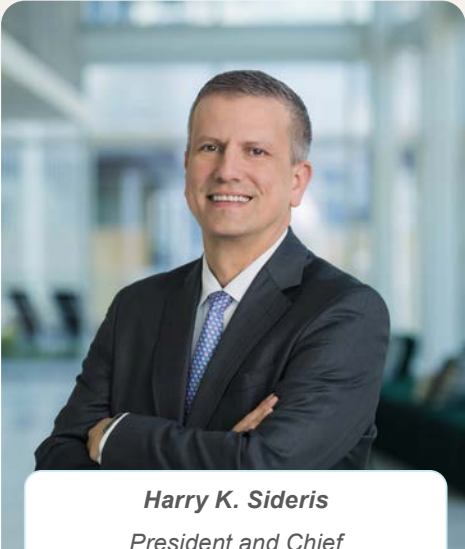




# *BUILDING A SMARTER ENERGY FUTURE<sup>®</sup>*

|                                                             |           |                                                              |           |                                                         |           |
|-------------------------------------------------------------|-----------|--------------------------------------------------------------|-----------|---------------------------------------------------------|-----------|
| <b>Overview .....</b>                                       | <b>2</b>  | <b>Electric Residential Rates vs. National Average .....</b> | <b>16</b> | <b>The Grid Edge.....</b>                               | <b>29</b> |
| <b>A Message from Our CEO .....</b>                         | <b>2</b>  | Reliability .....                                            | 18        | Energy Storage.....                                     | 30        |
| Building A Smarter Energy Future .....                      | 2         | <b>Communities .....</b>                                     | <b>19</b> | The Role of AI.....                                     | 30        |
| <b>A Message from Our CSO .....</b>                         | <b>4</b>  | Economic Development.....                                    | 19        | <b>Natural Gas Utility .....</b>                        | <b>31</b> |
| <b>About Duke Energy &amp; Our Impact Report .....</b>      | <b>5</b>  | Supporting Communities .....                                 | 20        | <b>Policy Engagement .....</b>                          | <b>32</b> |
| Duke Energy Electric and Natural Gas Service Territories    |           | <b>Employees .....</b>                                       | <b>20</b> | <b>Technological Advancement Dependencies .....</b>     | <b>33</b> |
| (Including Regulated Renewable and Storage Facilities) .... | 5         | Employee Health & Safety .....                               | 20        | <b>Resiliency .....</b>                                 | <b>34</b> |
| Piedmont Natural Gas Territories .....                      | 5         | Human Capital Management.....                                | 21        | Resiliency Strategy .....                               | 34        |
| <b>Financial Results .....</b>                              | <b>6</b>  | <b>Suppliers .....</b>                                       | <b>22</b> | <b>Environmental Impact .....</b>                       | <b>35</b> |
| <b>Our Approach .....</b>                                   | <b>6</b>  | Strengthening American Economies .....                       | 22        | Environmental Factors.....                              | 36        |
| <b>Business Model and Strategy .....</b>                    | <b>7</b>  | Supplier Opportunities.....                                  | 23        | <b>Looking Ahead .....</b>                              | <b>38</b> |
| <b>Economic Contribution .....</b>                          | <b>8</b>  | Supply Chain Governance .....                                | 23        | <b>Appendix .....</b>                                   | <b>39</b> |
| <b>Governance &amp; Integrity .....</b>                     | <b>9</b>  | <b>Energy Modernization &amp; Resiliency .....</b>           | <b>24</b> | Statement Regarding Renewable Energy Certificates ..... | 39        |
| Board Governance .....                                      | 9         | Executing Our Strategy.....                                  | 24        | Duke Energy Source-based Claims Net-zero                |           |
| Governance & Integrity Oversight .....                      | 9         | Growing Energy Demand .....                                  | 25        | Emissions Disclosure.....                               | 39        |
| Enterprise Risk Management.....                             | 9         | Integrated Resource Planning.....                            | 25        | Cautionary Statement Regarding                          |           |
| <b>Grid Security and Cybersecurity .....</b>                | <b>10</b> | Generation Expansion .....                                   | 25        | Forward-looking Information .....                       | 40        |
| Grid Security and Cybersecurity Governance .....            | 11        | <b>Natural Gas Generation .....</b>                          | <b>26</b> | Non-GAAP Financial Information.....                     | 42        |
| <b>Ethics and Compliance .....</b>                          | <b>12</b> | Carbon Capture.....                                          | 26        |                                                         |           |
| Ethics and Compliance Governance .....                      | 12        | Hydrogen .....                                               | 27        |                                                         |           |
| Grievance Mechanisms .....                                  | 12        | <b>Nuclear Generation .....</b>                              | <b>27</b> |                                                         |           |
| <b>Customers &amp; Communities.....</b>                     | <b>13</b> | <b>Renewables.....</b>                                       | <b>28</b> |                                                         |           |
| <b>Customers.....</b>                                       | <b>13</b> | <b>Modernizing the Grid.....</b>                             | <b>29</b> |                                                         |           |
| Maintaining Customer Value.....                             | 13        | Transmission.....                                            | 29        |                                                         |           |



**Harry K. Sideris**  
*President and Chief  
Executive Officer*

# Overview

## A Message from Our CEO

### Building A Smarter Energy Future

Our country, our industry and our company are on the precipice of extraordinary change – and Duke Energy’s sense of purpose, spirit of innovation and commitment to our customers position us to stay at the forefront, leading this critical work. Serving our communities, the heart and soul of our business as we provide an essential service, requires thoughtful preparation and execution. As we navigate this decade of record investment in energy infrastructure and unprecedented energy demand, we remain focused on delivering value to our employees, stakeholders and shareholders while meeting our customers’ energy needs—now and into the future.

Energy demand is rising from advanced manufacturing, economic development, including data centers, and population growth. As we help support growing energy needs across our footprint, Duke Energy remains committed to doing so in a way that protects the reliability that all customers expect and deserve while keeping costs as low as possible. To that end, we’ve taken an innovative approach to evolving our rate structures and contracts so that customers who use vast amounts of energy pay for the cost to serve them. Our regulators have the final say on rates—under their direction, we maintain appropriate protections for existing customers while supporting our states’ efforts to remain among the nation’s best at attracting jobs and investment opportunities.

Duke Energy is working to meet current and future energy needs by maximizing our existing resources, building new generation and continually optimizing our electric grid. That’s why we’re making cost-effective investments to strengthen the grid. For example, we deploy advanced tools to help us automatically detect and respond to outages to restore service and respond even faster, resulting in millions of outage hours prevented for our customers.

We are broadening our strategic engagements to power today and grow for tomorrow. We have the expertise, relationships and capacity to position

ourselves for long-term success. Earlier this year, we announced an innovative partnership with GE Vernova enabling us to procure up to 19 American-produced natural gas turbines. At a time when many energy companies across the globe are struggling to procure critical supply chain components to meet soaring energy demand, this ensures we can meet our customers’ growing and evolving energy needs driven by economic development and AI growth today and into the future.

In June, Amazon Web Services announced plans to invest an estimated \$10 billion in North Carolina to expand its data center infrastructure to support AI and cloud computing technologies. The site selected for this project, known as Energy Way, completed Duke Energy’s Site Readiness Program in 2019, an initiative that helps state, regional and local economic development partners increase the competitiveness of potential industrial land. We are proud to be a critical enabler of this important economic development for North Carolina as we work closely with state and local leaders. We are also exploring innovative ways to serve large-load customers sustainably while evolving our contract structures to ensure they pay appropriately for the cost to serve them.

We operate in some of the most attractive jurisdictions in the country, and helping recruit businesses is critical to our positive outcomes. In fact, North Carolina was named the “Top State for Business” by CNBC for the third time in four years. Overall, Duke Energy’s economic development efforts in 2024 helped secure 78 projects in six states, resulting in over 16,000 new jobs and approximately \$26 billion in capital investments within our territories. In addition to supporting good-paying jobs, Duke Energy’s industry-leading energy modernization efforts support \$211 billion in gross domestic product (GDP) contributions and nearly \$370 billion in economic output, including indirect and induced activity. More details on Ernst & Young’s Economic Impact Study for our capital expenditure activity from 2025 to 2034 can be found in the subsequent pages of this report.

