



2025 Corporate Responsibility and Sustainability Report



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

Our Vision



Our annual Corporate Responsibility and Sustainability Report explores the many ways in which Madison Gas and Electric (MGE) is pursuing a cleaner future, investing in new technologies to benefit all customers in an evolving energy landscape and partnering with customers to achieve net-zero carbon electricity by 2050. We appreciate your interest in our ongoing sustainability journey.

Your community energy company remains committed to providing safe, reliable, affordable and sustainable energy. We are focused on meeting the energy needs of our customers and communities now and in the future.

We chose our path because that's what our customers told us they want. We will continue to partner with them as we work toward net-zero carbon electricity. We already have reduced carbon emissions more than 40% since 2005, our baseline.

In 2024, we continued to grow our use of renewable energy:

- The Paris Solar-Battery Park, a 200-megawatt (MW) solar array, came online in late 2024. MGE owns a 10% share of the facility in southeastern Wisconsin. That project also includes a 10% share of the 110-MW battery energy storage system that came online in 2025.
- Tyto Solar, a 6-MW solar array located in Fitchburg, Wis., delivers locally generated, carbon-free energy to MGE's distribution grid.

Since 2015, MGE has added:

- 93 MW of wind with another nearly 18 MW planned by the end of 2027.
- 253 MW of solar with more than 250 MW under construction/planned by 2030.
- 11 MW of battery storage with more than 124 MW under construction/planned by 2030.

This list includes projects approved or pending state regulatory approval.

In addition to our investments in renewable generation and battery storage, highly efficient natural gas helps to enable our ongoing clean energy transition and to ensure continued reliability. We anticipate natural gas working as a backstop, so at times when the wind isn't blowing or the sun isn't shining and battery storage is insufficient to meet demand, natural gas can be used to fill the gap in renewable energy.

Along with MGE's significant growth in cost-effective renewable generation, our customers are helping us work toward net-zero carbon electricity. We continue to engage customers through our clean energy programs and through our programs to help manage when and how they use energy. Our customer-focused solutions allow us to meet our customers where they are—to meet their needs, preferences and expectations.

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

-Jeff Keebler

Chairman, President and CEO

MGE Energy and Madison Gas and Electric

Our Commitment



As your community energy company, we are committed to providing our customers with safe, reliable, affordable and sustainable energy. That's the commitment every day from each of our more than 700 employees.

Our journey to safety excellence is one of daily commitment and at MGE, we embrace a philosophy of continuous improvement. All employees are committed to putting safety first in all they do to help ensure their safety, the safety of their coworkers and the safety of our customers. We seek to live this commitment through our training collaborations with first responders, through MGE's safety presentations in schools and through the safety messages we share across our service territory. Our community outreach—as well as our internal efforts around safety—are part of our journey to safety excellence.

When it comes to electric reliability, MGE remains a national leader. Because of our commitment, we have been among the top utilities in the country for reliability for nearly two decades, according to an annual industry survey. We are working to modernize our electric distribution grid to continue to enhance reliability for all our customers. Among other things, we're working to make the grid less susceptible to impacts from weather and other threats. Our commitment to top-ranked reliability remains strong as we continue to transition to a greater use of renewable generation sources.

We know that our commitment to safety, reliability and sustainability comes with significant investment and we are sensitive to the impacts our costs have on our customers. That's why maintaining energy affordability is a top priority as we continue to provide value to our customers and evolve as an organization to meet their changing needs. We have been able to contain and manage costs. An MGE residential electric customer bill as a percentage of wallet at 1.46% is below the Wisconsin utility peer average of 1.59%. MGE's affordability as percentage of customer wallet has improved 20% since 2014.

We will continue working to achieve deep decarbonization as quickly, responsibly and cost-effectively as we can. We are growing our use of cost-effective cleaner energy and working with customers to advance energy efficiency and the electrification of transportation. Together, these initiatives help reduce carbon emissions and support a more sustainable Wisconsin. Since establishing our net-zero carbon electricity goal, we have said, if we can go further faster by working with our customers, we will.

Our more than 700 employees are driven by our values in how we serve, partner and engage with our customers and communities. To serve as your community energy company is to embrace our mission, values and vision for working toward a better future for all those we serve.

Thank you for your interest in MGE.

-Cari Anne Renlund

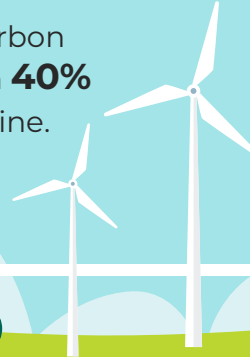
*Vice President, General Counsel and Secretary
MGE Energy and Madison Gas and Electric*

Sustainability Snapshot

On behalf of all customers, by 2050, MGE expects to deliver **net-zero carbon electricity**.



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



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



MGE has ranked in the **top 4** utilities nationwide for the fewest number of outages for more than **15 years**.



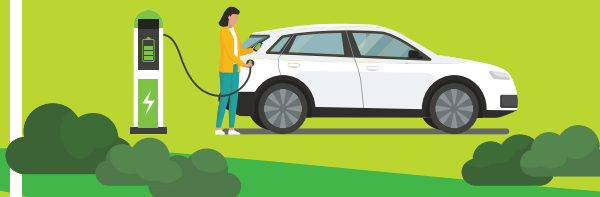
MGE's affordability as percentage of customer wallet has improved **20%** since 2014.



The MGE Foundation has given more than **\$9.4 million** to **400+** community organizations in the last five years.

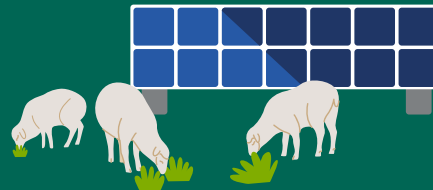


MGE has a goal of **100% all-electric** or **plug-in hybrid** light-duty vehicles by 2030.



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

In 2024, MGE's response time for a potential gas emergency ranked in the **top 10%** of a nationwide industry survey.



MGE continues to expand its use of agrivoltaics by adding grazing **sheep** to additional solar facilities for sustainable management of ground cover.



2025 Corporate Responsibility and Sustainability Report

Environmental

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

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



*-Jeff Jaeckels
Director Safety, Sustainability
and Environmental Affairs*



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

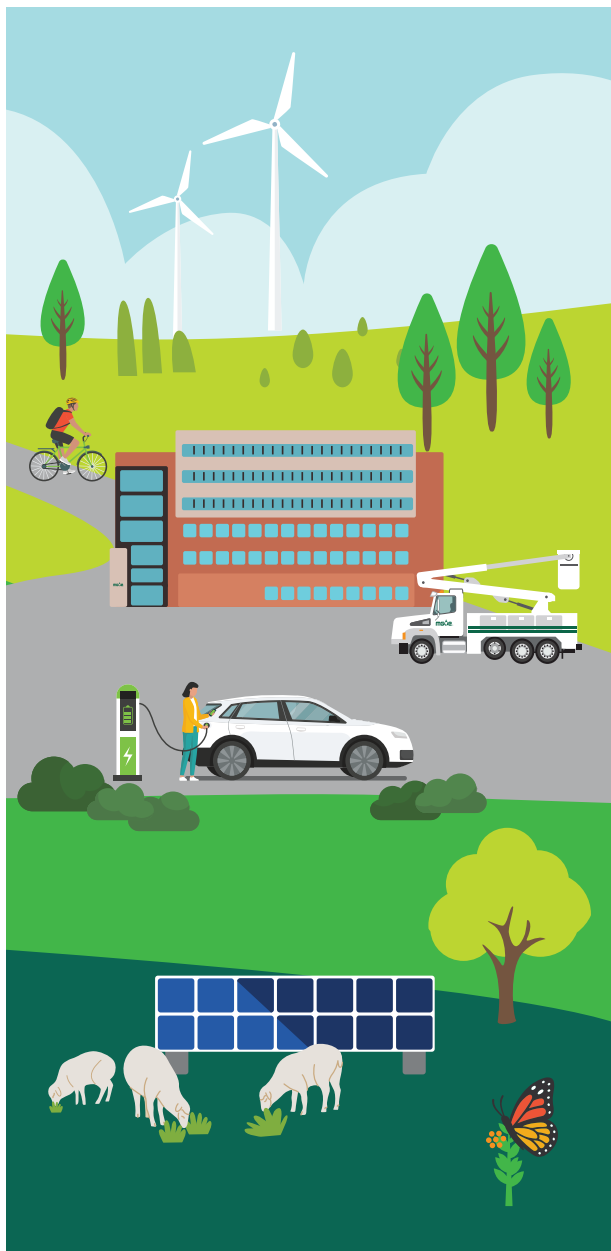
Our commitment to environmental stewardship goes beyond regulatory compliance. Our team in Safety, Sustainability and Environmental Affairs takes a proactive approach to advancing the culture and continual improvement of environmental, safety and sustainability practices throughout our organization.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

Our Environmental and Sustainability Policy

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

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

Highlights



- By 2050, on behalf of all customers, MGE expects to deliver net-zero carbon electricity. MGE already has reduced carbon emissions more than 40% compared to 2005 levels, our baseline.
- Renewable energy continues to play a critical role in MGE's strategy for reducing carbon emissions. In 2024, MGE added 26 megawatts (MW) of solar capacity and in 2025, the company added 31 MW of solar capacity and 11 MW of battery storage to its energy supply mix to serve MGE electric customers. Additionally, nearly 270 MW of renewable generation (wind and solar) and more than 124 MW of battery storage are expected to be added by 2030.
- MGE has a goal to achieve net-zero methane emissions from our natural gas distribution system by 2035. Our strategies for achieving net-zero methane emissions include enhanced leak detection and repair, implementation of cost-effective technologies and processes and the introduction of renewable natural gas (RNG) to offset residual emissions.
- In 2024, MGE added a program for our natural gas customers who are interested in RNG. MGE's GPT RNG offering is an opportunity for residential and business customers to offset their greenhouse gas emissions from their natural gas use.
- As the number of electric vehicles on the road continues to grow, MGE is prepared to meet the need with managed charging, our growing public charging network of nearly 60 stations and programs to facilitate charging at home, at work and on the go.
- MGE continues to add cleaner vehicles to our fleet, where possible. We are targeting a goal of 100% all-electric or plug-in hybrid light-duty vehicles by 2030.
- MGE hosts grazing sheep at some of its MGE-owned and MGE-operated solar facilities during the growing season. Known as solar grazing, the sheep offer sustainable vegetation management around the sites' solar panels. MGE also continues to increase our efforts to provide habitat for monarch butterflies and pollinators at our solar facilities.
- Working with customers through our demand response program, MGE Connect®, MGE is able to better understand the role and impact of smart devices, such as Wi-Fi-connected thermostats, in managing demand on our community grid. During the 2024 summer season, about 6,200 participating households lowered demand an average of 4.8 MW each hour during the events that were initiated to manage demand from residential thermostats.
- Partnering with FOCUS ON ENERGY®, Wisconsin's statewide energy efficiency and renewable resource program, MGE educates customers about the value of energy efficiency and conservation and works with residential and commercial customers to make energy- and cost-saving improvements.

Decarbonization goal and strategies

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

With more than \$1.5 billion in investment in clean energy expected from 2015 through 2030, renewable energy will play a significant role in helping to achieve our goal of net-zero carbon electricity.

Net-zero carbon goal consistent with climate science

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

As of year-end 2024, MGE already has reduced carbon emissions more than 40% compared to 2005 levels, our baseline. MGE continues working to reduce carbon emissions at least 80% by 2030 and to achieve net-zero carbon electricity.

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



Climate science partnership with the University of Wisconsin

To inform our progress toward achieving deep decarbonization and net-zero carbon electricity, MGE worked with Dr. Tracey Holloway at the University of Wisconsin-Madison Nelson Institute for Environmental Studies and the Department of Oceanic Sciences to evaluate our goal. Dr. Holloway's analysis showed MGE's goal is in line with model benchmarks to limit global warming to 1.5 degrees Celsius. To learn more about the independent analysis and to view the full report, published in fall 2020, visit minds.wisconsin.edu and mge.com/netzero.

