Environmental, Social & Governance



October 2021







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

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

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

Presentation endnotes are included after the appendix.

CMS Energy Overview

Corporate Structure^a



Key Information

CMS ENERGY

2020 Financial StatisticsBased in Jackson, MI~8,200Employees (41% unionized)^b\$6.7 BnRevenue^c\$764 MMAdjusted net income^c\$764 MMAdjusted net income^c7% adj. EPS^dGrowth for past 18 yearsIn lineDividend per share growthw/earningsNote of the state of the state

Senior Management Team



Presentation endnotes are included after the appendix.

Consumers Energy Positioned Well...





Attracted >485 MW of new or expanding load since 2015



4th Largest Combination Utility

- Electric Utility 1.9 MM electric customers 7,927 MW of capacity
- Gas Utility
 1.8 MM gas customers
 309 Bcf gas storage (#1 in the U.S.)
- Serving 6.8 MM Michigan residents

Consumers Energy Planet Goals

Net zero methane emissions by 2030 & Net zero carbon emissions by 2040^a

... for the clean energy transformation.

Presentation endnotes are included after the appendix.

CMS Enterprises Continues to Perform . . .



Renewable Platform

- Aviator, 525 MWs of contracted wind
 - 51% cash equity ownership (tax equity utilized)
 - Funded with cash on hand, no new equity
 - Offers utility-like returns with creditworthy counterparties
- Operating projects:
 - 27 MWs of contracted solar (MI, WI)
 - 64 MWs of contracted biomass (MI, NC)
 - 105 MWs of contracted wind (OH)

DIG & Other

- ~1,000 MWs in MI
- DIG long-term energy (>95% contracted) & short-term capacity (100% contracted)
- Filer City PPA with the Utility
- Upside: tightening supply with future retirements
 - MISO Zone 7 PY '20/'21 auction cleared at CONE
 - Michigan Supreme Court Local Clearing Requirement ruling



... with an emphasis on clean energy and risk mitigation.

Building on Our Past . . .

Sustainability has been part of our culture over the past 135 years...



...And is critical to leading the clean energy transformation.

CMS ENERGY



... for a cleaner tomorrow.

Our Track Record for Sustainability . . .





DOUBLE A RATED



#1 company in Michigan and Top 20 Best Employers for Women 2021 by Forbes® Magazine

Forbes 2021 THE BEST **EMPLOYERS** FOR DIVERSITY

#1 utility company for Best Employers for Diversity 2021 by Forbes® Magazine

DISABILITY EQUALITY

Top scored (80/100) in the **Disability Equality Index**



Named a Top U.S. utility for economic development by Business Facilities and Site Selection magazines

Economic Development





Named 2020 Gold-Level Veteran Friendly Employer by the Michigan Veterans Affairs Agency (MVAA)



And Best for Vets 2020, Military Times



Awarded Diversity-focused Company Award, CORP! Magazine

Presentation endnotes are included at the end of the presentation.

... is recognized nationwide.

ESG Disclosures . . .



- <u>CMS Energy</u> & <u>Consumers Energy</u> Websites
- SEC Filings (<u>10-K</u> & <u>Proxy</u>)
- 2020 Carbon Disclosure Project
 - <u>Report Scope 1, 2 & 3 Emissions</u>
 - <u>Water</u>
- Climate Assessment Report
 - Considers TCFD Guidelines

- DE&I Website
- <u>SASB Index (Electric Utilities & Power</u> <u>Generation)</u>

CMS ENERGY

- <u>SASB Index (Gas Utilities & Distributors)</u>
- <u>TCFD Index</u>
- UNSDG Index
- Civic & Political Engagement



... are transparent and aligned with SASB, TCFD and CDP reporting frameworks.

A Simple Investment Thesis . . .



Industry-leading clean energy commitment Net Zero Carbon (2040) & Net Zero Methane (2030)^a

Excellence through the CE WAY

Top-tier regulatory jurisdiction^b

Nearly two decades of industry-leading financial performance

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

Presentation endnotes are included after the appendix.

... becoming simpler, cleaner and leaner.

2021 Integrated Resource Plan (IRP)...



Key Outcomes

Retires ALL coal by 2025

(depreciated over design life)

Adds >\$1 Bn of rate base over next 5 years (>95% utility earnings by 2025)

Accelerates decarbonization

(~60% carbon emissions reduction by 2025[°])

Increases renewable resource deployment

(~8 GW of solar by 2040)

Ensures reliability, resilience <u>and</u> affordability (~\$650 MM in customer savings^b)





Presentation endnotes are included after the appendix.

... provides proof points to our investment thesis.

