



2021 Corporate Responsibility Report

SUSTAINABLE PROGRESS FOR AN ENDURING ENTERPRISE

About this report

At WEC Energy Group, we are striving to align our policies and practices with the needs of our key stakeholders, including our customers, communities, employees and investors.

Delivering affordable, reliable and clean energy to our customers. Reducing greenhouse gas emissions. Building and maintaining safe, resilient infrastructure. These imperatives continue to drive our decision-making, and the results are clear. We prioritize the environment and the economies of the areas we serve.

This annual Corporate Responsibility Report is a comprehensive overview of our environmental, social and governance performance for 2021. The information presented in this report was prepared in alignment with the Sustainability Accounting Standards Board (SASB) framework and, where relevant, the Task Force on Climate-Related Financial Disclosures (TCFD), with additional guidance from the Global Reporting Initiative (GRI).

As you'll see, we are working to build a bright, sustainable future while providing the affordable, reliable and clean energy our customers depend on.

This report principally covers the year 2021 for WEC Energy Group Inc. (WEC) and its subsidiaries on a consolidated basis. The performance data is focused on the operations of Wisconsin Electric Power Co. and Wisconsin Gas LLC, doing business as We Energies, and Wisconsin Public Service Corp. in Wisconsin; Michigan Gas Utilities Corp. and Upper Michigan Energy Resources Corp. in Michigan; Minnesota Energy Resources Corp. in Minnesota; The Peoples Gas Light and Coke Co. and North Shore Gas Co. in Illinois; and WEC Infrastructure LLC.

We are headquartered in Milwaukee, Wisconsin, conducting operations primarily in the following reportable segments: Wisconsin, Illinois, Other States, Electric Transmission, Non-Utility Energy Infrastructure, and Corporate and Other. Report content does not include performance data from external organizations or activities over which the company has limited control or influence, such as contractors and suppliers.

» Due to the timing of the release of this report, certain content has been updated to reflect 2022 information.

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A message from company leadership

Gale Klappa
Executive Chairman

Scott Lauber
President and
Chief Executive Officer

As we look to the future of WEC Energy Group, we see **sustainability** as a key pillar for our success.

Today, 4.6 million customers depend on us to deliver energy that is affordable, reliable and clean – energy they can depend on through times of challenge and growth.

In the following pages, we describe our commitment to the customers and communities we serve across the Midwest. We hope you'll agree that 2021 was a year of progress – a year of strong results.

As always, we welcome your feedback.



Gale E. Klappa
Executive Chairman



Scott J. Lauber
President and
Chief Executive Officer

Our company



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

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Building and sustaining long-term value

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

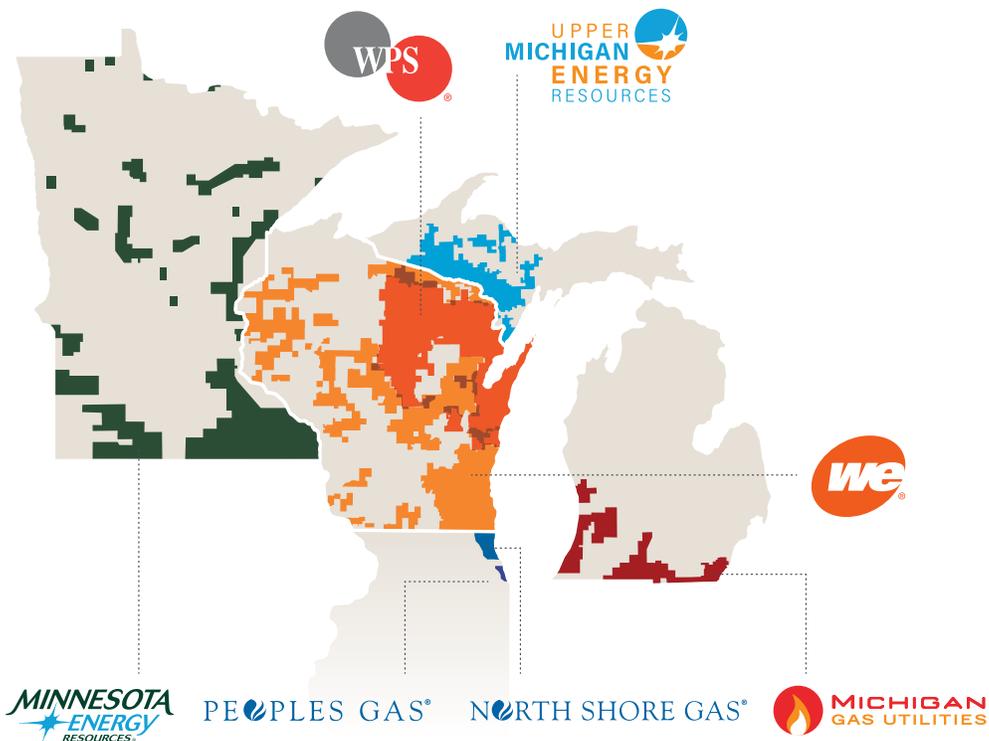


Key facts

An energy industry leader

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

Total customer accounts:
4.6 million



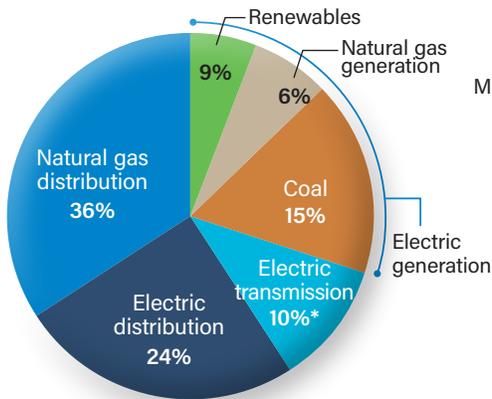
Customers:

- **We Energies**
Electric: 1,145,000
Natural gas: 1,145,000
- **Wisconsin Public Service**
Electric: 457,000
Natural gas: 338,000
- **Peoples Gas**
Natural gas: 880,000
- **North Shore Gas**
Natural gas: 164,000
- **Minnesota Energy Resources**
Natural gas: 246,000
- **Michigan Gas Utilities**
Natural gas: 183,000
- **Upper Michigan Energy Resources**
Electric: 37,000
Natural gas: 5,000

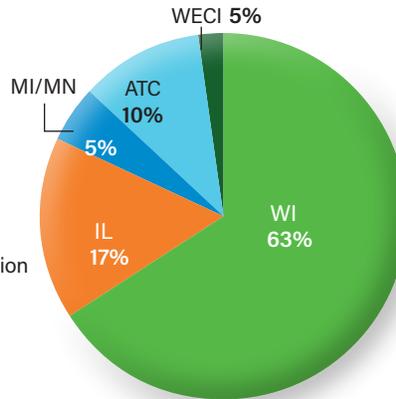
Data as of year-end 2021.

Diverse business portfolio

Assets by business type



Assets by jurisdiction



*American Transmission Co. (ATC) is accounted for using the equity method; this represents WEC Energy Group's portion of the asset base.

Utility distribution and generation



71,400 miles of electric distribution lines in Wisconsin and Michigan

Overhead: **36,100 miles**
Underground: **34,900 miles**



450 substations in Wisconsin and Michigan

7,700 megawatts of power generation capacity



52,100 miles of natural gas mains throughout Wisconsin, Illinois, Minnesota and Michigan



40 miles of high-/low-pressure steam piping in Wisconsin

WEC Infrastructure

has acquired or agreed to acquire majority interests in eight wind farms across the Midwest. Together, these resources will be capable of providing over 1.5 gigawatts of carbon-free energy outside of our traditional service area. Long-term purchase power agreements are in place with creditworthy customers.



Priority sustainability issues

We recognize that an informed sustainability strategy is critical to delivering long-term business value.

In 2020, we concluded an in-depth assessment to identify the sustainability issues that are most important to our company and our stakeholders, considering both current and potential long-term impacts. This comprehensive assessment strengthened our existing commitments and established a foundation upon which to develop programs that address these priority sustainability issues.

The Electric Power Research Institute conducted the assessment, using a methodology that had been developed and refined through previous research projects. It defined sustainability as the way our company balances economic, environmental and social issues and decisions to support the long-term viability of our business, the community and the environment. The assessment took place in four phases over seven months, incorporating industry research as well as feedback from:

- Internal stakeholders, including executive leadership and select employees from across the organization, both management and represented.
- Key external stakeholders, including regulators, investors, nongovernmental organizations, customers, academic institutions and suppliers.

We have used the results of this project to develop strategies and drive changes to meet and exceed stakeholder expectations. Our priority sustainability issues also helped us to structure our sustainability disclosures, including this report, and ongoing stakeholder engagement.

The following pages present the priority sustainability issues and definitions resulting from our assessment, as well as the United Nations Sustainability Development Goals (UN SDGs) they support.

Delivering reliable, affordable energy to our customers, reducing greenhouse gas emissions, and building and maintaining safe, resilient infrastructure are central to our business. These commitments align directly with three of the UN SDGs: affordable and clean energy (Goal 7); industry, innovation and infrastructure (Goal 9); and climate action (Goal 13). In addition, we have programs and initiatives in place that promote local improvements related to seven other development areas.

SUSTAINABLE DEVELOPMENT GOALS



Our priority sustainability issues

🕒 Associated UN SDGs

Climate Strategy

Physical and transitional risks and opportunities presented by greenhouse gas emissions management and climate adaptation

- 🕒 Affordable and Clean Energy; Climate Action

Community Engagement

Corporate philanthropy and citizenship

- 🕒 Partnerships for the Goals; Quality Education

Customer Satisfaction

Evolving customer expectations about energy products and services

- 🕒 Affordable and Clean Energy

Cybersecurity

Digital infrastructure and customer privacy

Economic Development

Energy programs and products that support and grow local business to drive economic vitality

- 🕒 Decent Work and Economic Growth

Empowered Employees

Employee benefits and development opportunities that create an inclusive culture, positive relationships and a skilled, diverse workforce

- 🕒 Decent Work and Economic Growth; Quality Education

Energy Affordability

Ability of residential customers to pay energy bills

- 🕒 Affordable and Clean Energy

Energy Reliability

Reliability and resiliency across operations

- 🕒 Industry, Innovation and Infrastructure

Environmental Responsibility

Managing impacts to natural resources and ecosystems due to operational inputs and outputs, such as water and waste

- 🕒 Clean Water and Sanitation; Life on Land; Responsible Consumption and Production

Financial Discipline

Investments that generate long-term returns and competitive access to capital

- 🕒 Affordable and Clean Energy; Industry, Innovation and Infrastructure

Government Relations

Responsible engagement with public officials and agencies on matters of importance to the company and stakeholders

- 🕒 Affordable and Clean Energy

Innovation

Emerging technologies that present both risks and opportunities for the company

- 🕒 Affordable and Clean Energy; Industry, Innovation and Infrastructure

Operational Performance

Efficiency of assets and processes that produce business value

- 🕒 Affordable and Clean Energy; Industry, Innovation and Infrastructure

Safety and Health

Safety and health of employees, contractors and the public with respect to company operations

- 🕒 Decent Work and Economic Growth; Good Health and Well-Being

Stakeholder Transparency

Stakeholder access to company representatives and information that enhances dialogue

- 🕒 Partnerships for the Goals

Strategic Governance

Business processes and diverse leadership to enable ethical and effective operations

Supply Chain Integrity

Supplier sustainability performance and risk management

- 🕒 Decent Work and Economic Growth

Presented in alphabetical order.

Operational performance



Our 2022-2026 ESG Progress Plan

Investing in renewable and low-carbon energy inside and outside our traditional footprint to replace less efficient, fossil-fueled generation.

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

Expanding our regulated natural gas infrastructure to meet growing customer demand.

Launching advanced metering functionality and upgrading systems and equipment.

Planning to invest

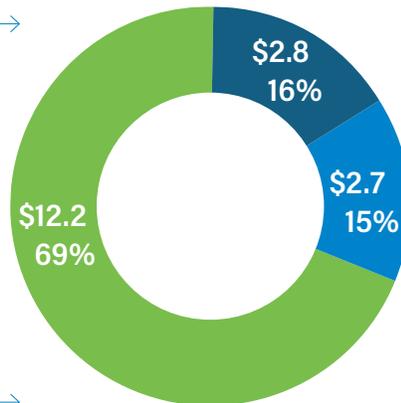
\$17.7 billion

between 2022-2026

Sustainability

\$5.4 Renewables
\$6.8 Grid and fleet reliability

(in billions)



Growth

\$1.3 Gas distribution
\$1.5 Electric generation, transmission and distribution

Efficiency

\$1.1 Technology
\$1.6 Grid and fleet modernization

Investing in technology

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

Zero-carbon energy investments

We have received approval to invest in 480 megawatts (MW) of utility-scale solar generation within our Wisconsin segment. Wisconsin Public Service (WPS) partnered with an unaffiliated utility to construct two solar projects in Wisconsin: Two Creeks Solar Park and Badger Hollow Solar Park I, both in service as of year-end 2021. WPS owns 100 MW of each project. We Energies has partnered with an unaffiliated utility to construct Badger Hollow Solar Park II, which is expected to enter commercial operation the first half of 2023. Upon completion, We Energies will own 100 MW of the output of this project.

Together, We Energies and WPS have received approval to acquire a 90% share of Paris Solar-Battery Park, Wisconsin's first utility-scale solar project using battery storage. Our companies' share includes 180 MW of solar generation and 99 MW of battery storage with a four-hour duration. We expect the facility to begin producing energy in 2023.

We have issued green bonds linked to WPS renewable energy projects: Red Barn Wind Farm, Two Creeks Solar Park, Badger Hollow I Solar Farm and Paris Solar-Battery Park. These bonds are offered to support positive environmental impacts. Through 2021, disbursements from our green bonds totaled \$246 million.

Renewable natural gas

We recently received regulatory approval for an innovative renewable natural gas (RNG) pilot program and signed our first contracts with local dairy farms. The RNG from the farms will directly replace conventional natural gas that would have entered our pipes. In addition, these investments will reduce the environmental impact of agricultural activity. We plan to have RNG flowing to our distribution network by the end of 2022. Our first three contracts are expected to bring us to 80% of the RNG needed to achieve our net-zero methane goal for the end of 2030.

WEC Infrastructure

Through our WEC Infrastructure business, we have acquired or agreed to acquire majority interests in eight wind farms, capable of providing over 1.5 gigawatts of carbon-free energy. These renewable energy assets have long-term agreements with investment-grade customers outside our traditional service areas. Our 2022-2026 capital plan includes nearly \$1.9 billion of planned investment in renewable energy generation by WEC Infrastructure.

Hydrogen power pilot program

Hydrogen could be a key part of the clean energy transition in the decades ahead. In early 2022, we announced our leading role in a pilot project to test hydrogen as a fuel source for power generation. In partnership with the Electric Power Research Institute (EPRI), we will use hydrogen blended with natural gas to serve customers in Michigan's Upper Peninsula. This is one of the first hydrogen power pilot programs of its kind in the United States.

During the pilot project, hydrogen and natural gas will be mixed up to a 25%/75% blend to power one of our modern reciprocating internal combustion engine (RICE) generating units. We plan to blend hydrogen in the unit in fall 2022. EPRI is leading the technical implementation of the project and will share the results across our industry.

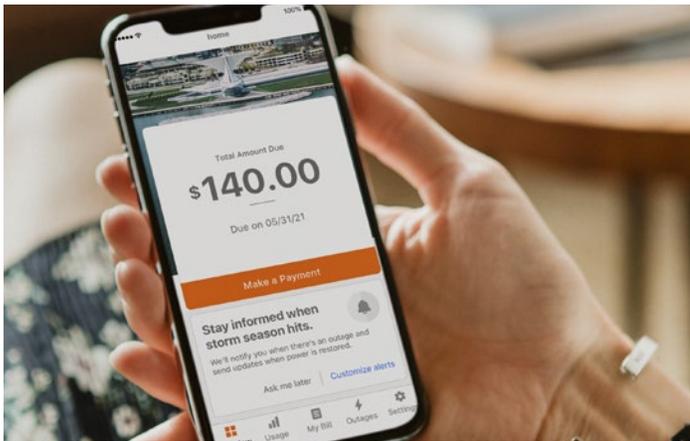


Electric vehicle charging pilot programs

We Energies and WPS launched electric vehicle (EV) charger pilot programs in March 2022. These programs are designed to help remove barriers for both residential and commercial customers associated with installing EV chargers. The pilot programs also will help the company better understand and address the impact EV charging will have on the electric grid, as millions of EVs are expected to be sold in the United States in the coming years.

Improving technology and processes

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



Enhancing customer experience across companies

A multiyear effort is driving a standardized, seamless approach to digital customer service across WEC Energy Group. We rolled out our final customer app in early 2021, and our apps have been downloaded over 1 million times. Customers are embracing our convenient digital channels for payment and other activities. Our most recently deployed self-service functionality for customer pay arrangements is handling over 50% of the total volume of plan enrollments.

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

Advanced metering infrastructure

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

As of year-end 2021, 98.5% of We Energies' electric load and 99.8% of WPS' electric load were served by smart meters. In the future, smart meters may provide customers with more usage- and demand-based billing and energy management options.



Smart meters served 49% of our electric and natural gas customers at the end of 2021.

Strengthening energy delivery infrastructure

We are committed to ensuring electric and natural gas reliability while maintaining the safety and integrity of our system. We have made significant reliability- and resiliency-related investments in recent years, and plan to continue strengthening our generation fleet and distribution networks.



Liquefied natural gas facilities

Extreme weather conditions in recent years have shown Wisconsin needs more natural gas peaking capacity at the highest demand times on the coldest days. To meet this demand and keep our customers safe and warm, We Energies is building two liquefied natural gas facilities. Each facility will provide 1 billion cubic feet of natural gas supply to meet peak demand without requiring the construction of additional interstate pipeline capacity.

Construction has started with approval from the Public Service Commission of Wisconsin. With an expected total investment of approximately \$370 million, we plan to bring the facilities into service in late 2023 and early 2024. We expect these projects to save our customers approximately \$200 million over time.

Safety Modernization Program (SMP)

Peoples Gas expects to continue investing between \$280 million and \$300 million annually in a program to modernize approximately 2,000 miles of Chicago's aging natural gas pipeline. We are replacing dated cast and ductile iron pipes and facilities in the natural gas delivery system with polyethylene pipes for long-term system safety, improved reliability and reduced methane emissions. The SMP also involves upgrading the system from low-pressure to medium-pressure operation to minimize the chance of explosion or fire.

Peoples Gas spends more than \$50 million annually with businesses owned by minorities, women and veterans as part of the SMP.



System Modernization and Reliability Project (SMRP)

In late 2021, WPS completed work on an eight-year project to modernize parts of its electric distribution system by burying or upgrading lines. The project focused on electric lines that had the lowest reliability in the WPS system, primarily in heavily forested, rural areas. With an investment of approximately \$430 million in total, WPS installed more than 2,000 miles of underground circuits in place of overhead lines and added distribution automation equipment on 400 miles of lines.

The SMRP:

- ⬆️ Improved reliability by more than 95% on the replaced sections of distribution line.
- ⬆️ Improved reliability of the entire network by 42%, based on historical outage statistics.

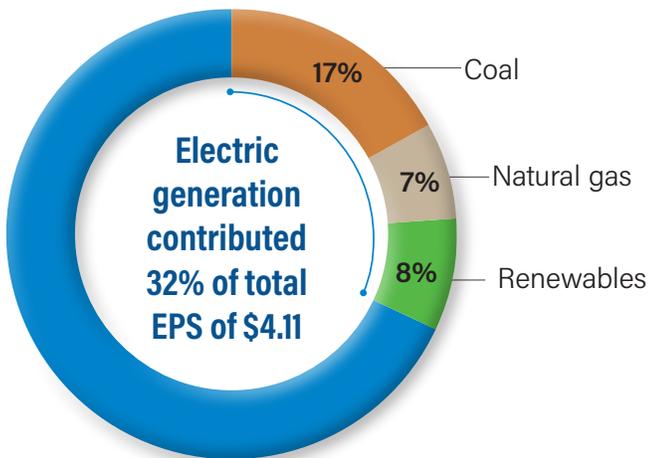
Business and operations

WEC Energy Group is a Fortune 500 company and a component of the S&P 500. Our company has approximately 38,000 stockholders of record, 7,000 employees and \$39 billion of assets.

Our principal utilities are We Energies, Wisconsin Public Service (WPS), Peoples Gas, North Shore Gas, Michigan Gas Utilities, Minnesota Energy Resources and Upper Michigan Energy Resources (UMERC). Our nonutility energy subsidiaries include We Power LLC (which designs, builds and owns electric generating plants), Bluewater Natural Gas Holding LLC (which owns underground natural gas storage facilities in Michigan) and WEC Infrastructure LLC (which holds ownership interests in wind generating facilities).

In addition, we have an approximately 60% equity ownership interest in American Transmission Co. LLC (ATC), a for-profit electric transmission company regulated by the Federal Energy Regulatory Commission (FERC) and certain state regulatory commissions.

Percentage of total 2021 EPS*

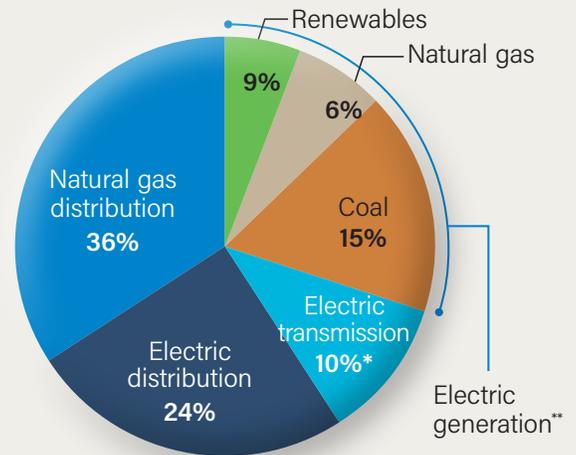


* Calculated using net book value less deferred taxes for generation plants and the fixed lease payment for We Power; also includes WEC Infrastructure investment.

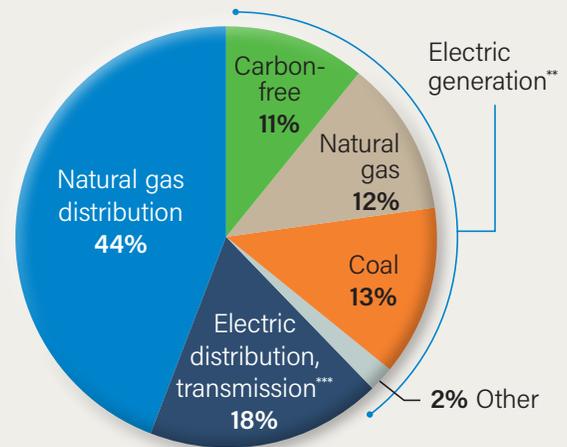
Evolving assets and revenue

We expect the percentage of our asset base and revenue that is tied to coal will be less than 10% at the end of 2025.

2021 assets by business type



2021 revenue contribution by source



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

** Includes purchased power.

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

Wisconsin operations

Our Wisconsin segment primarily consists of the electric and natural gas utility operations of We Energies and WPS, serving customers in Wisconsin, and UMERG, serving customers in the Upper Peninsula of Michigan. This segment also includes steam service provided by We Energies in metropolitan Milwaukee, as well as WPS' 50% ownership interest in Wisconsin River Power Co., which owns and operates two hydroelectric facilities.



Electric supply

Our electric supply strategy is to provide power from our plants or the regional energy market, depending on cost and reliability factors. Through our participation in the Midcontinent Independent System Operator Inc. Energy and Operating Reserves Market (MISO Energy Markets), we supply a significant amount of electricity to our customers from power plants we own. We supplement our internally generated power supply with long-term power purchase agreements (PPAs) and spot purchases in the MISO Energy Markets.

Owned utility capacity (megawatts)¹

	2019	2020	2021
Coal	3,158	3,165	3,179
Natural gas	3,753	3,758	3,719
Renewables ²	207	743 ³	853 ³
Total	7,118	7,666	7,751

1 Capacity for our electric generation facilities, other than wind and solar generating facilities in 2020 and 2021, is based on rated capacity, which is the net power output under average operating conditions with equipment in an average state of repair as of a given month in a given year. Values are primarily based on the net dependable expected capacity ratings for the following summer, established by tests, and may change slightly from year to year.

