



2024 Corporate Responsibility and Sustainability Report



This report includes forward-looking statements and estimates of future performance that may differ from actual results because of uncertainties and risks encountered in day-to-day business.

Our Vision



Thank you for your interest in our ongoing sustainability journey. Our annual Corporate Responsibility and Sustainability Report explores the many ways in which Madison Gas and Electric (MGE) is pursuing a cleaner future and investment in new technologies to benefit all customers in an evolving energy landscape.

Your community energy company continues to make progress toward our carbon reduction goals. We have reduced our carbon emissions by about 40% compared to 2005 levels, putting us halfway to our 2030 goal.

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On behalf of all customers, by 2030, we expect to deliver our customers electricity with 80% fewer carbon emissions (based on 2005 levels), and by 2050, MGE expects to deliver net-zero carbon electricity.
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We are transitioning our energy supply cost-effectively, engaging customers in global decarbonization strategies, and working with residential and business customers toward the electrification of transportation and other end uses.

In 2023, we continued to grow our use of renewable energy:

- The second phase of the 300-megawatt (MW) Badger Hollow Solar Farm came online. A total of 100 MW from Wisconsin's largest solar facility serves MGE customers.
- The 92-MW Red Barn Wind Farm came online. MGE owns a 10% share of the facility in southwestern Wisconsin.

The company also received approval to purchase a 10% share of the 300-MW Koshkonong Solar Energy Center, which is expected online in 2026.

Since announcing our original carbon reduction goals in November 2015, MGE has added more than 200 MW of solar and more than 90 MW of wind generation facilities to our portfolio. As a minority owner of coal-fired generation, the company expects coal to be used only as a backup fuel by the end of 2030, and we expect to eliminate it from our ownership portfolio by the end of 2032.

Our customers are more than ever active participants in our shared energy future. We continue to engage customers through our clean energy programs and through our programs to help manage when and how they use energy. Our customer-focused solutions are designed to help MGE meet our goals and to meet our customers where they are—to meet their needs, preferences and their expectations of your community energy company.

Within the last year, we added three new members to our Board of Directors. With oversight from an active and engaged board, we continue to prepare our workforce for the future, from diverse recruitment and thoughtful retention efforts to career development and training to Employee Resource Groups and other engagement activities.

For more than 150 years, your community energy company has evolved with our industry and with those we serve. Our commitments to safety, reliability, resiliency, energy affordability and value help ensure our communities continue to grow and to thrive into the future.

*-Jeff Keebler
Chairman, President and CEO
MGE Energy and Madison Gas and Electric*

Our Commitment



We Power Safety. Work Safe. Home Safe.

It serves as a reminder of our top priority for our employees, customers and communities.

In my role, I oversee safety, sustainability and environmental affairs at MGE, where we embrace the philosophy of continuous improvement. Since establishing our carbon reduction goals, we have said, if we can go further faster by working with our customers, we will. Our recent investments in sustainable energy reflect our commitment to our goals—and reflect our continued progress.

We also continue to explore ways to advance sustainability throughout all our operations. MGE has expanded our use of agrivoltaics through solar grazing. MGE's Tyto Solar, which came online in early 2024, hosts sheep throughout the growing season to manage the brush and ground cover sustainably. The company also continues to explore ways to increase habitat for monarch butterflies and other pollinators at our solar facilities.

Building on our commitment to sustainable energy, MGE established a goal of net-zero methane emissions from our natural gas distribution system by 2035. In addition to our strategies, MGE introduced a renewable natural gas option for customers to offset their emissions from their use of natural gas. By working together, we can achieve our goals and help our customers achieve their own.

With our commitment to increased sustainability is our ongoing commitment to energy affordability. Throughout the past 10 years, which includes MGE's

most recent rate case for the years 2024 and 2025, customer rate increases have been below the rate of inflation. An MGE residential electric customer bill as a percentage of customer wallet at 1.51% is below the Wisconsin utility peer average of 1.67%.

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MGE is growing its use of cost-effective, clean energy while maintaining safety, reliability and affordability and continuing efforts to engage and to empower customers through programs, resources and tools to manage their energy use and costs.
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MGE is committed to transparency. Our ESG Data Center hosts additional disclosures, such as our CDP (Carbon Disclosure Project) climate change questionnaire, our Task Force on Climate-Related Financial Disclosures report, our EEI-AGA sustainability reporting templates and more.

Thank you for your interest in MGE and in our sustainability efforts.

-Cari Anne Renlund
Vice President, General Counsel and Secretary
MGE Energy and Madison Gas and Electric

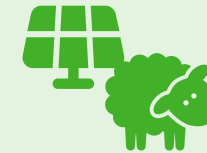
Safe, reliable, affordable and sustainable energy starts with our more than 700 employees, many of whom celebrated the 10th anniversary of our corporate safety initiative this year.

In 2014, MGE launched the initiative to improve our safety culture. Our employee-led Safety Steering Team and Safety Executive Team were established. Shortly thereafter, our first Continuous Improvement (CI) Safety Teams were organized to address improvement opportunities.

Our safety vision statement, developed by one of our employee-led CI Teams, is embraced by our workforce and visible throughout our campus.

Sustainability Snapshot

On behalf of all customers, by 2030, MGE expects to deliver customers electricity with **80% fewer** carbon emissions, compared to 2005, our baseline, as we work toward **net-zero** by 2050.



In 2024, MGE expanded its use of agrivoltaics by adding **sheep** at MGE's Tyto Solar to help manage ground cover sustainably.



MGE is working toward **net-zero methane emissions** from our natural gas distribution system by 2035.



MGE has reduced carbon emissions approximately **40%** since 2005, our baseline.

MGE has ranked in the **top 3** utilities nationwide for the fewest number of outages for more than **15 years**.



MGE has a goal of **100% all-electric** or **plug-in hybrid** light-duty vehicles by 2030.



The Board of Directors has welcomed **6 new directors** since 2018.



We power safety. Work safe. Home safe. In 2024, MGE marks its **10-year anniversary** of our journey to safety excellence.



By the end of 2032, MGE expects to have **eliminated coal** as an energy source.



The MGE Foundation has given more than **\$8.7 million** to **400+** community organizations in the last five years.



2024 Corporate Responsibility and Sustainability Report

Environmental

As your community energy company, MGE recognizes its responsibility to preserve and protect the environment while serving our communities with safe, reliable, affordable and sustainable energy. We are proactive and forward-thinking in our stewardship and promote sustainability with our partners, suppliers and employees as we work together to build a cleaner, smarter future.

This report includes forward-looking statements and estimates of future performance that may differ from actual results because of uncertainties and risks encountered in day-to-day business.





Jeff Jaeckels
 Director Safety, Sustainability
 and Environmental Affairs

A message from the Director of Safety, Sustainability and Environmental Affairs

Our commitment to environmental stewardship goes beyond regulatory compliance. Our team in Safety, Sustainability and Environmental Affairs takes a proactive approach to advancing the culture and continual improvement of environmental, safety and sustainability practices throughout our organization. Safety and sustainability are top priorities at MGE. This report highlights how we focus on our sustainability goals and our performance.

Our Environmental and Sustainability Policy

In pursuit of our mission and in support of our commitment to those we serve, MGE:

- Complies with all environmental laws, regulations, permit requirements and other corporate environmental commitments and exceeds compliance as demonstrated by the commitments in this policy.
- Seeks environment-friendly options and waste minimization when considering sources of supply, material and contractors.
- Considers the environmental impacts of applicable company activities and seeks sustainable, cost-effective ways to reduce adverse environmental impacts and risks.
- Sets corporate goals and objectives and fosters a culture of continuous improvement in environmental and employee safety performance.
- Educates employees about MGE's environmental responsibilities and policy and communicates and reinforces environmental values throughout the company.
- Provides regular updates on environmental and sustainability initiatives and performance to MGE's Board of Directors to advance oversight and transparency of company operations.
- Explores opportunities to advance new, cost-effective technologies for the benefit of all and to reduce the community's collective environmental footprint.
- Partners with community stakeholders to promote environmental education, energy efficiency and conservation.
- Communicates openly and honestly with the public regarding MGE's environmental policy and performance.
- Contributes to the well-being of its communities through charitable and corporate giving and the service and volunteerism of employees.

Highlights



- With carbon as our target and consistent with global climate science, by 2030, MGE expects to deliver electricity with 80% fewer carbon emissions to MGE electric customers. By 2050, MGE expects to deliver net-zero carbon electricity. As of year-end 2023, MGE has reduced carbon emissions by about 40% since 2005, our baseline.
- Renewable energy continues to play a critical role in MGE's strategy for reducing carbon emissions. In 2023, MGE added nearly 60 megawatts (MW) of wind and solar to its energy supply mix to serve MGE electric customers. Additionally, more than 200 MW of renewable generation and more than 95 MW of battery storage are expected to be added by the end of 2028.
- MGE continues to transition away from coal-fired generation and has no sole ownership of coal-fired assets. By the end of 2030, MGE expects coal to be used only as a backup fuel at Elm Road Generating Station. By the end of 2032, MGE expects to have eliminated coal as an energy source.
- MGE is expanding its successful clean energy programs for customers. Our green pricing program for electric service added an option that tailors a customer's participation to account for the existing renewable energy resources in MGE's overall generation mix. MGE also has asked State regulators to approve a new community solar program largely based on the original program, Shared Solar. And, MGE has added an option for our gas customers who are interested in renewable natural gas.
- MGE has a goal to achieve net-zero methane emissions from our natural gas distribution system

by 2035. Our strategies for achieving net-zero methane emissions include enhanced leak detection and repair, implementation of cost-effective technologies and processes, and the introduction of renewable natural gas to offset residual emissions. MGE also is piloting new technology to reduce methane emissions when operations are transferred from one gas line to another.

- Working with customers through our demand response program, MGE Connect®, MGE is able to better understand the role and impact of smart devices, such as Wi-Fi-connected thermostats, in managing demand on our community grid. During the 2023 summer season, about 5,400 participating households lowered demand an average of 4 MW each hour during some of the events that were initiated to manage demand from residential thermostats.
- As the number of electric vehicles (EVs) on the road continues to grow, MGE is prepared to meet the need with managed charging, our growing public charging network of more than 50 stations and programs to facilitate charging at home, at work and on the go.
- MGE continues to add cleaner vehicles to our fleet, where possible. We are targeting a goal of 100% all-electric or plug-in hybrid light-duty vehicles by 2030.
- MGE continues to increase our efforts to provide habitat for monarch butterflies and pollinators at our solar facilities. We also welcomed grazing sheep at one of our facilities to help control ground cover in a sustainable way.

Decarbonization goals and strategies

Carbon is our target. MGE is working to achieve deep decarbonization, consistent with global climate science, as quickly, responsibly and cost-effectively as we can. As MGE decarbonizes the electric grid—transitioning our energy supply mix to greater use of renewables—energy efficiency and electrification by our customers become more powerful in reducing carbon emissions.

Carbon reduction goals consistent with climate science

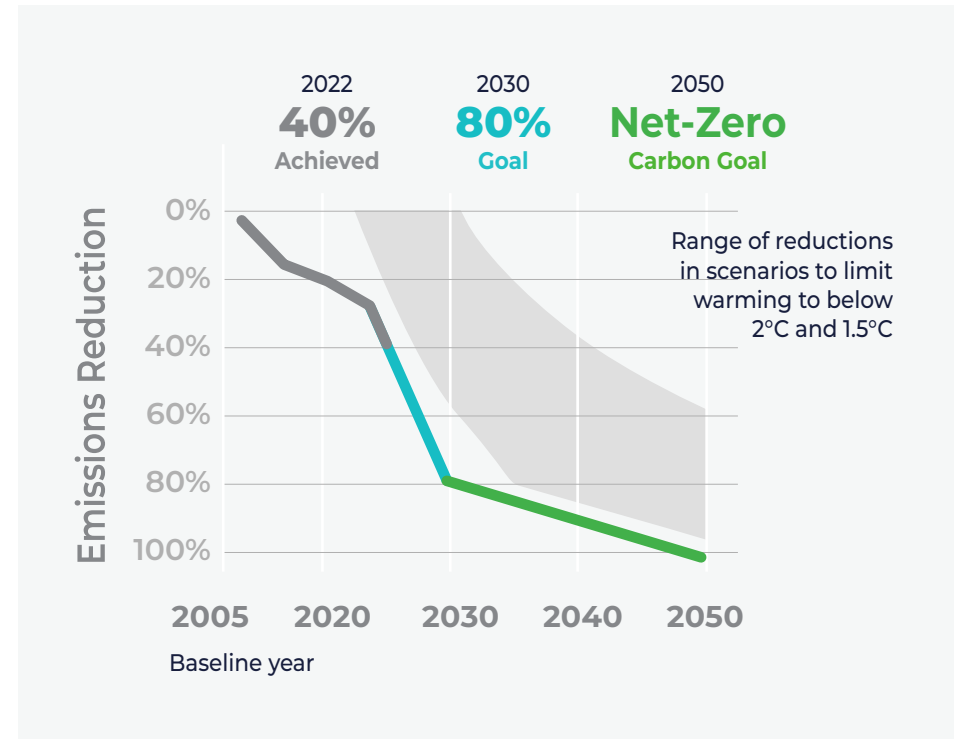
In May 2019, we announced a goal of net-zero carbon electricity by the year 2050. MGE was one of the first utilities in the nation to commit to net-zero carbon electricity by mid-century. This target is based on global climate science and is consistent with the work of the Intergovernmental Panel on Climate Change (IPCC) and its assessment of limiting global temperature increases to 1.5 degrees Celsius. MGE continues to follow the latest climate science as we work toward carbon reduction targets consistent with the science.

In January 2022, we built on previously set carbon emissions goals for 2030, announcing our goal to reduce carbon at least 80% by 2030 from 2005 levels as we work toward achieving net-zero carbon electricity. This goal surpassed MGE’s previous expectation to reduce carbon emissions at least 65% by 2030.

Under our commitment to carbon reductions, by 2030, we expect to deliver electricity with 80% fewer carbon emissions to MGE customers. Similarly, by 2050, we expect to deliver net-zero carbon electricity. We have said since establishing our carbon reduction goals that if we can go further faster by working with our customers, we will.

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On behalf of all customers, by 2030, we expect to deliver electricity with 80% fewer carbon emissions to our customers.
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MGE’s carbon goals align with scenarios limiting global warming to 1.5°C and 2°C



Progress toward our carbon reduction goals

With more than one billion dollars in investment in clean energy expected from 2015 through 2028, renewable energy will play a significant role in helping to achieve our goals of at least an 80% reduction in carbon by 2030 from 2005 levels and net-zero carbon electricity by 2050. As of year-end 2023, MGE has reduced carbon emissions by about 40% since 2005, our baseline.

Clean Energy

MGE's goals and decarbonization strategies are aligned with climate science. We're doing everything we can today to lower carbon emissions as quickly and as cost-effectively as we can.

Cost-effective renewable energy will continue to play a critical role in our strategy for reducing carbon emissions, which is reflected in our recent clean energy investments. We continue to evaluate potential new wind and solar sites beyond what is currently planned.

From year to year, the sources used to serve our customers vary in percentage based on how much the sun shines, how much the wind blows and other energy market conditions. In 2023, renewable energy accounted for about 20% of MGE's overall generation mix serving customers. MGE expects to achieve our goal under our Energy 2030 framework of 25% renewable energy by 2025.



Recent clean energy projects

- **Morey Field Solar:** Expanding our highly successful community solar program, Shared Solar, with a 6-megawatt (MW) solar array at the Middleton Municipal Airport in Middleton. Three and one-half MW from the array serve Shared Solar. Two and one-half MW serve the Middleton-Cross Plains Area School District and the City of Middleton under MGE's Renewable Energy Rider program. The array came online in 2020.
- **Two Creeks Solar:** Purchasing 50 MW of solar capacity from the 150-MW Two Creeks Solar project, which came online in fall 2020. Two Creeks Solar was the first large-scale solar project to be built in Wisconsin.
- **Dane County Airport Solar:** Partnering with Dane County to build a 10-MW solar installation at the Dane County Regional Airport in Madison, which came online in late 2020 to serve Dane County operations.
- **O'Brien Solar Fields:** Bringing online in spring 2021 the 22-MW project in Fitchburg, Wis. The array serves the University of Wisconsin-Madison, State of Wisconsin Department of Administration, several local companies and the City of Fitchburg through our innovative Renewable Energy Rider program.
- **Badger Hollow Solar Farm:** Purchasing 100 MW of solar capacity from the 300-MW solar facility in Iowa County, Wis. Badger Hollow Phase I came online in late 2021 and Badger Hollow Phase II came online in late 2023.
- **Hermsdorf Solar Fields:** Partnering with the City of Madison and the Madison Metropolitan School District to build the 8-MW Hermsdorf Solar Fields in Madison, which came online in spring 2022.
- **Red Barn Wind Farm:** Purchasing 9.16 MW of wind capacity from the 92-MW wind farm in southwest Wisconsin. The wind farm came online in early 2023.
- **Tyto Solar:** Constructing the 6-MW Tyto Solar project in Fitchburg, Wis., which came online in early 2024.






Upcoming clean energy projects

- **Paris Solar-Battery Park:** Purchasing 20 MW of solar capacity and 11 MW of battery storage from the 200-MW solar project in southeast Wisconsin. The solar array is expected online in 2024 and the battery storage system is expected online in 2025.
- **Strix Solar:** Constructing a 6-MW solar array in Fitchburg, Wis., which is expected online in 2024. One-third of Strix Solar will serve our proposed Shared Solar II community solar program if the program is approved by State regulators. The remaining capacity will serve all MGE electric customers.
- **Darien Solar Energy Center:** Purchasing 25 MW of solar capacity and 7.5 MW of battery storage from the 250-MW Darien Solar Energy Center in southeast Wisconsin. The solar array is expected online in 2025. The battery storage is expected online in 2026.
- **Koshkonong Solar Energy Center:** Purchasing 30 MW of solar capacity and 16.5 MW of battery storage from the 300-MW solar project in Dane County. The solar array is expected online in 2026. The battery storage is expected online in 2027.

Clean energy projects pending regulatory approval

- **Sunnyside Solar Energy Center:** 20 MW of solar capacity (2026); 40 MW of battery storage (2027)
- **Badger Hollow Wind Farm:** 11.2 MW of wind capacity (2027)
- **Columbia Energy Storage Project:** 18-MW/180-megawatt-hour long-duration energy storage; MGE to own 19% of the facility (2027)
- **High Noon Solar Energy Center:** 30 MW of solar capacity (2027); 16.5 MW of battery storage (2027)
- **Ursa Solar:** 20 MW of solar capacity (2027)
- **Whitetail Wind Farm:** 6.7 MW of wind capacity (2027)
- **Dawn Harvest Solar:** 15 MW of solar capacity (2028)
- **Good Oak Solar:** 9.8 MW of solar capacity (2028)
- **Gristmill Solar:** 6.7 MW of solar capacity (2028)
- **Saratoga Solar:** 15 MW of solar capacity (2028); 5 MW of battery storage (2028)

Ongoing clean energy transition

2015 - 2020	2021 - 2025	2026 - 2030
 <p>wind</p> <p>Forward Energy Center 17.6 MW (2018) Saratoga Wind Farm 66 MW (2019)</p>	<p>Red Barn Wind Farm 9.16 MW (2023)</p>	<p>Badger Hollow Wind Farm* 11.2 MW (2027) Whitetail Wind Farm* 6.7 MW (2027)</p>
 <p>solar</p> <p>Shared Solar 0.5 MW (2017) Morey Field Solar 6 MW (2020) Two Creeks Solar 50 MW (2020) Dane County Airport Solar 10 MW (2020)</p>	<p>Badger Hollow I 50 MW (2021) O'Brien Solar Fields 22 MW (2021) Hermsdorf Solar Fields 8 MW (2022) Badger Hollow II 50 MW (2023) Tyto Solar 6 MW (2024)</p>	<p>Sunnyside Solar Energy Center* 20 MW (2026) High Noon Solar Energy Center* 30 MW (2027) Ursa Solar* 20 MW (2027) Dawn Harvest Solar* 15 MW (2028) Good Oak Solar* 9.8 MW (2028) Gristmill Solar* 6.7 MW (2028) Saratoga Solar* 15 MW (2028)</p>
 <p>under construction</p>	<p>Paris Solar-Battery Park 20 MW (2024) Strix Solar 6 MW (2024) Darien Solar Energy Center 25 MW (2025)</p>	<p>Koshkonong Solar Energy Center 30 MW (2026)</p>
 <p>battery storage</p>	<p>Paris Solar-Battery Park 11 MW (2025)</p>	<p>Darien Solar Energy Center 7.5 MW (2026) High Noon Solar Energy Center* 16.5 MW (2027) Koshkonong Solar Energy Center 16.5 MW (2027) Sunnyside Solar Energy Center* 40 MW (2027) Saratoga Battery* 5 MW (2028)</p>
 <p>transition from coal</p>	<p>Columbia Energy Center - planned suspension of coal operations by the end of 2029 Elm Road Generating Station - coal to be used as backup fuel (2030); coal use to be eliminated at plant (2032)</p>	

We continue to evaluate potential new wind and solar sites beyond what is currently planned.

