

# Alliant Energy: ESG Materials

July 20, 2021

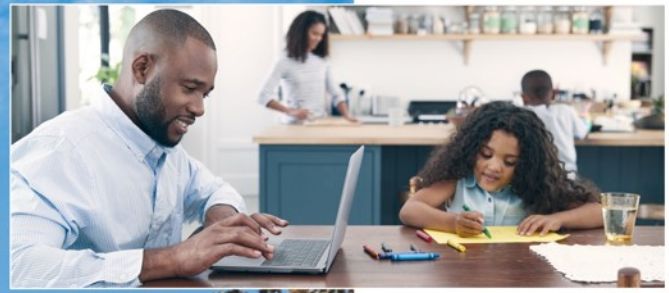
# Safe Harbor

This presentation contains statements that may be considered forward looking statements, such as management's expectations of financial objectives and projections, capital expenditures, earnings growth, plant retirements, rate base, and new generation plans. These statements speak of the Company's plans, goals, beliefs, or expectations, refer to estimates or use similar terms. Actual results could differ materially, because the realization of those results is subject to many uncertainties including regulatory approvals and results, unanticipated construction costs or delays, economic conditions in our service territories, and other factors, some of which are discussed in more detail in the Company's Form 10-K for the year ended December 31, 2020 and Form 10-Q for the quarter ended March 31, 2021. All forward-looking statements included in this presentation are based upon information presently available and the Company assumes no obligation to update any forward-looking statements.

In addition, this presentation contains non-GAAP financial measures. The reconciliations between the non-GAAP and GAAP measures are provided in this presentation.

# Serve customers and build strong communities









## Environmental

- ✓ Net-zero CO2 emissions by 2050
- ✓ Elimination of coal by 2040
- ✓ Over $4 billion investments in renewables between 2016 and 2024
- ✓ Innovative renewable solutions for customers



## Social

- ✓ DE&I initiatives create an environment of belonging
- ✓ Planting over 1 million trees
- ✓ Provided more than $8.7 million in community giving and 64,000 volunteer hours
- ✓ Strong economic development program to attract customers and strengthen communities



## Governance

- ✓ Diverse and experienced board that oversees all ESG priorities
- ✓ Compensation aligned with ESG priorities



