



## About Our Report

# Materiality

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This Corporate Citizenship Report is built around our company's material aspects or topics that have a direct or indirect impact on our ability to create, preserve or erode economic, environmental and social value for ourselves, our stakeholders and society at large. We review our material topics annually to identify and confirm issues that matter most to DTE Energy and prioritize the content of our report accordingly.

In 2013, we conducted an in-depth materiality assessment in preparation for our first Corporate Citizenship Report. Our cross-functional corporate sustainability team conducted a benchmark of 15 utilities, analyzed the Electric Power Research Institute's (EPRI) Energy Sustainability Interest Group materiality study and participated in a comprehensive Global Reporting Initiative (GRI) training workshop. This initial phase helped us generate a list of 40 sustainability topics we considered in later phases of our materiality assessment process.

To prioritize the 40 initial aspects, the team evaluated each topic for low, medium or high alignment with DTE Energy's six corporate priorities. We also assessed the level of interest in each topic expressed by internal, external and government stakeholders, based on existing engagement channels. We sent a survey with the highest scoring aspects to all members of the team as well as the Steering Committee – our broader management oversight group – to establish the final ranking.

This year, in preparation for the 2016 report, DTE conducted a robust materiality refresh to reevaluate and prioritize key sustainability issues for our business and stakeholders. This included a benchmarking of five peer companies, interviews with external stakeholders from a variety of organizations and a survey completed by stakeholders within DTE as well as outside the company. Based on feedback from this materiality refresh, the following changes were made:

- Cybersecurity, Diversity and Inclusion, Habitat and Biodiversity and Waste Management were added as new material topics.
- Corporate Viability and Government Policy were removed from the list of material topics.
- Asset Management and Emergency Preparedness were wrapped into Reliability and Infrastructure. Compliance and Ethics were combined into a single topic. Employee Engagement and Employee Retention were combined.

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MATERIAL ASPECT	DESCRIPTION	IS TOPIC PRIMARILY INSIDE OR OUTSIDE OUR OPERATIONS?	FINANCIAL PERFORMANCE	VALUE CREATION STRATEGY	POLITICAL & REGULATORY	CUSTOMER SATISFACTION	EMPLOYEE ENGAGEMENT	CONTINUOUS IMPROVEMENT	FORCE FOR GROWTH
1. Air Emissions	Efforts to reduce non-greenhouse gas emissions	Inside		X	X			X	
2. Community Assistance	Corporate and foundation giving, community and customer outreach	Outside				X	X		X
3. Compliance and Ethics	Compliance with environmental and business regulations and fostering a culture of strong corporate ethics	Inside		X	X		X	X	
4. Customer Satisfaction	Delivering excellent customer satisfaction	Outside	X	X		X	X	X	X
5. Cybersecurity	Protecting the electrical grid from external, unauthorized manipulation or damage; maintaining customer data privacy and internal systems control	Inside			X	X		X	
6. Diversity and Inclusion	A workforce that reflects our diverse customer base and workplaces where every employee is valued	Inside			X		X		X
7. Economic Development	Developing businesses and jobs in our region (e.g., Pure Michigan, Energize Detroit)	Outside	X	X					X
8. Employee Engagement	Ensuring that DTE has an extremely engaged, high-quality workforce; employee retention and development	Inside	X			X	X		X
9. Energy Affordability	Effectively manage customer affordability and rate competitiveness for both gas and electric utilities	Inside & Outside	X	X	X	X		X	X
10. Energy Efficiency	Making efficient use of energy resources in our own operations and on the customers' side	Inside & Outside	X	X		X		X	X
11. Greenhouse Gases	Efforts to reduce emissions of greenhouse gases	Inside		X	X			X	X
12. Habitat and Biodiversity	Conserving and enhancing wildlife habitat and areas of high biodiversity	Inside					X	X	X
13. Reliability and Infrastructure	Providing reliable gas and electric service to our customers and maintaining infrastructure to support energy delivery	Inside	X	X	X	X			X
14. Renewable Energy	Encouraging development of renewable energy sources	Inside		X	X				X
15. Safety	Employee safety and public safety	Inside & Outside			X	X	X	X	
16. Waste Management	Efforts to manage waste responsibly, maximize reuse and recycling and ensure nuclear waste safety	Inside			X			X	

## Reporting Principles

In determining the content for this year's Corporate Citizenship Report, DTE applied the principles laid out in the Global Reporting Initiative (GRI) Standards. Issued by the Global Sustainability Standards Board in late 2016, the GRI Standards are a voluntary<sup>1</sup> global framework, intended for use by organizations to report about their impacts on the economy, the environment and society. The GRI Standards lay out four principles for determining report content. We have addressed each of these principles as follows:

