

2021

Environmental, Social, Governance and Sustainability Report



A Letter from Our President and CEO

At CMS Energy, we strive to lead in everything we do. It's leadership that drives our purpose of World Class Performance Delivering Hometown Service. I'm proud of our more than 9,300 co-workers, including the more than 8,700 at our largest subsidiary, Consumers Energy. Together, they provide essential services to customers throughout Michigan's Lower Peninsula. They share a deep commitment to deliver on our promise to serve our customers, our communities, our investors, our state and each other. Throughout this report, you'll read about the many ways we're creating a sustainable energy future for Michigan. These include:

Leading the clean energy transformation through our pledge to our triple bottom line – people, planet and prosperity.

We're proud of our recent pledge to deliver industry leading net zero methane and carbon emission targets for our customers, investors and our planet — it's the opportunity of our generation. Our success in this important work depends on partnering with our customers to optimize energy demands in innovative ways like our energy efficiency programs. We'll also continue our legacy of justly and equitably transitioning our co-workers and supporting our communities as our coal plants close.

Delivering excellence that's grounded in our commitment to our corporate values.

We must never lose sight that we're here to serve our customers, co-workers, communities and investors, our state and each other. Our service is more than just delivering electricity and natural gas — it's light and heat, economic vitality and the quality of life that our customers and communities have come to expect. My co-workers show up every day with a heart of service, while recognizing that we can always do better. We can always improve the value we provide for our customers. We can always work safer. It's a commitment to Excellence.

Creating an environment where all contributions are heard and valued, and everyone knows they belong.

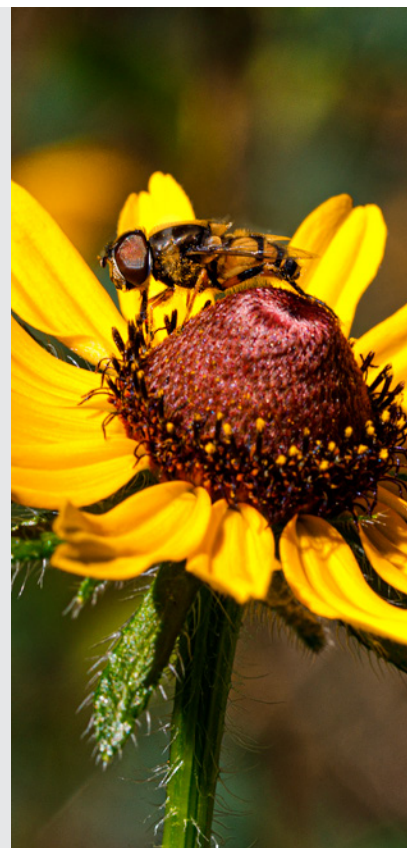
"I see you, and you belong." That's the title of our Diversity, Equity and Inclusion statement. This is an important statement because it opens us up to see each other and create spaces where everyone belongs. We cannot afford to think of the events of the past year as just moments in time. They must be a movement — a sustained motion that spurs transformation. As a leader, I choose movement.

This report includes data showing our environmental, social and governance (ESG) performance. You'll also read stories about how our performance shows up in service to our customers, our communities and our state. It's my hope you'll come away inspired by all we're doing to cultivate a brighter, cleaner future.



Garrick J. Rochow

President and Chief Executive Officer • CMS Energy and Consumers Energy





About This Report

CMS Energy has integrated sustainable practices throughout our corporation. Our commitment to our triple bottom line — people, planet and prosperity — is our foundation. As the parent company of Michigan's largest utility, Consumers Energy, consideration of environmental, social and governance (ESG) issues is embedded in our strategy, business planning and enterprise risk management processes. These commitments align with our purpose: World Class Performance Delivering Hometown Service. The triple bottom line balances the interests of all stakeholders, including co-workers, customers, suppliers, regulators, Michigan residents and the investment community.

CMS Energy participates in a voluntary industry initiative, coordinated by the Edison Electric Institute (EEI) and the American Gas Association (AGA), to provide the public, our customers and shareholders uniform and consistent ESG and sustainability-related metrics. This report supplements our existing disclosures on these issues, including the content on our [sustainability website](#), which shares more about our sustainability efforts.

Consideration of environmental, social and governance issues is embedded in our strategy, business planning and enterprise risk management processes.

SECTION 1

Our Sustainability Story

Environment

Our commitment to the environment is a pillar of our sustainability efforts. Our Clean Energy Plan is one way we demonstrate that commitment, but we also focus on many other environmental goals across our business operations to better serve Michigan's future.

Clean Energy Plan

In June 2021, we announced a sweeping proposal to power Michigan's future with clean energy. Our Clean Energy Plan, also referred to as our Integrated Resource Plan, is a bold, 20-year blueprint to guide our electric business. It positions us as an industry leader and protects the environment for generations to come. The plan, which requires regulatory approval, will:

- **End coal use by 2025 – 15 years sooner than planned:** Accelerating the elimination of coal as a fuel source for electricity will dramatically improve air quality, cut greenhouse gas emissions, reduce waste sent to landfills and save water.
- **Increase renewable energy:** By 2040, more than 60% of our electric capacity will come from renewable sources. We've already begun tapping more solar power and plan to add nearly 8,000 megawatts by 2040.
- **Transition to a smarter grid:** Energy efficiency programs and emerging technologies, such as grid modernization and battery storage, will help us lower peak customer demand and deliver the precise amount of electricity that Michigan needs.
- **Offer more control and savings for customers:** We'll provide customers with the power to increase energy efficiency and save money. Their participation is key to our success. We expect to save customers about \$650 million through 2040.
- **Create a flexible strategy:** Our plan is designed to respond to emerging needs, adapt to changing conditions and embrace new, innovative technologies as we work to achieve net zero carbon emissions.
- **Ensure reliability through natural gas-fired plants:** During this historic transition away from coal generation, we plan to acquire four existing natural gas-fired power plants.

This plan would also help us reduce carbon emissions from owned generation by about 80% from 2005 levels by 2040. These aggressive proposed reductions are faster than required by the Intergovernmental Panel on Climate Change's recommendation to limit global temperature increases to less than 1.5 degrees Celsius and Michigan's net zero goal, which is part of an executive order for the state to reach 100% carbon neutrality by 2050.

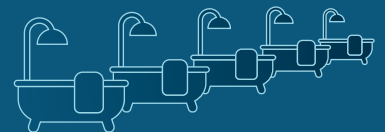
Early Elimination of Coal Will:

Reduce carbon dioxide emissions by 63 million tons.



Which is like parking all of the registered automobiles in Michigan, Illinois and Ohio for a year.

Reduce 220 billion gallons of water use from our electric generating system each year.



Which equals more than 5 billion bathtubs of water.

Avoid 3 billion cubic yards of coal ash waste from our electric generating system.



Which equals about 200 million dump trucks full of dirt.

“We’re determined to do what’s right, not merely what’s required, to protect Michigan’s environment while supplying the energy we’ll need for decades to come,” said Garrick Rochow, president and CEO of CMS Energy and Consumers Energy.

We’re also a proud member of the Low-Carbon Resources Initiative, a five-year effort led by the Electric Power Research Institute and the Gas Technology Institute to accelerate the development and use of low-carbon energy technologies.

Renewable Energy

Our Clean Energy Plan also includes major expansions of our renewable generation by 2040. We plan to add capacity incrementally, allowing flexibility in planning and resource type to adapt to changing conditions. Our goal is to add nearly 8,000 megawatts of solar energy in the 2020s and 2030s. We plan to add the solar capacity, a mix of owned and purchased power, through a competitively bid annual solicitation process to keep costs low.

The 2021 Clean Energy Plan forecasts renewable capacity levels of:

- 35% by 2025
- 47% by 2030
- 63% by 2040

When our renewable generation is combined with our advances in energy storage and customer efficiency programs, we plan to meet our customers’ electricity needs on the hottest days with 90% clean energy resources. In addition, since 2005, our renewable nameplate capacity, including from power purchase agreements, has grown from 3% to 11%. We look forward to continued growth as we transition from coal to renewables in support of our Clean Energy Plan.

We currently own and operate four wind parks in Michigan: Lake Winds Energy Park in Mason County (100 MW), Cross Winds Energy Park (231 MW) in Tuscola County, Crescent Wind Farm (166 MW) in Hillsdale County and Gratiot Farms Wind Project (150 MW) in Gratiot County. The Heartland Wind Farm (about 200 MW) in Gratiot County is scheduled to come online in 2022.

