

2023 SUSTAINABILITY REPORT

Including SASB & TCFD Aligned Reporting



NorthWestern[®]
Energy
Delivering a Bright Future



ABOUT THIS REPORT

We are guided by our commitment to sustainability and our robust environmental, social and governance (ESG) policies and practices. Our Sustainability Report provides transparency into the social, environmental and economic impacts of NorthWestern Energy. We created this voluntary report to offer insights into how we view sustainability.

ABOUT NORTHWESTERN ENERGY

NorthWestern Energy Group, Inc., doing business as NorthWestern Energy, provides electricity and/or natural gas to approximately 764,200 customers in Montana, South Dakota, Nebraska and Yellowstone National Park. We are working to deliver safe, reliable and affordable energy solutions that create value for customers, communities, employees and investors. This includes bridging our history as a regulated utility while safely providing low-cost and reliable service with our future as a globally-aware company offering a broader array of services performed by highly adaptable and skilled employees. We seek to deliver value to our customers by providing high reliability and customer service, and an environmentally sustainable generation mix at an affordable price. The energy landscape is changing and we are committed to meeting the changing demands of our customers through continued investment to enhance reliability, security and safety, grid modernization, and integration of even more renewables and energy storage, while meeting our growing demand for capacity. We are focused on delivering long-term shareholder value through:

- Infrastructure investment focused on a stronger and smarter grid to improve the customer experience, while enhancing grid reliability and safety. This includes automation in customer meters, distribution and substations that enables the use of proven new technologies.
- Investing in and integrating supply resources that balance reliability, cost, capacity, and sustainability considerations with more predictable long-term commodity prices.
- Continually improving our operating efficiency. Financial discipline is essential to earning our authorized return on invested capital and maintaining a strong balance sheet, stable cash flows, and quality credit ratings to continue to attract cost-effective capital for future investment.

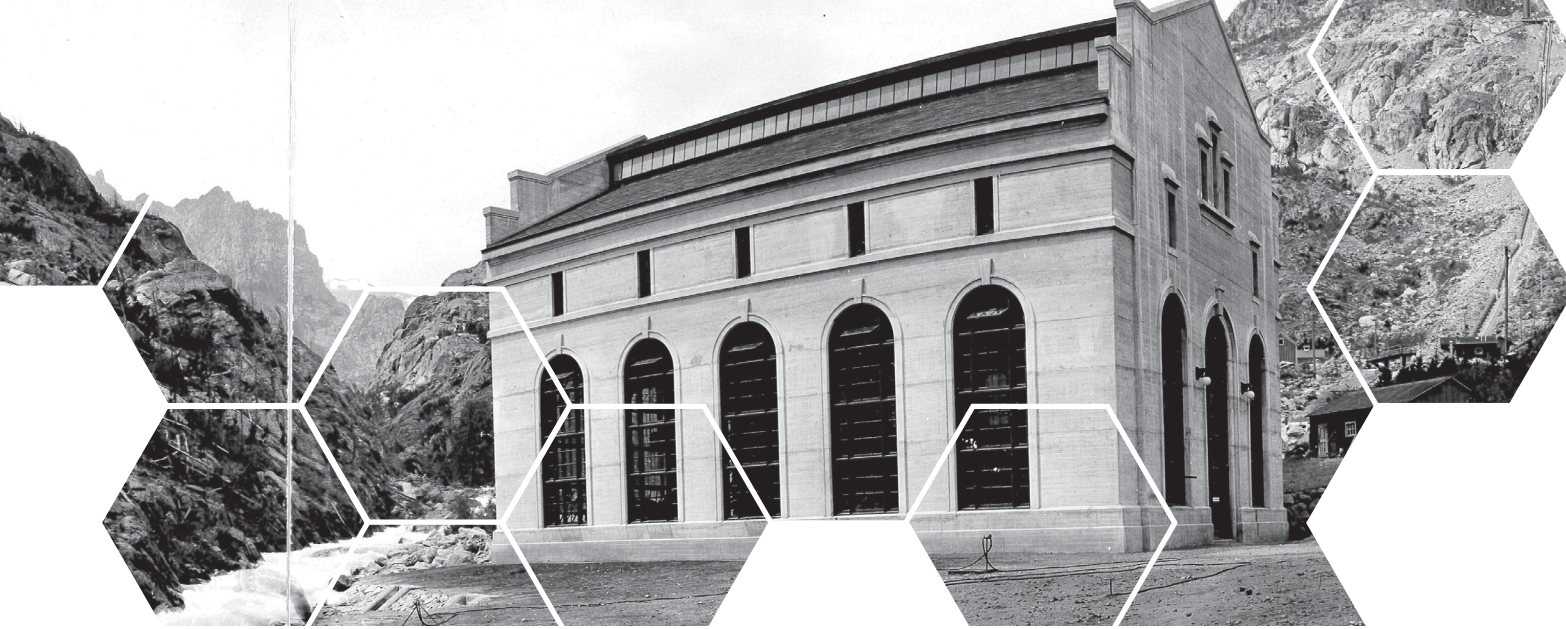
We expect to pursue these investment opportunities and manage our business in a manner that allows us to be flexible in adjusting to changing economic conditions by adjusting the timing and scale of the projects. We are committed to providing customers with reliable and affordable electric and natural gas service while also being good stewards of the environment.

FORWARD LOOKING STATEMENTS

Statements in this report not based on historical facts are considered “forward-looking” and, accordingly, involve risks and uncertainties that could cause actual results to differ materially from those discussed. Although such forward-looking statements have been made in good faith and are based on reasonable assumptions, there is no assurance that the expected results will be achieved. These statements include (without limitation) statements as to future expectations, beliefs, plans, strategies, objectives, events, and conditions. In connection with the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995, we are providing this cautionary statement to identify important factors that could cause actual results to differ materially from those anticipated. The following factors, in addition to those discussed within Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2022, and elsewhere in this report and in our other filings with the Securities and Exchange Commission, could cause actual results to differ materially from management expectations suggested in such forward-looking statements:

- federal, state or local administrative, regulatory, judicial, or legislative proceedings or actions, and any changes in laws, regulations, interpretations, policies and ratemaking determinations;
- the effects on demand for our services resulting from business and economic conditions or from technological advances, including advances in customer energy efficiency, energy storage, and private generation sources, which generate electricity at the site of consumption and are becoming more cost-competitive;
- our ability to align overall spending, both operating and capital, with frameworks established by our regulators and to recover these costs in a timely manner to earn the allowed return on equity;
- the cost and availability of fuel used to produce electricity; the cost and availability of purchased power, zero emission credits, renewable energy credits, and natural gas for distribution; and the level and volatility of future market prices for such commodities and credits, including our ability to recover the costs for such commodities and credits and our customers’ tolerance for any related price increases;
- disruptions of the capital markets, actions of credit rating agencies or deterioration in our credit metrics, including the cost or availability of capital, including short-term credit and liquidity and our ability to finance a portfolio transition;
- the impact of weather conditions and other natural phenomena on us and our customers, including the impact of system outages;
- the construction, installation, performance, and / or the effects of breakdowns or failures of equipment in the operation of our electric and natural gas transmission and distribution systems and storage facilities, such as leaks, explosions, and mechanical problems, and compliance with safety regulations which could result in unanticipated liabilities or unplanned outages;
- the impact of current environmental laws and new, more stringent, or changing requirements, including those related to carbon dioxide that could limit or terminate the operation of certain of our generation assets, increase our operating costs or investment requirements, result in an impairment of our assets, cause us to sell our assets, reduce our customers’ demand for electricity or natural gas, or otherwise have a negative financial effect;
- the impact of negative opinions of us or our utility services that our customers, legislators, or regulators may have or develop, which could result from a variety of factors, including failures in system reliability, failure to implement our investment plans or to protect sensitive customer information, increases in rates, or negative media coverage;
- the effects of strategic initiatives, including mergers, acquisitions, and divestitures; and
- acts of sabotage, war, terrorism, or other intentionally disruptive acts.

New factors emerge from time to time, and it is not possible for management to predict all of such factors, nor can it assess the impact of each such factor on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained or implied in any forward-looking statement. Given these uncertainties, undue reliance should not be placed on these forward-looking statements. Except to the extent required by the federal securities laws, we undertake no obligation to update or revise publicly any forward-looking statements to reflect new information or future events.



CONTENTS

About this report 2

About NorthWestern Energy 2

Forward looking statements 3

Intro 6

Message from our President and CEO 6

Company Overview / History 7

 Vision, mission, values: 7

Accomplishments in ESG 8

Environmental Stewardship 9

Our Net Zero Vision 9

Our Balanced Energy Mix 10

Energy Efficiency 11

 Our Energy Efficiency Programs 11

Automated Metering Infrastructure (AMI) 11

Electrical Grid Infrastructure 12

Electric Vehicles 12

 Our Fleet 12

 EV Infrastructure Investments 12

Our Natural Gas Operations 13

 Advanced Leak Detection 13

 Development of Alternative Fuels 14

Wildlife Protection and Habitat Conservation 15

Our Avian Protection Plan 15

Enhanced Wildfire Mitigation Plan 16

Environmental Permitting 16

Environmental Scorecard 16

 Annual Metrics 16

 Quarterly Metrics 16

Social 17

Our Commitment to Our Customers 18

 Affordability 19

 Reliability 20

 Our commitment to public safety 21

 Lower Customer Costs through Energy Efficiency 21

 Green Energy Options for Customers 21

 Cyber security and scam prevention 21

Our commitment to the communities we serve 22

 Our economic impact 22

 Charitable Giving and Volunteering 22

 Transition to Clean Energy for Communities 24

Employee Value 24

 Celebrating the accomplishments of our employees 25

 Employee Safety 26

 Workforce Profile 27

 Employee Pay and Benefits 28

 Our assistance program offers free counseling 28

 Earn incentives with our wellbeing program 28

 Workforce Development & Training 29

 Diversity and Inclusion 32

 Workforce Attraction 33

 Career outreach 33

Governance 34

Corporate Governance Award Winner 34

All-America Executive Team 34

Sustainability Committee 34

Enterprise Risk Management 34

Our Board of Directors 35

 What We Do 35

 What We Don't Do 35

 Board Diversity 36

 Executive Pay 37

 Financial Results 37

 Supplier Code of Conduct and new supplier diversity program 37

Sustainability Accounting Standards Board (SASB) 2023 Report 38

Task Force on Climate-related Financial Disclosures (TCFD) 2023 Report 42



INTRO

MESSAGE FROM OUR PRESIDENT AND CEO

Over the past 100 years, NorthWestern Energy has maintained our commitment to provide customers with reliable and affordable electric and natural gas service while also being good stewards of the environment.

We have long been committed to excellent corporate governance, deep community engagement and robust environmental programs.

We have an obligation to ensure sustainable long-term strategies and practices to meet today's needs while preparing to meet tomorrow's. In turn, we recognize sustainability is built upon operational excellence, financial soundness, constructive policy and, perhaps above all, cultural integrity.

Our business practices reflect a respect for, and a commitment to, ESG policies and practices.

We know electricity and natural gas are critical resources that impact all areas of life. Our customers count on us every day for the energy they need, and we take very seriously the responsibility to supply that energy today and far into the future.

In early 2021, we established a Sustainability Committee that meets monthly. This committee includes a broad representation of subject matter experts from across the company and is led by NorthWestern's President and Chief Executive Officer. A main focus of the committee is to provide accurate and reliable disclosure of financial and non-financial performance indicators that demonstrate the company's approach toward responsible investment, sustainability and ESG considerations.

By focusing on our mission of investing in the critical infrastructure and essential service on which our region depends, we have produced sustainable results for our investors and customers. As we move into the future, we remain committed to keeping sustainability in the forefront as we work to provide the performance and value that our customers, shareholders, employees and regulators have come to expect from NorthWestern Energy.



Brian Bird, President and Chief Executive Officer

COMPANY OVERVIEW / HISTORY

Northwestern Public Service (NPS) was founded in 1923 by bringing together four energy companies (two in Nebraska and two in South Dakota). NPS continued to grow over the years, purchasing dozens of local and regional utilities to provide electric and natural gas to South Dakota and Nebraska customers and ultimately re-branding as NorthWestern Corporation (doing business as NorthWestern Energy) in 1998.

Montana Power Company (MPC) was founded in 1912 in Butte, Montana, to provide power for the Anaconda Copper Mining operations and to the larger cities in Montana. MPC grew to supply power across 70% of Montana. In 2002, NorthWestern Corporation purchased MPC's distribution and transmission system.

Since the combination of the two utilities, NorthWestern has added 590 megawatts of owned carbon-free generation, including a 2014 acquisition of 11 hydro electric facilities.

Today, NorthWestern is investing back into its critical infrastructure at roughly five times the rate we were in 2002 to serve our 764,200 customers covering Montana, South Dakota, Nebraska and Yellowstone National Park.

Vision, mission, values:



Our Vision:

Enriching lives through a safe and sustainable energy future.



Our Mission:

Working together to deliver safe, reliable and affordable energy solutions that create value for customers, communities, employees and investors.

Our SERVICE Values:



Safety:

We strive to do our jobs safely and securely every day, without fail and without exception. We ensure the safety and security of our customers, the environment and the public through proper maintenance of our equipment and strict adherence to our belief in maintaining a safe and secure working environment.



Excellence:

We aim to achieve the highest levels of satisfaction, reliability and performance in everything we do. We're always striving for improvement and questioning the status quo.



Respect:

We value diversity, equality and inclusion. Every employee is treated with dignity and fairness.



Value:

We are committed to providing shareholders with returns that are among the best in our industry. Value to our customers comes through the products and services we deliver at prices that illustrate our focus on quality, efficiency and productivity.



Integrity:

We adhere to ethical business practices and are honest and transparent in our actions.



Community:

Our success is tied to the success of each and every one of our communities. We aim to be a good corporate citizen through the contribution of our time, talent and resources to help our communities fulfill their vision of success.



Environment:

We are committed to providing all customers with utility services that meet their current and future needs, while protecting and enhancing the quality of the environment. We will utilize our limited natural resources wisely and act responsibly to limit impacts on our air, water and land resources.




OUR COMMITMENT TO SUSTAINABILITY


At NorthWestern Energy, we are guided by our commitment to sustainability and our robust environmental, social and governance (ESG) policies and practices. Sustainability means meeting today's needs while planning for tomorrow's as well. We have focused our ESG efforts on providing safe, reliable and innovative energy solutions that sustain and create value for our customers, communities, employees and investors.

Protecting the Environment

NorthWestern Energy is proud to serve some of the most beautiful areas of the country. We know everything we do affects the environment. Through our environmental programs, we find ways to protect and enhance rivers, streams and habitats.

 We are committed to reaching **Net Zero Emissions by 2050**. This will allow us to do our part to help achieve the goal of limiting the global temperature increase to less than 2° Celsius.

 We adopted **Sustainable Procurement Guidelines** to help guide our purchasing of office supplies, technology equipment, furniture and more.

 We are in the process of replacing 30% of our light-duty vehicles, 20% of our new medium- and heavy-duty vehicles, 30% of new bucket trucks and 100% of new forklifts with **electric alternatives by 2030**.

Social Sustainability

We know diversity can bring new ideas and perspectives to any organization. As an industry, electric and natural gas companies have made great strides in increasing the diversity of our management and workforce over the past decades. We identify and manage business impacts and activities, both positive and negative, on our employees, customers and communities we serve.

 We support the communities we serve through charitable giving, sponsorships, economic development opportunities, scholarships and professional association dues. In 2022, we gave **more than \$2 million to our communities**.