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# Transparent Disclosures

## Aligned with key frameworks







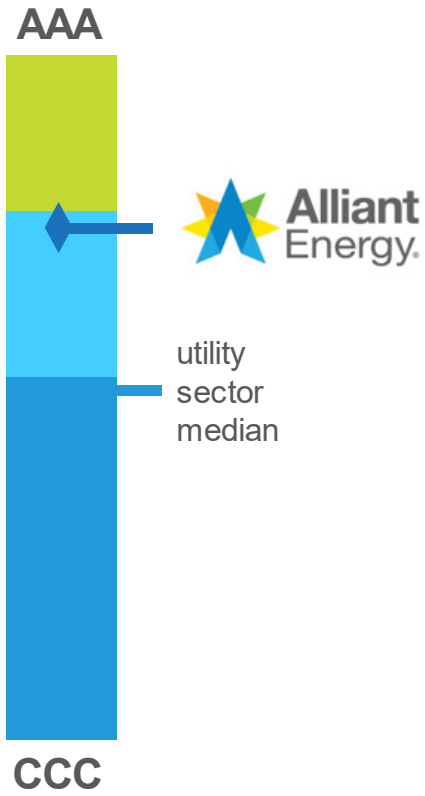





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# Strong ESG ratings

MSCI | MSCI ESG RESEARCH LLC




**Rating: AA (Leader)**
**Range: AAA-CCC**

*September 2020*

SUSTAINALYTICS
a Morningstar company




**Rating: 28.2 (Medium risk)**
**Range: 0-100**
(Lower score signals less unmanaged risk)

*November 2020*



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# Recognition




2021 Bloomberg Gender-Equity Index




2021 Best Place to Work for LGBTQ+ Equality




Newsweek's America's Most Responsible Companies 2021 List




Site Selection Magazine's 2020 Top Utilities for Economic Development




NASDAQ CRD Global Sustainability Index




Platinum Envision™ Awards Institute for Sustainable Infrastructure




2020 Emergency Response Award Recipient



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# ENVIRONMENTAL

# Our clean energy vision

**By 2030:**

- Reduce our fossil fuel generation carbon dioxide ($CO_2$) emissions by **50%** from 2005 levels
- Reduce our electric utility water supply by **75%** from 2005 levels
- Electrify 100% of our company-owned light-duty fleet vehicles
- Partner to plant more than one million trees – one tree for each of our utility customers

**By 2040:**

- **Eliminate all coal** from our generation fleet

**By 2050:**

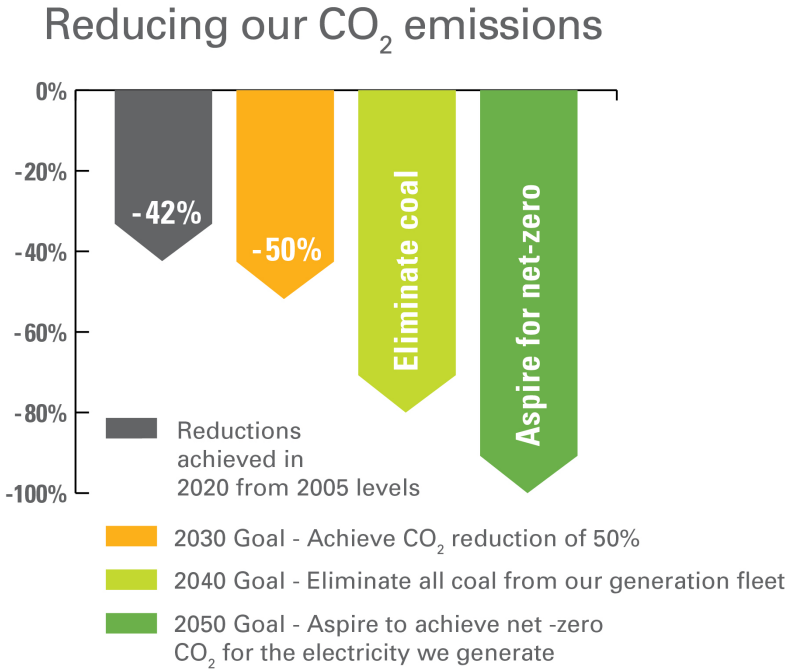
- Aspire to achieve **net-zero $CO_2$** emissions from the electricity we generate





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# Our clean energy vision: Progress