Emissions reductions

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

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

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

To advance further transparency and disclosure in company operations and governance, MGE participates in the Edison Electric Institute's (EEI) and American Gas Association's (AGA) environmental, social and governance (ESG)/sustainability-related reporting template. The quantitative template includes data related to MGE's energy portfolio (generation and capacity), emissions, capital expenditures and human and natural resources. The template, which is available online, is voluntary and industry-specific.

Greenhouse gas and other emissions

	CO ₂	NO _x	SO ₂	PM	Hg	
2022	1.26 lb/kWh	0.53 lb/MWh	0.22 lb/MWh	0.04 lb/MWh	0.0000025 lb/MWh	<p><i>Carbon dioxide (CO₂) emissions are calculated from generating units owned by MGE, power purchase agreements and power purchased by MGE on the regional Midcontinent Independent System Operator market. The market purchase emission rate is based on a seven-state regional average CO₂ emission profile from all power produced in Wisconsin and the surrounding Midwest states.</i></p> <p><i>Nitrogen oxides (NO_x), particulate matter (PM), mercury (Hg) and sulfur dioxide (SO₂) emission rates are calculated from MGE-owned generation assets, including MGE's share of jointly owned units.</i></p>
2023	1.26 lb/kWh	0.50 lb/MWh	0.25 lb/MWh	0.03 lb/MWh	0.0000013 lb/MWh	
2024	1.20 lb/kWh	0.51 lb/MWh	0.21 lb/MWh	0.04 lb/MWh	0.0000021 lb/MWh	
Decrease since 2005 (in mass)	41%	71%	97%	90%	96%	

Clean Energy

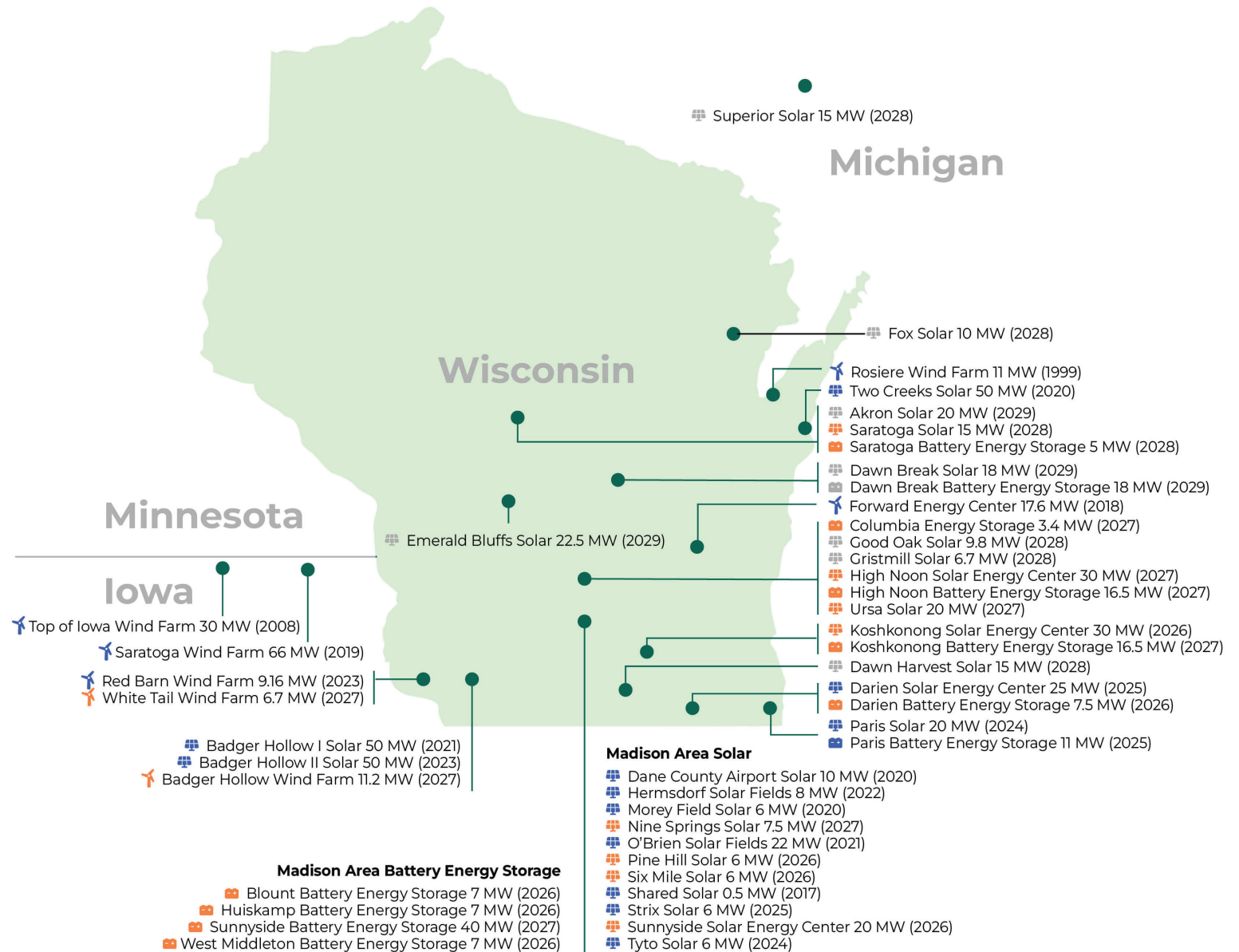
Cost-effective renewable energy will continue to play a critical role in our strategy for reducing carbon emissions, which is reflected in our recent clean energy investments. We continue to evaluate potential new wind and solar sites beyond what is currently planned.

From year to year, the sources used to serve our customers vary in percentage based on how much the sun shines, how much the wind blows and other energy market conditions. In 2024, renewable energy accounted for about 24% of MGE's overall generation mix serving customers.

Information on MGE's current and upcoming solar and wind projects is available on [mge.com](https://www.mge.com).



MGE Renewable and Battery Storage Projects



This map was updated Dec. 2025.

Clean energy customer programs

MGE continues to grow our use of carbon-free generation to meet our community's energy needs while working to achieve carbon reductions. MGE offers several optional programs for customers who want to reduce their emissions even faster with carbon-free energy from MGE, including:

Shared Solar. MGE's community solar program, Shared Solar, offers residential and small business customers the option to power their household or business with locally generated solar energy for up to half of their annual energy use. In 2025, MGE launched Shared Solar – Strix, which is based on MGE's original and fully subscribed Shared Solar program.

Shared
Solar



Renewable Flat Bill. MGE's Renewable Flat Bill allows customers to support renewable energy with a fixed monthly electric bill for 12 months.

Renewable Energy Rider. Our Renewable Energy Rider gives MGE and larger business customers who seek customized renewable energy solutions the opportunity to partner to grow locally generated renewable energy.

Green Power Tomorrow. MGE's long-standing Green Power Tomorrow (GPT) program offers customers a flexible, affordable option for supporting green energy and offsetting their greenhouse gas emissions from their electric usage.

gpt



Customer-owned solar

MGE also works with customers who want to install solar to help power their homes or businesses. These customers connect to our community grid and sell their excess electricity to MGE. As of year-end 2024, we have partnered with more than 3,000 customers to connect their solar installations to our grid.

GPT RNG. A renewable natural gas (RNG) option, GPT RNG is an opportunity for residential and business customers to offset their greenhouse gas emissions from their natural gas use.

gpt
rng



Other Generation

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

MGE is a minority owner of the coal-fired Elm Road Generating Station in Oak Creek, Wis. In October 2025, MGE, along with the plant's co-owners, filed a joint application with state regulators to end the use of coal as a primary fuel at Elm Road and transition the plant to natural gas. By the end of 2030, coal is expected to be used only as a backup fuel at Elm Road. By the end of 2032, MGE expects that Elm Road will be fully transitioned away from coal.

MGE also is a minority owner of the Columbia Energy Center. MGE and Columbia's other co-owners continue to evaluate transitioning away from coal and replacing the generation from Columbia while maintaining electric service reliability. MGE and Columbia's other co-owners are exploring converting Columbia to natural gas.

Long-duration energy storage for grid reliability

The Columbia Energy Storage Project is the first long-duration energy storage (LDES) system of its kind to be developed in the United States. The 18-megawatt project is designed to improve grid stability and deliver enough electricity to power approximately 18,000 homes for 10 hours on a single charge.

The innovative project will use a closed-loop process either to create electricity or to store energy by transferring gas between its liquid and gaseous states. Through this process, the Columbia Energy Storage Project will deliver electricity to the grid when it is needed or take electricity and store its energy when the grid has excess electricity.

The project received approval from the Public Service Commission of Wisconsin in June 2025. Construction is expected to begin in 2026 and be completed by the end of 2027. MGE will own 19% of the Columbia Energy Storage Project.

Natural gas to enable clean energy transition

Natural gas is helping to enable MGE's clean energy transition. Natural gas plants add needed reliability and balance to our electric system while we continue to transition away from coal-fired generation and add more renewable capacity to our generation mix.

Natural gas complements intermittent renewable energy because natural gas plants can be dispatched quickly and at times when it's more challenging for wind or solar generation. This makes natural gas a reliable and cost-effective option to serve customers as we grow our use of renewables and invest in battery storage.

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

Resource planning and carbon regulation

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

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

MGE owns generating facilities and purchases electricity through contracts and from the Midcontinent Independent System Operator energy market. Current sources of MGE's generation portfolio include:

- Solar generation
- Wind generation
- Natural gas-fired generation
- Coal-fired generation

Net-zero methane emissions

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

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

Scope 1 DIRECT

Scope 2 INDIRECT

Scope 3 INDIRECT



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

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

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

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

- Purchased power for resale to customers
- Upstream natural gas (emissions from our gas suppliers)
- Downstream natural gas (emissions from gas use by our customers)



Scope 3 GHG emissions

When companies look at measuring their GHG emissions, they often look at their Scope 1 and Scope 2 GHG emissions. MGE's Scope 3 GHG emissions account for around 50% of our overall GHG emissions. MGE discloses Scope 3 GHG emissions in our CDP (Carbon Disclosure Project) climate change questionnaire.

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

MGE contracts with two natural gas transmission companies, Northern Natural Gas and ANR Pipeline Company, both of which are part of the ONE Future Coalition. ONE Future is a group of more than 50 natural gas companies working to reduce methane emissions voluntarily across the natural gas supply chain to 1% or less by 2025. In its 2024 report, ONE Future cited a methane intensity of less than one-half of 1%, beating its 1% goal for the seventh year in a row.

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

Proactive steps taken

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

Cross-compression technology reduces methane emissions

Since late 2023, MGE has been using an environmentally friendly cross-compression technology during natural gas pipeline replacement projects. Typically, when operations are transferred from one pipeline to another, some of that gas is vented into the atmosphere. With the cross-compression process, the gas being transferred is captured, thereby significantly reducing the amount of methane gas that is released, preventing GHG emissions.

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

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



Modern Grid

MGE has a responsibility to provide safe, reliable energy to all our customers every hour of every day to help preserve the health, safety and vitality of our communities. We continue to modernize our electric distribution grid and invest in new technologies to meet our obligations to our customers and to achieve deep decarbonization.

A modern, more integrated grid is efficient, connected, smart and resilient. Resources, tools and programs to help customers manage their use and to help MGE manage the grid more efficiently serve to ensure the grid operates safely, reliably and cost-effectively. We are investing in a more advanced, integrated and resilient grid to bring the benefits of cost-effective clean energy and new technologies to all our customers.

Utility as conductor of the distribution grid

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

New technology is changing customer expectations and how we plan for the energy grid of the future. We continue to invest in the systems and capabilities to modernize an electric grid that supports growing generation needs and new technology, such as battery storage. MGE has an important role to play to ensure that new resources and technologies are harnessed for the benefit of all customers.

Our increasingly more advanced electric grid requires a conductor to ensure the system develops and operates in a way that keeps electricity safe, reliable and affordable for everyone. As the public utility, MGE serves as this conductor for our community grid. With the utility serving as the conductor of the electric grid, new technologies and resources can add value to the system because the utility is able to dispatch generation and balance demand as needed.

