

2022

# Environmental, Social, Governance and Sustainability Report



## A Letter from Our President and CEO

CMS Energy's purpose — World Class Performance Delivering Hometown Service — drives our decisions to prioritize our customers, communities, the environment and our company's success. This reflects our Triple Bottom Line — People, Planet and Prosperity.

Our long-term vision includes reducing our climate change impact through bold net zero carbon and methane emissions goals. We're retiring our remaining coal plants, adding clean, renewable and affordable energy, boosting energy efficiency options and implementing new technology to improve safety and reliability for customers. We're helping lead Michigan's electric vehicle transformation.

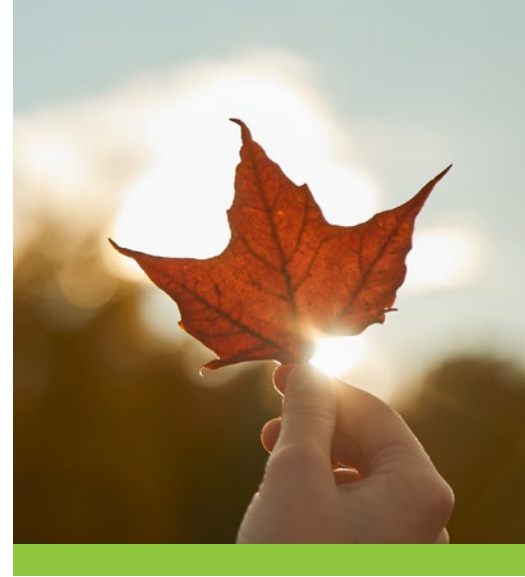
We know doing what's right for our customers, communities, employees and planet is critical to our sustained success. We use measurable short-term goals to meet the needs of our communities through our charitable foundation and corporate giving, and we improve our land and waters through environmental responsibility and stewardship. Our culture values are equally important as we work to retain our workforce and attract future generations of skilled employees. Our corporate values focus on safety, diversity, equity and inclusion and solid governance structures.

I am proud of our workforce, including our regulated utility, Consumers Energy, and NorthStar Clean Energy, a subsidiary of CMS Energy that develops, owns and operates U.S.-based utility-scale renewable energy and storage facilities. They're committed to honoring our triple bottom line and show up with a heart of service. They help us deliver on our promise to serve our customers, communities, investors, state and each other. Throughout this report, you'll read about the many ways we're creating a sustainable energy future. We're excited to share our progress.



Garrick J. Rochow

PRESIDENT AND CHIEF EXECUTIVE OFFICER • CMS ENERGY AND CONSUMERS ENERGY



CMS Energy's purpose drives our decisions to prioritize our customers, communities, the environment and our company's success.







## About this Report

CMS Energy Corporation<sup>1</sup> has integrated sustainable practices throughout our business, including its subsidiaries, Consumers Energy and NorthStar Clean Energy<sup>2</sup>. Consideration of environmental, social and governance (ESG) issues is embedded in our strategy, business planning and enterprise risk management processes. These key issues align with our purpose to make life better for the people of Michigan through providing safe, reliable, affordable and clean energy delivered with hometown service while supporting local communities through volunteerism and giving.

We participate in a voluntary industry initiative, coordinated by the Edison Electric Institute (EEI) and the American Gas Association (AGA), to provide the public, customers and our global investors uniform and consistent ESG- and sustainability-related metrics. This report supplements our existing disclosures on these issues, including content on our [sustainability website](#).

## Environmental, Social and Governance Priorities

The foundation of our sustainability efforts is determining which CMS Energy ESG issues are most important to us and stakeholders. Assessments help identify and improve upon sustainability goals and performance. In 2021, we conducted our ESG Materiality Assessment Stakeholder Survey in conjunction with a third party. Using survey results and additional analysis of our important ESG topics, we identified 13 priority ESG issues as communicated in our [2022 ESG Materiality Assessment Executive Summary](#).

Knowing these 13 issues are priorities for our stakeholders, they help shape our ESG and sustainability strategy and communications. They are also highlighted in relevant sections throughout this report as we share our 2022 ESG and sustainability story.

## Our Priority ESG Issues



1. This report is written for CMS Energy Corporation, but includes substantial goals and achievements of its primary subsidiary, Consumer Energy Company. As such, we refer to CMS Energy as “the corporation” and Consumers Energy as “the company” throughout. Additionally, the report uses the pronouns “we” and “our” to refer to CMS Energy.

2. CMS Enterprises, CMS Energy’s unregulated business, was renamed NorthStar Clean Energy in 2022.

## SECTION 1

# Our Sustainability Story

## ENVIRONMENT

Protecting the environment is a crucial pillar of our ESG and sustainability efforts. Our 2022 ESG Materiality Assessment found stakeholders deem our strategic goals to improve air quality, reduce greenhouse gas emissions and protect our waters high priorities. The resulting strategic plans demonstrate we are delivering on our promise to preserve and restore our environment.

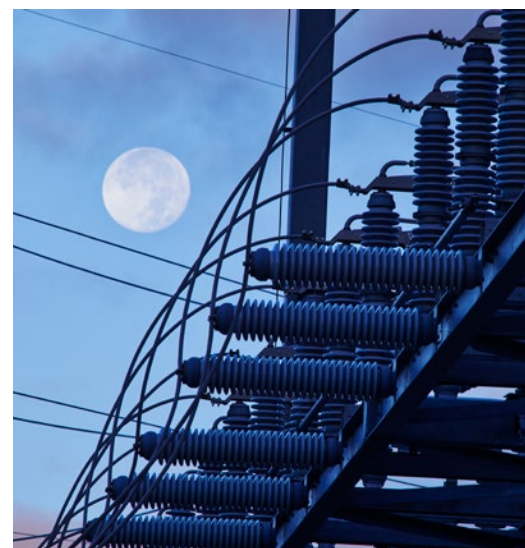
We're committed to sustainable development as outlined in our [environmental policy](#) and demonstrate this commitment by exercising the precautionary principle and conducting due diligence to identify and minimize environmental impacts in the communities where we operate. Environmental compliance is ingrained in our processes and values.

We follow environmental management best practices that align with ISO 14001 standards to maintain and continually improve our processes. These standards hold us accountable to adhere to regulations, minimize environmental impacts and continually improve our environmental practices and stewardship.

## Consumers Energy's Clean Energy Plan

Consumers Energy's [Clean Energy Plan](#), also known as its Integrated Resource Plan (IRP), is a comprehensive and far-reaching strategy to protect the planet and reinforce our promise of sustainability.

The Clean Energy Plan is a 20-year blueprint to guide our regulated electric business. The plan positions Consumers Energy as an industry leader, retiring its remaining coal-fired plants to help reach a net zero carbon emissions goal by 2040. This plan will also help us reduce carbon emissions from owned generation by approximately 60% from 2005 levels by 2025.





Reducing emissions and expanding clean energy options will protect the environment for generations to come. The plan will also:

**End coal use in 2025:** Eliminating coal use 15 years sooner than previously planned will improve air quality, cut greenhouse gas emissions, reduce landfill waste and dramatically reduce our water use.

**Increase renewable energy:** By 2040, 61% of Consumers Energy's electric capacity will come from renewable sources including nearly 8,000 megawatts of solar.

**Transition to a smarter grid:** Energy efficiency programs and emerging technologies like grid modernization and battery storage will lower peak customer demand.

**Offer more customer control and savings:** The plan furthers Consumers Energy's commitment to energy efficiency and demand response options for customers.

**Affordable energy:** We expect to save customers as much as \$600 million through 2040 compared to the 2018 Clean Energy Plan.

**Create a flexible strategy:** The plan responds to emerging needs, adapts to changing conditions and embraces new, innovative technologies.

**Ensure reliability:** The purchase of the natural gas-fired Covert Generating Plant in Van Buren County will help us transition away from coal to electricity that meets our generation needs without creating new greenhouse gas sources.

## Increasing Consumers Energy's Renewable Energy

Consumers Energy's focus on renewable energy demonstrates our commitment to a sustainable planet while keeping energy affordable for customers. The company plans to add capacity incrementally, allowing flexibility in planning and resource type to adapt to changing conditions. Our plan is to add solar capacity, a mix of owned and purchased power, through a competitively bid, annual solicitation process to keep costs low. The Clean Energy Plan forecasts renewable capacity levels of:

- 30% by 2025
- 43% by 2030
- 61% by 2040

When renewable generation is combined with advances in energy storage and customer efficiency programs, Consumers Energy's goal is for customers' electricity needs on the hottest days to come from 90% clean energy resources. Since 2005, renewable nameplate capacity, including from power purchase agreements, has grown from 3% to 14%. We look forward to continued growth as we transition from coal to renewables.

Consumers Energy owns and operates four wind parks in Michigan: Lake Winds® Energy Park (100 megawatts) in Mason County, Cross Winds® Energy Park (231 megawatts) in Tuscola County, the Crescent Wind Farm (166 megawatts) in Hillsdale County and the Gratiot Farms Wind Project (150 megawatts) in Gratiot County. The Heartland Wind Farm (about 200 megawatts) in Gratiot County is scheduled to begin operating in 2023. We've also procured about 1,005 megawatts of new solar capacity from nine projects expected to begin operating between 2022 and the end of 2024.

Consumers Energy offers voluntary renewable energy customer programs. These programs accelerate the Clean Energy Plan, greening the grid faster than would otherwise occur and enabling customers to be more environmentally sustainable.



## Awards

### Recognition for our commitment to ESG and sustainability

- Newsweek's Most Responsible Companies Award for 2021 & 2022
- 2022 ENERGY STAR® Partner of the Year
- Forbes® Magazine America's Best Large Employer for 2021 & 2022
- Forbes® Magazine America's Best Employers for Women in 2019, 2020, 2021 & 2022
- Forbes® Magazine America's Best Employers for Diversity 2020, 2021 & 2022.
- BEST Winner: Association for Talent Development for 2020, 2021 & 2022
- Top 50 global ranking in Military Times Best for Vets: Employers for 2020 & 2021
- 3BL's 100 Best Corporate Citizens of 2022, and the #1 company for ESG governance.
- Certified Gold-Level Veteran Friendly Employer by the Michigan Veterans Affairs Agency (MVAA)
- Ranked Top Utility of 2021 by Site Selection Magazine
- Ranked Top Quartile by EEI Utility Standards and Safety Performance

For example, our [Solar Gardens](#) program is a flexible, easy and affordable way for customers to subscribe to blocks of solar energy without purchasing and installing their own panels.

The program allows customers to champion sustainability and protect the environment. Currently, the program has 4.5 megawatts of available capacity and is more than 92% subscribed. Capacity is available at three Solar Gardens facilities: a 3-megawatt site at Grand Valley State University, a 1-megawatt site at Western Michigan University and a 0.5-megawatt site in Cadillac.

Similarly, Consumers Energy's Large Customer Renewable Energy Program helps businesses meet their sustainability goals, attract capital and improve their own sustainability brands. The program has 120 megawatts of capacity contracted and is approved to grow by another 1,000 megawatts, by actively pursuing new renewable energy assets through a competitive solicitation process to meet increasing customer demand for this program.

## Helping Customers Reduce Energy Use on Hot Summer Days

Partnering with business and industrial customers to reduce energy use, and in turn lower greenhouse gas emissions, is a critical element of Consumers Energy's Clean Energy Plan. Demand response programs help reduce grid demand during peak hours on high-heat days. By enrolling in these programs, businesses earn bill credits for conserving energy with measures like slightly increasing their air conditioning temperature or reducing energy in underutilized spaces.

In 2021, customers reduced their electricity demand by nearly 570 megawatts, exceeding the 531-megawatt target. Targets for the upcoming years are even more ambitious at 607 megawatts in 2022 and 618 megawatts in 2023. Consumers Energy integrated demand response into its capacity portfolio to meet the program goals in its regulatory filings with the Michigan Public Service Commission.

