



# Sustainable progress for an enduring enterprise



# Our 2023 Corporate Responsibility Report

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# About this report

This annual Corporate Responsibility Report is a comprehensive overview of our environmental, social and governance performance for 2023. The information presented in this report is prepared in alignment with the Sustainability Accounting Standards Board (SASB) framework and, where relevant, the Task Force on Climate-Related Financial Disclosures (TCFD), with additional guidance from the Global Reporting Initiative (GRI). Report sections reflect the 17 priority sustainability issues we have identified as most important to our company and our stakeholders.

Delivering affordable, reliable and clean energy to our customers. Reducing greenhouse gas emissions. Building and maintaining safe, resilient infrastructure. These imperatives continue to drive our decision-making, and the results are clear.

As you will see, we are working to build a bright, sustainable future while providing the energy our customers depend on.



**We are headquartered in Milwaukee, Wisconsin, near the shore of Lake Michigan, and supply energy to customers across the U.S. Midwest.**

This report principally covers the year 2023 for WEC Energy Group Inc. (WEC) and its subsidiaries on a consolidated basis, and some content also reflects 2024 information, due to the timing of publication. The performance data is focused on the operations of Wisconsin Electric Power Co. and Wisconsin Gas LLC, doing business as We Energies, and Wisconsin Public Service Corp. in Wisconsin; Michigan Gas Utilities Corp. and Upper Michigan Energy Resources Corp. in Michigan; Minnesota Energy Resources Corp. in Minnesota; The Peoples Gas Light and Coke Co. and North Shore Gas Co. in Illinois; and WEC Infrastructure LLC and its subsidiaries.

Except where otherwise specified, report content does not include performance data from external organizations or activities over which the company has limited control or influence, such as contractors and suppliers.

## A message from the president and chief executive officer

As an energy company, we are dedicated to powering our communities now and for many years to come. That long-term perspective guides us as we invest in our infrastructure and work toward our sustainability goals.

The following pages detail the ways we are maintaining safe and efficient operations, expanding opportunities in low- and no-carbon energy, and engaging with our employees, customers and other stakeholders. All of these efforts are key to our mission to deliver affordable, reliable and clean energy across the Midwest.

In 2023, we continued to make solid progress. We added both efficient natural gas and renewable generation to serve our electric customers, including the completion of the largest solar project in Wisconsin history. The year ended with our carbon emissions from generation more than 50% below 2005 levels. With our generation reshaping well underway, and

a strong capital plan advancing it, we moved up our timeline for a complete exit from coal generation — now planned by the end of 2032.

To enhance reliability, we built new liquefied natural gas storage to support both our electric and natural gas businesses. We also furthered our efforts to research and deploy new technology. As one example, we introduced renewable natural gas from local dairy farms into our distribution system.

We look forward to even more opportunities ahead — both for our business and for the communities we serve — as our industry evolves and our region's economy grows.

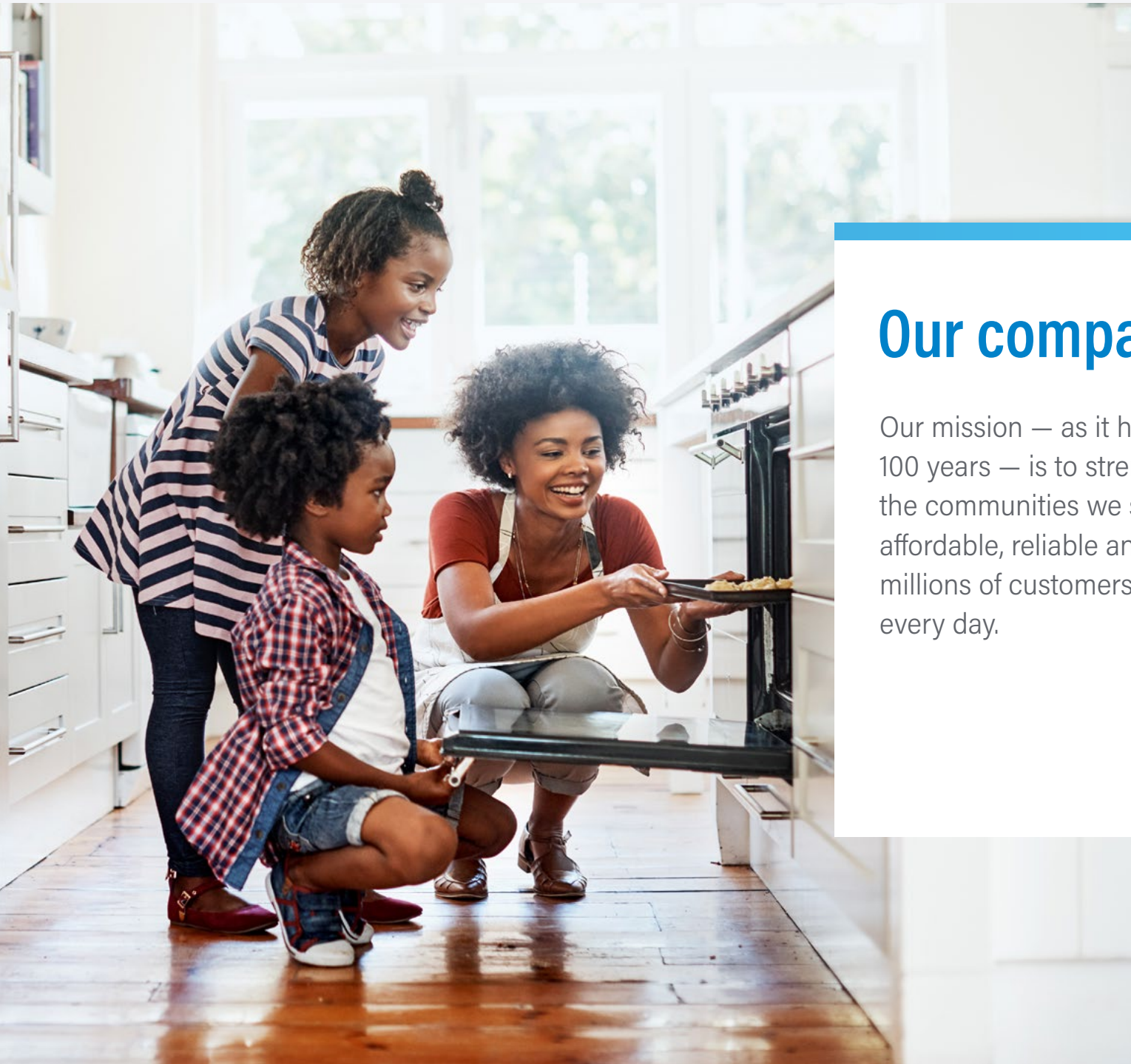
Thank you for your engagement as we continue our journey forward.



**Scott J. Lauber**  
President and Chief Executive Officer







## Our company

Our mission — as it has been for more than 100 years — is to strengthen the fabric of the communities we serve and to deliver affordable, reliable and clean energy to the millions of customers who depend on us every day.

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# Building and sustaining long-term value

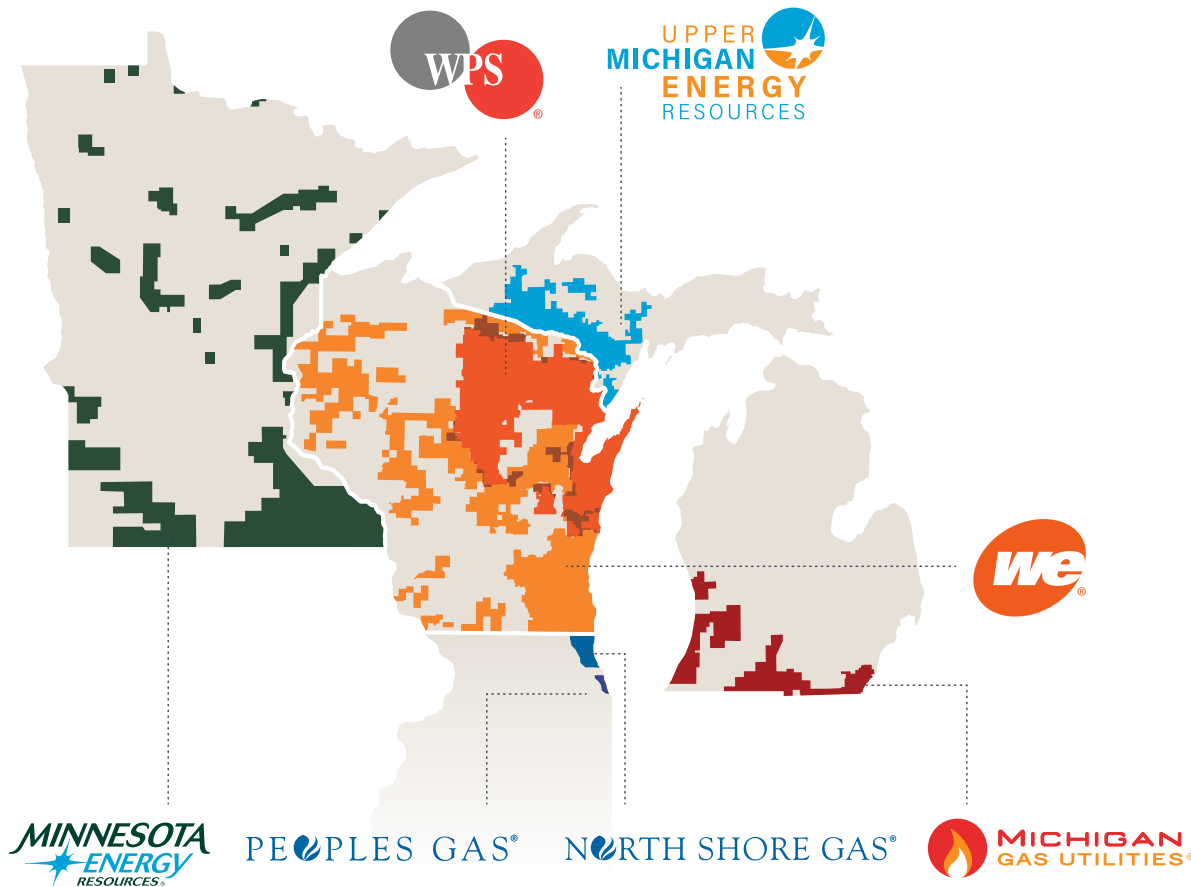
Our goal is to continue to build and sustain long-term value for our customers, communities and stockholders in a rapidly transforming energy arena. WEC Energy Group's disciplined approach to capital allocation and operational excellence positions us as a leader in the clean energy transition.





# Key facts

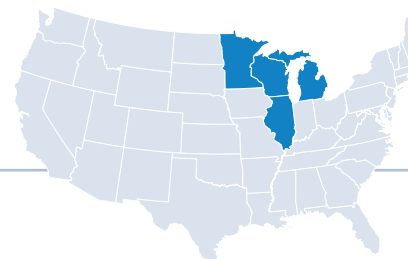
WEC Energy Group is one of the nation's leading energy companies, with the strategic vision, operational expertise and financial resources to meet the electricity and natural gas needs of customers across the Midwest.



Total customer accounts:  
**4.7 million**

**Customers:**

- **We Energies**  
Electric: 1,166,000  
Natural gas: 1,171,000
- **Wisconsin Public Service**  
Electric: 466,000  
Natural gas: 344,000
- **Peoples Gas**  
Natural gas: 891,000
- **North Shore Gas**  
Natural gas: 165,000
- **Minnesota Energy Resources**  
Natural gas: 251,000
- **Michigan Gas Utilities**  
Natural gas: 185,000
- **Upper Michigan Energy Resources**  
Electric: 37,000  
Natural gas: 5,000



**WEC Infrastructure**, a subsidiary of WEC Energy Group, has acquired or agreed to acquire majority interests in eight wind farms and three solar energy facilities in the U.S. These resources will provide carbon-free energy for large customers outside of our traditional service area through long-term power purchase agreements.



Customer data as of year-end 2023.

### Owned capacity (megawatts)<sup>1</sup>

	2021	2022	2023
Coal	3,179	3,178	3,210
Natural gas	3,719	3,717	4,109
Renewables – utility <sup>2</sup>	853	841	1,018
Renewables – WEC Infrastructure	1,034	1,334	1,845
<b>Total</b>	<b>8,785</b>	<b>9,070</b>	<b>10,182</b>

1 Capacity for our electric generation facilities, other than wind and solar generating facilities, is based on rated capacity, which is the net power output under average operating conditions with equipment in an average state of repair as of a given month in a given year. Values are primarily based on the net dependable expected capacity ratings for the following summer, established by tests, and may change slightly from year to year. Capacity for our wind and solar generating facilities is based on nameplate capacity.

2 Includes hydroelectric, biomass, solar and wind generation serving our utility companies.

### Owned and contracted generation (gigawatt-hours)<sup>1</sup>

	2021	2022	2023
<b>Fossil fuel generation</b>			
Coal	16,352	13,071	13,100
Natural gas <sup>2</sup>	13,873	15,009	15,214
Oil	13	4	2
<b>Zero-carbon generation</b>			
Nuclear	8,687	8,704	8,968
<b>Renewable</b>			
Biofuels	367	449	432
Hydro	1,313	1,477	1,397
Solar <sup>3</sup>	224	451	717
Wind <sup>3</sup>	3,884	5,072	5,956
<b>Total generation</b>	<b>44,712</b>	<b>44,237</b>	<b>45,786</b>
<b>Total fossil fuel generation</b>	<b>30,237</b>	<b>28,084</b>	<b>28,316</b>
<b>Total zero-carbon generation</b>	<b>14,475</b>	<b>16,153</b>	<b>17,470</b>
<b>Total renewable generation</b>	<b>5,788</b>	<b>7,449</b>	<b>8,502</b>

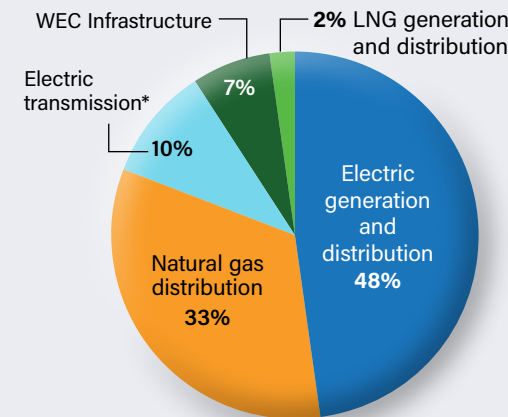
1 Owned and contracted generation varies annually due to regional supply and demand profiles.

2 Includes oil used in dual fuel gas/oil units.

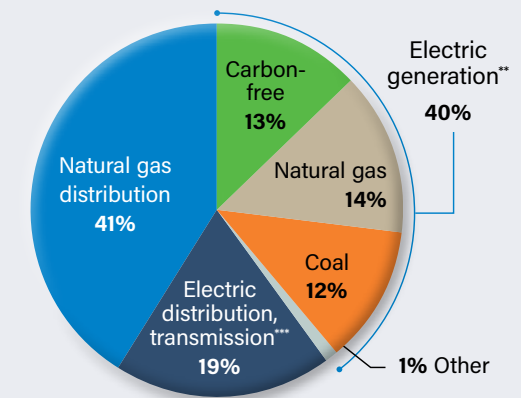
3 Includes WEC Infrastructure majority-owned solar and wind facilities.

### Diverse and transforming business portfolio

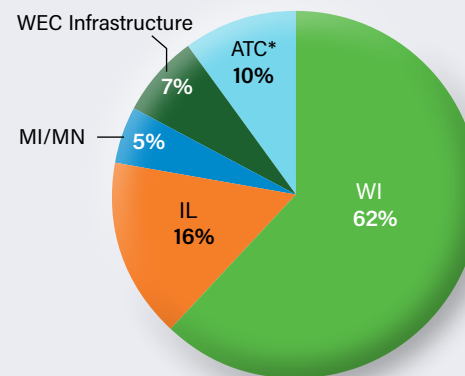
Assets by business type



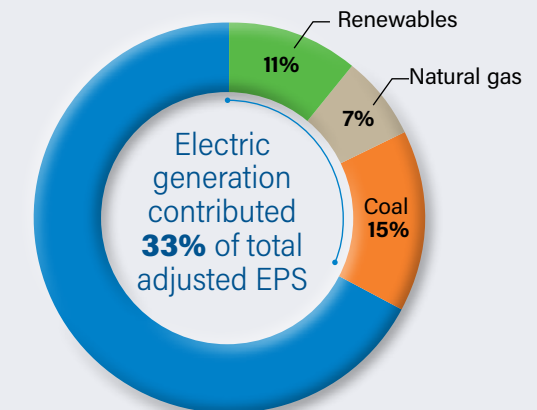
Revenue contribution by source



Assets by jurisdiction



Percentage of total EPS\*\*\*\*



Data as of year-end 2023.

\* ATC is accounted for using the equity method; this represents WEC Energy Group's portion of the asset base.

\*\* Includes purchased power.

\*\*\* Includes electric distribution revenue and transmission expense that we are authorized to collect in rates.

\*\*\*\* Calculated using net book value less deferred taxes for generation plants and the fixed lease payment for We Power; also includes WEC Infrastructure investment. We Power is a nonutility subsidiary that owns and leases generating facilities to Wisconsin Electric Power Co.



# Operational performance

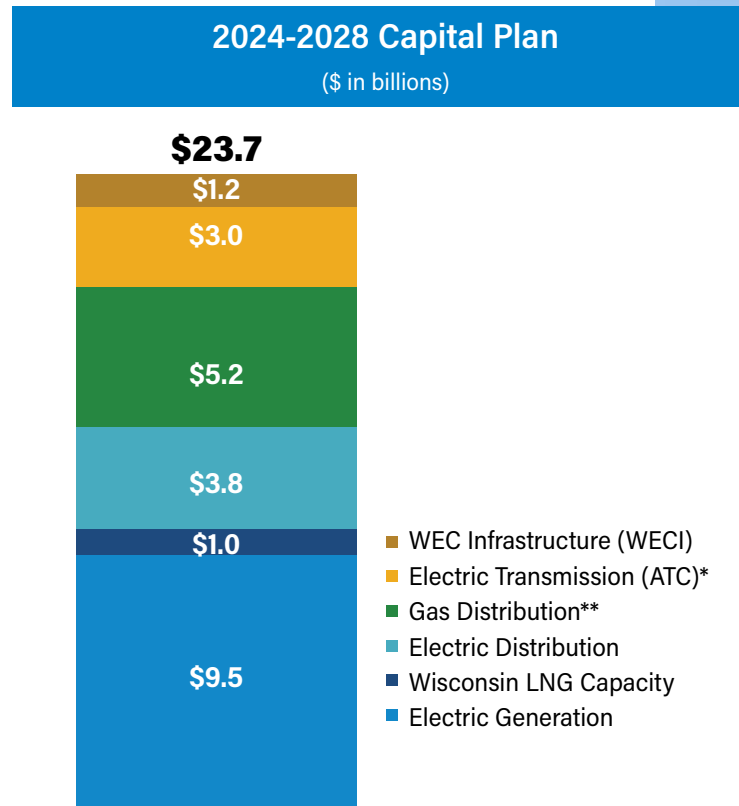
Our operational strategy is driven by the need to provide affordable, reliable and clean energy to the millions of customers who depend on us.

## Our 2024-2028 ESG Progress Plan

**Investing** in renewable and low-carbon energy to replace less efficient, fossil-fueled generation.

**Modernizing** our electric and natural gas delivery infrastructure to enhance reliability and resilience.

**Expanding** our regulated infrastructure to meet growing customer demand.



\* ATC is accounted for using the equity method; this represents WEC Energy Group's portion of the investment.

\*\* Includes all gas utilities and Bluewater.







Red Barn Wind Park

## Investing in a clean energy future

We follow an asset management strategy that focuses on investing in and acquiring assets consistent with our strategic plans. Renewable technologies and economics have allowed us to make cost-effective investments in wind and solar generation, as well as lower-emission options for our natural gas distribution business. These investments support our emissions reduction goals while preserving fuel diversity and affordable energy rates.

### Zero-carbon energy investments

We continue to see a strong pipeline of opportunities ahead for investment in clean energy across our business.

Between 2024 and 2028, we plan to invest \$7 billion to build and own approximately 3,800 megawatts (MW) of additional renewable energy capacity for our regulated utilities — more than quadrupling our carbon-free generation. In addition, we continue to invest in carbon-free energy through our WEC Infrastructure subsidiary. Our 2024-2028 capital plan includes \$1.2 billion of planned investment in renewable energy generation outside our regulated footprint.

We have issued green bonds linked to We Energies and Wisconsin Public Service (WPS) renewable energy projects: Red Barn Wind Park, Two Creeks Solar Park, Badger Hollow I and II solar parks, and Paris Solar-Battery Park. Through 2023, these offerings have supported \$840 million in construction costs related to our renewable generation projects.

### Modernizing our natural gas-fueled generating fleet

Modern, efficient natural gas generation will serve as a critical resource in our energy transformation. To that end, we have submitted filings to the Public Service Commission of Wisconsin for significant developments to support our electric generation business.

Our proposed projects include two new sources of natural gas generation:

- 1,100 megawatts of modern simple-cycle combustion turbines at our existing Oak Creek Power Plant site, with an expected investment of \$1.2 billion.
- 128 megawatts of state-of-the-art generation using reciprocating internal combustion engine (RICE) units near our Paris Generating Station, with an expected investment of \$280 million.

To support the Oak Creek project, we also are proposing to build a 33-mile lateral with an expected investment of approximately \$180 million. This lateral would provide firm deliverability of natural gas to the Oak Creek site for those units, as well as our Oak Creek Power the Future units that we plan to convert to natural gas.

### Renewable natural gas

We have signed contracts with local dairy farms as part of an innovative renewable natural gas (RNG) pilot program, and RNG entered our system for the first time in 2023. The RNG from the farms is replacing conventional natural gas that would have entered our pipes. In addition, these investments are reducing the environmental impact of agricultural activity.





## Supporting reliability and system integrity

We are committed to providing reliable electric and natural gas service while maintaining the safety and integrity of our system. We have made significant reliability- and resiliency-related investments in recent years, and plan to continue strengthening our energy delivery infrastructure.

### System hardening

Reliability is a key area of focus as we deliver electricity across approximately 72,000 miles of overhead and underground lines. Between 2024 and 2028, we expect to invest approximately \$3.8 billion in our electric distribution system, helping to address aging electric infrastructure, bury power lines and further our system hardening against severe weather.

### Liquefied natural gas facilities

Extreme weather conditions in recent years have shown Wisconsin needs more natural gas peaking capacity at the highest demand times on the coldest days. Between 2023 and 2024, We Energies finished building two new liquefied natural gas (LNG) facilities, Bluff Creek and Ixonia, each of which provides 1 billion cubic feet of natural gas supply to meet peak demand.

We also have proposed a new storage facility at the Oak Creek Power Plant site, with a planned investment of approximately \$460 million. This facility would have the capacity to store 2 billion cubic feet of LNG to support both our generation and our gas distribution system. In total, we expect to invest approximately \$1 billion in LNG storage in Wisconsin between 2024 and 2028.



## Improving technology and processes

Our companies are focused on delivering exceptional customer care while integrating and improving business processes. Employees work to provide the best value for customers by embracing change, leveraging their capabilities and expertise, and using creative solutions. We expect these efforts to continue to drive operational efficiency and customer satisfaction.

### Enhancing reliability and customer experience

We are investing in technology enhancements to support our customers and our operations. Through a multiyear effort, we have streamlined our customer mobile and underlying digital systems for better performance. We also have improved our interactive voice response system, which now employs natural language and, for some transactions, allows customers to receive a text with a link to self-serve instead of waiting on hold.

In addition, we have launched the Electric Operations Technology project to further consolidate processes and tools across our electric companies. Improvements are in progress for our supervisory control and data acquisition, outage management, and advanced distribution management systems.

Using common systems and processes reduces costs, provides greater flexibility and enhances the consistent delivery of exceptional service to customers.

### Advanced metering infrastructure

Across our companies, we are making progress on our program to replace meter-reading equipment. An integrated system of smart meters, communication networks and data management programs enables two-way communication between our energy companies and their customers. This program enhances outage management capabilities and reduces the manual effort and cost for disconnection and reconnection.

As of year-end 2023, 98.5% of We Energies electric load and 100% of WPS electric load were served by smart grid technology. Smart meters served approximately 61% of electric and natural gas customers across our companies.

Smart meters provide opportunities for more usage- and demand-based billing and energy management options. We have started making use of our investments to enhance the customer experience by offering opt-in capabilities when a customer has a smart meter: a projected bill alert estimating a customer's energy charge in advance, and a dollar-limit alert if estimated charges exceed a customer-determined threshold.

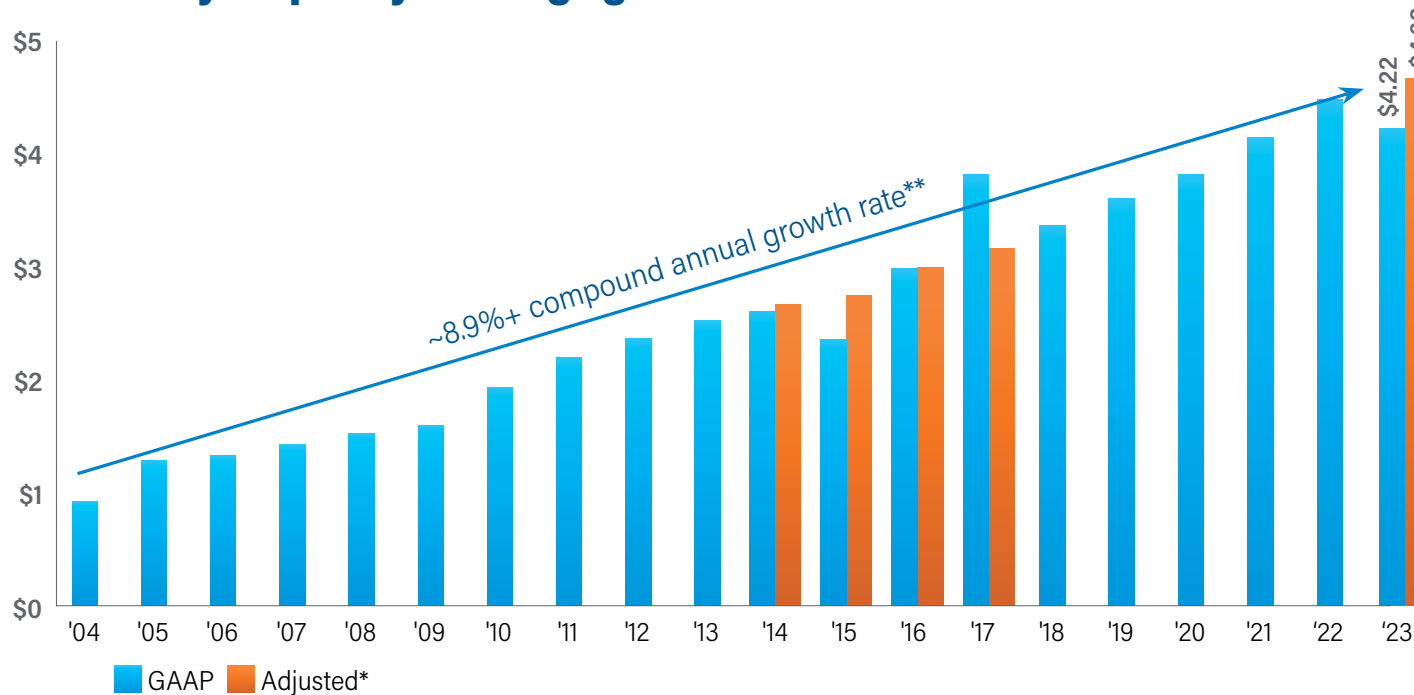
We also have started a pilot that allows customers to view their daily usage. This pilot is initially focused on some of our We Energies commercial electric customers, with plans to expand to natural gas and eventually all customers across our utilities.

# Financial discipline

Across our business, our focus on financial discipline and efficiency benefits our operations, customers and stockholders.

We continued to deliver strong results in 2023. For the 20th consecutive year, we increased our dividend. We delivered record net income and earnings per share on an adjusted basis, and we stand poised to deliver among the strongest risk-adjusted total returns in the industry.

## History of quality earnings growth



\* See Page 86 for reconciliation of adjusted amounts to GAAP amounts.

\*\* Based on 2023 adjusted earnings per share of \$4.63.

✓  
**\$26.6 billion market cap**

✓  
**\$43.9 billion of assets**

✓  
**Long history of quality earnings with a compound annual growth rate of ~8.9%**

✓  
**Investment opportunities support long-term EPS growth of 6.5%-7%**

As of Dec. 31, 2023

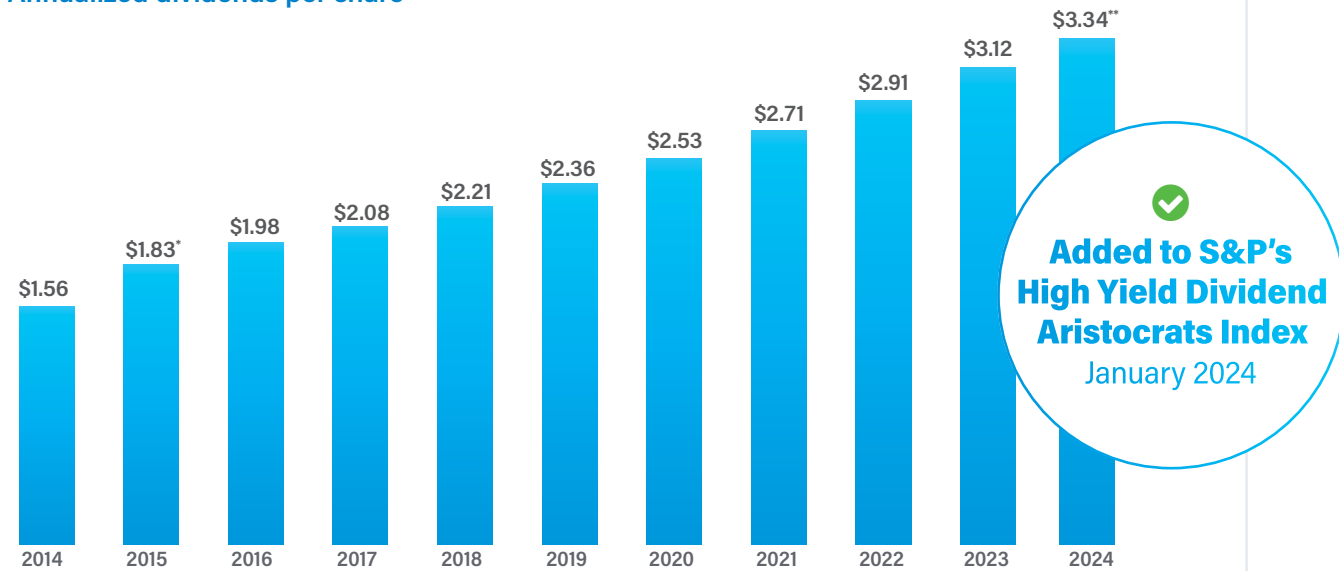


## Solid dividend growth continues

Dividends were increased in January 2024 by 7% to an annual rate of \$3.34 per share.

