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Statement of Policy

NorthWestern Energy's policy is 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.

Objective

The objective of this policy is to define NorthWestern Energy's environmental compliance and stewardship commitment.

Scope

This policy applies to all NorthWestern Energy employees, contractors and consultants.

Definitions

Compliance or comply means conforming to environmental laws, regulations, standards, and other requirements such as permits and licenses to operate.

Conservation of energy means any reduction in electric power or natural gas consumption as a result of investment in measures that increase the efficiency of electricity or gas use.

Environmental conservation is anything that furthers the goal of making life more sustainable for the planet.

Stewardship is the responsible use and protection of the natural environment through environmental conservation and sustainable practices.

Sustainability means actions that meet the needs of the present without compromising the ability of future generations to meet their own needs.

Policy Provisions

A. We apply the following environmental principles in our day to day business:

1. Our business practices reflect a respect for, and a commitment to, sustainability and the long term quality of the environment.
2. One of our priorities is being good stewards of natural and cultural resources at our hydroelectric projects.
3. We comply with the spirit as well as the letter of environmental laws and regulations.



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4. Environmental issues and impacts are an integral part of our planning, operating and maintenance decisions.
5. We promote our customers' efforts to conserve energy, subject to regulatory approval.
6. We support providing energy through non-carbon emitting and renewable resources when consistent with our statutory requirement to provide cost effective and reliable energy.
7. We strive to minimize the generation of wastes and promote the reuse and/or recycling of materials.
8. We seek to continuously improve our environmental compliance and stewardship.
9. We embrace a team culture where positive environmental stewardship and compliance are encouraged.
10. Our contractors and consultants must comply with this policy when working for or representing NorthWestern Energy.

B. Reporting

1. All employees have a responsibility to internally report environmental hazards or a suspected violation of environmental requirements.
2. Reports of violations shall be made to the employee's supervisor or any member of the NorthWestern Energy Environmental Permitting and Compliance Department.
3. Environmental Management Information System
 - NorthWestern's Environmental Management Information System, ECO System, is the central repository and compliance management system for active environmental permits, environmental regulatory requirements, environmental incidents, and other environmental data.
 - The following environmental events are to be entered into ECO System with an action plan to address the event:
 - A. Reportable spills or releases.
 - B. Self-reported violations or exceedances of permits or licenses.



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- C. Regulatory citations, notices of violations, or warning letters related to environmental compliance.
- D. Avian mortality caused, or suspected to be caused, by birds coming in contact with our electric, gas, and communication facilities.

C. Training

1. Environmental and stewardship awareness training will be provided to all employees.
2. Specialized or technical training will be provided to employees who implement specific compliance programs.
3. ECO System training will be provided, as needed.

D. Responsibilities

1. The Environmental Permitting and Compliance Department is responsible for maintaining this policy, and for establishing processes, procedures, and training programs to implement it. The Environmental Permitting and Compliance Department is also responsible for monitoring and reporting to appropriate management compliance with the policy.
2. Employees are responsible for becoming familiar with this environmental policy and to take whatever actions are necessary to avoid violating environmental requirements, and to immediately report environmental incidents.
3. Supervision and management are responsible for allocating resources necessary to implement this environmental policy and for ensuring that members of their staff participate in relevant compliance training, as appropriate.
4. Supervision and management are responsible for complying with this policy and all environmental regulatory requirements, permits and licenses.
5. Supervision and management must communicate this policy's requirements to contractors and consultants.
6. The Executive Leadership Team, as guided by the Environmental Permitting and Compliance Department, is responsible for maintenance of an effective environmental program in each of their functional areas and for committing reasonably sufficient resources to ensure compliance with this policy.



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Corporate Policy Provisions

- A. Nothing in this policy is intended to limit an employee's rights under the National Labor Relations Act (NLRA).
- B. If any of the provisions of this policy conflict with federal or state law, the provisions of the federal or state law prevail.
- C. If any of the provisions of this policy conflict with those of a collective bargaining agreement (CBA) for covered employees, the provisions of the CBA will prevail.
- D. All employees are expected to comply with this policy. Failure to do so may result in disciplinary action up to and including termination of employment.
- E. The existence of this policy does not create a contract or vested right of employment implied or otherwise. NorthWestern Energy is an at will employer in South Dakota, Nebraska, and Wyoming.
- F. NorthWestern Energy reserves the right to amend, terminate, or otherwise modify this Policy at any time. The effect of any amendment or modification, however, will be prospective, not retroactive.