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

3 Beginning in 2020, we have calculated our wind and solar capacity based on nameplate capacity.

Owned and contracted generation (GWh)

	2019	2020	2021
Fossil fuel generation			
Coal	16,498	14,315	16,352
Natural gas ¹	14,390	15,245	13,873
Oil	-	-	13
Zero-carbon generation			
Nuclear	8,979	8,964	8,687
Renewable			
Biofuels	99	64	367
Hydro	1,679	1,903	1,313
Solar	-	29	224
Wind ²	2,125	2,691	3,884
Total generation	43,770	43,211	44,712
Total fossil fuel generation	30,888	29,560	30,237
Total zero-carbon generation	12,882	13,651	14,475
Total renewable generation	3,903	4,687	5,788

1 2019 and 2020 values include oil; 2021 values include oil used in dual fuel gas/oil units.

2 Includes WEC Infrastructure-owned wind facilities.

Illinois operations

Our Illinois segment includes the natural gas utility operations of Peoples Gas and North Shore Gas, whose customers are located in Chicago and its northern suburbs, respectively. Peoples Gas also owns and operates a 38.8-billion-cubic-foot natural gas storage field in central Illinois that provides natural gas to Chicago.

Other states operations

Our other states segment includes the natural gas utility and nonutility operations of Minnesota Energy Resources and Michigan Gas Utilities. Minnesota Energy Resources serves customers in various cities and communities throughout Minnesota. Michigan Gas Utilities serves customers in southern and western Michigan, and owns a 2.9-billion-cubic-foot natural gas storage field.

Electric transmission — American Transmission Co. (ATC)

ATC is a regional transmission company that owns, maintains, monitors and operates electric transmission systems in Wisconsin, Michigan, Illinois and Minnesota. ATC is regulated by the FERC for all rate terms and conditions of service and is a transmission-owning member of MISO. MISO maintains operational control of ATC's transmission system, and We Energies, WPS and UMERC are customers of MISO.



As of Dec. 31, 2021, our ownership interest in ATC was approximately 60%. In addition, we own approximately 75% of ATC Holdco LLC, a separate entity formed in December 2016 to invest in transmission-related projects outside of ATC's traditional footprint.

Nonutility energy infrastructure

Our nonutility energy infrastructure segment includes the operations of We Power, Bluewater and WEC Infrastructure.

We Power, through wholly owned subsidiaries, owns and leases certain generation facilities to We Energies.

Bluewater, located in southeast Michigan, provides natural gas storage and hub services primarily to our Wisconsin natural gas utilities.

WEC Infrastructure holds our ownership interests in nonutility wind generation facilities outside our traditional utility footprint.

Corporate and other

Our corporate and other segment includes the operations of the WEC Energy Group holding company, the Integrys holding company and the Peoples Energy LLC holding company, as well as the operations of Wispark LLC and WEC Business Services LLC.

Wispark develops and invests in real estate. WEC Business Services is a wholly owned centralized service company that provides administrative and general support services to our regulated utilities, as well as certain services to our nonregulated entities.

More detail on our operating segments can be found in our Annual Report on Form 10-K for the year ended Dec. 31, 2021.

Financial discipline

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

We continued to deliver strong results in 2021. For the 18th consecutive year, we raised the dividend and exceeded our earnings guidance. We also raised our projection for long-term earnings growth.

All of our regulated utility subsidiaries met their financial goals, and our price-to-earnings ratio stands in the top decile of the regulated utility group.



Achieved fully diluted earnings per share of

\$4.11



Returned more than

\$855 million

to WEC Energy Group stockholders through dividends

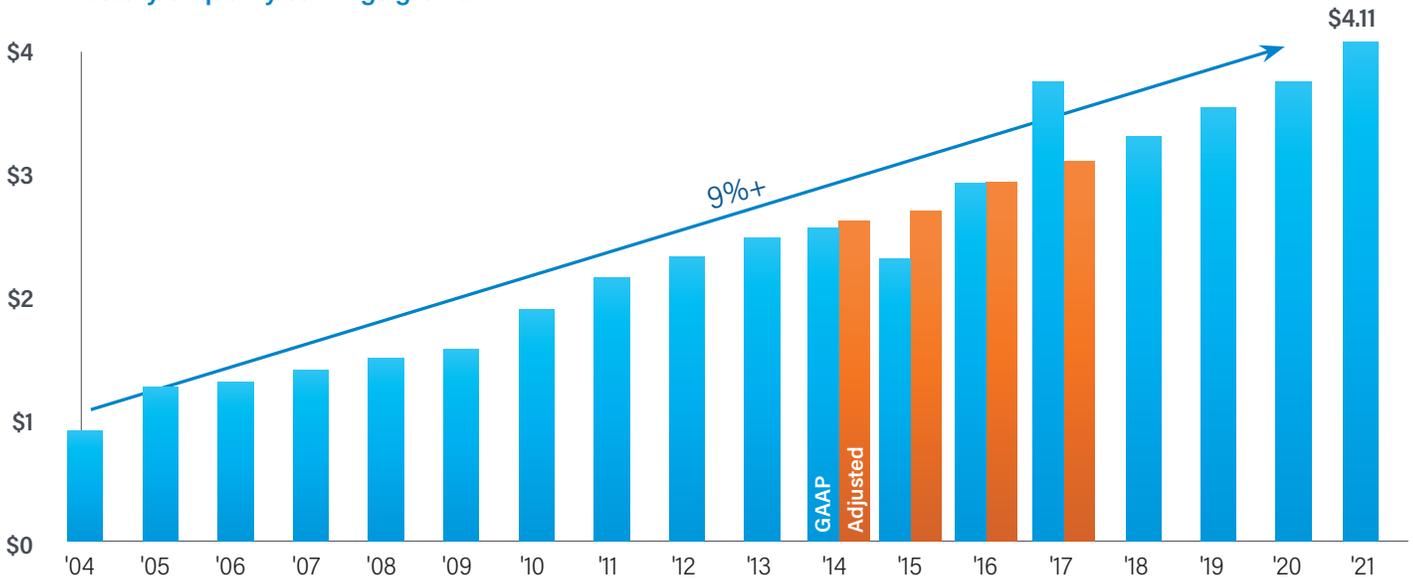


Record net income



Record earnings per share

History of quality earnings growth



Delivered an average earnings growth of 9%+ per year.

Investment opportunities support long-term EPS growth of 6-7%.

Solid dividend growth continues

Dividends increased in January 2022 by 7.4% to an annual rate of \$2.91 per share.

Annualized dividends per share



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

**Annualized based on first-quarter 2022 dividend of \$0.7275 per share.

Strong financial condition

No need to issue additional equity over the five-year forecast period.

Issuer credit ratings

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

Funds from operations/debt

WEC Energy Group	Target
S&P	
FFO to Debt	≥15%
Moody's	
CFO Pre-WC/Debt	≥16%

Environmental



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

Environmental responsibility	22
Climate strategy	39
Innovation	48

Environmental responsibility

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

Environmental policy

We embrace our responsibility to provide safe, reliable and affordable energy in an environmentally sustainable manner. We set our strategies and run our operations with an emphasis on continuous improvement and a vision to deliver a cleaner energy future.

Sustainability



Reduce greenhouse gas emissions by reshaping our generation fleet.

Support environmental research and development.

Monitor and regularly share information about environmental performance.

Stewardship



Protect properties entrusted to our management.

Mitigate the environmental impact of our operations.

Support local communities through stewardship efforts.

Compliance



Maintain a system of checks and balances over our processes and systems.

Equip employees and contractors with proper environmental training and tools.

Hold all employees and contractors accountable to address issues promptly.

Engagement



Work with government entities and regulators to develop policies that balance the interests of all parties and protect human health and the environment.

Build long-term community partnerships.

Keep customers and other stakeholders informed and encourage their feedback.

Our approach to environmental leadership

Our governance structure and practices support a strategic focus on environmental issues.

Senior management has primary responsibility for managing risk across the corporation. The team addresses this responsibility using a multifaceted approach that seeks input from internal resources and industry experts.

The company's vice president — environmental, in collaboration with members of her team, takes the lead on analyzing the climate-related impacts of our strategies and related tactics. The WEC Infrastructure and Fuels department and Environmental department engage with other functional areas of the company to identify cost-effective options for reducing carbon dioxide and other emissions. The vice president — environmental provides regular updates on environmental issues, including regulatory matters, to the Audit and Oversight Committee of our board of directors through formal quarterly reports.

The Audit and Oversight Committee assists the board of directors in overseeing our strategy and compliance with legal and regulatory requirements. The committee's efforts include reviewing and providing oversight of environmental compliance matters and risks to ensure appropriate management attention. Oversight of risks associated with climate change remains the responsibility of the full board.

The Climate Risk Committee brings together senior-level officers responsible for overall climate-related corporate strategy. The committee meets quarterly to review and discuss our current climate-related goals, as well as initiatives that involve risks and opportunities in achieving those goals.

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

We actively participate in industry organizations that are involved in the legislative and regulatory processes focusing on climate change and other environmental matters, including Edison Electric Institute, American Gas Association, Wisconsin Utilities Association, Illinois Environmental Regulatory Group and Michigan Manufacturers Association. We also collaborate on scientific and technical work with organizations such as the Electric Power Research Institute (EPRI) and Gas Technology Institute (GTI) to inform company planning, risk management and operations. Further, we actively engage with the Wisconsin Department of Natural Resources (WDNR) when they form a technical advisory group related to the creation or updating of new regulations.

Our companies are subject to extensive state and federal environmental regulations affecting our operations, and we dedicate significant expenditures to complying with these requirements, including expenditures for pollution-control equipment, environmental



monitoring, emissions fees and permits at all our regulated facilities. Overall responsibility for environmental compliance lies within our operating units with assistance from Environmental department staff. To ensure ongoing compliance, the Environmental department has dedicated subject matter experts assigned to major facilities to monitor compliance and routinely evaluate performance, and uses environmental compliance software tools. Any potential compliance issues are communicated, tracked and summarized monthly.

The company's Audit Services department annually performs an enterprise risk assessment. This assessment reviews corporate enterprise risks and risk mitigation measures, which include the environmental area. From this risk assessment, in combination with department input and past audit experience, the annual corporate audit plan is created and approved by the Audit and Oversight Committee of the board of directors.

The annual audit plan includes reviewing various environmental processes. These audits are more than compliance checklists, as they cover the entire process and identify instances in which risk mitigation can be improved. All audit observations and recommendations are communicated to senior management and tracked for completion. These management action plans to mitigate risk are also reported to the Audit and Oversight Committee.

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

Managing environmental impacts

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

Air emissions reduction

Air quality control systems and other measures at our facilities have resulted in combined sulfur dioxide (SO₂), nitrogen oxides (NOx) and mercury (Hg) emissions reductions of greater than 90% when compared to 2000 emissions. As we carry out our generation reshaping plan and retire less efficient fossil-fueled generation, we have improved our performance in this area. Between 2018 and 2021, our SO₂ and NOx emissions decreased by 79% and 41%, respectively. Increased demand for generation in 2021 led to higher emissions compared to 2020.

Innovative technology at our electric generation facilities supports our continuing progress:

- At Weston Power Plant Unit 3, the ReACT® (Regenerative Activated Coke Technology) system complements the fabric filters, low NOx burners and separated over-fire air system, and mercury control system. Weston Unit 4 is equipped with a selective catalytic reduction (SCR) system, powdered activated carbon system, dry scrubber and fabric filter baghouse. The result has been significant reductions in SO₂, NOx, mercury, particulate matter and other emissions, with additives to the coal supplies providing further mercury reductions. The air quality control technologies at Elm Road Generating Station (SCR systems, fabric filter baghouses, wet scrubbers and wet electrostatic precipitators) and Oak Creek Power Plant (SCR systems, electrostatic precipitators and wet scrubbers) have yielded substantial reductions in SO₂, NOx, mercury, particulate matter and other emissions. Mercury is further reduced through chemical additives to the coal supplies at the Oak Creek site for Oak Creek Power Plant and Elm Road Generating Station.
- The natural gas-fueled, combined-cycle combustion turbine plants at Port Washington Generating Station and Fox Energy Center are equipped with SCR and oxidation catalysts for the control of NOx, carbon monoxide (CO), volatile organic compounds (VOCs) and organic hazardous air pollutants.
- The Upper Michigan Energy Resources plants have 10 natural gas-fueled reciprocating internal combustion engines equipped with state-of-the-art air quality control systems, including SCR and oxidation catalyst for control of NOx, CO, VOCs and organic hazardous air pollutants.

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

Air emissions from electricity generation

		2019	2020	2021
Sulfur dioxide (SO ₂)	(kg)	2,210,169	1,320,470	1,654,525
	(kg/MWh)	0.07	0.04	0.05
Nitrogen oxides (NOx)	(kg)	6,258,232	5,176,771	6,187,466
	(kg/MWh)	0.20	0.17	0.20
Particulate matter (PM)	(kg)	614,618	497,830	527,071
	(kg/MWh)	0.019	0.016	0.017
Volatile organic compounds (VOCs)	(kg)	250,459	212,329	247,597
	(kg/MWh)	0.008	0.007	0.008
Mercury (Hg)	(kg)	33	27	32
	(kg/MWh)	0.0000010	0.0000009	0.0000010

Greenhouse gas (GHG) emissions from owned and contracted electric generation (1,000 metric tons carbon dioxide equivalents (CO₂e))

Owned	2019	2020	2021
Coal	15,848	13,665	15,718
Natural gas ¹	5,414	5,806	5,897
Oil			19
Net purchased power ²	1,066	80	(1,618)
Total CO₂e for utility obligations	22,328	19,551	20,016
Total CO₂e/total WEC Energy Group generation^{3,4,5} (metric tons/MWh)	0.47	0.42	0.48

1 For 2019-2020, values include oil; 2021 values include oil used in dual fuel gas/oil units and contracted natural gas units.

2 For 2019-2020, emissions from contracted generating facilities, market purchases, and market sales. Market purchases were determined from each utility and utilized the regional factors supplied by the Michigan Public Service Commission. For 2021, CO₂ emissions produced to support wholesale sales and market sales are netted with CO₂ emissions from contracted generating facilities and market purchases. Market purchases and sales were determined for the combined utilities and utilized EIA CO₂ rates by fuel type and Midcontinent Independent System Operator (MISO) fuel data mix.

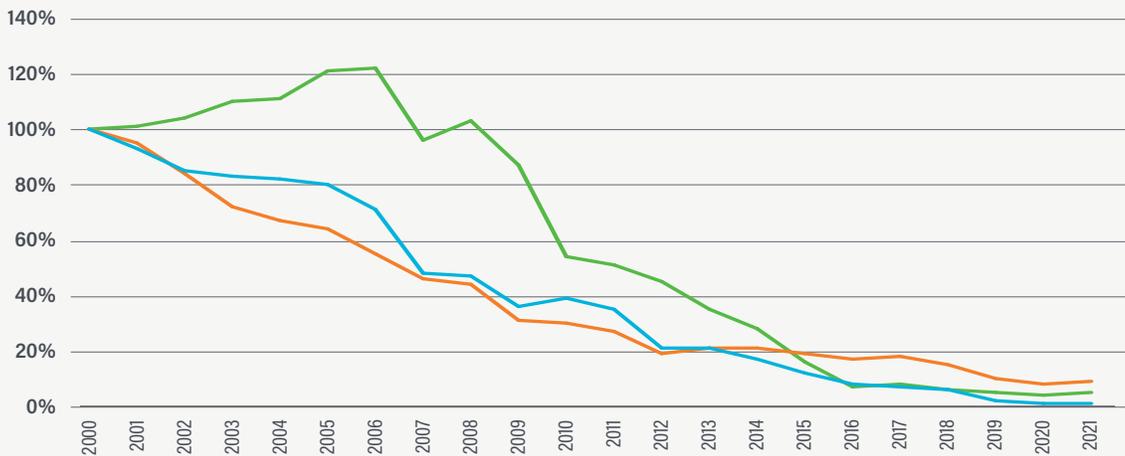
3 Total CO₂e in intensity is generation only and does not include net purchased power.

4 Reported generation includes both regulated and non-regulated assets.

5 Includes owned generation from WEC Infrastructure wind farms. The environmental attributes of the WEC Infrastructure renewable facilities are or may be the property of third parties. As such, these third parties are solely entitled to the reporting rights and ownership of the environmental attributes, such as renewable energy credits, offsets, allowances and the avoided emissions of greenhouse gases.

Biogenic emissions are not included in any data.

Declining emissions



SO₂
99% ↓

Mercury
95% ↓

NO_x
91% ↓

Water resources management

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

Several of our power plants have modified water intake structures to meet new federal rules. The state regulatory agencies that implement these rules have determined that power plant intake structure modifications are the best technology available for each facility. Many of our water intake modification projects were installed well ahead of the implementation dates required by the United States Environmental Protection Agency (EPA). This proactive approach minimizes environmental impacts on fish and other aquatic organisms by using intake structures that meet “best technology available” standards.

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

In recent years, We Energies and Wisconsin Public Service (WPS) have reduced combined cooling and process water use and total discharges from electric generating facilities. This has been primarily due to retirements of several coal-fueled facilities, and the addition of renewable energy and natural gas-fueled facilities. There are fewer process water discharges from biomass and natural gas-fueled peaking facilities than from coal-fueled generating facilities, and there are no cooling or process water needs at the Upper Michigan Energy Resources natural gas-fueled generating stations completed in 2019, or at our wind energy or solar-powered facilities. Increased demand for generation in 2021 led to higher water use compared to 2020.

Water (billion cubic meters)	2019	2020	2021
Withdrawn from major sources	3.14	2.68	2.95
Municipal water purchases	0.003	0.002	0.003
Water returned to source	3.13	2.67	2.93
Water consumption	0.01	0.01	0.01
Percent returned to source*	99.6%	99.5%	99.5%
Percent consumed	0.4%	0.5%	0.5%

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

Waste minimization commitment

Waste minimization and recycling is an integral part of our corporate environmental responsibility, affecting all of our facilities. We encourage employees to be responsible for environmental stewardship by supporting our recycling and waste-reduction programs.

Before its discontinuation in September 2021, we participated in the EPA's WasteWise program under the Sustainable Materials Management Partnership Programs (SMMPP). The EPA is currently working to develop a new program. The first step in that development process was establishing stakeholders from the SMMPP and launching a National Recycling Goal. We are committed to providing stakeholder feedback regarding development of the new program through our participation in SMMPP.

The EPA announced the National Recycling Goal of 50% by 2030. WEC Energy Group is committed to internally meeting the National Recycling Goal, which requires consistently recycling a minimum of 50% of our waste by 2030.

The EPA set this goal to help stakeholders and the public see how the United States is managing materials more sustainably. It will help governments make necessary changes to collection and sorting systems, and help industry determine the supply of available materials and make investment decisions based on achieving the National Recycling Goal. The EPA has identified strategies and is seeking to implement these actions to create a stronger, more resilient and more cost-effective domestic recycling system.

Waste minimization is the first step in effective use of materials, and our recycling program encourages all efforts to minimize waste — reduce, reuse and then recycle. We have implemented a multitude of strategies that will help us to consistently meet or exceed our goal of 50% waste recycling by 2030, including:

- When we conduct subsurface work, historical and/or environmental records are reviewed to determine if the site qualifies for reuse of soils as clean fill.
- We require all construction debris, such as asphalt and clean concrete, to be recycled.

- Whenever possible, batteries, cylinders and chemicals are sent to other corporate locations or back to the vendor for reuse.
- Our power generation facilities occasionally generate liquids or chemicals during cleaning and other activities. We collect reusable chemicals while cleaning activities are conducted. If the chemicals are reusable, they are filtered and put back into place for reuse, sent back to the chemical manufacturers, or sent to other business groups, internally or externally, for reuse whenever possible.
- In an effort to decrease hazardous waste disposal, elemental neutralization of chemicals occurs when practicable.
- Natural gas pipeline liquids are evaluated for reuse through a fuel blending program.
- Building demolitions are designed and conducted in a manner that allows us to reuse and recycle as much material as possible, including metal, drywall, concrete and other materials.
- De-chlorination of polychlorinated biphenyl (PCB) impacted electrical equipment facilitates the recycling of ferrous materials.
- The corporate headquarters has centralized recycling and disposal locations to encourage employees to properly dispose of materials such as garbage and recyclables, including batteries.

Effectiveness of the recycling program depends on employee participation and results in:

- Reduced initial material costs by ordering only the quantity needed.
- Avoided disposal costs due to reducing the amount of material for disposal.
- Proceeds from the sale of recycled materials that help reduce the cost of operating a recycling program.

Over the past six years,
on average, our companies
have recycled **52%** of waste.



Waste disposal summary (metric tons)

	2019	2020	2021
Hazardous waste generated	46	35	51
Hazardous waste recycled	9	21	29
% recycled	20%	61%	56%
Nonhazardous waste generated ¹	23,336	23,496	21,873 ²
Nonhazardous waste recycled	11,646	13,047	11,005
% recycled	50%	56%	50%
PCB waste generated ³	1,611	1,159	842
PCB waste recycled	46 ⁴	90	167
% recycled	3%	8%	20%
Overall % recycled	47%	53%	49%

- 1 The tonnage noted includes all nonhazardous waste including universal waste, with the exception of asbestos, soil, concrete and asphalt from construction and remediation/demolition projects.
- 2 Used a WDNR approval to reclassify waste from boiler cleaning project as nonhazardous.
- 3 PCB waste is defined as nonhazardous waste regulated by the Toxic Substances Control Act, containing 50 parts per million or greater PCBs; quantities are not included in the nonhazardous totals.
- 4 This amount was revised in 2020 due to a miscalculation in previous year's data.

We updated and expanded the data collection process in 2019 to incorporate more potential waste streams, which are reflected in the waste categories presented in the table. The revised methodology allows us to better identify potential areas of improvement and annual goals. We saw several positive trends in our waste generation in 2021, including:

- Waste minimization practices have resulted in less overall waste generation.
- Recycling of PCB-impacted material through de-chlorination and smelting has more than doubled each year for the past two years.

In 2021, WEC Energy Group sent many types of waste for recycling. These figures are included in the waste disposal summary:

- 178,848 pounds for energy recovery and fuel blending.
- 2,353,311 pounds for other recovery and reclamation.
- 1,174,649 pounds of oils.
- 103,783 pounds of electronic waste.
- 132,563 pounds of office furniture, paper, toner and other office recyclables.
- 753,800 pounds of wood pallets and utility poles.
- 4,552,274 pounds of electric distribution equipment, including transformers, wires, breakers, capacitors and other materials.

Special/one-time project waste summary

Over the year, non-recurring special projects generated waste totals that are outlined separately from the overall waste disposal summary. The figures below and on the following page represent the waste generated and recycled/disposed by projects in 2021.

As part of the Peoples Gas Safety Modernization Program (SMP), the Environmental department manages the characterization and recycling/disposal of soil and natural gas pipes. Significant efforts have been implemented to increase environmental stewardship and recycling on this long-term construction project.

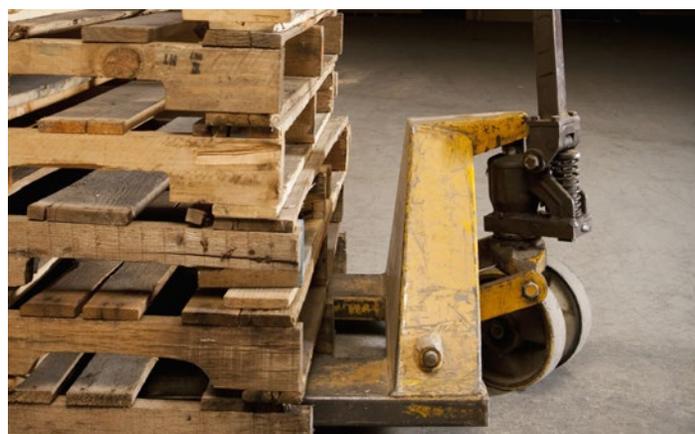
SMP waste management (metric tons)

	2019	2020	2021
Soil generated	115,112	134,195	126,349
Soil recycled	76	36,603	40,924
Total % recycled	0.07%	27%	32%

In May 2020, due to heavy rains, a release of steam from the underground steam system caused significant damage to the historic Public Service Building (PSB), part of our headquarters in downtown Milwaukee. During the renovation, Environmental staff and contractors tested materials to ensure proper handling and oversaw the safe removal and disposal of hazardous materials. After 18 months of work, the project was successfully completed and building re-occupancy was established in 2022. A summary of waste generated in 2021 is presented below.

PSB renovation waste management (metric tons)

	2021
Hazardous waste generated	0.15
Hazardous waste recycled	0
Nonhazardous waste and construction debris generated	606
Nonhazardous waste and construction debris recycled	433
Asbestos disposed	91
Total % recycled	62%



Over the past year, **82%** of all waste generated by demolition of three power plants was recycled.



