to diverse suppliers. Our objectives include:

- Actively and routinely seeking qualified diverse suppliers that can provide competitive and high-quality commodities and services;
- Encouraging participation and support of supplier diversity by major suppliers to the company; and
- Identifying opportunities to assist in the development and competitiveness of diverse suppliers through instruction, mentoring, capacity building and outreach activities.

#### 2017 Highlights

- CenterPoint Energy achieved more than \$1 billion in spending with small business suppliers. Twelve percent of our corporate spend was with certified-MWBE suppliers. CenterPoint Energy's prime suppliers reported more than \$100 million in second-tier spending with diverse suppliers and small veteran-owned businesses.
- Our annual Supplier Diversity Month and Recognition Breakfast highlights included an in-house mini-MWBE expo featuring 24 diverse suppliers, a MWBE CEO Roundtable hosted by President and CEO Scott M. Prochazka, and a prime supplier training and workshop. The breakfast honored four employees, one business unit and two diverse suppliers for outstanding contributions to CenterPoint Energy's supplier diversity success.
- We partnered and participated with the Association of Electric Companies of Texas and the Department of Energy's/Houston Minority Supplier Development Council (HMSDC) 2017 Energy Summit. CenterPoint Energy representatives served as panelists and facilitators on two of the summit panels.
- CenterPoint Energy sponsored and presented at approximately 50 external supplier diversity-related activities locally and nationally, including expos, workshops, trainings and conferences.
- CenterPoint Energy consistently uses minority investment banking firms for our debt financing activities. In February 2018, our electric operations business worked with a diverse group of banks to close on \$400 million of general mortgage bonds.

**CenterPoint Energy's  
Small Business Spend**  
dollars in billions





## Social: Purchasing and Supplier Diversity



### 2017 Supplier Diversity Awards

- Buyer of the Year –  
Alan Valicek – Houston Women's Business Enterprise Alliance
- Corporate Accountability for MBE Procurement Award –  
Houston Minority Supplier Development Council
- Corporate Advocate of the Year –  
Jewel Smith – Women's Business Enterprise Alliance
- Corporation of the Year –  
Houston Women's Business Enterprise Alliance
- Champion of Supplier Diversity –  
Jewel Smith – *Minority Business National News Magazine*
- Cutting Edge Award for Outstanding Utilization of WBEA WBEs –  
Women's Business Enterprise Alliance
- Rigel Award for Leadership in Minority Business Development –  
Houston Minority Supplier Development Council
- Top 100 U.S. Corporations in Supplier Diversity –  
*Minority Business News USA*

### Spotlight on MWBE

Parsley Coffin Renner LLC (PCR) is a small woman-owned law firm that represents CenterPoint Energy's electric and natural gas businesses across multiple areas. PCR is consistently able to meet our Legal department's needs in complex regulatory matters that balance legal, public interest, economic and accounting issues.

PCR's diversity efforts include its Sustaining Sponsorship commitment to the Houston Association of Women Attorneys Foundation Pro Bono Fellowship Program, a program that was created under the leadership of our General Counsel Dana C. O'Brien. The program offers female attorneys in their first year of practice a chance to provide pro bono legal services to their community, while developing technical legal skills. PCR also utilizes women- and minority-owned businesses for its accounting and bookkeeping.

# Safety

## Our Approach

CenterPoint Energy is committed to the protection of our employees, contractors, systems and communities. Our goal is to maintain a safe work environment and deliver electricity and natural gas safely to the communities we serve. To achieve our goal, CenterPoint Energy is guided by the following principles:

- **Compliance:** We are committed to complying with applicable safety laws and regulations. Employees are expected to adhere to and abide by all company policies, procedures and guidelines for safely working and operating our systems. We also expect contractors who perform work for the company to do so safely, in compliance with applicable laws and regulations;
- **Accountability:** Safety is the responsibility of all employees and is a condition of employment. While management sets clear expectations and provides support and training, employees are accountable for understanding and incorporating safety responsibilities into their daily work activities. Employees are also accountable for reporting incidents, injuries and unsafe practices or conditions so they can be promptly addressed and corrected. Employees are empowered and understand we will perform our duties in a safe manner or we will not do them;
- **Continuous Improvement:** CenterPoint Energy strives to continuously improve our safety performance and culture. We embrace innovation and technology that will enhance our performance. We will identify opportunities to improve and learn from incidents, near-misses, inspection programs and observations that the public or employees submit; and
- **Customer and Community Focus:** We will continue to develop and maintain effective safety programs that educate and inform customers and the public in the communities where we operate.