We created a **Diversity, Equity and Inclusion Plan** to help build on our already inclusive culture.


 We were certified a **Great Place to Work** by the 2022 Great Place to Work Trust Index Survey. We were listed as one of Newsweek's America's Greatest Workplaces in 2023. Newsweek also included us in the list of America's Most Responsible Companies and America's Greatest Workplaces for Diversity.

 We encourage all employees to be active members of their communities. In 2022, we donated to **126 nonprofits** through our Employee Volunteer Program and Team Grant Program.

Getting Results the Right Way

We are committed to conducting business with integrity, while ensuring transparency and accountability, and meeting our responsibilities to all our stakeholders. We adhere to a strict code of ethics regarding corporate governance.

 The ratio of CEO to average employee pay is **26:1**, compared to our peer group average of 41:1 and utility industry average of 66:1. (Source: AFLCIO.org)

 50/50 Women on Boards recognizes us as a "3+" company, as four of our board seats are held by women, making up **40% of our Board of Directors**.

 Our **Supplier Diversity program** has helped us diversify service and material suppliers.

All the information above is based on 2022 year-end numbers

ENVIRONMENTAL STEWARDSHIP

At NorthWestern, we understand that almost everything we do to produce and deliver energy to our customers impacts the environment. We know that having the privilege to be an energy provider comes with both a profound obligation and wonderful opportunity to be good stewards of the environment.

Our Environmental Policy guides us to provide cost-effective, reliable and stably-priced energy while being good stewards of the natural resources, complying with all applicable regulations and demonstrating environmental leadership.

OUR NET ZERO VISION

Over the past 100 years, NorthWestern Energy has maintained our commitment to provide customers with reliable and affordable electric and natural gas service while also keeping our commitment to environmental sustainability front and center. In early 2022, we took our commitment a step further and announced our plan to reach net-zero emissions by 2050.

Our net zero vision outlines a plan that will continue to serve our customers with reliable, affordable energy, while deploying new, clean technology as it becomes available and cost-effective. We plan to cut emissions on both the electric and natural gas side (Scope 1 & 2) while working with customers to reduce their emissions (Scope 3).




We will continue to increase NorthWestern Energy's environmental sustainability and create an even cleaner portfolio of electric and gas resources and infrastructure for our customers and communities. 100% Net Zero by 2050 is achievable for our electric and natural gas business by responsibly taking incremental steps toward this goal and maintaining our commitment to reliable, affordable, environmentally sustainable service capable of meeting the needs of all customers. Public policy support and alignment with customers is essential to achieve these goals.

Read our complete Net Zero Vision NorthWesternEnergy.com/NetZero



"We're required to provide reliability and affordability to our customers, and do it sustainably. We need to do what's best for our customers and stakeholders, and that's exactly what we're doing."

- Brian Bird, NorthWestern Energy President and Chief Executive Officer

 Electric Operations	Carbon-Free Resources Continue transition to a carbon-free portfolio	Natural Gas Plants Gas plants needed to offset intermittency of renewable energy and will ultimately transition to peak load only	Fossil Fuel Transition Retire coal plants the earlier of depreciable life or when no longer cost effective
	 Natural Gas Operations	Pipeline Modernization Replace aging pipe and other infrastructure to minimize leaks	Enhanced Leak Detection Use technology to improve leak detection and expand plant emission monitoring
 Other Actions		Partner with customers on emission reductions Enhance energy efficiency programs, expand green energy offering and develop other solutions for customers.	Electric Vehicles Convert fleet to electric over time and develop infrastructure to support EVs

NET ZERO BY 2050

OUR BALANCED ENERGY MIX

Our current energy supply portfolio is built on a balanced mix of carbon-free resources, including hydro, wind and solar, and traditional thermal resources. In 2022, 55% of our electric generation came from carbon-free resources, with our Montana hydroelectric system contributing 26%.

As we transition to a net-zero portfolio, we will continue to focus on supplying our customers with reliable and affordable energy.

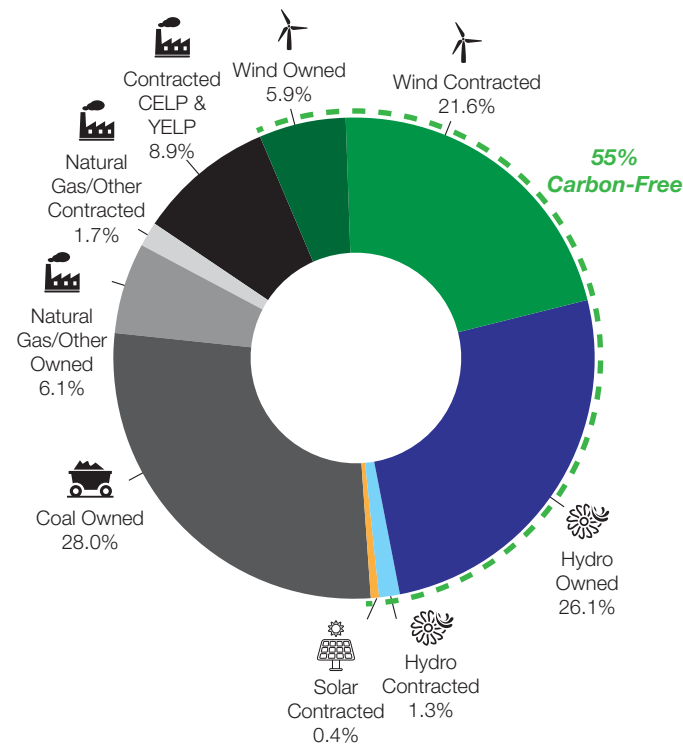
Over the last 10 years, nearly all the owned electric generation we have put into service in Montana and South Dakota are carbon-free resources. Over time we expect to close our coal plants at the earlier of depreciable life or when the plant is no longer cost effective. Until longer duration carbon-free resources are available and cost effective, we are likely going to need natural gas fired generation to supplant the output and capacity provided by our coal resources.

In spring 2022, we brought online a new 58-megawatt natural gas generating facility in Huron, South Dakota, and are constructing a similar 175-megawatt facility in Yellowstone County, Montana, to be on-line in the second half of 2024. These resources will help us transition to a portfolio with more solar and wind resources, keeping the power flowing when the wind is not blowing and the sun is not shining.

After 2035, we plan to add no new carbon-emitting resources to our portfolio.

NORTHWESTERN ENERGY 2022 ELECTRIC GENERATION PORTFOLIO

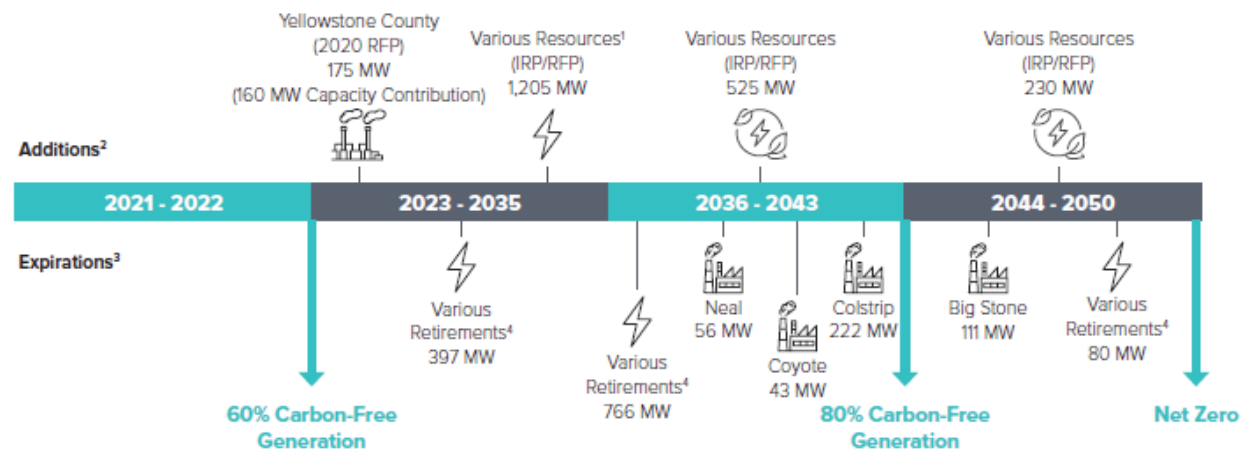
BASED ON MWH OF OWNED AND LONG-TERM CONTRACTED RESOURCES



Contracted energy from Colstrip Energy Limited Partners (CELP), Yellowstone Energy Limited Partners (YELP) as well as a majority of the contracted wind, hydro and solar are federally mandated Qualifying Facilities, as defined under the Public Utility Regulatory Policies Act of 1978 (PURPA).

NorthWestern does not own all the renewable energy certificates (RECs) generated by contracted resources, and periodically sells its own RECs with proceeds benefiting retail customers. Accordingly, we cannot represent that 100% of carbon-free energy in the portfolio was delivered to our customers.

Projected Owned and Contracted Resources



1. Includes resources from the 2020 Montana RFP (Boatooth battery and PowerEx contract) Resources from the RFP are currently under construction and total 325 MW
 2. Additions: owned resources = 175 MW / contracted resources = 554 MW / unknown resources = 1,396 MW
 3. Expirations: owned resources = 432 MW / contracted resources = 1,243 MW
 4. These include long-term contracted resources, many of which are carbon-free, whose contract ends during the timeline presented above. Contracts may be renewed if they are cost effective and meet strategic goals and/or portfolio needs at the time of contract expiration.

ENERGY EFFICIENCY

NorthWestern offers efficiency programs to customers. It is a way to help our customers reduce their emissions while also reducing our downstream Scope 3 emissions.

Since the late 1970s, we have performed services and offered programs to assist our Montana customers with the wise and efficient use of energy. Over the years, our Energy Efficiency programs have included energy audits and virtual home energy assessments, electric and natural gas energy efficiency rebate programs, low income energy assistance, and small-scale renewable activities. We provide training and continuing education to contractors and trade allies.

In 2022, our energy efficiency programs produced energy savings totaling 74,377 megawatt hours and 74,377 dekatherms for total savings of \$14.5 million for our customers.

Our Energy Efficiency Programs

NorthWestern Energy offers a variety of rebates and incentives through our efficiency programs. These programs help Montana customers save money and energy. Our energy efficiency program savings are realized through lower customer use of energy resources, which reduces the amount of electricity and natural gas NorthWestern must generate or purchase to meet customer needs. Several options are available to NorthWestern's Montana residential and commercial customers: simple rebates, weatherization programs, energy assessments, custom commercial incentives and support of renewable energy generation. To learn more, visit NorthWesternEnergy.com/EPlus.

AUTOMATED METERING INFRASTRUCTURE (AMI)

Another way we will help customers reduce their carbon footprint is by providing better information to allow them to manage their energy use.

AMI meters will allow our customers to access realtime information about their energy use and better analytics to make changes to reduce their bills.

On our side of the meter, AMI helps us reduce emissions through two means. First, we will be able to significantly reduce dispatch frequency and miles traveled by our fleet of trucks. Secondly, AMI will help with volt/VAR optimization which will reduce emissions while providing the same power quality.

Installation of automated metering infrastructure is finished in South Dakota and Nebraska and will be completed in Montana over the next few years.

From Bright Magazine: Brewing efficiently

The malting and brewing industry in Montana is not only hard working – but working efficiently! From the tractor seat to the bar stool, read about local beer-related businesses that have invested in energy-efficient projects with a goal of energy management best practices. What's more, they have all received rebates and incentives from NorthWestern's energy efficiency programs to "go green" while saving some green, too.

Read More in Bright Magazine - https://issuu.com/northwesternenergy/docs/bright_environment_2021/s/14669037

Our advanced meter infrastructure upgrade allows us to detect problems in our electrical system before they cause a power outage.

Montana Advanced Meter Upgrade



Approximately 590,000 meters and modules will be replaced over four years, from 2021 to 2024.

South Dakota Advanced Meter Upgrade



Approximately 95,500 new electric meters and gas modules were replaced in South Dakota between 2018 and 2020.

Nebraska Advanced Meter Upgrade

In Nebraska, where we only provide natural gas service, we replaced all the encoder receiver transmitters (ERTs) on all our gas meters. Our Nebraska meters are currently being read by a meter-reading truck that is able to collect data from the meters as it drives past them. We're evaluating solutions to make this a fully automated process.

Watch a video about our meter upgrade project - https://youtu.be/zu_isr_YcaM

ELECTRICAL GRID INFRASTRUCTURE

We continue to invest in the modernization of our electric grid and natural gas infrastructure which will provide us with more information, enabling us to reduce the energy needed to serve our customers.

We are deploying small-scale renewables with battery storage in some difficult-to-serve locations to improve reliability in cleaner ways. Initially, small pilots were deployed to better understand how these resources could help improve capacity, reliability and resiliency on our grid. We are planning to roll out this design on a much larger scale to improve rural reliability and to reduce emissions.



ELECTRIC VEHICLES

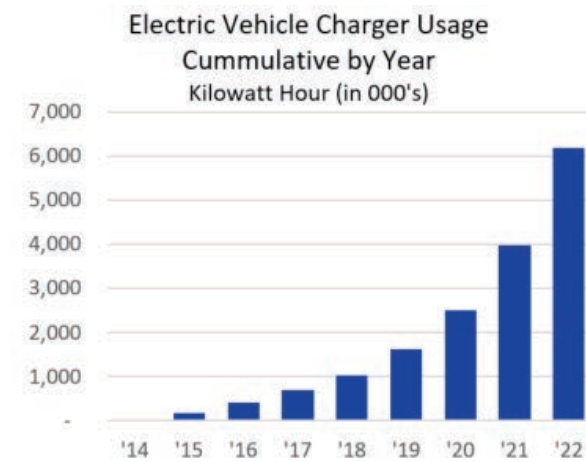
Our Fleet

We are working to electrify our fleet of 1,200 vehicles and equipment. In 2022, we began replacing vehicles and equipment at the end of their useful lives with electric alternatives. By 2030, we intend to replace 30% of our lightduty class vehicles (about 100 cars and light trucks), 20% of new medium and heavyduty vehicles, and 30% of new bucket trucks with electric vehicles. In addition, by 2030, all new forklift replacements will be electric. We drive nearly 13 million miles each year to serve our customers, so the emission reductions of progressing to EVs will be substantial.

EV Infrastructure Investments

We are developing turnkey installation of new charging infrastructure along highway corridors at commercial customers' properties in Montana and South Dakota.

In addition, we are conducting an in-depth analysis to design programs for business customers to ensure our electric infrastructure is adequate and efficient for significant EV charging growth.



Source: Internal Company Data
Cumulative historical usage of ten Tesla charging stations across Montana and South Dakota with electric supply provided by NorthWestern Energy.

OUR NATURAL GAS OPERATIONS

NorthWestern Energy has almost 10,000 miles of gas transmission and distribution pipe. In addition, we have gas production, compression and underground storage operations. These gas systems can be a source of leaks – either through normal operation or if damaged. We have already taken numerous actions to reduce methane and carbon emissions on our gas system.

- We have removed and replaced all cast iron and bare steel pipe on our system, which historically have been associated with higher leak rates.
- We replace aging pipe infrastructure and have improved our leak detection capabilities, resulting in better-than-industry average (lower) leaks per mile.
- Through our energy efficiency efforts, we have reduced the amount of gas needed by our customers. Nonetheless, as our region grows, demand for gas grows, especially during periods of peak need such as severe cold temperatures.