**Pending regulatory approval*

Emissions reductions

We have reduced emissions by installing emission-reduction equipment and improving equipment efficiencies in our current generation fleet. As we work toward our ambitious carbon reduction goals, we continue to make significant investments in local and regional cost-effective renewable generation. We also continue to engage customers around energy efficiency and work with them to electrify transportation and other end uses.

Ensuring that new and changing technology serves all customers equitably is one of our key objectives under our Energy 2030 framework. We are working to build a smarter, cleaner community grid that serves to benefit all customers.

Edison Electric Institute-American Gas Association ESG/sustainability reporting templates

To advance further transparency and disclosure in company operations and governance, MGE participates in the Edison Electric Institute's (EEI) and American Gas Association's (AGA) environmental, social and governance (ESG)/sustainability-related reporting templates. The quantitative template includes data related to MGE's energy portfolio (generation and capacity), emissions, capital expenditures, and human and natural resources. The qualitative template includes information related to our company's management and oversight of and strategies for our transition toward deep decarbonization and greater sustainability. These templates are voluntary and industry-specific. Find them in our [ESG Data Center](#).

Greenhouse gas and other emissions					
	CO ₂	NO _x	SO ₂	PM	Hg
2021	1.47 lb/kWh	0.65 lb/MWh	0.31 lb/MWh	0.05 lb/MWh	0.0000038 lb/MWh
2022	1.26 lb/kWh	0.53 lb/MWh	0.22 lb/MWh	0.04 lb/MWh	0.0000025 lb/MWh
2023	1.26 lb/kWh	0.50 lb/MWh	0.25 lb/MWh	0.03 lb/MWh	0.0000013 lb/MWh
Decrease since 2005 (in mass)	40%	76%	97%	94%	98%

Carbon dioxide (CO₂) emissions are calculated from generating units owned by MGE, power purchase agreements and power purchased by MGE on the regional Midcontinent Independent System Operator market. The market purchase emission rate is based on a seven-state regional average CO₂ emission profile from all power produced in Wisconsin and the surrounding Midwest states.

Nitrogen oxide (NO_x), particulate matter (PM), mercury (Hg) and sulfur dioxide (SO₂) emission rates are calculated from MGE-owned generation assets, including MGE's share of jointly owned units.



Clean energy customer programs

Shared Solar

MGE's original community solar program, Shared Solar, gives residential and small business customers the option to power their household or business with locally generated solar energy for up to half of their annual energy use. It's an affordable option for customers who want to support local solar.

The voluntary program began in early 2017 with a 500-kilowatt array on the roof of the City of Middleton's Municipal Operations Center. In 2020, the Morey Field Solar project at the Middleton Municipal Airport came online.

Shared Solar II

Building on the success of Shared Solar, MGE is asking State regulators to approve a new community solar program that's largely based on the original program. Shared Solar II would offer residential and small business customers the option to receive carbon-free energy from Strix Solar for up to 50% of their annual energy use for six years. The proposal includes an option that makes participation in the program easier for lower-income customers who receive energy assistance.

Renewable Energy Rider

Our Renewable Energy Rider (RER) gives MGE and larger business customers who seek customized renewable energy solutions the opportunity to partner to grow locally generated renewable energy. The innovative program is designed to meet the needs and goals of companies that support or have signed on to the Corporate Renewable Energy Buyers' Principles, a collaboration facilitated by the World Resources Institute and the World Wildlife Fund.

MGE has built more than 40 MW of solar capacity under RER agreements since earning regulatory approval in 2017 to begin offering this clean energy option.



Clean Energy Honor Roll

Two MGE projects were among the clean energy projects recognized by RENEW Wisconsin on its 2023 Clean Energy Honor Roll. The 92-megawatt (MW) Red Barn Wind Farm, of which MGE owns 10%, and the 300-MW Badger Hollow Solar Farm, of which MGE owns 100 MW, were chosen for demonstrating leadership, ambition and climate awareness in their design and use of clean energy.




Elimination of coal-fired generation

MGE has no controlling interest in coal-fired resources. In 2011, MGE discontinued the use of coal at the only power plant in which we have sole ownership, our Blount Generating Station.

In 2018, MGE accelerated the depreciation of certain assets, including our combustion turbines, Blount Generating Station and Columbia Energy Center Unit 1. (In 2022, MGE received State regulatory approval to accelerate the depreciation of Unit 2 at Columbia to align with Unit 1 in 2029.)

As part of MGE's ongoing transition away from coal, MGE and the co-owners of the Columbia Energy Center plan to suspend coal operations at the plant by the end of 2029. With the planned suspension of coal-fired generation at Columbia, MGE will have eliminated approximately two-thirds of the company's current coal-fired generation capacity.

Ongoing transition from coal

 2029	Suspension of coal operations at Columbia Energy Center by end of year
 2030	Coal as backup fuel at Elm Road Generating Station
 2032	Coal-fired generation eliminated from portfolio

In fall 2021, MGE and the co-owners of the Elm Road Generating Station announced the plant's planned transition from coal to natural gas. By the end of 2030, MGE expects coal to be used only as a backup fuel at the Elm Road Generating Station, and by the end of 2032, MGE plans to have eliminated coal-fired generation from its ownership portfolio.

Long-duration energy storage

In August 2024, an application for State regulatory approval was filed for the Columbia Energy Storage project. If approved, the long-duration energy storage (LDES) project would be the first of its kind in the United States.

The innovative project received an award for a cooperative agreement with the U.S. Department of Energy in July 2024 to support the construction of a compressed carbon dioxide LDES system at the site of the Columbia Energy Center. It would use a closed-loop process either to create electricity or to store energy by transferring gas between its liquid and gaseous states. Through this process, the Columbia Energy Storage project would deliver electricity to the grid when it is needed or take electricity and store its energy when the grid has excess electricity.

The 18-MW facility would be capable of providing at least 10 hours of energy storage, enhancing reliability and dispatchability on the grid by storing energy to help meet peak demand. Pending approval, the energy storage system is expected to be operational by the end of 2027. MGE would own 19% of the Columbia Energy Storage project.



Resource planning and carbon regulation

When making generation decisions, MGE engages in extensive resource planning analysis and modeling, which consider many factors, including forecasted energy use projections; long-term impacts on customers, investors and the environment; potential future environmental regulations; assumptions related to the anticipated costs of fuel; and many other factors related to energy production. Our economic analysis explicitly includes possible projected carbon emissions limits to help ensure our decisions are financially sound—regardless of whether or how carbon is regulated in the future.

In addition, large new generating facilities are reviewed by the Public Service Commission of Wisconsin to ensure the projects are in the public interest. For larger projects, different generating scenarios are modeled in our regulatory application to demonstrate the need and to justify the cost. All proposals and decisions by the State regulatory body are part of the public record.

MGE's owned generating facilities*:

- Badger Hollow Solar Farm, Iowa County
- Blount Generating Station, Madison
- Columbia Energy Center, Portage (planned suspension of coal operations by the end of 2029)
- Combustion turbines, Madison and Marinette
- Dane County Airport Solar, Madison
- Elm Road Generating Station, Oak Creek (expected to fully transition away from coal by end of 2032)
- Forward Energy Center Wind Farm, Dodge and Fond du Lac counties
- Hermsdorf Solar Fields, Madison
- Morey Field Solar at Middleton Municipal Airport, Middleton
- O'Brien Solar Fields, Fitchburg
- Red Barn Wind Farm, Grant County
- Rosiere Wind Farm, Kewaunee County
- Saratoga Wind Farm, Howard County, Iowa
- Shared Solar at the Middleton Operations Center, Middleton
- Solar photovoltaic units, Dane County
- Top of Iowa Wind Farm, Worth County, Iowa
- Two Creeks Solar, Manitowoc County
- Tyto Solar, Fitchburg
- West Campus Cogeneration Facility, Madison
- West Riverside Energy Center, Beloit

We also purchase power through contracts and from the Midcontinent Independent System Operator market.

**All facilities are located in Wisconsin unless indicated otherwise.*



Green Power Tomorrow

MGE's long-standing Green Power Tomorrow (GPT) program offers customers a flexible, affordable option for supporting green energy. At a penny more per kilowatt-hour (kWh), GPT is a convenient and effective way for customers to support renewable energy and offset their greenhouse gas (GHG) emissions from their electric usage.

Effective Jan. 1, 2024, MGE introduced GPT 100. This option is for customers who want to participate in GPT for 100% of their electricity use. It tailors a customer's participation to account for the existing renewable energy resources in MGE's overall generation mix. As MGE's use of renewable energy in our standard resource portfolio continues to grow, a customer's allocation under GPT decreases.

GPT is served by regional MGE renewable resources. Today, approximately 10,000 customers participate in GPT.

GPT - RNG

In 2024, MGE introduced our GPT renewable natural gas (RNG) option for residential and business customers. GPT RNG is an easy way for customers to advance sustainability and offset their GHG emissions from their natural gas use. MGE is the first utility in Wisconsin to offer this type of RNG option to customers.

Unlike pipeline natural gas that is extracted from deep underground deposits, RNG is a processed biogas derived from organic waste. It also can be produced from degradable carbon sources, such as paper, cardboard and wood.

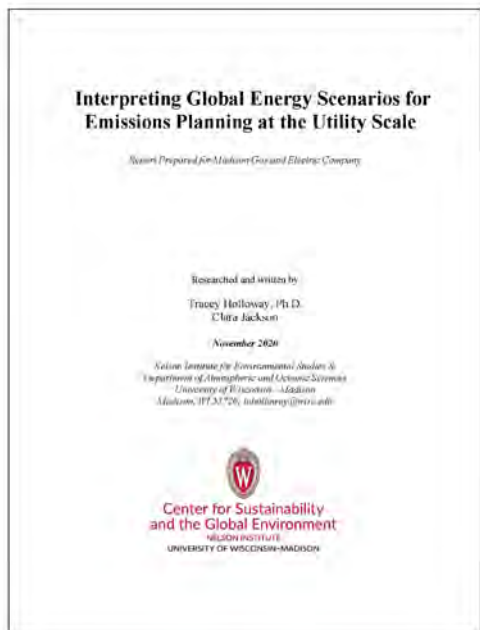
Under the GPT RNG option, customers pay an incremental charge to participate. MGE purchases Renewable Thermal Certificates (RTCs) on behalf of the customer to offset the emissions associated with the customer's monthly usage. Customers may select a set number of therms each month to offset through GPT RNG or a percentage of their monthly usage. MGE then purchases RTCs on the customer's behalf, offsetting the emissions associated with the customer's use of natural gas.

Customer-owned solar

We also work with customers who want to install solar to help power their homes or businesses. These customers connect to our community grid and sell their excess electricity to MGE. As of year-end 2023, we have partnered with more than 2,575 customers to connect their solar installations to our grid.

Climate science partnership with the University of Wisconsin

To inform our progress toward achieving deep decarbonization and net-zero carbon electricity, MGE worked with Dr. Tracey Holloway at the University of Wisconsin-Madison Nelson Institute for Environmental Studies and the Department of Oceanic Sciences to evaluate our goal. Dr. Holloway used climate modeling available through the IPCC for an analysis of MGE operations and our deep decarbonization goal. The models suggested that, by 2050, emissions from electricity generation in industrialized countries should be 87% to 99% lower than the 2005 baseline. MGE’s goal is net-zero carbon emissions, which is a 100% reduction from 2005 levels. The analysis showed MGE’s goal is in line with model benchmarks to limit global warming to 1.5 degrees Celsius. The full report, published in fall 2020, is available at minds.wiscconsin.edu and mge.com/netzero.



Our strategies for deep decarbonization

The U.S. Mid-Century Strategy (MCS) for Deep Decarbonization is the United States’ strategy for meeting the goals of the Paris Agreement on climate change to limit global warming. Both the MCS and the IPCC rely on decarbonizing electric generation, using energy efficiently and electrifying other energy uses, including transportation. These are the strategies MGE is pursuing and will continue to pursue to achieve deep decarbonization and net-zero carbon electricity.



Achieving net-zero carbon by 2050 will require the use of technologies not yet commercially available or cost-effective, but we continue to make progress toward realizing our commitments to greater sustainability, to continued industry leadership and to those we serve. We’ve said since establishing our goals that if we can go further faster by working together with our customers, we will.

Midcontinent Power Sector Collaborative

By working together with our customers and other stakeholders, we can develop solutions to the energy challenges of our times and reach our shared energy goals. For example, MGE is a partner in the Midcontinent Power Sector Collaborative (MPSC) facilitated by the Great Plains Institute in Minneapolis, Minn.

The MPSC, consisting of utilities, agencies, non-governmental organizations and environmental groups, works to provide analysis and guidance around decarbonization in the utility industry. MGE’s local partners in the MPSC included the nonprofit Clean Wisconsin and the Dane County Office of Energy and Climate Change.

The MPSC brings together diverse viewpoints and priorities to develop options to continue driving toward a lower carbon future and to better inform policymakers. The MPSC is one of many partnerships in which MGE is involved to further sustainable energy.

Natural gas to enable clean energy transition

Natural gas adds needed reliability and balance to our electric system while we continue to transition away from coal-fired generation and add more renewable energy to our generation mix.

While we are replacing much of the generation from the Columbia Energy Center with investments in renewable generation, in early 2023, MGE purchased 25 megawatts (MW) from the state-of-the-art West Riverside Energy Center. In 2024, the company purchased an additional 25 MW. The highly efficient West Riverside facility has lower emission rates compared to coal-fired generation and other older natural gas plants. We expect the carbon emissions resulting from a 50-MW share of the West Riverside Energy Center to be less than 10% of the carbon emissions resulting from our share of the average historical output of the Columbia Energy Center.

Natural gas is helping to enable MGE’s clean energy transition because it complements intermittent renewable energy with reliable, dispatchable energy. Natural gas helps to ensure reliability for our customers as we continue to decarbonize our energy supply. Natural gas plants can be dispatched quickly and at times when it’s more challenging for wind or solar generation, making it a reliable and cost-effective option to serve customers as we grow our use of renewables—and invest in battery storage.

Renewable resources will be used when they are available. Natural gas will be used for generation when it is necessary for reliability, if there isn’t enough wind blowing and sun shining or if battery storage resources are insufficient to meet the need at the time.

Net-zero methane emissions goal

Building on our existing sustainability and clean energy goals, MGE has set a goal to achieve net-zero methane emissions from our natural gas distribution system by 2035. Methane, which is a primary component of natural gas, is more than 25 times as potent as carbon dioxide. It can be emitted during the production, transmission and distribution of natural gas.

The company completed an in-depth analysis and inventory of all our greenhouse gas (GHG) emissions associated with our electric generation and distribution, purchase and distribution of natural gas, and other sources. Our inventory documented MGE’s GHG emissions from the following sources.

Scope 1 emissions are direct emissions from MGE facilities and operations. These are the only emissions under our direct control and management. They include emissions from:

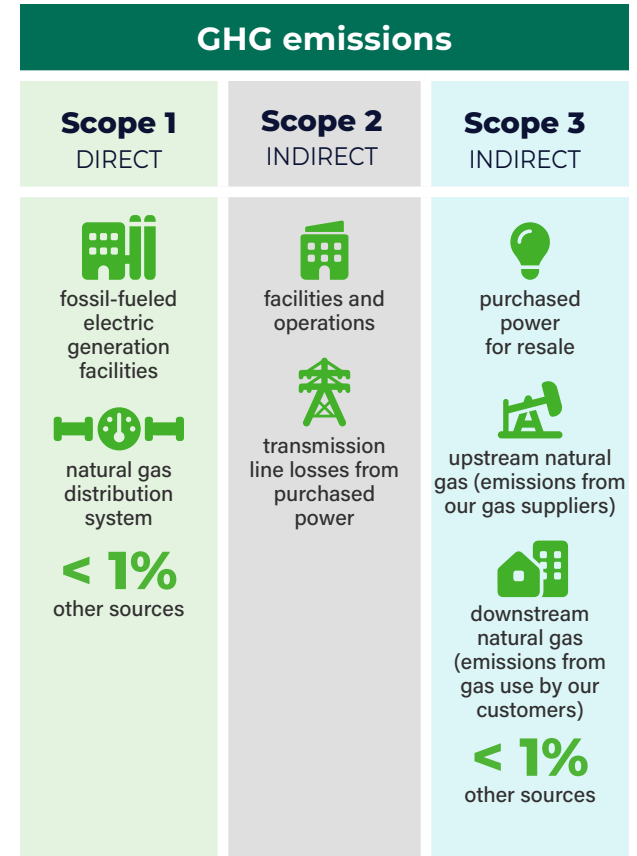
- MGE’s fossil-fueled electric generation facilities
- MGE’s natural gas distribution system
- Other sources accounting for less than 1% of our Scope 1 GHG emissions

Scope 2 emissions include indirect emissions from MGE facilities and operations. Most of MGE’s Scope 2 emissions come from transmission line losses from purchased power to serve our customers.

Scope 3 emissions are indirect emissions caused by what are considered “value chain” activities, such as purchases of materials, the creation of waste, employee travel and how a company’s product is used by its customers. Most of MGE’s Scope 3 emissions result from:

- Purchased power for resale to customers

- Upstream natural gas (emissions from our gas suppliers)
- Downstream natural gas (emissions from gas use by our customers)



Further study of our Scope 3 emissions resulting from upstream and downstream natural gas is ongoing; however, our inventory and analysis documented that more than half of MGE’s total GHG emissions come from sources already included in the company’s goal of net-zero carbon electricity—our fossil-fueled electric generation facilities (Scope 1) and purchased power for resale (Scope 3). MGE is working aggressively to

transition its electric generation fleet cost-effectively to achieve our goal of reducing emissions at least 80% by 2030 (from 2005 levels) and reaching net-zero carbon electricity by mid-century.

MGE's goal is to achieve net-zero methane in our natural gas distribution system by 2035. If we can go further faster, we will.

Our strategies for achieving net-zero methane emissions include:

Enhanced leak detection and repair: We will explore strategies, practices and/or commercially available technologies that help us to meet or to exceed current federal and State regulatory requirements surrounding leak-detection and repair methods.

Implementation of cost-effective technologies and processes: Improved monitoring of our system and estimated emissions will inform priorities for reduction opportunities. Consistent with those priorities, we will implement cost-effective technologies to improve the detection, measurement, mitigation and/or reduction of emissions from the operation and maintenance of our natural gas distribution system.

Renewable natural gas (RNG) to offset residual emissions: We will explore the use of RNG in our natural gas system to offset any remaining emissions we cannot directly control. New technologies, such as carbon capture, green hydrogen (zero-carbon hydrogen) and potentially other alternative fuels, continue to emerge and to evolve.

Proactive steps taken

We already have replaced all piping made of cast iron, bare or unprotected steel, and other material considered to be leak-prone in our natural gas distribution system. In addition, our leak-inspection and repair schedules exceed federal requirements. Our ongoing efforts to improve our system and our partnerships to prevent damages help to advance safety and reduce emissions.

MGE is working to reduce overall emissions from our natural gas distribution system cost-effectively as quickly as possible. Our framework for emissions reduction from our natural gas distribution system is available at mgeenergy.com.

New technology reduces methane emissions

As part of a natural gas line replacement project in late 2023, MGE used an environmentally friendly cross-compression technology for the first time. Typically, when operations are transferred from one pipeline to another, some of that gas is vented into the atmosphere. With the cross-compression process, the gas being transferred is captured, thereby significantly reducing the amount of methane gas that is released, preventing greenhouse gas emissions. On this project, MGE was able to recover the natural gas and avoid the equivalent of 10.69 metric tons of carbon dioxide emissions.

Specialized equipment moves the natural gas out of the pipeline that is being depressurized and into a different section of the system. This allows a purge while minimizing the amount of methane released to the atmosphere. Cross compression is a valuable addition to MGE's methane-reduction toolbox as we work toward our goal of net-zero methane emissions from our natural gas system by 2035.



MGE's first use of cross-compression technology to contain natural gas from being vented to the atmosphere when a line is retired.

Partnerships and collaborations

MGE has ongoing collaborations with a number of communities, including the cities of Fitchburg, Madison and Middleton. These partnerships serve to advance shared goals around renewable energy, EVs, and energy efficiency and conservation.

MGE also is a longtime partner of Sustain Dane, a local organization that has offered innovative programs for local residents and businesses for 25 years. During this time, Sustain Dane has been recognized as a leader in helping local organizations set and achieve sustainability goals. MGE and the City of Madison have partnered with Sustain Dane to host Accelerate Sustainability Workshops, which help local professionals learn more about sustainability best practices through local case studies.

MGE also has served as a member of the Dane County Council on Climate Change. The council included local government, businesses, utilities and environmental organizations. MGE's partnership with local stakeholders through the council offered another opportunity to work toward common goals, including deep decarbonization.

Energy efficiency, demand response and conservation

Managing our collective energy use is a key strategy for reducing carbon emissions. As MGE decarbonizes its electric generation, the role of energy efficiency, conservation and demand-side management, which includes how and when our customers use energy, becomes more powerful in achieving our carbon reduction goals.