Demolition progress at Pleasant Prairie Power Plant

During 2021, We Energies and WPS continued the decommissioning and demolition of three coal-fueled power generation facilities.

	Pulliam Power Plant	Pleasant Prairie Power Plant	Presque Isle Power Plant
	Metric tons	Metric tons	Metric tons
% of decommissioning complete	100%	~70%	~85%*
Hazardous waste generated	0.14	0.45	0
Hazardous waste recycled	0	0.16	0
Nonhazardous waste generated	782.04	46,064.27	37,122.29
Nonhazardous waste recycled	782.04	46,064.27	37,122.29
Construction debris disposed	0	7,989.33	5,513.99
Asbestos disposed	0	4,272.48	177.97
Overall % recycled	99%	79%	87%

* Presque Isle Power Plant demolition is complete as of July 2022

Beneficial use of combustion products

We Energies and WPS have several initiatives that recover and use materials produced from plant operations. We maintain highly successful research and development programs to further these efforts.

In the past 21 years, our companies have provided more than 16.71 million metric tons of combustion products for beneficial use. Most of these materials have been used as construction materials in concrete, concrete products, cement manufacturing and wallboard production, and as alternative materials to sand, gravel and crushed stone aggregates. Over the past several years, our production of combustion products has decreased as several coal units have been retired.

Gypsum and wood ash also have been beneficially used as soil amendments in agricultural applications. In 2017, we partnered with Beneficial Reuse Management to build a pellet plant in Caledonia, Wisconsin. Gypsum produced at our power plants is used to manufacture blendable pellets at this facility.

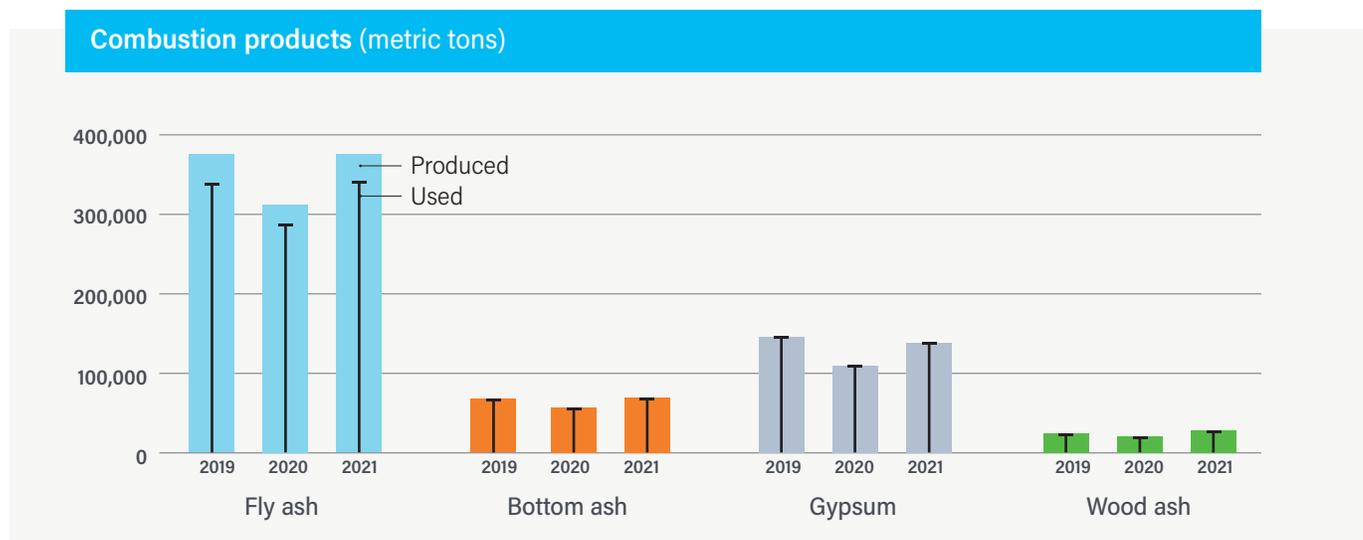
In addition to the successful use of ash and gypsum, 100% of the sulfuric acid produced at the Weston Generating Power Plant ReACT air emission control system was beneficially used in 2021. The majority of this was sold to local industrial users. WPS was the first electric company in the United States to sell sulfuric acid produced from a coal-fueled electric generating facility's air emission control system.

We have demonstrated the performance benefits of using combustion products to replace a portion of the asphalt binder in asphaltic concrete pavement. Results indicate that this process can improve pavement strength and longevity in extreme weather conditions, and reduce the energy needed for production.

Combustion products (metric tons)	2019	2020	2021
Combustion products produced	609,400	496,300	602,600
Combustion products used	571,900	471,100	571,500
Percent used	94%	95%	95%

Annual combustion product beneficial use rates vary due to variable production quantities, cyclical market demands and material quality.

We Energies has never used any wet coal ash impoundments. The WPS Weston Power Plant site has a lined settling basin that is part of the wastewater treatment system approved by the WDNR. According to EPA classifications for surface impoundments, the basin is "less than small" in size and represents a "low hazard potential" based on its capacity, height, location and distance to critical infrastructure. The use of the settling basin to manage bottom ash is scheduled to be terminated by the end of 2023. The bottom ash and its contact water will be removed, and the basin will be returned to service for storage of low-volume wastewater and stormwater in accordance with Wisconsin rules and permits.





Facility design and construction impact

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

Materials selection

- During facility upgrades, flooring is selected to be carbon neutral across the entire product life cycle.
- All lighting fixtures are LED, known to use at least 75% less energy and last 25 times longer than standard incandescent lighting.
- Furniture standards require use of responsibly designed furniture and textiles containing pre- and post-consumer recycled content and reduced content of toxic materials such as flame retardants, perfluorochemicals and formaldehyde.

Waste material recycling

- Metal scrap is collected from all remodeling and new construction job sites.
- In accordance with the EPA's national recycling goal, we have set a minimum recycling goal of 50% at all job sites; we often achieve a much higher rate of recycling at construction and demolition projects, averaging between 80% and 95%.
- Electronic waste is sustainably managed and recycled.

Energy efficiency

- New buildings are developed with energy conservation designed into the project, which often exceeds Leadership in Energy and Environmental Design (LEED) requirements.

Water conservation

- In Chicago, development projects must provide storage for 125% of the requirements of the City of Chicago's stormwater ordinance.
- Native vegetation is used in landscaping.
- Green roofs are installed where feasible.

Employee satisfaction, health and wellness

Sustainable facility design features also provide cost efficiencies and increasingly support a healthy and desirable work environment critical for recruiting competitive talent. A focus on employee health and wellness includes design features such as those listed below.

Access to natural light:

- Workplace layout designed to allow increased access to daylight by all employees.
- Incorporation of natural daylight into garage spaces.

Amenities designed to promote collaboration, knowledge sharing and inclusion:

- Open collaboration spaces.
- Work cafés.
- Fitness centers and locker rooms with showers.
- Outdoor patios.

In addition, electric vehicle charging stations are installed at all new facilities for both fleet and employee vehicles.



Stewardship

In support of our environmental policy, we seek to preserve and enhance the sensitive natural habitats on our companies' properties using sound practices to manage for multiple uses — aesthetics, biodiversity, cultural resources, forestry, recreation, water quality and wildlife.

We support stewardship efforts that reach beyond properties and across state borders. Some electric and natural gas facilities are located in protected, potentially sensitive habitats such as wetlands, grasslands, savannas and forests.

Our companies collaborate with local, state and federal agencies during the regulatory review of our projects. Appropriate stakeholders are brought together to achieve stewardship goals through opportunities typically identified during project planning and execution of construction projects. Beneficial biodiversity and resource protection outcomes result from meeting or exceeding state and federal guidelines and regulations.

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

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

Available Natural Heritage Inventory (NHI) data sets are used not only to review for the potential presence of rare species when planning our companies' power generation and distribution projects, but also to evaluate stewardship initiatives our companies may undertake. Species listed on the International Union for Conservation of Nature's Red List of Threatened Species (IUCN Red List) are also considered, particularly when evaluating company-owned lands or activities where IUCN Red List species may occur. Nearly 60 IUCN Red List species are present within our companies' service territories. These data are primary factors in steering stewardship and species management decisions.

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

Assessing biodiversity on company lands

Beginning in 2020, the company undertook an extensive analysis of over 520 fee-owned properties comprising nearly 60,000 acres in Wisconsin and Michigan's Upper Peninsula to assess the biodiversity of locations that contain natural wetlands, grasslands and forest lands. The results of this analysis are summarized in the table to the right. We developed a complex geographic information system (GIS) model using nearly 20 land cover, rare species and water resource data sets to examine the extent and quality of biodiversity occurring on our lands. The GIS model is being used to identify unique landscapes that warrant protection and enhancement.

We evaluated the total lands being actively managed or passively conserved. Actively managed lands include areas maintained for regulatory or mitigation purposes and locations where we undertake voluntary activities to further enhance the biodiversity occurring within them.

Passively conserved lands stand idle from an operations standpoint; however, each provides tremendous ecological services, water and air quality benefits, and social benefits to the communities we serve. Very diverse plant communities and high-quality water bodies occur on many of these lands, and provide habitat for many hundreds of wildlife species, including pollinators and dozens of state and federally listed rare species.



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

	Pollinators	Other grasslands	Wetlands	Forested lands
Required mitigation	186	960	45	12
Voluntary active management	322	572	144	128
Voluntary passive conservation	69	4,795	6,854	45,279
Total	577	6,326	7,043	45,419

Rare species conservation and habitat protection

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

Each year, state NHI database information is reviewed for thousands of projects to ensure that our construction activities do not negatively impact natural resources (e.g., wetlands, waterways or rare species) or cultural resource sites. Our employees work to avoid or minimize impacts to these resources. Careful planning and implementation during electric distribution and natural gas lateral pipeline projects have increased biodiversity through wetland and rare species habitat restoration following construction. The planning process also targets reducing effects from habitat fragmentation and affecting high-quality resources.

Wisconsin is home to the world's largest remaining population of the federally endangered **Karner blue butterfly**. Our companies have worked with the U.S. Fish and Wildlife Service (USFWS) and various state agencies to develop and implement a habitat conservation plan. Efforts under this plan regularly include advanced GIS mapping systems and pre-construction surveys. Wild lupine is crucial to the survival of Karner blue butterflies, so our companies' construction and maintenance projects remove brush along utility corridors to



allow lupine to grow and thrive. We have restored, in collaboration with the WDNR, more than 55 acres of butterfly habitat along a natural gas lateral corridor in west-central Wisconsin. In 2021, the company continued collaboration with the WDNR to support necessary management of restored areas for decades to come.



The **monarch butterfly** population is in decline in North America. In collaboration with American Transmission Co. and other utilities, public agencies and others, we have participated in the development of the nationwide Candidate Conservation Agreement with Assurances on Energy and Transportation Lands program. As of 2022, the company has been approved to enroll fee-owned lands that support monarch habitat under this program to help preserve and restore the butterfly's population.

Nearly 40 acres of habitat for the **slender glass lizard** and **phlox moth**, two Wisconsin endangered species, was restored following a natural gas lateral pipeline project constructed in 2019. We worked with partner biologists from the WDNR and the United States Army Installation at Fort McCoy to develop a conservation plan. In 2021, diverse native prairie habitat was beginning to establish itself and was further promoted through monitoring and invasive species management.

Ospreys frequently try to nest on top of utility poles, which can result in power outages and cause harm to the birds. Our companies have helped install dozens of osprey platforms in more than 30 counties in Wisconsin and Michigan's Upper Peninsula, and, since 1980, field crews have constructed alternative nest structures for osprey breeding pairs and assisted landowners in erecting nest structures in key habitat locations. These efforts support osprey recovery. More than 550 breeding pairs now live in Wisconsin.

While less frequent, **bald eagles** occasionally nest atop utility poles. When this occurs, company field crews install larger eagle nest platforms to provide alternate nest structures for the eagles to use and eliminate the hazards associated with pole-top nests. Nearly 1,700 occupied eagle nests have been documented in all 72 counties in Wisconsin, which is an increase from just 108 nests observed in 1973. Additionally, the company helps state agencies protect eagle nests by documenting and maintaining occupied nest data associated with our 30 hydroelectric facilities.

Peregrine falcons have been calling our companies' power plants home for three decades. Our companies have maintained nesting boxes on power plant chimneys and rooftops. One-fifth of the peregrine falcon population in Wisconsin — more than 400 birds — has been born at our companies' power plant nesting boxes. To help educate and raise awareness about the species, real-time viewing is available through live video streaming on our websites.

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

Wood turtles are a protected species living throughout much of the companies' service areas. We have been an active partner since 2011 with a nonprofit organization dedicated to the recovery of diminished wood turtle populations in Wisconsin. Through our Mitigation and Enhancement Fund associated with our hydroelectric projects, we have funded the wood turtle recovery work and provided access to company properties for the installation of artificial nest sites and nest surveillance.

For approximately 20 years, we have partnered with state and federal agencies, nongovernmental agencies and university researchers on efforts to restore lake sturgeon to Lake Michigan and investigate passage of **lake sturgeon** around hydroelectric facilities on the Menominee River. The research focus has been on sturgeon population dynamics, habitat, temporal habitat use, migration patterns and passaged feasibility.

Preservation of natural areas and wetlands

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

Sustainable construction practices

Our utility operations are investing in renewable generation being built on thousands of acres of land in the upper Midwest. Our companies also have ongoing new construction and maintenance activities on thousands of miles of electric distribution corridor every year. Preserving natural areas and wetlands in and around these activities involves managing stormwater runoff and sediment control.

Company crews and contractors implement stringent best practices to manage erosion and keep disturbed sediments contained within planned construction areas. Maintenance and monitoring occurs frequently to ensure we are minimizing impacts to natural resources, and we use key performance indicators (KPIs) as metrics to rate gas and electric distribution contractors' environmental compliance performance. Since we implemented these KPIs in 2019, we have seen significant improvements in our stormwater management practices, minimizing the potential for erosion effects at our construction sites.

Ongoing habitat restoration and management

We regularly take opportunities to promote biodiversity on land surrounding our facilities. While conducting dam safety improvements,

for example, we have restored disturbed soil with native prairie plantings. Restored prairie and wetland habitat on the former south coal dock at Port Washington Generating Station continues to thrive as a resting place for migratory birds, with more than 120 species recorded since 2011. We increased the available prairie habitat at the site by 20% with additional restoration between 2019 and 2021.

An innovative approach to improve water quality in stormwater runoff was implemented at the Paris Generating Station in Kenosha County, Wisconsin. We converted 38 acres of nearby agriculture land to native prairie and wetlands, improving stormwater runoff near the Paris site. Ecological benefits include substantially increasing biodiversity on the site, promoting the health of pollinator species that benefit adjacent crops, controlling invasive species, and increasing flood storage along a flood-prone river that bisects the site.

Hundreds of acres of natural areas contained within our companies' closed and active ash landfill properties are actively managed to promote biodiversity, maintain large blocks of intact natural areas, reduce the use of herbicides for managing landfill covers, and restore native communities. More than a dozen state-protected and rare species, including plants, birds and reptiles, exist at properties located in Green Bay, Grafton, Saukville, Port Washington, Caledonia and Pleasant Prairie, Wisconsin. Several properties contain ecologically significant habitats with respect to both the richness of the native species and high quality of these communities. Hundreds of native plants thrive on these properties, including over 300 species on one site alone. The integrity and health of these properties depend on active habitat management targeted at controlling invasive species, the largest threat to their natural ecosystems.

At the **Cedar Sauk Landfill**, a 25-acre closed ash landfill site located in Ozaukee County, Wisconsin, we initiated a native prairie conversion in 2021. The non-native turf grass cover was managed through mowing, herbicide treatments and prescribed burning to substantially reduce the homogenous and ecologically sterile grass community. Following the vegetation management, the site was seeded with a diverse native seed mix of prairie grasses and flowering species designed to attract local pollinators.

In subsequent years, non-native and invasive species management will take place to establish a species-rich, native flora and fauna community that will provide numerous ecological services beyond wildlife habitat, including stormwater management, while reducing maintenance costs associated with turf grass management.

We have successfully followed a similar process for prairie conversion at multiple properties, including the **Druecker Quarry Ash Disposal Site**, also in Ozaukee County, where a variety of native plant and animal species now thrive following initial prairie seeding in 2008.



Prescribed burn at Cedar Sauk



Established prairie at Druecker



Additionally, native prairie species are used to convert landfill areas to native grasslands. The entire food chain benefits from the restored prairies, from the organisms in the soil to the hawks and owls. Seed mixes are expressly designed to include wildflowers native to local areas where plantings occur. Wildflower selection is carefully made to attract and support bees, butterflies and other pollinators. Because the properties with restored prairies are in agricultural areas, intrinsic benefits occur to adjacent agricultural lands, such as increased crop production.

Prairie restoration is targeted to reduce long-term maintenance costs associated with fertilization, mowing and herbicide use on typical turf grass covers. Planted prairie species are deep rooted and drought resistant, which eliminates the need to re-establish burned-out turf grasses. Another major benefit to planting prairie species on landfill properties is stormwater management. Deep-rooted prairie species absorb much more stormwater than shallow-rooted turf grasses, which reduces stormwater runoff.

At several properties, native plantings are used to augment stormwater control facilities, including the installation of a green roof stormwater collection system atop a portion of our corporate headquarters. Filter strips and native buffers reduce sediment loading at some company-owned properties. Stormwater management plans for power distribution and company office sites are incorporating native plants. These native plantings include species that sustain local wildlife, including the monarch butterfly.

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

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



Prescribed burns are used to manage approximately 200 acres of restored wetland, enhanced wetland, prairie and woodlands for invasive plant species at numerous company properties, including about 90 acres near the Elm Road Generating Station in Oak Creek, Wisconsin.



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

Solar projects provide a unique opportunity for environmental stewardship by creating pollinator habitat. During site restoration in 2021, two of our companies' solar generating facilities initiated 73 acres of voluntary pollinator habitat restoration, increasing the overall vegetative diversity at each site. Supported by robust vegetation management plans, native plants and pollinators will provide essential ecological services, including boosting local agricultural crop yields, increasing water infiltration and reducing soil erosion.

At our wind generating facilities, we implement site-specific plans and adaptive strategies to reduce impacts to bird and bat populations. Extensive pre-construction surveys for bird populations and activity are completed before finalizing future turbine sites. Working with the USFWS has resulted in relocating turbines to minimize possible bird impacts. When we

observe protected bird species at a wind facility, we implement best management practices to reduce potential conflicts. We voluntarily use a method recognized by EPRI, regulatory agencies and wildlife scientists to help bats avoid the turbines: changing the blade angle to greatly slow the blade movement below the turbine cut-in speed, without materially impacting energy generation.

There is less understood about the potential risks associated with solar panels and migrating waterfowl and other water birds. Post-construction avian monitoring studies, similar to those used on our wind projects, are planned at the Two Creeks and Badger Hollow solar projects. Typically, this type of survey is done on foot by humans; however, due to the large survey areas, access limitations and vegetation height, trained detection dogs were identified as a more effective method. These studies will be some of the first in the Midwest to use dog-handler search teams at solar facilities.

Protection of cultural resources

We have developed robust internal screening processes to review ground disturbing activities for the potential presence of known archaeological sites and historic properties. The screening process involves using available cultural resources data sets to identify potential conflicts and avoid impacts to these resources during construction and property management activities.

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

In 2021, we entered into a Memorandum of Understanding (MOU) and expanded the scope of our license agreement with the Wisconsin State Historic Preservation Office regarding access to the Wisconsin Historic Preservation Database. This MOU and license agreement includes confidentiality and non-disclosure provisions designed to allow our Wisconsin planning and design staff to see limited general information about the locations of cultural resource sites located near proposed company project locations. When such sites are shown on our GIS mapping tools, our staff will involve state-licensed archeologists to fully investigate the details. The results of this expanded use of GIS mapping resources have yielded earlier identification of potential conflicts with cultural resource sites, and greater protection of these sensitive resources.

Manufactured gas plant remediation

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

Uplands

We continued to work closely with the EPA in 2021 on the remediation of several Peoples Gas properties in Chicago. These projects not only improved the environment but also supported redevelopment. At the Crawford site, one of the largest MGP sites in the country, we mobilized along the northern property line to start remediation of impacted soil. This material will be treated using in-situ soil stabilization technology, which has the additional benefit of requiring less vehicle traffic than conventional excavation. At our Division Street site, located just northwest of downtown Chicago, we removed impacted soil and concrete as part of the final phase of a three-year project. In addition, we demolished our former South Station facility in order to prepare the site for future subsurface remediation.

Also in Illinois, we began construction of the second phase of a groundwater treatment system in Waukegan. With oversight and approval by the EPA, we used information collected during the first phase to fine-tune the design for system implementation and operation to address MGP impacts.



Between 2019 and 2022, in partnership with the USEPA, WDNR and other responsible parties, we completed phased upland remediation and restoration of the former Milwaukee Solvay Coke and Gas site — in parallel with the completion of Komatsu Mining Corp.'s new headquarters and manufacturing facility. We also finalized construction of a shoreline protection and stabilization structure at the Solvay site in 2021, which helped stabilize the riverbank and protect existing soils from erosion. Future work will include installation of new groundwater monitoring wells and subsequent monitoring.

WPS collaborated with the City of Marinette and NewCap Inc. to complete site remediation at a vacant former manufactured gas plant property to facilitate construction of a workforce housing development known as Trolley Station Terrace. Remediation was successfully completed in mid-2021, allowing for resident occupancy to take place later that year.

Sediments

As one of five nonfederal sponsors (including WDNR, Milwaukee Metropolitan Sewerage District, City of Milwaukee and Milwaukee County Parks) that signed on to a Great Lakes Legacy Act project agreement for investigation and remedial design of the Milwaukee Estuary Area of Concern (AOC), We Energies played a pivotal role in accessing funding and developing an initial design for the proposed Dredge Material Management Facility. The facility will be used as a cost-effective option to dispose of legacy contaminated sediments removed from the Milwaukee Estuary AOC.

In addition, we advanced our remedial design of Third Ward MGP sediments, collaborating and sharing information with the other nonfederal sponsors, which in turn will have a positive impact on the larger Milwaukee Estuary AOC cleanup. We Energies' ongoing in-kind contribution to this project agreement will leverage millions of dollars in federal funding. To further support the sediment cleanup effort, We Energies has joined the Waterway Restoration Partnership — a group of community partners who are working together to improve water quality in the area.



Community support

The We Energies and WPS foundations, along with our operating companies, provide grants that promote the environment in areas they serve. In 2021, contributions were made to nature centers and preserves, county land and water conservation organizations, conservancy trusts, and other nonprofit organizations. The grants supported a variety of initiatives, including wildlife rehabilitation, forest enrichment, natural resource education, conservation, wildlife management and water quality improvement.

Our companies also seek to work with the general public to increase awareness of natural resource stewardship. We support others' efforts for the betterment of fish and wildlife, water and air quality, forests, energy efficiency, renewable energy, and recycling. These include:

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

We appreciate the opportunity to help organizations achieve lasting results that create brighter futures for the communities in which we do business.

Recreational improvements

Our companies work with state agencies in both Wisconsin and Michigan to continue protection of natural resources and public recreational opportunities at lands our companies formerly owned. Our companies also work with local communities to promote recreational opportunities for community residents and schools.

Company lands sold to the WDNR and the Michigan Department of Natural Resources now permanently protect nearly 13,000 acres of unique and environmentally important habitats and waterways in northern Wisconsin and the Upper Peninsula of Michigan. They include Governor Thompson State Park, Menominee River State Park and Recreation Area, Peshtigo River State Forest, and Sturgeon River Gorge Wilderness.

In addition, working with the We Energies Foundation, we collaborated with the City of Milwaukee and Historic Third Ward Association to create a Born Learning Trail in Gaslight Park. The park property is owned by Wisconsin Gas LLC and was once part of an MGP site that has since been remediated and redeveloped into mixed residential and commercial use, in addition to greenspace and the public Riverwalk along the Milwaukee River shoreline.

For more information on our foundations, see pages 65-68.