Our economic development wins would not be possible without our world-class workforce. One example of our commitment to training skilled workers is through the work of the Duke Energy Foundation. In 2024, Duke Energy

and its Foundation provided more than \$4.6 million in education funding, including \$1.9 million for the development of energy sector careers. Duke Energy employees volunteered more than 15,000 hours with education organizations across our jurisdictions.

Last year, we experienced the most significant storm season in our company's history with over 5.5 million outages from three storms in close succession, storms that pummeled every one of our service territories. I'm so proud of our team and how they responded to all of these storms, particularly Hurricane Helene. No one could have imagined the destruction that we saw in western North Carolina and Upstate South Carolina, or across wide swaths of Florida. We have a mantra at Duke Energy that everybody has a storm role. So when something like this happens, all 26,000 people at the company work tirelessly to make sure that we're getting the lights back on for our customers. The relentless work of our employees combined with our strong collaboration with local, state and federal officials positioned us to get customers back on line as quickly and safely as possible.

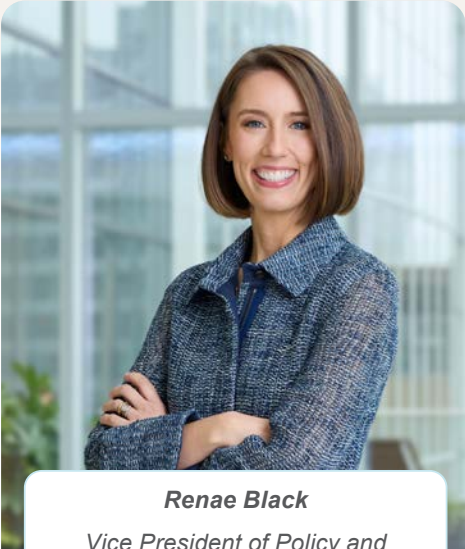
The widespread damage from these storms underscores the need to further integrate quantitative climate data into our energy modernization strategy. In 2024, we published an Enterprise Climate Resilience and Adaptation Study to evaluate long-term climate risks and their potential impact on our generation, transmission and distribution (T&D) systems and our Piedmont Natural Gas (PNG) distribution network. As we continue to transform the largest T&D system in the country, we're making strategic investments across a variety of programs to improve the reliability and resiliency of our system all while keeping prices as low as possible for our customers.

We continue to make significant progress executing our energy modernization strategy and collaborating with stakeholders to support our growing jurisdictions. We're maximizing our generation fleet, advancing new generation and working with regulators, policymakers and other stakeholders to advance regulatory and legislative priorities to help achieve these shared goals. Our rates are below the national average, and we're doing everything we can to keep prices as low as possible for our customers in the years to come. Reliability of service and affordability of price will always be our North Stars as we meet soaring demand today while planning our system for the future.

We are boldly forging into the future with innovative solutions, smarter grids and next-generation technology. From future AI-ready grids to self-healing technology, we keep the lights on, the power flowing and the country moving and growing.

With an integrated business model focused on delivering reliable energy at as low a cost as possible, a solid strategy, modernized regulatory structures, excellence in safety and operations and a laser focus on delivering value, Duke Energy stands ready to support this era of growth.





**Renae Black**  
*Vice President of Policy and  
Chief Sustainability Officer*

**A Message from Our CSO**

This year's report comes at a pivotal time for our industry and our nation. The demands on the energy grid have never been greater, and meeting the moment for those we have the privilege to serve demands the unified, forward-looking and customer-focused approach that Duke Energy provides. As I step into the role of chief sustainability officer (CSO) at Duke Energy, I have been inspired by the dedication and commitment of our people and the power of collaboration focused on putting customers' needs first, the results of which are reflected in the pages of this year's Impact Report.

This year, we accelerated projects to upgrade our existing generation fleet, extracting even more value from today's assets while building for tomorrow's needs. Our robust system planning allows us to bring on more than 13 gigawatts of new capacity through 2030, enough to power more than 10 million homes, while upgrading hundreds of thousands of miles of power lines for greater efficiency and reliability.

Duke Energy has been actively collaborating with industry partners and government entities at all levels to advance energy solutions. Our strategic partnership with GE Vernova exemplifies this approach – we're leveraging our market position and scale to secure additional natural gas turbine production capacity. This positions us to meet the substantial energy demands we're seeing, such as AWS's significant \$10 billion investment in North Carolina data centers, while simultaneously supporting economic development across our service territories.

When the energy sector works together, we create momentum that accelerates technological advancement and adoption. This collaborative approach not only increases the availability of innovative solutions but also helps drive down costs. These public-private partnerships, combined with

thoughtful regulatory frameworks, have the potential to unlock considerable value across our sector. You can read more in our recently published Innovation in Action report.

Our vertically integrated business model remains a fundamental strength that enables us to fulfill our mission of delivering reliable, increasingly clean energy while maintaining customer value for the millions we serve. This integration serves as a key differentiator – it's why major employers choose to invest in our regions and why Duke Energy is uniquely positioned to help lead the next era of American energy and innovation.

The unified ownership of our generation, transmission and distribution assets provides us with remarkable agility our customers deserve. Whether we're supporting the nation's largest AI data centers or responding swiftly to significant weather events, our integrated model allows us to scale and adapt with the speed and precision that today's energy landscape demands.

This report chronicles the progress we have made over the past year and how we're continuing to advance. Our efforts are only possible through collaboration and trust across our company, with our partners and alongside customers and communities at every level – it's what powers our success. Now and in the future, our customers can rest assured that providing reliable service and exceptional value are the touchstones guiding everything we do.

Thank you for your partnership and trust as we build a smarter energy future, together.

