

Shared Impact

2018 CORPORATE RESPONSIBILITY REPORT



A SHARED IMPACT ON CUSTOMERS

We are committed to delivering reliable service to all our customers – residential, small business, commercial and industrial.



300+ employees serving in volunteer leadership positions

130,000+ employee volunteer hours



A SHARED IMPACT ON COMMUNITIES
As a company and as individuals, we are committed to making a positive difference in the communities where we live and work.

SHARED IMPACT

At CenterPoint Energy, we're dedicated to making people's lives more comfortable, productive and enjoyable. For more than 150 years, our employees have delivered safe and reliable energy, and today we serve millions of customers from the Gulf Coast to the Great Lakes. Our brand promise is *Always There*, and our employees take great pride in being our customers' trusted energy partner.



Jon Yi
Cypress, Texas



Rick Koite
Little Rock, Arkansas

A SHARED IMPACT ON EMPLOYEES

Our results are achieved through the skills, knowledge and talents of employees across our company.

A SHARED IMPACT ON SAFETY

We are committed to sustaining a strong safety culture.



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About this Report

CenterPoint Energy (NYSE: CNP) is proud to present our 2018 Corporate Responsibility Report, which focuses on our shared impact. This report discusses how we engage with our stakeholders, approach environmental stewardship, support our communities, and provide a safe, inclusive workplace. We continue to make progress in these areas since our first Corporate Responsibility Report was published in 2016.

Because key environmental, social and governance (ESG)-related issues are integral to our long-term performance, we established CenterPoint Energy's ESG Council in 2018. The council identifies, evaluates and recommends strategic directions and opportunities that promote ESG objectives, and are aligned with our company's vision and strategic plan.

Along with input from the ESG Council, a work group composed of employees from CenterPoint Energy's businesses and functions provided data for this report based on topics that are important to the company, as well as the programs and initiatives that address these opportunities. Our key focus areas include:

- Governance
- Ethics and compliance
- Environmental impacts, including greenhouse gas emissions (GHG);
- Energy efficiency;
- Biodiversity; and
- Safety and well-being of our customers, employees, contractors, systems and communities.

Our reporting follows the Global Reporting Initiative (GRI) framework and has been prepared in accordance with the GRI Standards: Core option. To better serve our stakeholders, we have incorporated both the American Gas Association's (AGA) and Edison Electric Institute (EEI) Version 1 ESG template into our annual sustainability reporting activities.

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 2018 GRI Index, Annual Report, Form 10-K and other filings and presentations, please visit the [Investors section](#) of CenterPointEnergy.com.



Merger with Vectren Corporation

In April 2018, CenterPoint Energy and Vectren Corporation announced their plans to merge. The transaction was successfully completed on Feb. 1, 2019, creating a combined company – CenterPoint Energy – with a unified set of values, vision, strategy and culture. The company has approximately 14,000 employees, regulated electric and natural gas utility businesses that serve more than 7 million metered customers in eight states and a competitive energy business footprint in nearly 40 states. While this report covers CenterPoint Energy's legacy activities as of year-end 2018, our 2019 report will include data for the combined company. Legacy Vectren's 2018 GRI Index is available on the [Investors section](#) of CenterPointEnergy.com.



Letter to Stakeholders

Dear Fellow Stakeholder,

At CenterPoint Energy, we believe how we deliver energy is as important as what we deliver. Our employees work hard every day to safely and reliably deliver electricity and natural gas to the millions of customers we serve across the country. Together with our vision **to lead the nation in delivering energy, service and value**, these commitments are reflected in the theme of our 2018 report, *Shared Impact*.

In our industry, every day brings new opportunities to serve our stakeholders. We have a strong set of values, a solid strategy and a sound vision. Through our merger with Vectren Corporation, we also have a greater level of business operations, resources and capabilities that will enable us to execute a unified business strategy focused on the safe, reliable delivery of electricity, natural gas and energy-related services.

We focus on the following priorities to drive our long-term ESG performance:

- We are accountable for making sure our conduct reflects and supports our values-based culture. Our relationships are built on mutual trust that allows for open communications. Our values of **safety, integrity, accountability, initiative and respect** are at the heart of how we do business every day.
- Our board of directors is engaged regularly to assess progress on our **Operate, Serve, Grow strategy**, consider relevant changes in our markets, assess key business risks, and approve expenditure levels believed to be necessary to achieve our operational and financial objectives.
- We remain committed to **good stewardship of the environment**, with a continued focus on conducting our business in an environmentally responsible manner and reducing GHG emissions from our operations, including our participation as a founding partner in the U.S. Environmental Protection Agency's (EPA) Natural Gas Methane Challenge Program.
- Our brand promise of *Always There* demonstrates our pride in **servicing as our customers' trusted energy partner** for more than 150 years. We will continue to meet customers' future energy delivery needs through a combination of traditional and innovative solutions.



- We are focused on making a positive difference in the communities we touch. Lending a helping hand is a strong part of our culture, and we are proud to serve as a responsible corporate citizen. Our focus areas include education, community development and health and human services. In 2018, **our employees volunteered more than 130,000 hours in our communities**, valued at approximately \$3 million. We are proud that nearly six out of every 10 CenterPoint Energy employees volunteered their time last year.
- We are committed to making CenterPoint Energy a great place to work. We are a diverse company where individuals are respected for their contributions. **We value the different perspectives, experiences and backgrounds our people possess**, as they enable us to work together with a unified purpose. CenterPoint Energy is committed to maintaining an open and inclusive work environment where business results are achieved through the skills, abilities and talents of our diverse workforce.

On behalf of CenterPoint Energy's employees, we remain committed to delivering value through our shared impact. We look forward to building on our ESG-related progress and ongoing engagement with customers, communities, employees, investors and other stakeholders.

Thank you for your trust and confidence in CenterPoint Energy.

Scott M. Prochazka
President & CEO

About CenterPoint Energy



Our VISION
to lead the nation in delivering energy, service and value drives our strategy and performance.

We have an unwavering commitment to safely and reliably deliver electricity and natural gas to millions of people.

Our Businesses in 2018

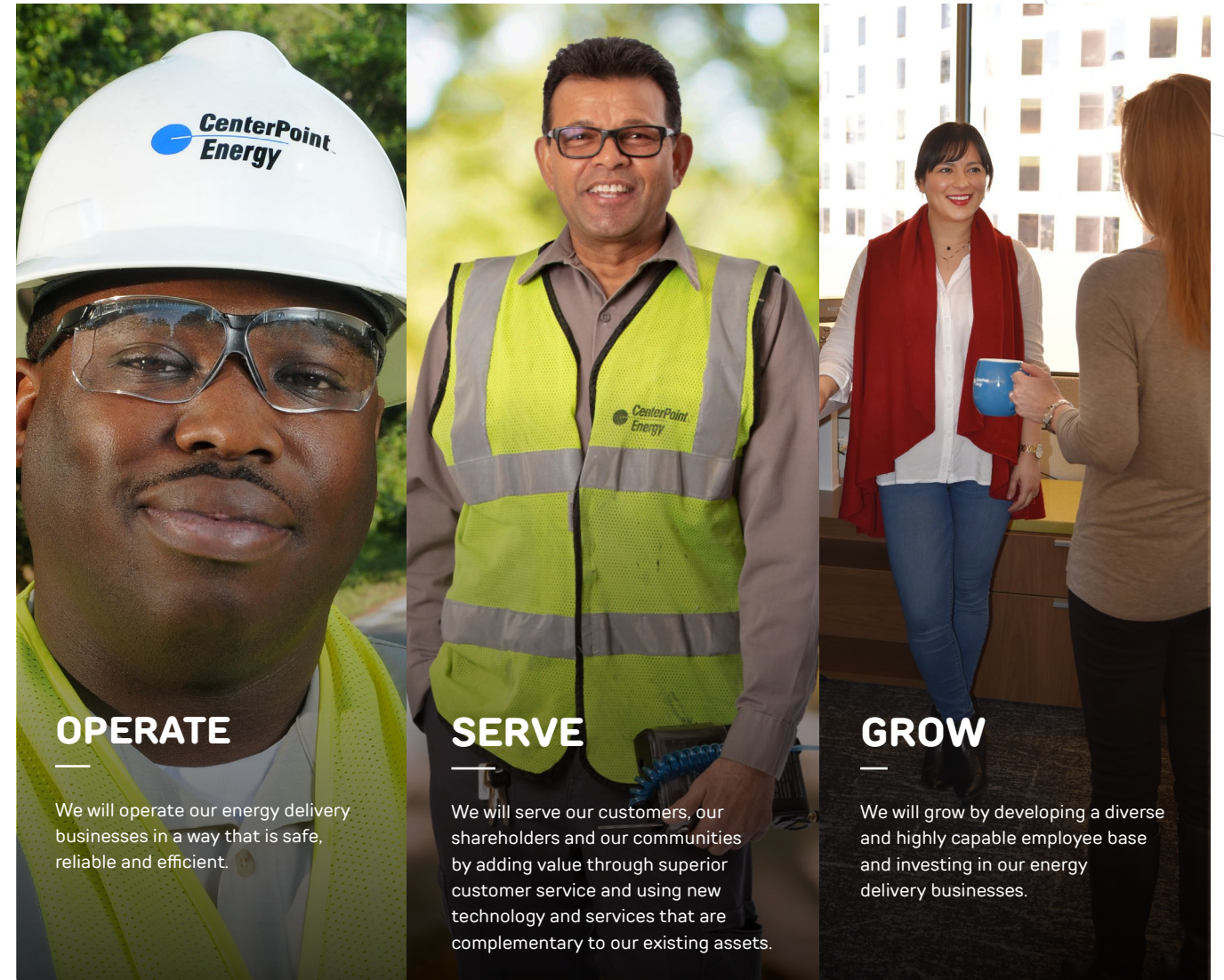
CenterPoint Energy, headquartered in Houston, Texas, is a domestic energy delivery company. At year-end 2018, our businesses included electric transmission and distribution, natural gas distribution and competitive natural gas sales and services. The company served approximately 5.9 million metered customers, primarily in six states, and had nearly 8,000 employees.

CenterPoint Energy and its predecessor companies have been in business for more than 150 years. In 2018, our electric transmission and distribution business provided 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 served 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, served 100,000 customers across 33 states and marketed more than 1 trillion cubic feet of natural gas to customers.

Our STRATEGY

to Operate, Serve and Grow reflects our dedication to customer service, investments in technology, drive for innovation and regulatory expertise.



OPERATE

We will operate our energy delivery businesses in a way that is safe, reliable and efficient.

SERVE

We will serve our customers, our shareholders and our communities by adding value through superior customer service and using new technology and services that are complementary to our existing assets.

GROW

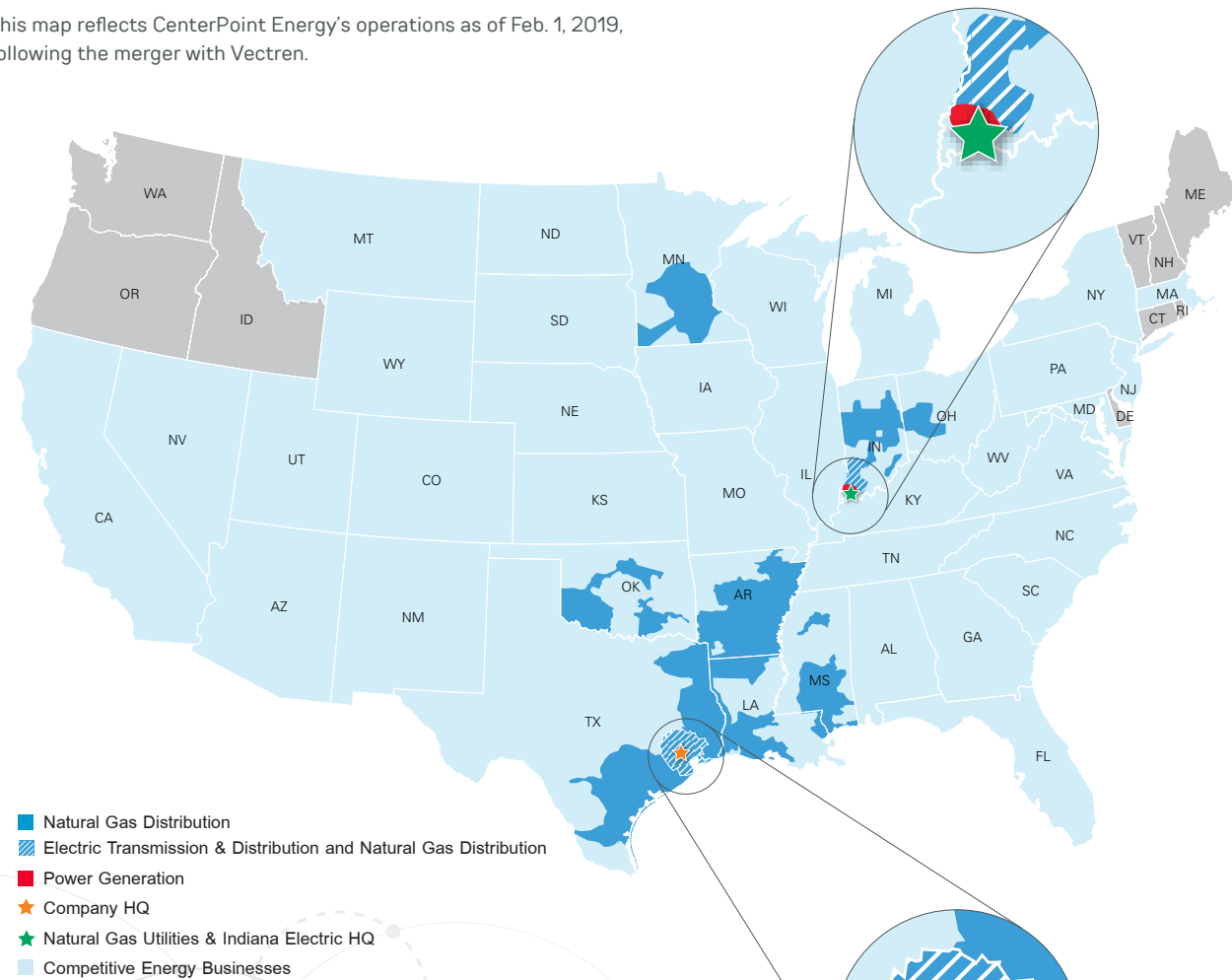
We will grow by developing a diverse and highly capable employee base and investing in our energy delivery businesses.