Our customer energy efficiency programs are also part of our Clean Energy Plan. These plans to help customers reduce energy use through energy efficiency rebates, assessments and products, work alongside demand response programs to offer benefits beyond environmental – they offer customer savings to support our energy affordability goals, which is highlighted in the social section of this report.

## Electric Vehicle Transformation

Consumers Energy is leading Michigan's electric vehicle transformation by committing to power one million electric vehicles by 2030. The goal would help support the state's efforts to transition from gas-fueled to clean, zero-emissions vehicles on our roadways and support our corporation's clean energy goals. Consumers Energy's support for Michigan's EV transformation includes:

**Bring Your Own Charger:** launched in 2021, provides EV owners incentives for charging at home during overnight hours or on weekends when energy prices are lowest.

**PowerMIDrive™:** offers customers rebates for installing EV chargers and has so far provided rebates for more than 1,600 EV chargers at homes and businesses and helped put chargers along roads throughout the Lower Peninsula.

**PowerMIFleet™:** The program is helping more than 50 Michigan employers prepare their workplaces for EVs through assessments, rebates and electrical upgrades.



## Improving Reliability in Downtown Grand Rapids

Major upgrades to the Ellsworth Substation in Grand Rapids will improve service and reliability for thousands of customers. The substation received a \$15.4 million overhaul as part of an annual \$100 million investment that will use the latest technology to bolster weather resiliency and restoration efficiency.

"We take seriously our responsibility to provide safe, reliable and affordable energy to our customers in Grand Rapids and around the state," said Vice President of Electric Operations, Guy Packard. "We're proud of the new reliability projects around Grand Rapids that will help power Michigan's progress for the next 100 years."

Upgrades include four new, large transformer banks and the most modern indoor switching equipment, which will provide enhanced protection and enable reliable power to flow between multiple circuits on the grid.

[See More +](#)

Consumers Energy has helped power 36, direct current fast chargers at public locations throughout the Lower Peninsula, with plans to power another 100 in the next two years.

The company has also set a goal to electrify 100% of its light-duty vehicles by 2030. The transition would save more than \$17 million over the vehicles' lifetimes. Consumers Energy currently has 90 all-electric or plug-in vehicles on the road, which represents 5.5% of its fleet. A structured approach to fleet electrification is planned to ensure technology will meet service demands.

## Improving Consumers Energy's Electric Infrastructure

Reliability is a priority ESG issue in our corporate sustainability efforts. Delivering a sustainable future means strengthening our grid to improve reliability and prepare for climate change effects such as more frequent and severe storms.

In 2021, Consumers Energy filed an updated Electric Distribution Infrastructure Investment Plan ([EDIIP](#)), a five-year strategy to enhance its electric distribution system and improve grid reliability. EDIIP hallmarks include:

**Infrastructure upgrades:** Proactive investments will replace or rebuild poles, wires and substations, with a goal of improving at least 1,000 miles of the system each year.

**Tree trimming:** Preventing and shortening power outages and improving system reliability is significantly improved through tree trimming. The plan includes forestry investments of more than \$500 million over five years to keep distribution lines clear.

**Grid modernization:** Smart meters, sensors and automation devices work together to serve customers. These tools help optimize power delivery and solve problems, often before customers notice.

Earlier this year, Consumers Energy announced plans to invest \$100 million in its high voltage distribution system to reduce the number and length of outages. The upgrades include rebuilding high-voltage distribution lines, rehabilitating pole-top equipment and replacing poles. New technology will also more rapidly detect and isolate electric outages.

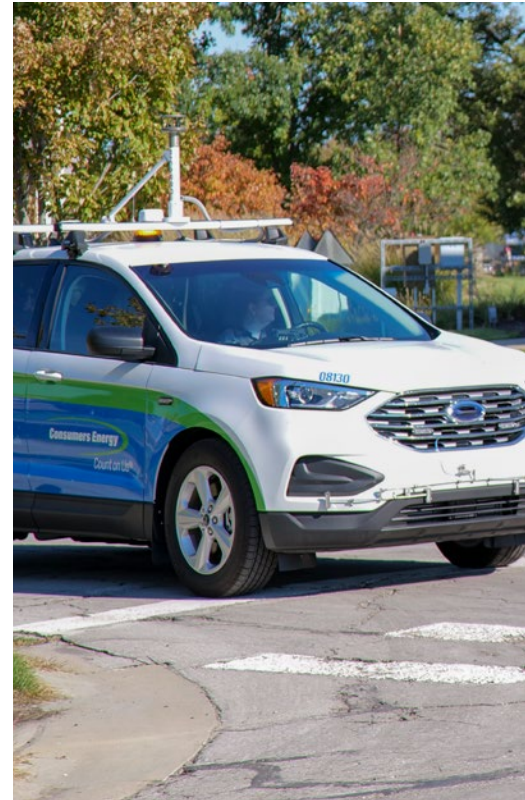
Additional near-term resiliency measures include increasing circuit inspections, optimizing forestry plans through enhanced analytics, installing fuses, replacing vintage insulators and installing additional switching capabilities.

Longer-term activities involve moving more overhead lines underground and reducing outage exposure with technology to sectionalize grid circuits and reroute power to automatically reduce the number of customers impacted by an interruption. [Reliability efforts](#) also include expanding electric operations training and enhancing cyber security to keep the electric grid running safely.

## Delivering Safe, Reliable, Affordable and Clean Natural Gas

Consumers Energy is one of the nation's largest natural gas companies. Its infrastructure comprises more than 28,000 miles of distribution mains and about 2,400 miles of transmission pipeline. Consumers Energy's natural gas storage system is among the largest in the country, storing 149 billion cubic feet of cyclic design capacity known as working gas.

Continuous enhancements help ensure delivery of safe, reliable, affordable and clean energy to customers. The [Natural Gas Delivery Plan](#), an annually updated, 10-year strategic investment plan, includes accelerated infrastructure replacements, innovative leak detection technology and key process changes to reduce or eliminate methane emissions. The plan, valued at approximately \$13 billion, includes:



## Taking to the Streets to Stop Natural Gas Leaks

Two new sets of wheels are helping Consumers Energy track down methane leaks to protect the planet and keep customers and communities safe.

The Ford Edge SUVs rolled out last fall equipped with state-of-the-art mobile natural gas leak detection systems.

The rolling labs can gather and instantly analyze methane, wind, atmospheric and GPS data in their path to find natural gas leaks and calculate their severity.

By investing to make infrastructure and processes safer while reducing our environmental footprint, this pilot project is another way we're innovating to protect the planet and lead Michigan's clean energy transformation.

[Watch Video +](#)



**Saginaw Trail Pipeline:** A recently completed, \$610 million natural gas infrastructure modernization project in Saginaw, Genesee and Oakland counties, which runs nearly 95 miles.

**South Oakland Macomb Network:** A nearly complete \$200 million effort to replace natural gas pipelines and infrastructure.

**Mid-Michigan Pipeline:** A \$550 million project set to begin in 2023 to replace 55 miles of transmission pipeline in Clinton, Shiawassee, Ingham, Livingston and Washtenaw counties. The project also will include a new 36-inch pipeline to move natural gas more quickly, safely and efficiently.

The company's largest safety, environmental and capital investment is continued work replacing mains and service lines to deliver natural gas more reliably, safely and in a more sustainable way.

## On a Mission to Cut Greenhouse Gas Emissions

In 2019, Consumers Energy announced plans to achieve net zero methane emissions throughout its natural gas delivery system by 2030. This goal seeks to reduce methane emissions associated with operations, like those from fugitive methane leaks and venting and flaring activities. The company has outlined this goal in greater detail within its [Methane Reduction Plan](#) and seeks to achieve about 80% emissions reduction by 2030. Remaining methane emissions associated with safety or other operational requirements would be offset through use of renewable natural gas and other available offsets.

In 2022, Consumers Energy expanded its commitment to reduce emissions and announced plans to achieve net zero methane emissions from the company's entire natural gas production and delivery system — including customers and suppliers — by 2050. The long-term goal includes an interim milestone to reduce customer emissions by 20% by 2030 through carbon offset programs, displacing conventional natural gas use with renewable natural gas and offering customers more options to reduce energy waste and lower bills. It will also evaluate emerging technology like hydrogen, carbon capture and sequestration, biofuels and electrified end uses.

Pursuing a net zero goal for all emission sources aligns our efforts with Michigan's MI Healthy Climate Plan<sup>1</sup> to achieve net zero carbon emissions by 2050 and recommendations of the Paris Climate Agreement to limit global warming to less than 1.5 °C.

## Caring for Land and Water and Reducing Waste

We love Michigan and work continuously to improve the place we call home. This includes setting land, waste and water protection goals. In 2021, Consumers Energy exceeded its five-year planet goals to enhance, restore or protect 5,000 acres of land in Michigan, save 1 billion gallons of water and reduce waste sent to landfills by 35% — all a full year ahead of schedule.

Consumers Energy met these goals with company-wide efforts like environmental cleanups, improving wildlife habitats, increasing recycling at facilities and finding new ways to conserve water at generation facilities. The company has set additional goals, including:

**Land:** Enhance, restore or protect 6,500 acres from 2022 through the end of 2026.

**Waste:** Increase our recycling rate in 2022 to 90% from the 88% baseline achieved last year.

**Water:** After exceeding water reduction goals in 2021, Consumers Energy is evaluating new baseline data to set new goals.



## Protecting Species on our Land

Although many recoil when they see snakes, we're combing our land to find them and keep them safe.

Our Eastern Massasauga Rattlesnake survey is part of a two-year project to locate the rare rattler before construction begins on the Mid-Michigan Pipeline project to replace 55 miles of natural gas pipeline in Clinton, Shiawassee, Ingham, Livingston and Washtenaw counties.

Last year, surveyors trekked across more than 50 miles of the planned construction route and found two snakes near Chelsea. The work continues in 2022.

By doing more than what is required, Herpetological Resource and Management herpetologist, Dave Mifsud, said the work raises the bar for other companies on land management best practices.

[Read More +](#)

1. The MI Healthy Climate Plan was published by EGLE and is Michigan's plan to achieve economy-wide carbon neutrality by 2050 to reduce climate-change impacts. It outlines actions through 2030 including a focus on environmental injustices, electricity, transportation, building decarbonization, industry innovation and protection of land and water.