Our efforts to increase new renewable energy sources extend beyond wind parks. We’ve also:

- Procured about 300 megawatts of new solar capacity, including the Calhoun Solar Center (140 MW) and the Mustang Mile project (150 MW) scheduled to come online in 2022. We plan to add 300 MW in 2023 and plan for another 500 MW in 2024.
- Expanded available capacity of our Solar Gardens program to include a new 500-kilowatt (kW) site in Cadillac. This resource, along with the existing 3-MW site at Grand Valley State University and the 1-MW site at Western Michigan University, provide an easy and affordable way for customers to subscribe to solar energy without having to purchase and install their own panels.



Planet Goals Update

In 2018, we affirmed our commitment to protect the planet by pursuing five-year goals to:

- Save 1 billion gallons of water.
- Enhance, restore or protect 5,000 acres of land in Michigan.
- Reduce waste sent to landfills by 35%.

We’ve met each of our planet goals and are evaluating new targets for the coming years.

Our goals were met by company-wide efforts like clean-ups, improving wildlife habitats, increasing recycling at our facilities and finding new ways to reduce water consumption.



- Served the needs of businesses in meeting their sustainability goals through the Large Customer Renewable Energy Program, which expanded from 155,000 MWh to 400,000 MWh of available capacity in 2020. Customer demand has increased significantly for corporate renewable procurement.
- Launched four new Renewable Energy Credit pilots in 2021, which provided an expanded set of options for business customers to get renewable energy credits from Michigan and national resources. The new Michigan REC pilot is also available to residential and business customers who choose to match a portion (or all) of their electric use with renewable energy credits.

Energy Efficiency

Our Clean Energy Plan relies on energy efficiency as a key to reduce our company's carbon emissions to build a more sustainable future for Michigan.

"Reducing energy is good for people, the planet and Michigan's prosperity by saving money for household budgets, reducing carbon emissions and putting people to work," said Brian Rich, Consumers Energy's Senior Vice President and Chief Customer Officer.

In 2020, our energy efficiency programs helped customers save nearly \$700,000 on their energy bills and boosted our total customer savings \$3.9 billion from 2009 through 2020. They also prevented more than 18.7 million tons of carbon dioxide emissions. The cumulative 2009-2020 savings are equivalent to supplying electricity to more than 2.5 million homes and natural gas to 1 million homes for a year.

We received the U.S. Environmental Protection Agency's 2021 ENERGY STAR® Partner of the Year Sustained Excellence Award in recognition of our efforts.

Electric Vehicle Programs

In 2019, Consumers Energy launched the [PowerMIDrive™](#) program, a three-year effort to expand charging and grid capabilities to help customers realize the economic and environmental benefits of electric vehicles (EVs). The additional charging stations reduce the anxiety many consumers feel about not knowing if their cars will have enough power to reach their destinations. Since the program launched, we've increased EV charging capabilities and public charging infrastructure across our electric service territory. In many cases, we've done so through providing rebates to customers, businesses and agencies wishing to join in the success of Michigan's transition to EVs. We've also partnered with the Michigan Department of Environment, Great Lakes and Energy (EGLE) to provide 24, of a planned 36, direct-current fast charger rebates across the Lower Peninsula of Michigan.

Consumers Energy also enrolled more than 700 customers in a year-round time-of-use rate, which provides lower rates for EV charging during off-peak hours when energy use is normally at its lowest. Initial data showed this rate successfully encouraged off-peak charging, with about 90% of charging happening during off-peak times on weekdays and over 78% off-peak charging on weekends.

In 2021, Consumers Energy launched [PowerMIFleet™](#), a three-year pilot program designed to help fleet owners transition to electric vehicles while keeping the grid operating efficiently and sustainably for all customers. The program offers assessments, rebates and electrical upgrades to help business customers get their sites ready for EVs.

We're also electrifying our own fleet. We've set a goal to electrify 30% of our fleet over the next 10 years, including our light-duty vehicles. We expect the transition will save more than \$17 million over those vehicles lifetimes. Currently, 5.5% of our vehicles are electric. We have over 90 all-electric or plug-in hybrids on the roads today. We're incorporating changes in a structured approach that ensures the technology will meet the demands of service and that we remain agile in the process.



Three Organizations Recognized with Energy Efficiency Project of the Year Awards

From schools to packaging manufacturers to breweries – companies across the state are embracing energy efficiency and a clean energy future for Michigan.

Three of those organizations – Westwood Heights School District of Flint, Graphic Packaging International and Presidential Brewing Company of Portage – were honored with 2019 Consumers Energy Energy Efficiency Project of the Year awards.

The awards highlight specific projects demonstrating a commitment to reduce energy use, save customers money and protect our planet for future generations.

Westwood Heights partnered with Unesco to install new HVAC equipment, LED lighting and controls in the district's Michael Hanady Middle & High School to save energy and money and improve the learning environment for students and teachers.

"Actions speak louder than words" said Jill Diliberti, Energy Manager at Genesee Intermediate School District. "Seeing the changes at the school, how it's a well-lit, comfortable learning environment, that speaks volumes."

[+ Learn More Here](#)

Improving Our Electric Infrastructure

A sustainable future also means strengthening our grid to prepare for climate change effects like more frequent and severe storms. In 2021, we filed an updated [Electric Distribution Infrastructure Investment Plan](#) (EDIIP), which is a blueprint of our five-year strategy to improve our electric distribution system and the reliability of our grid. Our plans dedicate over \$1 billion annually to projects to reduce the number and duration of power outages for our 1.9 million electric customers.

Our EDIIP will increase reliability performance through:

- **Infrastructure upgrades:** Portions of our high- and low-voltage distribution network are aging. Our proactive investments aim to replace or rebuild poles, wires and substations, with a goal of improving 1,000 miles of our system each year.
- **Tree trimming:** Traditional tree trimming is still a highly effective way to prevent and shorten power outages and improve system reliability. Our plan includes a significant investment in forestry management — more than \$500 million over five years — that will keep distribution lines clear.
- **Grid modernization:** Smart meters, sensors and automation devices work together to serve customers. These tools help us optimize power delivery and solve problems often before customers notice.

Our plans also include increasing training for electric operations co-workers and heightening cybersecurity to keep our electrical grid running safely.

Natural Gas Delivery Plan

We're updating our natural gas delivery system to ensure safe, reliable, affordable and clean energy. We also expect the role of natural gas to evolve as electrification expands, providing exciting opportunities to support the planet. That's why our 10-year, \$11 billion [Natural Gas Delivery Plan](#) includes:

- Investing to make our infrastructure and processes safer and more reliable while reducing greenhouse gas emissions.
- Reducing our emissions through investing in new, more durable pipes with improved leak protection compared to historical pipe materials.
- Exploring the use of emerging technologies to help our customers and suppliers reduce their emissions.

Mission to Cut Methane

We're creating a cleaner energy future for Michigan by reducing emissions of methane, a greenhouse gas 25 times more potent than carbon dioxide. Over the past decade, we've reduced methane emissions from our natural gas distribution system by more than 15% and plan to achieve net zero methane emissions by 10,000 metric tons by 2030, which equates to reducing 10,000 metric tons of methane.

We're also pursuing new opportunities to use renewable natural gas by capturing methane emissions. Renewable natural gas is derived from sources of methane like organic waste from farms, wastewater facilities and industrial sites. Methane, which would otherwise be emitted into the atmosphere, is captured and converted into pipeline quality natural gas. Our investment in renewable natural gas offers Michigan's agricultural and transportation sectors an innovative way to reduce their greenhouse gas emissions. Our [Methane Reduction Plan](#) further details our efforts



Reducing methane by 10,000 metric tons a year is like preserving more than 300,000 acres of forests.

SOCIAL

Our success in achieving our ESG goals extends beyond our environmental commitments. We also continuously work to maintain — and often improve upon — our social goals through prioritizing our values, safety, and Diversity Equity and Inclusion (DE&I) efforts. We're also committed to care for our co-workers and communities through just principles and giving.

Culture Values Drive All Our Actions

Our culture mindset guides the actions and behaviors of all co-workers, allowing everyone to work safely to serve our customers and our communities. Each value in the culture mindset is critically important, and together they align with our strategy and drive our actions.

The actions of our co-workers are what makes our company unique. An intentional focus on our culture allows co-workers to thrive and succeed in an environment where their voices are heard and their contributions matter.

Health and Safety

The health and safety of our co-workers is always a top priority. We've worked hard to improve our safety culture and performance, which has resulted in a greater than 70% decrease in safety incidents since 2008. 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 allows us to address safety precursors, such as "Safety Good Catches" or "Stop the Job" and implement controls to prevent serious injuries or deaths.

We also continue to emphasize the safety of our communities and community members as we look for opportunities to improve our infrastructure and educate our customers and those who live and work near our facilities.

