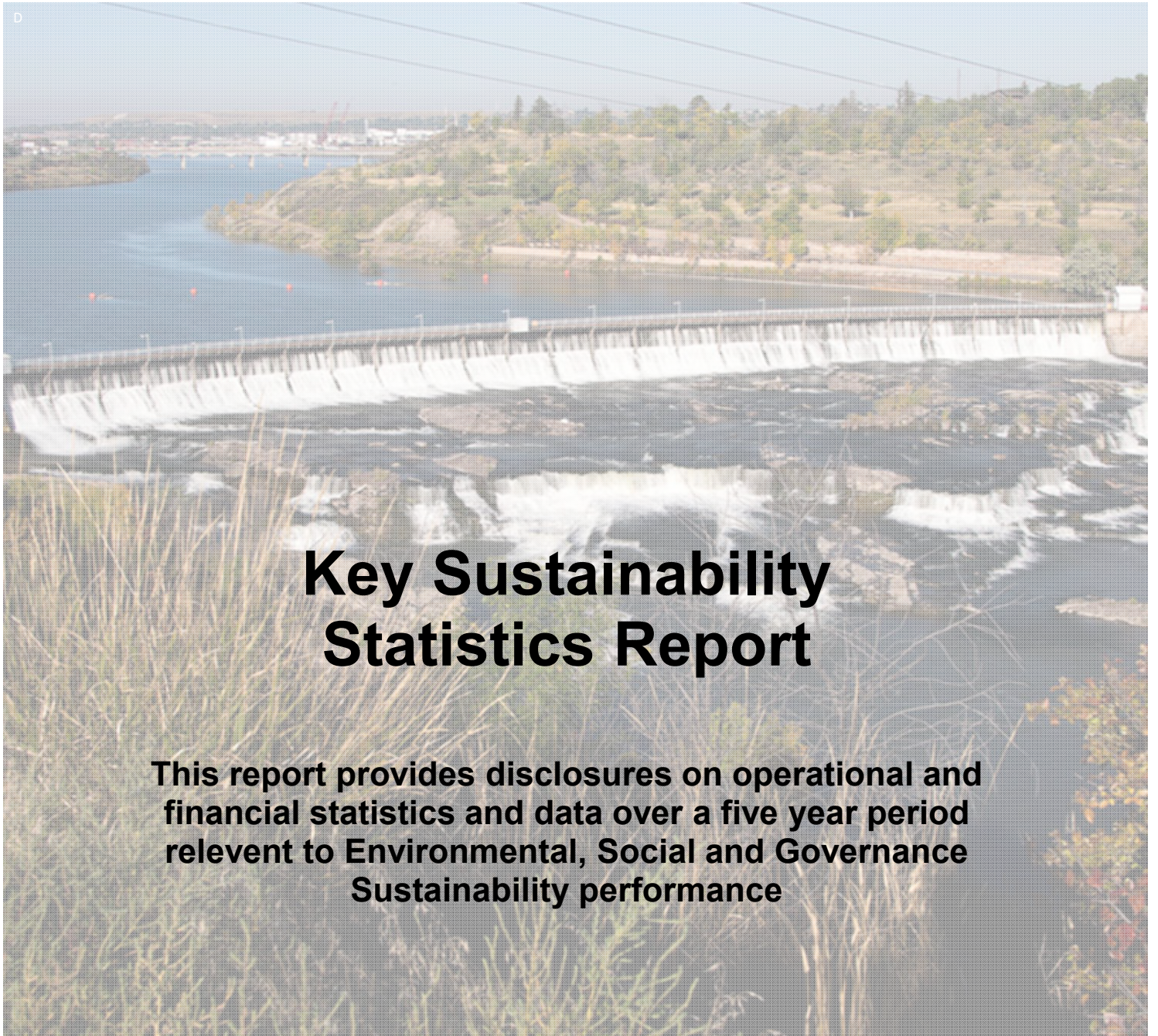




# NorthWestern<sup>®</sup> Energy



## Key Sustainability Statistics Report

**This report provides disclosures on operational and financial statistics and data over a five year period relevant to Environmental, Social and Governance Sustainability performance**