## WORKPLACE SAFETY

CenterPoint Energy focuses on being *Safety Forward*, which is our companywide approach to safety performance and excellence. Initiatives are designed to encourage employees to keep safety at the forefront, regardless of their business unit or work location. It is critical that our employees be well trained when it comes to safety procedures, so we offer industry and peer education programs that address safety challenges.



As we continue our focus on improving our safety performance, behavior-based safety programs include:

- **POWER (Proactively Observing While Eliminating Risk)** is the behavior-based safety program for our electric operations business. The program enables the continuous improvement of tools and equipment, work practices and the environment through effective measurement, communication and corrective actions. The program has delivered valuable results, such as a reduction of injuries as safety observations increased; and
- **CSAFE (CenterPoint Energy Safe Action For Employees)** is the natural gas operations' behavior-based safety program that has multiple committees that meet on a monthly basis. Employees are encouraged to share safety experiences that will help their peers.

Initiative and accountability – two of our values – have led to many safety improvements through employee involvement. Speaking up to correct possible hazards or improve existing practices has created positive change. In both our electric and natural gas operations, we practice our safety commitment through quality observations, near-miss notifications, inspections and other safety-related activities. Safety observations are the first line of defense in maintaining safety awareness on a job. In 2017, more than 64 percent of employees in our electric and natural gas businesses submitted at least two observations per month. This amounted to 214,895 safety observations submitted over the course of the year.

## Social: Safety

We believe CenterPoint Energy's ongoing efforts to sustain a strong safety culture are resulting in fewer injuries and incidents. We had excellent safety performance in 2017, with our highest levels in employee engagement and continuous improvement for participation and observation rates; days away, restricted or transferred (DART) rates; and recordable incident rates (RIR). From 2016 to 2017, we had a 16 percent decrease in Occupational Safety and Health Administration (OSHA) recordable incidents, a 28 percent decrease in DART cases, and a 32 percent decrease in Lost Time Injuries. Our reduction in recordable incidents placed CenterPoint Energy in the top quartile for EEI and AGA rankings.

### Employee Safety Performance

	2014	2015	2016	2017	2016-2017 Improvement
Recordable					
Incident Rate	1.73	1.35	1.23	1.01	<b>17.8%</b>
DART Rate	1.24	0.89	0.87	0.56	<b>35.6%</b>
Lost Time					
Incident Rate	0.66	0.43	0.55	0.45	<b>18.2%</b>

However, we also experienced several serious safety incidents in 2017 that reinforced our commitment to working safely and continuing to improve our safety program and performance. We are participating in an 18-month national study with EEI on serious injury and fatality precursors to help prevent such incidents from happening in our industry.

### 2017 Highlights

- Collaboration between Engineering and Construction resulted in hot arms being purchased for energized work. The arms mount on 38-ton boom trucks and assist linemen by picking up energized conductors without pull blocks and sticks, making work safer and more efficient.
- Our natural gas operations in Oklahoma achieved a 0-0-0 incident rate in 2017, which means zero preventable vehicle collisions, zero recordable incidents and zero days away from work/restricted injuries. Their success is attributable to a commitment to incorporate safety into everything they do.
- Employees in Arkansas and Oklahoma hosted the last Natural Gas Distribution Safety Summit of the year with the theme "Safety Improvement," based on the television series "Home Improvement." More than 100 employees attended. The region has maintained the highest level of year-to-date employee participation.