Our COVID-19 Response

In 2020, we added COVID-19 to our list of safety priorities. Since then, our company has taken many steps to protect our co-workers and customers from the spread of COVID-19 and help those directly affected. In alignment with Centers for Disease Control guidelines and the orders and rules from the state of Michigan, we changed customer interactions to promote health and safety. We also equipped our frontline co-workers with appropriate personal protective equipment and adjusted co-worker policies to provide better support. In addition, we made emotional well-being a top priority.

Coworker Shares Story to Help Others

Caring for our co-workers is something that makes us stand out as a sustainable company.

When COVID-19 struck lineworker Eric Florka in April 2020, it started with symptoms that he thought were allergies and led to a 44-day hospital stay.

He also lost 40 pounds during his six-month battle against the deadly disease. Florka said it felt like "death was knocking at his door."

Despite needing a ventilator and blood transfusion, Florka fully recovered. His story touched others and served as a reminder to follow safety guidelines.

As a company we responded seriously to COVID-19. Sick co-workers were allowed unlimited time off to recover.

Our essential workers stayed on the job and followed strict guidelines to keep themselves and our customers safe.

Other co-workers demonstrated agility in a quick transition to remote work.



An intentional focus on our culture allows co-workers to thrive and succeed in an environment where their voices are heard and their contributions matter.



We also created a [\\$12 million fund](#) to help Michigan residents and small businesses struggling to pay their energy bills due to COVID-19. The fund provided a lifeline to help those in need. Consumers Energy has set a goal to help about 25,000 households and 1,000 small businesses with this new assistance. Our [Emergency Response](#) webpage offers additional information.

Cybersecurity

We understand and acknowledge the risks posed by today's cybersecurity threats. Our Board of Directors (board) is responsible for overseeing our cybersecurity risks. These risks are managed through a robust security program that includes people, processes, technology and governance structures. Our board oversight includes regular program updates and third-party audits. Two board members have extensive industry experience in cybersecurity. Security is an integrated organization accountable for both cyber and physical security and reports to a senior vice president.

Our processes include a review of all security-related projects prior to implementation. A dedicated team monitors our environment and regularly shares threat information with peers, state and federal partners. We also conduct regular drills, exercises, vulnerability assessments and penetration tests to assess the security of our systems. Additional areas of focus include risk management, data privacy and compliance.

We have a strong security culture through annual training, which includes courses on a variety of security-related topics. We also conduct monthly phishing tests through our Don't Take the Bait program, which asks co-workers to report suspicious emails that demonstrate common phishing tactics in real-world scenarios. When co-workers click on a test-phishing email, they are provided with information on cybersecurity best practices. We monitor our Don't Take the Bait statistics every month and communicate this data with co-workers to further emphasize their important role in cybersecurity.

Human Rights

We're committed to help create a world where all people are respected and included, valued for their unique qualities and abilities, treated fairly and afforded the opportunity to advance. We protect the rights of women, minorities, LGBTQ+, veterans and all people. To help accomplish this vision, all co-workers are expected to be strong ethical community partners and form positive relationships wherever we do business. We will:

- Work to avoid causing or contributing to human rights violations.
- Mitigate and/or remediate adverse human rights impacts.
- Prohibit the use of child labor, forced labor, human trafficking and modern slavery.
- Be transparent in our efforts, successes and challenges.



A Majestic Spin on and Green Energy

We're harvesting Michigan's winds to generate clean, renewable energy.

In February, we added the Crescent Wind Farm in Hillsdale County to our wind park operations. We also own wind parks in Mason, Tuscola and Gratiot counties.

Our Gratiot Farms Wind Project began operating in late 2020, and we

took customers on a virtual tour through construction.

Together, our majestic, revolving towers crank out enough wattage to power about 250,000 Michigan residents.

With each new wind park, we generate new jobs and churn out tax revenue for local governments and schools.

[+ Watch Video](#)



Our [Human Rights Policy](#) further details this commitment. It details our stance and standards on diversity, equity and inclusion (DE&I), fair and equitable pay, our 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 Code of Conduct](#), which applies to all co-workers, further emphasizes our commitment.

Diversity, Equity & Inclusion

As a company, our commitment to DE&I is long-standing. Our first Employee Resource Group (ERG), the Women's Advisory Panel, was founded in the mid-1980s. Over the years, we've expanded to seven flourishing groups:

- **capABLE:** Removes barriers, opening minds, creating pathways to meaningful work for current and future co-workers of all abilities.
- **GENERGY:** Bridges the gap of learning, networking and mentoring across the generations of our workforce.
- **Minority Advisory Panel:** Promotes a culture of diversity and inclusion among all racial and ethnic minorities through education, leadership, development and networking.
- **Pride Alliance of Consumers Energy:** Promotes an inclusive environment that is safe, supportive and respectful for lesbian, gay, bi-sexual and transgender persons and allies.
- **Veteran's Advisory Panel:** Provides support to former active military personnel and assists in recruiting and retaining veterans through career development.
- **Women's Advisory Panel:** Supports the retention, development and success of women at our company.
- **Women's Engineering Network:** Empowers women in Science, Technology, Engineering and Math (STEM) fields while building capabilities to support company objectives.

Three separate organizations recognized us in 2020 for our outstanding commitment to creating a stronger, veteran-friendly employer environment, including through the efforts of our Veterans Advisory Panel.

In 2020, we created Inclusion Champion roles in our union workforce. Inclusion Champions are full-time team members, comprised of both union and exempt



Meeting the hunger and economic needs in "Our Town"

From restaurants to families in need — the COVID-19 pandemic hit our neighbors hard.

We joined Jackson-area partners in February 2021 to help fund the 10-week, Our Town program.

The program helped distribute 41,983 healthy meals to local families. Local restaurants prepared the meals, and much of the food was locally sourced to further support the community.

Nearly \$500,000 contributed by us and several community partners kept small businesses open and restaurant workers employed during some of the most difficult weeks of the pandemic.

"In the Martin Luther King Center, we have a quote from Martin Luther King that says life's most urgent question is, 'what are you doing for others?' I think Consumers speaks to that," said center director Antonio Parker.

"They say, 'we're not going to wait, we are going to do for others.'"

The program inspired a similar effort in Shiawassee County.

We were proud to meet the hunger and economic needs of our community and help inspire efforts across the state.

[+ Watch Video](#)



co-workers, who actively contribute to our overarching DE&I goal of belonging through leading grassroots communication efforts, sharing opportunities for involvement, identifying and addressing gaps, problem solving and providing continuous learning and development at a local level.

Although DE&I has been a key part of our culture for a long time, recent racial discrimination and social injustice events across the nation have accelerated our DE&I efforts. Our mission is to drive success in three key pillars that encompass the entirety of our co-worker, customer, community and investor interactions.

- **Our culture:** We embed DE&I into our culture to focus on educating our co-workers and leaders on DE&I and highlighting opportunities in which they can contribute to create an inclusive environment.
- **Our processes:** We ensure that all our processes have a DE&I focus. We believe that DE&I proficient people and DE&I proficient processes yield better DE&I outcomes.
- **Our talent:** We work to build a diverse, equitable and inclusive workforce through our strategies to attract and retain diverse talent. This begins with a talent-sourcing strategy that recruits in areas representative of all demographics and allows us to build diverse, qualified candidate pools. Creating a diverse and inclusive workforce expands beyond strategic sourcing to the processes we use in our co-worker lifecycle (e.g. hiring, promoting, developing, succession planning).

In 2021, we launched a from-the-top DE&I learning model for all our co-workers, starting with company leaders. This includes unconscious bias training for all leaders by 2021 and 100% of our workforce by 2022. By training everyone in core DE&I concepts — such as the role that unconscious bias plays in our personal and professional relationships and decision-making — we’re building a solid foundation that makes DE&I an integral part of our work experience.

We’re inclusive in our hiring through diverse candidate pools and hiring committees for every position posted. We engage in long- and short-term talent pipeline development using the U.S. Chamber of Commerce Talent Pipeline Management™ system. Accurately forecasting demand for critical positions enables formation of key partnerships with K-12, post-secondary institutions and professional associations to prepare a diverse, qualified workforce for immediate and future needs. We also support and advocate for science, technology, engineering and math education in Michigan to grow our workforce and raise awareness of career pathways in the energy industry.

