

Leading the CLEAN ENERGY TRANSFORMATION

2023

MSCI ESG Leaders
Indexes Constituent

Environmental, Social & Governance
May 2023

CMS ENERGY

This presentation is made as of the date hereof and contains “forward-looking statements” as defined in Rule 3b-6 of the Securities Exchange Act of 1934, Rule 175 of the Securities Act of 1933, and relevant legal decisions. The forward-looking statements are subject to risks and uncertainties. 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 filings. Forward-looking statements should be read in conjunction with “FORWARD-LOOKING STATEMENTS AND INFORMATION” and “RISK FACTORS” sections of CMS Energy’s and Consumers Energy’s most recent Form 10-K and as updated in reports CMS Energy and Consumers Energy file with the Securities and Exchange Commission. CMS Energy’s and Consumers Energy’s “FORWARD-LOOKING STATEMENTS AND INFORMATION” and “RISK FACTORS” sections are incorporated herein by reference and discuss important factors that could cause CMS Energy’s and Consumers Energy’s results to differ materially from those anticipated in such statements. CMS Energy and Consumers Energy undertake no obligation to update any of the information presented herein to reflect facts, events or circumstances after the date hereof.

The presentation also includes non-GAAP measures when describing CMS Energy’s results of operations and financial performance. A reconciliation of each of these measures to the most directly comparable GAAP measure is included in the appendix and posted on our website at www.cmsenergy.com.

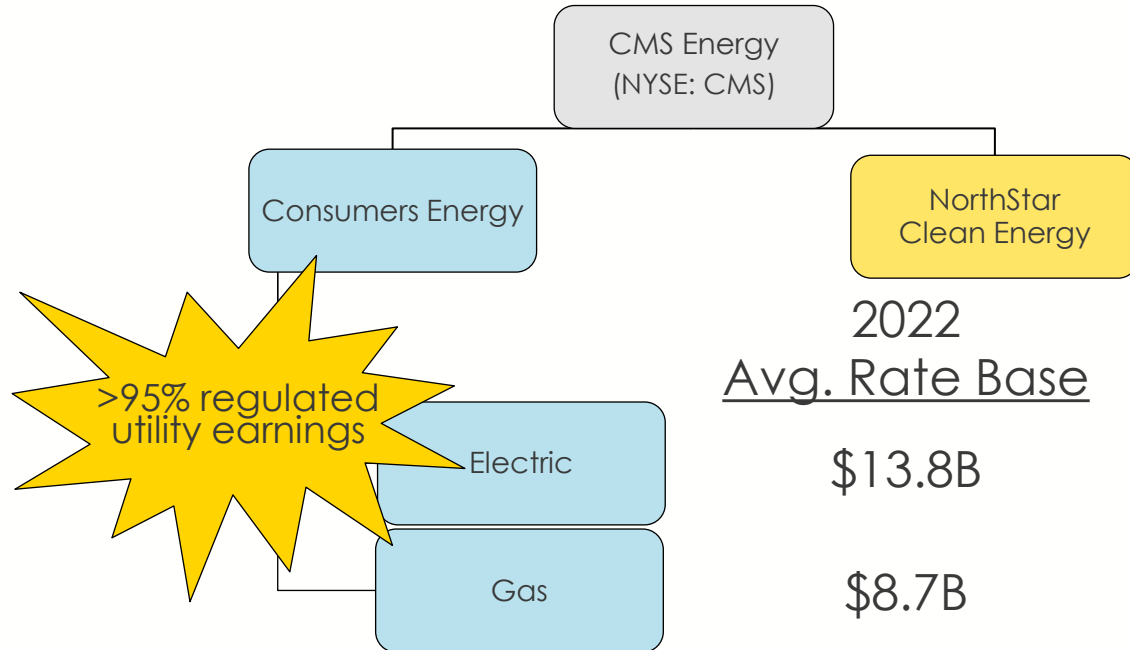
Investors and others should note that CMS Energy routinely posts important information on its website and considers the Investor Relations section, www.cmsenergy.com/investor-relations, a channel of distribution.

Presentation endnotes are included after the appendix.

CMS Energy Overview



Corporate Structure



2022
Avg. Rate Base

\$13.8B

\$8.7B

Key Information

2022 Financial Statistics

Based in Jackson, MI

~8,500 Employees (41% unionized)^a

\$8.6B Revenue

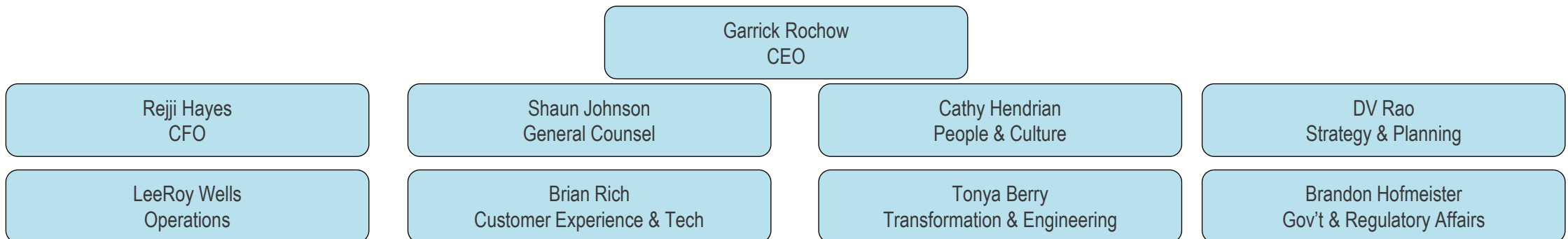
\$838M Adjusted net income^b

20 years Industry-leading financial performance

6% to 8% Long-term adj. EPS^b growth

6% to 8% Long-term DPS^c growth

Senior Management Team



Consumers Energy Positioned Well . . .



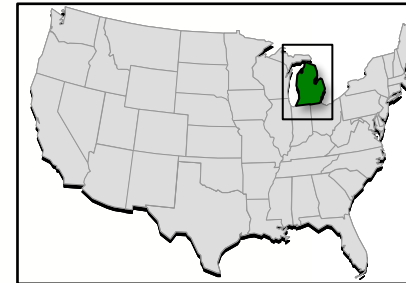
4th Largest Combination Utility

- Electric Utility
1.9M electric customers
7,526 MW of capacity
- Gas Utility
1.8M gas customers
309 Bcf gas storage
- Serving 6.7M Michigan residents

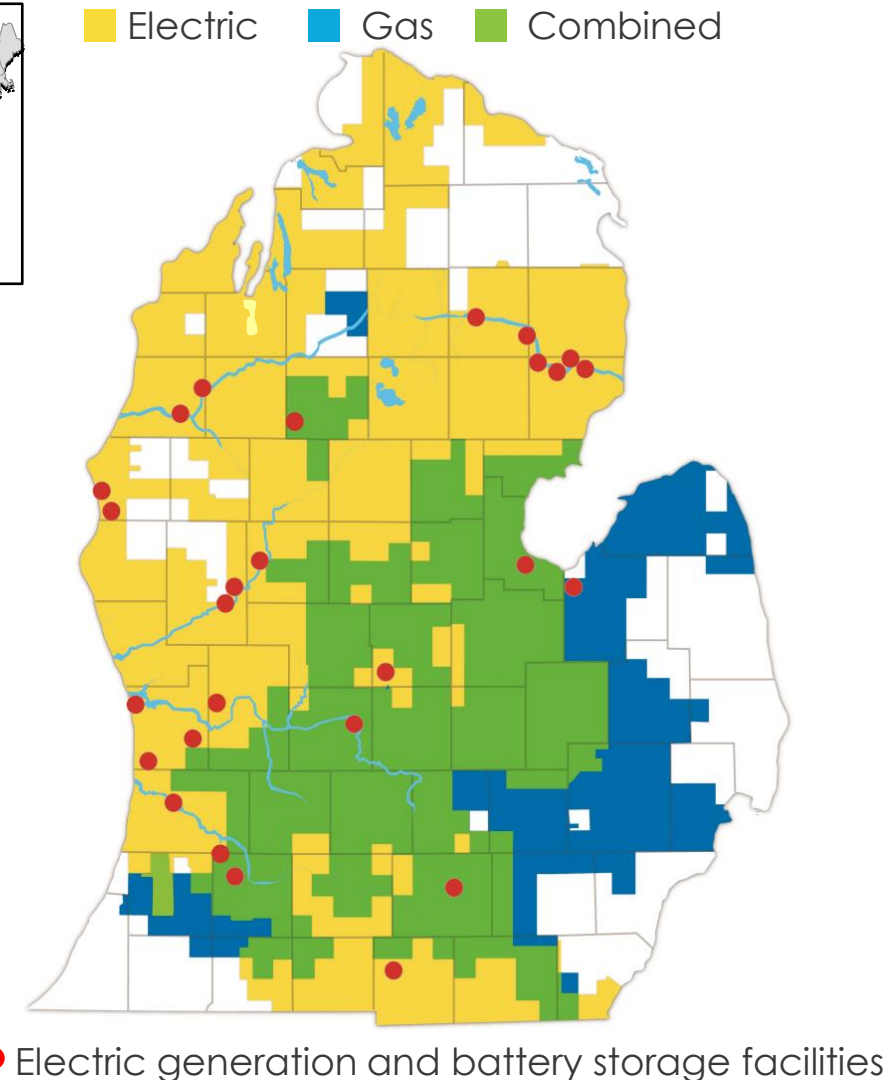
Planet Goals^a

- Exit coal in 2025
- Net zero methane emissions by 2030
- Net zero carbon emissions by 2040
- Net zero GHG emissions by 2050

Presentation endnotes are included after the appendix.



Attracted
>750 MW
of new or
expanding
load since
2015^b



. . . for decarbonization and to lead the Clean Energy Transformation.

NorthStar Clean Energy^a Provides Clean Solutions . . .

CMS ENERGY

Renewable Platform

- 368 MW of wind (OH, TX)
- 64 MW of biomass (MI, NC)
- 30 MW of solar (MI, WI)

DIG & Other

- >1,000 MW in MI (including DIG & Peakers)
- Upside: tightening supply with future retirements

NORTHSTARTM
CLEAN ENERGY
A CMS ENERGY COMPANY



Presentation endnotes are included after the appendix.

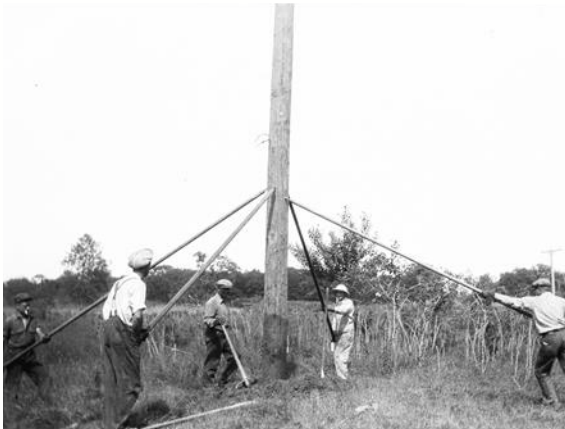
. . . to help companies meet their decarbonization targets.

Over 135 years of Sustainable Business Practices . . .



Founded by the
Foote Brothers in 1886

Exiting Coal in 2025 and
adding 8 GW of solar by 2040



Solar Gardens



Cross Winds Energy Park



Karn Coal Plant



Ludington Pumped Storage

. . . cleaner and leaner than ever before.

Our Commitment to Sustainability . . .

CMS ENERGY



a Morningstar company

**TOP QUARTILE FOR
GLOBAL UTILITIES**



Received U.S. Environmental Protection Agency 2023 Energy Star® Partner of the Year Sustained Excellence Award

2023 MSCI ESG Leaders
Indexes Constituent

MSCI
ESG RATINGS



CCC B BB BBB A **AA** AAA

DOUBLE A RATED

GRESB Public Disclosure Level



Global Average: **C**

Comparison Group Average: **B**

. . . continues to be recognized globally.