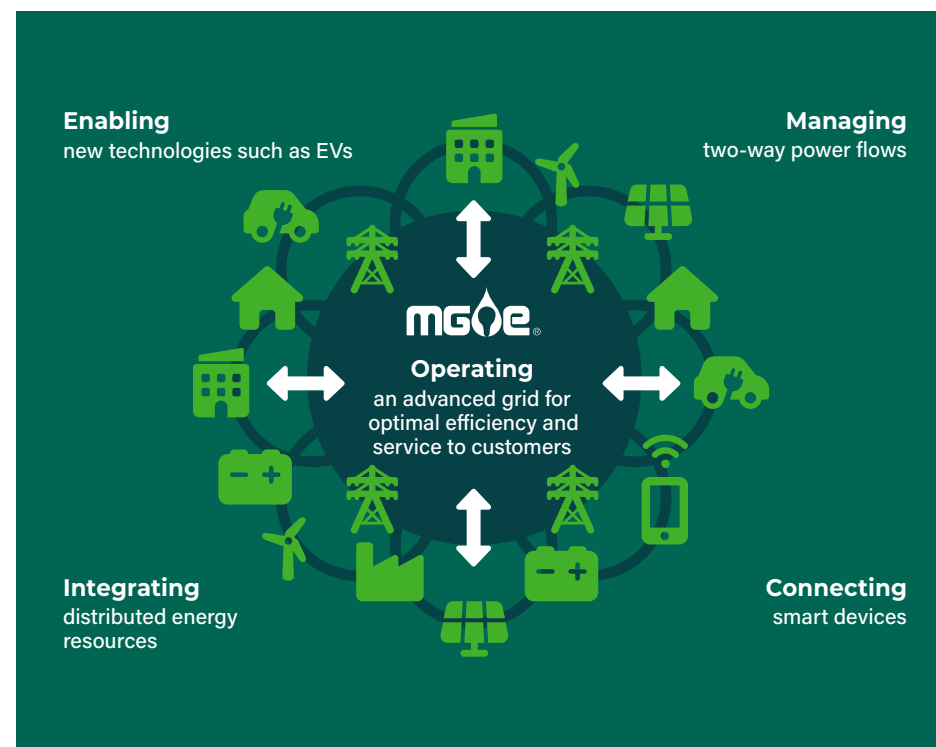
The utility as conductor can optimize the efficiency and use of the electric system's assets to help control costs and to optimize benefits and value over time, which leads to lower costs for all customers. The benefits of grid resiliency, reliability and a more efficiently managed power system are captured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

Connected Communities

In 2024, MGE continued its work on the U.S. Department of Energy (DOE) Connected Communities project to integrate buildings with distributed energy resources, such as solar photovoltaic generation and electric vehicle (EV) charging. A \$5.1 million grant with a \$2.6 million cost share was awarded to Slipstream Group for a project with the City of Madison, MGE and others.

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

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



Energy efficiency, demand response and conservation

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

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

Managing demand with smart thermostats

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

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

In summer 2024, MGE Connect helped us reduce peak usage by an average of 4.8 megawatts per event during several days with high demand. This is equal to the energy generated by 15,000 solar panels per event. MGE called a total of nine events between June 1 and Sept. 30, 2024.

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

Exploring managed water heating

As part of our expansion of MGE Connect, MGE plans to launch a smart water heater pilot project. This is the next step in understanding the impacts of managed water heating after we partnered with residents at a local multifamily property to test the technology, which allowed MGE to shift water heating without impacting customer comfort.

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

Conserving energy with MyMeter

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

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

MGE's General Office Facility (GOF) was one of the buildings required to submit energy benchmarks to the City's BESP. MGE utilized the benchmarking capabilities inherent in MyMeter to submit benchmarking data to the City and received an ENERGY STAR® score of 91 out of 100. MGE reduced its site energy use intensity at the GOF by 15% in the last two years.

Visit mge.com/businesses/mymeter to learn more.



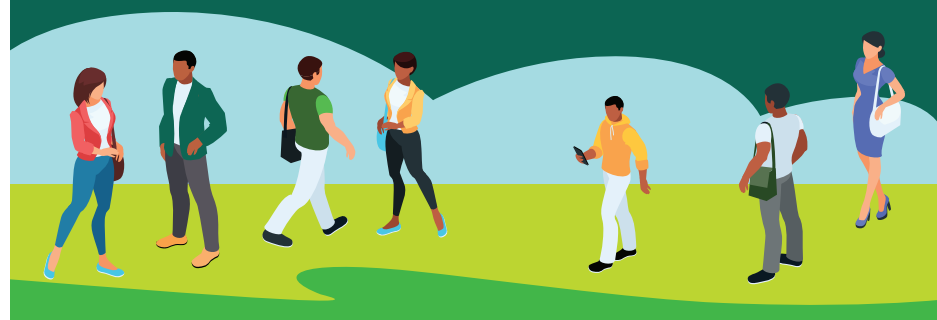
Testing residential battery technology

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

Meeting customers where they are

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

From our partnerships to offer free energy-saving items from FOCUS ON ENERGY®, Wisconsin's statewide energy efficiency and renewable resource program, to our outreach to introduce our online tools and other resources to customers, our energy experts work with community partners and customers to answer questions about customer bills, help customers understand their energy usage, identify resources for assistance and more.



Partnering with FOCUS ON ENERGY®

FOCUS ON ENERGY®, Wisconsin's statewide energy efficiency and renewable resource program, is MGE's partner in educating customers about the value of energy efficiency and conservation. MGE works with residential and commercial customers seeking incentives and rebates through FOCUS ON ENERGY® to make energy-saving improvements. Through our partnerships with FOCUS ON ENERGY® and other community organizations in 2024, we provided more than 330 FOCUS ON ENERGY® weatherization comfort kits and more than 2,600 LED light bulbs to low-income and vulnerable residential customers who historically have low participation rates in FOCUS ON ENERGY® programs.

Home energy reports

MGE also partnered with FOCUS ON ENERGY® to provide 278 residential customers with the opportunity to access a personalized home energy report. This report helps homeowners understand which home improvements will save them energy and by how much, providing valuable insights into their energy and carbon savings potential.

Energy savings

In 2024, MGE business customers who participated in FOCUS ON ENERGY® programs saved nearly 4,500 kilowatts (kW); more than 24,153,000 kilowatt-hours (kWh); and more than 1,257,000 therms. They received more than \$3,216,000 in incentives for completing conservation projects.

Residential customers saved more than 2,170 kW; more than 10,713,000 kWh; and more than 1,171,000 therms. They received more than \$3,400,000 in incentives for completing conservation projects.

Community Impact Pilot

MGE and the South Park Street neighborhood were selected for the FOCUS ON ENERGY® Community Impact Pilot in 2024. MGE used a boots-on-the-ground effort to educate businesses on South Park Street about the pilot and how they could benefit from participating. A total of nine businesses participated in the Community Impact Pilot and received energy-efficient building upgrades ranging from lighting to HVAC.

Energy usage at multifamily buildings

While MGE, in partnership with FOCUS ON ENERGY®, wrapped up the Strategic Energy Management for Multifamily pilot in 2023, our Residential and Community Services team continues to support operational efficiency efforts as well as resident engagement efforts with the pilot's alumni customers.

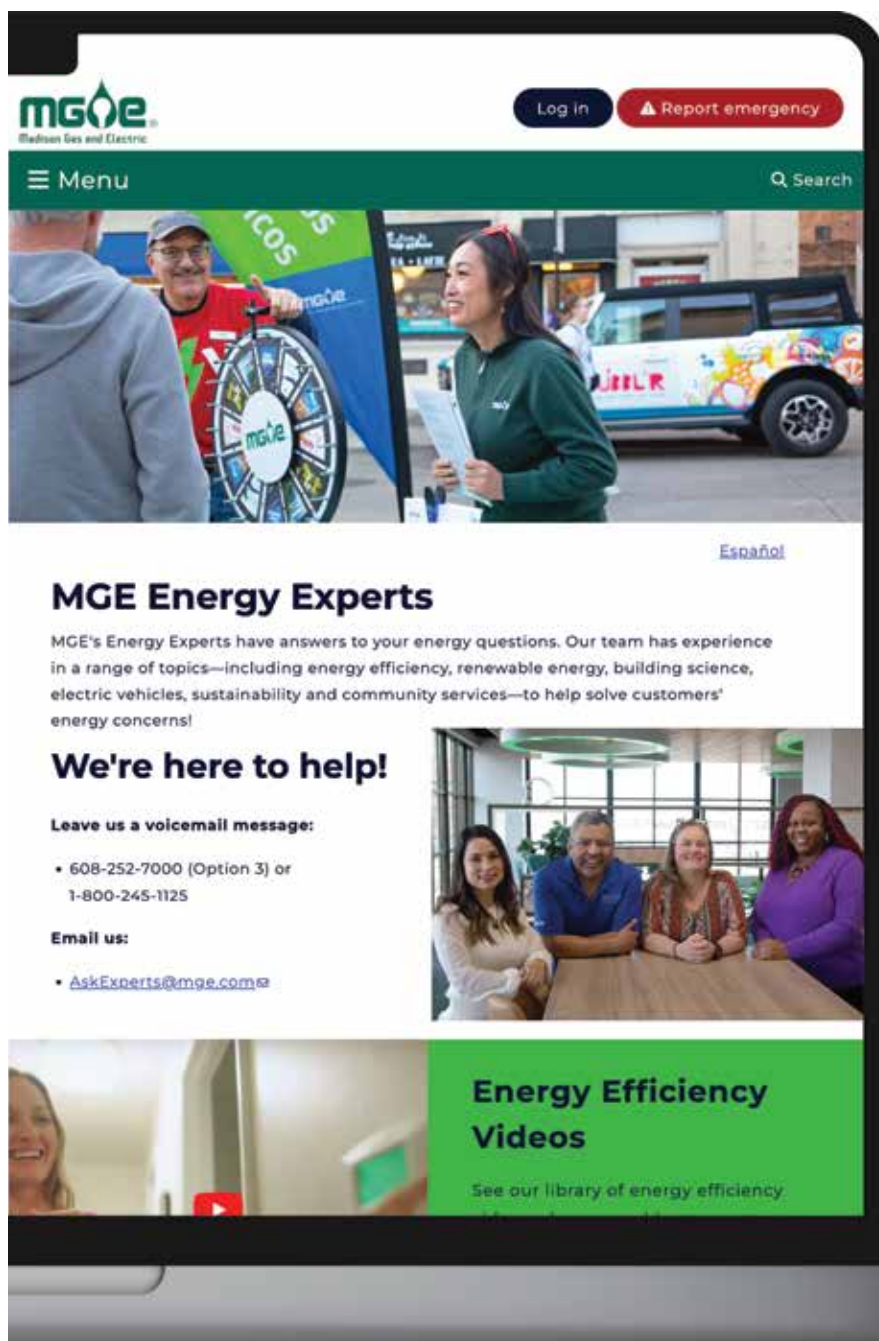
The innovative pilot included a two-pronged approach, including tenant engagement and operations and maintenance strategies. Participants in the MGE-led workshops learned how to obtain resources from FOCUS ON ENERGY® and learned how to use thermostats for energy efficiency. Operations and maintenance personnel also received energy-saving tips applicable to heating and cooling seasons that were tailored to specific HVAC systems within their buildings.

For the operations/maintenance segment of the pilot, FOCUS ON ENERGY® conducted energy scans of the buildings and compiled lists of energy-saving opportunities for the property managers, ranging from HVAC and other mechanicals to lighting.

MGE also partnered with FOCUS ON ENERGY's Multifamily Energy Savings Program, which included on-site visits. After a site visit, multifamily customers received detailed reports with suggestions and



recommendations for energy efficiency and conservation measures supported through FOCUS ON ENERGY®. The program led to 87 projects, resulting in savings of more than \$167,000 and nearly 1,500,000 therms.



Providing online resources

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

mge.com is MGE's primary site for customer services; account access, paperless billing and bill payment; safety and outage information; and other news, information, programs and services from MGE. In 2024, MGE launched a redesigned mge.com website. The redesign included changes to the site's look and feel and improvements to the site's functionality, providing customers and users with a more modern website and better customer experience. It also is more accessible for visitors with varying needs and abilities.