Our commitment to our DE&I strategy goes beyond the walls of our company. We’re also looking outward to serve as a driving force for good in our service territory and throughout Michigan. Our recent efforts include:

- Strengthening our relationships with veterans through donations, including Tee It Up for Troops and Veterans in Energy.
- Donating to support social justice issues, fight racism and create systemic change and opportunities in Michigan.
- Helping lead efforts to add gender identity and sexual orientation to the list of protected classes under the state’s Elliott-Larsen Civil Rights Act.
- Supporting efforts to increase ethnic and racial diversity in business ownership and entrepreneurship in West Michigan.
- Working with our suppliers to better gauge their stance on DE&I and how it aligns with ours to ensure best business practices throughout the supply chain.



Additionally, we're actively maturing our existing supplier diversity initiative to create a sustainable, long-term initiative that includes an expanded diverse supplier network, validating certification of diverse vendors and Enhanced Tier II reporting for suppliers of our suppliers. Our supplier diversity investments help fuel our goal to double spending with diverse suppliers by the end of 2023.

Our stand for DE&I will continue with our customers, co-workers, communities and investors. Our comprehensive DE&I strategy allows us to focus on all aspects of diversity and create a company that is inclusive of all ideas in the pursuit of the best outcome.

Labor Rights

We also prioritize labor rights. CMS Energy and its subsidiaries comply with all applicable U.S. federal, state and local laws and regulations concerning our co-workers 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 employee's rights to associate freely and bargain collectively. Co-workers are expected to comply with federal and state laws and to our company's policies and collective bargaining agreement provisions, as applicable. [Our Labor Rights Policy](#) is available on the CMS Energy webpage.

We conduct annual audits to ensure our policies and practices provide 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.

Additionally, we expect that those we do business with comply with our labor right's expectations. We ask that third parties operate safely and in a manner that reflects our values. For more information, see our [Third-Party Code of Conduct](#).

Just Transition

Our proposed Clean Energy Plan is a sweeping change for our company. For most of the last 135 years, we've functioned as a traditional utility, using baseload, coal-fired power plants to generate and deliver electricity to customers.

Reinventing ourselves as a cleaner, leaner and more flexible energy company produces significant benefits for customers, co-workers and the communities we serve. But we also recognize our bold plans are accompanied by sacrifice and can create new challenges.



Helping Monarch Butterflies Flourish

In 2020, we joined a national effort to support monarch butterflies.

The Candidate Conservation Agreement with Assurances (CCAA) is led by the U.S. Fish and Wildlife Service and is an ongoing, voluntary conservation agreement to protect and manage monarch butterflies.

We survey our lands for butterflies and milkweed — the only host plant of monarch caterpillars. This agreement helps us protect monarchs by using best practices to manage forestry and maintenance on our lands

and right of ways. As one of Michigan's largest landowners, we can make a notable difference in species survival. That's why we've dedicated more than 250,000 acres of land toward the project.

The agreement also simplifies our permit process because it assures agencies that we are committed to protect and restore monarch butterfly habitats on our lands.

[+ Read More Here](#)



We are committed to solve these issues as justly and equitably as possible as we move away from using coal as a fuel source for electricity.

The plants we've recently retired or have proposed closing earlier have served our company and customers faithfully for decades. As in the past, we plan to support the co-workers and communities affected by early plant retirements by finding new roles for those who want to stay.

Progress at the seven coal-fired units we retired in 2016 is proof we're keeping those promises. In all cases, we found new roles for co-workers who wanted to stay with our company and helped local leaders pursue new economic possibilities — a philosophy we plan to follow with proposed retirements at our Campbell complex near Holland (2025) and Karn complex near Bay City (2023).

Environmental Justice

Environmental justice refers to protecting communities, especially the most vulnerable, from harm caused by industrial practices, including when industries move away from communities. Although we adhere to all regulatory requirements involving our coal facilities, it's inevitable that coal plants can have a negative impact because of carbon emissions and coal ash ponds at the sites.

Our Clean Energy Plan and our previous coal plant retirements demonstrate our commitment to protect communities from environmental injustices. When our coal-fired plants closed in 2016, our efforts included restoring the areas around the facilities. We also created new habitats for bees, butterflies and waterfowl.

In Muskegon, redevelopment of the former Cobb Plant is part of a broader vision to restore habitat and revitalize the economy along Muskegon Lake. And the site of the former Whiting Plant in Luna Pier has been prepared for redevelopment and marketed for new uses.

While ending coal use is the centerpiece of our Clean Energy Plan, our plan also calls for adding thousands of megawatts of wind and solar energy through 2040 when renewables would comprise more than 60% of electric capacity.

Reaching our goals requires building wind and solar generation facilities in Michigan or buying electricity generated from projects developed by others. In either case, we're committed to operating as good corporate neighbors and working with landowners and local communities to select the optimal locations, communicate clearly about project plans and benefits and minimize impacts to the environment.

To help deliver the benefits of solar energy more equitably, we've launched a new "Sunrise" component of our Solar Gardens program, allowing community action



Picture Perfect

In May 2020, the Consumers Energy Foundation donated \$1.8 million to community organizations supporting small businesses across Michigan, focusing on helping female- and minority-owned companies.

Beth Price owns a photography business in her hometown of Traverse City. Preferably with freshwater as her theme, she often snaps her shots while wearing a wetsuit, fins and a swim mask in her beloved Lake Michigan.

But it was the figurative shot in the arm she received in spring 2020 – a local grant from

the Regional Resiliency Fund, administered by Venture North and supported by the Consumers Energy Foundation – that kept her going through the economic challenges created by COVID-19.

"I was thrilled and humbled to receive the grant. It spoke to me in a dark, uncertain time that what I do really matters," Price said. "My community was telling me, 'We believe in your business and we believe in what you're doing here in Northern Michigan. You're part of us.'"

[+ Learn More Here](#)



agencies and nonprofit organizations to subscribe to solar gardens on behalf of income-qualified customers. The program also provides credits on their utility bills.

Once wind parks and solar projects begin operating, we maintain and operate our facilities according to the highest safety and environmental standards and continue to abide by local regulations.

We're committed to doing what's right to ensure positive working relationships with the communities where our generating facilities are located.

Consumers Energy Foundation

Consumers Energy has given back to Michigan for nearly 135 years, and since 1990, we've helped local communities grow and thrive through the Consumers Energy Foundation.

The foundation, our company and co-workers provide support for organizations and efforts to help people, protect the planet and promote prosperity. In 2020, the foundation donated nearly \$9.7 million to Michigan nonprofits.

Since 2009, foundation giving has totaled more than \$51 million and Consumers Energy has donated an additional \$81 million, for a combined amount of \$132 million given back to nonprofits and communities across the state.

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

When COVID-19 arrived in Michigan, the foundation acted swiftly to support communities. The foundation paused regular grantmaking and dedicated unallocated funds to address the challenges facing Michigan's residents and small businesses. In 2020, more than \$5.4 million of foundation funds were directed to Michigan's nonprofits to support COVID-19 relief.

More than \$1.8 million went to support nonprofits providing food and basic needs, including 1.5 million meals through food banks, school programs, quarantine boxes for isolated and home-bound senior citizens and mobile food distribution.

The foundation also provided a lifeline to female and minority-owned businesses through more than \$2.4 million in donations, which were distributed to 29 organizations across Michigan.

Additional funds were provided to community foundations that offered emergency relief and programs that served Michigan's most vulnerable populations during the pandemic.

Employee Giving

One of our greatest points of pride during our COVID-19 response was how our co-workers stepped up and used their own dollars to care for our neighbors across the state. We created a special program that matched all employee donations that were made to qualifying nonprofit organizations through July 31, 2020.

Our foundation matched, dollar-for-dollar, approximately \$260,000 donated by 261 co-workers, and contributed to 110 nonprofits across Michigan.

Throughout the remainder of 2020, additional employee donations were matched up to \$1,000 through our existing matching gifts program, which contributed nearly \$100,000 additional dollars to nonprofits.



In 2020, the Consumers Energy Foundation, Consumers Energy and its co-workers and retirees contributed more than \$19 million to Michigan nonprofits.



Hardship Relief

The CMS Energy Hardship Relief Fund provides short-term financial assistance to co-workers who experience hardships such as natural disasters, accidents and the death of family member. Applicants can receive up to \$5,000 in hardship funds to pay for expenses like housing assistance, transportation and medical care. The fund is supported through CMS Energy and coworker contributions and further demonstrates our culture of caring.

Governance

CMS Energy and Consumers Energy have multiple levels of sustainability oversight integrated into daily operations. We 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.