Infrastructure Renewal . . .

CMS ENERGY

Electric distribution system is Older than peers



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







Largest electric distribution system in U.S.^a

25 years of main replacement through our Enhanced Infrastructure Replacement Program

Presentation endnotes are included after the appendix.

... requires significant customer investment.

Top-Tier Michigan Regulatory Environment . . .

Strong



Legislative <u>Framework</u>

Timely investment recovery

- Forward-looking test years
- 10-month rate cases

Supportive Incentives

- Constructive ROEs
- 10.7% ROE for RPS
- EE incentive (~\$45 MM/yr)
- FCM adder on PPAs

Appointed Commissioners





... aligns incentives for all stakeholders.

Our Entire Cost Structure . . .



Cost Components



Estimated Cost Savings

	Year	Event	<u>Savings</u>
	2022	Palisades retirement	\$90 MM
	2023	Karn 1&2 coal unit retirements (adj. O&M saving	\$30 MM gs ^b)
	2025	MCV contract change	>\$60 MM
	2025	Campbell coal unit retirements (adj. O&M saving	> \$60 MM gs ^b)
	st savings		
	Р		ΓΙνιτγ

Presentation endnotes are included after the appendix.

... offers cost reduction opportunities to maintain customer affordability.

Credit Metrics Maintained . . .

Consumers Energy	S&P	Moody's	Fitch
Senior Secured	A	Al	A+
Commercial Paper	A-2	P-2	F-2
Outlook	Stable	Stable	Stable
CMS Energy			
Senior Unsecured	BBB	Baa2	BBB
Junior Subordinated	BBB-	Baa3	BB+
Outlook	Stable	Stable	Stable
Last Review	Jun. 2021	May. 2021	Dec. 2020



Ratings Drivers

- Strong financial position
- Growing operating cash flow
- Return on regulated investment
- Supportive regulatory environment

... at solid investment-grade levels.

Diverse Service Territory . . .

CMS ENERGY

"Governor Gretchen Whitmer announces leading storage products manufacturer **Speedrack Products** creating **164 new jobs** in West Michigan...investment of **\$64.5 MM**" – Michigan Economic Development Corporation (MEDC), June 2021

Global auto supplier **Hilite International** expanding in Whitehall – expansion will create **108 jobs**, generate **\$9.6 MM** in private investment in West Michigan – Michigan Economic Development Corporation (MEDC), October 2020

"Gerber Products will be investing
\$36 MM and creating approximately
50 additional jobs"
The Right Place, September 2020

"FedEx distribution to bring more than 700 jobs to Portage...\$25 MM project" - MLive, November 2019

Presentation endnotes are included after the appendix.



Economic Indicators^a

	Grand <u>Rapids</u>	<u>MI</u>	<u>U.S.</u>
Building Permits ^b	211%	190%	184%
Population Growth 2010→2020	8.8%	0.8%	6.7%
Unemployment ^c	4.2%	4.8%	5.4%

"SK Siltron investing \$302 MM in Michigan Semiconductor Wafer Plant – in support of electric vehicle growth, the semiconductor wafer manufacturing and R&D facility will bring 150 jobs to Monitor Township, MI" – Business Facilities, August 2021

"Graphic Packaging plans \$600 MM expansion in Kalamazoo" - MiBiz, September 2019

... supports Michigan's growth aided by economic development efforts.

Sustainability Track Record & Trading Performance . . . CMS EVERGY



Presentation endnotes are included after the appendix.

... make CMS an attractive investment for ESG focused investors.



Electric and Gas Decarbonization . . .





Actionable Clean Energy Targets

- Michigan's largest energy provider providing critical services while delivering on our decarbonization goals:
 - Net zero carbon emissions by 2040 company-wide^a
 - Includes scopes 1, 2 and certain 3 (including purchased power)
 - Supported by our Integrated Resource Plan (IRP) filed in June 2021
 - Exit coal by 2025 •
 - Add 8 GW of solar, 2 GW of demand-side resources & 475 MW of battery by 2040

Net zero methane emissions by 2030 for our gas distribution system^a

- Robust Energy Efficiency Programs to reduce usage ~1%/year
- Net zero goals driven by main and service replacements
 - Improves safety, reduces costs and supports future clean fuels (hydrogen, RNG)
- Natural gas is a reliable and critical resource to serve residential heating
- Partnering with the Low-Carbon Resources Initiative and industry experts

\ldots is key to our long-term success. 18

Proposed IRP Objectives . . .