MGE is committed to providing customers with the tools and resources they need to make wise energy choices that help reduce their individual carbon footprints. We strive to meet customers where they are to engage them in energy efficiency. Through the use of new technologies, hands-on workshops, energy education, conservation kits and innovative rate options, MGE is helping to empower customers to take control of their energy use to better manage long-term costs and to achieve deep decarbonization.

Managing demand with smart thermostats

Electric use peaks during stretches of hot, humid days when air conditioners run in a majority of homes and businesses. These periods of high electric use put pressure on utilities to generate and distribute enough electricity to everyone who needs it.

MGE Connect® is our demand response program for residential and small business customers. With customers' permission, minor temperature adjustments are made to their smart thermostats to shift energy use from periods of high demand. The program helps MGE better understand the role and impact of smart devices in helping manage demand on our community grid while helping customers reduce their energy use with minimal possible impact on comfort.

In summer 2023, MGE Connect helped us reduce peak usage by an average of 4 megawatts per event during a number of days with high demand. This is equal to the energy use of more than 1,300 households during those events.

In 2024, MGE expanded the MGE Connect program to include small business customers and controlled water heating options, and it also allows for non-summer events to manage demand throughout the year.

MGE also works with partners, such as FOCUS ON ENERGY®, Project Home and community organizations, to make smart thermostats and other energy-saving improvements available to lower-income households. MGE is committed to working with customers and our partners to help ensure all customers have the opportunity to share in the benefits of new technologies.

Exploring managed water heating

In 2024, MGE launched our Smart Water Heater pilot project as part of our expansion of MGE Connect. This is the next step in exploring the impacts of managed water heating after we partnered with residents at a local multifamily property to test the technology, which allowed MGE to shift water heating without impacting customer comfort.

This new pilot will offer MGE electric customers with smart water heaters in their homes incentives to join the pilot and allow MGE to manage when their water heater is running. Similar to our smart thermostat and EV managed charging options, the goal is to shift when energy is being used to help us better manage the grid, helping to manage long-term costs for all customers while providing rewards to those who participate. MGE will leverage the smart technology to manage when water heaters are heating based on grid and customer needs.

Conserving energy with MyMeter

MGE's MyMeter dashboard offers all business customers tools and strategies to reduce their energy use, especially during periods when demand for electricity is at its peak. MyMeter's online dashboard gives customers energy usage information in 15-minute increments, enabling them to identify energy-saving adjustments to cut costs and to reduce their environmental footprint. The MyMeter customer dashboard also:

- Provides electric and natural gas monthly billing and cost data.
- Enables automated benchmarking services to allow commercial property owners to benchmark their buildings using ENERGY STAR® Portfolio Manager.
- Allows users to set monthly energy challenge goals.

The MyMeter dashboard is a successor to our On Demand Savings program, which launched in 2015. MyMeter was made available to all business customers in 2023.

MyMeter helps customers comply with the City of Madison's Building Energy Savings Program, which took effect in 2024. The ordinance requires non-residential commercial buildings larger than 25,000 square feet to benchmark their energy use annually and to provide a summary report to the City. It also requires periodic building tune-ups every four years for buildings 50,000 square feet and larger.

Working with Focus on Energy

Focus on Energy, Wisconsin's statewide energy efficiency and renewable resource program, is MGE's partner in educating customers about the value of energy efficiency and conservation. MGE works with residential and commercial customers seeking incentives and rebates through Focus on Energy to make energy-saving improvements. Through our partnerships with Focus on Energy and other community organizations in 2023, we provided 375 Focus on Energy weatherization comfort kits and more than 3,500 LED light bulbs to low-income and vulnerable residential customers who historically have low participation rates in Focus on Energy programs.

In 2023, MGE business customers who participated in Focus on Energy programs saved more than 2,400 kilowatts (kW); about 14,444,000 kilowatt-hours (kWh); and 661,000 therms. They received nearly \$1,775,000 in incentives for completing conservation projects.

Residential customers saved nearly 2,700 kW; more than 10,817,000 kWh; and approximately 1,003,000 therms. They received more than \$3,400,000 in incentives for completing conservation projects.





Testing residential battery technology

MGE is collaborating with homeowners in the Madison area for a technology demonstration project to explore battery storage for residential electric customers. The homeowners' rooftop solar systems charge the batteries, which are then used during times of peak demand, during overnight hours and as a backup source of power for the households. This project helps us better understand how batteries operate in Wisconsin temperatures, how to maximize on-site renewable consumption and how batteries could help control long-term costs by managing our collective use of energy. Battery storage at homes, businesses and elsewhere on the grid will ultimately provide enhanced reliability as we continue our transition to greater use of renewable resources.

Meeting customers where they are

Our Residential and Community Services (RCS) team continues to connect in new ways with customers around energy efficiency, new technologies and other energy-related needs. Deepening our engagement with customers is one of our objectives under our Energy 2030 framework, which guides our work with customers toward a more sustainable future.

From our partnerships to offer free energy-saving items from Focus on Energy to our outreach to introduce our online tools and other resources to customers, our energy experts work with community partners and customers to answer questions about customer bills, help customers understand their energy usage, identify resources for assistance and more.

Managing energy usage at multifamily buildings

In 2023, the RCS team, in partnership with Focus on Energy, wrapped up the Strategic Energy Management for Multifamily pilot that launched in 2022. The innovative pilot included a two-pronged approach, including tenant engagement and operations and maintenance strategies.

The tenant workshops focused on cooling, dehumidification, ventilation and basic plug load strategies. For the operations/maintenance segment of the pilot, Focus on Energy conducted energy scans of the buildings and compiled lists of energy-saving opportunities for the property managers, ranging from HVAC and other mechanicals to lighting.

While the pilot ended in late 2023, the RCS team continues to support operational efficiency efforts as well as resident engagement efforts with the pilot's alumni customers.

Serving as a trusted energy resource

MGE's Home Energy Line to "ask the experts" is an efficient way for residential customers to get energy tips and answers to their energy-related questions via phone or email. In 2023, MGE energy experts provided individualized advice to more than 1,400 customers and conducted targeted digital engagement with customers and community partners throughout the year. Our energy experts connected with customers to answer questions and provide insight to help customers better understand and access available energy efficiency resources and rebates and MGE programs, including Charge@Home, MGE Connect®, our optional clean energy programs and our Time-of-Use rates.

MGE also maintains a separate line for business customers who need assistance.

Portable energy meters

MGE has donated more than 50 portable energy meters to area libraries for customers to use. The meters measure voltage, electricity cost and electric consumption. They help customers identify the potential causes of high energy use and better understand the exact operating costs of various items in their homes.



Energy education for our youth

We partner with local teachers, schools and summer programs from elementary school through college to help educate thousands of students about energy, electricity and natural gas safety, electric transportation, new technologies and career opportunities in the industry. MGE also offers a series of brief videos in English and Spanish to help educate students about solar energy and electric vehicles.

Learn more about our customer and youth engagement efforts in the [Social](#) section of this report.



Online resources

Simple, cost-effective energy-saving tips for homeowners, renters and businesses are available online from MGE. Customers also can compare their energy use and learn what has helped other customers save. For example, using My Account at *mge.com*, customers can review their bill, payment history and past energy use and sign up for MGE services. We share energy-saving tips, tools and information on our social media channels and online at:

mge.com

MGE's primary site for customer services; account access, paperless billing and bill payment; safety and outage information; and other news, information, programs and services from MGE.

In 2024, MGE launched a redesigned *mge.com* website. The redesign included changes to the site's look and feel and improvements to the site's functionality. The new *mge.com* provides customers and users with a more modern website and better customer experience and is more accessible for visitors with varying needs and abilities.

mge2050.com

A source for clean energy news, energy-saving tips and information. The site includes locally based videos and features articles around saving energy, MGE's programs and services, and initiatives for working together to reduce carbon emissions and to achieve net-zero carbon electricity by 2050.

genre2030.com

Features films and energy-related content with the goal of engaging MGE's millennial customers in the company's Energy 2030 framework for a more sustainable future.

livinginbalancemadison.com

Shares stories about what it means to be sustainable from MGE's diverse customer base and community members who are living it every day.

Electrification of transportation



Transportation is the leading contributor of greenhouse gas emissions in the U.S. The electrification of transportation (and other end uses) is a key strategy for reducing carbon emissions. MGE works with customers, stakeholders, municipalities and other community partners to grow the use of electric vehicles (EVs) and to facilitate charging options throughout our community. We also partner with customers to manage EV charging remotely.

We have been working to advance EVs for about 15 years. As the number of EVs on the road continues to grow, MGE is prepared to meet the need with managed charging, our growing public charging network of more than 50 stations—powered by renewable energy—and programs to facilitate charging at home, at work and on the go. Our public charging network features 12 DC fast chargers. MGE's DC fast chargers can provide anywhere from 60 miles to 350 miles of range in about 20 minutes, depending on the speed of the charger and capabilities of the vehicle.

MGE's EV fleet goal

MGE continues to add cleaner vehicles to our fleet, where possible. We are targeting a goal of 100% all-electric or plug-in hybrid light-duty vehicles by 2030. Including current and ordered vehicles, more than 42% of our light-duty vehicle fleet is all-electric or plug-in hybrid.

Our fleet includes a plug-in hybrid Ford F-150 pickup truck, seven Ford F-150 Lightning all-electric pickup trucks, five Ford E-Transit vans, nine Ford Escapes, two Volkswagen ID.4s, two Chevrolet Bolts, one Ford Mach-E, three Kia Sportages, one Kia Sorento, one step van and nine bucket trucks with battery-powered technology, and other all-electric passenger vehicles. We added seven EVs to the fleet in 2023. More EVs have been ordered and will be added to our fleet as they become available.

Fast-charging hub

One of the first of its kind in Wisconsin, MGE's EV fast-charging hub in the heart of Madison's Capitol East District provides convenient EV fast charging—powered by renewable energy—for nearby apartment and condo dwellers, single-family households, commuters, and taxi and ridesharing services as well as electric fleet vehicles.

The hub has been fully operational since December 2022. With power levels up to 350 kW, the hub's high-speed chargers are some of the most powerful EV chargers in the Midwest. These chargers will support fast charging for EVs with greater driving ranges in the future.

Through a partnership with Tesla, the hub also has eight Superchargers from the electric car maker. Quick and easy EV charging will help enable the growth of more sustainable transportation options. As with all our public chargers, the hub is powered by 100% renewable energy.

National Electric Highway Coalition

MGE is partnering with the Edison Electric Institute (EEI) and more than 60 other electric utilities across the country in support of the National Electric Highway Coalition (NEHC). The NEHC is committed to quick and convenient EV charging along major U.S. travel corridors. To date, EEI member companies have invested more than \$4 billion in customer programs and projects to deploy charging infrastructure and to accelerate electric transportation.

EV equity project

MGE is committed to helping ensure new and sustainable energy technologies benefit all our customers. We recognize the importance of engaging diverse communities in the transition to EVs and have conducted research to gather insights from our diverse customer base about their thoughts and concerns related to EVs. This research will help MGE design programs to better support our diverse communities' transition to EVs.

Managed charging

Demand for electricity to charge EVs can be unpredictable as customers charge at their convenience. With MGE's managed charging program, Charge Ahead, the customer or utility remotely controls vehicle charging to better correspond to the needs of the electric grid. The opportunity to shift EV charging to lower-cost times and periods when renewable generation is most productive will help us prepare for more EV charging on our distribution grid.

Managed charging also serves to benefit all MGE customers by reducing the need for electrical system upgrades and new generation facilities long term. As more drivers opt for EVs, MGE's ability to work with customers to manage charging becomes increasingly important.



Residential charging

Charge@Home, MGE's home charging program, makes it easy for EV drivers to charge efficiently at their home, which is where more than 80% of charging happens. With Charge@Home, MGE owns, maintains and coordinates the installation of Level 2 charging stations at customers' homes. With no up-front cost, customers pay a monthly fee plus the cost of electricity. The program gives MGE the ability to study drivers' charging habits and to explore remote management of charging sessions to better understand the potential impact of EVs on the grid, including how grid management can help to lower costs for all MGE customers by optimizing our use of generation resources.



Charge Ahead

MGE is partnering with EV drivers in our service territory to test how smart charging can save customers money and help plan for the impact of EVs on our grid. Charge Ahead uses a software platform to communicate with participants' vehicles, allowing MGE to manage when the vehicles are charging. Participants provide a need-by time for their vehicle and enable smart charging. The software then optimizes charging. The program allows MGE to shift charging to off-peak times or curtail charging during peak times to help manage the grid.

Charging allowance pilots

MGE is proposing new pilots for our commercial customers to help expand EV charging. These pilots will help commercial customers install EV chargers at their businesses and properties by providing an allowance to reduce the cost.

MGE also offers an EV Fleet Analysis for businesses. It helps customers compare electric and gas vehicles using data from telematics. The analysis also provides a total cost of ownership summary and recommendations for EVs and charging infrastructure.

Partnerships with local dealerships

Since 2021, MGE has worked with vehicle dealers to support the transition to EVs. MGE has worked to educate dealers on programs available to facilitate charging at home. In addition, MGE works closely with dealerships on their own electrification efforts by providing technical assistance for installing chargers at their facilities.

EV Ambassadors

MGE has long partnered with local EV drivers to help educate customers about EVs and EV charging. In 2022, MGE launched its formal EV Ambassador program. As of spring 2024, 130 local EV drivers are signed up to showcase their vehicles at community events and to talk with interested customers about their experiences with EVs.

EV engagement at MGE

MGE seeks to engage our employees in our efforts to grow the use of EVs. We offer six workplace charging stations, each with dual ports, to enable charging for employees while at work. Workplace charging offers many benefits, including employee attraction and retention and support for sustainable initiatives.



Electric buses in Madison

MGE continues to provide technical assistance to the City of Madison in the development of an all-electric bus rapid transit (BRT) system. The BRT system will include 60-foot articulated buses as well as off-hours and en route charging. MGE worked with the City's Metro Transit (Metro) to plan and install charging capacity at its primary bus storage and maintenance facility. MGE also provided a letter of support for a \$670,000 grant awarded to Metro from the Federal Transit Administration under the Areas of Persistent Poverty grant opportunity. All-electric buses are quieter, produce zero tailpipe emissions and will play a key role in efforts to reduce carbon emissions.

Ongoing partnership with Madison

MGE continues to work with the City of Madison to seek ways to further the electrification of transportation.

- **Fleet.** When the City received a Wisconsin Office of Energy Innovation grant to help purchase 20 all-electric Chevy Bolts, MGE partnered with the City to provide charging infrastructure for the new fleet vehicles.
- **Electric fire truck.** MGE provided charging equipment for the Madison Fire Department's first electric fire truck. The fire truck began serving the community in 2021 as part of a pilot project that was extended through the end of 2022. The Madison Fire Department announced plans in 2023 to purchase an electric fire truck from the manufacturer based in Appleton, Wis.
- **Electric garbage trucks.** MGE assisted the City in procuring and installing a charger for two new electric refuse trucks. MGE purchased and will maintain the charger, eventually turning it over to the City. The new refuse trucks went into service during summer 2024.



Pole-mounted chargers

MGE is exploring ways to reduce the barriers to EV adoption, including the consideration of equity and the availability of charging for multifamily residents. Studies show that about 80% of EV charging happens at home. This can be challenging for drivers who don't have a garage or dedicated parking.

MGE's first pole-mounted charger, which is attached to an existing MGE utility pole, was installed in Madison's Darbo-Worthington neighborhood on the city's east side in 2023. MGE is working with the City of Madison to facilitate additional pole-mounted chargers in neighborhoods that have been traditionally under resourced and where there is a high prevalence of multifamily buildings.

Federal grant support

MGE is working with a team of local stakeholders, including Dane County, the Greater Madison Metropolitan Planning Organization, the City of Madison, the City of Middleton and the City of Sun Prairie among others, on grant applications for the Charging and Fueling Infrastructure Discretionary Grant Program. If awarded, these grants will provide funding to strategically deploy publicly accessible EV charging infrastructure and other alternative fueling infrastructure in our communities.



EV charging for local school districts

MGE partnered with the Madison Metropolitan School District to install a charging station to serve its electric fleet vehicles. In addition to ongoing educational partnerships, MGE continues to work with local schools to evaluate charging options for their facilities.

Midcontinent Transportation Electrification Collaborative

As part of the Great Plains Institute's Midcontinent Transportation Electrification Collaborative (M-TEC), we're working with other utilities, state governments, automakers, EV charging companies and environmental groups to advance EV infrastructure and to increase the use of EVs. Working together, the group conducts research, develops white papers and policy recommendations, and hosts workshops for stakeholders in the region.

Sustainable transportation series

MGE continues to partner with Wisconsin Clean Cities, the City of Madison and others to present the Transportation & Innovation Expo. The next session is scheduled for spring 2025. Fleet managers and members of the public have the opportunity to attend panel sessions to hear from industry experts from across the country and get an up-close look at a variety of sustainable vehicles and equipment.

EV resources and tools for drivers

MGE helps to educate customers, businesses and our community at-large about the benefits of EVs. Our experts have been on hand at many community events with a variety of EVs to share information on driving and charging EVs.

For example, each year, MGE sponsors the National Drive Electric Week event held in Madison. Local EV drivers register to showcase their vehicles to attendees. MGE EV experts are available to share information about EVs and EV charging.

MGE helps customers discover why "there's a lot to love" about EVs through our dedicated web resource, mge.com/LovEV. We offer resources and tools that highlight available models, explain charging options, and detail potential cost and environmental savings. It is an easy, one-stop online resource at mge.com/LovEV.

The online tool, Explore My EV, gives users the opportunity to compare the costs of plug-in hybrid and all-electric vehicles to gasoline-powered models. The tool, available at mge.com/exploremyev, considers commute distances, available tax credits and maintenance costs, among other things through its online analysis.



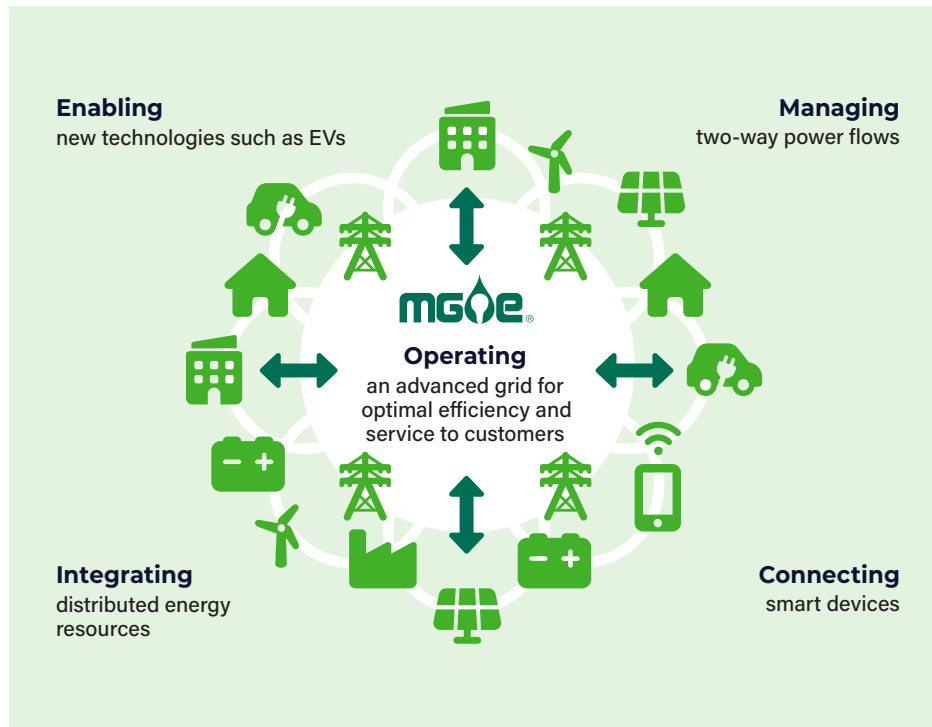
Modern Grid

Utility as conductor of the distribution grid

We take seriously our responsibility and commitment to those we serve. The electric grid is a shared resource for the benefit of everyone, providing for the safety and security of a community through safe, reliable electricity.

We're investing in the systems and capabilities to enable an electric grid that supports new technology, such as distributed energy sources like solar and battery storage. We have an important role to play to ensure that new resources and technologies are harnessed for the benefit of all customers.

This increasingly more advanced electric grid requires a conductor to ensure the system develops and operates in a way that keeps electricity safe, reliable and affordable for everyone. As the public utility, MGE serves as this conductor for our community grid.



When the utility serves as the conductor of the electric grid, new technologies and resources can add value to the system because the utility is able to dispatch generation and balance demand as needed. With more sources of two-way power flows—power flowing to the customer from the grid and power flowing from the customer's generation back onto the grid—a single conductor system provides efficiency in coordinating the different sources of power and the various needs of the grid in real time to maintain a safe and reliable power supply.

This orchestration benefits the utility as well as customers because it helps to ensure the system operates efficiently and is sized appropriately. The utility as conductor can optimize the efficiency and use of the electric system's assets to help control costs and to optimize benefits and value over time, which leads to lower costs for all customers. The benefits of grid resiliency, reliability and a more efficiently managed power system are captured for all customers, individually and collectively.