ESG Disclosures are Transparent . . .



- [CMS Energy & Consumers Energy Websites](#)
- SEC Filings ([10-K](#) & [Proxy](#))
- Carbon Disclosure Project
 - [Report Scope 1, 2 & 3 Emissions](#)
 - [Water](#)
- [Climate Assessment Report](#)
 - Considers TCFD Guidelines
- [Waste and Landfill Avoidance Report](#)
- [Sustainability Report](#)
- [DE&I Website](#)
- [EEO1 Report](#)
- [SASB Index \(Electric Utilities & Power Generation\)](#)
- [SASB Index \(Gas Utilities & Distributors\)](#)
- [TCFD Index](#)
- [UNSDG Index](#)
- [Political Engagement](#)
- [2022 Climate Change Risk, Vulnerability and Resiliency Report](#)

. . . and align with SASB, TCFD and CDP reporting frameworks.



INVESTMENT THESIS

Investment Thesis . . .



Industry-leading net zero commitments

Excellence through the ***CE WAY***

Constructive regulatory jurisdiction

Premium total shareholder return
6% to 8% adjusted EPS growth + ~3% dividend yield

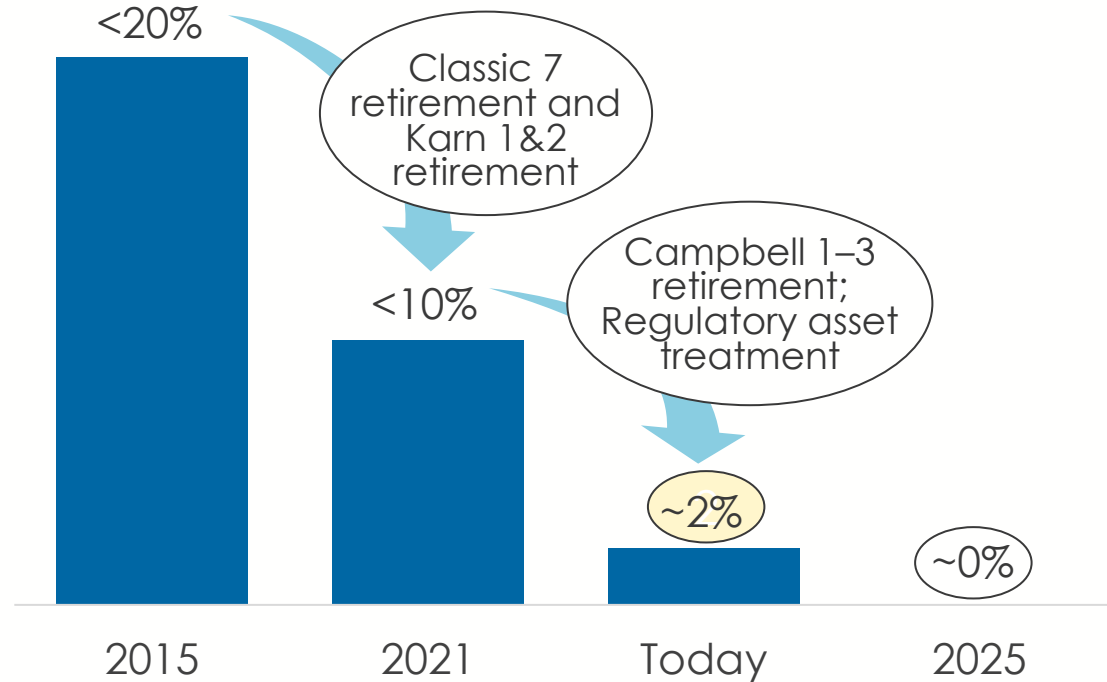
Presentation endnotes are included after the appendix.

. . . is simple, clean and lean.

Our Clean Energy Transformation . . .



Exit Coal in 2025... (Coal % PP&E^a)



Carbon Emissions Reductions^b

2016	2023	2025	2040
~(33)%	~(40)%	~(60)%	Net Zero

Presentation endnotes are included after the appendix.

...While Ensuring Reliability

- Purchase ~1.2 GW of existing gas capacity (Covert)
- Maintain ~1.2 GW of peaking capacity through 2031 (Karn 3&4)
- Ongoing Energy Efficiency and Demand Response efforts
- Add 8 GW of solar and >0.5 GW of battery storage by 2040
- Additional decarbonization efforts include: CCS, H₂, Storage

... eliminates coal in 2025 and maintains resiliency and reliability.

Infrastructure Renewal is Necessary . . .



Electric distribution system is *older* than peers

Goal to improve ≥ 1 K miles annually



Exiting coal in 2025 and adding 8 GW of solar by 2040



>\$500M of vegetation management spend over 5 years to improve reliability^a



25 years of main replacement through our Enhanced Infrastructure Replacement Program

Presentation endnotes are included after the appendix.

. . . to maintain resiliency and reliability and requires significant customer investment.

Electric Reliability and Resiliency Investments . . .



Approach

- Hardening assets, sectionalizing circuits
 - ATR and looping
- Undergrounding
 - 15% undergrounded today with goal to ramp up undergrounding conversions to 400 miles/yr beginning in 2027 (not currently in 5-yr customer investment plan)
- Modernizing system
 - Automated grid management
 - Anticipatory fault detection
 - Machine learning for vegetation management

Benefits

- Less outages and length of outages
- Capital and O&M efficiencies
- Fewer high cost, reactive events
- Lower cost, proactive investments



2022 reliability work resulted in nearly 20% fewer customer outages vs. 2021

. . . required to minimize customer impacts during extreme weather events.

Michigan Regulatory Environment . . .

Supportive Energy Law

- Timely recovery of investments
 - ✓ Forward-looking test years
 - ✓ 10-month rate cases
 - ✓ Earn authorized ROEs
 - ✓ Monthly fuel adjustment trackers (PSCR/GCR)
- Supportive incentives
 - ✓ Constructive ROEs
 - ✓ 10.7% ROE for Renewable Portfolio Standard
 - ✓ Energy efficiency incentive (>\$50M/yr)
 - ✓ FCM adder on PPAs
- Appointed Commissioners



. . . remains constructive and supports Clean Energy Transformation.

De-risking Inflationary Pressures . . .



Near-term Risk Mitigation

<u>Global Risks</u>	<u>Countermeasures</u>
Labor	<ul style="list-style-type: none">✓ Executed 5-yr union contracts in 2020 (>40% unionized)✓ ~95% non-union retention rate^a
Materials	<ul style="list-style-type: none">✓ Manageable supply chain risk✓ ~90% of material costs capitalized✓ Modular solar build-out
Commodities	<ul style="list-style-type: none">✓ Owned generation hedges market volatility✓ Manageable power supply costs✓ Leverage gas storage assets

Episodic Cost Savings

<u>Year</u>	<u>Event</u>	<u>Savings</u>
2022	Palisades retirement	>\$90M
2023	Karn 1 & 2 coal unit retirements ^b	\$30M
2025	MCV contract change	>\$60M
2025	Campbell coal unit retirements ^b	>\$60M
>\$200M identified future cost savings		

~\$150M in **CE WAY** savings since 2020

Presentation endnotes are included after the appendix.

. . . with opportunities for near- and long-term customer savings.

Credit Metrics Maintained . . .



Consumers Energy	S&P	Moody's	Fitch
Senior Secured	A	A1	A+
Commercial Paper	A-2	P-2	F-2
Outlook	Stable	Stable	Stable
CMS Energy			
Senior Unsecured	BBB	Baa2	BBB
Junior Subordinated	BBB-	Baa3	BB+
Outlook	Stable	Stable	Stable
Last Review	✓ Oct. 2022	✓ May 2022	✓ Jan. 2023

Ratings Drivers

- Strong financial position
- Growing operating cash flow
- Constructive return on regulated investment
- Supportive regulatory environment
- Lower business risk

. . . at solid investment-grade levels.

Expansive Economic Development Efforts . . .

CMS ENERGY

■ Electric ■ Gas ■ Combined
● 2022 New Load ● 2023 New Load

Gotion

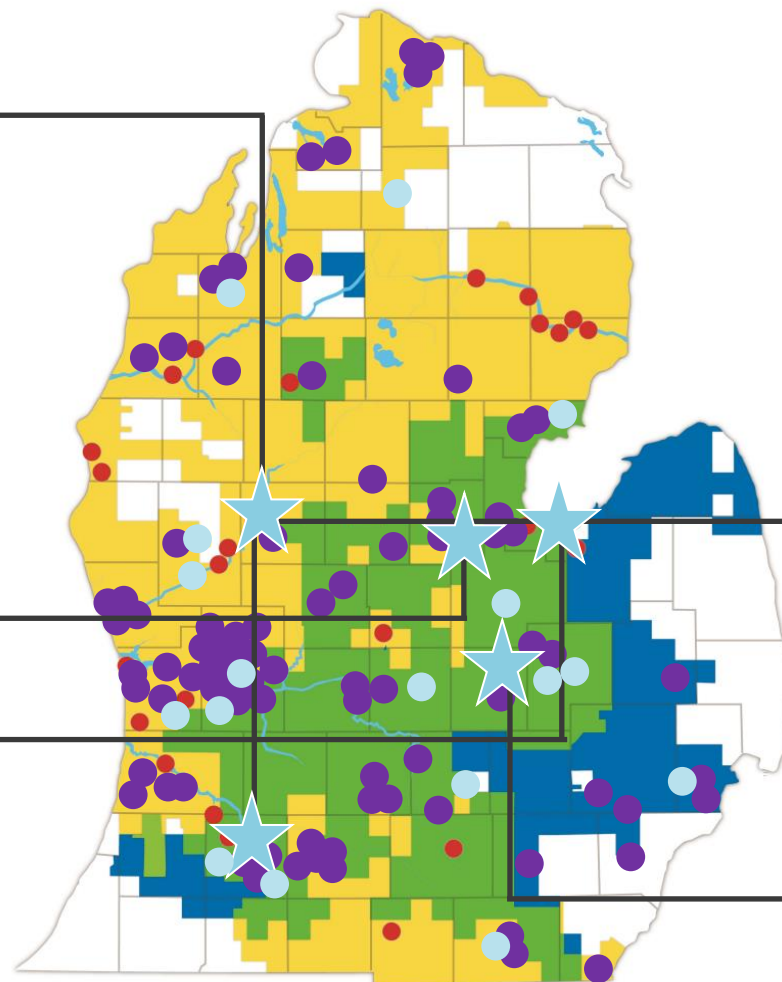
Global EV Battery
Manufacturer
~\$2,400M investment
>2,000 jobs