- **Stakeholder Inclusiveness** - DTE reached out to a broad and diverse group of stakeholders as part of the materiality assessment process and the planning process for this specific report. Through direct interviews, questionnaires and online surveys, we obtained input on the expectations and interests of employees, customers, community partners, senior management, government representatives, investors, non-governmental organizations and suppliers.
- **Sustainability Context** - This report considers the sustainability context relevant for our industry sector and geographic region. Our discussion of the broader energy transformation that is underway across the United States is a key example of this reporting principle.
- **Materiality** - We have conducted extensive analysis to identify topics covering our economic, environmental and social impacts, as well as topics that interest and influence our stakeholders. DTE has conducted benchmarking against other companies' reports, both inside and outside the energy sector; participated extensively with industry organizations; and engaged third-party consulting expertise in GRI reporting to ensure that we obtain a thorough understanding of our material issues.
- **Completeness** - This report presents data for 2016, for those metrics we publicly report. These publicly-reported metrics, supplemented with narrative descriptions of programs and case studies, provide a complete view of DTE's sustainability/citizenship performance as determined through our internal analysis and our discussions with stakeholders.

<sup>1</sup> Use of the GRI Standards is voluntary in the U.S., although some countries and stock exchanges outside of North America require companies to prepare GRI reports.

## Management Approach

DTE manages all of its material issues in a thoughtful and responsible way. This section of our Corporate Citizenship Report provides basic information about our management approach, governance structure and strategy.

The DTE Energy Board of Directors has overall management responsibility at the highest level for our sustainability strategy, which we call our Force for Growth strategy. The following board committees are responsible for supervising various aspects of our material issues

- The Public Policy and Responsibility Committee (PPRC) is responsible for reviewing and advising the board on emerging social, economic, political, reputational and environmental issues that could significantly affect the company's business and performance in relation to the community, shareholders, customers and employees. The PPRC's charter is available on our [Corporate Governance web page](#) and spells out the committee membership, responsibilities and duties. The committee is responsible for evaluating its performance annually and reporting results to the board.
- The purpose of the audit committee is to assist the board in its oversight of the company's compliance with legal and regulatory requirements and the integrity of the company's financial statements.
- The Nuclear Review Committee provides oversight and review of the company's nuclear power generation program, including safety, regulatory compliance and operational performance.

For each of our material topics, we have internal policies, goals and targets that drive improvement. We monitor progress through the use of management dashboards to track metrics. Our code of business conduct and ethics – the DTE Energy Way – is publicly available in the Corporate Governance section of our website. Many other policies – including health and safety, cybersecurity and diversity and inclusion – are distributed internally. We have a robust training program that covers in detail the policies relevant to each employee's duties.

Our commitment to Continuous Improvement (CI) provides us with a framework for evaluating the effectiveness of our management approach. We conduct regular reviews of our activities and incorporate lessons learned in a "plan, do, check and act" CI cycle that benefits future projects.

## Environmental Management Systems

Our internal environmental audit programs help keep us accountable and drive improvement. Our International Organization for Standardization (ISO) 14001 certified facilities undergo annual environmental management system conformance audits. DTE Gas, DTE Electric and DTE non-utility operating facilities also undergo periodic environmental compliance audits and we perform periodic environmental risk audits for all waste vendors we utilize. The results of these audits are reported through top-level management reviews within business units and an annual summary of audit program effectiveness is provided to the board. We track corrective actions and use problem solving tools to identify and address root causes.

Educated and engaged employees play an important role in managing our environmental aspects. Annual, web-based training encourages DTE Electric and DTE Gas employees to understand the relationship between their work and the environment. This mandatory environmental training module covers significant environmental aspects that can have an impact on the environment such as controlling emissions, handling waste, reducing vehicle idling, managing storm water and protecting wildlife habitat.

DTE Electric and DTE Gas facilities are currently third-party certified under the ISO 14001:2004 Environmental Management Systems Standard including the Fossil Generation facilities, Fermi 2 Power Plant, substations, renewable operations and all DTE Gas facilities.

An ISO 14001 standard revision was issued in September 2015. DTE Energy is currently transitioning to the ISO 14001:2015 standard and we will be updating our management systems throughout 2017. Our goal is to complete all third-party certifications under the new standard for DTE Electric and DTE Gas facilities by the end of 2018.