Advanced Leak Detection

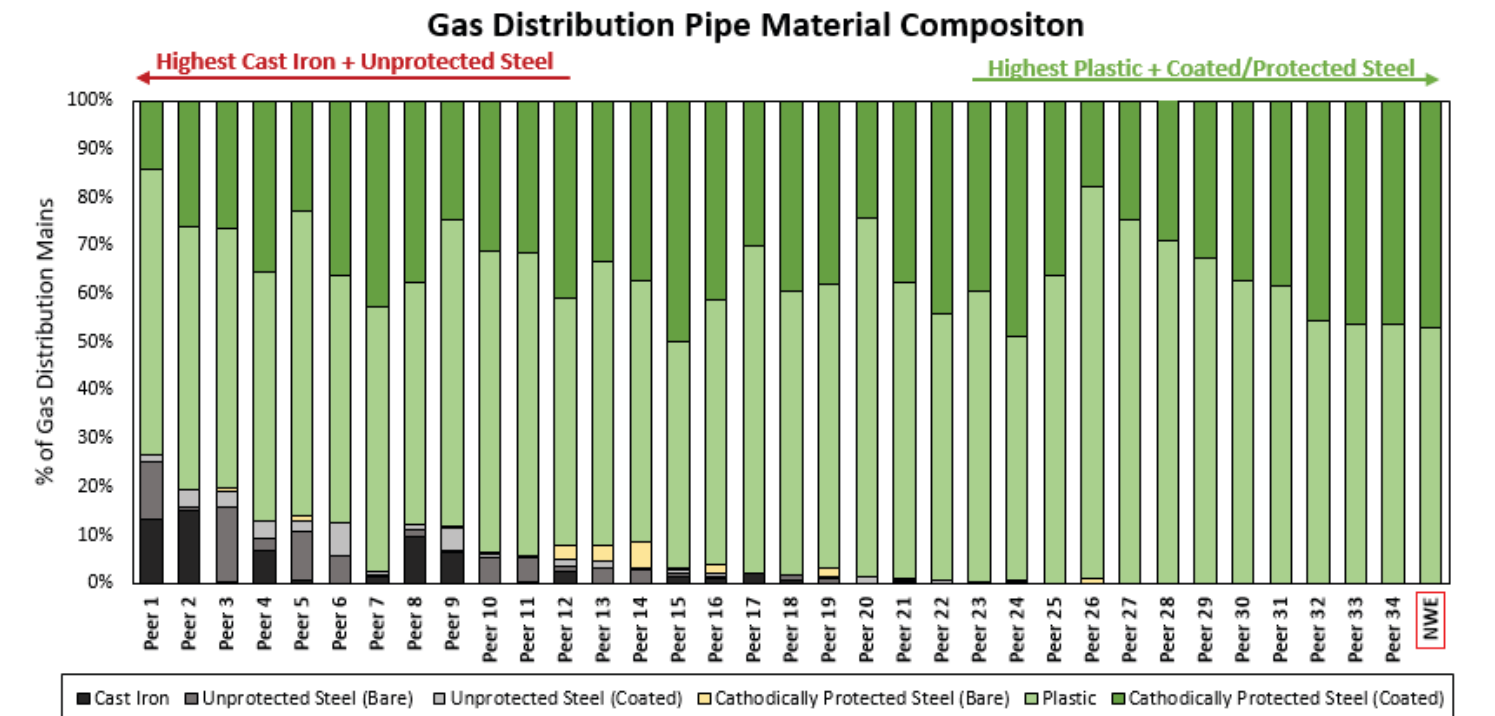
NorthWestern Energy began “covering” mechanical couplings on older pipelines decades ago to improve cathodic protection on our pipelines as well as minimize the risk of venting natural gas at these couplings. Additionally, we are replacing sections of these lines to improve the reliability and safety of the lines.

Our city gate replacement and farm tap conversion program converts large farm taps to city gate stations to improve the reliability of service to the customer and replaces older equipment with more modern equipment that is less likely to vent. Our city gate replacement program also replaces aging infrastructure with modern control systems designed for low- or no-bleed pressure regulation. We also incorporate monitor regulators to minimize the risk of blowing methane into the atmosphere while maintaining safe, reliable service to our customers.

Our compressor modernization program includes using best available control technology on older compressors. This technology improves the emissions from the units as well as reducing the time and effort to bring units on line when they are needed to meet load demands.

Additionally, we recently started the in-line inspection of our existing pipelines. Many of these lines are in high- or moderate-consequence areas. Modern technology allows for a thorough inspection of lines, again minimizing the risk of venting gas as well as improving the safety and reliability of the gas transmission system.

- Gas Distribution Infrastructure Program (GDIP) – In 2013, we started the Gas Distribution Infrastructure Program. One aspect of the program is to prevent leaks on aging infrastructure. The GDIP uses data to calculate an asset's life risk and rank prioritization for end of life replacement.



Includes investor-owned gas and combo utilities reported data for 2022.
Source: S&P Global Capital IQ.

From Bright Magazine: Will EVs rule the road?

More electric cars mean more demand for electricity, and at NorthWestern Energy, we have been working to make sure we'll be able to meet that demand. We're also working to electrify our own fleet.

Read More in Bright Magazine - https://issuu.com/northwesternenergy/docs/bright_innovation_2022_final_05-19-22_pages/s/15842308



- Annual Leak Survey – Distribution System – We currently conduct annual leak surveys of our distribution system. Our surveys are done more frequently than required by code. With the accelerated leak survey, leaks are found and repaired more quickly than if we only complied with the minimal code requirements.
- Damage Prevention Program – Third parties damage to natural gas infrastructure account for two thirds of all leaks on our distribution system. We work to reduce damage incidents and associated emissions by participating in the Call Before You Dig / 811 system. We also have public safety employees who participate in contractor safety fairs and develop information for contractors on safe digging practices and the dangers associated with excavating near natural gas infrastructure. Similarly, our public safety program promotes safe digging practices for the public. This program, among other things, educates homeowners on the need to call 811 at least three days prior to any digging.
- Storage Well Integrity Inspection Program – In 2018, we implemented an Underground Storage Integrity Management Plan (UGSIM). Part of the UGSIM is an 8-year effort to inspect each underground natural gas storage well, increasing overall well integrity and performance. To date we have replaced leaking wellheads, valves, and fittings. We are also installing additional monitoring and implementing procedures to create a culture of proactive leak detection at our storage wells.
- Well Abandonment Program – Since 2015 NorthWestern Energy has plugged 57 non-producing wells. The process of plugging a well removes all above-grade equipment such as valves and flanges that may contribute to fugitive emissions.
- Production Artificial Lift – Artificial lift systems such as pumping units, velocity strings, and plunger lifts are installed on candidate wells to alleviate the need to blow wells to atmosphere to remove liquids that accumulate in the natural gas well bores. The installation of the artificial lift systems can drastically reduce the amount of gas that is blown into the atmosphere.
- Liquid Removal – At our storage wells we are reducing the need for natural gas emissions associated with liquids removal from the wellbores and from the liquid traps associated with the pipeline gathering system.
- Temporary Compression on Transmission Pipeline – For employee and public safety, we must lower pressure and remove natural gas from a high-pressure transmission pipeline before performing maintenance and other work. We've implemented procedures to drawdown pipelines using city gates or compressor stations. This minimizes the need for venting.

Development of Alternative Fuels

Renewable natural gas (RNG), a pipeline-quality gas derived from biomass or other renewable sources, is a critical part of achieving our goal to have net zero methane emissions. In most cases, the sources of renewable gas — such as farms or wastewater treatment facilities — emit methane to the atmosphere. Methane that would otherwise be emitted is captured, conditioned for quality and used in the natural gas system. By capturing more greenhouse gases (in the form of methane) than it emits when burning (in the form of carbon dioxide), RNG is actually considered a carbon-negative fuel and will help compensate for any remaining unavoidable emissions on our natural gas system.

WILDLIFE PROTECTION AND HABITAT CONSERVATION

As the owner and operator of 11 hydroelectric facilities in Montana, habitat improvement on rivers and tributaries is a high priority for our protection, mitigation and enhancement program (PM&E). We also have an active avian protection program. Some of our recent wildlife and habitat contributions include:

- Creek restoration projects: Each year, NorthWestern Energy funds numerous creek restoration projects to enhance spawning habitat. To date, nearly \$60 million has been spent toward fisheries and wildlife projects under the Missouri-Madison PM&E Program.
- Fisheries enhancement and protection: We partner with Montana Fish, Wildlife and Parks to harvest eggs from wild rainbow trout at Holter Lake, raise the eggs into trout and stock them in Holter and Hauser reservoirs.
- Eagle Protection and Offset Program: NorthWestern Energy's EPOP program allows wind developers to obtain Eagle Incidental Take Permits by purchasing EPOP credits, which fund power pole retrofit projects to upgrade power lines to meet Avian Power Line Interaction Committee, or APLIC, recommendations, making it less likely for eagles to be electrocuted by power lines.
- Osprey protection: NorthWestern Energy installs osprey platforms throughout Montana to give the birds a safe place to build their nests.
- Swan release programs: NorthWestern Energy has been funding swan releases in Montana's Madison Valley since 2015.
- Monitoring for rare beetles in Nebraska: When NorthWestern Energy proposed the construction of a new pipeline that will run parallel to U.S. Highway 83 south of North Platte, Nebraska, part of the planning process was to survey for American burying beetles, which were once common across the U.S. and are now only found in four states.



Our wildlife programs

Watch a video about our Osprey Protection Program - <https://youtu.be/KeDvBej0RAU>

Watch a video of a swan release - <https://youtu.be/aafWgtc-LG8>

OUR AVIAN PROTECTION PLAN

NorthWestern Energy's Avian Protection Plan (APP) incorporates industry best practices developed by the Avian Power Line Interaction Committee, which is a collaboration among the Edison Electric Institute, the U.S. Fish and Wildlife Service and member utilities. The primary goal of an APP is to reduce bird injuries and mortalities from power line collisions and electrocutions.

These are some of our avian conservation programs:

- Our osprey program – Ospreys are relatively tolerant of human activity and frequently build nests on power poles. Nests can cause power outages and even fires, and their proximity to energized equipment puts the birds at risk of electrocution. NorthWestern Energy has installed hundreds of platforms to maintain service reliability and to provide a safe place for ospreys to raise their offspring.
- Avian-safe power poles – One cause of mortality for large birds is electrocution caused by power lines. That's why NorthWestern Energy builds all new power poles to be avian safe to help protect birds. NorthWestern Energy incorporates guidelines developed by the Avian Power Line Interaction Committee (APLIC) into its standards to make sure all new power poles are built in a way that will help reduce bird electrocutions and collisions.
- Eagle Protection and Offset Program -- NorthWestern Energy, along with the U.S. Fish and Wildlife Service, and Burns and McDonnell, an architectural and engineering company, developed the Eagle Protection and Offset Program, or EPOP, which allows wind developers and others to obtain Eagle Incidental Take Permits by purchasing EPOP credits. The credits fund power pole retrofit projects to upgrade power lines to meet Avian Power Line Interaction Committee, or APLIC, recommendations.

ENHANCED WILDFIRE MITIGATION PLAN

We have developed an Enhanced Wildfire Mitigation Plan to help us define how we will operate and maintain our system to lower the probability of an accidental ignition. The plan also expands on our Hazard Tree Program, which focuses on mitigating vegetation-related fire risk, as well as the reliability-focused programs that mitigate fire risk.

Components of our Enhanced Wildfire Mitigation Plan:

- **Situational Awareness** – Ability to understand changes to the environment or system allowing for faster changes to operational practices.
- **Operational Practices** – Defining how NorthWestern will operate and maintain its system to lower the probability of an ignition.
- **System Preparedness** – This describes the Forest Management Program that focuses on fire mitigation as well as the reliability-focused programs that mitigate fire risk
- **Vegetation Management** – Similar to system preparedness, this describes the expanded Hazard Tree Program that focuses on mitigating vegetation-related fire risk as well as the reliability-focused programs that mitigate fire risk.
- **Public Communication and Outreach** – Opportunities to advance our training in communicating to our customers as well as the beginning steps to set up resiliency zones for customers with services impacted by wildfire.

ENVIRONMENTAL PERMITTING

NorthWestern’s environmental permitting program focuses on limiting impacts of construction and maintenance activities on air, water and land resources through compliance with local, state, federal and tribal environmental regulations. We construct, operate and maintain our facilities only after the appropriate permits are in place.

We work with various agencies to obtain numerous permits for any project that may affect streams, rivers, wetlands or floodplains. Our Environmental Permitting and Compliance professionals review company projects during the design phase, determining the needed permits before any work can begin. They then prepare permit applications and act as the liaisons between the permitting authority and our engineers or construction project managers. Many permits include conditions to which we must comply during construction and operation. In 2022, NorthWestern Energy Supervisor Environmental Permitting Sady Babcock and Specialist Environmental Compliance Beth Stimatz were honored with the Montana Department of Environmental Quality Water Protection Bureau’s Environmental Excellence award.

ENVIRONMENTAL SCORECARD

Our dedication to environmental stewardship is important to us. In addition to the current standing quarterly sustainability update to the board of directors, starting in 2024 we will begin reporting a dedicated internal environmental scorecard that tracks our progress on several of our most significant environmental measures. This scorecard will include both qualitative and quantitative analysis, much of which is already publicly reported and available to our stakeholders.

Annual Metrics

- Scope 1 & 2 CO2 Emissions
- Progress toward net-zero target
- Carbon Intensity vs Peers
- Nitrogen Oxide (NOx) Intensity
- Sulfur Dioxide (SOx) Intensity
- Gas – Methane/CO2 Emissions
- Mercury & Air Toxic Standards (MATS)
- Sulphur Hexafluoride (SF6) Emissions (electric transmission & distribution equipment)
- Protection, Mitigation and Enhancement Stewardship Matching Funds
- Recreation Matching Funds

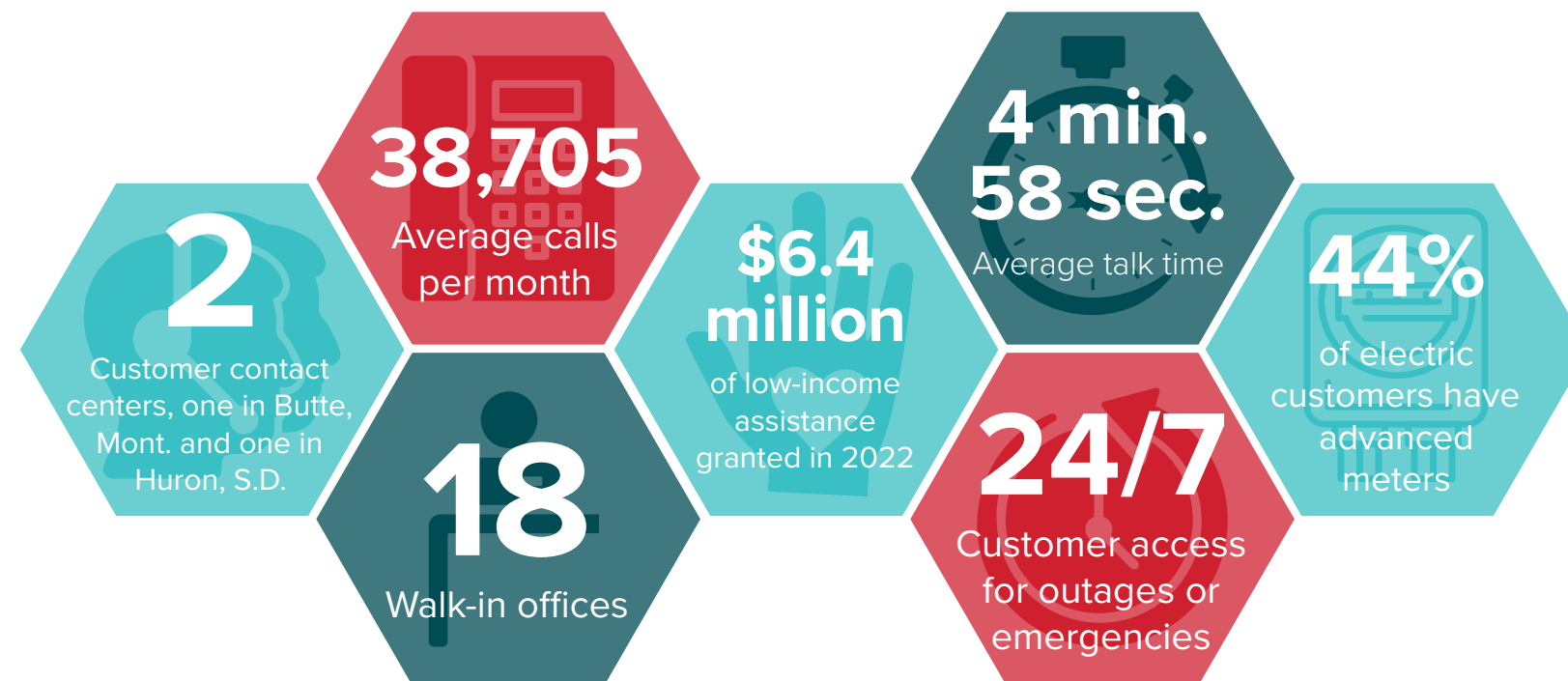
Quarterly Metrics

- Recycling Efforts – Field and Office
- Notice of Violations – Fed, State and Local
- Eagle Mortality and other Avian Incidents on Power Lines
- Unauthorized Reportable Releases or Variances (oil spills, emissions, or FERC license flow exceedances)
- Phase I Environmental Site Assessments Completed