Hemlock Semiconductor

Leading Provider
of Polysilicon
~\$375M investment
~170 jobs

SK Siltron CSS

Leading Edge Silicon Carbide
Materials and Products
>\$300M investment
~150 jobs



● Electric generation and battery storage facilities

Attracted
>750 MW

of new or expanding load
since 2015^a

FlavorSum

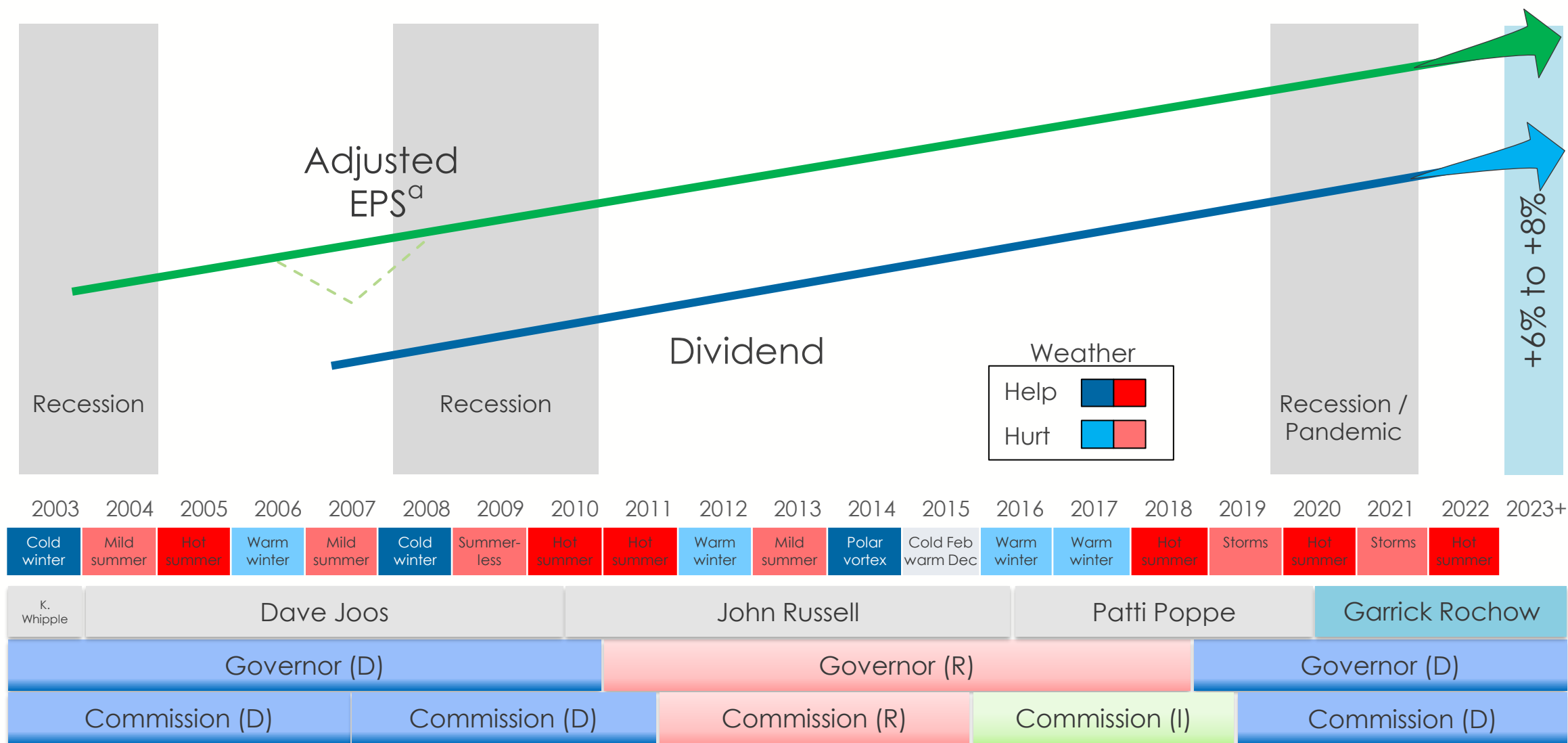
Fastest-Growing North
American Flavor Company
~\$10M investment
>50 jobs

ABB Robotics & Sonoco Protective Solutions

>\$30M investment
~150 jobs

. . . drive growth across Michigan.

Industry-Leading Financial Performance . . .



Presentation endnotes are included after the appendix.

. . . for two decades, regardless of conditions.

A woman in a yellow hard hat and safety glasses is looking at a large array of solar panels. The hard hat has "Consumers Energy" and "MSA" logos. The background is a clear blue sky with some clouds.

ENVIRONMENTAL

Net Zero Commitments Drive Decarbonization . . .



2025 **Zero coal**
~60% carbon emissions reduction^a



2030 **Net zero methane emissions for our gas delivery system and 20% gas customer emissions reduction^b**
Accelerating vintage main and service replacements
Renewable natural gas



2040 **Net zero carbon emissions for our electric business (includes PPAs and MISO market purchases)**
Adding ~8 GW of new solar and ~2.5 GW of demand-side resources



2050 **Net zero GHG emissions for our entire business**
Hydrogen fuel mix opportunities
Carbon offsets (CCS)

Presentation endnotes are included after the appendix.

. . . and support growth while delivering on the Clean Energy Transformation.

2022 Asset Mix . . .



	Total PP&E	
	(\$M)	(%)
Electric		
Generation	\$3,277	14%
Coal	477	~2%
Wind, solar, hydro	2,013	9
Gas & other	787	3
Distribution	8,294	37
Other	<u>781</u>	<u>3</u>
Total electric	\$12,352	~54%
Gas		
Distribution	\$5,473	24%
Transmission	2,230	10
Underground storage facilities	1,067	4½
Other	<u>396</u>	<u>1½</u>
Total gas	\$9,166	~40%
Other non-utility property	\$27	<1%
NorthStar Clean Energy	\$1,168	5%
Plant, property, and equipment, net	\$22,713	100%

. . . highlights ~2% coal of total PP&E in 2022.

A Just Transition Out of Coal . . .



We Have Done This Before

- ✓ Seven coal units retired in 2016
- ✓ Clear and ongoing communication with affected communities and stakeholders
- ✓ Co-workers provided retention incentives and placement plans for employees
- ✓ Work to redevelop communities and assist in the transition of local economies



Proven Examples

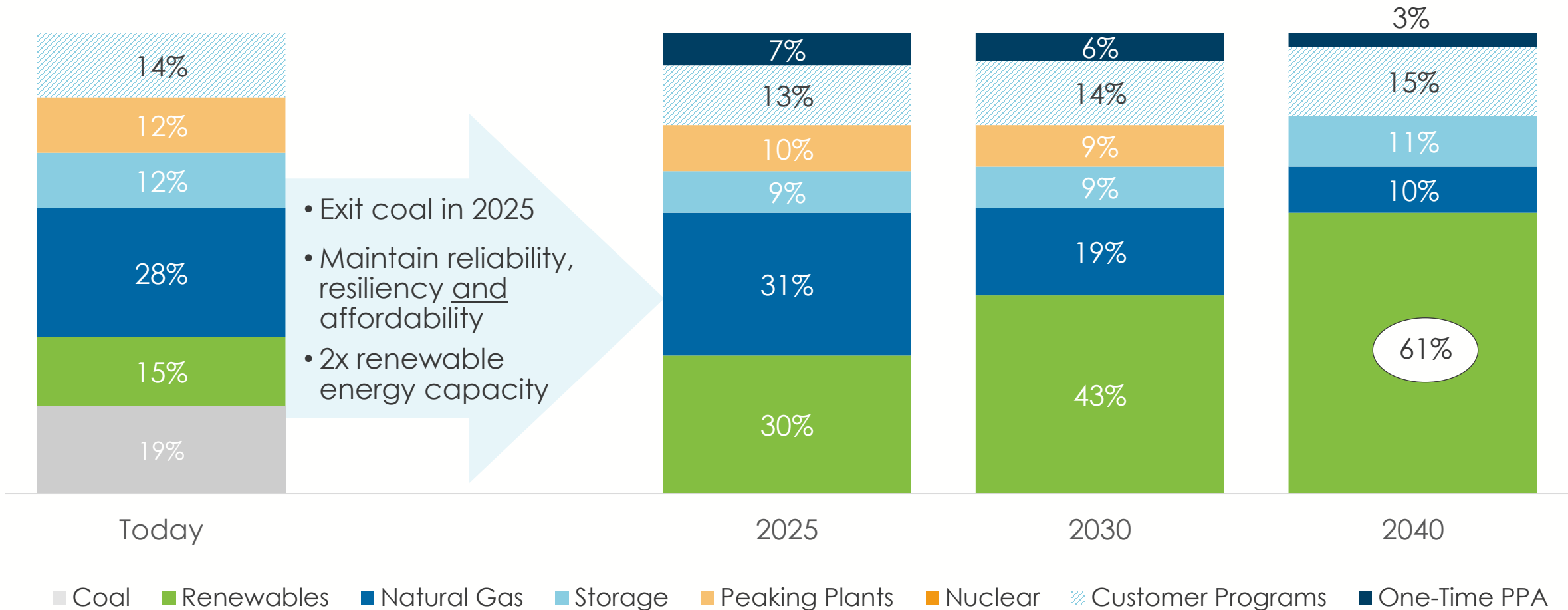
- ✓ Coal plant decommissioning included:
 - ✓ Environmental abatement
 - ✓ Dismantlement and demolition
 - ✓ Preparation of sites for redevelopment and other economic opportunities
- ✓ Environmental efforts included restoring areas around the facilities including:
 - ✓ Coal ash ponds
 - ✓ Creating new habitats for bees, butterflies and waterfowl

. . . for all of our stakeholders.

Our Clean Energy Transformation . . .