Serving as a trusted energy resource

One of the ways MGE differentiates itself as your community energy company is through our Home Energy Line, which allows residential customers to get energy tips and "ask the experts" their energy-related questions via phone or email. In 2024, MGE energy experts provided individualized advice to nearly 1,400 customers on more than 1,700 topics and conducted targeted digital engagement with customers and community partners throughout the year. MGE also maintains a separate line for business customers who need assistance.

Electrification of transportation

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

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

Fast-charging hub

MGE's EV fast-charging hub in the heart of Madison's Capitol East District provides convenient EV fast charging for nearby apartment and condo dwellers, single-family households, commuters and taxi and ridesharing services as well as electric fleet vehicles. One of the first of its kind in Wisconsin when it began operation in December 2022, the hub's high-speed chargers, with power levels up to 350 kW, are some of the most powerful EV chargers in the Midwest.

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



Managed charging

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

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



EV programs and partnerships



- **Charge Ahead.** MGE is partnering with EV drivers in our service territory to test how smart charging can save customers money and help plan for the impact of EVs on our grid. Charge Ahead uses a software platform to communicate with participants' vehicles, allowing MGE to manage when the vehicles are charging.
- **Commercial EV Charging Allowance (CEVCA).** Approved by regulators in 2025, the CEVCA pilot program helps commercial customers install EV chargers at their businesses and properties by providing a revenue-based allowance to reduce the up-front cost.
- **EV fleet analysis.** MGE offers an EV fleet analysis for business customers. It helps them compare electric and gas vehicles using data from telematics. The analysis also provides a total cost of ownership summary and recommendations for EVs and charging infrastructure.
- **Partnerships with local dealerships.** Since 2021, MGE has worked with vehicle dealers to support the transition to EVs. In addition to educating dealerships on available charging programs, MGE works closely with them on their own electrification efforts by providing technical assistance for installing chargers at their facilities.
- **EV Ambassadors.** MGE has long partnered with local EV drivers to help educate customers about EVs and EV charging. In 2022, MGE launched its formal EV Ambassador program. Local drivers showcase their vehicles at community events and talk with interested customers about their experiences with EVs.
- **EV Owners Group.** Current MGE customers can join the EV Owners Group and receive discounted charging at select public chargers owned and operated by MGE; receive updates about MGE EV programs, services and station installations; and provide feedback on EV charging opportunities. Participation in the EV Owners Group helps MGE better understand how EV charging patterns and behavior may impact the grid.

EV equity project

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

EV resources and tools for drivers

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

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

MGE also helps customers discover why "there's a lot to love" about EVs through mge.com. From EV basics to EV charging to MGE's various EV programs, we offer resources and tools for customers looking to learn more.

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

EV engagement at MGE

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



MGE's EV fleet goal

MGE continues to add cleaner vehicles to our fleet, where possible. We are targeting a goal of 100% all-electric or plug-in hybrid light-duty vehicles by 2030. Including current and ordered vehicles, about 55% of our light-duty vehicle fleet is all-electric or plug-in hybrid.

We added 10 EVs to the fleet in 2024. More EVs have been ordered and will be added to our fleet as they become available.

Electric buses in Madison

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



Ongoing partnership with Madison

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

- **Fleet.** When the City received a Wisconsin Office of Energy Innovation grant to help purchase 20 all-electric Chevy Bolts, MGE partnered with the City to provide charging infrastructure for the new fleet vehicles.
- **Electric fire truck.** MGE provided charging equipment for the Madison Fire Department's first electric fire truck, which began serving the community in 2021 as part of a pilot project.
- **Electric garbage trucks.** MGE assisted the City in procuring and installing a charger for two new electric refuse trucks that went into service in 2024. MGE purchased and maintains the charger. It will eventually turn the charger over to the City.



Pole-mounted chargers

MGE is exploring ways to reduce the barriers to EV adoption. Studies show that about 80% of EV charging happens at home. This can be challenging for drivers who don't have a garage or dedicated parking, such as those who live in multifamily dwellings.

MGE has installed five pole-mounted EV chargers around Madison. Each charger is attached to an existing MGE utility pole in neighborhoods that have been traditionally under-resourced and where there is a high prevalence of multifamily buildings.

Charge up

MGE is working with Dane County on Charge Up Dane County, an initiative to install EV charging infrastructure in underserved locations. The initiative is funded by a federal Charging and Fueling Infrastructure grant. Charge Up Dane County is currently in the planning phase. MGE is providing expertise as part of an advisory commission established by the County.

EV charging for local school districts

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

Sustainable transportation series

MGE continues to partner with Wisconsin Clean Cities, the City of Madison and others to present the Transportation & Innovation Expo. The most recent session was held in fall 2025. At the Expo, fleet managers and members of the public have the opportunity to attend panel sessions to hear from industry experts from across the country and get an up-close look at a variety of sustainable vehicles and equipment.

Midcontinent Transportation Electrification Collaborative

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



Natural resources and biodiversity

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

Fund for Lake Michigan/ Salt Wise Strategic Development Grant

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

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

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

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

Combating the decline of monarchs

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



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

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

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

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

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

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

The voluntary Monarch Candidate Conservation Agreement with Assurances (Monarch CCAA) is designed to increase monarch habitat throughout their migratory range using transportation and utility properties, such as rights-of-way and generation facilities, to plant monarch-friendly milkweed and flowering plants. The agreement allows utilities flexibility for further growth and protection against future monarch regulatory obligations in exchange for agreeing to maintain and/or create monarch habitat on a certain percentage of their properties. MGE has applied to join the Monarch CCAA and is awaiting feedback and final acceptance.

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

Bee hotels

MGE is supporting research examining the impact of solar installations on native solitary bees and their in-nest behavior. A University of Wisconsin-Madison graduate student, in partnership with the UW Nelson Institute for Environmental Studies and the UW Entomology department, is using a newly developed solitary bee hotel tool with camera tracking and monitoring at three of MGE's solar arrays. The research aims to address questions around the impact of solar installations on critical native solitary bee behaviors, such as nesting and foraging rates and the success of nesting under solar panels.

Solar grazing

In summer 2024, MGE's 6-megawatt (MW) Tyto Solar facility in Fitchburg, Wis., began hosting grazing sheep for the growing season. The practice, known as a form of agrivoltaics, offers sustainable vegetation management of grass and brush in and around the site's more than 13,000 solar panels. In 2025, MGE added the 8-MW Hermsdorf Solar Fields in Madison and the 6-MW Strix Solar site in Fitchburg to the sheep's grazing sites. The growing season typically lasts through October, at which time the sheep return to their local farm.

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





Falcon restoration

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

Falcons were reintroduced to Wisconsin in the 1980s. While they are listed as endangered in Wisconsin, they have made a slow, steady comeback due to statewide efforts and nesting boxes like the one at Blount Generating Station.

MGE has seen 61 falcons hatch at Blount Generating Station since 2009 when they began nesting at the plant. Falcon expert Greg Septon typically visits the power plant in spring to band the newborn chicks for tracking throughout their lifetimes. For more information on MGE's falcons, visit mge.com/falcons.

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

Erosion control

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

Waterway protection

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

Stormwater management

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

MGE's review process for construction projects, which can often be in the hundreds each year, examines both erosion control and stormwater concerns among other things.

Phosphorus reduction in local lakes

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

Yahara WINS is exceeding expectations for modeled phosphorus reductions and is on track to meet its 20-year project goals. In 2024, the program reported phosphorus reductions of 59,124 pounds, which exceed its goal of 52,648 pounds by 12%.

Tree Line USA utility

MGE marked 28 years of being named a Tree Line USA utility in 2025. Tree Line USA promotes the dual goals of delivering safe and reliable electricity while maintaining healthy community trees. The program recognizes best practices in public and private utility arboriculture, demonstrating how trees and utilities can coexist for the benefit of communities and residents. The Arbor Day Foundation collaborates with the National Association of State Foresters on this initiative. MGE's Forestry team and other employees across the company collaborate to help ensure we meet the requirements to be designated a Tree Line USA utility.

Sustainability benchmarking and performance

MGE is committed to reducing environmental impacts across all areas of the company. MGE voluntarily participates in statewide environmental performance programs.

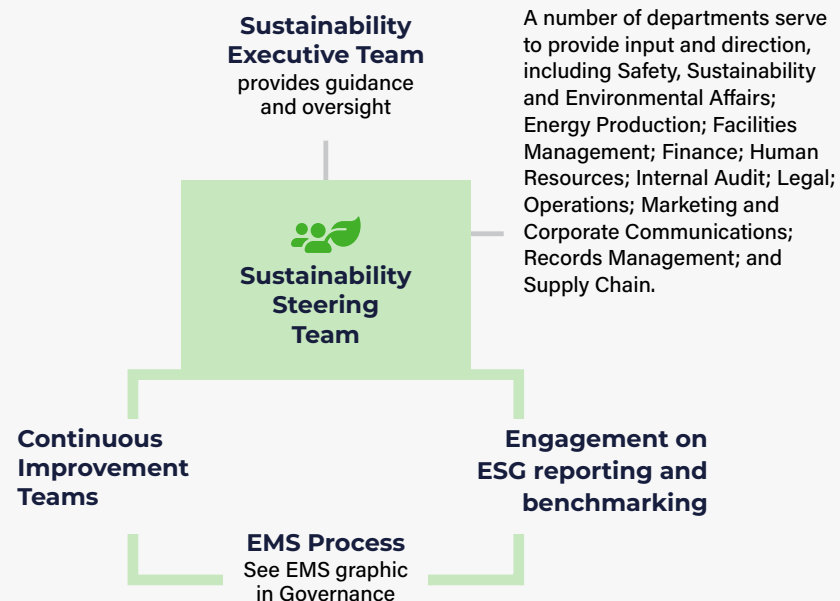
Sustainability Steering Team

In the early 1990s, a small, informal group of MGE employees concerned about the environment laid the groundwork for something bigger. Their efforts evolved into a successful company-wide effort to make environmentally responsible choices at work. From establishing a vehicle idling policy to expanding recycling efforts, MGE's employee-led Green Team has helped the company achieve milestones in corporate sustainability and responsibility. In 2018, MGE transitioned to our Sustainability Steering Team. Composed of employees from across the company, the Sustainability Steering Team oversees our Environmental Management System (EMS). An EMS is a continuous improvement process that evaluates, prioritizes and manages environmental risks. Read more about MGE's EMS in the [Governance section](#).

The Sustainability Steering Team also supports external sustainability engagement and benchmarking, such as our participation in the Green Tier and Green Masters programs. Having team members from departments across the company also is a more efficient way to gather data for our voluntary sustainability reporting efforts. The Sustainability Steering Team is overseen by and receives guidance from our Executive Sustainability Team, which has officer representation from across MGE.

Our employee-led Green Team remains active and strong today, with a renewed focus on recycling and waste reduction, eco-friendly office initiatives, supporting company-wide sustainability goals and organizing employee events and awareness campaigns.

Sustainability management



Continuous Improvement Sustainability Teams

The Sustainability Steering Team reviews, evaluates and prioritizes continuous improvement opportunities for the company. The group assembles Continuous Improvement Sustainability Teams to address specific improvement initiatives and tasks. Our first Continuous Improvement Sustainability Team oversaw the expansion of our EMS to cover all of MGE's operations.

Green Masters Program®

In 2025, MGE earned the Green Master designation for the 12th year in a row from the Sustainable Business Council (SBC).

The SBC ranks organizations against what are considered best practices in sustainability. To achieve Green Master status, a company in the utility sector must score higher than 75% on average in at least 10 of 15 categories, which are organized under four specific areas: Environment, Society, Workforce, and Governance and Leadership.

Being named a Green Master signifies that MGE has identified and is effectively managing all material sustainability issues and performance related to those issues. MGE was the first utility to be awarded the distinction in 2014.