**Corporate Overview**

<b>General Information</b>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>Average Number Electric Customers</b>					
Residential	345,674	349,984	353,837	358,036	362,727
Commercial	79,153	80,288	81,710	82,947	84,400
Industrial	6,270	6,260	6,297	6,411	6,410
Total	431,097	436,532	441,844	447,394	453,537
<b>Average Number of Natural Gas Customers</b>					
Residential	247,411	249,868	252,415	255,523	258,319
Commercial	34,893	35,399	35,931	36,366	36,786
Industrial	412	407	403	384	395
Total	282,716	285,674	288,749	292,273	295,500
<b>Average Number of Total Customers (electric and natural gas)</b>					
Residential	593,085	599,852	606,252	613,559	621,046
Commercial	114,046	115,687	117,641	119,313	121,186
Industrial	6,682	6,667	6,700	6,795	6,805
Total	713,813	722,206	730,593	739,667	749,037
<b>Population Service Area (Estimated by County)</b>	1,739,346	1,749,606	1,760,125	1,784,095	1,803,747
<b>Utility Plant Assets - Net (\$)</b>	\$ 4,358,264,100	\$ 4,521,317,600	\$ 4,704,606,100	\$ 4,955,787,300	\$ 5,249,302,600
<b>Revenues (\$)</b>					
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Electric	\$ 1,037,053,000	\$ 921,009,300	\$ 981,178,000	\$ 940,815,000	\$ 1,052,182,000
Natural Gas	\$ 268,599,000	\$ 270,916,000	\$ 276,732,000	\$ 257,855,000	\$ 320,134,000
Total	\$ 1,305,652,000	\$ 1,191,925,300	\$ 1,257,910,000	\$ 1,198,670,000	\$ 1,372,316,000
<b>Total Retail Electric Energy Volumes (MWh's)</b>					
Residential	3,086,000	3,116,000	3,170,000	3,218,000	3,300,000
Commercial	4,227,000	4,241,000	4,296,000	4,109,000	4,268,000
Industrial & Other	2,519,000	2,759,000	3,114,000	2,788,000	2,623,000
Total	9,832,000	10,116,000	10,580,000	10,115,000	10,191,000
<b>Total Retail Natural Gas Energy Volumes (Dkt's)</b>					
Residential	18,909,000	19,948,000	21,410,000	19,447,000	19,199,000
Commercial	11,862,000	12,690,000	13,790,000	11,953,000	11,945,000
Industrial & Other	293,000	327,000	319,000	274,000	322,000
Total	31,064,000	32,965,000	35,519,000	31,674,000	31,466,000
Peak Load - MT (megawatts)	1,888	1,932	1,987	1,855	2,113
Peak Load - MT - Month	July	Aug	Aug	Aug	June
Peak Load - SD (megawatts)	334	309	331	327	333
Peak Load - SD - Month	July	July	July	Aug	Aug



# NorthWestern Energy

## Sustainability Key Performance Statistics 2017-2021



Effective Management	2017	2018	2019	2020	2021
<b>Earnings</b>					
Earnings per share (Diluted)	\$ 3.34	\$ 3.92	\$ 3.98	\$ 3.06	\$ 3.60
Earnings per Share Non-GAAP (Diluted)	\$ 3.30	\$ 3.39	\$ 3.42	\$ 3.35	\$ 3.51
Dividend per share	\$ 2.10	\$ 2.20	\$ 2.30	\$ 2.40	\$ 2.48
Year-End Stock Price	\$ 59.70	\$ 59.44	\$ 71.67	\$ 58.31	\$ 57.16
Dividend Yield (Year-End Stock Price)	3.5%	3.7%	3.2%	4.1%	4.3%
Dividends Payout Ratio (GAAP)	62.9%	56.1%	57.7%	78.5%	68.9%
Dividend Payout Ratio (Non-GAAP)	63.6%	64.9%	67.3%	71.6%	70.7%
Return on Average Equity	9.5%	10.5%	10.1%	7.5%	8.5%
Return on Average Assets	3.0%	3.6%	3.5%	2.5%	2.8%
Total Shareholder Return (Includes Dividends Reinvested)	8.7%	3.5%	24.5%	-15.1%	2.1%
Market Capitalization	\$ 2,947,536,000	\$ 2,991,240,000	\$ 3,615,911,000	\$ 2,949,739,000	\$ 3,088,485,000
Enterprise Value	\$ 5,025,057,000	\$ 5,058,748,000	\$ 5,817,071,000	\$ 5,332,213,000	\$ 5,627,143,000

