

CMS Energy: A New Step Forward
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LRN Inspiring Principled Performance **CMS ENERGY**

Workplace Environment has Evolved **CMS ENERGY**


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Influences on Everyday Decision Making: Social Immersion **CMS ENERGY**

Dr. Albert Bandura
Social Learning Theory

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Program Effectiveness Research



1. "High performers who violate our code of conduct or values are tolerated."

2. "Managers in my organization sometimes act as if they are above the rules."

3. "Our employees trust that their leaders consistently make values-based decisions."


4. "Employees in my company feel pressured to achieve immediate objectives, even if it means acting in ways that are inconsistent with our values."


5. "Employees in my company hesitate to speak up/out during team meetings because they worry about how their managers will react."

6. "Employees in my company question decisions when they conflict with our values."

7. "Employees in my company do the right thing, even if it's not in their personal best interest."

8. "Employees in my company are comfortable skipping levels or going to a level above their direct boss to raise ethical concerns."

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Which of the following behaviors does your C-Suite demonstrate?

	Holds leaders accountable for ethical behavior	Promotes ethics without prompting	Models values-based behavior	Engages the Chief E&C Officer while making strategic decisions	Considers managers' ethical behavior for performance reviews and as a prerequisite for promotion	Holds leaders accountable for owning E&C in their business areas
A&B	85%	67%	73%	58%	51%	62%
D&F	53%	40%	61%	43%	42%	49%


Our middle managers clearly know they are accountable for...

	Assessing E&C risk for their business and teams	Actively supporting the E&C program	Modeling values-based behavior	Dealing effectively with E&C concerns raised by their teams
A&B	74%	83%	73%	61%
D&F	48%	63%	61%	54%


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THE TIME FOR BUILDING RELATIONSHIPS IS NOT IN THE MIDDLE OF A CRISIS



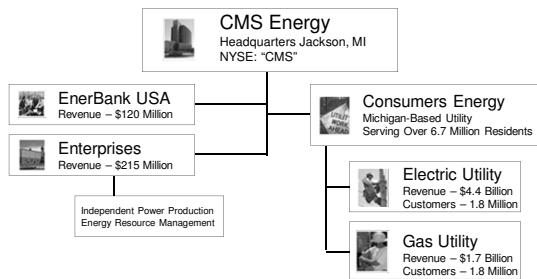
MOBILIZE YOUR LEADERS TODAY.
TOMORROW IS TOO LATE.

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- **Less than 2%** of managers are formally trained around active listening
- Average manager interrupts employees **within 17 seconds** when someone is speaking.

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This is CMS Energy...



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Purpose



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**CMS ENERGY:
WORLD CLASS
PERFORMANCE
DELIVERING HOMETOWN SERVICE**

Our Guiding Principles		
Guiding Principle	Belief	Behaviors & Practices
We Act with Integrity	We believe integrity is a cornerstone of business success.	<ul style="list-style-type: none">• We place the health and safety of ourselves, our families and our customers above all else.• We follow all laws, regulations and rules.• We do the right thing every time.• We walk the talk.• We act with the highest ethics, transparency, and honesty.• We are accountable for our words, actions and decisions.
We Earn Our Customers' Business 24/7	We believe serving our neighbors, friends and family is an honor and privilege that must be earned every day.	<ul style="list-style-type: none">• We are motivated and able to serve customers.• We provide excellent service.• We build relationships and create trust with customers.• We keep customers safe and informed.• We own our customer interactions and make decisions to meet their needs.• We seek opportunities to add value to the customer, regardless of our role in the organization.• We anticipate our customers' future needs.
We Cross the Finish Line Together	We believe success is achieved when we work together.	<ul style="list-style-type: none">• We use Hometown as an opportunity to build relationships.• We promote openness and teamwork, and support change.• We use the big picture and balance our own and team's interests with those of the larger organization.• We respect and value individual backgrounds, contributions and perspectives.• We give our personal best to the team.
We Put Points on the Board	We believe success depends on delivering meaningful results.	<ul style="list-style-type: none">• We add real and measurable value every day.• We provide recognition and feedback based on results aligned with our principles.• We behave as owners and act with urgency.• We manage risk and learn from results.
We Leave It Better Than We Found It	We believe lasting value is created through making improvements every day.	<ul style="list-style-type: none">• We are motivated by the organization's greater purpose.• We seek sustainable solutions that meet the social, economic and environmental needs of the stakeholders we serve.• We continuously look for new and better ways to deliver lasting value.• We improve and use innovative processes and systems that meet the needs of customers.• We have the best talent and share our knowledge and experience to ensure success.• We deliver the "Court on Us" promise by striving to learn every day.
It's a Great Place to Work	We believe in an environment where we can contribute our full potential.	<ul style="list-style-type: none">• We extend and earn trust.• We listen to understand, treat others with dignity and communicate openly.• We support and coach each other.• We help each other balance work and personal lives.• We pursue challenging growth and development opportunities.• We agree on what, when and how to communicate about it.

Compliance Office Responsibilities

- Reinforce a safe and strong ethical culture that embodies inclusiveness, respect, honesty and incorporation of the Guiding Principles.
- Ensure compliance with all laws and regulations applicable to our company.
- Create transparency to senior leaders and the board regarding compliance and misconduct risk.



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Our Compliance Framework



Maintain Ethical Culture

- Guiding Principles
- Code of Conduct
- Training/certification
- Employee Ethics Awards
- Diversity and inclusion efforts

100% Regulatory Compliance

- We operate in a highly regulated environment
- Regulations continue to evolve
- We continue to mature our compliance programs

Compliance Pillars

Proper framework is in place to maintain an ethical culture and ensure regulatory compliance.

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Regulatory Compliance Pillar



CONSISTENT MODEL

FRAMEWORK – “What”

APPLICATION – “How”



Collaborating on “best practices” to define the “how” and establish a standard regulatory and compliance framework.

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