Comprehensive risk minimization

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

Supply chain and waste management

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



Renewable recycling

MGE is planning for how the end-of-life for renewable generation components will be managed. An internal group at MGE meets regularly to discuss the latest recycling opportunities for wind and solar components. The group has already identified recycling partnerships in Wisconsin and regionally. MGE also partners with other Wisconsin utilities in a working group that meets quarterly to review new and proposed renewable recycling guidance provided by the Wisconsin Department of Natural Resources.

Handling e-waste

MGE works with a local company to recycle electronic waste, or e-waste. Items such as laptops, computer monitors, servers and other IT equipment are processed in multiple ways, including:

- Reselling any reusable equipment.
- Converting devices into recyclable resources while containing hazardous materials.
- Donating quality working and refurbished devices to local nonprofit and charitable organizations.

In 2024, MGE recycled, refurbished and resold nearly 19,000 pounds of e-waste. That's up more than 44% from 2023.

Supplier proximity

MGE's corporate policy is to buy locally. We will give preference to Wisconsin manufacturers and distributors. Local purchases support the local economy and are typically more environmentally friendly. When it is time to purchase goods needed to run our company, we review our supplier database and buy from local vendors when possible and cost-effective. Many of the materials and equipment that utilities need are highly specialized; however, we buy U.S. products whenever possible.

MGE has a supplier resources section on [mge.com](https://www.mge.com). This section commits our suppliers to our Code of Ethics. MGE evaluates and makes awards on a nondiscriminatory basis.



Transparency and disclosure

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

MGE also participates in the Edison Electric Institute's (EEI) and American Gas Association's (AGA) environmental, social and governance (ESG)/ sustainability-related reporting quantitative template. The voluntary, industry-specific template includes quantitative information, such as generation and emissions data. Our EEI-AGA template is available online.

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

Partnerships and collaborations

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

MGE also is a longtime partner of Sustain Dane, a local organization that has offered innovative programs for local residents and businesses for more than 25 years.



During this time, Sustain Dane has been recognized as a leader in helping local organizations set and achieve sustainability goals. MGE and the City of Madison have partnered with Sustain Dane to host Accelerate Sustainability Workshops, which help local professionals learn more about sustainability best practices through local case studies.

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

Energy education for our youth

We partner with local teachers, schools and summer programs from elementary school through college to help educate thousands of students about energy, electricity and natural gas safety, electric transportation, new technologies and career opportunities in the industry. MGE also offers a series of brief videos in English and Spanish to help educate students about solar energy and electric vehicles. Learn more about our customer and youth engagement efforts in the [Social section](#) of this report.



2025 Corporate Responsibility and Sustainability Report

Social

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 to serve and to 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



- Maintaining energy affordability is a top priority as we continue to provide value to our customers and evolve as an organization to meet their changing needs.
- MGE works to meet customers where they are, which includes developing culturally competent initiatives, communications and services for all our customers.
- MGE maintains relationships with many different sectors in our community and works in partnership with hundreds of local organizations and community stakeholders to reach customers who may be more difficult to reach directly due to either language or cultural barriers or other reasons.
- MGE's Occupational Health and Safety Policy recognizes the risks inherent to occupational health and safety and embraces safe work practices and environments as fundamental values at MGE.
- MGE's employee-led Safety Steering Team meets regularly to examine safety topics and to identify and to prioritize continuous improvement opportunities.
- In 2024, MGE ranked fourth for the fewest number of electric outages per customer, according to results from an annual industry survey including more than 75 electric utilities nationwide. MGE has ranked in the top four utilities in the country for the fewest number of outages in each of the last 18 years.
- When notified of a potential natural gas emergency, MGE crews continue to earn high marks. In 2024, our response time ranked in the top 10% of a nationwide industry survey including 85 natural gas utilities.
- MGE regularly conducts emergency response training exercises of its All Hazards Response Plan (AHRP). In 2025, MGE informally activated its AHRP for a cyberattack training exercise. The exercise included observers from the City of Madison Emergency Management, Dane County Emergency Management and the Wisconsin Department of Justice Division of Criminal Investigation.
- In 2025, MGE introduced Core Competencies to support the company's mission and values and to help guide how employees work together across the organization, representing key behaviors and skills that contribute to individual and team success.
- MGE's Employee Networks provide an opportunity for employees to connect, build upon company culture, grow and thrive in a shared community.
- In 2025, MGE marked the 22nd year of a combined Arbor Day celebration with Shorewood Hills Elementary School and the Village of Shorewood Hills. MGE has helped plant more than 80 trees around the school since 2005.
- The MGE Scholarship Program has awarded more than \$1.45 million in aid to students since it began in 1999.
- In 2024, MGE and our employees and retirees gave nearly \$300,000 to our local United Way as part of the company's annual fundraising campaign.
- In the last five years, the company's philanthropic arm, the MGE Foundation, has given more than \$9.4 million to more than 400 community organizations.

Engaging our customers where they are

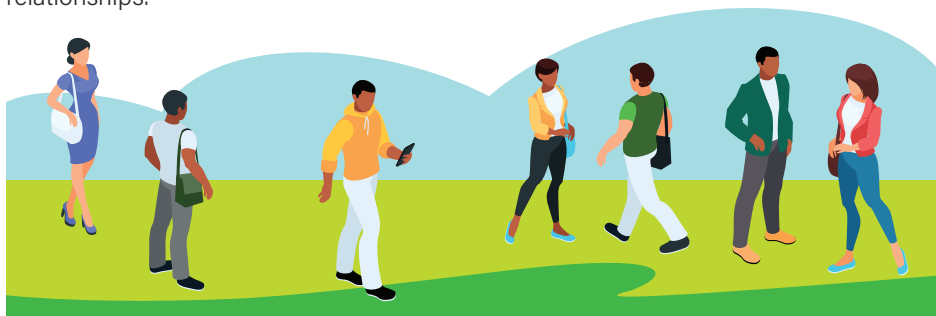
As your community energy company, we seek to engage all our customers in a variety of ways. We work to ensure all customers experience us as “their” community energy company. Understanding the barriers our customers may face and meeting them where they are is at the core of our mission.

We recognize customers have varied needs and the communities we serve are continually changing. 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.

Community connections

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 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 hundreds of local organizations and community stakeholders to reach customers who may be more difficult to reach directly due to either language or cultural barriers or other reasons. MGE seeks to engage all customer segments by having account managers and Residential and Community Services managers build relationships.



Connecting with all our customers

MGE is committed to serving and connecting with our different 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 resources that integrate social media, web content and videos to serve all our communities. MGE also partners with local groups and organizations to connect with customers of different languages and cultures.

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 held annually at Madison's Breese Stevens Field. The partnership among MGE, Forward Madison FC and La Movida Radio provides the community a chance to enjoy free youth soccer clinics and safety and sustainability information from MGE's energy experts.



Advancing future generations in energy

MGE works to advance talent 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, including those with backgrounds underrepresented in the utility industry. Examples include summer programs such as:



STEAM Camp

This weeklong camp engages middle school students in educational pathways that lead to careers in science, technology, engineering, arts and mathematics (STEAM). MGE employees help STEAM Camp participants 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.



Emerging Leaders Student Program

A pre-college program for local high school students from partnering organizations such as the Boys & Girls Club of Dane County, Centro, 100 Black Men of Madison and Maydm, this program offers students the opportunity to interact with employees from different areas of the company and learn about the utility business and utility-related career opportunities.

College internships and community education

MGE hosts college interns throughout the year in a variety of departments. These opportunities provide students with valuable skills to advance their careers. Several past and present MGE employees started their careers with the company as college interns.

MGE provides utility-based education to students across our service territory through programs, events and other activities. Topics range from energy efficiency and sustainability to safety and careers.

We also support opportunities for teachers through Wisconsin's K-12 Energy Education Program (KEEP). KEEP was established in 1995 to improve and to increase energy education in Wisconsin. 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 2024, KEEP reached 120 educators and more than 900 youth through 28 programs that included teacher training, community engagement and networking in MGE's service territory. An additional 1,980 students are estimated to have been supported indirectly through KEEP curriculum.

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



Arbor Day tradition

MGE celebrates Arbor Day annually with students in our service territory. In 2025, we marked the 22nd year of a combined celebration with Shorewood Hills Elementary School and the Village of Shorewood Hills. Each year, MGE helps purchase trees to be planted on and near school grounds. Students participate in planting and a tree-care demonstration. MGE has helped plant more than 80 trees around the school since 2005.



Earth Day celebration

MGE works with local elementary and middle school students every year to celebrate Earth Day. This provides the opportunity to interact with hundreds of students. In 2025, we celebrated with fun activities for students to learn about renewable energy, electric vehicles and how MGE is working together with our customers to build a better, more sustainable future for everyone.

MGE employees also commemorate Earth Day by participating in various company events. In 2025, employees volunteered for trash pickup around MGE's downtown Madison campus and nearby bike path.





Energy equity and affordability

Energy affordability, or energy burden, is important to MGE. We are sensitive to the impacts our costs have on customers. Maintaining energy affordability is a top priority as we continue to provide value to our customers and evolve as an organization to meet their changing needs.

Cost containment

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

MGE has been able to contain and manage costs and our fuel costs have been decreasing due to, in part, our recent renewable generation projects coming online. Throughout the past 10 years, customer rate increases have been below the rate of inflation. An MGE residential electric customer bill as a percentage of wallet at 1.46% is below the Wisconsin utility peer average of 1.59%. MGE's affordability as percentage of customer wallet has improved 20% since 2014.

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

Back on Track

In spring 2025, state regulators approved MGE's application for an arrearage management program known as Back on Track. The pilot program is designed

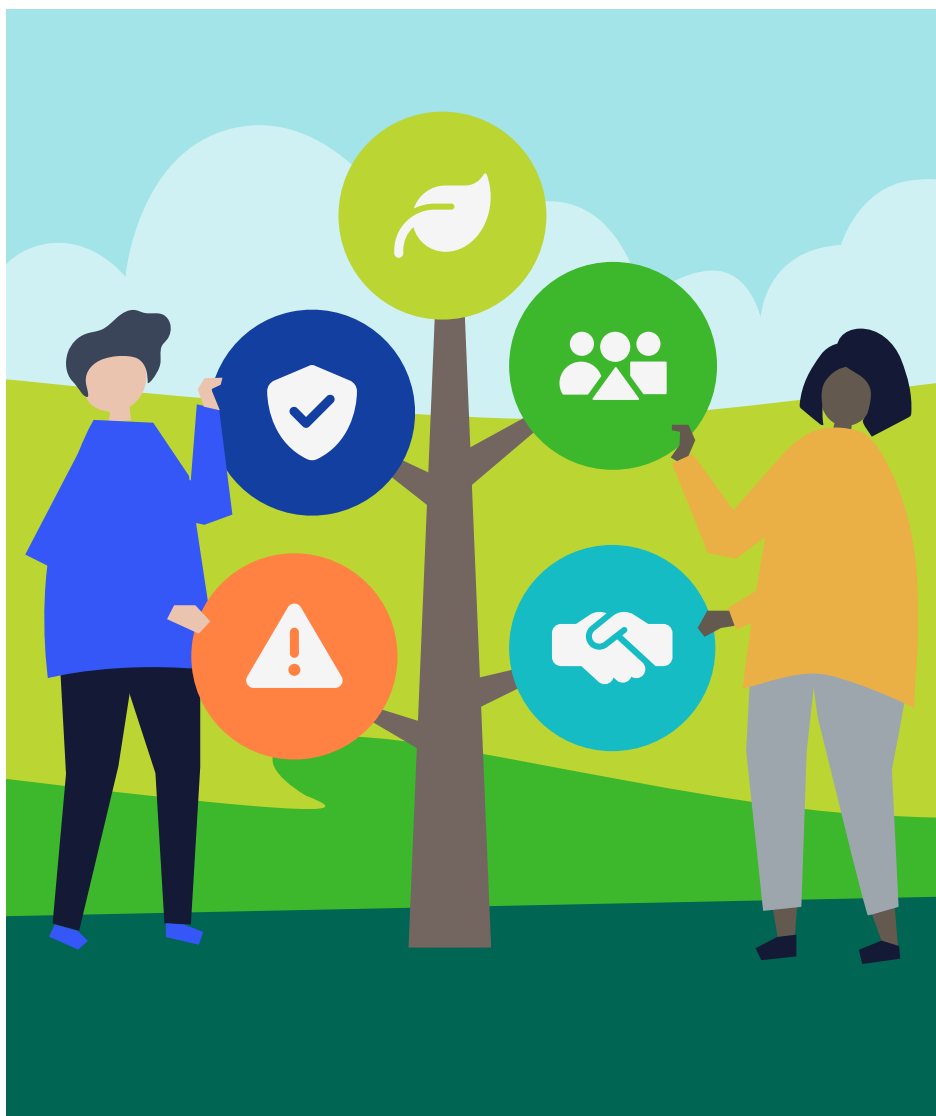
to help customers with limited income or health-related energy needs who have accrued substantial past-due account balances. Back on Track serves as an additional tool, building on MGE's long-standing efforts with a number of programs and agencies to connect eligible customers with available benefits. In addition, the pilot program also provides for educational opportunities to promote long-term energy savings through energy efficiency and good payment patterns.