SOCIAL

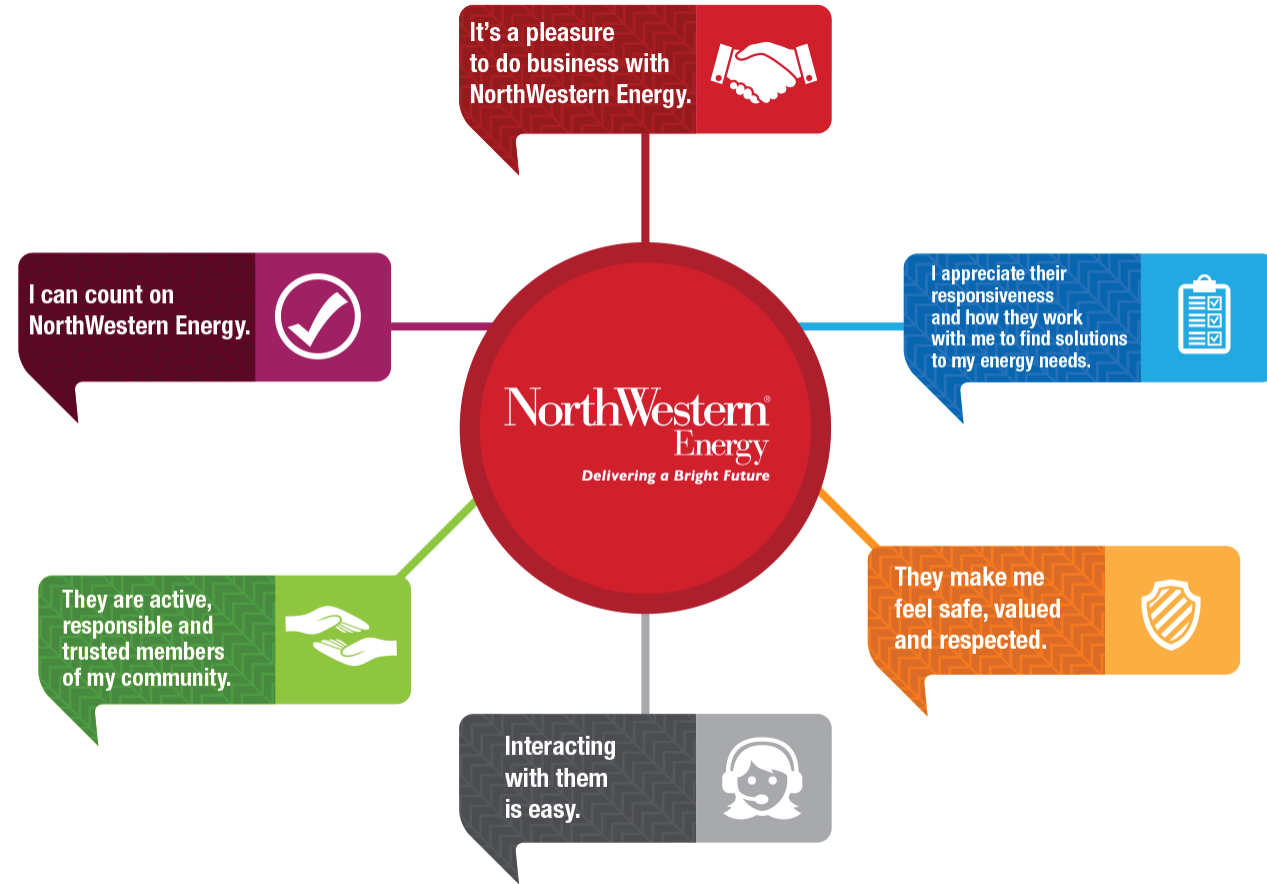
We take very seriously the responsibility to serve our customers with reliable, safe and cost-effective energy. We’re also committed to giving back to the communities we serve and playing an active role as a corporate citizen of our communities. We are an employer of choice and believe that our employees are our most valuable asset.



OUR COMMITMENT TO OUR CUSTOMERS

We are proud to serve 764,200 electric and natural gas customers across our territory and are dedicated to offering excellent customer service.

- Customer Experience – In 2022, we rolled out a redesigned customer portal. We will continue to add features and services to the portal in coming years, while we continue to enhance our Customer Experience.
- Customer Intent Statement



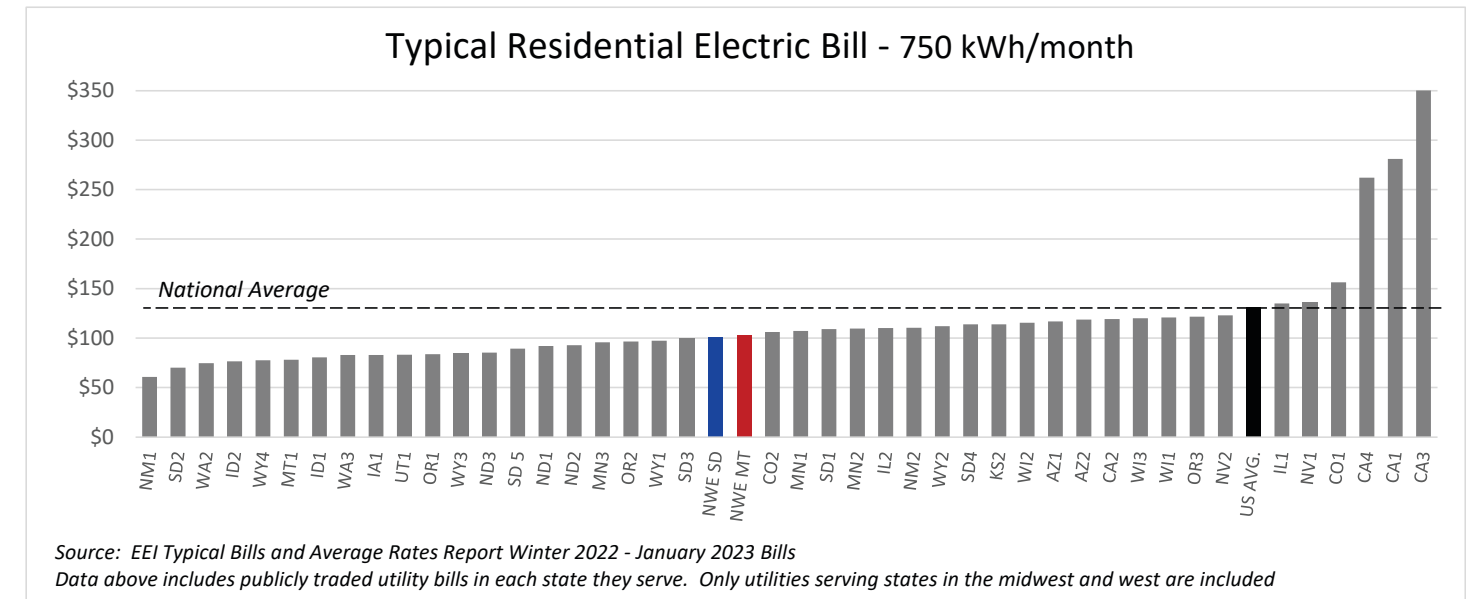
- Landlord Portal – Our online Property Management Portal allows landlords to confirm when tenants sign up for services and set preferences for what happens when a tenant leaves or is at risk of disconnect for non-pay.
- Flexible payment programs – We understand circumstances sometimes make it difficult for customers to keep up with their bills. We offer payment arrangements for customers to help avoid disconnects. We also offer a budget billing program to help mitigate billing volatility and assist our customers in managing their household budget.
- New payment options – We want to make bill payments as easy as possible for our customers, which is why we offer a variety of payment options. In 2022, we added PayPal to our list of options.
- Construction service enhancements – We've worked to make it easier for contractors to reach us about new service installations or moving existing services. We have an online construction application to help contractors or developers get in touch with our estimators and engineers. We also rolled out a dedicated toll free construction line.
- Partnering with state commissions on customer inquiries – We track customer inquiries and complaints that are sent to state regulatory commissions and have a designated customer advocate to follow up with customers who reach out the commission.
- Walk-in centers – We have 18 walk-in offices across our service territory where customers can pay their bills, sign up for service and more. These walk-in offices offer an option for customers who prefer a face-to-face experience. Combined, with our 24/7 emergency line, customers can access NorthWestern Energy customer service around the clock.

Affordability

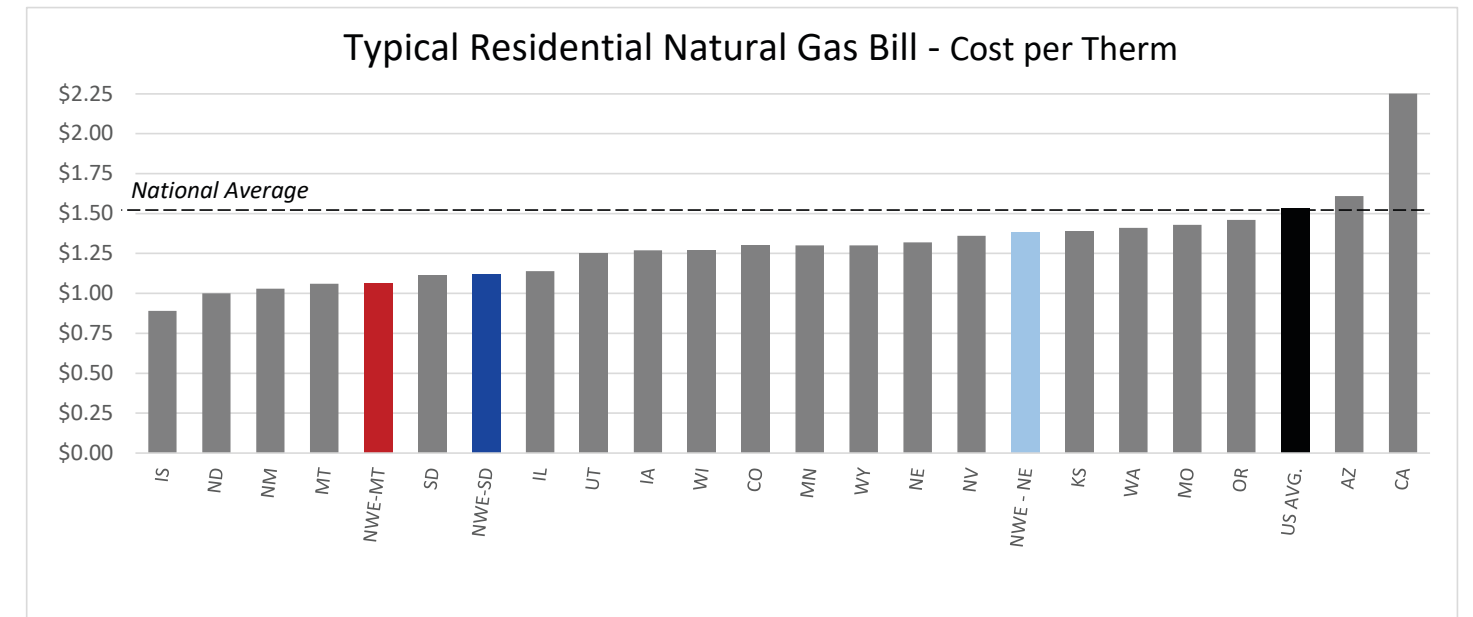
We have a regulatory obligation to provide our customers with reliable energy at an affordable price.

Our residential electric and natural gas rates are below the national average. Our typical residential customer bills for both electric and natural gas are below the national average.

We work with customers who are not able to pay their bills to connect them with energy assistance agencies. We also offer bill discounts and payment plans for customers who qualify.



Data above includes publicly traded utility bills in each state they serve. West & Midwest regional utilities are shown for comparison purposes.





Reliability

We offer solid system reliability and are dedicated to keeping customer interruptions to a minimum. In 2022, our customers, on average, experienced less than 120 minutes of outage time across our service territory.

This represents 99.98% reliability and first-quartile performance compared to our industry peers. This is notable, among other reasons, because of the rural nature of our service territory. Across our service territory, we have more than 18,000 miles of rural lines, representing nearly 90% of our distribution system, with fewer than 50 customers per mile of line.

From Bright Magazine: Improving Reliability for Rural Customers

Many of our customers live in rural areas and reside at the end of the (power) line, some literally. When there is an outage, service can't be restored until issues on those radial lines are resolved.

Could redundancy be built into the infrastructure to increase service reliability for rural customers?

That is what the Beck Hill Microgrid, a pilot project north of Deer Lodge, Montana, which launched in 2015, was built to determine.

Read More in Bright Magazine - https://issuu.com/northwesternenergy/docs/bright_innovation_2022_final_05-19-22_pages/s/17021220

Our commitment to public safety

Every year, NorthWestern Energy promotes pipeline awareness and safety through mailings, trainings, booklets, flyers and education materials. We also conduct on-going inspections of our natural gas infrastructure, looking for signs of leaks and corrosion. NorthWestern owns and operates more than 9,900 miles of natural gas pipelines. The safety and integrity of these pipelines is our top priority. In 2022, we spent \$1.64 million to deliver our safety messages to audiences of all ages.

Lower Customer Costs through Energy Efficiency

NorthWestern Energy has more than 40 years' experience working with customers to promote the wise and efficient use of electricity and natural gas. Energy efficiency programs were first offered to our customers in the late 1970s and have continued in some form ever since.

We offer programs and helpful energy savings tips, videos and other resources are available to assist our customers with their energy efficiency needs.

In addition, Montana customers fund energy efficiency as a least-cost resource in supply rates and through the Universal System Benefits Charge (USBC). Current programs include rebates for our commercial electric customers, along with custom incentives for electric and natural gas commercial and industrial facilities, and free energy audits for qualifying homes and small businesses. Through a contract with the Montana Department of Public Health and Human Services, homes of income-qualified customers receive free weatherization services. A few small-scale renewable projects at non-profit and government/public buildings also receive incentives funded through the USBC.