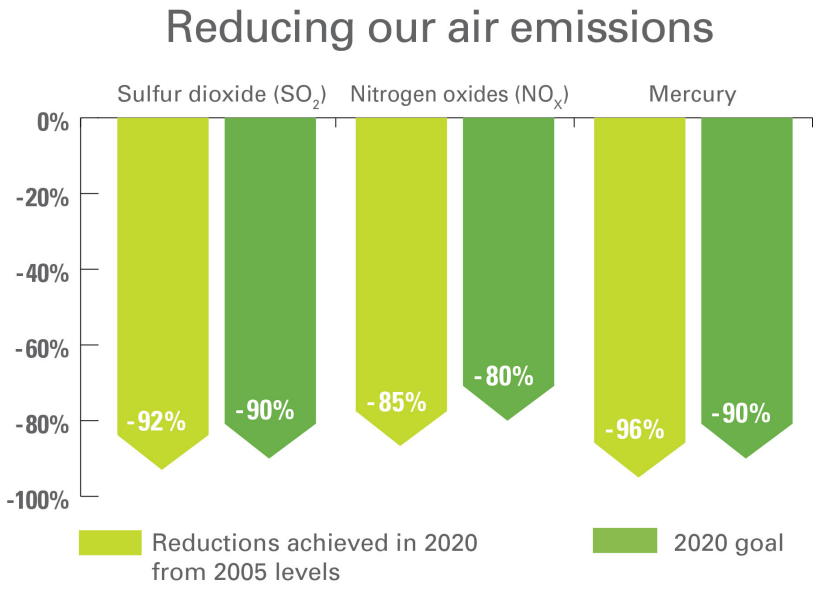

## Achievements:

- ✓ 42% reduction in carbon dioxide ($CO_2$) emissions compared to 2005 levels
- ✓ Over 1.1GW of coal already retired
- ✓ Additional 1.3GW to retire by end of 2024
- ✓ Combined, this represents a reduction of nearly 70% from our 2005 coal footprint



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# Our clean energy vision: Progress



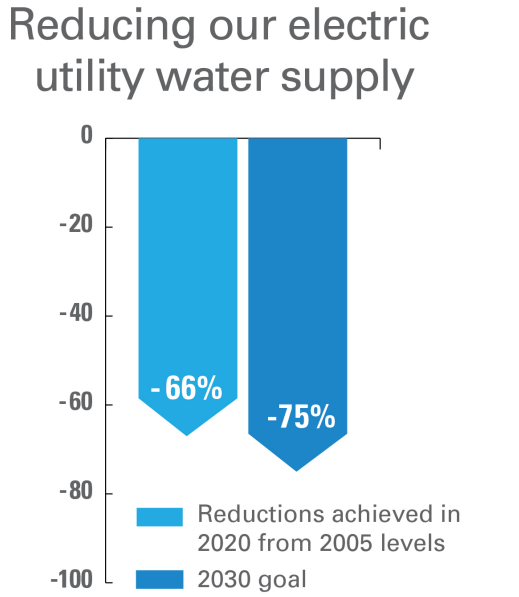

## Achievements:

- ✓ Exceeded all of our 2020 $NO_x$, $SO_2$ and Mercury emission goals



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# Our clean energy vision: Progress




Owned regulated utility electric generation and facility operations

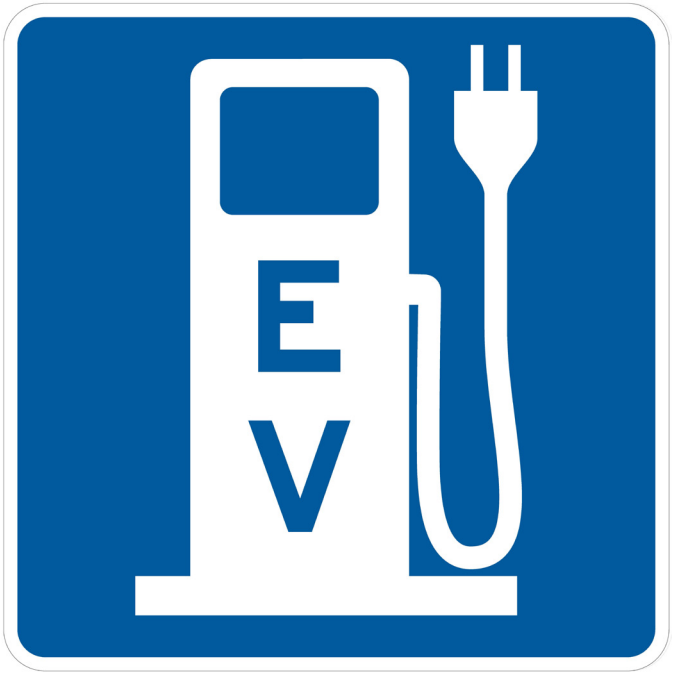
**This year, we enhanced our water goals to include all our electric utility facilities; this is expanded from our previous goal of including only our fossil-fueled generating facilities**

## Achievements:

- ✓ 66% water reduction in 2020

# Electrification of our fleet vehicles

**Goal:** Electrify 100% of our active light-duty fleet vehicles by 2030




- Approximately 250 vehicles
- Electric Vehicles provide long-term savings through reduced fuel costs and less maintenance

# One million trees

Our commitment to supporting the communities we serve extends to **improving the natural environment for future generations**