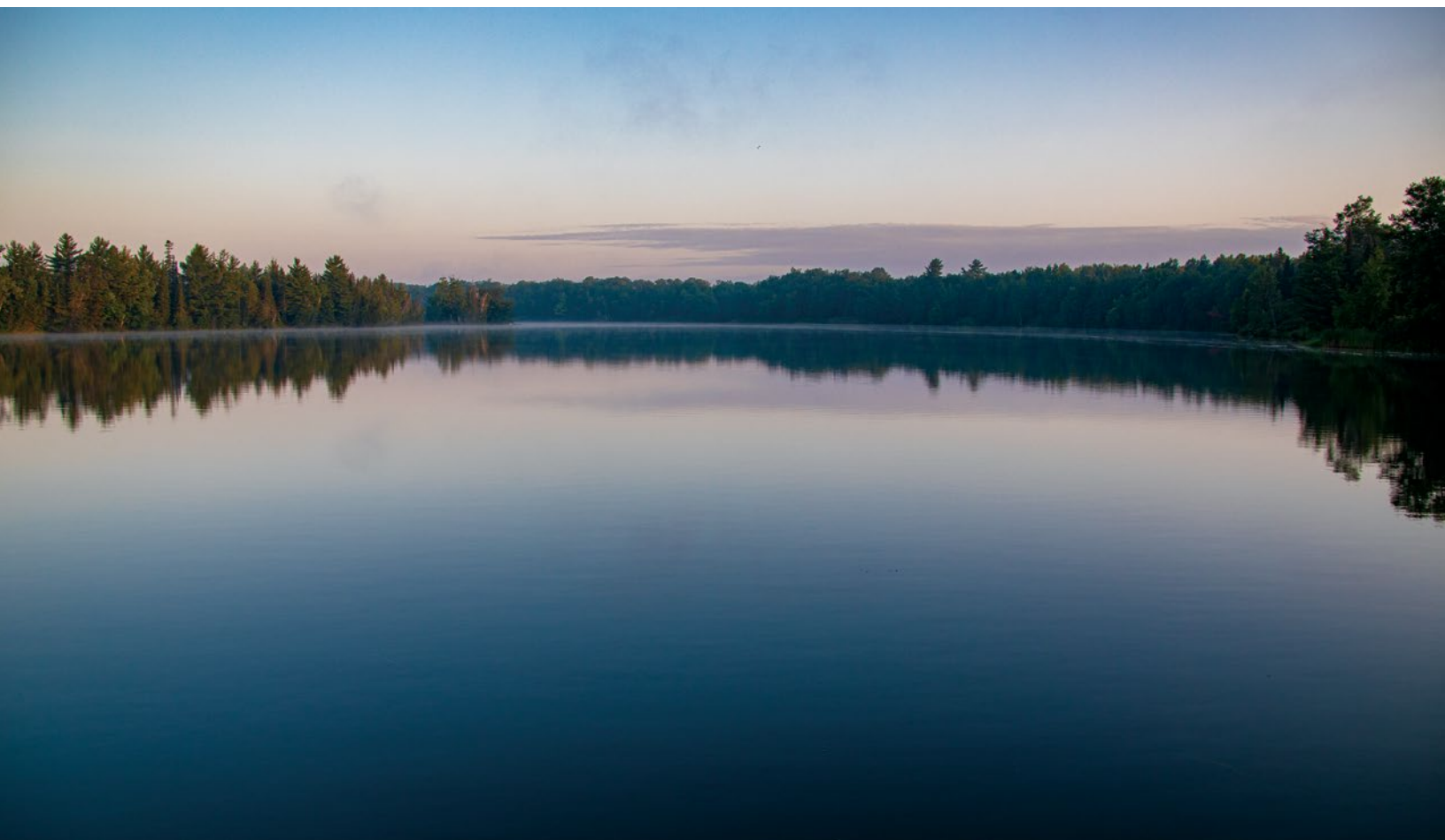
Retiring our remaining coal-fired plants in 2025 will also positively impact water conservation. Consumers Energy expects to reduce overall water use 98% by 2026 compared to 2012. Other water efficiency efforts include:

- Prioritizing water conservation when considering new generation sources.
- Developing strategies to save and reuse water during pipe replacements.
- Reducing and recycling water at natural gas-fired plants.
- Collecting and reusing water that runs off coal piles.
- Reducing water used during the coal combustion process.

Freshwater protection is a priority ESG issue for our corporation. We continuously work to improve processes to reduce environmental impacts. Through a water reduction initiative at coal generation sites, engineers evaluated water used for bottom ash transport. At the Campbell Generation Facility, bottom ash transport water was reduced by a third, which saved millions of gallons per quarter.

Additionally, alternative water use initiatives, such as on-site stormwater capture and supplementing freshwater needs, further reduce the amount of freshwater extracted from surface water and the ground.

Consumers Energy Foundation grants are another way we protect Michigan's waters. These grants support projects that preserve and enhance freshwater resources and the land around them.







## SOCIAL

Achieving our sustainability goals extends beyond our environmental commitments. We're deliberate in making decisions that positively impact our social goals for our customers and communities. We prioritize customer needs, safety, security, diversity, equity and inclusion (DE&I) and labor and human rights.

### Safety in Everything We Do

We're committed to safety. We believe no operation or service commitment should have a greater priority than the life, safety and the health of our employees, the public and the customers we serve. We've worked hard to improve our safety culture and performance, and safety incidents at Consumers Energy have decreased more than 40% since 2010. We continue to stay focused on our goal of zero high-risk incidents.

We've implemented a proactive, risk-based program in partnership with the Edison Electric Institute (EEI) and other utilities. The Safety Classification and Learning Model (SCL) allows us to address safety precursors, such as Safety Good Catches (Near-Miss Incidents) and Stop the Job, and implement controls to fulfill our promise that everyone goes home safe each and every day.

We follow American Petroleum Institute Recommended Practices 1173 (API RP) as part of our gas safety management system. API RP focuses on 10 priorities to help ensure the safety of the public, our employees and our assets. These include key best practices like leadership involvement, risk management, incident investigation, training and documentation. Internal and external expert evaluations and stakeholder communication help us ensure conformance and continual improvement.

In addition, we've developed a new public safety training module to educate leaders on safety messages and empower them to share those messages with the public to reduce injuries. Since 2011, Consumers Energy has reduced the number of public safety incidents by 80% through continued education and awareness programs for first responders, contractors and homeowners. In 2021, Consumers Energy saw a 64% reduction in public safety incidents as compared to 2016.

Our public safety program efforts over the years have included a series of awareness campaigns targeted to contractors, first responders and homeowners. Our damage





prevention efforts include working with MISS DIG 811 and our internal Pipeline Public Awareness team to create media campaigns to educate the public on how to safely dig, and we've seen a 17% reduction of excavation damages since 2019.

We're currently working with the EEI to create a public incident data tracking system that would allow us to benchmark with other utilities and observe potential incident trends to create targeted public awareness messages.

## Leading the Way in Security

Security is an integrated organization within CMS Energy and is accountable for cyber and physical security. Security is subject to state, federal and industry regulations that include focus on cyber security, physical security and privacy. Risks are managed through a robust program that includes people, processes, technology and governance structures.

We maintain a strong security culture because we acknowledge today's security threats pose risks. Our security culture focuses on shared responsibilities among our employees to maintain a secure environment.

The executive director of security reports to a senior vice president. The board of directors (board) oversees our security risks including cyber security, physical security, compliance and privacy. Two board members have extensive industry experience in cyber security.

The board receives updates at the start of each year, which cover the current threat environment, regulatory updates, review of prior year incidents and a strategic look forward. The board receives a second update around mid-year. Board oversight also includes regular program updates and third-party audits.

Our See Something, Say Something program encourages employees to report suspicious activity. Permanent employees also receive annual security training including courses covering several physical and cyber security topics related to awareness, risk prevention and detection, event management and policy compliance.

Over the past three years, we had no material cyber, physical or privacy incidents and received no regulatory fines associated with these issues.

### Cyber Security

We manage our cyber security program using industry frameworks and best practices developed by government and industry partners. We make significant technological investments to prevent, detect and respond to attacks. Our electric, natural gas and corporate systems are subject to various state and federal compliance requirements. Regulations include the American Petroleum Institute's 1164 standard, Transportation Security Administration's critical pipeline standards, North American Reliability Corporation Critical Infrastructure Protection's electric grid security requirements and Payment Card Industry standards.

Our cyber security incident response team is a dedicated, proactive function focused fully on monitoring our systems and responding when issues occur. This includes regular information sharing with industry partners, peer utilities and state and federal government agencies. We retain third-party cyber security firms to assist with potentially significant incidents, and we've invested in cyber security insurance to help offset any costs incurred from incidents.

All technology projects are reviewed for cyber security requirements and any unmet requirements must be approved by leadership prior to implementation. A dedicated team focuses on finding and remediating vulnerabilities in our systems. We regularly use third-party firms for penetration testing, audits and assessments.



**We have a robust set of security policies covering a variety of topics, including:**

- Security awareness and training
- Security risk management
- Information privacy and confidentiality
- Third-party security
- Cyber security incident response
- Vulnerability management
- Patch management
- Malicious software prevention and detection
- Physical access management
- Physical risk management
- Security administration
- Remote access
- Personal mobile device acceptable use
- Passwords
- Encryption
- Weapons-free workplace



We also conduct monthly phishing tests through our Don't Take the Bait program, which asks employees to report suspicious emails that demonstrate common phishing tactics in real-world scenarios. When a test phishing email is clicked, employees are provided information on cyber security best practices. We monitor our Don't Take the Bait statistics every month and share them with employees to further emphasize their role in cyber security.

### Privacy

Our privacy program ensures that customer and employee data is appropriately handled. The program includes policies, procedures, controls, training and technology solutions to appropriately manage in-scope data. Our [privacy policy](#) outlines for stakeholders specifically what data we collect, how it is used and how we protect it.

## Our Culture Values

Our mission to sustain a world class, inclusive workforce relies on our foundational principle that DE&I is embedded into the culture of CMS Energy and its subsidiaries. We care about the well-being of others, are deliberate in fostering inclusion and take a public stand against racism, hate and bias.

That begins with the support of our President and CEO, Garrick Rochow, who continues to engage in the CEO Action for Diversity and Inclusion™ Coalition – a national effort that brings corporate leaders together to address DE&I at the societal level, driving action and meaningful change.

To achieve our goals, we leverage our Culture Values – Caring, Empowered, Deliberate, Agility and Ownership – that lead to success in three key pillars: our culture, our processes and our talent. In 2021, we launched a culture-focused learning model for all employees, starting with leaders.

We're committed to 100% unconscious bias training and DE&I-related training for our workforce. By training all employees, we're building a solid foundation that makes DE&I an integral part of our work experience.

We build a diverse, equitable and inclusive workforce through a strategic talent sourcing strategy that recruits in areas representative of all demographics, allowing us to build diverse, qualified candidate pools. A focus on employee lifecycle processes including hiring, promoting and development ensures opportunity is presented throughout each employee's career.

Our employee resource groups (ERGs) and Inclusion Champions also help support our goals. Our full-time Inclusion Champions lead initiatives throughout the corporation to advance belonging through grassroots communication efforts, sharing opportunities for involvement, identifying and addressing gaps, solving problems and providing continuous learning and development. Our newest ERG, Interfaith, was founded in 2022 to bring together employees of all beliefs, including those with no religious affiliation.

We're also maturing our existing diverse supplier program by building a framework that enables a high-quality, long-term sustainable supplier network. It includes expanding our diverse supplier network, validating certification of diverse vendors and Enhanced Tier II reporting for our suppliers' suppliers. This investment will help us reach our five-year goal to double our spend with diverse suppliers by 2024.



Our culture values drive all our actions, enabling everyone to work safely to serve our customers and our communities.

## Employee Resource Groups

**capABLE:** Removes barriers and opens minds, creating meaningful work pathways for current and future employees of all abilities.

**GENERGY:** Bridges the gap of learning, networking and mentoring across the workforce generations.

**Interfaith:** Supports employees of all religions and those with no religious affiliation.

**Minority Advisory Panel:** Promotes a culture of diversity and inclusion through education, leadership, development and networking.

**Pride Alliance of Consumers Energy:** Promotes an inclusive and safe environment that's supportive for LGBTQ persons and allies.

**Veterans Advisory Panel:** Provides support to former active military personnel and assists in recruiting and retaining veterans.

**Women's Advisory Panel:** Supports the retention, development and success of women.

**Women's Engineering Network:** Empowers women in Science, Technology, Engineering and Math fields to build and support corporate objectives.

## DE&I Stands

In 2022, we launched our DE&I movement stands to monitor the success of our DE&I strategy and build and sustain a world-class inclusive workforce. Our stands support our strategy, are aligned with our Executive DE&I Council and represent multi-year, measurable aspirations in the areas of culture, talent, philanthropy and supplier diversity.