### Facts

- All company drivers are expected to complete training on safety behind the wheel. Smith System training, AlertDriving training and Mobile Eye technology help prevent vehicle incidents and related injuries.
- To drive continuous improvement and knowledge sharing, regular safety meetings, trainings and summits are held for both employees and contractors.
- Quarterly safety campaigns focus on key topics, such as ergonomics during work activities, including setting meters, climbing poles, lifting boxes and driving.

## PUBLIC SAFETY

### Our Approach

CenterPoint Energy is committed to the safe delivery of electricity and natural gas. To support this commitment, we provide our stakeholders with information and educational outreach about potential hazards and how to respond to them. This includes education about staying away from power lines, how trees and vegetation affect electric safety and natural gas safety.

### 2017 Highlights

- CenterPoint Energy's Safety and Gas System Integrity organization committed to participating in the American Petroleum Institute's standards for managing pipeline infrastructure and is implementing them in our operations.
- Through our Speakers' Bureau, CenterPoint Energy offers free presentations to Houston-area community groups, professional associations and businesses. In 2017, 49 presentations were held reaching more than 2,100 individuals. Of those presentations, 24 were safety electric arcing demonstrations for businesses and fire departments.
- CenterPoint Energy partnered with the Houston Astros to lead interactive assemblies on electrical and natural gas safety for elementary students. The assemblies featured company mascot Louie the Lightning Bug and Orbit of the Houston Astros. Eight assemblies held in the Houston area reached more than 1,700 students.
- Our educational websites, Electric Universe and Safe and Smart with Buddy Blue Flame, offer educational information and activities related to electrical and natural gas safety. In 2017, we received the Southern Gas Association Community Service Award for our natural gas safety education website.





### Educational Outreach

CenterPoint Energy's educational outreach activities include partnerships with local schools and nonprofit organizations. To reach a broad audience, we educate adults and youth in our communities in both English and Spanish. During the 2016-17 school year, CenterPoint Energy actively promoted safety education and outreach through free community resources and strategic partnerships. We distributed 68,640 booklets on electric and natural gas safety to K-12 students. In the 2016-17 school year, we partnered with more than 60 organizations on safety outreach, including Junior Achievement, Houston Audubon Society and the Children's Museum of Houston.

### Community Partnership Grants

One of the company's signature safety programs is CenterPoint Energy's Community Partnership Grants. The program helps cities leverage local funds to purchase safety equipment, hold trainings or support important safety projects. We invite local emergency responders, including fire and police departments in our natural gas markets, to apply for a safety grant. We conduct this program in Minnesota, Arkansas and Oklahoma and are in the process of expanding it. In 2017, 73 grants were awarded totaling \$144,576. Since the program's inception in 2003, CenterPoint Energy has contributed \$1.7 million toward safety initiatives in our communities.

### Right Tree Right Place

CenterPoint Energy understands that planting trees responsibly helps care for our environment and beautify our community. However, when trees grow into power lines, they can cause power outages and create safety hazards for residents and workers.

The company's Vegetation Management group proactively assesses the need for tree trimming near power lines, prepares work maps and schedules tree trimming. To maintain safety and electric service reliability, we trim approximately 1 million trees per year. Our Right Tree Right Place education efforts help the public understand that we trim trees to protect service reliability.

We have partnered with the Arbor Day Foundation and Trees For Houston for five years to provide energy-saving trees to qualifying Houston-area residents. The program is designed to help customers reduce energy consumption and save money on their electric bill. Studies show that the right trees planted in the right place – not under power lines – can reduce electricity use up to 30 percent by providing summer shade and slowing cold winter winds. Through the online program, CenterPoint Energy offers two free trees per registrant. Each year, the program offers 2,500 trees to individuals in CenterPoint Energy's electric service territory who agree to plant them in energy-saving locations.