Key Objectives		<u>Current Plan</u>	<u>2021 IRP</u>	
٠			Exit coal by 2040	Exit coal by 2025 ~(60)% carbon emissions reduction
	Retire			by 2025°
		Karn 3&4 (oil) Campbell 1&2 / Campbe	2031 ell 3 2031/2039	2023 2025
 Ensures Reliability, Resilience & Affordability 		No new dispatchable units	Purchase >2 GW of existing gas units savings ^b	
•	 Increases Renewables & Customer Programs 		~6 GW of solar 1.1 GW EE	~8 GW of solar 1.1 GW EE
•	 Maintains Strong Balance Sheet 		Securitization of retired units	Regulatory asset treatment for retired units

Presentation endnotes are included after the appendix.

... provide near-term action to deliver on our net-zero goals. 19

Net Zero Carbon Emissions by 2040 . . .



Carbon Emission ~(33)% ~(40)% ~(60)% (100)% Reduction^a 2.7 0.9 **Additional** decarb efforts: • CCS Capacity in GW • H₂ 0.5 Storage 1.3 Exit Coal Net Zero Karn 1&2 Campbell Legacy Classic 7 Bv 2040 Coal 2016 2023 1-3 2025

Coal Retirements

Key Benefits

- Reduces carbon emissions ~60%^a by 2025
- Exceeds scientific targets / policy goals (1.5° and 2° scenarios)
- Enhances commitment to net zero by 2040
- Reduces adjusted O&M by >\$90 MM^b
- Improves operational flexibility

Presentation endnotes are included after the appendix.

 \ldots supported by our IRP and the exit of coal 15 years earlier than planned. $_{20}$

Exiting Coal Completely by 2025 . . .





Presentation endnotes are included after the appendix.

 \ldots and growing utility renewables to 8 GW by 2040. $_{21}$

Increasing Renewables & Customer Programs . . . CMS EVERGY



\dots help achieve >50% carbon free energy by 2031.

Our Clean Energy Transformation . . .



Capacity Mix^a



Presentation endnotes are included after the appendix.

 \ldots results in 90% clean energy resources by 2040. $_{23}$

Our Energy Supply^a Will Be Cleaner . . .



Presentation endnotes are included after the appendix.

... and more reliable with further opportunities to decarbonize. 24

CMS ENERGY

Providing a Just Transition . . .

We Have Done This Before

- Retired seven coal units in 2016 with Karn 1&2 scheduled to retire in 2023
- Caring for our co-workers and working to redevelop our communities
 - Retention incentive and placement plans for employees
 - Working with communities to transition local economies



Proof Points

CMS ENERG

- ✓ Hampton Township
 - Completed environmental abatement, dismantlement and demolition of the former Weadock Plant
 - Created 15 acres of new habitat for bees, butterflies and other pollinators at the site
- ✓ Muskegon
 - Redeveloped the former Cobb Plant as part of a broader vision to restore the natural habitat and revitalize the local economy
- 🖌 Luna Pier
 - Former Whiting Plant has been prepared for redevelopment and marketed for new uses

New roles were found for co-workers who wanted to stay with the company and local community leaders were aided in pursuit of new economic possibilities

... as we care for our co-workers, customers and communities. 25

Decarbonization of Gas Infrastructure . . .



Net zero methane by 2030...

- ~250 miles/yr main replacement
- $\sim 14\frac{1}{2}$ K/yr vintage service replacement



- ~0.3 Bcf of RNG as offset
- 1% energy efficiency (\$61 MM/yr) Pre-tax incentive ~\$14 MM/yr

...with additional opportunities.

- Largest LDC underground storage in U.S. (309 Bcf)
 - 15 gas storage fields, 8 compressor stations and 167K horsepower
- \sim 13K miles of steel mains \rightarrow plastic (hydrogen blending/substitution)
- Expand use of RNG and hydrogen



... provides near- and long-term investment opportunities. 26

Net Zero Methane Emissions by 2030^a . . .

Careful Planning to Reach Goals

- Accelerating Vintage Service Replacement ٠ and 25-year EIRP for completion by 2030
- Continued energy efficiency of up to 1% ٠
- Retirement or replacement and • enhancement of existing wells
- In discussions with EPRI and utilities across the world to study the expansion of RNG and hydrogen
- Focus on cleaner gas options vs. electrification given Michigan's cold weather, cost to customers and inefficient electric heating for temperatures below freezing

Methane Emissions^a

CMS ENERG



Presentation endnotes are included after the appendix.

... reducing leaks, enhancing energy efficiency and using cleaner fuels.

Natural Gas is Critical . . .





Presentation endnotes are included after the appendix.

... for reliable and affordable home heating in Michigan. 28

Land & Water Usage . . .