Board Oversight

Our board is comprised of directors with experience and knowledge of ESG and sustainability issues and has the highest level of oversight over our ESG and sustainability practices. Review of these practices occurs at the board level by the:

- Audit Committee
- Governance, Sustainability and Public Responsibility Committee (Governance Committee)
- Compensation and Human Resources Committee (Compensation Committee)

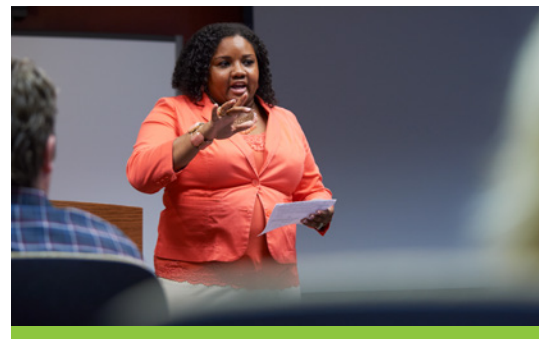
The Audit Committee oversees our ERM framework, which includes strategic and operational risks, as well as the processes, guidelines and policies for identifying, assessing, monitoring and mitigating such risks.

The Governance Committee is responsible for reviewing and evaluating the composition of the board, recommending board nominees, broadly overseeing the corporate governance and advising and assisting the board on 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 Committee is responsible for our executive compensation structure, benefit and compensation plans and critical human resource programs. The committee charters and other governance documents, including our Corporate Governance Principles, can be found at [CMSEnergy.com](https://www.cmsenergy.com/governance).

Our Environment & Sustainability Council (E&SC), comprised of senior leadership, also guides our environmental compliance 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.



Teams Stay Green During COVID-19

Our Green Teams make a positive environmental impact across the state. These teams get their hands dirty near their office locations and hometowns.

COVID-19 guidelines halted most volunteering for 2020, but our teams stayed active with at-home challenges, including family-friendly activities like making birdhouses, holiday cards and Halloween costumes. In the past, Green Teams have also planted community gardens and built greenhouses from recycled plastic.

Our Green Teams also hosted a company-wide virtual conference to inspire others to go green. Attendees learned about our pollinator habitats and efforts to stop the spread of invasive species and received some how-to on backyard beekeeping.

The event also included virtual chats with company executives, including Garrick Rochow, our president and CEO.

In the spring of 2021, our teams reunited to clean and spruce our communities and make the world a greener place.



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. The ERM program covers risks for CMS Energy and its subsidiaries across many areas: strategic, operational, regulatory, environmental, financial, information technology and cybersecurity.

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 in a cost-effective manner.

Internal and external data sources are leveraged as input into our long-term strategic planning. The information is used to assess our strategic choices and underlying assumptions.

The 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 usage trends and climate policy.

Stakeholder Engagement

We spend significant time and effort listening to our customers, the public and key stakeholders during our long-term planning processes. Our integrated resource plans and environmental and sustainability strategies consider people, the planet and prosperity.

In 2017 and 2018, for example, we engaged a variety of stakeholders in developing our Clean Energy Breakthrough Goals and our Integrated Resource Plan (IRP) filing. We continued and expanded on these efforts in 2020 during the development of our 2021 IRP, which refreshes the current Clean Energy Plan.

With the safety of our customers and co-workers uppermost in our mind during the COVID-19 pandemic, we hosted four virtual outreach events that were free and open to the public. Each virtual event contained information on a key element of our Clean Energy Plan and allowed participants to ask questions and receive responses from the company's subject matter experts.

We also developed a comment box on our website so customers could comment on our current plan and provide feedback toward the development of the 2021 IRP. Additionally, we hosted three technical workshops for key stakeholder groups during the IRP planning process to collect feedback and receive suggestions about our goals and objectives.

Our ongoing outreach program maintains communication with our shareholders. We value these discussions, and the board considers feedback when evaluating corporate governance issues. Management regularly participates in shareholder and industry conferences to discuss performance and ESG topics. Shareholders, co-workers 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.



Taking on Trash

We're working hard to reduce the amount of waste we send to landfills. Since 2017, we've achieved a 54% drop by:

- Installing recycling and composting collection centers throughout the company.
- Recycling utility poles and rubber protective equipment used by lineworkers.
- Conserving and recycling soil and construction materials on projects that require clearing and digging.
- Engaging co-workers to work in our Green Teams, which are employee groups devoted to caring for the environment at and near their work locations.
- Fighting phragmites, an invasive species that threatens the health of Michigan's coastal wetlands. We're using innovative land-management tactics to keep the tall, harmful plant out of landfills once it's safely removed.

[+ Learn More Here](#)

Political Activity

We understand that policymakers' decisions directly impact our business. That's why our goal is to interact regularly with federal, state and local government officials, policymakers and stakeholder groups in a constructive and transparent manner.

We focus political activity on critical company 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.

Corporate Political Contributions

Federal and state campaign finance laws prohibit us from making direct contributions to candidates and national and state political parties for general campaign purposes. We do contribute to grassroots activities, issue advocacy, voter registration, state and local ballot question committees and other activities consistent with federal and state law.

All corporate political contributions come from our company's general funds and are not reflected in customer rates. We also strive to ensure our positions and goals are consistent with the organizations receiving contributions. If conflicts exist, we base our involvement and support on areas of mutual agreement and offer opportunities to voice our opinions and hear and understand other perspectives.

Our board oversees our political engagement policies, programs and practices. Governmental Affairs initiates a contribution recommendation, which is then reviewed by the legal department before being sent for review and approval by the general counsel, the senior vice president of governmental, regulatory and public affairs and the vice president and corporate secretary.

The board's Governance, Sustainability and Public Responsibility Committee helps advise the board about our political engagement. As recommended by the Governance, Sustainability and Public Responsibility Committee:

- Any contribution \$2,500 or less requires no further approval.
- Contributions of \$2,500 to \$10,000 require our president and CEO's approval.
- Contribution requests more than \$10,000 require approval from our president and CEO and the board.



Consumers Energy, Michigan Attorney General launch Winter Bill Assistance Campaign

In March 2021, we launched a public campaign alongside Michigan Attorney General Dana Nessel to ensure Michigan residents take advantage of tens of millions in federal, state and local dollars that will help households and small businesses pay winter heating bills.

Nessel and Consumers Energy teamed up after two weeks of especially cold temperatures in February caused furnaces to run more than usual.

"Consumers Energy is working right now to help many Michiganders who could use support due to the twin challenges of the pandemic and the cold snap," said Lauren Youngdahl Snyder, Consumers Energy's vice president of customer experience. "The new federal stimulus and other sources are making tens of millions of dollars available to help with energy bills."

[+ Read More Here](#)



All political expenditures for the prior year are reported to the board on an annual basis, as are proposed contributions for the present year. Additional ad hoc requests follow the same procedures.

Starting in 2021, CMS Energy began enhanced disclosure of political contributions. This includes posting additional content on the [CMS Energy website](#), including:

- Expenditures made to influence the outcome of ballot initiatives.
- Direct corporate contributions to an entity organized under Section 527 of the Internal Revenue Code when annual contributions exceed \$25,000.
- Direct corporate contributions to an entity organized under Section 501(c)(4) of the Internal Revenue Code when annual contributions exceed \$25,000.
- Non-deductible portion of trade association and other organization dues when annual mandatory membership dues exceed \$25,000.

Lobbying and Trade Associations

CMS Energy belongs to industry, trade and business associations representing the energy and utility industry and the business community. We make reasonable efforts to track and report payments to trade associations, chambers of commerce and other tax-exempt organizations that may be used for political purposes that would not be deductible as defined under Section 162(e)(1) of the Internal Revenue Code. We disclose payments when they exceed \$25,000 and when trade associations use a portion of those payments for federal lobbying activities.

As required by federal law, we disclose funds supporting federal lobbying activities of national trade associations on our quarterly lobbying filing with the U.S. Congress.

Political Action Committee

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 PAC, Employees for Better Government (“EBG”), is nonprofit, nonpartisan and governed by an employee-run steering committee independent of our officers and board. Participation is voluntary and gives co-workers a voice in the political process.

Elected members of EBG’s Steering Committee review contribution requests and allocate qualified employee contributions to political and campaign committees and to specific candidate campaigns. Criteria may include:

- Representation of a state or district where the company has a facility or large concentration of co-workers.
- Voting record or announced positions on issues important to the company.
- Demonstrated leadership on key committees of importance to our business.
- Current leadership or potential for legislative leadership.

All political contributions accepted or made by our federal or state PACs are reported, consistent with applicable requirements, to the federal or state election commission.



Committed to a Cleaner Future

Lindsey Johnson is helping minimize our environmental footprint as we modernize Michigan’s natural gas system.

Replacing hundreds of miles of major transmission pipelines is part of our strategy to make Michigan’s natural gas system even more safe, reliable, affordable and clean.

