

GOAL STATUS	● Achieved or on track
	● Currently not on track
	● Target not achieved

1 | CUSTOMERS

Improve the lives of our customers and vitality of our communities.

GOALS:

- **Affordable energy:** Maintain electric rates lower than the national average.
2018 status: Duke Energy's electric rates in all six states we serve were lower than the national average in all three customer categories (residential, commercial and industrial). [\(See related graphic on page 20: "Duke Energy's Electric Rates: Below U.S. Average."\)](#)
 - **Energy efficiency – consumption:** Achieve a cumulative reduction in customer energy consumption of 15,000 GWh (equivalent to the annual usage of 1.25 million homes) by 2020.
2018 status: As of year-end 2018, energy consumption was reduced by more than 16,700 GWh.
Updated goal: Duke Energy is committed to surpassing its initial goal of cumulative reduction in energy consumption of 15,000 GWh by 25% by 2020.
 - **Energy efficiency – peak demand:** Achieve a cumulative reduction in peak demand of 6,000 MW (equivalent to 10 600-MW power plants) by 2020.
2018 status: As of year-end 2018, peak demand was reduced by more than 5,900 MW.
Potential changes in state energy efficiency rules and requirements, and changes to utility avoided costs may have an impact on our future energy efficiency goals.
 - **Charitable giving:** The Duke Energy Foundation will invest more than \$30 million annually in charitable giving.
2018 status: The Duke Energy Foundation contributed \$31.6 million. Total 2018 charitable giving was \$59.8 million. [\(See related graphic on page 22: "2018 Charitable Giving."\)](#)
 - **Community leader ratings:** During 2018, conduct a community leader study across all our service territories to maintain insight into our performance with this important customer segment.
2018 status: Community leaders reported overall satisfaction ratings ranging from 85 to 97% across all Duke Energy jurisdictions. Final results showed satisfaction with our power quality and reliability performance, customer service and communications. Areas for improvement included minimizing rate increases/high bills, improving tree trimming performance and expanding our renewable energy options.
- New goal – Community volunteerism:** We will support our communities with more than 100,000 employee and retiree volunteer hours annually.

2 | GROWTH

Grow and adapt the business, and achieve our financial objectives.

GOALS:

- **Economic development:** Stimulate growth in our communities and help attract at least 40,000 jobs and \$10 billion in capital investments from 2017 to 2021.
2018 status: Since 2017, Duke Energy helped our communities attract more than 25,000 jobs and over \$11.1 billion in capital investments to our service territories. [\(See related graphic on page 30: "Economic Development."\)](#)
- **Total shareholder return (TSR):** Outperform other investor-owned utilities in TSR, annually and over a three-year period, as measured by the Philadelphia Utility Index (UTY).
2018 status: Duke Energy's TSR results were:
 - 7.4% in 2018, compared to the UTY return of 3.5%.
 - 11.2% over three years on an annualized basis, compared to the annualized UTY return of 11.1%.
- **Renewables:** Own or contract 8,000 MW of wind, solar and biomass by 2020.
2018 status: As of year-end 2018, Duke Energy owned or had under contract over 7,100 MW of wind, solar and biomass.
- **Governance:** Keep abreast of developments regarding corporate governance principles and recommend internal improvements as appropriate.
2018 status: In 2018, the Board of Directors amended the Corporation's Principles for Corporate Governance to clarify the talent, experience and core competencies that the Board looks for in potential director candidates, including diversity of background, skill set, experience, thought, ethnicity, race, gender, age and nationality. As part of the Board's focus on director refreshment, the Board appointed one new director in 2018 and two new directors in 2019. The Board now consists of approximately 40% directors who are members of a traditional diverse class, including four women – with an average age of 63 and tenure of approximately five years. The Corporation also enhanced its disclosure of political expenditures in its Corporate Political Expenditure Report for the second half of 2018.
- **Transparency:** Achieve top-quartile performance in disclosure, as measured by Bloomberg Environmental, Social and Governance (ESG) Disclosure Scores for our industry.
2018 status: As of March 29, 2019, Duke Energy had a Bloomberg ESG Disclosure Score of 56.6, the second-best score and in the top quartile of our peer U.S. utilities.

