

The background of the slide is a collage of nature-related images. On the left, there's a dark, rocky stream. On the right, there's a vibrant autumn forest with trees showing yellow and red foliage. In the center, there are two smaller images: one showing two grey squirrels on a white cloth with some leaves, and another showing a turtle on a patch of green and yellow ground.

Making An Impact: Consumers Energy Biodiversity Efforts

Protect, Enhance, Restore



Sustainability & External Affairs
Environmental Quality & Sustainability

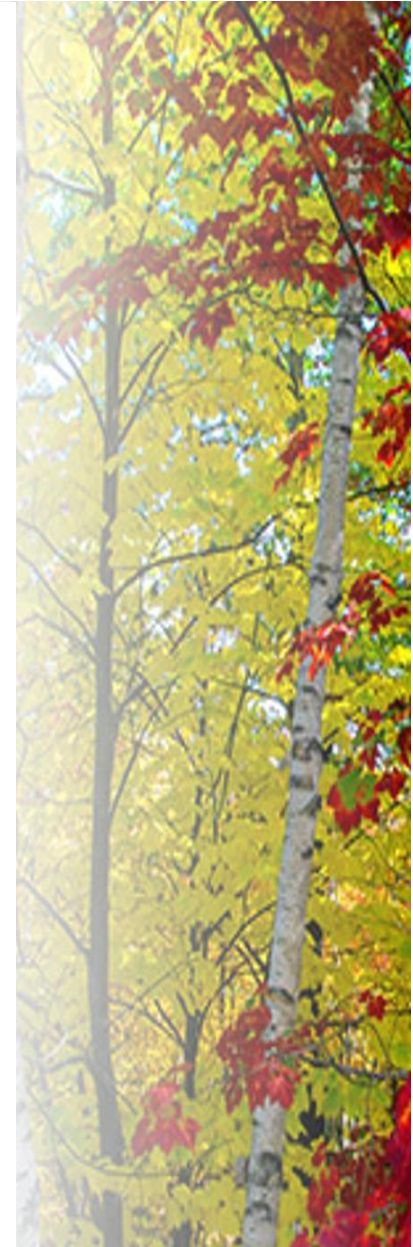
Consumers Energy has a long history of environmental stewardship starting in the 20th century when we hired teams of tree planters to help reforest watersheds and impoundments ravaged by fires and excessive logging. Since then, we have maintained a dedication to natural resource preservation as part of who we are as a company and how we conduct business. This report highlights our efforts to promote biodiversity, our goals and performance.

Our Goals

We love Michigan and work continuously to improve the place we call home. This includes setting land, waste, and water protection goals. In 2021, we exceeded our five-year planet goals to enhance, restore, or protect 5,000 acres of land in Michigan, save 1 billion gallons of water, and reduce waste sent to landfills by 35% - all a full year ahead of schedule. We met our goals with companywide efforts like environmental cleanups, improving wildlife habitats, increasing recycling at our facilities, and finding new ways to conserve water at our generation facilities.

In 2022, we set even more aggressive goals, including:

- **Land:** Enhance, restore, or protect 6,500 acres from 2022 through the end of 2026.
- **Waste:** In 2022, we set a goal to increase our diversion rate to 90% from the baseline of 88%. We achieved a 93% diversion rate in 2022 and set a new goal to reach 94% in 2023.
- **Water:** Our once-through cooling water goal is to reduce our use by 338 billion gallons from 2023 to 2027 through the closure of two coal-fired generation units. From 2023 to 2027, we also have a goal to save an additional 1.7 billion gallons through reducing process water usage and through our customer facing energy waste reduction programs.



Managing Biodiversity: Environmental Review Checklist



***Wetland Amphibian
Barrier***

Consumers Energy's Environmental Review Checklist (ERC) is a process that ensures the Company maintains compliance with environmental laws and regulations, reduces its environmental footprint, and where possible, enhances the environmental quality during operational projects.

All projects impacting the environment are required to complete an ERC prior to implementation. This allows for projects to be designed with the environment in mind and provides a mechanism to maintain compliance with environmental law. The ERC is managed by our Environmental Quality and Sustainability Department who uses this tool to robustly evaluate projects and offer solutions. This process uses a best-practice hierarchy approach for each unique project to minimize disturbance to the environment by first assessing the habitat and working with our engineers to determine if disruption avoidance is possible. Where avoidance is not possible, we then focus on minimizing the disturbance.

