



2023 Corporate Responsibility and Sustainability Report



Social

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

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



Highlights

- A foundational objective in MGE’s clean energy transition is to ensure all our customers enjoy the economic and environmental benefits of cleaner energy.
- MGE maintains relationships with many different sectors in our community and works in partnership with more than 200 local organizations and community stakeholders to reach customers who may be more difficult to reach directly due to either language or cultural barriers or other reasons.
- MGE’s [Occupational Health and Safety Policy](#) recognizes the risks inherent to occupational health and safety and embraces safe work practices and environments as fundamental values at MGE.
- When notified of a potential natural gas emergency, MGE crews continue to earn high marks. In 2022, our total response time ranked in the top 12% of a nationwide industry survey.
- According to results from an annual industry survey including more than 75 electric utilities nationwide, in 2022, MGE ranked second for the fewest number of electric outages per customer.
- Since launching The Learning Center in 2017, our online training resource available to all MGE employees, employees have completed more than 66,000 sessions through 2022.
- The MGE Scholarship Program has awarded more than \$1.2 million in aid to students since it began in 1999.
- MGE recognizes its impact on human rights and embraces the protection of human rights as a fundamental value. In 2022, MGE’s Board of Directors approved our [Statement on Human Rights](#).
- In 2022, MGE expanded and formalized its employee-led Diversity, Equity and Inclusion (DEI) Steering Team. It builds on MGE’s commitment to DEI in our workplace, in service to our customers and in our efforts to improve the quality of life throughout our communities.
- As part of our ongoing commitment to safety and continuous improvement, MGE introduced an at-home safety platform designed to emphasize our safety culture with employees beyond our workplace and to bring safety home. The Bring Safety Home SharePoint site shares at-home safety information, tips, training, checklists and other resources.
- In the last five years, our philanthropic arm, the MGE Foundation, has given more than \$8.3 million to more than 400 community organizations.

Engaging our customers where they are

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

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

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

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



Connecting with our diverse customer base

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

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

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

Advancing diversity through future generations

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



MGE Career Ambassadors

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



STEAM Camp

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

College internships

MGE hosts college interns throughout the year in a variety of departments, providing them with valuable skills to advance their careers. Giving local students exposure to careers in energy also benefits MGE. Several past and present MGE employees started their careers with the company as college interns.





Community education

MGE connects with students annually through various programs, events and other activities, providing utility-based education to students across our service territory, both inside and outside the classroom. Topic areas range from energy efficiency and sustainability to safety and careers. We also support opportunities for teachers through Wisconsin’s K-12 Energy Education Program (KEEP). KEEP was established in 1995 to improve and to increase energy education in Wisconsin. The collaborative effort offers professional development opportunities for certified teachers in the state. Teachers whose schools are located in MGE’s gas and electric service area can receive partial scholarships from MGE to offset the cost of coursework. In 2022, KEEP reached more than 75 educators and more than 60 youth through training, community engagement and networking in MGE’s service territory. An additional 840 students are estimated to have been supported indirectly through KEEP curriculum.

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

Arbor Day tradition

MGE celebrates Arbor Day annually with students in our service territory. In 2023, we marked the 20th year of a combined celebration with Shorewood Hills Elementary School and the Village of Shorewood Hills. MGE helped purchase a few trees to be planted on and near school grounds. Students helped plant trees and shrubs and experienced a tree-pruning demonstration. MGE has helped plant more than 80 trees around the school since 2005.



Earth Day celebration

MGE works with local elementary and middle school students every year to celebrate Earth Day. In 2023, we expanded our reach to include more schools, offering the opportunity to interact with about 500 students. We celebrated by exploring renewable energy and EVs. With our Pedal Power bicycle, students created energy to make hummus. They also painted a landscape-themed mural and planted 14 trees.

A number of MGE employees also commemorate Earth Day by participating in the company’s annual Adopt-a-Highway event. In 2023, about 20 employees collected about 50 bags full of trash from both sides of a one-and-a-half-mile stretch of highway within our service territory.

