



DTE

2021 DTE ENERGY SUSTAINABILITY PRIORITY ASSESSMENT

Serving With Our Energy

Driving toward a clean, sustainable future

Sustainability Priority Assessment

In 2021, we completed a sustainability priority assessment to understand the priorities, and changing needs and expectations, of our stakeholders and our business. We will use the assessment results and insights to enhance our sustainability strategies, inform stakeholder engagements, improve ESG reporting and support the risk management process. The full list and descriptions of our **25 sustainability priorities** can be found on page four.

Our Process

To conduct our assessment, we partnered with the Electric Power Research Institute (EPRI), an independent nonprofit organization focused on energy and environmental research. With EPRI's support, our four-phase assessment process was **research-based, cross-functional, stakeholder-centered and inclusive**.

Phase one: identify and define

To identify our initial environmental, social, economic, governance and related operational issues ("sustainability issues"), we considered a broad range of literature sources, including reporting frameworks, media scans, customer surveys, peer reporting and energy sector and non-sector sustainability research.

Phase two: refine

Our team refined the initial sustainability issues list by interviewing 10 key external stakeholders and conducting an internal team survey and workshop.

Phase three: prioritize

External stakeholders representing diverse constituencies, localities, races, ethnicities and genders were invited to participate in a sustainability issue prioritization survey. In this survey, stakeholders rated the importance of the issues to their organization and DTE's impact on those issues. We received **234 survey responses** from:

- Customers
- Non-governmental organizations (NGOs)
- Investors
- Suppliers
- Public officials

We also invited team members from various departments and employee resource groups, and our union partners, to participate in a related survey. We received **36 survey responses** from these DTE team members.

Phase four: validate

In this final phase, our company's leadership team reviewed and validated the results from the prioritization surveys. EPRI researchers provided a qualitative and quantitative review of the survey data.

Our Sustainability Priority Descriptions

A draft of the priority descriptions was developed using industry-level sustainability research and a DTE-focused literature review. We refined the descriptions by interviewing 10 key external stakeholders and conducting an internal team survey and workshop.

We categorized the topics as *environmental*, *economic*, *social*, *governance* or *operational excellence*. Some priorities are interconnected and may impact more than one category.

Environmental

ISSUE	DESCRIPTION
Air emissions	Non-GHG air emissions produced by energy operations
Clean energy	Adoption and integration of, and appropriate investments in, renewable resources, energy efficiency, electrification and other sources of clean energy
Climate change	Physical and transition risks and opportunities
Greenhouse gas emissions	Greenhouse gas emissions across the value chain – from suppliers, company operations and customer use of the energy products we sell and deliver
Habitat and biodiversity	Health and stewardship of ecosystems
Waste	Waste generation and management
Water	Quality, availability and impacts of water resources

Economic

ISSUE	DESCRIPTION
Community vitality	Economic and social prosperity of the communities we serve
Energy affordability	Ability of all customers to pay their energy bills and effectively manage their energy use
Supply chain	Procurement practices and supplier activities and performance

Social

ISSUE	DESCRIPTION
Customer service	Relationships with customers and their evolving engagement and expectations
Diversity, equity and inclusion	Diversity, equity and inclusion in our workforce, and in our business operations and community relations efforts
Employee engagement	Culture, benefits, programs and development opportunities that motivate employees
Public policy and community relations	Relationships and engagement with regulators, legislators and community stakeholders
Safety and health	Safety and health of our employees and contractors, and the public, with respect to interaction with company assets
Talent pipeline management	Hiring, retention and succession planning with respect to qualified and diverse workers

Governance

ISSUE	DESCRIPTION
ESG transparency	Expectations for and disclosure of environmental, social, and governance information
Governance	Independence, representation, effectiveness, and structure of board and senior leadership
Risk management	Identification and management of internal and external risks

Operational Excellence

ISSUE	DESCRIPTION
Assets and operations	Efficiency and effectiveness of existing facilities, operational infrastructure and energy resources
Cyber security	Vulnerability of company facilities, systems and infrastructure
Energy reliability and resilience	Consistent delivery of energy to customers
Financial performance	Generating long-term returns and maintaining access to capital
Infrastructure modernization	Physical and digital infrastructure to improve and optimize asset performance, enable new technologies, provide environmental benefits and support the transition to a low-carbon economy
Innovation	Identification, utilization and advancement of market and operational insights and emerging technologies