- We're donating and helping plant more than 1,000,000 trees by 2030 – one for each of our customers
- Aligns with our 2050 aspirational goal of net-zero $CO_2$ emissions
- Removes $CO_2$ from the air and releases oxygen into the atmosphere while enhancing water quality and habitat





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# Our Clean Energy Blueprints guide our way

| Near-term Highlights | Iowa | Wisconsin |
|---|---|---|
| Increasing our use of renewable sources | ✓ Adding up to 400 MW of solar by 2023<br>✓ Adding up to 100 MW of community solar & battery resources by 2026<br><br>By 2025, we expect 50% of our energy resources portfolio will be from renewables | ✓ Adding up to 1,100 MW of solar by 2023<br><br>By 2025, we expect nearly 50% of our energy resources portfolio will be from renewables |
| Eliminating coal and reducing emissions | ✓ Retiring the Lansing Generating Facility by 2022<br>✓ Switching the Burlington Generating Station to natural gas | ✓ Retiring the Edgewater Generating Station (Unit 5) by 2022<br>✓ Retiring the Columbia Energy Center by 2024 |





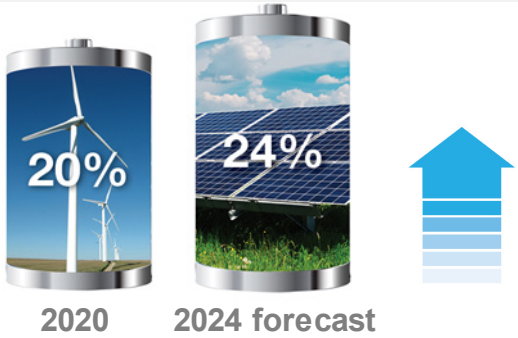


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# Growing our renewable rate base

## 20% of rate base is renewable generation – anticipate 24% by 2024

### Percent Renewable Investments




1.5 GW solar energy planned between 2020 and 2024

### Percent Coal Investments




1.3 GW coal retired between 2020 and 2024

# Drivers of our leadership in wind

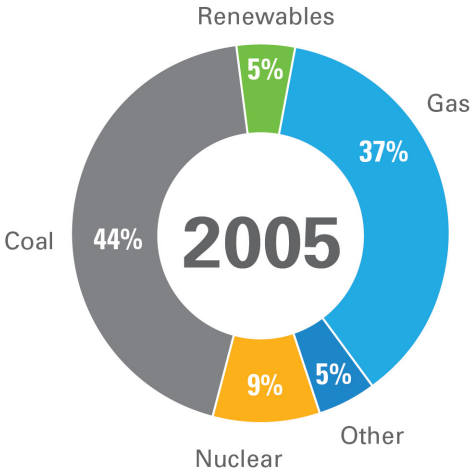
- **Very strong wind resource,** particularly in Iowa where most of our wind is located
- **Constructive regulatory environments** with commissions that have supported our investments
- **Strong landowner relations**
- **Long track record** of delivering major construction projects **on time and on budget**

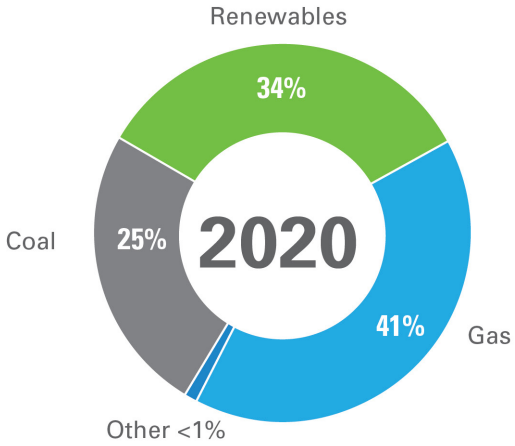


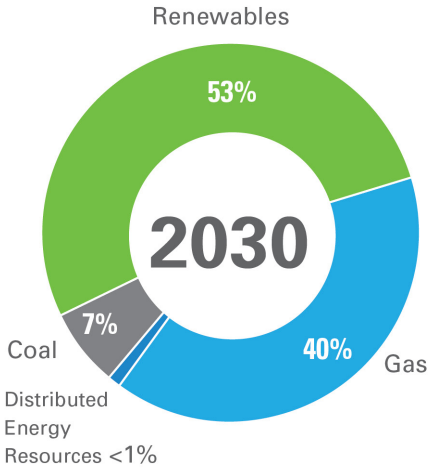


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# Transitioning our energy resources