### Financial Strength

Debt to Capital Ratio	53.7%	51.7%	52.0%	53.5%	52.1%
Free Funds from Operation (FFO) to debt	16.2%	15.9%	15.8%	12.7%	13.4%
Liquidity (Year-End)	\$ 88,873,000	\$ 117,860,000	\$ 113,145,000	\$ 233,811,000	\$ 90,800,000
Net Write Off as % of Revenues	0.25%	0.28%	0.19%	0.19%	0.20%
Capital Expenditures	\$ 280,559,000	\$ 311,120,000	\$ 325,108,000	\$ 403,274,000	\$ 452,410,000
Maintenance/New Connects Capex	\$ 248,304,000	\$ 279,805,000	\$ 311,579,000	\$ 327,641,000	\$ 384,608,000

## Environment

### Energy Sources

	2017	2018	2019	2020	2021
<b>Owned Electric Generation Portfolio Delivered (Owned and Purchased Power)</b>					
Owned Maximum Capacity	1,294	1,311	1,278	1,282	1,271
Long-Term Contracted Maximum Capacity	729	604	684	680	680
Total Maximum Capacity - MW	2,023	1,915	1,962	1,962	1,951
<b>Owned Electric Generation Portfolio Delivered (As a % of Total Portfolio MWh - Owned and Purchased Power)</b>					
Wind and Solar	6.2%	5.6%	5.4%	6.6%	5.6%
Hydro	35.9%	35.2%	33.8%	33.5%	27.1%
Coal	29.6%	29.6%	28.0%	21.9%	28.3%
Natural Gas / Oil	3.6%	3.5%	3.4%	2.7%	4.1%
Total Power Generated by NWE	75.2%	73.9%	70.7%	64.6%	65.2%
Zero-GHG Emissions Energy	42.1%	40.8%	39.2%	40.0%	32.7%
<b>Purchased Power Portfolio (As a % of Total Portfolio MWh - Owned &amp; Purchased Power)</b>					
Wind and Solar	12.2%	12.9%	16.5%	23.5%	21.9%
Hydro	1.9%	1.6%	1.6%	1.5%	1.2%
Coal	9.1%	10.0%	9.4%	9.7%	10.1%
Natural Gas / Oil	1.5%	1.6%	1.9%	0.8%	1.6%
Total Purchased Power	24.8%	26.1%	29.3%	35.4%	34.8%
Zero-GHG Emissions Energy	14.1%	14.5%	18.1%	25.0%	23.1%



# NorthWestern Energy

## Sustainability Key Performance Statistics 2017-2021



	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>Owned &amp; Purchased Power Portfolio (As a % of Total Portfolio MWh)</b>					
Wind and Solar	18.4%	18.5%	21.9%	30.0%	27.6%
Hydro	37.8%	36.7%	35.4%	35.0%	28.3%
Coal	38.7%	39.6%	37.4%	31.5%	38.4%
Natural Gas / Oil	5.1%	5.1%	5.3%	3.5%	5.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

<b>Owned &amp; Purchased Power Portfolio (As a % of Total Portfolio MWh)</b>					
Zero-GHG Emissions Energy	56.2%	55.2%	57.3%	65.0%	55.9%
Total Generation Portfolio - Owned & L-T Contracts (MWh)	7,127,698	7,688,513	8,137,450	7,580,255	7,703,041