Part of the Born Learning Trail at Gaslight Park

We supported habitat protection, restoration and other environmental initiatives through many local organizations and sites in 2021, including the following

- Audubon Great Lakes
- Fox-Wolf Watershed Alliance
- Friends of the Chicago River
- Geneva Lake Conservancy
- Gathering Waters Conservancy
- Good News Project
- Green Bay Botanical Gardens
- Heckrodt Wetland Reserve
- Landmark Conservancy
- Lincoln Park Zoological Society
- Mequon Nature Preserve
- Milwaukee Riverkeeper
- Natural Resources Foundation of Wisconsin
- Navarino Nature Center
- N.E.W. Zoological Society
- Northeast Wisconsin Land Trust Inc.
- Openlands
- Raptor Education Group
- Riveredge Nature Center
- Rock River Coalition
- Root-Pike Watershed Initiative Network
- Sand County Foundation
- Trees for Tomorrow
- Urban Ecology Center
- Waukesha County Land Conservancy
- Western Great Lakes Bird and Bat Observatory
- Wild Instincts Inc. Eagle Rehabilitation
- Wildlife in Need Center
- Winnebago Conservation Club Inc.
- Wisconsin Wetlands Association
- Woodland Dunes Nature Center and Preserve

Climate strategy

We are committed to ensuring customers have the energy they need, operating in an environmentally responsible manner and making renewable energy a key part of our energy mix.

Our long-standing focus on environmental stewardship is fundamental to our obligation to deliver long-term value to stockholders and customers. We evaluate environmental impacts and environmental regulations, including regulation of greenhouse gas (GHG) emissions, in all facets of our strategic business planning.

Consideration of climate change is integral to our approach, and we have conducted scenario analyses to assess the strength of our strategy. We continue to reshape our portfolio of electric generation facilities and modernize our infrastructure to further improve environmental performance. Our largest electric utilities, We Energies and Wisconsin Public Service (WPS), met Wisconsin's renewable portfolio standard well in advance of the state deadline, and we intend to go further with leading programs such as our hydrogen pilot. We are committed to reducing GHG emissions from our system while maintaining the reliability that is a cornerstone of our business model.

We have worked to reduce the role coal generation plays in our system, and in place of coal, we have built state-of-the-art natural gas generation and invested in cost-effective zero-carbon generation. We expect our utilities to spend \$3.5 billion between 2022 and 2026 to increase the amount of renewable generation we deliver to our customers. In addition, we continue to invest in renewable generation outside our regulated utility footprint to serve other companies through long-term offtake agreements. Our 2022 Climate Report contains further information on how we continue to address climate change in an environmentally responsible manner and to serve our customers.



Renewable energy portfolio

Utility and nonutility energy assets

Facilities (as of Dec. 31, 2021)	Capacity (MW) ¹	Serving
30 hydroelectric plants	116	Utility customers
1 biomass plant	44	
5 wind turbine facilities	493	
2 solar facilities	200	
6 wind turbine facilities	1,034 ²	
Total renewable capacity	1,887 MW	

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

2 Includes total nameplate capacity of jointly owned infrastructure wind projects in service.

Sustainable customer programs

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

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

In addition, WPS has implemented **SolarWise for Schools**, an award-winning solar and renewable energy education program. Participating local high schools receive a 2-kilowatt solar energy system installed at the school, a hands-on renewable energy curriculum and teacher training to integrate curriculum materials into existing courses. Students from participating schools also are invited to compete annually in the WPS-sponsored Solar Olympics, which celebrated its 25th year in 2021.

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

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

In October 2021, subject to the receipt of any necessary regulatory approvals, we pledged to expand the EV charging network within the service territories of our electric utilities. In doing so, we joined the National Electric Highway Coalition, a unified effort by electric utilities to make EV charging convenient and widely available throughout the United States. The coalition we joined is committed to providing EV fast charging ports that will allow the public to drive EVs with confidence along major U.S. travel corridors by the end of 2023.

We also are working to electrify our own vehicle fleet. In August 2020, under the auspices of the Edison Electric Institute (EEI), we joined our utility peers across the nation in setting sustainability goals for our vehicle fleet across WEC Energy Group. Our targets for 2025 are for 35% of car and SUV purchases and 25% of Class 3 truck purchases to be plug-in electric vehicles, and for 40% of our storeroom equipment to be electrified. We aim to increase that storeroom equipment percentage to 75% by 2030.

GHG emissions and our transportation plan



Planning for:

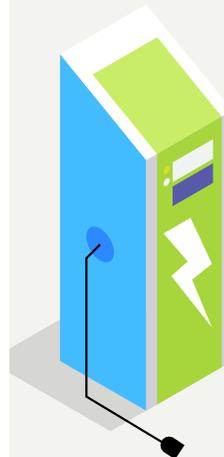
35% car and SUV
25% Class 3 truck
purchases to be electric by 2025



Aiming to electrify our storeroom equipment:

40% by 2025
75% by 2030

We currently offer:



61
charging stations

120
charging ports



50
are for public use

We plan to expand our zero-carbon generation even further



New clean energy additions are planned for our utilities, for a total investment of \$3.5 billion: approximately 2,400 MW of combined solar, wind and battery storage to be built and owned.

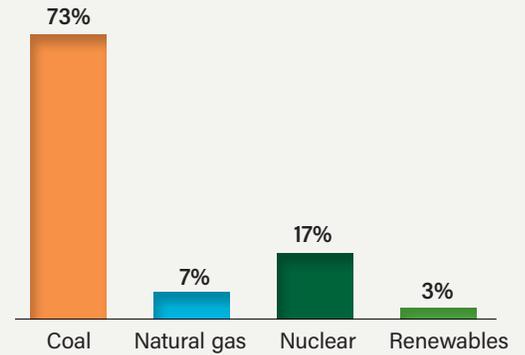
We Energies and WPS have a combined total of 300 MW of utility-scale solar generation currently under development or in service. We have filed for approval of another 495 MW of solar capacity, and we are planning for an additional 700 MW.

We Energies continues to work with customers to add up to 185 MW of renewable generation through renewable pilot programs.

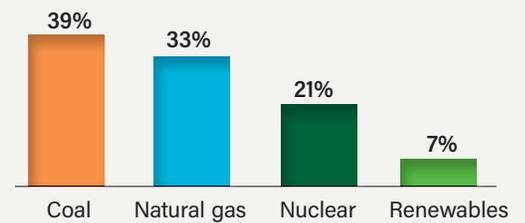
We plan to invest \$1.9 billion in wind generation through WEC Infrastructure between 2022 and 2026.

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

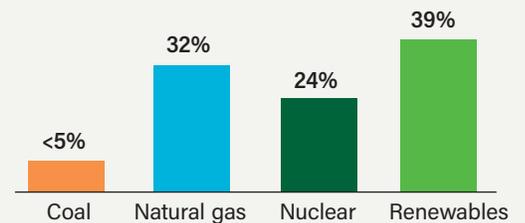
2005



2021



2030 *estimated*



2035

Planned exit from coal

2050

Net carbon neutral goal

Carbon dioxide emissions reduction

Our generation transition efforts are achieving strong results. In 2019, we exceeded our 40% carbon dioxide reduction goal, below 2005 levels, well in advance of our 2030 target.

We re-evaluated our carbon reduction goals for our electric generation fleet in light of this progress.

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

As strategies to reduce GHG emissions continue to evolve, we are committed to working with elected officials, regulatory agencies, customers, environmental groups and other stakeholders to achieve a 60% reduction in carbon emissions from our generation fleet by the end of 2025 and an 80% reduction by the end of 2030, below 2005 levels. Our long-term goal for our electric generation is to be net carbon neutral by 2050.

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

Our newer, more efficient coal units continue to play an important role in ensuring the reliable service our utilities must provide. They are strategically located on the Midwest transmission grid and able to be dispatched during extreme weather conditions, when natural

gas supply lines or renewable technology may be compromised. At our Oak Creek site, Elm Road units 1 and 2 are among the newest and most efficient coal-fueled generating units in the United States, having begun commercial operation in 2010 and 2011, respectively. We have an approximately 85% ownership interest in the two units.

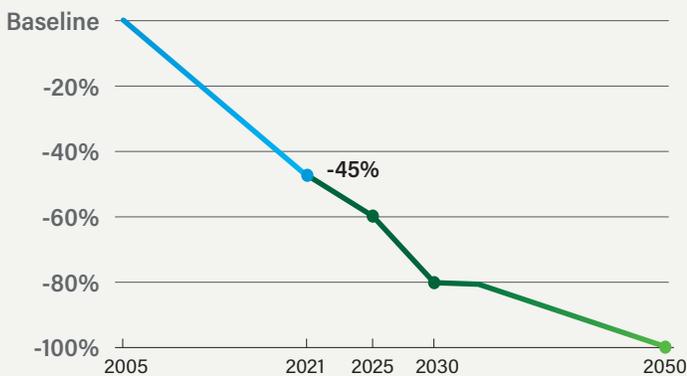
We are planning for the future of the Elm Road units with fuel flexibility and emissions reduction in mind. We have tested co-firing on natural gas at the site. Subject to the receipt of an environmental permit, we plan to make operating refinements over the next two years that will allow a fuel blend of up to 30% natural gas. Over time, we expect to transition completely away from coal by making a modest investment in plant facilities, including new burners and additional pipeline capacity to the site. By the end of 2030, we expect to use coal only as a backup fuel, and we plan to eliminate coal as an energy source by 2035.

We already have retired approximately 1,800 MW of nameplate capacity of coal-fueled generation since the beginning of 2018, which included the 2019 retirement of Presque Isle Power Plant, as well as the 2018 retirements of Pleasant Prairie Power Plant, Pulliam Power Plant, and the jointly owned Edgewater Unit 4 generating units. Through our ESG Progress Plan for capital investment, we expect to retire approximately 1,600 MW of additional fossil-fueled generation between 2022 and 2026, which includes the planned retirements of Oak Creek Power Plant units 5-8 and the jointly owned Columbia units 1-2.

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

Taken as a whole, changes to our generation fleet are expected to reduce costs to customers, preserve fuel diversity and reduce carbon emissions.

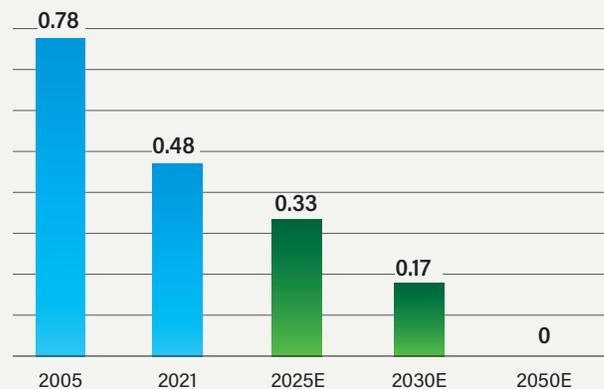
Achieved and anticipated CO₂ reductions (net mass)*



* Includes projection of potential carbon offsets by 2050.

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

Greenhouse gas intensity (metric tons CO₂e/MWh)**



Just Transition

We have set ambitious goals to transition to clean energy sources while continuing to serve our customers affordably and reliably. We will continue to evaluate the impact to our stakeholders as we make decisions on plant retirements and new projects.

The transition to a low-carbon economy poses challenges in areas with workers and resources invested in fossil fuel generation. As we move to reduce GHG emissions, we will continue to look to the “Just Transition” framework, developed by the trade union movement, to ensure a holistic and thoughtful approach to the changes ahead. Recognizing the social impact that plant retirements and new investments will have on our communities helps us develop sustainable energy solutions for their needs. As we mitigate environmental impacts through a reduction of carbon-intensive energy sources, we are cognizant of both economic and social impacts tied to this transition.

We have implemented a variety of measures to support our stakeholders. See our [position statement](#) on our website.

Workforce

Many dedicated workers operate our power plants, and we are committed to keeping them informed and prepared as we transform our generation fleet. On at least a quarterly basis, our senior vice president — power generation meets with union leaders to provide updates on our capital plan and the timeline of actions relating to any upcoming facility retirements. Update meetings with employees and site management are frequently held at transitioning plants.

When we close a power plant, we work with local union leadership and follow the processes outlined in applicable policies, plans and collective bargaining agreements. Through this approach, we have provided retraining and placement opportunities at other company locations to all interested employees from our retired coal plants. As an alternative, we have offered voluntary severance, which has included outplacement services, educational assistance and a health insurance subsidy.

For example, when we decided to retire the coal-fueled Pleasant Prairie Power Plant, we offered voluntary severance options to employees across our power generation fleet. This allowed positions to be open for Pleasant Prairie employees who wanted to continue at our company.

Additional benefits vary based on factors specific to each location. In some cases, we have offered incentives to employees for working until the end of plant service. Our transition planning for the upcoming retirements of our older Oak Creek units includes careful monitoring of our employee population and retirement expectations, our ability to transition employees over time to the newer Oak Creek expansion units, and proactive communication with employees and union leaders to ensure all are informed and engaged throughout the process.



Community

Beyond jobs for individual workers, power plants represent significant investments and physical resources in our area. We work closely with local government and organizations on site redevelopment so that the land previously supporting a facility can benefit the surrounding community. For example, we expect some of our former sites to host farmland, biodiverse ecosystems and community infrastructure, providing future growth and prosperity for the region.

We promote economic growth through leadership in economic development organizations and through direct contributions. For example, Gale Klappa, executive chairman — WEC Energy Group, was instrumental in launching Milwaukee 7 (M7), a regional economic development organization for the seven counties of southeastern Wisconsin, in September 2005. He now serves as co-chair of the organization. Since 2015, M7 has assisted companies that created or retained more than 15,000 pledged jobs in the region.

We are also an active member of chambers and economic development organizations across Wisconsin, including the Metropolitan Milwaukee Association of Commerce (MMAC). The MMAC is working to strengthen the business base to attract and retain jobs in the Milwaukee region.

Our charitable giving programs support communities across our service areas, and through our foundations, we have contributed to economic development efforts in counties where we retired plants.

We also work with local governments to plan for continued economic stability and future growth in impacted communities. This work includes planning for the eventual reduction in shared revenue from our plants. As long as these assets remain part of our rate base, communities will continue to receive utility shared revenue payments from the State of Wisconsin. If a plant is sold, it then ceases to be utility property and will be assessed as taxable property.

Wisconsin state law provides a glide path from utility shared revenue after a plant is sold. In conjunction with any property tax paid by the new owners, in the first year that the property is taxable, the community receives 100% of the previous year's utility shared revenue. It receives 80% of this revenue in the second year, 60% in the third year, 40% in the fourth year and 20% in the fifth year. After that, the property provides only the appropriate property tax revenue.



A flexible and transparent approach to plant retirements

We allow for flexibility in our planning to accommodate changes in the market and other factors. In October 2020, we announced the closing of our older Oak Creek units and held meetings with employees, unions and other key stakeholders.

In June 2022, we announced a decision to postpone the retirements of the four units by approximately one year each, to 2024 and 2025. That decision was based on two critical factors: tight energy supply conditions in the Midwest power market, and supply chain issues that likely will delay the commercial operation of renewable energy projects that are currently moving through the regulatory approval process. Because we plan to operate the older units at Oak Creek predominantly during the days of highest customer demand, we are confident we can remain on track to achieve our industry-leading carbon reduction targets.

Before this decision was made public, we communicated with union representatives, employees, community leaders and other key stakeholders. We put a retention plan in place to address the need for workers through 2024 and 2025. We also have utilized resources across the fleet, dispatching employees from other facilities as needed.

Energy affordability

As we provide vital energy services, we recognize our responsibility to keep rates affordable for our customers. Over time, we expect customers to see significant savings from the retirement of less efficient plants. Renewable generation resources require no fuel costs and substantively lower operations and maintenance costs, compared to fossil-fueled generation. We take measures to reduce costs in the short term from older plants.

We carefully manage our plants slated for retirement to minimize the need for capital investment — avoiding spending on projects without lasting benefit, whenever we can do so safely and lawfully. In addition, we work with our regulators on the recovery of retired plant balances. We have retired approximately 1,800 MW of coal production since 2018, and we have had no material issues recovering prudent investments in plant assets.

Environment

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

We actively manage hundreds of acres of natural areas within our companies' ash landfill sites, largely originating from coal plants that are now retired. These efforts are helping to promote biodiversity, support pollinator populations, maintain large blocks of intact natural areas, reduce the use of herbicides, and restore native flora and fauna. More details on our stewardship and restoration activities can be found on pages 31-38.

Methane emissions reduction

In May 2019, we announced a goal across our energy companies to reduce the rate of methane emissions from our natural gas distribution lines by 30% per mile by 2030, from a 2011 baseline. At the end of 2020, we were more than halfway toward reaching this goal. Building on that progress, in May 2021, we announced a new goal — to achieve net-zero methane emissions from our natural gas distribution system by the end of 2030. At the end of 2021, we were 16% toward achieving our goal.

We continue to reduce methane emissions by improving our natural gas distribution system. We plan to achieve our net-zero goal through an effort that includes both continuous operational improvements and equipment upgrades, as well as the use of renewable natural gas (RNG) throughout our utility systems. We recently received regulatory approval for an innovative renewable natural gas (RNG) pilot program and signed our first contracts with local dairy farms. The farms will supply methane gas, which would otherwise go unused, to our gas distribution system. The RNG supplied will directly replace conventional fossil-based natural gas that would have entered our pipes. In addition, these investments are expected to reduce the environmental impact of agricultural activity, such as wastewater runoff. Our first three contracts should bring us to 80% of the RNG needed to achieve our 2030 goal. We expect to have RNG flowing to our distribution network by the end of 2022.

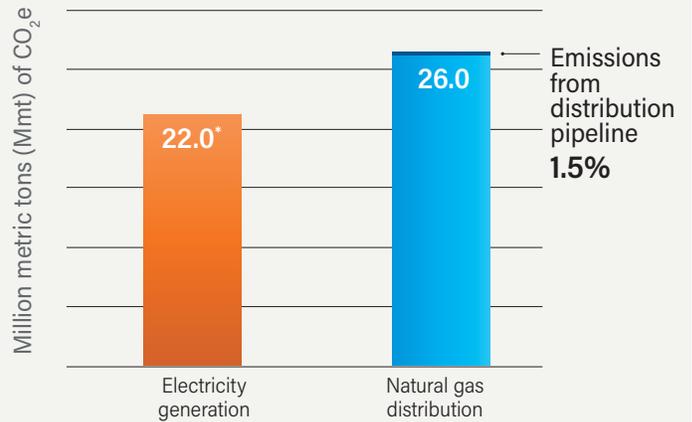
Additionally, our Peoples Gas subsidiary is working to replace approximately 2,000 miles of Chicago's natural gas pipeline infrastructure, switching dated cast and ductile iron pipes with modern polyethylene pipes. As part of this program, we have made voluntary commitments as a founding partner in the U.S. Environmental Protection Agency's (EPA's) Methane Challenge. Peoples Gas initially committed to replace its remaining iron natural gas mains at an annual rate of at least 2% for five years beginning in 2017. In 2021, an additional three-year commitment through 2023 for the same target was finalized. Since reporting to the U.S. EPA's Methane Challenge Program that began in 2017, we have reported emissions reductions from our voluntary actions of approximately 1,145 metric tons of methane, or 28,600 metric tons of CO₂e.

For 2021, we reported emissions of approximately 26.0 million metric tons of CO₂e to the EPA related to our natural gas distribution business. Approximately 98.5% of this amount was from our customers' use of natural gas (those customers without their own reporting requirements), and the remainder was from distribution system leaks.

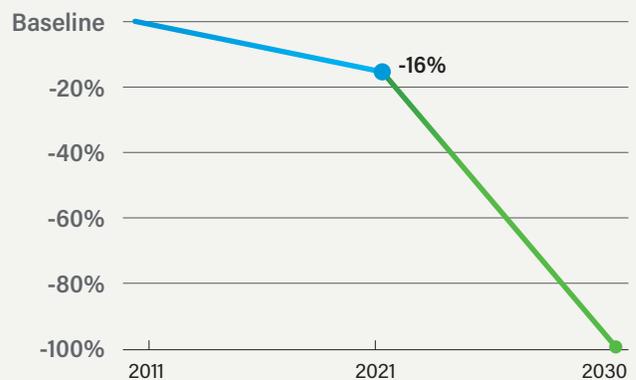
We have established an ambitious greenhouse gas reduction goal for our natural gas distribution network, aligned with or surpassing global emissions pathways aimed at limiting warming to 1.5°C.



2021 GHG emissions from electricity generation and natural gas distribution



Achieved and anticipated methane emissions reduction from distribution



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

Looking to the future of natural gas

Electrification has been discussed in our industry as a possible means of reducing methane emissions from the use of natural gas. To stay informed of the latest developments, we actively participate in industry collaboratives and national initiatives for sharing information and best practices. For example, upon its founding in 2020, we signed on as participants in the Low-Carbon Resources Initiative, a joint effort from the Electric Power Research Institute (EPRI) and the Gas Technology Institute.

At this time, given the state of the technology and the specific conditions of our service areas, we see more potential in other options for reaching net-zero methane emissions. Continued electrification of space and water heating could play a role in reducing the emissions from natural gas use over the long term. Today, however, conventional electric heat pumps are significantly more costly than natural gas heating in our region. The distribution system remains essential to serving our customers, especially during the Midwest's cold winters.

As an alternative to electrification, the industry is looking at opportunities to blend renewable natural gas from dairy farms and other sources with conventional natural gas, reducing the carbon intensity of natural gas supplies. This is our current planned approach as we work toward our methane reduction goal. It suits our business especially well due to the strong dairy industry in our region.

In addition, hydrogen is getting increased attention as a promising longer-term strategy. There is potential for hydrogen to be produced with zero-emission energy resources and blended with conventional natural gas. If this technology becomes a viable option for our companies, we expect our modernized natural gas system could be modified to carry hydrogen fuel.

In 2022, we are launching one of the first hydrogen power pilot programs in the United States, helping to lead our industry in this space. As described in the Innovation section (Page 48), we have partnered with EPRI to develop a program co-firing hydrogen with natural gas at one of our reciprocating internal combustion engine (RICE) units in Michigan's Upper Peninsula. Researching hydrogen as a clean generating fuel to our fleet of dispatchable plants is an important step on our path to a sustainable future.

Our ongoing engagement with industry peers and research initiatives will help us apply new technologies as they become suited to our needs.



Scope 3 emissions

Per the Greenhouse Gas Protocol, Scope 3 emissions are a consequence of the activities of the company, but occur from sources not owned or controlled by the company. They are indirect emissions not included in Scope 2, including upstream and downstream emissions.

We are in the process of evaluating our Scope 3 emissions inventory for disclosure. By the end of 2022, we intend to develop a Scope 3 GHG emissions inventory by operating company and for WEC Energy Group as a whole, develop a data set of GHG emission reduction measures across WEC Energy Group's Scope 3 GHG emissions inventory, and develop decarbonization scenarios to evaluate targets and identify the costs and strategic implications of achieving them. Scope 3 emissions for purchased power, customer use of natural gas, upstream emissions from coal transportation and business travel are disclosed below.

GHG emissions (metric tons CO₂e)

Scope 3	2019	2020	2021
Purchased power delivered	3,886,000	2,766,000	3,260,000
Customer use of natural gas	29,051,000	26,632,000	25,562,000
Upstream emissions for coal transportation	232,000	201,000	214,000
Business travel	2,900	1,300	1,200

Assessing risks and opportunities

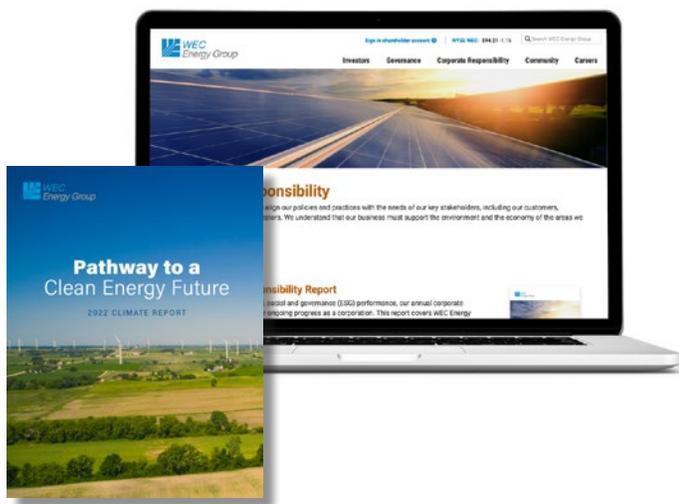
Changing climate conditions, potential policy measures and the technology changes reshaping the U.S. energy sector pose risks and opportunities for WEC Energy Group that vary significantly by business segment. Our strategic planning processes enable our companies to continuously evaluate these uncertainties in the context of maintaining reliable, affordable energy supplies for our customers that follow the environmental improvement trajectory we have set.