Energy equity and affordability

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


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


A foundational objective in our Energy 2030 framework for a more sustainable future is ensuring all customers enjoy the economic and environmental benefits of our ongoing clean energy transition. By 2030, we expect every MGE electric customer will have 80% fewer carbon emissions from their electricity use simply by being an MGE customer. By 2050, we expect all MGE electric customers will have eliminated their carbon footprint associated with their electricity use simply by being an MGE electric customer.


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

Employee engagement and development

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

MGE  Learn
THE LEARNING CENTER

 > **6.2K** online courses completed in 2022

 > **8.6K** courses, videos and more accessible to employees

The Learning Center

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

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

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

The Learning Center is constantly updated with courses relevant to MGE employees. It now has more than 8,600 courses, videos, podcasts and articles available and nearly 300 curated playlists. This helps ensure employees are equipped with the knowledge and skills to navigate our evolving industry effectively.

Since The Learning Center was launched, MGE employees have completed more than 66,000 training sessions through 2022. That includes instructor-led training, online training and video training. In 2022, employees completed more than 6,200 online courses. The Learning Center app gives employees access to more than 8,600 courses, videos and more from their mobile devices.

The Learning Center also has a section dedicated to information about inclusion, diversity, discrimination and harassment. In the Stronger Together section, employees can find courses, articles, podcasts and more.

Partnership with the UWEBC

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

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

Importance of employee wellness

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

Hybrid work schedules

For about two years during the COVID-19 pandemic, about half of MGE employees worked remotely. As the company planned for a return to the office for our remote-enabled employees, the feedback from those employees was that the ability to work remotely had many benefits for both employees and the company. In April 2022, MGE formally began a hybrid work schedule for remote-enabled employees. These employees have the flexibility to work remotely up to two days each week.

Healthy Rewards

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

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

MGE's Healthy Rewards program rewards employees for participating regularly in healthy activities and learning about their health risks. In 2022, more than half of employees registered and tracked their progress through ManageWell.

Sprains and strains prevention and ergonomic assessments

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

In 2022, the trainers had more than 4,600 employee interactions, which include individual and group interactions. Since this partnership began, sprain and strain injuries requiring medical treatment have fallen dramatically.

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

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

Maintaining work-life balance

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

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

MGE Scholarship Program

MGE is proud to offer a scholarship program to MGE employees and retirees to assist with their children's higher education. The Madison Gas and Electric Company Scholarship Program awards partial scholarships for post-secondary education at any accredited school in the United States. These scholarships are funded by MGE and administered by a third party. The awards are renewable for up to three years or until a bachelor's degree is obtained if students maintain a 2.5 cumulative grade point average. The MGE Scholarship Program has awarded \$1,268,000 to students since it began in 1999.

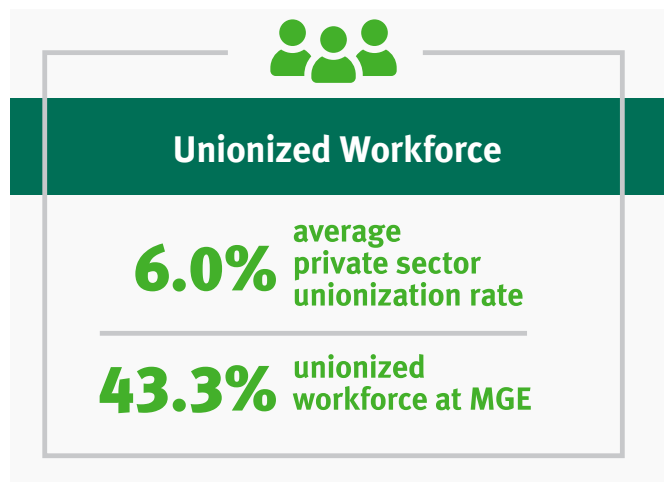
Freedom of Association and collective bargaining

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

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

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

The unionized workforce is 43.3% of MGE's total workforce, far exceeding the average private sector unionization rate in the United States of 6.0%.