PICTURED FROM LEFT TO RIGHT: Joseph Reed, Jr., Houston, Texas; Dayal Ramdhan, Minneapolis, Minnesota; Alejandra Diaz, Houston, Texas

About CenterPoint Energy

Where We Operate

This map reflects CenterPoint Energy's operations as of Feb. 1, 2019, following the merger with Vectren.



2018 Results

During 2018, CenterPoint Energy continued to successfully deliver on our Operate, Serve, Grow strategy, resulting in another outstanding year for our company. Our disciplined performance and strategic focus contributed to our strong year-end financial results and operational excellence across our businesses.

CenterPoint Energy achieved many notable accomplishments in 2018, including our financial performance. For 2018, we reported income available to common shareholders of \$333 million, or \$0.74 per diluted share. Our 2018 earnings were driven in part by customer growth, execution of our regulatory strategy, growth in our competitive natural gas sales and services business, and continued value in our midstream investments.

We achieved total shareholder return of 3.74 percent, closely tracking the S&P 500 Utilities Index return of 4.11 percent in 2018. We exceeded the broader S&P 500 Index return in 2018, which was -4.38 percent. In addition, we reported an increase in our common stock dividends for the 14th consecutive year. The increase represented an approximately 4 percent increase from our previous quarterly dividend. If annualized, the dividend would equate to \$1.15 per share.

Our **electric transmission and distribution business** had an excellent 2018, producing \$568 million in operating income, excluding securitization bonds, and investing \$952 million in infrastructure to address the needs of the communities we serve. Our electric service territory, which served more than 2.4 million metered customers in 2018, continues to experience growth across all customer classes. In 2018, we added more than 41,000 new electric utility customers. We initiated or completed several large projects that address increasing demand across our footprint.

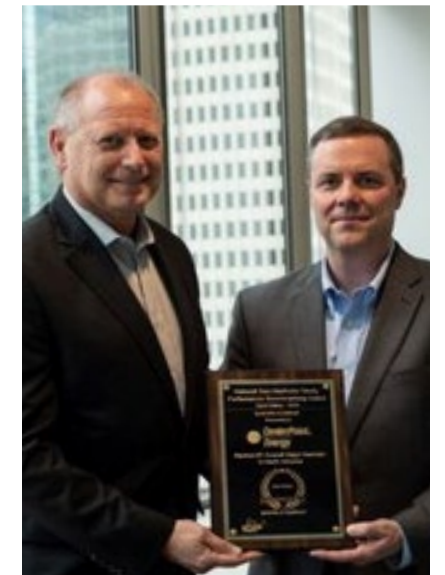
Our **natural gas distribution business**, which served approximately 3.5 million residential, commercial and industrial customers in Arkansas, Louisiana, Minnesota, Mississippi, Oklahoma and Texas, produced \$266 million in operating income last year. In 2018, we invested \$638 million to support growth and improve the reliability of our systems. We added more than 36,000 customers last year.

CES marketed more than 1 trillion cubic feet of natural gas to customers in 2018. The CES Mobile Energy Solutions business also experienced growth by supporting customers during emergency and planned natural gas outages. We worked closely with our pipeline customers to understand their needs and configure equipment to achieve the high flow rates necessary to sustain service.

\$831 million
Operating income

3.74 percent
Total shareholder return

77,000+
Metered customers added



CES was ranked as the number-one major Natural Gas Marketer in Mastio & Company's 2018 Natural Gas Marketer Customer Value/Loyalty Benchmarking Study. From left: Joe Vortherms, senior vice president of Competitive Energy Businesses for CenterPoint Energy, accepts the award from Kevin Huntsman, Mastio & Company's vice president of Sales.

About CenterPoint Energy

2018 ACCOMPLISHMENTS

Brazos Valley Connection

We completed the Brazos Valley Connection, a 60-mile, 345-kilovolt (kV) electric transmission line that runs from Harris County to Grimes County in Texas to meet the growing demand in the greater Houston area. To more effectively serve the southern area of our growing territory, we also opened a new service center in Brazoria County, Texas.

Bailey-Jones Creek Project

In late 2017, we proposed the Bailey to Jones Creek transmission line project to meet growing electricity demand in the Freeport, Texas area. We submitted our application to the Public Utility Commission of Texas in 2018. If approved, the project is expected to be completed by April 2022.

CES Performance

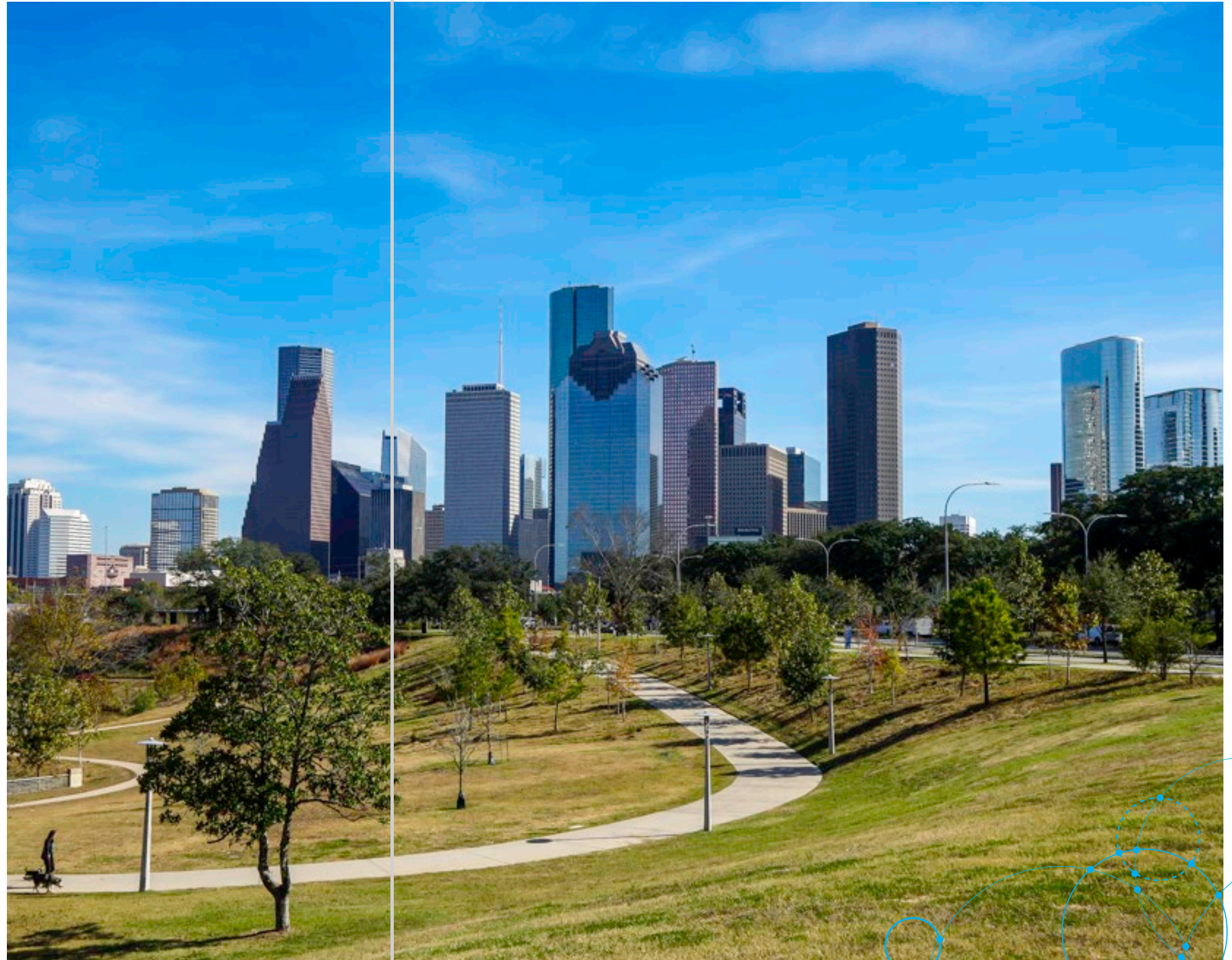
Ranked in the top 10 of natural gas marketers by *Natural Gas Intelligence*, CES had a record year in customer sales and expanded its retail natural gas supply to residential and business customers in many of our regions.

Natural Gas Green Tariff Pilot Program

In 2018, our natural gas distribution business filed a proposal with the Minnesota Public Utilities Commission to introduce a renewable natural gas green tariff pilot program for our Minnesota customers. If approved, we will be one of the first natural gas providers in the country to offer renewable natural gas to customers.

Pipe Replacement

We reached a significant milestone in 2018 by substantially completing the elimination of cast-iron pipes in CenterPoint Energy's distribution system prior to the merger with Vectren. Through our proactive program to replace cast iron and our participation as a founding partner in the EPA's Natural Gas Methane Challenge Program, we expect to improve the safety, integrity and reliability of our system and reduce GHG emissions from our operations.



About CenterPoint Energy

Case Study: Supporting Puerto Rico

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 March 2018.

Hurricane Maria was a deadly Category 5 hurricane that devastated Dominica, the U.S. Virgin Islands and Puerto Rico in September 2017. The nearly 60-mile-wide storm left Puerto Rico with catastrophic damage and 3.3 million residents without power. Within weeks, the Edison Electric Institute (EEI) and the American Public Power Association (APPA) received a request from Puerto Rico Electric Power Authority (PREPA) to support power restoration efforts. Shortly thereafter, CenterPoint Energy joined the nationwide power restoration plan to support PREPA with restoration efforts on the island.

“It was time for utility crews like ours to come in and help with the next phase of Puerto Rico’s restoration process, and we were proud to be part of our industry’s response,” said Ed Scott, director of Operations for CenterPoint Energy. “While we’d participated in many mutual assistance trips, it was unprecedented to put our equipment, bucket trucks and electric supplies on a barge that took two weeks to arrive on the island. We were fully committed to restoring power to Puerto Rico as quickly and as safely as possible.”

A team of electric company storm response experts were on the ground coordinating closely with local officials, the Federal Emergency Management Agency and the U.S. Army Corps of Engineers. The team focused on assessing damages and formalizing a structure for supporting logistics, equipment needs and supply chain issues, as well as ensuring ongoing restoration efforts were completed safely, effectively and efficiently.

CenterPoint Energy’s first crew of 70 linemen arrived in Puerto Rico on Jan. 19, 2018, joining more than 1,500 crew members from other utilities in support of the restoration. Our linemen worked 16-hour days for weeks to repair the electric grid in Arecibo, much of which was in rugged, mountainous terrain and had minimal road access due to hurricane damage. One crew used chainsaws and machetes to cut through 300 yards of jungle growth to restore power to a small town. As the lights illuminated for the first time in months, residents celebrated the linemen’s work with cheers.

Our second team of 70 employees also worked 16-hour shifts over several weeks, and they returned to Houston after successfully restoring power to more than 5,100 residents of the Arecibo region.

“Because of the logistical and geographical challenges, this mission was unique. Crews often worked all day to restore service to only a handful of residents. But our highly skilled and dedicated employees replaced a total of 276 poles and 2,674 spans of wire,” added Scott. “We will never forget our time in Puerto Rico.”