Top decile dividend growth in our industry based on current and expected dividends declared in 2024

Annualized dividends per share



\* Annualized based on fourth-quarter 2015 dividend of \$0.4575 per share.

\*\*Annualized based on first-quarter 2024 dividend of \$0.835 per share.

Strong financial condition supported by a healthy balance sheet and stable operating cash flows

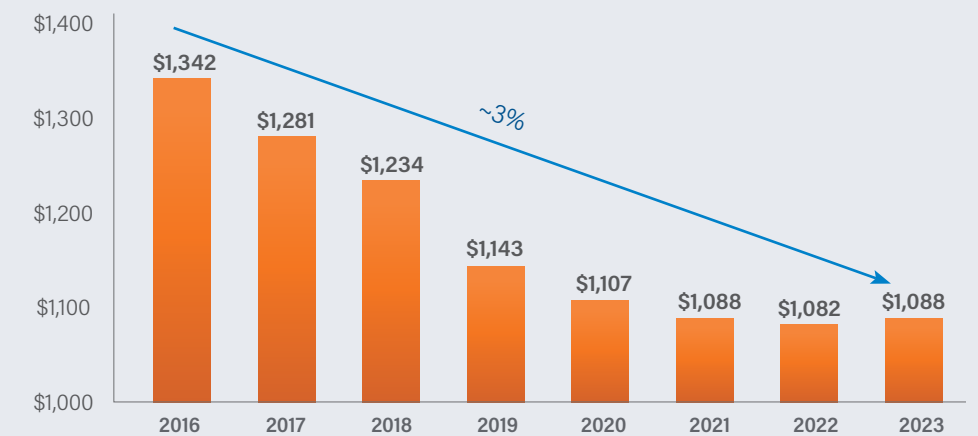
### Issuer credit ratings

Entity	S&P rating	Moody's rating
WEC Energy Group	A-	Baa1
Wisconsin Electric	A-	A2
Wisconsin Gas	A	A3
Wisconsin Public Service	A-	A2
Peoples Gas	A-	A2

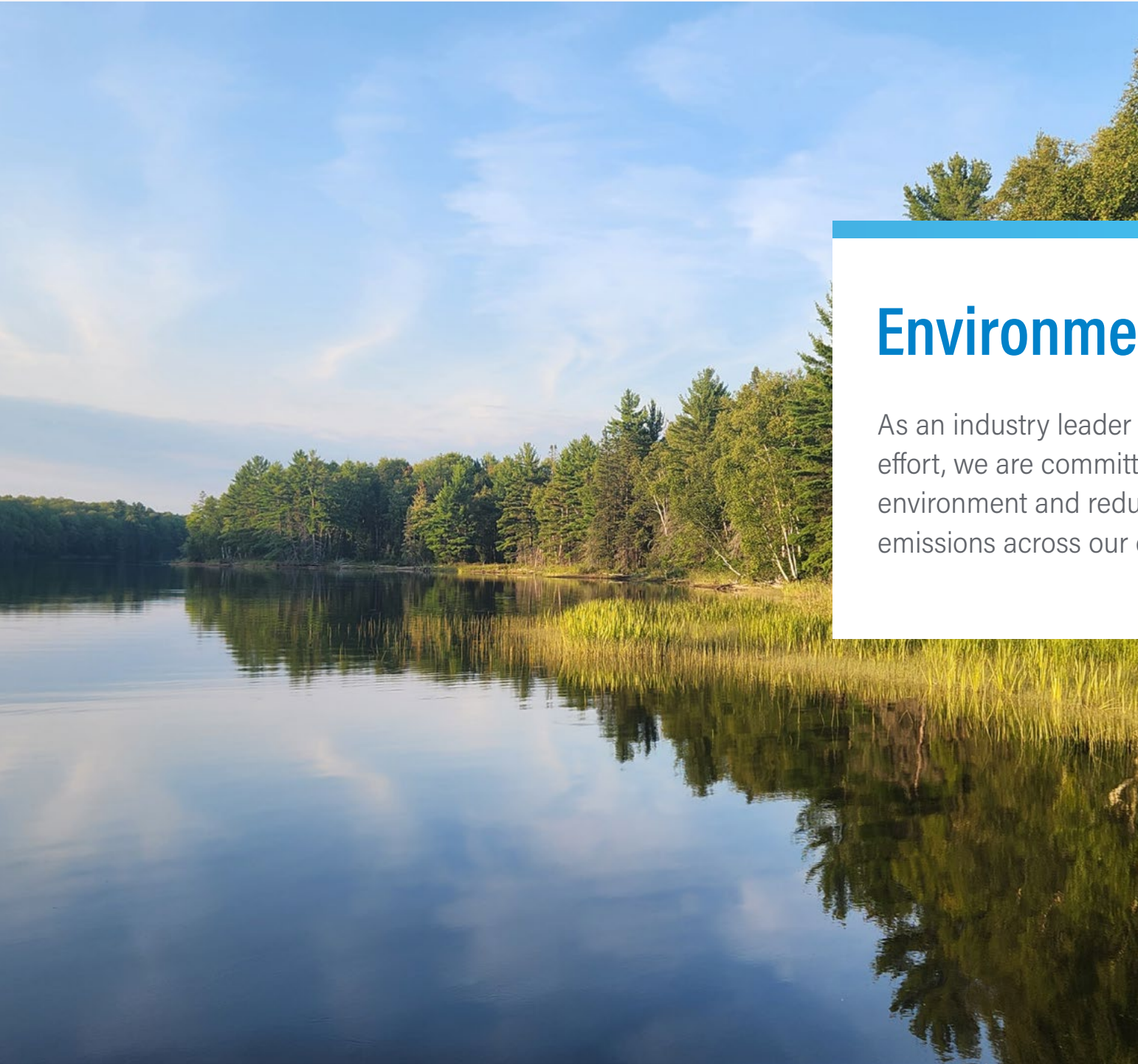


## National leader in operating efficiency and financial discipline

Day-to-day O&M expense\*



\* Excludes costs that have a revenue offset such as operation and maintenance costs associated with the We Power generation units, transmission expenses that are collected in rates, regulatory amortizations, riders and other pass-through expenses.



# Environmental

As an industry leader in the decarbonization effort, we are committed to protecting the environment and reducing greenhouse gas emissions across our companies.

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# Environmental responsibility

Environmental factors are an integral part of our planning and operating decisions.

## Our approach to environmental leadership

As outlined in our [Environmental Policy](#), we embrace our responsibility to provide safe, reliable and affordable energy in an environmentally sustainable manner. We set our strategies and run our operations with an emphasis on continuous improvement and a vision to deliver a cleaner energy future.

Our governance structure and practices support a strategic focus on environmental issues. Working with external organizations and our internal staff, Environmental leadership anticipates and prepares for policy developments at various levels. Leadership further engages with policymakers and other stakeholders to improve transparency and advocate on behalf of our customers, stockholders and employees. These efforts help us identify opportunities for research, development, demonstration, collaboration, investment and piloting.

### Leadership

- **Senior management** has primary responsibility for managing risk across the corporation. The team addresses this responsibility using a multifaceted approach that seeks input from internal resources and industry experts.
- **The company's vice president — environmental**, in collaboration with members of the team, takes the lead on analyzing the climate-related impacts of our strategies and related tactics. The Environmental and WEC Infrastructure and Fuels departments engage with other functional areas of the company to identify cost-effective options for reducing carbon dioxide and other emissions. The vice president — environmental provides regular updates on environmental issues, including regulatory matters, to the Audit and Oversight Committee of our board of directors through formal quarterly reports.

### Risk management

- **The Audit and Oversight Committee** assists the board of directors in overseeing our strategy and compliance with legal and regulatory requirements. The committee's efforts include reviewing and providing oversight of environmental compliance matters and risks to ensure appropriate management attention. Primary oversight of risks associated with climate change remains the responsibility of the full board.
- **The Climate Risk Committee** brings together senior-level officers responsible for overall climate-related corporate strategy. The committee meets quarterly to review and discuss our current climate-related goals, as well as initiatives that involve risks to and opportunities in achieving those goals.
- **The company's Audit Services department** conducts an annual audit plan that often includes reviewing various environmental processes. These audits are more than compliance checklists, as they cover the entire process and identify instances in which risk mitigation can be improved. All audit observations and recommendations are communicated to senior management and tracked for completion. These management action plans to mitigate risk are also reported to the Audit and Oversight Committee.



## Environmental management and compliance

Throughout our operations, we work to mitigate the impacts of our business on the air, water and land.

### Environmental compliance

Our companies are subject to extensive state and federal environmental regulations affecting our operations, and we dedicate significant investments to comply with these requirements, including implementation of pollution-control equipment, environmental monitoring, emissions monitoring and permits at all our regulated facilities. Overall responsibility for environmental compliance lies within our operating units with assistance from the Environmental department staff.

To support ongoing compliance, the Environmental department has dedicated subject matter experts assigned to major facilities to monitor compliance and routinely evaluate performance, and uses environmental compliance software tools. Any potential compliance issues are communicated, tracked and summarized at least monthly. We work closely with state and local governments on projects, including collaborative work with the Wisconsin Department of Natural Resources (WDNR), and engage with them on the creation or updating of regulations.

### Environmental emergency planning

Our energy companies' environmental emergency planning process includes spill prevention, control and countermeasure plans, as well as contingency plans, off-site plans and site emergency response plans. An environmental incident response team is on call 24/7 to provide assistance with response to spills and incidents throughout our service areas.





## Air emissions reduction

We have significantly reduced emissions as we carry out our generation reshaping plan. Our air quality control systems and other measures at our facilities have resulted in combined sulfur dioxide (SO<sub>2</sub>), nitrogen oxides (NOx) and mercury emissions reductions of approximately 97% when compared to emissions from the year 2000.

The retirement of less efficient generation and the use of emission control systems support our continuing progress:

- Since 2018, we have retired approximately 2,400 megawatts (MW) of nameplate capacity from less efficient fossil-fueled generation. We expect to retire approximately 1,300 MW of additional fossil-fueled generation between 2025 and 2031.
- Our existing fossil-fueled generation has modern air quality control systems. These systems control emissions that include NOx, SO<sub>2</sub>, mercury, carbon monoxide, volatile organic compounds and organic hazardous air pollutants.

*Our emissions data from owned electricity generation are reported on this page.*

## Air emissions from electricity generation

		2021	2022	2023
Sulfur dioxide (SO <sub>2</sub> )	(kg)	1,654,525	1,271,989	1,091,890
	(kg/MWh)	0.05	0.04	0.04
Nitrogen oxides (NOx)	(kg)	6,187,466	5,352,014	5,141,019
	(kg/MWh)	0.20	0.18	0.17
Particulate matter (PM)	(kg)	527,071	496,179	451,620
	(kg/MWh)	0.017	0.017	0.015
Volatile organic compounds (VOCs)	(kg)	247,597	229,395	188,917
	(kg/MWh)	0.008	0.008	0.006
Mercury (Hg)	(kg)	32	26	27
	(kg/MWh)	0.0000010	0.000001	0.0000009

## Greenhouse gas (GHG) emissions from owned and contracted electric generation (1,000 metric tons carbon dioxide equivalents (CO<sub>2</sub>e))

	2021	2022	2023
Owned			
Coal	15,718	12,492	12,432
Natural gas	5,897	6,388	6,527
Oil	19	7	4
Net purchased power <sup>1</sup>	(1,618)	(630)	(2,507)
<b>Total CO<sub>2</sub>e for utility obligations</b>	<b>20,016</b>	<b>18,257</b>	<b>16,455</b>
<b>Total CO<sub>2</sub>e/total WEC Energy Group generation<sup>2,3,4,5</sup> (metric tons/MWh)</b>	<b>0.48</b>	<b>0.43</b>	<b>0.41</b>

<sup>1</sup> Includes emissions from contracted generating facilities and market purchases. MISO market purchases were determined for the combined utilities and utilized EIA CO<sub>2</sub> rates by fuel type and MISO fuel data mix.

<sup>2</sup> Total CO<sub>2</sub>e in intensity is generation only and does not include net purchased power.

<sup>3</sup> Reported generation includes both regulated and non-regulated assets.

<sup>4</sup> The environmental attributes of the WEC Infrastructure renewable facilities are or may be the property of third parties. As such, these third parties are solely entitled to the reporting rights and ownership of the environmental attributes, such as renewable energy credits, offsets, allowances and the avoided emissions of greenhouse gases.

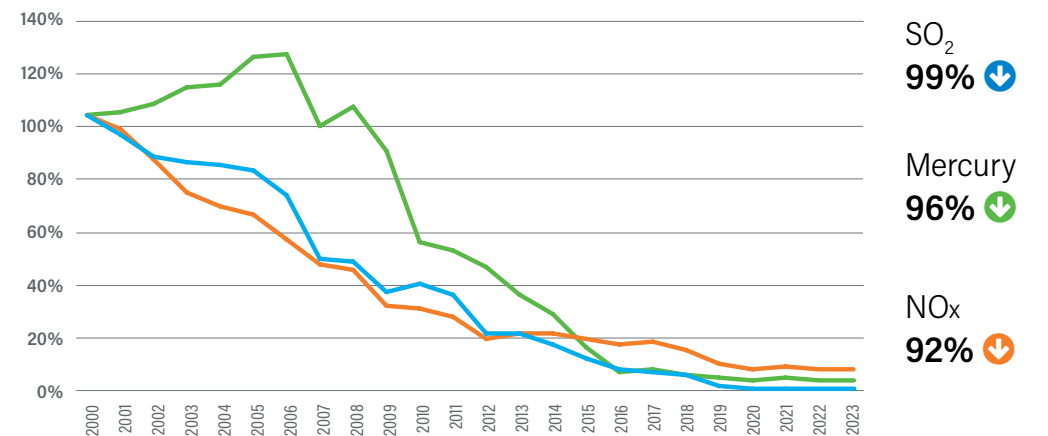
<sup>5</sup> Global warming potentials for calculating CO<sub>2</sub>-equivalents: CO<sub>2</sub> = 1 ton; CH<sub>4</sub> = 25 tons of CO<sub>2</sub>; N<sub>2</sub>O = 298 tons of CO<sub>2</sub>.

Biogenic emissions are not included in any data.



Weston RICE generation

## Declining air emissions



Between 2019 and 2023, our SO<sub>2</sub> and NOx emissions decreased by 51% and 18%, respectively.





Fox Energy Center cooling tower

## Water resources management

### Cooling water system operations and capital investments:

Our companies recycle water used in power generation and use systems that minimize consumptive water loss. Most of our power plants use open-cycle cooling systems. These systems withdraw surface water from natural cold water sources, pump the water through steam condensers to cool and condense the steam that drives turbine generators, then return 100% of the cooling water to the source. For facilities with cooling towers, about 25% of the water is returned to the source, with the balance of the water loss going to the air during the evaporative cooling process.

Water (billion cubic meters)	2021	2022	2023
Withdrawn from major sources	2.95	3.02	2.87
Municipal water purchases	0.003	0.003	0.003
Water returned to source	2.93	3.00	2.86
Water consumption	0.01	0.01	0.01
<b>Percent returned to source*</b>	<b>99.5%</b>	<b>99.5%</b>	<b>99.6%</b>
<b>Percent consumed</b>	<b>0.5%</b>	<b>0.5%</b>	<b>0.4%</b>

\* Most of the water is used for once-through cooling.

**Beneficial water reuse:** Fox Energy Center in Wisconsin beneficially uses approximately 2.5 million gallons per day of treated effluent from the Heart of the Valley Metropolitan Sewerage District to supply its process water and cooling water needs. Use of treated wastewater effluent that would otherwise be returned to the Fox River is an environmentally preferable alternative to the use of surface water or groundwater resources. Water received at the facility undergoes additional treatment for the removal of impurities such as metals, phosphorus and total suspended solids. The beneficial use of treated effluent results in a net reduction in the quantity of mercury, phosphorus and suspended solids by 65% to 75% compared to what would otherwise be discharged into the Fox River.

### Current trends and impacts of capital investments:

While increased electricity demand led to a moderate rise in water use over the previous three years, the lower total water use in 2023 marked the continuation of a longer-term downward trend. Between 2018 and 2023, our companies' water withdrawals from major sources decreased 20%. This has been primarily due to retirements of coal-fueled facilities, water quality capital improvement projects, and the addition of renewable energy and natural gas-fueled facilities.

Between 2020 and 2023, \$110 million was invested into capital projects at our newest coal-fueled facilities to further reduce process water discharges and improve existing wastewater treatment systems, in compliance with the EPA's Effluent Limitations Guidelines.



## Waste minimization commitment

Waste minimization and recycling is an integral part of our corporate environmental responsibility, affecting all of our facilities. In 2022, the Environmental Protection Agency (EPA) announced a National Recycling Goal of 50% by 2030. The EPA has identified strategies and is seeking to implement these actions to create a stronger, more resilient and more cost-effective domestic recycling system.

WEC Energy Group has adopted a corporate goal and is committed to internally exceeding the National Recycling Goal. In the past three years, our recycling rates have ranged from 49% to 55%. Our goal is to consistently exceed 50% by the year 2030.

Our waste minimization program encourages all efforts to minimize waste — reduce, reuse and recycle. We have implemented a multitude of strategies to help us consistently meet our waste recycling goal.

### Four basic principles are the foundation of our waste minimization program.

#### 1. Waste management practices

We have programs in place for waste reduction, handling and recycling that are managed at a corporate level by dedicated environmental staff trained as subject matter experts. Our Supply Chain department has adopted an environmental management strategy using a technology-based impact management system along with a lean manufacturing model. Implementing lean management practices at our facilities has supported an operational culture that is conducive to waste minimization, pollution prevention and continuous improvement.

Although we do not operate any nuclear facilities, radioactive materials are periodically encountered in our operations. In addition, Peoples Gas routinely

handles and manages soils in areas of Chicago that are impacted by radioactive materials from historical releases by others. Internal policies and procedures require monitoring, measurement and radioactive waste management, storage and disposal in conjunction with policies and procedures established by the City of Chicago Department of Public Health, EPA and other state agencies.

#### 2. Source reduction

We continue to evaluate and change practices/ processes to reduce or eliminate waste generation. For example, we have an inventory control system in place to evaluate purchase needs, and take opportunities to share resources between facilities. To decrease hazardous waste disposal, when practicable, we investigate nonhazardous alternatives or conduct elementary neutralization of chemicals.

#### 3. Recycling

Our recycling commitment and waste management plans encourage employees to recycle waste streams on-site. In addition, we require all universal waste from our operations to be recycled, which includes fluorescent bulbs, batteries and mercury devices. All electronic waste generated is also recycled.

#### 4. Reuse

To minimize the amount of solid waste generated from our facilities, WEC Energy Group seeks to find new uses for products whenever possible. This has included sending products to different internal facilities and selling lifecycled electronic equipment for reuse by others.



### In 2023, WEC Energy Group sent many types of waste for recycling.

**26,826** pounds for energy recovery and fuel blending.

**1,747,792** pounds for other recovery and reclamation.

**840,568** pounds of oils.

**187,159** pounds of electronic waste, such as laptops, computers, phones and circuit boards.

**497,120** pounds of wood pallets and utility poles.

**2,688,293** pounds of electric distribution equipment, including transformers, wires, breakers, capacitors and other materials.

*Figures are included in the waste disposal summary.*

## Reuse and waste recycling and disposal summary

Our data collection process allows us to identify areas of improvement and annual goals. In 2023, we exceeded our goal of 50% recycling with an overall average of 55%.

### Operational waste summary (metric tons)

	2021	2022	2023
Hazardous waste generated	51	13	29
Hazardous waste recycled	29	7	12
<b>% recycled</b>	<b>56%</b>	<b>53%</b>	<b>40%</b>
Nonhazardous waste generated <sup>1</sup>	21,601	17,885	16,375
Nonhazardous waste recycled	11,005	10,534	9,341
<b>% recycled</b>	<b>50%</b>	<b>59%</b>	<b>57%</b>
Hazardous boiler cleaning waste	0	222	0
Nonhazardous boiler cleaning waste	272	868	130
<b>% recycled</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
PCB waste generated <sup>3</sup>	842	303	486
PCB waste recycled	167	44	37
<b>% recycled</b>	<b>20%</b>	<b>15%</b>	<b>8%</b>
<b>Overall % recycled</b>	<b>49%</b>	<b>55%</b>	<b>55%</b>

<sup>1</sup> Tonnage noted includes all nonhazardous waste including universal waste, with the exception of asbestos, soil, concrete and asphalt from construction and remediation/demolition projects.

<sup>2</sup> Currently, we are not aware of an outlet for recycling boiler waste.

<sup>3</sup> PCB waste is defined as nonhazardous waste regulated by the Toxic Substances Control Act, containing 50 parts per million or greater PCBs; quantities are not included in the nonhazardous totals.

## Beneficial use of combustion products

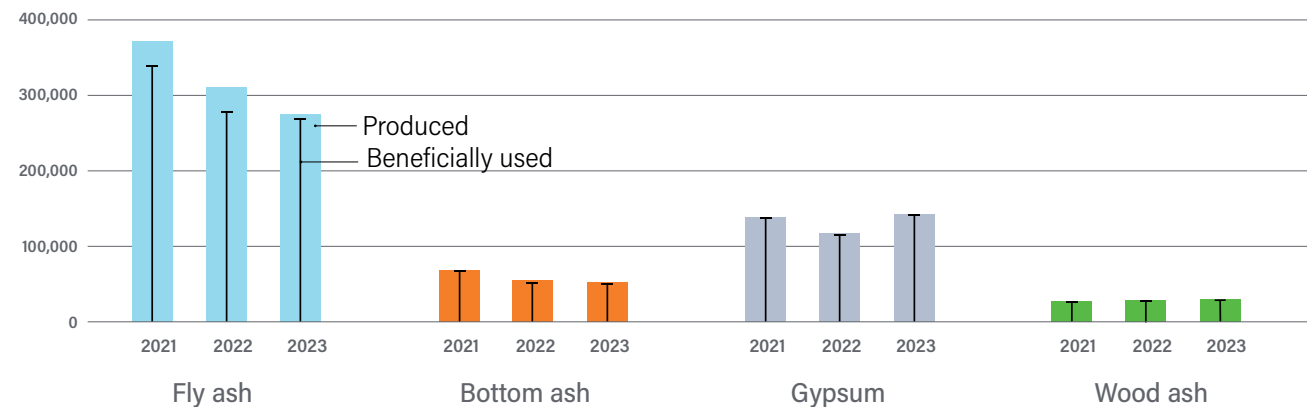
Coal combustion residuals (CCR) are managed in compliance with all federal, state and local regulations. The majority of our CCR is beneficially used for concrete, cement, wall board and agricultural projects. In addition to the successful use of ash and gypsum, 100% of the sulfuric acid produced at the Weston Power Plant ReACT® air emission control system was beneficially used in 2023. The majority of this was sold to local industrial users. Wisconsin Public Service (WPS) was the first electric company in the United States to sell sulfuric acid produced from a coal-fueled electric generating facility's air emission control system.

Annual combustion product beneficial use rates vary due to production quantities, cyclical market demands and material quality. The reduction in combustion products correlates directly to the retirement of coal-fueled power generation.



### Combustion products (metric tons)

	2021	2022	2023
Combustion products produced	602,600	508,200	492,900
Combustion products beneficially used	571,500	474,500	488,200
<b>Percent used</b>	<b>95%</b>	<b>93%</b>	<b>99%</b>





## Facility design with environmental stewardship in mind

WEC Energy Group manages a large portfolio of real estate. We use sustainable features in the design, remodeling, construction and facility management process to maintain an increasingly sustainable facility footprint. Our practices include:

### Materials selection and recycling

- Metal scrap is collected from remodeling and new construction job sites. With EPA's national recycling goal at 50%, most construction/ demolition job sites achieve much higher rates — 80% to 95%.
- During facility upgrades, flooring is selected to be carbon neutral across the entire product life cycle.
- Furniture standards require use of responsibly designed furniture and textiles containing pre- and post-consumer recycled content and reduced content of toxic materials such as flame retardants, perfluorochemicals and formaldehyde.
- Electronic waste is sustainably managed and recycled.

### Energy efficiency

- Lighting fixtures are LED, known to use at least 75% less energy and last 25 times longer than standard incandescent lighting.
- New buildings are developed with energy conservation designed into the project, which often exceeds Leadership in Energy and Environmental Design (LEED) requirements.

### Water conservation

- In Chicago, development projects must provide storage for 125% of the requirements of the City of Chicago's stormwater ordinance.
- Native vegetation is used in landscaping.
- Green roofs are installed where feasible.
- Bioswales are created at new facilities to support stormwater management.
- Agricultural land is converted to native prairie to offset new development.

### Facility upgrades with a sustainability focus

- Electric vehicle charging stations are installed at new facilities for both fleet and employee vehicles.
- Systems are upgraded to preemptively remove emerging contaminants, such as fire-fighting foams containing per- and polyfluoroalkyl substances.



*Installing native plants at the new District Energy Center in Milwaukee*



# Stewardship

In accordance with our environmental policy, we are preserving and enhancing sensitive natural habitats on our companies' properties. We implement best practices to manage land for multiple uses — aesthetics, biodiversity, cultural resources, forestry, recreation, water quality and wildlife.

Our stewardship efforts reach beyond properties and across state borders. Our companies collaborate with local, state and federal agencies during regulatory review of our projects. We bring together appropriate stakeholders to achieve stewardship goals through opportunities typically identified during project planning and construction. As a result, we've seen beneficial biodiversity and resource protection outcomes meet, and often exceed, state and federal guidelines and regulations.



Our staff members lead several comprehensive wildlife restoration and protection efforts with the coordination and cooperation of various state and federal agencies and multiple partners. Priority goes to species and native ecosystems in the greatest need of protection, recovery and enhancement.

Available Natural Heritage Inventory (NHI) data sets are used to review for the potential presence of rare species when planning our companies' power generation and distribution projects, and to evaluate stewardship initiatives our companies may undertake. Species listed on the International Union for Conservation of Nature's Red List of Threatened Species (IUCN Red List) are also considered, particularly when evaluating company-owned lands or activities where IUCN Red List species may occur. Nearly 60 IUCN Red List species are present within our companies' service areas. These data are primary factors in steering stewardship and species management decisions.

Through robust training programs and internal outreach, our Environmental department informs and educates thousands of company employees and contractors on environmental protection, stewardship and the preservation of natural resources during construction projects.

**Our employees and contractors carry out activities to preserve and enhance natural resources, protect and improve habitat, and increase biodiversity across our service areas.**

## Assessing biodiversity on company lands

Assessing biodiversity on company lands starts with a comprehensive evaluation of the multitude of unique landscapes that exist across our statewide service areas. This effort involves an extensive, ongoing analysis of over 520 fee-owned properties comprising nearly 60,000 acres in Wisconsin and Michigan's Upper Peninsula to assess the biodiversity of locations that contain natural wetlands, grasslands and forest lands. A subset of these lands provide pollinator habitat that is essential to the survival and restoration of the monarch butterfly, and those lands are conserved as part of our participation in the Nationwide Candidate Conservation Agreement with Assurances (CCAA) for Monarch Butterfly.

The results of this analysis are summarized in the table below. We developed a complex geographic information system (GIS) model using nearly 20 land cover, rare species and water resource data sets to examine the extent and quality of biodiversity occurring on our lands that are being actively managed or passively conserved. The GIS model is being used to identify unique landscapes that warrant protection and enhancement.

Diverse plant communities and high-quality water bodies occur on many of these lands, and provide habitat for hundreds of wildlife species, including pollinators and dozens of state and federally listed rare species.

### Biodiversity land metrics, fee-owned land in acres (We Energies and Wisconsin Public Service)

	Pollinators	Other grasslands	Wetlands	Forested lands
Required mitigation	186	1,110	45	12
Voluntary active management	322	572	144	128
Voluntary passive conservation	69	4,795	6,854	45,279
<b>Total</b>	<b>577</b>	<b>6,376</b>	<b>7,043</b>	<b>45,419</b>





## Pollinator species conservation and habitat protection

A wide variety of flora and pollinator species, including numerous rare species, are supported on thousands of acres of actively managed company lands.

Each year, our employees work to avoid or minimize impacts to these resources during the design and planning phases, and techniques are used during construction and restoration to protect pollinator habitat.

Native prairie and wetland seed mixes are used to restore disturbed project areas and convert non-native grasslands to native habitat. Habitat restoration is expressly designed to include wildflowers native to local areas where plantings occur to attract and support bees, butterflies and other pollinators.

**Karner blue butterfly** — Our companies have worked with the U.S. Fish and Wildlife Service (USFWS) and various state agencies to develop and implement a habitat conservation plan. Efforts under this plan regularly include pre-construction surveys and implementing best management practices to enhance habitat during construction and restoration.

**Monarch butterfly** — Since July 2022, WEC Energy Group has participated in a nationwide effort to help restore and increase the monarch butterfly population. Together, We Energies and WPS have committed to conserving and restoring monarch butterfly habitat on nearly 500 acres of company property. New and expanded habitats will be maintained across the state, including lands in and around the Oak Creek Power Plant, multiple

company-owned landfills, the former Pulliam Power Plant and several hydroelectric power facilities. In 2023, WEC Energy Group further analyzed its lands across all utilities to expand enrollment in the Nationwide CCAA for Monarch Butterfly. This included approximately 400,000 acres in five states.

This dedicated effort to preserve, restore and manage habitats will play a vital role in the survival of monarch butterflies, improving biodiversity on a landscape scale and the success of our ecosystem for decades to come.

**Bumblebees** — The type of habitat required for many bumblebees is similar to that needed by the monarch butterfly. Since 2023, we have been partnering with the University of Illinois Chicago, Wisconsin Department of Natural Resources (WDNR), USFWS, and several energy and transportation industry organizations to develop a national voluntary conservation benefit agreement (CBA). This agreement is complementary to the Nationwide CCAA for Monarch Butterfly and intended to provide habitat for 11 species of at-risk bumblebees, including the rusty patched bumblebee and several others occurring within our companies' service areas.

**Phlox moth** — We worked with partner biologists from the WDNR and the United States Army Installation at Fort McCoy in Monroe County, Wisconsin, to implement a conservation plan for 40 acres of phlox moth habitat.



The Rights-of-Way as Habitat Working Group at the University of Illinois Chicago (UIC) has acknowledged the company with several awards in 2023 and 2024 for our efforts to manage high-quality monarch butterfly habitat on our lands enrolled in the Monarch CCAA.



