



LYNN J. GOOD

Chair, President and
Chief Executive Officer

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A Message From Our CEO

In a year that posed nearly every imaginable challenge, including the global COVID-19 pandemic, extreme weather, uncertain economic conditions and social unrest, providing safe, reliable and affordable electricity for our communities was never more critical. And our company's purpose – to power the lives of our customers and the vitality of our communities – was never more relevant and important than in 2020.

I'm proud that we delivered for our customers and communities when they needed us the most. But we did more than just get through. We became a stronger, more agile company, intensifying our focus on environmental, social and governance (ESG) considerations and accelerating our clean energy transformation.

During our inaugural ESG Investor Day this past fall, we demonstrated our progress and showed the promise of more to come, outlining a pathway for achieving our clean energy transition. We have a clear vision, centered around our climate strategy, with bold carbon goals – reduce emissions from electricity generation at least 50 percent by 2030 and achieve net-zero by 2050. And we announced a new pledge to achieve net-zero methane emissions by 2030 for our natural gas distribution companies.

We're also doing our part to create a lasting impact in the area of social responsibility, using our voice and actions to ensure social justice and racial equity within our company, as well as in the communities we serve. And we believe purpose-driven leadership means delivering results the right way, consistent with our culture of effective governance.

ESG gives us a clear way to bring our purpose to life and deliver on our commitments to those who count on us.

2020 Accomplishments

The last year underscored the extraordinary progress we've made in delivering sustainable value to our investors and communities:

- Surpassed 40 percent carbon emissions reductions since 2005 and remained a leader in low-carbon intensity.
- Continued to oversee the largest coal closure in our industry. Having already retired approximately 6,500 megawatts since 2010, we plan to retire all coal-only units by 2030 in the Carolinas and shorten average retirement dates by 40 percent in Indiana.
- Contracted, owned or operated 8.8 gigawatts of renewable energy with plans to roughly double that amount by 2025, and by 2030, triple our current renewable capacity for our regulated utilities.
- Announced plans to invest \$600 million in new battery storage investments across our regulated businesses over the next five years.
- Developed the most comprehensive Integrated Resource Plans (IRPs) we've ever filed in the Carolinas and engaged stakeholders in new ways through the North Carolina Clean Energy Plan process and Indiana 21st Century Energy Task Force to ensure a cleaner energy future in our states.
- Achieved a milestone settlement, alongside the North Carolina Attorney General, North Carolina Public Staff and Sierra Club, around coal ash cost recovery. It will provide immediate and long-term cost benefits for customers over the next decade, resolving all the remaining major issues on coal ash management in North Carolina.
- Worked with solar developers in the Carolinas to fundamentally change the interconnection process in North Carolina and design a breakthrough net-metering framework in South Carolina.
- Accelerated the expansion of electric vehicle charging infrastructure, including more than 570 charging stations installed to date in Florida and pilot program approvals in North Carolina and South Carolina.
- Donated more than \$8 million from our company and Foundation to COVID-19 relief efforts, including funds to support hunger relief, local health and human services, educational initiatives, public utility assistance and small businesses.
- Supported customers impacted by the pandemic, instituting one of the first service disconnection moratoriums in the nation, offering flexible payment arrangements and engaging state and federal government for additional customer assistance.
- Renewed our focus on social justice and racial equity, donating more than \$2 million to organizations supporting these issues and developing company action plans to drive more diversity, equity and inclusion in our workforce, leadership, supply chain and communities.

Energy for a Better Tomorrow

I am grateful for how our employees responded to the challenges of 2020 and excited for what lies ahead for Duke Energy. Unencumbered by issues of the past, we now have a clear destination – net-zero carbon emissions by 2050.

We look forward to working alongside regulators, policymakers and the new administration to achieve this goal and deliver results on key ESG measures. Together, we have a shared vision to realize a cleaner energy future in a way that preserves affordability and reliability for those we serve.

As you read this report, I hope you see that Duke Energy has an even brighter future ahead because of our commitment to sustainability, our customers and our communities.



Lynn J. Good
Chair, President and Chief Executive Officer

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