We look to leave the environment better than we found it where possible. This is accomplished by working with experts to prioritize the biodiversity needs of a specific location and find value-added opportunities during the ERC review and recommendation process. For example, we frequently work with a bat habitat and conservation expert in Michigan to identify bat roosting trees. We also remove trees in the winter months when bats don't inhabit them prior to spring construction.

To expand environmental consideration in large projects we have also started a program to introduce sustainable construction practices at the beginning of projects.

Sustainable Construction Practices

Sustainable construction practices help us turn site waste into a “welcome home” for wildlife. We are proud to share the following best practices that we continue to adopt and enhance during projects as appropriate:

- ✓ Herpetofauna training for major projects and Low Effect Habitat Conservation Plan (LEHCP), which also contributes to nonprofits for EMR Habitat
- ✓ Use of wildlife-safe barrier fencing
- ✓ Construction site walking and species removal
- ✓ Coconut leno weave blankets, which biodegrade naturally
- ✓ Rerouting projects to avoid habitat loss
- ✓ Seed banking of native plants along right of ways prior to construction for some areas with threatened and endangered plants
- ✓ Invasive species control, which helps native species flourish
- ✓ Invasive species monitoring and removal during and post construction



Employee Spotlight



"We're prioritizing environmentally-friendly materials and choosing ones with the least impact on our environment."

-Lindsey Johnson, Principal Environmental Engineer

What do you get when you mix a wetland, root stumps, turtle eggs and a herpetologist? A thriving turtle pond. While this may sound like a riddle, it's a way of life and work for Principal Environmental Engineer Lindsey Johnson and team.

Johnson, a 17-year Consumers Energy employee, champions the use of sustainable construction materials and turning project waste into wildlife habitats.

"It's a philosophy that we're creating that every life matters, every creature matters," shares Johnson. "We want to make sure we're prioritizing materials that better protect wildlife, and we're choosing ones that are a better fit for the work we're doing from an environmental perspective."

For example, we have swapped traditional black silt fencing with orange fabric that allows us to better see and thus avoid wildlife near a job site. The bright material also indicates environmentally sensitive areas and helps contractors quickly locate animals like turtles.

Also on the list of eco-friendly materials is pollinator seeds. The team continues to strive to use more pollinator seed mixtures to leave our construction sites better than we found them by improving habitat. In doing so, we are providing homes for native Michigan species.

Protecting the planet and meeting the Company's land goals is an everyday objective for Johnson and team. Her passion and priorities are rooted in identifying solutions with long-term impact and empowering co-workers to be mindful of their site surroundings.

Protecting Species

At Consumers Energy, our coworkers live, work, and play in Michigan - so we work hard to protect the wildlife around us. We are proud of the culture we have built to protect a variety of biodiverse habitats starting with our front-line workers' ability and passion to save creatures great and small when they see them on site. Here is how we are protecting pollinators, bats, turtles, and more.

Pollinators



We know just how important pollinators are for the environment and for society. At Consumers Energy, we focus on planting pollinator supportive seed mix to restore land where applicable. On the [Saginaw Pipeline Project](#), an effort to replace 78 miles of aging natural gas transmission pipeline in Saginaw, Genesee and Oakland counties, we used a seed mix containing native grasses and wildflowers to attract bees, butterflies and other pollinators losing habitat across the country.

We also partnered with the U.S. Fish and Wildlife Service to join the Monarch Candidate Conservation Agreement with Assurances (CCAA). The CCAA is a program that relies on land surveys and adaptive land management strategies to help restore monarch habitats and grow the monarch population, which has slowly declined for years. For example, the Eastern monarch population has declined from about 384 million 25 years ago to an estimated 60 million in 2019.



We have enrolled over 259,000 acres in the CCAA program, which includes land around electric and gas distribution and transmission lines, service centers and dams. The overall CCAA program has set a 2 million-acre habitat protection goal. Find more information on our participation in the CCAA [here](#).

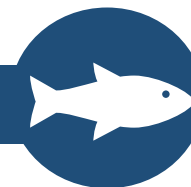


Bats

From winter tree clearings to desktop reviews prior to project construction, we are dedicated to reducing disturbances to our nocturnal friends and where possible providing them with safe habitats. In particular, the Company takes a lot of pride around Tippy Dam, a Company owned hydro-electric facility in Manistee County, and its positive impact on bat populations. About 27,000 bats call the Tippy Dam area their home, including some threatened and endangered species. Studies continue to be conducted by Eastern Michigan University on the bats that live near the Dam and their resistance to the infectious and deadly disease known as white-nose syndrome. Learn more [here](#).