Johnson, an environmental engineer, ensures we meet — and exceed — environmental responsibilities on the massive pipeline construction projects to safeguard natural resources and wildlife and enhance local habitat.

From securing permits to planting pollinators and rescuing amphibians, Johnson is on the frontlines of our fight to protect the planet.

Her passion comes from one place: Her sons, Parker, 6, and Carson, 2.

“That’s the whole reason I do it,” said Johnson, who has worked 15 years at Consumers Energy. “We want to improve the environment, protect the land we live and work and play on, for our kids and grandkids. I hope I’m making an impression on them that will last a lifetime.”

[+ Read More Here](#)

Standards for Co-workers

We're committed to help communities succeed — not just in energy, but also personal and corporate commitments. Each day, co-workers offer their time, talents and dollars to support the places where they live and work.

We're proud of our co-workers' efforts to help make the Michigan communities we serve great places to live, work and play. We encourage our co-workers to participate in a wide range of civic activities, including the political process. Co-workers must comply with all applicable legal, ethical and company requirements, including those set forth in the Honest Leadership and Open Government Act (HLOGA) of 2007. Generally, co-workers are prohibited from engaging during normal business hours and using company resources.

Co-workers may campaign for public office or support others seeking office on non-work time and may secure reasonable time off to do so. The following conditions apply:

- Co-workers must obtain written approval from their supervisor before seeking election or appointment to a public office.
- If elected or appointed, co-workers must seek approval from their supervisor for reasonable time off without pay to fulfill those duties.
- To avoid conflicts of interest, co-workers who are elected or appointed to public office must excuse themselves from actions or decisions on issues that could impact the company.

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 [CDP Climate Report](#), [CDP Water Report](#) and [Annual Waste Report](#). CMS Energy also published a Climate Assessment Report in November 2018, which will be updated by 2022.

Recent Recognition for Our Commitment to ESG and Sustainability

- 2021 ENERGY STAR® Partner of the Year
- Forbes® Magazine award for America's Best Large Employer in 2021
- Forbes® Magazine America's Best Employers for Women in 2020 and 2021 and #1 utility company in Michigan for diversity in 2020 and 2021
- BEST Winner: Association for Talent Development in 2020 and 2021
- Newsweek America's Most Responsible Companies Award for 2021
- Ranked Top Quartile by EEI Utility Standards and Safety Performance
- Top 50 global ranking in Military Times Best for Vets: Employers for 2020
- Certified Gold-Level Veteran Friendly Employer by the Michigan Veterans Affairs Agency (MVAA)
- Named one of Barron's 100 Most Sustainable Companies in 2020



Planet Awards Support Michigan projects

The Consumers Energy Foundation celebrated Earth Month 2021 by providing \$500,000 in Planet Award grants to four projects that will help protect and restore Michigan's land, water and air.

Gaylord: Huron Pines Resource Conservation & Development Council (\$200,000)

The Protect Wild Places project will restore 5,000 acres of habitats and recreational lands as well as 150 miles of waterways and Great Lakes shoreline across 17 counties. The work will be done through online and in-person events and conservation efforts in partnership with community leaders, schools, organizations and residents.

Mancelona: Au Sable Institute (\$125,000)

The Good Things Grow Here project will engage local schools and mobilize 3,600 K-12 students to complete 30 habitat restoration projects in Northern Michigan by 2024. Each restoration project will install 1,000 native plants, for a total of 30,000 native plants installed over the next three years in Northern Michigan.

Kalamazoo: Southwest Michigan Land Conservancy (\$100,000)

The project will restore rich habitat on the 140-acre Armintrout-Milbocker Nature Preserve through invasive species management, creation of a holistic management plan, and community access. The project will also lower pollution levels and increase filtration of waters flowing into the Kalamazoo River.

Bay City: Bay Area Community Foundation (\$75,000)

Funding will support the Lake Huron Forever Initiative's nature-based solutions and projects, community assessments, and training programs to advance water quality protection and healthy, sustainable communities on Lake Huron.

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, 2021
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	2018	2019	2020	TREND
Owned Nameplate Generation Capacity at end of year (MW)					
Coal	3,015	2,043	2,043	2,043	■
Natural Gas	1,285	2,487	2,318	2,318	■
Nuclear	812	N/A	N/A	N/A	■
Petroleum	738	720	701	701	■
Ludington Pumped Storage Plant ¹	1,009	1,125	1,154	1,154	■
Total Renewable Energy Resources	132	392	468	618	■
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	256	332	482	■
Other	N/A	1	1	1	■
Owned Net Generation for the data year (MWh)					
Coal	19,711,000	9,804,000	9,776,000	7,960,000	■
Natural Gas	356,000	5,272,000	6,289,000	5,883,000	■
Nuclear	6,636,000	N/A	N/A	N/A	■
Petroleum	225,000	5,000	5,000	6,000	■
Ludington Pumped Storage Plant ^{1,2}	-516,000	-325,000	-308,000	-371,000	■
Total Renewable Energy Resources	387,000	1,187,000	1,258,000	1,505,000	■
Biomass/Biogas	N/A	N/A	N/A	N/A	■
Geothermal	N/A	N/A	N/A	N/A	■
Hydroelectric	387,000	445,000	512,000	482,000	■
Solar	N/A	6,000	5,000	6,000	■
Wind	N/A	736,000	741,000	1,017,000	■
Other	N/A	N/A	N/A	N/A	■
Total Owned Net Generation (MWh)	26,799,000	15,943,000	17,020,000	14,983,000	■
Purchased Net Generation for the data year (MWh)					
Coal	482,000	511,000	462,000	513,000	■
Natural Gas	7,061,000	6,712,000	6,812,000	7,346,000	■
Nuclear	N/A	6,749,000	6,946,000	6,898,000	■
Petroleum	N/A	N/A	N/A	N/A	■
Total Renewable Energy Resources	1,236,000	2,379,000	2,387,000	2,225,000	■
Biomass/Biogas	1,200,000	1,237,000	1,164,000	994,000	■
Geothermal	N/A	N/A	N/A	N/A	■
Hydroelectric	34,000	79,000	60,000	63,000	■
Solar	N/A	6,700	7,400	8,000	■
Wind	2,600	1,006,000	1,156,000	1,160,000	■
Other	1,991,000	4,953,000	2,059,000	2,655,000	■
Total Purchased Net Generation (MWh)	10,770,000	21,304,000	18,666,000	19,637,000	■
Investing in the Future: Capital Expenditures, Energy Efficiency (EE), and Smart Meters					
Total Annual Capital Expenditures (nominal dollars)	\$593,000,000	\$1,975,000,000	\$2,298,000,000	\$2,339,600,000	■
Incremental Annual Electricity Savings from EE Measures (MWh)	N/A	586,784	566,183	642,124	■
Incremental Annual Investment in Electric EE Programs (nominal dollars)	N/A	\$117,800,000	\$115,987,120	\$139,635,527	■
Percent of Total Electric Customers with Smart Meters (at end of year)	N/A	99%	99%	99%	■
Retail Electric Customer Count					
Commercial	214,025	219,869	221,892	221,570	■
Industrial	8,595	1,312	1,329	1,348	■
Residential	1,565,601	1,603,125	1,611,320	1,630,424	■

1. Our Pumped Storage Plant was originally included within the Hydroelectric category; however, it has been itemized separately.

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.