Today's customer expects a grid that integrates all sorts of energy technologies in a way that gives them choice, flexibility and value. New technology is changing how we plan for the energy grid of the future; however, our obligation to serve customers and communities 24 hours a day, seven days a week, 365 days a year remains unchanged.

Connected Communities

In summer 2022, MGE began work on a five-year U.S. Department of Energy (DOE) Connected Communities project to integrate buildings with distributed energy resources, such as solar photovoltaic generation and EV charging. A \$5.1 million grant with a \$2.6 million cost share was awarded to Slipstream Group for a project with the City of Madison, MGE and others.

The project plan calls for the conversion of about 15 facilities to grid-interactive, efficient buildings, leveraging advanced software platforms to manage building HVAC systems, lighting, EV charging, smart inverters and battery storage systems. If this project shows improvements in cost-effective efficiency and demand flexibility, it could serve as a model for communities across the country.

Connected Communities funding supports projects that expand the DOE's network of grid-interactive, efficient building communities nationwide to help achieve a decarbonized electricity system by 2035 and decarbonized energy sector by 2050.

Natural resources and biodiversity

MGE takes steps to protect our natural resources. This means doing our part to help improve waterways, preserve the natural beauty of our communities and protect wildlife habitats.

Fund for Lake Michigan/ Salt Wise Strategic Development Grant

Lake Michigan's water is critical to Wisconsin's future. MGE supports the Fund for Lake Michigan (the Fund), which helps sustain the lake for those who depend on it. Among its projects, the Fund supports the Wisconsin Salt Wise Strategic Development Grant. It provides funding to help communities and regions of the state protect our waterways by becoming salt certified.

In winter, many companies and individuals use salt to combat icy sidewalks and roads; however, excess salt flows into our waterways, negatively impacting water quality. One teaspoon of salt pollutes five gallons of water, and once in the water, salt cannot be removed. Additionally, chloride, a chemical in salt, is toxic to small aquatic life.

Oftentimes, more salt than is needed to fully melt ice on parking lots and sidewalks is applied. That means some of the salt put down is washed away. Salt certification provided through the grant trains consumers how to calculate the amount of salt needed for an area without a lot of waste.

The Wisconsin Salt Wise Partnership spearheaded salt-reduction efforts in Dane County. Madison launched the state's first salt certification program several years ago. MGE works with a local certified salt applicator for snow removal at our facilities.



Combating the decline of monarchs

Monarch butterfly populations in the United States have seen substantial declines in their population the last few decades. In 2022, monarchs were officially designated as endangered by the International Union for Conservation of Nature.



One of the biggest impacts on the monarch population is the loss of habitat for breeding, migrating and overwintering. The monarch butterfly needs habitat for both its caterpillar and adult populations. Adult monarchs feed on the nectar from many flowering plants throughout the growing season, but they breed only in areas where milkweed is found. Milkweed is critical for their survival. Monarchs lay their eggs on milkweed, and their caterpillars are dependent on milkweed as a food source during their development. Milkweed is native to Wisconsin and can be found almost anywhere wildflowers grow throughout the state.

MGE providing habitat: MGE has been increasing our habitat for monarchs and pollinators at our facilities. We have planted native plants, including flowering natives, on MGE-owned and MGE-operated solar generation sites.

We've worked with our vegetation management consultants and asked for input from experts at the Wisconsin Department of Natural Resources and the Public Service Commission of Wisconsin to review several of our plant mixes to ensure they are viable in our climate, monarch-friendly and pollinator-friendly. We are actively managing our sites so that native plantings establish and invasives and undesirable woody plants do not overtake our native plantings.

At three of our MGE-owned and MGE-operated solar sites, representing more than half of MGE's owned and operated solar acreage, our native seed mixes were planted to support the monarch's life cycle from egg to caterpillar and to adult. This was accomplished by planting several types of milkweed and native plants that will flower throughout the monarch season in Wisconsin. Our partners at our jointly owned solar generation sites also have planted monarch-friendly and pollinator-friendly natives.

Our habitat conservation efforts at these solar sites are a good fit since we have space around and under the solar arrays that would otherwise be turfgrass. We continue to take inventory of what habitat we have planted and planned, and we're looking for opportunities to expand where it makes sense.

A protection agreement: Since monarchs migrate, they need to be able to find suitable habitat throughout their migration pathway. Increased development, fragmented habitat and intentional removal of milkweed all contribute to an overall reduction in habitat. One way the U.S. Fish & Wildlife Service is working to address this is through the development of a voluntary agreement with utility companies and departments of transportation in the states where monarchs are found.

The voluntary Monarch Candidate Conservation Agreement with Assurances (Monarch CCAA) is designed to increase monarch habitat throughout their migratory range using transportation and utility properties, such as rights-of-way and generation facilities, to plant monarch-friendly milkweed and flowering plants. The agreement allows utilities flexibility for further growth and protection against future monarch regulatory obligations in exchange for agreeing to maintain and/or create monarch habitat on a certain percentage of their properties. MGE continues to review our internal commitments and habitat inventory to determine whether the Monarch CCAA is a good fit for our monarch and pollinator commitments.

The Monarch CCAA also supports other pollinators, such as native bees. Land dedicated to the Monarch CCAA will have flowering plants from spring to fall, which many native bee populations need to thrive.

Solar grazing

In summer 2024, MGE's 6-MW Tyto Solar facility in Fitchburg, Wis., began hosting grazing sheep for the growing season. The practice, known as agrivoltaics, offers sustainable vegetation management of grass and brush in and around the site's more than 13,000 solar panels. The growing season typically lasts through October, at which time the sheep return to their local farm.

Agrivoltaics, also known as dual-use solar, is the use of land for solar generation and agriculture. "Solar grazing" by the sheep keeps the grasses and brush from shading the solar panels, which avoids drops in efficiency. The grazing also avoids fossil fuel use associated with mowing.

Tree Line USA utility

MGE recently marked 27 years of being named a Tree Line USA utility. Tree Line USA promotes the dual goals of delivering safe and reliable electricity while maintaining healthy community trees. The program recognizes best practices in public and private utility arboriculture, demonstrating how trees and utilities can coexist for the benefit of communities and residents. The Arbor Day Foundation collaborates with the National Association of State Foresters on this initiative. MGE's Forestry team and other employees across the company collaborate to help ensure we meet the requirements to be designated a Tree Line USA utility.



Photo courtesy of Wiscovey Farm.



Falcon restoration

Since 2009, peregrine falcons have nested at our Blount Generating Station in downtown Madison. Man-made nesting boxes at power plants have proven to be ideal homes for the birds of prey, which are an endangered species in Wisconsin. The use of DDT pesticide beginning in the 1940s eradicated them.

Falcons were reintroduced to Wisconsin in the 1980s, and while they are listed as endangered in Wisconsin, they have made a slow, steady comeback due to statewide efforts and nesting boxes like the one at Blount Generating Station. The original nesting box at the plant was installed in 1999. It was built by an MGE employee and his son. In fall 2018, due to renovations at the power plant, employees built a new falcon box and moved it to a new location at the plant, which the falcons began using for nesting in 2019.

Including three in 2024, MGE has seen 58 falcons hatch at Blount Generating Station since 2009 when they began nesting at the plant. Falcon expert Greg Septon typically visits the power plant in spring to band the newborn chicks for tracking throughout their lifetimes. For more information on MGE's falcons, visit mge.com/falcons.

MGE is proud to support the ongoing recovery of these raptors through our nesting box and support from the MGE Foundation for Hoo's Woods Raptor Center, a local nonprofit dedicated to the rehabilitation of birds of prey and the preservation of their ecosystems.

Erosion control

We are committed to implementing proper erosion control methods at all work sites. This minimizes the likelihood of soil being washed out of a site. We track permits and inspections and have dedicated staff who review new regulations, field techniques and technologies to ensure we manage our erosion-control strategies effectively.

Waterway protection

MGE's environmental emergency response plans for facilities with high risk to waterways, human health and sensitive environmental features were developed by our Environmental Affairs team. Staff members regularly review the plans for accuracy and improvement regarding the potential for release of materials, oils or chemicals to wetland, waterbody or other environmentally sensitive areas from operations, bulk storage or construction. Environmental Affairs staff also conduct employee training at facilities with the highest risk.

Stormwater management

Pollutants transported in stormwater are harmful to lakes, rivers, wetlands and waterways. MGE implements measures to protect our water bodies. For example, MGE's downtown parking lot has a stormwater filtration system. This system cleans stormwater before it drains into nearby Lake Monona and is effective in reducing pollutants such as petroleum compounds, sediment and phosphorus.

Phosphorus reduction in local lakes

Another way MGE supports clean lakes is through Yahara WINS. This collaborative water cleanup effort began as a pilot and expanded to a 20-year program to reduce phosphorus in our watershed. MGE supports this project through financial support from the MGE Foundation and through service on its technical advisory board, the Yahara Watershed Improvement Network Group. A collaborative approach pools the resources and expertise of community partners. It employs the strategy of watershed adaptive management in which all sources of phosphorus pollution are addressed together to meet water quality goals.

Yahara WINS is exceeding expectations for modeled phosphorus reductions and is on track to meet its 20-year project goals. In 2023, the program reported more than 54,541 pounds of phosphorus reduced, which was greater than its goal of 47,862 pounds.

Solar power at corporate office

Nearly 450 solar panels on our corporate office in Madison help to power the facility. The array, along with 52 panels in our visitor parking lot, represents another step in our ongoing path toward greater sustainability throughout our operations. In addition, MGE's 2,000-square-foot office building in Prairie du Chien, Wis., has 20 rooftop solar panels.



Sustainability benchmarking and performance

MGE is committed to reducing environmental impacts across all areas of the company. MGE voluntarily participates in statewide environmental performance programs and various industry sustainability and benchmarking groups.

Sustainability Steering Team

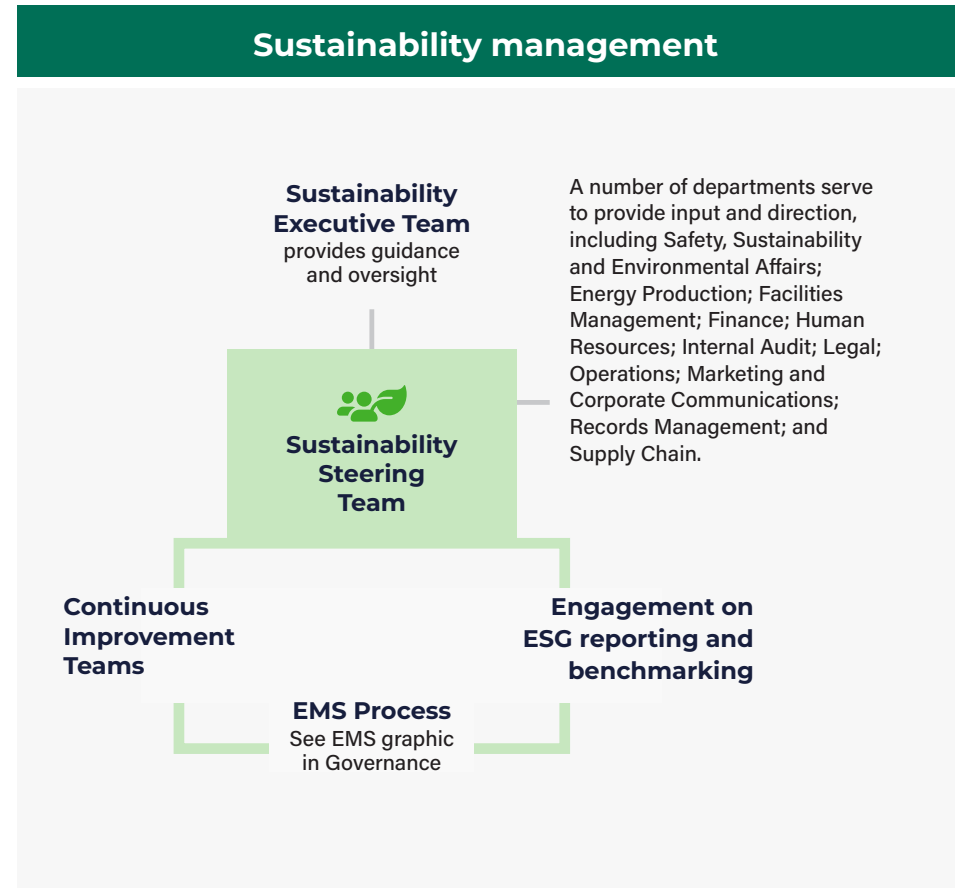
In the early 1990s, a small, informal group of MGE employees concerned about the environment laid the groundwork for something bigger. Their efforts evolved into a successful company-wide effort to make environmentally responsible choices at work.

From establishing a vehicle idling policy to expanding recycling efforts, MGE's employee-led Green Team has helped the company achieve milestones in corporate sustainability and responsibility. Today, our Green Team remains active and strong with a new structure and focus on advancing our history of sustainable practices.

In 2018, MGE transitioned from our employee-led Green Team to our Sustainability Steering Team. Composed of employees from across the company, the Sustainability Steering Team oversees our Environmental Management System (EMS). It also supports external sustainability engagement and benchmarking, such as our participation in the Green Tier and Green Masters programs. Having team members from departments across the company also is a more efficient way to gather data for our voluntary sustainability reporting efforts. The Sustainability Steering Team is overseen by and receives guidance from our Executive Sustainability Team, which has officer representation from across MGE.

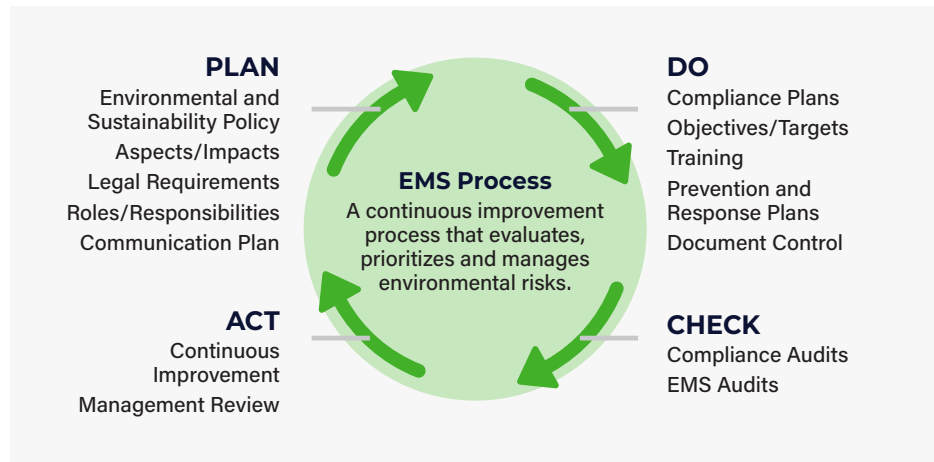
Continuous Improvement Sustainability Teams

The Sustainability Steering Team reviews, evaluates and prioritizes continuous improvement opportunities for the company. The group assembles Continuous Improvement Sustainability Teams to address specific improvement initiatives and tasks.



Company-wide EMS

Our first Continuous Improvement Sustainability Team oversaw the expansion of our EMS to cover all MGE operations. An EMS is a continuous improvement process that evaluates, prioritizes and manages environmental risks. MGE previously used an EMS at our Blount Generating Station. The expanded scope of our EMS captures and manages environmental risks across all company operations. It also further demonstrates our commitment to goal setting and environmental accountability. In 2024, MGE’s expanded EMS underwent a system-wide audit conducted by a third-party Green Tier-approved auditor. MGE passed the third-party audit with minor improvement recommendations. Read more about our EMS in the [Governance](#) section.



Green Masters Program®

In 2024, MGE earned the Green Master designation for the 11th year in a row from the Wisconsin Sustainable Business Council (WSBC). Only those applying companies with scores in the top 25% receive the Green Master designation. MGE was the first utility to be awarded the distinction in 2014.

The WSBC revamped the Green Masters Program in 2023 and the requirements for attaining Green Master status. Organizations are now ranked against what are considered best practices in sustainability and ESG pillars. The number of categories went from nine to 15. MGE achieved the Green Master designation again under these more rigorous ranking requirements.

Energy Sustainability Interest Group

MGE partners with the Electric Power Research Institute (EPRI) in a number of areas, including the Energy Sustainability Interest Group (ESIG). The largest sustainability-focused group of its kind in the electric power industry, ESIG:

- Provides a collaborative industry forum for electric power companies to discuss sustainability performance.
- Facilitates peer-to-peer benchmarking on priority sustainability topics.
- Conducts focused technical research and develops specific tools to support sustainability program development.
- Tackles the challenge of identifying, understanding and communicating sustainability matters, goals, metrics and disclosure.
- Facilitates stakeholder engagement.
- Informs sustainability reporting initiatives.

ESIG projects focus on priority issues, goals, metrics and sustainability communication for the electric power industry and its stakeholders. The project work may be utilized by group members to inform the development of their own sustainability programs and initiatives. Launched in 2008, ESIG has more than 40 members from the electric power industry.

Sustainability benchmarking

In 2023, EPRI marked its ninth year of an ongoing effort to identify and understand metrics appropriate for benchmarking the performance of electric power companies on their priority sustainability issues. MGE has participated in this EPRI benchmarking since it began in 2015.

The Sustainability Benchmarking for Utilities project is conducted in collaboration with the previously mentioned ESIG and subject matter experts throughout EPRI. The project work is designed to advance technical research around what a sustainable electric power company looks like and how it can support the sustainable generation, delivery and utilization of electric power to customers.

Supply chain and waste management

Successful waste management requires a solid recycling program. We encourage employees to make smart choices about the environment. That includes supporting our recycling and waste-reduction efforts every day. We work to conserve, recycle and manage waste efficiently.

Reduce-reuse-recycle

Our all-in-one recycling method includes aluminum, steel cans, paper products, glass and plastic. We also recycle various metals and other scrap materials left over from field work. Our computing equipment and supplies are sent to an e-Steward-certified company for recycling or reuse, and our alkaline batteries go to a vendor who recovers steel and zinc.

Our battery recycling program allows employees to bring in alkaline, NiCad and rechargeable batteries from home. Collection points around the company allow for safe, efficient drop-offs.

We also recycle thermostats and other mercury-containing devices, chemicals, steel, iron, copper, glass and cell phones. Additionally, a local vendor takes our wood pallets, recycling them into mulch.

Renewable recycling

As we anticipate how the end-of-life for renewable generation components will be managed, an internal group at MGE meets quarterly to discuss the latest recycling opportunities for wind and solar components. The group has already identified recycling partnerships in Wisconsin and regionally. MGE also meets with other Wisconsin utilities to review new and proposed renewable recycling guidance provided by the Wisconsin Department of Natural Resources.

Office waste audits

In 2022, as part of ongoing continuous improvement efforts, MGE implemented waste management changes at our headquarters to improve recycling rates. Individual garbage and recycling containers were removed from workstations and replaced with centralized waste bins with signage to make it easier for employees to choose between waste and recycling.



In 2023, we conducted an audit of the waste and recycling collected on a typical day at our general office facility. The goal was to see whether waste and recycling items were being sorted correctly when disposed of and to see how the results compared to the results of our previous audit in 2016.

A comparison of the results showed that employees are doing better sorting their trash and recycling. In 2023, 89% of the total waste was sorted correctly compared

to 86% in 2016. Our Recycling Continuous Improvement Sustainability Team continues to explore ways to reduce overall waste at MGE.

Bottle filling stations and filtration systems

Throughout our facilities, MGE has more than 20 water bottle filling stations and filtration systems for employees to reduce the use of plastic bottles. In the ten years since the first one was installed through year-end 2023, MGE employees have avoided using more than 832,000 disposable plastic bottles.

Eliminating waste with e-records

MGE's E-records Center allows employees to submit electronic documents to be stored as records rather than keeping paper copies. Over time, this will reduce our volume of paper. This environmentally friendly option also frees up physical storage space.

Paperless billing

MGE launched an improved online billing and payment system for customers in 2016. Online billing and payment is a "win-win" for customers and companies. Studies find customers are more satisfied when viewing and paying their bills electronically. Companies benefit from paper and postage savings.

Based on the number of customer accounts signed up for paperless billing in 2023, an estimated 1,300,000 bills were not printed and mailed, which results in paper and cost savings. MGE surpassed the 50% mark for customers enrolled in paperless billing in March 2024.

Supplier proximity and diversity

MGE is committed to supplier diversity. Our goal is to ensure that equal opportunities exist for all small businesses, women-owned businesses and minority-owned business enterprises.

MGE's corporate policy is to buy locally. We will give preference to Wisconsin manufacturers and distributors. Local purchases support the local economy and are typically more environmentally friendly. When it is time to purchase goods needed to run our company, we review our supplier database and buy from local vendors when possible and cost-effective. Many of the materials and equipment that utilities need are highly specialized; however, we buy U.S. products whenever possible. MGE recently launched an updated supplier resources section on [mge.com](https://www.mge.com). This section commits us and our suppliers to our Code of Ethics and our corporate human rights statement.

ONE Future Coalition

MGE contracts with two natural gas transmission companies, Northern Natural Gas, a Berkshire Hathaway Energy Pipeline Group Company, and ANR Pipeline Company, owned by TC Energy.