Aquatic Life



Our efforts don't stop above ground. In addition to our commitment to reduce our water usage, we also work hard to protect life under water. Our hydroelectric generating facilities operate under Federal Energy Regulatory Commission licenses which requires efforts to provide ecological value to the area where the dams are present. Since the Au Sable, Manistee, and Muskegon River hydro project licenses were reissued by the Federal Energy Regulatory Commission in 1994, Consumers Energy has provided more than \$9 million to the Michigan Department of Natural Resources — Fish Habitat Improvement Account program.

Similarly, in 2021, the Consumers Energy Foundation awarded a \$70,000 grant to Northern Michigan University to support the Michigan Arctic Grayling Initiative to reestablish a freshwater fish that disappeared from the state in the 1930s. Learn about this effort and more in our [hydro reporters](#).





Turtles

Our crews are always on the lookout for turtles and their eggs. We have even created ponds to release turtles that have incubated and hatched during projects. We use a variety of controls such as orange silt fencing instead of the traditional black to better see our amphibian friends and denote environmentally sensitive areas. The Company in 2019 helped ensure the survival of a rare turtle species in Michigan by releasing 19 juvenile Blanding's Turtles rescued from the construction path of the Saginaw Trail Natural gas pipeline back into their natural wetland habitat. Learn more about our amphibian assisting efforts [here](#).



Avian



Over the years Consumers Energy employees have saved birds and built nesting boxes to support our feathered friends. We have built peregrine falcon boxes and osprey platforms at our generating plants as well as conducted geese bandings.

Learn more [here](#).



Trees

Vegetation management is an important practice at the Company to ensure reliable and safe energy delivery. Tree plantings are also an important part of our efforts to protect, preserve and restore land in Michigan. Each year, the Consumers Energy Foundation provides grant dollars to nonprofits committed to helping protect Michigan's environment through tree plantings and other efforts. This includes ongoing support for ReLeaf Michigan's educational programming to promote a healthy tree canopy across the state.

Operationally, our forestry department is well equipped to identify and help manage environmental risks to trees such as oak wilt and we have developed a special protocol to help save more oak trees from this disease.



Our Impact: 2022

Activity	Acres*	Impact
Bat Habitat Avoidance	.04	Conducting a bat study allowed us to avoid habitat disruption.
Wetland Avoidance/Creation	26.09	These acres represent projects planned to avoid construction in natural wetland areas where possible. When construction occurs in wetlands ensuring restoration is completed with ecology in mind or creation of habituate where possible.
Herpetology Training	25.01	Construction crews are trained to identify and safely relocate wildlife when feasible to maintain the biodiversity of the ecosystem when construction occurs.
Invasive Species Removal/Management	44.55	Enhanced land and habitat through managing and removing invasive species such as phragmites.
Pollinator Habitat	.07	Enhanced land by planting pollinator seed mix.
Species Avoidance	17.05	Avoided impact by moving 10 green frogs, 1 gray tree frog, and 1 leopard frog.
Sustainable Construction Practices	6.83	Enhanced habitat and avoided impact to land through practices such as using orange silt fencing.
Tree Planting	1.81	Enhanced land by planting about 100 trees.
Land Clean-up	108.06	Land clean-ups include acres impacted by the mobilization of our employees to volunteer in their communities. This includes cleaning trash and providing enhancements to parks.
Grantmaking Acres	477.45	Impact to these acres is anticipated to be achieved through monetary contributions provided by the Consumers Energy Foundation to nonprofits to achieve land protection, enhancements, or restoration.
Total	706.96	

*Acres protected, enhanced, or restored.

Corporate Giving

Consumers Energy

FOUNDATION

Consumers Energy has been giving back to Michigan for more than 135 years, and since 1990 we have been helping local communities grow and thrive through the [Consumers Energy Foundation](#). We invest in three key areas crucial to all of us in the Great Lake State- our people, our planet and our prosperity. In 2022, the Foundation awarded \$1.1 million to nonprofits to support projects and programs designed to enhance, protect, or restore Michigan land, water or air. This included our annual Planet Awards.

PLANET



\$1.1 Million

Helping protect Michigan's
environment.