We offer virtual home energy checks to our Montana customers to help them determine how they can save money through energy efficiency measures. Our energy audits used to be offered in-person, but we transitioned to a virtual model during the pandemic, which has been well received by our customers.

Green Energy Options for Customers

NorthWestern's electric supply portfolio in Montana provides our customers with electricity that is nearly 60% carbon free. However, we also give our Montana electric customers an option to make their energy even cleaner. Customers can "green up" their electricity usage without having install anything or make a big investment. The E+ Green Program gives customers an option to reduce their electricity-based carbon footprint and supports the development of new renewable generation.

The E+ Green Program is offered to Montana electric customers as a regulated program as required by Montana law. NorthWestern Energy supports the E+ Green program with renewable energy certificates (REC) purchased from the Bonneville Environmental Foundation from resources in Montana, Wyoming or the Northwest as available.

Cyber security and scam prevention

NorthWestern Energy has continued to focus on cyber security concerns. We've made significant investments to protect our grid from cyber threats and also protect our customers' private information from data leaks.

Scams nationwide often target electric and natural gas customers, threatening to disconnect their service if a payment isn't made immediately. We work to monitor scam activity and alert our customers to any suspicious activity. We've helped shutdown numerous fraudulent phone numbers by reporting them to the authorities. We also participate in Utilities United Against Scams, a group made up of energy companies across the U.S. working together to raise awareness and educate customers about scams.

We are subject to the potentially adverse operating and financial effects of terrorist acts and threats, as well as cyber-attacks, physical security breaches and other disruptive activities of individuals or groups, and theft of our critical infrastructure information. Our generation, transmission and distribution facilities are deemed critical infrastructure and provide the framework for our service infrastructure. Cybercrime, which includes the use of malware, phishing attempts, computer viruses, and other means for disruption or unauthorized access has increased in frequency, scope, and potential impact in recent years. Our assets and the information technology systems on which we depend could be direct targets of, or indirectly affected by, cyber-attacks and other disruptive activities, including those that impact third party facilities that are interconnected to us. Any significant interruption of these assets or systems could prevent us from fulfilling our critical business functions including delivering energy to our customers, and sensitive, confidential and other data could be compromised.

Bi-annually NorthWestern Energy participates in GridEx. This is the largest grid security exercise in North America and is hosted every two years by North American Electric Reliability Corporation's (NERC) Electricity Information Sharing and Analysis Center (E-ISAC). GridEx provides members and partner organizations a forum to practice response and recovery from coordinated cyber and physical security threats and incidents. The outcomes and lessons learned are used to enhance our security position.

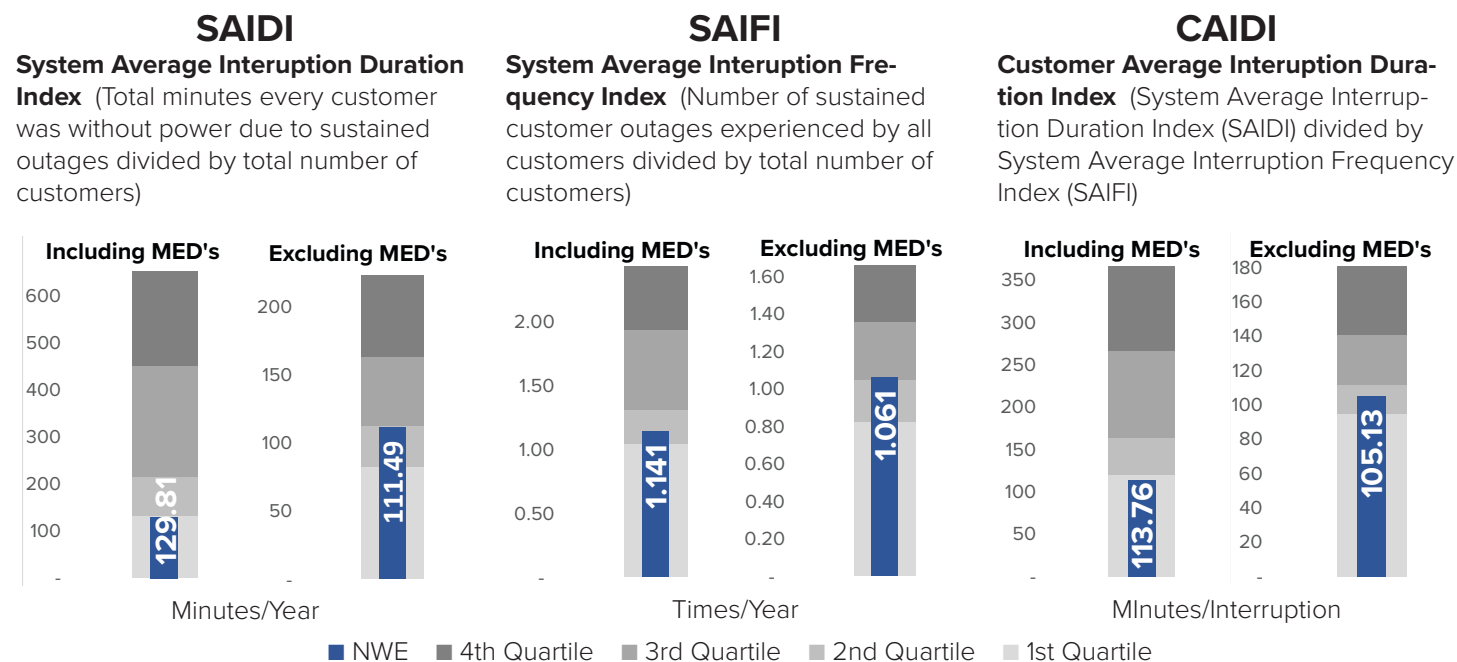
Home EnergyCheck

Watch a video about our Home EnergyCheck program - <https://youtu.be/8iLkNbbSzzY>

Scam Prevention

Watch a video about our scam prevention efforts - <https://youtu.be/5bsC4V9ZH8M>

NorthWestern's 2022 Reliability Data Points



*Major Event Day: A day on which the energy delivery system experienced stresses beyond that normally expected (such as severe weather) in which the daily SAIDI exceeds a Major Event Day threshold value.

Institute of Electric and Electronics Engineers (IEEE) Standards were developed to facilitate uniformity in electric distribution service reliability indices and to aid in consistent reporting practices related to distribution systems, substations, circuits and defined regions. The NorthWestern Energy metrics above are reported using the IEEE standards.



OUR COMMITMENT TO THE COMMUNITIES WE SERVE

Our economic impact

NorthWestern Energy generated nearly \$3 billion in total economic impact across our service area in 2022.

These figures were determined by Bozeman, Montana-based Circle Analytics using a database model that factors in our revenue and the impact of electric and natural gas energy companies.

Economic vitality is crucial to the future of Montana, Nebraska and South Dakota, and for more than 100 years, NorthWestern Energy has held a strong commitment to the communities it serves. The mission of NorthWestern's economic development team is to help retain existing jobs, promote business expansion and recruit new businesses in the communities we serve.

This is accomplished alongside the support of local and statewide economic development entities and initiatives and partnering with community, state and national leaders in the

region we serve.

Our local community-based economic development team members serve as essential grassroots contacts for retail and small commercial/industrial opportunities. They serve as resources for expertise in the areas of energy management and utility operations.

Charitable Giving and Volunteering

NorthWestern Energy wants to make the communities we serve better places to live, work and prosper. That's why we're proud to donate to a wide range of worthy causes.

In 2022, we gave nearly \$2.1 million in donations, sponsorships, scholarships and economic development.

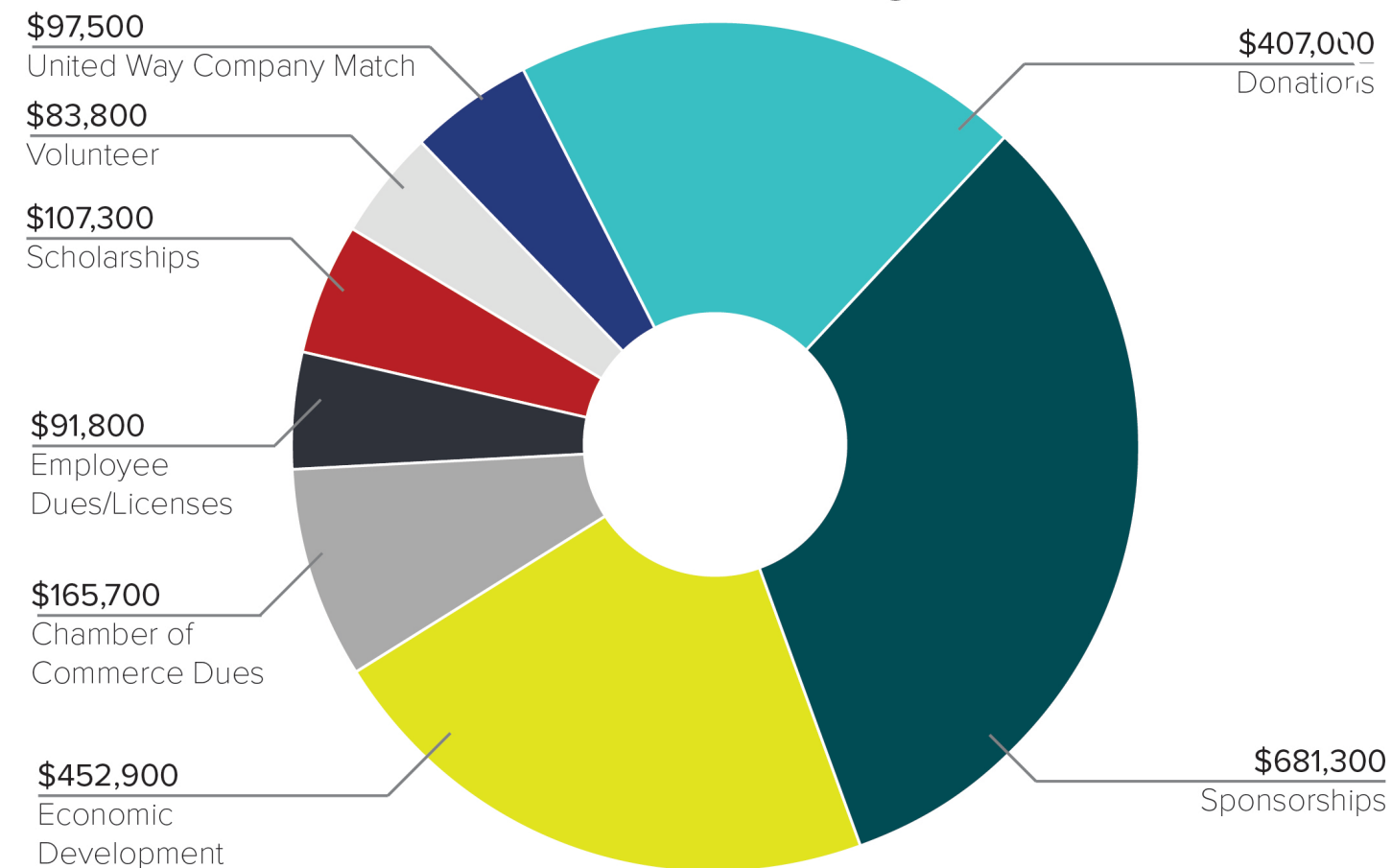


Our employees give back

Our employees volunteer with a wide range of organizations. Here are just a few examples:

- Ricky, District Superintendent in Marion, South Dakota, volunteers as the Fire Chief at the Marion Volunteer Fire Department.
- Retiree Lisa has volunteered with the Beadle County Human Society for 30 years.
- Wildlife Biologist Marco helps the Yellowstone Audubon Society with a nest monitoring program.
- Engineer Noah supports the Kalawa Library and School in Kenya through fundraising, website design and more.
- Customer Solutions Technologist Malina helped raise funds to build a memorial for Butte's 1895 disaster.

Charitable Giving



Part of our charitable giving program is our employee volunteer programs. We encourage employee volunteerism by offering paid time off for volunteer activities.

NorthWestern pays employees to volunteer, gives grants to employees' charities

We offer two different employee volunteer grant programs. Through our Employee Volunteer Program, NorthWestern Energy will donate up to \$400 to each nonprofit organization our employees serve. With our Team Grants, we give \$100 for each employee who volunteers at an event. In 2022, we awarded \$83,800 to 126 nonprofits through the Employee Volunteer Program and Team Grant Program.

In addition, employees can get paid by NorthWestern when they volunteer. Employees can volunteer for a cause of their choice up to eight hours annually – more if they combine it with PTO.

"There is nothing quite as humbling and rewarding as seeing your hard work affect the lives of others. The experience is truly unparalleled to witness," said Tess, a regulatory affairs analyst with NorthWestern Energy. Through the years, she has helped her Butte, Montana community earn grants through NorthWestern's programs.

"NorthWestern Energy supports and encourages employees to partake in volunteerism and provides grants for our participation. Sponsorship is a vital component for any nonprofit organization and I appreciate that my workplace is willing to contribute to an organization I support," Tess said.

Employees can also buddy up for team grants and earn \$100 per employee when volunteering together at such things as trail building days, United Way Day of Caring or even fundraising walks.

"I previously sat on the board for American Cancer Society and participated in putting on Relay for Life annually," Tess said. "Now I'm involved in Silver Bow Youth Leaders!"

Employees are happy to see these entities receive grants for the time they spend helping their communities. It's a wonderful bonus to be able to earn a grant for your favorite charity!



Transition to Clean Energy for Communities

Many communities in our service territory have set climate action goals, and we are working with those communities to help them set achievable standards and help them meet their goals. We created a new position, Manager of Sustainability, to work directly with communities, as well as national corporations and local businesses, that are interested in maximizing the renewable energy they use.

EMPLOYEE VALUE

Our ability to fulfill our mission and serve our customers depends on our ability to employ a highly skilled workforce. In order to attract and retain the best employees, we offer attractive salaries, a performance-based annual incentive program, a retirement plan with a robust company match, physical and mental health programs, generous paid time off allotments and several highly-subsidized medical, dental, vision and mental health insurance program options.

Goals are established at a high level to guide the efforts of NorthWestern Energy. Each successive level in the organization sets goals that supports the level above. It is a top-down process that also allows the individual an opportunity to have a voice in their own goals.

NorthWestern uses the cascading process because it helps align the efforts of our employees around objectives that are important to the short- and long-term success of the organization. It also sets clear performance expectations, increases commitment to our goals and helps everyone understand how they are able to contribute to the success of the overall organization.

At NorthWestern Energy, we foster of culture that values safety, diversity, respect and trust. Our success is built on employees feeling empowered to take initiative, voice their opinions and build on their experiences. We believe everyone should be treated with respect regardless of their background or appearance and where the dignity of every individual is held in high regard.

Respecting the differences in those around us fosters engagement, productivity and innovation. Treating people with respect on a daily basis is one of the most helpful things a NorthWestern Energy leader can do. Intentionally building a culture of respect helps us attract, retain, and leverage the contributions of all our talented employees.

Respect is the “R” in NorthWestern’s “SERVICE” values, our core values that embody the Code of Conduct and Ethics at NorthWestern.

NorthWestern strives to be transparent to all our stakeholders, and that includes our employees. With that in mind, NorthWestern uses two main channels to communicate. The Compass is a weekly email that every supervisor in the company receives. It includes leadership messages from executives and directors, development messages meant for quick digestion in a manager’s busy week, a quick bullet list of to-dos to help managers with work flow, and links to study the week’s topic in greater detail if desired.