Both of these companies, as part of their sustainability commitments, are part of the ONE Future Coalition. ONE Future is the trade name for "Our Nation's Energy Future Coalition, Inc." This group of more than 50 natural gas companies works to reduce methane emissions voluntarily across the natural gas supply chain to 1% or less by 2025. In its 2023 report, ONE Future cited a methane intensity of less than one-half of one percent, beating its 1% goal for the sixth year in a row.

Northern Natural Gas and ANR Pipeline Company also are part of the U.S. Environmental Protection Agency's Methane Challenge Program. Partners in this voluntary program report systemic and comprehensive actions to reduce methane emissions as part of efforts to enhance transparency in the industry. Reducing methane emissions decreases operational risk, increases efficiency and demonstrates concern for the environment, with benefits ranging from air quality improvements to conservation of non-renewable energy.



Comprehensive risk minimization

MGE's Environmental Affairs team oversees hundreds of routine monitoring, recordkeeping and reporting tasks. MGE's Environmental Management Information System (EMIS) is used to manage environmental data collection, data analysis, recordkeeping and reporting associated with environmental management. Read more about our EMIS in the [Governance](#) section.

Environmental Management System

In 2017, MGE expanded the scope of our participation in the Green Tier program, and in 2020, we renewed our five-year contract with the Wisconsin Department of Natural Resources (DNR) for Green Tier certification, which recognizes environmental leadership. Our primary goal in the expanded contract is to cover all MGE operations under our EMS. An EMS is a continuous improvement process that evaluates, prioritizes and manages environmental risks.

MGE previously used an EMS at our Blount Generating Station. The expanded scope of our EMS, which has been in place since 2020, captures environmental improvements across the company and further demonstrates our commitment to goal setting and environmental accountability.

Our expanded EMS has undergone four external compliance audits and four external EMS audits, resulting in recommendations to the DNR that we continue in the Green Tier program. Read more about our EMS in the [Governance](#) section.

Transparency and disclosure

MGE is committed to providing transparency and accountability in its disclosures. This detailed annual compendium of activities and data is an example of that ongoing commitment to those we serve.

MGE also participates in the Edison Electric Institute's (EEI) and American Gas Association's (AGA) environmental, social and governance (ESG)/sustainability-related reporting templates. The voluntary, industry-specific templates include both qualitative and quantitative information, such as generation and emissions data. Our EEI-AGA templates are available in our [ESG Data Center](#).

MGE Energy participates in CDP (Carbon Disclosure Project), the global platform for disclosure of environmental impacts. Our CDP climate change questionnaire is available in our [ESG Data Center](#), where additional disclosures are available, including our Task Force on Climate-Related Financial Disclosures report.



2024 Corporate Responsibility and Sustainability Report

Social

MGE works to embody our mission as your community energy company and to foster equity and inclusivity in our service to customers and in our workplace. As your community energy company, we consider it part of our responsibility to engage with our customers where they are. Our commitment to equitable service and to the power of working together drives how we seek to fulfill our mission and strengthen our communities.

This report includes forward-looking statements and estimates of future performance that may differ from actual results because of uncertainties and risks encountered in day-to-day business.



Highlights



- A foundational objective in MGE’s clean energy transition is to ensure all our customers enjoy the economic and environmental benefits of cleaner energy.
- MGE works to meet customers where they are, which includes developing culturally competent initiatives, communications and services for our increasingly diverse customer base.
- MGE maintains relationships with many different sectors in our community and works in partnership with hundreds of local organizations and community stakeholders to reach customers who may be more difficult to reach directly due to either language or cultural barriers or other reasons.
- MGE’s Occupational Health and Safety Policy recognizes the risks inherent to occupational health and safety and embraces safe work practices and environments as fundamental values at MGE.
- MGE is committed to maintaining a safe working environment and to continuously improving our safety culture and performance. In 2024, MGE marked the 10-year anniversary of our journey to safety excellence.
- When notified of a potential natural gas emergency, MGE crews continue to earn high marks. In 2023, our response time ranked in the top 10% of a nationwide industry survey including more than 75 natural gas utilities.
- According to results from an annual industry survey including more than 75 electric utilities nationwide, in 2023, MGE ranked second for the fewest number of electric outages per customer. MGE has ranked in the top three utilities in the country for the fewest number of outages in each of the last 17 years.
- MGE regularly conducts emergency response training exercises of its All Hazards Response Plan (AHRP). In 2024, MGE informally activated its AHRP for a major training exercise impacting our gas distribution system. The FBI, Wisconsin Emergency Management and Dane County Emergency Management participated in the drill.
- Since launching The Learning Center in 2017, our online training resource available to all MGE employees, employees have completed more than 74,000 sessions through 2023.
- MGE’s Employee Resource Groups provide an opportunity for employees to connect, build upon our company culture, grow and thrive in a shared community.
- The MGE Scholarship Program has awarded nearly \$1.4 million in aid to students since it began in 1999.
- In 2023, MGE and our employees and retirees gave nearly \$300,000 to our local United Way as part of the company’s annual fundraising campaign.
- In the last five years, our philanthropic arm, the MGE Foundation, has given more than \$8.7 million to more than 400 community organizations.

Engaging our customers where they are

As your community energy company, we seek to engage all our customers in a variety of ways. We work to ensure all customers experience us as “their” community energy company. Understanding the barriers our customers may face and meeting them where they are is at the core of our mission.

We recognize that customers have varied needs and that the communities we serve are continually growing and becoming more diverse. We work to develop culturally competent initiatives, communications and services for our customers. Our dedication to understanding our customers and meeting their unique needs is reflected in how we engage, support and partner with those we serve.

MGE has two departments, Residential and Community Services and Business Customer Relations, dedicated to community relationships and partnerships within specific customer segments. These departments have employees assigned to specific customer segments, including Latino customers, Hmong customers, neighborhood associations, advocacy organizations, communities of faith, lower-income customers, multifamily customers, agricultural customers, nonprofits, state and local governments, hospitals, minority-owned businesses, entrepreneurs, major customers and others.

MGE maintains relationships with many different sectors in our community and works in partnership with more than 200 local organizations and community stakeholders to reach customers who may be more difficult to reach directly due to either language or cultural barriers or other reasons. MGE seeks to engage all customer segments by having account managers and Residential and Community Services managers build relationships.

Connecting with our diverse customer base

MGE is committed to serving and connecting with our richly diverse communities through a myriad of partnerships and engagement strategies. To help us stay connected with our evolving multicultural customer base, MGE’s Residential and Community Services team develops culturally competent digital resources that integrate social media, web content and videos to serve our communities of color. MGE also partners with local groups and organizations to connect with Spanish- and Hmong-speaking customers.

At livinginbalancemadison.com, MGE shares stories and videos from our Residential and Community Services team, community leaders, customers and local businesses about what it means to be sustainable and how MGE is working together with customers to meet shared sustainability goals.



MGE is committed to supporting family-friendly activities that help us engage with our customers directly and create enriching experiences for all those we serve. Residential and Community Services team members staff various community events and host energy workshops to engage and connect with customers about energy and our resources and tools. One example is MGE’s Día de Fútbol annually at Madison’s Breese Stevens Field. The partnership among MGE, Forward Madison FC and La Movida Radio provides the community a chance to enjoy free youth soccer clinics and safety and sustainability information from MGE’s energy experts.



Advancing diversity through future generations

MGE works to advance diversity in the energy industry by partnering with local organizations to provide educational career-oriented programming for area youth. These events, programs and partnerships help to introduce energy-related careers to students with backgrounds underrepresented in the utility industry.

STEAM Camp

Since 2017, STEAM Camp has been a summertime activity at MGE. Dozens of middle school students participate in the weeklong camp typically held at sites across Madison. STEAM Camp engages the students in educational pathways that lead to careers in science, technology, engineering, arts and mathematics (STEAM). MGE employees help STEAM Camp participants learn how MGE is growing our use of renewable energy and advancing electric vehicles (EVs). They also learn about STEAM careers in the utility industry. Strang Architects of Madison partners with the Urban League of Greater Madison to bring STEAM Camp to MGE and other local organizations.

MGE Career Ambassadors

Each summer, several Madison high school students spend six weeks at MGE as part of our Career Ambassador Program, now through its ninth year. The Career Ambassador Program is a pre-college program for local high school students from partnering organizations such as the Boys & Girls Club of Dane County, Centro Hispano, 100 Black Men of Madison and Maydm. Students interact with employees from different areas of the company and learn about the utility business and utility-related career opportunities. The students also gain valuable experience in the workforce. Several students who have participated in this program have worked later as college interns at MGE.



College internships

MGE hosts college interns throughout the year in a variety of departments, including Engineering, Finance and IT. These opportunities provide students with valuable skills to advance their careers. Giving local students exposure to careers in energy also benefits MGE. Several past and present MGE employees started their careers with the company as college interns. MGE continues to expand the program with new internships in Energy Planning, Security, Digital Experience and IT.

Community education

MGE connects with students annually through various programs, events and other activities, providing utility-based education to students across our service territory, both inside and outside the classroom. Topics range from energy efficiency and sustainability to safety and careers. We also support opportunities for teachers through Wisconsin's K-12 Energy Education Program (KEEP). KEEP was established in 1995 to improve and to increase energy education in Wisconsin. The collaborative effort offers professional development opportunities for certified teachers in the state. Teachers whose schools are located in MGE's gas and electric service area can receive partial scholarships from MGE to offset the cost of coursework. In 2023, KEEP reached 95 educators and more than 235 youth through 40 programs that included teacher training, community engagement and networking in MGE's service territory. An additional 900 students are estimated to have been supported indirectly through KEEP curriculum.

MGE also incorporates in its programming several popular educational resources, some of which may be loaned to educators. These resources include our Pedal Power bicycles, Solar Oven, Watts Up electricity consumption meters and a mini photovoltaic kit. These resources are designed as supplemental classroom aids or are used at community events to engage young people in energy efficiency, conservation and clean energy. They are promoted through our Powerline teacher newsletter, which provides information about MGE's resources, tools, programs and presentations for area schools.

Arbor Day tradition

MGE celebrates Arbor Day annually with students in our service territory. In 2024, we marked the 21st year of a combined celebration with Shorewood Hills Elementary School and the Village of Shorewood Hills. MGE helped purchase a few trees to be planted on and near school grounds. Students helped plant trees and shrubs and experienced a tree-pruning demonstration. MGE has helped plant more than 80 trees around the school since 2005.

Earth Day celebration

MGE works with local elementary and middle school students every year to celebrate Earth Day. This provides the opportunity to interact with about 500 students. In 2024, we celebrated with fun activities for students to learn about renewable energy, electric vehicles and how MGE is working together with our customers to build a better, more sustainable future for everyone.

A number of MGE employees also commemorate Earth Day by participating in the company's annual Adopt-a-Highway event. In 2024, more than 25 employees and retirees collected about 30 bags full of trash from a one-and-a-half-mile stretch of highway within our service territory.



Energy equity and affordability

Energy affordability, or energy burden, is important to MGE. It is an issue that we continue working to address.

In spring 2024, MGE submitted for State regulatory review an arrearage management program known as Back on Track. The proposed pilot program is designed to help at-risk residential customers overcome existing arrears and develop long-term, on-time payment patterns. The proposal, if approved, would serve as an additional tool, building on MGE's long-standing efforts with a number of programs and agencies to connect eligible customers with available benefits. In addition to arrearage forgiveness, MGE also included in its proposal plans to provide educational opportunities through direct program promotion to eligible customers and at community events. These activities would help to promote long-term energy savings (energy efficiency) and reliable payment patterns from those customers who participate in the program.

MGE will continue to address and manage energy affordability as we transition our energy supply to cleaner sources. We're working to achieve greater sustainability and to manage long-term costs by growing our use of carbon-free, renewable energy, which carries no fuel costs and serves to reduce rate volatility and manage long-term costs into the future.

With more than one billion dollars in investment in clean energy expected from 2015 through 2028, renewable energy will play a significant role in helping to achieve our goals of at least an 80% reduction in carbon by 2030 from 2005 levels and net-zero carbon electricity by 2050. Some of these renewable projects are already generating cost-effective, carbon-free

energy for the benefit of all our customers.

A foundational objective in our Energy 2030 framework for a more sustainable future is ensuring all customers enjoy the economic and environmental benefits of our ongoing clean energy transition. On behalf of all customers, by 2030, we expect to deliver MGE electric customers electricity with 80% fewer carbon emissions, compared to 2005 levels. By 2050, we expect to deliver net-zero carbon electricity.

As the conductor of our community grid, we work to build and to manage an increasingly dynamic grid and to maintain its safety, security, efficiency and affordability for all our customers. When making new investments in cost-effective technologies, we work to enable a seamlessly integrated distribution grid to meet our obligation to provide safe, reliable, affordable and sustainable energy for the benefit of all our customers.

The regulatory framework

Wisconsin's utility regulatory framework plays a pivotal role in ensuring that MGE continues to meet our fundamental obligation to provide customers with access to safe, reliable and affordable energy.

Utility regulation exists to protect customers, and it governs almost all aspects of utilities—from rates to terms and conditions of service to generation siting and more. Utility regulation provides for transparency and consumer protections, which serve to help ensure stable pricing and reliable service, among other things in the delivery of an essential service to our communities.

Employee engagement and development

We engage our employees in a number of ways with various media and technology to keep them informed about what's happening across the company, the industry and the communities we serve. From company initiatives and projects to our strategies for achieving net-zero carbon electricity and important employee benefits information, we strive to keep employees informed and engaged by providing them with clear, timely and relevant information.

The Learning Center

The energy world is ever-changing. MGE is committed to sustainable workforce practices, such as career development and training.

MGE offers all employees the opportunity to learn and grow—whether it is to become more proficient in their job, improve decision-making skills or prepare for a move to another role. We support employees by providing the right tools—learning and content—needed to develop the knowledge and skills necessary to grow and to ensure MGE has a workforce that is knowledgeable, prepared and high performing to deliver on our goals and objectives.

The Learning Center is an online resource available to all MGE employees. Launched in 2017, this cloud-based tool contains a vast library of courses available to employees for online learning, including via mobile devices. It recommends training courses for employees based on the courses they've already taken and subjects in which they have shown interest, and it provides a transcript of courses they have taken in The Learning Center as well as corporate training they attend.

The Learning Center is constantly updated with courses relevant to MGE employees. It now has more than 9,000 courses, videos, podcasts and articles available and more than 300 curated playlists. Since it was launched, MGE employees have completed more than 74,000 training sessions through 2023. That includes instructor-led training, online training and video training. In 2023 alone, employees completed more than 9,800 online courses.

The Learning Center also has sections dedicated to information about wellness, including physical, mental and financial wellness, as well as inclusion, diversity, discrimination and harassment. In the Wellness and Stronger Together sections, employees can find courses, articles, podcasts and more.

Additional employee training

In addition to MGE's leadership development program, the company also recently introduced an online library of Franklin Covey training materials. It includes 1,900 courses and other materials created for employees who are people leaders. A mobile app also is available.

Partnership with the UWEBC

For several years, MGE has partnered with the University of Wisconsin E-Business Consortium (UWEBC). Created in 1998, the UWEBC brings together employees from all levels of leading Wisconsin companies to learn from each other.

The UWEBC focuses its efforts in five areas critical to a diverse range of businesses: customer service, human resources, information technology, marketing and supply chain management. Events are structured to bring together people from different industries in the following formats: topic-centered peer groups, special interest groups and member-to-member advising. Support for the UWEBC from MGE gives our employees the opportunity to grow and learn by participating in UWEBC events and programming.



Importance of employee wellness

We encourage employees across the company to make health and wellness a priority. Good health brings vitality and energy to our work lives and our home lives.

Hybrid work schedules

In April 2022, MGE formally began a hybrid work schedule for remote-enabled employees. These employees have the flexibility to work remotely up to two days each week.

Healthy Rewards

MGE's Healthy Rewards program offers many opportunities throughout the year for employees to take charge of their health. Employees can take fitness classes, exercise in an on-site fitness center and attend Power Lunches with guest speakers covering topics such as healthy eating, meditation, stress management, financial well-being and mental well-being.

MGE also partners with ManageWell®, which serves as a personal, confidential online health management portal for employees. They can take a health assessment each year, track activity toward Healthy Rewards goals and take advantage of the many healthy living tools available online.

MGE's Healthy Rewards program rewards employees for participating regularly in healthy activities and learning about their health risks. In 2023, more than half of employees registered and tracked their progress through ManageWell.

Sprains and strains prevention and ergonomic assessments

Seven years ago, MGE began a partnership with Briotix Health, a workplace injury-prevention sports medicine provider that employs athletic trainers. The trainers teach our operations employees how to properly warm up and stretch before performing physically demanding work. The trainers hold weekly office hours at facilities across the MGE campus to connect with as many employees as possible. This partnership also serves office employees, which allows them to gain a better understanding of ergonomics and ways to reduce discomfort while working.

In 2023, the athletic trainers had nearly 7,500 employee interactions, which include individual and group interactions. Coupled with other safety culture initiatives since this partnership began, sprain and strain injuries requiring medical treatment have fallen dramatically.

Consultations are not limited to work-related injuries. The majority of the consultations involve non-work-related injuries or issues. Among the services available are:

- Injury and discomfort management
- Ergonomic evaluations and projects
- Job-specific stretching and strengthening
- Health and wellness coaching
- New employee training

Maintaining work-life balance

MGE offers a variety of benefit plans to fit our employees' needs—from health and dental insurance to retirement and work-life balance. MGE understands work-life balance is an important part of a healthy work environment.

Maintaining work-life balance helps reduce stress and helps prevent burnout in the workplace. Balancing the challenges of work and home can be overwhelming at times, which is why MGE offers an Employee Assistance Program to provide confidential resources for employees and professional counselors free of charge 24 hours a day. Courses are available in The Learning Center to explore work-life balance, what it is and how to maintain it. These courses are available to all employees.

MGE Scholarship Program

MGE is proud to offer a scholarship program to MGE employees and retirees to assist with their children's higher education. The Madison Gas and Electric Company Scholarship Program awards partial scholarships for post-secondary education at any accredited school in the United States. These scholarships are funded by MGE and administered by a third party. The awards are renewable for up to three years or until a bachelor's degree is obtained if students maintain a 2.5 cumulative grade point average. The MGE Scholarship Program has awarded nearly \$1.4 million to students since it began in 1999.



Freedom of Association and collective bargaining

MGE complies with all federal, state and local employment ordinances. We also adhere to principles and norms that protect human rights in employment, including the freedom of association and the freedom to bargain collectively.

MGE recognizes its employees' right to organize and engage in collective bargaining under the National Labor Relations Act. The MGE workforce is represented by three different unions:

- International Brotherhood of Electrical Workers (IBEW), Local 2304
- United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, Local 2006, Unit 6
- Office and Professional Employees International Union (OPEIU), Local 39

The unionized workforce is 43.7% of MGE's total workforce, far exceeding the average private sector unionization rate in the United States of 6.0%.

We Power Safety

We power safety. Work safe. Home safe. That's our commitment at MGE, and it is embraced by our employees. When it comes to safety, every person and every company can always improve upon their safety performance. That is why we embrace a philosophy of continuous improvement.

MGE Occupational Health and Safety Policy

As part of our ongoing commitment to safety, the company approved our [Occupational Health and Safety Policy](#) in 2022. The policy recognizes the risks inherent to occupational health and safety and embraces safe work practices and environments as fundamental values at MGE. Our commitment to safety and how we govern our commitment isn't new, but this policy allows us to document our commitment in a more formal manner.

MGE is committed to serving our community and to conducting our business in accordance with this policy, which is governed by the following systems:

- **Beyond Compliance.**

We are committed to the health and safety of every person working on behalf of MGE. We strive to ensure their work environment is free from known hazards and goes beyond regulatory rules and industry guidance.

- **Safety Culture Continuous Improvement.**

Through continuous improvement and training, MGE is continually evaluating opportunities for improvement.

- **Corporate Safety Management System.**

MGE is developing a Corporate Safety Management System, which will impact all operations of our organization. It will be based on industry standards and will have defined systems to create, manage and improve safety processes.

- **Data-Driven Safety Performance.**

By utilizing leading and lagging indicators, trend analysis, contractor management tools and the performing of incident investigations, we are able to incorporate performance data into our daily processes to make decisions.



A decade of safety excellence

MGE marked the 10-year anniversary of our journey to safety excellence in 2024. The company held safety celebrations around the company for employees.

MGE formally kicked off its journey to safety excellence in 2014 by:

- Implementing safety training for all employees, from our CEO and executive leadership team to our frontline workers.
- Forming our Safety Steering Team, which is made up evenly of exempt and non-exempt employees. The team meets regularly to examine safety topics and to identify and prioritize continuous improvement opportunities.

After launching our safety initiative, MGE conducted our first Safety Perception Survey to gauge the overall health of our safety culture. We have since conducted follow-up surveys in 2016, 2018, 2021 and 2023 to continue to track our progress and to gain a better understanding of what is working well and where there is room for improvement. All employees across the company are encouraged to participate in these surveys. The Safety Steering Team is developing a strategic plan to address key findings from the 2023 survey.