Capacity Mix^a

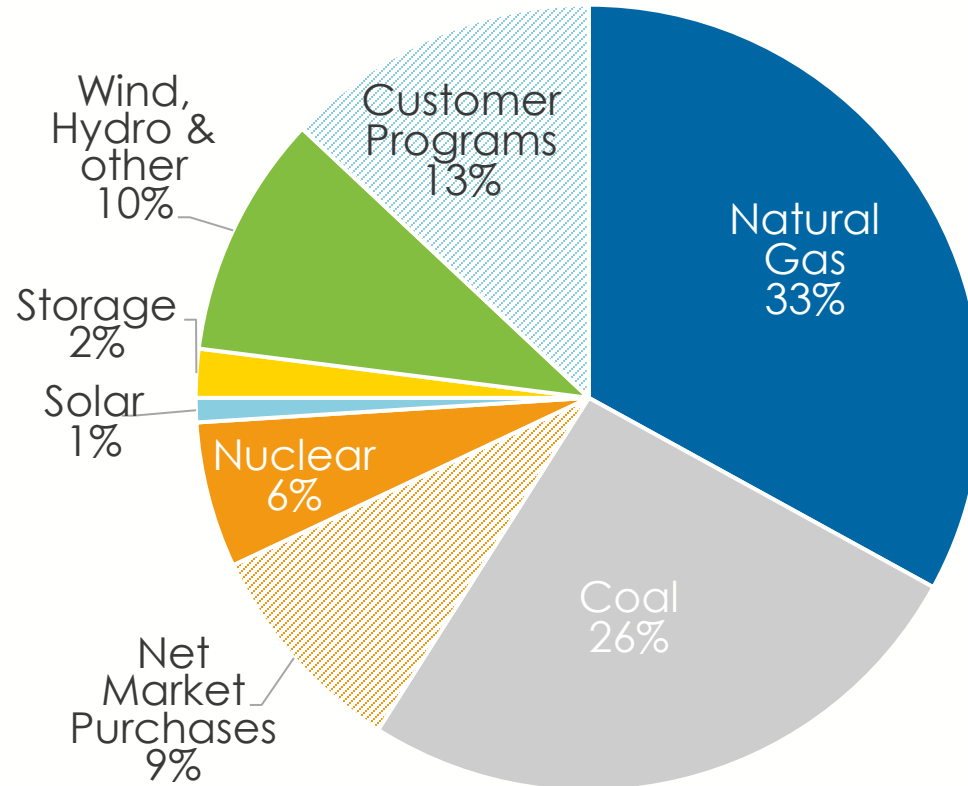


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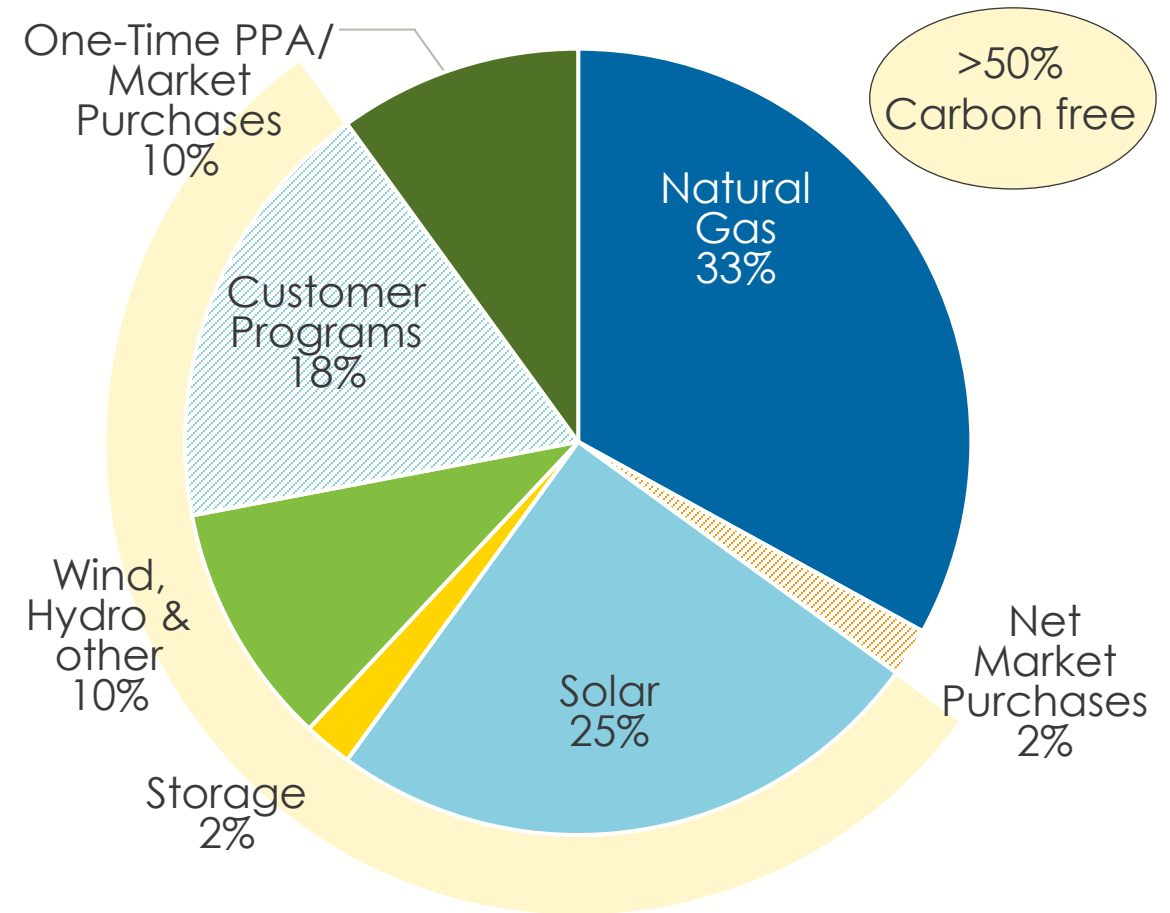
. . . results in significant clean energy resources by 2040.

Our Energy Supply^a Will Be Cleaner . . .

Current Mix



Future Mix (2031) (Post-MCV PPA Expiration)



Presentation endnotes are included after the appendix.

. . . and more reliable with further opportunities to decarbonize.

Our VGP^a Renewable Programs . . .



Large Customer Program

Large Customer Renewable Energy Program

- >1,000 MW approved expansion as demand grows
- 10 to 20-year contract options
- Rate base opportunity
- Pledge to power >1,300 public buildings with 100% clean energy
- Partnering with General Motors to power 11 Michigan plants with 100% green energy

Other Programs

(Available to Residential and Commercial)

MI Clean Air

- Open to natural gas and combination customers
- Allows customers to pay for certified carbon-reducing projects

Solar Gardens

- 4.5 MW subscribed capacity and actively pursuing sites for additional 5.5 MW that are preapproved
- >98% subscribed (~2½K customers)

Sunrise

- 50 customers enrolled – designed to aid income qualified customers achieve green goals
- Subscription cost covered by non-profit organizations

Presentation endnotes are included after the appendix

. . . help customers achieve their clean energy goals.

Decarbonization of Gas Infrastructure . . .



Net zero methane by 2030...

- ~130 miles/yr main replacement
- ~9K/yr vintage services replacement
- Renewable natural gas (RNG) as clean fuel replacement
- ~1% energy efficiency (\$90M/yr)
 - Pre-tax incentive ~\$18M/yr
- Reducing methane emissions by ~80% with RNG offset on system to reach net zero

Methane Emissions Reductions^a

2016	2022	2030
(22)%	>(40)%	Net Zero

Presentation endnotes are included after the appendix.

...with additional opportunities.

- Largest LDC underground storage in U.S. (309 Bcf)
 - 15 gas storage fields, 8 compressor stations and ~150K horsepower for system reliability/resiliency and mitigate gas price volatility
- Potential to deploy hydrogen and CCUS
- Partnering with EPRI/GTI and utilities across the world to study the expansion of RNG and hydrogen



. . . provides significant investment opportunities longer-term.

Energy Waste Reduction Programs . . .



Energy Efficiency Programs

- ✓ \$5.5B of customer savings on energy bills since 2009
- ✓ >6,000 GWh of reduced usage since 2009 – equivalent to ~1 power plant^a
- ✓ >28K/yr appliances recycled and >80K/yr residential rebates provided

\$1 of spend is equal to ~\$2.00 customer savings

Demand Response Programs

- ✓ Reduced by >700 MW in 2022
- ✓ Earned >\$6M incentive

11th year!

Electric

- ~2% annually
- Next 5 years:
 - Spend ~\$198M/yr
 - Pre-tax incentive ~\$40M/yr

Gas

- ~1% annually
- Next 5 years:
 - Spend ~\$90M/yr
 - Pre-tax incentive ~\$18M/yr

Received U.S. Environmental Protection Agency's 2023 ENERGY STAR® Partner of the Year – Sustained Excellence Award

Presentation endnotes are included after the appendix.

. . . extend clean energy options and help keep our customer bills affordable.

Goal to Power >1M EVs by 2030 . . .

PowerMIDrive
Residential



PowerMIDrive
Public Charging

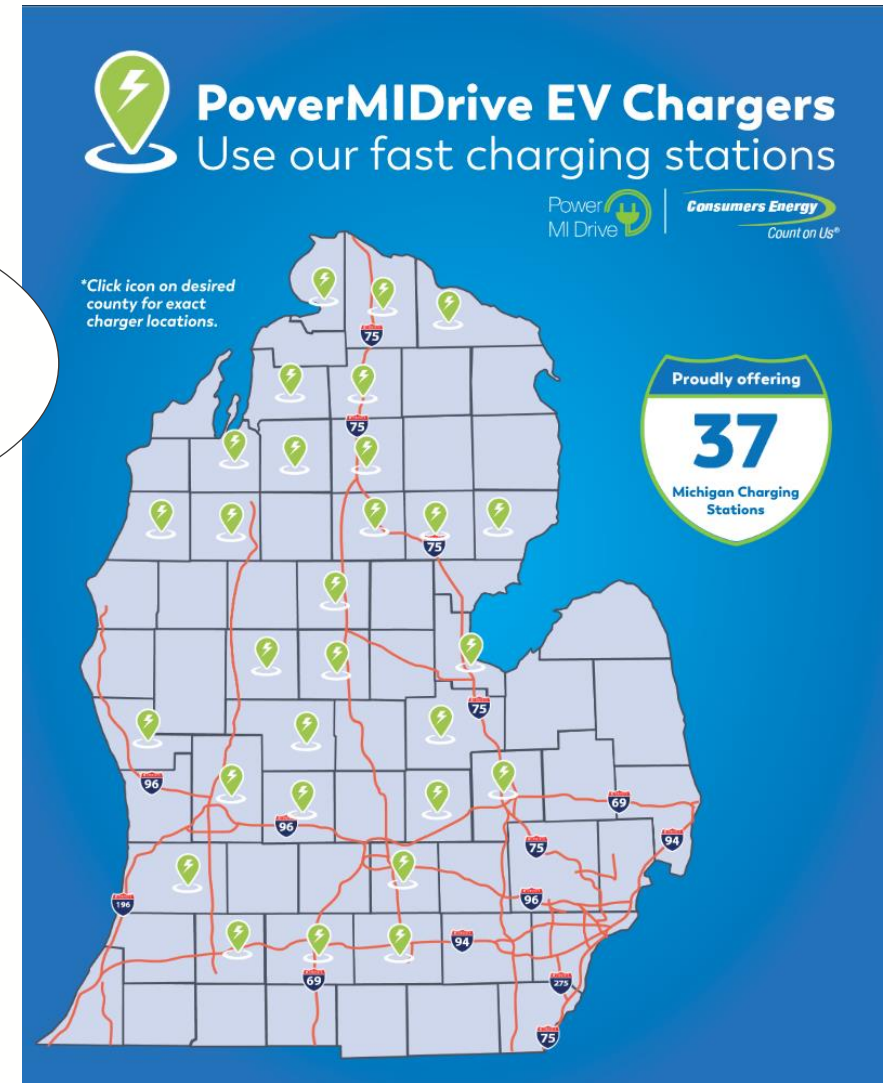


PowerMIFleet

- ~25K EVs in Consumers Energy territory today
- >80% of all charging is off-peak with best in class >90% residential off-peak
- 37 EV fast chargers installed and working to rebate 100 more
- Partnering with 50+ fleet owners to assess fleets for electrification and provide rebates for fleet chargers through PowerMIFleet program
- Powered by an entirely carbon-neutral grid by 2040 – one of the nation's fastest timetables

1M EVs by 2030
could add ~10%
growth to today's
electric load

Residential Level 2 with 9.6 kW off-peak charging
mirrors daytime summer peaks maximizing infrastructure



. . . supported by our electric vehicle programs and Governor's goal.



SOCIAL

Triple Bottom Line: Caring for Our People . . .



- **Employee and customer safety**
 - Emotional
 - Physical
 - Cyber
 - Financial
- **Diversity, equity and inclusion (DE&I)**
 - Embedded in our culture, the workplace and within our supply chain
- **Workforce Development**
 - Electric and gas training programs
 - Working with grades K-12, local colleges and universities to build interest in the utility industry
- **Community and customer support**
 - Corporate giving
 - Economic development
 - Customer satisfaction



. . . our co-workers, customers and communities we serve.

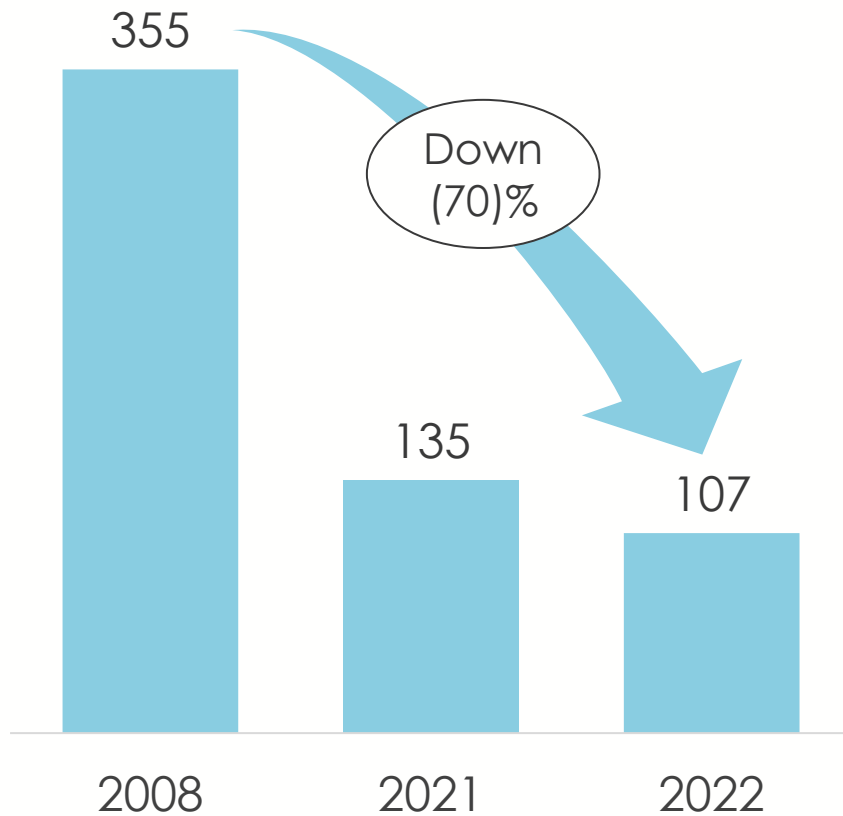


**EMPLOYEE &
CUSTOMER SAFETY**

Committed to Physical Safety . . .