In 2016 and 2017, CenterPoint Energy was proud to serve as the presenting sponsor for the Houston Zoo's Party for the Planet. This annual Earth Day celebration focuses on how environmental protection saves wildlife. We distributed more than 10,000 tree seedlings to attendees, along with planting guides and information about our Right Tree Right Place program.

### 2017 Facts

- Trees planted by CenterPoint Energy: 2,449
- Trees distributed to community members: 4,500

Planting a tree in an energy-saving location saves consumers money and provides community benefits, such as storm water runoff reduction, improved air quality and neighborhood beautification. Therefore, education is a large component of CenterPoint Energy's outreach. The company also consults with local community leaders and elected officials to promote electric reliability through the Right Tree Right Place program.

## PIPELINE PUBLIC SAFETY AWARENESS

### Our Approach

As part of our focus on safety, CenterPoint Energy has a comprehensive pipeline safety public awareness program that educates the public about pipeline purpose, reliability, potential hazards and preventive measures. Additional topics include leak recognition and response, emergency preparedness and damage prevention, and One Call requirements. We communicate information via ads on television, radio and outdoor, direct mail, presentations and school materials. Much of our public safety awareness work is accomplished through strategic partnerships.

## Social: Safety

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CenterPoint Energy's Public Awareness Program helps protect people, property and the environment through increased stakeholder awareness and knowledge. Objectives include:

- Increasing stakeholder awareness of pipelines in their communities and how they transport energy;
- Growing stakeholder understanding of steps to reduce the occurrence of pipeline emergencies; and
- Educating stakeholders on the steps to take in response to a pipeline emergency.

### 2017 Initiatives

- Delivered key natural gas pipeline safety messages to approximately 1.3 million non-customer stakeholders along CenterPoint Energy's distribution and transmission system.
- Partnered with Texas Pipeline Awareness Alliance to produce natural gas safety advertising campaigns in all 254 counties in Texas on both English and Spanish television networks, producing more than 34 million impressions.
- Sponsored presentations at 17 Texas regional school safety summits presented by the Smalley Foundation. We provided pipeline safety information to school administrators, safety officials, bus drivers and other staff at schools located near underground pipelines.
- Distributed supplemental outreach of pipeline safety information to all public officials in Arkansas.
- With the Pipeline Operators Safety Partnership, which helps build partnerships between pipeline companies and emergency responders, we distributed educational materials at two nationwide conferences.

### Electric Safety Awareness

Electric operations provides important information to the public through electrical safety presentations and the distribution of safety-related materials at large events, such as the Houston Livestock Show and Rodeo and the annual Houston/Galveston Extreme Weather Ready Expo. CenterPoint Energy also provides information about working safely to those whose jobs require them to be near power lines, including fire departments, cable company workers, crane operators and tree trimmers.

### Emergency Operating Plan and Drills

CenterPoint Energy maintains an Emergency Operating Plan (EOP) to restore service to customers as safely, quickly and efficiently as possible. To prepare for major weather events, CenterPoint Energy conducts a Hurricane Response Exercise to test our response plans, preparedness and recovery processes. Everyone with an EOP role receives annual training on their specific response procedures and how to use the Incident Command System.

We provide resources to employees to help prepare them for their EOP roles. Our EOP site is available on the company's intranet, CNP Today. Employees can log on to the Employee Storm Roster, view the EOP plans for electric and natural gas operations, download forms, and access information, policies and guides.

## CYBERSECURITY RISK, DATA PRIVACY RISK AND MITIGATION

### Our Approach: Cybersecurity

CenterPoint Energy's customers, partners, shareholders and employees entrust us with their information. Our stakeholders' information plays a vital role in our ability to perform our services. We are committed to managing the security of our infrastructure and protecting the privacy of the information we maintain.

The company's cybersecurity strategy and roadmap are reviewed at least annually as a part of our governance processes. CenterPoint Energy's Security Governance Council, which focuses on physical security and cybersecurity, oversees the program. The strategy and roadmap are presented to the Corporate Risk Oversight Committee and, subsequently, to our Executive Committee. The board of directors is regularly updated on cyber-related activities, security initiatives, risks and strategy.

