



The CRO actively and independently provides risk management oversight, including discussing levels of risk tolerance and risk acceptance within the business units. ERM works with business unit subject matter experts to identify and characterize key risks, including those related to climate and the environment. The ERA and business unit combined risk reviews look at short- and medium-term risks through the risk register process. For medium-term, climate-related transition risks, the risk register process also overlays jurisdictional resource plans, which projects out 10 to 20 years, depending on the jurisdiction. Longer-term risks are identified and managed through the Enterprise Strategy and Planning group's tracking of longer-term trends.

For the near and medium term, we engage stakeholders on inputs to our integrated resource plans, we hold many public stakeholder meetings that any interested party can attend and weigh in, including with industrial groups, environmental groups, and the state public utilities commission.

The filings consider forecasts of potential future climate policies, future electricity demand, fuel prices, transmission improvements, new generating capacity and technologies, integration of renewables, energy storage, energy efficiency, and demand response initiatives. On the natural gas side of our business, we incorporate methane goals into our business strategy and keep the commission informed about our efforts.

Political Involvement

Our clean energy transformation requires partnering with stakeholders and championing durable public policies at the state, local and federal levels. This allows us to better transition our generating fleet, expand and adapt our electric grid and adopt new carbon-free technologies to reduce emissions and keep energy affordable and reliable.

It is essential for us to engage in public policy discussions to advocate for the interests of our customers and other stakeholders.

Policy Engagement

The year 2022 was momentous for policy issues affiliated with climate and sustainability. We engaged in bipartisan discussions at the international, national and regional levels.

- Worked with organizations like [C2ES](#), [Business Roundtable](#), [U.S. Chamber of Commerce](#), [EEI](#), the [Nuclear Energy Institute](#), [Business Forward](#), the [American Clean Power Association](#) and the [National Hydropower Association](#) to advance clean energy tax incentives, climate provisions and energy security content in the Inflation Reduction Act (IRA) as it was being considered by Congress.
- [Supported](#) bipartisan permitting reform legislation to expedite energy infrastructure projects that will help achieve U.S. climate and energy goals and create American jobs.
- [Participated](#) at events affiliated with COP27 in Sharm El Sheikh, Egypt to share how the company



U.S. Rep. Jeff Duncan, and attendees of the "All of the Above" Energy Tour in Oconee County, South Carolina (top)



Jennifer M. Granholm, U.S. Department Secretary of Energy and Katherine Neebe, Duke Energy at COP27 in Sharm El Sheikh, Egypt (bottom)



is incorporating the Infrastructure Investment and Jobs Act (IIJA) and IRA into our clean energy transformation and the importance of a just transition.

- [Worked](#) to advance clean energy tax credits in the Inflation Reduction Act to help accelerate the clean energy transition and lower customer costs.
- [Led](#) efforts to strengthen security partnerships with federal partners to provide resilient service for our customers and communities.
- [Elevated](#) policies to benefit customers in need, specifically supporting Low Income Home Energy Assistance Program (LIHEAP) action day.
- [Joined](#) a conversation with EPA Administrator Michael Regan on the industry’s clean energy transition and importance of environmental justice during the transformation.
- [Coordinated](#) a solar site visit to discuss the benefits of renewable energy and supportive policies during the annual gathering of the electric industry and thought leaders such as policymakers, regulators, technology innovators and partners, stakeholders and others.
- [Hosted](#) members of the U.S. House of Representatives from across the country, their staffs, and state legislators on facility tours.

Political Giving

The Corporate Governance Committee reviews the company’s political expenditures twice a year, as well as the processes and priorities related to those political expenditures. The Corporate Governance Committee also reviews stakeholder feedback regarding our political expenditures and the alignment of our lobbying practices with our climate goals.

In response to this feedback, in 2022, we:

Updated our Political Expenditures Policy to provide additional disclosures, beginning with the Corporate Political Expenditures Report for the first half of 2022 regarding certain contributions and dues to 501(c)(4)s and 501(c)(6)s.

- Published our third Trade Association Climate Review, one which discusses the alignment of our major trade associations’ positions on climate change with ours. You can find our full Trade Association Climate disclosure included at the end of this [report](#).

2022 Political Expenditures		
Entity	Summary	2022 Political Expenditure
DukePAC	Voluntary, nonpartisan political action committee, which leverages the collective contributions of eligible employees to support political organizations and candidates relevant to our business.	\$1,240,500
Duke Energy	Reported federal lobbying expenses. ¹	\$5,310,000
Duke Energy	Contributions to political candidates, parties, committees and Section 527 organizations created to support the nomination, election, appointment or defeat of a candidate.	\$5,991,089

For additional details, see Duke Energy’s Corporate Political Expenditure Reports.