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

CONSUMERS ENERGY EMISSIONS		Baseline	2005	2018	2019	2020	TREND
GHG Emissions: Carbon Dioxide (CO2) and Carbon Dioxide Equivalent (CO2e) ¹							
Owned Generation							
Carbon Dioxide (CO2)							
Total Owned Generation CO2 Emissions (Metric Tons (MT))		20,219,000	12,682,000	12,604,000	10,888,000		■
Total Owned Generation CO2 Emissions Intensity (MT/Net MWh)		0.754	0.795	0.741	0.727		■
Carbon Dioxide Equivalent (CO2e)							
Total Owned Generation CO2e Emissions (MT)		N/A	12,743,000	12,659,000	10,934,000		■
Total Owned Generation CO2e Emissions Intensity (MT/Net MWh)		N/A	0.799	0.744	0.730		■
Biogenic Carbon Dioxide (CO2)		0	0	0	0		■
Purchased Power							
Carbon Dioxide (CO2)							
Total Purchased Generation CO2 Emissions (MT)		4,999,000	6,373,000	5,121,000	5,221,000		■
Total Purchased Generation CO2 Emissions Intensity (MT/Net MWh)		0.464	0.299	0.274	0.266		■
Carbon Dioxide Equivalent (CO2e)							
Total Purchased Generation CO2e Emissions (MT)		N/A	6,419,000	5,150,000	5,257,000		■
Total Purchased Generation CO2e Emissions Intensity (MT/Net MWh)		N/A	0.301	0.276	0.268		■
Biogenic Carbon Dioxide (CO2) (MT)		N/A	N/A	N/A	745,000		■
Owned Generation + Purchased Power							
Carbon Dioxide (CO2)							
Total Owned + Purchased Generation CO2 Emissions (MT)		25,218,000	19,055,000	17,725,000	16,109,000		■
Total Owned + Purchased Generation CO2 Emissions Intensity (MT/Net MWh)		0.671	0.512	0.497	0.465		■
Total Owned + Purchased Generation CO2 Emissions Intensity (lbs/Net MWh)		1,480	1,128	1,095	1,026		■
Carbon Dioxide Equivalent (CO2e)							
Total Owned + Purchased Generation CO2e Emissions (MT)		N/A	19,162,000	17,809,000	16,191,000		■
Total Owned + Purchased Generation CO2e Emissions Intensity (MT/Net MWh)		N/A	0.514	0.499	0.468		■
Total Owned + Purchased Generation CO2e Emissions Intensity (lbs/Net MWh)		N/A	1,134	1,100	1,031		■
Non-Generation CO2e Emissions							
Fugitive CO2e emissions of sulfur hexafluoride (MT)		N/A	2,100	2,533	819		■
Fugitive CO2e emissions from natural gas distribution (MT)		See Natural Gas Business Sustainability Metrics					
Electric & Gas Scope 1, 2 and 3 Greenhouse Gas Emissions							
Carbon Dioxide Equivalent (CO2e)							
Scope 1 CO2e emissions (MT)		N/A	13,165,000	13,509,000	11,387,000		■
Scope 2 CO2e market-based emissions (MT) ²		N/A	424,000	279,500	291,600		■
Scope 3 CO2e emissions (MT) ³		N/A	22,780,000	20,574,000	18,675,000		■
Nitrogen Oxide (NOx), Sulfur Dioxide (SO2), Mercury (Hg)							
Generation basis for calculation: Electric Generation							
Nitrogen Oxide (NOx)							
Total NOx Emissions (MT)		28,400	3,900	4,100	3,395		■
Total NOx Emissions Intensity (MT/Net MWh)		1.06E-03	2.44E-04	2.41E-04	2.27E-04		■
Sulfur Dioxide (SO2)							
Total SO2 Emissions (MT)		83,600	5,200	5,700	4,149		■
Total SO2 Emissions Intensity (MT/Net MWh)		3.12E-03	3.29E-04	3.35E-04	2.77E-04		■
Mercury (Hg)							
Total Hg Emissions (kg)		N/A	26	33	31		■
Total Hg Emissions Intensity (kg/Net MWh)		N/A	1.64E-06	1.94E-06	2.07E-06		■

1. Data reported based on equity-ownership.

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

3. Consumers Energy reports known emissions associated with four Scope 3 categories, including emissions associated with purchased power (i.e., fuel-and-energy related activities not included in scope 1 or 2), combustion of natural gas sold (i.e., use of sold products), business travel and employee commuting. Emissions data reported for CMS Enterprises³ is excluded with the exception of business travel.

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

CONSUMERS ENERGY RESOURCES	Baseline				
	2005	2018	2019	2020	TREND
Human Resources					
Total Number of Employees	8,114	8,121	8,253	8,193	■
Total Number on Board of Directors/Trustees	12	10	12	11	■
Total Women on Board of Directors/Trustees	1	4	5	4	■
Total Minorities on Board of Directors/Trustees	1	2	3	3	■
Total Female Employees	N/A	2,304	2,342	2,275	■
Percent Female Employees	N/A	28%	28%	28%	■
Total Minority Employees	N/A	1,162	1,180	1,166	■
Percent Minority	N/A	14%	14%	14%	■
Total Veteran Employees	N/A	699	825	860	■
Percent Veteran Employees	N/A	9%	10%	11%	■
Total Individuals with Disabilities	N/A	372	397	394	■
Percent Individuals with Disabilities	N/A	5%	5%	5%	■
Total Females in Senior Leadership	N/A	8	9	9	■
Percent Females in Senior Leadership	N/A	30%	32%	32%	■
Total Minorities in Senior Leadership	N/A	7	6	7	■
Percent Minorities in Senior Leadership	N/A	26%	21%	25%	■
Total Females in Management	N/A	125	132	151	■
Percent Females in Management	N/A	30%	31%	33%	■
Total Minorities in Management	N/A	51	53	59	■
Percent Minorities in Management	N/A	12%	12%	13%	■
Employee Safety Metrics					
Recordable Incident Rate	N/A	7.01	1.21	1.23	■
Lost-time Case Rate	N/A	2.00	0.34	0.50	■
Days Away, Restricted, and Transfer (DART) Rate	N/A	3.22	0.75	0.84	■
Work-related Fatalities	N/A	1.00	1.00	0.00	■
Fresh Water Resources					
Water Withdrawals - Consumptive (Billions of Liters/Net MWh)	N/A	3.19E-07	3.74E-07	3.36E-07	■
Water Withdrawals - Non-Consumptive (Billions of Liters/Net MWh)	N/A	7.74E-05	6.88E-05	8.22E-05	■
Waste Products					
Amount of Hazardous Waste Manifested for Disposal (tons)	N/A	23.9	23.7	25.07	■
Percent of Coal Combustion Products Beneficially Used	N/A	13%	15%	8%	■
Additional Metrics (Optional)					
Lead (lbs)	N/A	49	47	32	■
Total Non-Methane Organic Compounds (short tons)	330	204	200	172	■
Utility Specific Residual Mix Emissions Rate (CO ₂ lbs/MWh)	N/A	N/A	1098	1052	■



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

Regulatory Environment: Unregulated
Report Date: October 1, 2021
CMS Energy Website: [CMSEnergy.com](https://www.cmsenergy.com)
CMS Enterprises Website: [CMSenterprises.com](https://www.cmsenterprises.com)



The following quantitative information is CMS Enterprises data only.

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

CMS ENTERPRISES ENERGY PORTFOLIO	Baseline				
	2005	2018	2019	2020	TREND
Owned Nameplate Generation Capacity at end of year (MW)					
Coal	N/A	35	35	35	■
Natural Gas	N/A	1,008	995	1018	■
Nuclear	N/A	0	0	0	■
Petroleum	N/A	0	0	0	■
Total Renewable Energy Resources	N/A	195	196	464	■
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	105	373	■
Other	N/A	0	0	0	■
Owned Net Generation for the data year (MWh)					
Coal	N/A	253,000	226,000	255,000	■
Natural Gas	N/A	4,985,000	5,555,000	5,216,000	■
Nuclear	N/A	0	0	0	■
Petroleum	N/A	0	0	0	■
Total Renewable Energy Resources	N/A	385,000	644,000	780,000	■
Biomass/Biogas	N/A	277,000	292,000	193,000	■
Geothermal	N/A	0	0	0	■
Hydroelectric	N/A	0	0	0	■
Solar	N/A	14,000	37,000	47,000	■
Wind	N/A	94,000	314,000	540,000	■
Other	N/A	0	0	0	■
Purchased Net Generation for the data year (MWh)					
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	300,000	300,000	300,000	■
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	300,000	300,000	300,000	■
Other	N/A	0	0	0	■
Investing in the Future:					
Capital Expenditures, Energy Efficiency (EE), and Smart Meters					
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	■
Retail Electric Customer Count (at end of year)					
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	■