We routinely evaluate cyber threats and develop strategies that address near- and long-term mitigation efforts. Additionally, we monitor and address ongoing system-related activities and practice our response plans.

All new employees are required to complete physical security and cybersecurity training, along with ethics and compliance training, which includes the protection of confidential information and records. These trainings are followed by annual certification for all employees.

To further enhance awareness, we implemented a Cyber-Security Awareness Program that is available to employees and contractors. Our Cyber-Security Operations Center (CSOC) is the hub of our cybersecurity program. CSOC personnel monitor information from external sources and respond to users who receive questionable emails.

### Our Approach: Data Privacy

CenterPoint Energy recognizes the importance of a dedicated Data Privacy Office to address existing and emerging laws, regulations, trends, expectations and best practices. Our Ethics and Compliance team maintains a data privacy office led by the company's chief ethics, compliance and privacy officer. Our data privacy governance addresses the collection, storage, usage, disclosure and destruction of data for a specific business purpose. We take steps to ensure the data will remain private and protected against unauthorized access or modification.

As part of our business of delivering energy to millions of customers, we amass large quantities of information. Much of that information is protected by various local and federal laws, such as insider trading and customer information protection laws. In support of protections required by law, the company abides by its own set of internal policies and processes.

Protecting information from unauthorized access, use or modification is the right thing to do for our customers, employees and others. In addition, it helps the company minimize the risk of serious financial, legal and regulatory issues. All employees,

contractors and third-party business partners have a responsibility to handle sensitive, private and confidential information carefully and to protect the private and personal nature of much of the information we maintain.

- In 2017, the company launched seven data privacy principles, along with descriptions on how employees can implement each principle and annual companywide data privacy training.
- CenterPoint Energy recognizes and actively promotes International Data Privacy Day on January 28 in an effort to raise awareness of how personal information should be managed.

#### Feature: Sealy, Texas, Microburst



CenterPoint Energy's annual EOP drill was scheduled on May 24, 2017, but Mother Nature had other plans. On May 23, a powerful microburst caused damage to the company's transmission and distribution infrastructure in Sealy, Texas, located approximately 50 miles west of Houston. The storm produced tornado-force winds, torrential rain and massive hail. A major interstate highway was closed and nearly 100 homes and businesses were severely damaged. While the storm was isolated to only 15.5 square-miles of our 5,000 square-mile service territory, the damage to the electrical infrastructure was extreme and more than 68,000 customers lost power.

The staging site that was prepared for the EOP drill was relocated and used during the emergency response. Working safely and efficiently, our crews replaced nine wooden transmission poles, 246 distribution poles and 356 spans of wire. Over a two-day response period, we restored power to all affected customers. For the first time, the company utilized drones to assess damage, as well as to communicate the extent of the damage and restoration efforts to media and customers. Our employees used the staging site to provide meals, organize materials and house more than 500 crew members.

#### Feature: Mutual Assistance



CenterPoint Energy understands how critical it is to quickly and safely restore service after a natural disaster or other emergency. In addition to being prepared to respond to incidents across our territory, we have mutual assistance agreements with other electric utilities and natural gas companies that enable them to ask for our support in a time of need.

CenterPoint Energy benefited from these relationships during our Hurricane Harvey restoration, with more than 1,500 resources supporting our activities. In turn, we have supported fellow utilities by sending resources on the following 2017 mutual assistance trips:

- January: Public Service Company of Oklahoma (AEP-PSO) for ice storm restoration;
- September: Tampa Electric and Florida Power & Light for Hurricane Irma restoration; and
- October: Entergy Louisiana for Hurricane Nate restoration.

As part of a nationwide, coordinated power restoration plan involving several investor-owned electric companies, CenterPoint Energy's electric utility sent 140 employees to Puerto Rico to accelerate the power restoration efforts.