“This restoration mission was more difficult than any other we had worked on, but our crews were prepared to work long hours safely and face the logistical and geographical challenges accompanying the historic damage to Puerto Rico’s infrastructure.”

Ed Scott
CenterPoint Energy’s Director of Operations



To show appreciation for those who helped restore power in Puerto Rico, CenterPoint Energy’s leaders presented commemorative machete picture boxes to participating service centers. In Puerto Rico, linemen used machetes to clear the rugged terrain.

Mutual Assistance

CenterPoint Energy is part of electric utility mutual assistance programs that provide access to thousands of linemen and tree trimmers from around the country to lend a hand during widespread power outage emergencies. Coming to the aid of other utilities is nothing new to CenterPoint Energy employees. Over the years, crews have responded and restored power to hundreds of thousands of customers throughout the country who have been left in the dark following hurricanes, ice storms, tornadoes and severe weather.

In addition to the work in Puerto Rico, CenterPoint Energy crews responded to two other devastating hurricanes in 2018. A year after Hurricane Maria, Hurricane Michael caused significant damage across the Florida Panhandle. Once again, our company joined the restoration effort and sent more than 100 linemen, contractors and support personnel to Florida. In September 2018, we also participated in mutual assistance efforts in the Carolinas after Hurricane Florence caused severe destruction.

Governance Contents:

Our Approach p. 13, Leadership p. 14, Enterprise Risk Management p. 14, Board Committees p. 16, ESG Council p. 16, Corporate Code of Conduct p. 16, Shareholder Engagement p. 17, Ethics and Compliance: Living Our Values p. 18, Cybersecurity and Data Privacy p. 20, Political Engagement p. 21

GOVERNANCE

Ethical conduct and good corporate governance are priorities for our company. We believe that corporate governance, including a strong ethics and compliance program, are in the best interests of our stakeholders and critical to our long-term success.

Governance Highlights:



Because key ESG-related issues are integral to our long-term performance, we established CenterPoint Energy's ESG Council to evaluate and recommend strategic directions and opportunities.

Read more on page 16



We believe participation in the public policy process is essential to achieving our vision.

Read more on page 21



Our Ethics and Compliance Code builds on our strong tradition of doing business the right way, without exception.

Read more on page 18



Diversity enriches our company and work environment, as well as provides social and economic benefits to the communities we serve.

Read more on page 19



Nancy Tsui
Houston, Texas

Texas Diversity Council's "Top 25 Company"

2020 Women on Boards Winning Company

Concerns helpline available 24-hours-a-day

Governance

Our Approach

Ethical conduct and good corporate governance are priorities for our company. We believe that corporate governance, including 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.



Governance

Leadership

CenterPoint Energy's board of directors serves as the company's ultimate decision-making body, except with respect to those matters reserved for the shareholders or delegated to management. The board, among other things, oversees 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, organizational and strategic objectives.

CenterPoint Energy's board is composed of 10 members, representing a broad range of business experience and professional skills. The company's board is chaired by Milton Carroll, and President and Chief Executive Officer Scott M. Prochazka serves as a member of our board. Neither Carroll or Prochazka serve on any of our board committees or receive additional compensation for their services as directors. Except for Carroll and Prochazka, all members of CenterPoint Energy's board are independent, according to the standards established by the New York Stock Exchange. We actively seek diversity on our board.

As of Dec. 31, 2018, the average director's tenure was approximately eight 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.

To learn more about the company's directors and executive committee, including individual biographies, visit the [Governance section](#) of CenterPointEnergy.com.

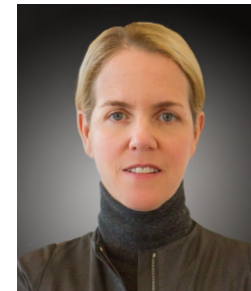
Enterprise Risk Management

CenterPoint Energy's board of directors is actively involved in and responsible for the oversight of risks that could impact the company. Our Corporate Governance Guidelines specify that the board has ultimate oversight responsibility for the company's system of enterprise risk management.

Management is responsible for developing and implementing the enterprise risk management program. CenterPoint Energy's risk oversight committee, comprised of senior executives from across the company, monitors and oversees compliance with the risk control policy. Our treasurer, who reports to the chief financial officer, facilitates risk oversight committee meetings and provides daily risk assessments and control oversight for commercial activities. Members of executive management also participate in ongoing risk assessments and risk-mitigation planning.

During the year, the board participates in reviews of the risk management process, the major risks facing the company and steps taken to mitigate those risks. Board reviews include safety; regulatory developments; business operations, budget and policy; ESG-related matters; cybersecurity and data privacy; industry and economic developments; litigation and other legal matters; management succession planning; and integration related to the recent merger.

CENTERPOINT ENERGY BOARD OF DIRECTORS



Leslie D. Biddle



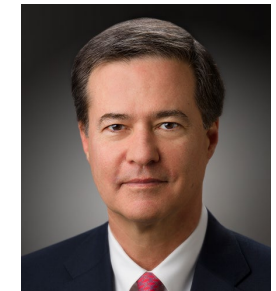
Milton Carroll



Scott J. McLean



Martin H. Nesbitt



Theodore F. Pound



Scott M. Prochazka



Susan O. Rheney



Phillip R. Smith



John W. Somerhalder II



Peter S. Wareing

CENTERPOINT ENERGY EXECUTIVE COMMITTEE



Scott M. Prochazka
President & Chief Executive Officer



Tracy B. Bridge
Executive Vice President & President, Electric Division



Scott E. Doyle
Executive Vice President, Natural Gas Distribution



Xia Liu
Executive Vice President & Chief Financial Officer



Sue B. Ortenstone
Senior Vice President & Chief Human Resources Officer



Jason M. Ryan
Senior Vice President & General Counsel



Joseph J. Vortherms
Senior Vice President, Competitive Energy Businesses

Governance

Board Committees

CenterPoint Energy's board oversees the management of company business and affairs, as well as appoints committees to help carry out its duties. The 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, committee charters and Corporate Governance Guidelines. The board and its committees meet regularly throughout the year. They routinely meet in executive sessions, over which an independent director presides, without members of management present to consider matters requiring their attention.

Audit Committee

The Audit Committee assists the board in fulfilling its oversight responsibility for the integrity of our financial statements; the qualifications, independence and performance of our independent registered public accounting firm; the performance of our internal audit function; compliance with legal and regulatory requirements; our system of disclosure controls and internal controls; and our system of enterprise risk management.

Compensation Committee

The Compensation Committee oversees compensation for our senior officers, including salary and incentive compensation awards. It also administers incentive compensation plans, evaluates performance of the chief executive officer, reviews management succession planning and development, and reviews and monitors the company's diversity and inclusion practices.

Finance Committee

The Finance Committee assists the board in fulfilling its oversight responsibility with respect to the financial affairs of the company and its subsidiaries. It reviews our capital structure, financing requirements and financing plans that support our strategic business plan.

Governance Committee

The Governance Committee identifies, evaluates and makes recommendations to the board regarding nominees for director, recommends membership on the board committees, oversees annual evaluations of the board and its committees, and reviews the company's practices and initiatives related to cybersecurity and environmental matters.

ESG Council

CenterPoint Energy recognizes that key ESG-related issues are integral to our performance. To that end, we established an ESG Council to identify, evaluate and recommend strategic directions and opportunities on an ongoing basis that promote ESG objectives aligned with our vision and long-term strategic plan.

The ESG Council includes representation from businesses and functions across the company and is led by the company's vice president of Environmental and Corporate Responsibility. In this capacity, she provides regular reports on environmental compliance and sustainability issues and other related matters to the Governance Committee.

Corporate Code of Conduct

CenterPoint Energy has a [Code of Ethics](#) for our chief executive officer and senior financial officers, which includes our chief financial officer, chief accounting officer, treasurer and assistant controller.

We also have an Ethics and Compliance Code applicable to all directors, officers and employees that addresses issues required by a code of business conduct and ethics under New York Stock Exchange listing standards. Any waivers of this code for executive officers or directors may be made only by the board of directors or a committee of the board and must be promptly disclosed to shareholders.

CenterPoint Energy's respective codes of conduct for these stakeholders are available in the [Governance section](#) of 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 senior management, investor relations team and corporate governance team contacted shareholders representing a majority of our outstanding shares of common stock during 2018.

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.

2018 Annual Meeting Proxy Vote Summary

	Percent Voted For ¹
Election of Directors (average)	98%
Ratification of Appointment of Independent Auditors	96%
Advisory Vote on Executive Compensation	91%

¹Defined as For/(For + Against), expressed as a percentage. Abstentions and broker non-votes are not included in the calculation.



Governance

Ethics and Compliance: Living Our Values

CenterPoint Energy is committed to doing business in line with our 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 are prepared to speak up, take bold and innovative action and address opportunities and problems as soon as they arise.
- **Respect** means how we treat our fellow employees, customers and neighbors is as important as the results we achieve. We always strive to be courteous, considerate and show appreciation for diverse perspectives, experiences and backgrounds.

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.

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, assistance 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.

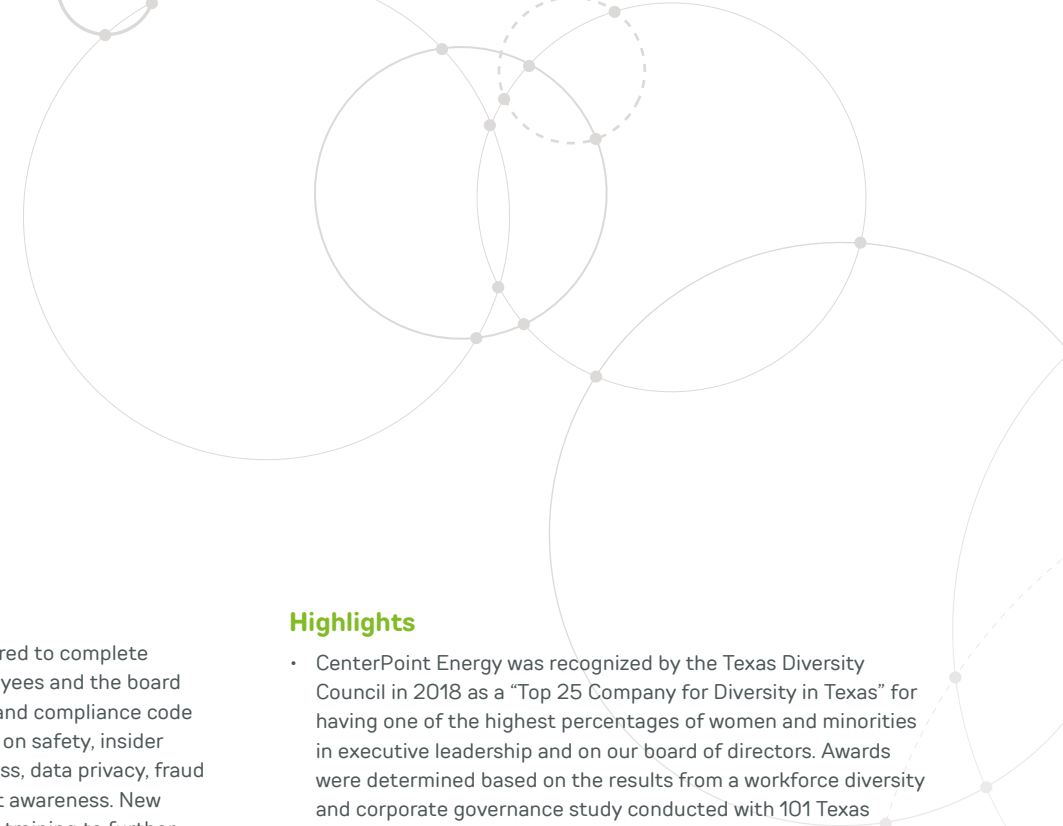
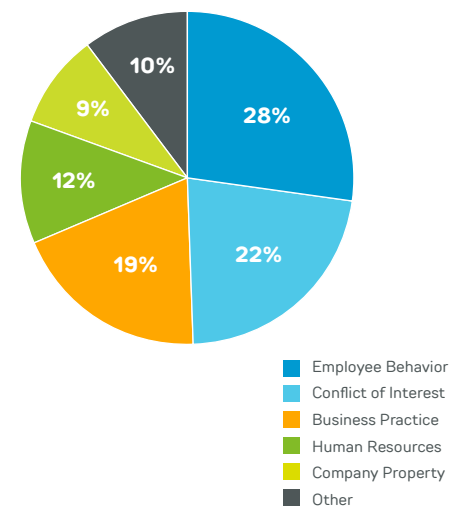
Employees, customers, contractors and vendors can reach the Helpline at 888-888-3155 or online at reportlineweb.com/CenterPointEnergy. Available 24-hours-a-day, seven-days-a-week, the Helpline supports multiple languages and allows individuals to remain anonymous. CenterPoint Energy does not tolerate retaliation and will take action to protect employees from retaliation.

