# 2026 CMS ENERGY SUSTAINABILITY REPORT

CMS ENERGY

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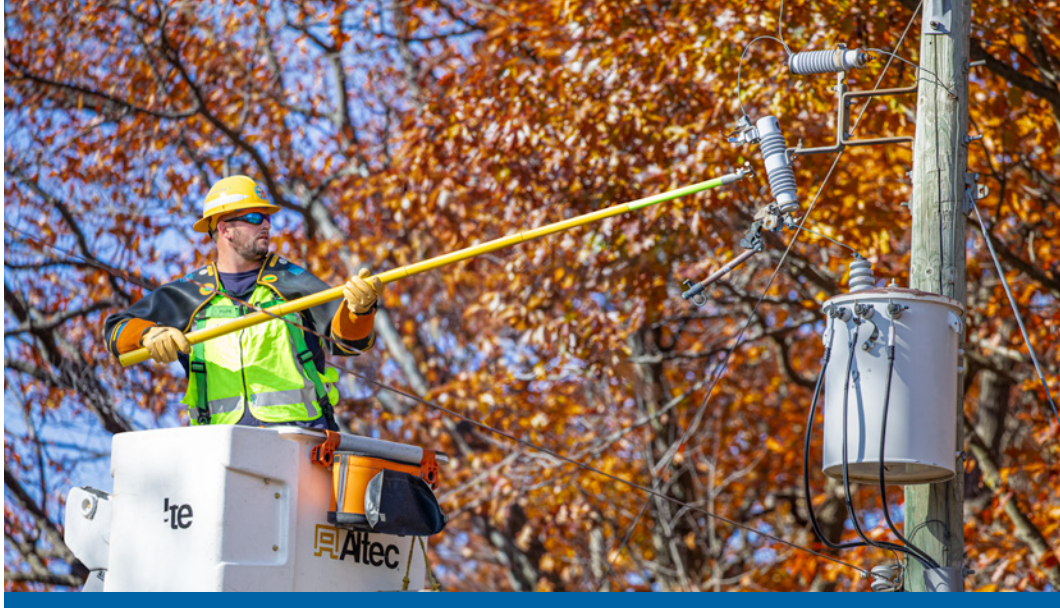


## A Letter from Our President and CEO

I am pleased to present the CMS Energy 2026 Sustainability Report, which highlights our strategic approach to sustainable business practices. At CMS Energy, we believe responsible operations are not only good for the communities we serve but essential to our long-term business success.

The core of our business strategy is a clear commitment to our customers: to deliver safe, reliable, affordable, clean and equitable energy. That commitment is supported by performance measured across the triple bottom line of people, planet and prosperity. This balanced approach is how we create lasting value for our customers and all stakeholders.

Consumers Energy filed its updated Integrated Resource Plan in September 2026, which outlines a path to achieve 60% renewable energy by 2035 and 100% clean energy by 2040, consistent with Michigan's 2023 Energy Law. We remain focused on a streamlined and sustainable approach that expands clean energy while maintaining reliability and affordability for our customers.

Our natural gas delivery business is critical to serving Michigan's businesses and residents with affordable and reliable energy. We continue to modernize our infrastructure and deploy advanced leak detection technology to reduce methane emissions across our system. Consumers Energy is targeting net zero methane emissions from our natural gas delivery system by 2030.

In addition, Consumers Energy's five-year electric Reliability Roadmap reflects significant investments to strengthen Michigan's electric grid. This plan lays the groundwork for a more resilient and reliable system — one that can withstand extreme weather and better serve our customers. These investments are delivering results. In the face of increasingly severe weather in 2025 and through July 2026, which so far encompassed three historic ice storms and 43 tornadoes throughout our service territory, 89% of our customers who were without power saw their power restored in less than 24 hours. Simply put, we're building a system our customers can rely on today and well into the future.

**Garrick J. Rochow**
President and Chief Executive Officer • CMS Energy and Consumers Energy

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That commitment is supported by performance measured across the triple bottom line of people, planet and prosperity.

## About CMS Energy

CMS Energy Corporation (CMS Energy) is an energy company based in Jackson, Michigan, focused primarily on utility operations in the state. Its principal business is Consumers Energy Company (Consumers Energy), a public utility that provides electricity and/or natural gas to 6.8 million of Michigan's 10 million residents.

## About This Report

CMS Energy participates in several voluntary reporting initiatives, including an industry initiative coordinated by the Edison Electric Institute (EEI) and the American Gas Association (AGA) that provides the public, our customers and shareholders a reporting template for uniform and consistent sustainability metrics. This report follows the EEI/AGA reporting template and supplements our existing sustainability disclosures, including several indices and reports found on the CMS Energy website and linked in the appendices of this report.

## Our Approach to Sustainability

CMS Energy has integrated sustainable business practices throughout the corporation. Consideration of these practices is embedded in our strategy, business planning and enterprise risk management processes. These key practices align with our purpose to provide safe, reliable, affordable, clean and equitable energy in service of our customers.

## Priority Issue Assessment

CMS Energy conducted our last priority issue assessment in early 2026. This latest assessment leveraged AI-based tools to determine the most important sustainability topics for our company, as well as our peers, and our largest customers and suppliers. This tool allowed us to assess 99 different sustainability topics. Additionally, a variety of other indicators were used in this assessment such as investor interest, industry-specific metrics, residential customer surveys and community engagement event feedback.

This process determined the following top seven 2026 priority issues (in no order of importance):

- Community Support & Development
- Cybersecurity & Information Security
- Energy Affordability
- Energy Resiliency & Reliability
- GHG Emissions & Reductions
- Safety, Health & Wellness
- Transition to Renewable Energy

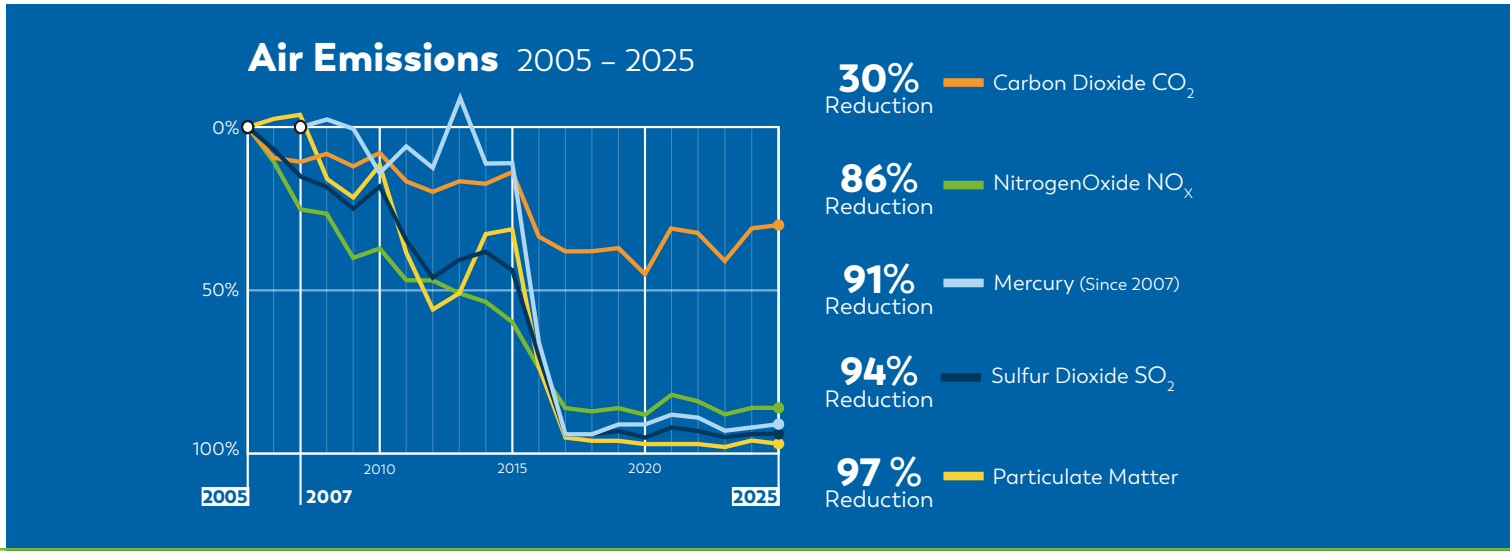
This process and these results were presented to the company's Environmental and Sustainability Council led by our CEO. Information on the management of these priority issues can be found in this report with additional information located on our CMS Energy website and Consumers Energy website. This report also maps our efforts associated with these issues to the United Nations Sustainable Development Goals (SDGs), a shared global framework for advancing environmental stewardship, social well-being and economic prosperity. Throughout this report, SDG icons identify where our actions support specific goals and help illustrate the connections between our sustainability priorities and the broader objectives of the 2030 Agenda. Additionally, information on how the company manages governance of sustainability issues can be found in our "Board Oversight" section of this report.

# PLANET

We're committed to protecting the environment and driving progress to a clean and equitable energy future. We have ambitious planet goals and a strong track record of environmental stewardship. As a result of actions already taken through 2025, Consumers Energy has:

- Reduced carbon dioxide emissions from owned generation by nearly 30% since 2005.
- Reduced methane emissions by nearly 40% since 2012.
- Reduced the volume of water used to generate electricity by nearly 60% since 2012.
- Reduced landfill waste disposal by more than two million tons since 1992.
- Enhanced, restored or protected more than 13,500 acres of land since 2017.