We Power Safety



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

MGE Occupational Health and Safety Policy

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

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

- **Beyond Compliance.** We are committed to the health and safety of every person working on behalf of MGE. We strive to ensure their work environment is free from known hazards and goes beyond regulatory rules and industry guidance.
- **Safety Culture Continuous Improvement.** Through continuous improvement and training, MGE is continually evaluating opportunities for improvement.
- **Corporate Safety Management System.** MGE is developing a Corporate Safety Management System, which will impact all operations of our organization. It will be based on industry standards and will have defined systems to create, manage and improve safety processes.
- **Data-Driven Safety Performance.** By utilizing leading and lagging indicators, trend analysis, contractor management tools and the performing of incident investigations, we are able to incorporate performance data into our daily processes to make decisions.

Journey to safety excellence

In 2014, MGE launched a corporate safety initiative to improve our safety culture and our journey to safety excellence. We started with safety training for all employees, from our CEO and executive leadership team to our frontline workers. We also set up our Safety Steering Team and Safety Executive Team.

Our Safety Steering Team, made up evenly of exempt and non-exempt employees, guides our journey to safety excellence. The team meets regularly to examine safety topics and to identify and prioritize continuous improvement opportunities.

After launching our safety initiative, MGE conducted our first Safety Perception Survey to gauge the overall health of our safety culture. We have since conducted follow-up surveys in 2016, 2018 and 2021, with plans for another one in fall 2023, to continue to track our progress and to gain a better understanding of what is working well and where there is room for improvement. All employees across the company are encouraged to participate in these surveys.

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

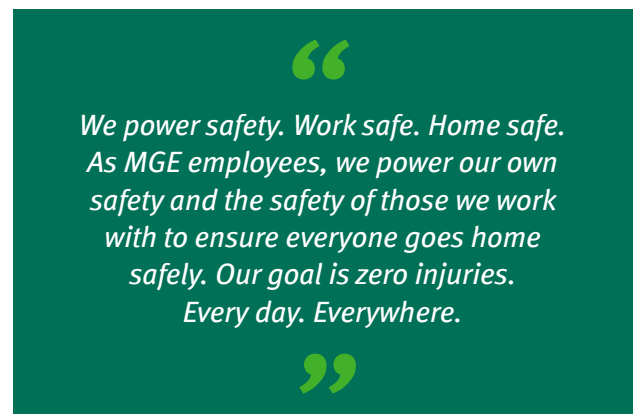
Safety vision statement

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



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

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



Safety performance

In 2022, while working more than 1.4 million hours, we recorded a recordable incident rate of 2.33. A recordable incident is an event where the injury typically requires a level of care beyond basic first aid. Total recordable incident rate is figured on a per-100-employee average.

Our lost-time incident rate in 2022 was 0.96. A lost-time event is when the employee is unable to perform his or her job because of the injury and must stay away from work to recover. Total lost-time incident rates also are figured on a per-100-employee average.

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

Contractor safety

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

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

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

Inclusion and empowerment in our safety program

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

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

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

Continuous Improvement Safety Teams

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

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

We have had 10 CI Safety Teams so far. They have worked to:

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

Impact on safety performance

The efforts of our CI Safety Teams are making an impact. In 2022, MGE received the inaugural Leading Indicator Safety Award from the American Gas Association. It recognizes companies for being proactive in preventing fatalities, injuries and illnesses as well as driving behavior change among their workforce when it comes to employee safety. Much of the criteria for the award was focused on areas in which MGE has made progress through our safety culture initiative and CI Safety Teams, including:

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

Bring safety home

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

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



Safety communications

Our eighth CI Safety Team developed and implemented several initiatives to improve safety communications. Among the work done:

- Some minor changes to our job orders have helped improve communication among our engineering team, operations supervisors and the field crews completing the work.
- Improved knowledge of and ability to use Microsoft Office 365 tools on their MGE smart devices allow MGE field crews to communicate more efficiently with engineering, planning, scheduling and other employees who might not be on the job site with them.
- The team helped develop a dedicated page in our online learning tool, The Learning Center, for communications training. It is available to all MGE employees.
- The team improved accessibility to the Safety Action Items library for all employees, developed an easier way for employees to submit and track items, and provided better visibility into open and closed action items. (Safety action items were established by our first CI Safety Team in 2015.)

