

Power Delivery & Utilization TECHNICAL BRIEF

Strategic Sustainability Science, P198



2022 SUSTAINABILITY REPORTING TRENDS

Key Insights

EPRI's Energy Sustainability Interest Group (ESIG) annually surveys its members to understand their sustainability reporting and disclosure activities, including the effort required, value received, and many other nuanced aspects. These members (n=38), made up of a mix of investor-owned utilities (IOUs) and non-investor-owned utilities (non-IOUs), recently completed a survey focused on their reporting activities in 2022, which divulged several key insights. While these results are presented in the context of past surveys, the sample set is slightly different each year, so changes may vary based on who is responding to the survey.



Figure 1. 2022 ESIG Membership

KEY TAKEAWAYS

Average Number of Reports Submitted

The average number of reporting types that companies engage in has more than doubled over the last 8 years. Investor-owned utilities in particular feel the highest demand for reporting types and engage in an average of 11.3 reporting types each year.

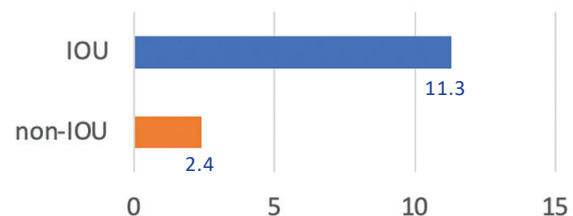


Figure 2. A comparison of the average number of reporting types that IOUs and non-IOUs engage in each year

Level of Effort to Submit Reports

For the third year in a row, more than a third of the companies cited they put “Very High” levels of effort into reporting. More than two thirds of companies cite at least “High” levels of effort.

Companies that were able to reduce the level of effort while maintaining or increasing their reporting engagements also reported increases in full-time employees dedicated to reporting and the use of multiple data-management tools.

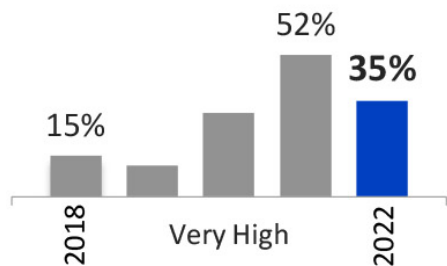


Figure 3. The percentage of companies that cite a “very high” level of effort to submit reports declined to 35% in 2022, after rising the three previous years

Is Reporting Worthwhile?

In 2022, nearly 80% cited that reporting efforts were definitely worthwhile, and for the fifth year in a row, of the respondents who engage in reporting efforts, zero responded that those efforts were probably not or definitely not worthwhile.

- Consider reporting definitely worthwhile
- Consider reporting somewhat worthwhile

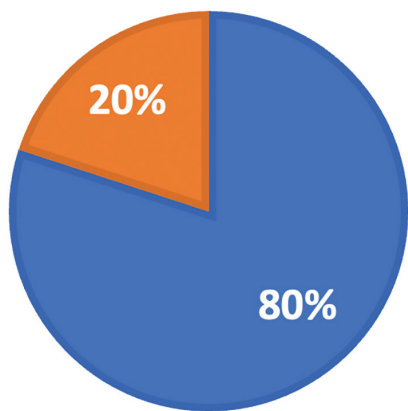


Figure 4. Of the companies that engage in reporting, 80% consider it to be “definitely worthwhile”

Rise of the CSO

From 2017 to 2022, the percent of companies that reported having a Corporate Sustainability Officer (CSO) or equivalent position has tripled from 14% to 43%.

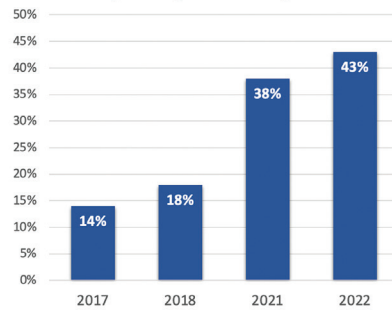


Figure 5. In 2022, 43% of responding companies indicated they have a Corporate Sustainability Officer, or equivalent position

Board Reviews of Reports

Sixty-eight percent of companies that develop corporate sustainability reports have their boards review or review and approve the reports. This is a new data point that ESIG plans to continue to track in this research.

Most Common Reporting Types

The 2022 survey listed ten reporting types that members have cited most often in previous surveys. Of these most-commonly referenced reports, 91% of members produce corporate social responsibility (CSR) reports or sustainability reports to communicate their sustainability efforts – a trend that has remained unchanged over the past three surveys. The following are the top ten most commonly referenced reporting types, with the percentage of respondents who engaged in 2022.

Table 1. Most common reporting types

1. CSR/Sustainability (91%)	6. CDP Climate (65%)
2. SASB (74%)	7. Sustainability (62%)
3. TCFD (71%)	8. Global Reporting Initiative (56%)
4. EEI ESG Template (68%)	9. ISS (53%)
5. MSCI (65%)	10. UNSDG (47%)

CONCLUSIONS

Our research demonstrates that while sustainability reporting and disclosure continues to be a heavy burden for many utility companies, it also continues to demonstrate perceived value. At the same time, we have seen companies increase staff dedicated to these efforts, and noted the elevation of reporting and disclosure activities, which may now include executive leadership and board involvement and approval. This research will continue to be updated annually for ESIG members, and is of particular interest as potential mandatory reporting and disclosure requirements arise and influence this space.

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CONTACT INFORMATION

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EPRI RESOURCES

EPRI members interested in engaging in and supporting this effort should contact EPRI for further discussion.

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