The Safety Steering Team oversees the creation of our Continuous Improvement Safety Teams (CI Safety Teams). These employee-led teams include both field and office employees. The Safety Steering Team uses the Safety Perception Survey results and other inputs to identify safety culture and performance improvement opportunities for the CI Safety Teams. Through the Safety Steering Team and the CI Safety Teams, employees have direct involvement in our ongoing journey to safety excellence.

Safety vision statement

MGE's safety vision statement was developed by one of our employee-led CI Safety Teams. The team drafted a statement of safety values that encompasses the business of MGE and creates a positive message that all MGE employees can adopt:

“
We power safety. Work safe. Home safe. As MGE employees, we power our own safety and the safety of those we work with to ensure everyone goes home safely. Our goal is zero injuries. Every day. Everywhere.
”

A logo also was developed consistent with our vision statement. The logo, which includes the “We power safety. Work safe. Home safe.” message, can be found on MGE vehicles, employee hard hats and elsewhere across the MGE campus, and it is included in all company safety communications. It serves as a constant reminder of our commitment to and the importance of safety both on and off the job every day.



Safety performance

In 2023, while working more than 1.2 million hours, we recorded a recordable incident rate of 2.4. A recordable incident is an event where the injury typically requires a level of care beyond basic first aid. Total recordable incident rate is figured on a per-100-employee average.

Our lost-time incident rate in 2023 was 1.7. A lost-time event is when the employee is unable to perform his or her job because of the injury and must stay away from work to recover. Total lost-time incident rates also are figured on a per-100-employee average.

Additional safety performance information is available in our EEI-AGA ESG/ sustainability reporting templates, which are available online in our [ESG Data Center](#).

Inclusion and empowerment in our safety program

Our Safety Steering Team meets regularly to examine safety topics and to identify and to prioritize continuous improvement opportunities. It also oversees the creation of our employee-led CI Safety Teams.

MGE employees lead monthly large group and small group safety meetings. Field crews hold daily safe-start job briefings or “tailboards” at individual job sites. These briefings, developed by one of our early CI Safety Teams, focus on hazard awareness and job-specific safety. They engage, involve and empower each employee on the job site and establish accountability.

MGE’s Stop Work Authority program, developed by one of our CI Safety Teams, specifically addresses differences utilizing a “Speak Up Listen Up” safety training. This training focuses on respect for each employee’s opinions of whether a job is safe to proceed. Specifically, the training encourages workers to speak up if they are unsure whether a job should proceed. The training also emphasizes that employees need to listen to a coworker’s concerns and respect the idea that each employee has the right and the obligation to use Stop Work Authority if there is a question that needs to be answered. The process trains our workforce to respect the value everyone brings to the job. From the employee with decades of experience to the employee new to the job, all employees have equal authority and responsibility to stop work when a perceived unsafe condition or behavior is reported.

Continuous Improvement Safety Teams

Our employees understand the path of continuous improvement—they believe in it and the results from their safety efforts are proof that they’re committed to it. Our Safety Steering Team oversees the creation of our employee-led CI Safety Teams and determines the topic each team will address.

Each CI Safety Team goes through a Rapid Improvement Workshop to help team members develop the program around the assigned topic. The team shares its plans and explains the implementation process in meetings attended by the Safety Steering Team, executive management and the CEO. This collaboration has demonstrated a strong commitment to employee safety and holds all levels of employees and management accountable for their role in continuously improving MGE’s safety culture.

We have had 11 CI Safety Teams so far. They have worked to:

- Improve the quality of our safety meetings by creating a process that portrays safety with a positive approach, creates a safety culture driven by employees, and encourages participation and accountability throughout all levels of the company.
- Develop and update a job briefing process for our operations crews that identifies and addresses hazards on the work assignment, encourages discussion and engagement, and promotes accountability at all levels.
- Create a proactive, trust-based, non-disciplinary near-miss/good catch reporting process that identifies, documents, addresses and allows everyone to learn from safety issues.
- Develop our Stop Work Authority process that empowers and provides employees with the responsibility and obligation to stop work when a perceived unsafe condition or behavior may result in an unwanted event.
- Design a process that provides employees with positive recognition and reinforcement of positive safety behaviors.
- Uncover the key influencers that may cause employees to take risks on the job, identify existing tools for managing risk and develop recommendations for mitigating risks.
- Support office personnel to ensure they are informed about, aware of and involved in safety activities that are relevant, are meaningful and add value.
- Improve safety communications and provide a safe and effective work environment for everyone.

Impact on safety performance

The efforts of our CI Safety Teams are making an impact. In 2023, MGE received a Leading Indicator Safety Award from the American Gas Association. This is the second consecutive year MGE has won this award. It recognizes companies for being proactive in preventing fatalities, injuries and illnesses as well as driving behavior change among their workforce when it comes to employee safety. Much of the criteria for the award was focused on areas in which MGE has made progress through our safety culture initiative and CI Safety Teams, including:

- Near-miss/good catch
- Safe-start job briefings
- Employee safety observations
- Utility contractor safety management
- Stop Work Authority
- Proactive ergonomics and strain prevention
- Safety culture surveys



Bring safety home

Our tenth CI Safety Team introduced an at-home safety platform to help reduce injuries by engaging employees in bringing safety home. The Bring Safety Home SharePoint site is an online tool available to all employees and serves as a central location to share at-home safety information, tips, training, checklists and other resources. The site also includes videos from employees sharing their safety experiences, and it features discounts for safety maintenance at home.

Our Safety Steering Team saw an opportunity to strengthen our safety culture by extending it to our homes and loved ones. Safety at home is universal to every employee, and this topic provides an opportunity for safety engagement throughout the company.

Committed to public safety

In addition to the safety of our employees, the safety of our customers and community is a top priority. MGE works to create an environment of electric and natural gas safety and incident prevention. The inspection standards we require on job sites are well above the minimum that is required.

Contractor outreach

MGE takes steps to work with responsible contractors who meet our criteria for health and safety, labor and the environment. In 2022, we launched a new partnership to streamline our contractor data management processes. We partner with ISNetworld (ISN) to help manage contractor qualification requirements. This platform allows us to view important information about contractors, including:

- Health, safety and environmental programs.
- Health and safety statistics and citations.
- A rolling three years of Occupational Safety and Health Administration forms.

With ISN, we can share industry best practices with contractors, benchmark performance, and monitor contractor and supplier risks.

MGE also trains contractors on the importance of identifying underground utilities before digging and what to do if they find or hit an underground line while working. We also provide contractors with electrical and gas handbooks that outline the safety procedures required when working in our service area. MGE is a member of the Public Service Commission of Wisconsin's Damage Prevention Council. This group of stakeholders works to address underground utility locating challenges and to strengthen locating practices.



Customer outreach

A big part of MGE's commitment to safety excellence is educating customers about being safe around electricity and natural gas. We work to keep customers informed about potential dangers and what to do in an emergency. MGE communicates these important messages through advertising, information included with our bills, on our social media channels and in other materials, and on [mge.com](https://www.mge.com). From carbon monoxide safety and flooding to downed power lines and digging, MGE wants customers to be informed and to know where to turn if they have questions and what to do in an emergency situation.

Safety in the classroom

MGE partners with schools throughout our service territory and offers a wide array of classroom lessons, including electric and natural gas safety. From sharing materials to making classroom visits, MGE provides important energy safety lessons to students. One of the most popular programs is MGE's Switch to Safety.

An MGE representative uses a tabletop electric safety model to illustrate and to simulate potentially dangerous electric safety situations. In addition, gas safety is discussed with students who are provided scratch-and-sniff cards to help them recognize the smell of natural gas. In one instance, after a school presentation, a student smelled gas in his neighborhood and alerted an

adult. MGE was able to safely repair the gas leak at a customer's home.

MGE reaches hundreds of Madison-area students annually through our Switch to Safety program.

First responder training

MGE works closely with police and firefighters who respond to emergencies within our service territory. MGE's training specialists partner with our Electric and Gas Operations departments to conduct gas and electric safety training with first responders within the communities we serve. MGE also conducts drills with the Madison Fire Department periodically at both of our Madison power plants.

Disaster recovery planning

MGE is committed to meeting customers' energy needs on a typical day as well as during a storm, natural disaster or cyberattack. We continually review and update our disaster recovery strategies to help ensure safe and efficient business continuity during challenging times.

All hazards response

Whether it's a natural disaster or a man-made disaster, MGE has plans in place to prevent and mitigate damage and ensure safety. Having a well-defined and practiced All Hazards Response Plan (AHRP) is critical to managing and responding appropriately to emergency situations. MGE's AHRP encompasses everything from storm response to cyberattacks. Members of the Incident Command Structure conduct AHRP exercises every year to ensure we're ready to respond to any situation.



Storm response

We address weather-related incidents within the AHRP. It serves as our guide or framework for rapid, effective response to emergencies caused by extreme weather events.

In some cases, a planning-level response is activated to inform AHRP section chiefs of a potential threat and to take the necessary pre-event steps to prepare for the possibility of an escalated response. Impacted business units monitor the situations closely and take proactive measures to mitigate potential outages to customers. While formal activation of the AHRP may not be needed, MGE employees are prepared to act if necessary.

MGE most recently activated the AHRP in May 2024 after a powerful spring storm with hurricane-force winds caused damage and power outages across Wisconsin. The storm impacted more than 35,000 electric customers in the MGE service territory, making it one of the largest outages in MGE's history. Broken poles, hundreds of downed wires and tree branches, uprooted trees and the large number of separate outage incidents resulted in a multiday restoration effort.

With the activation of the AHRP, MGE employees jumped into action, working long hours in the field and behind the scenes to restore service to impacted customers as quickly and safely as possible. MGE crews, with help from mutual assistance crews, were able to restore service to all impacted customers within



several days. While we hope these situations never occur, MGE is committed to providing a safe, secure and timely response no matter the situation.

Additionally, we informally activated the AHRP for planning-level events throughout the past year. This included a major training exercise impacting our natural gas distribution system. The FBI, Wisconsin Emergency Management and Dane County Emergency Management participated in the large-scale tabletop drill.



Mutual assistance

MGE is a member of the Midwest Mutual Assistance Group and the Wisconsin Mutual Assistance Group. The idea of a mutual assistance group is to provide a quick and easy way for utilities to get help from or to offer help to other utilities with overwhelming restoration needs after a severe storm or other incident. MGE has both provided assistance to other utilities as well as received assistance.

In January 2024, MGE sent 11 Electric Construction and Operations employees and equipment to the Fort Atkinson area to help another utility with restoration efforts after a winter storm hit southern Wisconsin. The storm had knocked out power to more than 260,000 customers.

In fall 2023, MGE provided a different type of mutual assistance. Due to limited availability, a utility in Minnesota needed a few pad-mount transformers to wrap up projects and provide service to new commercial buildings in the utility's service area. With the customers pushing for service as soon as possible, a limited supply of the utility's own pad-mount transformers and supply chain challenges, the utility was running out of options. MGE Electric Operations, Engineering, Supply Chain, Legal, Accounting and Purchasing worked to determine that MGE could send three pad-mount transformers to Minnesota. The experience serves as another example of the success of the mutual assistance process.

Ensuring reliability

MGE is a national leader in electric reliability. We are committed to transitioning to greater use of renewable resources while maintaining our top-ranked reliability.

According to results from an annual industry survey including more than 75 electric utilities nationwide, in 2023, MGE ranked second for the fewest number of electric outages per customer.

On average, MGE customers experience about one outage every three and a half years. That’s compared to a nationwide average of more than four and a half outages every three and a half years.

MGE has ranked in the top three utilities in the country for the fewest number of outages in each of the last 17 years. That includes ranking number one seven times in the last 17 years.

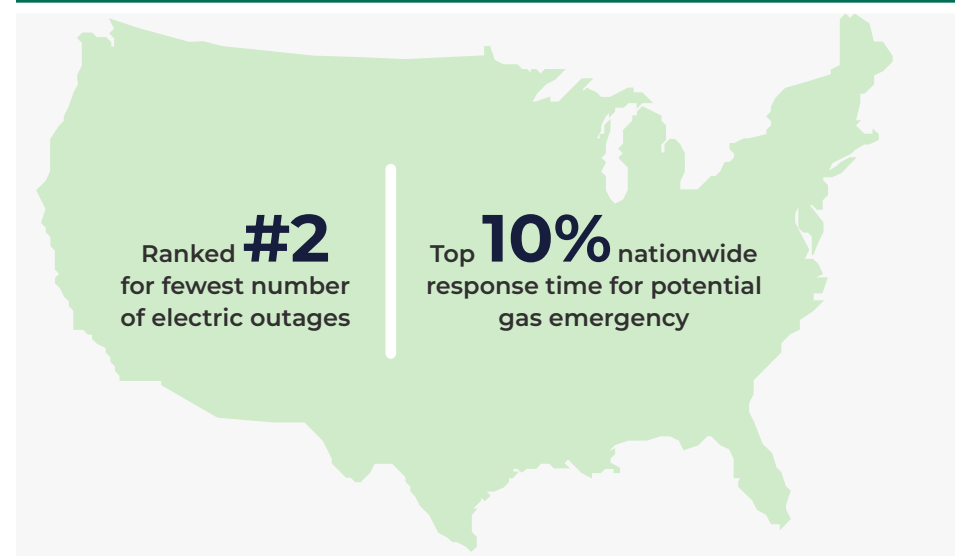
Industry leader in emergency response

When notified of a potential natural gas emergency, MGE crews continue to earn high marks. In 2023, our response time ranked in the top 10% of a nationwide industry survey including more than 75 natural gas utilities.

This ranking is reflective of our dedicated employees who always put customer safety first and understand what it means to serve as your community energy company. It also shows what a good process MGE has in place—from when the call comes into the Customer Center to when our employees arrive on-site.



Reliability and emergency response



MGE Statement on Human Rights

As your community energy company, MGE recognizes our impact on human rights and embraces the protection of human rights as a fundamental value.

In 2022, MGE's Board of Directors approved MGE's Statement on Human Rights. We are committed to serving our community and to conducting our business consistent with this statement as we meet our core obligation to serve our communities with safe, reliable, affordable and sustainable energy. Our company policies and practices reflect the following commitments.

Diversity, Equity and Inclusion. At MGE, we value diversity, equity and inclusion as core principles. Our goal is to create a healthy, inclusive, safe and productive work environment for all.

- Community and stakeholder engagement. MGE believes in the power of the communities we serve. We are committed to investing in and creating long-term partnerships with community organizations that serve our customers, especially vulnerable and disadvantaged families and individuals.

Safe and Healthy Working Conditions. MGE recognizes the risks inherent to occupational health and safety and embraces safe work practices and environments as fundamental values.

- Healthy and safe work environments. MGE is committed to serving our community and to conducting our business in accordance with MGE's Occupational Health and Safety Policy.
- Prevention of workplace violence. MGE is committed to offering employees a safe and welcoming place to work. We do not tolerate violence of any kind, including direct or indirect threats of violence by managers, employees, vendors or customers.
- Anti-harassment. MGE is committed to a workplace in which all individuals are treated with respect and dignity. All employees are responsible for supporting the concepts of diversity, equal opportunity and inclusion at all times and for

assisting MGE in meeting its objectives in these areas.

- Accessibility. MGE complies with all applicable provisions of the Americans with Disabilities Act and the principles contained in other state and local laws applicable to employees with disabilities.
- Maternity protection and parental leave. MGE supports families. MGE employees are entitled to be absent from work for a variety of reasons without being concerned about the security of their job, including family care and maternal/paternal leave for the birth or adoption of a child.

Fair Labor and Worker Rights. MGE complies with all applicable fair labor standards and employment laws.

- Fair wages and compensation. MGE is committed to paying fair wages and believes all workers should be fairly compensated for their work.
- Freedom of association. MGE recognizes its employees' right to organize and engage in collective bargaining under the National Labor Relations Act.
- Forced labor and child labor. MGE prohibits and opposes the use of forced labor, child labor and any form of human trafficking. Accordingly, MGE complies with national laws, local regulations and international standards designed to prevent such exploitation and the principles set forth within them.

Vendor, Supplier and Partner Expectations. MGE values diversity and is committed to increasing the use of local and minority-, women-, veteran- and LGBTQ+ owned businesses to help ensure that our suppliers and vendors reflect the communities we serve.

Employee Guidance, Monitoring and Reporting.

MGE employees are expected to comply with all laws and regulations and to act in accordance with the highest ethical standards in matters with each other, customers, vendors and those who do business with or seek to do business with us.

- Guidance for MGE employees. All MGE employees are required to annually review the Human Rights Statement and are expected to conduct their work consistent with the principles outlined within it.
- Reporting. Employees who would like to report a concern are encouraged to do so by contacting their supervisor, the Vice President General Counsel and Secretary, the Assistant Vice President Human Resources or the Director Legal Services. All employees also can send questions to or file a report with EthicsPoint®, an independent, third-party vendor. These reports may be done anonymously.
- Monitoring. MGE monitors its programs and practices to ensure that we are treating our employees and partners in a manner consistent with our Human Rights Statement.

You can find the MGE Statement on Human Rights in its entirety at mgeenergy.com/social.



A culture of diversity, equity and inclusion

At MGE, we value diversity, equity and inclusion (DEI). MGE promotes an inclusive, respectful work environment where individuals and groups can achieve their full potential. We support all employees and provide equitable access to employment and development opportunities.

Our goal is to create a healthy, inclusive, safe and productive work environment for all. All employees are responsible for assisting MGE in meeting our objectives around diversity and inclusion as well as supporting the concepts of equal opportunity and affirmative action. We believe our collective diversity makes us stronger and more complete, both within MGE and throughout our community.

One of our corporate initiatives aims to ensure our increasingly diverse customers and employees experience us as “their” community energy company. Through an executive-led working group with representation from across the company, we continue our focus on customer communication and engagement as well as skills development and training to further promote an inclusive and respectful work environment to better serve our customers and communities.

Every employee at MGE experiences programming around a wide range of topics, including diversity, harassment and our Code of Ethics. Employees who witness any harassment or discrimination issues are encouraged to bring them to the attention of Human Resources or file a report using our anonymous employee hotline.

DEI Steering Team

MGE's employee-led DEI Steering Team was formalized in 2022. With representation across the company, the DEI Steering Team builds on MGE's commitment to DEI in our workplace, in service to our customers and in our efforts to improve the quality of life throughout our communities.

MGE publishes its EEO-1 report, an annual data collection filed with the U.S. Equal Employment Opportunity Commission, in our online [ESG Data Center](#). The report contains demographic workforce data by race/ethnicity, sex and job categories. We make this data available as part of our commitment to transparency and disclosure.

In 2023, MGE introduced enhanced inclusive leadership training and volunteer opportunities for employees. This inclusive leadership training is required for:

- Employees in people leadership positions. This training focuses on leading inclusively as a way to approach daily behaviors and decisions that result in collective engagement and belonging.
- All new employees. Within their first 30 days of employment, new hires take part in training on creating a harassment-free workplace and supporting an environment of respect.

Additionally, a library of other DEI courses is available online. MGE continues to evaluate processes, practices and internal systems and to plan new employee engagement opportunities.

Community recruitment

As part of our recruiting efforts, MGE partners with organizations that work with candidates who are underrepresented in the community. We participate in and sponsor workshops, mock interviews and other events designed for diverse job seekers. In 2023, MGE attended 13 recruiting/networking events focused on DEI.



Employee Resource Groups

MGE is committed to organizational inclusion and to providing an opportunity for employees cross-functionally to connect, build upon our company culture, grow personally and thrive in a shared community. MGE's recently launched Employee Resource Groups (ERG) initiative is one way to advance these objectives.

An ERG is a group of employees who gather in the workplace based on shared characteristics or life experiences. ERGs are generally based on providing support, enhancing career development and contributing to personal development at work.

Employees have the opportunity to create or join an ERG. Three ERGs are underway at MGE: the Employee Volunteer Network, which has done volunteer work in the community; the Women's Network, which connects employees interested in networking, sharing and learning from each other; and in fall 2024, the company announced the formation of a veterans-focused ERG.



Doing Business with MGE

MGE selects suppliers on the basis of quality, delivery, cost and customer service, among other factors. Small businesses and minority-, women-, veteran- and LGBTQ+ owned businesses with limited experience or financial capability are encouraged to participate in the supply process.

MGE promotes economic development within our service area and throughout Wisconsin in a number of ways, including through procurement policies that favor Wisconsin businesses. MGE prefers to do business with qualified Wisconsin suppliers whenever possible.

MGE's statement on human rights outlines our expectations for vendors, suppliers and partners. MGE also expects all of our suppliers to adhere to the company's Code of Ethics when conducting business with MGE and when conducting business with third parties on behalf of MGE.

Code of Ethics

As outlined in the company's Code of Ethics, employees are expected to comply with all laws and regulations and to act in accordance with the highest ethical standards in matters with each other, customers, vendors and those who do business with or seek to do business with MGE. All employees sign the Code of Ethics when they are hired, and a reaffirmation of the Code of Ethics is required every year by the company's Internal Audit department.

Giving back to the community

MGE's commitment to those we serve extends far beyond reliable energy. We are committed to helping improve the quality of life for all those we serve. We contribute to and help to better our community in three different ways.



