

Alliant Energy Reporting

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Feelings of social responsibility have been growing in recent decades and companies have responded by including environmental, health and safety report initiatives. Corporate reporting now has separate environmental, health and safety reports and the idea of the “Triple Bottom Line”-economic, social, and environmental awareness- is becoming more commonplace. The increasing demand for environmental reporting has resulted in an organization known as The Global Reporting Initiative (GRI), which outlines some principles for environmental reporting. The GRI principles sometimes seem like they should be common sense, but are still worth mentioning. Alliant Energy uses some of the GRI’s principles in their Environmental, Health and Safety Report, and should continue to use them to guide future reports.

The GRI principles include ideas such as transparency, auditability, completeness, relevance, sustainability context, accuracy, neutrality, comparability, clarity and timeliness. These guiding principles are a good place to start when producing a report of any kind. The current Environmental, Health and Safety Report does a fair job of following the principles, although there is still plenty of room for improvement.

Some of GRI’s principles are more applicable to the Environmental, Health and Safety Report reporting than others. **Transparency** is a principle that states that a reporting agency should fully disclose the processes, procedures, and assumptions in the preparation of the report. **Auditability** is the principle that reported data and information should be recorded, compiled, analyzed, and disclosed in a way that would enable internal auditors or external assurance providers to attest to its reliability. **Completeness** is publishing all information that is essential to users for assessing the reporting organization’s economic, environmental, and social performance. **Relevance** is the degree of importance assigned to a particular piece of information, and represents the threshold at which information becomes significant enough to be reported. The **Accuracy** principle refers to the degree of exactness and low margin of error in reported information necessary for users to make decisions with. The **Neutrality** principle says that reports should avoid bias in selection and presentation of information and should strive to provide a balanced account of the reporting organization’s performance. The **Clarity** principle states that information should be made available in a manner that is responsive to the maximum number of users while still maintaining a suitable level of detail. The last of the GRI principles relevant to Alliant Energy reporting is **Timeliness**, which states that reports should provide information on a regular schedule that meets user needs and comports with the nature of the information itself.

Alliant Energy already adheres to some of these principles, and they should continue to do so while working to improve their compliance with GRI guidelines. While the GRI reporting principles are a valuable tool to guide the reporting process, the focus of this critique is aesthetics. There are plenty of aesthetic aspects of the report that could be greatly improved upon to make the report more legible.

An important thing to keep in mind while generating a report is to remember who the report’s target audience is. If the report is going to be widely

distributed to a variety of people with different backgrounds then it has to be clear enough to everyone who may end up reading it. A very technical report that only people within the industry would understand is not going to be read by the common person or stockholder. The report has to be written generally enough, yet still with enough information, to be understandable by anyone who will read it but also not totally watered-down so that it still says what needs to be said.

With aesthetics in mind, we have used the 2002 Environmental, Health and Safety Report as a case study. We have come up with some proposals to enhance the appearance of Alliant Energy's Environmental, Health and Safety Report. The recommendations include things such as cutting down on the amount of text used, using more color, mixing graphs and text together, and making the report two pages instead of three.

One of the biggest concerns about the report is that the amount of text presented is a little overwhelming. The issue with text is not only the amount of it but also the presentation of it. The average reader gets lost and loses interest in what is written when there is such a large amount of text to deal with. For purposes of visualization we call the area of text the "gray area". A good example that could be used to demonstrate the problems with excessive gray area is the *Wall Street Journal*. The *Wall Street Journal* is the premier newspaper for people in the financial industry. People with background or education in the financial sector can read the *Wall Street Journal* and understand it fully. While it may be packed with great information that a casual reader may find useful, the casual reader is probably discouraged from reading the paper because it is presented in an overwhelming and intimidating fashion. Contrast that with a newspaper such as the *USA Today*, which is loaded with color and graphics to appeal to the reader even though quality of its content isn't on the same level as the *Wall Street Journal*. Alliant Energy's Environmental, Health and Safety Report does a much better job at making the report readable than many other organizations that publish reports, but there is plenty of room for improvement.

Reducing the gray area is our primary focus. Reducing the total amount of gray area can also be complemented with the incorporation of visually appealing elements to break up the gray area that will remain. With that end in mind, here are some suggestions to cut down on the gray area.