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

CMS ENTERPRISES EMISSIONS	Baseline	2018	2019	2020	TREND
	2005				
GHG Emissions: Carbon Dioxide (CO2) and Carbon Dioxide Equivalent (CO2e)¹					
Owned Generation					
Carbon Dioxide (CO2)					
Total Owned Generation CO2 Emissions (MT)	N/A	3,816,135	3,817,939	3,427,886	■
Total Owned Generation CO2 Emissions Intensity (MT/Net MWh)	N/A	0.679	0.594	0.548	■
Biogenic CO2 (MT)	N/A	552,537	580,732	382,744	■
Carbon Dioxide Equivalent (CO2e)					
Total Owned Generation CO2e Emissions (MT)	N/A	3,815,973	3,851,101	3,437,818	■
Total Owned Generation CO2e Emissions Intensity (MT/Net MWh)	N/A	0.679	0.599	0.550	■
Biogenic CO2e	N/A	560,091	588,638	387,870	■
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					
Carbon Dioxide (CO2)					
Total Owned + Purchased Generation CO2 Emissions (MT)	N/A	3,816,135	3,817,939	3,427,886	■
Total Owned + Purchased Generation CO2 Emissions Intensity (MT/Net MWh)	N/A	0.698	0.606	0.523	■
Biogenic CO2 (mt)	N/A	552,537	580,732	382,744	■
Carbon Dioxide Equivalent (CO2e)					
Total Owned + Purchased Generation CO2e Emissions (MT)	N/A	3,824,412	3,844,791	3,437,818	■
Total Owned + Purchased Generation CO2e Emissions Intensity (MT/Net MWh)	N/A	0.699	0.610	0.525	■
Biogenic CO2e	N/A	560,091	588,638	387,870	■
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) ²	N/A	3,825,389	3,845,830	3,447,385	■
Scope 2 CO2e emissions (MT) ³	N/A	1,834	1,291	2,239	■
Scope 3 CO2e emissions (MT) ⁴	N/A	N/A	N/A	1,200	■
Nitrogen Oxide (NOx), Sulfur Dioxide (SO2), Mercury (Hg)					
Nitrogen Oxide (NOx)					
Total NOx Emissions (MT)	N/A	1,355	1,464	1,432	■
Total NOx Emissions Intensity (MT/Net MWh)	N/A	2.41E-04	2.28E-04	2.19E-04	■
Sulfur Dioxide (SO2)					
Total SO2 Emissions (MT)	N/A	867	862	823	■
Total SO2 Emissions Intensity (MT/Net MWh)	N/A	1.54E-04	1.34E-04	1.26E-04	■
Mercury (Hg)					
Total Hg Emissions (kg)	N/A	3.7	4.5	3.6	■
Total Hg Emissions Intensity (kg/Net MWh)	N/A	6.52E-07	7.02E-07	5.56E-07	■

1. Data reported based on equity-owner.

2. Biogenic Emissions are not included in Scope 1.

3. The Scope 2 emissions were calculated based on the market-based emissions methodology.

4. CMS Enterprises 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

CMS ENTERPRISES RESOURCES	Baseline				
	2005	2018	2019	2020	TREND
Human Resources					
Total Number of Employees	N/A	178	181	186	■
Total Female Employees	N/A	26	23	22	■
Percent Female Employees	N/A	15%	13%	12%	■
Total Minority Employees	N/A	13	16	18	■
Percent Minority	N/A	7%	9%	10%	■
Total Veteran Employees	N/A	12	14	18	■
Percent Veteran Employees	N/A	7%	8%	10%	■
Total Individuals with Disabilities	N/A	3	2	2	■
Percent Individuals with Disabilities	N/A	2%	1%	1%	■
Total Females in Management	N/A	1	1	1	■
Percent Females in Management	N/A	5%	4%	5%	■
Total Minorities in Management	N/A	2	3	3	■
Percent Minorities in Management	N/A	10%	13%	14%	■
Employee Safety Metrics					
Recordable Incident Rate	7.01	1.21	1.23	1.22	■
Lost-time Case Rate	2.00	0.34	0.50	0.53	■
Days Away, Restricted, and Transfer (DART) Rate	3.22	0.75	0.84	0.89	■
Work-related Fatalities	1	1	0	0	■
Fresh Water Resources					
Water Withdrawals - Consumptive (Billions of Liters/Net MWh)	N/A	3.33E-07	3.67E-07	3.23E-07	■
Water Withdrawals - Non-Consumptive (Billions of Liters/Net MWh)	N/A	4.35E-07	4.56E-07	4.09E-07	■
Waste Products					
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%	■



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, 2021



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

CONSUMERS ENERGY NATURAL GAS DISTRIBUTION

	2019	2020	TREND
Methane Emissions And Mitigation From Distribution Mains			
Number of Gas Distribution Customers	1,782,031	1,797,391	■
Distribution Mains in Service			
Plastic (miles)	14,734	14,912	■
Cathodically Protected Steel - Bare & Coated (miles)	12,387	12,324	■
Unprotected Steel - Bare & Coated (miles)	456	466	■
Cast Iron / Wrought Iron - without upgrades (miles)	382	364	■
Remaining Miles of Distribution Mains (# years to complete)			
Our Enhanced Infrastructure Replacement Program began in 2012 and is scheduled to be completed in 2030.			
Unprotected Steel (Bare & Coated) (# years to complete)	17	9	■
Cast Iron / Wrought Iron (# years to complete)	17	9	■
Distribution CO₂e Fugitive Emissions			
CO ₂ e Fugitive Methane Emissions from Gas Distribution Operations (metric tons)	226,912	227,882	■
CH ₄ Fugitive Methane Emissions from Gas Distribution Operations (metric tons)	9,076	9,115	■
CH ₄ Fugitive Methane Emissions from Gas Distribution Operations (MMSCF/year)	473	475	■
Annual Natural Gas Throughput from Gas Distribution Operations in thousands of standard cubic feet (Mscf/year)	387,943,984	357,857,272	■
Annual Methane Gas Throughput from Gas Distribution Operations in millions of standard cubic feet (MMscf/year)	368,547	339,964	■
Fugitive Methane Emissions Rate (Percent MMscf of Methane Emissions per MMscf of Methane Throughput)	0.128%	0.140%	■

CONSUMERS ENERGY NATURAL GAS TRANSMISSION AND STORAGE

Onshore Natural Gas Transmission Compression Methane Emissions

	Data for Subpart W-Only Sources		
Pneumatic Device Venting (metric tons/year)	0.1	0.1	■
Blowdown Vent Stacks (metric tons/year)	383	74.5	■
Transmission Storage Tanks (metric tons/year)	0	1	■
Flare Stack Emissions (metric tons/year)	0	0	■
Centrifugal Compressor Venting (metric tons/year)	21	11	■
Reciprocating Compressor Venting (metric tons/year)	270	380	■
Equipment leaks from valves, connectors, open ended lines, pressure relief valves, and meters (metric tons/year)	51	71	■
Other Leaks (metric tons/year)	0	0	■
Total Transmission Compression Methane Emissions (metric tons/year)	726	537	■
Total Transmission Compression Methane Emissions (CO ₂ e/year)	18,142	13,428	■
Total Transmission Compression Methane Emissions (MSCF/year)	37,797	27,974	■

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

TREND

Underground Natural Gas Storage Methane Emissions

	Below Subpart W reporting threshold		
Pneumatic Device Venting (metric tons/year)	N/A	N/A	■
Flare Stack Emissions (metric tons/year)	N/A	N/A	■
Centrifugal Compressor Venting (metric tons/year)	N/A	N/A	■
Reciprocating Compressor Venting (metric tons/year)	N/A	N/A	■
Equipment leaks from valves, connectors, open ended lines, pressure relief valves, and meters (metric tons/year)	N/A	N/A	■
Other Equipment Leaks (metric tons/year)	N/A	N/A	■
Equipment leaks from valves, connectors, open-ended lines, and pressure relief valves associated with storage wellheads (metric tons/year)	N/A	N/A	■
Other equipment leaks from components associated with storage wellheads (metric tons/year)	N/A	N/A	■
Total Storage Methane Emissions (metric tons/year)	N/A	N/A	■
Total Storage Methane Emissions (CO ₂ e/year)	N/A	N/A	■
Total Storage Methane Emissions (MSCF/year)	N/A	N/A	■

Onshore Natural Gas Transmission Pipeline Blowdowns

	Below Subpart W reporting threshold		
Transmission Pipeline Blowdown Vent Stacks (metric tons/year)	N/A	N/A	■
Transmission Pipeline Blowdown Vent Stacks (CO ₂ e/year)	N/A	N/A	■
Transmission Pipeline Blowdown Vent Stacks (MSCF/year)	N/A	N/A	■

Other Non-Sub W Emissions Data

Total Methane Emissions from additional sources not recognized by 40 CFR 98 Subpart W (metric tons/year)	N/A	N/A	■
Total Methane Emissions from additional sources not recognized by 40 CFR 98 Subpart W (CO ₂ e/year)	N/A	N/A	■
Total Methane Emissions from additional sources not recognized by 40 CFR 98 Subpart W (MSCF/year)	N/A	N/A	■

Summary and Metrics

Total Transmission and Storage Methane Emissions (MMSCF/year)	38	28	■
Annual Natural Gas Throughput from Gas Transmission and Storage Operations (MSCF/year)	242,903,533	209,910,872	■
Annual Methane Gas Throughput from Gas Transmission and Storage Operations (MMSCF/year)	230,758	199,415	■
Methane Emissions Intensity Metric (Percent MMscf of Methane Emissions per MMscf of Methane Throughput)	0.016%	0.014%	■





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. The information in this report may apply standards of materiality that are different than standards applied to other investors or required to be disclosed in SEC filings. 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.