Scenario and goal analysis

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

As detailed in our 2022 climate report, we engaged EPRI to conduct a risk assessment to understand potential decarbonization pathways. EPRI is a nonprofit scientific research organization with a public benefit mandate. This assessment helped us better understand how variables such as cost, feasibility, policy, technology and probability of adoption could influence the potential decarbonization pathways for Wisconsin. This study allows us to better evaluate risks associated with our regional energy future such that we can continue to use forward-thinking business strategies to ensure we remain adaptable to market changes.

Additionally, we engaged ERM, an independent third-party sustainability consultant, to conduct a climate scenario analysis across all segments of our natural gas utilities business. This scenario analysis was used to test the resilience of our gas utility assets and operations against potential future climate-related transitional risks and decarbonization pathways. This assessment provided insight on the importance of adopting an emissions reduction pathway that provides both environmental and economic sustainability, while supporting a resilient and reliable delivery system.



Our analysis supports our current emissions reduction trajectory while demonstrating the importance of technological and market innovation in the years ahead. We see the potential for economywide emissions reductions through electrification, which our electric companies could help facilitate. As our updated goals demonstrate, we continue to evaluate climate-related risks and opportunities and update our approach as technology, policy and markets evolve. Our GHG reduction goals described on Page 42 further support the call by the IPCC for even deeper GHG reductions.

Our climate strategy continues to support the international effort to limit global temperature increases. The 2015 Paris climate agreement set a goal of limiting global temperature increase to well below 2 degrees Celsius (°C) above preindustrial levels. Consistent with this goal, the IPCC published a report on limiting global warming to 1.5°C. The report found that reducing global emissions 30% to 70% by 2030 and 70% to 130% by 2050 (relative to 2005) is consistent with “no or limited overshoot” of 1.5°C.

Helpful points of reference include the International Energy Agency's (IEA) Sustainable Development Scenario (SDS) from the World Energy Outlook, and the 2 Degree Scenario (2DS) and Beyond 2 Degree Scenario (B2DS) from the Energy Technology Perspectives. By 2030, IEA projects that the average global carbon intensity (CO₂ emissions per megawatt-hour of electricity production) will decline to roughly 0.23 metric tons of CO₂ per megawatt-hour (metric tons/MWh) in the B2DS scenario and the 2DS scenario. By comparison, we estimate a carbon intensity of 0.17 metric tons/MWh for our operations by the end of 2030, as we work toward our 80% reduction goal.

Regulation of GHG emissions from fossil fuel sources

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

We are continuing to analyze the GHG emission profile of our electric generation resources and to work with other stakeholders to determine the potential impacts to our operations of federal and state GHG regulations. We also are engaged with Wisconsin agencies, organizations and other stakeholders as participants in the Governor's Task Force on Climate Change, and we are monitoring the recommendations of the Michigan Governor's Council on Climate Solutions regarding utilities, energy-intensive industry, building codes and electric charging infrastructure.

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

www.wecenergygroup.com/csr

Innovation

We continue to improve the efficiency and environmental impact of our operations through new technology and research.

WEC Energy Group has a long history of exploring innovation in energy generation and distribution, environmental stewardship and sustainability — both through independent efforts and in collaboration with industry partners. From industry-leading beneficial use of combustion products to early investigation of carbon capture at generating facilities, we have demonstrated our continuous commitment to improving our products and our footprint.

Industry collaborations

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

With EPRI, the company participates in the Strategic Sustainability Science program. The program's research pillars include development of quantifiable sustainability metrics, sustainable decision-making frameworks, enhanced stakeholder engagement and sustainable electric resource forums. Through this research, various resources are developed to help facilitate a sustainable mindset throughout the company. The program helps inform our company on risk management, stakeholder communication, sustainability program maturity and sustainability research to meet the industry's future needs.

In 2022, we also became one of the founding members of EPRI's Climate Resilience and Adaptation Initiative (READi). This three-year initiative is focused on developing a common platform for climate data to inform the planning, design and operation of resilient energy systems.

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

In collaboration with GTI, we help support the Utilization Technology Development program, which is a nonprofit, member-led organization composed of 20 natural gas distribution companies. Its mission is to identify, select, fund and oversee research projects to maximize the environmental performance, affordability, efficiency and safety of equipment and processes that use natural gas and renewable energy resources. Our company invests \$250,000 annually, a portion of this through energy efficiency dollars, to support projects that span all end-use sectors and cover a variety of topics, including technology to reduce emissions and improve efficiency.



In 2020, WEC Energy Group joined EPRI and GTI's Low-Carbon Resources Initiative (LCRI), which will focus on large-scale deployment of low-carbon technologies. The five-year initiative plans to:

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

WEC Energy Group has participants on the following LCRI subcommittees: Hydrocarbon Technical, Renewable Fuels, Electrolytic Processes, Storage and Delivery, Power Generation, Transportation/ Industry/Buildings, Integrated Energy Analysis, and Safety/ Environmental Impacts. Each of these subcommittees meets regularly with LCRI peers for project updates, technical presentations on topics relevant to the low-carbon energy transition, and discussions on emerging issues. The company hosts an internal website to educate employees on this initiative, and the subcommittee members meet internally on a quarterly basis to collectively provide updates to management. This research and development effort will help inform our longer-term strategy to address the emissions from our natural gas-fueled power plants and natural gas distribution system.

We also support research on emerging technologies and opportunities for our customers through Focus on Energy, Wisconsin utilities' statewide energy efficiency and renewable resource program. These research projects have the goal of allowing Wisconsin to further its efforts toward reducing energy waste, costs and environmental impacts. In 2021, the Focus on Energy Environmental & Economic Research and Development program completed research projects on topics including air source heat pumps, energy efficiency and load shaping, and energy management information systems. More information about Focus on Energy and our other energy efficiency programs can be found in the Energy Affordability section on pages 79-81.



Renewable energy programs for customers

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

Participants in the Solar Now program receive monthly payments based on the capacity value of their hosted solar photovoltaic systems, while We Energies distributes the energy they produce throughout the system. The program allows nonprofit and government entities, as well as commercial and industrial customers, to site utility-owned solar arrays on their property. In 2021, Solar Now systems:

- Resulted in 13,339 metric tons of avoided carbon dioxide equivalents.
- Supported our green pricing programs, with 26% of Solar Now generation going to Energy for Tomorrow customers.

Through the Dedicated Renewable Energy Resource program, large commercial and industrial customers can access renewable resources operated by We Energies, adding up to 150 MW of renewables to We Energies' portfolio, and helping these larger customers meet their sustainability and renewable energy goals.

As we implement and refine our plan to meet our greenhouse gas (GHG) reduction goals, we are considering various opportunities to help reduce or mitigate GHG emissions, including local generation, sometimes referred to as distributed generation. Local generation is power production or energy storage technology dispersed throughout the power grid that provides electricity close to the point of use. Wisconsin Public Service placed its first distributed generation project in service in early 2022, which has a capacity of 7.5 MW. We continue to evaluate the impact of local generation, including our Solar Now pilot program, across our electric service areas.

Generating power at central station power plants, including at our utility-scale renewable energy facilities, helps us achieve economies of scale and produce continuous sources of power reliably, and at a competitive price. These projects include large generation projects such as the Two Creeks and Badger Hollow I solar facilities.

Technology integration

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

For example, our utilities are applying augmented reality hardware to improve safety, quality, timeliness and effectiveness of substation inspections with existing software tools. Another promising area of innovation is the deployment of drones (remotely piloted aircraft systems) to complete inspections, update aerial asset photos and make other observations in a more cost-effective manner than past methods. In addition, we have been experimenting with the growing field of data analytics, using machine learning and natural language processing to identify trends and take action to prevent failures on the distribution system. Data analytics is used for work including tracking electric line reliability and customer outages. We continue to train our employees in this growing technology to ensure its effectiveness.

WEC Energy Group continues to investigate and deploy robotic process automation (RPA) to a flexible digital workforce that currently provides cost-effective, consistent labor replacement services in areas including fuel planning, billing, credit and collections, customer care and data center operations. A current RPA use case that impacts both safety and environment is an automation that evaluates instances of natural gas usage on inactive meters and then issues field investigation orders to resolve potential gas leak and theft scenarios.

Hydrogen as a fuel source for power generation

WEC Energy Group is leading an \$8 million pilot project to test hydrogen as a fuel source for power generation in 2022. In partnership with EPRI, we will test co-firing hydrogen with natural gas at one of our modern power generation plants in Michigan's Upper Peninsula. This is one of the first hydrogen power pilot programs of its kind in the United States. During the pilot project, hydrogen and natural gas will be mixed, up to a 25%/75% blend, to power one of the reciprocating internal combustion engine (RICE) generating units. The modern, efficient engines began service in 2019.

Researching hydrogen as a clean generating fuel to our fleet of dispatchable plants is an important step on our path to a sustainable future, as we must ensure that we can keep the lights on when the sun is not shining and the wind is not blowing. EPRI will lead the technical implementation of the project and share results to further educate the energy industry about how to use hydrogen for power generation to support reducing carbon emissions.

Social



With support for safety, talent development and diversity, we promote the well-being of our employees and communities.

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Empowered employees



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

Diversity, equity and inclusion

We are dedicated to ensuring a fair and inclusive workplace and a diverse workforce. Our commitment to diversity and inclusion is more than following policies and procedures; it is a core strategic competency that is recognized in our annual Top 10 goals. Making sure our workplace is inclusive and respectful means employees can bring their best and do their best. We value diversity and inclusion as an opportunity to strengthen our company's success. We are committed to maximizing both individual contributions and organizational effectiveness through the diversity of our workforce.

This commitment reflects our strong determination to be a high-performance, pluralistic organization with a sustained competitive advantage in the global energy marketplace as we provide safe, reliable service and the best customer care.

We foster inclusion and equal opportunity through a number of initiatives that promote diverse workforce contributions, educate employees about diversity and inclusion, and make our companies attractive employers for persons of diverse backgrounds. These include company support for a variety of development opportunities, such as programs for current leaders; executive, formal and informal mentoring programs; an Emerging Leaders program that helps employees in nonsupervisory roles develop their leadership skills; and training to educate employees and leaders regarding the company's individual development plan process. We also support external programs such as Mount Mary University's Women's Leadership Institute, African American Leadership Program, McKinsey's Black Academy, Chicago United Corporate Inclusion Institute and Chicago Urban League's IMPACT Leadership Development Program.

We commit to:

- Supporting a highly qualified and diverse organization in all areas and at all levels.
- Demonstrating respect for people with different backgrounds.
- Treating all employees with dignity and respect.
- Seeking and encouraging diverse ideas and viewpoints.
- Leveraging different perspectives to achieve business goals.

"We value diversity as an integral part of our corporate culture. Making sure our workplace is fair and inclusive means employees can bring their best and do their best, and that the rights and dignity of each employee are respected!"

Scott Lauber
President and CEO
WEC Energy Group

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

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

We also have partnered with nonprofits in our industry and communities. We are an active member of the Wisconsin Energy Workforce Consortium (WEWC), a nonprofit group of electric, natural gas and nuclear utilities and their associations. WEWC teams up with secondary and post-secondary educational institutions and the workforce system to create workable solutions to address the need for a qualified, diverse workforce. Our involvement includes participation on the Educate and Outreach taskforce subcommittees.

In addition, we are actively engaged in the MKE Tech Hub Coalition, a nonprofit membership organization that serves as a unifying voice for the Milwaukee tech ecosystem, formed to meet the need for tech workers and specifically to double tech talent in the Milwaukee region. The coalition aims to establish a diverse and inclusive talent pipeline, amplify the voice of members, and create meaningful connections.

Within our company, we offer inclusion training, such as training for leaders on countering unconscious bias, building inclusive teams and preventing workplace harassment. Available inclusion training was expanded for leaders in 2021. In addition, dedicated diversity and inclusion educational resources for employees and leaders are available on our company's intranet site, with content updated quarterly.

We again participated in a survey on women in the workplace, which encourages female leadership and gender equality. Women filled 24% of all leadership positions at our company as of Dec. 31, 2021. In addition, in partnership with the Metropolitan Milwaukee Association of Commerce, our company is supporting the Making Milwaukee a Region of Choice pledge to increase African American



and Hispanic/Latino management and employment in Metro Milwaukee by 2025.

We also support Edison Electric Institute's "Advancing Racial and Social Justice, Diversity, Equity and Inclusion" commitment, which sets forth a series of industrywide goals and recommended actions to achieve them. The items we are specifically focused on include:

- Ensure that diversity, equity and inclusion are driven from the top.
- Remove barriers to entry by expanding and broadening the pool of diverse candidates.
- Establish stronger community connections.

We have made continued progress in advancing women and racial minorities in leadership positions, with 36% of senior vice president and above leadership positions now filled by women or minorities, compared to 29% at year-end 2020.

WEC Energy Group Workforce (Dec. 31, 2021)*

Company	Number of employees	Female (%)	Minority (%)	Represented (%)
Michigan Gas Utilities	136	18%	6%	65%
Minnesota Energy Resources	206	11%	6%	20%
North Shore Gas	157	11%	32%	71%
Peoples Gas	1,310	18%	65%	67%
We Energies	2,764	26%	17%	76%
Wisconsin Public Service	1,139	14%	3%	71%
Wisconsin River Power Co.	7	0%	0%	100%
WEC Business Services	1,226	48%	24%	0%
Total	6,945	25%	25%	58%

*Corrections made to 2021 workforce data Jan. 9, 2023

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

Business resource groups

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

Our business resource groups also serve as an avenue for feedback to the company and for dialogue on key issues. For example, the business resource groups partnered with their executive sponsors and the company's Employee Assistance Program to host a variety of virtual sessions throughout 2021, focusing on relevant topics such as the pandemic, mental health, social unrest and racial inequity.

Our business resource groups are making a difference across our companies. Highlights of their accomplishments in 2021 included:

- African American Business Resource Group supported the Milwaukee Public Schools partnership for We Energies field occupations and developed mentoring partnerships with Milwaukee Cyber School.
- Asian Americans and Friends hosted sessions on the socioeconomic impact of COVID-19 and violence against Asian Americans, and coordinated a virtual food drive with Greater Chicago Food Depository.
- Health and Disability Allies was newly established with a mission of engaging employees who have a shared interest in or experience with physical or mental health and disabilities. The group hosted a kickoff event in partnership with the Employee Assistance Program and planned initiatives for 2022.

- Listo!+, focused on supporting Latino employees, offered employee development information sessions and supported a variety of community partners, including Hispanic American Construction Industry Association and Casa Central.
- Management Development Network hosted networking events and educational sessions on corporate projects, including renewable investments.
- Military Service Members Association conducted an information sharing session in support of veterans and submitted applications for veteran workplace awards.
- Next Generation Network coordinated an intern mentorship program and hosted a variety of career-focused events across its chapters.
- WEC PROUD hosted an information session on gender identity and volunteered with Ginkgo Organic Gardens in support of the Vital Bridges Food Program.
- Women's Development Network hosted career development and informational sessions featuring company leaders, and supported community efforts such as the Making Strides Against Breast Cancer Walk.

Multiple groups collaborated to support established charitable initiatives across our companies, including work with Habitat for Humanity, holiday giving organizations, and food and supply drives. The groups also worked together to host a diversity and inclusion week, leading up to National Diversity Day (Oct. 1, 2021), with an expanded focus on inclusion.



Milwaukee's Central City Cyberschool and We Energies partnered through the African American Business Resource Group to create a new apprenticeship program. The 2020-21 academic year served as a pilot for the program with two students. Four more plan to begin their apprenticeships in 2022, with expectations to engage new students every year who may stay in the program through high school graduation.

The apprentices begin with job shadowing and exposure to workplace culture and expectations. The school and company hope to increase the benefits and impact of the program in the students' junior and senior years, possibly leading to permanent jobs for those who wish to apply.

"Through apprenticeships at We Energies, our students have the opportunity to learn and work side-by-side with women and people of color who have walked in their shoes and found success," says Patience Wade, director — Central City Cyberschool's high school. "We believe our partnership with We Energies is a critical strategy for empowering our graduates to achieve family-sustaining employment, while increasing the diversity of Milwaukee's talent pipeline."



Labor practices

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

Represented employees

Local union (AFL-CIO)	Expiration date of labor agreement
No. 18007(C), Utility Workers Union of America	July 31, 2024
No. 420, International Union of Operating Engineers (We Energies)	Sept. 30, 2025
No. 2006, Unit 1, United Steelworkers	Oct. 31, 2025
No. 49, International Union of Operating Engineers	Dec. 31, 2024
No. 417, Utility Workers Union of America	Feb. 15, 2025
No. 1147, International Brotherhood of Electrical Workers	April 7, 2025
No. 31, International Brotherhood of Electrical Workers	May 31, 2025
No. 12295, United Steelworkers	Jan. 15, 2023
No. 18007, Utility Workers Union of America	April 30, 2023
No. 2150, International Brotherhood of Electrical Workers	Aug. 15, 2023
No. 2285, International Brotherhood of Electrical Workers	June 30, 2024
No. 420, International Union of Operating Engineers (WPS)	April 16, 2025

Human rights

We support the principles of human rights as outlined in the Universal Declaration of Human Rights. We are committed to maintaining a culture that supports human rights, and we demonstrate our commitment through various means, such as employee training and education. We educate all new employees on our Code of Business Conduct policies, which cover relevant aspects of human rights issues. All employees are trained on ethical standards, including anti-harassment and diversity appreciation.

Nondiscrimination

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

Federal and state laws

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

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

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

We support compliance with federal and state laws by continuous monitoring and auditing of our internal processes, such as hiring and promotion practices. Additionally, we actively encourage all employees to speak up if they believe our Code of Business Conduct or labor laws have been violated. All such reports are taken seriously and investigated. We expect the same standards from our suppliers and all other entities with which we conduct business.

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

Benefits and compensation

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

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

External talent development

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

Our recruitment strategy is multifaceted. We use local, state and national partners to share our job postings in an effort to ensure our opportunities are visible across a wide audience. Our companies

We Energies continues to partner with Milwaukee Public Schools to engage high school students in careers in energy through paid positions at our company. Students in the electric field internship work with the tools and equipment that line technicians use on a daily basis, while the design youth apprenticeship program gives students a two-year opportunity to learn in an office setting. Our goal is to provide hands-on learning and an avenue for a strong career after graduation, helping to diversify our industry.

use behavioral-based interviewing to identify top talent in a fair and unbiased manner. We have built relationships with agencies, high schools, colleges and universities in the areas our companies serve, and we invest in programs such as City Colleges of Chicago Gas Utility Workers Training Program, Urban Alliance and Cristo Rey Work Study Program. Each year, our companies employ students in internships and cooperative education programs.

Our companies have been recognized by local schools and universities for placing students in meaningful assignments leading to full-time jobs after graduation. We partner with military organizations and veterans groups to attract people with technical and leadership skills. Strong ties with community organizations and local government workforce development programs help us find diverse talent. For example, we post open positions with a variety of community agencies, including the Hispanic Alliance for Career Enhancement, Urban League in Milwaukee and Chicago, Women in Trades, and YWCA. In 2021, additional outreach sources were added that focus specifically on diverse populations, such as American Association of Blacks in Energy and National Society of Black Engineers.

As a strategy for developing the external labor pool, our companies contribute to nonprofit organizations that support recruiting needs for a diverse, promotable workforce. For example, via our foundation programs, donations were given to Carroll University to sponsor scholarships for underrepresented students interested in engineering, to the college completion program All-In Milwaukee to continue fostering a diverse workforce by providing education opportunities for minority scholars, and to the Milwaukee Area Technical College Foundation to support line mechanic scholarships, which focus on diverse applicants. Our companies also support many accredited educational institutions within our service areas.

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





Employee development and engagement

Our leaders have the responsibility to continually develop the talent of their organizations through the broadening and deepening of business and leadership knowledge. Over the next five years, approximately 38% of the employees at WEC Energy Group companies will be eligible to retire. Succession planning and internal talent development are integral components of our workforce planning process.

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

Our board of directors reviews executive-level succession plans annually for leadership continuity. Senior management conducts an annual talent review to ensure talent is being identified and developed for future senior leadership roles. We actively consider diversity and equity throughout the process. Development plans may include rotational assignments, project leadership, mentoring or other opportunities for enhancing their operational and leadership skills. Succession planning also is conducted annually in the business units to identify early career talent and assess future leadership potential. Talent pools are identified for critical operational and support roles along with plans to support their development.

To sustain a strong workforce, we have established efforts to foster employee well-being and achievement. We conducted a confidential employee engagement survey in 2018, gauging employees' perceptions of their work, their leadership and the company as a whole. While we paused the survey during the pandemic, we conducted another employee engagement survey in the first half of 2022. Our employees have shared constructive feedback, and executive management is engaged in the process of analyzing and responding to survey results. We create and hold ourselves accountable to action plans in areas with opportunities for improvement.

Performance management

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

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

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

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

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

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

Training and education

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

In 2021, more than 208,000 classroom and e-learning training events took place throughout our companies. The vast majority of those learning events were delivered online, including annual ethics and compliance training, safety refreshers, operator qualification training and other job skill training. Leadership development is also augmented with online training. All employees had access to online training, ranging from learning software programs to business and leadership competencies, as well as access to portals that include topical references, job aids and simulations.

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

Leadership development

Development of leadership skills remains a top priority. The corporate leadership development program begins with aspiring leaders. The Emerging Leaders program is a self-paced, online program consisting of seven required courses, supplemented with learning circle discussions and webinars.

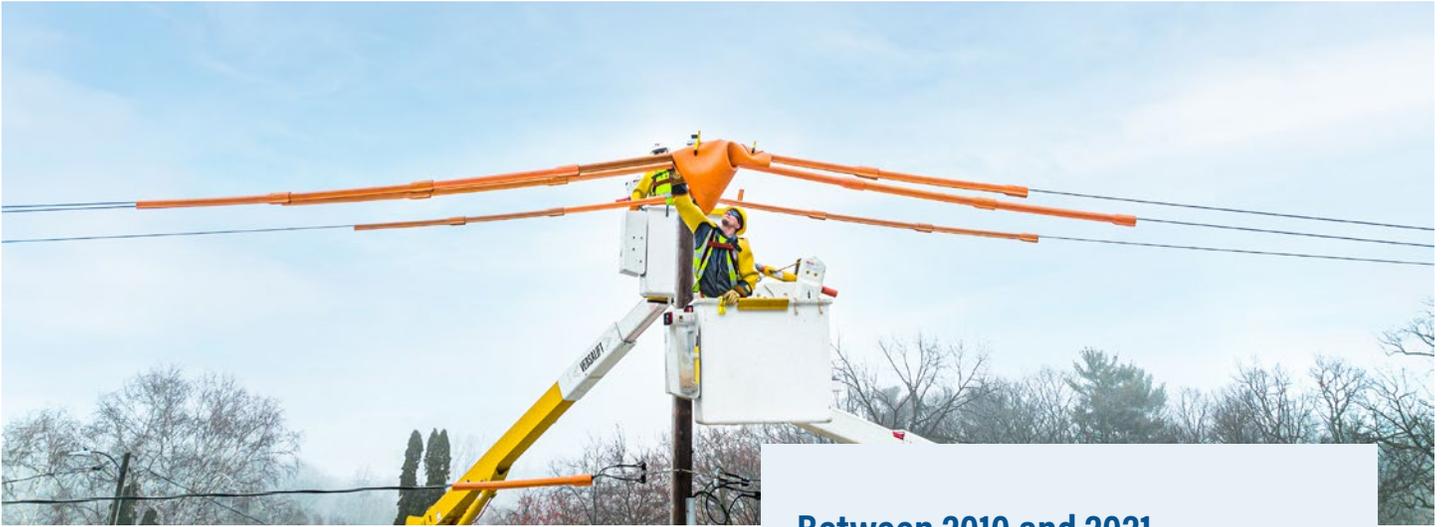
The Foundations of Leadership program is for new supervisors. This curriculum includes training on leadership, employee engagement, talent management, diversity and inclusion, labor relations, crucial communication skills, and other important business and management skills.

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

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

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

Safety and health



Our companies build and operate electric and natural gas distribution lines and facilities with the safety of our employees and the public as our top priority.

Internal safety

Our safety strategy includes use of integrated scorecards, quality control principles, employee engagement techniques and best practice programs. All employees are expected to work safely and foster a safe workplace.

Safety commitment

We are committed to keeping our employees and the public safe. Over the past decade, our companies have improved their safety records by implementing and improving key programs. Because we understand the negative effects that injuries have on employees, their families, friends and co-workers, our goal is to have one of the best safety records in the nation.