We received 171 concerns in 2018, compared to 168 concerns in 2017 and 182 concerns in 2016. Anonymous reporting was 23 percent in 2018, compared to 49 percent in 2017 and 39 percent in 2016. 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.



CenterPoint Energy's 2018 Ethics in Action Video Contest awards ceremony honored five winning teams. The annual competition challenges employees to create videos illustrating ethical workplace conduct representing one of our values: Safety, Integrity, Accountability, Initiative and Respect.

2018 Helpline Cases by Category by 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 2018. Employees also completed training on safety, insider trading, physical and cybersecurity awareness, data privacy, fraud prevention, antitrust and sexual harassment awareness. New employees and managers receive additional training to further reinforce the company's values.

In addition to regularly scheduled training, we communicate with our employees on new, emerging or topical issues as they arise. A third annual voluntary Ethics in Action employee-driven video contest was conducted in 2018 to raise positive awareness about our values.

DIVERSITY

Our Approach

At CenterPoint Energy, individuals are respected for their contributions to our company. Diversity enriches our company and work environment, as well as 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 also is 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 (MWBES). 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.

Learn more on page 48.

Highlights

- CenterPoint Energy was recognized by the Texas Diversity Council in 2018 as a "Top 25 Company for Diversity in Texas" for having 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 101 Texas *Fortune* 1,000 companies.
- 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.



Governance

Cybersecurity and Data Privacy

Our Approach: Cybersecurity

CenterPoint Energy's customers, partners, shareholders and employees entrust us with their information, which 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 as a part of our governance processes.



Cybersecurity Operations Center

CenterPoint Energy's Security and Information Governance Council focuses on physical security, cybersecurity, data privacy and records management. The strategy and roadmap are presented to the 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.

Available 24-hours-a-day, seven-days-a-week, the Cybersecurity Operations Center (CSOC) is the hub of our cybersecurity program. CSOC personnel analyze threat information from external sources, monitor network activity and respond to users who receive questionable emails. A Cybersecurity Awareness Program is available to employees and contractors.

Our Approach: Data Privacy

CenterPoint Energy has a dedicated Data Privacy Office to address existing and emerging laws, regulations, trends, expectations and best practices. The office is led by the company's chief ethics and compliance and data privacy officer and is maintained by members of the Ethics and Compliance team. Our data privacy governance addresses the collection, storage, usage, disclosure and destruction of data for a specific business purpose. We take proactive steps for the data to 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 customer information protection laws.

In support of protections required by law and internal and external confidentiality obligations, the company abides by its own set of internal data privacy principles and related policies and processes. Protecting information from unauthorized access, use or modification is the right thing to do. In addition, it helps to 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 the information we maintain.

CenterPoint Energy recognizes and actively promotes International Data Privacy Day each year on January 28 to raise awareness of how personal information should be managed. In 2018, an employee Data Privacy Program Guide was developed to help answer privacy-related questions that inform business decisions.

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 educate them on key issues related to the company's business;
- Participation in CenterPoint Energy's Political Action Committees (PACs) and conduit fund; and
- Membership 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 and consistent with established guidelines.

Each year, CenterPoint Energy discloses its political engagement and contributions. The 2018 Political Activities Report is available online 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. As a result of CenterPoint Energy's merger with Vectren, the legacy Vectren PAC will merge with the CenterPoint Energy Inc. PAC by year-end 2019. The PACs and the fund 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.



Environmental Contents:

Policy and Approach p. 23, Reducing GHG Emissions p. 26, Emissions Avoidance and Reduction p. 29, Helping Customers Reduce Carbon Emissions p. 30, Conservation and Energy Efficiency p. 31, Biodiversity p. 32, Waste, Water and Recycling p. 35



ENVIRONMENTAL

20+
Energy-efficiency
programs

13.5 million+ lbs.
Scrap metal recycled

**Nearly
1.5 million**
Customers enrolled in
Power Alert Service

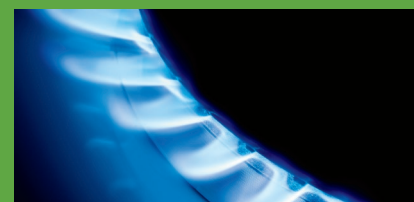
Environmental stewardship is an integral part of CenterPoint Energy's overall corporate responsibility approach. We have a long history of conducting our businesses in a safe, environmentally responsible manner.

Environmental Highlights:



We have incorporated both the AGA and EEI Version 1 ESG template into our annual sustainability reporting activities.

[Read more on page 24](#)



We filed a proposal in 2018 with the Minnesota Public Utilities Commission seeking approval to introduce a renewable natural gas (RNG) green tariff pilot program to Minnesota customers.

[Read more on page 30](#)



We reached a significant milestone in 2018 by substantially completing the elimination of cast-iron pipes in CenterPoint Energy's distribution system prior to the merger with Vectren.

[Read more on page 25](#)



We received the 2018 ENERGY STAR Partner of the Year Sustained Excellence Award for the 13th straight year. CenterPoint Energy is the longest consecutive winner of any electric utility.

[Read more on page 31](#)

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 these objectives, CenterPoint Energy has established the following policy:

- CenterPoint Energy management, with the support and guidance of the Environmental department and the vice president of Environmental and Corporate Responsibility, 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.
- CenterPoint Energy strives to plan, design, build and operate our facilities in compliance with environmental laws and regulations.

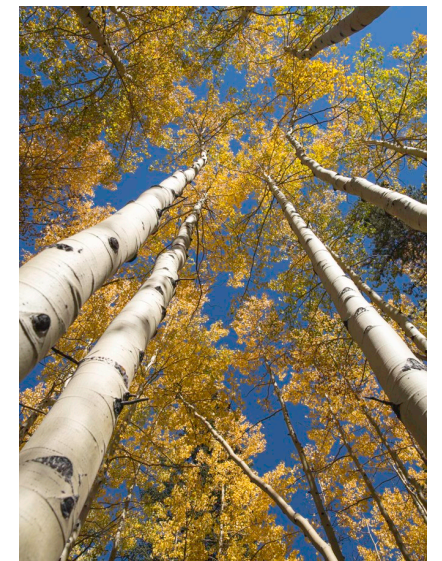
We believe implementing this Environmental Policy will enable us to better serve our customers, employees, communities and shareholders.

Our Approach

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

In addition to compliance, actively managing short- and long-term environmental risk is a focus and function of the Environmental department. This is achieved primarily through vendor audit programs 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 department's mission are central to our actions at all levels. These actions are also reviewed by the company's vice president of Environmental and Corporate Responsibility.

While CenterPoint Energy proactively manages its environmental risk, the company also 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



Environmental Services Mission

The Environmental 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 the communities we serve.

The Environmental department maintains a common framework of guidelines that apply to businesses operated by CenterPoint Energy. The management approach is evaluated annually and considers 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 vice president of Environmental and Corporate Responsibility.

Adopting Sustainability Best Practices and Industry Standards

To better serve stakeholders, CenterPoint Energy has incorporated both the AGA and EEI Version 1 ESG template into our annual sustainability reporting activities. This approach is part of an initiative to help provide the financial sector with more uniform and consistent ESG data and information.

To develop industry-focused, investor-driven sustainability reporting practices, CenterPoint Energy joined an EEI working group composed of industry specialists. Over two years, EEI-led stakeholder working groups, including CenterPoint Energy, developed the template, which encourages voluntary reporting of sustainability information in both quantitative and qualitative formats.

Reducing Greenhouse Gas Emissions

Our Approach

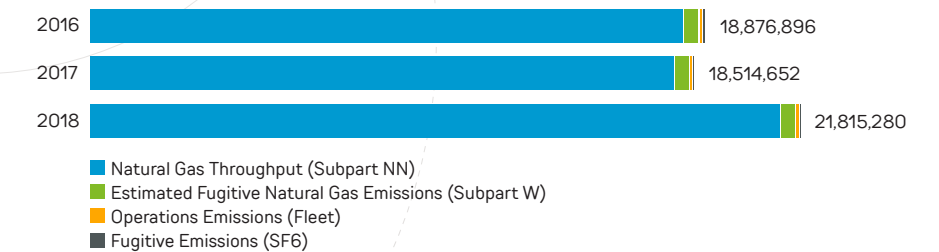
CenterPoint Energy is committed to conducting operations in an environmentally responsible manner. We are addressing GHG emissions by:

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

CenterPoint Energy has made investments and implemented controls to reduce GHG emissions from our operations, while also deploying new technologies to increase efficiency for the company and our customers. In 2018, CenterPoint Energy did not generate electricity, nor did we own or operate natural gas production facilities.

Greenhouse Gas Emissions Summary

Metric tons carbon dioxide equivalent (mtons CO₂e)



Pipe Replacement: EPA Natural Gas Methane Challenge Program

As part of our efforts to reduce methane emissions, CenterPoint Energy's natural gas operations business joined the EPA Natural Gas Methane Challenge Program as a founding partner in 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.

We reached a significant milestone in 2018 by substantially completing the elimination of cast-iron pipes in

CenterPoint Energy's distribution system prior to the merger with Vectren. Our proactive program to replace cast iron is expected to improve the safety, integrity and reliability of our system. We replaced cast-iron pipes with polyethylene and steel pipes that were coated with epoxy to resist corrosion and breaking.

In addition to substantially completing full cast-iron replacement in 2018, we are working to replace all unprotected steel mains by year end 2032. During 2018, we replaced 18 percent of the existing unprotected steel natural gas mains.



	2016	2017	2018
Cast-iron Miles Replaced	70.8	49.0	70.4
Unprotected Steel Mains Miles Replaced	67.9	59.8	68.2

Note: Data as reported annually to the U.S. Department of Transportation

Environmental: Reducing Greenhouse Gas Emissions

Case Study: Picarro Surveyor System: Next Generation of Methane Detection Technology

PICARRO

offers superior leak detection



Expanding to 16 Picarro Surveyor units in 2018, CenterPoint Energy has the world's largest fleet of state-of-the-art leak survey technology, which is a thousand times more sensitive than conventional techniques. Traditional survey methods use methane-detection devices with optical, laser, infrared or flame ionization technology. The 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.

In 2013, the company began a pilot study of Picarro in our natural gas operations to proactively identify leaks in underground natural gas mains and service lines, as well as above-ground facilities. The technology enables us to accurately and efficiently locate leaks. Picarro also plays a key role in the company's methane emissions-reduction efforts because its sensitivity to methane is measured in parts per billion, while traditional technology measures in parts per million.

Picarro is used at driving speeds of up to 40-miles-per-hour to accurately survey a broad area. Each night – the optimal survey time – a single surveyor can cover up to 30 miles of natural gas mains and service. In "survey" mode, Picarro collects precise data, including Global Positioning System (GPS) readings, wind speed and direction, and methane and ethane concentration. The data are used in algorithms to determine areas that may potentially have a natural gas leak.

CenterPoint Energy tested and phased Picarro into operations beginning in 2016. Full deployment was completed in 2018. To optimize the system, we have deployed industry-leading business processes and technology systems, including:

- Testing personnel-mounted backpack Picarro devices to put parts per billion levels of detection in the hands of field techs to survey areas that were inaccessible to vehicles; and
- Near real-time tracking of the leak survey results and natural gas system assets surveyed in the geographic information system, replacing manual tracking of completed leak surveys.

Looking ahead, CenterPoint Energy is partnering with Picarro to integrate its Emission Quantification (EQ) technology into our Distribution Integrity Management program. By incorporating EQ technology, we expect to enhance the ability to select and design pipe replacements that deliver increased value in safety and emission reductions.



Students learn about Picarro technology during 2018 Touch A Truck Career Day

At Jake Silbernagel Elementary School in Dickinson, Texas, students got an up-close look at a CenterPoint Energy vehicle equipped with Picarro technology. CenterPoint Energy employees demonstrated the car at the school's annual Touch A Truck Career Day, which allows students to see vehicles and learn about careers associated with them. Our employees also educated students about natural gas safety.

Environmental: Reducing Greenhouse Gas Emissions

Feature: 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 customers, automated 63 substations, installed nearly 1,000 intelligent grid switching devices, and enabled real-time grid monitoring and control.

From a reliability perspective, customers count on us to keep the lights on and to inform them when they go out. To this end, CenterPoint Energy's Smart Grid has delivered invaluable results.

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 automation, each of these service orders required a truck roll. This automation has saved the company nearly 1.9 million gallons of fuel and avoided more than 17,000 tons of CO₂ emissions.