OUR SUSTAINABILITY PLAN AND GOALS

CONTINUED

GOAL STATUS	● Achieved or on track
	● Currently not on track
	● Target not achieved

3 | OPERATIONS

Excel in safety, operational performance and environmental stewardship.

GOALS:

● **Safety – fatalities:** Achieve zero work-related fatalities.

2018 status: Tragically, in 2018 there were three work-related fatalities.

● **Safety – incident rate:** Achieve an employee Total Incident Case Rate (TICR) of 0.38.

2018 status: Total company employee TICR was 0.43. While we fell short of our aggressive target, based on preliminary 2018 industry TICR information, Duke Energy will be a top performing company for the fourth straight year.

Reliable energy – generation: During 2018, maintain the high reliability of our generation fleet with a nuclear optimized reliability of less than 203.41, fossil/hydro optimized reliability of less than 63.28 and renewables availability of at least 94.5%.

2018 status:

- **Nuclear:** Optimized reliability was 198.49.
- **Fossil/hydro:** Optimized reliability was 59.54.
- **Renewables:** Renewables availability was 95.3%.

● **Reliable energy – power delivery:**

During 2018, maintain the high reliability of our distribution system with a System Average Interruption Duration Index (SAIDI, or average time without power) of 145 minutes or less.

2018 status: SAIDI was 155 minutes.

(Outages longer than five minutes, per customer. Excludes planned outages.)

● **Reliable energy – natural gas distribution:** Maintain the high reliability of our natural gas distribution system with two or fewer outages.

2018 status: There were three outages.

(Outages impacting at least 100 customers that were not caused by a third party.)

● **Carbon – emissions:** Reduce the carbon dioxide (CO₂) emissions from our generation fleet by 40% from the 2005 level by 2030 (equates to a reduction from 153 million tons to 92 million tons).

2018 status: Our generation fleet emitted about 105 million tons of CO₂, a reduction of 31%.

● **Carbon – intensity:** Reduce the carbon intensity (pounds of CO₂ emitted per net kWh of electricity produced) of our generation fleet by 45% from the 2005 level by 2030 (equates to a reduction from 1.29 to 0.71 pounds of CO₂ per net kWh).

2018 status: Generation carbon intensity was 0.94 in 2018, a reduction of 27%.

New goal – Water withdrawals: Reduce water withdrawals by our generation fleet by 1 trillion gallons by 2030 from the 2016 level (5.34 trillion gallons).

New goal – Releases to water: Reduce releases of TRI (Toxic Release Inventory) chemicals to water by half by 2030 from the 2016 level (212,000 pounds).

● **Solid waste:** Maintain the percentage of solid waste that is recycled at 80%. (This goal excludes Duke Energy Renewables, which has a relatively small waste stream.)

2018 status: Approximately 79% of solid waste generated in 2018 was recycled. We are working on strategies to meet this goal in the future.

● **Coal ash management:** Meet all federal and state regulatory requirements, including those of N.C. House Bill 630 to obtain a low-risk ranking for the remaining six sites and safely move and store 20 million tons of coal ash from the high-priority sites.

2018 status: In 2018, we safely moved 4.9 million tons of coal ash bringing the total amount removed from high-priority N.C. sites and stored in approved facilities to 19 million tons. We met all requirements for N.C. House Bill 630 and received a low-risk ranking for the remaining six N.C. sites from the North Carolina Department of Environmental Quality.

4 | EMPLOYEES

Develop and engage employees, and strengthen leadership.

GOALS:

Overall goal: Foster a high-impact, engaged, diverse and inclusive culture built on strong leadership.

New goal – Employee engagement:

Strive for a companywide engagement score of 76% by 2022, measured by favorable responses to employee engagement surveys.

New goal – Diversity and inclusion:

Increase the percentage of females and minorities in our workforce to 25% and 20%, respectively, by 2020.

● **Leadership:** Advance leadership capabilities and bench strength.

2018 status: Approximately 1,650 leaders completed a leadership training program in 2018. In addition, the top 350 leaders at Duke Energy and Piedmont Natural Gas were asked to spend a half-day visiting a Customer Care Center to help create a deeper customer mindset.