... has been dramatically reduced. 29

Energy Waste Reduction Programs . . .

Energy Efficiency Programs

- ✓ \$3.9 Bn saved for customers on their energy bills since 2009
- ✓ 5,000 GWh of reduced usage since 2009
- ✓ >20K appliances recycled each year
- ✓ >80K residential rebates provided each year
- ~9K in-home audits and 1K virtual audits completed each year
- \checkmark >3 MM LEDs sold in stores across the state ever year

\$1 of spend is equal to ~\$3 customer savings

Equivalent to

~1 power plant!^a

Received U.S. Environmental Protection Agency 2021 Energy Star® Partner of the Year Sustained Excellence Award

Presentation endnotes are included after the appendix.

\ldots are the cleanest source of energy and generate customer savings. $_{30}$

Electric

CMS ENERG

- >2% annually
- Next 5 years:
 - Spend ~\$191 MM/yr
 - Pre-tax incentive ~\$38MM/yr

Gas

- 1% annually
- Next 5 years:
 - Spend ~\$81 MM/yr
 - Pre-tax incentive ~\$16 MM/yr

EV Programs . . .



PowerMIDrive

- \$10 MM, 3-yr program (began in 2019) .
 - Offered ~800 rebates and incentives for home, business and public charging stations in the last two years
- Makes EV savings simple by providing time of use rates as ٠ an incentive to charge off-peak
- >2,000 chargers at homes and businesses by 2024 •

PowerMIFleet

- \$12.2 MM, 3-yr program (began in 2021)
 - Offers 500 rebates for businesses and public charging stations
- Focuses on Michigan businesses, governments and school systems looking to electrify vehicle fleets
- Offers expertise, consultation services and financial ٠ incentives to cost-effectively transition to EVs
- \$3 MM in rebates for charging locations throughout the • state



... focuses on both residential and business customers. 31





Our Values Drive Our Actions . . .





- Focusing on employee and customer safety
 - Physical
 - Cyber
 - Emotional
 - Financial
- Embedding diversity, equity and inclusion (DEI) in everything we do
 - Our culture, the workplace and within our supply chain
- Developing our workforce
 - Electric and gas training programs
 - Working with grades K-12, local colleges and universities to build interest in the utility industry
- Providing community and customer support
 - Corporate giving
 - Economic development
 - Customer satisfaction

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

Focusing on Employee and Customer Safety

UTILITY WORK AHEAD

S ENERGY

Committed to Safety . . .





- A safety culture established in partnership with our union
- Employee driven safety teams at every office and in the field
- Safety performance included in executive and employee compensation



... every second of every hour of every day. 35

CMS Employee Wellness Programs . . .

Program Focus & Approach

Physical

- Paid leave for 6 months for maternal birth parent and 4 months paid leave for paternal or non-birth parent
- Promote annual health visits and group physical activities

Emotional

- Celebration of mental health awareness month
- Helping lead efforts to add gender identity and sexual orientation to the list of protected classes under the state's Elliott-Larsen Civil Rights Act

Financial

- Company contribution of up to 11%^a
- 72% of active 401K participants are saving ≥15%^b



Employee participation in wellness programs incentivized with Amazon gift cards

Presentation endnotes are included after the appendix.

... focus on physical, emotional and financial health.


Cyber and Physical Security Program . . .



Program Focus & Approach

- Physical and cyber security are integrated ٠
- Protect critical infrastructure, customer data and ٠ employee safety
- Focus more stringent security on most critical assets ٠
- Security assessed in all initiatives ٠
- Teams focused on detecting and responding to ٠ threats with close coordination with state and federal partners
- Security is an independent organization outside of ٠ IT to ensure a balance between technology delivery and risk

Robust corporate governance of security

- Board oversight of safety programs
- Company-wide phishing tests & department updates
- 2 Board members with security experience



Myrna Soto 20 years of IT & security experience

<4% click rate on internal phishing tests company-wide



Deborah Butler Retired CIO from Norfolk Southern

... protects Michigan's critical infrastructure and customer data. 37

Embedding DE&l in Everything We Do



DE&I is Embedded in Our Company Culture . . .

CMS ENERG



"I stand for a diverse workforce where the ideas of all are heard and valued. Where everyone feels they belong. Where we practice respect, listen, and learn. Everyone has a unique background, perspective, and diverse views, that's what makes this team able to deliver on our purpose for the people of Michigan."

communities of color

... for the betterment of our co-workers, customers and communities.

Our Employee Resource Groups . . .



... enable us to provide a diverse and inclusive workspace.

CMS ENERG

Supplier Diversity Initiatives . . .





Presentation endnotes are included after the appendix.

