

Visit mgeenergy.com/environment to view our complete report and to access our EEI ESG/Sustainability reporting template.



OUR COMMITMENT

Environmental accountability is a core focus throughout our company. Strong oversight by our Board of Directors and participation in third-party benchmarking and evaluation programs help us assess our performance and promote continuous improvement in our proactive approach to sustainability.

GOVERNANCE

Our Board of Directors is active and engaged with 10 regularly scheduled meetings annually, in addition to committee meetings. In 2017, every director attended all the meetings of the board.

The company voluntarily participates in two statewide environmental performance programs. MGE has achieved the highest designations from both programs.

Green Masters Program

In 2017, MGE earned the Green Masters designation for the fourth consecutive year from the Wisconsin Sustainable Business Council. Only the top 20% of applying companies receive the Green Masters designation. MGE was the first utility to be awarded the distinction in 2014.



Green Tier

Also in 2017, MGE expanded the scope of our renewed five-year contract with the Wisconsin Department of Natural Resources for its Green Tier certification, which recognizes environmental leadership. Our primary goal in the expanded contract is to cover all MGE operations under our Environmental Management System (EMS). The expanded scope of our EMS will capture environmental improvements across the company and further demonstrates our commitment to goal-setting and to environmental accountability.



REDUCING OUR IMPACT IN OUR OPERATIONS

- We seek environmentally friendly practices that prevent pollution and minimize waste.
- Nearly 450 solar panels on our corporate office in Madison, Wis., generate about 10% of the energy needed annually to power our office facility.
- MGE has a process and plan in place to electrify our vehicle fleet where possible.
- Our annual recycling rate continues to be more than 40%. Our all-in-one recycling method includes paper products, glass, plastic and aluminum. We also recycle various metals and other scrap materials left over from field work.



ENERGY 2030

In November 2015, MGE introduced Energy 2030, our framework for a more sustainable future. Energy 2030 sets the following goals:

- At least a 40% reduction in carbon dioxide emissions from 2005 levels. This target is consistent with the U.S. emissions targets for the 2030 time frame established as part of the landmark Paris Agreement on climate change.
- 30% renewable energy by 2030.

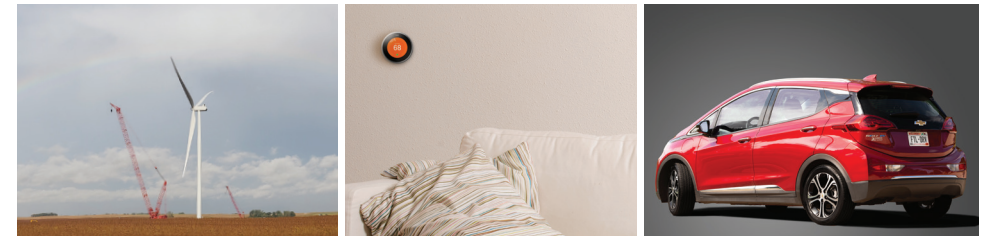
If we can go further faster by working with our customers, we will.

80% reduction in carbon emissions by 2050

MGE is on a trajectory to reduce carbon emissions at least 80% by 2050. This longer-term target aligns with the goals of the U.S. Mid-Century Strategy for Deep Decarbonization. The United States identified this strategy for meeting the goals of the Paris Agreement to limit global warming to 2 degrees Celsius.

Our key, long-term strategies for reducing carbon emissions include:

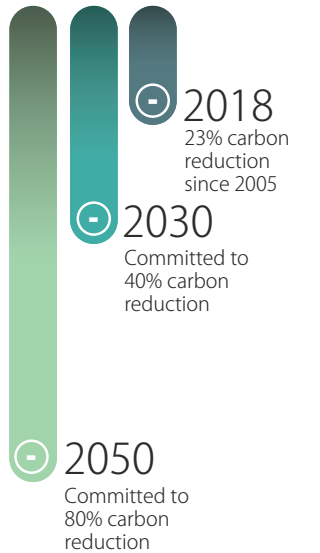
- Reducing carbon intensity in electric generation.
- Promoting energy efficiency.
- Electrifying the transportation sector.