1 This amount includes the \$1,631,380 federal lobbying portion of trade association dues (includes dues in excess of \$50,000 during the calendar year period in which they were reported) to support policy research and advocacy.

Looking Ahead

We are building a future that offers reliable, accessible and affordable clean energy for the customers and areas we serve. Trust starts with transparency, and we aim to provide our stakeholders with insight into our practices so that they continue charting our progress and help hold us accountable. We not only seek to set the pace for the clean energy transition, but we also set the standard for customer benefits and shareholder returns.



Indices

Duke Energy strives to be direct and transparent in our operations and disclosures to provide our stakeholders information needed in an efficient and consolidated matter. We continue to assess and update our disclosure program.

Don McEwan / Travis Rutledge, North Carolina



Indices

Trade Association Engagement

Duke Energy has transitioned our stand-alone Trade Association Climate Review to an appendix within our annual Impact Report. Our intent is to provide more efficient transparency with the updated format.

To achieve our [clean energy transformation](#) and [net-zero goals](#) that we believe to be consistent with the Paris Agreement, it is essential for us to engage in public policy discussions at the local, state, and federal levels – both on our own and through trade associations – to advocate for the interests of our customers, shareholders, employees and communities.

Trade associations collectively represent the views of many businesses and can therefore in many cases be more efficient in presenting those views to policymakers than can each business individually. These groups also provide valuable forums for sharing best practices and technical information, as well as setting technical standards and developing disclosure-related standards (including climate disclosure standards) for industry sectors.

We recognize that, as member-driven organizations, trade associations take positions that reflect the consensus views of their members. As such, we work hard to harmonize our trade associations' positions and advocacy for climate policy with those of Duke Energy and with the Paris Agreement.

Duke Energy has long advocated for climate change policies that will result in significant reductions in greenhouse gas emissions. We support market-based approaches that balance environmental protection with affordability, reliability and economic vitality. We seek to ensure that the policies adopted

to achieve emission reduction goals are cost-effective, market-based and equitable; promote a broad range of technology development; and include provisions to efficiently address greenhouse gas emissions across all sectors of the economy.

Because of the diversity of members in our trade associations, we may not align in strategy in all cases, or support each initiative or position of every organization in which we participate. In those cases, we proactively attempt to prevent potential misalignment of trade association positions on climate change with our positions and lobbying priorities. In our experience, staying engaged in dialogue with those who may hold positions different from ours allows us to test assumptions, clarify views and challenge differences in opinions. This can result in a more meaningful and positive outcome than simply abandoning a relationship. However, if, despite Duke Energy's efforts, a trade association takes a position on a climate-related topic that is materially misaligned with ours, we would consider that misalignment in the broad context of all business issues facing our company that the trade association covers, then determine whether continued participation in the trade association is in the best interest of the company, its investors, and its customers.

Governance

Our company has a strong governance structure, starting with the Board of Directors, to manage climate-related risks. Read more about our climate governance in our [2022 Climate Report](#).

The Board of Director's Corporate Governance Committee oversees the company's policies and practices with respect to political contributions, legislative lobbying and political activities on the local, state and federal levels. Jurisdictional presidents at each applicable state level and the Vice President, Federal Government Affairs, manage public policy policies, practices and strategy on a day-to-day basis. They also make up

Duke Energy's Political Expenditures Committee (PEC), alongside other senior leaders across the company, such as our Chief Ethics and Compliance Officer and our Chief Governance Officer.

The PEC is responsible for developing the company's annual political expenditures strategy and approving, monitoring and tracking our political expenditures. Our Political Expenditures Policy sets out the principles governing our corporate political expenditures and the contributions of Duke Energy's employee-funded political action committee and is reviewed by the PEC regularly. In addition, management provides a semiannual update to the Corporate Governance Committee of the board on the company's strategy and political expenditures, including payments to trade associations and other tax-exempt organizations.

In 2020, we expanded the practices covered by the policy to include the engagement of political consultants to conduct external lobbying and began listing the titles of the company's PEC members who are responsible for the management, oversight and approval of political activities. In 2021, we revised our Political Expenditures Policy to enhance the transparency of our disclosures.

We regularly review our policies and procedures related to political expenditures to ensure best practices and, as a result, we have made several enhancements to our policies and disclosures in recent years.

To determine which trade associations to include in the Trade Association Climate Review, we use criteria similar to those we have adopted in our corporate political expenditure reports. That is, we report here on trade associations and chambers of commerce for which our dues exceeded \$50,000 in 2022 and which indicated they engaged in federal lobbying in 2022.