Focus & Approach

- Expanding diverse supplier network, validating certification of diverse vendors and Enhanced Tier II reporting for suppliers of our suppliers
- Actively engaging with diverse-supplier
 organizations nationally and in Michigan
- Supporting and developing minority-, women-, LGBTQ-, disability-, and veteran-owned suppliers
- Increasing competition, sparks innovation and drives economic prosperity

Supports our plans to double our spending with diverse suppliers^a

... foster relationships with diverse suppliers across all areas of our business.



Building the Next Generation . . .

STEM & Robotics

- Hometown, statewide and national focus •
- Middle & high school education levels ۲
- Partnered with Center for Energy Workforce ٠ Development (CEWD)
 - Energy industry fundamentals curriculum



School-to-Work Program (STW)

CMS ENERG



- Collaboration with community colleges
- **EMPOWER** lineworker Pre-Apprenticeship Program focuses on lineworker careers



... of our company's co-workers. 43

Flint "Gas City" . . .



- Training site is located in Flint, MI and provides a holistic experience and real world feel
- Innovative new approach to training and career development
- Educates and prepares gas operations co-workers for various scenarios such as constructing pipes in slippery or uneven terrain and more
- Ensures our co-workers are better prepared, empowered, and confident in their abilities
- Groundbreaking scheduled for October 2021



... demonstrates our hometown commitment.

Working with Our Communities . . .



Gas Boot Camp

- 3-week training including physical assessment and safety culture course
- Successful candidates offered full-time positions
- 256 veterans hired

Training Trust Agreement

(with Power for America)

• Delivers technical and safety training



- >25,000 student hours delivered in 2021
- Expanding to include renewables training center



Electric Boot Camp

- 2-week training including electric lines orientation assessment
- Successful candidates offered positions as lineworker apprentices
- Piloted in 2021 with 25 veterans hired

Utility Military Assistance Program

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

\ldots to strengthen our future electric and gas workforce. $_{45}$

Union Relationships at the Utility . . .



Michigan State Utility Workers Council

(MSUWC)

- ~3,600 employees represent electric and gas workforce
- >250 employees represent call centers
- Subsidiary of Utility Workers Union of America (UWUA)
- Contracts through 2025



... continue to remain strong and collaborative with renewed contracts.

Providing Community and Customer Support

Continued Corporate Giving . . .



Charitable Organizations^a



CE Foundation Donations

In 2020, the CE Foundation donated ~\$9.7 MM to Michigan non-profits statewide

>50% of CE Foundation donations were in support of COVID relief including >\$1.8 MM to provide basic needs assistance to lowincome residents, senior citizens and others

>\$2.4 MM to support female and minority owned businesses

Presentation endnotes are included after the appendix.

... supports Michigan's communities and fosters growth. 48

Signature Grants . . .



\$200,000 to Huron Pines Resource Conservation & Development Council in Gaylord, MI

The Protect Wild Places Project will restore 5,000 acres of wildlife habitat and recreational land, and 150 miles of waterways and Great Lakes shoreline across 17 counties through

\$125,000 to Au Sable Institute in Mancelona, MI

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

\$100,000 to Southwest Michigan Land Conservancy in Kalamazoo, MI

The project will restore rich habitat on the 140-acre Armintrout-Milbocker Nature Preserve through invasive species management, creation of a holistic management plan, and

\$75,000 to Bay Area Community Foundation in Bay City, MI Funding will support the Lake Huron Forever Initiative's nature-based solutions and

projects, community assessments, and training programs to advance water quality protection and healthy, sustainable communities on Lake Huron.

AND

Plus

\$500,000

in **People**

Awards

\$500,000 in **Prosperity** Awards

to be awarded in 2021

\ldots support the communities we serve. $_{49}$

Our Expanding Community Engagement Team . . . CMS EVERGY



\ldots is uniquely positioned across the state. $_{50}$

Supporting Michigan's Economic Development . . . CMS EVERGY

Recognized as a Leader



2021, 2020 & 2019 Top 20 Utilities in Economic Development - Site Selection Magazine



2020 Michigan Entrepreneur **Resilience Fund**

- Michigan Women Forward MichiganWomenForward



2021, 2020, 2019 & 2018 Editor's Choice Top Utility - Business Facilities

New and Expanding Load



Presentation endnotes are included after the appendix.

... through proactive targeting of new and expanding businesses. 51

J.D. Power Scores . . .

CMS ENERGY



... reflect our commitment to continuous improvement for our customers. 52



Exceptional Governance . . .





11 Members91% Independent



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

Diverse, Engaged and Experienced Board . . .