<b>Maximum Capacity - Owned Resource (As a % of Total Portfolio MegaWatts - Owned &amp; L-T Contracts)</b>					
Wind & Solar	5.9%	6.9%	6.7%	6.7%	6.7%
Hydro	21.8%	23.4%	23.0%	22.8%	23.2%
Coal	21.4%	22.6%	22.0%	22.0%	22.1%
Natural Gas / Oil	14.8%	15.7%	13.5%	13.8%	13.1%
Total	64.0%	68.5%	65.1%	65.3%	65.1%
Non-Carbon Total	27.8%	30.2%	29.7%	29.5%	29.9%

<b>Maximum Capacity - Long-Term Resource (As a % of Total Portfolio MegaWatts - Owned and L-T Contracts)</b>					
Wind & Solar	27.3%	22.3%	25.9%	25.7%	25.8%
Hydro	1.8%	1.9%	1.9%	1.9%	1.9%
Coal	4.3%	4.5%	4.4%	4.4%	4.5%
Natural Gas / Oil	2.6%	2.7%	2.7%	2.7%	2.7%
Total	36.0%	31.5%	34.9%	34.7%	34.9%
Non-Carbon Total	29.2%	24.3%	27.8%	27.6%	27.7%

<b>Maximum Capacity - Owned and Long-Term Resource (As a % of Total Portfolio MegaWatts)</b>					
Wind & Solar	33.3%	29.2%	32.6%	32.4%	32.6%
Hydro	23.7%	25.3%	24.9%	24.7%	25.1%
Coal	25.7%	27.1%	26.5%	26.5%	26.6%
Natural Gas / Oil	17.4%	18.4%	16.1%	16.5%	15.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Non-Carbon Total	56.9%	54.5%	57.4%	57.1%	57.7%

### Owned Coal Facilities

Coal Combustion Residuals (CCR) generated - Metric Tons - Owned Facilities	157,593	163,049	163,989	139,372	134,112
Coal Combustion Residuals (CCR) recycled	21.2%	13.5%	11.0%	10.7%	12.3%

### GreenHouse Gases (GHG) - CO2 Emissions

<b>Scope 1 CO2 Emissions (Metric Tons)</b>					
Owned Electric Generation	2,609,793	2,703,374	2,664,493	2,160,366	2,671,193 *
Electric Transmission System (SF6 & PCB leaks)	1,944	17,090	6,481	3,455	4,310 *
Natural Gas System (Gathering, Distr, Trans & Storage)	Not Available	144,729	191,187	340,743	208,998
Company Owned Fleet	14,050	13,981	13,894	13,165	13,357 *
Total Scope 1 CO2 Emissions	2,625,787	2,879,174	2,876,055	2,517,729	2,897,858

\* Scope 1 CO2 emission for 2021 are estimates for Owned Electric Generation, Electric Transmission System and Company Owned Fleet



# NorthWestern Energy

## Sustainability Key Performance Statistics 2017-2021



Scope 2 CO2 Emissions	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Electric	11,755	12,831	12,091	9,996	10,814 *
Natural Gas	Not Available	2,165	2,348	4,497	3,535 *
Total Scope 2 CO2 Emissions	11,755	14,996	14,439	14,493	14,349

\* Scope 2 CO2 emission for 2021 are estimates for both electric and natural gas usage in our facilities

Water Use - Coal and Natural Gas Facilities	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Water Use - Coal & Natural Gas Facilities - Cubic Meters	4,723,088	4,515,124	4,442,164	3,897,959	3,986,914

### Energy Usage at Facilities in our Operations

Electricity - NWE Supplied- MWh's	21,672	22,441	22,519	20,968	20,941
Natural Gas - NWE Supplied - Dkt's	72,220	78,223	82,936	77,129	96,471

\* Energy usage includes energy supplied by NorthWestern Energy or a 3rd party to power their operations

### Waste (Hazardous & Non-Hazardous) - All Facilities

Waste - Non-Hazardous - Metric Tons				738	Not Available
Waste - Hazardous - Metric Tons				43	Not Available
Recycled Waste - Non-Hazardous - Metric Tons				391	Not Available
Recycled Waste - Hazardous - Metric Tons				25	Not Available