Trade association	Trade association’s climate policy or mission, as of February 2023	Summary of Duke Energy’s engagement	Aligned with Duke Energy’s climate policy	Policies support Paris Agreement
American Clean Power Association (ACP)	ACP is a trade organization that became operational as of January 2021. The Energy Storage Association merged into ACP effective January 2022. ACP states that it is the “leading federation of renewable energy companies expediting the advancement of clean energy as the dominant power source in America.” ACP states that it supports “policies that will remove barriers and accelerate growth in America’s renewable energy industry.”	In 2022, Duke Energy was represented on ACP’s board of directors by the Senior Vice President and President of Duke Energy Sustainable Solutions.	Yes	Yes
American Gas Association (AGA)	AGA’s position on climate is that America’s natural gas industry will be essential to achieve a net-zero emissions future. It states that “climate change is a defining challenge across the globe, and natural gas, natural gas utilities, and the delivery infrastructure are essential to meeting our nation’s greenhouse gas emissions reduction goals.” In February 2022, AGA published a study entitled “Net-Zero Emissions Opportunities for Gas Utilities” that details how natural gas, natural gas utilities and delivery infrastructure will be essential to meeting America’s greenhouse as emissions reduction goals, including achieving net-zero emissions. In February 2023, AGA published a study that assesses policies that could be used to establish regulatory frameworks for incentivizing the production and use of low-carbon gas resources at scale, stating, “this study leaves no doubt that low-carbon gas resources and natural gas infrastructure can be a powerful tool in lowering carbon emissions while keeping energy affordable for customers.”	The Senior Vice President of Duke Energy’s Natural Gas Business is currently on the AGA board of directors, and subject matter experts within Duke Energy participate in various AGA committees. This engagement enables us to participate in policy discussions at many levels of the organization and thereby influence AGA’s policy positions.	Yes	AGA has not explicitly endorsed the Paris Agreement, but their policies point to the importance of natural gas, low-carbon gas resources and the delivery infrastructure in meeting GHG emissions reduction goals.



Trade association	Trade association's climate policy or mission, as of February 2023	Summary of Duke Energy's engagement	Aligned with Duke Energy's climate policy	Policies support Paris Agreement
The Business Roundtable (BRT)	BRT's climate page states: "Unchecked, climate poses significant environmental, economic, public health and security threats to countries around the world, including the United States. Business Roundtable believes corporations should lead by example, support sound public policies and drive the innovation needed to address climate change." BRT's climate policy states: "Because the consequences of global warming for society and ecosystems are potentially serious and far-reaching, the Business Roundtable believes that steps to address the risks of such warming are prudent and supports collective actions that will lead to the reduction of greenhouse gas emissions on a global basis." It also states that "to avoid the worst impacts of climate change, the world must work together to limit global temperature rise this century to well below 2 degrees Celsius above preindustrial levels, consistent with the Paris Agreement," and notes that in 2018, the Intergovernmental Panel on Climate Change (IPCC) reported that limiting warming to no more than 1.5 degrees Celsius compared to preindustrial levels will be necessary to avoid some of the most severe risks associated with climate change. In August 2022, in response to the consideration of the IRA, BRT stated that it supported the bill's climate provisions.	The CEO of Duke Energy is a member of the board of directors of the BRT and is engaged with BRT in the development of its climate policy. This included significant engagement in 2022 in which we encouraged BRT to publicly support the climate-related tax incentives in the IRA.	Yes	Yes
Chamber of Commerce of the U.S. (the Chamber)	The Chamber's climate change page states: "Combating climate change requires citizens, governments, and businesses to work together. Inaction is simply not an option. American businesses play a vital role in creating innovative solutions and reducing greenhouse gases to protect our planet. A challenge of this magnitude requires collaboration, not confrontation, to advance the best ideas and policies." In August 2022, the Chamber stated that it supports provisions in the IRA that advance progress on climate and energy security and that "the Chamber has been consistent in our view that durable climate policy requires Congressional action ... including ... the significant clean energy provisions of the Bipartisan Infrastructure Law."	Duke Energy is represented on the Chamber's Global Energy Institute's Leadership Council, the Energy and Environment Committee, and the Task Force on Climate Actions. Duke Energy participates in review and discussions of the organization's climate policies. In 2022, we encouraged the Chamber to publicly state its support for the IRA's climate-related tax provisions.	Yes	Yes