Projection based on approximate capacity in megawatts as of July 2021 including owned generation resources and utility purchase power agreements.

# Integrated Grid

## Investments to meet customer expectations



- Undergrounding electric distribution lines
- 25-KV design standard upgrades to our system
- Smart devices expansion
- Fiber optic cable installation enhances our telecommunication network
- Pilots to test digital technologies and energy storage

### Customer Benefits

- Reliability – fewer and shorter outages with better power quality
- Affordability – reduces maintenance cost
- Sustainability – broader access to clean energy and energy-efficient options

### Employee Benefits

- Capability development and innovation – work with latest technology
- Greater safety

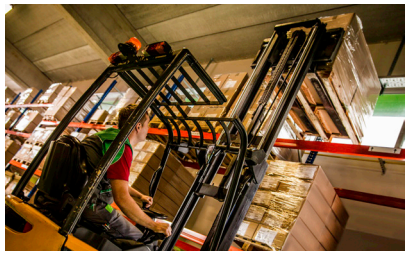


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# Electrification

- Enabling the acceleration of electrification, primarily in the transportation sector
- Providing rebates and educational events
- Hosting Fall 2021 Sustainable Transportation virtual series



## 2020 electrification progress:

- ✓ **Rebates provided –** Customer rebates toward 8 Level 2 EV charging stations, 2 Level 3 fast-charging stations and 32 forklifts
- ✓ **External Funding –** Assisted customers in securing over $1.3 million in external funding to advance electrification opportunities

# Customer Renewable Solutions

Customers have options:

- **Second Nature Program** – allowing customers to support renewable generation
- **Community Solar** – subscription-based options giving customers an alternative to owning directly
- **Customer Hosted Renewables** – partnering with commercial or industrial customers who desire on-site renewable resources
- **Renewable Energy Partner** – enabling customers to meet their sustainability goals through receiving renewable energy credits



Read more in our Corporate Responsibility Report



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# EPRI Low Carbon Resource Initiative

## Alliant Energy is an Anchor Sponsor

**The LCRI explores new ways to reduce carbon emissions in the electric and gas industry, including:**

LCRI
LOW-CARBON
RESOURCES INITIATIVE

- Identify and accelerate development of promising technologies, which could be deployed on a large scale – such as clean hydrogen, bioenergy, battery storage and renewable natural gas
- Seek to demonstrate, assess and improve the performance of key technologies and processes
- Educate key stakeholders on pathways to a low-carbon future



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# Water Management

We are making significant progress on our 75% reduction goal and have saved approximately 300 billion gallons since 2005

Our newest natural gas units (1.4GW of capacity) **utilize 99% less water** on a per-MWh basis

- West Riverside Energy Center natural gas facility incorporates stormwater re-use by diverting roof drains for process make-up water, **reducing groundwater use by approximately 70,000 gallons per year**
- Emery Generation Station natural gas facility was designed to utilize Clear Lake Sanitary District gray water as cooling tower make-up; in 2020, **the facility used 329 million gallons of gray water**



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# Ecosystem and habitat

**Our environmental stewardship includes ecosystem and habitat support:**



- Longstanding partnerships with Wisconsin and Iowa agencies to protect and enhance natural areas and proactively avoid impacts to threatened and endangered species
- Best in class avian protection practices in place for our solar and wind generation construction
- Minimizing construction impacts to natural landscapes through utilizing horizontal directional drilling