Diversity

Experience



Presentation endnotes are included after the appendix.

... enhances the quality of governance.

55



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

Committee Responsibilities



Audit	 Oversees: Integrity of financial statements & information Compliance with legal & regulatory requirements Risk management policies, controls & exposures Reviews: Performance of internal audit function
Compensation & Human Resources	 Review & Approve: Executive compensation structure & policies Grant stock & other stock-based awards Financial & business goals Officer stock ownership policy
Executive	 Exercise Power & Authority of the Board: During the intervals between Board meetings
Finance	 Review: Financing & investment plans & policies Potential project investments & monitor progress Approve: Short & Long-term financing plans Financial policies relating to cash flow, capex & dividends
Governance, Sustainability, & Public Responsibility	 Review: Political & charitable contributions Stakeholder outreach, stewardship & corporate social responsibility & sustainability matters Operation & performance of Board & Committees

CEO Compensation . . .



Compensation Mix for CEO



2021 Operational Goals

- Customer Experience Index (CXi)
- Generation Customer Value
- Employee Safety
- Eliminate Vintage Services
- Distribution Reliability
 - Employee Empowerment Index
 - Gas Flow Deliverability
- Trash to Landfill
- Demand Response

PROFIT

... is 70% performance-based.

Board Carefully Considers Risks . . .



Risks	Mitigation Efforts
Regulatory Environment	 Participation in legislative and regulatory policy development
Climate Carbon Emissions (Regulation)	 Retired 7 coal plants with plans to retire remaining 5 plants in fleet by 2025 Energy Efficiency, Demand Response, and Renewable Energy Programs
Severe Weather (Ice, Thunder, Snow)	 Increased investment in infrastructure and smart electric systems
Water Levels	 Monitor lake levels at generation plants
Natural Disasters	 Geographically located in low-risk area
Economic Conditions	 Targeted efforts via donations to reduce uncollectible accounts Helped local businesses navigate federal and state assistance programs throughout COVID-19 pandemic

\ldots and takes proactive actions to mitigate those risks. ₅₉

Political Giving . . .



Political Giving Focus

- Meeting Michigan's energy needs ٠
- Helping the state's communities thrive ٠
- Providing safe, reliable, affordable and increasingly ٠ clean energy-related services



Enhanced Disclosures

- Publishing annually on the company's website:
 - Expenditures made to influence the outcome of ballot initiatives
 - Direct corporate contributions to an entity organized under Section 527 and Section 501(c)(4) of the Internal Revenue Code, and non-deductible portion of trade association and other organization dues when annual contributions or mandatory membership dues are >\$25K
- All corporate political contributions come from ٠ general funds and are not recovered in customer rates
- The Board of Directors oversees political engagement policies, programs and practices

... is focused on critical company and industry issues.



Endnotes

Presentation Endnotes (pg 1 of 2)



Slide 3: ^aReflects continuing operations ^bExcludes seasonal workers ^cAdjusted (non-GAAP), includes EnerBank ^dAdjusted (non-GAAP) CAGR, includes EnerBank

Slide 4: ^aMethane emissions from our natural gas delivery system and carbon emissions company-wide

Slide 7: ^aNew or expanding load since 2015

Slide 9: ^aMethane emissions from our natural gas delivery system and carbon emissions company-wide ^bUBS Research, 2021 state rankings and D.C.

Slide 10: ^aFrom 2005 baseline including utility-owned generation, PPAs and MISO purchases, post-coal retirement ^b2021 IRP vs. current plan savings

Slide 11: ^a\$1.3K of distribution assets per customer, Source: FERC Form 1, Largest electric regulated utility by customers, includes above ground electric distribution assets

Slide 12: ^aUBS Research, 2021 state rankings and D.C.

Slide 13: ^a2019 Consumers Energy bill as % of Michigan household income, in current dollars. Source: Fred.stlouisfed.org, Bls.gov ^bExcludes potential fuel savings

Slide 15: ^aSource: bea.gov, census.gov, bls.gov ^bAnnualized numbers August 2010 through August 2021 ^cJuly 2021 seasonally adjusted unemployment

Slide 16: ^a10-year stock performance as of December 31, 2020 ^bDividends reinvested as of December 31, 2020

Slide 18: ^aMethane emissions from our natural gas delivery system and carbon emissions company-wide

Slide 19: ^a From 2005 baseline including utility-owned generation, PPAs and MISO purchases, post coal retirements ^b2021 IRP vs. current plan savings

Slide 20: ^aFrom 2005 baseline including utility-owned generation, PPAs and MISO purchases, post coal retirements ^bIncluding Karn 1&2, Karn 3&4 and Campbell 1-3, excluding potential fuel savings