**Our Culture Stand:** We work in our corporation and our communities to value people of all backgrounds.

**Our Talent Stand:** We expect every future and current employee to have an equitable opportunity to succeed.

**Our Supplier Diversity Stand:** We'll double our spend with diverse suppliers, reaching first-quartile by 2024.

**Our Philanthropy Stand:** We'll create equitable, sustainable change, deploying \$15 million by 2023 to support social justice initiatives throughout Michigan.

We always strive to be more inclusive of our entire work family. Beginning in 2023, we will introduce inclusive domestic partner benefits for all employees. In 2020, we changed our parental leave policy, allowing birthing mothers six months paid leave, and a four-month paid leave for non-birthing parents. Leave can be used for adoption and foster care placements and be taken over a 12-month period. It's a step forward in our DE&I journey and elevates our commitment to being a great place to work.

Our strategy goes beyond the walls of CMS Energy. We also support programs across our service territory. Recent efforts include supporting facility improvements to establish the Bay Area Veterans Workshop and Learning Center in Bay County; helping underserved entrepreneurs, including businesses managed by women, people of color, veterans and people with disabilities at the Centropolis Accelerator at Lawrence Technological University; and strengthening relationships with local organizations including the Hispanic Center of Western Michigan, India League of America – Michigan and Asian Pacific American Chamber of Commerce. We also allocate funds to support nonprofits chosen by ERGs.

## Securing a Workforce of the Future

We know there's strong demand for positions in our industry, including specialized jobs in renewable energy generation, technology and data analytics. We provide compensation and benefits that are competitive among industry peers.

We have also developed a comprehensive talent strategy to attract, develop and retain highly skilled employees. Our Talent Roadmap includes:

**Cultivating a Purpose-Driven Culture:**

Leveraging the values of our culture in every interaction.

**Creating a Breakthrough Employee Experience:**

Meeting employee needs throughout their career.

**Building Skillsets at Scale:** Providing employees with the skills to succeed.

Skillset development includes union apprenticeship programs, yearly training in newly required skills and other talent development strategies. In 2021, we launched a full-scale development program for leaders to enable smoother succession and improve employee engagement and empowerment.



## Emerging Talent Program is a Great Fit for Vets

Servicing a world-class electrical grid starts with world-class talent. Programs like the Veterans Electric Lines Boot Camp do precisely that, creating fresh opportunities for veterans to apply their experience and drive the utility industry forward.

Marine Corps Veteran Justin MacGregor graduated from boot camp and became an apprentice for Consumers Energy, crediting the program as a critical bridge for him to transition to utilities.

"Linework has always been in the back of my mind and after a successful career fixing helicopters in the Marine Corps, I knew I could do it," he said.

Amber Fogarty, Manager of Strategic Talent Pipeline Programs, oversees the boot camp program. Fogarty, a veteran herself, said that of all the projects she's worked on at Consumers Energy, this has been the most rewarding.

Consumers Energy is committed to meeting the future needs for a skilled utility workforce including supporting pre-apprenticeship lineworker training at Michigan colleges and providing internship opportunities for those interested in utility sector careers.

[Read More +](#)



## Protecting Human Rights

We're helping to create a world where all are respected and included, valued for their unique qualities and abilities, treated fairly and afforded the opportunity to advance. We work to protect the rights of all.

To help accomplish this vision, all employees are expected to be strong, ethical community partners and form positive relationships wherever we do business. We work to avoid causing or contributing to human rights violations, mitigate and/or remediate adverse human rights impacts of our operation, where possible, and prohibit the use of child labor, forced labor, human trafficking and modern slavery. Our policies are transparent in our efforts to protect the rights of all people.

Our [Human Rights Policy](#) further details this commitment. It includes our stance and standards on DE&I, fair and equitable pay, ethics and compliance training, investigation of concerns, and employee responsibilities for knowing, understanding and following all regulations, laws and policies that apply to their jobs.

It also explains employee requirements to report concerns or potential misconduct. Our [Employee Code of Conduct](#) and biennial code of conduct training help employees interpret policies and guide decision making. Our [Third Party Code of Conduct](#) extends to our partners beyond CMS Energy.

We encourage employees to speak up about potential violations of law, compliance, regulatory issues or company policies. In 2021, we designed the Compassionate Action Restorative Action model to address concerns employees have about communicating these issues, such as improper tracking, fraud, theft, threats, discrimination or harassment. We use a team approach to provide support, problem solve, repair harm and restore relationships. This helps us get to the root of the issue and resolve problems fairly so they don't happen again.

## Advancing Labor Rights

We're also deliberate in our actions to prioritize labor rights. We partner with our unions to drive safety and customer service and leverage our union relationship as a critical strategic business driver that helps us safely and effectively deliver for customers. We comply with all applicable U.S. federal, state and local laws and regulations concerning our employees and labor issues in each of the states where we conduct business. Standards, including those found in the International Labor Organization (ILO) 87 and 98, help inform our approach.

We acknowledge our employees' rights to associate freely and bargain collectively, and we maintain solid relationships with our union partners. Employees are expected to comply with federal and state laws and with our company's policies and collective bargaining agreement provisions, as applicable. This is outlined in our [Labor Rights Policy](#).

We conduct annual audits to ensure our policies and practices cultivate a workplace free of harassment and discrimination. The process includes reviews of hiring, terminations, promotion data, external outreach and vendor contracts. We also conduct annual compensation reviews for pay equity through a third party to make sure our employees receive fair compensation.

Additionally, we expect those we do business with to comply with our labor rights expectations. We ask third parties to operate safely and in a manner that reflects our values, which is also outlined in our [Third-Party Code of Conduct](#).



## Championing Well-Being

We've implemented Well-Being Champions who lead our well-being initiatives, identify and address needs of participants and provide continuous opportunities to engage in well-being efforts throughout the organization and beyond to include retirees and spouses.

This empowers employees to thrive in a culture where the healthy choice becomes the valued and easy one.

We also incentivize employees to focus on health and wellness through our LiveWell 365 employee wellness plan, in which they can earn gift cards for participating in activities such as step challenges and annual exams.

## Ensuring Just Transition

We partner with our employees and communities to ensure they're treated justly and equitably as part of our Clean Energy Transformation, including our transition away from coal. Reinventing ourselves as a cleaner, leaner and more flexible energy company produces significant benefits for customers, employees and the communities we serve. But we recognize our bold plans are accompanied by sacrifice and can create new challenges.

As Consumers Energy prepares to retire its remaining coal-fired plants by 2025, we draw on previous experience in retiring our "Classic Seven" coal-fired plants. This process helped develop a transition plan that supports our employees and communities. It includes:

- Committing to fair and equitable treatment of impacted employees, including offering new positions for those who wish to remain with our corporation.
- Engaging in clear and ongoing communication with affected communities and stakeholders that extends beyond decommissioning.
- Implementing solutions, when possible, to generate new ideas that help local officials to re-imagine their economic futures and setting them up for long-term success when we exit coal generation sites.

Our process to provide a just transition for our employees and communities is reflective of current concerns and adjusts to balance the needs of all stakeholders. Community affairs managers, who live and work throughout our service area, are vital to these efforts.

## Advancing Environmental Justice

Environmental justice refers to protecting communities, especially the most vulnerable, from environmental harm caused by industrial practices. We conduct business in a way that protects the communities we serve.

Advanced planning is an important part of our environmental justice efforts. For example, with some of Consumers Energy's hydroelectric licenses set to expire in the next 10 years, we've begun a multi-year review that includes stakeholder engagement.

Consumers Energy also conducted an environmental justice analysis as part of its 2021 IRP, which helped develop its transition from fossil fuel to renewable electric generation. The company was among the first energy providers in Michigan to conduct such an analysis, and we support conducting similar future analyses in regulatory proceedings as part of our commitment to care for the communities we serve.

We comply with all regulatory requirements to reduce the negative impact on our communities. For example, Consumers Energy's previous coal plant decommissions included environmental abatement, dismantlement and demolition to prepare sites for redevelopment and other economic opportunities. Environmental efforts included restoring areas around the facilities, including coal ash ponds, and creating new habitats for bees, butterflies and waterfowl.

Ending coal use is the centerpiece of the Clean Energy Plan. We also plan to add owned and contracted wind and solar energy through 2040. Our sustainable development practices prioritize being good corporate neighbors and constructing, maintaining and operating facilities according to the highest safety and environmental standards.

We are committed to work with landowners and local communities to select optimal locations and communicate clearly about project plans and benefits and minimize environmental impacts including to the species living on owned lands and right of ways.



## New Training Facility Supports Employee and Community Safety

We're supporting the next generation of Consumers Energy gas workers through top-notch training and real-world experience.

Flint Gas City, a 1.4-acre training facility for gas workers, features an open area for heavy equipment use, a controlled outdoor space to practice fighting natural gas fires and a mock neighborhood of homes and businesses, complete with functioning gas lines.

"My heart is really full," said Stacy Lamb, director of Learning, Development and Technology for Consumers Energy. "We've spent the last six years refining what we want for the company, and this is really for our frontline workers. They're out serving our customers, and we want to provide them with top-notch training."

When the facility opens in the coming months, its real-world look, feel and operation will increase what it means to deliver hometown service.

[Read More +](#)



## Caring for the Communities We Serve

We've given back to Michigan communities for over 135 years, and since 1990, we've helped local communities grow and thrive through the Consumers Energy Foundation. The foundation supports organizations' efforts to help people, protect the planet and promote prosperity. In 2021, the foundation donated more than \$8.5 million to Michigan nonprofits. Combined donations of the Consumers Energy Foundation, corporate giving and employees and retirees totaled more than \$17.5 million to Michigan nonprofits in 2021.

The Consumers Energy Foundation supports organizations dedicated to ending poverty and reducing Asset Limited, Income Constrained, Employed (ALICE) individuals in Michigan. In 2021, the foundation directed \$4.3 million to nonprofits that share our dedication to ensuring all Michigan residents thrive economically and have access to world-class educational resources. Whether they provide basic needs or resources for learning, development, higher education or workforce readiness, each organization the foundation supports helps advance economic security.

As part of our commitment to the planet, the foundation directed \$1.3 million to nonprofits protecting Michigan's environment in 2021. We're committed to ensuring Michigan has world-class natural resources by funding programs and organizations that strengthen environmental stewardship, preserve Michigan's natural beauty and reduce environmental impact when natural resources are used.

The Consumers Energy Foundation is also dedicated to ensuring Michigan businesses and communities grow and have world-class cultural resources. The foundation is deeply involved in community development efforts across the state. In 2021, the foundation directed nearly \$3 million to nonprofits that help grow our state's businesses and communities as part of our commitment to Michigan's prosperity.

Foundation giving is separate from other company contributions and cannot be used to directly benefit the corporation. The foundation is funded by donations not included in customer rates.



## 2021 Signature Grants

Each year, the Consumers Energy Foundation makes signature grant allocations of \$500,000 each (totaling \$1.5 million).

These allocations reflect our commitment to what is most important to Michigan — our people, our planet and our prosperity.

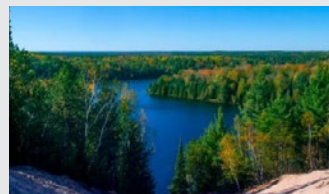
In 2021, the Consumers Energy Foundation awarded nearly \$1.5 million to nine organizations.



### PEOPLE AWARDS

The People Awards support nonprofit organizations that help provide people with economic security in the areas of basic needs, education and/or workforce readiness.

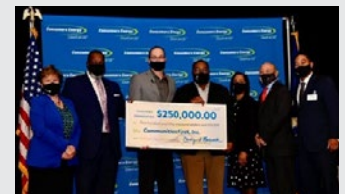
Recipients of the 2021 People Awards were the United Way of Allegan and Ottawa Counties (\$150,000), the Michigan Community College Association (\$100,000), and the Foundation for Muskegon Community College (\$238,200).