**Between 2010 and 2021,
our companies reduced:**

OSHA-recordable incidents by 49%

Lost-time incidents by 27%

We are working continuously to promote additional improvement across all companies in 2022 and beyond, and to ensure that our safety efforts are sustainable. Our unwillingness to view injuries as inevitable is an important part of our cultural platform, an ongoing safety commitment that we refer to as "Target Zero."

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

Target **Zero**
Living and working safely



Targeting excellence in safety performance

Across the organization, we are focused on reinforcing the understanding that a strong safety culture is built on a culture of caring. A broad-based team was launched in 2021 to direct efforts on improving engagement, addressing risks and reducing injuries. The Excellence in Safety team includes representation from senior leadership, as well as experienced field professionals from across WEC Energy Group. Union leaders advise the team, and business unit safety steering committees, management and represented safety committees, and other safety teams also provide input.

The team is guiding safety efforts in operations to increase leadership visibility, such as during employee and workgroup task observations. There, leaders provide timely feedback on the quality of the prejob brief and hazard control mechanisms implemented. In addition, front-line leaders are tasked with creating shared safety plans with their work groups, in support of broader business unit safety plans and initiatives. Leaders also provide updates to their respective chain of command to reinforce positive culture changes derived from the plans.

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

In addition, executive leadership takes an active role in personally reaching out to injured employees, to make sure they are doing well and to learn what can be done to eliminate future injuries throughout the company. There also is a regularly occurring meeting that includes senior executives and department leadership to review any days away, restricted or transferred (DART) incidents and take the appropriate actions to mitigate a recurrence.

Ultimately, the Excellence in Safety team aims to promote a more sustainable approach and platform for safety, while reinforcing a culture of caring.

Company safety structure

Employee safety success is supported by increasing employee engagement and accountability at all levels. Through Safety Action teams and Regional Safety teams, every employee has a voice. More employees are becoming actively engaged in safety, leading to new ideas and improvements in system designs, programs, tools and procedures.

Our Executive Safety Committee directs our safety and health strategy and works to ensure consistency across work groups. The committee provides a forum to review and discuss accidents and injuries, implement injury-prevention activities, develop new programs, and enhance ongoing safety and health initiatives. Management uses weekly safety conference calls to focus on safety for occupations that are exposed to a large number of hazards. During calls, management discusses injuries, accidents and significant events that have taken place and ways to prevent recurrences. We are increasingly focused on incident potential.

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

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

Safety leading-indicator goals include:

Near miss / unsafe condition (NMUC) program — Our companies are focused on reporting of high-impact near-miss events and unsafe conditions that relate to seasonal risks and/or high potential for significant injury or fatality. We respond to action items and communicate results to employees.

Observation programs — Our companies incorporate observation programs to identify and address at-risk behaviors, while also reinforcing positive behaviors. Most of our utilities have some form of peer-to-peer observation program, enhancing our safety culture.

Employee health — Since health impacts safety, we encourage employees to complete a biometric health screening and to increase physical activity, as appropriate. We also have increased our communications to employees and their families about the mental health benefits available to them.



Safety goals

In addition to measuring OSHA-recordable, DART and lost-time incidents, we set goals around measurable leading indicators, which raise awareness about employee safety and guide injury-prevention activities.

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

We are working with industry allies to identify and use standardized classifications to help manage risk and share findings within our industry network as leading indicators. Those incidents that have potential for or result in an actual significant injury or fatality (SIF) are acted upon for investigations using a safety classification and learning model.

Additional leading indicators that relate to managing risk exposures are being implemented. Key control measures for hazard recognition and control are part of that scope, such as validation of the quality of daily pre-job briefings and discussions.

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

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

Our companies have monitored OSHA-recordable, DART and lost-time incidents for decades and began monitoring safety leading indicators in 2009. Our safety record indicates employee commitment to working safely, and we continue to work to do even better.

Safety performance ¹	2019	2020	2021
OSHA-recordable incident rate			
Employees	2.44	2.52	2.58
Contractors ²	0.55	0.00	0.00
Combined	2.50	2.41	2.47
Lost-time incident rate			
Employees	0.53	0.75	0.84
Contractors ²	0.55	0.00	0.00
Combined	0.55	0.71	0.81
Fatality rate³			
Employees	0.00	0.00	0.00
Contractors ²	0.00	0.00	0.00
Combined	0.00	0.00	0.00
DART incident rate			
Employees	1.62	1.80	1.98
Contractors ²	—	0.00	0.00
Combined	—	1.72	1.90

1 Data corrected as of July 2023. Assessments of contractor DART rates begin with 2020 data.

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

3 WEC Energy Group has had no fatalities since the first quarter of 2010.

NMUC reporting

Identifying near-miss events and unsafe conditions can help reduce risk and prevent injury. Reporting these incidents is an essential first step. The NMUC reporting program used throughout WEC Energy Group encourages all employees to own accident prevention and allows situations to be publicized to a wide audience, providing an educational benefit to all. All employees have been encouraged to report unsafe conditions or incidents that could have led to injury, including NMUCs that have occurred at home or in their communities.

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

Our employees reported near misses at a incidence rate of 391.95 in 2021 (approximately four reports per employee). However, only a small fraction (less than 0.1%) of the total reports in 2021 were work-related NMUCs of a higher risk potential. Following benchmarking and analysis of safety results, we are encouraging employees to focus on higher-risk, work-related NMUC reports beginning in 2022. We will continue to foster a strong reporting and action-oriented culture in the workplace.

Contractor safety expectations

WEC Energy Group companies provide contractors with safety program expectations to help ensure that all work performed on company property and at company facilities is completed safely and without unnecessary risks and hazards. Contractors are selected, in part, by their OSHA-recordable incident rates and experience modification rates. Prospective contractors may be required to provide a detailed explanation of their employee health and safety obligations, programs and safety record. In many instances, each prospective contractor's safety performance is reviewed before awarding contracts.

Ergonomic enhancements

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

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

Employee health and wellness

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

We encourage employees to receive preventive examinations and proactively care for their health. Condition-management support and health coaching for lifestyle issues are available to employees who participate in the medical plan. Free health screenings (provided on-site in many instances) and other incentives encourage all employees to know which healthy targets — related to cholesterol, weight, blood glucose and blood pressure — they have under control and which may need more attention. Employees also are encouraged to complete a health risk assessment and work with their medical providers to further understand their health status.

Our companies also work to provide employees a safe, drug-free environment. All employees are part of a drug and alcohol testing program to maintain that environment. Those who have an addiction are offered the opportunity to self-identify, and we will work with them to seek assistance. For substance use and mental health support, we encourage use of the Employee Assistance Program (EAP), a free benefit for all employees and their families, administered by an external counseling agency. EAP is a confidential way to get professional assessments, referrals, short-term counseling and treatment monitoring.

Our company also offers wellness programs for employees and their families. By engaging employees in health education activities and promoting healthy lifestyle habits at work and home, the wellness programs promote a proactive approach to health care decisions. The wellness programs facilitate health screenings, host health challenges for individuals and teams, and provide other resources to encourage employees to take care of their health and manage stress.

Responding to the COVID-19 pandemic

As COVID-19 continues to impact the communities we serve, we remain committed to providing safe and reliable energy while protecting the health of our employees and customers. We provide personal protective equipment, including face coverings, to our workforce. Throughout 2021, remote work was standard for employees whose duties did not require on-site activity. We have reinforced the importance of following guidelines set by the Centers for Disease Control and Prevention, with regular communications, as well as a dedicated internal webpage and safety guide detailing the latest policies and procedures.

Safety Charity Challenge

To further foster a positive safety culture, WEC Energy Group holds the Safety Charity Challenge, a quarterly incentive in which employees whose companies meet their safety improvement goals may vote to direct donations to local nonprofits. The purpose of the program is to rally employees around workplace safety and create a positive impact in the communities in which they live and work.

In 2021, WEC Energy Group charitable giving programs and foundations contributed a total of \$42,500 to local charities through the Safety Charity Challenge.

Public safety



We have developed and implemented an integrity management program for natural gas transmission mains in accordance with local, state and federal regulations. We complete risk analyses annually and identify high-consequence areas. We perform physical assessments of transmission mains and remediate as necessary.

Peoples Gas and North Shore Gas are in the process of enhancing their integrity management program by implementing a Pipeline Safety Management System. This system focuses on proactive risk identification and mitigation that goes beyond existing regulatory requirements. The various changes driven by this program continually increase the safety of our operations and the reliability of our system.

Likewise, we monitor the integrity of electric distribution lines through routine patrols, and a dedicated tree-trimming plan focuses on maintaining adequate clearance around electric distribution wires and poles. Electric distribution infrastructure upgrades replace aging equipment according to a plan that supports system safety and reliability.

Across the organization, we conduct comprehensive incident response planning to uphold public and employee safety. Our plans address immediate emergency response at each of our sites, business continuity for each critical business process, and communication protocols for notifying external stakeholders — including customers, local media, government and regulatory agencies.

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

Education and outreach

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

Contractors

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

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

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

Peoples Gas and North Shore Gas require contractors to become certified in the Gold Shovel Standard (GSS), a nonprofit initiative dedicated to improving workforce and public safety and the integrity of buried infrastructure. This initiative is designed to create a transparent environment in which contractors are rewarded for investing in damage prevention, and the GSS program has been a key element of our effort to eliminate damages to buried infrastructure for the last few years.

First responders

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

For example, Michigan Gas Utilities partners with other Michigan pipeline operators to review and train firefighters, police, emergency medical personnel and contractors on proper procedures for identifying and working near natural gas lines.



Students

All of our utilities provide teachers, students and parents with access to online resources for energy education through the e-Smart Kids website. We Energies and Wisconsin Public Service (WPS) offer additional classroom materials such as brochures, posters and other teacher workshop materials supplied free to educators upon request. WPS also collaborates regularly with the Einstein Project in Green Bay, Wisconsin, to promote electric and natural gas safety and efficiency.

Agriculture services and safety

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

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

We Energies and WPS representatives participate on the Midwest Rural Energy Council and the University of Wisconsin Stray Voltage Investigator Training Series. Additionally, representatives participate on many committees and boards within the agriculture industry.



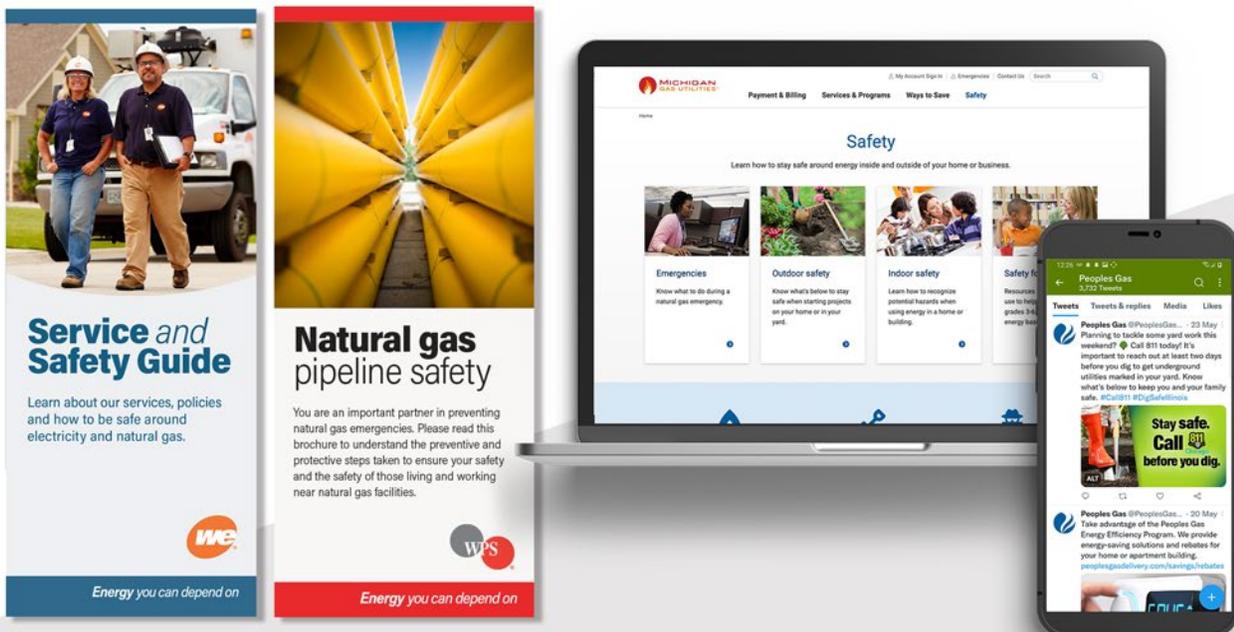
Promoting safety in our communities

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

After a one-year hiatus due to the COVID-19 pandemic, We Energies returned to its Energy Park exhibit at the Wisconsin State Fair in August 2021. Energy Park features energy-related performances, exhibits and demonstrations — including quiz shows and other games highlighting important safety information for children and families. More than 53,000 fairgoers visited Energy Park over 11 days in 2021.

Customers

Customers of all our utilities receive guidance on energy safety through a variety of methods, including our bill inserts, direct mail, email, company websites and social media.



Community engagement

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

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

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



Funding through foundations, operations

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

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

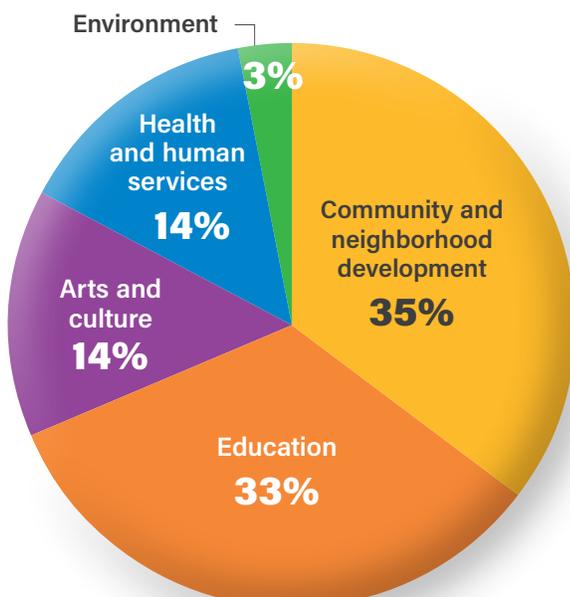
We review grant proposals from local nonprofit organizations and direct donations based on a variety of factors, including community needs, the requesting organization's strategy and the proposal's projected impact. In addition, we operate matching gifts programs for each of our utilities that double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

We strive to develop ongoing relationships with these nonprofit organizations. Many have received multiyear or renewed grants from our foundations and giving programs, and we continue dialogue with them to understand the impacts of our contributions. We evaluate progress on initiatives along with the success of programming. In 2021, company and foundation leaders engaged with nonprofit representatives through approximately 200 virtual or in-person visits with our community partners.

Charitable outreach goals:

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

2021 giving to nonprofits



\$20 million

total provided in support of our communities

Supporting organizations throughout our communities

The following are examples of our contributions in 2021.

Monroe Exchange Goodfellows Foundation — Funding from Michigan Gas Utilities helped the foundation's efforts to support abused children, local homeless veterans and other organizations in the Monroe area.

Openlands Building School Gardens (BSG) — Support from Peoples Gas helped BSG connect 91 schools in communities across Chicago to nature and each other through school gardens, workshops and curricula.

Center for Conservation Leadership (CCL) — North Shore Gas support helped CCL engage young people from diverse underserved communities through a multiyear program that teaches environmental literacy, scientific assessment methods, and teamwork and leadership skills in the context of a stewardship ethic.

Natural Resources Foundation of Wisconsin — The WPS Foundation assisted with the recovery efforts for the federally endangered piping plover at Green Bay's Cat Island Chain. The piping plover is a rare shorebird with only three populations in Wisconsin: Wisconsin Point, the Apostle Islands and the Cat Island Chain in Green Bay. Fewer than 75 breeding pairs of piping plovers are found in the state, primarily due to the loss of their nesting habitat.

After a 68-year absence, piping plovers returned to nest at Cat Island in 2016 and have generated local and regional excitement about this species. The foundation's support, in collaboration with the Wisconsin Department of Natural Resources, U.S. Fish and Wildlife Service, University of Wisconsin—Green Bay and local conservation partners, will assist with creating suitable nesting habitat and monitoring the population, including banding fledgling chicks to inform conservation efforts.

Howard Fuller Collegiate Academy — The We Energies Foundation contributed \$1 million to this tuition-free, nonprofit, public charter high school that is open to all students in the city of Milwaukee. The academy currently serves over 300 students, all from low-income backgrounds. With a personalized approach to learning and community service, it has achieved a 100% college acceptance rate since 2012. Our donation will help in the construction of a new building to serve about 500 students, supporting the academy's growth.

Mid-State Technical College — The We Energies and WPS foundations supported building the college's new Advanced Manufacturing, Engineering Technology, and Apprenticeship Center. The expansion will assist with meeting Wisconsin's workforce needs — with outreach to special populations including returning veterans, economically disadvantaged students and minorities, and reentry programs for the incarcerated. The center will advance workforce sustainability and growth while providing training to address fundamental changes in the manufacturing industry. In addition, the center will host facility tours, equipment demonstrations, continuing education, contract training, vendor demonstrations, conferences and community events, such as job and career fairs.

Chicago Public Schools — Peoples Gas continued to fund many area nonprofits that provide services in Chicago Public Schools, focused on helping students succeed. The company also promoted direct learning with efforts such as leading science clubs at 16 middle schools and providing an energy-efficiency education program.



Scholarships for underrepresented students

The We Energies Foundation supported many educational institutions in their work to expand learning opportunities. Contributions included \$100,000 to Carroll University to sponsor scholarships for underrepresented students interested in engineering, and \$20,000 to the Milwaukee Area Technical College Foundation to support line mechanic scholarships, which focus on diverse applicants.

In addition, our grant to All-In Milwaukee is supporting five local first-generation, minority students in their academic careers through college. All-In Milwaukee is a college completion program that provides financial aid, advising, and program and career support to high-potential, limited-income, diverse Milwaukee students to complete college, build meaningful careers and transform the Milwaukee community.

Cloquet Educational Foundation Invest in Kids Sponsorship Program — The program supports learning opportunities that help children develop into healthy, productive and responsible adults. Sponsorship from Minnesota Energy Resources funded opportunities including educational, cultural and diversity programs, and fee waivers to ensure all students have equal access.



Bright Minds — The We Energies Foundation became the presenting sponsor of the United Performing Arts Fund's Bright Minds initiative, which delivers high-quality arts education programming, preparing students with the tools to be successful in work and life. The sponsorship began in September 2021 and runs through August 2022. Bright Minds brings teaching artists into classrooms throughout southeastern Wisconsin to provide essential arts education programming that fosters creativity and teaches life skills. The program serves more than 80,000 local students with arts education that offers them a safe, healthy and creative outlet.

Wisconsin Adaptive Sports Association (WASA) — Support from the We Energies Foundation provided greater access to inclusive, meaningful sports and recreation experiences for economically disadvantaged youth with physical disabilities. WASA offers sports instruction, participation, and multi-level competition including wheelchair basketball, football, tennis, softball, lacrosse, bowling and rugby, as well as sled hockey and goalball (for those with visual impairment), which fosters inclusivity and community integration. More than half of the adult athletes are also veterans. WASA's program outreach provides relationship-based, strategic solutions for bridging the gap in sports equality.

Meta House — The We Energies Foundation contributed to Meta House, which provides holistic substance use disorder treatment for women struggling with addiction. Women are provided with a wide array of treatment services that help them not only overcome their addiction but also establish skills that will help them become healthy, contributing community members. Meta House offers a Workforce Development Program that gives women the necessary resources, knowledge and skills they need to live a financially stable lifestyle during and after treatment.

Milwaukee Jewish Federation — Funding from the We Energies Foundation supported "Navigating the Holocaust" education, a statewide program that engages teachers, students and the public through digital resources, training and conversations with survivors.

Teens Grow Greens — We Energies contributed to this unique program for teens from underserved areas of Milwaukee that provides graduation support, job training, leadership development, and health and wellness learning to low-income students. Teens grow and harvest fresh produce to sell, cook or donate, as well as potted flowers and herbs. Our contribution will help fund a larger teaching greenhouse and expansion of the apprenticeship program.

Lakeland Pantry — A grant from the WPS Foundation helped the pantry continue giving food to families in need. Lakeland Pantry not only provides food, but also offers new and used books and clothing for all ages, along with medical screenings and programs. This contribution was one of many to food pantries and aid organizations across our service areas.



United Way of Metro Chicago, United Neighborhoods Equity Fund (UNEF)

Peoples Gas became a founding sponsor of UNEF with a \$1 million contribution. The fund aims to support small, Black- and brown-led nonprofits predominantly located on the city's south and west sides and south suburban region, and connect them to new investment opportunities. Each of the 10 grantees will be awarded \$50,000 of unrestricted funds over a two-year cycle to be used according to the needs of each nonprofit. The goal is building capacity at the grassroots level to accelerate neighborhood-driven outcomes and mentor them to plan for long-term success.

Over the course of the two-year grant cycle, grantees will be connected to corporate partners in the communities they serve, receive a year of capacity-building support from DePaul's nonprofit management program, and have opportunities to network with their cohort of other selected grantees.

Women's Business Development Center — Peoples Gas contributed to the center's ScaleUp program to assist established businesses experiencing no or slow growth and sustainability issues due to COVID-19. ScaleUp equips entrepreneurs with the acumen, resources and tools to maintain profitable businesses that build strong communities.

YWCA of Lake County — North Shore Gas funding supported business and entrepreneurship services through this YMCA branch that foster the growth and acceleration of enterprises, especially those owned by women of color. Through technical assistance, business advising, comprehensive education and access to capital, entrepreneurs are creating and growing their business ventures.

Junior Achievement of Michigan Great Lakes — Junior Achievement prepares young people to succeed through programming with community role models who help positively impact perceptions about education and critical life skills. Michigan Gas Utilities support helped fund inspiration and learning related to financial capability, work and career readiness, and business ownership.



Children's School Nurse and Community Navigator programs — A We Energies Foundation grant to Children's Wisconsin supports a full-time registered nurse and a community health navigator in the Amani/Franklin Heights neighborhood on Milwaukee's north side, forming an extended care delivery team that advocates for children's health at school, at home and in the community.

The school nurse provides health education, preventive care, vision screenings, social/emotional support, acute and chronic disease management, and care coordination at no cost to the students and their families. The navigator provides families a single point of access to an array of integrated medical and social resources aimed at building resiliency and increasing self-sufficiency and long-term success.

Rewarding Responders — We Energies, WPS, Minnesota Energy Resources and Michigan Gas Utilities, along with the companies' charitable foundations, announced nearly 60 public safety agencies as recipients of their 2021 Rewarding Responders Grants, providing up to \$2,000 each. Each year, the Rewarding Responders Grant program helps fire, police and emergency medical services agencies purchase lifesaving equipment or important training for their members. Some of the items purchased with the 2021 grants included new automated external defibrillators (AEDs), multi-gas detectors, thermal imaging cameras and LED flashlights.



Honoring veterans

Our companies and foundations have supported veterans through multiple activities. In 2021, through our sponsorship and company volunteers, We Energies helped the Stars and Stripes Honor Flight transport more than 100 World War II, Korean War and Vietnam War veterans to Washington, D.C., to visit their memorials.

In Green Bay, WPS sponsored a new Veterans Storytelling Wall. The interactive, multimedia display is located inside the entrance of the Resch Expo, which recently opened across from Lambeau Field, home of the Green Bay Packers. The wall honors military veterans from the community and features three interactive video displays and two permanent panels. It is on the site of the former Brown County Veterans Memorial Arena, which had been demolished, and was a critical factor in the design of the new expo, allowing for better integration of the memorial as a centerpiece of the public space.

Supply chain integrity

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

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

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

Investment and procurement practices

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

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

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

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

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

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

Procurement policies — Procurement policies are designed so that our departments work with our Supply Chain department to bid work fairly. Supply Chain verifies that the bid list is fair, inclusive of minority- and women-owned business enterprise suppliers, and consistent with our bid process rules.

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

Since 2020, Peoples Gas has partnered with Pipe Strong, a minority-owned business enterprise focused on pipeline construction projects for natural gas utilities. Based in Illinois, Pipe Strong was established in 2018 and has an excellent track record for quality, safety and customer satisfaction.

Peoples Gas has worked closely with Pipe Strong to build a sustainable relationship, beginning with an extensive onboarding process that ensures our company's contractors are of the highest caliber.