Near-miss/good catch

MGE's near-miss/good catch reporting process continues to be successful. This proactive process, developed by an employee-led CI Safety Team in 2017, is non-disciplinary and designed to encourage reporting that identifies, documents and addresses safety issues and allows everyone to learn from the reports. The reporting process establishes accountability at all levels of the company to ensure it is implemented in a safe, no-blame environment. In six years of using the process, about 200 near-miss/good catch reports have been filed. Sharing reports with employees is designed to help all employees learn about safety issues and to help prevent incidents.

Proactive safety observations

Our Safety Proactive Observation Team, an employee-led CI Safety Team in 2018, developed a process that provides employees with recognition of positive behaviors. While many companies stopped performing safety observations in the field during the COVID-19 pandemic, we remained committed to our safety goals and conducted 275 on-the-job safety observations in 2021. By the end of 2021, all operations employees experienced at least one proactive safety observation. From 2018 through 2022, employees have recorded nearly 875 proactive safety observations.

Working to keep our communities safe

In addition to the safety of our employees, the safety of our customers also is a top priority. We strive to keep customers well informed about the potential dangers of electricity and natural gas and what to do in an emergency, using electric and natural gas safety advertising and information included with our bills, on our social media channels and on mge.com.

Safety in the classroom

MGE partners with schools throughout our service territory and offers a wide array of classroom lessons, including electric and natural gas safety. From sharing materials to making classroom visits, MGE provides important energy safety lessons to students.

One of the most popular programs is MGE's Switch to Safety. In addition to discussing gas safety, an MGE representative uses a tabletop electric safety model to illustrate and simulate potentially dangerous outdoor electric safety situations. MGE reaches hundreds of Madison-area students annually through the Switch to Safety program.

First responder training

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

Disaster recovery planning

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

All hazards response

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

Storm response

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

We most recently activated the AHRP in July 2023 after a powerful Friday night storm caused damage and power outages across Wisconsin. The storm impacted more than 18,000 customers in the MGE service territory. With the activation of the AHRP, MGE employees jumped into action on what should have been the start of their weekend, with many joining the restoration effort during the overnight hours. Working 16-hour shifts to get service restored to impacted customers as quickly and safely as possible, MGE crews were able to restore service to all impacted customers in a little more than 24 hours. While we hope these situations never occur, MGE is committed to providing a safe, secure and timely response no matter the situation.



Additionally, we informally activated the AHRP for planning-level events throughout the past year. These events included an extreme cold weather event and flood water event in our gas-only territory.

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

Mutual assistance

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

In early April 2023, nine MGE Electric Construction and Operations employees traveled to St. Paul, Minn., to help another utility restore service to customers impacted by a late-winter storm. About 215,000 customers had lost power in Minnesota and parts of western Wisconsin.

In February 2023, MGE sent nine Electric Construction and Operations employees and equipment to the Lake Geneva area to help with restoration efforts after a winter storm hit that part of southern Wisconsin. The storm had knocked out power to more than 50,000 customers.



Ensuring reliability

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

According to results from an annual industry survey including more than 75 electric utilities nationwide, in 2022, MGE ranked second for the fewest number of electric outages per customer.