MGE Foundation giving

amount given in the last five years
> 8.7M to **> 400**
organizations

amount given in 2023
> 1.6M to **> 200**
organizations

The MGE Foundation

Established in 1966, the MGE Foundation is our philanthropic arm. Support from the Foundation helps our local organizations improve lives today and the lives of future generations by working to preserve the long-term health and vitality of our community. In the last five years, the Foundation has given more than \$8.7 million to more than 400 community organizations. In 2023 alone, the Foundation contributed more than \$1.6 million to more than 200 local organizations serving environment and health, culture and enrichment, equity and inclusion, youth and education, and community service-oriented initiatives.

MGE corporate giving

MGE collaborates and works together with hundreds of organizations to provide service, help improve lives, tackle challenges and seize opportunities facing our community. We partner with local stakeholders in a variety of ways to advance shared goals and initiatives.

Employee volunteerism and service

Our dedicated employees embody what it means to serve as your community energy company. Outside of their jobs at MGE, many of our more than 700 employees volunteer on local boards and committees and as members of economic development and nonprofit organizations.

MGE Report on Giving

MGE publishes a Report on Giving, which highlights some of the ways in which we give, partner and work to support the communities we are privileged to serve. The report is available at mge.com/giving.

	community service Supporting the community's most vulnerable populations
	culture and enrichment Fostering our community's culture, arts and history
	environment and health Protecting our health and environment
	equity and inclusion Advancing diversity and inclusion
	youth and education Educating and nurturing our children

Support for United Way

In 2023, United Way of Dane County celebrated 101 years of impact in the community. MGE is a longtime supporter and partner of United Way. The organization's extensive reach helps our customers and broader community. United Way works toward lasting change, sharing MGE's goal of making our community a better place to live, work and enjoy.

MGE consistently ranks among the top 10 companies in total donations to United Way. In 2023, MGE and our generous employees and retirees gave more than \$292,000 to the local campaign. Some employees also took time out of their busy schedules to volunteer by packing more than 2,000 diapers into about 200 packs for distribution by The Village Diaper Bank. This organization partners with local service groups to provide free diapers to disadvantaged families while raising awareness of the basic health need for diapers.

MGE employees also serve on various United Way boards, committees and Leadership Giving groups, helping to set the direction and address the needs facing our community.



Photo courtesy of United Way of Dane County, 2024 Community Kickoff.



Economic development

A healthy economy contributes to a healthy community. MGE is committed to advancing continued growth and a thriving economy in the greater Madison region. We partner with business, education and government leaders to ensure our area businesses have the resources and connections they need to start, stay competitive and grow with the region.

MGE's economic development team helps businesses get access to financing, increase profitability and connect with business resources within the region. In addition, our account managers in our Business Customer Relations area work with new and existing businesses in a variety of ways, including helping them to expand sustainably, reduce their carbon footprint and manage their energy use.

Business Design Assistance Team

MGE's cross-functional Business Design Assistance Team (BDAT) is designed to enhance the customer experience on large development projects. The BDAT brings together all the necessary contacts at MGE for a kickoff meeting with the developer. Developers working on a project in MGE's service area may need to determine who at MGE to contact about gas and electric service, rates, EV charging and more. MGE's BDAT streamlines that process.

It is intended for developers and construction companies that are not experienced working in MGE's service area or for projects with an unusual component, such as those dealing with cultural resources or routing that is planned in a historical zone.



2024 Corporate Responsibility and Sustainability Report

Governance

Our Board of Directors has a strong commitment to corporate responsibility and accountability. Community-focused and with a breadth and diversity of experience, board members bring strong, effective oversight in their service to MGE and MGE Energy.

This report includes forward-looking statements and estimates of future performance that may differ from actual results because of uncertainties and risks encountered in day-to-day business.



Highlights



- The Board of Directors schedules 10 regular full-board meetings each year. In 2023, the board held 10 committee meetings.
- Eight out of the board's 10 directors are independent. All members of the Corporate Governance Committee, Audit Committee, and Human Resources and Compensation Committee are considered independent.
- The Lead Independent Director is empowered to call meetings of the board and executive sessions and chairs the Corporate Governance Committee.
- The Corporate Governance Committee conducts an annual assessment of the board's effectiveness as a whole.
- Directors may not serve on more than three other public company boards.
- In 2024, as part of ongoing board refreshment, the board welcomed three new directors. It previously welcomed two new directors in 2018 and one new director in 2021.
- The company has a "clawback policy," which covers both cash-based and/or stock-based awards containing performance requirements.
- Bylaws include a director resignation policy for directors who do not receive a majority "for" vote in uncontested elections.
- The board engages in a comprehensive biannual risk assessment, and on a biennial basis, the board conducts a broad-based exercise on risk with all company officers.
- MGE does not use corporate funds for contributions to any state or federal political candidates or their campaign committees.

Board Governance

Roles of the Chairman and CEO

Our board is led by our Chairman, President and CEO. With primary responsibility for managing the company’s day-to-day operations and for executing on the company’s vision and strategy, our CEO is best positioned to chair regular board meetings. This structure provides independent oversight while avoiding unnecessary confusion regarding the board’s responsibilities related to key business and strategic matters and day-to-day management of business operations.

Independent Lead Director

Our Lead Independent Director has extensive authority and responsibility in ensuring the board meets its responsibilities for effective oversight and sound governance. The Lead Independent Director is responsible for the following:

- **Board Leadership:** Is empowered to call meetings of the board or executive sessions. The Lead Independent Director also is empowered to chair executive sessions of the directors.
- **Board Information:** Provides input to the Chairman on the scope, quality, quantity and timeliness of the information provided to the board and serves as a nonexclusive conduit to the Chairman of views and concerns of our directors.
- **Corporate Governance Committee Leadership:** Chairs our Corporate Governance Committee, which evaluates on an ongoing basis the composition, structure and performance of our board and assists in board recruitment, refreshment and succession planning.

Our board has four standing committees. All members of the Corporate Governance Committee, Audit Committee, and Human Resources and Compensation Committee are considered independent.

The Executive Committee acts in lieu of the full board and between meetings of the board. The Executive Committee has the powers of the board in the management of the business and affairs, except action with respect to dividends to shareholders, election of principal officers or the filling of vacancies on the board or committees created by the board. Since our board meets 10 times a year, there has not been a need for the Executive Committee to meet or take action.

Our board

The Board of Directors has four standing committees. All members of the Corporate Governance Committee, Audit Committee, and Human Resources and Compensation Committee are considered independent.

Audit Committee

Oversees the board’s relationship with the company’s internal auditors and independent registered public accounting firm and discusses with them the scope and results of their audits, accounting practices and the adequacy of the company’s internal controls. The Audit Committee also reviews all “related party transactions” for potential conflict of interest situations.

Corporate Governance Committee

Responsible for taking a leadership role in shaping corporate governance policies and practices and in officer and director succession planning, and reviews and makes recommendations on board and committee organization, membership, function and effectiveness, including reviewing and nominating board candidates.

Human Resources and Compensation Committee

Reviews the salaries, fees and other benefits of officers and directors and recommends compensation adjustments to the board. In consultation with its compensation consultant and the other independent directors on the board, the committee determines the amounts and elements of compensation for the company’s executive officers and provides overall guidance for the company’s executive compensation policies and programs.

Executive Committee

Acts in lieu of the full board, and between meetings of the board, and has the powers of the board in the management of company business and affairs, except action with respect to dividends to shareholders, election of principal officers or the filling of vacancies on the board or committees created by the board.

Our Board

Our board is very active and engaged with 10 regularly scheduled meetings of the full board each year, in addition to committee meetings. There were 10 committee meetings in 2023.

Regular board meetings help directors stay well-informed of industry and company developments. Directors may not serve on more than three other public company boards.

MGE Energy board meetings are structured to provide for active dialogue with MGE management. Internal and external subject matter experts present to the board on issues of strategic importance to inform board members’ decision-making and oversight.

Some of the topics reviewed and discussed by the board in the last year included, but were not limited to, the following:

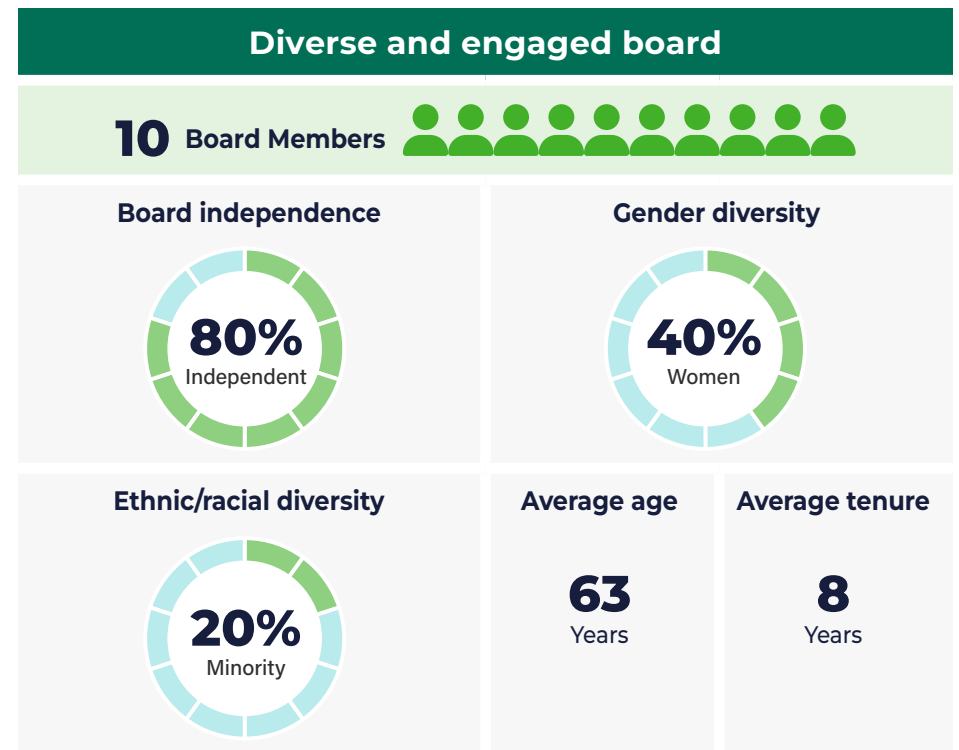
- Cyber and physical security of MGE systems and infrastructure.
- MGE’s carbon reduction goals and related initiatives and customer programs.
- Emissions associated with the company’s purchase and distribution of natural gas and MGE’s natural gas emissions framework.
- MGE’s annual Corporate Responsibility and Sustainability Report and other environmental, social and governance (ESG) reporting and disclosures.
- Current and emerging environmental risks and risk mitigation.
- Generation facility retirement planning and potential capacity and energy replacement.
- Energy affordability and rates.
- Risk management planning and Enterprise Risk Management Policy.
- Board succession planning.
- Company’s commitment to diversity, equity and inclusion and related efforts.
- State and federal legislation and regulatory policy.
- MGE’s top-ranked electric reliability.
- Company initiatives and investments.
- Company’s philanthropic giving.

The board’s interactions with internal and external subject matter experts provide useful information and insight relative to critical business initiatives and corporate strategy. These interactions inform the board’s understanding of the company’s

financial performance, environmental performance, risk management and oversight, and succession planning.

Board members also have direct access to a network of resources and ongoing educational opportunities that support their ability to provide effective oversight and governance on a broad range of critical issues. This direct access includes director training and resources from:

- The National Association of Corporate Directors, an organization dedicated to advancing broad-based director education, including on governance and emerging issues;
- PricewaterhouseCoopers (PwC), which offers events and resources for directors to stay current on ESG-related topics, risk and other board responsibilities; and
- The Edison Electric Institute (EEI) and the American Gas Association (AGA), which also offer ESG-related topics specific to the energy industry.

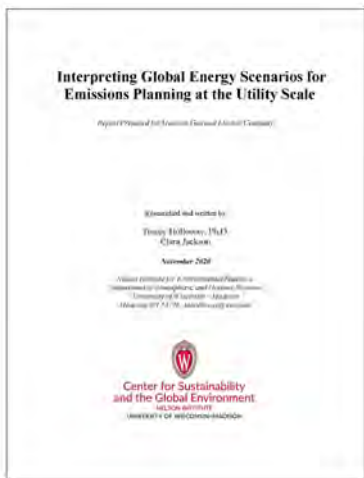


The above information reflects board composition as of this report’s publication.

Climate change and environmental expertise

The board has engaged and plans to continue to engage widely recognized scientific experts on topics related to climate change. Daniel J. Vimont, who serves as Professor, Atmospheric and Oceanic Sciences at the UW-Madison; Director, Nelson Institute Center for Climatic Research; and Co-Director, Wisconsin Initiative on Climate Change Impacts, has presented to the board on climate change science, scenarios and projections. He last presented to the board in April 2024. This is in addition to the board’s and company management’s regular engagement on emerging environmental risks and risk mitigation from internal subject matter experts. MGE management brings considerable environmental expertise as well as expertise in environmental law to the company.

In 2019, MGE management began working with experts from the UW-Madison’s Nelson Institute for Environmental Studies to evaluate the company’s goal of net-zero carbon electricity by 2050. The board has discussed the work of these experts to evaluate the company’s goal and strategies for achieving deep decarbonization by mid-century. See the [Environmental](#) section of this report for details of this independent analysis.



Board independence

The board makes an annual assessment of the independence of directors under the independence guidelines adopted by the Nasdaq Stock Market, Inc. The guidelines are generally aimed at determining whether a director has a relationship which, in the opinion of the MGE Energy board, would interfere with the exercise of independent judgment in carrying out director responsibilities. The guidelines identify certain relationships that are considered to affect independence, such as a current or past employment relationship with the company, the receipt by the director or one of his or her family members of compensation in excess of \$120,000 from the company for other than board or board committee service and commercial relationships exceeding specified dollar thresholds. These guidelines also are reflected in MGE Energy’s [Corporate Governance Guidelines](#).

The board has determined that eight of the 10 directors are independent under the Nasdaq Stock Market, Inc., definition of independence and the company’s Directors Independence Standards, which parallel the Nasdaq Stock Market, Inc., definition. All members of the Corporate Governance Committee, Audit Committee, and Human Resources and Compensation Committee are considered independent. More information about the board is available in the company’s annual Proxy Statement.

Board assessment

The board conducts an annual board self-assessment, which includes an extensive survey covering board structure and composition, meetings, committees, key responsibilities and board management. In addition, the board periodically evaluates directors’ expertise and experience.


A peer evaluation occurs once every three years before nominating slates of directors for election and as part of succession planning to consider and to select new directors. This evaluation covers key professional skills, diversity, and breadth of community and other business experience and knowledge. In 2024, as part of ongoing board refreshment, the board welcomed three new directors. The board has welcomed six new directors since 2018.


In addition, each director conducts an individual self-assessment once every three years to evaluate their skills and experience relative to their board service.




Diverse experience and perspectives


Effective oversight comes from a board that represents a diverse range of experience and perspectives that provide the collective qualifications, attributes, skills and experience necessary for sound governance. The following reflects our board's diverse range of experience and attributes. See the company's annual Proxy Statement for additional information.


 **Financial Acumen (100%)** – Experience as a principal financial officer, principal accounting officer, controller, public accountant or auditor. Experience in analyzing or evaluating financial statements, large capital projects, financings and/or budgets.


 **Technology/Security (40%)** – Experience in and understanding of the business and operations technical systems, including financial systems, grid operations and customer information systems. Understanding of the potential for physical and cyber threats to critical infrastructure and digital systems and the risk mitigation plans.

 **Strategic Leadership/Governance (100%)** – Experience as executive officer and/or senior leader in business or public service with an understanding of how to oversee complex organizations, provide effective corporate governance and enable a strong corporate culture.

 **Legal/Regulated Industry (100%)** – Experience working closely with government agencies and in a highly regulated business. Having worked in public policy for an organization that operates within the public policy and regulatory process.

 **Customer/Community/Workforce (100%)** – Understanding of and experience in working in the business and political environment of the company's customer base. Understanding of customer service, experience and expectations, and of community matters, needs and interests. Community involvement through nonprofit, business and civic organizations. Experience in and understanding of employee relations and matters of diversity, equity and inclusion in the workplace and broader community.

 **Environmental/Safety (70%)** – Experience in and understanding of environmental policy and compliance, impacts and risks, and emerging issues and opportunities for greater sustainability. Experience in and understanding of workplace and/or public safety related to critical infrastructure and operations of essential services.

 **Operations (50%)** – Experience in the energy or utility industry or development, construction, manufacturing or essential services. Knowledge of electric generation and distribution or gas operations and distribution systems. Understanding of the technical issues and risks associated with the reliability, resiliency and safety of such systems.

The above information reflects board composition as of this report's publication.

Oversight

Directors understand corporate responsibility and sustainability are integral to the company's long-term success and share management's commitments in these areas, from long-term and strategic direction to day-to-day business practices company-wide. Each director is expected to examine all major issues affecting an organization and must be committed to the highest ethical standards, accountability, transparency and open dialogue with one another and with management to provide effective oversight.

In late summer 2024, the board held a strategic planning and review session with officers of the company. These periodic sessions with officers are designed to review corporate strategy across all aspects of the company's business and to provide directors with the opportunity to engage senior management on issues of strategic importance, such as generation strategy and planning.

Oversight of executive compensation

MGE Energy's Board of Directors' Human Resources and Compensation Committee, composed of independent directors, takes into consideration performance on both short- and long-term corporate strategy, among other factors, when evaluating executive compensation. Directors consider environmental performance, among other factors, such as cost containment and management of day-to-day operations. The committee also considers other performance goals that are critical to company performance, such as earnings, system reliability and customer satisfaction as well as long-term strategic goals, including those related to sustainability and ESG-related matters.

The board regularly reviews how well the company is advancing its goals for carbon emissions reductions and its strategies for deep decarbonization. Our compensation program is designed to link a significant portion of the compensation of our named executive officers to defined performance standards that promote a balance of the drive for near-term earnings and returns with growth in long-term shareholder value.

The board believes that directors and officers should own and hold the company's common stock and

have a portion of their compensation based upon the performance of that common stock to align further with the long-term interests of shareholders. The company's guidelines measure that alignment through a combination of minimum stock ownership and long-term compensation awards that are directly tied to the performance of MGE Energy stock. MGE Energy's annual Proxy Statement provides an explanation of the company's corporate governance practices and responsibilities.

State and federal oversight

As a public utility, MGE operates under state and federal regulations. These regulations serve to protect the interests of customers, employees and investors as well as protect the environment. MGE is subject to regulation by the Public Service Commission of Wisconsin (PSCW), which has authority to regulate most aspects of MGE's business, including rates, terms and conditions of service, accounts, issuance of securities and construction of infrastructure, such as generation siting. The PSCW also has authority over certain aspects of MGE Energy as a holding company of a public utility.

The Federal Energy Regulatory Commission has jurisdiction, under the Federal Power Act, over certain accounting practices and certain other aspects of MGE's business. MGE Energy's subsidiaries also are

subject to regulation under local, state and federal laws regarding air and water quality and solid waste disposal.

Oversight of ESG matters

Our company seeks to foster a proactive and forward-thinking approach to ESG-related matters, beginning with board oversight of and executive leadership on key topics and emerging issues. The board's engagement with management and the company's participation in third-party sustainability benchmarking and evaluation programs help to assess performance and promote continuous improvement. MGE voluntarily participates in statewide environmental performance programs and various industry sustainability and benchmarking groups to help reduce environmental impacts across all areas of the company.

Board oversight of ESG-related matters includes review of environmental risks and mitigation as well as assessment of current and/or future environmental regulations. It also includes review of the company's environmental and sustainability performance. The board receives timely and relevant information on a regular basis related to the company's sustainability initiatives and performance and ESG-related matters.

Our sustainability governance structure helps to ensure that oversight and management of ESG- and sustainability-related risks and initiatives

throughout the company are incorporated into our long-term strategy and day-to-day management and operations.

Our approach to these matters helps to facilitate discussion related to sustainability at every level of the organization, including among the Board of Directors, executive officers, our Sustainability Steering Team, and other leaders and internal subject matter experts. Our [Environmental and Sustainability Policy](#) guides our commitment to corporate responsibility and environmental accountability throughout the organization.

Sustainability Management

MGE's employee-led Sustainability Steering Team serves to help ensure the company takes a global and proactive approach to sustainability throughout the organization. The Sustainability Steering Team is overseen by and receives guidance from MGE's Executive Sustainability Team, which has officer representation from across MGE and which keeps the Board of Directors informed of the company's progress.

Sustainability Executive Team

- Has officer representation from across MGE to oversee and to provide guidance to the Sustainability Steering Team.
- Keeps the Board of Directors informed on sustainability initiatives and ESG-related matters.

Sustainability Steering Team

- Composed of employees from across the company.
- Supports sustainability engagement and benchmarking.
- Reviews, evaluates and prioritizes continuous improvement opportunities for the company.

- Assembles the Continuous Improvement Sustainability Teams, which address specific improvement initiatives and tasks.
- Oversees MGE's Environmental Management System (EMS).