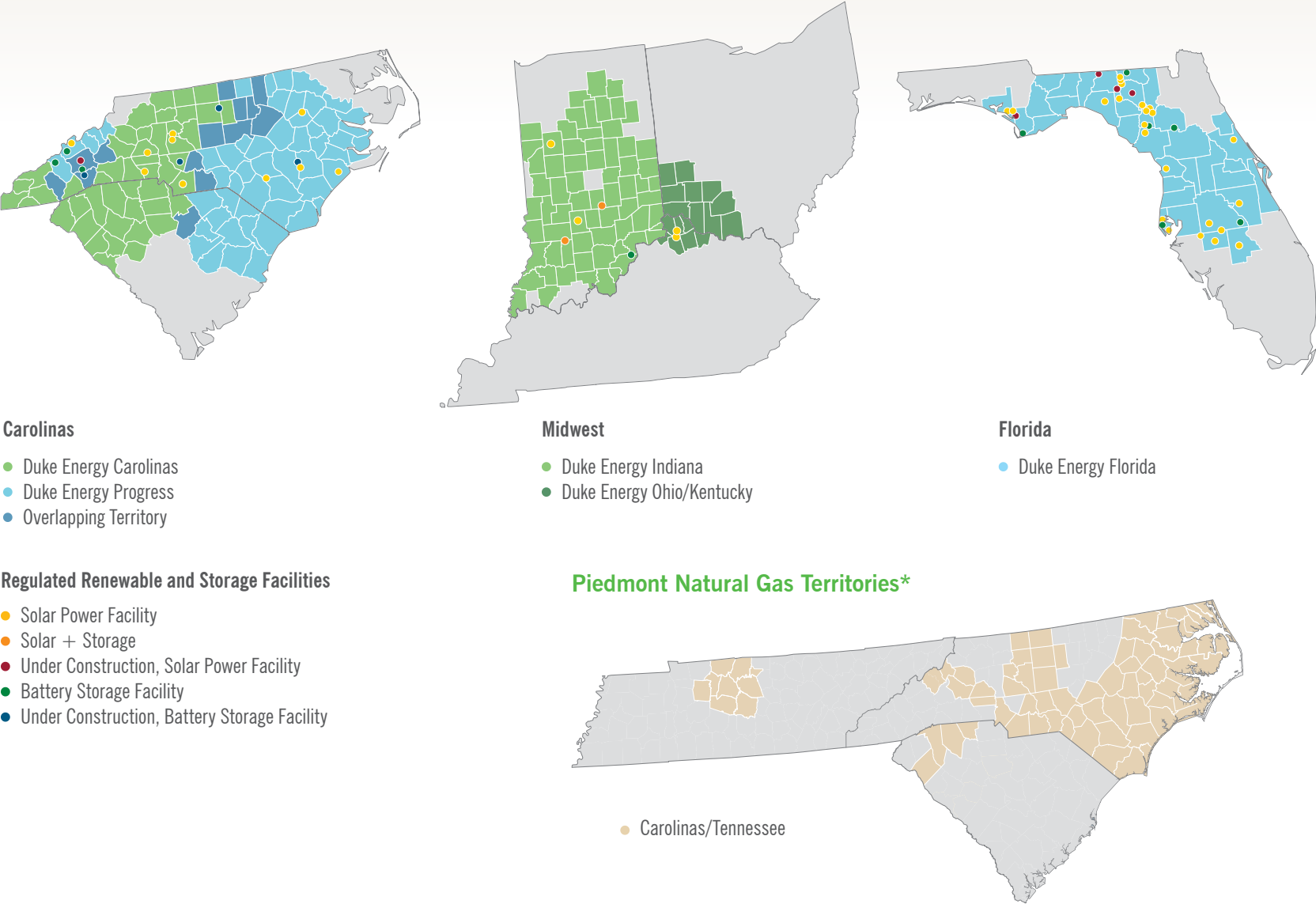
About Duke Energy & Our Impact Report

Duke Energy is one of the largest energy holding companies in the U.S. with approximately 8.6 million retail electric customers in six states, 1.75 million natural gas customers in five states and over 26,400<sup>1</sup> employees. We own and operate diverse power generation capacity assets totaling 55 gigawatts (GW) in North America. Our portfolio includes natural gas, coal, nuclear, pumped hydro, solar, energy storage and microgrid projects. Our natural gas distribution and transmission assets include 36,300 miles of pipeline. We meet our customers’ needs by providing reliable energy while keeping costs as low as possible, supported by our \$190 billion to \$200 billion 10-year capital plan. This plan is designed with a cornerstone of executing on sound investments to meet the moment with historic load growth on the horizon and continuing to seek ways to minimize costs and maintain customer value. Approximately 85% of our 10-year investment is dedicated to grid modernization, maximizing our current fleet and building new generation.

“Building A Smarter Energy Future” is Duke Energy’s 19th annual report. This report outlines our approach to energy modernization and the vital role our vertically integrated utility (VIU) plays in continuing to provide reliable energy at the lowest possible cost to customers while supporting a growing economy and national security. In the following pages, we highlight our performance and progress on strategic business matters. This report covers our enterprisewide activities from January 1 to December 31, 2024, unless otherwise stated. It references the 2021 Global Reporting Initiative (GRI) Standards and Sustainability Accounting Standards Board (SASB) Standard for Electric Utilities & Power Generation as well as Gas Utilities & Distributors.

See our full suite of corporate disclosures on [our website](#).

Duke Energy Electric and Natural Gas Service Territories (Including Regulated Renewable and Storage Facilities)



<sup>1</sup> 26,413 employees as of December 31, 2024.

\* In July 2025, Duke Energy announced it had reached an agreement to sell its Piedmont Natural Gas Tennessee local distribution company business to Spire Inc. The sale is expected to close in the first quarter of 2026.

Financial Results

| Financial Highlights                                              |           |           |
|-------------------------------------------------------------------|-----------|-----------|
| December 31                                                       |           |           |
| (In millions, except per share data)                              | 2023      | 2024      |
| Total operating revenues                                          | \$29,060  | \$30,357  |
| Income from continuing operations                                 | \$4,329   | \$4,604   |
| Reported earnings per share (GAAP)                                | \$3.54    | \$5.71    |
| Adjusted earnings per share (non-GAAP) <sup>1</sup>               | \$5.56    | \$5.90    |
| Common stock dividends declared per share                         | \$4.06    | \$4.14    |
| Total assets                                                      | \$176,893 | \$186,343 |
| Long-term debt, including finance leases, less current maturities | \$72,452  | \$76,340  |

<sup>1</sup> For further information on adjusted earnings per share (non-GAAP), including a reconciliation to reported earnings per share as prepared on a GAAP basis, please refer to disclosures related to the Non-GAAP Financial Information section included within this 2024 Duke Energy Impact Report.

Our Approach

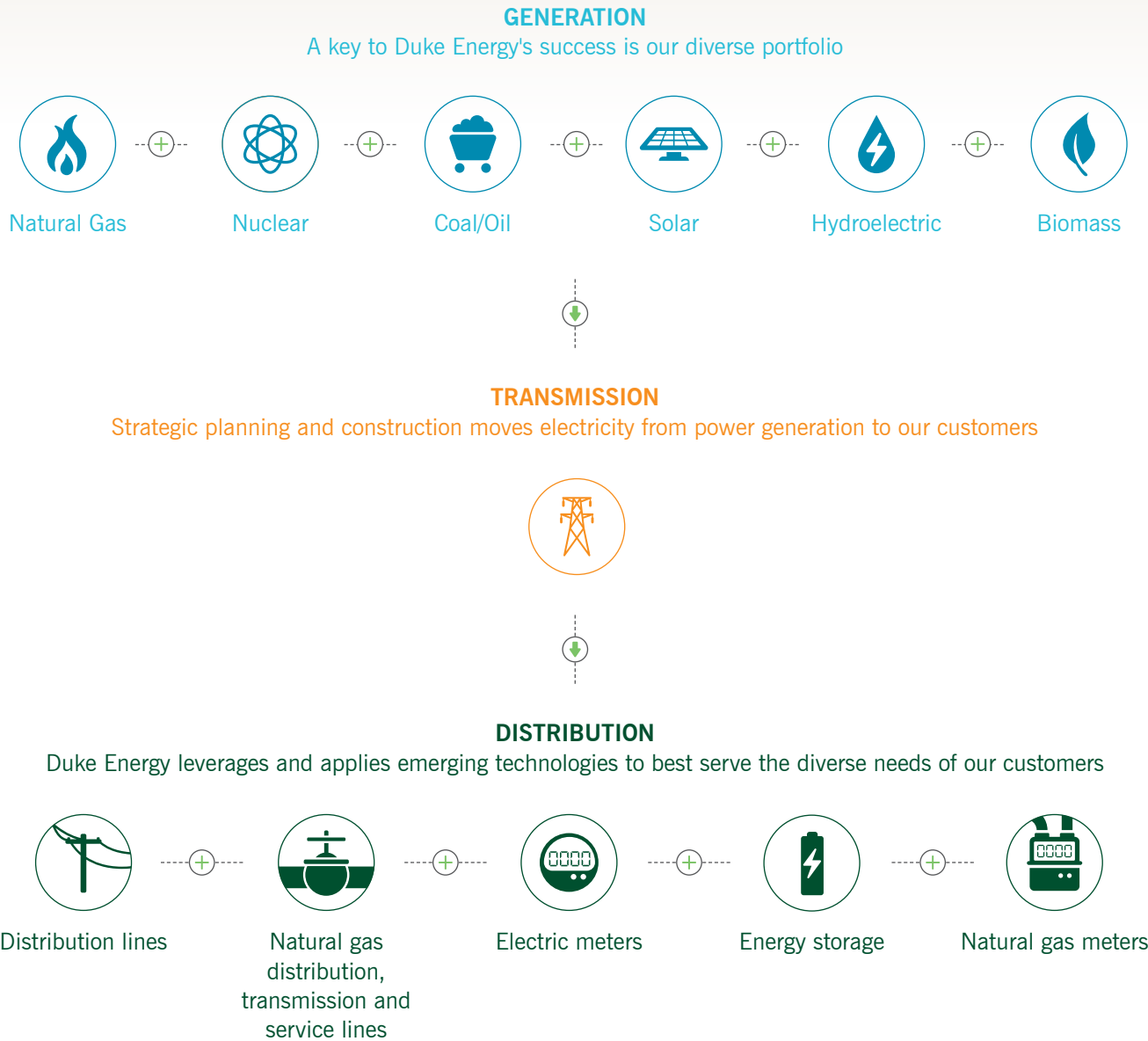
Duke Energy remains focused on responsibly executing our business strategy and capital plan, with a steadfast commitment to delivering reliable and affordable energy to meet the growing needs of our customers and communities.