Power Alert Service

Power Alert Service (PAS) serves registered electric customers in the Houston area with texts, emails or phone calls. The free tool notifies customers about power interruptions at or near their address and keeps them informed about estimated restoration times throughout the outage event. Nearly 1.5 million customers are enrolled in PAS.

Energy Innovation Center Tours

CenterPoint Energy's Energy Insight Center is an innovative educational and technological demonstration facility where we showcase our electric grid's technology and capabilities. In 2018, the center was remodeled and renamed CenterPoint Energy's Energy Innovation Center. Additions included demonstrations of technologies used in our natural gas operations, along with innovative technologies used by our electric operations.

Since the center opened in 2006, it has hosted more than 1,000 tours for industry leaders, 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.



Alberto Garcia, senior engineering technologist, shares industry knowledge with students visiting CenterPoint Energy's Energy Innovation Center.

310 million+

Outage minutes saved

23.7 percent

Reliability improvement

1.9 million+

Gallons of fuel saved from truck rolls avoided by service automation

As of June 1, 2019

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.

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 201,000 million cubic feet. This was accomplished through management best practices, including identifying and rehabilitating leaky distribution pipe and high-bleed pneumatic devices, as well as by injecting blowdown natural gas into low pressure mains.

Sulfur Hexafluoride (SF₆) Emissions

Sulfur hexafluoride (SF₆), a greenhouse gas, is an insulating gas used in high-voltage electric transmission and distribution switchgear equipment. 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 2018 SF₆ emission rate was 0.05 percent, which is below 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.

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. We continue to offset our carbon footprint by replacing fossil-fueled vehicles and equipment with alternative power choices. At year-end 2018, we had 164 light fleet compressed natural gas hybrid vehicles, 31 electric powered forklifts and 19 electric powered golf carts in service.

We have experienced great success with our electric-powered aerial Jobsite Energy Management System (JEMS) unit, which has been installed in 12 single bucket trucks. The unit pairs with an idle mitigation system that operates solely on battery power while the vehicle's main engine is shut down.

CenterPoint Energy continues to diversify the fuel capabilities of our new vehicles by assuring that each replacement is E85 (ethanol fuel blend of 85 percent denatured ethanol fuel and 15 percent gasoline or other hydrocarbon by volume) compatible. As of year-end 2018, we had more than 1,600 E85-compatible vehicles.



CenterPoint Energy High Efficiency Homes[®]

**Lower Energy Costs.
Greater Comfort.**

Saving **YOU** More Money and Energy

Environmental

Helping Customers Reduce Carbon Emissions

CenterPoint Energy Seeks Approval for Innovative RNG Offering to Minnesota Customers

In August 2018, CenterPoint Energy filed a proposal with the Minnesota Public Utilities Commission seeking approval for a RNG green tariff pilot program for Minnesota customers. If approved, we would be one of the first natural gas providers in the United States to offer RNG to customers as part of our commitment to sustainability and belief in providing customers with an environmentally sustainable option.

RNG is created by cleaning and refining methane produced from organic waste. From a chemical standpoint, it is nearly identical to conventional natural gas, but sourced differently. Conventional natural gas is a fossil fuel obtained by drilling into underground geologic formations, while RNG is made of biogenic methane produced when organic waste breaks down in the absence of oxygen. Common sources include landfills, wastewater treatment plants and anaerobic digesters on farms or at food processing plants.

Once processed, this biofuel can be injected directly into natural gas pipelines and used as a clean and reliable energy source for homes and businesses. Many potential producers of RNG are currently releasing methane from these waste sources directly into the atmosphere or burning it in flares to convert it to CO₂, increasing GHG pollutants. If collected, processed and used as a fuel, using methane from these sources can reduce waste and meet customers' energy needs while reducing GHG emissions.

The proposed pilot is designed to operate like electric green tariffs, through which customers may choose to spend more to purchase renewable electricity. Under the proposal, residential, commercial and industrial customers may voluntarily enroll in the RNG program. The filing process underway includes an opportunity for public comment. After reviewing stakeholder and public feedback, the commission will vote to approve the program, deny it or approve it with revisions. If approved, the initial pilot would be in place for five years.

The filing responds to customer and local government sustainability targets, such as the City of Minneapolis' goal to achieve an 80 percent reduction in GHG emissions by 2050. This innovative offering can advance energy policy and increase the amount of energy received from renewables, thus achieving environmental benefits.



CenterPoint Energy Mobile Energy Solutions safely and reliably delivers mobile compressed natural gas and liquefied natural gas, eliminating interruptions caused by planned pipeline maintenance, construction or emergencies.

CES and 'Green Gas'

Thanks to innovative technology and a strong customer focus, CES is using landfill-derived methane to serve customers and benefit the environment. CES is part of our competitive energy businesses footprint that spans nearly 40 states.

As part of its natural gas sales and supply strategy, CES has been purchasing RNG from landfills in the United States for more than 10 years. Green gas is methane captured from landfills that are equipped to convert organic matter into a gaseous state. CES sells the green gas to specific customers for use as a transportation fuel in vehicles that use compressed or liquefied natural gas (CNG or LNG). In 2014, CES structured an RNG transportation fuel deal through a long-standing relationship with Memphis Light, Gas and Water. The arrangement involves delivering green gas to the utility's CNG stations and LNG tanks for redelivery to customers.

Conservation and Energy Efficiency

Celebrating ENERGY STAR Day

On ENERGY STAR Day in 2018, CenterPoint Energy celebrated our continued commitment to assisting customers in reducing energy usage through several energy-efficiency and incentive programs. Our customer programs include the High Efficiency Homes Program for new homes and Agencies in Action Program for income-eligible homes.

The total GHG emission reductions produced from 21,509,396 kilowatt hours saved is equivalent to more than 37 million miles driven by an average passenger vehicle, or enough electricity to support an additional 1,821 homes for one year.

CenterPoint Energy received the 2018 ENERGY STAR Partner of the Year Sustained Excellence Award for the 13th straight year. This award recognized our leadership and contributions to ENERGY STAR through High Efficiency Homes, which promotes the construction and certification of high efficiency homes that achieve the ENERGY STAR label, as well as other high-performance homes. This voluntary program provides financial incentives and other assistance to homebuilders who commit to construct energy-efficient homes in our electric service territory.

Agencies in Action promotes weatherization of existing income-eligible houses that are energy inefficient due to the homeowner's lack of financial resources. We assist the homeowners by implementing energy-efficient measures at no charge to generate energy savings, while reducing energy bills.

In 2018, High Efficiency Homes incentivized 4,182 ENERGY STAR homes, which reduced electricity load by 13.15 megawatts (MWs) and consumption by 21,248 MW hours — the equivalent of emissions from 1,799 homes' electricity usage for one year.

Energy Conservation Programs

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 178,000 MW hours of electricity in 2018. The programs benefit 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.*

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 2018, our customers saved more than 2.4 billion cubic feet of natural gas totaling more than \$19 million — the equivalent of the annual energy usage of more than 26,000 homes. These savings reduced our customers' total carbon footprint by approximately 128,000 metric tons, which is equivalent to removing more than 21,000 cars from the road for a year.

In February 2019, CenterPoint Energy awarded Midwestern Pet Foods, a dog and cat food manufacturer in Oklahoma, a \$10,625 rebate through its Commercial and Industrial Rebate and Incentive program. The rebate supports the installation of insulation at their manufacturing plant and was granted to the company for utilizing energy-efficient initiatives.

SCORE Program

CenterPoint Energy was awarded the Outstanding Commercial Enterprise award at the 2018 Texas Energy Summit for its Schools Conserving Resources (SCORE) program. The program provides energy management and technical assistance to help school administrators and facility managers make cost-effective investments in energy efficiency. The award recognizes exemplary achievements contributing to clean air through energy management and technical assistance offered to schools, local governments, nonprofits and faith-based organizations.

Since 2018, CenterPoint Energy's SCORE program has paid nearly \$4 million dollars in incentives for high-efficiency equipment that has reduced peak demand in its service territory by seven MWs. Private and public schools and higher education facilities are eligible to participate in the SCORE program.

*Value calculated using: www.epa.gov/energy/greenhouse-gas-equivalencies-calculator

Environmental

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-way, 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 nonprofit conservation groups to support biodiversity conservation efforts beyond our operational footprint.

Our electric utility 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 potential impacts to air, water and land. We manage and permit projects in compliance with all biodiversity-related environmental laws and regulations. Based on the review, it may be necessary to survey 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 prior to initiating construction.

Avian Protection Program – Electric and Natural Gas Operations

CenterPoint Energy operates in a service territory with a rich diversity of habitats that support an abundance 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. Since 2010, electric operations has 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 our experiences.

CenterPoint Energy's natural gas operations business recognizes the need to protect migratory birds and eagles, while operating our pipeline distribution system. The business has established Migratory Bird Conservation Guidance, a set of engineering and operations implementation guidelines developed to minimize potential impacts to migratory birds and eagles.

As part of our avian protection program, we have forged strong collaborative partnerships with federal and state wildlife agencies, local nonprofit conservation organizations and the public. The program has received extensive positive local media coverage and recognition. Nest management activities are conducted under permit from the U.S. Fish and Wildlife Service (USFWS). Eggs and young from nests on our equipment 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 that provide important information on avian issues, such as locations of bald eagle nests and water bird colonies. In turn, CenterPoint Energy shares our avian species management information with these organizations.

Feature: Marsh Mania

CenterPoint Energy employees and their family members joined community volunteers for the Galveston Bay Foundation's Marsh Mania 2018. Together, volunteers planted more than 3,000 stems of smooth cordgrass as part of a larger effort to protect and restore coastal marshes in Virginia Point, an ecologically diverse area located in Galveston Bay, Texas.

Galveston Bay Foundation is a nationally recognized, community-based wetlands restoration and education nonprofit organization. Its goal is to involve local citizens in hands-on restoration activities, while increasing awareness and appreciation of wetland habitats and functions. The foundation engages a cross-section of interest groups – industry, fishermen, boaters, local governments, regulatory agencies and communities – to protect and improve the area. CenterPoint Energy plays an active role on the foundation's board of directors and sponsors several local events.

Galveston Bay's coastal marshes are valuable resources that support bay and gulf recreational and commercial fisheries, stabilize shorelines, reduce storm impacts and improve water quality for the area. While the bay system has lost many marshes over the past 60 years, public and private partnerships have successfully restored thousands of acres. Virginia Point is maintained as a nature preserve by Scenic Galveston, Inc. in partnership with local resource managers who work to stabilize the rapidly eroding shoreline. Marsh Mania plantings help enhance these efforts.

In addition to sponsoring Marsh Mania in 2018 and 2019, CenterPoint Energy hosted its inaugural volunteer event in May of 2019, during which employees assisted with marsh planting.



Environmental: Biodiversity



Project Orange and Black

A growing focus among electric utilities, pipeline companies and other large landowners is implementing land management practices that are friendlier to pollinator species, including the monarch butterfly species, which is experiencing a dramatic decline. Monarch reproduction along migration routes is supported by creating pollinator habitats and planting milkweed. Plant and seed source limitations for native milkweed varieties are a challenge in many areas, including the Texas Gulf Coast. Local nurseries only offer exotic varieties, and land managers and conservationists prefer native plants to support long-term ecosystem health and monarch conservation.

Project Orange and Black is a partnership between the United States Department of Agriculture - Natural Resource Conservation Service, USFWS, Texas Parks and Wildlife, CenterPoint Energy and NRG Energy that is developing techniques to propagate three local varieties of milkweed: *Asclepias viridis*; *A. perennis*; and *A. linearis*. The project has been successful in harvesting seeds from local roadsides, rights-of-way and refuges and growing seedlings for easy transplant. Partners have distributed 5,000 seedlings for planting at local sanctuaries, refuges, conservation lands and residences.

In 2019, CenterPoint Energy will begin distributing milkweed seedlings to residential customers as part of its Right Tree Right Place program, which provides height-appropriate shrubs and plants to customers to replace trees that have been removed for proper electric distribution line clearance.

Pearland Nature Center Bird Nesting Platform – An Eagle Scout Project

In 2018, the City of Pearland's natural resource manager issued a plea to the community for help in providing nesting space for the growing water bird nesting colony. Shane Porter, son of CenterPoint Energy's Baytown/Humble Service Area Manager Carlton Porter and a Troop 442 Boy Scout, answered the call. He led a team of fellow scouts, along with City of Pearland Parks and Recreation Department staff and CenterPoint Energy staff and volunteers, in building and installing two great blue heron nesting platforms at the Pearland Nature Center. Troop 442 is part of the Bay Area Council based in Galveston, Texas.