## Raptor protection and support

We support numerous efforts at our power generation facilities and along our electric distribution facilities to protect and to support raptors.

**Peregrine falcons** — Our companies have maintained nesting boxes on power plant chimneys and rooftops for more than three decades. One-fifth of the peregrine falcon population in Wisconsin — more than 440 birds — has been born at our companies' power plant nesting boxes. To help educate and raise awareness about the species, real-time viewing of falcon nesting

boxes is available through live video streaming on our websites. In addition, we hold a popular naming contest every spring inviting our customers and falcon fans across the country to vote to name the chicks born at our facilities.

**Ospreys** — Our companies have helped install dozens of osprey platforms in more than 30 counties in Wisconsin and Michigan's Upper Peninsula, and, since 1980, field crews have constructed alternative nest structures for osprey breeding pairs and assisted landowners in erecting nest structures in key habitat locations. These efforts support osprey recovery. More than 550 breeding pairs now live in Wisconsin.

**Bald eagles** — To avoid interactions at our wind generation facilities, operations personnel look for and remove potential food sources that would attract eagles to the site. Additionally, the company helps state agencies protect eagle nests by documenting and maintaining occupied nest data associated with our 30 hydroelectric facilities. While less frequent, when bald eagles try to nest atop utility poles, the company installs larger eagle nest platforms nearby to provide alternatives for the eagles to use to eliminate the hazards associated with pole-top nests. These efforts along with the efforts of many others are paying off as the bald eagle population continues to increase within our service areas. Recently in Wisconsin, nesting bald eagles were observed in all 72 counties.



## Supporting healthy fisheries

Our hydroelectric flowages provide numerous opportunities to partner with key stakeholders to protect and enhance healthy fisheries.

In addition, in operating our hydroelectric flowages, we take actions to avoid and minimize negative impacts to the fisheries.

- We have partnered with the WDNR to protect the spawning of muskies, white suckers and walleye.
- We work with the WDNR and the USFWS to control the sea lamprey population. The lampreys prey on game fish in Lake Michigan and then travel upstream to spawn in the Peshtigo and Menominee rivers.

- At multiple hydroelectric flowages, we conduct water quality testing at our facilities to ensure downstream flows are sufficient to support aquatic life.
- At our Grand Rapids Dam, we conduct fish surveys to ensure that downstream flows support a healthy fishery.
- When we need to drop the water level below approved water levels for an extended period of time at our hydroelectric flowages, we protect aquatic species by conducting surveys for any potential stranded organisms and relocating them to safe waters.

For over 20 years, we have partnered with state and federal agencies, nongovernmental agencies and university researchers on efforts to restore lake sturgeon to Lake Michigan and investigate passage of lake sturgeon around hydroelectric facilities on the Menominee River. The We Energies Foundation is a longtime supporter of Riveredge Nature Center's lake sturgeon reintroduction project and Sturgeon Fest, an annual Milwaukee event.





## Preservation of natural areas and wetlands

We support efforts to preserve, create, restore and manage native habitats and other natural features on our companies' properties and leased lands. We also monitor a variety of biodiversity indicators on our lands and along natural gas and electric corridors.

**Sustainable construction practices** — Our companies have ongoing new construction and maintenance activities on thousands of miles of distribution corridor every year. Construction crews work to implement stringent best practices to manage erosion and keep disturbed sediments contained within planned construction areas. Maintenance and monitoring occur frequently to minimize impacts to adjacent natural areas and wetlands. We use key performance indicators (KPIs) as metrics to rate natural gas and electric distribution contractors' environmental compliance performance.

**Ongoing habitat restoration and management** — Restored prairie and wetland habitat on the Migratory Bird Stopover at Port Washington Generating Station continues to thrive as a resting place for migratory birds, with more than 120 species recorded since 2011. We increased the available prairie habitat at the site by 25% with additional restoration between 2019 and 2023.

**Improving stormwater runoff** — Various methods and techniques are used at facilities to manage stormwater and improve the water quality from runoff. Green roof stormwater collection systems are installed at several facilities, including atop our corporate headquarters. Stormwater management plans for power distribution and company office sites are incorporating native plants to effectively manage stormwater and provide a dense, native plant community designed as a pollinator refuge in otherwise urban landscapes. Increased utilization of deep-rooted prairie species in landscaping and incorporating these plant species into stormwater management facilities results in significantly more stormwater absorption than shallow-rooted turf

grasses, which reduces runoff. Filter strips and native prairie grass buffers reduce sediment loading at some company-owned properties.

**Restoring native prairie at former landfill sites** — We have biodiversity objectives at landfill properties to include establishment and management of species-rich, native flora and fauna communities that provide numerous ecological benefits.

- Hundreds of native species have been documented on our properties, including over a dozen state-designated threatened and endangered species, and several dozen other species indicative of high-quality habitat.
- Restoration at these sites include seeding a diverse native mix of prairie grasses and flowering species designed to attract local pollinators.
- Invasive species management is included in long-term land management to promote biodiversity.

Maintaining large blocks of contiguous high-quality habitat at these sites benefits the entire food chain,

from organisms in the soil to hawks and owls. Restored prairies significantly reduce the use of herbicides and fertilizers traditionally required to maintain landfill covers. Diverse prairie cover also improves water quality and reduces stormwater runoff.

**Controlling invasive species** — Our companies support activities aimed at restoring habitat through controlling several dozen invasive plant and animal species such as buckthorn, Eurasian watermilfoil, garlic mustard, purple loosestrife, leafy spurge, giant reed grass, Japanese knotweed, sea lamprey, and zebra and quagga mussels, among others. We conduct research and provide ongoing support for research by others on aquatic invasive species management. In addition, we contribute resources to assist agencies and other groups that conduct invasive species surveys, manage natural areas and educate the public on invasive species. We support land-management activities related to invasive species identification, control and management of thousands of acres in our companies' service areas.

We are converting nearly 79 acres of nearby agricultural land to native prairie and wetlands, improving stormwater runoff near the Paris Generating Station in Kenosha County, Wisconsin. Ecological benefits include substantially increasing biodiversity on the site, promoting the health of pollinator species that benefit adjacent crops, controlling invasive species, and increasing flood storage along a flood-prone river that bisects the site. The second phase of the restoration project was initiated in 2023, seeding native prairie and wetland on over 41 acres immediately adjacent to the 38 acres that were initiated in 2019.



In 2022, we began the process to modify the vegetative cover of an approximately 22-acre area at our System Control Center Landfill, located in Waukesha County, Wisconsin. A specific two-year plan was designed to include a rotation of mowing, herbicide treatments and prescribed burning. We systematically removed the non-native turf grass cover in preparation for converting the homogenous and ecologically sterile grass community to a diverse native prairie. Native prairie seeding was completed in fall 2023 with over 85 native species to promote establishment of a species-rich community.





Badger Hollow Solar Park I

## Renewable projects and conservation

As we continue to invest in renewable energy, we are working to enhance biodiversity and support conservation efforts at our project sites.

**Solar projects** — We develop robust vegetation management plans. Native plants and pollinators will provide essential ecological services, including boosting local agricultural crop yields, increasing water infiltration and reducing soil erosion. Our solar fields restore the soil over decades and reduce use of natural and industrial fertilizers, thereby protecting surface and groundwater. In addition, we have been sensitive to concerns that, due to their resemblance to water bodies from above, solar parks might pose particular risks to migrating water birds. We conducted avian monitoring studies at two of our large solar projects in 2022 that showed no evidence of water bird collisions with panels.

We currently have over 25 solar generation facilities, ranging in size from one acre up to nearly 2,000 acres. These facilities collectively comprise over 5,500 acres and over 90% of these lands are restored to native grassland cover, of which over 400 acres are dedicated to pollinator habitat that is managed for rich floral diversity.

**Wind facilities** — We implement site-specific plans and adaptive strategies to reduce impacts to bird and bat populations. We voluntarily use a method recognized by EPRI, regulatory agencies and wildlife scientists to help bats avoid the turbines: changing the blade angle to greatly slow blade movement below the turbine cut-in speed, without materially impacting energy generation.

## Protection of cultural resources

We have developed robust internal screening processes to review thousands of projects for the potential presence of known archaeological sites and historic properties.

The screening process involves using available cultural resource data sets to identify potential conflicts and avoid impacts to these resources during construction and property management activities. The internal screening process also identifies the location of tribal reservation boundaries so we know what projects may require additional consultation with tribal leaders or staff.

We work closely with cultural resource experts and a variety of agencies so that our projects avoid impacts whenever possible. When necessary, site surveys and construction monitoring are conducted by archeological professionals to protect the integrity of known cultural resource sites.



## Manufactured gas plant remediation

From the early 1800s until the 1960s, gas for heating and lighting was manufactured at local plants. Offering an alternative to wood and coal, these manufactured gas plants (MGPs) prospered until more affordable and cleaner natural gas began to arrive via pipelines. WEC Energy Group subsidiaries are actively investigating and remediating environmental concerns associated with former MGP sites throughout their service areas. In the course of these projects, we work diligently to minimize any nuisances to neighboring communities.

We continued to work closely with the EPA in 2023 on the remediation of several sites throughout our service areas. These projects not only improved the environment but also supported redevelopment of the local communities we serve.

### Remediation of WPS Green Bay headquarters

In 2023, we completed remediation of the former WPS corporate headquarters property in downtown Green Bay. This project involved removal and disposal of soils, sediment and debris having residual impacts from an historic manufactured gas plant. Following removal and backfilling activities, the on-site areas and the Riverwalk corridor along the East River shoreline were restored as vegetated green space. Approximately four acres were restored/revegetated. The property is now in a condition that will readily accommodate plans for future development.

The process included:

- 80,622 tons of soil remediated.
- 324 tons of sediment remediated.
- 408 tons of debris removed.
- 137,880 tons of clean material placed.



Top: Engineered cap material being installed on the river bottom.  
Bottom: Installing steel sheet pile

### Milwaukee River Third Ward sediments cleanup

In partnership with the nonfederal sponsors (including WDNR, Milwaukee Metropolitan Sewerage District, City of Milwaukee and Milwaukee County Parks) that signed on to a Great Lakes Legacy Act project agreement as part of the long-term goal to address the Milwaukee Estuary Area of Concern (AOC), We Energies completed the environmental cleanup of its Milwaukee River project in 2023.

Remediation work included the installation of new steel walls built for bulkhead wall stability, removal and disposal of MGP-impacted sediment by hydraulic dredges, and placement of engineered, clean river bottom cover. An anticipated \$35 million-plus in federal funds will be unlocked to contribute to additional Milwaukee Estuary AOC cleanup in the coming years. The ultimate goal: to improve water quality for public health, recreation, and fish and wildlife habitat in the Milwaukee River — and throughout the Milwaukee Estuary.

The process included:

- Approximately 44,000 cubic yards of sediment remediated.
- Approximately 17,000 cubic yards of engineered, clean river bottom cover installed.

**“Revitalizing our rivers, like our neighborhoods, is a team effort. The We Energies Third Ward Milwaukee River remediation project proves that persistence and partnerships among our civic organizations, businesses, agencies and stakeholders is the pathway to success.”**

**Jim Plaisted**

Executive Director — Historic Third Ward Association



## Community support

Our companies also seek to work with the general public to increase awareness of natural resource stewardship. We support others' efforts for the betterment of fish and wildlife, water and air quality, forests, energy efficiency, renewable energy, and recycling. We appreciate the opportunity to help organizations achieve lasting results that create brighter futures for the communities in which we do business. These include:

- Annual community cleanups of rivers and other sensitive areas.
- Conservation programs.
- Education programs on sustainable forestry, agriculture and invasive species.
- Arbor Day programs.
- Whooping crane and sturgeon programs.
- Raptor education and rescue.
- Nature trail development and restoration.
- Wildlife rehabilitation.

Employee volunteer projects have helped with beach cleanup and restorations, adopt-a-highway and adopt-a-trail projects, and community garden cleanups. Line clearance coordinators also conduct "Plant the Right Tree in the Right Location" outreach programs with area schools and community gardens.

Our companies and foundations provide grants that promote the environment in areas they serve. In 2023, contributions were made to nature centers and preserves, county land and water conservation organizations, conservancy trusts, and other nonprofit organizations. The grants supported a variety of initiatives, including wildlife rehabilitation, forest enrichment, natural resource education, conservation, wildlife management and water quality improvement.

For more information on our foundations, see pages 58-61.

### Examples of environmental organizations supported:

- Baird Creek Preservation Foundation
- Chicago Gateway Green
- Chicago Horticultural Society
- Chicago Zoological Society
- Field Museum-Keller Science Action Center
- Fox-Wolf Watershed Alliance
- Friends of the Chicago River
- Gathering Waters Conservancy
- Green Bay Botanical Gardens
- Hawthorn Hollow Nature Sanctuary & Arboretum
- Ice Age Trail Alliance
- John G. Shedd Aquarium
- Lake Forest Open Lands
- Lake Michigan Bird Observatory
- Lincoln Park Zoological Society
- Mequon Nature Preserve
- Milwaukee Riverkeeper
- Natural Resources Foundation of Wisconsin
- Northwoods Wildlife Hospital and Rehabilitation Center
- Oneida County Land and Water Conservation
- Ozaukee Washington Land Trust Inc.
- Peggy Notebaert Nature Museum
- Ragdale Foundation
- Riveredge Nature Center
- Robert W. Monk Gardens
- Rock River Coalition
- Sand County Foundation
- Schlitz Audubon Nature Center
- Southeastern Wisconsin Invasive Species Consortium Inc.
- Trees for Tomorrow
- Trout Unlimited
- Urban Ecology Center
- Waukegan Parks Foundation
- Wild Instincts Inc. Wildlife Rehabilitation
- Wildlife in Need Center
- Winnebago Conservation Club Inc.
- Wisconsin Wetlands Association
- Zoological Society of Kewaunee County
- Zoological Society of Milwaukee



Green Bay Botanical Gardens © John Oates



John G. Shedd Aquarium ©Shedd Aquarium

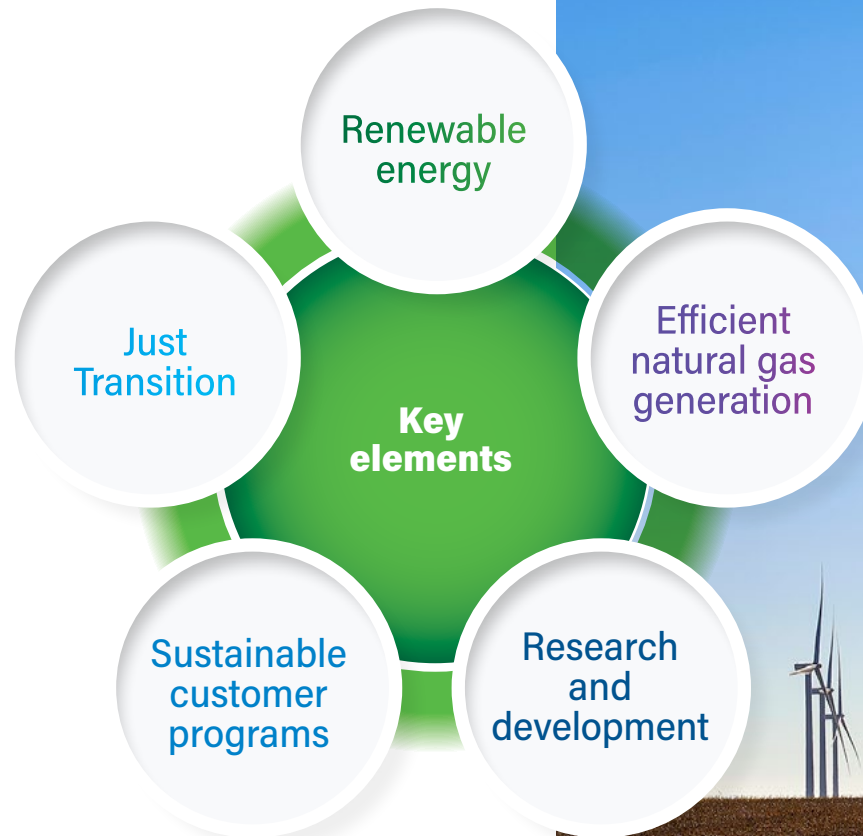


# Climate strategy

We are committed to reducing greenhouse gas (GHG) emissions from our system while maintaining the safe, affordable and reliable energy that is a cornerstone of our business model.

Consideration of climate change is integral to our approach, and we have conducted scenario analyses to assess the strength of our strategy. The greenhouse gas reduction goals we have established for our electric generating fleet and natural gas distribution system are aligned with or surpassing global emissions pathways aimed at limiting warming to 1.5°C. We continue to reshape our portfolio of electric generation facilities and modernize our infrastructure to further improve environmental performance.

We have continued to increase our investments in cost-effective zero-carbon generation and worked to reduce the role coal generation plays in our system. In place of coal, we have built state-of-the-art natural gas generation. We expect our utilities to spend \$7 billion between 2024 and 2028 on renewable generation for our utility customers. In addition, we continue to conduct leading research, such as our hydrogen and long-duration energy storage projects, and invest in renewable generation outside our regulated utility footprint to serve other companies through long-term offtake agreements. Our 2022 Climate Report contains further information on how we are addressing climate change in an environmentally responsible manner while also serving our customers.



## Renewable energy portfolio

Utility and nonutility energy assets

Facilities (as of Dec. 31, 2023)	Capacity (MW) <sup>1</sup>	Serving
30 hydroelectric plants	92	Utility customers
1 biomass plant	46	
6 wind turbine facilities	580	
3 solar facilities	300	Infrastructure customers
9 renewable generating facilities	1,845 <sup>2</sup>	
<b>Total renewable capacity</b>	<b>2,863 MW</b>	

<sup>1</sup> This table uses nameplate capacity for our solar and wind facilities, and rated capacity for other energy sources.

<sup>2</sup> Includes total nameplate capacity of jointly owned infrastructure wind projects in service.



## Carbon dioxide emissions reduction

We have established ambitious greenhouse gas reduction goals for our electric generating fleet, aligned with or surpassing global emissions pathways aimed at limiting warming to 1.5°C.

**As of the end of 2023, we achieved a 54% reduction in carbon dioxide emissions compared to our 2005 baseline.**

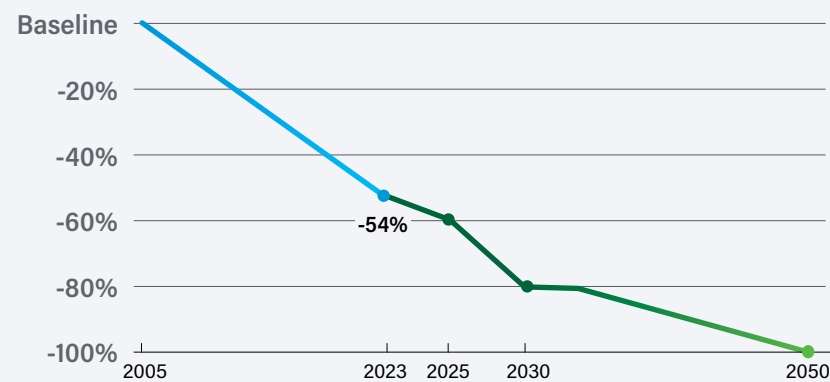
As strategies to reduce GHG emissions continue to evolve, we are committed to working with elected officials, regulatory agencies, customers, environmental groups and other stakeholders to achieve our reduction goals.

We will continue to replace or refuel fossil-fueled generating facilities with lower-carbon natural gas resources or carbon-free resources, including additional wind, solar and other renewable energy technologies. The pace of these fossil plant retirements and new plant construction will be guided by reliability, cost considerations and public policy decisions. Additional transmission system investments and energy storage projects may also be required to support these developments. Potential transmission system expansion will be a key factor in our capital planning.



Samson I Solar Energy Center, part of our WEC Infrastructure portfolio

### Achieved and anticipated CO<sub>2</sub> reductions (net mass from electric generation)\*



\* Includes projection of potential carbon offsets by 2050.

\*\* Includes owned electric generation, purchased power and WEC Infrastructure (WECI). The environmental attributes of the WECI renewable facilities are or may be the property of third parties. As such, these third parties are solely entitled to the reporting rights and ownership of the environmental attributes such as renewable energy credits, offsets, allowances and the avoided emissions of greenhouse gases.

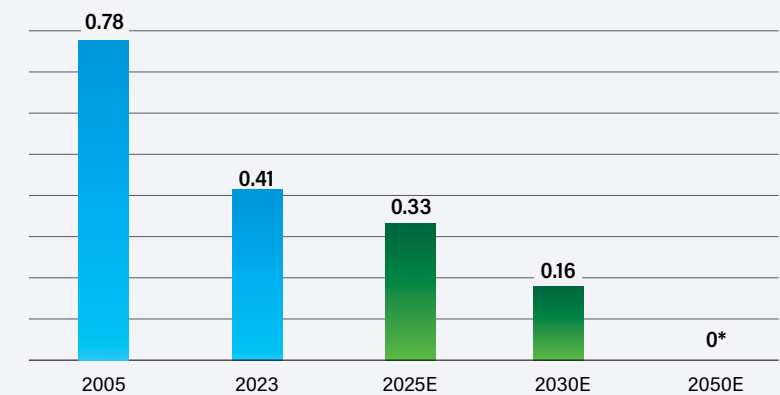
### Reduction goals:

**60%** below 2005 levels by the end of 2025

**80%** below 2005 levels by the end of 2030

**Net carbon neutral** electric generation by 2050

### Greenhouse gas intensity for our generating fleet\*\* (metric tons CO<sub>2</sub>e/MWh)







We are planning for the conversion of the coal-fueled Elm Road units at our Oak Creek site. We have tested co-firing with natural gas at the site, and we plan to continue making operating refinements that will allow a fuel blend of up to 100% natural gas. We expect to transition completely away from coal by making a modest investment in plant facilities, including natural gas burners and additional pipeline capacity to the site.

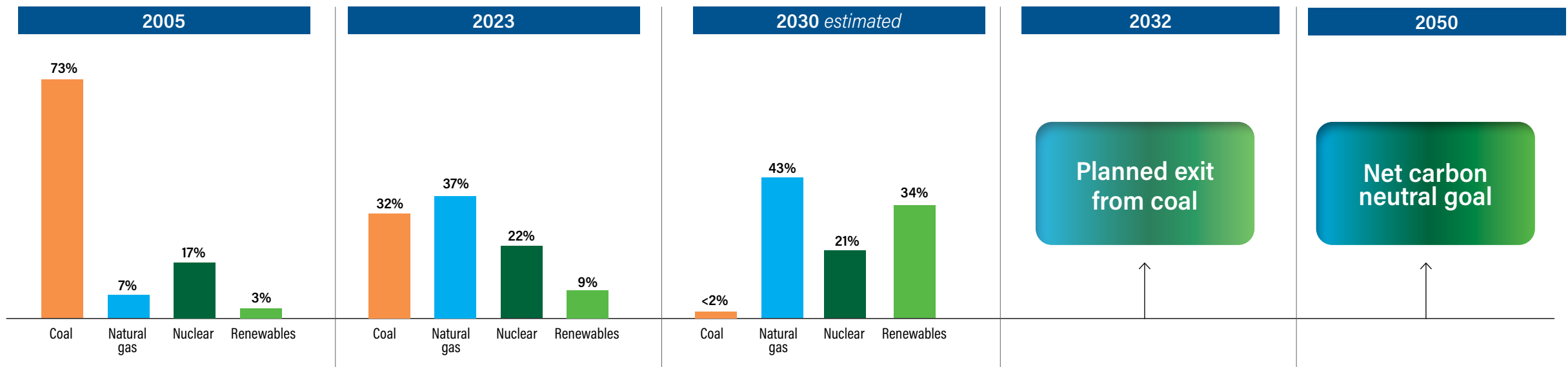
**By the end of 2030, we expect to use coal only as a backup fuel, and we plan to eliminate coal as an energy source by the end of 2032.**

We already have retired approximately 2,400 megawatts (MW) of nameplate capacity of fossil-fueled generation since the beginning of 2018, including Oak Creek Power Plant units 5 and 6 in May 2024. We expect to retire approximately 1,300 MW of additional fossil-fueled generation by the end of 2031, which includes plans to retire Oak Creek units 7 and 8 in 2025, jointly owned Columbia units 1 and 2 in 2026, and Weston Unit 3 in 2031.

We look forward to working with our stakeholders to develop policies that will enable us to achieve our goals.

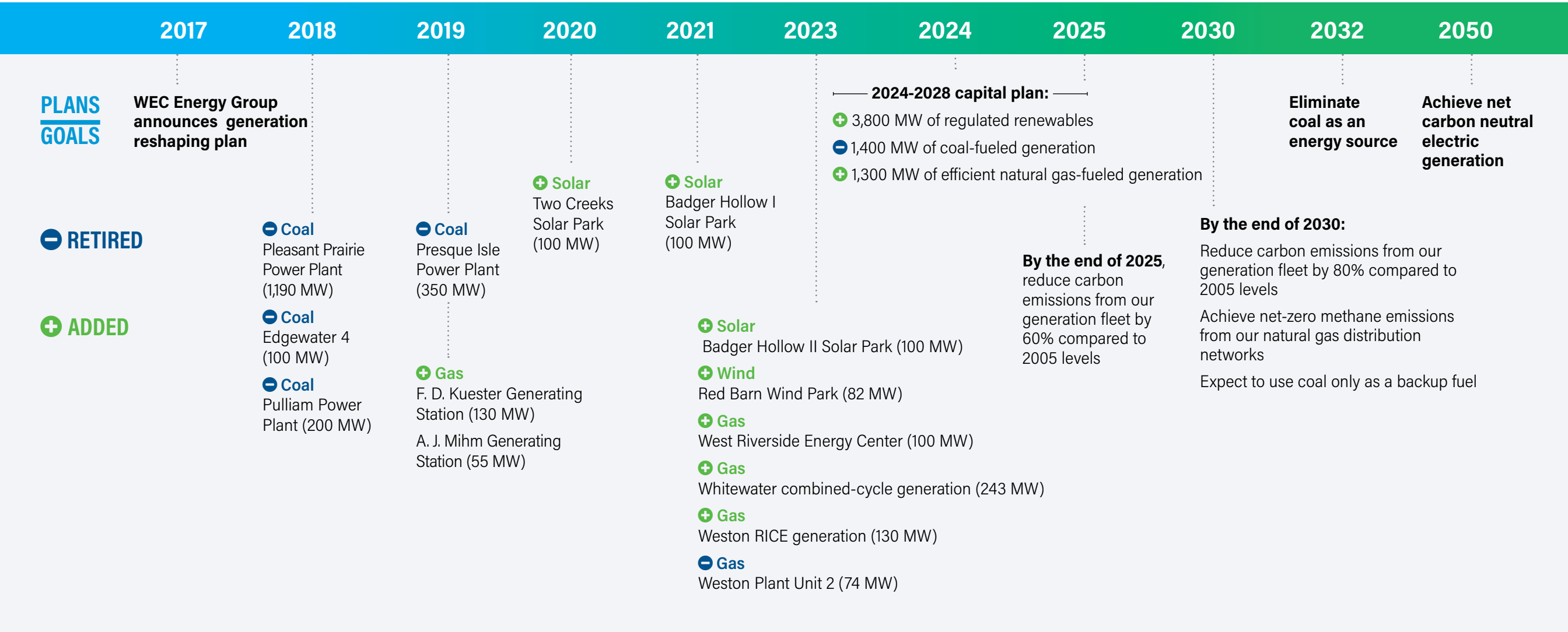
Taken as a whole, changes to our generation fleet are expected to reduce costs to customers, maintain the reliability of our system and preserve fuel diversity while reducing carbon emissions.

Electricity supply by fuel type (megawatt-hours delivered to regulated utility customers)



# Our ongoing transition to a clean energy future

We have set aggressive goals to reduce greenhouse gas emissions while continuing to provide our customers with safe, reliable and affordable energy.





## Methane emissions reduction

Our goal is to achieve net-zero methane emissions from our natural gas distribution systems by the end of 2030.

We continue to reduce methane emissions by improving our natural gas distribution system. We plan to achieve our net-zero goal through an effort that includes both continuous operational improvements and equipment upgrades, as well as the use of renewable natural gas (RNG) throughout our natural gas utility systems.

### Renewable natural gas

In 2022, we received approval from the Public Service Commission of Wisconsin for our RNG pilots. We have since signed contracts for RNG from local dairy farms for our natural gas distribution business in Wisconsin. These contracts bring us to 1.8 Bcf of RNG planned to enter our distribution systems. RNG began flowing in 2023, and additional sites are expected to come online in 2024.

### Safety Modernization Program

During 2023, Peoples Gas continued work on the Safety Modernization Program (SMP), a project that began in 2011 to replace approximately 2,000 miles of Chicago's aging natural gas pipeline infrastructure. We continue working closely with the Illinois Commerce Commission (ICC) staff and other stakeholders to demonstrate the benefits of the SMP and its role in reducing methane emissions.

In November 2023, as part of an order issued in a Peoples Gas rate case, the ICC ordered our company to pause spending on the SMP until the commission concludes a proceeding designed to determine the optimal method of pipeline replacement and a prudent investment level. The commission initiated the review of the program in January 2024, and a final decision is expected by early 2025. We anticipate the Commission will authorize the continued replacement of the aging cast iron and ductile iron, even if the scope and format of the SMP may change, which will help Peoples Gas continue to drive down its methane emissions.

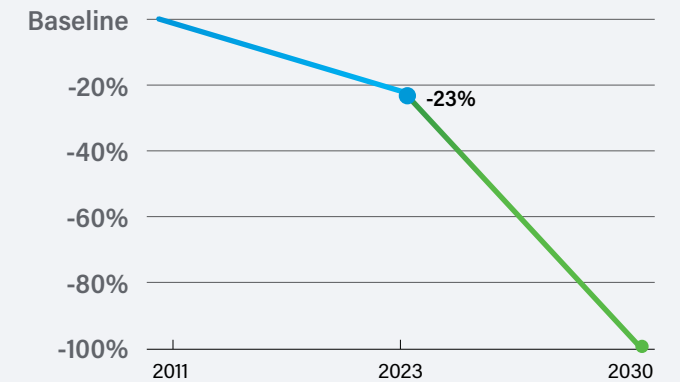


Given the benefits of the SMP, we made voluntary commitments as a founding partner in the U.S. Environmental Protection Agency's (EPA's) Methane Challenge Program. Peoples Gas met its goal of replacing remaining iron natural gas mains at an annual rate of at least 2%. In 2024, the EPA announced it will sunset the program, with 2022 as the last year data is collected. Since 2017, we have reduced emissions from our voluntary actions by more than 1,500 metric tons of methane, which is over 39,000 metric tons of carbon dioxide equivalents (CO<sub>2</sub>e).