Safety Performance

(Recordable Safety Incidents)



- 36% reduction in high-risk injuries vs. 2021
- Safety performance included in executive and employee compensation
- Proactive, risk-based program in partnership with EEL and other utilities



. . . with an emphasis on zero high-risk incidents and zero fatalities.

Employee Wellness Programs . . .



Program Focus & Approach

Emotional & Physical

- In 2023, introduced inclusive domestic partner benefits for all employees
- In 2022, launched DE&I Movement Stands, which represent our multi-year, measurable aspirations in the areas of culture, talent, philanthropy, and supplier diversity
- Well-Being Champions identify and address the needs of our co-workers and provide continuous opportunities to engage in well-being efforts by creating a culture where the healthy choice becomes the valued and easy choice
- Seven employee led Business Employee Resource Groups

Financial

- Company contribution of up to 14%^a
- 79% of active 401K participants are saving $\geq 15\%$ ^b



Presentation endnotes are included after the appendix.

. . . promote emotional, physical and financial health.

Cyber and Physical Security Program . . .



Program Focus & Approach

- Protect critical infrastructure, customer data and employee safety
- Dedicated team monitors environment and regularly shares threat information with peers, and state and federal partners
- Conduct regular drills, exercises, vulnerability assessments, and penetration tests to assess the security of our systems
- Conduct monthly phishing tests through “Don’t Take the Bait” program
- Security is an independent organization outside of IT to ensure a balance between technology delivery and risk
- Annual co-worker training related to awareness, risk prevention and detection, event management and policy compliance

Robust Corporate Governance

- Board oversight of security risks including cyber and physical security, compliance and data privacy
- Company-wide phishing tests & department updates
- 2 Board members with security experience



Myrna Soto

>20 years of IT & security experience

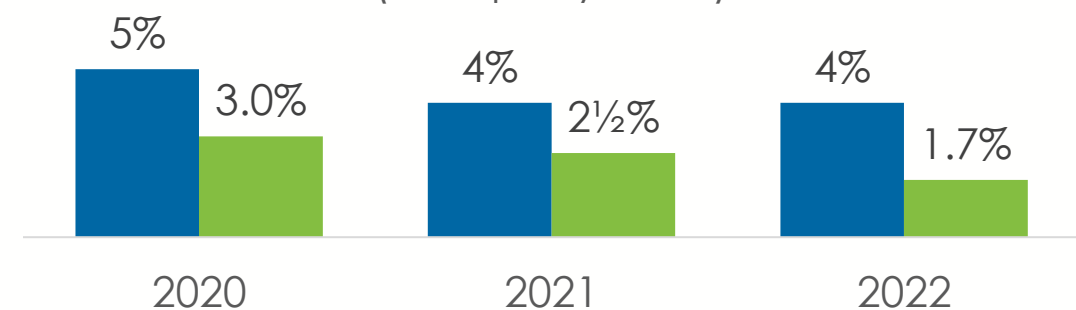


Deborah Butler

Retired CIO from Norfolk Southern

Internal Phishing Tests (Company-wide)

■ Target
■ Actual



. . . is integrated and protects critical state infrastructure and customer data.

The background of the image shows a professional office setting. In the foreground, a man with a beard, wearing a blue polo shirt, is seated at a desk and looking towards the right. He is holding a blue pen and a pair of glasses. A yellow hard hat is placed on the desk in front of him, slightly out of focus. In the background, two other people, a woman and a man, are seated at desks with laptops, also looking towards the right. The scene is brightly lit with natural light from windows on the left.

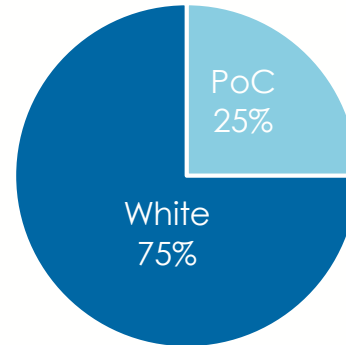
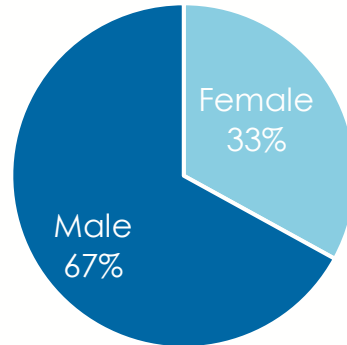
DIVERSITY, EQUITY & INCLUSION

DE&I Strategy and Movement . . .

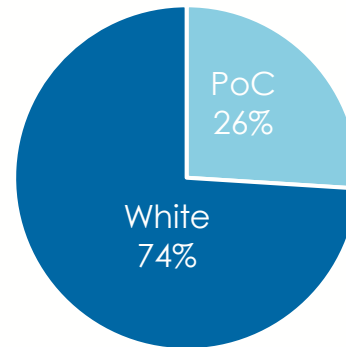
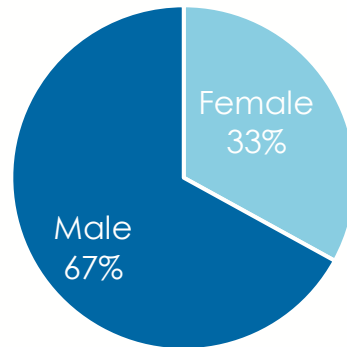


Diversity by the Numbers

Board of Directors



Executive Leadership



DE&I Movement Stands

- **Our Culture Stand:** We work in our Company 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 doubled our 5-yr spend with diverse suppliers in 2022, 1 year-ahead of our goal of 2023
- **Our Philanthropy Stand:** We create equitable, sustainable change to support social justice initiatives throughout Michigan and the communities we serve










CEO pledged to take action to advance diversity and inclusion in the workplace through the CEO Action for Diversity and Inclusion™ coalition

. . . to ensure our co-workers and communities feel safe and cared for.

Seven Business Employee Resource Groups . . .



	Interfaith	Supports employees of all religions and those with no religious affiliation.
	Women in Energy (WE)	Women in Energy is a reinvented new women's business employee resource group that incorporates initiatives from both Women's Engineering Network (WEN) and Women's Advisory Panel (WAP) and is expanding to be an inclusive place to all women of Consumers Energy in the fields they have chosen from front line to management, including union and operations employees. The group supports the retention, development and success of women.
	Minority Advisory Panel (MAP)	Promotes a culture of diversity and inclusion through education, leadership, development and networking.
	Veteran's Advisory Panel (VAP)	Provides support to former active military personnel and assists in recruiting and retaining veterans.
	Pride Alliance of Consumers Energy (PACE)	Promotes an inclusive and safe environment that's supportive for LGBTQ persons and allies.
	GEN-ERGY	Bridges the gap of learning, networking and mentoring across the workforce generations.
	capABLE	Removes barriers and opens minds, creating meaningful work pathways for current and future employees of all abilities.



>20% of employees belong to one or more of 7 employee resource groups



. . . create a more diverse and inclusive workspace.

Our Supplier Diversity Initiatives . . .

Focus & Approach

- Raised Tier II target to \$100M for 2023 after achieving \$75M target in 2022
- Expanded our diverse supplier universe by 200% in the last 12 months
- Expanded supplier diversity work to include ESG Sustainable Supply Chain metrics

Met 5-year commitment to double our spend with diverse suppliers ahead of schedule in 2022



. . . aim to increase competition, inspire innovation and drive economic prosperity.

The background image shows two men in safety gear shaking hands. The man on the left is white, wearing a yellow hard hat, safety glasses, a headset with a microphone, a white polo shirt, and a high-visibility yellow vest. The man on the right is Black, wearing a yellow hard hat, safety glasses, a headlamp, a grey t-shirt, and a high-visibility yellow vest. He is also wearing work gloves and holding a red power tool. They are standing in front of a large red crane hook. The background is a blurred construction site with some lights visible.

WORKFORCE DEVELOPMENT

Creating a Pipeline to Be an Employer of Choice. . .

STEM & Robotics

- Hometown, statewide and national focus
- Middle & high school education levels
- Partnered with Center for Energy Workforce Development (CEWD)
 - Energy industry fundamentals curriculum



Electric Lineworker

Pre-Apprenticeship Training

- Collaboration with community colleges
- EMPOWER lineworker Pre-Apprenticeship Program focuses on safety, fitness, basic electricity knowledge, and Energy Industry Fundamentals



Flint “Gas City”

- Training site covers 1.4 acres and is located in Flint, MI supports the next generation of Consumers Energy gas workers through training and real-world experience
- Innovative new approach to training and career development utilizing experiential learning
- Educates and empowers co-workers for various scenarios such as working in simulated blowing gas events and more
- Construction complete with facility testing underway. Grand opening scheduled for June 2023
- Curriculum development continues in partnership with union/management joint committees utilizing Instructional Designers and consultants.

. . . by recruiting and reskilling a diverse workforce.

Union Relationships at the Utility . . .



Training Trust Agreement

(with Power for America)

- Delivers technical and safety training
- >25,000 student hours delivered in 2021 and 2022
- Construction of state of the art renewable training center underway in Potterville Michigan.



Utility Military Assistance Program

- Training programs for veterans and current National Guard members
- Delivers trained employees for gas construction and electric distribution

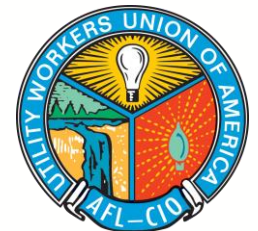
Union Relationships

(Michigan State Utility Workers Council)

- ~3,400 employees represent electric and gas workforce
- >250 employees represent call centers
- Subsidiary of Utility Workers Union of America (UWUA)
- Contracts through 2025



41%
unionized



50% of union employees make up our DE&I Champion Program, which leads our company-wide DE&I awareness training for all employees

. . . remain strong and collaborative.

Advancing Labor Rights . . .



Labor Rights Policy - We acknowledge the right of our employees to associate freely and bargain collectively, in compliance with federal and state laws

- Complying with all applicable U.S. federal, state and local laws and regulations concerning our co-workers and labor issues
- Informed approach based on standards, including those found in the International Labor Organization (ILO) 87 and 98
- Annual audits to ensure our policies and practices cultivate a workplace free of harassment and discrimination
- Annual compensation reviews for pay equity through a third party to ensure our co-workers receive fair compensation
- Request that third parties operate safely and in a manner that reflects our values



. . . and raising expectations with those we do business with.

COMMUNITY & CUSTOMER SUPPORT



Protecting Human Rights . . .