In addition, all employees receive FYIs, when warranted. All company news comes through this channel, from breaking corporate news or employee group restructuring, to implementation plans of new processes that will impact the entire company. When the news is most important, supervisors are informed first through The Compass, so they can be ready to answer questions from their teams.

NorthWestern Energy aspires on an ongoing basis to be a great place to work for all its employees. In order to do this, we must hear from each of our employees to effectively monitor and manage our culture.

In 2022, we hired an independent consulting firm, Great Place to Work, to conduct a confidential employee survey and analyze the results. The firm certified NorthWestern as a Great Place to Work based on employee responses.

The survey data is not only used to understand our current employee engagement levels; it is also used to understand our culture from a Diversity, Equity and Inclusion perspective and to inform programs aimed at workforce attraction and retention.

To ensure confidentiality, Great Place to Work captures all survey responses through its website. After the survey is closed, Great Place to Work uses a reporting and analysis method that further ensures individual responses remain anonymous.

Through the survey we can understand where we excel and where we have opportunities to improve.



NorthWestern’s stellar culture showed through in our recent certification as a Great Place to Work. In the survey, employees overwhelmingly agree:

- This is a physically safe place to work.
- People here are treated fairly regardless of their race.
- People here are treated fairly regardless of their sexual orientation.
- They are able to take time off from work when they think it’s necessary.
- 66% of our employees say NorthWestern is a great place to work compared to 57% of employees at a typical U.S.-based company.



Celebrating the accomplishments of our employees

Anniversary recognition

NorthWestern’s Anniversary Recognition Program celebrates service anniversaries and makes them meaningful for employees. Employees celebrating their 5-, 10-, 15-, 20-, 25-, 30-, 35-, 40- and 45-year anniversaries receive a yearbook which contains comments, kudos and even photos from an employee’s supervisors and peers. Employees can also choose a gift of their choice to commemorate their time with the company so far. Our average employee tenure is about nine years.

2022 Turnover	
*NWE Annualized Turn Rate - Regular Employees	12.5%
Benchmark Turnover by category	Turnover %
Utility Industry Benchmark	12%
Company size (1001-5000 employees)	22%
Publicly traded Companies	24%

*Source is 2021 Gartner Turnover Survey

Professional Certification Recognition

NorthWestern recognizes employees who earn professional certifications recognized by professional associations. Employees who earn a qualifying professional certification are awarded a \$250 bonus. For example, a common professional certification recognized at NorthWestern is the Principles and Practice of Engineering (PE) exam.



Employee Safety

The best company anyone can work for is the company that gets its employees home each night the way they arrived. NorthWestern's number one goal is employee health and safety. NorthWestern has a strong safety culture. We watch out for each other, and we keep each other safe.

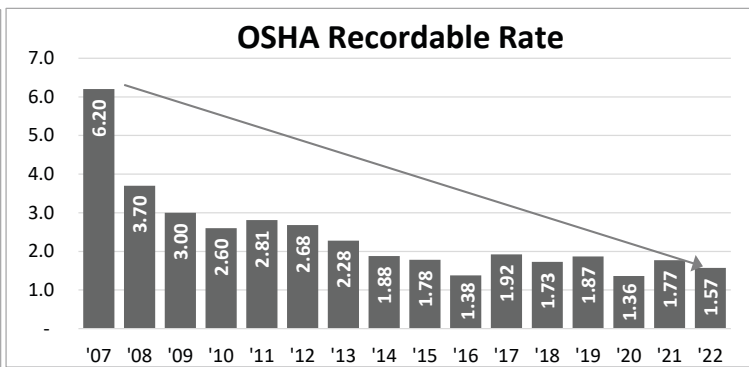
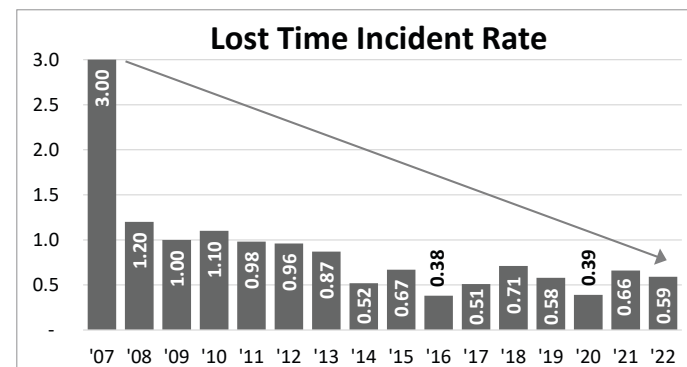
Over the last several years, we adopted a MoveSafe program to help employees avoid injury while performing day-to-day work functions. MoveSafe encourages better posture, improved flexibility, and safe movements – which, if implemented consistently, should result in reduced muscle stiffness, soreness, and the potential for injury. Since implementing our MoveSafe program, we've seen a decline in sprains and strains. Nothing is more important than the safety of our employees.

Our "Star" Voluntary Protection Program Sites

Four NorthWestern Energy hydro facilities were recently recertified as "Star" worksites through the U.S. Department of Labor's Occupational Safety and Health Administration's Voluntary Protection Program.

VPP "Star" worksite is the agency's highest level of recognition for workplace safety and health excellence. Hauser, Holter, Thompson Falls and Madison/Hebgen are all VPP "Star" worksites.

Read more in Bright Magazine - https://issuu.com/northwesternenergy/docs/bright_community_vol3_final_10-05-23_pages/34



Workforce Profile

Total employees: **1,530**

Montana employees: **1,232**

South Dakota and Nebraska employees: **298**



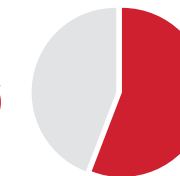
Total employees over time:

- 2021 – 1,483
 - 2020 – 1,530
 - 2019 – 1,533
 - 2018 – 1,532
 - 2017 – 1,560
- (As of Dec. 31 for each year)

Employees represented by Collective Bargaining Unions*:

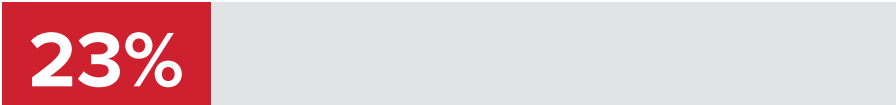


37%
of Montana employees are represented by a union



56%
of South Dakota/Nebraska employees are represented by a union

Benefits to Pay Ratio



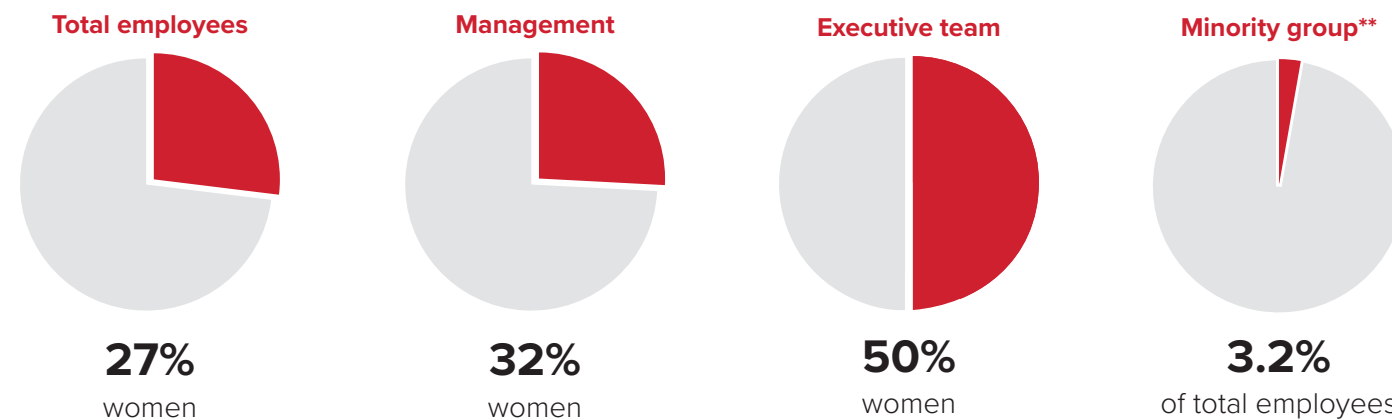
Skilled or Professional Employees Excluding Directors, Managers and Supervisors



Skilled or Professional Employees Including Directors, Managers and Supervisors



Workforce diversity:



**The percentage of minority employees is the same representation of minorities in our service territories.

Employee Pay and Benefits

Taking care of our employees' needs is a critical part of the NorthWestern Energy culture. Our benefits offer support for our employees and those closest to them. We offer competitive, cost-effective, and well-rounded benefits. We are an Equal Opportunity Employer and offer attractive salaries based on qualifications. From a healthy employer contribution to retirement plans, to generous paid time off, our benefits are designed to meet the varied needs of our employees.

For executives, we 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. We do not promise multiyear guarantees for salary increases or offer golden parachute agreements. Nearly 80% of targeted CEO compensation is at-risk in the form of performance-based incentive. Our CEO to average employee pay in 2022 was 26:1, compared to an average of 41:1 in our peer utility group and 66:1 among electric and natural gas companies.



COMPETITIVE SALARY

We offer competitive compensation with performance-based wage increases and annual incentive opportunities.



401K PLAN

We offer a 401K with a company match up to 4% and non-elective contribution up to 7%.



EMPLOYEE STOCK PURCHASE PROGRAMS

Employees have the opportunity to purchase NorthWestern Energy stock at a discount.



SHORT-TERM AND LONG-TERM DISABILITY

Our short-term and long-term disability is paid by the company to support income replacement in the event of injury or illness.



HEALTH CARE AND WELLBEING PROGRAMS

Our health insurance includes dental and vision for you and your dependents.



SPENDING ACCOUNTS

We offer Health Savings Account (HSA), Health Care and Dependent Care Flexible Spending Account (FSA). Employees can earn money toward their HSA through participation in our wellness program.



HYBRID WORK ENVIRONMENT

We offer the flexibility for employees to work part-time remotely, if their position allows.



LIFE INSURANCE

We offer company-paid basic life, with additional employee, spouse and child coverage available.



PAID TIME OFF (PTO)

Being able to take time off when they need it is a top survey response from our employee. We offer PTO, available starting on your first day.



TUITION REIMBURSEMENT

Employees can receive up to \$5,250 per year of tuition reimbursement.



MILITARY LEAVE OF ABSENCE

We grant unpaid military leave of absence to an employee fulfilling a military service obligation or commitment.



INCENTIVE PAY

We offer annual incentive opportunities.

Our assistance program offers free counseling

NorthWestern Energy cares about employees as a whole person. We offer a wellbeing program giving employees access to free counseling service in the form of our Employee Assistance Program.

Earn incentives with our wellbeing program

NorthWestern is committed to employee health and safety in the workplace and at home. Employees and benefit-enrolled spouses are eligible to participate in our Employee Wellbeing Program. By participating in the program, employees have the opportunity to earn incentives such as:

- Additional company contribution towards medical premium costs
- Additional company contribution to a Health Savings Account (HSA)



Workforce Development & Training

NorthWestern Energy strongly believes in the development of its employees. We invest significant resources in maintaining a culture that supports the ongoing development of our workforce. Along with a robust training program when new employees start, we also offer new employee orientation within the first six months of employment, and a chance to create a new hire development plan with the employee's supervisor. We also offer tuition reimbursement for those studying in a field related to our organization. In addition, employees find our vice presidents and CEO to be very accessible, and many have personally met our board of directors through their personal involvement helping build employee acumen as part of our development programs, and commonly at employee breakfasts as part of board meetings held in locations throughout our service territory.

Leadership NorthWestern develops all employees treating them as leaders whether they have a leadership title or not, and builds relationships and trust throughout the company

There is always a high level of interest among NorthWestern's employees for its annual Leadership NorthWestern program, which started in 2009 as a way to build relationships across the company and to build potential leaders. The yearly class of about 30 employees is selected from a pool of applicants and nominees to represent a variety of functions and levels across the organization as well as a variety of work locations within the three states we represent. This program provides participants with a unique opportunity to learn about NorthWestern Energy and the environment in which it operates, the opportunity to network with others across the organization and to gain a better understanding of leadership responsibilities at NorthWestern Energy. Their experiences include interacting with internal and external experts, online learning and participating in tours of NorthWestern facilities and other places of significance to the organization.

The class is broken into five teams, and each team is tasked with creating and presenting a strategic project to executives at the end of the class. Through the years, several of the leadership teams' projects have been adopted by the company, including most recently, our LED streetlight recycling program and our Sustainable Procurement and Practices Guidelines. In addition, another team recently helped our Business Technology team identify tasks that could potentially utilize bots (Robotic Process Automation) to simplify workloads.

Leadership NorthWestern is a core driver of building relationships and business acumen. It makes our leadership and even our Board of Directors highly accessible to individual employees of the company.

"Leadership NorthWestern, really opened up the company to me. It gave me a better picture of all that we do together on a daily basis to keep this place running smooth," said Erica, Project Analyst with NorthWestern. "This program also introduced me to other like-minded people and allowed me to put myself out there to let people know I'm interested in learning more and being here. I do believe the leadership program has helped me to advance my career by helping place me in front of the people I needed to meet to prove myself in this professional environment. Not only that, but I now have some amazing friends I otherwise would maybe not have had the chance to meet."

We invest in our supervisors

NorthWestern's Leadership Boot Camp started in 2016 as a direct response to our employee engagement surveys and continues as an exemplification of the organization's commitment to supporting and growing its leaders.

The company selects 20 employees for the 10-month program that covers topics such as coaching, communication, developing others, delegation, change management, performance feedback, financial acumen, and rates and regulation. It is an intensive training program for supervisors, managers and leaders that also includes monthly touch point with a mentor within the company and a check-in with the group to share stories of growth and awareness within their leadership roles.

"I attribute my growth as a leader and in the company to the many lessons, conversations and relationships I was introduced to in Leadership Boot Camp," said Sarah, a supervisor in Customer Care. "Everything in this course brought value to me as a supervisor and an individual; whether it was something new that I had not encountered or a more in depth look into themes that I had been exposed to before."

For example, two subjects she has found she brings into almost every interaction or thought process are emotional intelligence and her leadership strength assessment.

"Knowing my strengths but always being mindful to stay out of the basement when utilizing them helped me to become more confident in my interactions. For emotional intelligence, I initially focused in on my own emotional triggers which helped me to accomplish more meaningful and successful interactions," Sarah said.

Sarah and other employees who have gone through Leadership Boot Camp share the lessons they've learned and the tools they've gathered with other employees throughout NorthWestern Energy, which helps growth and development throughout the company. The emphasis on networking as part of the program and the inclusion of mentoring facilitates sharing among and beyond class participants.

In addition to Boot Camp, NorthWestern also assigns new supervisors a learning plan with milestones that help them succeed and grow as new leaders within the company.

Our new hires get Powered Up

We invest significant resources in maintaining a culture that supports the ongoing development of our workforce. NorthWestern Energy strongly believes in the development of its employees. Along with a robust training program when new employees start, we also offer new employee orientation, called Powered Up, within the first six months of employment, and opportunity to create a new hire development plan with your supervisor.



NorthWestern reimburses employees working toward higher education degrees

Every year, employees at NorthWestern Energy earn bachelors and master's degrees that the company helps pay for. Employees can receive up to \$5,250 per year of tuition reimbursement. Some employees take a few courses a year, getting their education entirely reimbursed by the company.

In 2022, 19 employees received tuition reimbursement. In the past five years, 81 have participated.