### 2023 emissions

Across our companies, we reported emissions of approximately 26.1 million metric tons of CO<sub>2</sub>e to the EPA related to our natural gas distribution business in 2023. Approximately 98.7% of this amount was from the use of natural gas sold by our companies or transported through our distribution systems to customers without their own reporting requirements, and the remainder was from distribution system leaks.

### Achieved and anticipated methane emissions reduction from distribution



- Represents a decrease in the rate of methane emissions across our system from a 2011 baseline.
- This goal applies to emissions from WEC Energy Group natural gas distribution companies calculated in accordance with EPA's 40 Code of Federal Regulations Part 98, Subpart W reporting rule.

We have established an ambitious greenhouse gas reduction goal for our natural gas distribution network, aligned with or surpassing global emissions pathways aimed at limiting warming to 1.5°C.



## Looking to the future of natural gas

Given the state of the technology and the needs of our service areas, we see potential in several options for reaching net-zero methane emissions. The distribution system remains essential to serving our customers, especially during our region's cold winters. As described in the Innovation section (Page 39), our ongoing engagement with industry peers and research initiatives will help us apply new technologies as they become suited to the needs of our operations and our customers.

- **Natural gas heat pumps:** In 2023, we continued to support the development of natural gas heat pumps through our work with and support of the North American Gas Heat Pump Collaborative and the Gas Technology Institute's Utilization Technology Development program. Commercial gas heat pumps are currently available in the market, and in 2023 residential gas heat pumps became available.
- **Blending RNG:** In 2023, we began blending RNG from dairy farms and other sources with conventional natural gas in our distribution system.
- **Hydrogen:** There is potential for hydrogen to be produced with zero-emission energy resources and blended with conventional natural gas. Researching hydrogen as a clean generating fuel for our fleet of dispatchable plants and for blending in our distribution network is an important step on our path to a sustainable future. Read more about our award-winning hydrogen pilot on Page 41.
- **Electrification:** Electrification has been discussed in our industry as a possible means of reducing methane emissions from the use of natural gas. At this time, given the state of the technology and the specific conditions of our service areas, we see more potential in other options for reaching net-zero methane emissions. Full-home electrification is significantly more costly than natural gas heating in our region, and currently appears to demonstrate no net reduction in methane consumption due to seasonal demands for power generation.

## Conclusions drawn from our Scope 3 emissions study

We conducted an extensive internal review of available Scope 3 data and compiled an inventory according to the Greenhouse Gas Protocol Standards. This also included an analysis of the risks and opportunities associated with potential strategies to decarbonize Scope 3 emissions. The team assessed various pathways that included reduction of natural gas demand through increased energy efficiency, decarbonization of the natural gas supply with responsibly sourced natural gas and/or renewable natural gas, and longer-term offsets such as low-to-negative-emission emerging technologies. The data from this 2021 study can be found in our 2022 Corporate Responsibility Report and 2023 CDP Climate Change report.

We are working to update our inventory and seeking further potential opportunities to reduce Scope 3 emissions. Decarbonization of Scope 3 emissions is complex, and we need to carefully consider various dynamic and often-competing factors as we look to the future. We will continue to work closely with our state regulators and other key stakeholders in support of transparency and alignment.



## Assessing risks and opportunities

Changing climate conditions, potential policy measures and the technology changes reshaping the U.S. energy sector pose risks and opportunities for WEC Energy Group that vary significantly by business segment.

Our strategic planning processes enable our companies to continuously evaluate these uncertainties in the context of maintaining reliable, affordable energy supplies for our customers that follow the environmental improvement trajectory we have set. We also stay informed about market and supply chain challenges by participating in industry-related organizations such as the Utility Supply Management Alliance and Midwest Energy Association.

## Scenario and goal analysis

Since 2019, we have provided key updates on our strategy and progress through our climate reports. The report focuses on the risks and opportunities associated with transitioning to a low-carbon economy, based on the modeling of dozens of potential emission reduction pathways. It builds upon industry-specific research from EPRI, global emissions scenarios used by the Intergovernmental Panel on Climate Change (IPCC) and the Sustainable Development Scenarios from the World Energy Outlook 2021.

As detailed in our climate report, we engaged EPRI to conduct a risk assessment to understand potential decarbonization pathways. EPRI is a nonprofit scientific research organization with a public benefit mandate. This assessment helped us better understand how variables such as cost, feasibility, policy, technology and probability of adoption could influence the potential decarbonization pathways for Wisconsin.

Additionally, we engaged ERM as a consultant to conduct a climate scenario analysis across all segments of our natural gas utilities business. This scenario analysis was used to test the resilience of our gas utility assets and operations against potential future climate-related transitional risks and decarbonization pathways. This assessment helped us better understand how variables such as cost, feasibility, policy, technology and probability of adoption could influence the potential decarbonization pathways for our operating region.

**In 2023, we joined the EPRI SMARTargets™ initiative, which will develop a GHG target setting methodology for grounded and actionable climate targets and strategies aligned with global goals.**

The SMARTargets methodology is being designed to include validation of a GHG emission target on an individualized company basis, and use extensive engagement to solicit stakeholder, public, and scientific community feedback and guidance. This two-year project is expected to allow us to gain a better understanding of multiple global pathways for our emissions, allow assessment of risks and opportunities, and help educate stakeholders on our goals.

## Regulation of GHG emissions from fossil fuel sources

Current and potential GHG emissions regulation carries with it a wide range of possible effects on our energy business. As a result, we strive for flexibility in reacting to the variety of potential outcomes to maintain a secure, low-cost and reliable supply of fuel for generating needs. Our electric energy companies build adaptability into fuel supply and transportation contracts to address climate change regulation.

We are continuing to analyze the GHG emission profile of our electric generation resources and to work with other stakeholders to determine the potential impacts to our operations of federal and state GHG regulations. We are engaged with Wisconsin agencies, organizations and other stakeholders, and we are monitoring the recommendations of the Michigan Governor's Council on Climate Solutions regarding utilities, energy-intensive industry, building codes and electric charging infrastructure. In addition, we actively participate in industry organizations that are involved in the legislative and regulatory processes focusing on climate change and other environmental matters, including Edison Electric Institute (EEI), American Gas Association, Wisconsin Utilities Association, Illinois Environmental Regulatory Group and Michigan Manufacturers Association.

Learn more about the approach we are taking to reduce GHG emissions and factors that will help shape our future decision-making.

[www.wecenergygroup.com/csr](http://www.wecenergygroup.com/csr)





## Just Transition

As part of our decision-making as we transform our generation fleet, we consider the impact to our stakeholders — including our employees, customers and communities.

We will continue to look to the “Just Transition” framework, developed by the trade union movement, to support a holistic and thoughtful approach to reducing GHG emissions. Recognizing both the social and economic impacts that plant retirements and new investments will have on our communities helps us develop sustainable energy solutions for their needs. See our [position statement](#) on our website.

## Workforce

Our dedicated employees operate our power plants, and we are committed to keeping them informed and prepared as we transform our generation fleet. Our senior vice president — power generation meets frequently with union leaders and employees to provide updates on our capital plan and the timeline relating to upcoming facility retirements, including Oak Creek Power Plant units 7 and 8, which we plan to retire in by the end of 2025. Update meetings with employees and site management are frequently held at the transitioning plants.

As older, less efficient plants are closed, we work with local union leadership and follow applicable policies and collective bargaining agreements. Through this approach, we have provided retraining and placement opportunities at other company locations to all interested employees from our retired coal plants. As an alternative, we have offered voluntary severance, which has included outplacement services, educational assistance and a health insurance subsidy.

For example, when we decided to retire the coal-fueled Pleasant Prairie Power Plant, we offered voluntary severance options to employees across our power generation fleet. This opened positions at other facilities for Pleasant Prairie employees who wanted to continue their career at our company. Most recently, when we retired Oak Creek units 5 and 6 in May 2024, we were able to find a spot for every displaced employee inside our power generation work groups.

Additional benefits vary based on factors specific to each location. In some cases, we have offered retention incentives to employees for working until the end of plant service. For the next planned retirements at Oak Creek, we are carefully monitoring our employee population and retirement expectations in light of our ability to transition employees over time to the newer Oak Creek expansion units. We continue to proactively communicate with employees and union leaders so all are informed and engaged throughout the process.



Oak Creek Power Plant



### Energy affordability

We recognize our responsibility to keep energy bills affordable for our customers and we are working to develop and advocate for fair and balanced approaches that reflect that commitment. As we transform our power generation fleet, we estimate customers will save approximately \$2 billion over the next 20 years, compared to the cost of other alternatives. Renewable generation resources require no fuel costs and have substantially lower operations and maintenance costs, compared to fossil-fueled generation.

In the short term, we carefully manage our plants slated for retirement to minimize the need for capital investment — avoiding spending on projects without lasting benefit whenever we can do so safely and lawfully. In addition, we work with our regulators on the recovery of retired plant balances.

### Community

Power plants represent significant investments and physical resources in the communities we serve.

We work closely with customers, local governments and organizations on site redevelopment so that the land previously supporting a facility can benefit the surrounding community. We promote economic growth through leadership in economic development organizations and through direct contributions. For example, Gale Klappa, board chairman — WEC Energy Group, was instrumental in launching Milwaukee 7 (M7), a regional economic development organization for the seven counties of southeastern Wisconsin, in September 2005. He now serves as co-chair of the organization.

We are also an active member of chambers and economic development organizations across



Valley Power Plant

Wisconsin, including the Metropolitan Milwaukee Association of Commerce (MMAC). The MMAC is working to strengthen the business base to attract and retain jobs in the Milwaukee region.

In addition, we work with local governments to plan for continued economic stability and future growth in impacted communities. This work includes planning for the eventual reduction in shared revenue payments made by the State of Wisconsin to local governments that result from the existence and operation of our plants. As long as these assets remain part of our rate base, communities will continue to receive utility shared revenue payments from the State of

Wisconsin. If a plant is retired and the property is sold, it then ceases to be utility property and will be assessed as taxable property by the local governmental entities. Wisconsin state law, which we helped advocate for, provides a glide path from utility shared revenue after a plant is retired and the property is sold.

Finally, we leverage the power of our charitable giving programs to support nonprofit programs and institutions in communities across our service areas, and through our foundations, we have contributed to economic development efforts in counties where we retired plants.

### Environment

As we continue reducing emissions, we also seek to improve the ecological well-being of our properties — leaving the land in equivalent or better condition after our operations are complete.

We actively manage hundreds of acres of natural areas within our companies' ash landfill sites, largely originating from coal plants that are now retired. These efforts are helping to promote biodiversity, support pollinator populations, maintain large blocks of intact natural areas, reduce the use of herbicides, and restore native flora and fauna. More details on our stewardship and restoration activities can be found on pages 22-28.

## Sustainable customer programs

For decades, we have offered options to electric customers who want to help strengthen the market for renewable energy.

We Energies' **Energy for Tomorrow**<sup>®</sup> program was established in 1996 and WPS' **NatureWise**<sup>®</sup> in 2002. When our We Energies customers enroll in the Energy for Tomorrow program at the 25%, 50% or 100% level, We Energies produces or purchases renewable energy to match that percentage of their electricity use. Energy for Tomorrow is Green-e certified and meets the environmental and consumer protection standards set by the nonprofit Center for Resource Solutions. The NatureWise program similarly offers WPS customers the opportunity to purchase specified amounts of electricity from renewable sources.

In addition, WPS has continued to lead **SolarWise**<sup>®</sup> for Schools, an award-winning solar and renewable energy education program. Current participating local high schools have received a 2-kilowatt solar energy system installed at their schools, a hands-on renewable energy curriculum and teacher training to integrate SolarWise lessons into their classrooms. Students from participating schools also are invited to compete annually in the WPS-sponsored Solar Olympics.



## Electric vehicles

Increasing customer access to electric vehicles (EVs) is a priority for us. To that end, We Energies and WPS launched pilot programs in March 2022 designed to remove barriers associated with this technology. A residential pilot makes it easier and less costly for customers to install Level 2 charging equipment at home and broadens the availability of time-of-use rates for EV owners, and a commercial pilot helps pay for infrastructure upgrades needed to install larger Level 2 and DC Fast charging stations for public charging and for commercial fleet and employee use.

The pilot programs will help us better understand and address the impact EV charging will have on the electric grid, as millions of EVs are expected to be sold in the United States in the coming years.

In October 2021, subject to the receipt of any necessary regulatory approvals, we pledged to support the expansion of the EV charging network within the service areas of our electric utilities. In doing so, we joined the National Electric Highway Coalition, a unified effort by electric utilities to make EV charging convenient and widely available throughout the United States. The coalition we joined is committed to providing EV fast charging ports that will allow the public to drive EVs with confidence along major U.S. travel corridors.

We collaborated with the Wisconsin Department of Transportation (WisDOT) and Michigan Department of Transportation (MDOT) to support the development of the states' Electric Vehicle Infrastructure plans, which were approved by the Joint Office of Energy and Transportation for \$78 million and \$110 million in funding, respectively. In March 2024, Gov. Tony Evers signed 2023 Wisconsin Acts 121 and 122, enabling WisDOT to receive and administer more than \$78 million in National Electric Vehicle Infrastructure (NEVI) federal funds available to Wisconsin over the next five years under President Biden's Bipartisan Infrastructure Law to bolster EV infrastructure. Act 121 allows businesses to offer EV chargers that sell electricity by the kilowatt-hour. The NEVI program is designed to support the construction of fast-charging public EV stations along major driving corridors that allow passenger EVs to recharge in less than an hour.

We also are working to electrify our own vehicle fleet. We offer 62 charging stations across our company locations for both fleet and employee vehicles. In August 2020, under the auspices of EEI, we joined our utility peers across the nation in setting sustainability goals for our vehicle fleet across WEC Energy Group. We have set targets to electrify 40% of all storeroom equipment by 2025 and 75% by 2030. In addition, we have goals in place to increase the EV portion of our vehicle purchases by 2030 — up to 40% of cars and SUVs and 10% of trucks (with a maximum weight of 10,001 pounds). These goals apply to vehicles to be driven within the daily range capabilities of EVs and parked overnight at our company sites.



# Innovation

WEC Energy Group has a long history of exploring innovation in energy generation and distribution, environmental stewardship, and sustainability — both through independent efforts and in collaboration with industry partners.

We've been in on the ground floor of a number of initiatives. From long duration energy storage, low carbon technologies and a collaboration on an award-winning pilot to test hydrogen as a fuel source for power generation, we have demonstrated our continuous commitment to advancing our industry and improving our footprint.

## Industry collaborations

As founding members of the **Electric Power Research Institute (EPRI)** in 1972, we continue to invest in research and development programs related to generation system efficiency improvements, generation operation and maintenance best practices, distribution automation, smart grids, telecommunications modernization, cybersecurity, renewable energy and demand-side energy efficiency.

With EPRI, the company participates in the Energy Sustainability Interest Group to advance sustainability for the energy industry. The program's research pillars include identifying priorities, determining maturity and goals, measuring and



managing performance, peer benchmarking, and stakeholder engagement. This program allows us to engage with peers, continue to develop our sustainability program through industry priorities and inform strategic disclosure.

As detailed on Page 35, we became part of EPRI SMARTargets™ in 2023. The project's aim is to develop a methodology for scientifically grounded and actionable climate targets aligned with global goals.

In 2022, we also became one of the founding members of EPRI's Climate Resilience and Adaptation Initiative (READi). This three-year initiative is focused on developing a common platform for climate data and framework tools to inform the planning, design and operation of resilient energy systems. Engineers from both our Power Generation and Customer Service and Operations business units are engaged in various asset-specific working groups that meet regularly within the Climate READi initiative. These working groups discuss challenges associated with maintaining and building reliable and resilient systems that incorporate changing technologies such as expanded use of heat pumps, electric vehicles and renewable generation sources. We are reviewing current practices, planning criteria, and investment prioritization to incorporate best practices and looking for opportunities to leverage tools delivered by Climate READi as appropriate, and will continue to do so as the initiative continues.



Peoples Gas has partnered with **GTI Energy**, formerly the Gas Technology Institute, since 1985, and has invested more than \$9 million in research, innovation and development of technology solutions. The research has resulted in technologies used by the natural gas industry to benefit customers and employees through improved safety, operational efficiencies, reduced environmental impacts and increased energy efficiency.

In collaboration with GTI Energy, we help support the **Utilization Technology Development (UTD)** and the **Operations Technology Development (OTD)** research nonprofits.

UTD is a nonprofit, member-led organization composed of 20 natural gas distribution companies. Its mission is to identify, select, fund and oversee research projects to maximize the environmental performance, affordability, efficiency and safety of equipment and processes that use natural gas and renewable energy resources. Our company invests \$250,000 annually, a portion of this through energy efficiency dollars, to support projects that span all end-use sectors and cover a variety of topics, including ultra-high-efficiency gas heating and cooling solutions, efficient and clean fuels (renewable natural gas, hydrogen, synthetic gas), and small-scale carbon capture.



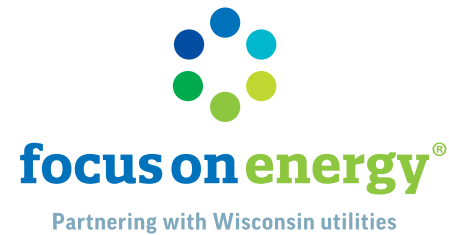
OTD is a nonprofit corporation composed of 29 natural gas distribution companies that serve over 70 million consumers in the United States, Canada and France. This program allows utilities to combine interests, expertise and resources into focused research and development projects to develop solutions to a wide range of challenges. Peoples Gas invests \$400,000 annually in OTD projects. These projects are aimed at enhancing natural gas system safety, increasing operating efficiency, reducing operating costs, reducing methane emissions and maintaining system reliability and integrity.



In 2020, WEC Energy Group joined EPRI and GTI Energy's **Low-Carbon Resources Initiative (LCRI)**, which is focused on large-scale deployment of low-carbon technologies. This long-term initiative is working to:

- Identify and accelerate development of promising technologies, including hydrogen, bioenergy, carbon capture and renewable natural gas.
- Demonstrate and assess the performance of key technologies and processes and identify possible improvements.
- Inform key stakeholders and the public about technology options and potential pathways to a low-carbon future.

WEC Energy Group has participants on the following LCRI technical subcommittees: Hydrocarbon-Based Processes; Renewable Fuels; Electrolytic Processes; Storage and Delivery; Power Generation; End Uses: Transportation/Industry/Buildings; Integrated Energy System Analysis; and Safety/Environmental Impacts. Each of these subcommittees meets regularly with LCRI peers for project updates, technical presentations on topics relevant to the low-carbon energy transition, and discussions on emerging issues. The subcommittee members meet internally on a quarterly basis to collectively provide updates to management. This research and development effort is expected to help inform our longer-term strategy to address the emissions from our electric generating units and natural gas distribution systems.



We also support research on emerging technologies and opportunities for our customers through **Focus on Energy**, Wisconsin utilities' statewide energy efficiency and renewable resource program. These research projects have the goal of allowing Wisconsin to further its efforts toward reducing energy waste, costs and environmental impacts. In 2023, the Focus on Energy Environmental and Economic Research and Development program launched research projects and pilots on topics including HVAC workforce development, integrated lighting controls and virtual commissioning, along with continued research into heat pump water heaters, integrated building automation systems and affordable housing efficiency. More information about Focus on Energy and our other energy efficiency programs can be found in the Energy Affordability section on pages 71-72.



Regalware Solar Now site

## Renewable energy programs for customers

Two innovative renewable energy pilot programs are providing opportunities for We Energies commercial and industrial customers to support renewable energy generation.

Participants in the **Solar Now** program receive monthly payments based on the capacity value of their hosted solar photovoltaic systems, while We Energies distributes the energy they produce throughout the system. The program allows nonprofit and government entities, as well as commercial and industrial customers, to site utility-owned solar arrays on their property. In 2023 Solar Now systems:

- Resulted in 22,572 metric tons of avoided carbon dioxide equivalents.
- Supported our green pricing programs, with 19% of Solar Now generation going to Energy for Tomorrow customers.

The Solar Now pilot program is also providing us with insight on the impact of local generation, sometimes referred to as distributed generation. Local generation is smaller-scale power production

or energy storage technology dispersed throughout the power grid that provides electricity close to the point of use. While centralized generation at our facilities helps us achieve economies of scale and provide reliable service, we have integrated local generation into our system in places where it has the potential to provide additional benefits to customers and contribute to local reliability.

**Renewable Pathway Pilot** is another innovative effort to ensure our customers have the affordable, reliable and clean energy they depend on. Through the Renewable Pathway program, We Energies large business customers can subscribe and purchase electricity from a Wisconsin renewable energy project. Companies will pay the full share of their subscription and receive clean energy credits as they reach their environmental goals.



### Technology integration

In addition to reducing GHG and other air emissions, research and experimentation with new technology benefits many areas of our business.

For example, our utilities are applying technologies to improve safety, quality, timeliness and effectiveness of inspections using advanced imagery, including light detection and ranging, drones (remotely piloted aircraft systems), and satellites to complete inspections, update aerial asset photos and make other observations in a more cost-effective manner than past methods. In addition, we are finding promise in the evolving field of data analytics, using machine learning and natural language processing to identify trends and take action to prevent failures on the distribution system. Data analytics are used for tasks including tracking electric line reliability and customer outages. We continue to train our employees in the evolving use of analytical tools and techniques.

WEC Energy Group continues to expand robotic process automation (RPA) to deliver a flexible digital workforce that provides cost-effective, consistent services in areas including billing, credit and collections, customer care, field operations, and data center operations. Over the last year, attended automation technology, which functions as a “digital assistant” for human users, was added to the existing unattended digital workforce. This combination of technologies not only reduces labor, but also reduces variation in process execution while helping the different business areas meet service levels. Other types of benefits are illustrated by an RPA use case that impacts both safety and the environment, as the automation evaluates natural gas usage on inactive meters and then issues field investigation orders to resolve potential gas leak and theft scenarios.

### Hydrogen as a fuel source

WEC Energy Group led a successful pilot project with EPRI in 2022 to test hydrogen as a fuel source for power generation. During the pilot, hydrogen was mixed with natural gas to power one of three 18.8-megawatt Wärtsilä reciprocating internal combustion engine (RICE) units at the Upper Michigan Energy Resources A.J. Mihm Generating Station. Wärtsilä provided expert technical support as the RICE unit was tested with hydrogen fuel blends of up to 25% by volume. Emissions reductions and unit efficiency were monitored throughout the test period and analyzed by EPRI.

The hydrogen demonstration results show that hydrogen can be handled safely in a properly designed, monitored and controlled fuel system. The expected reduction in CO<sub>2</sub> emissions, consistent engine efficiency and a favorable reduction in methane emissions were all observed in the test results. In addition, the existing selective catalytic reduction system maintained emissions below permit levels without modification. EPRI has made the pilot results available to the energy industry to understand how RICE engines can efficiently generate dispatchable power today and in the future with growing hydrogen supplies.

**The pilot project was awarded a 2023 EPRI Technology Transfer Award and was named the 2023 Top Hydrogen Plan Award winner by POWER magazine’s selection committee, a prestigious honor.**

We are hosting another first-of-its-kind test pilot in 2024 at the Peoples Energy Training Center in Chicago. EPRI will test multiple gas analyzers and alternative types of ambient gas monitoring equipment for accuracy and response time in a side-by-side real-world pilot for hydrogen and hydrogen/natural gas blend applications. These technologies are expected to be critically valuable to gas transmission, distribution and end-use companies in a transition to hydrogen fuel use. As in all of our test pilots with EPRI, the results will be made available across the industry to advance gas decarbonization efforts while maintaining safety standards.



### Long-duration energy storage

In 2023, we announced another pilot project collaboration with EPRI and CMBLu Energy AG of Germany. We plan to test CMBLu's Organic SolidFlow battery for discharge durations of five to 10 hours. The test will be conducted at our We Energies Valley Power Plant in Milwaukee to further industry knowledge of this battery design that does not rely on an already stressed supply chain for lithium or rare metals. The battery technology is expected to offer longer-duration energy supply compared to standard lithium ion technology due to its flow battery design.

After an initial sample product test at the plant, preparations continue for the full 1-2 megawatt-hour pilot intended to advance industry knowledge, support renewable technology and help shape the future of clean energy.





## Social

We promote the well-being of our employees and communities in all we do.

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Supply chain integrity	62



# Empowered employees

## Diversity, equity and inclusion

As the bedrock of the company, our employees strive to achieve optimal results with a customer focus to help us realize our full potential and business goals. We value their contributions and help them develop their skills in support of a strong, engaged workforce.

We are dedicated to ensuring a fair and inclusive workplace and a diverse workforce.

**Our commitment to diversity, equity and inclusion is more than following policies and procedures; it is a core strategic competency that is recognized in our annual Top 10 goals.**

Making sure our workplace is inclusive and respectful means employees can bring their best and do their best.

As detailed throughout this section, we strive to foster inclusion and equal opportunity through a number of initiatives that promote diverse workforce contributions and educate employees about diversity, equity and inclusion.

We offer inclusion training for all employees, such as training for leaders on countering unconscious bias, building inclusive teams and preventing workplace harassment. In addition, dedicated diversity, equity and inclusion educational resources for employees and leaders — including news, activities and learning opportunities — are published on our company's intranet, with content updated biannually.

Our workplace policies and practices are designed to promote a fair and inclusive environment. Examples include:

- A gender-neutral work attire policy that is open to religious dress.
- Private rooms at our major office facilities for faith practice, meditation, wellness and lactation.
- Supportive gender transition guidelines managed by Human Resources.
- Alternative work schedules and remote work arrangements where duties permit.



### We commit to:

- Supporting a highly qualified and diverse organization in all areas and at all levels
- Treating all employees with dignity and respect.
- Seeking and encouraging diverse ideas and viewpoints.
- Leveraging different perspectives to achieve business goals.
- Striving for equitable and inclusive practices across the organization.

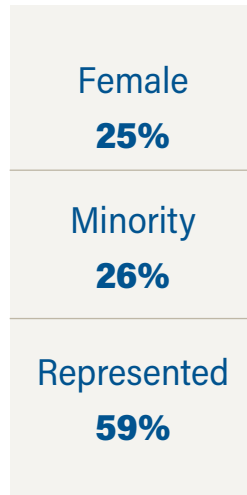
**“ We value diversity, equity and inclusion as an integral part of our corporate culture. With courtesy, care and respect, we hold each other accountable for making our company a great place to work.”**

**Scott Lauber**  
President and CEO  
WEC Energy Group



**WEC Energy Group workforce** (Dec. 31, 2023)

Company	Number of employees
Michigan Gas Utilities	141
Minnesota Energy Resources	197
North Shore Gas	154
Peoples Gas	1,221
We Energies	2,911
Wisconsin Public Service	1,154
Wisconsin River Power Co.	7
WEC Business Services	1,222
<b>Total</b>	<b>7,007</b>



As part of our commitment to transparency, we voluntarily publish our EEO-1 report on the WEC Energy Group website. This report is a snapshot in time of our demographics and is based on categories required by the federal government.

**Community partnerships**

We have worked with nonprofits in our industry and communities to enhance our diversity, equity and inclusion efforts. We are an active member of the Wisconsin Energy Workforce Consortium (WEWC), a nonprofit group of electric, natural gas and nuclear utilities and their associations. WEWC teams up with secondary and post-secondary educational institutions to address the need for a qualified, diverse workforce. Our involvement includes participation on the Diversity, Equity and Inclusion and Outreach subcommittees.

We are actively engaged in the MKE Tech Hub Coalition, a nonprofit membership organization that serves as a unifying voice for the Milwaukee tech ecosystem, formed to meet the need for tech workers in the Milwaukee region.

Employees from We Energies IT Services welcomed approximately 40 high school students from Bradley Tech High School to our downtown Milwaukee headquarters to learn about information technology. The event was part of the “Be the Spark” program, which introduces high school students to certain career fields and builds partnerships between schools and companies. We Energies is participating in the IT career pathway, one of three areas of focus for 2023. The program is in partnership with Metropolitan Milwaukee Association of Commerce and Milwaukee Public Schools, with support from MKE Tech Hub Coalition.

In addition, we continue to support the CEO ACTION for Diversity & Inclusion pledge, the largest CEO-driven business commitment to advance diversity and inclusion in the workplace.

We also continue to engage with Disability:IN Wisconsin, a corporate partnership that is a resource for business disability inclusion and supports the expansion of opportunities for people with disabilities.



**Commitments**

In 2023, we again participated in a survey on women in the workplace from an initiative that encourages female leadership and gender equality. Women filled 28% of all leadership positions at our company as of Dec. 31, 2023.

In addition, in partnership with the Metropolitan Milwaukee Association of Commerce, our company is supporting the Making Milwaukee a Region of Choice pledge to increase African American and Hispanic/Latino management and employment in metro Milwaukee by 2025. As part of this, we hired/contracted with five students across the company in support of the University of Wisconsin-Milwaukee Student Success & Talent Pipeline internship program.



## Business resource groups

To foster an atmosphere of inclusion, we promote business resource groups (BRGs) with executive sponsorship and involvement. The company has nine active BRGs, all working to engage our employees in using their talents and interests to spark innovation and support our strategic goals. They help attract new talent and provide employees with opportunities for networking, career and leadership development, and community engagement.

The company continues to support BRGs, which give interested employees numerous opportunities to collaborate, network, and share their insights and talents. Initiatives in 2023 included continuing to support a formal BRG referral process to help attract and retain talent, increasing the BRGs' presence across company social media platforms, and celebrating Global Diversity Awareness Month with an expanded focus on themes of inclusion and allyship.

Multiple BRGs collaborated to support established charitable initiatives across our companies, including collection drives for food, supplies and holiday presents. In addition, the groups continued to participate in the All-BRG Movement Challenge, with over 250 employees, leaders and executives participating.



Employees participate in Women's History Month

Our BRGs are making a difference across our companies. Further highlights of their accomplishments in 2023 included:

- **African American Business Resource Group (AABRG)** continued to support the Milwaukee Public Schools partnership for We Energies field occupations, Milwaukee Cyber School mentoring and the iMentor program in Chicago, among other community partnerships. AABRG also hosted career path discussions with leaders.
- **Asian Americans and Friends** promoted Asian American Pacific Islander (AAPI) Heritage Month across the company and volunteered with organizations including Uniting Voices of Chicago, Chicago Food Depository and Ginkgo Organic Gardens.
- **Health and Disability Allies** promoted physical and mental health, disability awareness, and destigmatization through training, information and sharing sessions, and companywide communications. It also supported suicide prevention walks in Milwaukee and Chicago.
- **Listo!+**, which is focused on supporting Latino employees, hosted member networking events and learning sessions on career development and financial wellness. Members also participated in fundraisers for organizations including the National Latino Education Institute.
- **Management Development Network** hosted networking events and educational sessions on a variety of corporate projects and initiatives, and promoted mentoring programs in the community.
- **Military Service Members Association** provided volunteers and guardians for honor flights, recognized Veterans Day with corporate communications, and supported local organizations including the Milwaukee Homeless Veterans Initiative.