## Clean Corporate Citizens

Michigan's Clean Corporate Citizen (C3) program is designed to honor and recognize businesses that have demonstrated strong environmental stewardship throughout their operations. To be designated a C3, facilities must have a comprehensive and facility-specific environmental management system that sets targets and objectives for continual environmental improvement; pollution prevention programs focusing on reduce, reuse, recycle; and a history of compliance with environmental regulations.

Clean Corporate Citizens who voluntarily participate in this program receive public recognition and are entitled to certain regulatory benefits, including expedited permits. Seven DTE Electric power plants and 26 DTE Gas facilities have earned C3 recognition:

## DTE Electric Power Plants:

- Belle River Power Plant
- Fermi 2 Power Plant
- Greenwood Energy Center
- Harbor Beach Power Plant
- Monroe Power Plant
- River Rouge Power Plant
- St. Clair Power Plant

## DTE Gas Facilities:

- Allen Road Service Center
- Alpena Service Center
- Belle River Mills Compressor Station
- Big Rapids Service Center
- Cadillac Service Center
- Citizens Gas and Fuel
- Columbus Station
- Coolidge Service Center
- Escanaba Service Center
- Gaylord T&SO Office
- Grayling Station
- Kalkaska Station
- Kingsford Service Center
- Ludington Service Center
- Lynch Road Service Center
- Michigan Avenue Service Center

## Performance Data

PERFORMANCE METRIC	2012	2013	2014	2015	2016
<b>Employees</b>					
Employee Engagement Gallup Grand Mean score	4.08	4.18	4.28	4.27	4.33
Occupational Safety and Health Administration (OSHA) Recordable Rate	1.24	0.81	0.99	0.77	0.45
<b>Customers</b>					
Advanced meters installed, cumulative - Electric	-	1,143,088	1,767,682	2,196,460	2,517,959
Advanced meters installed, cumulative - Gas	-	211,887	586,316	788,487	933,522
Reliability Duration Index (minutes)*	472	582	793	277	239
Enrollment in Low Income Self-Sufficiency Plan	-	28,947	22,000	34,000	35,000
<b>Community</b>					
Spending in Michigan (million dollars)	\$825	\$800	\$922	\$945	\$1,300
Total number of volunteers	-	1,450	2,000	2,335	2,300
Total number of volunteer hours	-	N/A	N/A	12,000	21,750
Total amount of DTE Foundation grants (million dollars)	-	\$10	\$11	\$15	\$15
<b>Climate Change</b>					
Net gas energy savings - customer programs (million cubic feet)	1,474 MMcf saved	1,436 MMcf saved	1,413 MMcf saved	1,480 MMcf saved	1,620 MMcf saved
Required gas savings (million cubic feet)	1,186 MMcf	1,240 MMcf	1,209 MMcf	1,178 MMcf	1,301 MMcf
Net electricity energy savings - customer programs (gigawatt-hours)	611 GWh saved	614 GWh saved	682 GWh saved	621 GWh saved	631 GWh saved
Required electricity savings (gigawatt-hours)	455 GWh	471 GWh	478 GWh	485 GWh	481 GWh
CO <sub>2</sub> emissions (million tons)	38.1	39.2	36.6	36.3	31.9

\* Reliability Duration Index is calculated as the length of customer interruptions divided by the number of customers also called the System Average Interruption Duration Index or SAIDI.

PERFORMANCE METRIC	2012	2013	2014	2015	2016
<b>Environment</b>					
NO <sub>x</sub> emissions (tons)	37,272	40,494	32,185	25,804	20,648
SO <sub>2</sub> emissions (tons)	133,456	128,178	83,447	71,465	52,245
Particulate emissions (tons)	1,291	1,645	1,105	767	536
Mercury emissions (tons)	0.747	0.773	0.522	0.479	0.112
Water withdrawal (billion gallons)	1,330	1,307	1,242	1,222	1,080
Water consumption (billion gallons)	20.5	20.4	18.8	20	19.1
Coal ash generation (million tons)	1.05	1.06	0.92	0.93	0.74
Recycling rates for ash (percent)	39%	42%	42%	42%	25%
Gypsum generation (million tons)	0.16	0.2	0.28	0.36	0.36
Recycling rates for gypsum (percent)	100%	97%	100%	97%	100%
Recycling rates (combined ash and gypsum)	47%	51%	55%	53%	48%
<b>Our Company</b>					
Operating earnings per share (EPS)	\$3.94	\$4.09	\$4.60	\$4.82	\$5.28
Annual growth rate in operating EPS	5.07%	3.81%	12.47%	4.78%	9.54%
Annual shareholder return (percent)	14.90%	14.89%	34.61%	-3.77%	26.93%
Funds from operations (FFO)/debt ratio	Debt/Capital: 49% FFO/Debt: 22%	Debt/Capital: 50% FFO/Debt: 23%	Debt/Capital: 51% FFO/Debt: 25%	Debt/Capital: 52% FFO/Debt: 21%	Debt/Capital: 51% FFO/Debt: 21%
Diluted earnings per common share (dollars)	\$3.55	\$3.76	\$5.10	\$4.05	\$4.83
Net income (million dollars)	\$610	\$661	\$905	\$727	\$868
Operating revenue (billion dollars)	\$8.8	\$9.7	\$12.3	\$10.3	\$10.6