The regulatory framework

Wisconsin's utility regulatory framework plays a pivotal role in ensuring that MGE continues to meet our fundamental obligation to provide customers with access to safe, reliable and affordable energy. Utility regulation exists to protect customers and it governs almost all aspects of utilities—from rates to terms and conditions of service to generation siting and more. Utility regulation provides for transparency and consumer protections, which serve to help ensure stable pricing and reliable service, among other things in the delivery of an essential service to our communities.

Employee engagement and development

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



Our values

From safety and operational excellence to sustainability and workplace culture, we are driven by our values in how we serve, partner and engage with our employees, customers and communities. To serve as your community energy company is to embrace our mission, values and vision for working toward a better future for all those we serve.

- ⚠️ Safety.** Safety is a core value at MGE. The safety of our employees, customers and communities is our top priority.
- ✓ Reliability.** We invest in our people and in our systems to help ensure top-ranked energy reliability that helps to maintain the economic health and vitality of the communities we serve.
- 🌱 Sustainability.** With a commitment to transparency, accountability and continuous improvement, we take a holistic and proactive approach to sustainable practices company-wide.
- 👥 Equity.** We are committed to equity and inclusion in our service to our customers, in our workplace and in our broader community and we value diverse perspectives, ideas, cultures and backgrounds.
- 🤝 Engagement.** We are dedicated to engagement, partnership and collaboration to best serve our customers and the broader community.

Consistent with our Statement on Human Rights, MGE recognizes its impact on human rights and embraces the protection of human rights as a fundamental value.

Our community at work

MGE works to provide a respectful work environment where individuals and teams can achieve their full potential. An inclusive, welcoming environment helps to ensure all employees feel supported and valued—and part of our community at work.

Our workplace culture: the power of working together

MGE's goal is to create a healthy and productive work environment that provides a sense of belonging for all our employees. Our company values a wide range of perspectives and ideas, backgrounds and cultures. We work to foster a culture of collaboration with others of diverse skills and experiences and to ensure that all employees experience this collaborative environment as a core principle of MGE.

MGE's employee-led steering team on workplace culture works to engage employees and to identify opportunities for connecting and for living our values. Our journey continues to unfold through our commitment to listen, to learn and to challenge our collective selves to deepen the ways we respect, collaborate with and value each other. We continue to evaluate processes, practices and internal systems and to plan new employee engagement opportunities.

We believe a multitude of backgrounds and ideas makes a difference in our company and in how MGE, as a community partner, can impact our broader community in meaningful ways. This commitment to our community at work and to the power of working together helps us in our service as your community energy company for all.

MGE publishes its EEO-1 report, an annual data collection filed with the U.S. Equal Employment Opportunity Commission that contains demographic workforce data. We make this data available as part of our commitment to transparency and disclosure.

Community recruitment

MGE has been part of the communities we serve as a critical services provider and community partner for more than 100 years. As your community energy company, we are committed to hiring locally.

As part of our recruiting efforts, MGE partners with organizations to participate in and to sponsor workshops, mock interviews and other events designed to recruit local talent from throughout the communities we serve.



Employee Networks

MGE is committed to organizational inclusion and to providing an opportunity for employees cross-functionally to connect, build upon our company culture, grow personally and thrive in a shared community. MGE's Employee Networks are one way to advance these objectives.

An employee network is a group of employees who gather in the workplace based on shared interests or life experiences. Employee networks are generally based on providing support, enhancing career development and contributing to personal development at work. All employees have the opportunity to join an employee network.



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

The Learning Center is constantly updated with courses relevant to MGE employees. It now has more than 9,000 courses, videos, podcasts and articles available and more than 100 curated playlists. Since it was launched in 2016, MGE employees have completed more than 84,000 training sessions through 2024. That includes instructor-led training, online training and video training. In 2024 alone, employees completed more than 9,000 online courses.

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

Additional employee training

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

Employee Engagement Survey

In 2024, MGE conducted an Employee Engagement Survey, followed by employee focus groups in spring 2025. These efforts provided valuable insight into the strengths we can build on and the opportunities we can address to better support our employees. We are taking action to strengthen connection, communication and culture across MGE. Based on employee feedback, we identified three core themes that will guide our action planning: improve communication at all levels, increase leadership connection and presence; and foster stronger connections among employees across the organization. Actions taken include:

- **Business Talks**, a new series of informational meetings for employees. Business Talks is designed to provide employees with company updates, celebrate successes, share industry trends and foster open communication across departments, teams and our community at work.
- **Energy Huddles**, organized opportunities for two-way conversations between leaders and employees on timely topics.

Core Competencies

In spring 2025, we introduced Core Competencies at MGE to support our mission and values and to help guide how we work together across the company. These competencies represent the key behaviors and skills that contribute to individual and team success at MGE:

- Action Oriented
- Builds Effective Teams
- Collaborates
- Decision Quality
- Ensures Accountability

Moving forward, we will provide employees with:

- Stories and examples of how individuals and teams are using the competencies in action to help employees deepen their understanding of what it means to embody these competencies.
- Interactive learning opportunities.
- Continued support as managers incorporate the competencies into leading teams.



External Training and Networking

MGE continues to partner with the University of Wisconsin E-Business Consortium (UWECB). Created in 1998, the UWECB brings together employees from all levels of leading Wisconsin companies to learn from each other.

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

Importance of employee wellness

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

Hybrid work schedules

In 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 exercise in an on-site fitness center.

MGE also partners with ManageWell®, which serves as a personal, confidential online health management portal for employees. They can take a health assessment each year, track activity toward Healthy Rewards goals and take advantage of the many healthy living tools available online. In 2024, more than half of employees registered and tracked their progress through ManageWell.



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 more than \$1.45 million to students since it began in 1999.



Freedom of Association and collective bargaining

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

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

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

The unionized workforce is 43.7% of MGE's total workforce, far exceeding the average private sector unionization rate in the United States of 5.9%.

Code of Ethics

As outlined in the company's Code of Ethics, employees are expected to comply with all laws and regulations and to act in accordance with the highest ethical standards in matters with each other, customers, vendors and those who do business with or seek to do business with MGE. All employees sign the Code of Ethics when they are hired and a reaffirmation of the Code of Ethics is required every year by the company's Internal Audit department. A training video in The Learning Center highlights key concepts of ethical workplace behavior. This process provides an opportunity for employees to refresh themselves on the Code of Ethics and the opportunity to address any questions or concerns they have.

MGE also expects all our suppliers to adhere to the company's Code of Ethics when conducting business with MGE and when conducting business with third parties on behalf of MGE.

We Power Safety

We power safety. Work safe. Home safe. That's our commitment at MGE and it is embraced by our employees. Every employee 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

Our 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. It also 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 our policy, which is available at [mge.com](https://www.mge.com).

Safety vision statement

MGE's safety vision statement 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.

”

Safety Culture

MGE marked the 10th anniversary of our journey to safety excellence in 2024. We formally kicked off our journey to safety excellence in 2014 by:

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

After launching our safety initiative, MGE conducted our first Safety Perception Survey to gauge the overall health of our safety culture. We have since conducted follow-up surveys in 2016, 2018, 2021, 2023 and 2025 to continue to track our progress and to gain a better understanding of what is working well and where there is room for improvement.

Safety Steering Team

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



Safety performance

In 2024, while working more than 1.28 million hours, we recorded a recordable incident rate of 1.4. A recordable incident is an event where the injury typically requires a level of care beyond basic first aid. Total recordable incident rate is figured on a per-100-employee average.

Our lost-time incident rate in 2024 was 0.62. 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 template, which is available online in our ESG Data Center.

Sprains and strains prevention

MGE has an ongoing 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. This partnership also serves office employees, which allows them to gain a better understanding of ergonomics and ways to reduce discomfort while working.

In 2024, the athletic trainers had nearly 7,500 employee interactions, which include individual and group interactions. Coupled with other safety culture initiatives since this partnership began, sprain and strain injuries requiring medical treatment have fallen dramatically.

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

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

Inclusion and empowerment in our safety program

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

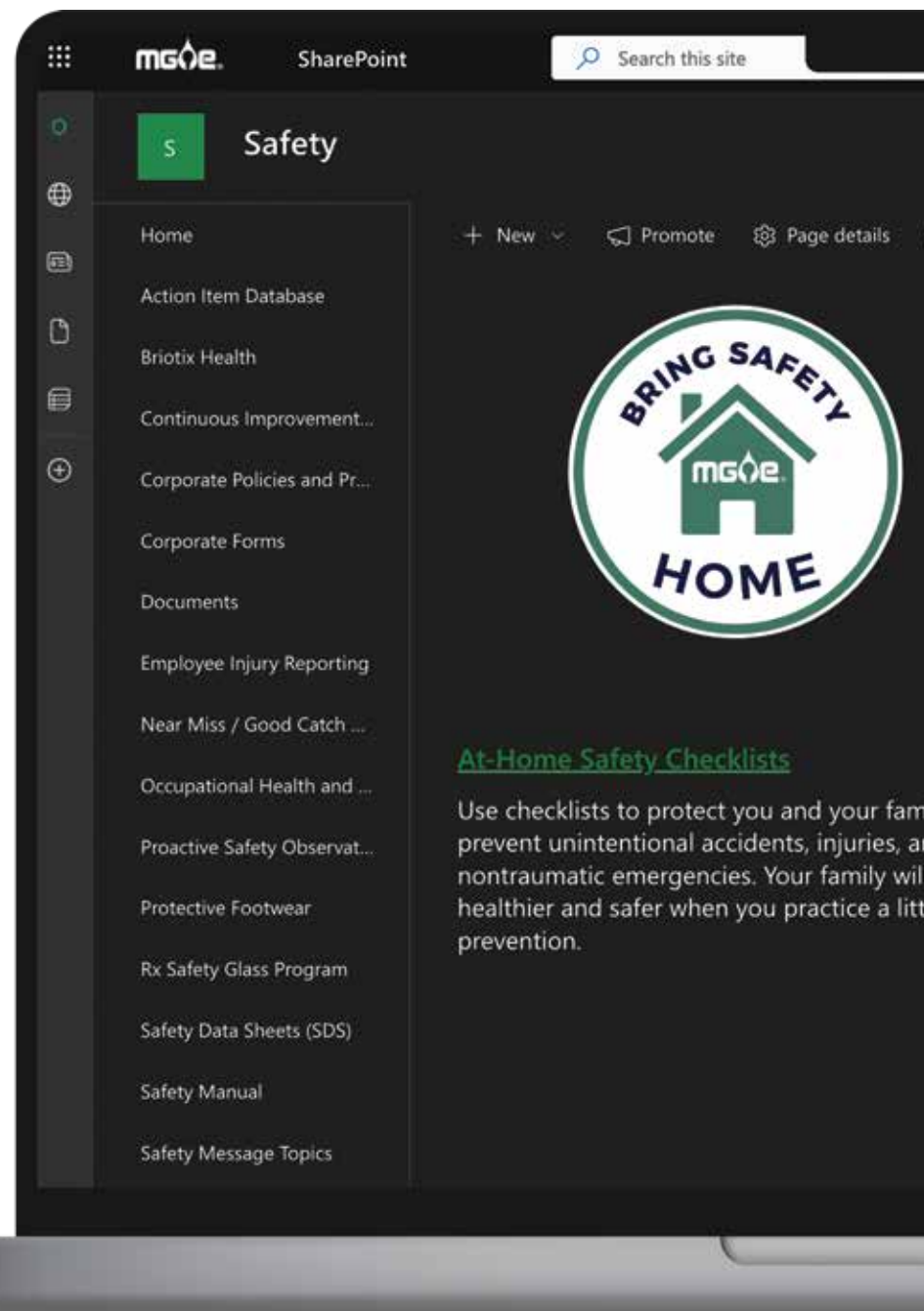
Our employees understand the path of continuous improvement—they believe in it and the results from their safety efforts are proof that they're committed to it. Our Safety Steering Team oversees the creation of our employee-led CI Safety Teams and determines the topic each team will address.