Since 2005, Consumers Energy has reduced its nitrogen oxide emissions by more than 85%, sulfur dioxide by more than 90% and particulate matter emissions by more than 95%. Consumers Energy began tracking mercury emissions in 2007, and since that time has reduced such emissions by more than 90%. The following illustration shows these reductions:



## Greenhouse Gas Emissions and Air Quality

Protecting the environment is a pillar of our sustainability efforts. Our priority issue assessment found stakeholders deem our efforts to improve air quality and reduce greenhouse gases (GHG) to be high priorities. We're delivering on our promise to protect, preserve and restore our environment. Below are the commitments Consumers Energy has made to Michigan and the planet:

**100% clean energy in the electric business by 2040:** Consumers Energy has updated its Net Zero by 2040 Goal by committing to deliver 100% clean electricity by 2040. This realignment ensures that the company's Renewable Energy Plan and Integrated Resource Plan (IRP) are structured to meet the state's 100% clean energy standard established in Michigan's 2023 Energy Law, and reflects Consumers Energy's continued commitment to a reliable, affordable and sustainable clean energy future.

**Net zero methane emissions from the natural gas delivery system by 2030:** Under Consumers Energy's Methane Reduction Plan, the company plans to reduce methane emissions from its natural gas delivery system by about 80% from 2012 baseline levels by accelerating the replacement of aging pipe, rehabilitating or retiring outdated infrastructure and adopting innovative technologies and practices. The remaining emissions will likely be offset through clean fuel alternatives or nature-based carbon removal pathways.

### Energy Supply Plan

In its Energy Supply Plan, Consumers Energy outlines a comprehensive proposal to deliver affordable, reliable energy for Michigan through a balanced and diversified mix of natural gas, solar, wind, pumped and battery storage, along with other clean resources. This 20-year blueprint gives customers and stakeholders clear visibility into the long-term strategy and reinforces the company's commitment to transparency as it meets Michigan's energy needs and supports the state's continued growth. It builds upon the latest Renewable Energy Plan and showcases how Consumers Energy will achieve the targets set within Michigan's 2023 Energy Law, pairing new renewable resources, including additional wind, solar, and battery storage, with natural gas units that operate only when the electric system needs support. The portfolio delivers a 99 percent emissions reduction compared to 2005 levels, aligning with state policy expectations and ensuring the company remains on track to meet the required clean energy targets.
Key elements of the proposed plan include:

**New power sources:** Over 19 gigawatts of solar, wind and battery storage resources are planned by 2040, helping meet Michigan's growing energy needs while advancing clean energy goals of 50% renewable energy by 2030, 60% renewable and 80% clean energy by 2035 and 100% clean energy by 2040. The plan accelerates energy storage, with over 925 MW already under contract or in development, increasing to over 4 GW by 2040.

**Reliable, efficient generation:** Two new fast-starting natural gas plants are proposed in Bay and Genesee counties, generating 1.4 GW, to provide reliable, on-demand power during periods of high energy demand and support continued growth in renewable energy resources. The plan also includes a long-term agreement to purchase power from Midland Cogeneration Venture.

**Prioritizing affordability:** Consumers Energy is committed to putting forward its most affordable energy plan, with projected cost increases expected to remain below the rate of inflation while continuing to invest in the resources Michigan needs. The plan also expands customer programs that help reduce energy use and manage bills.

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**Enable a smarter grid:** Optimizing when and how energy is used, customer programs can act like a virtual power plant to lower demand on the grid and help lower system-wide costs, reducing the need to build or construct a traditional power plant. Demand Response, Energy Waste Reduction (EWR) or Summer Time-of-Use Rates can create opportunities to offset peak demand without compromising reliability.

**Investing in Michigan communities:** Energy infrastructure investments are expected to support thousands of construction jobs, create hundreds of permanent positions and strengthen local communities through significant additions to local tax bases.

**Retire coal:** Consumers Energy's last remaining coal-fired plant was scheduled for retirement at the end of May 2025 but continues to operate pursuant to U.S. Department of Energy emergency orders issued under the Federal Power Act. Consumers Energy intends to comply with Department of Energy orders and will retire the plant when the orders are no longer in effect.

Through this balanced approach, the proposed Energy Supply Plan is designed to provide the reliable, affordable and increasingly clean energy Michigan residents and businesses will need for decades to come. The plan is currently under review by the Michigan Public Service Commission.

## Expanding Customer Energy Programs

Consumers Energy also offers voluntary renewable energy customer programs. For example, the company's Solar Gardens program allows customers to affordably subscribe to blocks of solar energy without purchasing or installing their own panels. Similarly, the MI Sunrise component of Solar Gardens allows schools and nonprofit community organizations to subscribe on behalf of income-qualified customers. The Renewable Energy Program helps businesses meet their sustainability goals, improve their sustainability brands and attract sustainability-focused investment. The program has 120 MW of fully subscribed capacity and over 675 MW of contracted customer demand to support the construction of new wind and solar resources.

The Renewable Energy Program further caters to residential customers, allowing them to match the energy consumption of an average Michigan home by subscribing to locally produced energy sources at levels ranging from 1% to 100%. Currently, about 1,370 customers participate in the program. Consumers Energy also launched a new, low-income renewable energy program, Green Giving, in 2025 to ensure equitable access to clean energy for underserved communities, reduce energy costs and promote sustainability. The program currently serves over 11,000 customers.

## Powering the Future, Preserving Community Value

Consumers Energy is taking a thoughtful step to reshape its generation portfolio with the planned sale of our 13 hydroelectric facilities along five Michigan rivers.

This decision reflects years of community engagement and careful evaluation of how to best balance affordability, environmental stewardship and long-term sustainability.

By transferring ownership to Confluence Hydro, an experienced operator of renewable assets, Consumers Energy is helping ensure these historic dams continue to operate safely while preserving the reservoirs that support local recreation, tourism and economic activity.

The sale also supports customers by reducing long-term costs tied to maintaining aging infrastructure, while allowing the company to focus investments on a cleaner, more modern energy system.

At the same time, preserving the ongoing operation of the facilities protects the environmental and community benefits these waterways provide. This transition reflects a balanced approach — honoring the past while advancing a more sustainable energy future for Michigan.

### Balancing Energy Demand

Partnering with business and residential customers to reduce energy use is a critical element of Consumers Energy's plans. Demand-response programs help business and residential customers reduce their use during peak hours on high-demand days, which saves them money and reduces emissions from power plants. In 2025, customers enrolled in Consumers Energy's demand-response program for a total of 694 MW. The company is proud of its environmental leadership and commitment to responsibly manage impacts on customer bills.

In addition, Consumers Energy's EWR programs help residential, commercial and industrial customers lower their energy use through rebates, home energy assessments, efficient equipment upgrades, appliance recycling and other energy-saving solutions. In 2025, EWR programs created approximately $374 million in annual customer value, lowering energy system costs through avoided energy use and reduced generation, transmission, distribution, capacity and natural gas infrastructure needs, after program costs and incentives were considered.

### Carbon Offsets

Consumers Energy offers residential and business customers MI Clean Air, a program to offset emissions from natural gas use through a forestry project in Michigan's upper peninsula. These offsets help limit deforestation, improve air quality, protect wildlife habitat and support long-term carbon storage.

### Renewable Natural Gas

Produced from organic waste, renewable natural gas (RNG) captures methane that would otherwise be released into the atmosphere and conditions it for use in the natural gas system. Because this process avoids high global warming potential methane emissions, RNG can be carbon-negative and offers customers a meaningful pathway to reduce their end-use emissions. In 2026, Consumers Energy will commission two Michigan-based Dairy RNG facilities, enabling customers to voluntarily choose RNG as a clean fuel alternative to support their decarbonization goals.

### Our Electric Vehicle Transformation

Consumers Energy is helping advance Michigan's electric vehicle (EV) transformation through programs that make charging more accessible, affordable and beneficial for the electric grid. Consumers Energy's nationally recognized EV programs encourage customers to charge during off-peak hours, reducing costs, supporting reliability and helping all customers benefit from smarter energy use. This approach focuses on three priorities:

**Expanding charging access:** Consumers Energy supports EV adoption by offering incentives for residential, business, public, multifamily and community charging, including programs designed to improve access in apartments and underserved residential areas.

**Optimizing charging for the grid:** Through PowerMIDrive and related programs, participating customers are encouraged to charge when electricity is cheapest and demand is lower, helping manage load growth and support system reliability.

**Leading by example:** Consumers Energy is taking a targeted approach to fleet electrification by prioritizing EV and plug-in hybrid replacements where they deliver measurable value, including lower emissions, reduced operating costs and strong operational performance.

## Energy Resiliency and Reliability

Consumers Energy is modernizing its electric distribution system to continue safely supplying affordable, reliable power for Michigan. The company is replacing more poles and wires than ever before, upgrading and building new substations and exploring the value of burying more power lines to strengthen the network that keeps power flowing to homes and businesses every day.