# GRI Index

This is the fourth Global Reporting Initiative (GRI)-compliant report for DTE Energy, covering calendar year 2016. GRI is a voluntary, international framework that provides guidance to organizations on non-financial reporting. In 2016, GRI published its GRI Standards, the next generation framework for sustainability reporting. DTE Energy applied the GRI Standards as the basis for this Corporate Citizenship Report, in accordance with the Core option.

We intend to publish our Corporate Citizenship Report on an annual basis. As we are still developing and formalizing our data collection process, we have not pursued third-party data assurance for this year. Report data represents aggregated data across our entire operation unless otherwise stated.

The index below lists the GRI indicators addressed in this report and either includes the information directly or provides a reference to the relevant page(s) within this Corporate Citizenship Report.

GRI INDICATOR		SECTION															
<b>General Disclosures</b>																	
102-1	Name of organization	DTE Energy Company															
102-2	Primary products and services	<a href="#">Company Profile</a>															
102-3	Location of headquarters	Detroit, Michigan, United States															
102-4	Number of countries	United States only															
102-5	Nature of ownership and legal form	<a href="#">Governance</a> See also <a href="#">Form 10-K*</a>															
102-6	Markets served	<a href="#">Company Profile</a>															
102-7	Scale of the organization	<a href="#">Our Company; Employees</a> See also <a href="#">Form 10-K*</a>															
102-8	Total workforce	<p>Number of employees of each type, based on DTE employment records as of December 31, 2016:</p> <table border="1"> <thead> <tr> <th></th> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td>Regular</td> <td>7,369</td> <td>2,623</td> </tr> <tr> <td>Temporary</td> <td>175</td> <td>93</td> </tr> <tr> <td>Full-time</td> <td>7,368</td> <td>2,603</td> </tr> <tr> <td>Part-time</td> <td>1</td> <td>20</td> </tr> </tbody> </table> <p>All employees work within the United States; the temporary employees represent primarily summer interns, which is the main type of seasonal employment we use. See also <a href="#">Employees</a> report section.</p>		Male	Female	Regular	7,369	2,623	Temporary	175	93	Full-time	7,368	2,603	Part-time	1	20
	Male	Female															
Regular	7,369	2,623															
Temporary	175	93															
Full-time	7,368	2,603															
Part-time	1	20															
102-9	Supply chain	<a href="#">Supply Chain Management and Diversity</a>															
102-10	Significant changes since last report	<a href="#">Company Profile</a>															
102-11	Precautionary approach	See <a href="#">Form 10-K</a>															
102-12	External initiatives	<a href="#">Energy Policy Leadership; Waste and Recycling; Habitat and Biodiversity; Environmental Management Systems; Community</a>															
102-13	Membership in associations	<a href="#">Stakeholders; Energy Policy Leadership</a>															
102-14	CEO statement	<a href="#">CEO Message</a>															
102-15	Key impacts, risks and opportunities	<a href="#">CEO Message</a>															
102-16	Values, standards, codes	<a href="#">Corporate Values and Priorities; Ethics</a>															
102-17	Mechanisms for reporting ethical concerns	<a href="#">Ethics</a>															
102-18	Governance structure	<a href="#">Governance</a>															
102-22	Board composition	<a href="#">Governance</a>															
102-40	Stakeholder groups	<a href="#">Stakeholders</a>															
102-41	Collective bargaining agreements	<a href="#">Employees</a>															

\*Form 10-K annual financial report for DTE Energy is available in the [Investor Relations section](#) of our corporate website.