## Social

### Customers

Combined Overall Customer Satisfaction Scores	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Company Scores - JD Power	696.6	710.7	718.9	721.6	721.0

### Customer Service

Average Calls per Month	92,500	89,400	89,900	94,860	46,409
Average Talk Time	3 min 42 sec	3 min 40 sec	3 min 47 sec	4 min 29 sec	4 min 58 sec

### Electric Rates

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>Residential Rates (750 Kwh Monthly Bill) *</b>					
NWE - MT	\$ 88.05	\$ 87.08	\$ 90.49	\$ 92.10	\$ 91.95
NWE - SD	\$ 98.00	\$ 98.68	\$ 95.70	\$ 102.13	\$ 104.70
Peer Group Average **	\$ 88.80	\$ 89.66	\$ 88.75	\$ 90.34	\$ 93.53
National Average	\$ 106.76	\$ 108.78	\$ 108.03	\$ 104.56	\$ 108.44

### Commercial Rates (10,000 Kwh Monthly Bill) \*

NWE - MT	\$ 1,183	\$ 1,165	\$ 1,209	\$ 1,246	\$ 1,245
NWE - SD	\$ 1,333	\$ 1,341	\$ 1,300	\$ 1,388	\$ 1,388
Peer Group Average **	\$ 1,118	\$ 1,142	\$ 1,116	\$ 1,133	\$ 1,164
National Average	\$ 1,303	\$ 1,322	\$ 1,311	\$ 1,255	\$ 1,319

### Industrial Rates (200,000 Kwh Monthly Bill) \*

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
NWE - MT	\$ 19,772	\$ 19,911	\$ 19,908	\$ 18,749	\$ 18,354
NWE - SD	\$ 24,504	\$ 24,670	\$ 23,650	\$ 25,637	\$ 25,637
Peer Group Average **	\$ 22,815	\$ 22,971	\$ 22,799	\$ 23,163	\$ 23,953
National Average	\$ 26,638	\$ 27,344	\$ 27,049	\$ 25,832	\$ 27,302

\* As published in the Edison Electric Institute's (EII) Summer Typical Bill and Average Rate Reports - Rates as of July 1st of each year