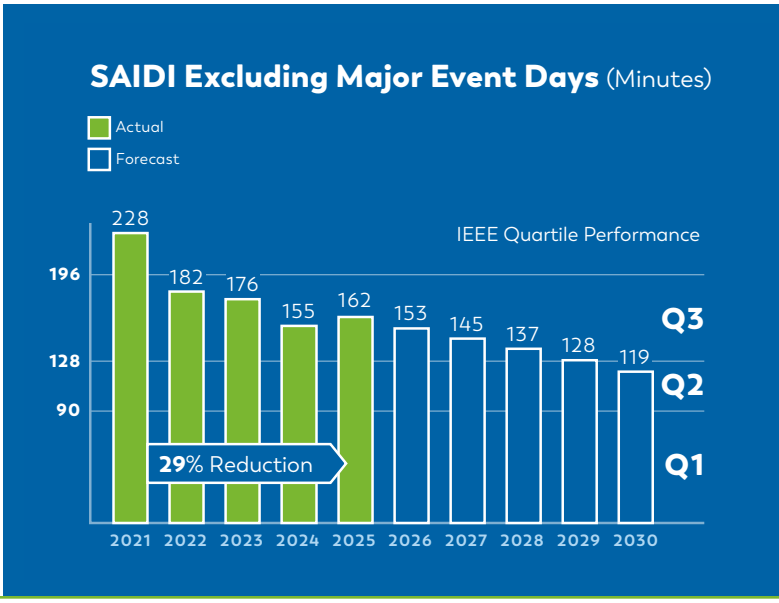
Consumers Energy's goal is simple: fewer, shorter and less frequent power outages for its customers. The company is building a grid capable of reliability performance in the top half amongst utility peers as determined by the Institute of Electrical and Electronics Engineers (IEEE). Since 2021, Consumers Energy has made substantial progress toward this goal, lowering by nearly 30% the System Average Interruption Duration Index (SAIDI), which measures the total duration of power outages an average customer experiences over a given period.

Consumers Energy filed an updated five-year electric Reliability Roadmap with the Michigan Public Service Commission in 2025 and will file an update in November 2026. It's a blueprint for serving Michigan today and innovating to meet tomorrow's challenges.

### Our Electric Reliability Roadmap

We're serving 1.9 million electric customers throughout Michigan's Lower Peninsula with a system that's safe, reliable, affordable, clean and equitable. Consumers Energy's plan improves reliability performance by focusing primarily on:

**Infrastructure upgrades and hardening:** Consumers Energy is making prudent, proactive investments to replace poles, bury power lines cost-effectively and sectionalize circuits to ensure fewer customers are impacted by outages. Replacement poles, for example, are designed to sustain winds over 125 miles per hour under expected storm conditions (with no ice present).



**Forestry management:** Traditional tree trimming is an effective way to prevent and shorten power outages and improve system reliability. Consumers Energy's plan to reduce the cycle time for clearing low-voltage circuits from seven years to five years increases spending on tree trimming to keep distribution lines clear of tree-caused hazards and keep customers' lights on.

**Grid automation:** Smart meters, sensors and automation devices work together to help us monitor the system more effectively, optimize power delivery and restore power faster, often before customers notice.

**Support for all customers:** Consumers Energy continues to evaluate how different communities experience reliability and resiliency — and prioritize infrastructure investment projects accordingly. Proactive outreach in the community ensures the company hears from all customers and works to serve their specific needs. Consumers Energy also weighs future implications for grid access when it comes to EVs and other technologies.

The company completed the largest ever distribution workplan in 2025 with over 2,700 projects, over 26,000 miles of line inspections, and 7,800 miles of power lines cleared. The investments in preparation have paid off. Despite 20% more weather driven outage events in 2025, Consumers Energy's investments reduced customer impacts by 130,000 outages at homes and businesses.

## Meeting Demand Through Natural Gas Operations

Consumers Energy is one of the nation's largest natural gas companies. Its infrastructure comprises more than 28,000 miles of distribution main and about 2,300 miles of transmission pipeline. The company continually makes improvements to deliver safe, reliable, affordable , clean and equitable energy to natural gas customers. Natural gas is the most affordable fuel available today for heating customers' homes and businesses. Natural gas supports customers' quality of life, as well as industrial and economic development throughout Michigan.

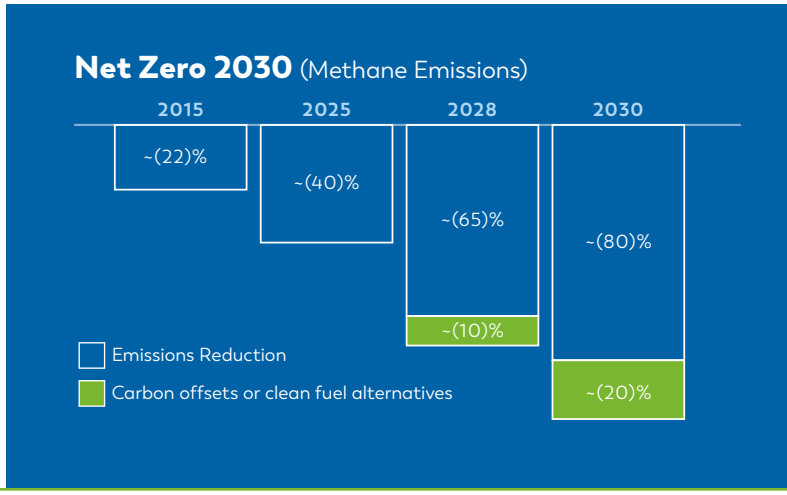
Consumers Energy's Natural Gas Delivery Plan, updated annually, is a 10-year natural gas system investment plan that accelerates infrastructure replacements, innovative leak-detection technology and key process changes to reduce or eliminate methane emissions.

## Advancing a Cleaner Natural Gas Future

Natural gas plays an important role in delivering safe, reliable, affordable, clean and equitable energy to homes and businesses across Michigan. Consumers Energy recognizes the future of natural gas must be cleaner and has committed to achieving net zero Scope 1 methane emissions by 2030. That's why the company is transforming how natural gas is delivered and reducing emissions across the system. By 2030, Consumers Energy plans to reduce methane emissions from the natural gas delivery system by 80% compared to 2012 levels. The remaining emissions will likely be offset through clean fuel alternatives or nature-based carbon removal pathways.

Since 2012, Consumers Energy has reduced methane emissions from its natural gas system by nearly 40%. Building on this momentum, the company is focusing on near-term actions that deliver measurable results, including:

- Finding and repairing leaks using advanced methane detection technologies.
- Replacing vintage distribution mains made of cast iron and steel.
- Replacing older service lines constructed of copper and bare steel.
- Plugging and abandoning storage wells to minimize wellhead leaks.
- Implementing infrastructure protection programs to limit third-party damages.



## Line Clearing Efforts Strengthen Reliability and Safety

Trees and limbs are the leading cause of power outages, responsible for nearly 40% of service interruptions. As severe weather becomes more frequent, we are strengthening our approach to vegetation management to improve safety and reliability. By increasing how often crews monitor areas near power lines and proactively clearing vegetation, we are addressing risks before they impact customers.

This work is guided by careful evaluation of tree health, growth patterns and proximity to infrastructure, helping the electric system better withstand extreme weather. At the same time, we are investing in long-term solutions through our "Right Tree, Right Place" initiative. Partnering with communities through the Community Street & Boulevard Tree Planting Grant Program, we support planting appropriate tree species in locations where they can thrive without interfering with power lines.

Since 2017, this combined approach has supported thousands of new trees across Michigan while reducing future reliability risks. By integrating proactive line clearing with sustainable tree planting, we are balancing environmental stewardship with grid resilience—helping build a safer, more reliable energy future for customers and communities.

These actions modernize infrastructure while reducing emissions that would otherwise be released into the atmosphere. Together, these significant methane reductions, carbon offset procurement and RNG production will help the company reach net zero methane emissions for its natural gas delivery system by 2030. By achieving this goal, Consumers Energy will reduce its methane emissions by more than 15,000 metric tons (MT) — that's the equivalent of removing about 90,000 vehicles from the road for a year or preserving more than 420,000 acres of forest.

## Stewardship and Biodiversity

### Caring for Land, Water and Wildlife, and Reducing Waste

We love Michigan and work continually to improve the place we call home. This includes Consumers Energy setting five-year (2023 – 2027) land, waste and water protection goals:

**Water:** Reduce water usage by 1.7 billion gallons through 2027; Consumers Energy surpassed this goal in 2025 by reducing water usage by more than 1.9 billion gallons towards this goal.

**Waste:** Divert a minimum of 90% of waste from landfills (through waste reduction, recycling and reuse); during 2025, Consumers Energy's rate of waste diverted from landfills was 93%.

**Land:** Enhance, restore or protect 6,500 acres of land through 2027; Consumers Energy surpassed this goal during the three-year period (2023 – 2025) by enhancing, restoring or protecting 6,700 acres of land.

### Water

In 2025 alone, Consumers Energy saved 605 million gallons through operational changes and continue additional water efficiency efforts including:

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

We love Michigan and work continually to improve the place we call home.