Members of our African American Business Resource Group volunteering with Ronald McDonald House Charities



For the fourth consecutive year, WEC Energy Group was presented with the Wisconsin Department of Workforce Development's Vets Ready Employer Initiative award in 2023, receiving Gold Level recognition. The award honored our work to build a support system within the workplace, hire and retain more veterans, and connect to veterans and their families in the community.

WEC Energy Group leaders and veterans Matt Beiffuss and Bert Garvin, second and third from left, represented our company at the ceremony.

- **Next Generation Network** hosted a year-end roundtable discussion with leaders on career development, as well as a panel presentation on decarbonization and the company's net zero goal. It also offered power plant tours for members and promoted local volunteer opportunities.
- **WEC PROUD** organized networking sessions, published corporate news stories and social media posts, and participated in community events, including volunteering at PrideFest in Milwaukee and representing Peoples Gas at the Chicago Department of Cultural Affairs and Special Events Pride Month Celebration.
- **Women's Development Network** hosted an executive panel discussion commemorating International Women's Day, as well as a speed mentoring event and presentations on career development, health and wellness topics. It also raised funds and supplies for charities, including the Making Strides Breast Cancer Walk in Chicago and the Blanket Wisconsin drive.



## Building our talent pipeline

Strategic talent development is a business driver for our companies. We focus on growing a superior organization by attracting, selecting, onboarding, developing and retaining the right talent to meet business needs.

Our recruitment strategy is multifaceted. We use local, state and national partners to share our job postings in an effort to ensure our opportunities are visible across a wide audience. Our companies use behavioral-based interviewing to identify top talent in a fair and unbiased manner. We have built relationships with agencies, high schools, colleges and universities in the areas our companies serve, and we invest in programs such as City Colleges of Chicago Gas Utility Workers Training Program, INROADS and Cristo Rey Work Study Program. Each year, our companies employ students in internships and cooperative education programs.

We also support external programs such as the African American Leadership Program; McKinsey's Leadership Academy programs for minorities; Chicago Urban League's IMPACT Leadership Development Program; and Forward 48, a leadership development program designed to help emerging Milwaukee leaders and inspire them to become change-makers within their communities.

Our companies have been recognized by local schools and universities for placing students in meaningful assignments leading to full-time jobs after graduation. We partner with veterans groups to attract people with technical and leadership skills. Strong ties with community organizations and local government workforce development programs help us find diverse talent. We post open positions with a variety of community agencies, including the American Association of Blacks in Energy, Hispanic Alliance for Career Enhancement, Urban League in Milwaukee and Chicago, and Women in Trades.

As a strategy for developing the external labor pool, our companies contribute to nonprofit organizations that support recruiting needs for a diverse, promotable workforce. Our companies also support many accredited educational institutions within our service areas.

In addition to charitable donations, employees are active in community events that promote careers in energy to diverse populations, including school-based mentor programs, along with a variety of outreach efforts and career fairs.



*Milwaukee Public School students participate in Demo Day at We Energies Bluemound Training Center*

## In 2023, MPS named us an employer with best practices for internships and youth apprenticeships.

In addition, **Milwaukee Area Technical College** worked with We Energies to open its second location for the school's popular Electrical Power Distribution Line Mechanic program in the heart of

Milwaukee's Metcalfe Park neighborhood. The new location combines land owned by We Energies and the Redevelopment Authority of the City of Milwaukee. We Energies dedicated a portion of its Metro North facility and donated a trailer for classroom instruction, yard space for field instruction and financial support for the program. The program prepares students for entry-level electrical line worker positions in the utility industry.

The We Energies Foundation also continued its support for the **MKE Fellows program**, which creates opportunities for academically talented African American young men from urban backgrounds in Wisconsin to graduate from college, network with local business leaders and gain exposure to an array of professional experiences that complement their academic studies.

Find more information on Page 59 about our companies' support for education in our communities.

## We provide a range of opportunities to students from diverse backgrounds.

Since 2017, We Energies has partnered with **Milwaukee Public Schools** (MPS) to engage high school students in careers in energy through paid positions at our company. Students in the electric field internship and the gas distribution worker youth apprenticeship receive industry-specific training and gain hands-on experience working with We Energies employees in the field. Meanwhile, the design youth apprenticeship program gives students a two-year opportunity to learn about gas design and engineering in an office setting.

Over 200 MPS students have worked with our company through this program. Our goal is to provide applied learning and an avenue for a strong career after graduation, helping our workforce reflect our diverse customer base. While students are in the program, they also learn how to secure their futures with money management courses, mentoring, and interview and resume training.



## How we develop and engage our employees

Our leaders have the responsibility to continually develop the talent of their organizations through the broadening and deepening of business, technical and leadership knowledge.

Over the next five years, approximately 35% of the employees at WEC Energy Group companies will be eligible to retire. In 2023, 3% of the WEC Energy Group workforce retired, which was a decrease from the year before.

Succession planning and internal talent development are integral components of our workforce planning process so that we are prepared for upcoming retirements.

### The majority of our current senior leaders were identified and promoted through our succession planning process.

As part of a proactive approach to support continuity of service delivery and the continuous development of our people, employees complete individual development plans on an annual basis to identify their short- and long-term career interests. Development is structured to meet the needs of the individual's career interests and our companies' business objectives.

Internal development opportunities are designed to support a strong, diverse workforce, and include:

- Programs for current and new leaders.
- Executive, formal and informal mentoring programs.
- An Emerging Leaders program that helps employees in nonsupervisory roles develop their leadership skills.

- Training to educate employees and leaders regarding the company's individual development plan process.
- Variety of training courses and curriculum available to all employees as part of our Learning Management System.

Senior management conducts an annual talent review to identify talent for development for future senior leadership roles. We actively consider diversity and equity throughout the process. Development plans may include rotational assignments, project leadership, mentoring, internal or external development programs, or other opportunities for enhancing employees' operational and leadership skills.

Succession planning also is conducted annually in the business units to identify early career talent and assess future leadership potential. Talent pools are identified for critical operational and support roles along with plans to support their development.

### Engagement surveys and communication

Our board of directors reviews outcomes of these succession planning exercises at least annually.

To sustain a strong workforce, we have established efforts to foster employee well-being and achievement.

We conducted a confidential employee pulse survey in the first half of 2023 (as a follow-up to the company's employee engagement survey the previous year) to verify that we are making progress in addressing opportunities for improvement.

In addition, there are a variety of tools available to leaders to help engage and retain employees, including career conversations.



## Training and education

Talent management is a primary focus for our companies, and employee training and development of technical, business and leadership skills give us a sustainable competitive edge for the future. Training, mentoring and coaching are key elements in improving employee performance and, therefore, improving customer service, safety, corporate performance and system reliability.

WEC Energy Group offers a variety of educational courses and training programs to support employees' continued development. In 2023, employees from throughout our companies completed more than 212,000 classroom and e-learning courses.

The vast majority of those learning events were delivered online, including annual ethics and compliance training, safety refreshers, operator qualification training and other job skill training.

Leadership development is also augmented with online training. All employees had access to online training, ranging from learning software programs to business and leadership competencies, as well as access to portals that include topical references, job aids and simulations.

Assessment tools for individual contributors and leaders were used for a variety of development needs — in both program and individual consulting scenarios. In all instances, employees were provided expert guidance in using their assessment results and tying them to their individual development plans.

The company offers tuition reimbursement to help employees pay for the cost of furthering their education. In addition, the company has a variety of university partnerships that offer tuition discounts to employees.

**Leadership development**

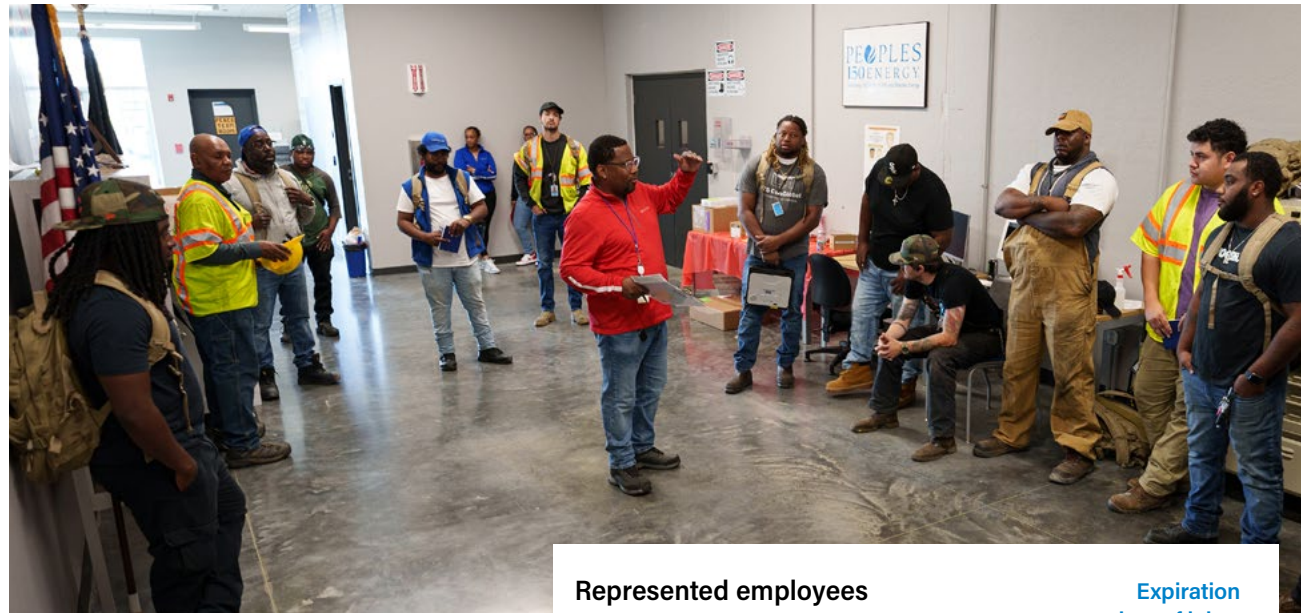
We recognize that leadership development is key to building and sustaining a strong organization. Programs are offered corporately and within individual business units. The corporate leadership development program begins with aspiring leaders. The Emerging Leaders program is a self-paced, online program consisting of seven required courses, supplemented with learning circle discussions and webinars.

The Foundations of Leadership program is for new supervisors. This curriculum includes training on leadership, employee engagement, talent management, diversity, equity and inclusion, labor relations, crucial communication skills, and other important business and management skills.

The Foundations of Leadership II program focuses on developing coaching and conflict management skills. It combines online courses with presentations by experienced leaders. A discussion board and learning circle conversations further enhance the learning experience.

Developing leaders at the manager level is accomplished in partnership with the Sheldon B. Lubar College of Business at the University of Wisconsin-Milwaukee. Leaders are offered an intensive curriculum with training on accountability, developing and implementing strategy, improving financial performance, team effectiveness, decision-making, negotiation, leading change and more. Participants begin and end this program with a focus on the responses they received from a 360-degree feedback survey.

In addition, leadership development is offered annually to director-level employees, also through the Lubar College of Business, consisting of executive education tailored to align with specific leadership competencies.



**Labor practices**

Our companies have a local union presence that spans Wisconsin, Illinois, Minnesota and Michigan. We maintain good working relationships and strive to collaborate with all unions represented. We hold regular labor and management meetings, as well as meetings of executive leadership and union leaders, to discuss and resolve business issues. Our companies also have relationships with various trade union organizations.

**Represented employees**

**Local union (AFL-CIO)**

	<b>Expiration date of labor agreement</b>
No. 2285, International Brotherhood of Electrical Workers	Aug. 16, 2024
No. 18007(C), Utility Workers Union of America	Aug. 16, 2024
No. 49, International Union of Operating Engineers	Dec. 31, 2024
No. 417, Utility Workers Union of America	Feb. 15, 2025
No. 1147, International Brotherhood of Electrical Workers	April 7, 2025
No. 420, International Union of Operating Engineers (WPS)	April 16, 2025
No. 31, International Brotherhood of Electrical Workers	May 31, 2025
No. 420, International Union of Operating Engineers (We Energies)	Sept. 30, 2025
No. 2006, Unit 1, United Steelworkers	Oct. 31, 2025
No. 12295, United Steelworkers	Jan. 15, 2026
No. 2150, International Brotherhood of Electrical Workers	Aug. 15, 2026
No. 510, International Brotherhood of Electrical Workers	Feb. 28, 2027
No. 18007, Utility Workers Union of America	April 30, 2028

**Human rights**

We support the principles of human rights as outlined in the Universal Declaration of Human Rights and described in our [position statement](#). We are committed to maintaining a culture that supports human rights, and we demonstrate our commitment through various means, such as employee training and education.

We educate all new employees on our Code of Business Conduct policies, which cover relevant aspects of human rights issues. All employees are trained on ethical standards, including anti-harassment and diversity appreciation. As detailed on Page 62, we set expectations for our suppliers through the contracting process.

**Nondiscrimination**

We are committed to providing a work environment that respects the rights and dignity of each employee. Discrimination is not tolerated on the basis of sex, age, race, color, creed, religion, disability, marital status, sexual orientation, gender identity, perceived gender, genetic information, national origin, ancestry, citizenship, pregnancy, military status, veteran status or other status protected by applicable federal, state or local. Complaints are taken seriously and investigated thoroughly.





### Federal and state laws

We are subject to federal and state labor laws, which address:

- Freedom of association and collective bargaining
- Child labor
- Forced and compulsory labor

Company operations do not interfere with employees' freedom of association and collective bargaining, and we are committed to continued compliance with child labor laws, forced and compulsory labor laws, and the rights of Indigenous people.

We support compliance with federal and state laws with continuous monitoring and auditing of our internal processes, such as hiring and promotion practices. Additionally, we actively encourage all

employees to speak up if they believe our Code of Business Conduct or labor laws have been violated. All such reports are taken seriously and investigated. We expect the same standards from our suppliers and all other entities with which we conduct business.

The Audit and Oversight Committee of our board of directors has oversight responsibility for human rights-related policies, including the Code of Business Conduct, while our Ethics and Compliance department, working at the direction of senior management, is responsible for the development and implementation of these policies.

### Benefits and compensation

We participate in regular audits of our employment practices, which include a review of the total compensation paid to all employees. Additionally, we systematically analyze pay equity among employees, including a review of gender, race and ethnicity. Our compensation package offers a variety of benefits to both full- and part-time employees. Full-time benefits include:

- Medical insurance
- Prescription drug coverage
- Health savings accounts
- Employee assistance program (including mental health counseling)
- Dental insurance
- Vision insurance
- Employee retirement savings plan — 401(k)
- Life insurance
- Accidental death and dismemberment insurance
- Business travel accident insurance
- Flexible spending accounts
- Long-term disability benefits
- Vacation/paid time off days
- Payable absence plan
- Sick leave/short-term disability benefits
- Parental leave
- Pension plan
- Tuition reimbursement
- Commuter benefits
- Wellness incentives
- Service awards
- Adoption assistance
- Matching gifts program

### Performance management

Employees are expected to hold each other accountable for demonstrating the top five competencies directly linked with business success:

- Safety
- Customer focus
- Sense of urgency
- Personal responsibility for results
- Financial discipline

This clear expectation affects the entire performance management process. It requires a determined effort on the part of employees to apply the right energy and focus to achieve their objectives, and calls upon leaders to provide support and guidance aimed at encouraging the behaviors critical to company success.

Performance management is the process of aligning employee performance with the needs of the business. It includes goal setting, performance monitoring, measuring and appraising, and providing feedback and recognition. Leaders and employees have an ongoing feedback tool to ensure continuous conversations throughout the year. Every year, we publish our Top 10 goals aligned with the core competencies to serve as an overarching guide for employees.

All management (nonrepresented) employees have a component of their pay affected by performance. This is accomplished through the annual incentive pay plan, which promotes the achievement of corporate goals while recognizing individual performance. Award funding for management employees is based on achievement of company performance related to targets for cost control, customer satisfaction, safety, and supplier and workforce diversity. Individual awards are based on individual performance toward objectives.

# Safety and health

Safety is our top priority across our operations, reinforced by targeted programs, goals, and engagement with our employees and the public.

## Internal safety

Our safety strategy is people-first. To execute on this, we use best practice programs, employee engagement techniques, integrated scorecards and quality control principles. We are committed to working safely and fostering a safe workplace.

### Safety commitment

Over the past decade, our companies have improved their safety records by implementing and improving key programs. Because we understand the negative effects that injuries have on employees and their families, friends and co-workers, our goal is to achieve top-quartile safety performance.

**While we ended 2023 with our best year ever for days away, restricted or transferred (DART) cases, we remain focused on continuous improvement.**

Our unwillingness to view injuries as inevitable is an important part of our cultural platform, an ongoing safety commitment that we refer to as "Target Zero."

Management and union leadership work together to reinforce the Target Zero culture and provide a safe work environment. We urge each employee to make a personal safety commitment and to talk with co-workers about safety on a regular basis. Supervisors and managers are responsible for hearing employee concerns, training to current standards and recognizing those who demonstrate concern for safety. We further encourage all of our employees to bring that personal commitment home to their families, friends and communities.

### Company safety structure

Employee safety success is supported by seeking to increase employee engagement and accountability at all levels. Through Safety Action teams and Regional Safety teams, every employee has a voice. Actively engaged employees lead us to new ideas and improvements in system designs, programs, tools and procedures.

Our Executive Safety Committee directs our safety and health strategy and works to support consistency across work groups. The committee provides a forum to review and discuss accidents and injuries, implement injury-prevention activities, develop new programs, and enhance ongoing safety and health initiatives.

Management uses weekly conference calls to focus on safety for occupations that are exposed to a large number of hazards. During calls, management discusses injuries, accidents and significant events that have taken place and ways to prevent recurrences. We are increasingly focused on incident potential.

Management and represented employees work together to identify risks and prevent injuries. Management employees are expected to provide daily information and communication about safety topics. In addition, they are responsible for implementing and evaluating safety programs and outcomes. Employees who work in the field and at power plants have available a variety of tools to identify and manage risks on the jobsite, follow rules and procedures, and speak up about safety issues.

Work group-specific safety events are held throughout our companies. For example, many employees in highly hazardous occupations participate in safety conferences or periodic meetings with management to discuss safety goals, techniques, tools and equipment.



**"We focus on safety so that everyone has the training and tools they need to do their work well and return safely to their families every day. Beyond that, we ask our team members to look out for each other — to speak up and work together to make the workplace safer. That culture of caring is at the heart of our Target Zero commitment."**

**Kevin Wood**  
Director — Safety and Health  
WEC Energy Group



### Targeting excellence in safety performance

In addition to the established safety structure, a broad-based team directs efforts on increasing engagement, addressing risks and reducing injuries. The Excellence in Safety team includes representation from senior leadership, as well as experienced field professionals from across WEC Energy Group. Union leaders advise the team, and business unit safety steering committees, management and represented safety committees, and other safety teams, also provide input.

Excellence in Safety efforts support four core goals:

- Engagement of front-line personnel.
- Simplified focus on key safety topics: mental/physical readiness and safe use of equipment.
- Enhanced focus at the point of exposure.
- Prevention of significant incidents and fatalities (SIFs).



*We communicate reminders of our safety commitment in many ways across the organization, from pre-job briefings in the field to daily messages on computer lock screens.*

The team is guiding safety efforts in operations to increase leadership visibility, such as during employee and work group task observations. There, leaders provide timely feedback on the quality of the pre-job brief and hazard control mechanisms.

Front-line leaders and their work groups support broader business unit safety plans and initiatives. Area safety plans are designed for a consistent approach toward mental, physical and/or vehicle equipment readiness that addresses area risks. Leaders update their respective chain of command to reinforce positive culture changes derived from the plans.

As part of the plans, employees are encouraged to work together to discuss how a task will be done safely or to express concern when they notice something that may lead to a potential injury. Leadership recognizes a job well done and celebrates them across the organization so everyone can learn from them.

In addition, executive leadership takes an active role in personally contacting injured employees to make sure they are doing well and learn what can be done to eliminate future injuries throughout the company. Regular meetings include senior executives and department leadership to review any DART incidents and take appropriate actions to mitigate recurrence.



**In 2023, WEC Energy Group charitable giving programs and foundations contributed \$122,500 to local charities through the Safety Charity Challenge.**

### Recognizing employee commitment to safety

#### Excellence in Safety Awards

We recognize individual employees and teams across WEC Energy Group with annual awards for outstanding commitment to safety, with a focus on front-line workers in higher-risk occupations.

#### Safety Charity Challenge

In the quarterly Safety Charity Challenge, employees whose companies meet safety improvement goals may vote to direct donations to local nonprofits. The purpose of the program is to rally employees around workplace safety and create a positive impact in the communities in which they live and work.

#### Performance incentives

To reinforce the focus on safety across the corporation, all management (nonrepresented) employees have a component of their annual incentive pay affected by safety performance.



*In 2023, Minnesota Energy Resources received an Outstanding Achievement Award as part of the Minnesota Safety Council Governor's Safety Award program.*

### Focused on front-line safety

Our employees are empowered to make changes in the field and in our plants.

Through our high-risk task reviews, business units assess different high-risk procedures or work methods, often using cross-functional teams. The goal is to find opportunities to reduce risk by engaging front-line workers on how work is performed.

In partnership with Local 420 of the International Union of Operating Engineers, our Power Generation employees conduct regular, proactive safety walk-downs to find and correct unsafe conditions, and identify areas for improvement.

Several unions also have appointed members who act as safety liaisons. The liaisons provide direct feedback to employees regarding work behaviors, as well as summaries of safety issues and opportunities to management.



### Between 2008 and 2023 our companies reduced:

DART incidents by 74%  
Lost-time incidents  
by 72%

### Safety goals and risk management

In addition to measuring lagging indicators, we set goals around measurable leading indicators, which raise awareness about employee safety and guide injury-prevention activities.

Each department monitors shared leading-indicator goals. Some work groups track additional leading indicators, such as proactive facility audits, annual emergency drills and field inspections, to address specific concerns and areas of opportunity. A safety performance scorecard allows employees to monitor progress toward safety goals.

Our companies have monitored DART, lost-time and OSHA-recordable incidents for decades and began monitoring leading indicators in 2009. On an annual basis, we conduct benchmarking in partnership with the American Gas Association and Edison Electric Institute to evaluate our performance compared to our peers.

**In 2023, Wisconsin Public Service achieved the lowest DART incident rate among AGA companies of its size and type.**

Our safety record indicates employee commitment to working safely, and we continuously strive to do even better.

### Safety leading-indicator goals include:

- **Observation programs** — Our companies incorporate management observation programs to identify and address at-risk behaviors, while also reinforcing positive behaviors. Most of our utilities also have some form of peer-to-peer observation program, enhancing our safety culture.
- **Near miss / unsafe condition (NMUC) program** — Our companies are focused on reporting high-impact near-miss events and unsafe conditions that relate to seasonal risks and/or have a high potential for significant injury or fatality. We respond to action items and communicate results to employees.
- **Employee health** — Since health impacts safety, we provide incentives to employees to complete preventive exams and biometric screenings, and encourage them to use company-provided resources to achieve and maintain good physical and mental health.



**Risk evaluation**

We are working with industry allies to identify and use standardized classifications to help manage risk and share findings within our industry network as leading indicators. Those incidents that have potential for or result in a SIF incident are evaluated using a safety classification and learning model to determine the need for formal investigation.

Additional leading indicators that relate to managing risk exposures are being implemented. Key measures for hazard recognition and control are part of that scope, such as validation of the quality of daily pre-job briefings and discussions related to precursors — warning signs of a potential serious incident or fatality.

Tasks with high levels of risk have been and continue to be proactively assessed for consistent work practices across various segments within our footprint. Doing so helps maintain compliance with procedures and engages workers in improvement opportunities, in particular those with high SIF potential.

Our Safety and Health team evaluates incident trends to identify the hazards that are most prominent at different times of the year, and leaders communicate these risks to their employees.

We evaluate all incident types (injuries, property damage, fleet asset damage, and near misses and unsafe conditions) for their potential for injury severity, in addition to the actual consequences. This risk evaluation allows us to assign more resources to those incidents that offer high-impact opportunities for risk reduction and improvement.

In 2023, approximately 29% of DART incidents across WEC Energy Group resulted from overexertion, and 27% from slips, trips and falls. While we have programs in place to address these safety and health issues, our primary focus remains on avoiding high-SIF incidents. Reflecting that focus, 2023 marked our 13th year without a fatality.

Safety performance	2021	2022	2023
<b>DART incident rate<sup>1</sup></b>			
Employees	1.98	1.07	1.03
Contractors <sup>2</sup>	0.00	0.00	0.00
Combined	1.90	1.02	0.98
<b>Lost-time incident rate<sup>1</sup></b>			
Employees	0.84	0.37	0.46
Contractors <sup>2</sup>	0.00	0.00	0.00
Combined	0.81	0.35	0.43
<b>Fatality rate<sup>1</sup></b>			
Employees	0.00	0.00	0.00
Contractors <sup>2</sup>	0.00	0.00	0.00
Combined	0.00	0.00	0.00
<b>OSHA-recordable incident rate<sup>1</sup></b>			
Employees	2.58	1.69	1.66
Contractors <sup>2</sup>	0.00	0.00	0.00
Combined	2.47	1.61	1.58

<sup>1</sup> In line with OSHA reporting, rates in this table represent cases per 100 full-time employees.

<sup>2</sup> "Contractor" rates include those for whom utility employees provide day-to-day supervision, aligning with the "contractor" definition from Edison Electric Institute.



**NMUC reporting**

Identifying near-miss events and unsafe conditions can help reduce risk and prevent injury. All employees have been encouraged to report unsafe conditions or incidents that could have led to injury, including NMUCs that have occurred at home or in their communities.

For work-related incidents, a variety of stakeholders may analyze the reports and assign and/or escalate issues for resolution.

Our employees reported near misses at an incidence rate of 199.10 in 2023 (approximately two reports per employee). However, only a small fraction (less than 0.1%) of the total reports in 2023 were work-related NMUCs of a higher risk potential.

Following benchmarking and analysis of safety results, we have started encouraging employees to focus on higher-risk, work-related NMUC reports as a means to simplify the analysis of our data. We will continue to foster a strong reporting and action-oriented culture in the workplace.





### **Contractor safety expectations**

WEC Energy Group companies provide contractors with safety program expectations to reinforce the importance of performing work safely on company property and at company facilities, without unnecessary risks and hazards.

Contractors are selected, in part, by their incident rates and experience modification rates. Prospective contractors may be required to provide a detailed explanation of their employee health and safety obligations, programs, and safety record. In many instances, each prospective contractor's safety performance is reviewed before awarding contracts.

See Page 63 for more detail on the ways we work with contractors to evaluate their safety performance and provide feedback on priority issues.

### **Ergonomic enhancements**

The most common injuries across the company continue to be strains and sprains. Companywide, safety teams analyze tools, equipment and job techniques based on ergonomics to prevent such injuries. Handbooks and videos are used to demonstrate proper tool use, and stretching and strengthening programs also are available to employees.

The company has an advocacy program in which occupational health nurses work with employees who are injured to get the best quality medical care possible. The nurses continually assist these employees until they return to their normal job functions or have reached maximum medical improvement.

### **Employee health and wellness**

We provide various benefits and resources that promote healthy living, both at work and at home, including competitive benefit plans designed to help employees actively manage their health.

We encourage employees to receive preventive examinations, take time off when needed, use remote work options as appropriate and proactively care for their health. Condition-management support and health coaching for lifestyle issues are available to employees who participate in the medical plan.

Free health screenings (provided on-site in many instances) and other incentives encourage all employees to know which health targets — related to cholesterol, weight, blood glucose and blood pressure — they have under control and which may need more attention. Employees also are encouraged to complete a health risk assessment and work with their medical providers to further understand their health status.

Our companies work to provide employees a safe, drug-free environment. All employees are part of a drug and alcohol testing program. Those who have an addiction are offered the opportunity to self-identify, and we will work with them to seek assistance.

For substance use and mental health support, we encourage use of the employee assistance program, a free benefit for all employees and their families, administered by an external counseling agency. It is a confidential way to get professional assessments, referrals, short-term counseling and treatment monitoring.

Our company also offers wellness programs for employees and their families. By regularly engaging employees in health education activities and promoting healthy lifestyle habits at work and home, the wellness programs promote a proactive approach to health care decisions, including weight loss and nicotine cessation. The wellness programs facilitate health screenings, host health challenges for individuals and teams, and provide other resources to encourage employees to prioritize their mental and physical health.



## Public safety

We support public safety throughout our operations and in our communities.

### System safety and security

The safety of our employees and the public are our priority as we build and operate natural gas and electric distribution lines and facilities.

We follow an integrity management program for natural gas transmission pipelines in accordance with local, state and federal regulations that includes annual risk analyses and physical assessments of transmission pipelines. Peoples Gas and North Shore Gas are in the process of enhancing their approach to improving pipeline safety by implementing the Pipeline Safety Management System. This system focuses on proactive risk identification and mitigation that goes beyond existing regulatory requirements. The various changes driven by this program continually increase the safety of our operations and reliability of our system.



Similarly, we monitor the integrity of electric distribution lines through routine patrols and comprehensive tree-trimming plans that maintain adequate clearance around wires and poles. Specific programs include wood pole inspection and treatment, porcelain cutout and arrester replacement, infrared surveys, line recloser operations counts, and line voltage regulator inspections.

Electric distribution infrastructure upgrades replace aging equipment according to a plan that supports system safety and reliability. In addition, we are in the process of implementing our Advanced Distribution Management System that will use our existing advanced metering infrastructure to detect downed wires and provide automatic isolation.

Across the organization, we prepare for the unexpected by determining how we can best protect public and employee safety during major incidents. Our plans address immediate emergency response at each of our sites, business continuity for critical processes, and communication protocols for notifying external stakeholders — including customers, local media, government and regulatory agencies.

We test or drill every plan and have established critical leadership teams for crisis management. In addition, we participate in national drills with our peers in the energy industry. These methods help us prepare for a range of potential threats, including natural disasters, loss of critical information technology or telecommunications systems, loss of natural gas or electric operations, and damage to facilities.



## Managing the risk of wildfire and other electric system incidents

Although the risk of wildfires in our service area is relatively low, our safety practices help to protect against impacts from fire or severe weather events. We engage external meteorological services to provide current and forecast information to us regarding pertinent weather conditions. This includes daily updates on any heightened fire risks in our service areas. In the event of an incident, we have the ability to operate main circuits remotely to de-energize and/or isolate impacted areas if needed.