Presentation Endnotes (pg 2 of 2)



Slide 21: ^aCoal rate base based on calendar year; total rate base based on a 13-month average ^bAdjusted (non-GAAP) ^cIncludes wind, solar, hydro and energy efficiency; 2008: (~\$100 MM hydro rate base x 10.7% ROE x 42.1% equity ratio) ÷ 235 MM O/S ÷ \$1.21 EPS = ~1½%; 2015: [(~\$500 MM RPS renewables rate base x 10.7% ROE x 41.1% equity ratio) + (~\$285 MM hydro rate base x 10.3% ROE x 42.3% equity ratio) + \$13 MM tax-effected energy efficiency] ÷ 276.5 MM O/S ÷ \$1.89 EPS = ~9%; Today/2020: [(~\$1 Bn RPS renewables rate base x 10.7% ROE x 40.2% equity ratio) + (~\$400 MM hydro rate base x 10.0% ROE x 42.2% equity ratio) + \$31 MM tax-effected energy efficiency] ÷ 286.5 MM O/S ÷ \$2.67 EPS = ~12%; includes original guidance and discontinues operations from EnerBank

Slide 23: "Utility-owned and PPAs

Slide 24: ^aUtility-owned, PPAs and MISO market purchases

Slide 27: "Methane emissions from our natural gas delivery system since 2012 "Vintage service replacement

Slide 28: ^aSource: London metoffice.gov.uk Heathrow weather station, US NOAA.gov, average winter (Dec-Jan) monthly temperatures 1990-2020, Census.gov, 2019 population ^b5-yr average weather-normalized residential, commercial and industrial sales

Slide 30: "Assumes roughly 880 MW saved (5,000 GWh ÷ (65% efficiency rate x 8,760 annual hours) = 880 MW)

Slide 36: ^aEmployer contribution of 5% to 7% for employees not covered by Pension Plan plus up to 4% employer match on 401 (k) savings plan for all employees ^bIncludes employee and employer contributions as of June 30, 2021

Slide 41: ^a5-year program ending 2023

Slide 48: ^aIncludes contributions made by Consumers Energy, Consumers Energy employees and Consumers Energy Foundation

Slide 51: ^aAs of August 31, 2021

Slide 55: ^aSpencer Stuart - Institutional Investor Focus 2020: Board Composition; people of color (PoC) universe includes top 200 publicly traded companies



CMS Energy provides historical financial results on both a reported (GAAP) and adjusted (non-GAAP) basis and provides forward-looking modeling on an adjusted basis. During an oral presentation, references to "earnings" are on an adjusted basis. All references to net income refer to net income available to common stockholders and references to earnings per share are on a diluted basis. Adjustments could include items such as discontinued operations, asset sales, impairments, restructuring costs, changes in accounting principles, changes in federal tax policy, regulatory items from prior years, unrealized gains or losses, recognized in net income, from mark-to-market adjustments related to CMS Enterprises' interest expense, or other items. Management views adjusted earnings as a key measure of the company's present operating financial performance and uses adjusted earnings for external communications with analysts and investors. Internally, the company uses adjusted earnings to measure and assess performance. Because the company is not able to estimate the impact of specific line items, which have the potential to significantly impact, favorably or unfavorably, the company's reported earnings in future periods, the company is not providing reported earnings should be considered supplemental information to assist in understanding our business results, rather than as a substitute for the reported earnings.

GAAP Reconciliation

CMS ENERGY CORPORATION Earnings Per Share By Year GAAP Reconciliation (Unaudited)