The key to Duke Energy's success is our diverse and expanding portfolio. We are committed to our energy modernization plans, which are central to responsibly managing the expanding energy needs of artificial intelligence data centers, advanced manufacturing and customer needs within our growing regions by balancing current technologies with future innovations to build a more resilient, efficient energy system.

We are maximizing our existing fleet and infrastructure to the benefit of our customers. Our integrated business model also enables us to streamline investments and infrastructure upgrades, supporting a more resilient, modernized grid while expanding our portfolio of more modern, increasingly clean generation – including pumped and conventional hydro, solar, energy storage and advanced nuclear – our largest and most reliable always-on source of carbon-free energy. Within the next five years, we plan to bring more than 13 GW of additional capacity on line and invest \$13 billion into our transmission system. These initiatives support our commitments to reliability and customer value while also contributing to the decarbonization of our system.

We are also deeply invested in workforce resilience and development, equipping all of our employees with the skills needed to succeed in the evolving energy industry. We value the communities we serve, prioritizing constructive community engagement and actively seeking stakeholder feedback. Duke Energy will continue to work alongside policymakers, industry peers and others to achieve our vision, deliver long-term value, drive economic opportunity, support infrastructure investments and foster long-term partnerships with our customers, investors and other stakeholders. Together, these efforts will allow us to responsibly meet the growing needs of our regions while continuing to deliver long-term value for our customers, employees and other stakeholders.

Business Model and Strategy



Power of the Vertically Integrated Utility

Duke Energy operates as a VIU,<sup>2</sup> managing every stage of delivering electricity to our customers—generating power, transmitting across long distances and distributing directly to homes and businesses. This integrated model positions us to reliably meet the needs of today's customers while preparing for the historic energy demand driven by population growth, new manufacturing facilities and the rapid expansion of AI and data centers. Specifically, being a VIU:

- **Safeguards customer value:** As a regulated utility, our rates are set through a transparent process overseen by state policymakers and managed through independent state utility commissions – ensuring proper oversight from those closest to the customers and communities – and helping to keep customer rates as low as possible.
- **Allows us greater flexibility to meet needs:** Utility design, construction, and operation of generation, transmission and distribution enables our \$87 billion capital plan (2025-2029) to work strategically with a full toolkit to reliably serve transformative growth without compromising service for existing customers.
- **Enhances reliability:** End-to-end coordination allows us to manage the complex interaction of modern systems and state-of-the-art equipment required to consistently deliver reliability to our customers.
- **Enables innovation:** Our size and scale are advantageous for investing in technologies in a way that's more affordable for our customers and allows us to quickly test and scale new ideas.

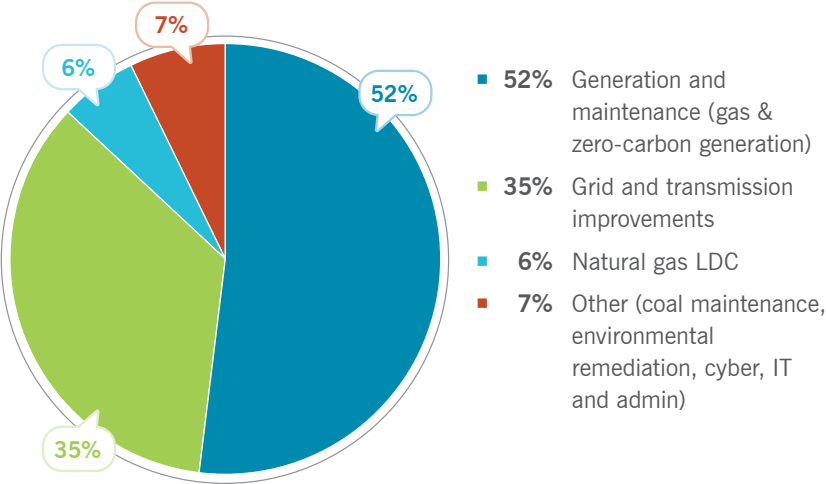
You can read more on how operating as a VIU enables us to meet the moment throughout this report.

<sup>2</sup> Duke Energy Ohio, a Duke Energy subsidiary, does not own electric generating assets, consistent with the state's deregulation law.

Economic Contribution

We are driving inclusive economic growth by aligning energy infrastructure investments with community needs, enabling job creation, supporting industrial expansion and improving reliability while keeping costs as low as possible for customers.

Duke Energy’s planned energy modernization capital expenditures of \$195 billion by category (2025-2034)



Ten-year capital plan (2025-2034) as presented by Duke Energy in the First Quarter 2025 Earnings Review and Business Update on May 6, 2025. Zero-carbon includes nuclear, renewables and others. Analysis does not include spending on purchased power, which may result in additional economic contributions. Figures may not appear to sum due to rounding.



| Total economic contributions of Duke Energy’s energy modernization expenditures, 2025–2034 |                  |
|--------------------------------------------------------------------------------------------|------------------|
| Number of average annual jobs, billions of 2025 dollars                                    |                  |
| \$370B                                                                                     | Economic Output  |
| 168,000                                                                                    | Annual Jobs      |
| \$131B                                                                                     | Labor Income     |
| \$211B                                                                                     | GDP Contribution |

Economic modeling and analysis includes these three types of economic and tax contributions:



### Direct

Building, maintenance and operation of energy modernization investments supported by existing Duke Energy employees, current contractors and new hires



### Indirect

Employment, labor income, GDP, output and taxes resulting from purchases from U.S. suppliers by Duke Energy



### Induced

Employment, labor income, GDP, output and taxes resulting from spending by Duke Energy employees, contractor employees and their suppliers (i.e., goods and services such as groceries, clothing, gasoline, restaurant meals and health care services)

# Governance & Integrity

Our governance, ethics and compliance efforts are deeply rooted in our core values of safety, integrity and service. These values guide our actions and decisions, ensuring that we uphold the highest standards in everything we do. Our employees actively champion these principles, fostering a dynamic environment where they thrive, our customers feel appreciated and our communities experience tangible support.

## Board Governance

Our business success starts with strong leadership and is guided by a systematic corporate governance structure. Duke Energy's Board of Directors (Board), chaired by Mr. Theodore Craver Jr., is focused on ensuring sustainable, long-term value for our stakeholders, including shareholders, employees, customers and the communities we serve.

The Board is responsible for overseeing the company's long-term strategy to provide reliable and affordable energy to our customers and discuss strategies impacting the company's performance metrics and incentives that align with those commitments. The Board also reviews components of our business strategy, such as reliability and customer value, regulatory and legislative issues, jurisdictional matters, energy modernization and emissions reduction progress. The Board regularly reviews its composition to ensure its collective membership has the skills necessary to meet the needs of the business and includes a range of thoughts and experiences.

The Board has been structured with a strong lead independent director role assisting the chair and CEO, and beginning April 1, 2025, our lead independent director became independent chair of the Board. The lead independent director role, and as of April 1, 2025, the chair role, includes setting agendas, approving meeting schedules and leading the independent members in Executive Committee sessions at each meeting.

The Corporate Governance Committee identifies needed skills and other qualifications and is responsible for evaluating the board and recommending nominees. A third-party executive search firm identifies potential director candidates with these criteria in mind.

The CEO is responsible for advancing the company's strategy and overall management as well as long-term success. On April 1, 2025, Harry Sideris, a 29-year veteran of our company, was appointed as our new CEO, succeeding Lynn Good, who retired from her management and Board roles at the company after more than two decades of distinguished service. Sideris, who had served as president of Duke Energy since April 2024, also became a member of the Board of Directors. As president, Sideris led Duke Energy's electric and gas utilities, including operations, customer service and delivery, economic development, regulatory and legislative affairs and grid and generation strategy.