"As a result of the mentoring provided by Peoples Gas management, we understand the importance of an established and effective safety culture, providing quality services, and what it means to be a diversified supplier," said Doug Chidley, president — Pipe Strong. "We are committed to growing our business to become a trusted supplier of services to the natural gas industry."

In 2021, Pipe Strong supported crews upgrading service lines on the Peoples Gas delivery system. Peoples Gas continues to work with Pipe Strong to help the contractor expand its expertise, capabilities and business.

Supplier performance expectations

Supply Chain uses the contracting process to make suppliers aware of our performance expectations. We provide information to the general supply base through the request for proposal process and expect our suppliers to emulate our culture of excellence.

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

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

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

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

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

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

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

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

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

Customer satisfaction — Demonstrate appropriate conduct:

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

The Milwaukee Business Journal honored WEC Energy Group with the **2021 Diversity in Business Award** (Large Company category) in recognition of our support for diversity and inclusion, both in the workplace and in our supply chain.

Supplier Diversity Initiative

Promoting diverse suppliers fosters competition, enhances job creation and generates additional purchasing power in the communities in which we do business.

Our Supplier Diversity Initiative (SDI) is designed to increase access, procurement opportunities and use of minority-, women-, service-disabled- and veteran-owned businesses (M/W/SD/Vs) through the purchase of products and services, including professional and technical consulting. The SDI provides support to company business units and departments, including Supply Chain, to promote implementation throughout the organization. It also helps to develop and maintain proactive relationships with advocacy organizations, elected officials, community and civic leaders, and other business leaders.

\$270.3 million
spent with SDI-qualified
businesses in 2021

Corporate policy statement

We are committed to building meaningful business opportunities for certified M/W/SD/Vs. Our SDI strategies include:

- Securing the commitment of every employee who is responsible, directly or indirectly, for the purchase of products and services to encourage the meaningful participation of M/W/SD/V business enterprises.
- Establishing meaningful and achievable goals consistent with our policies and practices.
- Creating quality procedures and practices for achieving and recording supplier diversity activities.
- Developing innovative and effective means to permit the participation of M/W/SD/V business enterprises.
- Cultivating relationships through the effective exchange of information to capture the benefits of quality products and services at competitive prices.

Administration and implementation of this policy are the responsibility of all of our organizations and business units, with SDI support. Overall company coordination is the responsibility of a dedicated vice president — supplier diversity.



"Kapur provides professional service support to several areas within WEC Energy Group, from infrastructure projects and environmental surveys to customer service. The Supplier Diversity Initiative has assisted our company to expand into professional services in infrastructure areas outside of civil engineering.

"Adding gas and electric professional services has enabled Kapur to create a more sustainable business model. Equally as important, it has allowed us to grow and provide well-paying secure jobs to a very diverse workforce we call family."

Ramesh Kapur
President — Kapur Inc.

Customers



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

Energy reliability	73
Customer satisfaction	75
Energy affordability	79
Economic development	82

Energy reliability

Reliable service remains a top priority across our companies. In 2021, we continued strengthening and modernizing our generating assets, as well as our electric and natural gas distribution networks, to support reliability, safety and customer satisfaction.

Electric reliability

Our employees are there, no matter the weather conditions, to provide customers with the energy they need. Providing customers with useful information during electric power outages also is important to customer satisfaction.

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

When outages occur, we provide customers with regular updates on both their specific outage and the overall damage to our system. We also keep them up to date on our progress in restoring service. We share messages with customers through online outage maps, automated call-handling equipment, care center agents, account managers, and public and social media. Outbound calls also let customers know the reason for and status of their outage, and confirm that their service has been restored.

Power outages

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

2021 power outage statistics*

	We Energies	WPS
Frequency		
SAIFI ¹	0.75 interruptions	0.83 interruptions
Average duration		
SAIDI ²	113 minutes	128 minutes
CAIDI ³	151 minutes	154 minutes
Power outages by cause		
Equipment	39%	29%
Vegetation	28%	31%
Weather	7%	14%
Wildlife	10%	10%
Public	8%	4%
Other	8%	12%

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

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



We Energies was named an Edison Electric Institute Emergency Response Award recipient for a historic storm restoration effort in August 2021.

Damaging winds of 60 to 80 miles per hour whipped across Wisconsin, toppling trees and branches into electric equipment. We Energies immediately launched the largest storm restoration effort in company history, with more than 1,000 people working around the clock for days on end.

Field crews found widespread damage and thousands of hazards — including downed trees that blocked roads, uprooted natural gas and electric lines, and damaged electric equipment. We Energies replaced hundreds of poles and transformers and strung more than 5 miles of new power cables during restoration efforts. Despite the damage, crews restored power to 200,000 customers within 48 hours, and 98% of customers had their power back on within 72 hours.

Natural gas reliability

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

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



As part of that strategy, We Energies is building two liquefied natural gas (LNG) facilities in Wisconsin. These facilities will store additional natural gas in liquid form, helping to meet customers' peak demand in the winter. More details on our LNG projects can be found in the "Operational performance" section of this report (Page 15).



'Extreme cold grips central U.S.'

This was just one of the many news headlines in February 2021, when a week-long cold snap sent temperatures plummeting and raised demand for energy during an otherwise mild winter. Our people and infrastructure were put to the test and performed remarkably, even as temperatures dropped to minus 42 degrees Fahrenheit in the northern portion of our service area. Our investments in the energy grid and our diverse fuel mix both contributed to our system's resilience.

Cold weather events, which can persist for days, highlight one of the challenges the Midwest faces as we integrate higher levels of renewable energy technologies. In our planning, we consider extreme weather and winter peaks common to our service areas. On the coldest days, wind and solar may not be operational. Our natural gas peaking generation and storage facilities play key roles in serving our customers with electric and natural gas service.

We plan to continue to invest in alternative options, including battery storage, to help mitigate the need for peaking plants in the future. We also are contributing to research to address cold weather challenges of electrifying vehicles and buildings. As technology evolves, we remain focused on building and maintaining a system that can meet our region's needs safely and reliably.

Customer satisfaction

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

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

Listening to customers

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

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

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

Customer satisfaction surveys

Customer satisfaction surveys are used daily at all of our energy companies to measure performance on key transactions and gauge overall satisfaction. Approximately 48,600 customers provided feedback in 2021 about their experiences on the following transactions:

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



Post-interaction surveys

Many customers also have the option of completing a survey immediately after they interact with our customer care centers. Approximately 73,700 customers took advantage of this opportunity in 2021. We review survey results daily and follow up promptly when an issue or concern is identified.

'We Care' outreach

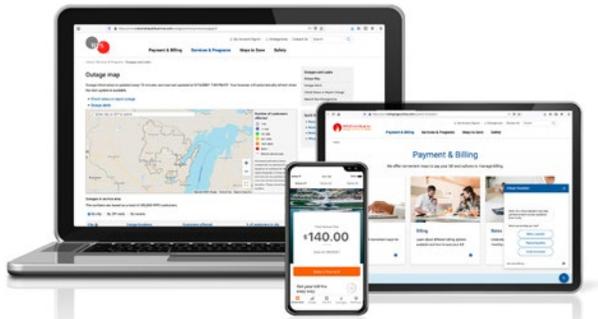
We care about our customers and want to ensure they are satisfied with their transactions and experiences. In 2021, we rolled out a new application that allows all companies to show care and concern by making personal or automated outreach within one business day of transaction completion. We contacted over 266,000 residential and business customers during 2021, and provided personal follow-up to address any questions or concerns.

Digital engagement

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

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

In 2021, there were over 4,200 residential customers on MyEnergyPanel, our online feedback group. They share their opinions with us through monthly surveys and discussions. MyEnergyPanel is dedicated to improving the overall customer experience, focusing on experiences with customer service, energy reliability, bill paying and other topics.



Leveraging technology

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

- Expanding web and mobile communication, including customer apps and introducing virtual assistants, to help customers easily access company and account information, report outages, understand their energy use, and take advantage of self-service options.
- Automating inbound and outbound call and email management, leveraging artificial intelligence, to reduce response times, efficiently route work and process customer feedback.
- Employing voice response technology to route calls efficiently and provide customers with self-service options.
- Investing in automated field equipment and feeder automation to help reduce outage restoration time and minimize customer impacts.
- Taking advantage of robotic process automation and other business process automation tools to streamline work and manage bill quality.
- Applying data analytics to improve business processes, identify equipment problems, keep customers informed, increase efficiency and reduce costs.

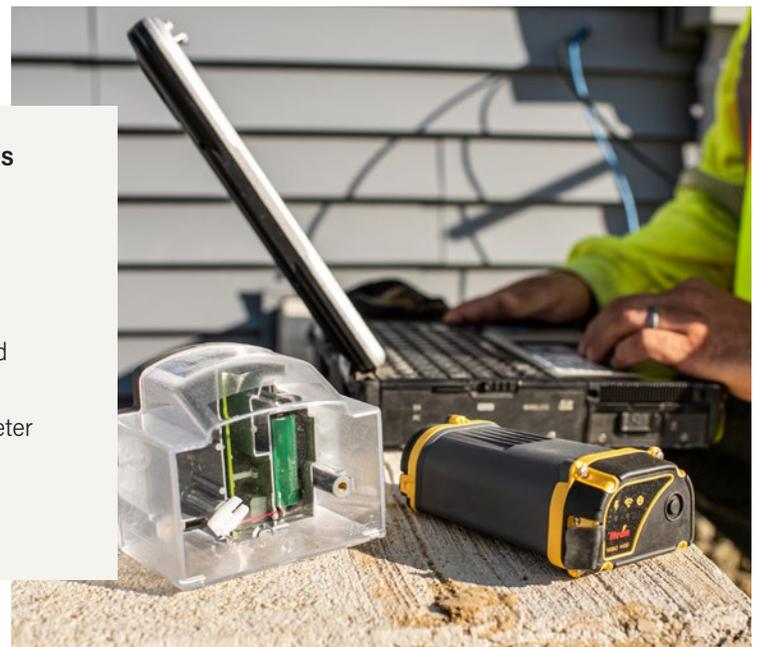
We make customer privacy a priority

Our companies take privacy and protection of customer information seriously and have rigorous controls in place to ensure customer information is protected and used appropriately.

- Information collected from customers is limited to only what is necessary to provide the service requested.
- Only authorized employees and organizations hired to provide services have access to customer information, and access is limited to what is needed for their roles.
- Customer information housed in our systems is monitored.
- All employees with access to customer information are required to complete role-based annual information protection training and certification.
- Contractors performing work on our companies' behalf must confirm they understand and abide by their obligations to protect customer information.
- Customer information protection policies are strictly enforced.
- Customers' online account information is protected by secure sign-in features to prevent unauthorized access.
- Customer information is never shared without permission, unless required by law.

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

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



What our customers are saying about us



Heat went out early Sunday morning. Called and tech had fixed within three hours. Tech was absolutely outstanding and a pleasure to have had him. Thank you so much!!

February 2021



Enormous shout out to @PeoplesGasCHI— your team arrived immediately to investigate something and quickly got me on a path to resolution (and safety!). Now your team is working through the night to resolve an issue. Amazing.

June 2021



Have to give props to @we_energies, not only did they fix the outage quick. The mobile app was incredible, you could see the open issue details, status including affected areas and est. repair time...very well done!!!

May 2021



Thank you so much for your service updates and outage maps. We are far from home and it's good to know what's going on. A special thanks to the crews that are still out there trying to get us all back online.

December 2021

2021 internal customer satisfaction measures

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

Company	Satisfaction with:	
	Utility	Transaction
Michigan Gas Utilities	87.0%	89.0%
Minnesota Energy Resources	86.9%	87.8%
North Shore Gas	84.9%	86.5%
Peoples Gas	77.1%	81.3%
We Energies	79.4%	81.0%
Wisconsin Public Service	85.0%	86.9%

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



2021 awards and achievements

WEC Energy Group finished in first place overall in the E Source Large Business Customer Satisfaction Study.

WPS received the 2021 Outstanding Customer Engagement award from PA Consulting for effective outage-related communications.

WPS finished first in the Midwest in J.D. Power's 2021 Gas Utility Residential Customer Satisfaction Study (midsize segment).

Our companies were recognized in nationwide studies conducted by Escalent:

We Energies received the highest score on the 2021 Trusted Business Partner Brand Trust Index.

We Energies and **WPS** were named 2021 'Customer Champions' in the Cogent Syndicated Utility Trusted Brand & Customer Engagement: Business study.

WPS and **Peoples Gas** were both recognized as Most Trusted Utility Brand companies.

Peoples Gas was named a 2021 'Environmental Champion.'

Energy affordability



We enable customers to take an active part in managing their energy use and expenses, and our energy companies provide them with tools and programs to achieve those goals.

Offering options

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

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

Options for low-income customers. Our companies work collaboratively with government agencies and community-based organizations throughout our service areas to address the needs of our low-income customers. We inform customers about home energy assistance through federal and state funding. We also offer weatherization services for some customers on our low-income pay plans and partner with the Wisconsin State Weatherization program.

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

Our companies contributed approximately \$4 million to low-income customer programs in 2021.

Energy management services

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

Time-of-use rates

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

Energy efficiency programs

Our customers are taking control of their energy use through a variety of programs. In Wisconsin and Michigan, the Focus on Energy® and Efficiency United programs, respectively, provide customers with energy-saving rebates and incentives. Our Illinois energy companies, Peoples Gas and North Shore Gas, offer energy efficiency programs that provide customers with free products, rebates, incentives, staffing grants and more comprehensive sustainability planning resources. In Minnesota, the Minnesota Energy Resources Conservation Improvement Program offers commercial/industrial and residential customers energy audits and comprehensive analyses, new construction design assistance, and energy-saving rebates.

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

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

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

Efficiency programs made an impact in our communities in 2021

Aggregate of all WEC Energy Group utilities*

Participating customers	706,564
First-year kWh savings**	411,172,914
First-year therm savings**	34,651,971
Conservation spending by our companies	\$123,430,825

Rebates/incentives earned by customers \$42,454,914

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

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

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



Focus on Energy is Wisconsin utilities' statewide energy efficiency and renewable resource program funded by the state's investor-owned energy utilities and participating municipal and electric cooperative utilities. In 2021, Focus on Energy offered financial incentives and technical assistance to help eligible Wisconsin residents and businesses reduce their energy waste. According to an independent evaluation of 2021 programs, **Focus on Energy delivered \$4.14 in benefits to Wisconsin residents and businesses for every \$1 spent**, resulting in economic benefits, reduced energy costs and reduced emissions. In addition, the overall customer satisfaction rating for 2021 was 9.5 on a 10-point scale.





Providing personalized assistance and savings

Our energy efficiency programs support customers across our service areas. Mighty Fortress Manor, an affordable senior housing facility in Hinckley, Minnesota, wanted to improve energy efficiency without sacrificing comfort for its residents. Our Minnesota Energy Resources subsidiary provided the facility with a free on-site energy assessment through the Multifamily Energy Savings program.

Based on our assessment, we installed free low-flow showerheads and both kitchen and bathroom faucet aerators to reduce the amount of water used. As an affordable living community,

Mighty Fortress Manor also received an additional 50% over standard rebate offerings from participating in our assessment. It used a rebate from our program to update the building's boiler controls, allowing users to manage their heating systems remotely.



These upgrades will help Mighty Fortress Manor save on water heating costs for years to come — without sacrificing quality.

Economic development



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

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

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

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

Public-private partnerships

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

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

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

Market-based rates

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

Online tools

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



Supporting and coaching Wisconsin entrepreneurs

Gale Klappa, executive chairman — WEC Energy Group, joined the cast of local business leaders for the 2022 season of “Project Pitch It.” Sponsored in part by the University of Wisconsin—Milwaukee’s Lubar Entrepreneurship Center, “Project Pitch It” is a television program, similar to “Shark Tank,” that gives Wisconsin entrepreneurs the opportunity to pitch their businesses and products to prominent business leaders.

“It’s really an honor to be part of the ongoing effort to promote job creation and help entrepreneurs succeed in Wisconsin,” Klappa said. “These entrepreneurs have great ideas and a desire to succeed. Hopefully, some of the lessons I’ve learned over the years in strategic planning and leadership will help them as they grow their companies.”

In each weekly episode, three entrepreneurs demonstrate their innovations and vie for awards valued at more than \$40,000. For the 2022 season, We Energies sponsored an award that included mentoring from We Energies leaders to support the entrepreneur’s advancement in all aspects of their business, including marketing, information technology, human resources and finance.



A 2021 impact study showed that 90% of all entrepreneurs who have been on the show are still in business, and 61% of all participants represented businesses classified as minority- or woman-owned.



Collaborating on clean energy and efficiency projects

We Energies has partnered with ATI, a producer of high-performance materials and solutions for the global aerospace and defense markets, on multiple projects over years of energy service to its Forged Products operations in Cudahy, Wisconsin.

In one recent effort, ATI replaced over 7,000 light fixtures with LEDs, improving lighting efficiency by approximately 60%. Focus on Energy, Wisconsin utilities' statewide efficiency program, presented ATI with a 2021 Energy Efficiency Excellence Award for the significant reduction in energy consumption.

Another major project began with a technical audit, funded and delivered by the We Energies Energy Efficiency Services program, to evaluate the plant's compressed air system. Compressed air is among the most energy-intensive technologies used in manufacturing.

With financial support from We Energies, ATI took the next step in 2020, using compressed air flow meters as part of our sub-metering program to more accurately predict

the potential energy savings from system improvements. The We Energies account manager and engineers then helped ATI write and submit a proposal to the 2021 Energy Innovation Grant Program, operated by the Public Service Commission of Wisconsin.

The commission awarded ATI a grant of \$325,000, and efficiency improvements are now underway. Annually, we expect the upgrade to save the plant over \$130,000 in energy costs and reduce carbon dioxide emissions by 814 tons.

As part of our Solar Now program, ATI also partnered with We Energies on a solar photovoltaic installation, completed in 2021. The photovoltaic system was sited on a brownfield, and we collaborated with the Wisconsin Department of Natural Resources to repurpose and revitalize this once-vacant parcel. With 2.25 megawatts of capacity, the project's 7,000 solar panels provide enough energy to power about 700 homes.

Governance



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

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Governance

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

Governance structure and practices

Our governance structure is aimed at transparent accountability to key stakeholders. Strong business processes, coupled with diverse leadership perspectives, are at the heart of our operations, and provide the enterprise with effective guidance to anticipate, plan and manage corporate initiatives and risk, while remaining focused on ethical stewardship.

The board of directors is responsible for providing oversight with respect to matters of concern to our stockholders. Those responsibilities include, among other things, oversight of the company's long-term strategy and execution, the company's risk environment and associated management policies and practices, and selection of the chief executive officer and ongoing succession planning for senior leadership. In carrying out these responsibilities, the board upholds its duty to maintain its ethical standards, as outlined in the company's Code of Business Conduct, and abides by its Corporate Governance Guidelines and board committee charters, frameworks through which the board conducts its business.

The board's oversight of the company's strategic direction also includes reviewing with senior management its approach to environmental, social and governance matters. The board is mindful of management's responsibility to provide affordable, reliable and clean energy, to preserve the company's long-term value and to make decisions that take into account not only the company's stockholders, but also the interests of its other stakeholders and the well-being of the communities served, now and in the future.

To fulfill these responsibilities, the board remains mindful of its composition as it actively engages in ongoing succession planning. The board regularly evaluates director qualifications and core competencies that will effectively contribute to its oversight of strategic initiatives, performance objectives and material risks. To that end, the board seeks directors whose collective knowledge, experience and skills provide a broad range of perspectives and leadership expertise in domains particularly relevant to our business. The board also strives to recommend candidates who bring unique perspectives to the board, including actively seeking highly qualified women and candidates of color, which ensures the board's holistic composition maintains its diversity — diversity of knowledge, skills, experiences, thought, gender, race/ethnicity, retirement age and tenure.

For more information about our board of directors, including biographical information, and the board's governance structure and practices, please refer to the governance section of the company's website, as well as publications devoted to those topics, including the annual proxy statement.



Risk management

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

Internal reviews and audits

Management's enterprisewide approach to managing risk and compliance is facilitated through our Enterprise Risk Steering Committee (ERSC), which is chaired by our CEO and consists of senior-level management employees who represent perspectives from business functions across the corporation. ERSC members regularly review the company's key risk areas and provide input into the development and implementation of effective compliance and risk management practices.

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

Annually, the chief audit officer reports the results of the annual enterprise risk assessment to the board's Audit and Oversight Committee. On a bimonthly basis, the ERSC discusses findings of the Audit Services annual enterprise risk assessment, holds in-depth discussions with members of management, tracks progress and status of mitigation efforts, and shares updates from these meetings with the board as directed by the CEO. The CEO provides reports to the board at each board meeting and routinely calls upon members of his executive staff to provide detailed updates and reports to the board in their respective areas of responsibility, including matters of enterprise risk.

Board oversight

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

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

Audit and Oversight Committee: Financial reporting; outside auditor independence; ethics and compliance program; and legal and regulatory risk and compliance matters including environmental, data privacy and security (including cyber, physical and operating technology), government relations (including political spending and lobbying), litigation, and electric reliability standards.

Compensation Committee: Compensation practices and programs, executive succession planning, human capital management and development, and CEO performance.

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

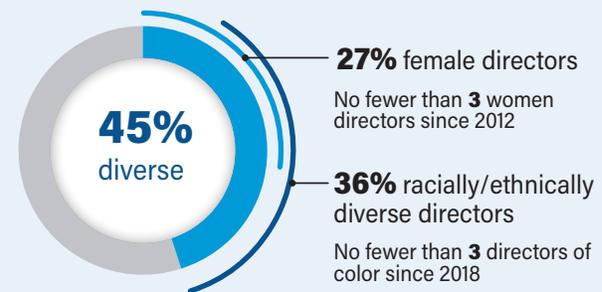
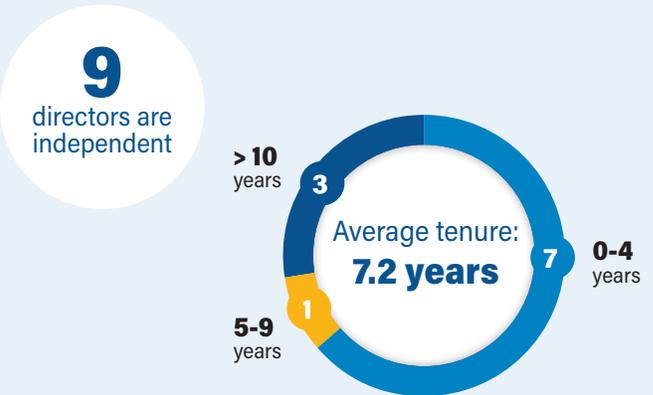
Finance Committee: Capital allocation, capital structure and financings, employee retirement and benefit plan assets, and insurance management.

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

Board composition

(based on 11 directors — as of June 2022)

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



Core competencies

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

Ethics and compliance

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

Program elements

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

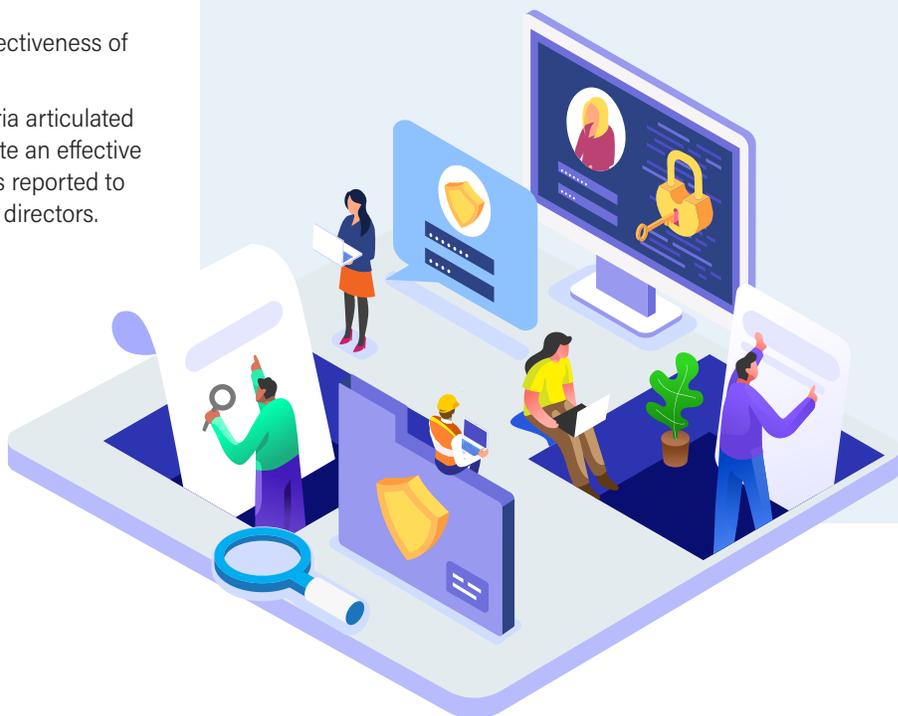
- Administration of the Code of Business Conduct and related policies and procedures.
- Management of a confidential reporting system, in which reporters may choose to remain anonymous to receive and respond to allegations and/or concerns.
- Protection of individuals who make good-faith allegations of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

Elements of the program are aligned with the criteria articulated in the Federal Sentencing Guidelines to demonstrate an effective program. Annual review of program effectiveness is reported to the Audit and Oversight Committee of the board of directors.