[Read More +](#)


### PLANET AWARDS

The Consumers Energy Foundation celebrated Earth Month by providing \$500,000 to support four projects that helped protect and restore Michigan's land, water and air.

Recipients of the 2021 Planet Awards were Huron Pines Resource Conservation and Development Council (\$200,000), the Au Sable Institute (\$125,000), Southwest Michigan Land Conservancy (\$100,000), and the Bay Area Community Foundation (\$75,000).

[Read More +](#)


### PROSPERITY AWARDS

The Consumers Energy Foundation firmly believes that all Michiganders deserve to live in safe, affordable communities that are rife with public assets and world-class cultural resources that enrich the lives of both residents and visitors.

Recipients of the 2021 Prosperity Awards were the City of Cadillac (\$250,000) and Communities First, Inc. (\$250,000).

[Read More +](#)

## Consumers Energy's Energy Efficiency Programs

Reducing energy use through energy waste reduction (EWR) is an important environmental and social goal for our corporation. The Clean Energy Plan relies on energy efficiency as key to reducing carbon emissions and building a more sustainable future for the planet and customers.

In 2021, Consumers Energy's energy waste reduction programs helped customers save nearly \$821 million on their energy bills and boosted total customer savings by \$4.7 billion from 2009 through 2021. The programs also prevented more than 21.4 million tons of carbon dioxide emissions. The cumulative 2009-2021 savings are equivalent to supplying electricity to more than 2.5 million homes and natural gas to one million homes for a year.

In recognition of these efforts, Consumers Energy received the U.S. Environmental Protection Agency's 2022 ENERGY STAR® Partner of the Year – Sustained Excellence Award, the EPA's highest recognition for corporate energy management. It's the 10th year we've received the recognition for energy management performance.

## Help for Low-Income Customers

Consumers Energy's 2022-2025 EWR plan reflects our commitment to achieve energy savings and increase investment in low-income energy efficiency programs.

These efforts include developing innovative approaches to connecting EWR with low-income energy assistance programs and increasing funding for more holistic low-income single-family and multi-family housing measures. Consumers Energy is also expanding its Income Qualified Health and Safety pilot, which is designed to assist customers with structural or other damage in their homes that hinders installation of energy saving measures.

The cornerstone of the pilot, and all EWR program low-income efforts, is collaboration with partner agencies. This helps leverage EWR investments and implement comprehensive solutions to reduce customers' energy burdens. Consumers Energy has also launched initiatives to provide healthy building materials education to contractors.

The company is investing up to \$1 million in the city of Flint to support economically vulnerable communities through a targeted approach, working with community agencies to identify and provide EWR intervention to customers struggling to pay energy bills and those who may need to defer payment due to health and safety concerns.

Last year, a \$4.5 million gift from the company was designated to fund a bill payment pilot program and offer direct assistance to low-income customers struggling to pay their energy bills. We've earmarked additional funds to expand customer assistance programs further since Consumers Energy's IRP settlement in the spring of 2022.



## A Women-Owned Business' Mission to Help Vets

Consumers Energy Supplier, Veterans Utility Service, LLC, isn't just restoring pipelines - it's building futures. Led by Deb Collins and Ashley Bove, the women-owned company helps veterans reintegrate and connects them to jobs in the energy sector.

Veterans Utility Service does pipeline restoration work, valve change outs and remote control valves for Consumers Energy.

"The day a veteran gets discharged after being various places overseas, they're sometimes starting from scratch," Collins said. "They're looking to get a house and meet new friends. It takes a while to get established in a community, especially one new to them. We're here to help them by offering new opportunities within our company."

The women also take great pride in hiring military veterans and other diverse subcontractors. "It's incredibly satisfying, we need everyone," Collins said. "Everyone brings different values and thoughts to the table. Having a diverse workforce is priceless."

[Read More +](#)







## GOVERNANCE

We integrate multiple levels of sustainability oversight into daily operations and use several governance and risk management tools when addressing ESG and sustainability matters. These include oversight by the board, an enterprise risk management (ERM) program and robust strategic and business planning processes.

### Sustainability Practices Oversight

Our board is comprised of directors with experience and knowledge of ESG and sustainability issues and has the highest level of ESG and sustainability practices oversight. Review of these practices occurs at the board level. Links to our committee charters and other governance documents, including our Corporate Governance Principles can be found on our [website](#).

The Audit Committee oversees our ERM framework, which includes strategic and operational risks, and processes, guidelines and policies for identifying, assessing, monitoring and mitigating such risks.

The Governance, Sustainability and Public Responsibility Committee (Governance Committee) reviews and evaluates the composition of the board, recommending board nominees, broadly overseeing corporate governance and advising and assisting the board in public responsibility and sustainability matters. Acknowledging the growing importance of sustainability and climate-related matters, the board in 2018 formally tasked the Governance Committee with oversight of sustainability practices by adding this responsibility to its charter.

The Compensation and Human Resources Committee (Compensation Committee) is responsible for our executive compensation structure, benefit and compensation plans and critical human resource programs. The Compensation Committee has tied executive compensation to important ESG items through the operational goals for our officer incentive compensation plan. These goals include employee safety, our culture index, customer experience, electric reliability, customer affordability and methane reduction.

Separate from our board, our Environmental and Sustainability Council, comprised of senior leaders, also guides our environmental regulatory strategy and sustainability



programs and governs decisions that support our commitment to the planet. This includes short- and long-term strategic decisions pertaining to environmental issues including climate and ESG disclosure reporting.

## Enterprise Risk Management

In addition to a robust oversight structure, we maintain an ERM program to ensure risks that may significantly impact the business are known and understood and to inform risk-mitigation strategies. The scope, roles and responsibilities related to the ERM program are included in our corporate risk policy, which is approved by the board's Audit Committee and reviewed by the entire board. The ERM program covers risks across many areas: strategic, operational, regulatory, environmental, financial, information technology and cyber security.

One area addressed through our risk program is the physical impacts of climate change. As Michigan's most far-reaching energy provider, Consumers Energy is especially focused on climate change resiliency and has a cross-functional team to discuss these potential impacts on our assets and how to address those issues cost-effectively. In 2022, we were among the first utilities in the Midwest to publish a [Climate Change Risk, Vulnerability and Resiliency Report](#) analyzing climate change risks to our infrastructure.

Internal and external data sources offer long-term strategic planning input. The information is used to assess our strategic choices and underlying assumptions. Data is analyzed and synthesized into an update on trends and new opportunities that are critical to our current and future business. The data influences multiple areas of our strategy, including distributed energy resources, wholesale markets, customer energy use trends and climate policy.

## Stakeholder Engagement

Our stakeholders are critical to our success. We spend significant time and effort listening to our customers, community members, employees, investors, regulators and other key stakeholders. These discussions are part of our long-term planning processes.

For example, before filing our Clean Energy Plan, we provided opportunities for stakeholders to engage directly with subject matter experts across the corporation. We also developed an online comment box for customer feedback. Additionally, we hosted three technical workshops during planning to collect feedback and receive suggestions about our objectives. To serve our communities' needs, our [community affairs managers](#) live and work in cities, towns and rural areas throughout our service area. They engage with local stakeholders including community members and business and civic leaders.

Conversations with stakeholders have helped tens of thousands of Consumers Energy's residential and business customers reduce energy costs and become more energy efficient. But we also engage in conversations about community needs and environmental concerns. We've worked to revitalize cities and enhance lands in our communities. For example, one project completed in 2021, the Cadillac Solar Gardens, was constructed on an old brownfield and now delivers clean and renewable energy to the local community and provides a place for pollinators to flourish.

Shareholder discussions are also included in our ongoing outreach. We value these opportunities, and the board considers their feedback when evaluating corporate governance issues. Management regularly participates in shareholder and industry conferences to discuss performance and ESG topics. Additionally, shareholders, employees and third parties may contact the board with any inquiry or issue using the methods described on our website. The board will respond as appropriate.



## Supporting a Community in Crisis

When a deadly tornado hit Gaylord in May, Consumers Energy stepped in – not only to restore power, but to help feed the community and provide immediate and long-term support.

The tornado brought winds of 150 mph and caused two deaths, dozens of injuries and catastrophic damage to homes and buildings.

Company employees were quick to answer the call, providing meals to affected residents as field crews worked to restore power.

The Consumers Energy Foundation also awarded \$50,000 in grants to the Otsego County United Way's Disaster Relief Fund and the Otsego Community Foundation's Tornado Response Fund.

The foundation also matched donations from Consumers Energy employees and retirees.

[Read More +](#)



## Political Activity

We understand policymakers' decisions directly impact our business. Our political activity includes regular, constructive and transparent engagement with local government officials, policymakers and stakeholder groups. Our [Corporate Political Engagement](#) webpage details our governance of political issues as a means to be transparent for all stakeholders, and we conduct political engagement without regard to individual views at any level across the corporation. We focus political activity on critical corporate and energy industry issues, including:

- Meeting Michigan's energy needs.
- Helping the state's communities thrive.
- Providing safe, reliable, affordable and increasingly clean energy-related services.

Our political engagement includes conversations with government and elected officials, regulators, community members, business leaders and environmental groups. This collaboration helps inform and educate and builds trust and partnerships to find mutually beneficial solutions. We follow strict federal, state and local lobby registration and disclosure laws to provide transparency in our lobbying expenditures.

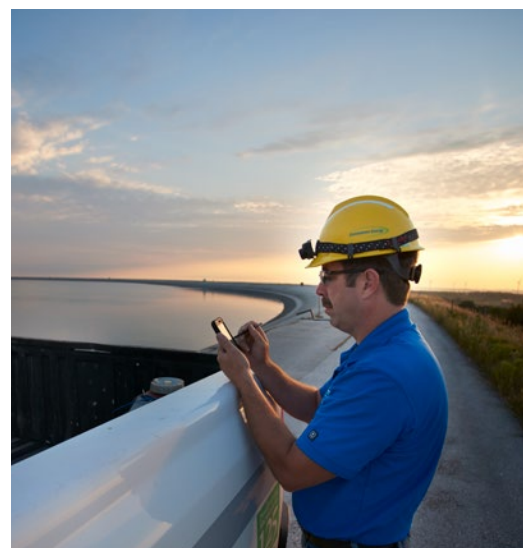
We hold memberships in industry, trade and business associations representing the energy/utility industry, the business community, our customers and communities. These relationships provide perspective and views on public policy issues that affect our corporation and help us benchmark and develop best practices among peer utilities and Fortune 500 companies. Topics include reliability and storm response, clean energy technology integration, human resources, DE&I, environmental matters, employee and public safety measures and cyber and physical security, among many others.

We do not agree with all positions of every industry, trade or policy organization with which we participate. To balance instances of conflicting ideologies, we engage in dialogue with elected officials and member organizations to ensure our values are represented, and we have opportunities to influence policy, while recognizing consensus includes many perspectives.

We make reasonable efforts to track membership dues made to trade associations, chambers of commerce and other tax-exempt organizations, and disclose the non-deductible portion of trade association and other organization dues yearly when annual mandatory membership dues to an organization exceed \$25,000. More on our lobbying process, trade association engagement, disclosures and expenditures can be found on our [Corporate Political Engagement](#) webpage under Trade Associations and Business Memberships.

## Corporate Political Contributions

Federal and state campaign finance laws prohibit us, as a company, from making direct contributions to candidates and national and state political parties for general campaign purposes. However, we do contribute to grassroots activities, issue advocacy, voter registration and state and local ballot question committees. Contributions are under the supervision of our board of directors, our Governance Committee and members of our legal team. To promote transparency, we go above what is required by law and post our previous year's political contributions at all levels of government in March of each year. Beginning in 2023, we intend to publish semiannual contribution reports each March and September.