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# It's about how we do it…

- We build with sustainability in mind
- We've received **Platinum Envision™** recognition on 5 infrastructure projects:
  - ✓ Marshalltown Generating Station (April 2017)
  - ✓ Dubuque Solar (April 2018)
  - ✓ English Farms Wind Farm (June 2019)
  - ✓ Upland Prairie Wind Farm (June 2019)
  - ✓ West Riverside Energy Center (March 2020)
- We've continued to utilize these guidelines and best practices with our recent renewable expansions

**Institute for Sustainable Infrastructure's** framework focuses on five key categories:






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# SOCIAL

# Our values underpin our culture



## Live safety. Everyone. Always.

Our first priority is that nobody gets hurt.



## Do the right thing.

We keep our promises and conduct our business openly and honestly.



## Care for others.

Together we create a workplace where people feel like they belong and can use their unique backgrounds, talents and perspectives to their fullest potential.



## Make things better.

We partner with our customers and communities to solve problems, create opportunities and help make life better.



## Act for tomorrow.

We use resources wisely, care for the environment and continuously improve ourselves and our company.



## Think beyond. Be bold.

We create and embrace change, innovate beyond current practices and use our curiosity to find new solutions.



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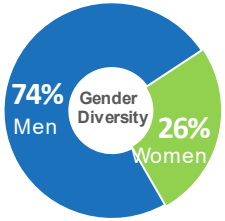
# Our workforce

Approximately **3,300** employees

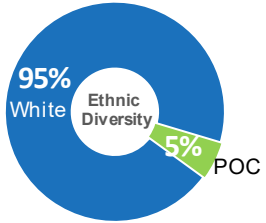
**Talent & Workforce Readiness Programs:**

- Pre-apprenticeship program provides pathways into the Company for those who have not had access to traditional technical training programs
- Internship & apprenticeship program
- Support workforce re-deployment through apprenticeship, job shadowing, career days
- Training and tuition reimbursements

**2020 Workforce by Gender**




**2020 Workforce by Ethnicity**




See enhanced disclosures on our ESG Performance Summary

**Health, Wellness & Leave Benefits:**

- Access to comprehensive health and wellness programs
- Generous vacation, sick, maternity & paternity leave benefits



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# Diversity Equity and Inclusion

**We strive to create a workplace where people feel like they belong and can use their unique backgrounds, talents and perspectives**

- ✓ **Perfect score** on the Human Rights Campaign Corporate Equality Index for 2017-2021
- ✓ **Selected for Bloomberg Gender-Equality Index** for 2019-2021
- ✓ Employee Resource Groups foster a diverse and inclusive workplace that supports well-being and enhance community relationships
- ✓ Held Days of Understanding sessions and unconscious bias awareness training in 2020 and 2021

**We have six Employee Resource Groups**

- Evolving Professional Connection
- Equality Alliance
- Multicultural Network
- Sustainability Squad
- Women's Network
- Veterans' Alliance



# Community Giving



Drive Out Hunger
Powered by Alliant Energy Foundation

- ✓ Community giving of almost $9 million in 2020 – COVID-19, Racial injustice, Derecho storm recovery
- ✓ Drive Out Hunger initiative has raised funds for nearly 15 million meals
- ✓ Over 64,000 annual employee volunteer hours in 2020



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# Economic development

## Nationally recognized for economic development activities *(Site Selection magazine)*

**In 2020**

**16**
Growth Sites

**31**
Completed projects

**$0.9 B**
New capital investment

**2,200**
Jobs created



**Big Cedar Industrial Center**
1,391 contiguous acres
First certified Mega Site in IA



**Beaver Dam Commerce Park**
520 contiguous acres
One of the largest available business properties in WI

Spiber
First U.S. location
Lab-grown proteins
Clinton, IA

Johnsonville
Sausage manufacturing facility
Sheboygan WI

amazon
Warehouse and distribution center
Beloit, WI



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# Cyber, Physical Security and Safety