\*\* Peer Group consists of AVA, ALE, BKH, IDA, MGEE, OGE, OTTR, PNM & POR



# NorthWestern Energy

## Sustainability Key Performance Statistics 2017-2021



<b>Natural Gas Rates</b>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>Residential Rates (cents per Dkt) *</b>					
NWE - MT	\$ 0.071	\$ 0.065	\$ 0.062	\$ 0.062	\$ 0.072
NWE - SD	\$ 0.079	\$ 0.078	\$ 0.078	\$ 0.072	\$ 0.094
NWE - NE	\$ 0.085	\$ 0.083	\$ 0.071	\$ 0.066	\$ 0.085
Regional States Average **	\$ 0.089	\$ 0.087	\$ 0.082	\$ 0.084	\$ 0.091
National Average	\$ 0.109	\$ 0.105	\$ 0.105	\$ 0.108	\$ 0.122
<b>Commercial Rates (cents per Dkt) *</b>					
NWE - MT	\$ 0.079	\$ 0.073	\$ 0.070	\$ 0.070	\$ 0.080
NWE - SD	\$ 0.055	\$ 0.055	\$ 0.054	\$ 0.048	\$ 0.070
NWE - NE	\$ 0.059	\$ 0.058	\$ 0.051	\$ 0.045	\$ 0.065
Regional States Average **	\$ 0.072	\$ 0.070	\$ 0.065	\$ 0.066	\$ 0.076
National Average	\$ 0.079	\$ 0.078	\$ 0.076	\$ 0.075	\$ 0.088
* As reported on eia.gov website. Rates exclude transportation costs					
** Regional states include CO, IA, ID, MN, ND, OR, WA & WY					
<b>Customer Programs</b>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>Energy Efficiency</b>					
Incremental Annual Electricity Savings (MWh)	65,413	79,107	74,796	67,606	67,939
Incremental Annual Natural Gas Savings (Dkt)	77,641	100,197	38,824	49,827	30,075
Incremental Annual Investment in DSM Programs (\$)	\$ 14,300,000	\$ 15,200,000	\$ 14,600,000	\$ 11,800,000	\$ 12,000,000
Net Meter Customers - Residential	1,729	1,961	2,344	2,634	3,064
Net Meter Customers - Commercial	414	453	493	541	579
<b>Net Meter Customers - Total</b>	<b>2,143</b>	<b>2,414</b>	<b>2,837</b>	<b>3,175</b>	<b>3,643</b>
<b>Customer Disconnections</b>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Res. & Comm. Disconnections for Non-Payment	12,130	12,814	12,136	5,668	11,695
Res. & Comm. Reconnections within 30 Days	7,878	8,482	8,030	3,813	8,766
% Reconnected within 30 Days	64.9%	66.2%	66.2%	67.3%	75.0%
<b>% of Electric Customers with Smart Meters</b>	0.0%	1.5%	14.2%	14.5%	27.5%
<b>Low Income Assistance</b>	\$ 7,900,000	\$ 7,700,000	\$ 7,300,000	\$ 9,400,000	\$ 8,600,000
<b>Reliability</b>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2020</u>
System Average Interruption Duration Index (SAIDI) - Excluding Major Event Days (MED) (minutes)	131.88	99.99	113.29	129.74	121.81
SAIDI Excluding MED's - National Average *	137.74	143.26	149.98	134.90	Not Available
System Average Interruption Frequency Index (SAIFI) - Excluding MED's (per 100 customers)	1.56	1.27	1.47	1.10	1.13
SAIFI Excluding MED's - National Average *	1.23	1.28	1.18	1.22	Not Available
Customer Average Interruption Duration Index (CAIDI) - Excluding MED's (minutes)	84.64	78.99	77.26	117.57	108.00
CAIDI Excluding MED's - National Average *	108.28	100.23	122.84	103.58	Not Available

\* SAIDI, SAIFI and CAIDI national averages includes investor owned utilities only via EIA.gov's 861 data files



# NorthWestern Energy

## Sustainability Key Performance Statistics 2017-2021



<b>Community</b>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>Safety Education and Awareness Investment</b>	\$ 1,607,700	\$ 1,557,200	\$ 1,578,400	\$ 1,590,300	\$ 1,780,800
<b>Charitable Donations, Economic Development &amp; Sponsorships</b>					
Charitable Donations	\$ 657,285	\$ 590,172	\$ 632,951	\$ 849,127	\$ 523,295
Economic Development	\$ 595,248	\$ 293,784	\$ 155,961	\$ 275,006	\$ 279,612
Sponsorships	\$ 329,895	\$ 470,826	\$ 809,192	\$ 483,237	\$ 578,051
Employee Giving - United Way	\$ 184,449	\$ 120,032	\$ 122,575	\$ 182,111	\$ 194,669
Employer Match - United Way	\$ 62,037	\$ 60,016	\$ 61,288	\$ 62,863	\$ 64,890
<b>Total Giving</b>	<b>\$ 1,828,914</b>	<b>\$ 1,534,830</b>	<b>\$ 1,781,967</b>	<b>\$ 1,852,344</b>	<b>\$ 1,640,516</b>
<b>Scholarship Funding</b>	<b>\$ 98,000</b>	<b>\$ 103,250</b>	<b>\$ 97,250</b>	<b>\$ 102,250</b>	<b>\$ 102,250</b>
<b>Fish &amp; Wildlife / Public Recreation Support</b>	<b>\$ 1,971,178</b>	<b>\$ 2,112,100</b>	<b>\$ 2,096,000</b>	<b>\$ 2,080,200</b>	<b>\$ 2,141,500</b>
<b>Volunteering</b>					
Non-profits receiving grants from Volunteer Program	150	184	112	104	99
Dollars Non-Profits received from Volunteering	\$ 91,100	\$ 119,800	\$ 153,500	\$ 62,950	\$ 54,907
<b>Total Community Giving</b>	<b>\$ 5,596,892</b>	<b>\$ 5,427,180</b>	<b>\$ 5,707,117</b>	<b>\$ 5,688,044</b>	<b>\$ 5,719,973</b>