In addition to our monitoring and maintenance activities, we proactively support electric system integrity through significant investments in system hardening and resiliency initiatives. This includes the conversion of over 2,000 miles of overhead electric systems to underground over the last 10 years, as well as the hardening of over 6,000 miles of overhead systems over the same period with stronger wires, poles and associated support structures. We plan to invest further in overhead-to-underground conversion to continue improving safety and reliability in higher-risk areas.



## Promoting safety in our communities

Our companies regularly share the importance of electric and natural gas safety at public events.



In August 2023, We Energies employees connected with customers in the company's **Energy Park** exhibit at the Wisconsin State Fair. Energy Park features energy-related exhibits and demonstrations — including presentations highlighting important safety information for children and families. This family tradition remains one of our most significant customer touchpoints. More than 62,000 fairgoers visited Energy Park over 11 days.

In honor of national 811 Day, We Energies, Peoples Gas, North Shore Gas, Minnesota Energy Resources and Michigan Gas Utilities unveiled their safe digging “ambassadors” at special events throughout their service areas. Customers submit photos of their digging dogs in annual **“Doggone It!”** contests run by our companies. The winning dogs are featured in advertising materials to help educate the public about the importance of calling 811 before digging.

In the spring, We Energies participated in **Brewers Weather Day**. Employees from Electric Operations, Natural Gas Operations and Damage Prevention taught more than 6,000 school-aged children from Wisconsin and Illinois about energy safety.



## Education and outreach

Our companies proactively share safety information with a variety of audiences, including students, teachers, families, contractors, first responders and customers.

### Contractors

Construction contractors are a key audience. Our companies reach out annually to provide needed instruction on working safely around energy facilities.

By state law, customers and contractors must call 811 to have underground facilities marked before they dig. We communicate the importance of safe digging through a variety of channels, including direct mail, social media campaigns, customer newsletters and presentations to contractors and first responders.

When we hire construction contractors to work on major company projects, we hold pre-construction meetings that focus on safety practices.

### First responders

We work closely with first responders: public safety agencies, police and fire departments, rescue services, emergency government representatives and public officials. They need to know how to reach our companies and work safely with us during emergencies.

For example, Michigan Gas Utilities partners with other Michigan pipeline operators to review and train firefighters, police, emergency medical personnel and contractors on proper procedures for identifying and working near natural gas lines. Peoples Gas and North Shore Gas have joined the Illinois Pipeline Emergency Responders Initiative, a new partnership between the Illinois Fire Chief's Association and natural gas utilities and pipeline companies in the state.

### Customers

Customers of all our utilities receive energy safety information through a variety of channels, including our bill inserts, direct mail, email, company websites, paid advertising and social media. Annual campaigns address the importance of safe digging, preparing for the possibility of power outages and the dangers of carbon monoxide, among others.

### Students

All of our utilities provide teachers, students and parents with access to online resources for energy education through the e-Smart Kids website. We Energies, Wisconsin Public Service (WPS), Michigan Gas Utilities and North Shore Gas offer additional classroom materials, such as brochures and posters, at no charge to educators upon request. WPS also collaborates regularly with the Einstein Project in Green Bay, Wisconsin, to promote electric and natural gas safety and efficiency.

### Agriculture services and safety

We Energies and WPS have well-established agriculture services programs. Employees work closely with farm customers on issues of wiring safety, efficiency and reliability. Livestock confinement facilities often receive additional attention because of the possibility of stray voltage from farm and/or company sources.

Stray voltage is a term used to describe low-level voltage found on metal surfaces with which livestock may come into contact. Trained technicians perform cost-free stray voltage investigations and have helped hundreds of agricultural customers identify farm wiring deficiencies.

We Energies and WPS representatives participate on the Midwest Rural Energy Council and the University of Wisconsin Stray Voltage Investigator Training Series. Additionally, representatives participate on many committees and boards within the agriculture industry. WPS also hosted its 61st annual Farm Show in 2023. The three-day event allows agricultural businesses and the community to check out the latest in farm equipment, services and technology.



## Supporting first responders in our communities

We Energies, WPS, Minnesota Energy Resources and Michigan Gas Utilities, along with the companies' charitable foundations, donated \$200,000 to 109 public safety agencies as recipients of their 2023 Rewarding Responders Grants. Each year, the Rewarding Responders Grant program awards up to \$2,000 per agency to help fire, police and emergency medical service agencies purchase lifesaving equipment or important training for their members. Some of the items purchased with the 2023 grants included new automated external defibrillators (AEDs), multi-gas detectors, thermal imaging cameras and scene lighting equipment.

# Community engagement

Our charitable giving and employee volunteering help those in need in our communities.

We are dedicated to supporting the well-being of our neighbors, the vitality of our region and the preservation of the natural world around us. Building equity and promoting opportunities in areas that have been historically underserved or marginalized benefit our region as a whole.

Our companies provide financial support for nonprofit, tax-exempt organizations in our communities. In support of our priority sustainability issues, our focus areas for giving include education, community and neighborhood development, arts and culture, health and human services, and the environment.



## Funding through foundations, operations

Our employees take an active role in their communities, serving on nonprofit boards and volunteering their time. Our companies and associated business resource groups promote a range of volunteer opportunities for employees. Workplace giving campaigns in our subsidiary companies also support the arts and numerous United Way organizations in the areas we serve.

We Energies and Wisconsin Public Service (WPS) each operate foundations. The We Energies Foundation supports organizations within the We Energies and Upper Michigan Energy Resources service areas. The WPS Foundation operates within the WPS, Minnesota Energy Resources, Michigan Gas Utilities and Upper Michigan Energy Resources service areas. Peoples Gas and North Shore Gas have a corporate contributions program that supports nonprofits in the same manner.

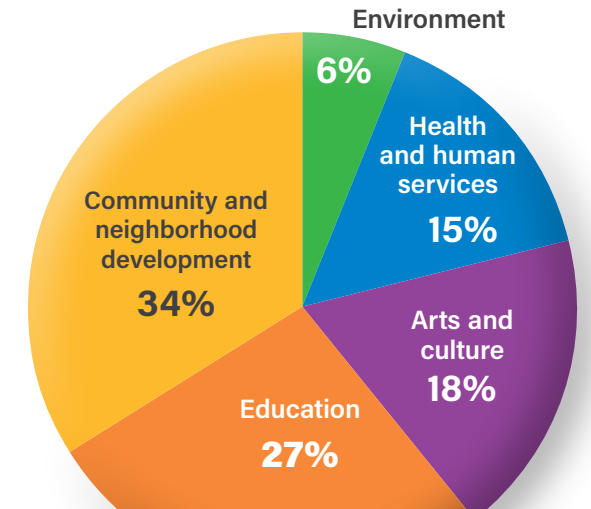
We review grant proposals from local nonprofit organizations and direct donations based on a variety of factors, including community needs, the requesting organization's strategy and the proposal's projected impact. In addition, we operate matching gifts programs for each of our utilities that double eligible donations made to nonprofits by employees.

We strive to develop ongoing relationships with these nonprofit organizations. Many have received multiyear or renewed grants from our foundations and giving programs, and we continue dialogue with them to understand the impacts of our contributions. We evaluate progress on initiatives along with the success of programming. In 2023, company and foundation leaders engaged with nonprofit representatives through more than 250 virtual or in-person visits with our community partners.

### Charitable outreach goals:

- Pursue a sustained, consistent approach to funding within the focus areas, better enabling the organizations to achieve lasting results.
- Foster mutually beneficial relationships between our subsidiaries and community organizations.

## 2023 giving to nonprofits



**\$20.7 million**

total provided in support of our communities



## Helping students succeed in partnership with local colleges and universities

In 2023, our companies and foundations continued to offer a variety of scholarships to underserved students who demonstrated academic promise and financial need.



### Moonshot for Equity

The We Energies Foundation has partnered with University of Wisconsin-Milwaukee (UWM) on its Moonshot for Equity Initiative. In 2023, the foundation made an additional gift of \$2 million toward two funds for local students.

The We Energies Scholarship Endowed Fund helps high-achieving, low-income undergraduate students from high schools in Milwaukee, while the We Energies Student Success Fund supports advising, tutoring and mentoring to help undergraduate students complete their degrees.

### All-In Milwaukee

All-In Milwaukee is a college completion program that provides financial aid, advising and career support to Milwaukee students. Of those served, 87% are first-generation college students and 99% are students of color. The We Energies Foundation recently funded five scholarships for this program.

### STEM scholarships

We also fund scholarships for students pursuing degrees in STEM (science, technology, engineering and mathematics).

A yearly grant to Mount Mary University from the We Energies Foundation covers room and board scholarships for women of historically marginalized identities who are interested in a STEM field. The We Energies Foundation provides two scholarships every year to students seeking a baccalaureate degree in engineering at Milwaukee School of Engineering (MSOE), as well as funds for the Kevin Fletcher Endowed Engineering Scholarship, which is given to a student with financial need studying electrical engineering.

In addition, the WPS Foundation funds Northeast Wisconsin Technical College scholarships that are offered to students in the WPS service area.

## Supporting organizations throughout our communities

In 2023, we contributed to organizations addressing critical needs and creating opportunities in the areas we serve.

It was a year during which needs were once again great, and our foundations and charitable giving programs were able to successfully support more than 1,500 organizations that turned to our companies and foundations for help.

### Education

A strong education system is essential to opening opportunities for individuals and supporting a robust economy. We especially have focused on supporting equity in education for students from underrepresented backgrounds.



**“I Have a Dream” Foundation (IHDF)** — The IHDF provides individualized social, emotional and academic support to students from marginalized communities from first grade to their first job. The We Energies

Foundation supported the IHDF in its new partnership with the Milwaukee Academy of Sciences, which broadened the organization’s reach to the families of students with intergenerational support services.

**Shepherds College** — Shepherds College is the only accredited post-secondary school specifically designed for individuals with intellectual and developmental disabilities. The We Energies Foundation supported the school’s occupational experiences program, allowing the school to integrate academic learning in vocational settings — including horticulture, culinary services and technology — through an entry-level, in-depth, supervised work and study program.

**Wisconsin Interscholastic Athletic Association (WIAA)** — High school sports can benefit students throughout their high school career — teaching them responsibility, teamwork and organization skills. The We Energies and WPS foundations have partnered with WIAA. Through a multiyear grant, the foundations are awarding a \$1,000 scholarship to every WIAA Scholar Athlete.

**Communities In Schools of Chicago** — Peoples Gas contributed to Communities in Schools of Chicago’s mission to surround students with a community of support, empowering them to stay in school and achieve in life. Since inception in 1988, the organization has partnered with Chicago Public Schools to provide hundreds of thousands of students from low-income backgrounds with access to physical health, mental health, social emotional skills building, college/career exploration, arts and cultural enrichment opportunities, and other vital help.

## Community and neighborhood development

We see the needs of our neighbors and work to provide essential services and resources. It's through these efforts that we help strengthen the fabric of our communities.



**Kinship Community Food Center** — The We Energies Foundation supported Kinship Community Food Center, serving people in need in Milwaukee. The center not only provides sustenance to survive through difficult times, but also advocates for housing and employment stability and provides assistance in crisis situations.

**Prism Economic Development** — The We Energies Foundation contributed to PRISM Economic Development Corporation's UpStart Kitchen program, which provides affordable kitchen space along with supportive services, training and community connections to caterers, bakers, food truck operators and other culinary entrepreneurs in Milwaukee's Sherman Park neighborhood. Its mission is to promote economic growth and flourishing in an under-resourced community.



**Habitat for Humanity** — Our companies have a long history of supporting Habitat for Humanity, addressing the problem of accessible housing in a concrete way so families can achieve stability and independence. In 2023, the We Energies and WPS foundations continued their annual participation in Women's Build, and employees volunteered to assist with home construction through our Women's Development Network business resource group.

**Bickerdike Redevelopment Corporation** — Peoples Gas supported Bickerdike Redevelopment Corporation, one of the oldest community development corporations (CDCs) in the United States and one of the leading nonprofit CDCs in Chicago. Originally founded by residents on Chicago's West Side to combat blight, Bickerdike continues its commitment to developing communities where everyone can thrive.

## Arts and culture

We value the arts as they inspire creativity, engage students and community members, and provide cultural experiences that help our cities and towns thrive.

**Fairmont Opera House** — With a contribution from the WPS Foundation, Minnesota Energy Resources supported Fairmont Opera House, the oldest continuously operating theater in Minnesota. This historic theater is a significant community asset, hosting a variety of performances and events and adding to the quality of life in and around Fairmont for nearly 125 years.



**Milwaukee Public Library Foundation** — Milwaukee Public Library provides strategically planned, structured summer reading experiences for students to help reduce the achievement gap and increase literacy rates. The We Energies Foundation's support of this program reaches over 18,000 youths who are engaged in over 210 sites in Milwaukee.



**Milwaukee Repertory Theater** — The We Energies Foundation pledged \$2 million to support the Milwaukee Rep's plan to build a new theater and renovate its Powerhouse Theater complex in downtown Milwaukee. The plan is designed to improve flexibility, seating, accessibility and production technology, as well as add an education and engagement center to support the theater's longstanding community outreach programs.

**Ravinia Festival Association** — North Shore Gas contributed to Ravinia, an internationally renowned, nonprofit music festival in Highland Park, Illinois. Ravinia's principal objectives are to present a full range of classical music, to enable gifted young performers to study under great teachers and perform in concert settings, and to develop broader and more diverse audiences for classical music through education and outreach programs and by maintaining affordable ticket prices.



## Health and human services

Our culture of caring extends throughout the areas we serve. As we focus on safety and health across our operations, our charitable giving supports the same goals.

**Meta House** — Meta House's mission is to end the generational cycle of addiction by healing women and strengthening their families through inpatient and outpatient services that provide trauma-informed, gender-specific treatment. The We Energies Foundation supported the expansion of the organization through the Project Horizon capital campaign, creating state-of-the-art facilities to increase the number of women and families served.

**Christine Ann Domestic Abuse Services** — The WPS Foundation supported Christine Ann Domestic Abuse Services with a grant to assist with expansion of services to a new location. The shelter is the designated agency for Winnebago and Green Lake counties and serves 600-700 survivors of domestic abuse each year, regardless of gender or background. The larger building will allow it to better serve more

survivors with a more inclusive emergency shelter, a new transitional housing program and expanded community partnerships.

**Girls on the Run of Branch County**— Michigan Gas Utilities, in partnership with the WPS Foundation, provided Girls on the Run of Branch County with programming support. The organization offers evidence-based programs, taught by trained coaches, to help girls in elementary and middle school recognize their inner strength, make meaningful connections and increase their level of physical activity.

**New Moms** — Peoples Gas contributed to New Moms, an organization with 40 years of experience supporting young mothers and building their confidence in what's possible. The organization's comprehensive approach provides housing, paid job training, academic coaching and family support for those impacted by systemic and structural barriers. Designed to cultivate each person's inherent abilities, it combines behavioral research, proven methodologies and real-world experience to give young families a path to lasting success and generational change.



**Stars & Stripes Honor Flight** provides southeast Wisconsin's elder veterans with one-day, all-expenses-paid trips to Washington, D.C., to experience a full day of gratitude and healing. The We Energies Foundation contributes funding for the event, and employees of We Energies accompany veterans throughout the day, send letters of support and thanks, and celebrate their homecoming at the airport upon their return.

## Environment

Our commitment to environmental responsibility includes support for the organizations making a difference in our local parks and natural habitats, and investing in the future through environmental education.

**Riveredge Nature Center** — Serving more than 40,000 community members annually, Riveredge Nature Center preserves a 480-acre natural sanctuary and supports conservation through environmental education programs and scientific research. The We Energies Foundation contributed to multiple Riveredge initiatives in 2023, including the Return the Sturgeon program and the construction of a new education center.



**Friends of Boerner Botanical Gardens** — The We Energies Foundation contributed to Friends of Boerner Botanical Gardens to support its nature education program. The organization promotes and leads interactive community engagement through plant science and environmental classes, activities, and special events in the natural environment.



**Natural Resources Foundation of Wisconsin** — The WPS Foundation has helped fund the recovery efforts for the federally endangered piping plover at one of its known Wisconsin locations, Green Bay's Cat Island Chain. Due to loss of nesting habitat, the Great Lakes basin only hosts about 75 breeding pairs of this rare shorebird. Cat Island is one of the few potential nesting areas in the region for piping plovers, which nest on large, undisturbed cobble beaches.

**Preservation Foundation of the Lake County Forest Preserves** — North Shore Gas supported the Lake County Forest Preserves, which has been the principal guardian of Lake County's public lands since 1958 and offers innovative educational, recreational and cultural opportunities for all ages. Visitors enjoy more than 31,000 acres, 200 miles of trails, fishing ponds and lakes, public access to the Fox River and Lake Michigan, public golf courses, and award-winning nature and history education programs and events.



# Supply chain integrity

We are committed to maintaining a strong supply base to meet current and future business requirements. We forge relationships with high-quality suppliers that deliver value to our operations and customers.

We evaluate suppliers on environmental, safety, legal, ethical and financial factors. The supplier selection decision is based upon quality, safety, environmental compliance, diversity, and ability to deliver on the work requirement and schedule. The driving factor on most equipment and material purchases is the total cost of ownership.

We have no formal policy to prefer locally based suppliers, but traditionally, we realize economic advantages when procuring goods and services within the Midwest. Geographic location is a factor when determining freight charges and logistics.

## Investment and procurement practices

As equal opportunity employers, our companies require suppliers to comply with all federal, state and local employment laws, rules and regulations. In addition, our developer partners for solar energy projects have signed the Solar Industry Forced Labor Prevention Pledge to address human rights concerns in the international supply chain. Our Supply Chain department has implemented steps to help us do business with qualified suppliers that share our philosophies.

**Core expectations** — Our suppliers must understand and adhere to our expectations for five key areas of performance, as detailed later in this section.

**Nondiscrimination** — Our standard terms and conditions for suppliers prohibit discrimination based on race, gender or other protected classes.

**Environmental management** — Suppliers must meet specific baseline environmental performance requirements.

**Fitness for duty** — We require suppliers to adhere to our fitness-for-duty policies and to participate in a fitness-for-duty program as applicable.

**Information security** — We secure bid information and communication with suppliers through internal policies as well as the configuration of e-sourcing tools. Access to all sourcing information is limited to authorized users on a need-to-know basis.

**Procurement policies** — Procurement policies are designed so that our departments work with our Supply Chain department to bid work fairly. Supply Chain verifies that the bid list is fair, inclusive of diverse suppliers, and consistent with our bid process rules.

**Supplier risk assessment** — Where applicable, Supply Chain assesses suppliers based on environmental, safety, financial, ethical and legal factors before and during their contractual relationship with us.





## Supplier performance expectations

Supply Chain uses the contracting process to make suppliers aware of our performance expectations. We provide information to the general supply base through the request for proposal process and expect our suppliers to emulate our culture of excellence. Our Supplier Code of Conduct sets out key responsibilities and requirements.

Contracts with suppliers contain specific scope, deliverables, and terms and conditions that govern the ongoing agreement. Suppliers must adhere to, measure and report results for each of our performance expectations, which fall within five areas.

**Safety** — In alignment with our safety goals, promote a safe work environment and strive for zero injuries at all times:

- Watch for unsafe conditions and take immediate action to correct them.
- Ensure safety guidelines and procedures are current and all staff is trained.

**Innovation** — Look for ways to enhance service and reduce costs:

- Identify innovative ideas through the use of technology, engineering and process enhancements.
- Mitigate risk to the business.
- Use industry events and connections to seek out best practices.

**Cost reduction** — Strive for cost reduction and provide for timely and accurate reporting of these reductions:

- Report cost reductions to company representatives.
- Track cost avoidance when processes or new purchases are made unnecessary through other means.

**Supplier and workforce diversity** — Understand our goals for supplier diversity and adhere to contractual requirements regarding diverse businesses:

- Make a best effort to have the workforce reflect the makeup of the local community.
- Attend symposiums to strengthen business relationships.
- Ensure a specific percentage of direct diverse spend when contractually required to do so.
- Report second-tier spend to the office of supplier diversity.

**Customer satisfaction** — Demonstrate appropriate conduct:

- Meet increasing customer expectations for high-level, immediate emergency response services (relevant to key contractors).
- Track customer satisfaction metrics (relevant to key suppliers).
- Adhere to guidelines on interactions with company customers.



## Evaluating risks and setting standards

Safety is a top priority across our organization, and we communicate its importance to our suppliers. Our Safety and Health team works with the Operations and Supply Chain departments to evaluate contractors through our safety prequalification process.

In select business units, a third-party provider is used to grade contractors in medium- to high-risk program areas using a matrixed scorecard composed of various inputs. Where necessary, the third party may work with contractors to improve their safety programs, or we may terminate contracts due to failure to meet our safety requirements. The additional feedback on priority issues helps make sure contractors have an appropriate focus on safety, reducing risk to our organization.





## Supplier Diversity

We recognize the positive outcomes that result from our work with diverse businesses, creating equity within our supply chain and supporting growth in our economies. Promoting diverse suppliers fosters competition, enhances job creation and generates additional purchasing power in the communities in which we do business.

Our Supplier Diversity program is designed to increase access, procurement opportunities and use of minority-, women-, service-disabled- and veteran-owned businesses (M/W/SD/Vs) through the purchase of products and services, including professional and technical consulting.

The program provides support to company business units and departments, including Supply Chain, to promote implementation throughout the organization. It also helps to develop and maintain proactive relationships with advocacy organizations, elected officials, community and civic leaders, and other business leaders.

**\$333.7 million**  
spent with diverse  
businesses in 2023

## Corporate policy

We are committed to developing mutually beneficial relationships with diverse suppliers and making a positive impact in the communities we serve. As outlined in our corporate policy statement, Supplier Diversity program objectives include:

- Secure the commitment of every employee who is responsible, directly or indirectly, for the purchase of products and services to purposefully engage with M/W/SD/V business enterprises in the bidding process.
- Develop innovative and effective means to enable the participation of M/W/SD/V business enterprises in our procurement activities.
- Cultivate relationships through the consistent, proactive exchange of information.
- Proactively seek and provide initial procurement and growth opportunities to M/W/SD/V businesses.
- Promote the development of diverse suppliers through mentoring, capacity building and outreach activities.
- Establish clear criteria for our larger suppliers to support our tier 2 supplier diversity goals and encourage mentorship to develop them for increasing scope.
- Capture the benefits of a robust pipeline of suppliers providing high-quality products and services to demonstrate capabilities at competitive prices.

Overall coordination of the program is the responsibility of the Procurement and Supplier Diversity program executives. Underlying administration and implementation are the responsibility of our organizations and business units engaged in procurement activities.





## Customers

Our energy companies are committed to creating an excellent experience for every customer by offering a range of service options and truly personal care — every customer, every transaction, every time.

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# Energy reliability

Reliable service remains a top priority across our companies. In 2023, we continued strengthening and modernizing our generating assets, as well as our electric and natural gas distribution networks, to support reliability, safety and customer satisfaction.

## Electric reliability

Our employees are committed to delivering customers the energy they depend on, regardless of weather conditions. Customer satisfaction remains a top priority, and we work to provide customers with prompt, helpful information during power outages.

That's why, when bad weather threatens, our electric energy companies mobilize to provide customers with proactive, accurate and consistent information about the potential impact to their electric service. We want customers to know we are monitoring forecasts, assessing employee and contractor availability, and checking inventories for poles, wires and other equipment that may be needed.

When outages occur, we provide customers with regular updates on both their specific outage and the overall damage to our system. We also keep them up to date on restoration progress.



We share messages with customers through online outage maps, texts, app notifications, automated call-handling equipment, care center agents, account managers, and public and social media. Outbound calls also let customers know the reason for and status of their outage, and confirm that their service has been restored.

## Power outages

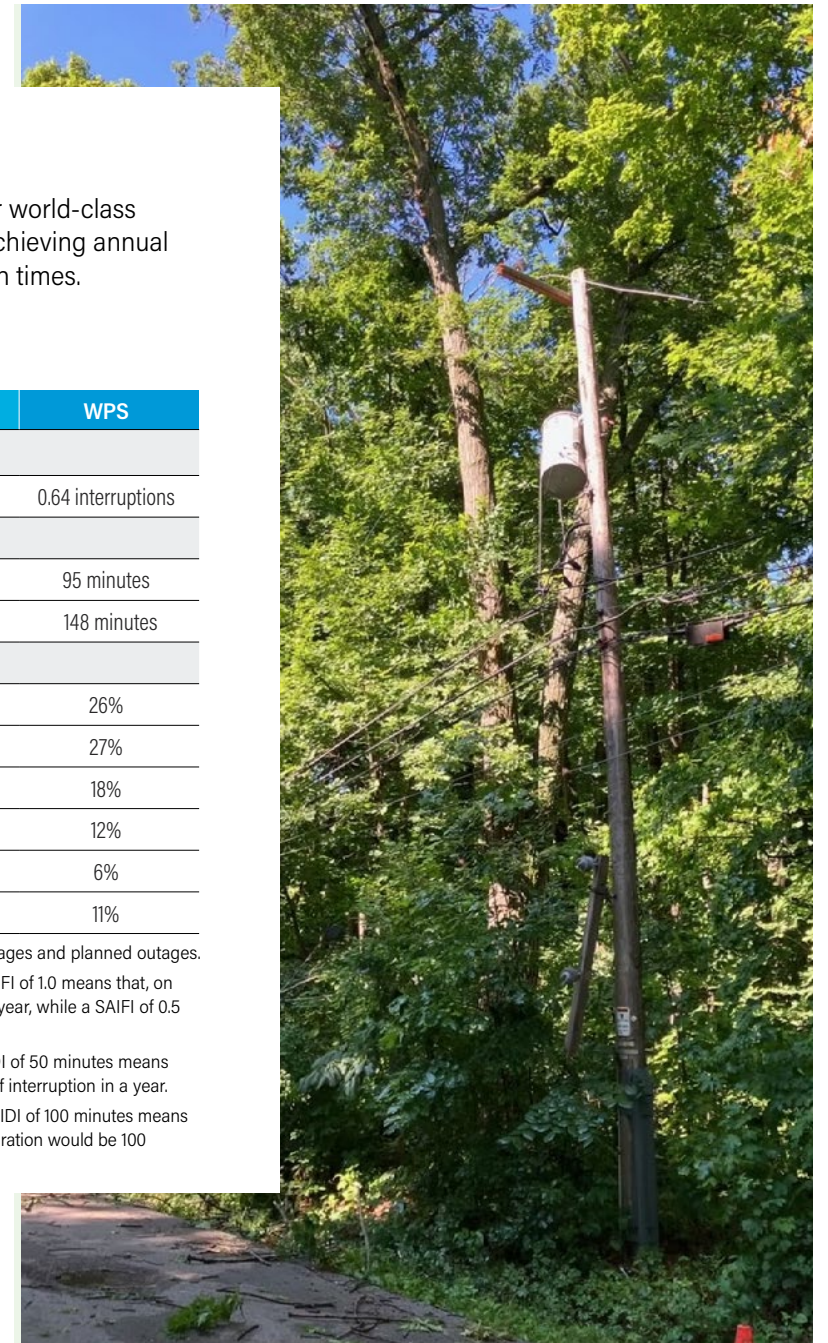
At WEC Energy Group, our goal is to deliver world-class reliability to our customers. This includes achieving annual targets for outage frequency and restoration times.

### 2023 power outage statistics\*

	We Energies	WPS
<b>Frequency</b>		
SAIFI <sup>1</sup>	0.72 interruptions	0.64 interruptions
<b>Average duration</b>		
SAIDI <sup>2</sup>	103 minutes	95 minutes
CAIDI <sup>3</sup>	143 minutes	148 minutes
<b>Power outages by cause</b>		
Equipment	40%	26%
Vegetation	30%	27%
Weather	6%	18%
Wildlife	10%	12%
Public	9%	6%
Other	5%	11%

\* Values exclude extraordinary storms, transmission-related outages and planned outages.

- 1 SAIFI: System Average Interruption Frequency Index — A SAIFI of 1.0 means that, on average, a customer would experience one interruption in a year, while a SAIFI of 0.5 would equate to one interruption every two years.
- 2 SAIDI: System Average Interruption Duration Index — A SAIDI of 50 minutes means that, on average, a customer would experience 50 minutes of interruption in a year.
- 3 CAIDI: Customer Average Interruption Duration Index — A CAIDI of 100 minutes means that if a customer experiences an interruption, the average duration would be 100 minutes.





## Natural gas reliability

We deliver reliable natural gas service to residential and business customers through a network of underground pipes. Our natural gas distribution companies regularly monitor the integrity of our pipes and follow a plan to upgrade aging equipment to maintain reliable service.

To provide reliable service and improve affordability, our companies buy natural gas when prices are lower — usually in summer — and place it in storage. The stored natural gas is then blended with natural gas that is price-locked through contracts and with natural gas that is purchased on the spot market. This strategy reduces the impact of natural gas price spikes on our customers.

To further support safety and reliability, We Energies completed the construction of two liquefied natural gas (LNG) facilities in Wisconsin in 2023 and early 2024. These facilities store additional natural gas in liquid form, helping to meet customers' peak demand in the winter. More details on our LNG projects can be found in the "Operational performance" section of this report (Page 11).



LNG Bluff Creek project, Walworth County, Wisconsin



### 'Arctic blast puts millions at risk of frostbite in Plains, Midwest'

This was just one of the many news headlines in January 2023, when an Arctic air mass sent temperatures plummeting across the Midwest and raised demand for energy during an otherwise mild winter. Our people and infrastructure were put to the test and performed remarkably, even as temperatures dropped below minus 30 degrees Fahrenheit in the northern portion of our service area. Our investments in the energy grid and our diverse fuel mix both contributed to our system's resilience.

Cold weather events, which can persist for days, highlight one of the challenges the Midwest faces as we integrate higher levels of renewable energy technologies into our electric system and continue to provide customers with the natural gas they need to heat their homes. In our planning, we consider extreme weather and winter peaks common to our service areas.

On the coldest days, wind and solar may not be operational. Our natural gas peaking generation

and storage facilities play key roles in serving our customers with electric and natural gas service. As part of our capital investment plan, we filed proposals with the Public Service Commission of Wisconsin to invest in additional natural gas generating facilities at the Oak Creek Power Plant and near our Paris Generating Station in Kenosha County. These proposed modern, efficient plants can power up in minutes, ensuring energy stays flowing when demand spikes or renewable power is unavailable. We also plan to invest further in LNG facilities for both our natural gas delivery operations and electric generation.

In addition, we plan to continue to invest in alternative options, including battery storage, while contributing to research to address cold weather challenges of electrifying vehicles and buildings. As technology evolves, we remain focused on building and maintaining a system that can meet our region's needs safely and reliably.

# Customer satisfaction

Our energy companies are committed to creating an excellent experience for every customer by offering personalized customer care — every customer, every transaction, every time.

