

Our Sustainability Plan and Goals

Environmental

Seizing the opportunity to deliver cleaner energy.

GOAL STATUS

- Achieved or on track
- Currently not on track due to pandemic
- Target not achieved

GOALS:

- **Carbon emissions:** Reduce the carbon dioxide (CO₂) emissions from our generation fleet by at least 50 percent from the 2005 level by 2030 (equates to a reduction from 153 million tons to 75.5 million tons), and attain net-zero emissions by 2050.

2020 status: Our generation fleet emitted about 82 million tons of CO₂, a reduction of over 40 percent from the 2005 level.

- **Energy efficiency – consumption:** Achieve a cumulative reduction in customer energy consumption of 20,000 GWh (equivalent to the annual usage of 1.67 million homes) by year-end 2020.

2020 status: As of year-end 2020, energy consumption was reduced by over 20,600 GWh.

Updated goal: Achieve a cumulative reduction in customer energy consumption of 24,000 GWh (equivalent to the annual usage of 2 million homes) by year-end 2025.

- **Energy efficiency – peak demand:** Achieve a cumulative reduction in peak demand of 6,900 MW (equivalent to 11.5 600-MW power plants) by year-end 2020.

2020 status: As of year-end 2020, peak demand was reduced by nearly 7,000 MW.

Updated goal: Maintain a cumulative reduction in summer peak demand of 7,000 MW (equivalent to 11.5 600-MW power plants) and create significant incremental winter peak-demand reductions by year-end 2025.

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.

- **Renewables:** Own, operate or contract 16,000 MW of wind, solar and biomass by 2025. (This goal includes 100 percent of the capacity of majority-owned assets that Duke Energy operates.)

2020 status: As of year-end 2020, Duke Energy owned, operated or had under contract almost 8,800 MW of wind, solar and biomass.

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

2020 status: Water withdrawals were approximately 4.90 trillion gallons, a reduction of 0.44 trillion gallons.

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

2019 status: Releases of TRI chemicals to water were approximately 162,000 pounds in 2019. These releases are expected to decrease significantly as coal ash basins are closed. (Data for 2020 will be available in August 2021.)

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

2020 status: Approximately 80 percent of solid waste generated in 2020 was recycled.

- **Coal ash management:** Meet all federal and state regulatory requirements, while safely closing ash basins.

2020 status: At year-end 2020, over 30 million tons of coal ash in the Carolinas and Midwest had been safely removed and stored in approved facilities. Additional ash units in Indiana have been closed in place following state-approved closure plans. Ash excavation activities are complete at three N.C. locations and one Kentucky location. The remaining high-priority N.C. excavation site plan is on track to be completed in 2022. The N.C. Department of Environmental Quality has approved closure plans for all ash basins at the remaining N.C. sites. The Indiana closure plans are either approved (with some subject to legal challenges) or under review by the Indiana Department of Environmental Management. As of January 2021, all three of the N.C. House Bill 630 ash beneficiation units have commenced operation.

New Goals

Methane emissions: The company announced a new goal in October 2020 to achieve net-zero methane emissions from our natural gas distribution business by 2030.

Electric vehicles (EVs): The company announced a new goal in September 2020 to convert 100 percent of our light-duty vehicles to electric and 50 percent of our combined fleet of medium-duty, heavy-duty and off-road vehicles to EVs, plug-in hybrids or other zero-carbon alternatives by 2030.

Our Sustainability Plan and Goals

CONTINUED

Social

*Improving the lives of our customers and communities.
Building a safe, diverse and engaged workforce.*

GOAL STATUS

- Achieved or on track
- Currently not on track due to pandemic
- Target not achieved

CUSTOMER GOALS:

- **Affordable energy:** Maintain electric rates lower than the national average.
2020 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 43: "[Duke Energy's Electric Rates: Below U.S. Average.](#)")

Reliable energy: Maintain the high reliability of our electric and natural gas system during 2020.

2020 status:

- **Nuclear optimized reliability** was 183.97 versus a target of less than 197.38.
- **Fossil/hydro optimized reliability** was 55.93 versus a target of less than 57.47.
- **Commercial renewables availability** was 94.3 percent versus a target of at least 95.0 percent.