Apart from Sideris, all members of the Board are independent and are members of at least two of Duke Energy's five standing committees. The committees oversee all operational, financial, strategic and reputational risks as set forth in their respective charters.

## Governance & Integrity Oversight

Accountability for Duke Energy's sustainability efforts sits at the highest levels of our company, with support from across the enterprise.

- The Board of Directors regularly reviews and has oversight of sustainability risks and issues.
- The CSO helps define our sustainability strategy and partners with business units to develop sustainability-related initiatives that are grounded by our strategy.
- Our internal voluntary disclosure committee, co-chaired by the Legal, Accounting and Sustainability team, consists of numerous senior vice presidents, vice presidents, and

directors across business units, including Investor Relations, Risk Management, Legal, Public Policy and others. The committee provides additional oversight and reviews the company's voluntary disclosures to ensure their accuracy and alignment with Duke Energy's energy modernization strategy and progress. Management oversight helps define our sustainability strategy and identifies partnerships within business units to develop initiatives to meet milestones. It also considers current and emerging matters that may affect the company.

- Senior business leaders are accountable for integrating stakeholder priorities and advancing the company within their respective areas.
- Day-to-day progress on key sustainability initiatives, reporting and disclosures is led by the Sustainability team. The team also facilitates conversations with relevant stakeholders at the local, state and federal levels.

## Enterprise Risk Management

Our Enterprise Risk Management (ERM) team is led by the SVP, enterprise strategy & chief risk officer (CRO), who reports to the chief financial officer. At each regularly scheduled meeting, the CRO provides an enterprise risk update to the Finance and Risk Management Committee of the Board. Additionally, the company's senior management, including the CRO, annually reviews the Enterprise Risk Assessment (ERA) with the full Board.

The CRO actively and independently provides risk management oversight and discusses levels of risk tolerance and risk acceptance within all business units. ERM also focuses on increasing awareness of risks, facilitating cross-functional discussions and holding biannual risk process and topic reviews, sometimes inviting external technical experts to cover key risk topics. ERM works with internal subject matter experts to identify and characterize key risks, including those related to climate, nature and other topics relevant to our sector. We work

cross-functionally to evaluate dependencies that may impact the business, and we engage frequently with our insurers on data and benchmarking tied to risk and financing. This data also helps us review potential indicators for assessing and managing risk.

Oversight of climate-related risks, issues and opportunities lies with our CEO and the Board. Since climate-related topics span various functional areas and business units, Duke Energy has multiple Board committees and day-to-day teams of subject matter experts who oversee the company's strategy and actions. Climate-related issues are also considered in our annual ERA. For more detail about the Board's climate-related oversight, including risk, please refer to the [2025 Proxy Statement](#).

The topic of wildfires has risen as a significant concern in the utility industry as a whole. While Duke Energy's overall wildfire risk remains comparatively lower than that of the Western United States with less than 10% of Duke Energy's power lines located in high or severe wildfire areas, we are proactively and continuously strengthening our efforts to monitor, assess and mitigate wildfire risks in our service territories. Our Power Grid Operations (PGO) team is leading and developing the Duke Energy Wildfire program with support from ERM. This program provides standards and processes for how we identify and mitigate wildfire risk and respond to events across the Duke Energy service territory. Through this program, we:

- introduced a seven-day rolling Fire Potential Index with policies and procedures to better inform and coordinate transmission, distribution and generation activities during increased wildfire potential, and are in process of
- developing a grid resiliency plan for mitigation of potential incidents
- strengthening strategies for implementing operational safeguards during high-risk conditions
- incorporating wildfire protocols into existing action plans through collaboration and feedback with individual groups

We introduced this charter in 2024 to provide direction for ongoing wildfire risk analysis utilizing historical and real-time data, programmatic plans and operational performance in the mitigation of potential ignition hazards, with stakeholder engagement and event response. Wildfire risk assessment criteria and components are reviewed annually, in support of identifying high-fire-risk areas (HFRA) and effective wildfire mitigation planning aimed at protecting lives, property and ecosystems but also strengthening overall resilience and readiness for future fire events. Our asset management practices, including maintenance procedures and vegetation management, have been enhanced to reduce associated risks. Our situational awareness practices are designed to assist operational decision-making to focus on reducing ignition potential and severity of wildfires through strategic, proactive measures. We also engage with state and federal authorities, industry groups, like Edison Electric Institute (EEI), and peer utilities throughout the country to support improvement strategies and incorporation of best management practices.

As part of our risk management oversight, we are working to understand the opportunities and risks associated with the emergence of AI. Duke Energy has invested in and found success with AI since 2017. We are capitalizing on the emergence of generative AI to further optimize our work process. We are incorporating multiple uses for AI, including streamlining natural gas technician workflows, automating condition reports and optimizing generation construction. As our AI knowledge evolves, we plan to further embed AI capabilities within our operating model and technology stack. These efforts can serve as a differentiator for Duke Energy by accelerating and driving outcomes within our assets, operations and customer experience, which will expand our competitive advantage.

In 2024, we published an internal policy outlining Duke Energy's AI approach, Responsible AI. Responsible AI implores the use of AI within business in line with our values

of safety, integrity and service. To that end, Responsible AI will integrate certain essential controls, including those to promote transparency, accountability, fairness, privacy and security.

### Grid Security and Cybersecurity

As one of the nation's largest grid operators and operators of designated critical natural gas pipelines, we understand how vital our role is to deliver the essential service upon which our customers and communities depend. Safe and experienced cybersecurity and physical security operations are integral parts of that responsibility. Duke Energy's technology and cybersecurity risk management program is integrated into the company's overall Enterprise Risk Management program and consists of three primary lines of defense.

Duke Energy's first line of defense, the Cybersecurity Incident Response Team (CIRT), reports to the chief security and information security officer (CSISO). The CIRT Process, which defines the roles, responsibilities and the process for problem source identification, mitigation and eradication triggered by a suspected cyber incident, sets forth an enterprisewide plan to facilitate a coordinated approach to identifying, evaluating, responding to and resolving cyber incidents. Duke Energy's second line of defense against cybersecurity threats is the Enterprise Security Team (EST), which is led by the CSISO. It actively evaluates, anticipates and tests Duke Energy's cybersecurity risk level as well as its preventive and risk mitigation controls. The EST is responsible for infrastructure defense and security controls, performing vulnerability assessments and third-party information security assessments, employee awareness and training programs and security incident management, including oversight of remediation. The EST monitors cyber activity and reports to the company's CSISO on the status of the company's cybersecurity performance and any ongoing remediation efforts. Internal and external cybersecurity audits provide a third line of defense and independently provide assurance on how effectively the

company manages cybersecurity risk. To date, Duke Energy has not experienced any material information security events.

Cybersecurity is essential for our critical infrastructure in light of emerging impacts from international conflicts and domestic disruptions. Additionally, we continue to strengthen the grid to prevent physical risks as the threat continues to evolve in Duke Energy's operational jurisdictions and across the nation. We continue to provide support and collaborate to help law enforcement in their ongoing investigations tied to such events. When it comes to grid protection, we have a proactive strategy that includes a multilayered physical defense system; a highly skilled, cross-functional team of cybersecurity and physical security professionals who monitor and respond to threats 24/7; and daily information-sharing with our industry and government partners.

We regularly communicate and coordinate with peer utilities, industry partners, security organizations and government agencies – including the Department of Homeland Security and the Federal Bureau of Investigation – to share intelligence and best practices. To prepare for threats, we hold drills several times a year to test incident response plans and exercises with employees, leadership and our Board of Directors to ensure they understand their roles. We also participate in external drills that include members of management.

### Grid Security and Cybersecurity Governance

The Audit Committee has primary oversight of management's efforts to mitigate cybersecurity and technology risk and respond to cyber incidents. The Audit Committee receives regular updates on our cybersecurity and physical security from the chief administrative officer (CAO), CSISO and other members of senior management, and reviews metrics and trends regularly throughout the year. The committee also discusses voluntary disclosures and processes as well as frameworks, including physical, cyber and data security disclosures.