## Social: Features

### Feature: Super Bowl and World Series



In early 2017, the Atlanta Falcons and New England Patriots faced off in the 2017 Super Bowl in Houston. Behind the scenes, CenterPoint Energy had been preparing since early 2016 for the critical role we would play in the National Football League's championship game. While millions of fans around the world watched the game, employees from a wide range of CenterPoint Energy departments were quietly doing their jobs, working to ensure the security and reliability of electric service and natural gas for the Super Bowl and the many related events scheduled throughout Houston.

The operational leaders of our electric and natural gas businesses began meeting in 2016 to discuss preparedness. This was a high-visibility event, and our company's leadership recognized that the best way to support Houston as a great place to live and work was through reliable electric and natural gas systems. The company developed an organizational structure, established communications, put resources in position, and closely monitored all systems to ensure a prompt and coordinated response to restore service in the event of an interruption. This carefully designed plan also included effective, timely communications to employees, customers and external partners.

The reliability measures executed for the Super Bowl prepared CenterPoint Energy to support the World Series games that were hosted in Houston Oct. 27-29, 2017. During the games, electric operations personnel were positioned to respond to any issues, and plans were in place to have power restored in less than 30 minutes, if needed.

Lessons learned from Houston's Super Bowl and World Series helped our natural gas operations in Minnesota prepare for the 2018 Super Bowl, which was played Feb. 4 in Minneapolis.





Feature: **Drone Program**

At CenterPoint Energy, use of an unmanned aircraft system (UAS) – commonly known as a drone – has helped expedite our ability to assess damage to our electric transmission and distribution system following storms. The company tested drone technology following the Sealy, Texas, microburst and Hurricane Harvey, and is developing a formal program to support drone usage during emergency response and daily operations.

Obstacles, such as downed trees or flooded roads, make it difficult for crews to assess damage following a severe weather event, and can hinder response and restoration time. Using drones to capture high-resolution imagery in real time will help us assess damage and deploy the right resources to the right places in order to restore power. CenterPoint Energy has used helicopters to assess system damage and will continue use them as necessary; however, drones can typically be deployed faster. Drones also help the company avoid risk when assessing inaccessible equipment and keep employees out of hazardous situations when inspecting infrastructure.

After Hurricane Harvey, CenterPoint Energy used 15 drones to:

- Determine the extent of access issues at various locations;
- Monitor circuit loading and conditions by equipping drones with infrared equipment;
- Establish safe routes for crews to reach areas with high water; and
- Monitor flooded equipment.

Drone footage of the severe weather events in 2017 was shared with news outlets and on social media, which helped keep the public informed about our ongoing restoration efforts.

Feature: **811**

Because third-party damage is the number-one cause of pipeline incidents for CenterPoint Energy, we partner with the Common Ground Alliance to raise awareness of 811, the national "Call Before You Dig" number. Each year on Aug. 11, CenterPoint Energy issues a news release promoting 811 as the resource for marking utility lines before digging. In 2017, CenterPoint Energy held 14 damage-prevention events in the Texas region, reaching nearly 1,400 stakeholders. These events included the downtown Houston 811 Day Block Party, held in collaboration with other pipeline operators, and a presence at a Houston Astros game.

## Report Overview/Feedback

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CenterPoint Energy is committed to making ongoing improvements to our reporting. We welcome your input and comments. Please email your thoughts to us at [info1@centerpointenergy.com](mailto:info1@centerpointenergy.com) and engage with us via our social media channels:

- Facebook: [facebook.com/CenterPointEnergy](https://facebook.com/CenterPointEnergy)
- Twitter: [@energyinsights](https://twitter.com/energyinsights)
- Twitter [@cnpalerts](https://twitter.com/cnpalerts)
- YouTube: [youtube.com/user/centerpointenergyvid](https://youtube.com/user/centerpointenergyvid)
- LinkedIn: [linkedin.com/company/centerpoint-energy](https://linkedin.com/company/centerpoint-energy)

Thank you to Richard T. Bye, director of Environmental Services, CenterPoint Energy, for providing his photos for this report.