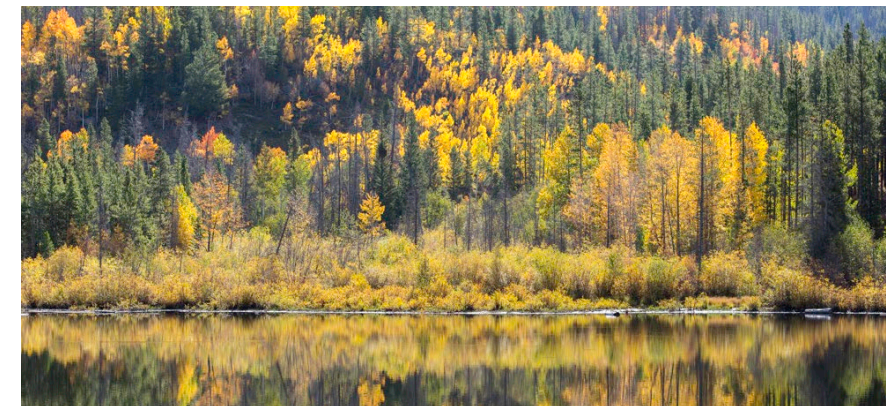
The platforms were crafted based on proven research about heron nesting platform design with input from local USFWS biologists. The design incorporated hefty cedar boards, sturdy aluminum and galvanized steel framework mounted on steel street lamp posts that were repurposed after retirement from CenterPoint Energy's service territory. Each structure includes four platforms at heights from six to 12 feet to provide protection from predators.

CenterPoint Energy Environmental Manager Doug Harris provided funding for the lumber and hardware, and assisted in the installation with his son. Additional support was provided by avian protection program staff and family members.

After days of preparation by the scouts and city staff, installation was completed. Shane conducted a safety meeting beforehand and applied his father's experience as a distribution lineman to develop a safe process to hoist and anchor the poles. The platforms were installed on an island in a water polishing pond at Pearland's municipal water treatment plant, part of a complex that includes the Stella Roberts Recycling Center and the recently constructed Delores Fenwick Nature Center. The nature center is a popular attraction for residents and visitors, providing nature viewing opportunities and an educational experience. The ponds support a healthy population of fish, providing a forage for water birds, ospreys and a nesting pair of bald eagles.

CenterPoint Energy plans to contribute interpretive materials, including posters highlighting our avian protection efforts, to the nature center. The company has also installed extensive avian protection on distribution poles around the center and nearby to protect an eagle's nest.

Waste, Water and Recycling



WASTE

CenterPoint Energy's 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 amount 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.

WATER

In 2018, CenterPoint Energy did not generate electricity or extract water for cooling. We were neither an industrial user or consumer of water, nor did we use a significant volume of water in our operations. Water is used at our offices and some of our control facilities for potable water needs.

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.

2018 RECYCLING SUMMARY

31,240 lbs.

Paper and cardboard

506,234 gallons

Transformer oil

31 units

Wood reels

10,888 units

Distribution transformers

13,517,595 lbs.

Scrap metal

93,525 lbs.

Batteries

23,863 gallons

Motor oil

64,800 lbs.

Lamps

299,738 lbs.

Electronic waste

108 units

Computers (donated)

Social Contents:

Safety p. 38, Communities p. 43, Economic Development p. 46, Customers p. 47, Employees p. 48, Purchasing and Supplier Diversity p. 54

Cameron Victor
Minneapolis, Minnesota



SOCIAL

CenterPoint Energy actively engages 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 business operations. They include customers, communities, employees, investors, suppliers and regulators.

Social Highlights:



Our Safety department held its first-ever Contractor Safety Summit in 2018, with more than 100 contractors in attendance.
Read more on page 40



For the second year-in-a-row, CenterPoint Energy topped the South region in customer satisfaction – Large Segment, in the J.D. Power 2018 Gas Utility Residential Satisfaction Study.
Read more on page 47



We were named to The Civic 50 in 2018 as one of the most community-minded companies in the United States.
Read more on page 43



In 2018, we launched *Always Well*, a wellness program that rewards employees for making healthy choices and reaching personal health goals.
Read more on page 51

\$1.5 billion+
economic development impact for the greater Houston region

\$1 billion+
in spending with small business suppliers

\$1.5 million+
Contributed through our 2018 United Way campaign

Social

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 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 and 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

(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

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 and conversations with leaders
- Professional networking and affinity groups
- Workforce recruiting program
- Helpline for employees with a grievance or concern
- Health and wellness initiatives, such as Employee Assistance Program
- Retiree communications
- Labor and management joint engagement on key topics, such as safety

Investors

- Approximately 80 percent of CenterPoint Energy common shares were held by institutional investors as of June 2019

How We Engage

- Quarterly earnings conference calls
- One-on-one investor meetings and presentations
- Industry conferences
- Public disclosures
- Annual meeting of shareholders
- Website
- Governance outreach

Suppliers

- Diverse suppliers
- Local, small suppliers

How We Engage

- Formal supplier diversity program
- Supplier Diversity Advisory Council promotes mentoring, Scholarship program for MWBEs
- 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

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 working and operating our systems in a safe manner. 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. Employees understand that 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 continue to identify opportunities to improve and learn from incidents, near misses, inspection programs and observations submitted by the public or employees; 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.

Safety Forward

Carlos Duhon
Houston, Texas

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 top-of-mind, 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 performance expectations and 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; and
- **C-SAFE** (CenterPoint Energy Safe Action For Employees) is our natural gas operations' behavior-based safety program that has multiple committees that meet monthly. 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 address 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. One of CenterPoint Energy's goals in 2018 was to increase employee engagement through safety observations, the first line of defense in maintaining safety awareness on a job. Employees took on this challenge and exceeded expectations, with more than 71 percent of employees in our electric and natural gas businesses submitting at least two observations per month. We ended the year with 268,794 safety observations – a 16 percent increase in our Safety Participation Rate.



Members of the Human Resources and Community Relations POWER core team recently held a safety expo for their respective organizations. The expo covered a wide range of topics and emphasized the importance of putting safety first at CenterPoint Energy.

We believe CenterPoint Energy's ongoing efforts to sustain a strong safety culture are resulting in fewer injuries and incidents. Our safety performance in 2018 continued to remain strong, with our highest levels in employee engagement and continuous improvement for participation and observation rates. Our days away, restricted or transferred (DART) rates and recordable incident rates (RIR) continue to put us among the safer companies within our industry.

Employee Safety Performance

	2015	2016	2017	2018
Recordable Incident Rate	1.35	1.23	1.01	1.20
DART Rate	0.89	0.87	0.56	0.75
Lost Time Incident Rate	0.43	0.55	0.45	0.50

Our work with industry trade committees and peer companies to develop and implement best practices for improved safety performance is ongoing. We continue our work with EEI on serious injury and fatality precursors to help prevent such incidents from occurring in our industry.

The safety-related steps, actions and initiatives we have supported over the years are producing important results today. These include our investment in the Skills Training Improvement Project, deployment of Mobileye technology (vision-based advanced driver-assistance systems providing warnings for collision prevention) across the company, and the introduction of a safety observation app. We believe these efforts are making us a safer company and helping to reduce the number of injuries and incidents.

Social: Safety

2018 Highlights

Employees Share Innovative Safety Ideas with Board Members

Reinforcing our commitment to safety, five CenterPoint Energy board members visited two Houston-area service centers in early 2018. At the Harrisburg and Navigation Service Centers in Houston, electric and natural gas operations safety teams shared their innovative solutions to help improve safety.

At the Harrisburg Service Center, Asset Planning & Optimization and Cypress Service Center safety teams presented their award-winning safety projects and answered questions. Asset Planning & Optimization developed an interactive demonstration called "Dashboard Live Lab" during which participants identify distractions and provide safety solutions to eliminate or reduce distractions while driving.

Contractor Safety Summit

The Safety department held its first-ever Contractor Safety Summit in 2018. More than 100 contractors, including executive leadership and safety managers, heard from CenterPoint Energy's leaders on the importance of safety for employees, contractors, systems and the public.

Participants met with CenterPoint Energy representatives and other contractors to share best practices in training and effective methods for developing a strong safety culture. President and CEO Scott Prochazka discussed our holistic approach to safety and commitment to continuous improvement. The summit covered topics related to both electric and natural gas operations, such as pipeline safety and management systems, damage prevention and employee safety.

Contractor Safety Oversight

As part of our commitment to improving contractor safety performance, CenterPoint Energy has engaged a third party to conduct field safety observations for contractors performing work on behalf of the company. The initiative focuses on positive behaviors and actions, as well as identifying opportunities for improvement to support safety project completion in our electric business. The program started in Distribution Operations has been extended to cover Transmission Operations.



Scott Prochazka discusses the importance of safety and continuous improvement at the 2018 Contractor Safety Summit.

PUBLIC SAFETY

Our Approach

CenterPoint Energy is committed to the safe and reliable delivery of electricity and natural gas. To support this commitment, we provide our customers and other stakeholders with information 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.

2018 Highlights

- CenterPoint Energy's Safety and Gas System Integrity organization participates in the American Petroleum Institute's standards for managing pipeline infrastructure and implements them in our operations.
- Through our Speakers' Bureau, CenterPoint Energy offers free presentations to Houston-area community groups, professional associations and businesses. In 2018, 68 presentations were held reaching nearly 4,000 individuals. Of those presentations, 32 were safety electric arcing demonstrations for businesses and fire departments.
- Our educational websites, Electric Universe and Safe and Smart with Buddy Blue Flame, offer information and activities about electric and natural gas safety. In 2018, our Safe and Smart site unveiled a digital storybook about our Buddy Blue Flame safety mascot to promote literacy and safety messaging to elementary school students.

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 2017-18 school year, we actively promoted safety education and outreach through free community resources and strategic partnerships. We distributed 57,822 booklets on electric and natural gas safety to K-12 students. We also partnered with more than 30 organizations on safety outreach, including Junior Achievement, Houston Audubon Society and the Children's Museum of Houston.



As part of our educational outreach, Geoffrey Castro, senior community relations specialist, delivers an educational presentation to Houston-area students.

Community Partnership Grants

One of our company's signature safety programs is CenterPoint Energy's Community Partnership Grants, which help communities leverage local funds to purchase safety equipment, hold trainings or support important safety projects. Local emergency responders, including fire and police departments in our natural gas markets, are invited to apply for a safety grant. We conduct this program in six states.

In 2018, 119 Community Partnership Grants were awarded totaling \$198,500. Since the program's inception in 2003, CenterPoint Energy has contributed \$1.75 million toward safety initiatives in our communities, funding nearly 900 safety projects. In 2018, the program provided portable defibrillators to first responders, safety equipment to local fire departments, and traffic safety equipment.

Social: Safety

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 billboards, as well as through direct mail, presentations and school materials. Much of our public safety awareness work is accomplished through strategic partnerships.

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.

2018 Initiatives

- Delivered key natural gas pipeline safety messages to approximately 1.3 million 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.
- Sponsored presentations at 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.
- Through the Pipeline Operators Safety Partnership, which helps build partnerships between pipeline companies and emergency responders, we distributed educational materials at two national conferences.

Electric Safety Awareness

Electric operations provides important information to the public through electric 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 in the Incident Command System. We provide resources to employees to help prepare them for their EOP roles and responsibilities. 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.

811 and Safe Digging

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 August 11, CenterPoint Energy issues a news release promoting 811 as the resource for marking utility lines before digging. In 2018, 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.



**Know what's below.
Call before you dig.**

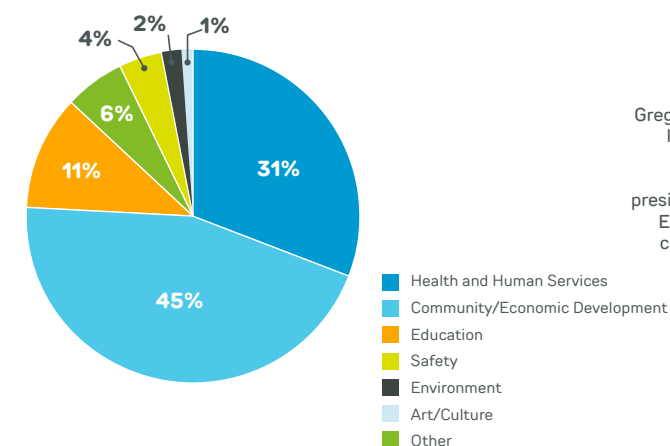
Communities

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.

2018 CORPORATE CONTRIBUTIONS

2018 Corporate Contributions
by Focus Area



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 nonprofit organizations and causes in these giving areas.

Named to
The Civic 50
in 2018 as one of the
most community-minded
companies in the
United States.

Centerpoint Energy's
employees serve on more than
400 nonprofit boards
and advisory committees.

Greg Macha, apprentice
line mechanic, (left)
joins Tracy Bridge,
executive vice
president and president,
Electric Division, at a
congratulatory blood
drive luncheon.