2022 Planet Awards

The Consumers Energy Foundation provided \$500,000 for three projects that will make a significant impact on Michigan's environment – preserving freshwater resources, planting 1,000 trees and protecting habitat for Michigan's wildlife.

“Consumers Energy is committed to ensuring Michigan has world-class natural resources. Our Planet Awards represent that commitment in action,” said Brandon Hofmeister, president of the Consumers Energy Foundation. “We’re excited to support these projects and confident they will significantly help preserve Michigan’s natural beauty.”

The three winning projects:

- **Macomb County, \$250,000** – The Green Macomb Urban Forest Partnership will enhance the county’s urban tree canopy and plant 1,000 trees, 1,500 native shrubs, and 40 acres of pollinator habitat on public land throughout communities that include Mount Clemens, Harrison Township and Clinton Township. Additional planting opportunities will be offered to Shelby Township, Macomb Township, Roseville, Eastpointe, Warren, St. Clair Shores, Sterling Heights, Utica, and Center Line.
- **Oshtemo Township (Kalamazoo County), \$150,000** – Oshtemo Charter Township and the Kalamazoo Nature Center will team up to restore the ecological health of a two-mile section of the historic Fruit Belt Rail Corridor and provide hands-on environmental education and stewardship opportunities focused on climate resilience.
- **Brighton, \$100,000** – The Huron-Clinton Metropolitan Authority’s “Healing the Huron River Headwaters” project will restore the forested wetland and floodplain habitats that make up the headwater area of the Huron River. The two-year project will include planting native replacement trees in areas where ash and oak trees were killed by pests and disease. It will also include restoration and enhancement of native pollinator habitat in nearby prairies and meadows.



Employee Spotlight



Our commitments to protect the environment is rooted in our culture.

Consumers Energy is proud to have employees that are passionate about the environment and wildlife and want to go above and beyond to support the Company's environmental efforts. These employees, such as Bethany Weems, are our Green Team members.

Weems, a 17-year Consumers Energy employee leads our corporate Green Teams across the Company. The Green Teams champion a variety of initiatives on behalf of the Company including invasive species removals, trash cleanups, bird and bat house builds, tree plantings, community gardens, and waste reduction efforts.

"The Green Teams empower all employees to be a part of a more sustainable future" shares Weems. "So many of our co-workers have talent and passion that they use outside of their day job. For example, every April our employees show up to celebrate what we call Earth Month by volunteering to clean parks, watersheds, and highways, pull invasive species and plant trees."

Leveraging the greatest assets we have, our employees, has allowed the Company to cultivate a culture of environmental stewardship.



"It's about showing up in and for our communities. We live and work in these communities and want to see them filled with natural beauty."

-Bethany Weems, Senior Environmental Analyst

Partnerships

At Consumers Energy, we understand the value and strength that comes from partnering with like-minded individuals and organizations throughout our value chain. We are fortunate to have strong partners in our biodiversity protection journey such as:

- Consumers Energy is a contributor to the [Michigan Herp Atlas](#).
- We work with the [Michigan Natural Features Inventory](#) to obtain up-to-date information on species and habitat locations to reroute projects or delay starts to avoid disturbance.
- We've partnered with herpetological experts on providing herpetology training to work crews.
- We are a member of the [Monarch Conservation Candidate Conservation with Assurances](#).
- We have partnered with Eastern Michigan University on bat surveys to ensure we are not negatively impacting critical [bat habitat](#).
- The [Consumers Energy Foundation](#) provides grants to a variety of non-profits including [environmentally focused organizations](#).
- We have assisted in [geese bandings](#) with the Michigan Department of Natural Resources to contribute to the United States Geological Survey.
- Our [hydro operations](#) work with many external organizations to improve aquatic habitat and provide access to the public to enjoy Michigan's nature beauty.
- We work with the Fisheries and Wildlife Service (FWS) to identify protected habitat that may not be otherwise made publicly available.



Looking Ahead

As a Company that has been around for more than a century, we know that the success of our business relies on our ability to preserve our natural environment. We have great respect for Mother Nature and understand how fortunate we are to operate in and serve the great state of Michigan. We have a vested interest in the health of the biodiverse ecosystems in our communities and look to continuously improve upon our work to protect, enhance, and restore these ecosystems as well as our disclosure of these efforts.

For more information on our environmental and sustainability efforts please visit [CMS Energy Corporation - Sustainability](#).

