

# **Sustainability Reporting of Electric Utilities – An EU Comparison**

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## **Abstract**

This thesis analyzed the quality of European electric utilities' sustainability reporting (SR). Quality in the context of this thesis is understood as compliance with the standards set out by the Global Reporting Initiative.

The changing market structure of electric utilities, the current developments in the European energy sector, the analytic possibilities opened up by the GRI framework, previous research and theoretical constructs were the drivers for this thesis. The literature review brought forward that no prior research has looked at the quality of SR of European electric utilities.

The aim of this project was to quantify the quality of SR of European electric utilities and to find explanations for possible differences.

The theoretical framework of this thesis is comprised of legitimacy theory, stakeholder theory and new institutional theory, which are the major theories in the sphere of sustainability reporting.

The empirical study uses a document analysis approach, which quantifies the compliance of sustainability reports with the GRI reporting framework. Reports from the European energy sector, which use the GRI G3 or G3.1 framework, were used as a source material for the study.

Concerning the results it can be said that the average quality level of sustainability reporting is high in the European electric utilities sector. One reason behind this is a small number of large companies that set very high SR standards improving their competitive position. Concerning the drivers of quality inside the sector, a number of independent variables was investigated. The main findings were that listed companies and companies that are active as power generators score better on quality.