The Operations and Nuclear Oversight Committee (ONOC) of the Board of Directors provides oversight of the nuclear safety and cybersecurity of Duke Energy's nuclear power program. The chair of the ONOC reports out to the Board of Directors on such oversight activities.

The full Board is regularly briefed on cybersecurity and physical security, and the reviews presented to the Audit Committee are followed by an update to the full Board by the chair of the Audit Committee. In addition, the company's Executive Cybersecurity Oversight Governance Committee receives monthly updates from the CAO and CSISO and provides senior management throughout the company informational technology and operational technology perspectives, oversight and governance on investments and priorities for the broader cybersecurity organization. The committee provides final decision oversight on recommendations and responses to the ever-challenging cybersecurity threat landscape.



Ethics and Compliance

At Duke Energy, our Ethics and Compliance program develops codes, policies, communications and training that set our expectations across the entire workforce. The Ethics and Compliance program covers all aspects of our operations, including employment practices, legal and regulatory compliance, anti-corruption, conflicts of interest and other key responsibilities. The program upholds compliance of those expectations through monitoring, investigations and other assurance activities. The program seeks to earn trust from key stakeholders by adhering to compliance requirements, including those related to political activity, data privacy and state and federal regulatory oversight.

Ethics and Compliance Governance

Ethics and Compliance work is governed by our core values of Safety, Integrity and Service, and three core codes: (1) the Code of Business Ethics for all employees; (2) the Supplier Code of Conduct for suppliers and contingent workers; and (3) the Code of Business Conduct and Ethics for Members of the Board of Directors. These codes are supported by policies related to Human Resources, Finance, Environmental Health and Safety, Security (both cyber and physical) and other compliance areas. All employees are expected to be familiar with and adhere to the applicable code to support decision-making that is aligned with our values.

Our chief ethics officer is primarily responsible for implementing measures to prevent, detect and respond to inappropriate or unethical conduct. Our chief compliance officer is responsible for the enterprise compliance program, certain corporate compliance programs and collaborating with business compliance programs to identify compliance requirements

and prevent, detect and address potential noncompliance by implementing controls and performing monitoring to improve performance and accountability.

Both our chief ethics officer and chief compliance officer are members of the Strategy and Disclosure Committee, with specific responsibility for integrating ethics and compliance into all company strategies and pertinent disclosures. They also provide periodic updates to senior management and the Audit Committee of the Board of Directors regarding the design, implementation and effectiveness of our ethics and compliance programs.

Grievance Mechanisms

At Duke Energy, we promote a “speak up” culture, meaning workers can ask questions and raise concerns without fear of retaliation. The Voice Survey, our ongoing employee engagement survey, found that in 2024, 82% of respondents agreed with the statement “I can report unethical practices without fear of retaliation,” compared to a 76% utilities benchmark. Employees, suppliers, customers, community members and other stakeholders are encouraged to report concerns without fear of retaliation and may do so anonymously. All concerns are thoroughly investigated, and action is taken as appropriate. These measures may include disciplinary action for employees and enhanced controls to prevent further issues. We provide multiple options for reporting alleged human rights violations and other concerns via traditional methods, including telephone, email and mail reporting options. Other grievance mechanisms support open communication channels and actionable results, such as:

- **Open Door Policy:** This policy lists the many grievance mechanisms available to employees and establishes our

intent to provide an environment where employees feel comfortable raising concerns without fear of retaliation or intimidation.

- **Retaliation-free Workplace Policy:** This policy prohibits any retaliation for reporting a concern or participating in an investigation. Any employee found to be involved in retaliation will receive corrective action, up to and including termination of employment.
- **EthicsLine:** A dedicated service maintained by a third-party vendor available 24 hours a day, seven days a week. Persons who contact the EthicsLine will be assigned a unique report and personal identification number (PIN) that they can use to check on the status of their report and receive a response to their concerns. Employees can choose to remain anonymous when using the EthicsLine. We triage and investigate 100% of reported cases. Each concern is documented in a central case management system upon receipt.
- **Trending and Analysis:** Ethics activity is gathered and evaluated on a regular basis to identify trends.

In 2024, we received 2.1 reports per 100 employees of potential breaches of our ethics codes compared to our benchmark median of 1.6. Of those, 41% were substantiated, resulting in appropriate responsive action to address the concern. Ethics activity by type for 2024 can be viewed [here](#).

# Customers & Communities

We understand that our success is deeply rooted in the prosperity of our customers, workforce and local communities. Being a regulated utility comes with the privilege and opportunity to serve all, regardless of background or circumstance. We take pride in offering well-paying jobs with in-demand career opportunities, supporting the economy from the ground up. Our commitment to keeping costs low for customers while maintaining the reliability that powers the communities where we live and work is paramount. We prioritize relationships with small, local and diverse suppliers, fostering economic growth in our communities. Safety remains our top priority, and we uphold the highest standards to protect our dedicated employees.

## Customers

### Maintaining Customer Value

Our customers depend on us for reliable energy services and to keep costs as low as possible. As we help support growing energy needs across our footprint, Duke Energy remains committed to doing so in a way that protects the reliability that all customers expect and deserve while keeping costs as low as possible. To that end, we've taken an innovative approach to evolving our rate structures and contracts so that customers that use vast amounts of energy pay for the cost to serve them. Our regulators have the final say on rates—under their direction, we maintain appropriate protections for existing customers while supporting our states' efforts to remain among the nation's best at attracting jobs and investment opportunities. We accomplish this in several ways:

- **The VIU Model:** Our regulated model allows us to maintain a focus on keeping costs as low as possible as we leverage transparent and thorough process set by state

policymakers and managed through independent state utilities commissions via integrated resource plans (IRPs). This structure not only ensures proper public oversight from those closest to the customers and communities but also helps keep customer rates as low as possible based on prudent investments in our grid. Utility design, construction and operation of generation transmission, and distribution enables our \$87 billion capital plan (2025-2029) to work strategically with a full toolkit to reliably serve transformative growth without compromising service for our existing customers. We continue to meet expectations to maintain rates below the national average across our jurisdictions.

- **Prudent Financial Decisions:** Duke Energy has a strong culture of continuous improvement, and we work to find better ways to do things every day for the benefit of our customers. We are enabled by our size and scale to deliver services to our customers in a cost-effective manner, including through strong cost control and operational performance. We continue to meet expectations to maintain rates below the national average across our jurisdictions. Our commitment to maintaining a strong balance sheet, utilization of relevant tax incentives, financing cost recovery during construction of large generation projects (CWIP), securitization for storm recovery expenditures and constructive and stable regulatory environments all lower costs to customers over time.

Cost efficiency is an important objective that helps us mitigate customer rate impacts over time. For example, over the last four years (2021-2024), our consolidated operation, maintenance and other costs have declined from approximately \$5.7 billion to \$5.4 billion. Our customers also benefitted from approximately \$550 million of federal nuclear production tax credits (PTCs) last year and looks forward to continuing to utilize these credits to the benefit of our customers; a result of our large nuclear fleet. Looking ahead, in mid-2025, we filed applications with the North Carolina Utilities Commission,

Public Service Commission of South Carolina and the Federal Energy Regulatory Commission (FERC), seeking approval to combine our two electric utilities in the Carolinas into a single utility. These filings followed over a year of stakeholder outreach across the Carolinas to provide information and set expectations for the proposed business combination. The combination, if approved, is projected to deliver over \$1 billion in customer savings between January 1, 2027, and 2038, with additional savings expected to continue to accumulate beyond that date. The projected savings stem primarily from the ability to plan investments more efficiently and optimize the timing and sequencing of future resources.

- **Customer Programs:** We use outreach campaigns to connect our customers with available resources to help manage the cost of energy. Our teams develop options to provide customer value that are informed by stakeholder and industry input, participating in working groups and regularly benchmarking against peer utilities to stay up to date on best practices. We also continually assess our budgeting programs to provide customers options to have more control over their energy bills.