Additionally, Consumers Energy utilizes alternative water-use initiatives, such as on-site stormwater capture, to supplement freshwater needs and further reduce the amount of fresh water extracted from surface water and the ground.

These efforts, along with integrated environmental risk management and long-term generation portfolio planning, allow the company to reduce water-related risk. Water risks are assessed across multiple time horizons and incorporated into business planning.

## Waste Reduction

Consumers Energy's focus on Reduce, Reuse and Recycle stems from efforts to look across the organization and beyond to divert materials from the landfill. The company has a waste reduction subcommittee established under our People and Planet Partners Employee Resource Group that supports waste reduction efforts by finding and implementing new opportunities.

**Reduce:** Consumers Energy utilizes composting at its Jackson-based offices to minimize landfill waste.

**Reuse:** Consumers Energy conserves and recycles soil and construction materials on projects that require site clearing and digging. The company also partners with a third party to manage utility poles at higher volume sites to be reused outside of the company.

**Recycle:** Consumers Energy uses centralized waste and recycling stations at all Consumers Energy facilities. Additionally, the company collects a wide variety of materials, including rubber gloves and sleeves to be recycled as a primary ingredient in surfaces at playgrounds and dog parks.

## Hazardous Waste

Hazardous waste generation is properly managed and reduced by:

- Using best practices to safely store products and waste to minimize potential spills.
- Evaluating and implementing process changes to reduce or eliminate generation of hazardous waste.
- Segregating hazardous and nonhazardous wastes to minimize volume.
- Purchasing products that will not result in hazardous waste.
- Limiting product orders to reduce excess that becomes waste.

## Pollinator Plantings at Solar Sites

As Consumers Energy continues to expand clean energy generation across Michigan, the company is also rethinking how the land beneath and around its solar panels is used. At select solar sites, Consumers Energy has incorporated pollinator-friendly habitat plantings, transforming areas traditionally planted with turf grass into landscapes designed to support bees, butterflies and other pollinating insects.

These plantings use native and pollinator-beneficial seed mixes selected to provide flowering plants across multiple seasons while remaining compatible with solar operations.

Pollinator plantings are already part of Consumers Energy's renewable energy footprint. Cadillac Solar Garden site was seeded with pollinator-friendly habitat as part of its development, demonstrating how solar generation and ecological benefits can coexist on the same land.

These efforts also contribute to broader environmental commitments. In its biodiversity reporting, the company tracks pollinator habitat as a key impact area and reports more than 1,400 acres of land enhanced through pollinator seed mixes across company operations. While these acres span multiple project types, solar sites play an important role in advancing this work.

By pairing renewable energy development with pollinator habitat, Consumers Energy is working to responsibly steward land resources while supporting Michigan's clean energy future. This approach reflects a commitment to land use practices that deliver environmental value alongside reliable, sustainable power generation.

### Polychlorinated Biphenyls (PCB) Management

Consumers Energy has made substantial progress in PCBs within its electric system. In 1994, the company entered into a voluntary agreement with the U.S. Environmental Protection Agency (EPA) to identify and phase out PCB capacitors and large PCB transformers in its transmission and substation systems over a 10-year period. This commitment was completed ahead of schedule, and by 2003 all identified units had been removed from service and either properly disposed of or retrofilled and reclassified as non-PCB, reflecting a long-standing commitment to environmental stewardship and regulatory compliance.

Since the early 1980s, Consumers Energy has exclusively procured non-PCB, mineral oil-filled equipment, preventing the introduction of new PCB sources. The company continues to manage residual risks through the targeted removal and replacement of legacy equipment, resulting in a steady decline in PCB-containing assets. Through ongoing investment, operational controls and adherence to industry best practices, Consumers Energy is advancing toward a near-complete phase-out of PCBs while ensuring the safe and compliant management of remaining materials.

### Land and Biodiversity

Consumers Energy's approach to biodiversity is rooted in responsible stewardship, focusing on meaningful conservation outcomes that extend beyond regulatory requirements. For instance, one of the priority biodiversity focuses is planting trees throughout Michigan. Consumers Energy set a goal to plant 4,000 trees between 2024 and 2027. In 2025 alone the company planted, or funded the planting of, 6,633 trees.

Management-level accountability for biodiversity is integrated into the governance structures that oversee sustainability and environmental stewardship. To support compliance and continuous improvement, Consumers Energy applies an Environmental Review Checklist to all projects with potential environmental impacts. This process identifies biodiversity priority areas and guides the mitigation hierarchy by emphasizing early habitat assessments, avoiding impacts where feasible, and minimizing disturbance when impacts cannot be avoided. For example, if field surveys conducted after preliminary design show that a proposed substation location would affect a wetland, the company evaluates whether the site can be adjusted to avoid the disturbance.

Building on this approach, Consumers Energy also implements targeted operational measures to reduce risks to wildlife during project construction and operation. On many of Consumers Energy's Gas Transmission Line and high

voltage distribution projects, the company installs orange silt fencing, also known as wildlife barrier fencing, to deter wildlife from entering active construction zones. In addition to these physical controls, Consumers Energy implements worker education and training programs to ensure construction crews can safely identify and remove turtles and other wildlife that may enter the corridor through gaps or breaches in the barrier.

For longer linear projects, dedicated environmental inspectors conduct daily patrols along the corridor to identify and repair breaks in the fencing and to monitor for the presence of wildlife. This combined approach of barrier installation, workforce training and routine inspections has proven highly effective. In the Mid-Michigan region alone, over 12,000 animals have been safely rescued and relocated on one project because of these efforts.

At Crescent Wind Farm, Consumers Energy operates a bat smart curtailment system. This system uses a network of microphones installed on wind turbines across the site to detect bat activity during the active season. When bat vocalizations are identified, the system automatically curtails turbine operations in the immediate area to reduce collision risk. The technology leverages acoustic sensors to classify bat calls by family group, and all acoustic data are recorded and retained each year. Bat biologists then analyze the data to identify species present on-site and inform ongoing conservation and adaptive management efforts.

In addition to these internal efforts, the Consumers Energy Foundation supports environmental nonprofits, including ReLeaf Michigan's educational programs to promote a healthy tree canopy across the state. Consumers Energy's Forestry Department funds grants administered by the Michigan Forestry and Parks Association for municipalities within its electric service territory. By supporting the planting of tree species that are well-suited to their locations, the program helps enhance community tree canopies while reducing future maintenance needs. From 2017-2025, more than $730,000 has flowed through this program, resulting in the planting of over 5,500 trees.

## Environmental Compliance

CMS Energy is committed to sustainable operations as outlined in our Corporate Environmental Policy. We exercise the precautionary principle and conduct due diligence to minimize environmental impacts. Our Environmental Management System, modeled on ISO 14001 standards, helps us comply with regulations and continually improve our environmental performance.

# PEOPLE

We strive to make decisions that strengthen our communities, support our co-workers, and help ensure every customer has access to safe, reliable, affordable, clean and equitable energy. This commitment guides how we deliver affordable energy solutions, invest in the safety and well-being of our co-workers and communities, and develop a skilled, future-ready workforce. By putting people at the center of our decisions, we create long-term value while supporting a more resilient and equitable energy future.

## Energy Affordability

Everything we do starts with customers. We know that affordable energy is essential for families, businesses and communities, and we work every day to keep costs as low as possible while maintaining safe and reliable service. We help customers save money by reducing energy waste, providing tools and resources that support smarter energy use and connecting those in need with assistance. Consumers Energy's goal is to ensure every customer has access to the support and resources they need to keep their homes and businesses powered with confidence.

### Energy Efficiency Programs

Consumers Energy helps customers lower energy use, reduce bills and improve comfort through a broad portfolio of energy efficiency programs for residential customers, small and medium-sized businesses, and large commercial and industrial customers. Since 2009, these programs have helped customers save more than $8.5 billion.

Consumers Energy has consistently exceeded statutory energy savings requirements and continues to set ambitious targets. Under its 2026 – 2029 Energy Waste Reduction Plan, the company expects to achieve average annual savings of 2% for electric programs and 1% for natural gas programs over the plan period.

Consumers Energy's long-standing commitment to energy efficiency has been recognized nationally, including past recognition from the U.S. Environmental Protection Agency for sustained excellence in energy management performance. More broadly, Michigan's utility energy efficiency programs were ranked No. 1 in the nation in the American Council for an Energy-Efficient Economy's 2025 State Energy Efficiency Scorecard. This ranking reflects strong energy savings performance, cost-effective program delivery and robust offerings for income-qualified customers, demonstrating that the benefits of energy efficiency are shared by customers across the state.

### Help for Income-Qualified Customers

In 2026, Consumers Energy helped customers access approximately $60 million in federal, state and company-funded energy assistance, providing critical support to those facing financial challenges. Beyond immediate bill assistance, energy efficiency programs help customers reduce energy use and save money over time. By expanding community-based outreach and connecting directly with customers where they live and work, Consumers Energy is reaching more people than ever before with the tools, resources and support they need to keep energy affordable. Consumers Energy connected with customers through direct community engagement, media and other outreach.

Consumers Energy's 2026 – 2029 Energy Waste Reduction Plan reflects its commitment to expanding energy efficiency support for eligible customers. Through the plan, the company will direct at least 25% of electric program investments and 35% of natural gas program investments toward income-qualified customers ahead of mandated timelines. These investments include single-family and multifamily housing measures and new approaches that better connect energy efficiency programs with energy assistance resources.