Trade association	Trade association's climate policy or mission, as of February 2023	Summary of Duke Energy's engagement	Aligned with Duke Energy's climate policy	Policies support Paris Agreement
Edison Electric Institute (EEI)	EEI's clean energy and climate change page states: "EEI's member companies are leading a clean energy transformation. We are committed to getting the energy we provide as clean as we can as fast as we can, without compromising customer affordability and reliability. EEI's member companies are continuing to work to reduce carbon emissions in our sector and are committed to helping other sectors – particularly the transportation and industrial sectors – transition to clean, efficient electric energy."	Duke Energy's CEO serves on the EEI Executive Committee and board of directors, which provides an opportunity to advance climate policies that keep energy affordable and reliable. Duke Energy also serves on several EEI executive advisory committees and environmental policy committees, where we provide input on EEI's positions on climate policies.	Yes	Yes
National Hydropower Association (NHA)	NHA is a national association dedicated exclusively to preserving and expanding clean, renewable, affordable hydropower and marine energy. Its mission is to "champion waterpower as America's premier carbon-free renewable energy resource."	Duke Energy's Vice President of Carolinas Regulated Renewables and Lake Services is on the board of directors of the National Hydropower Association.	Yes	NHA has not taken a position on the Paris Agreement, but supports renewable hydropower.
Nuclear Energy Institute (NEI)	NEI is the policy organization of the nuclear technologies industry. Its vision is "a world powered by clean and reliable energy." It states , "as governments across the world commit to decarbonization goals – including President Joe Biden's target for the U.S. to reach net-zero emissions by no later than 2050 – it is imperative we utilize all carbon-free energy tools. Nuclear power reactors are the ideal carbon-free, 24/7 partner to wind turbines, solar panels and energy storage." NEI goes on to state, "our current investment in carbon-free energy isn't enough. To address the climate crisis, we must embrace a carbon-free future."	Duke Energy currently serves on NEI's board of directors, the Executive Committee of its board, and several NEI committees. Engagement in policy discussions through this participation allows Duke Energy to work to influence NEI's positions.	Yes	Yes
WIRES	WIRES is a trade association that promotes investment in the North American transmission system, robust and effective transmission solutions to economic, environmental and reliability challenges, and the reduction or elimination of uneconomic barriers to transmission development. WIRES' Executive Director recently stated that "a moonshot effort is needed on transmission investment to meet ambitious federal and state clean energy goals and ever-growing electrification and resilience challenges in the decade ahead."	Duke Energy's Managing Director, Federal Regulatory Affairs, is a member of the board of directors of WIRES.	Yes	WIRES has not taken a position on the Paris Agreement, but supports transmission development to help meet clean energy goals.



ESG Disclosure Index

GRI, SASB, TCFD & SDGs

Duke Energy is providing an inclusive Disclosure Index of our 2022 ESG disclosures including the Global Reporting Initiative (GRI), Sustainable Accounting Standards Board (SASB) for both Electric Utilities & Power Generators, Gas Utilities & Distributors, Task Force for Climate-related Financial Disclosure (TCFD), and the United Nations (UN) Sustainable Development Goals (SDGs). The intent is to provide stakeholders a comprehensive view of our disclosures in an accessible format. Duke Energy has reported the information cited in this GRI content index for the period January 1, 2022, through December 31, 2022, with reference to the GRI Standards.

GRI Standard	Disclosure	Alignment with SASB Electric Utilities & Power Generators	Alignment with SASB Gas Utilities & Distributors	Alignment with TCFD	Location	Duke Energy's Priority SDGs and Targets
GRI 1: Foundation 2021						
GRI 2: General Disclosures 2021	2-1 Organizational details	IF-EU-000.A Number of: (1) residential, (2) commercial and (3) industrial customers served IF-EU-000.B Total electricity delivered to: (1) residential, (2) commercial, (3) industrial, (4) all other retail customers and (5) wholesale customers IF-EU-000.C Length of transmission and distribution lines IF-EU-000.D a)Total electricity generated, percentage by major energy source, percentage in regulated markets b) Total wholesale electricity purchased	IF-GU-000.A Number of: (1) residential, (2) commercial and (3) industrial customers served IF-GU-000.B Amount of natural gas delivered to (1) residential customers, (2) commercial customers, (3) industrial customers and (4) transferred to a third party IF-GU-000.C Length of natural gas transmission and distribution lines		Overview; <i>Electric Utilities and Infrastructure Quarterly Highlights</i> in our Fourth-Quarter 2022 Earnings Release , page 33 Duke Energy At A Glance <i>Gas Utilities and Infrastructure Quarterly Highlights</i> in our Fourth-Quarter 2022 Earnings Release , page 39	
	2-2 Entities included in the organization's sustainability reporting				2022 Form 10-K, Exhibit *21 : List of Subsidiaries	