The policy, which was first established in 2005, provides a mechanism to support professional development through formal education for employees. Skills and knowledge of NorthWestern Energy employees are critical to the success of the organization, and the Education Reimbursement program encourages personal development through formal education, to maintain or improve job-related skills, and enhance an employee's ability to compete for reasonably attainable jobs within NorthWestern Energy.

Numerous outside training options available to employees

NorthWestern Energy partners with many great associations, has memberships with utility resources and has subscriptions to great services that employees can use while on the job. These organizations also offer courses.

Here is a list of professional resources available for continued employee empowerment:

- UEC (Utility Executive Course), University of Idaho
- UEC Summit, University of Idaho
- [Western Energy Institute \(WEI\)](#)
- AGA Executive Leadership Development Program (American Gas Association)
- Leadership South Dakota/ Leadership Montana
- Leadership Montana Masters
- Gartner Professional Development Academy
- [MidWest Energy Association \(MEA\)](#)
- MTI Leadership Academy (Mitchell Technical Institute)
- Innovation Series through EXO Leadership
- [Center for Energy Workforce Development \(CEWD\)](#)
- [Chartwell](#)
- [The Edison Electric Institute \(EEI\)](#)
- [ESource](#)
- [Gartner](#)
- [The North Central Electric League \(NCEL\)](#)
- [Public Utilities Fortnightly \(PUF\)](#)
- [Southern Gas Association \(SGA\)](#)



Diversity and Inclusion

NorthWestern aims to realize the ethical and strategic innovation benefits of a diverse and valued workforce. As we continue to work toward a sustainable energy future, bringing together employees of different backgrounds and perspectives makes our teams stronger and more innovative. As part of our roll out of our Diversity and Inclusion Plan, we are offering unconscious bias training for our supervisors.

Unconscious bias is favoritism toward or prejudice against another person that is often preconceived or unreasoned. Individuals, groups, and even institutions can hold biases, and these biases can produce negative or positive consequences. We can recognize and address our biases by using empathy and curiosity to strengthen working relationships within our organization.

By recognizing and addressing our biases, we will create a more collaborative workplace. If we don't address bias, we can – unintentionally – demean or ignore team members. We can get better work done on behalf of our customers, and have a better time doing it.

NorthWestern's Diversity and Inclusion Plan has four objectives:

- Realize the moral, ethical, and strategic innovation benefits of a diverse and valued workforce
- Grow our inclusive culture demonstrating value for all forms of diversity
- Cultivate and recruit diverse candidates for energy careers in our service areas
- Maintain ongoing fairness and compliance in our human resources processes and practices

In addition to our workforce training, which will grow to include not only unconscious bias training but also inclusion training in the coming year, we are also have a targeted outreach plan focusing on increasing energy career awareness targeting Karen and Hispanic populations in Huron, South Dakota. We are proud that a college student of Karen descent joined our team as a summer intern in 2022. In addition, there are efforts in other communities to increase our career outreach to encourage minority students to consider careers in the energy sector.

Strategic leadership sessions

NorthWestern Energy has a history of taking the time to ensure leadership alignment, development and idea exchange. We take time to ensure that not only our executive team has a strategic understanding our industry and stakeholders, but the larger leadership team is invited and encouraged to participate. This provides our organization with a deeper business acumen and common understanding among a larger team who through the power of inclusion are well positioned to shape and understand the direction of the NorthWestern Energy and to support our success.

NorthWestern's Chautauqua, named in honor of the social movement of the 19th century that educated and entertained adults, is an annual inclusive event aimed to bring NorthWestern leaders up to speed on topics important to the company. The company's top 200 leaders gather once a year to hear company leaders discuss the strategic plan, and give a financial update. In addition, NorthWestern's entire executive team gathers for a panel discussion where participants are encouraged to ask questions regarding the company's strategies in every area of the company.

At our most recent Chautauqua, keynote speaker Shawn Moon, author of "Leading Loyalty: Cracking the Code to Customer Devotion," presented how to earn fierce customer loyalty. He spoke about creating a culture where managers and employees are engaged to delight each customer.

In addition to Chautauqua, once a year top leaders (executives and directors) come together for a strategy session with internal and external speakers to stimulate thinking and increase awareness of important factors that have potential to impact our organization. As part of our leadership strategy sessions a larger leadership group has the opportunity to look ahead to what may come, deeply understand contextual factors impacting our business, identify opportunities, and take stock of how we are positioned as an organization.



Workforce Attraction

To build our future workforce, NorthWestern Energy offers scholarships to students pursuing current and future skill set needs. In 2022, we gave more than \$107,300 in scholarships to students attending universities, colleges or technical schools in our area.

Internships include meaningful projects

NorthWestern interns do not file paperwork or get coffee. Each intern has a meaningful project assignment, something that will both help increase our interns' marketability as a future career seekers, and support the company with tangible project outcomes. It is truly a mutually beneficial relationship.

Each year, NorthWestern Energy welcomes a new group of interns for the summer. From researching electric vehicle chargers to designing and creating brochures for customers, our interns have the unique opportunity to learn the behind the scenes of working in the utility industry.

"My internship led me to the full-time position that I currently am in," said Damon who worked as a compensation and benefits intern in the summer of 2022 and is now a compensation analyst. "It gave me a platform to prove myself as a valuable asset and ultimately get me my starting job out of college."

At the end of the summer, every intern gives a presentation to our executives and their managers about their projects and what they accomplished and learned.

By the Numbers: Our Internships



2015

year the internship program was relaunched



100

number of interns who have gone through the program



25

number of interns who have been hired for permanent positions

Career outreach

NorthWestern attends many career and job fairs each year to attract and recruit talent from our region. That includes fairs at colleges, universities and trade schools in Montana, South Dakota, North Dakota, Nebraska, Idaho and Washington. We work hard to ensure that our career outreach includes opportunities to expand overall applicant diversity.

Employees also speak to students of all ages, from kindergarten to high school in their respective communities. That is sometimes in a classroom, but is also often at a community event. For example, in the last year, we've participated in the Touch a Truck event in Great Falls, Montana that attracted hundreds of children, and the popular Yankton, South Dakota Parade of Lights.

NorthWestern Energy is also a member of the Center for Energy Workforce Development, whose mission is to expand energy career awareness in partnership with member companies. .

Performance Reviews / Feedback

Our annual performance reviews link goals and competencies together so that managers are able to provide a holistic view to employees in regards to their performance against goals, as well as key competencies as they relate to their role in the organization.

This process provides opportunities to develop and enhance skills and knowledge, and enables our employees to grow professionally and perform their duties in a safe and efficient manner.

GOVERNANCE

We are committed to conducting business with integrity, while ensuring transparency and accountability, and meeting our responsibilities to all our stakeholders.

We adhere to a strict code of ethics regarding corporate governance. Our Code of Conduct and Ethics applies to all employees, board members, vendors and contractors, with an additional Code of Ethics for the Chief Executive Officer and Senior Financial Officers concerning financial reporting and other related matters.

CORPORATE GOVERNANCE AWARD WINNER

NorthWestern Corporation's proxy statement has won governance awards – *Best Proxy Statement (Small to Mid-Cap)* by Corporation Secretary magazine (2014 & 2019) and *Exemplary Compensation Discussion and Analysis* from NYSE Governance Services (2014) and NorthWestern was recognized as a finalist by Corporation Secretary magazine in the same category for our '12, '13, '16, '17 & '18 statements

ALL-AMERICA EXECUTIVE TEAM

Our Chief Financial Officer, Crystal Lail, was recognized by Institutional Investor as one of the best CFO in the utility industry based on their 2024 rankings.

SUSTAINABILITY COMMITTEE

In early 2021, we established an Sustainability Committee that meets monthly. This committee includes a broad representation of subject matter experts from across the company and is led by NorthWestern's President and Chief Operating Officer. A main focus of the committee is to provide accurate and reliable disclosure of financial and non-financial performance indicators that demonstrate the company's approach toward responsible investment, sustainability and ESG considerations. This has involved better disclosing what we already do, identifying gaps in our practices, and substantive work to further reduce greenhouse gas emissions in both our electric and natural gas systems.

ENTERPRISE RISK MANAGEMENT

The Enterprise Risk Management Committee (ERMC) was formed to provide senior management sponsorship and guidance to ensure that overall risk management objectives, as defined by NorthWestern's Enterprise Risk Management Policy and the Business Continuity Policy, are achieved.

The ERMC is maintained to:

- Increase awareness of ERM and the recognition of emerging operational and strategic risks, including climate-related risks;
- Provide a structured forum where changes to existing risk exposures can be reviewed;
- Provide a forum to ensure executives are fully aware of NWE's short-, medium-, and long-term risk picture, risk culture and risk appetite, and to consult on strategic risk solutions and action plans;
- Annually present the Corporate Risk Appetite Statement for review and approval by the Board of Directors;
- Provide appropriate linkage to the strategic planning, budgeting, and goal setting processes;
- Review and assess the goals and direction of NWE's risk mitigation programs, including the business continuity program and the Security Coordinating Council;
- Oversee the creation of appropriate committees, working groups and/or teams as needed to integrate the ERM Program into daily management activities;
- Resolve conflicting interests and priorities; and
- Maintain the committee's governance structure.



OUR BOARD OF DIRECTORS

Our Board oversees the business of the company. It establishes overall policies and standards for us and reviews the performance of our management. The Board operates pursuant to our Corporate Governance Guidelines that establish the company's corporate governance philosophy and the policies and practices we follow while governing the company and its affiliates.

As governance standards have evolved, we have enhanced our governance practices as appropriate to best serve the interests of our shareholders. Our commitment to corporate governance best practices has been nationally recognized. Our governance practices are sound, as demonstrated by our ranking as the 5th best utility for governance practices by Moody's Investor Service.

Our Board acts as a coherent team within an environment that allows individual insights to contribute to group consensus. Our Board focuses on long-term company success and maintains an effective dialogue with management through constructive relationships which provide timely and appropriate deliberation. Each of our directors has exceeded the stock ownership requirements established by our Corporate Governance Guidelines and continues to hold stock in excess of the ownership requirements.

Our Board is actively engaged both inside and outside of the boardroom. Our Board members have knowledge and insight that enable them to provide guidance concerning our business, with particular focus on corporate strategy, ESG matters, operational and financial performance, succession planning, executive compensation, risk management and operating performance.

What We Do

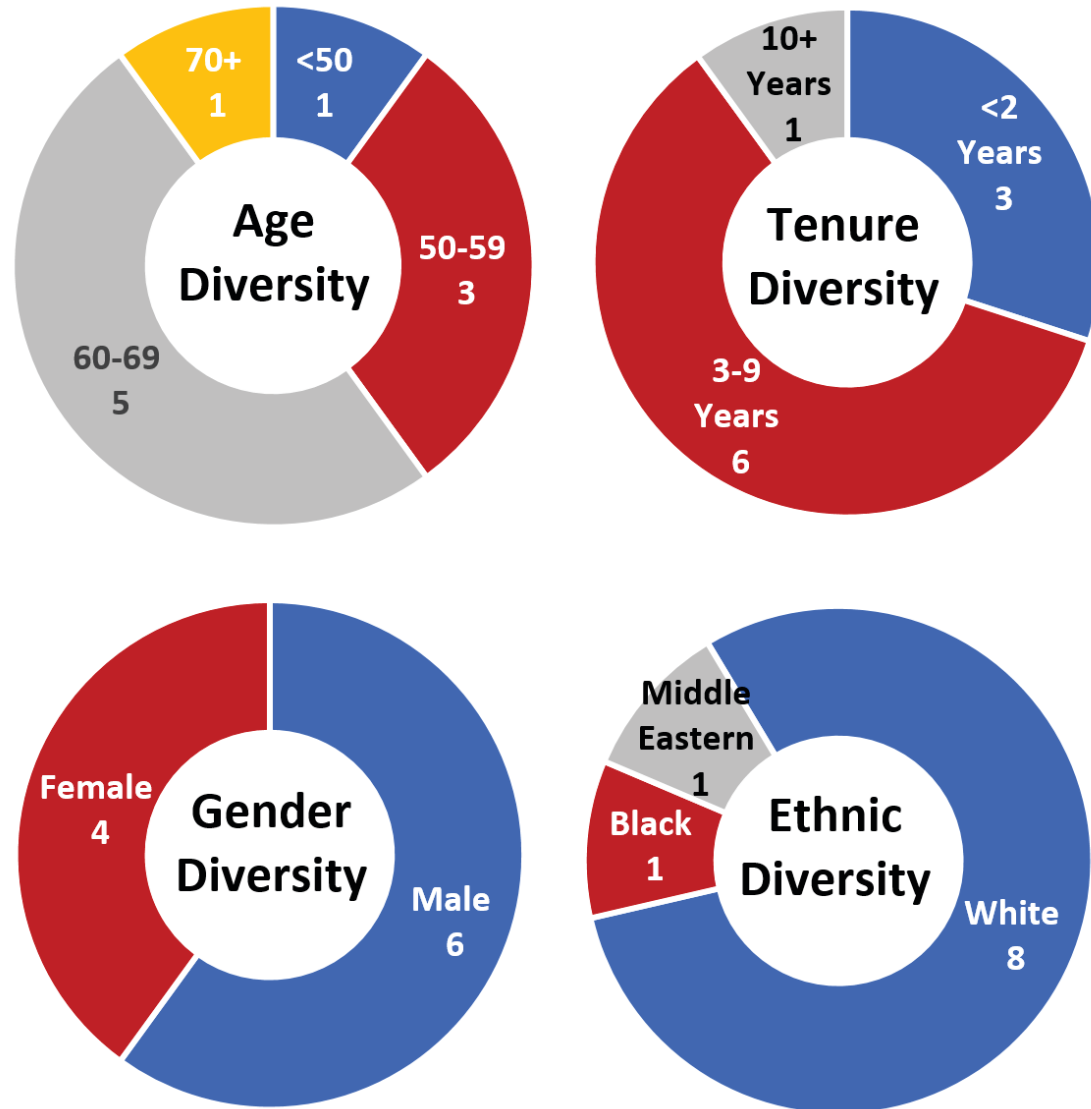
- Annual election of all directors.
- Majority vote plus resignation standard in uncontested elections. If a director receives more "WITHHOLD AUTHORITY" votes than "FOR" votes, the director must submit a resignation for the Board to consider.
- Allow shareholders owning 25% of our shares to call a special meeting.
- Independent board. Our Board is comprised entirely of independent directors, except our CEO.
- Independent Board Chair.
- Independent Board committees. Each of our Board committees (audit, compensation, governance, and operations) is made up solely of independent directors.
- Committee authority to retain independent advisors. Each of our Board committees has the authority to retain independent advisors, which will be paid for by the company.
- Code of Conduct and Ethics. We are committed to operating with honesty and integrity and maintaining the highest level of ethical conduct. Our Code of Conduct and Ethics applies to all employees, as well as the Board. We also have a separate Code of Ethics for the Chief Executive Officer and Senior Financial Officers concerning financial reporting and other related matters.
- Robust stock ownership guidelines for executive officers (2x to 6x) and directors (5x).

What We Don't Do

- Poison pill. We do not have a shareholders rights plan or poison pill.
- Hedging of company securities. We do not allow our directors, executives, or employees to hedge company securities.
- Corporate political contributions. We do not make contributions to candidates for political office, political parties, or committees, or political committees organized to advance political candidates.
- Supermajority voting. We do not have supermajority voting provisions in our certificate of incorporation or bylaws, except to approve (or amend provisions concerning) certain business combinations or mergers.