Energy efficiency work for income-qualified customers takes a holistic, community-based approach. Consumers Energy pairs energy-saving upgrades with home repairs or improvements that make those upgrades possible, helping more customers fully participate in available programs. Through the continued and expanded geotargeting efforts the company is identifying priority areas and delivering coordinated support to customers with the greatest need. These efforts are strengthened through partnerships with trusted community-based organizations.

## Safety, Health and Well-being

Our focus on safety is embedded in our culture. We're committed to the safety, health and wellness of co-workers, customers and community members.

### Committing to Community Safety

Consumers Energy continues to invest in modernizing both its natural gas and electric infrastructure to enhance community safety, reliability and resiliency. Through targeted investments in pipeline integrity, standard pressure elimination, leak reduction, advanced system monitoring and strategic capacity improvements, the company is strengthening the safety and performance of its energy grid. Alongside electric system upgrades such as pole replacements, a five-year timeframe for tree trimming across the entire low-voltage system, and the addition of sensors and automation to help monitor and to manage the system more effectively, these investments support early detection of potential issues, improve emergency preparedness and safeguard critical physical and digital assets.

Consumers Energy maintains large, highly trained crews that mobilize quickly during storms and other emergencies to secure dangerous conditions such as downed power lines and gas leaks. The company also coordinates closely with emergency officials and first responders, providing hands-on training, safety resources and on-site support during major incidents.

### Focus on Employee Safety and Well-being

The health and safety of our co-workers and the public is our top priority. We're committed to eliminating serious injuries with our safety stands:

- 100% commitment to our own and each other's safety
- Zero life-altering or life-ending injuries
- 100% of high energy controlled before work starts

Our focus on safety is embedded in our culture. We are committed to the safety, health and wellness of employees, customers and community members.

We've worked hard to improve our safety culture and performance and have implemented a proactive, risk-based program in partnership with EEI and other utilities. The Safety Classification and Learning Model helps us identify potential serious injury or fatality events from "safety good catches" or "stop the job" moments and implement controls to prevent safety events.

At CMS Energy, safety includes not only our co-workers' physical safety but also their psychological and mental safety. We support our co-workers' well-being through internal well-being consultants and several tools to improve physical, financial, emotional, social and professional health.

### Contractor Safety

Contractor oversight is essential for a safe work environment for our employees, contractor employees, customers and the public. Safety is an important part of our contractor selection process including the use of a third-party company to help evaluate contractors' safety history and ensure they have adequate safety programs. Each oversight team maintains a good working relationship with contractors, and seeks cooperation during the monitoring process, to ensure implementation of safe work practices.

## Employee and Workforce Development

CMS Energy supports employee and workforce development through comprehensive training, education and career pathway programs. Employees receive technical, safety and leadership training, develop individualized career plans, and can access tuition reimbursement and professional certification support.

### Developing Leaders and Talent for a Sustainable Future

Achieving our long-term strategy requires a workforce that's skilled, adaptable and led by capable leaders who can navigate transformation, advance a people-centered culture and deliver sustained performance. Leadership and professional development are a strategic enterprise capability, one that strengthens our ability to attract, develop and retain the talent needed for the future by building the skills, mindsets and behaviors needed to sustain performance and workforce resilience.

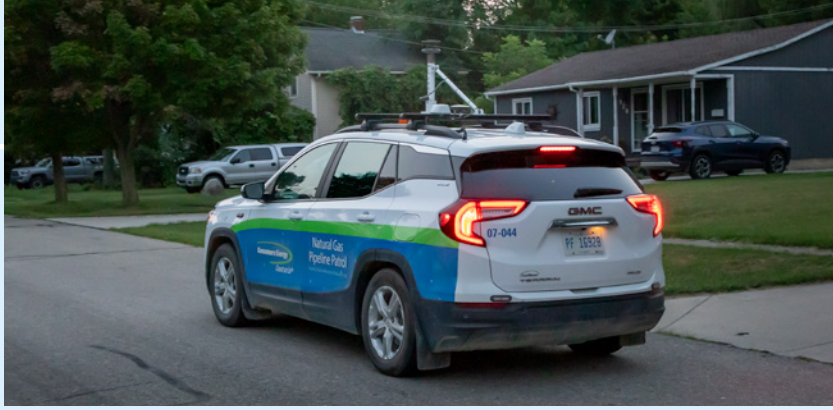
Our approach to leadership and talent development is designed to equip leaders to activate high-performing teams, navigate continuous change and prepare for what's next. We strengthen enterprise capabilities by teaching skills like lean thinking, digital adoption and people leadership. These approaches help unlock talent, build future-ready skills and improve how the work gets done.

## Advanced Methane Detection

Consumers Energy is advancing how it detects and reduces methane emissions through its Advanced Methane Detection program, using innovative technology to improve safety, reliability and environmental performance with the goal of achieving net zero methane emissions by 2030.

By combining mobile, aerial and continuous monitoring tools, the company can identify and measure methane emissions across its natural gas system with greater speed and precision than traditional methods.

Advanced mobile detection helps crews survey the system more efficiently, prioritizing repairs and accelerating the replacement of aging infrastructure. In addition, annual system-wide surveys are used to identify "super emitters," allowing us to address the highest-impact leaks sooner — often before standard inspection schedules.




By integrating advanced monitoring with ongoing infrastructure upgrades, Consumers Energy is strengthening its commitment to reducing methane emissions while maintaining a safe and reliable natural gas system — supporting the long-term goal to significantly lower emissions and deliver cleaner energy for Michigan communities.

### Activating Strategy Through Leaders

Company leaders are our difference makers. They have a key role as our strategy translators, responsible for enrolling their teams in our long-term priorities and aligning the work accordingly. Leadership development experiences reinforce our leaders' ability to connect strategy to team-level goals, decision-making and execution.

### Building Future-Ready Team Capabilities and Talent Readiness

Development initiatives focus on enterprise and systems thinking, accountability, change leadership and decision-making under uncertainty. These capabilities help high-performing teams navigate a rapidly changing energy landscape, and are consistently reinforced through leadership programs, team-based learning and practical application. Leadership and development efforts are increasingly integrated with succession, talent mobility and workforce planning. This ensures teams have the depth, skills, and leadership readiness required to sustain performance and adapt as roles and organizational needs evolve towards our long-term strategy.

### Creating a Culture of Continuous Learning and Accountability

Our leadership development model emphasizes continuous learning, coaching and feedback as core enablers of team effectiveness. Leaders are accountable not only for results, but also for developing talent and strengthening team capability in support of long-term success. We offer numerous programs, development and networking opportunities, including an on-demand learning platform where co-workers can access development materials anytime to support their learning and career journeys.

As our strategy evolves, so do the skills required to deliver it. We prioritize internal development and career pathways that allow co-workers to build new capabilities, pursue growth opportunities and adapt to changing business needs. This focus on talent mobility supports bench strength, succession readiness and long-term workforce resilience.

### Technical Training and Workforce Development

Our technical training programs serve a significant portion of our workforce each year, with thousands of employees — ranging from new hires in skilled trades to experienced field personnel — participating annually in hands-on and instructor-led learning. Training is structured across key technical focus areas, including electric and gas operations, safety and compliance, fleet technicians, facilities, renewables and generation employees. Through immersive, scenario-based simulations at facilities like Marshall Training and Flint Gas City, employees build both technical proficiency and real-world decision-making capability.

We believe our success is built on the strength, dedication and care of our co-workers who show up every day committed to safe, reliable and efficient operations.

Consumers Energy is also a recognized leader in registered apprenticeship programs, offering paid, on-the-job training with industry-recognized credentials. The company maintains several U.S. Department of Labor-registered programs, including Electric Lineworker, Meter Operations, Substation Operations, Substation Maintenance, Gas Lines Construction, Electric Field Lab and Plant Mechanic. The company is particularly proud of the scale and impact of these programs and its broader continuous upskilling efforts, which support strong retention, consistent safety performance and workforce readiness for evolving energy needs.

Success is reflected in metrics such as high program completion rates, strong safety outcomes and the steady pipeline of journey-level professionals entering the field each year. Coupled with partnerships with colleges and community organizations, these efforts help expand access to energy careers while advancing the goal of building a highly skilled, inclusive and future-ready workforce.

## Workforce Retention

At CMS Energy, we believe our success is built on the strength, dedication and care of our co-workers who show up every day committed to safe, reliable and efficient operations. We invest in training, tools and a culture that empowers every employee to contribute to a workplace where everyone goes home safely and improves our operations. At the same time, we recognize that our transition to a cleaner energy future includes retirement of legacy plants. When closures occur, we're committed to treating our co-workers with respect and transparency — providing advance notice, career transition support, retraining opportunities, and pathways to new roles within our company. Our goal is to ensure that, even through change, we honor the contributions of our workforce and support them in building their next chapter with confidence.