																			GAAP 2020 over 2003	GAAP 2020 over 2019
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	CAGR	Growth
Reported earnings (loss) per share - GAAP	(\$0.30)	\$0.64	(\$0.44)	(\$0.41)	(\$1.02)	\$1.20	\$0.91	\$1.28	\$1.58	\$1.42	\$1.66	\$1.74	\$1.89	\$1.98	\$1.64	\$2.32	\$2.39	\$2.64	NM	10.5%
Pretax items:																				
Electric and gas utility	0.32	(0.60)	-	-	(0.06)	0.08	0.55	0.05	-	0.27	-	-	-	0.04	-	-	0.02	0.08		
Tax impact	(0.11)	0.21	-	-	(0.01)	(0.03)	(0.22)	(0.02)	-	(0.10)	-	-	-	(0.01)	0.12 (b)	0.01	(*)	(0.02)		
Enterprises	0.93	0.97	0.06	(0.12)	1.67	(0.02)	0.14	(0.05)	*	(0.01)	*	0.05	*	*	*	0.02	*	*		
Tax impact	(0.19)	(0.35)	(0.02)	0.10	(0.42)	*	(0.05)	0.02	(0.11)	*	(*)	(0.02)	(*)	(*)	0.20 (b)	(0.02)	(*)	(0.01) (b)		
EnerBank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Tax impact	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01 (b)	*	-	-		
Corporate interest and other	0.25	(0.06)	0.06	0.45	0.17	0.01	0.01	*	-	*	*	*	*	0.02	0.01	*	0.11	(*)		
Tax impact	(0.09)	0.03	(0.02)	(0.18)	(0.49)	(0.03)	(*)	(*)	(0.01)	(*)	(*)	(*)	(*)	(0.01)	0.19 (b)	(*)	(0.03)	(0.02) (b)	Adjusted	Adjusted
Discontinued operations (income) loss, net	(0.16)	0.02	(0.07)	(0.03)	0.40	(*)	(0.08)	0.08	(0.01)	(0.03)	*	(*)	(*)	*	*	(*)	*	*	2020 over	2020 over
Asset impairment charges	-	-	2.80	1.07	0.93	-	-	-	-	-	-	-	-	-	-	-	-	-	2003	2019
Tax impact	-	-	(0.98)	(0.31)	(0.33)	-	-	-	-	-	-	-	-	-	-	-	-	-	CAGR	Growth
Cumulative accounting changes	0.25	0.02	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7.3%	7.2%
Tax impact	(0.09)	(0.01)	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-		
Adjusted earnings per share, including MTM - non-GAAP	\$0.81	\$0.87	\$1.39	\$0.57	\$0.84	\$1.21 (a)	\$1.26	\$1.36	\$1.45	\$1.55	\$1.66	\$1.77	\$1.89	\$2.02	\$2.17	\$2.33	\$2.49	\$2.67		
Mark-to-market		0.04	(0.65)	0.80																
Tax impact		(0.01)	0.22	(0.29)																
Adjusted earnings per share, excluding MIM - non-GAAP	NA	\$0.90	\$0.96	\$1.08	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA		

* Less than \$0.01 per share.

(a) \$1.25 excluding discontinued Exeter operations and accounting changes related to convertible debt and restricted stock.

(b) Reflects the impact of tax reform.

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



			Except Per Share Amounts						
		Three Mo					onths Ended		
	12	2/31/20	12	2/31/19	1	2/31/20	12	2/31/19	
Net Income Available to Common Stockholders	\$	158	\$	167	\$	755	\$	680	
Reconciling items:									
Other exclusions from adjusted earnings		2		36		13		37	
Tax impact		(1)		(9)		(3)		(9)	
Tax reform		-		-		(9)		-	
Voluntary separation program		*		-		11		-	
Tax impact		(*)				(3)			
Adjusted net income - non-GAAP	\$	159	\$	194	\$	764	\$	708	
Average Common Shares Outstanding									
Basic		285.7		283.0		285.0		283.0	
Diluted		286.9		284.8		286.3		284.3	
Basic Earnings Per Average Common Share									
Reported net income per share	\$	0.55	\$	0.59	\$	2.65	\$	2.40	
Reconciling items:									
Other exclusions from adjusted earnings		0.01		0.13		0.04		0.13	
Tax impact		(*)		(0.03)		(0.01)		(0.03)	
Tax reform		-		-		(0.03)		-	
Voluntary separation program		*		-		0.04		-	
Tax impact		(*)		-		(0.01)		-	
Adjusted net income per share - non-GAAP	\$	0.56	\$	0.69	\$	2.68	\$	2.50	
Diluted Earnings Per Average Common Share									
Reported net income per share	\$	0.55	\$	0.58	\$	2.64	\$	2.39	
Reconciling items:									
Other exclusions from adjusted earnings		0.01		0.13		0.04		0.13	
Tax impact		(*)		(0.03)		(0.01)		(0.03)	
Tax reform		-		-		(0.03)		-	
Voluntary separation program		*		-		0.04		-	
Tax impact		(*)				(0.01)			
Adjusted net income per share - non-GAAP	\$	0.56	\$	0.68	\$	2.67	\$	2.49	

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

Management views adjusted (non-Generally Accepted Accounting Principles) earnings as a key measure of the Company's present operating financial performance and uses adjusted earnings for external communications with analysts and investors. Internally, the Company uses adjusted earnings to measure and assess performance. Adjustments could include items such as discontinued operations, asset sales, impairments, restructuring costs, regulatory items from prior years, or other items detailed in these summary financial statements. Adjusted earnings should be considered supplemental information to assist in understanding our business results, rather than as a substitute for reported earnings.