2022 Scored Human Rights Campaign 90% on the Corporate Equality Index

- Committed to prohibiting the use of child labor, forced labor, human trafficking and all forms of modern slavery; and being transparent in our efforts, successes and challenges
- Protecting the rights of all – including women, minorities, LGBTQIA+ persons and veterans
- Employees required to report concerns or potential misconduct



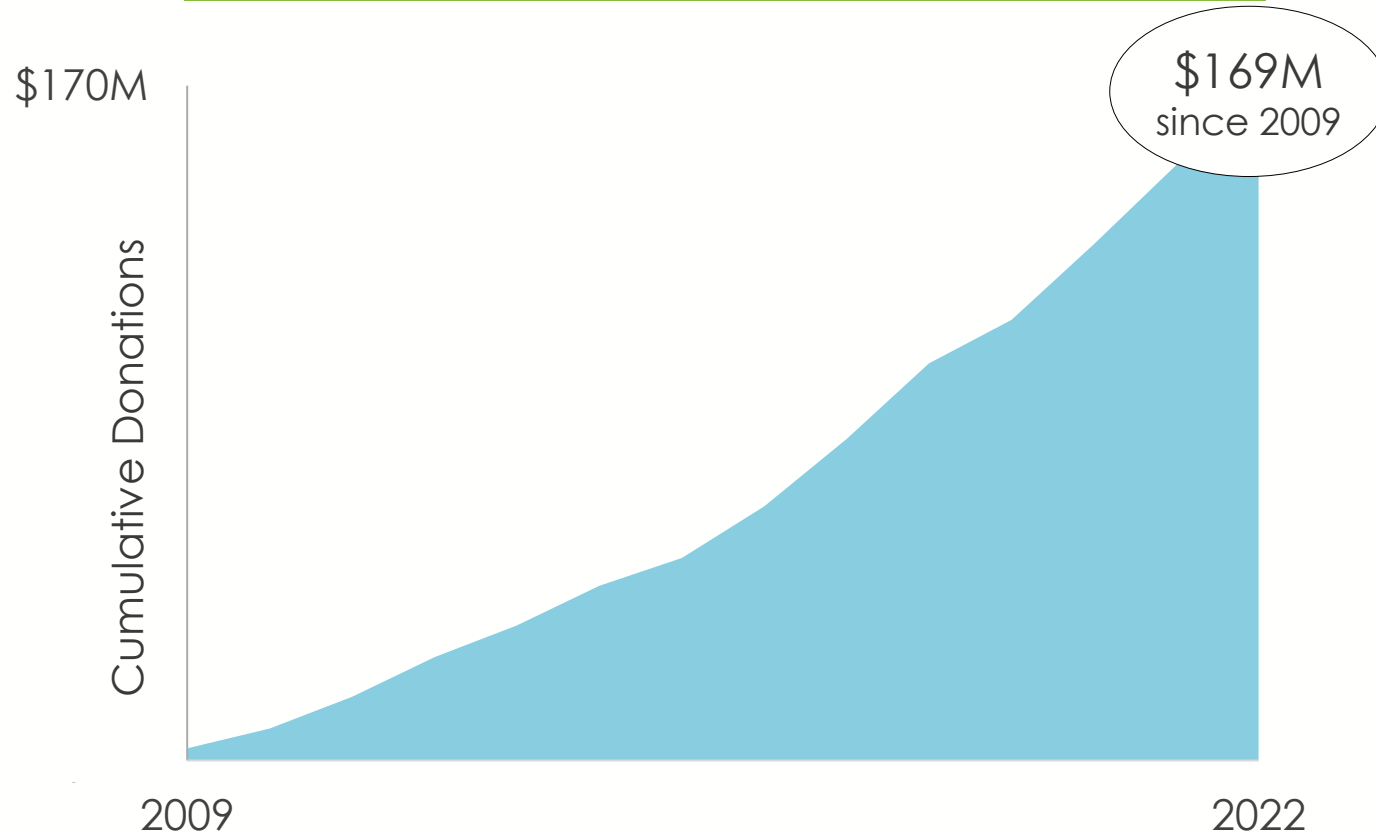
. . . ensuring all of co-workers feel respected and included.

Continued Corporate Giving . . .



Charitable Organizations^a

\$18.5M in total charitable donations in 2022



CE Foundation Donations

\$7.8M in donations to nonprofits in 2022

- ✓ \$3.2M to help end poverty in the state
- ✓ \$1.1M to protect Michigan's land, water and air
- ✓ \$3.5M to help Michigan businesses & communities grow



Presentation endnotes are included after the appendix.

. . . investing in what is most important to Michigan.

Partnering with Customers in Need . . .



- ✓ \$2.3M investment applied directly to customers impacted by COVID-19 related hardships such as loss of childcare, loss of a household member or unplanned expenses
- ✓ \$47M of regulatory mechanisms to support vulnerable customers and infrastructure investments in 2022
- ✓ >\$100M of customer assistance to help keep bills affordable in 2022

... connecting them with energy assistance programs and other assistance.

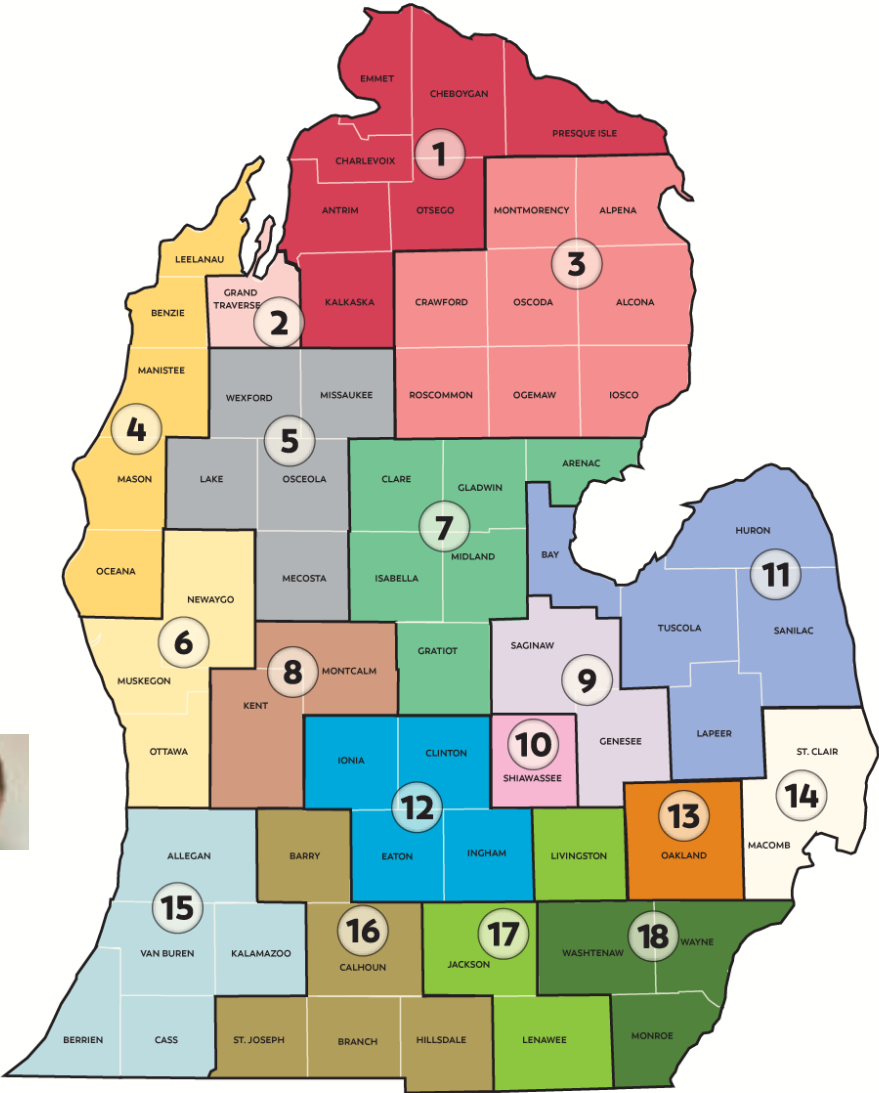
Our Community Engagement Teams . . .



23
Community Affairs
Managers



Active
in the community



>350

local community
events are attended
each year

>100

boards served on

. . . are positioned across the state.

We're Helping Michigan Thrive . . .



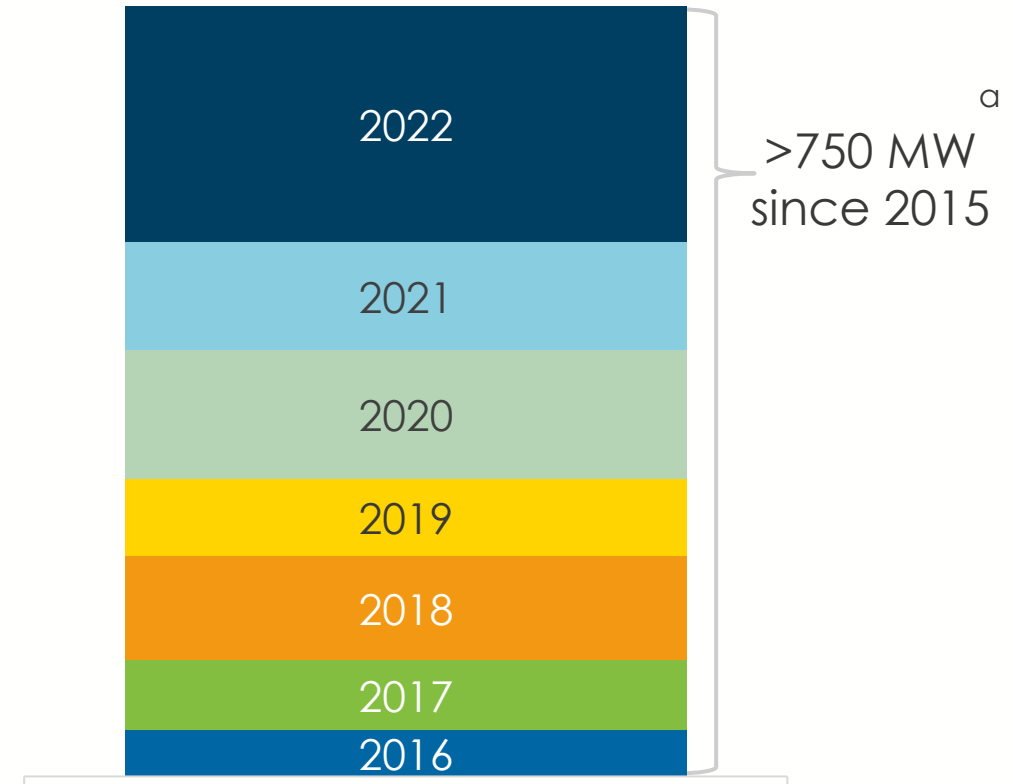
Competitive Advantages in the State

- ✓ \$1B of state incentives
- ✓ Energy intensive economic development rate
- ✓ 2022, 2021, 2020, 2019 & 2018 Editor's Choice Top Utility - Business Facilities



In 2022, new and expanding load expected to attract >\$8B Michigan investment and ~6.3K jobs