Reporting and investigating

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

The Ethics and Compliance department oversees investigations, tracks progress, and ensures that a proper record of the investigation and resolution is made. After the investigation is completed, reasonable steps are taken to prevent further instances. This may include, among other things, examining the designs of the internal controls in place to prevent or detect the instance, revising policies and/or procedures, communicating policies to employees, and developing and requiring employees to take additional training.





Policies and procedures

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

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

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

Communication and training

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

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

Monitoring and auditing

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

Enforcement and discipline

Enforcing standards underscores our commitment to compliance.

Corporate policies include consequences for noncompliance. Failure to comply with corporate policies shall result in disciplinary action, up to and including discharge. We track reported violations of corporate policies, along with the actions taken to ensure consistent and appropriate disciplinary measures. Violations of corporate policies that lead to discipline are reported to the Audit and Oversight Committee of the board of directors.

Response and prevention

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

Cybersecurity

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

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

Our cybersecurity governance model includes oversight by senior management from our Enterprise Risk Steering Committee, along with steering committees for information security, operational technology security, third-party vendor security controls, Sarbanes-Oxley security controls, and North American Electric Reliability Corporation Critical Infrastructure Protection (NERC CIP) compliance. The chief executive officer and chief administrative officer report regularly to the board and its Audit and Oversight committee about cybersecurity matters and risks.

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

We strive to follow industry best practices for computer network protection and provide effective physical security for our critical cyber assets. Following a 2019 audit of our compliance with NERC CIP standards, the external auditors positively noted our demonstrated "culture of compliance," with only minor findings. Additionally, in 2021, a spot check audit of our compliance with NERC CIP standards yielded very positive results with no findings.

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

Cybersecurity is the responsibility of all employees and contractors. As such, all employees are required to complete training annually regarding information security and acceptable use of corporate electronic resources. Role-based cybersecurity training also is required of employees and contractors annually. Additionally, employees and contractors participate in a corporate phishing campaign program. The phishing campaign program includes a means to easily report suspicious email, a comprehensive phishing training platform, and mock phishing exercises to measure the effectiveness of cybersecurity education.

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



Stakeholder transparency

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

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

Communication on projects

Employee involvement

Stockholder engagement

Environmental, social and governance reporting

Communication on projects

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

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



Rome, Wisconsin: Town of Rome officials requested a natural gas extension within the town's growing waterfront development. The We Energies project team met with the town administrator and attended public town meetings to share information. We Energies carried out a direct mailing for those customers along the proposed route, as well as multiple customer visits. The team also hosted two open houses at the Town Hall in June 2021 to allow potential customers to learn more about the project. We expect construction to be completed in fall 2022.

Employee involvement

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

To encourage feedback and ideas for potential improvements, a number of location- and department-specific channels are open to employees. These include the companywide near miss and unsafe condition reporting program and a Power Generation effort publishing answers from leaders to questions submitted anonymously.

Stockholder engagement

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

During 2021, we proactively communicated with stockholders, representing more than 30% of the company's outstanding common stock, about our environmental, social and governance practices. We also engaged with key constituents across the

broader sustainable investing community. Specific topics of engagement included corporate strategy, climate change and decarbonization, diversity and inclusion, community support, human capital management, COVID-19 response, and our priority sustainability issues.

Environmental, social and governance reporting

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

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

Reports can be found on the Corporate Responsibility page of our website: www.wecenergygroup.com/csr/



Ray Township, Michigan: Construction continued on the Omo Road compressor station to support our Bluewater Gas Storage business. Throughout the project, our team communicated with Ray Township officials as well as local residents, mailing updates on construction progress in April and July 2021. Neighbors and municipal leaders were able to engage directly with Bluewater representatives with one easy contact during construction. Ray Township first responders, along with mutual aid departments in the area, attended a facility training event in October.

Government relations

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

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

Political contributions and lobbying

Contribution amounts are limited by law, and we adhere to all applicable federal, state and local laws where we do business. As part of its oversight function, the board's Audit and Oversight Committee, which consists solely of independent directors, conducts an annual review of the company's Government Relations Policy. This policy sets forth the standards and requirements that govern our interactions with public officials, and addresses the process for requesting and authorizing contributions to organizations operating under Section 527 of the Internal Revenue Code and organizations that qualify as national political committees. In 2021, we made

no contributions of this nature, nor did we contribute to 501(c)(4) organizations or make any independent political expenditures in direct support of or opposition to a campaign or ballot measure.

The company has five political action committees (PACs) across its geographical footprint, which are authorized by election laws to collect voluntary contributions from employees who choose to participate. The PACs support causes and candidates for federal, state and local offices to benefit energy safety, reliability and affordability, without regard for executives' personal political preferences. In Illinois, Peoples Gas and North Shore Gas are allowed to make corporate political contributions to candidates for election to state and local offices, subject to statutory limits. In Wisconsin, WEC Energy Group may make corporate contributions of up to \$12,000 per calendar year to a segregated fund account of a political party committee or a legislative campaign committee. All other political contributions in Wisconsin and our other state jurisdictions can only be made by individuals or through PACs.

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

Organization	2019	2020	2021
Wisconsin political donations			
WEC PAC (a Wisconsin state PAC)	\$ 82,550	\$ 104,400	\$ 50,000
WEC PAC Conduit (a Wisconsin state-registered entity)	15,524	25,385	55,849
WEC Corporate			
Republican Assembly Campaign Committee	12,000	12,000	12,000
Committee to Elect a Republican Senate	12,000	12,000	12,000
Assembly Democratic Campaign Committee	6,000	6,000	6,000
State Senate Democratic Committee	6,000	6,000	6,000
	134,074	165,785	141,849
Federal political donations			
WEC PAC (a federal PAC)	40,000	33,500	24,500
Michigan political donations			
MIPAC (a Michigan state PAC)	—	4,250	—
Illinois political donations			
Peoples Energy PAC (an Illinois state PAC)	—	—	—
WEC Corporate (corporate contributions only)	309,750	175,950	196,030
	309,750	175,950	196,030
Total political donations	\$ 483,824	\$ 379,485	\$ 362,379

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

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

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



Lobbying

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

Trade organization memberships

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

Through our trade organization memberships, we collaborate with industry peers, provide input and advocate for our stakeholders. We have worked with these groups to promote consistent sustainability reporting and goals within our industry. We believe that lobbying conducted by these organizations generally promotes emissions reduction in our industry, and we further support disclosure from the organizations on policy positions and lobbying related to climate matters. In cases where the positions supported by our trade organizations differ from our own, we take a proactive approach in making our case to organization members and try to dissuade them from the position. If necessary, we may abstain from the group's efforts or express our dissent.

Organization	Membership dues Jan. 1 through Dec. 31, 2021	Portion of dues used by organization for political purposes
American Gas Association	\$917,412	34,862
Edison Electric Institute	1,229,394	163,662
Illinois Energy Association	40,000	22,000
Illinois Manufacturers' Association	15,000	2,700
Metropolitan Milwaukee Association of Commerce	190,397	3,808
Michigan Electric and Gas Association	92,595	de minimis
Michigan Manufacturers Association	4,930	2,712
Wisconsin Manufacturers & Commerce	54,316	8,669
Wisconsin Utilities Association	237,823	35,673
Wisconsin Utility Investors	121,463	6,073

Public policy positions

✓ Support ✗ Oppose → Have concerns/working to improve ◆ Monitor

Federal bill reference

✓ Climate / clean energy

Multiple bills — support legislation that advances research, development, demonstration and deployment of carbon-free technologies to help achieve a net carbon neutral economy.

✓ Cybersecurity

Multiple bills — support legislation that promotes information sharing between government and industry, and advances the development and training of the cyber workforce for critical infrastructure sectors.

✓ Electric transportation

Multiple bills — support legislation to advance and expand the electric transportation market and associated infrastructure.

✓ Energy assistance

Multiple bills — support legislation that provides energy assistance through direct appropriations (Low Income Home Energy Assistance Program) and indirect funding programs (COVID-19 relief packages, bipartisan infrastructure law).

✓ Infrastructure

Support the bipartisan infrastructure proposal that includes a wide variety of infrastructure programs for electric transportation, grid resiliency, transmission siting, hydrogen research, cybersecurity and clean energy technologies to support the research, development, demonstration and deployment of carbon-free technologies to help achieve a carbon-free economy.

✓ Renewable energy tax incentives

Extension and expansion of renewable energy tax incentives were included in the Build Back Better proposal approved by the House.

Illinois legislative bills/resolutions

✗ House Bill 705

Provides that in the case of a verified facility leak, the owner and operator of the underground natural gas storage facility is responsible for specified actions.

◆ House Bill 804

Illinois Clean Jobs Coalition initiative that seeks to re-regulate Illinois' energy marketplace and move Illinois to 100%

renewable energy by 2050 while achieving a carbon-free power sector by 2030.

◆ House Bill 1472

Climate Jobs Illinois initiative that seeks to preserve thousands of union jobs at plants at risk of closing while creating new jobs in the growing green-energy sector.

◆ House Bill 1473

Nicor Gas' formula rate initiative.

◆ House Bill 1734

An Ameren Illinois initiative that eliminates the formula rate's sunset date of Dec. 31, 2022.

◆ House Bill 2640

Path to 100 initiative that incentivizes wind and solar projects as it pushes for increased renewable energy procurement.

✗ House Bill 3941

Repeals Peoples Gas 2013 System Modernization Program Rider QIP.

◆ Senate Bill 311

An Ameren Illinois initiative that eliminates the formula rate's sunset date of Dec. 31, 2022.

✗ Senate Bill 570

Repeals Peoples Gas 2013 System Modernization Program Rider QIP.

◆ Senate Bill 1083

Nicor Gas' formula rate initiative.

◆ Senate Bill 1100

Climate Jobs Illinois initiative that seeks to preserve thousands of union jobs at plants at risk of closing while creating new jobs in the growing green-energy sector.

◆ Senate Bill 1718

Illinois Clean Jobs Coalition initiative that seeks to re-regulate Illinois' energy marketplace and move Illinois to 100% renewable energy by 2050, while achieving a carbon-free power sector by 2030.

◆ Senate Bill 2408

The Climate and Equitable Jobs Act. Comprehensive energy package that is a culmination of the Eight Principles for a Clean and Renewable Illinois Economy laid out by Gov. J.B. Pritzker in 2020.

◆ Senate Bill 2515

Creation of the Mahomet Aquifer Council.

Michigan legislative bills/resolutions

◆ Senate Bill 0103 of 2021 (PA 125 of 2021)

Provides for the rights of electric transmission companies.

◆ Senate Bill 0138 of 2021

Provides for an impact study related to feedstock capacity of renewable natural gas derived from biological materials.

◆ Senate Bill 0346 of 2021

Decriminalizes tampering with utility shut-off procedures under certain circumstances related to water and sewage.

◆ Senate Bill 0347 of 2021

Amends sentencing guidelines for tampering with utility shut-off to residences to reflect decriminalization of certain acts.

◆ Senate Bill 0441 of 2021

Clarifies valuation of wind energy systems in property tax assessments.

◆ Senate Bill 0640 of 2021

Revises weight restriction exemption for tow truck, wrecker or road-service vehicles under certain circumstances.

◆ Senate Bill 0695 of 2021

Expands eligibility to purchase electricity from an alternative electric supplier to include eligible industrial customers.

◆ Senate Bill 0748 of 2021

Creates a weatherization jobs program.

◆ House Bill 4073 of 2021

Provides shut-off protection for certain individuals during a declared state of emergency.

◆ House Bill 4125 of 2021

Amends the "Skilled Trades Regulation Act" and defines "electrical energy supply agency."

◆ House Bill 4236 of 2021

Eliminates caps and references to tariff for distributed generation.

◆ House Bill 4373 of 2021

Provides for omnibus appropriations bill.

◆ House Bill 4410 of 2021 (PA 10 of 2022)

Creates appropriation act for higher education for fiscal year 2021-2022.

◆ House Bill 4422 of 2021

Modifies exceptions to stringing wire over and across railway right of way.

- ◆ **House Bill 4715**
Provides for public service commission rule-making on community solar facilities.
- ◆ **House Bill 4716 of 2021**
Provides for establishment of community solar facilities.
- ◆ **House Bill 4802 of 2021**
Provides for licensing of electric vehicle (EV) charging station operators.
- ◆ **House Bill 4806 of 2021**
Allows qualified transmission companies to condemn property for transmission lines.
- ◆ **House Bill 4777 of 2021**
Provides for denial or imposition of additional conditions on permits when projects are in environmentally overburdened communities.
- ◆ **House Bill 4807 of 2021**
Allows qualified transmission companies to obtain certificate of public convenience and necessity.
- ◆ **House Bill 5011 of 2021**
Includes environmental hazard, new construction and multifamily projects in property assessed clean energy program.
- ◆ **House Bill 5315 of 2021**
Designates Mackinac Bridge as critical infrastructure.
- ◆ **House Bill 5326 of 2021**
Clarifies valuation of wind energy systems in property tax assessments.
- ◆ **House Bill 5357 of 2021**
Extends participation in property assessment program to include residential energy, environmental hazard and water usage projects.
- ◆ **House Bill 5577 of 2021**
Creates a weatherization jobs program.
- ◆ **House Bill 5619 of 2021**
Extends sunset of energy waste reduction standard.
- ◆ **House Bill 5653 of 2021**
Defines unsafe electrical usage in a residence; provides for notification to fire code officials of certain shut-off or termination of service conditions.
- ◆ **Senate Bill 0822 of 2022**
Prohibits recovery for lost and unaccounted-for natural gas in public utility rates.
- ◆ **Senate Bill 0923 of 2022**
Provides for omnibus appropriations bill.

Minnesota legislative bills/resolutions

- ✗ **House File 10**
Clean Energy First.
- ◆ **House File 164/Senate File 257**
Energy conservation and optimization.
- ✗ **House File 278/Senate File 43**
Carbon free by 2040.
- ◆ **House File 239/Senate File 421**
Natural gas innovation act.
- ✓ **House File 1135/Senate File 1018**
Gas utility infrastructure rider repeal.
- ◆ **House File 1289/Senate File 1681**
Intervenor compensation.
- ◆ **House File 1592/Senate File 1747**
Annual utility diversity report.
- ✓ **House File 1862/Senate File 1955**
Prohibits local ban on natural gas use.
- ✓ **House File 2214/Senate File 2132**
Natural gas price spike relief.

Wisconsin legislative bills/resolutions

- ✓ **Assembly Bill 27**
Relates to making various changes to statutes administered by the Public Service Commission of Wisconsin and requiring investor-owned energy utilities to fund a consumer advocate.
- ✓ **Assembly Bill 251**
Relates to impersonating a public officer, public employee, or employee of a utility and providing a penalty.
- ✓ **Assembly Bill 408**
Relates to authorization for metropolitan sewerage districts containing a first-class city to finance and construct a dredged-material management facility located in the city of Milwaukee.
- ✓ **Assembly Bill 489**
Relates to changing the phase-out of utility aid payments for decommissioned power plants.
- ✓ **Assembly Bill 497**
Relates to inspection requirements for chemical recovery boilers.
- ✓ **Assembly Bill 525**
Relates to establishing solar field designations and granting rule-making authority.
- ✗ **Assembly Bill 527**
Relates to authorizing community solar programs and granting rule-making authority.
- ➔ **Assembly Bill 588**
Relates to allowing persons to charge fees for the use of EV charging stations and the installation and operation of EV charging stations by the Department of Transportation or a political subdivision.
- ✓ **Assembly Bill 682**
Relates to a grant for the Verso Paper Mill in the city of Wisconsin Rapids, loan guarantee related to the Park Falls Pulp and Paper Mill in the city of Park Falls, substance abuse prevention on certain public projects, and granting rule-making authority.
- ✓ **Assembly Bill 710**
Relates to modifying the sales and use tax exemption for renewable energy property.
- ✗ **Assembly Bill 731**
Relates to exemption from public utility regulation regarding renewable electricity.
- ✓ **Senate Bill 47**
Relates to making various changes to statutes administered by the Public Service Commission of Wisconsin and requiring investor-owned energy utilities to fund a consumer advocate.
- ✓ **Senate Bill 257**
Relates to impersonating a public officer, public employee or employee of a utility and providing a penalty.
- ✓ **Senate Bills 424 and 425**
Relate to authorization for metropolitan sewerage districts containing a first-class city to finance and construct a dredged-material management facility located in the city of Milwaukee.
- ✓ **Senate Bill 466**
Relates to inspection requirements for chemical recovery boilers.
- ✓ **Senate Bill 468**
Relates to changing the phase-out of utility aid payments for decommissioned power plants.
- ✗ **Senate Bill 490**
Relates to authorizing community solar programs and granting rule-making authority.
- ✓ **Senate Bill 522**
Relates to establishing solar field designations and granting rule-making authority.
- ➔ **Senate Bill 573**
Relates to allowing persons to charge fees for the use of EV charging stations and the installation and operation of EV charging stations by the Department of Transportation or a political subdivision.
- ✓ **Senate Bill 672**
Relates to modifying the sales and use tax exemption for renewable energy property.
- ✗ **Senate Bill 702**
Relates to exemption from public utility regulation regarding renewable electricity.



2021 awards and recognition

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

Edison Electric Institute — We Energies was named an Edison Electric Institute Emergency Response Award recipient for restoring power to nearly 210,000 customers after a strong storm hit Wisconsin in August 2021.

Electric Power Research Institute — Multiple WEC Energy Group employees were presented with Technology Transfer Awards for their achievements in research and development. Researchers in the Environmental department received awards for their work on wastewater and air quality projects.

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

Milwaukee Business Journal — The publication honored WEC Energy Group with the 2021 Diversity in Business Award (Large Company category) in recognition of our support for diversity and inclusion, both in the workplace and in our supply chain.

Wisconsin Department of Workforce Development — WEC Energy Group again received the Vets Ready Initiative Award, a recognition highlighting Wisconsin employers for demonstrating a commitment to hiring veterans, supporting their veteran workforce and connecting with the veteran community.

Cautionary statement regarding forward-looking information

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

Forward-looking statements include, among other things, statements concerning management's expectations and projections regarding earnings, completion of capital projects, sales and customer growth, rate actions and related filings with regulatory authorities, environmental and other regulations, including associated compliance costs, legal proceedings, dividend payout ratios, effective tax rates, pension and other post-employment benefit plans, fuel costs, sources of electric energy supply, coal and natural gas deliveries, remediation costs, climate-related matters, liquidity and capital resources, and other matters.

Forward-looking statements are subject to a number of risks and uncertainties that could cause our actual results to differ materially from those expressed or implied in the statements. These risks and uncertainties include those described under "Risk Factors" in our Annual Report on Form 10-K for the year ended Dec. 31, 2021, and subsequent quarterly reports on Form 10-Q and those identified below:

- Factors affecting utility operations such as catastrophic weather-related damage, environmental incidents, unplanned facility outages and repairs and maintenance, and electric transmission or natural gas pipeline system constraints;
- Factors affecting the demand for electricity and natural gas, including political or regulatory developments, unusual weather, changes in economic conditions, customer growth and declines, commodity prices, energy conservation efforts, and continued adoption of distributed generation by customers;
- The timing, resolution and impact of rate cases and negotiations, including recovery of deferred and current costs and the ability to earn a reasonable return on investment, and other regulatory decisions impacting our regulated operations;
- The impact of federal, state and local legislative and/or regulatory changes, including changes in rate-setting policies or procedures, deregulation and restructuring of the electric and/or natural gas utility industries, transmission or distribution system operation, the approval process for new construction, reliability standards, pipeline integrity and safety standards, allocation of energy assistance, energy efficiency mandates, and tax laws, including the Tax Cuts and Jobs Act, as well as those that affect our ability to use production tax credits and investment tax credits;
- Federal, state and local legislative and regulatory changes relating to the environment, including climate change and other environmental regulations impacting generation facilities and renewable energy standards, the enforcement of these laws and regulations, changes in the interpretation of regulations or permit conditions by regulatory agencies, and the recovery of associated remediation and compliance costs;
- The ability to obtain and retain customers, including wholesale customers, due to increased competition in our electric and natural gas markets from retail choice and alternative electric suppliers, and continued industry consolidation;
- The timely completion of capital projects within budgets and the ability to recover the related costs through rates;
- The risk of delays and shortages, and increased costs of equipment, materials or other resources that are critical to our business operations and corporate strategy, as a result of supply chain disruptions, inflation and other factors;
- The impact of health pandemics, including any new developments relating to the COVID-19 pandemic, on our business functions, financial condition, liquidity and results of operations;
- Factors affecting the implementation of our carbon dioxide emission and/or methane emission reduction goals, and opportunities and actions related to those goals, including related regulatory decisions, technology advances, the feasibility of competing generation projects, and the cost of materials, supplies and labor;
- The financial and operational feasibility of taking more aggressive action to further reduce greenhouse gas emissions to limit future global temperature increases;
- The risks associated with changing commodity prices, particularly natural gas and electricity;
- The availability of sources of natural gas and other fossil fuels, purchased power, materials needed to operate environmental controls at our electric generating facilities, or water supply due to high demand, shortages, transportation problems, nonperformance by electric energy or natural gas suppliers under existing power purchase or natural gas supply contracts, or other developments;
- Any impacts on the global economy, supply chains and fuel prices, generally, from the ongoing conflict between Russia and Ukraine;
- Changes in credit ratings, interest rates and our ability to access the capital markets, caused by volatility in the global credit markets, our capitalization structure, and market perceptions of the utility industry, us or any of our subsidiaries;
- Changes in the method of determining London Interbank Offered Rate or the replacement of London Interbank Offered Rate with an alternative reference rate;
- Costs and effects of litigation, administrative proceedings, investigations, settlements, claims and inquiries;
- The direct or indirect effect on our business resulting from terrorist attacks and cybersecurity intrusions, as well as the threat of such incidents, including the failure to maintain the security of personally identifiable information; the associated costs to protect our utility assets, technology systems and personal information; and the costs to notify affected persons to mitigate their information security concerns and to comply with state notification laws;
- Restrictions imposed by various financing arrangements and regulatory requirements on the ability of our subsidiaries to transfer funds to us in the form of cash dividends, loans or advances that could prevent us from paying our common stock dividends, taxes and other expenses, and meeting our debt obligations;
- The risk of financial loss, including increases in bad debt expense, associated with the inability of our customers, counterparties and affiliates to meet their obligations;
- Changes in the creditworthiness of the counterparties with whom we have contractual arrangements, including participants in the energy trading markets and fuel suppliers and transporters;
- The financial performance of American Transmission Co. LLC and its corresponding contribution to our earnings;
- The investment performance of our employee benefit plan assets, as well as unanticipated changes in related actuarial assumptions, which could impact future funding requirements;
- Factors affecting the employee workforce, including loss of key personnel, internal restructuring, work stoppages, and collective bargaining agreements and negotiations with union employees;
- Advances in technology, and related legislation or regulation supporting the use of that technology that result in competitive disadvantages and create the potential for impairment of existing assets;
- Risks related to our non-utility renewable energy facilities, including unfavorable weather, the ability to replace expiring long-term power purchase agreements under acceptable terms, and the availability of reliable interconnection and electricity grids;
- The risk associated with the values of goodwill and other intangible assets and their possible impairment;
- Potential business strategies to acquire and dispose of assets or businesses, which cannot be assured to be completed timely or within budgets, and legislative or regulatory restrictions or caps on non-utility acquisitions, investments or projects, including the State of Wisconsin's public utility holding company law;
- The timing and outcome of any audits, disputes and other proceedings related to taxes;
- The ability to maintain effective internal controls in accordance with the Sarbanes-Oxley Act, while both continuing to integrate and consolidate our enterprise systems;
- The effect of accounting pronouncements issued periodically by standard-setting bodies; and
- Other considerations disclosed elsewhere herein and in reports we file with the Securities and Exchange Commission or in other publicly disseminated written documents.

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



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