Employees contributed more than
130,000 volunteer hours,
which equates to approximately
\$3 million in labor when calculated
using the Independent Sector's value
of \$24.69 for a volunteer hour.

CenterPoint Energy
sponsors a fishing derby at
Camp Aldersgate in Little
Rock, Arkansas during the
week of Spina Bifida Camp
each summer.



Social: Communities

COMMUNITY INVOLVEMENT AND VOLUNTEERISM

Our Approach

Employee volunteerism is an important part of CenterPoint Energy's commitment to our communities and employee engagement strategy. Through building relationships with each other and the communities we serve, volunteer activities help employees develop career and leadership skills.

2018 Achievements

- United Way is a signature giving program for CenterPoint Energy. Our 2018 companywide campaign contributed more than \$1.5 million to 88 chapters across our service territory and achieved a record employee participation rate of 77 percent. We were also recognized by United Way of Greater Houston as one of its top 10 corporations.
- President and CEO Scott Prochazka served as the chair for the United Way of Greater Houston citywide campaign, which achieved an 81 percent participation rate.
- In 2018, we announced that matching contributions for employee monetary donations would expand in 2019 to include all qualified 501(c)(3) nonprofits. The Easy Match program encourages employees to become personally involved in the well-being of their communities by contributing to qualifying charitable organizations that are important to them. Beginning in 2019, the company matches personal contributions of a \$50 minimum and up to \$5,000 per employee each year.
- We launched our "CNP Ambassadors Program" in 2018 to increase visibility of our outreach in local communities, provide employees with opportunities to develop leadership skills and increase employee engagement. In partnership with our program managers in larger locations, ambassadors help coordinate and lead volunteer programs across our service territory.

EMPLOYEE GIVING IN ACTION

- Our GIVE (Grant Incentives for Volunteer Employees) program recognizes, supports and encourages contributions of our employees' and retirees' volunteer efforts during their personal time. Grants are made to nonprofit organizations based on volunteer involvement. In 2018, 172 grants were awarded totaling \$67,600.
- Each year, we recognize 10 Outstanding Volunteers of the Year for activities completed in the prior year. Winners are awarded a \$500 GIVE 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.
- CenterPoint Energy's blood drive program addresses a critical need in the community – life-saving blood. In 2018, our employees donated 4,506 units of blood, which is enough to benefit 13,518 people. In partnership with the Gulf Coast Regional Blood Center, which serves the world's largest medical campus, our employees in Houston have collected more than 73,000 units of blood since 2002.

Feature: Power Tools



Power Tools for Nonprofits Conference

The 25th 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 nearly 14,000 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.

ENVIRONMENTAL PROGRAMS SUPPORTING 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. Our 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 and outreach initiatives help the public understand that we trim trees to protect service reliability.

We partner with the Arbor Day Foundation and Trees For Houston 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, we offer two free trees per registrant. Each year, the program provides 2,500 trees to individuals in our electric service territory who agree to plant them in energy-saving locations.

Since 2016, CenterPoint Energy has served as the presenting sponsor for the Houston Zoo's Party for the Planet, an annual Earth Day celebration focusing on how environmental protection saves wildlife. Each year, we distribute more than 3,000 tree seedlings to attendees, along with planting guides and information about our Right Tree Right Place program.

Vegetation Management and Trees For Houston

In 2018, our Vegetation Management program was recognized for more than a decade of tree partnership and financial support by Trees For Houston, a nonprofit organization dedicated to planting, protecting and promoting trees. Through company-sponsored tree plantings, tree giveaways and financial support, we joined Trees For Houston in planting 19,000 trees in the 2017–18 planting season at schools and parks, as well as along bayous, streets, esplanades and trails.

Named 2018 Tree Line USA by Arbor Day Foundation

For the 14th consecutive year, CenterPoint Energy was recognized with a Tree Line USA award by the Arbor Day Foundation. This recognition highlights our commitment to proper tree-care practices, energy conservation and our Right Tree Right Place program. In coordination with our Environmental department, employees and contractors work carefully to avoid impacts to wetlands and sensitive habitats during tree management. Tree Line USA is a national program recognizing public and private utilities for practices that protect and enhance America's urban forests.

CenterPoint Energy Trail

In 2018, the Houston Parks Board started construction on its first hike-and-bike trail on a CenterPoint Energy right-of-way in Houston. CenterPoint Energy donated \$1.5 million toward the 1.5-mile project, which starts at the Sims Bayou Greenway, heads north on the CenterPoint Energy transmission power line right-of-way, and ultimately connects to new dedicated on-street bike lanes. In June 2019, the Houston Parks Board, Houston Parks and Recreation Department and CenterPoint Energy celebrated the trail's grand opening.

Social

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 jobs that 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 our service area, thereby increasing regional economic prosperity.

Regional Economic Impact

In 2018, 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 \$1.5 billion in total economic impact for the greater Houston region. These projects also are anticipated to produce more than \$4 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 team has 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 in 2017.

Community Leadership

Our Economic Development staff serves in more than 40 leadership roles within local EDOs. President and CEO Scott Prochazka is the chair of the Greater Houston Partnership's Regional Economic Development Steering Committee and was recently appointed by Governor Greg Abbott to serve on the Texas Economic Development Corporation's board of directors. CenterPoint Energy also 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 received its reaccreditation in 2018 and continues to be one of only two utility companies in the nation to receive the AEDO certification.



In 2018, CenterPoint Energy's Economic Development team worked with JSW Steel on a \$500 million plant expansion project that is expected to result in 500 new jobs for the Houston region.

Targeted Initiatives

CenterPoint Energy produces valuable research data, including demographic information, market trends and data analysis. Our team 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.

Our company is actively engaged in local and state marketing initiatives to help support growth in the region, including Houston Next, 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.

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.

For the second year-in-a-row, CenterPoint Energy topped the South region in customer satisfaction – Large Segment, in the J.D. Power 2018 Gas Utility Residential Satisfaction Study. We had the highest score in five study factors: safety and reliability, price, corporate citizenship, communications and customer service. In addition, we placed fourth in customer satisfaction among Midwestern large natural gas utilities.

As consumer expectations increase and technology evolves, so do the wants and needs of our customers. Through our CustomerOne initiative, we are enhancing our customers' experiences by providing more personalized services and communication choices based on their unique preferences. CustomerOne is one example of how we are investing in technology to support system reliability and resiliency, as well as enhance monitoring and control. We also are working with our customers to employ technologies to meet energy efficiency and renewable resource goals, demand management objectives and service and voltage reliability specifications.

HomeServe USA Partnership

CenterPoint Energy is partnering with HomeServe USA, a provider of emergency home repair programs to homeowners nationwide, through which our natural gas customers in Texas can purchase service plans for several household systems. The program offers a suite of service plans covering repairs to several energy-consuming and other home systems, including customer-owned natural gas lines, heating and cooling systems, interior electric wiring, water heaters, and exterior water and sewer lines. Within the first two months of the launch in 2018, customers signed up for more than 50,000 plans, and the response to these offerings continues to be strong.



CenterPoint Energy's Customer Service organization prides itself in consistently providing reliable, value-added service to customers. In fact, the company is regularly recognized as a customer service leader in our industry.

2018 Education Customer Symposium

Symposiums help further relationships with our customers, providing a forum for two-way communications so we are better able to deliver the products and services our customers need. In 2018, we held an Education Customer Symposium in Minneapolis, providing educational institutions in the area the opportunity to learn more about the company's infrastructure investments, new strategies to address current energy-related challenges and how we are modernizing our natural gas distribution system. The symposium is designed for the company and its natural gas customers to share and explore important issues, as well as to provide an overview of the major factors affecting our industry.

Social

Employees

Our Approach

CenterPoint Energy places a high priority on sustaining a strong culture of ethics, professional development opportunities 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.

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 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, and 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.

Employees in Action

- **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. Nearly 500 CenterPoint Energy employees are veterans, and more than 60 employees are active military reservists. *U.S. Veterans Magazine* named CenterPoint Energy one of its 2018 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.



Houston employees partnered with the Houston Food Bank to pack and store more than 50 pallets of non-food items to benefit Houston's hungry. The volunteers also packaged 1,440 meals for Backpack Buddy, another food bank program.

- **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 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.
- **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.

Labor Relations

Approximately 35 percent of CenterPoint Energy's employees are represented by several 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.

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

Once a year, President and CEO Scott Prochazka meets with supervisors and above in a series of meetings across our footprint. Every two years, an Officer & Director Meeting is held to review company strategy with senior leaders across the company. The next meeting will be held in fall of 2019. As a follow up to the meeting, Scott Prochazka and senior leaders will host leadership and employee meetings across our locations to discuss strategy and other key performance areas.

Employee Meetings

Four employee meetings were held in 2018. While all meetings were video streamed to remote locations, company leaders also incorporated face-to-face communications and facilitated a portion of the agenda. Surveys showed that employees embraced the use of technology for these meetings, particularly the use of an audience polling app that enabled employees to provide instant feedback.

Informal Ongoing Meetings

Employee outreach occurs throughout the year through informal floor meetings, location visits, lunches and conversations over coffee with President and CEO Scott Prochazka and other members of our senior leadership team.

Employee Surveys

CenterPoint Energy's employee surveys help us gain deeper insights into employee engagement levels and specific topic areas from previous surveys. As a follow up to our 2016 Employee Engagement Survey and 2017 Summer Pulse Survey, which reflected high levels of pride, commitment and employee engagement, three brief employee pulse surveys were administered in 2018. The surveys focused on three areas: career development, innovation and collaboration. These surveys help us identify strengths and opportunities for improvement.

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.

Our competencies are:

- **Business and Financial Acumen**
Understanding the impact actions and decisions have on the bottom line of the enterprise.
- **Coaching and Development**
Developing others' capabilities to empower them to reach their potential.
- **Collaboration**
Eliminating boundaries and driving common goals.
- **Connecting, Listening and Sharing**
Maintaining open, active, two-way communication.
- **Customer Focus Through Service**
Understanding and exceeding the expectations of internal and external customers.
- **Enterprise Mindset**
Acting in ways that are best for the company as a whole.
- **Results Orientation**
Rejecting the status-quo, finding new opportunities to improve and driving outstanding business results.
- **Steadiness**
Demonstrating strength, poise and an appropriate presence.

Through our formal performance review process, goal management and job aids, our company encourages supervisors to provide timely feedback throughout the year. In 2018, more than 99 percent of eligible employees received a performance evaluation.

Social: Employees

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 audiences, including emerging leaders, new supervisors and high-potential employees.

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

2018 Training

CNP University	
Total online courses completed	292,946
Total hours of online courses completed	146,473*
College of Professional Development – Instructor/virtual Instructor-led training:	
Total participants	2,905
Total hours completed	17,430

*Each course averages approximately 30 minutes or 0.5 hours

Learning to Lead

In 2018, CenterPoint Energy piloted Learning to Lead, a 10-month program that includes training, individual assignments and a hands-on learning experience. Designed for high-potential individual contributors interested in a leadership role, the program helps participants develop their personal leadership brand, refine their communication skills, and better understand the scope of our businesses.



Offered through CenterPoint Energy's Learning and Development organization, the Learning to Lead program supports the company's initiative of building strong leaders to help ensure the success of our future workforce.

Training and Apprentice Programs – Electric Operations

Electric operations offers apprentice classes annually, 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, which requires a significant amount of physical strength and dexterity. Each apprentice receives training on all aspects of lineman work, including working on poles. Refresher courses are provided for apprentices who want to improve their skills or receive training. The center employs 16 technical trainers, four supervisors, a manager and two administrators. In 2018, 19 helpers and 62 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. Each apprentice receives training on leak investigation, plastic pipe fusion, natural gas fundamentals, carbon monoxide investigation and other safety-related courses. Classes enable employees to conduct hands-on leak investigations and to work on large meter sets. In 2018, 51 apprentices trained a total of 16,745 hours. In 2018, a pilot partnership began 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. 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, accident and sick leave coverage. Please visit the Careers section on CenterPointEnergy.com for more details.

- To promote an active lifestyle, a fitness facility is available in the CenterPoint Energy Tower in Houston. Employees can also use 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.
- We help cover public transportation commuting costs through 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.
- Dependents of CenterPoint Energy employees can apply for scholarships to help cover education costs. The CenterPoint Energy Scholarship is awarded based on academic achievement, citizenship and leadership. The Don D. Jordan Scholarship is awarded to students who have demonstrated excellence through community service.

Feature: *Always Well*

In 2018, CenterPoint Energy launched *Always Well*, a wellness program that rewards employees for making healthy choices and reaching personal health goals. Participants are offered biometric screenings, Health Risk Assessments, an online wellness portal, coaching and challenges to help achieve their health goals. Employees across the company volunteer as Wellness Champions and serve as *Always Well* ambassadors.