## Employee Political Activity

We maintain a separate fund and corporate political action committee (PAC), which is registered with the Federal Election Commission. We also maintain a state PAC registered in Michigan. Our employee PAC, Employees for Better Government, is a nonprofit, nonpartisan PAC governed by an employee-elected and run steering committee and independent of our officers and board. Participation is voluntary and gives employees a voice in the political process. The PAC is governed by strict [bylaws](#) to ensure employees have a voice in the political contribution, while remaining fair and operating under state and federal laws. We disclose all contributions as required. Links to our PAC contributions can be found on our [Corporate Political Engagement](#) webpage under Employee Political Activity and CMS Energy Employees for a Better Government.

We're committed to help communities succeed — not just in energy, but also personal and corporate commitments. Each day, employees offer their time, talents and dollars to support the places where they live and work. We encourage our employees to participate in a wide range of civic activities, including the political process. They must comply with all applicable legal, ethical and corporate requirements, including those set forth in the Honest Leadership and Open Government Act (HLOGA) of 2007. Generally, employees are prohibited from engaging in political activity during normal business hours and using corporate resources.

Before seeking public office, employees must receive written approval from a supervisor. If elected or appointed, employees can request reasonable time off without pay to fulfill their political duties. Those elected or appointed to public office must also excuse themselves from actions or decisions on issues that could impact the corporation.



## Other Resources

We provide extensive public reporting in disclosures about ESG and sustainability, including our environmental stewardship and long-term strategy. We address these matters in Securities and Exchange Commission, Environmental Protection Agency and other regulatory agency filings, and by voluntary reporting efforts such as our [2022 Climate Change Risk Vulnerability and Resiliency Report](#), [CDP Climate](#) and [Water Reports](#), and [Annual Waste Report](#).



**SECTION 2**

# By the Numbers



**Parent Company:** CMS Energy Corporation  
**Operating Company(s):** Consumers Energy Company  
**Business Type(s):** Vertically Integrated  
**State(s) of Operation:** Michigan  
**State(s) with RPS Programs:** Michigan

**Regulatory Environment:** Regulated  
**Report Date:** October 1, 2022  
**CMS Energy Website:** [CMSEnergy.com](https://www.cmsenergy.com)  
**Consumers Energy Website:** [ConsumersEnergy.com](https://www.consumersenergy.com)



*The following quantitative information is Consumers Energy data only.*

**TREND KEY:** ■ Not Rated ■ No Change ■ Better ■ Worse

CONSUMERS ENERGY PORTFOLIO	Baseline				
	2005	2019	2020	2021	TREND
<b>Owned Nameplate Generation Capacity at end of year (MW)<sup>1</sup></b>					
Coal	3,015	2,043	2,043	2,043	■
Natural Gas	1,285	2,318	2,318	2,318	■
Nuclear	812	N/A	N/A	N/A	■
Petroleum	738	701	701	701	■
Ludington Pumped Storage Plant <sup>2</sup>	1,009	1,154	1,154	1,154	■
Total Renewable Energy Resources	132	468	618	768	■
Biomass/Biogas	N/A	N/A	N/A	N/A	■
Geothermal	N/A	N/A	N/A	N/A	■
Hydroelectric	132	132	132	132	■
Solar	N/A	4	4	4	■
Wind	N/A	332	482	632	■
Other	N/A	1	1	1	■
<b>Owned Net Generation for the data year (MWh)</b>					
Coal	19,711,000	9,776,000	7,960,000	10,860,781	■
Natural Gas	356,000	6,289,000	5,883,000	5,554,766	■
Nuclear	6,636,000	N/A	N/A	N/A	■
Petroleum	225,000	5,000	6,000	7,000	■
Ludington Pumped Storage Plant <sup>2</sup>	-516,000	-308,000	-371,000	-321,188	■
Total Renewable Energy Resources	387,000	1,258,000	1,505,000	1,974,966	■
Biomass/Biogas	N/A	N/A	N/A	N/A	■
Geothermal	N/A	N/A	N/A	N/A	■
Hydroelectric	387,000	512,000	482,000	397,904	■
Solar	N/A	5,000	6,000	6,529	■
Wind	N/A	741,000	1,017,000	1,570,533	■
Other	N/A	N/A	N/A	N/A	■
Total Owned Net Generation (MWh)	26,799,000	17,020,000	14,983,000	18,076,325	■
<b>Purchased Net Generation for the data year (MWh)<sup>3</sup></b>					
Coal	482,000	462,000	513,000	493,545	■
Natural Gas	7,061,000	6,812,000	7,346,000	5,861,482	■
Nuclear	N/A	6,946,000	6,898,000	6,901,159	■
Petroleum	N/A	N/A	N/A	N/A	■
Total Renewable Energy Resources	1,236,000	2,387,000	2,225,000	2,408,619	■
Biomass/Biogas	1,200,000	1,164,000	994,000	1,221,550	■
Geothermal	N/A	N/A	N/A	N/A	■
Hydroelectric	34,000	60,000	63,000	36,128	■
Solar	N/A	7,400	8,000	140,495	■
Wind	2,600	1,156,000	1,160,000	1,010,446	■
Other	1,991,000	2,059,000	2,655,000	645,010	■
Total Purchased Net Generation (MWh)	10,770,000	18,666,000	19,637,000	16,309,815	■
<b>Investing in the Future: Capital Expenditures, Energy Efficiency (EE), and Smart Meters</b>					
Total Annual Capital Expenditures (nominal dollars)	\$593,000,000	\$2,298,000,000	\$2,339,600,000	\$2,327,500,000	■
Incremental Annual Electricity Savings from EE Measures (MWh)	N/A	566,183	642,124	715,458	■
Incremental Annual Investment in Electric EE Programs (nominal dollars)	N/A	\$115,987,120	\$139,635,527	\$161,737,103	■
Percent of Total Electric Customers with Smart Meters (at end of year)	N/A	99%	99%	99%	■
<b>Retail Electric Customer Count</b>					
Commercial	214,025	221,892	221,570	223,790	■
Industrial	8,595	1,329	1,348	1,339	■
Residential	1,565,601	1,611,320	1,630,424	1,642,642	■

1. Data reported based on equity ownership.

2. This figure represents Consumers' share of net pumped-storage generation. The pumped-storage facility consumes electricity to pump water during off-peak hours for storage to generate electricity later during peak-demand hours.

3. Consumers Energy purchases power from three NorthStar Clean Energy generation facilities and therefore net generation, CO2 and CO2e emissions are reported for Consumers Energy as well as included in NorthStar Clean Energy metrics.



TREND KEY: ■ Not Rated ■ No Change ■ Better ■ Worse

CONSUMERS ENERGY EMISSIONS	Baseline	2019	2020	2021	TREND
	2005				
<b>GHG Emissions: Carbon Dioxide (CO2) and Carbon Dioxide Equivalent (CO2e)<sup>1</sup></b>					
<b>Owned Generation</b>					
Carbon Dioxide (CO2)					
Total Owned Generation CO2 Emissions (Metric Tons (MT))	20,219,000	12,604,000	10,888,000	13,766,518	■
Total Owned Generation CO2 Emissions Intensity (MT/Net MWh)	0.754	0.741	0.727	0.762	■
Carbon Dioxide Equivalent (CO2e)					
Total Owned Generation CO2e Emissions (MT)	N/A	12,659,000	10,934,000	13,829,815	■
Total Owned Generation CO2e Emissions Intensity (MT/Net MWh)	N/A	0.744	0.730	0.765	■
Biogenic Carbon Dioxide (CO2)	0	0	0	0	■
<b>Purchased Power</b>					
Carbon Dioxide (CO2)					
Total Purchased Generation CO2 Emissions (MT)	4,999,000	5,121,000	5,221,000	3,483,770	■
Total Purchased Generation CO2 Emissions Intensity (MT/Net MWh)	0.464	0.274	0.266	0.214	■
Carbon Dioxide Equivalent (CO2e)					
Total Purchased Generation CO2e Emissions (MT)	N/A	5,150,000	5,257,000	4,643,692	■
Total Purchased Generation CO2e Emissions Intensity (MT/Net MWh)	N/A	0.276	0.268	0.285	■
Biogenic Carbon Dioxide (CO2) (MT)	N/A	N/A	745,000	786,317	■
<b>Owned Generation + Purchased Power</b>					
Carbon Dioxide (CO2)					
Total Owned + Purchased Generation CO2 Emissions (MT)	25,218,000	17,725,000	16,109,000	17,250,288	■
Total Owned + Purchased Generation CO2 Emissions Intensity (MT/Net MWh)	0.671	0.497	0.465	0.502	■
Total Owned + Purchased Generation CO2 Emissions Intensity (lbs/Net MWh)	1,480	1,095	1,026	1,106	■
Carbon Dioxide Equivalent (CO2e)					
Total Owned + Purchased Generation CO2e Emissions (MT)	N/A	17,809,000	16,191,000	18,473,507	■
Total Owned + Purchased Generation CO2e Emissions Intensity (MT/Net MWh)	N/A	0.499	0.468	0.537	■
Total Owned + Purchased Generation CO2e Emissions Intensity (lbs/Net MWh)	N/A	1,100	1,031	1,184	■
<b>Non-Generation CO2e Emissions</b>					
Fugitive CO2e emissions of sulfur hexafluoride (MT)	N/A	2,533	819	4,966	■
<b>Electric &amp; Gas Scope 1, 2 and 3 Greenhouse Gas Emissions</b>					
Carbon Dioxide Equivalent (CO2e)					
Scope 1 CO2e emissions (MT)	N/A	13,509,000	11,387,000	14,292,256	■
Scope 2 CO2e market-based emissions (MT) <sup>2,4</sup>	N/A	279,500	291,600	10,797	■
Scope 3 CO2e emissions (MT) <sup>2,3</sup>	N/A	22,249,000	20,456,000	21,062,357	■
<b>Nitrogen Oxide (NOx), Sulfur Dioxide (SO2), Mercury (Hg)</b>					
Generation basis for calculation: Electric Generation					
<b>Nitrogen Oxide (NOx)</b>					
Total NOx Emissions (MT)	28,400	4,100	3,395	5,083	■
Total NOx Emissions Intensity (MT/Net MWh)	1.06E-03	2.41E-04	2.27E-04	2.81E-04	■
<b>Sulfur Dioxide (SO2)</b>					
Total SO2 Emissions (MT)	83,600	5,700	4,149	6,676	■
Total SO2 Emissions Intensity (MT/Net MWh)	3.12E-03	3.35E-04	2.77E-04	3.69E-04	■
<b>Mercury (Hg)</b>					
Total Hg Emissions (kg)	N/A	33	31	41.4	■
Total Hg Emissions Intensity (kg/Net MWh)	N/A	1.94E-06	2.07E-06	2.29E-06	■

1. In 2022, Consumers Energy reports known emissions associated with six Scope 3 categories, including emissions associated with purchased power (i.e., fuel-and-energy related activities not included in scope 1 or 2), upstream transportation & distribution, waste generated in operations, combustion of natural gas sold (i.e., use of sold products), business travel and employee commuting. Emissions data reported for NorthStar Clean Energy is excluded with the exception of business travel. For comparability, Scope 3 emissions data have been revised for 2019 and 2020.

2. Consumers Energy 2019 and 2020 Scope 2 CO2e emissions have been revised to align with GHG protocols and industry standards for reporting emissions associated with purchased power only. Market-based emissions are reported based on the most current source-specific emission factors available and utilize eGRID location-based emission factors when unavailable.

3. Data reported is based on equity-ownership.

4. The 2021 reporting reflects purchased electricity only and does not include line losses, as in past years. Instead, line losses are included in Scope 1 or Scope 3 based on total generation.