## Cyber and Physical Security

**We have an extensive plan in place to manage risk:**

- Board oversight of programs
- Participate in drills and exercises (e.g. GridEx, extreme weather and cyber-attack) to prepare for extraordinary scenarios
- Supplier and product risk assessments, continuous monitoring for NERC CP
- Key cyber protection practices (e.g. segmentation, multi-factor authorization, penetration testing, backup infrastructure, network monitoring, and threat intelligence)
- Annual employee awareness training, company-wide routine phishing training and testing

## Safety

- Board oversight of safety program
- “Good catches” and “near misses” program are leading indicators
- Severity rate much lower than EEI benchmark

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# GOVERNANCE

# Board Committee Focus Areas

## Our ESG oversight helps us effectively integrate sustainability throughout the organization

### Nominating and Governance

ESG Oversight including Corporate Responsibility Report
Board & Management Quality [G]
Board Structure [G]
Ownership & Shareholder Rights [G]

### Audit

Audit & Financial Reporting [G]
Business Ethics [G]

### Board

Cyber and Physical Security [G]
Public Policy Engagement [G]

### Compensation and Personnel

Diversity, Equity, and Inclusion [S]
Workforce Development [S]
Remuneration [G]

### Operations

Safety and Health [S]
Climate Change Risks [E]
Greenhouse Gas Emissions [E]
Emissions and Waste [E]
Energy Portfolio Diversity [E]
Land Use and Biodiversity [E]
Water Stress [E]
Community Relations [S]
Customer Engagement [S]
Supply Chain Standards [S]
Energy Reliability and Resiliency [S]

E - Environmental, S - Social, G - Governance

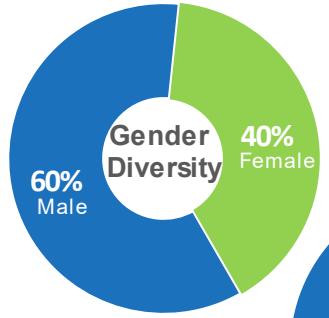


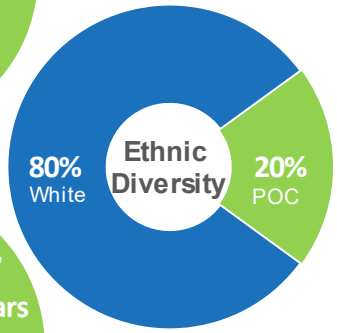
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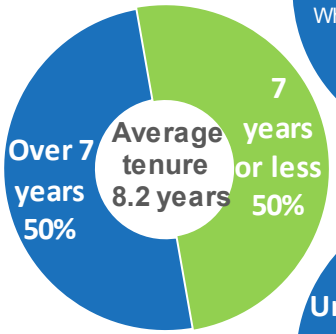
# Diverse Board of Directors

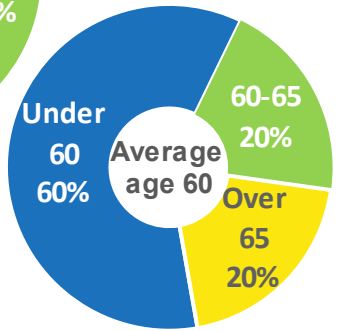
Diversity of our board is measured by gender, ethnicity, age, tenure, skills, and qualifications

| Skills and Qualifications | Patrick Allen | Joy Falotico | Michael Garcia | John Larsen | Singleton McAllister | Roger Newport | Dean Oestreich | Thomas O'Toole | Carol Sanders | Susan Whiting |
|---|---|---|---|---|---|---|---|---|---|---|
| Strategic Leadership | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| Financial Acumen / Literacy | ● | ● | ● | ● | | ● | ● | ● | ● | ● |
| Operations | | ● | ● | ● | | ● | ● | ● | ● | ● |
| Customer Perspective | | ● | ● | ● | | ● | ● | ● | | ● |
| Legal and Regulatory | ● | ● | ● | ● | ● | ● | ● | | ● | ● |
| Human Resources / Executive Comp | | ● | ● | ● | ● | ● | ● | | ● | ● |
| Risk Management | ● | ● | ● | ● | | ● | ● | | ● | ● |
| Technology Systems / Cybersecurity | ● | ● | ● | ● | | ● | ● | ● | | ● |
| Environmental and Safety | ● | ● | ● | ● | | ● | ● | | | |
| Diversity | ● | ● | ● | ● | ● | ● | | ● | | ● |