Social: Employees

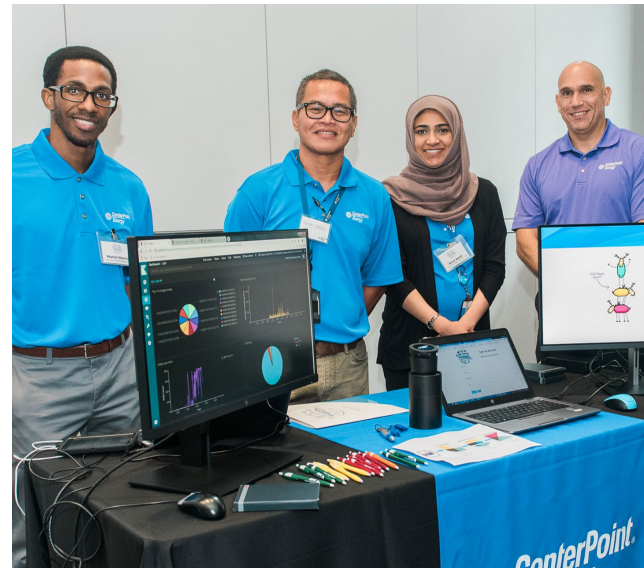
BUILDING A CULTURE OF INNOVATION AT CENTERPOINT ENERGY

Innovation — it's an important word with a lot of meaning. For years, CenterPoint Energy has used innovation to make us a more efficient, effective and safer company. From Smart Grid technology to advanced natural gas leak detection, innovation is a part of the way we do business. More recently, we have used a Reject, Find, Drive mindset to develop alternatives or better ways to serve our customers, lower costs and improve processes.

While we have built a solid track record in innovation, we believed we could do even more to embrace and prioritize it across all levels and areas of our company. And we recognized that building a culture of innovation at CenterPoint Energy was not something that could be developed at the highest levels of the organization and assigned like a project. That is where our Innovation Incubator Team came in.

In July 2017, we established the Innovation Incubator Team, a diverse group of 28 employees representing different businesses and functional areas across the company. The team has been focused on developing and implementing a two-year roadmap for building a culture of innovation at CenterPoint Energy by:

- Understanding trends and developments in innovation;
- Engaging and motivating our workforce to explore innovation;
- Identifying ways that innovation can positively impact our company;
- Building a brand, image and reputation as an innovative company; and
- Empowering employees to use innovation to lead our business.



More than 1,000 CenterPoint Energy employees and contractors participated in our Innovation Conference & Expo in October 2018. The event also featured innovations from more than 60 vendors, partners and internal teams.

The team made outstanding progress in 2018 using our Reject, Find, Drive mindset as a catalyst for innovation. The team is implementing six companywide initiatives designed to help build a culture of innovation:

- Innovation Shares
- Innovation Speakers' Series
- Innovation in New Hire Orientations
- Innovation in Energized By You Guidelines (employee reward and recognition)
- Innovation Conference & Expo
- Innovation by YOU (internal program for employees to develop and pitch innovative ideas)



CenterPoint Energy employee Aaron Coronis' Reject, Find, Drive mindset led to the use of a tool that gathers field measurement data in a more accurate and timely manner.

In addition:

- We established a Reject, Find, Drive site on our intranet, CNP Today, highlighting the work we are doing across the organization to drive innovation. We believe one of the most important ways we can build a culture of innovation is to share our stories.
- We created a Building a Business Case form as a guide for framing innovative ideas. When team members suggest a Reject, Find, Drive idea, supervisors ask them to capture their thoughts in the form and then have follow-up discussions to review their recommendations.
- At our 2018 Leadership Meetings, we hosted panels of employees to discuss the innovative changes they are making in their businesses and functions. Giving employees an opportunity to discuss their work is not only a great development opportunity, but the panelists are demonstrating that Reject, Find, Drive is being used across all levels of our organization.

Through the work of the Innovation Incubator Team, which was recognized by *Public Utilities Fortnightly* as "Top Innovators 2018: Honor Roll," CenterPoint Energy is embracing innovation in new ways and we are creating a culture that will thrive on Reject, Find, Drive.

- **Reject** the status quo.
- **Find** better ways to work, serve our customers and add value.
- **Drive** results to completion.



Social

Purchasing and Supplier Diversity

CenterPoint Energy's Strategic Sourcing, Warehousing and Materials Management organizations maintain the supply chain 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 Strategic Sourcing organization also oversees our robust supplier diversity program.

SUPPLIER DIVERSITY

CenterPoint Energy recognizes the economic importance of diverse suppliers, such as Minority, Women, Veteran Business Enterprises 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 goals include:

- Actively seek qualified diverse suppliers to provide competitive and quality commodities and services;
- Encourage participation and support major suppliers to the company; and
- Identify opportunities to assist in the development, capacity building and outreach efforts to excel in competitiveness, agility, innovation and collaboration.

2018 Spend Achievements

- CenterPoint Energy achieved more than \$1 billion in spending with small business suppliers. Nearly 12 percent of our corporate spend was with certified-MWBE suppliers.
- Our prime suppliers reported more than \$30 million in second-tier spending with diverse suppliers and small veteran-owned businesses.
- Our annual Supplier Diversity Month and Recognition Breakfast included an in-house, mini-MWBE expo for more than 300 attendees, featuring more than 30 diverse suppliers and a MWBE CEO Roundtable. The event honored veterans, employees and diverse businesses for their outstanding contributions to our company's supplier diversity success.
- We consistently use minority investment banking firms for our debt financing activities.



Supplier Diversity representatives participated in the company's Innovation Conference & Expo to help share the message of building successful relationships between the company and diverse suppliers.

2018 Highlights

- Partnered with local advocacy groups, including Houston Minority Supplier Development Council (HMSDC), Women Business Enterprise Alliance (WBEA) and other organizations throughout our footprint.
- Awarded two executive business scholarships to Minority, Women, Veteran Business Enterprises through HMSDC and WBEA.
- Sponsored and presented at various supplier diversity-related activities locally and nationally, including annual Diversity & Inclusion Summit, EEI Business Diversity Conference and National Minority Supplier Development Council Annual Conference & Expo.

2018 Awards





- 2018 Accountability Champion Award, Houston Supplier Development Council
- Best of the Best US – Top Veteran-Friendly Companies, presented by *U.S. Veteran Magazine*
- The Helping Hand Award, HMSDC
- Supplier Diversity Champion, Subcontractors U.S.A. Texas
- Top 30 Influential Women in Houston, *D-Mars Publications*
- 2018 Top Corporations for Women's Business Enterprises Award, Women's Business Enterprise National Council
- Top Corporation Cutting Edge Award, Women's Business Enterprise Alliance
- Women in Business: Making a Difference Award, Indo-American Chamber of Commerce of Greater Houston



Minority-owned, women-owned and small business enterprises, as well as the CenterPoint Energy employees who support these business partners, were celebrated at the annual Supplier Diversity Recognition Breakfast in Houston.

Report Overview/Feedback

CenterPoint Energy is committed to making ongoing improvements to our reporting. We welcome your input and comments. Please email your thoughts to info1@CenterPointEnergy.com and engage with us via our social media channels:

-  facebook.com/CenterPointEnergy
-  [@energyinsights](https://twitter.com/energyinsights)
-  [@cnpalerts](https://twitter.com/cnpalerts)
-  youtube.com/user/CenterPointEnergyvid
-  linkedin.com/company/CenterPoint-Energy

Thank you to Richard T. Bye, a retired CenterPoint Energy employee, for providing photos for this report.

GRI Index

CenterPoint Energy's 2018 Corporate Responsibility Report is based on the GRI standards. This report has been prepared in accordance with the GRI Standards: Core option. It was developed based on topics related to our company's environmental, social and economic performance that we have identified as material or important to stakeholders.

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 visit the [Investors section](#) of CenterPointEnergy.com.

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Cautionary Statement

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 Dec. 31, 2018. 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.

Important factors that could cause actual results to differ materially from those indicated by the provided forward-looking information include risks and uncertainties relating to: (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 Enable 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 goodwill, long-lived asset or other than temporary impairment charges by or related to Enable; (F) changes in tax status; and (G) access to debt and equity capital; (2) CenterPoint Energy’s expected benefits of the merger with Vectren Corporation (Vectren) and integration, including the outcome of shareholder litigation filed against Vectren that could reduce anticipated benefits of the merger, as well as the ability to successfully integrate the Vectren businesses and to realize anticipated benefits and commercial opportunities; (3) industrial, commercial and residential growth in CenterPoint Energy’s service territories and changes in market demand, including the demand for CenterPoint Energy’s non-utility products and services and effects of energy efficiency measures and demographic patterns; (4) the outcome of the pending CenterPoint Energy Houston Electric, LLC rate case; (5) timely and appropriate rate actions that allow recovery of costs and a reasonable return on investment; (6) future economic conditions in regional and national markets and their effect on sales, prices and costs; (7) weather variations and other natural phenomena, including the impact of severe weather events on operations and capital; (8) 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; (9) tax legislation, including the effects of the comprehensive tax reform legislation informally referred to as the Tax Cuts and Jobs Act (which includes any potential changes to interest deductibility) and uncertainties involving state commissions’ and local municipalities’ regulatory requirements and determinations regarding the treatment of excess deferred income taxes and CenterPoint Energy’s rates; (10) CenterPoint Energy’s ability to mitigate weather impacts through normalization or rate mechanisms, and the effectiveness of such mechanisms; (11) the timing and extent of changes in commodity prices, particularly natural gas and coal, and the effects of geographic and seasonal commodity price

differentials; (12) actions by credit rating agencies, including any potential downgrades to credit ratings; (13) changes in interest rates and their impact on CenterPoint Energy’s costs of borrowing and the valuation of its pension benefit obligation; (14) problems with regulatory approval, legislative actions, 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; (15) the availability and prices of raw materials and services and changes in labor for current and future construction projects; (16) local, state and federal legislative and regulatory actions or developments relating to the environment, including those related to global climate change, air emissions, carbon, wastewater discharges and the handling and disposal of CCR that could impact the continued operation, and/or cost recovery of generation plant costs and related assets; (17) the impact of unplanned facility outages or other closures; (18) 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, ice, earthquakes, explosions, leaks, floods, droughts, hurricanes, tornadoes, pandemic health events or other occurrences; (19) CenterPoint Energy’s ability to invest planned capital and the timely recovery of CenterPoint Energy’s investments, including those related to the generation transition plan; (20) CenterPoint Energy’s ability to successfully construct and operate electric generating facilities, including complying with applicable environmental standards and the implementation of a well-balanced energy and resource mix, as appropriate; (21) CenterPoint Energy’s ability to control operation and maintenance costs; (22) the sufficiency of CenterPoint Energy’s insurance coverage, including availability, cost, coverage and terms and ability to recover claims; (23) the investment performance of CenterPoint Energy’s pension and postretirement benefit plans; (24) 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; (25) changes in rates of inflation; (26) inability of various counterparties to meet their obligations to CenterPoint Energy; (27) non payment for CenterPoint Energy’s services due to financial distress of its customers; (28) the extent and effectiveness of CenterPoint Energy’s and Enable’s risk management and hedging activities, including, but not limited to, financial and weather hedges; (29) timely and appropriate regulatory actions, which include actions allowing securitization for any future hurricanes or natural disasters or other recovery of costs, including costs associated with Hurricane Harvey; (30) 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 CenterPoint Energy’s 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 and Enable cannot assure will be completed or will have the anticipated benefits to CenterPoint Energy or Enable; (31) the performance of projects undertaken by CenterPoint Energy’s non-utility businesses and the success of efforts to realize value from, invest in and develop new opportunities and other factors affecting those non-utility businesses, including, but not limited to, the level of success in bidding contracts, fluctuations in volume and mix of contracted work, mix of projects received under blanket contracts, failure to properly estimate cost to construct projects or unanticipated cost increases in completion of the contracted work, changes in energy prices that affect demand for construction services and projects and cancellation and/or reductions in the scope of projects by customers and obligations related to warranties and guarantees; (32) acquisition and merger activities involving CenterPoint Energy or its competitors, including the ability to successfully complete merger, acquisition and divestiture plans; (33) CenterPoint Energy’s or Enable’s ability to recruit, effectively transition and retain management and key employees and maintain good labor relations; (34) the outcome of litigation; (35) 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; (36) changes in technology, particularly with respect to efficient battery storage or the emergence or growth of new, developing or alternative sources of generation; (37) the timing and outcome of any audits, disputes and other proceedings related to taxes; (38) the effective tax rates; (39) the effect of changes in and application of accounting standards and pronouncements; and (40) other factors discussed in CenterPoint Energy’s Annual Report on Form 10-K for the fiscal year ended Dec. 31, 2018, CenterPoint Energy’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2019, 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 June 30, 2019. 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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Roy Medina, *Houston, Texas*