# GRI Index

CenterPoint Energy's 2017 Corporate Responsibility Report is based on the Global Reporting Initiative (GRI) standards. This report, has been prepared in accordance with the GRI Standards: Core option. It was developed based on issues related to our company's environmental, social and economic performance that we have identified as material or important to stakeholders.



**Materiality  
Disclosures**  
CenterPoint Energy



The table below provides the location to find information reported that completely or partially relates to the indicators published by GRI. For our complete GRI Content Index, please see the Investors section of CenterPointEnergy.com.

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# Cautionary Statement

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This report contains statements concerning our expectations, beliefs, plans, objectives, goals, strategies, future operations, events, financial position, earnings, growth, costs, prospects, capital investments or performance or underlying assumptions and other statements that are not historical facts. These statements are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. You should not place undue reliance on forward-looking statements. Actual results may differ materially from those expressed or implied by these statements. You can generally identify our forward-looking statements by the words “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “forecast,” “goal,” “intend,” “may,” “objective,” “plan,” “potential,” “predict,” “projection,” “should,” “target,” “will,” or other similar words. The absence of these words, however, does not mean that the statements are not forward-looking.

We have based our forward-looking statements on our management's beliefs and assumptions based on information currently available to our management at the time the statements are made. Factors that could affect actual results include, but are not limited to, future financial performance and results of operations, the timing and impact of future regulatory and legislative decisions, weather variations, changes in business plans, financial market conditions and other factors discussed in CenterPoint Energy, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2017. We caution you not to place undue reliance on any forward-looking statements and that assumptions, beliefs, expectations, intentions, and projections about future events may and often do vary materially from actual results. Accordingly, we cannot assure you that actual results will not differ materially from those expressed or implied by our forward-looking statements.

Factors that could affect actual results include (1) the performance of Enable Midstream Partners, LP (Enable), the amount of cash distributions CenterPoint Energy receives from Enable, Enable's ability to redeem the Series A Preferred Units in certain circumstances and the value of CenterPoint Energy's interest in Enable, and factors that may have a material impact on such performance, cash distributions and value, including factors such as: (A) competitive conditions in the midstream industry, and actions taken by Enable's customers and competitors, including the extent and timing of the entry of additional competition in the markets served by Enable; (B) the timing and extent of changes in the supply of natural gas and associated commodity prices, particularly prices of natural gas and natural gas liquids (NGLs), the competitive effects of the available pipeline capacity in the regions served by Enable, and the effects of geographic and seasonal commodity price differentials, including the effects of these circumstances on re-contracting available capacity on Enable's interstate pipelines; (C) the demand for crude oil, natural gas, NGLs and transportation and storage services; (D) environmental and other governmental regulations, including the availability of drilling permits and the regulation of hydraulic fracturing; (E) recording of non-cash goodwill, long-lived asset or other than temporary impairment charges by or related to Enable; (F) changes in tax status; (G) access to debt and equity capital; and (H) the availability and prices of raw materials and services for current and future construction projects; (2) industrial, commercial and residential growth in CenterPoint Energy's service territories and changes in market demand, including the effects of energy efficiency measures and demographic patterns; (3) timely and appropriate rate actions that allow recovery of costs and a reasonable return on investment; (4) future economic conditions in regional and national markets and their effect on sales, prices and costs; (5) weather variations and other natural phenomena, including the impact of severe weather events on operations and capital; (6) state and federal legislative and regulatory actions or developments affecting various aspects of CenterPoint Energy's and Enable's businesses, including, among others, energy deregulation or re-regulation, pipeline integrity and safety and changes in regulation and legislation pertaining to trade, health care, finance and actions regarding the rates charged by our regulated businesses; (7) tax reform and legislation, including the effects of the comprehensive tax reform legislation informally referred to as the Tax Cuts and Jobs Act and uncertainties involving state commissions' and local municipalities' regulatory requirements and determinations regarding the