Our companies invest in systems and processes to enhance our ability to deliver energy to customers safely, cost-effectively and dependably. This includes securing data and systems to protect customer information and providing information customers need to make smart decisions about their energy use and service options.

## Listening to our customers

Understanding what customers want is a key to success. Our companies want to know how customers feel about our energy products, services and resources, and about their interactions with our employees. We work to ensure it is easy to do business with us and that the entire experience is positive.

A variety of feedback mechanisms help us get a complete picture of customers' experiences with our companies. The feedback we obtain:

- Confirms customer interactions were handled appropriately.
- Provides understanding of where improvements can be made.
- Helps leadership prioritize projects and make resource decisions based on what's most important to customers.
- Offers an opportunity to make it right when a customer is not completely satisfied.
- Keeps us on track to deliver an excellent experience for every customer, every transaction, every time.

## Customer satisfaction surveys

Customer satisfaction surveys are used daily at all of our energy companies to measure performance on key transactions and gauge overall satisfaction. Approximately 47,900 customers provided feedback in 2023 about their experiences on the following transactions:

- Residential and business customer contacts
- Residential move orders
- Mobile app and online account transactions
- Billing and payment
- Electric outage management
- Natural gas emergencies
- New service installations
- Appointments
- Electric reliability

## Post-interaction surveys

Many customers also have the option of completing a survey immediately after they interact with our customer care centers. Approximately 81,000 customers took advantage of this opportunity in 2023. We review survey results daily and follow up promptly when an issue or concern is identified.

## 'We Care' outreach

We care about our customers and want to ensure they are satisfied with their transactions and experiences. In 2022, we rolled out an application that allows all companies to show care and concern by making personal or automated outreach within one business day of completing a transaction. We contacted over 442,200 residential and business customers during 2023, and provided personal follow-up to address any questions or concerns.



## 2023 internal customer satisfaction measures

Our surveys measure customer satisfaction with both their utility overall and the specific transaction with their utility. Scores represent the percentage of customers rating their satisfaction an 8, 9 or 10 on a 10-point scale.

Company	Satisfaction with:	
	Utility	Transaction
Michigan Gas Utilities	85.2%	87.0%
Minnesota Energy Resources	84.6%	85.3%
North Shore Gas	86.3%	87.9%
Peoples Gas	78.1%	82.2%
We Energies	79.6%	83.9%
Wisconsin Public Service	85.8%	88.3%

For the purpose of external and internal customer satisfaction measures, Upper Michigan Energy Resources customers are associated with their previous service providers, We Energies and WPS.



### Digital engagement

We use social media to communicate with customers and enhance their experience. Social media channels are monitored, and customers receive personal responses to specific questions and concerns. Our companies continue to expand their social media platforms.

During storms and other events, our companies use traditional channels, online outage maps and social media to warn customers about the dangers associated with downed wires and damaged natural gas mains. Customized alerts provide some customers with proactive, real-time communication about electric outages.

In 2023, there were over 3,100 residential customers on MyEnergyPanel, our online feedback group. They share their opinions with us through monthly surveys and discussions. MyEnergyPanel is dedicated to improving the overall customer experience, focusing on experiences with customer service, energy reliability, bill paying and other topics.

### We make customer privacy a priority

Our companies take privacy and protection of customer information seriously and have rigorous controls in place to protect customer information and regulate its proper use.

- Information collected from customers is limited to only what is necessary to provide the service requested.
- Only authorized employees and organizations hired to provide services have access to customer information, and access is limited to what is needed for their roles.
- Customer information housed in our systems is monitored for security.
- All employees with access to customer information are required to complete role-based annual information protection training and certification.
- Contractors performing work on our companies' behalf must have a nondisclosure agreement with us and confirm they understand and abide by their obligations to protect customer information.
- Customer information protection policies are strictly enforced.
- Customers' online account information is protected by secure sign-in features to prevent unauthorized access.

Customer information is never shared without permission, unless required by law.

### What our customers are saying about us



Thank you to the crews that restored power to all of my family and friends! You all worked very hard to get everyone's power back as soon as possible in the bitter cold. We THANK YOU

February 2023

You guys are amazing! You texted me about my outage moments after it happened and got power restored in the midst of the storm, quickly. Thanks for all you do!

October 2023



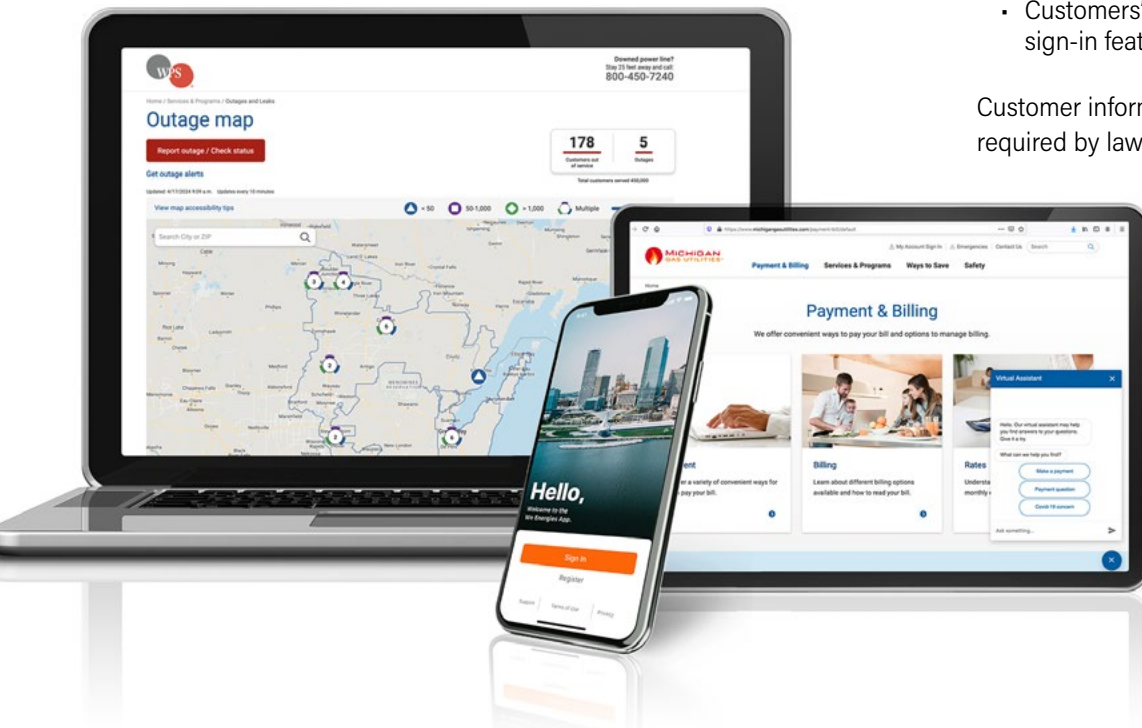
Absolutely love how involved Peoples Gas is in the community. A team that truly cares about the people they serve.

November 2023



Service restored, thank you so much for all you do! Long hours dangerous work, I know I would not want to be out in the rain and wind fixing lines!!

June 2023



## Leveraging technology

Our companies use technology in a variety of ways to enhance the customer experience, make it easier for customers to manage their energy services, and reduce company costs. Examples include:

- Expanding web and mobile communication, including customer apps and virtual assistants, to help customers easily access company and account information, report outages, understand their energy use, and take advantage of self-service options
- Employing voice response technology using natural language to route calls efficiently and provide customers with self-service options.
- Investing in automated field equipment and feeder automation to help reduce outage restoration time and minimize customer impacts.
- Taking advantage of robotic process automation and other business process automation tools to streamline work and manage bill quality.

- Applying data analytics to improve business processes, identify equipment problems, keep customers informed, increase efficiency and reduce costs.

We are investing in advanced metering technologies across all of our companies to:

- Support timely and accurate billing.
- Provide analytics that help identify metering quality and tampering issues.
- Provide customers with more usage- and demand-based billing and energy management options in the future.
- Enable faster, more convenient completion of electric meter connection and reconnection service requests.
- Enable additional system reliability options through distribution automation.



## Customer service recognition

**Wisconsin Public Service (WPS)** finished first in the Midwest midsize segment in J.D. Power's 2023 Electric Utility Residential Customer Satisfaction Study, and had the sixth-highest score nationally among the midsize group.

**WEC Energy Group** ranked first among investor-owned utilities in the 2023 E Source Large Business Customer Satisfaction Study.

Our companies received recognition in the J.D. Power 2023 Gas Utility Residential Customer Satisfaction Study.

**Michigan Gas Utilities** ranked second for Residential Customer Satisfaction among Midsize Gas Utilities in the Midwest Region with an overall satisfaction score of 759 vs. the segment average of 745.

**North Shore Gas** ranked third for Residential Customer Satisfaction among Midsize Gas Utilities in the Midwest Region.



Our companies also received recognition in Escalent's 2023 Cogent Syndicated Utility Trusted Brand & Customer Engagement studies:

**Peoples Gas** was named a Customer Champion, Environmental Champion and one of the Most Trusted Brands in the residential study.

**WPS** was recognized as one of the Easiest to Do Business With in the residential study.

**We Energies** was recognized as a Trusted Business Partner in the business study.



# Energy affordability

Providing affordable and reliable energy is at the forefront of everything we do. To help customers take an active part in managing their energy use and expenses, we provide them with tools and programs to achieve those goals.

## Offering options

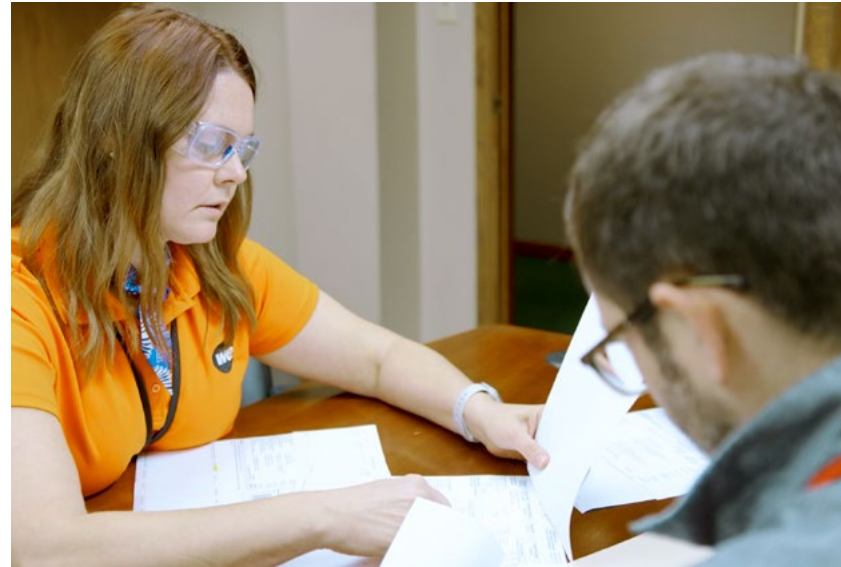
Customers have different needs and preferences, and having choices is important to them. Billing options, which vary by energy company, include online billing, seasonal billing, renewable energy pricing, and budget billing to spread energy charges more evenly over 12 months.

**Payment arrangements.** Difficult circumstances can arise that may prevent customers from paying their bills in full. We encourage customers having problems paying their bills to work with our companies to keep their service connected. We offer flexible payment arrangements based upon each customer's individual situation. Flexibility may be reflected in timelines, required down payment amounts and payment plan time frames.

**Options for low-income customers.** Our companies work collaboratively with government agencies and community-based organizations throughout our service areas to address the needs of our low-income customers. We inform customers about home energy assistance through federal and state funding. Through our energy efficiency programs, we offer rebates for affordable housing projects and dedicated low-income multifamily properties. We also provide weatherization services for some customers on our low-income payment plans and partner with state weatherization programs.

Our companies make regular contributions to nonprofit organizations to help provide financial assistance and case management services. Through phone consultations, our company websites and other communications, we provide efficiency tips to help our customers save money on their energy bills.

Our companies contributed approximately \$5 million to low-income customer programs in 2023.



## Energy management services

In Wisconsin, our companies provide some business customers with energy management services, including site assessments, carbon footprint analyses, technical monitoring and consultations. Account managers work with our largest customers to facilitate solutions and, where available, offer incentives related to energy efficiency, optimization and sustainability.

## Time-of-use rates

Our electric energy companies offer time-of-use options through which customers can reduce their monthly bills by shifting some of their energy use to off-peak hours, the times when energy demand and rates are lower. While these programs benefit residential customers, they also are attractive to small-business customers who have the flexibility to avoid energy use during critical peak periods.



Focus on Energy is the statewide energy efficiency and renewable resource program funded by Wisconsin's investor-owned energy utilities and participating municipal and electric cooperatives. In 2023, Focus on Energy offered financial incentives and technical assistance to help eligible customers reduce their energy waste. According to an independent evaluation of 2023 programs, **Focus on Energy delivered \$3.75 in benefits to Wisconsin residents and businesses for every \$1 spent**, resulting in economic benefits, reduced energy costs and reduced emissions.

Its overall customer satisfaction rating for 2023 was 9.5 on a 10-point scale.



## Energy efficiency programs

Our customers are taking control of their energy use through a variety of programs. Customers in all of our service areas are eligible to participate in utility-sponsored energy efficiency incentive programs. Utility energy efficiency programs in each service area have specific energy savings goals/targets as approved by regulators, and energy savings achievement goes through a formal evaluation, measurement and verification process.



In Wisconsin and Michigan, the Focus on Energy and Efficiency United programs, respectively, provide customers with energy-saving rebates and incentives. Our Illinois energy companies, Peoples Gas and North Shore Gas, offer energy efficiency programs that provide customers with free products, rebates, incentives, staffing grants and comprehensive sustainability planning resources. In Minnesota, the Minnesota Energy Resources Conservation Improvement Program offers commercial, industrial and residential customers services including energy audits and comprehensive analyses, new construction design assistance and energy-saving rebates.

Energy-saving rebates and discounts vary by company and include rebates for furnaces, boilers, insulation and air sealing, and discounts for Energy Star-certified appliances, smart thermostats, LED lighting, smart lighting and custom projects.

Residential customers also can participate in virtual energy audits to determine how they can make their homes more energy-efficient through no- to low-cost upgrades. Customers who participate in a full-home energy assessment can see heating and cooling energy-saving opportunities of 20% to more than 50%.

Our energy companies communicate energy efficiency options via our online platforms, newsletters, social media, training events, direct mailers and bill inserts.

### Efficiency programs made an impact in our communities in 2023

Aggregate of all WEC Energy Group utilities*	
Participating customers	280,644
First-year kWh savings**	252,146,460
First-year therm savings**	36,084,723
Conservation spending by our companies	\$124.7 million
<b>Rebates/incentives earned by customers</b>	<b>\$571 million</b>

\* Aggregate gross data from We Energies, Wisconsin Public Service, Peoples Gas, North Shore Gas, Minnesota Energy Resources, Michigan Gas Utilities and Upper Michigan Energy Resources.

\*\* "First-year" refers to the first, full-year savings achieved by the customer.

Note: Not all programs run on the same operating year.



### Providing personalized assistance and savings

Our energy efficiency programs support customers across our service areas. In Minnesota, the goal of the Manufactured Home Community Blitz Program is to provide free energy efficiency education and do-it yourself installation kits to manufactured home park residents. Minnesota Energy Resources is the first utility in the state to provide this type of program. Through a series of events at different parks, the company has provided kits to hundreds of families.

Project representatives are available on the day of each event to assist with installation, educational workshops and door-to-door distribution. In addition to energy efficiency tips and kits, customers receive information regarding other low-income programs for which they may be eligible. This program also offers accelerated rebates for heating system tuneups and Wi-Fi-enabled or advanced thermostats.



# Economic development

Our commercial and industrial customers depend on safe, reliable and affordable energy to run their businesses.

While specific programs and services vary across our companies, we are committed to offering options that support sustainable economic development in our region.

Our largest customers are supported by a companywide team led by account managers who work proactively to help manage customer energy needs. Annually, account managers and key customers develop joint plans outlining energy- and sustainability-related goals, expectations and initiatives. In addition, account managers look for opportunities to introduce emerging technologies including electric vehicle and renewable energy rate options, reduce energy waste through energy efficiency services, identify power quality enhancement opportunities, and assist with business expansions.

Other business customers can access targeted services and receive recommendations on energy efficiency measures through our customer care centers.

## Public-private partnerships

WEC Energy Group partners with local economic development organizations to help attract and retain new businesses and talent. Company leaders, account managers and other company representatives serve as liaisons with regional, state and local economic development agencies, providing financial and/or in-kind support, such as:

- Board and committee involvement
- Site selection support
- Project analysis related to energy infrastructure and rates
- Project oversight and monitoring

Dedicated leaders forge relationships with these agencies to equip existing and prospective customers with the tools they need to grow sustainably.

## Market-based rates

Qualifying We Energies and Wisconsin Public Service commercial and industrial electric customers may purchase a portion of their load at market prices. Customers on these rates can manage their energy usage in a market environment of risks and rewards. Using day-ahead prices, customers can strategically plan operations while maximizing the benefit of a market rate.

## Online tools

Online tools make it possible for business customers to analyze and manage their energy use. Customers can receive monthly alerts on energy use changes, identify usage trends and patterns, forecast forward-looking energy budgets, and access an online library of energy efficiency information.



*Microsoft construction in Racine County, Wisconsin © Mark Hertzberg*

## Growing opportunity in our region

We are seeing significant development along the I-94 corridor in southeast Wisconsin, including Microsoft's ongoing construction of a major data center complex and investments by companies such as Uline, Amazon and HARIBO. These projects highlight the strength and potential of the Wisconsin economy — and underscore the need for the investments we have outlined in our capital plan.



# Governance

Successful, sustainable business is driven by effective governance and stakeholder engagement.

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# Governance

We believe that effective and transparent corporate governance is an essential driver of stockholder value and the foundation for long-lasting sustainability.

## Governance structure and practices

Our governance structure is aimed at transparent accountability to key stakeholders. Strong business processes, coupled with diverse leadership perspectives, support our efforts to anticipate, plan and manage corporate initiatives and risk, while remaining focused on ethical stewardship.

The board of directors is responsible for providing oversight with respect to matters of concern to our stockholders. Those responsibilities include, among other things, oversight of the company's long-term strategy and execution, the risk environment and associated management policies and practices, and selection of the chief executive officer and ongoing succession planning for senior leadership. Board members are required to follow the ethical standards outlined in our Code of Business Conduct, and to conduct business in line with the Corporate Governance Guidelines and board committee charters.

The board's oversight also includes reviewing with senior management its approach to environmental, social and governance matters and responsibilities to the company's stakeholders. Educational sessions, presented by internal and external subject matter experts and advisers, help the board stay informed about how these matters are evolving.

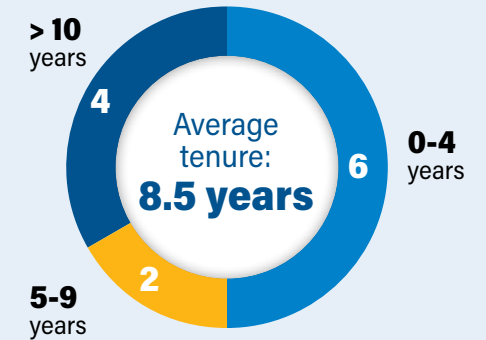
The board regularly evaluates director qualifications and core competencies as part of succession planning. To provide effective guidance, it seeks a broad range of perspectives, skills and leadership expertise in domains particularly relevant to our business. The board is committed to seeking out candidates who bring a perspective to the board that contributes to the collective diversity — diversity of knowledge, skills, experiences, thought, gender, race/ethnicity, retirement age and tenure.

**More information on our directors and board structure is provided in the governance section of our company's website, along with publications devoted to those topics, including the annual Proxy statement.**

## Board composition

*(based on 12 directors — as of June 2024)*

Our diverse board of directors possesses a wide range of skills, experiences and perspectives for enhanced and effective oversight.



**33%** female directors  
No fewer than **3** women directors since 2012

**33%** racially/ethnically diverse directors  
No fewer than **3** directors of color since 2018

## Core competencies

- Audit oversight/financial reporting
- Senior leadership/CEO experience
- Corporate governance
- Financial strategy/investment management/investor relations
- Government/public policy
- Human capital management/executive compensation
- Regulated industry knowledge
- Risk management and oversight
- Strategic planning
- Sustainability matters
- Technology and security
- Utility/energy industry experience

## Risk management

Our board of directors is responsible for providing oversight with respect to our major strategic initiatives. As part of their efforts, the board consistently engages with our senior management team to discuss opportunities and risks, as well as the processes through which senior management maintains focus on the organization's key financial and business objectives, corporate policies, and overall economic, environmental and social performance. Senior management, in turn, is responsible for effectively planning and executing daily operations within a strong risk framework.

With that in mind, our company has created a framework through which management provides meaningful information to the board to aid in its oversight responsibility, as described below.

### Internal reviews and audits

As a standing corporate practice, each year, management systemically evaluates the company's risk areas. The Audit Services department conducts an annual enterprise risk assessment, whereby business leaders identify existing, new or emerging issues or changes within their business areas that could have enterprise implications. Risk areas are then mapped to create a cumulative assessment of their significance and likelihood, taking into consideration industry benchmarking information as appropriate. The mapping also identifies lines of responsibility for managing the risks to ensure accountability and focus.

Chaired by the CEO and comprised of a cross-functional group of senior leaders from across our organization, our Enterprise Risk Steering Committee (ERSC) regularly reviews the company's key risk areas and provides input into the development and implementation of effective compliance and risk management practices.

On a bimonthly basis, the ERSC discusses findings of Audit Services' annual enterprise risk assessment, holds in-depth discussions with members of management



on identified subjects, and tracks the status of ongoing progress. The CEO provides the board with routine updates on the company's key risk areas during the board meetings, including summaries from the bimonthly discussions held by the ERSC.

Given the significant risks and opportunities associated with climate change, management has created the Climate Risk Committee, which is a separate subcommittee of the ERSC under the guidance of the CEO. The Climate Risk Committee brings together senior-level officers responsible for overall climate-related corporate strategy and meets at least quarterly to review and discuss climate-related goals, risks and opportunities.

The CEO provides reports to the board at each board meeting and routinely calls upon members of the management team to provide detailed reports to the board in their respective areas of responsibility, including those related to risk management.

**Our board and management collaborate to evaluate and respond to risks and opportunities.**

## Board oversight

To carry out its oversight function, the board and its committees meet regularly throughout the year. Board members receive briefings prepared by management and outside advisers on specific areas of current and emerging risks to the enterprise as captured through the company's enterprise risk management framework. The committees routinely report to the full board on matters that fall within their designated areas of responsibility.

Examples of risk monitoring activity that have been designated to the full board and its committees include:

**Board:** Short- and long-term strategy and strategic initiatives; risk management processes; leadership succession planning; Code of Business Conduct; mergers and acquisitions; corporate sustainability matters (including climate and emissions reduction strategies); and regular reporting from board committees on specific risk oversight responsibilities

**Audit and Oversight Committee:** Retention of outside auditors and evaluation of auditors' qualifications and independence; oversight of Audit Services department; financial reporting; ethics and compliance program; and legal and regulatory risk and compliance matters including environmental, data privacy and security (including cyber, physical and operating technology), government relations (including political spending and lobbying), litigation, and electric reliability standards.

**Compensation Committee:** Compensation practices and programs, including any risks associated therewith; CEO performance; executive succession planning; and human capital management and development.

**Corporate Governance Committee:** Governance structure and practices; director independence; board performance; and board succession planning.

**Finance Committee:** Capital allocation; capital structure and financings; employee retirement and benefit plan assets; and insurance and other financial risk management programs.

The board believes that its leadership structure, in combination with the company's enterprise risk management framework, effectively supports its oversight function.



## Ethics and compliance

Employees have a responsibility to preserve the ethical standards of our company as they conduct business affairs. The purpose of the ethics and compliance program is to promote an organizational culture that encourages ethical conduct and a commitment to compliance with the law, and to inspire high standards of professionalism and integrity.

### Program elements

The ethics and compliance program is designed to help our employees sustain an ethical workplace and help our company comply with applicable legal requirements and good corporate governance standards.

Fundamental elements of the program include:

- Administration of the Code of Business Conduct and related policies and procedures.
- Management of a confidential reporting system, in which reporters may choose to remain anonymous, to receive and respond to allegations and/or concerns.
- Protection of individuals who make good-faith allegations of misconduct with a strong nonretaliation policy.
- Provision of regular education, guidance and advice to employees and others on ethics and business conduct matters.
- Creation and delivery of effective communication regarding the program.
- Regular reporting and direct access to the governing bodies overseeing ethics and compliance matters for WEC Energy Group and its subsidiaries.
- Completion of periodic assessments of the effectiveness of the program.

Elements of the program are aligned with the criteria articulated in the U.S. Department of Justice Federal Sentencing Guidelines. The compliance officer provides an annual review of program effectiveness to the Audit and Oversight Committee of the board of directors.

### Reporting and investigating

We encourage employees to seek advice in doubtful situations, express concerns or report suspected violations through any established reporting channel without fear of retaliation. The established reporting channels include: supervisors, confidential EthicsLine (phone and web portal), compliance officer, Human Resources or Physical Security. It is the responsibility of the Ethics and Compliance department to maintain the integrity of the reporting channels and to address any potential for retaliation, in accordance with our Non-Retaliation Policy.

The Ethics and Compliance department oversees investigations, tracks progress, and ensures that a proper record of the investigation and resolution is made. That process incorporates escalation protocols — including reports to the chair of the Audit and Oversight Committee — for matters deemed to have higher risk potential.

After the investigation is completed, reasonable steps are taken to prevent further instances. This may include, among other things, enforcing disciplinary measures for any violations of company policy, examining the designs of the internal controls in place to prevent or detect the instance, revising policies and/or procedures, communicating policies to employees, and developing and requiring employees to take additional training.



### Policies and procedures

We have policies in place, such as the Code of Business Conduct, that address situations that could lead to improper or illegal behavior on the part of employees. All employees and members of the company's board of directors are expected to comply with our Code of Business Conduct, in addition to applicable laws and regulations. The code addresses key aspects of our ethical culture and work environment, including:

- Focus on safety
- Anti-harassment and nondiscrimination
- Anti-bribery and corruption
- Diversity, equity and inclusion
- Accountability for conflicts of interest, confidentiality and fair dealing
- Proper use of company assets
- Protection of information

We encourage employees to seek advice in doubtful situations, express concerns and report suspected violations through any established reporting channel without fear of retaliation.



Periodically, employees are invited to participate in a workplace ethics survey gauging their perceptions of the company's actions, processes and operating style. The results provide management with the ability to assess our ethical climate.

### **Communication and training**

Continual employee development and awareness of potential ethical dilemmas remain priorities. All new employees receive Code of Business Conduct and other core compliance training to be completed within 30 days of hire. To maintain a high level of awareness, all employees are required annually to confirm their personal commitment to compliance. We strive for full participation in compliance training and affirmation, and achieved a 100% completion rate in 2023.

Materials are available on the company intranet to help leaders guide discussions with their staff about ethics and compliance matters. In addition, leaders receive materials on specific topics, such as identifying, disclosing and addressing conflicts of interest through various channels.

### **Enforcement and discipline**

Enforcing standards underscores our commitment to compliance. Corporate policies include consequences for noncompliance. Failure to comply with corporate policies shall result in disciplinary action, up to and including discharge.

The Ethics and Compliance department tracks reported violations of corporate policies, along with the actions taken, in an effort to ensure consistent and appropriate disciplinary measures. Violations of corporate policies that lead to discipline are reported to the Audit and Oversight Committee of the board of directors.

### **Response and prevention**

We provide a structural foundation to promote a culture of prevention, detection and resolution of instances of unethical and unlawful business conduct. We collaborate with appropriate personnel to take consistent corrective action in response to substantiated ethical misconduct. We monitor to verify that actions taken by case investigators are objective and that proper controls are put in place to prevent future recurrence.

### **Assessments of ethics and compliance risks**

We use multiple tools and processes to properly identify and manage ethics and compliance risks across the enterprise.

### **Enterprise risk and fraud assessment**

The annual enterprise risk assessment performed by the Audit Services department identifies and reviews existing, new or emerging issues that could have enterprise implications, including those related to ethics and compliance.

Audit Services also leads an annual fraud risk assessment to confirm the presence of appropriate control activities and identify risk mitigation strategies. Scenarios are identified for fraud risks within key areas of the business. Scenarios are then mapped to controls to verify an appropriate level of preventive or detective control exists to reduce the potential for this type of activity. Controls are tested on a regular basis to support management's control assessment.

In addition, the company's internal auditor routinely confers directly with the Audit and Oversight committee of the board of directors in private session.



# Cybersecurity

The energy industry requires the use of sophisticated information technology systems and network infrastructure, and we understand the importance of securing these critical cyber assets against intrusion and attack.

The cyberthreat landscape is constantly evolving, and we manage related risks through cybersecurity monitoring, defense and response tools, effectiveness assessment, governance, industry collaboration, and employee training and awareness.

A dedicated cybersecurity team, partnership with external cybersecurity experts and a comprehensive set of cybersecurity tools, implemented to effectively identify, protect against, detect, respond to and recover from a spectrum of cyberthreats, mitigate the likelihood of successful attacks and their potential impacts.

Enhanced physical security measures, including physical barriers, detection systems, access controls, cameras and analytics are employed to mitigate risk associated with unauthorized physical access and attacks against personnel, electronic and physical assets, and critical facilities such as substations.

## Program governance and assessment

Our cybersecurity governance model includes oversight by senior management from our Enterprise Risk Steering Committee, along with steering committees for information security, operational technology security, third-party vendor security

controls, Sarbanes-Oxley security controls, and North American Electric Reliability Corporation Critical Infrastructure Protection (NERC CIP) compliance. The chief executive officer and chief administrative officer report regularly to the board and its Audit and Oversight committee about cybersecurity matters and risks.

Using recognized cybersecurity framework and maturity models from the National Institute of Standards and Technology and the Department of Energy, we continuously assess the maturity of our cybersecurity program and incorporate improvements as needed. This includes regular internal security audits and vulnerability assessments, as well as regular engagement with third-party security experts for external assessments of our security controls, including technical, physical and social aspects.

We strive to follow industry best practices for computer network protection and provide effective physical security for our critical cyber assets. Following a 2024 audit of our compliance with NERC CIP standards, the external auditors positively noted our "strong culture of compliance."

We participate in information sharing, vulnerability analysis and emergency response with federal, state and industry organizations, as well as cyberattack response exercises, such as GridEx events, the grid security drill sponsored by NERC. To better comprehend the scope and magnitude of any active threats to our industry and nation, we communicate with other energy companies and sectors of the economy concerning cyber incidents.