GRI INDICATOR		SECTION
102-42	Selection of stakeholders	<a href="#">Stakeholders</a>
102-43	Approach to engagement	<a href="#">Stakeholders</a>
102-44	Topics raised through engagement	<a href="#">Stakeholders; Materiality</a>
102-45	Operational structure	<a href="#">Company Profile</a>
102-46	Defining report content	<a href="#">Materiality</a>
102-47	Material aspects	<a href="#">Materiality</a>
102-48	Restatements	This report contains no material restatements of previously reported information.
102-49	Significant changes in scope and boundaries	Not applicable
102-50	Reporting period	Calendar year 2016
102-51	Date of previous report	Summer 2016 (covering calendar year 2015)
102-52	Reporting cycle	Annual
102-53	Contact point	<a href="#">CEO Message</a>
102-54	Claims of GRI reporting	This report has been prepared in accordance with the GRI Standards: Core option.
102-55	GRI content index	<a href="#">GRI Index</a>
102-56	External assurance	<a href="#">GRI Index</a>
<b>Economic</b>		
201-1	Direct economic value	<a href="#">Driving Economic Progress; Performance Data Summary</a> ; See also <a href="#">Form 10-K</a>
201-2	Risks and opportunities related to climate change	<a href="#">Climate Change</a>
203-2	Indirect economic impacts	<a href="#">Community Support; Driving Economic Progress; Land Management and Remediation; Performance Data Summary</a>
204-1	Local suppliers	<a href="#">Driving Economic Progress; Performance Data Summary</a>
<b>Environment</b>		
302-5	Energy efficiency and renewable energy initiatives	<a href="#">Renewable Energy; Energy Efficiency</a>
303-1	Total water withdrawal by source	<a href="#">Water; Performance Data Summary</a>
304-1	Biodiversity	<a href="#">Habitat and Biodiversity</a>
305-2	Greenhouse gas emissions	<a href="#">Climate Change; Air Quality; Performance Data Summary</a>  DTE uses the following standards, methodologies, assumptions and/or calculation tools to calculate Greenhouse gas emissions: The U.S. Environmental Protection Agency Mandatory Greenhouse Gas Reporting Rule and The World Resource Institute Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
305-5	Initiatives to reduce Greenhouse gas emissions	<a href="#">Climate Change</a>

GRI INDICATOR		SECTION
305-7	NO <sub>x</sub> , SO <sub>2</sub> and other air emissions	<a href="#">Air Quality; Performance Data Summary</a>  DTE uses the following standards, methodologies, assumptions and/or calculation tools to calculate air emissions:  NO <sub>x</sub> and SO <sub>2</sub> emissions are calculated using continuous emission monitoring systems. Particulate matter (PM) emissions are calculated based on opacity for all plants, excluding the DTE Monroe Power Plant. The Monroe Power Plant PM emissions are calculated using continuous emission monitoring systems.
306-2	Waste by type and disposal	<a href="#">Waste and Recycling; Performance Data Summary</a>
307-1	Environmental fines and sanctions	<a href="#">Compliance</a>
<b>Social</b>		
401-1	Hire rates and turnover rates	<a href="#">Employees</a>
403-2	Rates of injury	2016 Days Away, Restrictions and Transfers (DART) rate = 0.24 Absentee rates for 2016: Male = 2.22%, Female = 3.46%  Gender breakdown is not available for Occupational Safety and Health Administration recordable incidents and DART rates. See also <a href="#">Safety and Performance Data Summary</a> .
404-3	Skills management	In addition to the Foundational Capabilities training described in the report, DTE employees completed technical, regulatory and compliance training during 2016:  <ul style="list-style-type: none"> <li>• Training hours completed - 282,227 hours</li> <li>• Number of course completions - 172,081</li> <li>• Number of employees and leaders with course completions - 13,283</li> <li>• Gender breakdown of training data is not available.</li> </ul> See also <a href="#">Employee Engagement</a> section.
405-1	Employee diversity	<a href="#">Diversity and Inclusion</a>
413-1	Community engagement	<a href="#">Stakeholders; Community</a>
415-1	Political contributions	<a href="#">Political Contributions</a>
<b>Disclosures From Electric Utilities Sector-Specific Guidance</b>		
EU1	Installed capacity	<a href="#">Company Profile</a>
EU2	Net energy output	<a href="#">Company Profile</a>
EU3	Customer accounts	<a href="#">Company Profile</a>
EU4	Transmission and distribution mileage	<a href="#">Company Profile</a>
EU5	CO <sub>2</sub> e emissions allowances	Not applicable
EU12	Distribution line losses	3,394 gigawatt hours (6.53% of net system output)
EU15	Percent of employees near retirement age	<a href="#">Employees</a>
EU28	Power outage frequency	System Average Interruption Frequency Index = 0.988
EU29	Average power outage duration	<a href="#">Reliability; Performance Data Summary</a>