CI Safety Teams typically go 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.

Accomplishments of our CI Safety Teams range from developing a job briefing process that identifies hazards to uncovering key influencers that may cause employees to take risks on the job and introducing an at-home safety platform to help reduce injuries by engaging employees in bringing safety home.

Bring safety home

One of our recent CI Safety Teams introduced an at-home safety platform to help reduce injuries by engaging employees in bringing safety home. The Bring Safety Home SharePoint site is an online tool available to all employees and serves as a central location to share at-home safety information, tips, training, checklists and other resources. The site also includes videos from employees sharing their safety experiences and it features discounts for safety maintenance at home. Additionally, the Team stocked a cabinet with personal protective equipment (PPE) for employees to access. Employees are encouraged to take the PPE from this cabinet and use it at home when needed. A recent addition to the cabinet is safety vests for bike riders.



Public safety

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

Contractor outreach

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

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

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

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

Customer outreach

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





Safety in the classroom

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

An MGE representative uses a tabletop electric safety model to illustrate and to simulate potentially dangerous electric safety situations. In addition, gas safety is discussed with students who are provided scratch-and-sniff cards to help them recognize the smell of natural gas. MGE reaches hundreds of Madison-area students annually through our Switch to Safety program.

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.

First responder training

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



Cyberattack exercise

We informally activated the AHRP in May 2025 for a cyberattack training exercise. This functional exercise was developed to allow participants an opportunity to work through a simulated scenario to validate the AHRP, confirm roles and responsibilities and identify strengths and areas for improvement.

The exercise began with a facilitated discussion. Participants then broke into separate rooms based on their position in the AHRP to engage in a scenario revolving around a targeted attack that impacted cell phones and the internet. The exercise included observers from the City of Madison Emergency Management, Dane County Emergency Management and state Division of Criminal Investigation.



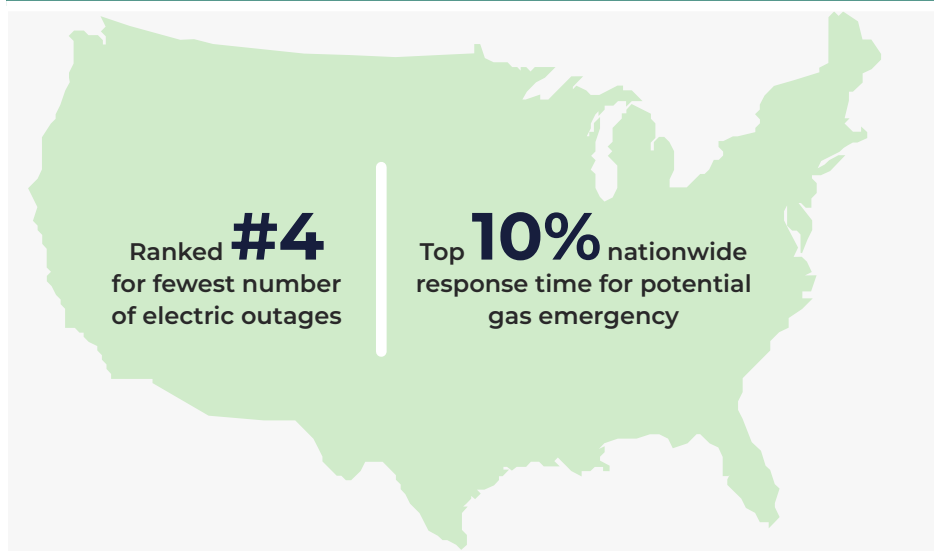
Mutual assistance

MGE is a member of the Midwest 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 March 2025, MGE sent nine Electric Construction and Operations employees to northern Wisconsin to help another utility with restoration efforts after a winter storm hit the area and knocked out power to more than 190,000 customers. Our crew encountered numerous challenges, including downed wires, broken poles and blown fuses. Much of the work was done in remote locations with dense woods. The heavy ice from the initial storm and additional snowfall during the week complicated already difficult restoration efforts.

In fall 2024, MGE sent nine Electric Construction and Operations employees to help with storm restoration in the wake of Hurricane Helene, which left nearly six million customers without power in 10 states from Florida to Virginia. The group helped with restoration in West Virginia and Virginia. The destruction caused by Helene was massive. The group worked long days, often in tricky terrain. A lot of the work involved repairing downed lines, broken crossarms and broken pole tops.

Reliability and emergency response



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 for an annual industry survey including more than 75 electric utilities nationwide, in 2024, MGE ranked fourth for the fewest number of electric outages per customer.

On average, MGE customers experience about three outages every five years. That's compared to a nationwide average of more than four outages every three years.

MGE has ranked in the top four utilities in the country for the fewest number of outages in each of the last 18 years. That includes ranking number one seven times in the last 18 years.



Industry leader in emergency response

When notified of a potential natural gas emergency, MGE crews continue to earn high marks. In 2024, our response time ranked in the top 10% of a nationwide industry survey including 85 natural gas utilities.

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

Doing Business with MGE

MGE selects suppliers on the basis of quality, delivery, cost and customer service. Small businesses and businesses with limited experience or financial capability are encouraged to participate in the supply process. MGE selects suppliers who can produce high-quality products and services for the company and its customers. Suppliers doing business with MGE are expected to comply with MGE's Code of Ethics.

Our commitment to “buy Wisconsin”

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

MGE is committed to increasing the use of businesses that help to ensure that our suppliers and vendors reflect the communities we serve. MGE evaluates and makes awards on a nondiscriminatory basis.

Economic development

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

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

Business Design Assistance Team

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

It is intended for developers and construction companies that are inexperienced 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.



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 \$9.4 million to more than 400 community organizations. In 2024 alone, the Foundation contributed more than \$2.2 million to more than 200 local organizations.

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. MGE employees play an active role in helping our community. Volunteering is one of the ways we offer support.

MGE's Employee Volunteer Network provides an opportunity for employees to connect around volunteer opportunities in our community. In addition to MGE's Employee Volunteer Network, many of our more than 700 employees volunteer, outside of their jobs at MGE, on local boards and committees and as members of economic development and nonprofit organizations.



Support for United Way

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

MGE consistently ranks among the top 10 companies in total donations to United Way. In 2024, MGE and our generous employees and retirees gave nearly \$300,000 to the local campaign. Some employees also took time out of their busy schedules to volunteer by creating paper product packs to distribute to local families through United Way partner agencies. Paper products such as paper towels and toilet paper are rarely donated and always needed.

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.



2025 Corporate Responsibility and Sustainability Report

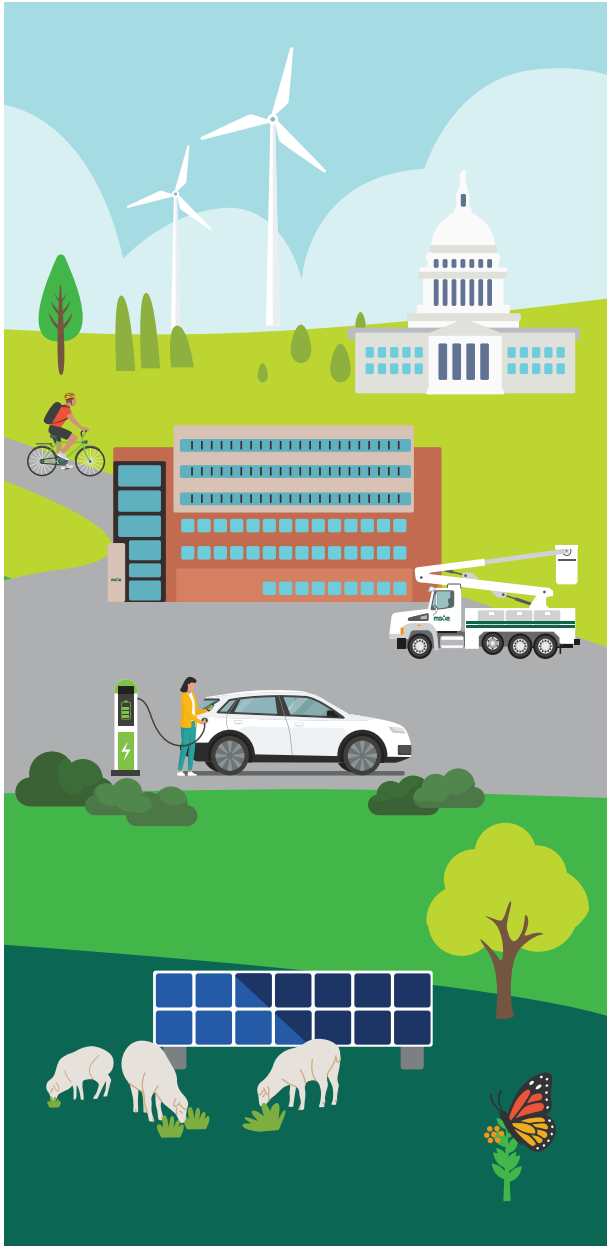
Governance

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

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



Highlights



- The Board of Directors schedules 10 regular full board meetings each year. In 2024, the board held 13 committee meetings.
- Eight out of the board's 10 directors are independent. All members of the Corporate Governance Committee, Audit Committee, and Human Resources and Compensation Committee are considered independent.
- The Lead Independent Director is empowered to call meetings of the board and executive sessions and chairs the Corporate Governance Committee.
- The Corporate Governance Committee conducts an annual assessment of the board's effectiveness as a whole.
- In 2024, as part of ongoing board refreshment, the board welcomed three new directors. It previously welcomed two new directors in 2018 and one new director in 2021.
- The company has a "clawback policy," which covers both cash-based and/or stock-based awards containing performance requirements.
- Bylaws include a director resignation policy for directors who do not receive a majority "for" vote in uncontested elections.
- The board engages in a comprehensive biannual risk assessment and on a biennial basis, the board conducts a broad-based exercise on risk with all company officers.
- The board conducts a broad-based strategic planning and review exercise with company officers on a biennial basis. These sessions review corporate strategy across all aspects of the company's business and provide directors with

the opportunity to engage senior management on issues of strategic importance. These biennial sessions, combined with the biennial risk exercise in opposite years, help ensure strong and effective oversight by the board occurs every year.

- MGE does not use corporate funds for contributions to any state or federal political candidates or their campaign committees.

Board Governance

The position of Board Chairman and CEO may be combined or separated as deemed appropriate by the board. If the Chairman and the CEO are the same person, the Chair of the Corporate Governance Committee serves in the role of Lead Independent Director.

Roles of the Chairman and CEO

Our board is led by our Chairman, President and CEO. As the individual with primary responsibility for managing the company's day-to-day operations and for executing on the company's vision and strategy, our CEO is best positioned to chair regular board meetings as we discuss key business and strategic issues. Our CEO brings company-specific experience to help the board focus on those issues of greatest importance to the company and its shareholders.

Lead Independent Director

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

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

Our board

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

Audit Committee

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

Corporate Governance Committee

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

Human Resources and Compensation Committee

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

Executive Committee

The Executive Committee acts in lieu of the full board and between meetings of the board. The Executive Committee has the powers of the board in the management of the business and affairs, except action with respect to dividends to shareholders, election of principal officers or the filling of vacancies on the board or committees created by the board. There was no need for the Executive Committee to meet or take action in 2024.