Total Community Giving Includes Safety Awareness, Charitable Donations, Economic Development, Sponsorships, Scholarship Funding, Public Recreation Support & Volunteer Program Grants

<b>Property Taxes Paid</b>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Montana	\$ 150,069,488	\$ 157,767,344	\$ 158,943,237	\$ 166,885,936	\$ 159,726,323
South Dakota	\$ 4,219,867	\$ 4,351,367	\$ 4,664,797	\$ 5,412,546	\$ 5,640,195
Nebraska	\$ 595,185	\$ 611,475	\$ 618,446	\$ 662,910	\$ 669,090
<b>Total Property Taxes</b>	<b>\$ 154,884,540</b>	<b>\$ 162,730,186</b>	<b>\$ 164,226,480</b>	<b>\$ 172,961,392</b>	<b>\$ 166,035,608</b>

<b>Economic Impact Analysis - Circle Analytics</b>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Gross Economic Output *	\$ 2,159,521,418	\$ 2,143,352,096	\$ 2,151,552,448	\$ 2,263,185,102	\$ 2,596,964,327
Total Labor Income **	\$ 444,683,493	\$ 441,334,583	\$ 443,099,531	\$ 465,885,608	\$ 534,646,891
Total Employment ***	12,590	12,505	12,549	13,262	15,194

\* Gross Economic Output: aggregated market value of goods and services

\*\* Total Labor Income: Compensation to employees and self-employed proprietors for both wages and indirect payments - includes retirement, health insurance and other fringe benefits

\*\*\* Total Employment: number of jobs generated of full and part-time positions, salary workers and sole proprietors

<b>Employees</b>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>Safety Culture</b>					
Lost Time Incident Rate	0.51	0.71	0.58	0.39	0.59
OSHA Recordable Rate	1.92	1.73	1.87	1.36	1.77
Days-Away, Restricted, and Transfer (DART) Rate	1.02	1.03	0.84	0.65	0.91
Total number of vehicle incidents	31	25	27	17	25
Total vehicle incident rate	2.43	2.01	2.17	1.46	2.00
Work-related Fatalities	-	-	-	-	-
<b>Number of Employees</b>					
<b>Regular Employees</b>					
Regular Full-Time Employees - Year End	1,490	1,462	1,464	1,466	1,442
Seasonal / Part-Time / Temp Employees - Year End	67	66	69	64	41
<b>Total Employees</b>	<b>1,557</b>	<b>1,528</b>	<b>1,533</b>	<b>1,530</b>	<b>1,483</b>



Union / Non-Union	2017	2018	2019	2020	2021
Union Employees	653	631	650	643	605
Non-Union Employees	904	897	883	887	878
<b>Total Employees</b>	<b>1,557</b>	<b>1,528</b>	<b>1,533</b>	<b>1,530</b>	<b>1,483</b>

**Number of Contingent Workers**

Turnover for Regular Full-Time Employees	7.1%	8.6%	8.0%	8.1%	12.3%
Average tenure (years)	15	15	14	13	12
Employee Engagement Score	75	75	77	77	77

NorthWestern Energy has conducted employee engagement surveys periodically. 2015 & 2017 by Great Places to Work and 2019 by Spencer Stuart Culture Survey. Scores are out of 100.

**Diversity**

Females as % of total employees	28%	27%	28%	28%	27%
Females as % of total management	24%	23%	24%	26%	28%
Percentage of Minorities in Work Place	2.5%	2.8%	2.9%	3.1%	2.9%

NorthWestern Energy is a federal contractor and as such maintains Affirmative Action plans. Our employment data is tested annually by a third party as part of our Affirmative Action plan development. This testing determined that there is no adverse impact to female or minority candidates in our rates of hires/applicants, promotions or terminations, and no need to establish corrective placement goals in our plan. Our workforce reflects the relative diversity of our available talent in our service territories.