TREND KEY: ■ Not Rated ■ No Change ■ Better ■ Worse

CONSUMERS ENERGY RESOURCES	Baseline	2019	2020	2021	TREND
	2005				
<b>Human Resources</b>					
Total Number of Employees	8,114	8,253	8,193	8,872	■
Total Number on Board of Directors/Trustees	12	12	11	11	■
Total Women on Board of Directors/Trustees	1	5	4	4	■
Total Minorities on Board of Directors/Trustees	1	3	3	3	■
Total Female Employees	N/A	2,342	2,275	2,483	■
Percent Female Employees	N/A	28%	28%	28%	■
Total Minority Employees	N/A	1,180	1,166	1,263	■
Percent Minority	N/A	14%	14%	14%	■
Total Veteran Employees	N/A	825	860	970	■
Percent Veteran Employees	N/A	10%	11%	11%	■
Total Individuals with Disabilities	N/A	397	394	417	■
Percent Individuals with Disabilities	N/A	5%	5%	5%	■
Total Females in Senior Leadership	N/A	9	9	9	■
Percent Females in Senior Leadership	N/A	32%	32%	33%	■
Total Minorities in Senior Leadership	N/A	6	7	7	■
Percent Minorities in Senior Leadership	N/A	21%	25%	26%	■
Total Females in Management	N/A	132	151	188	■
Percent Females in Management	N/A	31%	33%	34%	■
Total Minorities in Management	N/A	53	59	76	■
Percent Minorities in Management	N/A	12%	13%	14%	■
<b>Employee Safety Metrics</b>					
Recordable Incident Rate	7.01	1.21	1.23	1.54	■
Lost-time Case Rate	2.00	0.34	0.50	0.74	■
Days Away, Restricted, and Transfer (DART) Rate	3.22	0.75	0.84	1.10	■
Work-related Fatalities	1.00	1.00	0.00	0.00	■
<b>Fresh Water Resources</b>					
Water Withdrawals - Consumptive (Billions of Liters/Net MWh)	N/A	3.74E-07	3.36E-07	3.50E-07	■
Water Withdrawals - Non-Consumptive (Billions of Liters/Net MWh)	N/A	6.88E-05	8.22E-05	7.94E-05	■
<b>Waste Products</b>					
Amount of Hazardous Waste Manifested for Disposal (tons)	N/A	23.7	25.07	34	■
Percent of Coal Combustion Products Beneficially Used	N/A	15%	8%	8%	■
<b>Other Metrics</b>					
Particulate Matter (PM) (metric tons)	NA	737	659	968	■
Lead (metric tons)	NA	0.021	0.015	0.022	■
Total Non-Methane Organic Compounds (metric tons)	299	181	156	201	■
Utility Specific Residual Mix Emissions Rate (CO2 lbs/MWh)	N/A	1,098	1,052	1,140	■





**Parent Company:** CMS Energy Corporation  
**Operating Company:** NorthStar Clean Energy  
**Business Type:** Vertically Integrated  
**States of Operation:** Ohio, Michigan, North Carolina,  
 Texas, Wisconsin

**Regulatory Environment:** Unregulated  
**Report Date:** October 1, 2022  
**CMS Energy Website:** [CMSEnergy.com](https://www.cmsenergy.com)  
**NorthStar Clean Energy Website:**  
[CMSEnterprises.com](https://www.CMSEnterprises.com)



*The following quantitative information is NorthStar Clean Energy data only.*

**TREND KEY:** ■ Not Rated ■ No Change ■ Better ■ Worse

NORTHSTAR CLEAN ENERGY PORTFOLIO	Baseline	2019	2020	2021	TREND
	2005				
<b>Owned Nameplate Generation Capacity at end of year (MW)<sup>2</sup></b>					
Coal	N/A	35	35	35	■
Natural Gas	N/A	995	1018	994	■
Nuclear	N/A	0	0	0	■
Petroleum	N/A	0	0	0	■
Total Renewable Energy Resources	N/A	196	464	468	■
Biomass/Biogas	N/A	64	64	64	■
Geothermal	N/A	0	0	0	■
Hydroelectric	N/A	0	0	0	■
Solar	N/A	27	27	27	■
Wind	N/A	105	373	377	■
Other	N/A	0	0	0	■
<b>Owned Net Generation for the data year (MWh)<sup>3</sup></b>					
Coal	N/A	226,000	255,000	244,500	■
Natural Gas	N/A	5,555,000	5,111,000	4,132,000	■
Nuclear	N/A	0	0	0	■
Petroleum	N/A	0	0	0	■
Total Renewable Energy Resources	N/A	644,000	799,870	1,544,930	■
Biomass/Biogas	N/A	292,000	193,000	319,500	■
Geothermal	N/A	0	0	0	■
Hydroelectric	N/A	0	0	0	■
Solar	N/A	37,000	47,000	51,000	■
Wind	N/A	314,000	559,870	1,174,430	■
Other	N/A	0	0	0	■
<b>Purchased Net Generation for the data year (MWh)<sup>4</sup></b>					
Coal	N/A	0	0	0	■
Natural Gas	N/A	0	0	0	■
Nuclear	N/A	0	0	0	■
Petroleum	N/A	0	0	0	■
Total Renewable Energy Resources	N/A	0	0	0	■
Biomass/Biogas	N/A	0	0	0	■
Geothermal	N/A	0	0	0	■
Hydroelectric	N/A	0	0	0	■
Solar	N/A	0	0	0	■
Wind	N/A	0	0	0	■
Other	N/A	0	0	0	■
<b>Investing in the Future:</b>					
<b>Capital Expenditures, Energy Efficiency (EE), and Smart Meters</b>					
Total Annual Capital Expenditures (nominal dollars)	N/A	N/A	N/A	N/A	■
Incremental Annual Electricity Savings from EE Measures (MWh)	N/A	N/A	N/A	N/A	■
Incremental Annual Investment in Electric EE Programs (nominal dollars)	N/A	N/A	N/A	N/A	■
Percent of Total Electric Customers with Smart Meters (at end of year)	N/A	N/A	N/A	N/A	■
<b>Retail Electric Customer Count (at end of year)</b>					
Commercial	N/A	N/A	N/A	N/A	■
Industrial	N/A	N/A	N/A	N/A	■
Residential	N/A	N/A	N/A	N/A	■

1. This link will redirect to NorthStar Clean Energy's website in November 2022.

2. Data reported based on equity ownership.

3. The 2020 net generation data in this report has been amended to reflect the 2020 SEC 10-K annual filing. This impacts intensity data reliant on net generation.

4. The 2019 and 2020 purchase power values were amended because they are renewable energy credits and not purchased power.

TREND KEY: ■ Not Rated ■ No Change ■ Better ■ Worse

NORTHSTAR CLEAN ENERGY EMISSIONS		Baseline 2005	2019	2020	2021	TREND
GHG Emissions: Carbon Dioxide (CO2) and Carbon Dioxide Equivalent (CO2e) <sup>1</sup>						
Owned Generation						
Carbon Dioxide (CO2)						
Total Owned Generation CO2 Emissions (MT)	N/A	3,817,939	3,427,886	3,252,434		■
Total Owned Generation CO2 Emissions Intensity (MT/Net MWh)	N/A	0.594	0.556	0.550		■
Biogenic CO2 (MT)	N/A	580,732	382,744	508,001		■
Carbon Dioxide Equivalent (CO2e)						
Total Owned Generation CO2e Emissions (MT)	N/A	3,851,101	3,437,818	3,263,521		■
Total Owned Generation CO2e Emissions Intensity (MT/Net MWh)	N/A	0.599	0.558	0.550		■
Biogenic CO2e	N/A	588,638	387,870	515,191		■
Purchased Power						
Carbon Dioxide (CO2)						
Total Purchased Generation CO2 Emissions (MT)	N/A	0	0	0		■
Total Purchased Generation CO2 Emissions Intensity (MT/Net MWh)	N/A	N/A	N/A	N/A		■
Carbon Dioxide Equivalent (CO2e)						
Total Purchased Generation CO2e Emissions (MT)	N/A	0	0	0		■
Total Purchased Generation CO2e Emissions Intensity (MT/Net MWh)	N/A	N/A	N/A	N/A		■
Owned Generation + Purchased Power <sup>2</sup>						
Carbon Dioxide (CO2)						
Total Owned + Purchased Generation CO2 Emissions (MT)	N/A	3,817,939	3,427,886	3,252,434		■
Total Owned + Purchased Generation CO2 Emissions Intensity (MT/Net MWh)	N/A	0.594	0.556	0.549		■
Biogenic CO2 (mt)	N/A	580,732	382,744	508,001		■
Carbon Dioxide Equivalent (CO2e)						
Total Owned + Purchased Generation CO2e Emissions (MT)	N/A	3,844,791	3,437,818	3,263,521		■
Total Owned + Purchased Generation CO2e Emissions Intensity (MT/Net MWh)	N/A	0.598	0.558	0.551		■
Biogenic CO2e	N/A	588,638	387,870	515,191		■
Non-Generation CO2e Emissions						
Fugitive CO2e emissions of sulfur hexafluoride (MT)	N/A	N/A	N/A	N/A		■
Fugitive CO2e emissions from natural gas distribution (MT)	N/A	N/A	N/A	N/A		■
Electric & Gas Scope 1, 2 and 3 Greenhouse Gas Emissions						
Carbon Dioxide Equivalent (CO2e)						
Scope 1 CO2e emissions (MT) <sup>2</sup>	N/A	3,845,830	3,447,385	3,265,919		■
Scope 2 CO2e emissions (MT) <sup>3</sup>	N/A	1,291	2,239	2,323		■
Scope 3 CO2e emissions (MT) <sup>4</sup>	N/A	N/A	1,200	1,078		■
Nitrogen Oxide (NOx), Sulfur Dioxide (SO2), Mercury (Hg) <sup>1</sup>						
Nitrogen Oxide (NOx)						
Total NOx Emissions (MT)	N/A	1,464	1,432	1,381		■
Total NOx Emissions Intensity (MT/Net MWh)	N/A	2.28E-04	2.32E-04	2.33E-04		■
Sulfur Dioxide (SO2)						
Total SO2 Emissions (MT)	N/A	862	823	1,007		■
Total SO2 Emissions Intensity (MT/Net MWh)	N/A	1.34E-04	1.33E-04	1.70E-04		■
Mercury (Hg)						
Total Hg Emissions (kg)	N/A	4.5	3.6	5.1		■
Total Hg Emissions Intensity (kg/Net MWh)	N/A	7.02E-07	5.84E-07	8.66E-07		■

1. The 2020 net generation data in this report has been amended to reflect the 2020 SEC 10-K annual filing. This impacts intensity data reliant on net generation.

2. The 2019 and 2020 purchase power values were amended because they are renewable energy credits and not purchased power. The intensity values were amended to reflect this change.

3. Biogenic Emissions are not included in Scope 1.

4. The Scope 2 emissions were calculated based on the location-based emissions methodology.

4. NorthStar Clean Energy reports known emissions associated with one Scope 3 category, waste generated in operations. Emissions data for business travel is included with Consumers Energy data.