More information about the Sustainability Steering Team is available in the [Environmental](#) section of this report.

Green Master

In 2024, MGE earned the Green Master designation for the 11th consecutive year from the Wisconsin



Sustainable Business Council (WSBC). The WSBC revamped the Green Masters Program® and its requirements in 2023.

Under the updated program, the WSBC ranks organizations against what are considered best practices in sustainability and ESG pillars. The number of categories evaluated went from nine to 15, and they're organized under four specific areas: Environment, Society, Workforce, and Governance and Leadership.

To achieve Green Master status, a company in the utility sector must score higher than 75% on average in at least 10 of the categories. Being named a Green Master signifies that MGE has identified and is effectively managing all material sustainability issues and performance related to those issues.

MGE was the first utility to be awarded the distinction in 2014.

Green Tier

MGE is the only electric utility in Wisconsin to be awarded the highest participating level in the Wisconsin Department of Natural Resources' (DNR) environmental leadership program, Green Tier. MGE is one of only



GREEN TIER

A DNR Program for Superior Environmental Performance

eight Wisconsin companies to achieve the "Tier 2" level. By participating in the Green Tier program, MGE continues its voluntary commitment to superior environmental performance, setting goals to make significant environmental improvements, and committing

to third-party compliance and EMS auditing, in cooperation with the DNR.

In 2017, MGE expanded the scope of our Green Tier contract, and in 2020, we renewed our five-year contract with the DNR for Green Tier certification. MGE's primary goal in the expanded contract is to cover all MGE operations under our EMS. An EMS is a continuous improvement process that evaluates, prioritizes and manages environmental risks. Participation in the Green Tier program provides certification for our EMS.

The expanded scope of our EMS further demonstrates our commitment to goal setting and environmental accountability. Reporting on the performance of our EMS, including compliance audit results, occurs annually with results available on the DNR website.

Enterprise Risk Management

Enterprise-wide risk assessment and oversight are fundamental responsibilities of our board. Directors are involved in overseeing the primary risks facing the company.

As part of the company's Enterprise Risk Management program, our board receives on an ongoing basis information from management related to key business risks and mitigation strategies. These business risks include existing and emerging risks related to environmental performance and sustainability, among other risks.

The company's Internal Audit department, on behalf of MGE management and the Board of Directors' Audit Committee, facilitates an annual Enterprise Risk Management process with each officer of the company. The sessions with individual company officers and management update existing areas of risk, classify new or emerging areas of risk, and identify owners responsible for assessing, managing and/or mitigating areas of risk.

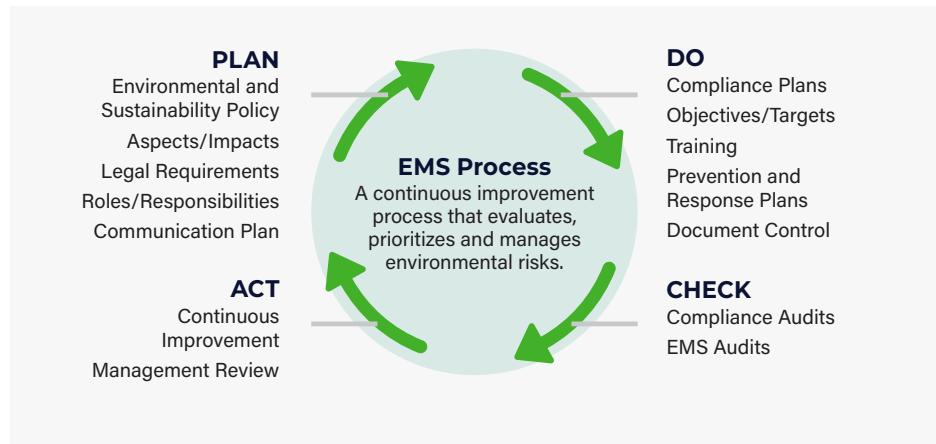
In addition, the board engages in a biannual comprehensive risk assessment and mitigation exercise. And, on a biennial basis, the board conducts a broad-based exercise with company officers on risk and emerging risk identification, assessment and mitigation strategies.

The company's comprehensive approach to risk management encourages all directors to initiate discussion at any time, either directly or through the Lead Independent Director, on any areas of concern, including risk identification and assessment, controls, management and oversight. The board and MGE management have created a culture of sustainability, responsibility and risk management. All officers of the company take ownership in and are accountable for managing and mitigating corporate risk.

Full board		
Enterprise Risk Management	Financial Performance	Security - Cyber and Physical
Corporate Sustainability and ESG	Operations	
Customer and Community Engagement	Public and Regulatory Policy	Strategic Risk Management
Committees		
Audit	Human Resources and Compensation	Governance
Financial Reporting	Executive Compensation and Benefits	Board Succession and Composition
Compliance	Human Resources Strategies: <ul style="list-style-type: none"> • Diversity, Equity and Inclusion • Workplace Environment and Culture • Employee Engagement • Talent Development 	Board and Corporate Governance
Code of Conduct		
Cyber Compliance		
Disclosure		
Ethics		CEO Succession

Environmental Management System (EMS)

An EMS is a continuous improvement process that evaluates, prioritizes and manages environmental risks. MGE’s first Continuous Improvement Sustainability Team oversaw the expansion of the company’s EMS to cover all of MGE’s operations. The expanded scope of our EMS captures environmental improvements across the company.



MGE employed an independent third party to oversee the expansion of the EMS. The independent third party’s expertise in risk management and compliance helped MGE to identify operational and environmental risks and to evaluate those risks under the scope of the expanded EMS. The EMS has a risk profile or scoring convention to evaluate risks consistent with how the company assesses risk throughout the organization. The EMS process helps to ensure effective identification, assessment and management of risk at all levels of the organization.

EMS and Green Tier participation

As a participant in the highest level of the DNR’s Green Tier program, MGE’s EMS is required to be aligned with ISO 14001, an internationally recognized standard to manage our operational environmental impacts, opportunities and risks.

MGE is in our fifth year of successfully expanding our ISO 14001-based EMS into all company operations. Our expansion to all operations allows for a consistent and comprehensive approach to reducing impacts and to furthering continuous improvement.

Participation in the Green Tier program provides certification for our EMS. Certification is based on an external system audit and an external compliance audit as explained below. Reporting on the performance of our EMS, including audit results, occurs annually with results available on the DNR website.

EMS internal and external audits

As noted above, MGE works to ensure the EMS is functioning properly by participating annually in internal and external audits. We also ensure our compliance with regulatory obligations by participating in third-party compliance audits.

MGE’s ISO 14001-based EMS is audited annually by a third-party auditor who is approved by the State of Wisconsin to perform ISO 14001-based EMS audits. Approval from the State of Wisconsin requires ISO 14001 accreditation or certification through the State of Wisconsin.

In addition, MGE hires a third-party compliance auditor to audit our environmental regulatory compliance in our operations areas. Third-party compliance audits are scheduled to ensure all operations areas are externally audited at least once within a three-year period.

Under our Green Tier contract, MGE agrees to a superior level of transparency and accountability. The results of our third-party EMS and Green Tier compliance audits are shared with the DNR. Corrective action taken on any minor or major EMS audit findings and on any Green Tier compliance audit findings also is shared with the DNR.

EMS goals, targets and action plans

MGE's Sustainability Steering Team develops environmental objectives, targets and action plans annually. These goals are informed by MGE's Environmental and Sustainability Policy and by MGE's operational environmental impacts.

A number of the goals achieved under the expanded EMS includes:

- Expanded our greenhouse gas (GHG) inventory beyond our known electric generation sources, completing a GHG inventory of our natural gas distribution system, a Scope 3 emissions inventory, and an inventory of our Scope 1 and 2 emissions sources to capture a more accurate picture of our overall GHG emissions impact.
- Created an inventory of our pollinator-friendly properties, which will enable us to consider additional voluntary opportunities for pollinators.
- Evaluated MGE's recycling and disposal options for existing MGE solar panels and wind turbine blades and developed environmental aspects to consider for future purchases of solar panels and wind turbine blades.
- Enhanced MGE's environmental emergency response plans for facilities with high risk to waterways, human health and sensitive environmental features by updating our higher-risk plans and response guides.
- Completed one year ahead of our five-year schedule a voluntary effort to replace 440 polychlorinated biphenyls (PCB) contaminated transformers located around our service area, reducing potential impact to our waterways. These transformers contained more than 10,000 gallons of PCB-contaminated mineral oil that we removed for proper disposal.

- Continued to increase the electrification of our operational fleet by replacing fossil-fueled light-duty vehicles in our fleet with plug-in electric vehicles (EVs) and plug-in hybrid electric vehicles (PHEVs), consistent with our Fleet Alternative Vehicle Policy and corporate goal to achieve 100% all-electric or plug-in hybrid light-duty vehicles by 2030. Including current and ordered vehicles, more than 42% of our light-duty vehicle fleet is all-electric or plug-in hybrid.
- Incorporated environmental emergencies into MGE's corporate-wide All Hazards Response Plan, which utilizes a formal incident command structure to assess, mitigate and address MGE hazards.
- Converted indoor lighting in MGE facilities to LED lighting, which resulted in energy savings.

Additional goals adopted by the Sustainability Steering Team and consistent with its commitment to continuous improvement include:

- Evaluate our pollinator habitat for alignment with formal voluntary agreements such as the U.S. Fish and Wildlife Service's Monarch Conservation Agreement and the UW's Solar Pollinator Certification program.
- Continue to support MGE's climate goals, including goals associated with MGE's 2035 net-zero methane emissions goal from natural gas distribution, and continue to enhance measurement of Scope 1, 2 and 3 emissions.
- Develop a site attributes inventory for our properties that allows for an expedited review of compliance and risk.



Scope 3 GHG emissions

When companies look at measuring their GHG emissions, they often look at their Scope 1 GHG emissions, which are direct emissions from their operations, and Scope 2 GHG emissions, which include indirect use such as electricity, steam, heat and cooling.

Scope 3 GHG emissions are indirect emissions caused by what are referred to as “value chain” activities, such as purchases of materials, the creation of waste and how a company’s product is used by its customers and consumers. MGE’s Scope 3 GHG emissions account for about 53% of our overall GHG emissions. MGE discloses Scope 3 GHG emissions in our CDP climate change questionnaire.

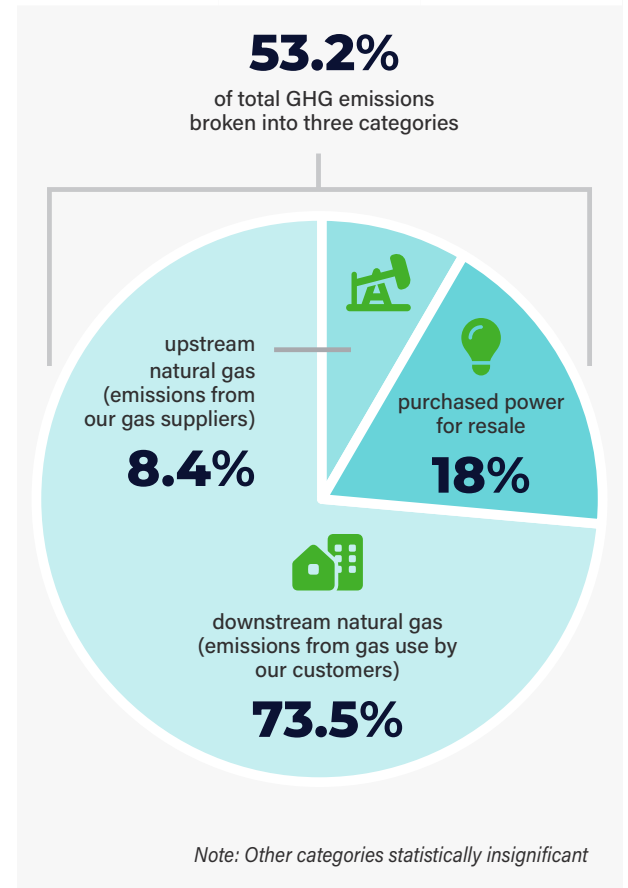
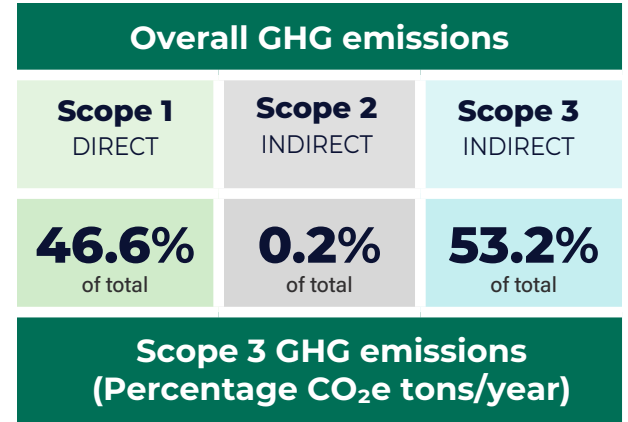
Our Scope 3 GHG emissions include three main categories (other categories of Scope 3 GHG emissions are considered statistically insignificant). The three main categories are purchased power for resale (which is covered under our 2030 and 2050 carbon reduction goals), upstream natural gas emissions from our gas suppliers and downstream natural gas emissions from gas use by our customers. Estimates of our Scope 3 GHG emissions are summarized in the pie chart.

MGE contracts with two natural gas transmission companies, Northern Natural Gas and ANR Pipeline Company, both of which are part of the ONE Future Coalition. ONE Future is a group of more than 50 natural gas companies working to reduce methane emissions voluntarily across the natural gas supply chain to 1% or less by 2025. In its 2023 report, ONE Future cited a methane intensity of less than one-half of one percent, beating its 1% goal for the sixth year in a row. See page 40 of this report for additional information.

More than half of our overall GHG emissions come from sources already included in our net-zero carbon electricity goal. Those emissions include emissions from our fossil-fueled electric generation facilities and purchased power agreements. Our ongoing analysis of emissions associated with our suppliers and customers helps MGE to identify and to understand the opportunities to reduce our Scope 3 GHG emissions.

Emissions reductions in our natural gas distribution service

Our framework to address overall GHG emissions from our natural gas distribution service includes the following strategies: renewable natural gas; enhanced leak detection and monitoring, measurement and repair; supplier engagement; customer partnerships; energy efficiency and conservation; electrification; and new technologies. We expect the cost-effective deployment and commercialization of new and emerging technologies, as well as supportive policy and regulation and the use of offsets, will be needed to achieve a net-zero carbon energy economy. It will require economy-wide transformational changes in producing, transporting, storing and consuming energy in all its forms. Expanded research and development are vital to achieving this target. All these considerations will factor into how MGE pursues decarbonization associated with our distribution of natural gas. MGE is constantly evaluating and analyzing our next steps to serve our customers reliably, cost-effectively and sustainably as technologies, policy and regulation, and consumer dynamics evolve.



ESG Reporting and Stakeholder Engagement

Environmental Management Information System

MGE's Environmental Affairs team oversees hundreds of routine monitoring, recordkeeping and reporting tasks, some of which occur every week. MGE transitioned in 2019 to a new software system for use in risk minimization. MGE's Environmental Management Information System makes it significantly easier to see and to track the different tasks. The system provides MGE with better and quicker access to the status of compliance activities and improved information for analysis, resource planning and performance reporting. This leads to more efficient use of time, better alignment of information management processes and simplified training for turnover or responsibility transfers.

In 2018, MGE moved from biennial to annual production of our Environmental and Sustainability Report, which in 2020 became the company's Corporate Responsibility and Sustainability Report to reflect more accurately the range of content provided in the report. This report is reviewed by the board annually. Report data and data in our EEI-AGA ESG/sustainability reporting templates also are audited by the company's Internal Audit team.

EEI-AGA ESG/sustainability reporting templates

To advance further transparency and disclosure, MGE also participates in EEI's and AGA's ESG/sustainability-related reporting templates. The voluntary, industry-specific templates include both qualitative and quantitative information. The quantitative template includes data related to MGE's energy portfolio (generation and capacity), emissions, capital expenditures, and human and natural resources. The qualitative template includes information related to the company's strategies for transitioning toward deep decarbonization and greater sustainability. Board members also review MGE's templates annually, which are available online in our [ESG Data Center](#).

CDP report

MGE Energy also reports information and data to CDP (Carbon Disclosure Project), a global platform for disclosure of environmental impacts. Our CDP climate change questionnaire is available in our [ESG Data Center](#).

Task Force on Climate-Related Financial Disclosures (TCFD)

MGE also publishes a TCFD report, which provides the company's key disclosures that align to TCFD recommendations. The report is available in our [ESG Data Center](#).

Shareholder engagement

Our board believes that understanding and considering shareholder perspectives advances accountability and transparency. Our investor relations efforts also help executive management and the board understand how investors view the company's policies, practices, strategies and long-term direction and help leadership assess and address investors' emerging areas of interest, such as ESG-related topics.

Officers engage shareholders in several ways, including through discussions with several of our institutional shareholders; presentations at industry conferences and investor meetings; meetings with analysts and investment firms; our Annual Meeting; and inquiries taken through the company's investor site, board emails and in-house Shareholder Services staff. These efforts are in addition to the company's regular and ongoing investor relations program.

Policy engagement

MGE advocates on behalf of our customers, shareholders and employees at the local, state and federal levels of government for policies that support safe, reliable, affordable and sustainable energy. We comply with the company's [Code of Ethics](#) as well as all political giving, lobbying, regulatory and disclosure laws in these processes.

The company's Code of Ethics is applicable to all directors, officers and employees of the company. It includes conflict of interest; confidential and insider information; gifts, gratuities and favors; proper accounting and reporting; outside employment; government relations; political contributions and political office; company property; and reporting illegal or unethical behavior.

Political contributions

Federal laws prohibit the company from making direct contributions of corporate funds or resources to any candidate running for federal political office in the United States. MGE does not use corporate funds for contributions to any state or federal political candidates or their campaign committees.

Though state and federal laws allow it, MGE does not have a state or federal political action committee (PAC). Wisconsin law does allow businesses to facilitate political contributions by their employees via a "conduit" account. MGE administers an MGE Employee Conduit for employees who prefer to use this mechanism for their contributions. All funds contributed through this conduit are made and controlled by individual employees and not by MGE. That is, all contribution decisions are made by the individual employee.

Political office

State ethics guidelines prohibit MGE employees from holding offices statewide and in the State legislature; however, MGE permits and encourages employees to participate in the democratic process, including running for municipal public office and other related activities, provided those activities do not interfere with their work performance or duties, consistent with our Code of Ethics. Employees also may make contributions to a variety of political candidates and/or PACs, apart from the MGE Employee Conduit. MGE does not, and should not, track all political contributions made by its employees.

Lobbying

As your community energy company, we advocate for our customers, shareholders and employees by building and maintaining relationships with policymakers; by working collaboratively with internal and external stakeholders to identify and to address matters that impact our industry, goals and corporate strategies; and by building coalitions with stakeholders, trade associations, employees, customer groups, utility associations and others to pursue and achieve common goals. MGE employs registered lobbyists and utilizes external lobbyists to engage policymakers at the local, state and federal levels to monitor legislation and policy proposals and to advocate for positions that are in the best interest of our employees, customers and shareholders.

Reports of our lobbying activities (MGE Energy and/or MGE) can be found at the federal, state and local levels. Wisconsin lobbying reports can be found at the Wisconsin Ethics Commission, [lobbying.wi.gov](#).

MGE typically does not incur lobbying expenses at the federal or local level that would trigger a lobbying report; however, if it does, those expenses can be found at [Ida.senate.gov](#), [lobbyingdisclosure.house.gov](#) and [cityofmadison.com/clerk/lobbyists](#), respectively.

Trade organizations

MGE belongs to a number of trade organizations and coalitions that provide expertise, training and research concerning important industry topics. Some trade associations also participate in the political process, including participating in lobbying. MGE does not control the political activity of its member trade associations and, in fact, may sometimes disagree with their political positions. Trade associations must identify the portion of association dues used for lobbying and political activities to comply with tax rules.

Federal and state policies on climate change

MGE monitors actions on climate change at the federal and state levels to determine the impact to MGE's decarbonization plans and our operations.

President Joe Biden's actions on climate change, including multiple executive orders and the recommitment of the U.S. to the Paris Agreement under the United Nations Framework Convention on Climate Change (the Paris Agreement), indicate that climate considerations are a broad focus. Efforts at the federal level are expected to spur the carbon-neutral economy in the private sector.



State and regional action on climate change

Wisconsin Governor Tony Evers established the Office of Sustainability and Clean Energy (OSCE). The OSCE is tasked with, among other things, ensuring that the actions of the State of Wisconsin are aligned with the goals and recommendations of the Paris Agreement, verifying that electricity consumed by the State of Wisconsin is 100% carbon-free by 2050 and developing a comprehensive multisector clean energy plan for the state.

In April 2022, the OSCE released Wisconsin's Clean Energy Plan. The plan includes a goal to achieve net-zero carbon by 2050. MGE is engaged in this process by serving on a Stakeholder Advisory Team in a voluntary capacity. MGE continues to evaluate this plan for its applicability to MGE's decarbonization plans and to evaluate potential impact to our operations.