We offer affordability, budgeting and efficiency programs to meet the needs of our customers. Select affordability, budgeting and efficiency programs throughout our jurisdictions in 2024 include:

- **Customer Assistance Program (CAP):** This program provides up to \$42 in a monthly bill credit for 12 consecutive bill cycles to income-qualified customers in North Carolina. The CAP launched in January 2024, beginning a three-year pilot program. So far, over 58,000 customers participated in 2024, providing more than \$20 million in total bill credits.
- **Home Energy Assistance:** Duke Energy partners with Community Action Kentucky to help qualified customers maintain affordable energy bills. Qualified customers can apply to receive up to \$400 in immediate crisis assistance

as well as account subsidies during peak heating and cooling months. Duke Energy shareholders contribute \$50,000 annually to help fund the Home Energy Assistance program.

- **Income-qualified Programs:** In 2024, the South Carolina Public Service Commission approved and launched several income-qualified demand-side management/energy efficiency programs to reduce energy costs for low-income customers. These initiatives include the High Energy Use Pilot for deep home retrofits; the Income-Qualified Demand Response program to shift energy use during peak periods; and an enhanced Weatherization program, which offers increased incentives for HVAC and refrigerator replacements.
- **Local Assistance Agency Partnerships:** We partner with local assistance agencies to help qualifying customers receive financial assistance to pay their utility bills. Expanding local outreach, we seek ongoing feedback from community organizations throughout our service territories to further support partner agencies. Duke Energy established an enterprisewide Centralized Agency team as a single point of contact for utility assistance agencies and created a digital self-service portal, now available across all service areas. This portal streamlines processing assistance commitments, tracking payments and receiving deadline notifications. We also engage customers at community events, working alongside partner agencies to introduce Duke Energy's programs and help with assistance applications, making the process more efficient for both agencies and customers.
- **Low-income Home Energy Assistance Program (LIHEAP):** The LIHEAP is a federal program that provides energy assistance funding to state energy

offices, which issue energy bill assistance benefits to customers below a certain income threshold. As part of our advocacy for this critical safety net, we participated in LIHEAP Action Day in Washington, D.C., canvassing Capitol Hill and engaging with members of Congress and their staffs about the importance of these funds to their constituents and our customers. We are also doing more outreach to customers by email and text to raise awareness about available assistance. Additionally, our Agency Lookup Tool allows customer care operation specialists to identify local agencies that may be able to assist a customer in need.

- **Payment Navigator:** This program is led by a group of customer care operation specialists who help customers navigate available programs at Duke Energy that can help with their billing and payment experience. Such programs may include time-of-use rates, budget billing, agency assistance, installment plans, energy efficiency and demand response. This program launched in June 2024.
- **Percentage of Income Payment Plan (PIPP):** Through this program, income-eligible utility customers in Ohio pay only a percentage of their income, regardless of monthly usage.
- **Residential Tariff on Bill Program:** This first-of-its-kind program for an investor-owned utility offers three major benefits: 1) lower upfront costs for efficiency upgrades, 2) improved home comfort and 3) savings on customer bills. Duke Energy identifies customers who are likely to benefit the most and invites them to enroll. After a home audit, we model the customer's projected energy savings, calculate available efficiency options and conduct a cost-benefit analysis to make sure



estimated benefits outweigh costs. Once a customer accepts the proposal, a vetted local trade ally completes the update. A quality assurance check is conducted, and for certain improvements, semiannual maintenance plans are arranged.

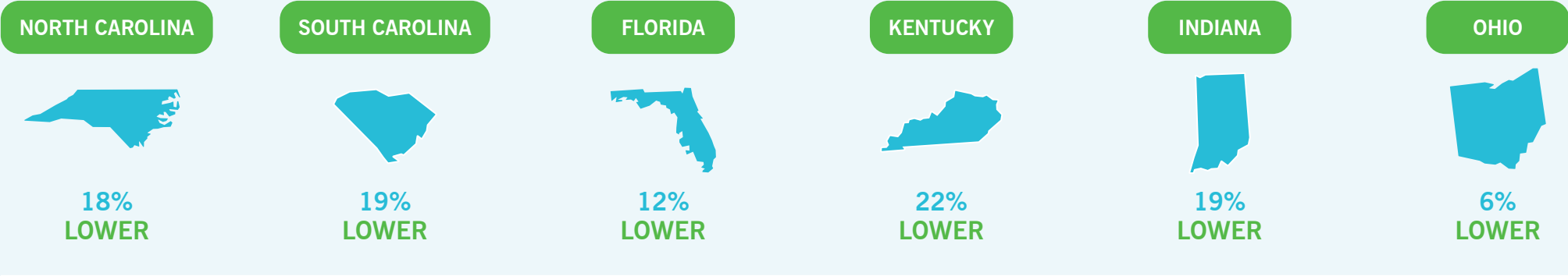
- **Share the Light Fund®:** For more than 40 years, the Share the Light Fund has been helping utility customers pay deposits, power bills, past-due balances and reconnection fees. This includes providing utility bill pay assistance to nearly 15,000 eligible low-income households every year in North Carolina, South Carolina, Florida, Ohio, Kentucky and Indiana. The funds are raised through customer, employee, shareholder and Duke Energy Foundation donations. In 2024, the Share the Light Fund received more than \$1 million from customer and employee contributors and contributed over \$5.3 million to community assistance agencies.
- **Share the Warmth:** Customers can round up their monthly bill to the nearest dollar or make a one-time donation to Share the Warmth to help neighbors. The funds are given to local agencies in North Carolina, South Carolina and Tennessee to provide to PNG customers who are in crisis with unpaid bills.

The affordability programs are in addition to the following budgeting programs:

| Program                   | Capabilities                                                                                                                                                                                              |
|---------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Auto Pay Enrollment       | Customers can sign up for easy set-and-forget recurring payments.                                                                                                                                         |
| Installment Plans         | Allows customers to make interest-free installment payments over several months.                                                                                                                          |
| Usage Alerts              | Provides customers with monthly notifications of electricity use and the projected monthly bill while there is time to adjust consumption.                                                                |
| Budget Billing            | Standardizes the charge paid every month to allow customers to better track their budget. Annual Plan customers receive the same bill amount every month, with a settle-up amount at the end of the year. |
| Pick Your Due Date        | Allows customers with a smart meter to choose their monthly bill due date.                                                                                                                                |
| Due Date Extension        | Allows customers in good standing that may miss their due date a payment extension of up to five business days, twice a year on a 12-month rolling basis, to avoid late fees.                             |
| Disconnect Date Extension | Provides residential and business customers up to two weeks to pay their past-due balance and avoid disconnection.                                                                                        |

Electric Residential Rates vs. National Average

DUKE ENERGY PRICES AMONG THE LOWEST IN THE NATION



DUKE ENERGY ELECTRIC RESIDENTIAL RATES VS. NATIONAL AVERAGE

National Average – 17.64 cents per kilowatt-hour (c/kWh) or \$176.38 per month

Source: Winter 2025 EEI Electric Rate Comparison for Residential Typical Bill

FAVORABLE STATE ENERGY POLICIES HELP KEEP PRICES LOW

Business Programs

Duke Energy's business energy efficiency programs help community, commercial and industrial buildings reduce electricity usage, improve productivity and lower energy bills. By everyone doing their part, we can maximize our fleet and use every kilowatt (kW) in the most efficient way possible.

Our Small Business Energy Savers (SBES) program for customers with less than 180 kW of average demand is designed to improve energy efficiency while minimizing the impact on business owners' time and budgets. It starts with a no-cost energy assessment to identify opportunities for savings followed by turnkey product procurement and installation. In 2024, SBES reached over 2,100 customers and delivered over 4,140 complimentary energy assessments.

Duke Energy's new construction design assistance program helps nonresidential customers in the design phase of a new

building meet their energy efficiency targets. Whether for large buildings or commercial space as small as 5,000 square feet, the program supports greater energy efficiency in new construction as well as renovation projects. The program includes free consulting, energy modeling and energy analysis customized to each project. In 2024, the program enrolled over 154 new construction buildings, projecting over 50,000 megawatt-hours (MWh) of future energy savings.

We offer energy efficiency programs that decrease energy waste, improve grid management and help customers reduce their energy costs and usage. Beyond contributing to energy efficiency programs, we invest in workforce training initiatives to equip professionals with the skills needed to implement advanced energy solutions. These programs create jobs in the installation, maintenance and manufacturing of energy-efficient technologies.