## Employee training and awareness

Cybersecurity is the responsibility of all employees and contractors. As such, all employees are required to complete training annually regarding information security and acceptable use of corporate electronic resources. Role-based cybersecurity training also is required of employees and contractors annually. Additionally, employees and contractors participate in a corporatewide phishing-awareness program. It includes a means to easily report suspicious email, a

comprehensive phishing training platform, and mock phishing exercises to measure the effectiveness of cybersecurity education.

Our cybersecurity awareness program delivers key and topical cybersecurity messages throughout the year via posters, flyers, bulletins and intranet announcements.

# Stakeholder transparency

We seek to build strong, collaborative relationships with our stakeholders, including customers, communities, investors and employees.

Many areas of the company work together to provide stakeholders with key information on our services and activities, as well as opportunities for dialogue with us.



## Communication on projects

As our companies make progress on our capital projects, our External Affairs and Corporate Communications teams keep our customers and communities informed about the work we are doing and the investments we have planned. Our executive vice president — external affairs is responsible for outreach to local government and regulatory officials, and our senior vice president — corporate communications and investor relations is responsible for our customer communications.

We notify customers in writing if they may be adjacent to or impacted by our projects. In the early stages of our major projects, we also typically contact affected individuals, businesses and local officials through face-to-face visits and phone calls, welcoming questions and feedback. This dialogue informs our subsequent communications and project strategies. Depending on the size and scope of a project, we may host informational meetings.

## Employee involvement

Many internal communications are designed to inform and support our employees as they contribute to sustainability-related projects. Our environmental, social and governance plans and targets have been highlighted across subsidiaries through our 'Top 10' goals, regular corporate news on our intranet and leader communications on our progress.

To encourage feedback and ideas for potential improvements, a number of location- and department-specific channels are open to employees. These include Q&A opportunities and a companywide near miss and unsafe condition reporting program.



**Oak Creek, Wisconsin:** Our five-year capital plan calls for building modern, efficient natural gas generation and the infrastructure needed to fuel it. At our Oak Creek site, we are planning to build new combustion turbines as well as a liquefied natural gas storage facility. In addition, a new pipeline is planned to extend approximately 30 miles and connect the generation site to our existing natural gas distribution network.

We communicated the need and scope of the project to employees, municipal and state officials, regulators, customers, residents, the media, and other interested parties. Our stakeholder outreach included one-on-one conversations, informational meetings, a site tour and media interviews. Our goal is to provide stakeholders with opportunities and information to understand how we are moving forward in providing the affordable, reliable and clean energy our customers depend on.



## Regulatory engagement

Our operations are over 90% regulated, covering diverse service areas across the Midwest. We work closely with regulators as we put our corporate strategy into practice — from local project planning to larger-scale investments. Our regulatory affairs teams communicate with state and federal regulators and their respective staffs; state and local lawmakers; and environmental, community and consumer groups. Through our communications, we present our plans, demonstrate the need and customer benefits for investments, present and support proposals for recovery of those investments, and comply with regulatory requirements.

As federal and state regulators review our utility companies' investments and rate proposals, our executive vice president — external affairs is responsible for establishing the outreach strategy to support these efforts. During the process, we provide all relevant information formally and informally to facilitate the evaluation of each proposal. Through our pre-filed testimony and related information, we proactively share information that is germane to the filing.

Specific topics of engagement have included decarbonization, community support, human capital management and other sustainability matters. As part of regulatory reviews, we also routinely respond to data requests from commission staffs, as well as third-party organizations. In those responses, we disclose information on our operations and the steps we are taking to continue to provide an affordable, reliable and clean energy supply that will facilitate meeting our carbon and methane emissions reduction goals.

## Investor relations

We have a comprehensive outreach and engagement program in place to help management and the board hear, understand and consider issues that matter most to our stockholders. This ongoing engagement provides valuable insight into how our stockholders view the company's practices and policies, shapes the processes used to evaluate goals and expectations, and identifies emerging issues that may affect our corporate governance practices and compensation.

In 2023, we proactively communicated with our stockholders and key constituents across the broader sustainable investing community about our environmental, social and governance practices. Specific topics of engagement included the following, in continued alignment with our priority sustainability issues:

- Corporate strategy
- Climate change and decarbonization
- Human capital management
- Community support
- Reliability and resiliency
- Safety
- Diversity, equity and inclusion



## Environmental, social and governance reporting

In addition to engaging directly with our stakeholders, we report on sustainability-related topics in a number of ways. We have published this annual corporate responsibility report for the past two decades, and our climate report presents our climate-related governance and strategy in more detail.

We routinely respond to data verification and survey requests from third-party organizations, and we have disclosed information on our operations and climate-related risks and opportunities to CDP (formerly the Carbon Disclosure Project) for over a decade. We also are participating in initiatives led by Edison Electric Institute and American Gas Association to promote consistency and transparency in sustainability reporting across the energy utility sector.

Reports can be found on the Corporate Responsibility page of our website: [www.wecenergygroup.com/csr](http://www.wecenergygroup.com/csr).

**Milwaukee, Wisconsin:** After years of planning, permitting and outreach, a stretch of the Milwaukee River underwent a transformation in summer 2023. We Energies and its contract crews remediated approximately 44,000 cubic yards of contaminated sediment from the bottom of the river associated with the operation of the former Third Ward Manufactured Gas Plant. We partnered with local, state and federal agencies on the project to protect and restore this vital part of the Milwaukee Estuary Area of Concern.

Between 2021 and 2023, we communicated project details to community stakeholders including residents, businesses and local government officials through a range of channels: mailed letters and informational materials; in-person and virtual meetings; public notices, hearings and comment opportunities; construction site signage; and information on our website. Based on feedback from residents and businesses during the planning phase, we adjusted some of our operations to mitigate disruptions to the neighborhood.

# Government relations

We advocate on behalf of our customers, stockholders and employees for affordable, reliable and clean energy before local, state and federal elected officials and government agencies.

We maintain governmental and regulatory relations offices in Chicago, Illinois; Rosemount, Minnesota; Madison, Green Bay and Milwaukee, Wisconsin; and Washington, D.C. We also hire contract lobbyists and work with trade organizations to assist in advocacy activities. Our lobbyists are lawfully registered in each jurisdiction where they perform services for us.

## Political contributions and lobbying

Contribution amounts are limited by law, and we adhere to all applicable federal, state and local laws where we do business. As part of its oversight function, the board's Audit and Oversight Committee, which consists solely of independent directors, conducts an annual review of the company's Government Relations Policy. This policy sets forth the standards and requirements that govern our interactions with public officials, and addresses the process for requesting and authorizing contributions to organizations operating under Section 527 of the Internal Revenue Code and organizations that qualify as national political committees. In 2023, we made no contributions of this nature, nor did we make any independent political expenditures in direct support of or opposition to a campaign or ballot measure.

The company has five political action committees (PACs) across its geographical footprint, which are authorized by election laws to collect voluntary contributions from employees who choose to participate. The PACs support causes and candidates for federal, state and local offices to benefit energy safety, reliability and affordability, without regard for executives' personal political preferences.

In Illinois, we are allowed to make corporate political contributions to candidates for election to state and local offices, subject to statutory limits. In Wisconsin, we may make corporate contributions of up to \$12,000 per calendar year to a segregated fund account of a political party committee or a legislative campaign committee. All other political contributions in Wisconsin and our other state jurisdictions can only be made by individuals or through PACs.

All of our PACs are administered by oversight committees that include appointed and elected members. Oversight committees make decisions on how and where dollars are spent. The committees also review a summary of political activities and associated reporting excerpted from the Corporate Responsibility Report in advance of its publication each year.



Organization	2021	2022	2023
<b>Wisconsin political donations</b>			
WEC Energy Group PAC (WEC PAC — a Wisconsin state PAC)	\$50,000	\$95,360	\$44,575
WEC Energy Group Personal Contribution Account (WEC PAC Conduit — a Wisconsin state-registered entity)	\$55,849	\$82,882	\$40,060
Corporate contributions			
Assembly Democratic Campaign Committee	6,000	6,000	6,000
Committee To Elect A Republican Senate	12,000	12,000	12,000
Democratic Party of Wisconsin	—	12,000	—
Republican Assembly Campaign Committee	12,000	12,000	12,000
Republican Party of Wisconsin	—	—	12,000
State Senate Democratic Committee	6,000	6,000	6,000
<b>Wisconsin total</b>	<b>\$141,849</b>	<b>\$226,242</b>	<b>\$132,635</b>
<b>Federal political donations</b>			
WEC Energy Group PAC (WEC PAC — a federal PAC)	\$24,500	\$27,500	\$32,000
<b>Michigan political donations</b>			
Michigan Political Action Committee (MIPAC — a Michigan state PAC)	—	—	—
<b>Illinois political donations</b>			
Peoples Energy PAC (an Illinois state PAC)	—	—	—
WEC Corporate (corporate contributions only)	\$196,030	\$190,280	\$183,000
<b>Illinois total</b>	<b>\$196,030</b>	<b>\$190,280</b>	<b>\$183,000</b>
<b>Total</b>	<b>\$362,379</b>	<b>\$444,022</b>	<b>\$347,635</b>

For an up-to-date list of WEC PAC Wisconsin contributions, search for "WEC Energy Group PAC" at: <https://cfis.wi.gov/Public/Registration.aspx?page=FiledReports>

For an up-to-date list of WEC conduits, search for "WEC Energy Group PCA" at: <https://cfis.wi.gov/Public/Registration.aspx?page=ViewConduitContributions>

For an up-to-date list of WEC PAC federal contributions, search for "WEC Energy Group" at: <https://www.fec.gov/data/receipts>





## Lobbying

We file federal quarterly lobbying reports and semiannual contribution reports with the clerk of the U.S. House of Representatives and the secretary of the U.S. Senate. These reports are located at [house.gov](https://house.gov) and [senate.gov](https://senate.gov). Reports for WEC Energy Group's political lobbying activities at the state level are available from the [Wisconsin Ethics Commission](#), [Michigan Department of State](#), [Office of the Illinois Secretary of State](#) and [Minnesota Campaign Finance and Public Disclosure Board](#).

## Trade organization memberships

We belong to a number of state and federal trade and membership organizations that engage in political activities. Such organizations are required to report the portion of company dues used for political purposes.

Through our trade organization memberships, we collaborate with industry peers, conduct benchmarking on sustainability-related metrics, provide input and advocate for our stakeholders. We have worked with these groups to promote consistent sustainability reporting and goals within our industry. We believe that lobbying conducted by these organizations generally promotes emissions reduction in our industry, and we further support disclosure from the organizations on policy positions and lobbying related to climate matters.

In cases where the positions supported by our trade organizations differ from our own, we take a proactive approach in making our case to organization members and try to dissuade them from the position. If necessary, we may abstain from the group's efforts or express our dissent.

Organization	Membership dues Jan. 1 through Dec. 31, 2023	Portion of dues used by organization for political purposes
American Gas Association	\$993,984	\$42,741
Edison Electric Institute	1,333,098	266,620
Fair Rates for Wisconsin's Dairyland	36,000	9,720
Illinois Energy Association	40,000	22,000
Illinois Manufacturers' Association	18,467	3,024
Metropolitan Milwaukee Association of Commerce	199,398	3,988
Michigan Electric and Gas Association	92,595	de minimis
Michigan Manufacturers Association	4,930	1,233
Minnesota Utility Investors	21,000	7,350
National Hydropower Association	27,261	4,089
Utilities Technology Council	24,557	1,228
Wisconsin Manufacturers & Commerce	61,298	8,582
Wisconsin Utilities Association	345,937	51,891
Wisconsin Utility Investors	133,728	6,686

## Public policy positions ✓ Support ✗ Oppose ◆ Monitor

### Federal bill reference

- ✓ **Climate / clean energy** *Multiple bills* — Advance research, development, demonstration, and deployment of carbon-free technologies to help achieve a net carbon-neutral economy.
- ✓ **Cybersecurity** *Multiple bills* — Promote information sharing between government and industry and advance the development and training of the cyber workforce for critical infrastructure sectors.
- ✓ **Electric transportation** *Multiple bills* — Advance and expand the electric transportation market and associated infrastructure.
- ✓ **Energy assistance** *Multiple bills* — Provide energy assistance through direct appropriations (Low Income Home Energy Assistance Program), indirect funding programs, and supplemental appropriations.
- ✓ **Energy efficiency** *Multiple bills* — Prohibit agencies from promulgating rules that could eliminate products from the market based on the type of fuel the product uses.
- ✓ **Infrastructure** — Bipartisan infrastructure law that includes a wide variety of infrastructure programs for electric transportation, grid resiliency, transmission siting, hydrogen research, cybersecurity, and clean energy technologies to support the research, development, demonstration, and deployment of carbon-free technologies to help achieve a carbon-free economy.
- ✓ **Renewable energy tax incentives** — Extend and expand renewable energy tax incentives.

### Illinois legislative bills/resolutions

- ✗ **House Bill 1190** — Provides that in the case of a verified facility leak, the owner and operator of the underground natural gas storage facility is responsible for specified actions.
- ◆ **House Bill 1541** — Mandates utility companies to keep utility services on to all customers when a heat advisory of 90 degrees and above has been issued, despite overdue bills.
- ✗ **House Bill 2172** — Limits a utility company's authority to disconnect services of low-income customers. Requires the Illinois Commerce Commission to make new utility and regulatory requirements of the utility companies.

- ◆ **House Bill 2204** — Creates a hydrogen fuel replacement tax credit. Allows for an income tax credit in an amount equal to \$1 per kilogram of eligible zero-carbon hydrogen used by the eligible taxpayer.
- ◆ **House Bill 2473** — Allows companies to develop nuclear power generation in Illinois for the first time since 1987.
- ✗ **House Bill 2541** — Provides that in a ratemaking proceeding, the Illinois Commerce Commission shall not approve for ratemaking purposes either a cost of equity exceeding 8% unless clear and convincing record evidence demonstrates that a higher return on equity is strictly necessary to prevent an imminent and significant threat of negative credit action that would be expected to increase the cost of service for the utility's ratepayers.
- ◆ **House Bill 2875** — Creates the Thermal Energy Network. Requires utility companies to submit proposals to develop thermal energy networks.
- ◆ **House Bill 3445** — Omnibus energy bill which makes several energy-related changes including requiring the Illinois Commerce Commission to host a series of stakeholder workshops to look at the planning and delivery of thermal energy networks.
- ✗ **House Bill 3572** — Requires gas stoves to bear a warning message label.
- ◆ **Senate Bill 76** — Removes the moratorium on new construction of nuclear power plants.
- ✗ **Senate Bill 1538** — Changes the repeal date of the Peoples Gas 2013 System Modernization Program Rider QIP from Dec. 1, 2023 to July 1, 2023.
- ◆ **Senate Bill 1842** — Makes several changes to energy assistance programs for low-income utility customers.
- ◆ **Senate Bill 1699** — Omnibus energy bill which makes several energy-related changes including requiring the Illinois Commerce Commission to host a series of stakeholder workshops to look at the planning and delivery of thermal energy networks.

### Michigan legislative bills/resolutions

- ◆ **Senate Bill 271** — Creates a mandate for utilities to have a renewable portfolio of 100% by 2035, with an interim goal of 60% by 2030.
- ◆ **Senate Bill 272** — Gives the Michigan Public Service Commission authority to regulate utilities on "climate and environmental justice" metrics. The bill directs the MPSC to determine if a utility is making progress toward eliminating greenhouse gas emissions and reducing harm to the health, safety and welfare of individuals in environmental justice communities.
- ◆ **Senate Bill 273** — Expands the Energy Waste Reduction program for electric providers. Beginning in 2026, energy savings equivalent to 2% of total annual retail electricity sales in megawatt hours from the preceding year must be achieved.
- ✗ **Senate Bill 274** — Requires the Department of Licensing and Regulatory Affairs to create a strategic plan for reducing greenhouse gas emissions in new construction within one year of enactment of the bill.
- ◆ **Senate Bill 276** — Mandates the prohibition of coal-fueled energy generation by 2030.
- ◆ **Senate Bill 296** — Requires utilities to file reports with the Michigan Public Service Commission containing information on the amount of money spent by a utility on lobbying, certain political contributions and contributions to certain segregated funds or organizations.
- ◆ **Senate Bill 297** — Requires members of the Michigan Public Service Commission to be elected statewide rather than appointed by the Governor.
- ✗ **Senate Bill 302** — Requires new construction energy projects to exceed the uniform energy code standards.
- ✗ **Senate Bill 366** — Increases penalties for natural gas violations from \$10,000-\$500,000 to \$200,000-\$2,500,000.
- ✗ **Senate Bills 152 and 153** — Allows for the creation and financing of community solar facilities and for subscribers to receive bill credits.
- ✓ **House Bill 4036/Senate Bill 41** — Prohibits local units of government from imposing a ban on natural gas.

- ✗ **House Bill 4228** — Eliminates the cap on distributed generation.

### Minnesota legislative bills/resolutions

- ◆ **House File 49/Senate File 315** — Requires utilities to submit an annual diversity report.
- ◆ **House File 393/Senate File 658** — Provides procedure to resolve disputes between utilities and residential customers.
- ◆ **House File 772/Senate File 1368** — Modifies energy code for new construction related to reducing energy consumption.
- ◆ **House File 1650/Senate File 1663** — Changes reporting dates for natural gas disconnects.
- ◆ **House File 1746/Senate File 1413** — Provides gas sales tax exemption during polar vortex, with credit for taxes previously paid.
- ✓ **House File 2035/Senate File 1834** — Modifies utilities governing provisions, including Gas Utility Infrastructure Cost rider extension.
- ◆ **House File 2178/Senate File 2135** — Clarifies Pollution Control Agency authority to regulate greenhouse gas emissions.
- ✗ **House File 2255/Senate File 2166** — Authorizes natural gas utilities to sell extraordinary event bonds under specified circumstances.
- ◆ **House File 2269/Senate File 2295** — Requires owners of certain buildings to publicly disclose energy use through a benchmarking tool.
- ✗ **House File 2439/Senate File 2460** — Modifies intervenors' compensation in Minnesota Public Utilities Commission proceedings.

### Wisconsin legislative bills/resolutions

- ✓ **Assembly Bill 45/Senate Bill 49** — Prohibits local government from placing restrictions on utility service based on the type or source of energy.
- ◆ **Assembly Bill 46/Senate Bill 47** — Requires notice to political subdivisions and landowners regarding proposed large solar energy facilities.
- ✓ **Assembly Bill 73** — Changes the phase-out of utility aid payments for decommissioned power plants.

- ◆ **Assembly Bill 165/Senate Bill 151** — Permits further regulation of wind energy systems by local governments.
- ✓ **Assembly Bill 245** — Provides additional county and municipal aid, in part through a city sales tax and an additional county sales tax.
- ✗ **Assembly Bill 258/Senate Bill 226** — Authorizes the establishment of community solar programs and grants rule-making authority.
- ✓ **Assembly Bill 275/Senate Bill 270** — Creates a process for damages claims relating to delayed relocation of utilities in a highway right of way.
- ✓ **Assembly Bill 302/Senate Bill 308** — Creates a sales and use tax exemption for data center equipment or software.
- ✓ **Assembly Bill 406/Senate Bill 389** — Adopts changes to the federal Internal Revenue Code for state tax purposes.
- ✓ **Assembly Bill 470/Senate Bill 481** — Grants an incumbent transmission facility owner the right to construct, own and maintain certain transmission facilities, and establishes Public Service Commission of Wisconsin procedures if the transmission facility is a regionally cost-shared transmission line.
- ◆ **Assembly Bill 798/Senate Bill 746** — Makes changes involving the Department of Agriculture, Trade and Consumer Protection's regulation of petroleum products and storage of dangerous substances.
- ✓ **Assembly Bill 846/Senate Bill 791** — Establishes an exemption from public utility regulation regarding electric vehicle charging stations, rules for the installation and operation of electric vehicle charging stations by state agencies or local governmental units, and an excise tax on electric vehicle charging.
- ✓ **Assembly Bill 878/Senate Bill 812** — Increases the maximum penalties for gas pipeline safety violations.
- ✓ **Senate Bill 531** — Prohibits and establishes a penalty for caller identification spoofing.



# 2023 awards and recognition

**Arbor Day Foundation** — We Energies and Wisconsin Public Service (WPS) were again selected as Tree Line USA utilities. The award recognizes the companies' efforts in providing dependable, reliable service while using best-practice vegetation management techniques.

**Chicago Minority Supplier Development Council** — The council named Peoples Gas and North Shore Gas its 2023 Corporation of the Year. The annual honor is awarded to companies that demonstrate extraordinary commitment to expanding business partnerships with minority contractors.

**FTSE Russell** — WEC Energy Group was again included in the FTSE4Good Index Series, which is made up of companies that reflect strong environmental, social and governance risk management practices. This sustainability tool helps investors create investment funds and benchmark their performance.

**M3** — We Energies received the inaugural Paving the Pathway award from M3 in recognition of the company's "commitment to strengthening Wisconsin's future workforce through work-based learning." The M3 initiative is a collaboration between Milwaukee's three primary public educational institutions: Milwaukee Public Schools, Milwaukee Area Technical College and University of Wisconsin-Milwaukee.

**Minnesota Safety Council** — Minnesota Energy Resources was presented with an Outstanding Achievement Award as part of the Minnesota Safety Council Governor's Safety Award program, recognizing the company's occupational safety performance.

▶ **University of Wisconsin** — WEC Energy Group was presented with the Regents Business Partnership Award in recognition of its longstanding support for University of Wisconsin-Milwaukee and its students.

**Wisconsin Department of Workforce Development** — WEC Energy Group again received the Vets Ready Employer Initiative Award, achieving Gold Level recognition. This award honors Wisconsin employers for demonstrating a commitment to hiring veterans, supporting their veteran workforce and connecting with the veteran community.



**Newsweek** — WEC Energy Group was named among "America's Greatest Workplaces" and "America's Greatest Workplaces for Diversity." POWER Magazine — The magazine presented WEC Energy Group with its 2023 Hydrogen Award in recognition of the innovative research done through the company's hydrogen blending pilot.



*University of Wisconsin Regents Business Partnership Award accepted by Gale Klappa.*

# Appendix

## Non-GAAP Earning Measures

<i>(in millions)</i>	<b>2023</b>
WEC Energy Group GAAP	\$ 1,331.7
Impairment related to ICC disallowances pre-tax	\$ 178.9
Tax impact	\$ (49.1)
<b>WEC Energy Group Adjusted net income</b>	<b>\$ 1,461.5</b>

## Reconciliation of Reported EPS (GAAP) to Adjusted EPS (Non-GAAP)

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2023</b>
Reported EPS – GAAP basis	\$2.59	\$2.34	\$ 2.96	\$ 3.79	\$ 4.22
Acquisition Costs	\$0.06	\$0.39	\$ 0.01	-	-
Integrus Earnings		\$(0.47)			
Impact of Additional Shares		\$0.47			
Tax Benefit Related to Tax Cuts and Jobs Act of 2017				\$( 0.65)	
Illinois Disallowance					\$ 0.41
<b>Adjusted EPS – Non-GAAP Basis*</b>	<b>\$2.65</b>	<b>\$2.73</b>	<b>\$ 2.97</b>	<b>\$ 3.14</b>	<b>\$ 4.63</b>

\* WEC Energy Group has provided adjusted earnings per share (non-GAAP earnings per share) as a complement to, and not as an alternative to, earnings per share presented in accordance with GAAP. Adjusted earnings per share exclude, as applicable, (1) a one-time reduction in income tax expense related to a revaluation of our deferred taxes as a result of the Tax Cuts and Jobs Act of 2017; (2) costs related to the acquisition of Integrus Energy Group; (3) the results of operations of Integrus and its subsidiaries; (4) the additional shares of WEC Energy Group common stock that were issued as part of the acquisition; and (5) a non-cash charge related to the ICC's disallowance of certain capital costs. None of these items are indicative of WEC Energy Group's operating performance. Therefore, WEC Energy Group believes that the presentation of adjusted earnings per share is relevant and useful to investors to understand the company's operating performance. Management uses such measures internally to evaluate the company's performance and manage its operations.



## Cautionary statement regarding forward-looking information

In this report, we make statements concerning our expectations, beliefs, plans, objectives, goals, strategies, and future events or performance. These statements are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Readers are cautioned not to place undue reliance on these forward-looking statements. Forward-looking statements may be identified by reference to a future period or periods or by the use of terms such as “anticipates,” “believes,” “could,” “estimates,” “expects,” “forecasts,” “goals,” “guidance,” “intends,” “may,” “objectives,” “plans,” “possible,” “potential,” “projects,” “seeks,” “should,” “targets,” “will,” or variations of these terms.

Forward-looking statements include, among other things, statements concerning management’s expectations and projections regarding social, environmental and climate strategies, policies and goals; completion of capital projects; sales and customer growth; environmental and other regulations, including associated compliance costs; legal proceedings; fuel costs; sources of electric energy supply; coal and natural gas deliveries; remediation costs; climate-related matters; capital resources; and other matters.

Forward-looking statements are subject to a number of risks and uncertainties that could cause our actual results to differ materially from those expressed or implied in the statements. These risks and uncertainties include those described under “Risk Factors” in our Annual Report on Form 10-K for the year ended Dec. 31, 2023, and subsequent quarterly reports on Form 10-Q and those identified below:

- Factors affecting utility and nonutility energy infrastructure operations such as catastrophic weather-related damage, environmental incidents, unplanned facility outages and repairs and maintenance, and electric transmission or natural gas pipeline system constraints;
- Factors affecting the demand for electricity and natural gas, including political or regulatory developments; varying, adverse or unusually severe weather conditions, including those caused by climate change; changes in economic conditions; customer growth and declines; commodity prices; energy conservation efforts; and continued adoption of distributed generation by customers;
- The timing, resolution, and impact of rate cases and negotiations, including recovery of deferred and current costs and the ability to earn a reasonable return on investment, and other regulatory decisions impacting our regulated operations;
- The impact of federal, state and local legislative and/or regulatory changes, including changes in rate-setting policies or procedures, the results of recent or upcoming rate orders, deregulation and restructuring of the electric and/or natural gas utility industries, transmission or distribution system operation, the approval process for new construction, reliability standards, pipeline integrity and safety standards, allocation of energy assistance, energy efficiency mandates, electrification initiatives and other efforts to reduce the use of natural gas, and tax laws, including those that affect our ability to use production tax credits and investment tax credits, as well as changes in the interpretation and/or enforcement of any laws or regulations by regulatory agencies;
- Federal, state, and local legislative and regulatory changes relating to the environment, including climate change and other environmental regulations impacting generation facilities and renewable energy standards, the enforcement of these laws and regulations, changes in the interpretation of regulations or permit conditions by regulatory agencies, and the recovery of associated remediation and compliance costs;
- The ability to obtain and retain customers, including wholesale customers, due to increased competition in our electric and natural gas markets from retail choice and alternative electric suppliers, and continued industry consolidation;
- The timely completion of capital projects within budgets and the ability to recover the related costs through rates;
- The impact of changing expectations and demands of our customers, regulators, investors and other stakeholders, including focus on environmental, social and governance concerns;
- The risk of delays and shortages, and increased costs of equipment, materials or other resources that are critical to our business operations and corporate strategy, as a result of supply chain disruptions (including disruptions from rail congestion), inflation, and other factors;
- The impact of public health crises, including epidemics and pandemics, on our business functions, financial condition, liquidity and results of operations;
- Factors affecting the implementation of our carbon dioxide emission and/or methane emission reduction goals and opportunities and actions related to those goals, including related regulatory decisions; the cost of materials, supplies and labor; technology advances; the feasibility of competing generation projects; and our ability to execute our capital plan;
- The financial and operational feasibility of taking more aggressive action to further reduce greenhouse gas emissions in order to limit future global temperature increases;
- The risks associated with inflation and changing commodity prices, including natural gas and electricity;
- The availability and cost of sources of natural gas and other fossil fuels, purchased power, materials needed to operate environmental controls at our electric generating facilities, or water supply due to high demand, shortages, transportation problems, nonperformance by electric energy or natural gas suppliers under existing power purchase or natural gas supply contracts, or other developments;
- Any impacts on the global economy, including from sanctions, and impacts on supply chains and fuel prices, generally, from ongoing, escalating, or expanding regional conflicts, including those in Ukraine, Israel, and other parts of the Middle East and related sanctions;
- Changes in credit ratings, interest rates and our ability to access the capital markets, caused by volatility in the global credit markets, our capitalization structure, and market perceptions of the utility industry, us or any of our subsidiaries;
- Costs and effects of litigation, administrative proceedings, investigations, settlements, claims and inquiries;
- The direct or indirect effect on our business resulting from terrorist or other physical attacks and cybersecurity intrusions, as well as the threat of such incidents, including the failure to maintain the security of personally identifiable information, the associated costs to protect our utility assets, technology systems and personal information, and the costs to notify affected persons to mitigate their information security concerns and to comply with state notification laws;
- Restrictions imposed by various financing arrangements and regulatory requirements on the ability of our subsidiaries to transfer funds to us in the form of cash dividends, loans or advances that could prevent us from paying our common stock dividends, taxes, and other expenses, and meeting our debt obligations;
- The risk of financial loss, including increases in bad debt expense, associated with the inability of our customers, counterparties and affiliates to meet their obligations;
- Changes in the creditworthiness of the counterparties with whom we have contractual arrangements, including participants in the energy trading markets and fuel suppliers and transporters;
- The financial performance of American Transmission Co. LLC and its corresponding contribution to our earnings;
- The investment performance of our employee benefit plan assets, as well as unanticipated changes in related actuarial assumptions, which could impact future funding requirements;
- Factors affecting the employee workforce, including loss of key personnel, internal restructuring, work stoppages, and collective bargaining agreements and negotiations with union employees;
- Advances in technology, and related legislation or regulation supporting the use of that technology that result in competitive disadvantages and create the potential for impairment of existing assets;
- Risks related to our nonutility renewable energy facilities, including unfavorable weather, changes in the financial performance and/or creditworthiness of counterparties to the offtake agreements, changes in demand based on lower prices for alternative energy sources, the ability to replace expiring power purchase agreements under acceptable terms, risks of rights related to property on which our projects are located but we do not own, the availability of reliable interconnection and electricity grids, and exposure to the rules and procedures of the power markets in which these facilities are located;
- The risk associated with the values of goodwill and other long-lived assets, including intangible assets, and equity method investments, and their possible impairment;
- Potential business strategies to acquire and dispose of assets or businesses, or portions thereof, that cannot be assured to be completed timely or within budgets, and legislative or regulatory restrictions or caps on non-utility acquisitions, investments or projects, including the State of Wisconsin’s public utility holding company law;
- The timing and outcome of any audits, disputes, and other proceedings related to taxes;
- The effect of accounting pronouncements issued periodically by standard-setting bodies; and
- Other considerations disclosed elsewhere herein and in reports we file with the Securities and Exchange Commission or in other publicly disseminated written documents.

Except as may be required by law, we expressly disclaim any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.