TREND KEY: ■ Not Rated ■ No Change ■ Better ■ Worse

NORTHSTAR CLEAN ENERGY RESOURCES	Baseline				
	2005	2019	2020	2021	TREND
<b>Human Resources</b>					
Total Number of Employees	N/A	181	186	193	■
Total Female Employees	N/A	23	22	23	■
Percent Female Employees	N/A	13%	12%	12%	■
Total Minority Employees	N/A	16	18	23	■
Percent Minority	N/A	9%	10%	12%	■
Total Veteran Employees	N/A	14	18	25	■
Percent Veteran Employees	N/A	8%	10%	13%	■
Total Individuals with Disabilities	N/A	2	2	2	■
Percent Individuals with Disabilities	N/A	1%	1%	1%	■
Total Females in Management	N/A	1	1	1	■
Percent Females in Management	N/A	4%	5%	4%	■
Total Minorities in Management	N/A	3	3	3	■
Percent Minorities in Management	N/A	13%	14%	13%	■
<b>Employee Safety Metrics</b>					
Recordable Incident Rate	7.01	1.23	1.22	0	■
Lost-time Case Rate	2.00	0.50	0.53	0	■
Days Away, Restricted, and Transfer (DART) Rate	3.22	0.84	0.89	0	■
Work-related Fatalities	1	0	0	0	■
<b>Fresh Water Resources<sup>1</sup></b>					
Water Withdrawals - Consumptive (Billions of Liters/Net MWh)	N/A	3.67E-07	3.27E-07	3.32E-07	■
Water Withdrawals - Non-Consumptive (Billions of Liters/Net MWh)	N/A	4.56E-07	4.14E-07	4.26E-07	■
<b>Waste Products</b>					
Amount of Hazardous Waste Manifested for Disposal (tons)	N/A	0	0	0	■
Percent of Coal Combustion Products Beneficially Used	N/A	0%	0%	0	■
<b>Other Metrics</b>					
Particulate Matter (PM) (metric tons)	N/A	N/A	147	160	■
Lead (metric tons)	N/A	N/A	0.015	0.019	■
Total Non-Methane Organic Compounds (metric tons)	N/A	N/A	18	27	■



1. The 2020 net generation data in this report has been amended to reflect the 2020 SEC 10-K annual filing. This impacts intensity data reliant on net generation.

## Natural Gas Business Sustainability Metrics

**Parent Company:** CMS Energy  
**Operating Company(s):** Consumers Energy Company  
**Business Type(s):** Vertically Integrated  
**State(s) of Operation:** Michigan  
**Regulatory Environment:** Regulated  
**Report Date:** October 1, 2022



**TREND KEY:** ■ Not Rated ■ No Change ■ Better ■ Worse

### NATURAL GAS DISTRIBUTION

#### Methane Emissions and Mitigation From Distribution Mains

	2019	2020	2021	TREND
Number of Gas Distribution Customers	1,782,031	1,797,391	1,805,558	■
Distribution Mains in Service				
Plastic (miles)	14,734	14,912	15,199	■
Cathodically Protected Steel - Bare & Coated (miles)	12,387	12,324	12,297	■
Unprotected Steel - Bare & Coated (miles)	456	466	380	■
Cast Iron / Wrought Iron - without upgrades (miles)	382	364	293	■
Plan/Commitment to Replace / Upgrade Remaining Miles of Distribution Mains (# years to complete) <sup>1</sup>				
Unprotected Steel (Bare & Coated) (# years to complete)	17	9	8	■
Cast Iron / Wrought Iron (# years to complete)	17	9	8	■

#### Distribution CO2e Fugitive Emissions

CO2e Fugitive Methane Emissions from Gas Distribution Operations (metric tons)	226,912	227,882	213,366	■
CH4 Fugitive Methane Emissions from Gas Distribution Operations (metric tons)	9,076	9,115	8,535	■
CH4 Fugitive Methane Emissions from Gas Distribution Operations (MMSCF/year)	473	475	445	■
Annual Natural Gas Throughput from Gas Distribution Operations in thousands of standard cubic feet (Mscf/year)	387,943,984	357,857,272	344,630,243	■
Annual Methane Gas Throughput from Gas Distribution Operations in millions of standard cubic feet (MMscf/year)	368,547	339,964	327,399	■
Fugitive Methane Emissions Rate (MMscf of Methane Emissions per MMscf of Methane Throughput)	0.128%	0.140%	0.136%	■

### CONSUMERS ENERGY NATURAL GAS TRANSMISSION AND STORAGE

#### Onshore Natural Gas Transmission Pipeline Blowdowns

Data for all 15 storage fields, regardless of reporting threshold

Pneumatic Device Venting (metric tons/year)	0.3	0.3	0.2	■
Blowdown Vent Stacks (metric tons/year)	1,410	513	365	■
Transmission Storage Tanks (metric tons/year)	6	2	3	■
Flare Stack Emissions (metric tons/year)	0	0	0	■
Centrifugal Compressor Venting (metric tons/year)	21	11	54	■
Reciprocating Compressor Venting (metric tons/year)	736	695	544	■
Equipment leaks from valves, connectors, open ended lines, pressure relief valves, and meters (metric tons/year)	148	178	195	■
Other Leaks (metric tons/year)	0	0	0	■
Total Compression Methane Emissions (metric tons/year)	2,322	1,399	1,161	■
Total Compression Methane Emissions (metric tons CO2e/year)	58,038	34,981	29,027	■
Total Compression Methane Emissions (MSCF/year)	120,912	72,876	60,472	■

1. Our Enhanced Infrastructure Replacement Program began in 2012 and is scheduled to be completed in 2030.



TREND KEY: ■ Not Rated ■ No Change ■ Better ■ Worse**NATURAL GAS TRANSMISSION AND STORAGE****2019****2020****2021**

TREND

**Underground Natural Gas Storage Methane Emissions**

Data for all 15 storage fields, regardless of reporting threshold

Pneumatic Device Venting (metric tons/year)	N/A	N/A	N/A	■
Flare Stack Emissions (metric tons/year)	N/A	N/A	N/A	■
Centrifugal Compressor Venting (metric tons/year)	N/A	N/A	N/A	■
Reciprocating Compressor Venting (metric tons/year)	N/A	N/A	N/A	■
Equipment leaks from valves, connectors, open ended lines, pressure relief valves, and meters (metric tons/year)	N/A	N/A	N/A	■
Other Equipment Leaks (metric tons/year)	N/A	N/A	N/A	■
Equipment leaks from valves, connectors, open-ended lines, and pressure relief valves associated with storage wellheads (metric tons/year)	74.9	74.7	70.8	■
Other equipment leaks from components associated with storage wellheads (metric tons/year)	N/A	N/A	N/A	■
Total Storage Compression Methane Emissions (metric tons/year)	74.9	74.7	70.8	■
Total Storage Compression Methane Emissions (metric tons CO2e/year)	1,872.5	1,868.3	1,770.9	■
Total Storage Compression Methane Emissions (MSCF/year)	3,901.0	3,892.2	3,689.5	■

**Onshore Natural Gas Transmission Pipeline Blowdowns**

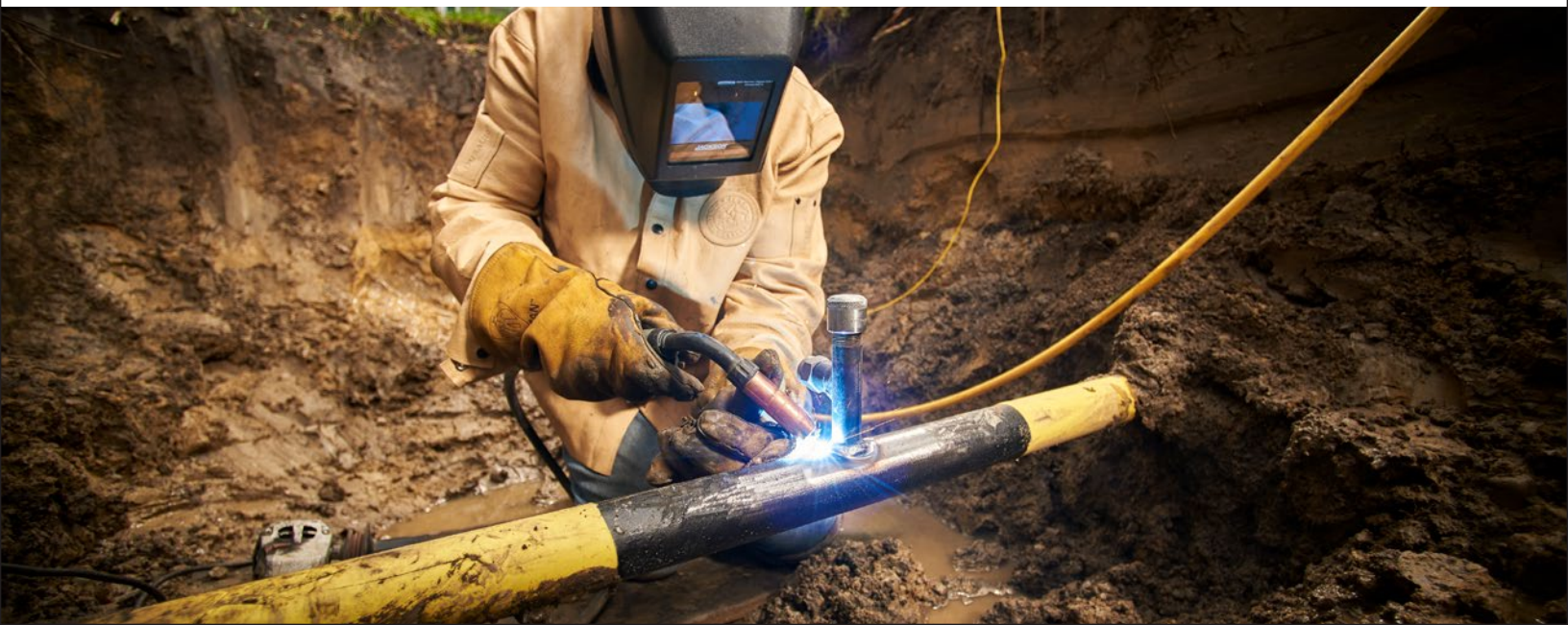
Transmission Pipeline Blowdown Vent Stacks (metric tons/year)	863	968	474	■
Transmission Pipeline Blowdown Vent Stacks (metric tons CO2e/year)	21,574	24,190	11,861	■
Transmission Pipeline Blowdown Vent Stacks (MSCF/year)	44,946	50,396	24,710	■

**Other Non-Subpart W Emissions Data**

Total Methane Emissions from additional sources not recognized by 40 CFR 98 Subpart W (metric tons/year)	36	115	364	■
Total Methane Emissions from additional sources not recognized by 40 CFR 98 Subpart W (metric tons CO2e/year)	889	2,887	9,088	■
Total Methane Emissions from additional sources not recognized by 40 CFR 98 Subpart W (MSCF/year)	1,852	6,015	18,932	■
Total CO2 Emissions (metric tons)	111,774	92,782	81,925	■
Total NOx Emissions (metric tons)	1,440	1,025	869	■
Total VOC Emissions (metric tons)	86	56	59	■

**Summary Metrics**

Total Transmission and Storage Methane Emissions (MMSCF/year)	172	133	108	■
Annual Natural Gas Throughput from Gas Transmission and Storage Operations (MSCF/year)	543,706,132	471,908,656	372,220,130	■
Annual Methane Gas Throughput from Gas Transmission and Storage Operations (MMSCF/year)	516,521	448,313	353,609	■
Fugitive Methane Emissions Rate (MMscf of Methane Emissions per MMscf of Methane Throughput)	0.033%	0.030%	0.030%	■





This report contains "forward-looking statements" which may cause our results to differ materially. All forward-looking statements should be considered in the context of the risk and other factors detailed from time to time in CMS Energy's and Consumers Energy's Securities and Exchange Commission (SEC) filings. Forward-looking statements should be read in conjunction with "FORWARD-LOOKING STATEMENTS AND INFORMATION" and "RISK FACTORS" sections of our most recent Form 10-K and as updated in other reports we file with the SEC, which can be found on our Regulatory Filings page. CMS Energy and Consumers Energy have no obligation to update or revise forward-looking statements regardless of whether new information, future events, or any other factors affect the information contained in the statements. The information in this report may apply standards of materiality that are different than standards applied in the context of financial statements and financial reporting or required to be disclosed in SEC filings. Issues deemed material for purposes of this report may not be considered material for SEC reporting purposes. For questions about this report, please contact [sustainability@cmsenergy.com](mailto:sustainability@cmsenergy.com).