



2022

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE REPORT

As a cooperative, East Central Energy is committed to operating with integrity. We adhere to the 7 Cooperative Principles. We focus on safety and reliability. We hire people who are proud to serve their neighbors. We work hard to be excellent stewards of our members' money, and we hope our members are proud of their cooperative.

When we voluntarily prepared the Environmental, Social, and Governance (ESG) Report for 2022, we sought to be transparent in communicating the way societal issues affect the co-op's long-term value. Each section highlights just a few things we did in 2022 to make our corner of the world a better place.

The employees and directors of ECE are happy to answer questions or provide clarification. As a member-owned cooperative, we proudly accept the responsibility for helping to build a more resilient future for every home, farm, business, and community we serve.



ENVIRONMENTAL

East Central Energy is committed to protecting our natural resources and minimizing our impact to the environment.



New Osprey nesting platform

CREATING HABITAT

Habitat within our right-of-ways supports an average of 19 monarchs per acre. Nectar plants cover roughly 21% of each acre, ensuring monarchs have a beneficial food source.

PROTECTING AVIAN SPECIES

A new nesting platform was installed for a breeding pair of Osprey in Isle, MN. We also worked with Great River Energy to install swan divertors on their generation lines near Ann Lake in Mora, MN.

TREE LINE USA RECIPIENTS

To qualify as a Tree Line USA recipient for our 18th year, ECE followed these core standards: quality tree care, annual worker training, tree planting and public education, tree-based energy conservation program, and hosted an Arbor Day celebration.

REDUCING ELECTRIC CONSUMPTION

Local businesses can apply for many types of energy-efficient rebates, saving both energy and money. In 2022, local businesses saved 2,479,760 kWh with a demand reduction of 381 kW.

MUTUALLY-BENEFICIAL PARTNERSHIP

ECE partnered with Mille Lacs Corporate Ventures and NextEra Energy Resources to interconnect a 3-MW (25 acre) solar array at Grand Casino Hinckley. The Power Purchase Agreement allows the casino to purchase all of the available output from the array to help meet their sustainability goals without additional costs to ECE's members.

SOCIAL

ECE employees live, work, and play in the communities we serve. When we improve our skills and knowledge, it benefits the health of the organization and our members. Everyone plays a big part in how we help build safe, strong, and caring communities.

865 public safety presentation attendees

543 employee volunteer hours

\$20,000 in school supplies donated by ECE and CoBank via Teacher Totes project

\$41,175 donated to Caring Members program to help keep the lights on for members in need

\$88,295 Operation Round Up® dollars contributed by members who round their bill to the nearest dollar



GOVERNANCE

ECE's board is committed to the cooperative's financial integrity, strategic oversight, member representation, and operational excellence. The expertise of our dedicated board members provides our members with high-quality electric service.



ECE Board of Directors



FINANCIAL INTEGRITY

Mindful board governance led to a clean 2022 audit.

ECE's strong financial position provided results that exceeded the requirements of our lenders, allowing us to leverage financial decisions that benefit the cooperative.

STRATEGIC OVERSIGHT

Utilized an industry-leading feasibility study and carefully analyzed financial risk factors before entering the fiber internet business.

The board of directors completed over 300 hours of industry-related education in 2022, including topics like cybersecurity, equity management, and EVs.

MEMBER REPRESENTATION

The board established a Member Resource Council consisting of two members from each of ECE's six districts, and a representative from the Mille Lacs Band of Ojibwe.

OPERATIONAL EXCELLENCE

Performed an internal network penetration test to test the co-op's cybersecurity, which ECE passed and will continue to participate in annually.

Increased the protection of metering software by requiring multi-factor authentication to access.