Board Diversity

Our Board values the diversity of its members. When considering director nominees, our Board strives to identify nominees that will provide insight to our Board from a number of perspectives, with equal importance placed on gender, age, ethnicity, skills and background, as well as location of residence. Our Board believes diversity is important because varied perspectives expand the Board's ability to provide relevant guidance to our business. 2020 Women on Boards previously has recognized our Board's gender diversity.



50/50 Women on Boards™ recognizes NorthWestern Energy for gender diversity on our Board of Directors

50/50 Women on Boards™, the leading global education and advocacy campaign driving the movement toward gender balance and diversity on corporate boards, recently commended NorthWestern Energy as a “3+” company, for having three or more women on its corporate board of directors.

With four female directors — Sherina Edwards, Britt Ide, Linda Sullivan and Mahvash Yazdi — representing 40% of our corporate board seats, we have made a purposeful business decision aligning with independent research that demonstrates when three or more women serve on a board, profitability, productivity and workplace engagement increase.

Executive Pay

Our executive pay program is designed to align the long-term interests of our executives, shareholders and customers. In 2022, approximately 79% of the compensation of our CEO and about 65% of the compensation of our other named executive officers is at risk in the form of performance-based incentive awards. Our Board establishes the metrics and targets for these incentive awards, based on advice from the Board's independent compensation consultant. We also require our executives to retain meaningful ownership of our stock (from two times to six times their annual base salary). This compensation structure encourages our executives to focus on short- and long-term performance and provides a reward to our executives, shareholders and customers when we achieve our financial and operating objectives.

The overall pay our named executive officers received in 2022 is in the bottom half of our 2023 peer group. Based on such 2022 compensation data:

- Our named executive officers had an average compensation per officer that was less than all but four of the other 12 companies in our 2023 peer group (\$1.85 million for us versus \$1.96 million for the peer median) (excluding changes in pension value); and
- Our CEO's total compensation was approximately 75% of the median total compensation (excluding change in pension value) of the CEOs in our 2023 peer group.

We consider our executive pay program to be instrumental in helping us achieve our business objectives and effective in rewarding our executive officers for their role in achieving strong financial and operational performance.

Financial Results

We are committed to providing our investors a competitive return.

In 2022, we continued to face a number of challenges due to the COVID-19 pandemic that required us to efficiently manage our business to achieve operational success. We worked safely and achieved some of our highest ever customer satisfaction ratings, all while providing customers with safe and reliable service.

In addition, we had a record year of capital investment in the infrastructure and technology that reliably serves our customers. We finished construction of our 58-megawatt Bob Glanzer Generating Stations (natural gas peaking plant) in May 2022 and continue to construct the 175-megawatt Yellowstone County Generating Station in Montana and expect it to be serving our customers in the second half of 2024.

Our shareholder return for 2022 was 8.51% and ranked 4th versus our 12 member utility peer group. However our diluted earnings per share of \$3.25 was below our expectations.

2022 Basic Earnings Per Share

Our basic **EPS declined 9% to \$3.28 in 2022** from \$3.61 in 2021.

Total Shareholder Return

Our **TSR was 8.5% for the one-year period ending Dec 31, 2022**, ranking fourth of our 2022 peer group average of 0.7%.

Dividend Yield

Our dividend of \$2.52 per share provided a **dividend yield of 4.4%** on our stock price at the end of 2022.

Ethics & Compliance

We are committed to operating with honesty and integrity and maintaining the highest level of ethical conduct. We adhere to a strict code of ethics regarding corporate governance. Our Code of Conduct and Ethics applies to all employees, board members, vendors and contractors, with an additional Code of Ethics for the Chief Executive Officer and Senior Financial Officers concerning financial reporting and other related matters.

Supplier Code of Conduct and new supplier diversity program

In 2020, we released a Supplier Code of Conduct outlining our expectations for our suppliers. The work of all contractors, suppliers and vendors and their employees, agents and subcontractors (our “Suppliers”) is critical to the success of our mission and directly reflects upon NorthWestern Energy. Accordingly, our Suppliers must also embody our “SERVICE” values of Safety, Excellence, Respect, Value, Integrity, Community and Environment.

We also launched a supplier diversity program to diversify service and material suppliers. The program supports all types of small business ownership, including disadvantaged, women-owned, veteran-owned and minority owned businesses.

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) 2023 REPORT

NORTHWESTERN CORPORATION

Environment			
GHG Emissions		Information Links	Page(s)
IF-EU-110a.1	Gross global Scope 1 emissions.	Gross Scope 1 Emissions EEI/ESG Sustainability Document Key Sustainability Statistics Report AGA ESG Template	Environmental Section
IF-EU-110a.2	Greenhouse gas (GHG) emissions associated with power deliveries.	GHG Emissions from Power Deliveries EEI/ESG Sustainability Document Key Sustainability Statistics Report	All Various
IF-EU-110a.3	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets.	Scope 1 Emissions, Targets, and Performance Net Zero by 2050 (pdf)	
IF-EU-110a.4	(1) Number of customers served in markets subject to renewable portfolio standards (RPS) and (2) percentage fulfillment of RPS target by market.	Markets Subject to RPS	
Air Quality			
IF-EU-120a.1	Air emissions of the following pollutants: (1) CO, (2) NOx (excluding N2O), (3) SOx, (4) particulate matter (PM10), (5) mercury (Hg), (6) lead (Pb), and (7) volatile organic compounds (VOCs).	Air Pollutant Emissions EEI/ESG Sustainability Document AGA ESG Template Key Sustainability Statistics Report	
Water & Wastewater Management			
IF-EU-140a.1	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress.	Water Use and Sources Key Sustainability Statistics Report Montana Integrated Resource Plan 2023 SD Integrated Resource Plan 2022	5
IF-EU-140a.2	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations.	Water Management Incidents	
IF-EU-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks.	Water Risks Management Key Sustainability Statistics Report Montana Integrated Resource Plan 2023	20
Waste & Hazardous Materials Management			
IF-EU-150a.1	Amount of coal combustion residuals (CCR) generated, percentage recycled.	Coal Combustion Residuals Key Sustainability Statistics Report	5
IF-EU-150a.2	Total number of coal combustion residual (CCR) impoundments, broken down by hazard potential classification and structural integrity assessment.	CCR Impoundments	

Social Capital			
Access & Affordability		Information Links	Page(s)
IF-EU-240a.1	Average retail electric rate for (1) residential, (2) commercial, and (3) industrial customers.	Average Retail Electric Rate 2022 Annual Report	51
IF-EU-240a.2	Typical monthly electric bill for residential customers for (1) 500 kWh and (2) 1,000 kWh of electricity delivered per month.	Monthly Residential Electric Bill	
IF-EU-240a.3	Number of residential customer electric disconnections for non-payment, percentage reconnected within 30 days.	Electric Disconnections Montana Customer Handbook South Dakota Customer Handbook Nebraska Customer Handbook Key Sustainability Statistics Report	20-24 20-24 18-21 7
IF-EU-240a.4	Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory.	Customer Affordability of Electricity Account Services and Energy Affordability Key Sustainability Statistics Report	6
IF-GU-240a.1	Average retail gas rate for (1) residential, (2) commercial, (3) industrial customers, and (4) transportation services only.	Average Retail Gas Rate 2022 Annual Report	53
IF-GU-240a.2	Typical monthly gas bill for residential customers for (1) 50 MMBtu and (2) 100 MMBtu of gas delivered per year.	Typical Monthly Gas Bill	
IF-GU-240a.3	Number of residential customer gas disconnections for nonpayment, percentage reconnected within 30 days.	Gas Disconnections for Nonpayment Montana Customer Handbook South Dakota Customer Handbook Nebraska Customer Handbook Key Sustainability Statistics Report	20-24 20-24 18-21 7
IF-GU-240a.4	Discussion of impact of external factors on customer affordability of gas, including the economic conditions of the service territory.	Gas Affordability Account Services and Energy Affordability Key Sustainability Statistics Report	6
Human Capital			
Employee Health & Safety		Information Links	Page(s)
IF-EU-320a.1	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR).	Incident, Fatality, and Near Miss Frequency Rate Key Sustainability Statistics Report	8

Business Model & Innovation			
Business Model Resilience		Information Links	Page(s)
IF-EU-420a.1	Percentage of electric utility revenues from rate structures that (1) are decoupled and (2) contain a lost revenue adjustment mechanism (LRAM).	Electric Utility Revenues	
IF-EU-420a.2	Percentage of electric load served by smart grid technology.	Smart Grid Technology Electric Load Key Sustainability Statistics Report	6
IF-EU-420a.3	Customer electricity savings from efficiency measures, by market.	Customer Electricity Savings Save Energy and Money Key Sustainability Statistics Report	7
IF-GU-420a.1	Percentage of gas utility revenues from rate structures that (1) are decoupled or (2) contain a lost revenue adjustment mechanism (LRAM).	Decoupled Gas Utility Revenues	
IF-GU-420a.2	Customer gas savings from efficiency measures by market.	Customer Gas Savings Save Energy and Money Key Sustainability Statistics Report	7
Leadership & Governance			
Critical Incident Risk Management		Information Links	Page(s)
IF-EU-540a.1	Total number of nuclear power units, broken down by U.S. Nuclear Regulatory Commission (NRC) Action Matrix Column.	Number of Nuclear Power Units	
IF-EU-540a.2	Description of efforts to manage nuclear safety and emergency preparedness.	Efforts to Manage Nuclear Safety	
IF-GU-540a.1	Number of (1) reportable pipeline incidents, (2) Corrective Action Orders (CAO), and (3) Notices of Probable Violation (NOPV).	Pipeline Incidents	
IF-GU-540a.2	Percentage of distribution pipeline that is (1) cast and/or wrought iron and (2) unprotected steel.	Unprotected Metal Gas Pipelines Net Zero by 2050 (pdf)	Primarily 16-17
IF-GU-540a.3	Percentage of gas (1) transmission and (2) distribution pipelines inspected.	Gas Pipelines Inspected	
IF-GU-540a.4	Description of efforts to manage the integrity of gas delivery infrastructure, including risks related to safety and emissions.	Integrity of Gas Delivery AGA ESG Template Net Zero by 2050 (pdf)	Page 1 - Line 2.1. Page 2 - Lines 1.2 & 2.2. Page 3 - Line 3.1 See natural gas section starting on page 15
Systemic Risk Management		Information Links	Page(s)
IF-EU-550a.1	Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations.	Non-compliance with Electricity Infrastructure Regulations Privacy Policy	
IF-EU-550a.2	(1) System Average Interruption Duration Index (SAIDI), (2) System Average Interruption Frequency Index (SAIFI), and (3) Customer Average Interruption Duration Index (CAIDI), inclusive of major event days.	Interruptions	

Activity Metrics		Information Links	Page(s)
IF-EU-000.A; IF-GU-000.A	Number of: (1) residential, (2) commercial, and (3) industrial customers served.	Customers Served - NW Custom SASB QID 2022 Annual Report	Pages 51 & 53 of the 10K portion of document
IF-GU-000.B	Amount of natural gas delivered to: (1) residential customers, (2) commercial customers, (3) industrial customers, and (4) transferred to a third party.	Natural Gas Delivered 2022 Annual Report	Page 53
IF-EU-000.B	Total electricity delivered to: (1) residential, (2) commercial, (3) industrial, (4) all other retail customers, and (5) wholesale customers.	Total Electricity Delivered 2022 Annual Report	Page 51
IF-EU-000.C; IF-GU-000.C	Length of transmission and distribution lines.	Length of Transmission and Distribution Lines (Electric Utilities) 2022 Annual Report	Pages 12 & 15 of the 10K portion
IF-EU-000.C; IF-GU-000.C	Length of transmission and distribution lines.	Length of Transmission and Distribution Lines - NW Custom SASB QID 2022 Annual Report	pages 12, 15 & 18 of 10K portion
IF-EU-000.D	Total electricity generated, percentage by major energy source, percentage in regulated markets.	Total Electricity Generated EEI/ESG Sustainability Document	Page 3
IF-EU-000.E	Total wholesale electricity purchased.	Total Wholesale Electricity Purchased 2022 FERC Form 1 Report	Page 401a - Line 10

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) 2023 REPORT

Governance		Information Links	Page(s)
Governance A	Disclose the organization's governance around climate-related risks and opportunities.	Governance A - Board Oversight Nominating and Governance Committee Charter 2022 Proxy Statement Net Zero by 2050 (web portal) 2023 Proxy Statement	68
Governance B	Disclose the organization's governance around climate-related risks and opportunities.	Governance B - Role of Management 2022 Proxy Statement ESG Disclosure Committee Net Zero by 2050 (web portal) Sustainability Portal (ESG Website) 2023 Proxy Statement	3-8 68
Strategy		Information Links	Page(s)
Strategy A	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	Strategy A - Short, Medium, and Long Term Climate Risks Net Zero by 2050 (web portal) 2022 Annual Report 2023 Proxy Statement	Annual Report lead-in pages 7-9 & 13-14; 10K pages 22, 26-36 & F41-F46
Strategy B	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	Strategy B - Business, Strategy and Financial Planning Net Zero by 2050 (web portal) 2022 Annual Report 2023 Proxy Statement	Pg. 22, 27, 29, 30, 34-35, F42-F43
Strategy C	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	Strategy C - Resilience of the Organization's Strategy Net Zero by 2050 (web portal) 2022 Annual Report 2023 Proxy Statement	Pg. 22, 27, 29, 30, 34-35, F42-F43

Risk Management		Information Links	Page(s)
Risk Management A	Disclose how the organization identifies, assesses, and manages climate-related risks.	Risk Management A - Identifying and Assessing Climate Related Risks Enterprise Risk Management Charter Enterprise Risk Management Policy Net Zero by 2050 (web portal) 2022 Annual Report 2023 Proxy Statement	Annual Report lead-in pages 7-9 & 13-14; 10K pages 22, 26-36 & F41-F46 68
Risk Management B	Disclose how the organization identifies, assesses, and manages climate-related risks.	Risk Management B - Processes for Managing Climate Related Risks Net Zero by 2050 (web portal) Enterprise Risk Management Charter Enterprise Risk Management Policy 2023 Proxy Statement	Annual Report lead-in pages 7-9 & 13-14; 10K pages 22, 26-36 & F41-F46 68
Risk Management C	Disclose how the organization identifies, assesses, and manages climate-related risks.	Risk Management C - Organizational Integration of Risk Management Practices Net Zero by 2050 (web portal) Enterprise Risk Management Charter Enterprise Risk Management Policy 2022 Annual Report 2023 Proxy Statement	Annual Report lead-in pages 7-9 & 13-14; 10K pages 22, 26-36 & F41-F46 68
Metrics and Targets		Information Links	Page(s)
Metrics and Targets A	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	Metrics and Targets A - Metrics used by the Organization Key Sustainability Statistics Report EEI/ESG Sustainability Document AGA ESG Template Net Zero by 2050 (web portal) Net Zero by 2050 (pdf) 2022 Annual Report	14 & 18 22, 26-33, F41-F43
Metrics and Targets B - Scope 1 & 2	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	Metrics and Targets B - Scope 1 & 2 GHG Emissions Net Zero by 2050 (pdf) EEI/ESG Sustainability Document AGA ESG Template Key Sustainability Statistics Report	14 & 18 4 & 5
Metrics and Targets B - Scope 3	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	Metrics and Targets B - Scope 3 GHG Emissions EEI/ESG Sustainability Document	
Metrics and Targets C	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	Our Net Zero by 2050 report describes the targets we are using to manage climate-related risks and opportunities and the incremental steps we will take as we transition to a cleaner energy future. Net Zero by 2050 (web portal) Net Zero by 2050 (pdf)	