Our Board

Our board is very active and engaged with 10 regularly scheduled meetings of the full board each year, in addition to committee meetings. There were 13 committee meetings in 2024.

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

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

The board's interactions with internal and external subject matter experts provide useful information and insight relative to critical business initiatives and corporate strategy. These interactions inform the board's understanding of the company's financial performance, environmental performance, risk management and oversight and succession planning. See the company's annual [Proxy Statement](#) for information about some of the topics discussed by our board in 2024.

Climate change and environmental expertise

The board has engaged and plans to continue to engage widely recognized scientific experts on topics related to climate change. Daniel J. Vimont, who serves as Professor, Atmospheric and Oceanic Sciences at the UW-Madison; Director, Nelson Institute Center for Climatic Research; and Co-Director, Wisconsin Initiative on Climate Change Impacts, has presented to the board on climate change science, scenarios and projections.

He last presented to the board in April 2024. This is in addition to the board's and company management's regular engagement on emerging environmental risks and risk mitigation from internal subject matter experts. MGE management brings considerable environmental expertise as well as expertise in environmental law to the company.

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

Board independence

The board makes an annual assessment of the independence of directors under the independence guidelines adopted by the Nasdaq Stock Market, Inc. The guidelines are generally aimed at determining whether a director has a relationship which, in the opinion of the MGE Energy board, would interfere with the exercise of independent judgment in carrying out director responsibilities. These guidelines also are reflected in MGE Energy's [Corporate Governance Guidelines](#).

The board has determined that eight of the 10 directors are independent under the Nasdaq Stock Market, Inc., definition of independence and the company's Directors Independence Standards, which parallel the Nasdaq Stock Market, Inc., definition.

Board assessment

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

A peer evaluation occurs annually for the directors up for election before being nominated for election and as part of succession planning to consider and to select new directors. This evaluation covers key professional skills, diversity of backgrounds and breadth of community and other business experience and knowledge. In addition, each director conducts an individual self-assessment once every three years to evaluate their skills and experience relative to their board service.

In 2024, as part of ongoing board refreshment, the board welcomed three new directors. The board has welcomed a total of four new directors in the last five years.

Diverse experience and perspectives

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

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

Oversight

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

On a biennial basis, the board conducts a broad-based strategic planning and review exercise with company officers. These sessions are designed to review corporate strategy across all aspects of the company's business and to provide directors with the opportunity to engage senior management on issues of strategic importance, such as generation strategy and planning. The board last conducted this strategic planning and review with officers in late summer 2024. It is scheduled to occur again in 2026.

Oversight of executive compensation

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

customer satisfaction as well as long-term strategic goals, including those related to sustainability.

Our compensation program is designed to link a significant portion of the compensation of our named executive officers to defined performance standards that promote a balance of the drive for near-term earnings and returns with growth in long-term shareholder value. MGE Energy's annual [Proxy Statement](#) provides an explanation of directors' oversight of executive compensation and the company's corporate governance practices and responsibilities.

State and federal oversight

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

The Federal Energy Regulatory Commission has jurisdiction, under the Federal Power Act, over certain accounting practices and certain other aspects of MGE's business. MGE Energy's subsidiaries also are subject to regulation under local, state and federal laws regarding air and water quality and solid waste disposal.

Oversight of sustainability matters

Our company seeks to foster a proactive and forward-thinking approach to sustainability matters, beginning

with board oversight of and executive leadership on key topics and emerging issues. The board's engagement with management helps to assess performance and promote continuous improvement. MGE voluntarily participates in statewide environmental performance programs to help reduce environmental impacts across all areas of the company. See the [Environmental section](#) of this report for additional information.

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

Our sustainability governance structure helps to ensure that oversight and management of sustainability-related risks and initiatives throughout the company are incorporated into our long-term strategy and day-to-day management and operations. Our approach to these matters helps to facilitate discussion related to sustainability at every level of the organization, including among the Board of Directors, executive officers, our Sustainability Steering Team and other leaders and internal subject matter experts. Our [Environmental and Sustainability Policy](#) guides our commitment to corporate responsibility and environmental accountability throughout the organization.

Sustainability Management

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

Sustainability Steering Team

- Composed of employees from across the company.
- Supports sustainability engagement and benchmarking.
- Reviews, evaluates and prioritizes continuous improvement opportunities for the company.
- Assembles the Continuous Improvement Sustainability Teams, which address specific improvement initiatives and tasks.
- Oversees MGE's Environmental Management System (EMS).



Green Tier

MGE is the only electric utility in Wisconsin to be awarded the highest participating level in the Wisconsin Department of Natural Resources' (DNR) environmental leadership program, Green Tier. MGE is one of only eight Wisconsin companies to achieve the "Tier 2" level. By participating in the Green Tier



program, MGE continues its voluntary commitment to superior environmental performance, setting goals to make significant environmental improvements and committing to third-party compliance and EMS auditing, in cooperation with the DNR.

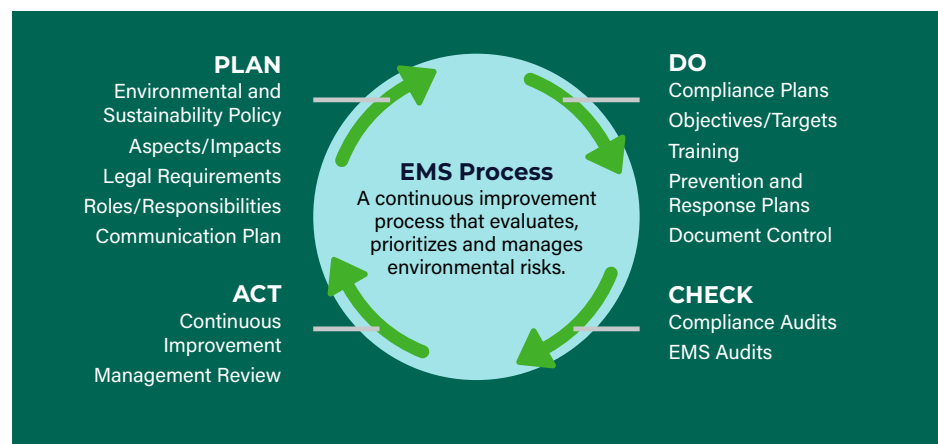
In 2017, MGE expanded the scope of our Green Tier contract and in 2020, we renewed our five-year contract with the DNR for Green Tier certification. MGE's primary goal in the expanded contract is to cover all MGE operations under our EMS. An

EMS is a continuous improvement process that evaluates, prioritizes and manages environmental risks. Participation in the Green Tier program provides certification for our EMS.

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

Environmental Management System (EMS)

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



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

EMS and Green Tier participation

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

Participation in the Green Tier program provides certification for our EMS. Certification is based on an external system audit and an external compliance audit as explained below.

Our expansion to all operations allows for a consistent and comprehensive approach to reducing impacts and to furthering continuous improvement. Reporting on the performance of our EMS, including audit results, occurs annually with results available on the DNR website.

EMS internal and external audits

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

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

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

The results of our third-party EMS and Green Tier compliance audits are shared with the DNR. Corrective action taken on any minor or major EMS audit findings and on any Green Tier compliance audit findings also is shared with the DNR.

EMS goals, targets and action plans

MGE's Sustainability Steering Team develops environmental objectives, targets and action plans annually. These goals are informed by MGE's Environmental and Sustainability Policy and by MGE's operational environmental impacts. A number of the goals achieved under the expanded EMS include:

- Expanded our greenhouse gas (GHG) inventory beyond our known electric generation sources by completing a GHG inventory of our natural gas distribution system, a Scope 3 emissions inventory and an inventory of our Scope 1 and 2 emissions sources to capture a more accurate picture of our overall GHG emissions impact.
- Created an inventory of our pollinator-friendly properties, which will enable us to consider additional voluntary opportunities for pollinators.
- Continued to evaluate and work with stakeholders to understand MGE's recycling and disposal options for existing MGE solar panels and wind turbine blades; developed environmental aspects to consider for future purchases of solar panels and wind turbine blades.
- Enhanced MGE's environmental emergency response plans for facilities with high risk to waterways, human health and sensitive environmental features by updating our higher-risk plans and response guides.
- Continued to increase the electrification of our operational fleet by replacing fossil-fueled light-duty vehicles in our fleet with plug-in electric vehicles and plug-in hybrid electric vehicles, consistent with our Fleet Alternative Vehicle Policy and corporate goal to achieve 100% all-electric or plug-in hybrid

light-duty vehicles by 2030. Including current and ordered vehicles, about 55% of our light-duty vehicle fleet is all-electric or plug-in hybrid.

- Incorporated environmental emergencies into MGE's corporate-wide All Hazards Response Plan, which utilizes a formal incident command structure to assess, mitigate and address MGE hazards.
- Applied to participate in the voluntary Monarch Candidate Conservation Agreement with Assurances, which is designed to increase monarch habitat throughout their migratory range using transportation and utility properties, such as rights-of-way and generation facilities, to plant monarch-friendly milkweed and flowering plants.
- Relaunched MGE's employee-led Green Team, which engages employees in environmental initiatives across the organization in support of MGE's sustainability goals and an eco-friendly workplace.

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

- Continue to support MGE's climate goals, including goals associated with MGE's 2035 net-zero methane emissions goal from natural gas distribution and continue to enhance measurement of Scope 1, 2 and 3 emissions.
- Develop a site attributes inventory for our properties that allows for an expedited review of compliance and risk.



Enterprise Risk Management

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

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

All officers of the company take ownership in and are accountable for managing and mitigating corporate risk. The company's Internal Audit department, on behalf of MGE management and the board, facilitates a biannual ERM process with each officer and with management to update existing areas of risk, classify new or emerging areas of risk and identify owners responsible for assessing, managing and/or mitigating areas of risk. The results of these updates are reported to the Audit Committee, which oversees the ERM process, to ensure the directors are aware of any material updates. This serves to complement ongoing and regular presentations and reports from company officers, the Internal Audit department and subject matter experts on risk and emerging risk identification, assessment and mitigation strategies.

Additionally, on a biennial basis, the board conducts a broad-based exercise with company officers on risk and emerging risk identification, assessment and mitigation strategies. The board conducted this exercise in 2025.

The company's comprehensive approach to risk management encourages all directors to initiate discussion at any time, either directly or through the Lead Independent Director, on any areas of concern, including risk identification and assessment, controls, management and oversight. Through these efforts, the board and MGE management have created a culture of sustainability, responsibility and risk management. See the company's annual [*Proxy Statement*](#) for additional information about our board's risk assessment and oversight responsibilities.



ESG Reporting and Stakeholder Engagement

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

EEI-AGA ESG/sustainability reporting template

To advance further transparency and disclosure, MGE also participates in EEI's and AGA's [ESG/sustainability-related reporting](#) quantitative template. The voluntary, industry-specific quantitative template includes data related to MGE's energy portfolio (generation and capacity), emissions, capital expenditures and human and natural resources. Board members also review MGE's quantitative template annually. The template is available online.

CDP report

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

Task Force on Climate-Related Financial Disclosures (TCFD)

MGE also publishes online a [TCFD report](#), which provides the company's key disclosures that align to TCFD recommendations.

Shareholder engagement

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

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

Policy engagement

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

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

Political contributions

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

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

Political office

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

Lobbying

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

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

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

Trade organizations

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

Federal and state policies on climate change

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

In January 2025, President Donald Trump signed several executive orders relating to energy and climate policy, including directing his administration to withdraw the U.S. from the Paris Climate Accords. MGE is following the development of recommendations and plans developed by agencies as a result of executive orders, as well as other executive actions taken by the Trump administration, to determine their applicability to MGE's decarbonization, investment and environmental compliance plans and to evaluate any potential impact to our operations.

State and regional action on climate change

In August 2019, Wisconsin Governor Tony Evers signed an executive order to establish the Office of Sustainability and Clean Energy (OSCE). The order tasks the OSCE with, among other things, ensuring that the actions of the State of Wisconsin are aligned with the goals and recommendations of the Paris Agreement, verifying that electricity consumed by the State of Wisconsin is 100% carbon-free by 2050 and developing a comprehensive multisector clean energy plan for the state.

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