TRANSPARENCY AND DISCLOSURE

MGE is a participant in EEI's voluntary ESG/Sustainability reporting template, which has additional generation and emissions information. It is available at mgeenergy.com/environment.

ENERGY 2030 and beyond



OUR COMMITMENT

MGE is working together with our customers and our communities to advance these key strategies for a more sustainable future.

GROWING OUR USE OF RENEWABLE ENERGY

- MGE's 66-megawatt (MW) Saratoga Wind Farm is under construction.
- Our proposal to add 100 MW of new solar energy to our generation mix is under review by regulators.
- Our innovative Shared Solar program is slated for expansion.
- MGE's partnership with Dane County includes a proposed airport solar project under MGE's Renewable Energy Rider.



MGE is seeking to expand its successful Shared Solar program for subscribing customers.

ENGAGING AROUND ENERGY EFFICIENCY

- Our On Demand Savings program for large energy users was recognized in 2018 with an Inspiring Efficiency Award for Innovation by the Midwest Energy Efficiency Alliance.
- Our Smart Thermostat Demand Response Program with residential customers tests remote management of AC units to reduce peak and overall energy use.
- Our Technical Work Group with the Citizens Utility Board and Clean Wisconsin helps to inform our program ideas in a collaborative, deliberative fashion.



MGE's award-winning energy efficiency program for large customers uses technology to help them reduce their use.

ADVANCING THE ELECTRIFICATION OF TRANSPORTATION

- MGE is partnering with the City of Madison to help electrify 50% of the city's Metro Transit bus fleet by 2035. MGE worked with the city to secure a \$1.3 million federal grant for the city's first three all-electric buses. MGE also is providing 100% of the required local matching funds for charging infrastructure and offering technical expertise.
- Our public charging network continues to expand.
- MGE works with residential customers to offer our Charge@Home EV home charging program as well as with employers and multifamily developers to grow charging opportunities.



MGE is working with the City of Madison to electrify the city's public transit bus fleet.

RELIABILITY

MGE is transitioning to more renewable resources while maintaining our top-ranked reliability. MGE consistently ranks among top utilities for electric reliability.

For 2017, MGE's electric service reliability is ranked No. 1 in the country for both the fewest number of outages and shortest duration of outages per customer, according to an annual survey of more than 80 electric utilities nationwide.

MGE has ranked in the top 3 utilities nationwide for the fewest number of outages in each of the last 11 years, according to the annual survey. In addition to 2017, MGE ranked number one nationwide for the fewest outages in 2007, 2013 and 2015.

Safe, dependable natural gas service is critical to our customers. When notified of a potential natural gas emergency, MGE recorded the fastest average response time, according to a 2017 nationwide industry survey of nearly 90 utilities.

#1

in 2017

- MGE ranked #1 in the nation for fewest number of outages.
- MGE ranked #1 in the nation for shortest duration of outages.
- MGE also recorded the fastest average response time when notified of potential natural gas emergencies.

ANNUAL GIVING

MGE's commitment to our communities extends beyond reliable energy. As a community energy company, we are committed to improving the quality of life for those we serve.

We contribute to and help to better our community in three different ways:

- Charitable giving by the MGE Foundation.
- Corporate giving by MGE through partnerships, collaborations and projects with local organizations and stakeholders.
- Volunteerism and service of our valued employees.

Established in 1967, the MGE Foundation is our philanthropic arm. Throughout the last five years, the foundation has given over \$5 million to more than 350 community organizations. This charitable giving includes support for local organizations dedicated to environmental initiatives.

Visit mge.com/foundation to read our Annual Report on Giving.



05 Over five million dollars

350 More than 350 community organizations

05 In just five years



mge.com

Our primary website



energy2030together.com

Engages customers in Energy 2030



mge.com/LovEV

Serves as a resource for electric vehicles and related programs

BALANCE

livinginbalancemadison.com

Promotes sustainability in communities of color



GENRE2030.com

Inspires our next generation of customers to be energy efficient