## A Deepening Partnership with Our Union

All of us own all of this. This phrase best defines the strength of partnership built jointly by CMS Energy and the Utility Workers Union of America (UWUA). Together with the UWUA, we continue to deepen a high-value, mutually beneficial partnership that touches nearly all facets of our union employees' experiences. Dimensions of the partnership include:

**A shared commitment to employee safety and operational excellence:** Ensuring every employee goes home safe is job number one, and we use a "stop the job" mentality to substantially reduce safety incidents.

**Championing a Culture of Belonging:** We want all employees, in all settings, to feel seen, valued and heard through every aspect of their experience — from hire to retire and every step in between. Our Inclusion Champions — a union and salaried team working side by side — help bring those core concepts to life at all organizational levels.

## Caring for our Co-Workers

At CMS Energy, we believe that supporting our people through competitive compensation, comprehensive benefits and meaningful work-life balance is foundational to delivering long-term value for our customers, communities and investors. We focus on fostering a supportive workplace that enables employees to thrive professionally and personally throughout all stages of their careers. In addition, we offer a broad portfolio of benefits designed to support employees' physical, emotional and financial well-being. Our comprehensive benefits offerings for employees include:

**Retirement and Financial Security**

- 401(k) Savings Plan with a Competitive Company Match to help employees build long-term financial security and prepare confidently for retirement.
- Defined Contribution Retirement Plan with Generous Company Funding, providing additional retirement savings support beyond the 401(k) plan.
- Company-Paid Life Insurance Coverage to help protect employees' families, with the option to purchase supplemental coverage for added peace of mind.
- Access to resources and tools that support financial well-being, retirement planning, and informed decision-making throughout an employee's career.

**Paid Time Off and Work-Life Balance**

- Competitive vacation program that grows with tenure
- Paid holidays and floating holidays
- Paid sick leave and earned sick time
- Paid parental leave for birth, adoption, or foster placement
- Paid bereavement leave
- Military leave with pay continuation and benefits support
- Hybrid work arrangements

**Family and Life Support**

- Dependent life insurance options
- Health advocacy and care navigation resources

**Career Growth and Development**

- Educational assistance and tuition reimbursement programs
- Professional development opportunities

**Health and Wellness**

- Comprehensive Medical Plan Options, including a Health Savings Account-eligible plan that offers flexibility and consumer choice.
- Favorable Employee Cost Sharing, with the company covering a significant portion of healthcare premiums to help keep coverage affordable for employees and their families.
- Company Contributions to Health Savings Accounts, helping eligible participants offset healthcare expenses today while building funds for future medical needs.
- Dental and Vision Coverage designed to support preventive care and overall health.
- Flexible Spending Accounts (Healthcare and Dependent Care) that allow employees to set aside pre-tax dollars for eligible expenses and maximize tax savings.
- Voluntary Accident, Critical Illness, and Hospital Indemnity Coverage to provide additional financial protection when unexpected health events occur.
- Paid Sick Leave and Long-Term Disability Benefits that provide income protection and support during periods of illness or recovery.
- Employee Assistance Program (EAP) offers confidential counseling, mental health resources, work-life support, family assistance, financial guidance, and referrals to help employees navigate life's challenges.
- A comprehensive approach to well-being that supports employees' physical, emotional, financial, and family health throughout every stage of life.

Through these programs, CMS Energy seeks to attract, retain and engage a highly skilled workforce while supporting the holistic well-being of our employees. We regularly review and evolve our total reward offerings to remain competitive within the utility industry and responsive to the changing needs of our workforce, reinforcing our commitment to being an employer of choice.

## Diversity, Equity and Inclusion

CMS Energy is committed to building a culture where all co-workers feel heard, valued and included in how we lead, work and serve. We'll continue supporting programs that strengthen psychological safety and help all co-workers contribute fully. This approach helps us better understand and respond to the needs of co-workers, customers and communities while improving business outcomes. When people feel included and respected, they're more engaged and better positioned to deliver meaningful results for our customers, stakeholders and company.

CMS Energy continues to differentiate itself through a belonging-centered approach that reflects the full experience of our workforce, including our partnership with our unions. Our team includes Inclusion Champions who are union members that help design and deliver programs and practices for both union and non-union co-workers. By embedding belonging into the CE Way, our lean operating system, we make inclusive practices part of everyday problem solving. We also connect belonging directly to safety, because a culture where people feel safe to speak up is a culture where we better protect one another and own each other's safety.

We continue to mature our approach by focusing on belonging across the full co-worker experience. To support our sustainability goals and corporate strategy, we're building practices that help co-workers feel connected, respected and able to contribute across the many dimensions of identity and experience. This begins at new hire orientation, where we intentionally help co-workers build early connections to the organization while reinforcing the importance of safety, psychological safety and belonging. We continue to work to strengthen accessibility, equity and accountability, including our commitments under the Americans with Disabilities Act.

Our focus is to support co-workers through all seasons of life and create conditions for inclusion to be experienced every day. Our Business Employee Resource Groups help activate that commitment by building community, strengthening engagement, and contributing to a workplace where people can thrive and deliver impact.

### Our Business Employee Resource Groups

A Business Employee Resource Group (BERG) is a group of CMS Energy employees who come together for a common business mission with participation in each BERG open to all active employees. The relationship is mutually beneficial for co-workers and the company. The BERGs focus on creating a sense of belonging for co-workers and greater connections to our customers and to our community. Our BERGs are trusted partners to amplify our efforts in creating opportunity and impact through accessibility and belonging. Currently, roughly a quarter of employees are members of at least one BERG.

CMS Energy hosts semiannual culture surveys to measure overall engagement and our co-workers' sense of belonging. Our data shows co-workers who are engaged in BERGs score 5% higher in both overall engagement and belonging. Our BERGs include:

**Disability+:** Removes barriers, opens minds and creates pathways to meaningful work for current and future employees with disabilities.

**GENERGY:** Provides a platform to focus on generational similarities in the workplace, while providing opportunities for discovering how to effectively communicate, embrace learning and engagement styles of various generations.

## Belonging in the Workplace

We continue to build a workplace where every employee feels valued, supported and empowered to bring their full selves to work.

In 2026, we were proud to be named the No.1 faith-friendly workplace in the U.S. energy and utilities sector by the Religious Freedom & Business Foundation — an achievement that reflects the inclusive culture shaped by our employees every day.

Through Interfaith and other BERGs, we foster connection, understanding and respect across diverse backgrounds and beliefs.

Our commitment to inclusion is further reflected in our "Advanced" score on the Disability:IN Disability Equality Index, a leading benchmark of disability inclusion in the workplace. This recognition signifies that we have embedded strong practices across accessibility, employment, leadership and community engagement.

Together, these recognitions highlight how we are strengthening a culture of belonging that supports collaboration, innovation and engagement across our workforce and the communities we serve.

**Interfaith:** Nourishes growth and understanding of faith expression in the workplace and creates pathways for meaningful connection with others as we celebrate our beliefs and the beliefs of others to allow for a more inclusive environment to retain and attract talent and help foster a more productive workforce.

**Minority Advisory Panel:** Supports the development, retention and advancement of all racial and ethnic minorities through employee engagement, talent development, outreach, educational sessions, workshops, removing barriers and implementing inclusive solutions.

**People & Planet Partners:** Empowers co-workers to drive social and environmental improvements, reduces the environmental footprint and supports our Planet goals.

**Pride Alliance of CMS Energy:** Provides resources, mentorship and guidance for LGBTQIA+ (lesbian, gay, bisexual, transgender, queer, intersex, asexual, etc.) individuals and allies.

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

**Women in Energy:** Promotes an inclusive place for all women in the fields they have chosen from front line to management, including union and operations employees.

### Energy and Environmental Justice

We're on a journey to deliver on our purpose every day to ensure all customers can count on us to experience safe, reliable, affordable, clean and equitable energy — in a way that meets their unique needs. Equity will require us to prepare flexible solutions to identify and address energy barriers. Our efforts focus on making sure no one is left behind, demonstrating how equitable applies across our business. Meaningful community engagement is an integral part of this approach.

We must identify and remove the unique and diverse barriers our customers face.

Our Energy and Environmental Justice (EEJ) Policy is our commitment to ensuring all customers and communities have access to safe, reliable, affordable, equitable and clean energy. It calls us to recognize the impact of an energy bill or an outage does not carry the same weight for all customers. We must identify and remove the unique and diverse barriers our customers face. Environmental justice centers on the environmental impacts facing communities we serve and the role the utility plays within local communities. Our goal is to reduce burdens or provide community benefits when appropriate.

**Assessing local impacts and customer barriers:** Consumers Energy was among the first utilities in Michigan to include an environmental justice analysis in an IRP, beginning with its 2021 IRP and continuing in the 2026 IRP. The company also completed publicly available EEJ regression analyses in 2025 and 2026 to better understand local correlations among electric reliability, customer disconnections and community-level conditions. These analyses are complemented by local engagement sessions that gather community perspectives on the 2026 IRP and Distribution System Plan filings.

**Using data to prioritize equity-focused action:** Consumers Energy uses the state of Michigan's MiEJScreen interactive mapping tool to help identify communities experiencing higher energy, environmental and socioeconomic burdens. These insights inform the broader electric Reliability Roadmap, including efforts to improve EEJ circuit reliability and align community engagement with construction projects in burdened communities.