New and Expanding Load



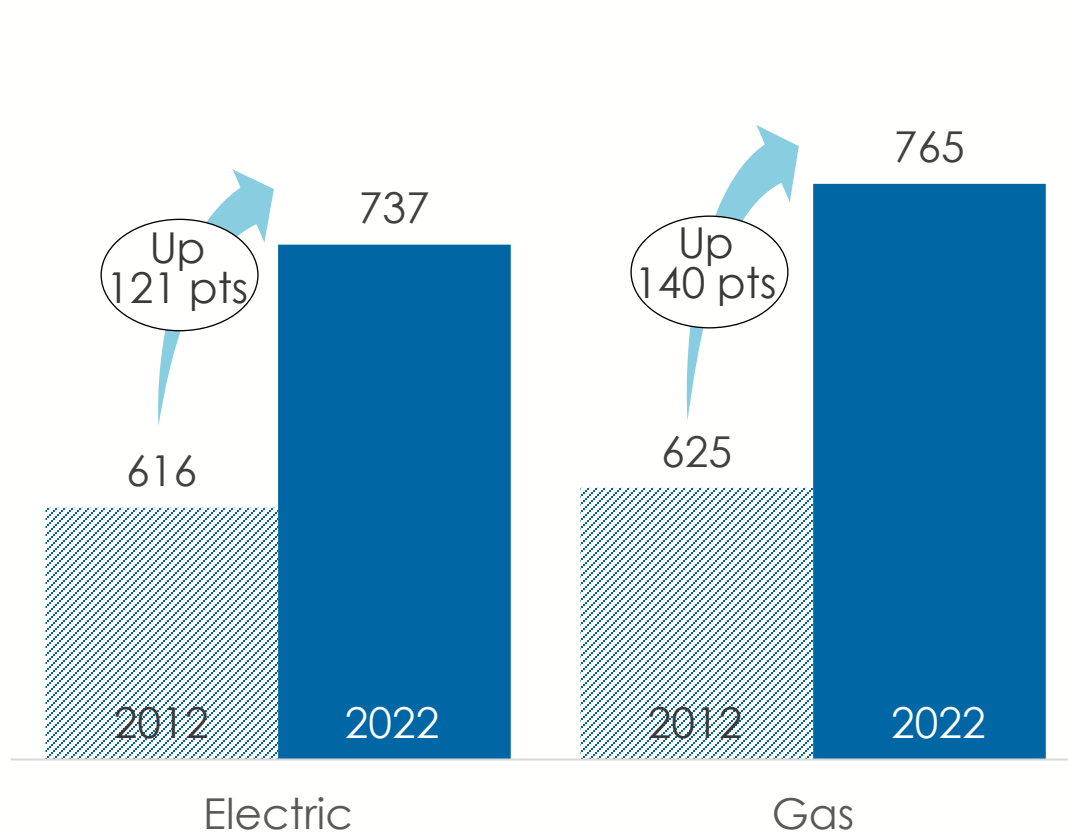
Presentation endnotes are included after the appendix.

. . . through targeted and proactive economic development.

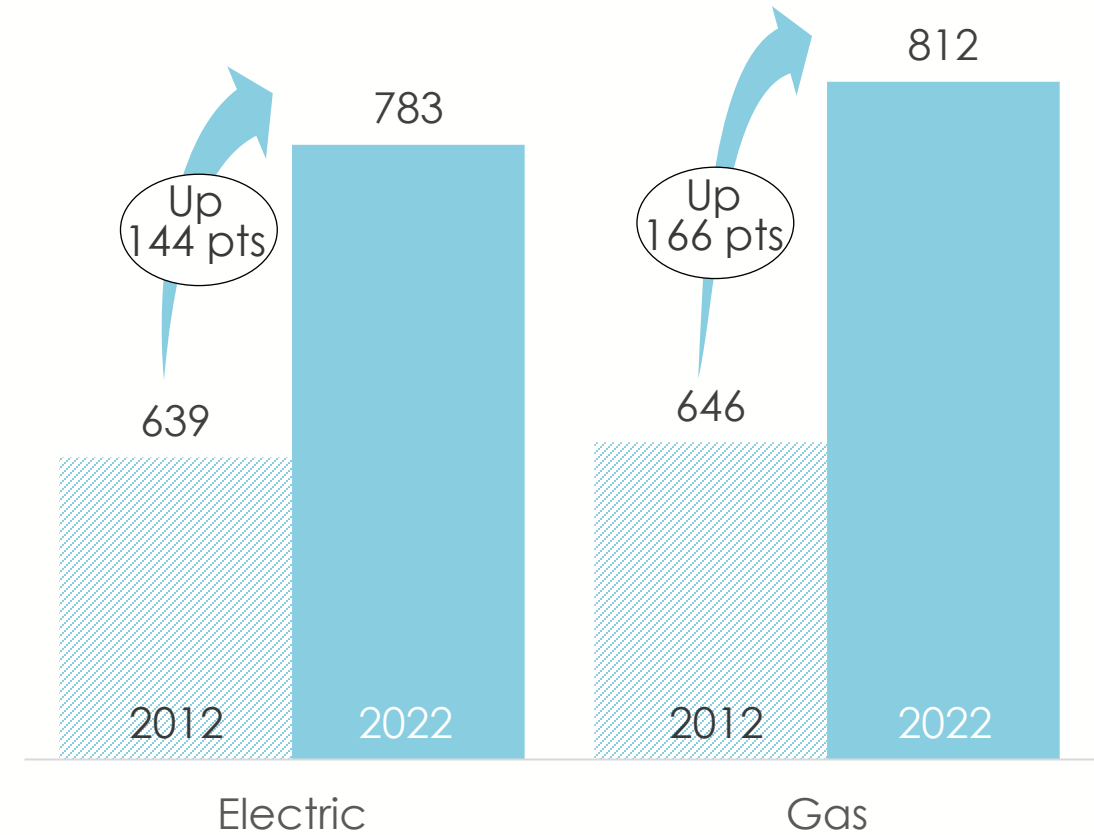
Our J.D. Power Scores . . .



Residential



Business



. . . highlight our commitment to continuous improvement for our customers.



A woman with short brown hair and glasses, wearing a grey cardigan over a white patterned top, stands in the center of a meeting room, smiling and holding a blue pen. She is presenting to a group of people seated around a large conference table. The table is equipped with several laptops, some of which are open. In the foreground, a yellow hard hat is visible on the table. The whiteboard behind her contains handwritten notes and diagrams. On the left, a flowchart shows 'DETAILS' leading to 'ACTION ITEMS' (with a 'CANCEL' branch) and 'WORKING PLAN' (with a 'NO!' branch). On the right, a pie chart has a shaded segment labeled 'OK.' and an arrow pointing to it. The room has large windows with vertical blinds on the left. The CMS ENERGY logo is in the top right corner.

GOVERNANCE

Exceptional Board Governance . . .



12 Members

92% Independent

JOHN RUSSELL



GARRICK ROCHOW



JON BARFIELD



DEBORAH BUTLER



KURT DARROW



WILLIAM HARVEY



RALPH IZZO



SUZANNE SHANK



MYRNA SOTO



JOHN SZNEWAJS



RONALD TANSKI



LAURA WRIGHT



. . . led by an independent Chair and highly skilled, diverse Board.

Diverse, Engaged and Experienced Board . . .



Diversity

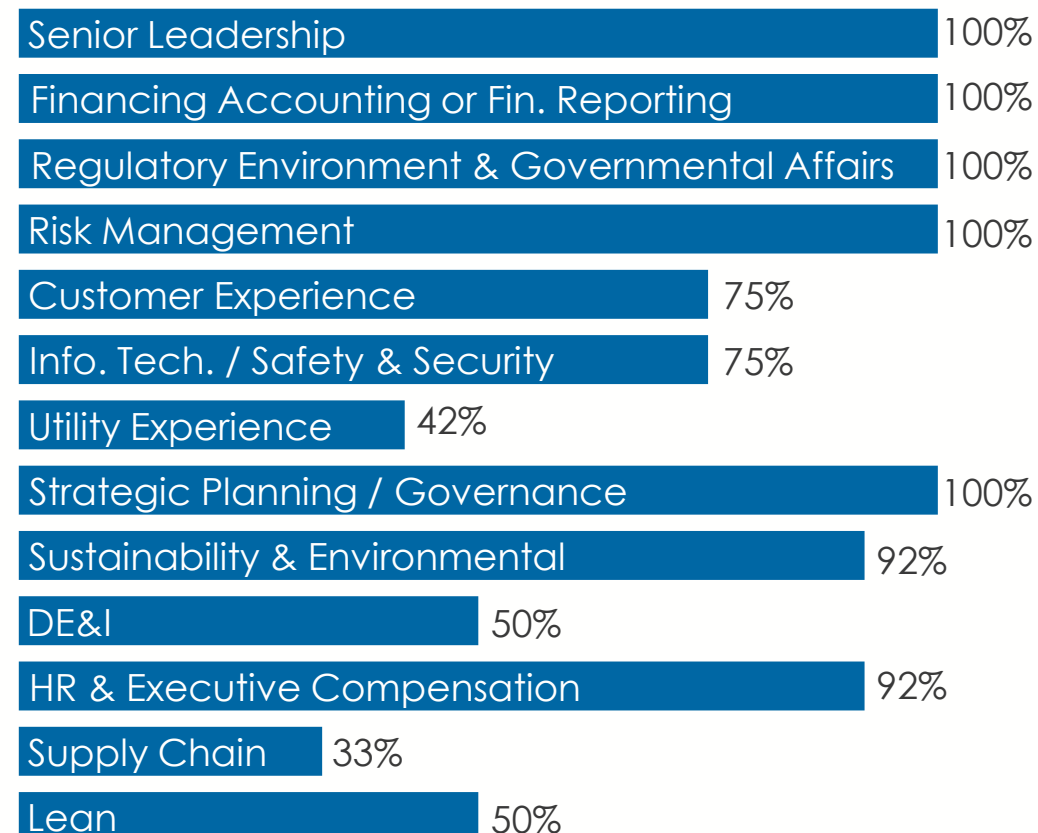
64 Average age

33% Female

25% Ethnically Diverse

42% Gender, racial & ethnic diversity

Experience



. . . enhances the quality of governance.

Committee Membership . . .

- ✓ Member
- ✓ Chairperson

100% Independent

Political contributions
>\$10K need
Board approval

Governance,
Sustainability, &
Public Responsibility

Name

Audit

Compensation & Human Resources

Executive

Finance

Public Responsibility

Jon E. Barfield



Deborah H. Butler



Kurt L. Darrow



William D. Harvey



Ralph Izzo



John G. Russell



Suzanne F. Shank



Myrna M. Soto



John G. Sznewajs



Ronald J. Tanski



Laura H. Wright



. . . is focused on key strengths of each Board member.

Committee Responsibilities



Audit

- Oversees:
 - Integrity of financial statements & information
 - Compliance with legal & regulatory requirements
 - Risk management policies, controls & exposures
- Reviews:
 - Performance of internal audit function

Compensation & Human Resources

- Review & Approve:
 - Executive compensation structure & policies
 - Grant of stock & other stock-based awards
 - Financial & business goals pursuant to incentive plans
 - Officer stock ownership policy

Executive

- Exercise Power & Authority of the Board:
 - During the intervals between Board meetings as necessary