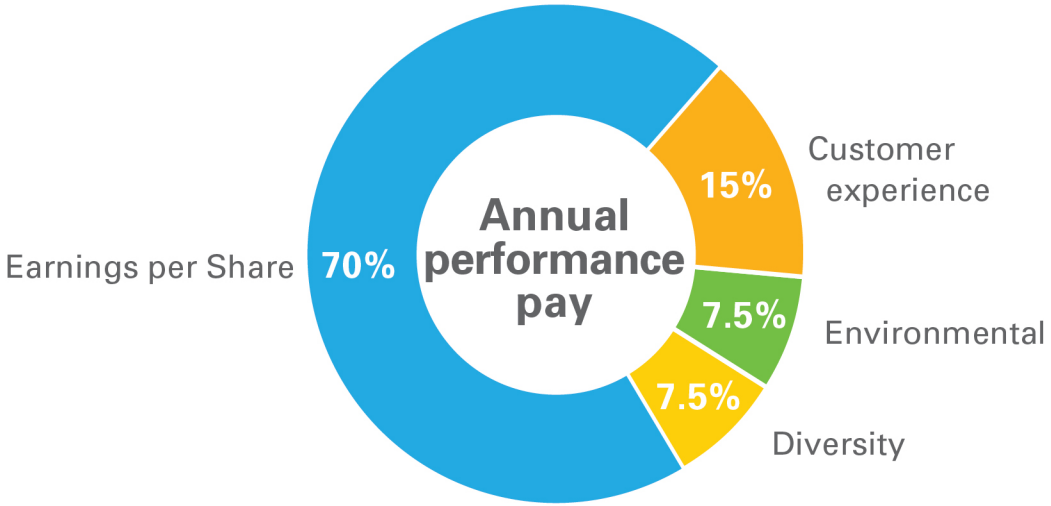



# Compensation and pay practices

## Executive compensation linkage to 2020 ESG-related goals




- Strong linkage of compensation to achievement of financial, customer-focused and ESG-related goals
- Substantial portion of performance-based compensation is at-risk
- Regular reviews by the Compensation and Personnel Committee

# ESG Disclosures

Corporate Responsibility Report

ESG Data and Reports

Sustainability Stories

Clean Energy Vision and Goals

Political Engagement Guidelines

Corporate Governance Guidelines

Diversity, Equity and Inclusion Commitments

Code of Conduct

Alliant Energy Foundation

# Reconciliation between GAAP and non-GAAP EPS

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|
| **GAAP EPS from continuing operations** | $1.69 | $1.65 | $1.99 | $2.19 | $2.33 | $2.47 |
| • Temperature impacts | 0.04 | | 0.06 | (0.06) | (0.05) | (0.01) |
| **Non-GAAP adjustments:** | | | | | | |
| • Losses from sales of Minnesota distribution assets | 0.04 | | | | | |
| • Voluntary employee separation charges | 0.02 | | | | | |
| • Valuation charge related to the Franklin County Wind Farm | | 0.23 | | | | |
| • Tax reform | | | (0.08) | (0.02) | | |
| • Net write-down of regulatory assets due to IPL electric rate review settlement | | | 0.02 | | | |
| • American Transmission Company Holdings return on equity reserve adjustment | | | | | (0.02) | |
| • Credit loss adjustments on guarantee for affiliate of Whiting Petroleum | | | | | | (0.02) |
| • Tax valuation allowance adjustment | | | | | | (0.02) |
| **Non-GAAP temperature normalized EPS from continuing operations** | $1.79 | $1.88 | $1.99 | $2.11 | $2.26 | $2.42 |



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