**Turning community feedback into action:** Launched in January 2025, the Energizing Equity community series brought Consumers Energy together with external community partners for quarterly, in-person engagements in Flint, Jackson, Kalamazoo and Grand Rapids. These sessions connected customers with programs, resources and information addressing affordability, reliability, safety and well-being, while also capturing feedback on energy-related priorities. Community perspectives help identify local barriers and inform future engagement, with affordability and access to information and resources emerging as consistent themes for 2026 efforts.

## Protecting Human Rights

We're helping to create a world where all are respected and included, valued for their unique qualities and abilities, treated fairly and afforded the opportunity to advance based on merit. We protect the rights of all regardless of their race, ethnicity, gender, sexual orientation or gender identity, religion, disability or veteran status. To help accomplish this vision, all employees are expected to be strong, ethical community partners and form positive relationships wherever we do business. We work to avoid causing or contributing to human rights violations, mitigate and/or remediate adverse human rights impacts, prohibit the use of child labor, forced labor, human trafficking and modern slavery, and are transparent in our efforts, successes and challenges. CMS Energy's Human Rights Policy further details this commitment.

### Codes of Conduct

At CMS Energy and Consumers Energy, compliance with laws, regulations and company policies — along with a commitment to high ethical standards — guides all business activities. The company fosters a strong culture of integrity by ensuring directors, employees and suppliers understand their responsibilities and embed ethical conduct into daily operations, supported by both business unit accountability and enterprise oversight. A Board-appointed Chief Compliance Officer leads a comprehensive ethics and compliance program that monitors risks, evaluates effectiveness and drives continuous improvement through regular assessments and independent reviews.

Our Employee Code of Conduct helps co-workers interpret our policies and make decisions. Each year, all salaried co-workers receive ethics and compliance training and certify to our Employee Code of Conduct. For further details on our policies and procedures, please visit our Ethics and Compliance website.

# PROSPERITY

Our approach to prosperity focuses on empowering communities, supporting local organizations and fostering opportunities that improve quality of life across Michigan. Through charitable giving, volunteerism and meaningful stakeholder engagement, we invest in initiatives that support economic opportunity, strengthen local organizations and enhance quality of life across Michigan.

## Community Support and Development

We're committed to making life better for customers by directly supporting local communities through charitable giving and volunteerism. We do this by sponsoring community events throughout our service territory, engaging employee and retiree volunteers, providing in-kind donations to schools and nonprofit organizations, spearheading corporate charitable donations and awarding grant dollars to nonprofits through the work of the CMS and Consumers Energy foundations. In 2025, the Consumers Energy Foundation, CMS Energy Foundation, Consumers Energy and our employees and retirees contributed more than $17.5 million in support of Michigan nonprofits and communities.

### The Consumers Energy Foundation

We've given back to Michigan communities for nearly 140 years, and since 1990, we've helped local communities grow and thrive through the Consumers Energy Foundation. The foundation contributes to the strengthening of Michigan communities by investing in what's most important — our people, our planet and Michigan's prosperity. In 2025, the Consumers Energy Foundation contributed more than $7.8 million to nonprofit organizations throughout Michigan.

Foundation giving is separate from other CMS Energy contributions and cannot be used to directly benefit the corporation. The Consumers Energy Foundation is funded entirely through Consumers Energy shareholder donations, and these funds are not included in customer rates.

The Consumers Energy Foundation supports innovative programs and projects through signature grant allocations known as the People Awards, the Planet Awards and the Prosperity Awards. Each grant round provides up to $250,000 to two or more Michigan nonprofit organizations striving to make a positive impact in the areas we serve. In 2025, the Consumers Energy Foundation awarded a total of $1.5 million in Signature Awards to support habitat restoration, the development of community spaces and basic needs assistance.

In 2025, employees and retirees spent more than 81,000 hours volunteering across Michigan, generating a total economic impact of $2.8 million. Through our foundation's employee and retiree volunteer grant and matching gifts programs, we donated more than $450,000 to nonprofit organizations.

### Stakeholder Engagement

Engaging stakeholders is central to our mission and long-term planning. We prioritize open, inclusive and transparent communication with customers, community members, civic leaders, regulators and other key groups across Michigan. Through our EEJ efforts, we have expanded intentional engagement beyond local municipalities, adding grassroots leaders and community members lived experiences into our scope. These efforts ensure we reflect diverse perspectives in our decision-making and align our projects with community needs and values. Our engagement highlights include:

**Local presence:** Our Community Affairs team members live and work throughout our service territory, fostering strong relationships and responsive communication with local communities.

**Inclusive dialogue:** We seek input from a wide cross-section of customers to promote sustainable outcomes.

**Proactive outreach:** We create opportunities for early input and collaborative problem solving through community open houses, public meetings, partner-led engagements and neighborhood events.

We remain committed to meaningful stakeholder engagement as we advance our energy transition. By fostering open dialogue and building trust, we ensure our decisions reflect the values and aspirations of the communities we serve.

## Governance and Risk Management

CMS Energy and Consumers Energy integrate multiple levels of sustainability oversight, using several governance and risk management tools. These include oversight by the Boards of Directors (Board) and their committees, an enterprise risk management (ERM) program and robust strategic and business planning processes. Independent Board committees oversee strategy and accountability, while enterprise risk processes guide operational, financial, safety, climate and cybersecurity risks. Transparent disclosures support long-term resilience and stakeholder trust.

### Board Oversight

Our Board includes directors with experience and knowledge in sustainability issues and deploys the highest level of sustainability practices oversight. The Board also oversees our strategy and operations, including significant risk items and the corporate risk assessment process.

The Audit Committee of our Board governs our corporate risk management policy which references our ERM framework. The ERM framework includes strategic and operational risks, and processes, guidelines and policies for identifying, assessing, monitoring and mitigating such risks. Similarly, the Governance, Sustainability and Public Responsibility Committee of our Board is responsible for advising and assisting the Board with respect to public responsibility, including stakeholder outreach, stewardship and corporate social responsibility and sustainability matters. Board committee charters and other governance documents can be accessed on the CMS Energy website.

Consumers Energy is especially focused on system resiliency and the impact of extreme weather on our assets

Separate from our Board, our Environmental and Sustainability Council, comprised of senior leadership, also guides our environmental strategy and sustainability programs. This includes short- and long-term strategic decisions pertaining to environmental issues, including GHG reduction goals, physical risks and sustainability disclosure reporting.

### Enterprise Risk Management

In addition to a robust oversight structure, we maintain a risk management program to ensure risks that may significantly impact the business are known, understood and used to inform risk-mitigation strategies. The scope, roles and responsibilities related to the risk management program are included in a management policy that supports the corporate risk policy, which is approved by the Board's Audit Committee. The risk management program covers risks for CMS Energy and our subsidiaries across many areas, such as strategic, operational, regulatory, environmental, financial, information technology and cybersecurity.

One area addressed through our risk program is the physical impacts of extreme weather that can be associated with climate change. As the owner of one of Michigan's largest infrastructure systems, Consumers Energy is especially focused on system resiliency and the impact of extreme weather on our assets. The company has a cross-functional team known as the Climate Adaptation and Resiliency Team to discuss these potential impacts and how to address these issues cost-effectively.

## Physical and Cybersecurity

Physical and cybersecurity teams partner closely as members of the same organization within CMS Energy, including our subsidiaries, Consumers Energy and NorthStar Clean Energy, and report up through a single vice president accountable for both. Security is subject to state, federal and industry regulations, focusing on cybersecurity, physical security and privacy. Risks are managed through a robust program, including people, processes, technology and governance structures.

The Board oversees security risks including cybersecurity, physical security, compliance and privacy. The Board regularly receives updates covering the current threat environment, regulatory updates, review of prior-year incidents and a strategic look forward.

### Leading The Way in Cybersecurity

We manage our cybersecurity program using industry frameworks and best practices developed by government and industry partners. We make significant technological investments to prevent, detect and respond to attacks. Our electric, natural gas and corporate systems each follow standards, controls and requirements to maintain compliance.

Our cybersecurity incident response team is a dedicated, proactive function focused fully on monitoring our systems and responding when issues occur. The Cyber Security Incident Response Plan is fully integrated with the IT Incident Response process, which leverages the Incident Command System — the company's standard for crisis management. We retain third-party cybersecurity firms to assist with potentially significant incidents. Over the past three years, we have experienced no material cyber, physical or privacy incidents and have received no regulatory fines.

We test our cybersecurity response technologies and procedures through an annual third-party assessment, which simulates a cyberattack, and participate in multiple cyber response exercises per year. Findings from these assessments and exercises are managed in a central risk management platform and process alongside all other cybersecurity, IT and operational technology risks.

We engage in intelligence sharing, both with peer utilities as well as with federal and state government partners as part of our threat intelligence program. We also have a robust set of security policies covering a variety of topics including:

- Security awareness and training
- Security risk management
- Information privacy and confidentiality
- Third-party security
- Cybersecurity incident response
- Vulnerability Management Program
- Malicious software prevention/detection
- Physical risk management acceptable use
- Security policy administration
- Weapons Free Workplace Policy
- Human Trafficking Policy
- Manage security and access

## Privacy

Our privacy policy uses industry-standard administrative, technical and physical security measures to ensure the integrity of our systems and protect customer information from unauthorized access, destruction or alteration. Protection measures include an enterprise security program based on industry standard frameworks, security awareness for employees, a dedicated team to detect and respond to threats and collaboration with peers and state and federal partners.