The overall amount of text contained in this report is extensive. People are very busy and the report must give them the information needed as quickly and easily as possible. The average attention span of people can be as low as 30 seconds and as more external pressures and distractions mount up the attention span of people will only become shorter. In the 2002 Alliant Energy Environmental, Health and Safety Report, the majority of information was presented in the form of lengthy paragraphs of information, which can be a bit too difficult for the general reader to digest. One of the reasons for the lengthy paragraphs was that there is an abundance of repetitive information. A person reading the report already knows it's the year 2002 (or 2004) and that they are reading information from Alliant Energy, so there is little need to let them know in each of the paragraphs of information. Removing extraneous words and

sentences make the presentation crisper, more direct, and perhaps most importantly it keeps them shorter. Whenever possible the delivery of the information should be presented in short, concise bullet points. With the editing out of extraneous information the entire booklet can be cut down to two pages, which leads to saved time, effort, money, and the extra paper (as an environmentally conscious company would hope to do).

Once this text reduction has occurred, it needs to be broken up. Color draws attention and can be used to influence how a reader might read the report while also drawing them to what the reader needs to know. It also makes the report appear shorter and thus allow the reader to read through the entire report instead of just skimming it.

In the 2002 Environmental, Health and Safety Report there is a contiguous group of graphs along the top of the pamphlet. It would be better to break these up and insert the graphs near the text to which they are best suited. A good example of having the text paired up with an image is the lockout/tag out program data. While the image used for the lockout/tagout program doesn't really serve a purpose, the use of the image along side the text is a good demonstration of breaking up the gray area. The pictures and graphs should be used as complements to the text in a way that adds to the information and enhances legibility.

It would also help the appearance of the report if things could be brightened up a bit. While green and beige may be colors that imply environmental friendliness, they don't necessarily add to the visual appeal of the page and can dull the senses and lead to reader apathy. Increased use of vibrant colors, although not to an extreme, could help sharpen up the report. The majority of the colors used in the report appear muted and dull. This may have been the goal of the report because muted color can be very easy on the eyes, especially when the report is read on the Internet. However, using more vibrant colors can draw the eye to the important things when used properly.

Adding background color to the place a reader should focus on and remember can be an effective tool, as can a chart or graph to enhance its importance. There are many reports where there are certain areas of the graph that are offset by color or texture. In the 2002 version of Alliant's Environmental, Health and Safety Report it appears that the block of graphs were intended to be set off by a background color, but the background color is so light that it hardly makes the section stand out. The entire section seems to blend right in and doesn't do very well to minimize the appearance of the gray area.

Some of the pictures added to the report don't serve much of a purpose. The picture of the two people with the wind power generators behind them, along with the picture of the lockout/tagout program and the picture of the employee giving public safety tips don't really add much to the report. Interestingly enough, these pictures are the items in the report that contain the most vibrant colors and really stand out. However, these pictures could be replaced with more graphs, or they could be replaced by energy saving or safety tips or something else that complements the information being presented. Including energy saving or safety tips is a good place to use background colors. Projecting a tip with a colored

background will break up gray area while keeping the tips properly offset from the rest of the report.

As for the information itself, there should be a valid reason for including any piece of information within these pages. Even negative information about the company can be a valuable device in a report. First, it can give the report more credibility by demonstrating belief in the importance of acknowledging everything about the company, even faults. Also, in acknowledging company faults publicly, it gives incentive to the company to rectify the problems that are being reported. The threat of having the negative aspects of the company can be an incredibly effective way to fix anything. This tactic was quite effective in the medical industry when a study was done of best practices of treatment of diabetes. Those practitioners found to be performing at sub-par levels were threatened with publication and turned things around and were among the best performers in a follow-up study. Reporting negative things about the company's environmental or safety record adheres to the GRI principles of transparency and completeness.

When determining what should be included in the report, it can be helpful to ask what is important to the company as well as what might be important to the consumers and readers. It would be beneficial to the report to include things for the average, non-industry, reader about things that they can do to improve Alliant Energy's environmental performance. For example, providing educational information about how switching to green energy protects the environment, what it would cost a customer to switch to green energy, and what Alliant Energy is doing to produce and promote more green energies would be of interest. Cater to the audience while still reporting the information that needs to be reported.

Graphs can be a very important part of the report and one of the most effective tools to display information. When done right, they are easy to read and come in all shapes and sizes. Graphs are able to tell a story with visual objects that words could never do justice to. The graphs are also able to take complex data and turn them into an easily digestible format for all readers. The 2002 Environmental, Health and Safety Report already has quite a few graphs in it. There are a few problems with the current presentation of the graphs. As mentioned earlier, the majority of the graphs are lined up across the top of the page. While this is a good strategy for "one-stop shopping" in terms of information, one recommendation is that these graphs be mixed in with the text and put in locations that are related to what is being said in the text. That isn't to say that the information presented in the graphs should also be summarized in the text. If the information is of vital importance to the report then reinforce what is written in the text with a graph. Graphs that, in general, say the same thing should be condensed into one graph if possible.