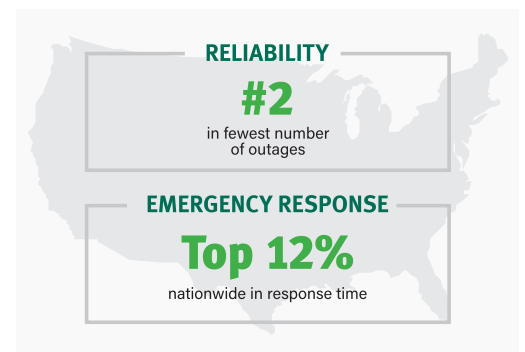
On average, MGE customers experience about one outage every two-and-a-half years. That's compared to a nationwide average of more than three outages every two-and-a-half years.

MGE has ranked in the top three utilities in the country for the fewest number of outages in each of the last 16 years. That includes ranking number one in two of the last three years and seven times in the last 16 years.

Industry leader in emergency response

When notified of a potential natural gas emergency, MGE crews continue to earn high marks. In 2022, our response time ranked in the top 12% of a nationwide industry survey and was 21% faster than the national average.

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



MGE Statement on Human Rights

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

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

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

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

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

- Healthy and safe work environments. MGE is committed to serving our community and to conducting our business in accordance with MGE's [Occupational Health and Safety Policy](#).
- Prevention of workplace violence. MGE is committed to offering employees a safe and welcoming place to work. We do not tolerate violence of any kind, including direct or indirect threats of violence by managers, employees, vendors or customers.
- Anti-harassment. MGE is committed to a workplace in which all individuals are treated with respect and dignity. All employees are responsible for supporting the concepts of diversity, equal opportunity and inclusion at all times and for assisting MGE in meeting its objectives in these areas.
- Accessibility. MGE complies with all applicable provisions of the Americans with Disabilities Act and the principles contained in other state and local laws applicable to employees with disabilities.
- Maternity protection and parental leave. MGE supports families. MGE employees are entitled to be absent from work for a variety of reasons without being concerned about the security of their job, including family care and maternal/paternal leave for the birth or adoption of a child.

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

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

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

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

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

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



A culture of diversity, equity and inclusion

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

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

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

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

DEI Steering Team

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

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

In 2023, MGE is introducing to employees enhanced inclusive leadership training and volunteer opportunities and is continuing its evaluation of processes, practices and internal systems and planning new employee engagement opportunities.

Code of Ethics

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

Giving back to the community

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

The MGE Foundation

Established in 1966, the MGE Foundation is our philanthropic arm. Support from the Foundation helps our local organizations improve lives today and the lives of future generations by working to preserve the long-term health and vitality of our community. In the last five years, the Foundation has given more than \$8.3 million to more than 400 community organizations. In 2022 alone, the Foundation contributed more than \$2.1 million to more than 200 local organizations serving environment and health, culture and enrichment, equity and inclusion, youth and education, and community service-oriented initiatives.

MGE corporate giving

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

Employee volunteerism and service

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

MGE Report on Giving

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

100 years of impact

In 2022, the United Way celebrated 100 years of impact in the community. MGE Chairman, President and CEO Jeff Keebler served as the United Way Community Campaign Chair for the centennial campaign.

MGE Foundation Giving

amount given in the last five years > **\$8.3M**
to > **400** organizations

amount given in 2022 > **\$2.1M**
to > **200** organizations

 **community service**
Supporting the community's most vulnerable populations

 **culture and enrichment**
Fostering our community's culture, arts and history

 **environment and health**
Protecting our health and environment

 **equity and inclusion**
Advancing diversity and inclusion

 **youth and education**
Educating and nurturing our children

Support for the United Way

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

MGE consistently ranks among the top 10 companies in total donations to the United Way. In 2022, MGE and our generous employees and retirees gave more than \$277,000 to the local campaign. Some employees also took time out of their busy schedules to volunteer by putting together more than 800 paper product packs for Dane County families, ensuring access to these essential items that are not covered by food and nutrition assistance programs.

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



Economic development

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

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

Business Design Assistance Team

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

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