## Physical Security

We take co-worker and customer security seriously and strive to provide a safe and secure environment free from violence or threats of violence. Our buildings and power plants are equipped with security enhancements, including physical barriers, secured access areas, cameras, alarms and other monitoring equipment. Co-workers must use electronic badges to access sites and display identification badges throughout shifts.

As part of our physical security efforts, we also:

- Partner with the Michigan Intelligence Operations Center and law enforcement to share information as appropriate related to threats against our employees, contractors and assets.
- Mitigate potential threatening or dangerous situations through employee education and guidance for customer-facing employees to report dangerous situations to co-workers or customers.
- All co-workers are encouraged to sign up for and receive notifications about security threats and threats of violence.
- Conduct daily safety tailboards when groups of co-workers gather at work, in the field or remotely, to identify hazards, define responsibilities and review exit strategies in the case of a real threat.

We prioritize open, inclusive and transparent communication with customers, community members, civic leaders, regulators and other key groups across Michigan.

## Political Activity

To meet Michigan's energy needs and help the state's communities thrive, we're committed to providing safe, reliable, affordable, clean and equitable energy. Our advocacy activities are directed toward fulfilling that commitment, without regard to the personal political affiliations or views of any individual at any level across the organization. In engaging in the political process, the company is committed to upholding our core values and adhering to the highest standards of ethical conduct.

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### Lobbying and Trade Associations

Our political engagement includes conversations with government and elected officials, regulators, community members, business leaders and environmental groups. This collaboration informs, educates and builds trust and partnerships to reach mutually beneficial solutions. We comply with all federal, state and local lobby registration and disclosure laws to provide transparency in our lobbying expenditures.

We hold memberships in industry, trade and business associations focused on representing the energy and utility industry, the business community, our customers and our communities. Areas of interest include: reliability, emergency response, clean energy technology integration, human resources, diversity, equity and inclusion, environmental matters, employee and public safety measures, cybersecurity and physical security. Costs associated with lobbying activity and trade association memberships are not included in customer rates.

More information regarding our lobbying process, trade association engagement and other expenditures is available on our political engagement webpage under Trade Associations and Business Memberships.

### Corporate Political Contributions

Federal and state campaign finance laws prohibit corporations from making direct contributions to national political parties, as well as candidates for campaign purposes. We are able to contribute to grassroots activities, issue advocacy, voter registration, and state and local ballot question committees. These contributions are under the supervision of our Board, senior management and members of our legal team.

To promote transparency, we go above what is required by law and voluntarily publish political contributions semiannually at all levels of government, as noted below:

- Expenditures related to ballot initiatives.
- Direct corporate contributions to an entity organized under Sections 527 and Section 501(c)(4) of the Internal Revenue Code when annual contributions exceed $25,000.
- Nondeductible portions of trade association and other organization dues when annual mandatory membership dues exceed $25,000.

To meet Michigan's energy needs and help the state's communities thrive, we are committed to providing safe, reliable, affordable, clean and equitable energy.

### Employee Political Activity

We maintain separate segregated funds and a corporate political action committee (PAC), which is registered with the Federal Election Commission. We also maintain a state PAC registered in Michigan.

Our employee PAC, CMS Energy Corporation Employees for Better Government, is a nonprofit, nonpartisan PAC governed by an employee/retiree shareholder-run steering committee and is independent of company officers and Board. Participation is voluntary and the PAC is governed by strict bylaws to ensure employees and shareholders have a voice in the political process.

Applicable to all state and federal laws and regulations, all receipts and contributions are disclosed as required. Links to our PAC disclosures are available on our Corporate Political Engagement webpage.

## Supply Chain Sustainability

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Our suppliers are essential to our business and an integral part of our team. Their partnership is essential to deliver on our commitment to provide materials and services for our internal crews and customers without disruption. Suppliers who demonstrate a high commitment to safety, quality, cost efficiency and timely delivery are partners with us in our aspirations to continuously improve our performance and enable our ability to provide affordable and reliable energy. This starts by identifying suppliers aligned with our mission and sharing our values.

The safety of our employees and our communities is our top priority. We expect our suppliers to maintain a high safety rating as indicated by ISNetWorld, an industry-recognized contractor management platform monitoring safety and compliance. We also ask suppliers to demonstrate their shared commitment to sustainability by asking for ideas to improve a project's sustainability. We openly share our Code of Conduct and require our suppliers to adhere to our standards of ethical behavior. Through the sourcing process, we are deliberate in selecting suppliers who share our values.

During project implementation, we monitor progress and process. We use mutually established key performance indicators and quarterly reviews as regular touchpoints with key partners and on high-risk projects. These vary by project but typically include project safety, environmental performance and spend reporting with Michigan-based and diverse suppliers to ensure the best project outcomes.

Our commitment to sustainability extends to our suppliers. We require our suppliers to comply with the letter and spirit of all environmental laws, regulations and standards, and CMS Energy's Environmental Policy. We also expect suppliers to identify and implement opportunities to reduce waste and pollution at its source and promote the use of sustainable materials and practices.

Consumers Energy is a member of the Sustainable Supply Chain Alliance, an organization of utilities and suppliers working together to advance sustainable practices in utility supply chain and supplier networks. Through this partnership, Consumers Energy encourages its suppliers to participate in The Sustainability Project assessment to assess and manage their sustainability performance.

## Inclusive and Local Sourcing

As we mature our business processes, economic inclusive sourcing is imperative to building a high-quality, long-term sustainable network of suppliers who help us deliver on our triple bottom line. This includes expanding our supplier network with a diverse slate of vendors and encouraging our suppliers to report their sourcing through Enhanced Tier II reporting. Enhanced Tier II reporting increases transparency into supplier spending by tracking subcontracting and procurement activities beyond direct suppliers, helping identify opportunities to expand participation throughout the supply chain.

We are demonstrating our commitment to Michigan's economy with the intentional inclusion of local suppliers, including a $1.5 billion commitment to purchase technology, equipment and services from Michigan-based businesses. This historic commitment will create and retain good-paying jobs, support Michigan manufacturers and strengthen the state's position as a global leader in the energy supply chain.

## Awards and Recognition

Recognition for our commitment to sustainability includes:

- Named Top Utility in Economic Development by Site Selection Magazine.
- Named TRENDSETTER company by CPA-Zicklin Index for corporate political disclosure and accountability.
- Religious Equity, Diversity & Inclusion (REDI) Index results for 2025 most faith-friendly companies. Similarly, CMS Energy placed 6th among Fortune 500 companies, an improvement from 16th in 2024.
- 2025 Bell Seal for Workplace Mental Health recipient by Mental Health America (MHA), a leading national nonprofit promoting mental health, well-being and illness prevention.
- Michigan Veterans Affairs Agency (MVAA) Gold Level Veteran Friendly Employer Status.
- Inclusion in the MSCI Selection Indexes.
- FTSE4Good Index Series constituent.
- Received advanced proficiency level status on Disability:IN's index assessment.

## Additional Reports and Data

We provide extensive sustainability public disclosures, including information on our environmental stewardship efforts and long-term strategy. We address these matters in Securities and Exchange Commission, Environmental Protection Agency and other regulatory agency filings, and through voluntary reporting efforts found on our CMS Energy Sustainability website.

## Disclosure

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 in our Securities and Exchange Commission (SEC) filings. Forward-looking statements should be read in conjunction with "FORWARD-LOOKING STATEMENTS AND INFORMATION" and "RISK FACTORS" sections of our most recent Form 10-K and as updated in other reports we file with the SEC, which can be found on our Regulatory Filings page. CMS Energy and Consumers Energy have no obligation to update or revise forward-looking statements regardless of whether added information, future events, or any other factors affect the information contained in the statements. The information in this report may apply standards of materiality that are different than standards applied to other investors or required to be disclosed in SEC filings.

# APPENDICES

## Global Reporting Initiative (GRI) Index

GRI (Global Reporting Initiative) is the independent, international organization that helps businesses and other organizations take responsibility for their impacts, by providing them with the global common language to communicate those impacts.

+ GRI Index

## Task Force on Climate-Related Financial Disclosure (TCFD) Index

The Task Force on Climate-related Financial Disclosure (TCFD) is a voluntary, consistent climate-related financial risk disclosure for use by companies in providing information to investors, lenders, insurers and other stakeholders. The TCFD framework rests on four main tenets: governance, strategy, risk management, and metrics and targets.

+ TCFD Index

## Sustainability Accounting Standards Board (SASB) Index for Consumers Energy — Electric Utilities & Power Generation

Our SASB Index identifies where the corporation makes disclosures and provides information in the Electric Utilities and Power Generation industry section within the infrastructure sector.

+ SASB Electric Index

## Sustainability Accounting Standards Board (SASB) Index for Consumers Energy — Gas Utilities & Distributors

Our SASB Index identifies where the corporation makes disclosures and provides information in the Gas Utilities and Distributors industry section within the infrastructure sector.

+ SASB Natural Gas Index