In the 2002 Environmental, Health and Safety Report the three graphs regarding air emissions of Nitrogen Oxide, Carbon Dioxide, and Sulfur Dioxide could be combined into one graph while also including a line on the graph representing the total amount of air emissions generated by Alliant Energy. If it were possible to predict, it would be beneficial to graph future emissions goals for the company. The Carbon Dioxide reduced, avoided, or sequestered graph is

confusing. The multi-layered graph might give a wealth of information for those who understand its layout, but it's not a very self-descriptive graph and the graphs should be able to say what you want them to say without any confusion.

Two of the graphs don't really fit with the others. The Solid Waste Recycled graph doesn't really fit in with the other environmental graphs and is somewhat disinteresting. Recycling is a program that has been widely adopted across the country and has been entrenched in the minds of many Americans as a good thing to do. Recycling is something that is expected. A small, simple bullet point stating that "Alliant Energy recycled 2.2 million pounds of material in 2002" would accomplish the same as the graph in the report. The lost workday case rate graph is the other graph that doesn't fit with the others. This graph is an important one and tells a great story. It should not appear among a large grouping of environmental graphs. Instead it should be placed in the safety section and mixed in nicely with the text explaining safety initiatives.

In the "Lost Workday Case Rate" graph there is a comparison of the U.S. industry average for lost workday cases and the rate for Alliant Energy. It would be quite interesting, and could make Alliant Energy look more like an industry leader, if industry averages could be included for things such as emissions, renewable energies, violations, or any other measurements that may be reported.

In producing a report of any kind it is very important to not create additional questions based upon items that appear in the report. An example of this in the 2002 Environmental, Health and Safety Report is the safety initiative of the implementation of the lockout/tagout program in generating facilities. To the casual reader who isn't familiar with the utilities industry this program is an unknown. So when there is discussion of the lockout/tagout an explanation of what it is could be valuable to many readers otherwise you've raised questions that a report isn't supposed to raise. The key to making sure no further questions arise from anything that appears in the report is to write the report as if you aren't familiar with the material or programs being reported on. It's a difficult task to be removed from knowledge already attained that is as familiar to you as your phone number. Some newspapers are written in a way that anyone with an eighth grade reading level can understand and follow the news stories. Alliant Energy's reporting might not have to be that generic, but the principle is the same. Everyone who publishes something wants to have his or her work read. Making the report too technical or too targeted to the industry decreases the number of potential readers and will result in some customers who might otherwise read the report being discouraged from reading.

Since Alliant Energy is a company with assets in several states and countries it might be also be good idea to regionalize parts of the report. This is called "reporting by location" and BP in their "Guidelines for Reporting" mentions it. If, for example, there is something that only applies to Wisconsin the people in Iowa are not going to be overly concerned about it. And if you want this information brought to the attention of the people in Wisconsin, targeting portions of the report could be a way of accomplishing this. This is where the Internet can prove to be extremely versatile. The Internet can have links to state or nation

specific information and someone reading the print version of the report won't have to weed through them to get to the information that concerns them.

One of the concerns customers of Alliant Energy may have that could be specified to regions is the effect the activities of Alliant Energy have on the water of a region. Water quality issues are growing more local as cities in Wisconsin, a state with fresh water on most of its borders, are having problems finding a safe supply of drinking water. Any of Alliant Energy's activities that could have an impact on any waterways in Wisconsin would be of great interest to people in Wisconsin. Alliant Energy should disclose what impact and use it has on the local lakes and waterways as a result of its business activities.

A final recommendation would be to explicitly state the goals for the company in terms of environmental health and safety. This could come in the form of specific targets, for example having zero Notices of Environmental Violations (NOVs) or a targeted level of carbon dioxide emissions, or an increase in the amount of renewable energies used. Setting goals is the first step to achieving them. Northeast Utilities does a good job of laying their goals out in their report by using a chart

The Environmental, Health and Safety Report published by Alliant Energy in 2002 was one of the easiest reports to read that we looked at. The organization of the report is good. Having a base report that remains largely unchanged, but also having an additional report published on a more frequent basis really saves on a lot of time and energy. Some environmental reports examined had as many as 50 pages of information to attempt to digest. Alliant Energy could also provide a large amount of information online if they felt some of the people in the industry thought that there could be more disclosure. The recommendations for Alliant Energy's Environmental, Health and Safety Report are simply suggestions about how the report might be constructed in a way that is more conducive to being read by more people who might be interested. We focused on aesthetic aspects of the report and made suggestions that will hopefully make the report more pleasant and easier to read and understand. Cutting down on the report's gray area is a giant step towards a more legible report.