- **Customer delivery reliability** was 87.7 versus a target of at least 100.
- **Natural gas business outage factor** was missed due to an event that caused a loss of service to over 500 customers.

- **Economic development:** Stimulate growth in our communities and help attract at least 45,000 jobs and \$23 billion in capital investments from 2017 through 2021.

2020 status: Since 2017, Duke Energy helped our communities attract more than 60,000 jobs and over \$27 billion in capital investment to our service territories. (See related graphic on page 44: "[Economic Development.](#)")

Updated goal: Stimulate growth in our communities and help attract at least 65,000 jobs and \$30 billion in capital investments from 2017 through 2021.

- **Charitable giving:** The Duke Energy Foundation will invest more than \$30 million annually in charitable giving.
2020 status: The Duke Energy Foundation contributed \$31.9 million. Total 2020 charitable giving was \$49.5 million. (See related graphic on page 46: "[2020 Charitable Giving.](#)")

- **Community volunteerism:** Support our communities with more than 100,000 employee and retiree volunteer hours annually.
2020 status: Over 70,000 hours were donated, mainly through virtual events. As a result of the pandemic, we suspended in-person volunteer events, making it extremely challenging for the company to meet this goal during 2020. This goal will be revisited as we return to more normal conditions post-pandemic.

EMPLOYEE GOALS:

- **Safety – incident rate:** During 2020, achieve an employee total incident case rate (TICR) of 0.37.

2020 status: Total company employee TICR was 0.33. Duke Energy was one of the industry leaders for the sixth year in a row.

- **Safety – fatalities:** During 2020, achieve zero work-related fatalities.

2020 status: Tragically, there was one work-related employee fatality.

- **Diversity and inclusion:** Increase our workforce representation of females and race/ethnicity to 25 percent and 20 percent, respectively, by year-end 2020.

2020 status: Female representation was 23.3 percent, and racial/ethnic representation was 18.8 percent. As a result of the pandemic, we significantly reduced external hiring, making

it extremely challenging for the company to meet this goal by year-end 2020. We remain committed to improving the diversity of our workforce and strengthening the culture that supports it. We have initiated strategies to build a more diverse workforce through changes across the hiring life cycle. The timeline for this goal will be updated post-pandemic when external hiring stabilizes.

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

2020 status: 82 percent of our senior management positions have at least one "ready now" candidate and we have contingency plans in place for the other positions. Our talent plans focus on developing a strong and diverse pipeline and reinforcing leadership commitment and accountability.

New Goal

Employee engagement: Increase the likelihood of employees to recommend Duke Energy as a place to work to a friend or colleague.

2020 status: We care about what's important to our employees and seek feedback on how we can improve. We enhanced our approach to the employee engagement survey by adding an employee Net Promoter Score (eNPS). We now have a solid baseline to build upon, allowing us to set a percentage improvement objective in the future. We will continue to develop and implement actions that help employees feel heard, included and enabled to be successful in their roles.

Governance

Delivering results with transparency and accountability.

**GOAL
STATUS**

- Achieved or on track
- Currently not on track due to pandemic
- Target not achieved

GOALS:

- **Governance:** Keep abreast of developments regarding corporate governance principles and recommend internal improvements as appropriate.

2020 status: In 2020, the Board of Directors focused on oversight of the company's key operational and strategic risks, many of which were heightened as a result of the year's events. As part of this focus, the Board specifically assigned the oversight for ESG goals and strategy to the Corporate Governance Committee and the oversight of human capital management, diversity and inclusion to the Compensation Committee, which was renamed the Compensation and People Development Committee in recognition of the importance of such issues. The Compensation and People Development Committee also incorporated a climate goal into the short-term incentive plan for leaders to align compensation to our 2030 and 2050 carbon emissions reduction goals.

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).

2020 status: Duke Energy's TSR results were:

- 4.8 percent in 2020, compared to the UTY return of 2.7 percent.
- 7.4 percent over three years on an annualized basis, compared to the annualized UTY return of 10.5 percent.

- **Transparency:** Achieve top-quartile performance in disclosure, as measured by Bloomberg Environmental, Social and Governance (ESG) Disclosure Scores for our industry.

2020 status: As of February 23, 2021, Duke Energy had a Bloomberg ESG Disclosure Score of 61.89, the highest score listed by Bloomberg on that date for our peer U.S. utilities.