**Health / Benefits**

	2017	2018	2019	2020	2021
Paid in Employee Association Dues	\$ 92,225	\$ 113,018	\$ 100,232	\$ 90,388	\$ 70,091
Benefits to Pay Ratio	29%	30%	29%	28%	29%
Percentage of Skilled or Professional Employees - <u>Excluding</u> Directors, Managers & Supervisors	64%	64%	65%	65%	65%
Percentage of Skilled or Professional Employees - <u>Including</u> Directors, Managers & Supervisors	78%	78%	78%	78%	78%

Benefits Offered: 401(k), Medical/Prescription Plans, Vision, Dental, Wellness Program, Paid Time Off, Holiday Pay, Health Care & Dependent Care Flexible Spending Accounts, Basic Life Insurance, Employee Life Insurance, Dependent Life Insurance, Employee Accidental Death & Dismemberment (AD&D), Spouse AD&D, Employee Assistance Program (Counseling), Wellness Program, Employee Stock Purchase Plan, Incentive Pay Plan, Short-Term Disability, Long-Term Disability, Worker's Compensation, & Employee Discounts for computers, cell phones plans and vehicles.

**Governance**

**Leadership Diversity**

	2017	2018	2019	2020	2021
<b>Board of Directors</b>					
Age Diversity - % 60 and Over	38%	38%	50%	60%	50%
Tenure Diversity - % over 10 Years	25%	38%	40%	40%	25%
Gender Diversity - % of Females	38%	38%	40%	40%	38%
Ethnic Diversity - % of Minorities	13%	13%	20%	20%	13%

**Executive Team**

Age Diversity - % 60 and Over	38%	38%	38%	38%	33%
Tenure Diversity - % over 10 Years	33%	50%	50%	50%	50%
Gender Diversity - % of Females	38%	38%	38%	38%	44%
Ethnic Diversity - % of Minorities	0%	0%	0%	0%	0%

**CEO Pay Ratio**

	2017	2018	2019	2020	2021
To NorthWestern Average Employee Pay	23 : 1	27 : 1	27 : 1	25 : 1	28 : 1
As % of Peer Group Median CEO Pay	78%	89%	98%	89%	79%

**Board of Director Attendance**

Board Meeting held each year	6	8	10	5	7
Board meeting attendance %	100.0%	93.8%	98.8%	100.0%	100.0%





# NorthWestern Energy

## Sustainability Key Performance Statistics 2017-2021



### Corporate Governance

#### What we Do

- \* Annual elections of all directors.
- \* Majority vote plus resignation standard in uncontested elections. If a director receives more "WITHHOLD AUTHORITY" votes than "FOR" votes, the director must submit a resignation for the Board to consider.
- \* Allow shareholders owning 25 percent of our shares to call a special meeting.
- \* Independent board, except for our CEO.
- \* Independent Board Chair.
- \* Each of our board committees (Audit, Human Resource, Nominating, Safety-Environmental-Technology & Operations, and Governance & Innovation) is made up solely of independent directors.
- \* Committee authority to retain independent advisors, which will be paid for by the company.
- \* Code of Conduct and Ethics. Applies to all employees and Board, with a separate Code of Ethics for Chief Executive Officers and Senior Financial Officers concerning financial reporting and other related matters.
- \* Robust stock ownership guidelines for executive officers and directors.
- \* Place a significant portion of executive pay at risk by granting incentive awards that are paid, if earned, based on continuing annual and long-term individual and company performance.
- \* Utilize multiple performance metrics for long-term incentive awards that align executive and shareholder interests.
- \* Target executive pay around median of our peers, while also considering trade area economics, turn-over, tenure, experience and other factors.

#### What we Do Not Do

- \* Use employment or golden parachute agreements.
- \* Allow option repricing or liberal share recycling on our pay practices.
- \* Promise multi-year guarantees for salary increases.
- \* Poison pill or a shareholder rights plan.
- \* Supermajority voting, except to approve certain business combinations or mergers.
- \* Corporate political contributions.
- \* Hedging of company securities.