Finance

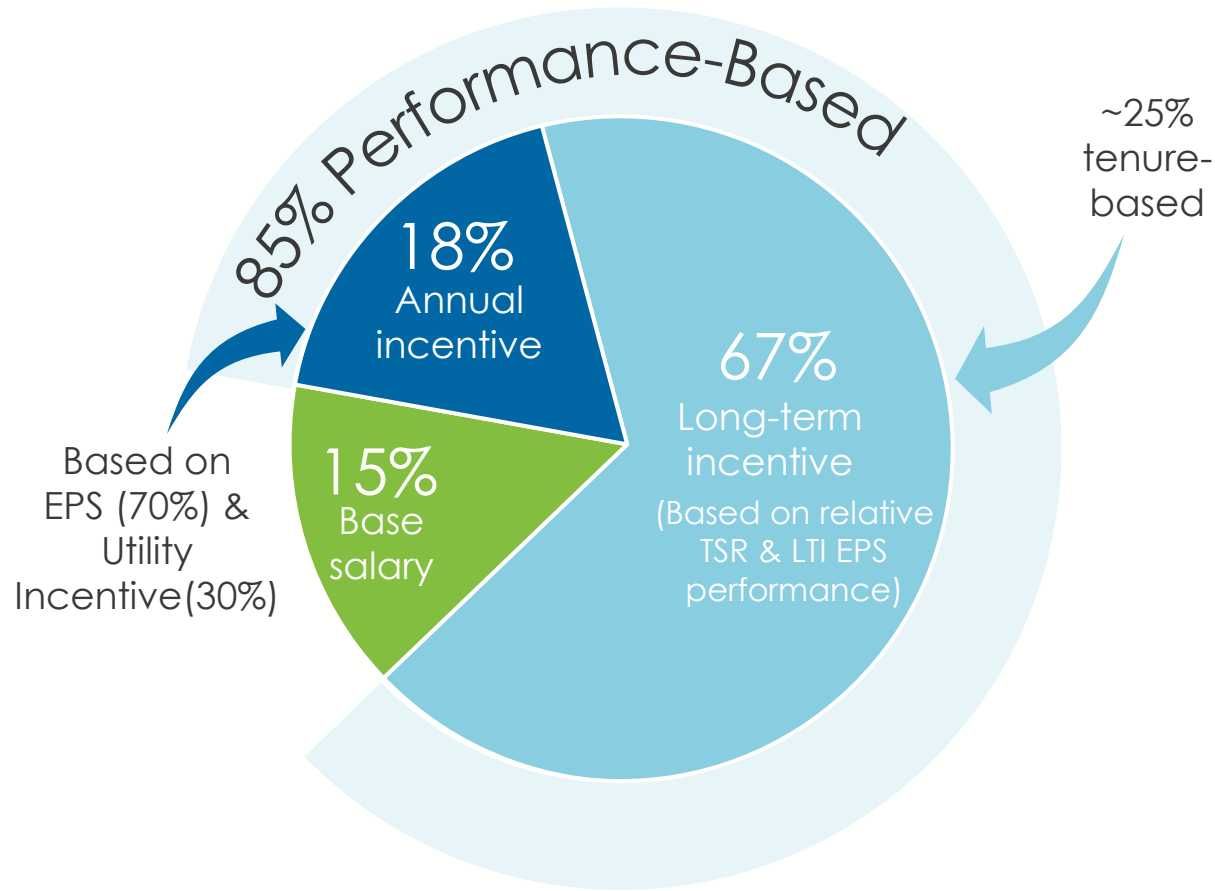
- Review:
 - Financing & investment plans & policies
 - Potential project investments & monitor progress
- Approve:
 - Short & Long-term financing plans
 - Financial policies relating to cash flow, capex & dividends

Governance, Sustainability, & Public Responsibility

- Review:
 - Political & charitable contributions
 - Stakeholder outreach, stewardship & corporate social responsibility & sustainability matters
 - Operation & performance of Board & Committees

CEO Compensation . . .

Compensation Mix for CEO



Operational Goals

PEOPLE	<ul style="list-style-type: none">Employee SafetyCulture IndexCustomer Experience IndexElectric Reliability
PLANET	<ul style="list-style-type: none">Methane Emission Reduction
PROFIT	<ul style="list-style-type: none">Waste Elimination

. . . is 85% performance-based.

Risks are Carefully Considered . . .

Risks

Mitigation Efforts

Regulatory Environment

- Participation in legislative and regulatory policy development

Climate
Carbon Emissions
(Regulation)

- Settled the Clean Energy Plan case approving transitioning out of all coal in 2025 and expansion of renewable build-out
- Energy Efficiency, Demand Response, and Renewable Energy Programs

Severe Weather
(Ice, Thunder, Snow)

- Increased investment in infrastructure and smart electric systems
- Member of EPRI's Climate READi program for latest research on metrics and tools

Water Levels

- Monitor lake levels at generation plants

Natural Disasters

- Geographically located in low-risk area

Economic Conditions

- Targeting efforts via donations to reduce uncollectible accounts
- Helping local businesses navigate federal and state assistance programs

. . . and countermeasures are deployed to mitigate those risks.

Political Giving . . .

Political Giving Focus

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



Enhanced Disclosures

- Publishing annually on the company's website:
 - Expenditures made to influence the outcome of ballot initiatives
 - Direct corporate contributions to an entity organized under Section 527 and Section 501(c)(4) of the Internal Revenue Code, and non-deductible portion of trade association and other organization dues when annual contributions or mandatory membership dues are >\$25K
- All corporate political contributions come from general funds and are not recovered in customer rates
- The Board of Directors oversees political engagement policies, programs and practices

Click [Here](#) for link to Corporate Political Engagement

. . . focuses on critical company and industry-related issues.

APPENDIX

Key IRP Components^a . . .



Renewables & Storage

Solar	4.5 GW by 2030, ~8.0 GW by 2040
Battery	>0.5 GW by 2040 (75 MW beginning in 2024)
Wind	~0.8 GW pre-2025 (approved via RPS)

Customer Programs

By 2030

Energy Efficiency	~1.1 GW
Demand Response	>0.7 GW
Conservation Voltage Reduction	>0.1 GW

Coal

Karn 1&2	~0.5 GW retired in 2023 (securitized)
Campbell 1-3	~1.4 GW retired in 2025 (reg. asset at 9% ROE)

Natural Gas & Peaking Units

Zeeland & Jackson	~1.5 GW (owned & continued operations)
Covert	~1.2 GW acquired in 2023
Karn 3&4	~1.2 GW retired in 2031

Other

Future PPAs	~0.7 GW in 2025 (0.5 GW dispatchable)
-------------	---------------------------------------

Delivering Across the Triple Bottom Line

- ✓ Accelerate decarbonization
- ✓ Exit coal operations in 2025
- ✓ Reliable, affordable, capital upside
- ✓ Expanded clean energy investment

Presentation endnotes are included after the appendix.

. . . ensure reliability, resilience and affordability.

ENDNOTES

Presentation Endnotes (pg 1 of 2)



Slide 3: ^aExcludes seasonal and contract workers ^bAdjusted, (non-GAAP) ^cDividend per share

Slide 4: ^aNet zero methane emissions for our gas delivery system, net zero carbon emissions for our electric business (includes PPAs and MISO market purchases), net zero GHG emissions for our entire business ^bNew or expanding load since 2015 as of December 31, 2022

Slide 5: ^aRepresents the amount of capacity related to CMS Energy's ownership interest

Slide 11: ^aPP&E associated with coal based on calendar year; Today refers to 2022, \$477M of fully depreciated total remaining utility coal assets ^bNet zero carbon emissions for our electric business (includes PPAs and MISO market purchases) from 2005 baseline

Slide 12: ^a2023-2027

Slide 15: ^aConsumers Energy, non-union employees, average 5-yr retention rate ^bAdjusted O&M savings, excludes potential fuel savings

Slide 17: ^aNew or expanding load since 2015 as of December 31,

Slide 18: ^aExcludes discontinued operations

Slide 20: ^aFrom 2005 baseline including utility-owned generation, PPAs and MISO purchases, post coal retirements ^bCarbon emissions from a 2020 baseline for natural gas end-use customers

Slide 23: ^aUtility-owned and PPAs, Today as of 2022

Slide 24: ^aUtility-owned, PPAs and MISO market purchases, Today as of 2022

Presentation Endnotes (pg 2 of 2)



Slide 26: ^aMethane emissions from our natural gas delivery system since 2012

Slide 27: ^aAssumes roughly 1,054 MW saved ($6,000 \text{ GWh} \div (65\% \text{ efficiency rate} \times 8,760 \text{ annual hours}) = 1,054 \text{ MW}$)

Slide 33: ^aEmployer contribution of 5% to 10% for employees not covered by Pension Plan plus up to 4% employer match on 401(k) savings plan for all employees ^bIncludes employee and employer contributions as of December 31, 2022

Slide 45: ^aIncludes contributions made by Consumers Energy, Consumers Energy employees and Consumers Energy Foundation

Slide 48: ^aNew or expanding load since 2015 as of December 31, 2022

Slide 59: ^aCapacity references are in nameplate

CMS Energy provides historical financial results on both a reported (GAAP) and adjusted (non-GAAP) basis and provides forward-looking modeling on an adjusted basis. During an oral presentation, references to “earnings” are on an adjusted basis. All references to net income refer to net income available to common stockholders and references to earnings per share are on a diluted basis. Adjustments could include items such as discontinued operations, asset sales, impairments, restructuring costs, business optimization initiative, changes in accounting principles, changes in federal tax policy, regulatory items from prior years, unrealized gains or losses from mark-to-market adjustments, recognized in net income related to NorthStar Clean Energy’s interest expense, or other items. Management views adjusted earnings as a key measure of the company’s present operating financial performance and uses adjusted earnings for external communications with analysts and investors. Internally, the company uses adjusted earnings to measure and assess performance. Because the company is not able to estimate the impact of specific line items, which have the potential to significantly impact, favorably or unfavorably, the company’s reported earnings in future periods, the company is not providing reported earnings guidance nor is it providing a reconciliation for the comparable future period earnings. The adjusted earnings should be considered supplemental information to assist in understanding our business results, rather than as a substitute for the reported earnings.

GAAP Reconciliation

CMS ENERGY CORPORATION
Reconciliation of GAAP Net Income to Non-GAAP Adjusted Net Income
(Unaudited)



	<i>In Millions, Except Per Share Amounts</i>			
	Three Months Ended		Twelve Months Ended	
	12/31/22	12/31/21	12/31/22	12/31/21
Net Income Available to Common Stockholders	\$ 168	\$ 637	\$ 827	\$ 1,348
<i>Reconciling items:</i>				
Disposal of discontinued operations gain	-	(665)	(5)	(657)
Tax impact	-	145	1	143
Discontinued operations income	-	-	-	(115)
Tax impact	-	-	-	27
Other exclusions from adjusted earnings**	9	*	8	(1)
Tax impact	(2)	(*)	(2)	*
Loss on fleet impairment	-	29	-	29
Tax impact	-	(7)	-	(7)
Voluntary separation program	1	-	12	-
Tax impact	(*)	-	(3)	-
Adjusted net income – non-GAAP	<u>\$ 176</u>	<u>\$ 139</u>	<u>\$ 838</u>	<u>\$ 767</u>
Average Common Shares Outstanding				
Diluted	290.1	289.7	290.0	289.5
Diluted Earnings Per Average Common Share				
Reported net income per share	\$ 0.58	\$ 2.20	\$ 2.85	\$ 4.66
<i>Reconciling items:</i>				
Disposal of discontinued operations gain	-	(2.30)	(0.01)	(2.27)
Tax impact	-	0.50	*	0.49
Discontinued operations income	-	-	-	(0.39)
Tax impact	-	-	-	0.09
Other exclusions from adjusted earnings**	0.03	*	0.03	(*)
Tax impact	(0.01)	(*)	(0.01)	*
Loss on fleet impairment	-	0.10	-	0.10
Tax impact	-	(0.03)	-	(0.03)
Voluntary separation program	*	-	0.04	-
Tax impact	(*)	-	(0.01)	-
Adjusted net income per share – non-GAAP	<u>\$ 0.60</u>	<u>\$ 0.47</u>	<u>\$ 2.89</u>	<u>\$ 2.65</u>

* Less than \$0.5 million or \$0.01 per share.

** Includes restructuring costs, business optimization initiative, and unrealized gains or losses from mark-to-market adjustments, recognized in net income related to NorthStar Clean Energy's interest expense.

Management views adjusted (non-Generally Accepted Accounting Principles) earnings as a key measure of the Company's present operating financial performance and uses adjusted earnings for external communications with analysts and investors. Internally, the Company uses adjusted earnings to measure and assess performance. Adjustments could include items such as discontinued operations, asset sales, impairments, restructuring costs, business optimization initiative, changes in accounting principles, changes in federal tax policy, regulatory items from prior years, unrealized gains or losses from mark-to-market adjustments, recognized in net income related to NorthStar Clean Energy's interest expense, or other items. The adjusted earnings should be considered supplemental information to assist in understanding our business results, rather than as a substitute for reported earnings.