treatment of excess deferred taxes and CenterPoint Energy's rates; (8) CenterPoint Energy's ability to mitigate weather impacts through normalization or rate mechanisms, and the effectiveness of such mechanisms; (9) the timing and extent of changes in commodity prices, particularly natural gas, and the effects of geographic and seasonal commodity price differentials; (10) problems with regulatory approval, construction, implementation of necessary technology or other issues with respect to major capital projects that result in delays or in cost overruns that cannot be recouped in rates; (11) local, state and federal legislative and regulatory actions or developments relating to the environment, including those related to global climate change; (12) the impact of unplanned facility outages; (13) any direct or indirect effects on CenterPoint Energy's or Enable's facilities, operations and financial condition resulting from terrorism, cyber-attacks, data security breaches or other attempts to disrupt CenterPoint Energy's businesses or the businesses of third parties, or other catastrophic events such as fires, earthquakes, explosions, leaks, floods, droughts, hurricanes, pandemic health events or other occurrences; (14) CenterPoint Energy's ability to invest planned capital and the timely recovery of CenterPoint Energy's investment in capital; (15) CenterPoint Energy's ability to control operation and maintenance costs; (16) actions by credit rating agencies; (17) the sufficiency of CenterPoint Energy's insurance coverage, including availability, cost, coverage and terms; (18) the investment performance of CenterPoint Energy's pension and postretirement benefit plans; (19) commercial bank and financial market conditions, CenterPoint Energy's access to capital, the cost of such capital, and the results of CenterPoint Energy's financing and refinancing efforts, including availability of funds in the debt capital markets; (20) changes in interest rates and their impact on CenterPoint Energy's costs of borrowing and the valuation of its pension benefit obligation; (21) changes in rates of inflation; (22) inability of various counterparties to meet their obligations to CenterPoint Energy; (23) non-payment for CenterPoint Energy's services due to financial distress of its customers; (24) the extent and effectiveness of CenterPoint Energy's risk management and hedging activities, including, but not limited to, its financial and weather hedges; (25) timely and appropriate regulatory actions allowing securitization for any future hurricanes or natural disasters or other recovery of costs, including costs associated with Hurricane Harvey; (26) CenterPoint Energy's or Enable's potential business strategies and strategic initiatives, including restructurings, joint ventures and acquisitions or dispositions of assets or businesses (including a reduction of CenterPoint Energy's interests in Enable, if any, whether through its decision to sell all or a portion of the Enable common units it owns in the public equity markets or otherwise, subject to certain limitations), which CenterPoint Energy cannot assure will be completed or will have the anticipated benefits to it or Enable; (27) acquisition and merger activities involving CenterPoint Energy or its competitors; (28) CenterPoint Energy's or Enable's ability to recruit, effectively transition and retain management and key employees and maintain good labor relations; (29) the ability of GenOn Energy, Inc. (formerly known as RRI Energy, Inc., Reliant Energy and RRI), a wholly-owned subsidiary of NRG Energy, Inc. (NRG), and its subsidiaries, currently the subject of bankruptcy proceedings, to satisfy their obligations to CenterPoint Energy, including indemnity obligations; (30) the outcome of litigation; (31) the ability of retail electric providers (REPs), including REP affiliates of NRG and Vistra Energy Corp., formerly known as TCEH Corp., to satisfy their obligations to CenterPoint Energy and its subsidiaries; (32) changes in technology, particularly with respect to efficient battery storage or the emergence or growth of new, developing or alternative sources of generation; (33) the timing and outcome of any audits, disputes and other proceedings related to taxes; (34) the effective tax rates; (35) the effect of changes in and application of accounting standards and pronouncements; and (36) other factors discussed in CenterPoint Energy's Annual Report on Form 10-K for the fiscal year ended Dec. 31, 2017, and other reports CenterPoint Energy or its subsidiaries may file from time to time with the Securities and Exchange Commission.

This report contains time sensitive information that is accurate as of Feb. 22, 2018. Some of the information in this report is unaudited and may be subject to change. We undertake no obligation to update the information presented herein, except as required by law.



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