PNG further supports customers with ways to save money on qualifying new natural gas equipment through rebate programs. Energy efficiency rebate programs are offered to residential and commercial natural gas customers in North Carolina and South Carolina to help reduce the cost of replacing existing natural gas equipment with qualifying modern high-efficiency natural gas equipment. In 2024, more than 5,100 total rebates were paid to over 4,270 customers across the two states. The energy efficiency programs also include a low-income weatherization program that supports the installation of energy efficiency measures for qualifying homeowners as well as a school conservation program where students learn about conservation and natural gas safety.

Looking ahead, we will tailor our energy efficiency offerings and develop new programs for our customers as individual states set energy targets.

Duke Energy's Electric Rates<sup>1,2</sup> In effect as of summer 2024 (cents per kWh)

Residential

|                            |       |
|----------------------------|-------|
| Duke Energy Indiana        | 13.35 |
| Duke Energy Kentucky       | 13.90 |
| Duke Energy Carolinas - NC | 14.22 |
| Duke Energy Carolinas - SC | 14.22 |
| Duke Energy Florida        | 15.47 |
| Duke Energy Ohio           | 15.57 |
| Duke Energy Progress - NC  | 15.73 |
| Duke Energy Progress - SC  | 16.02 |
| U.S. AVERAGE               | 17.42 |

Commercial

|                            |       |
|----------------------------|-------|
| Duke Energy Carolinas - NC | 9.94  |
| Duke Energy Carolinas - SC | 10.11 |
| Duke Energy Progress - SC  | 10.22 |
| Duke Energy Progress - NC  | 10.31 |
| Duke Energy Indiana        | 10.72 |
| Duke Energy Ohio           | 11.72 |
| Duke Energy Florida        | 12.08 |
| Duke Energy Kentucky       | 12.67 |
| U.S. AVERAGE               | 14.26 |

Industrial

|                            |       |
|----------------------------|-------|
| Duke Energy Carolinas - SC | 8.62  |
| Duke Energy Carolinas - NC | 8.75  |
| Duke Energy Indiana        | 9.17  |
| Duke Energy Progress - SC  | 9.54  |
| Duke Energy Progress - NC  | 9.73  |
| Duke Energy Kentucky       | 10.10 |
| Duke Energy Ohio           | 10.81 |
| Duke Energy Florida        | 11.13 |
| U.S. AVERAGE               | 11.95 |

<sup>1</sup> Source: Edison Electric Institute Typical Bills and Average Rates Reports, Summer 2024.  
<sup>2</sup> Rates are based on the following typical bill assumptions. Residential: 1,000 kWh per month usage. Commercial: 40-kW demand and 14,000 kWh per month usage. Industrial: 1,000-kW demand and 400,000 kWh per month usage. Includes rates for vertically integrated utilities only.

## Reliability

Our comprehensive energy system allows us to work in real time to respond to changing conditions, such as high demand during extreme weather. This end-to-end coordination enables us to plan strategically – building new generation resources and expanding the grid – so we can serve the transformative growth without compromising service for existing customers. Economic development is driving higher energy demand in our jurisdictions while extreme weather continues to test infrastructure. By improving grid resiliency and growing infrastructure capacity, we can better prevent outages and manage those that do occur and continue to maintain reliability of our electric and natural gas system annually. Our regulated energy model also requires us to meet reliability requirements through comprehensive long-term planning and maintain adequate power reserves to meet unprecedented demand. The result is a flexible plan to serve customers today and in the years ahead.

Duke Energy is continuously reinforcing the electric grid to better withstand severe weather by upgrading our millions of poles and 286,600 miles of wire for improved reliability, strategically undergrounding outage-prone lines, managing vegetation and deploying smart, self-healing technology. Our self-healing technology automatically recognizes and reroutes energy during outages and detects potential physical and cyber threats so we can take immediate action to secure the grid. In 2024, it helped avoid approximately 2.4 million customer outages, saving 11 million hours of total outage time. We also completed a multiyear modernization initiative, building seven new grid control centers to enhance crew management, storm response and real-time grid monitoring, providing operators with greater control over system reliability. The new centers and ongoing grid upgrades play a crucial role in supporting innovative energy solutions.

Our commitment to being a safe and reliable neighbor is paramount, and we put safety first in everything we do. Our VIU model allows us to respond quickly to storms, outages

and other emergencies. We have a comprehensive and flexible storm response plan, built upon decades of experience. Our Grid Risk Assessment Process team monitors emerging conditions based on weather and load forecasting, trends and existing outages in the region. If forecasted conditions meet defined criteria, this team alerts a broad internal group, including Duke Energy state presidents, to a grid threat, so they can place crews, support resources and equipment strategically ahead of a storm to respond quickly.

When storms hit, Duke Energy heeds the call. Every Duke Energy employee expands their primary job function to help those impacted by storms in our communities. During hurricanes Helene and Milton, our teams' proactive work restored power to all affected customers able to receive power. Over 20,000 Duke Energy employees, contractors and workers from 19 states and Canada participated in the effort. In our hardest-hit regions in the Carolinas, crews used helicopters to move power poles, generators, fuel and other supplies into impassable areas, and they used drones to assess damage in coordination with ground crews. To enhance its response, Duke Energy developed an in-house application that lets helicopter crews mark damage with coordinates and assign priority levels. After Helene, the Aviation Inspection and Routing (AIR) app helped direct ground crews to key repair sites to speed up recovery efforts. Drones identified unsafe survey zones and additional hazards, including downed trees and washed-out equipment. In severely damaged areas like Western North Carolina, we rebuilt portions of the electrical systems, installing new transformers, poles and main power lines. We collaborate with local, state and federal emergency management agencies, nonprofits and the American Red Cross to coordinate response plans and share resources to support communities in need and ensure they are functioning in a business-as-usual fashion as quickly as possible.

Hurricane Helene's impact was felt across all of our jurisdictions. In Ohio and Kentucky, the storm initially caused outages in 17 counties. Duke Energy crews restored power to

over 60,000 customers overnight, with mutual aid agreements ensuring full staffing throughout the storm. Power was restored to most customers within 48 hours, and work continued until everyone had electricity.

Hurricane Milton affected over 1 million Florida customers, with crews working relentlessly to restore power. Our teams in both North Carolina and Florida continued to serve our customers as they rebuilt and connected new infrastructure. Our PGO team is rebuilding several large substations and replacing transformers impacted by saltwater intrusion in Florida.

## Managing Load Growth

As a VIU business model, we build and maintain power lines and equipment that carry electricity from a diverse mix of Duke Energy power plants to 8.6 million homes and businesses. This model allows us to plan, invest and execute across the entire energy system as one coordinated network and move faster and more efficiently to bring new resources on line to meet this unprecedented moment driven by growing communities, AI needs and reshoring of American manufacturing. Our scale, strategy and expertise enable us to provide reliable and affordable power our communities need to thrive.

Ushering in a new energy era alongside our plans to bring more capacity into operation to meet the needs of tomorrow, today, requires incorporating important components to revolutionize our approach to resource adequacy. Our forward-thinking approaches implemented by 2031 may include:

- Optimizing our current generation assets by adding over 1 GW of additional capacity, including 700 megawatts (MW) of capacity to existing natural gas, 250 MW of nuclear and 90 MW of hydro and pumped storage.
- Accelerating battery storage and new generation deployment.
- Expanding demand response programs.
- Enhancing forecasting and planning to better predict and manage load.

Communities

Duke Energy employees live in the communities we serve, and these communities are essential partners in shaping a resilient and forward-looking energy future. We are guided by a longstanding commitment to meaningful engagement – built on trust, transparency and collaboration with local leaders, residents and a broad spectrum of stakeholders. These connections are fundamental to our business strategy, helping us align infrastructure and fleet modernization with local priorities and long-term needs. Through the leadership of our regional and jurisdictional stakeholder engagement teams, we ensure that community perspectives inform our decisions – from project planning to implementation. Across our operational footprint, we work to strengthen economies, support workforce development and enhance resilience – both as we invest in new infrastructure and responsibly transition legacy assets.

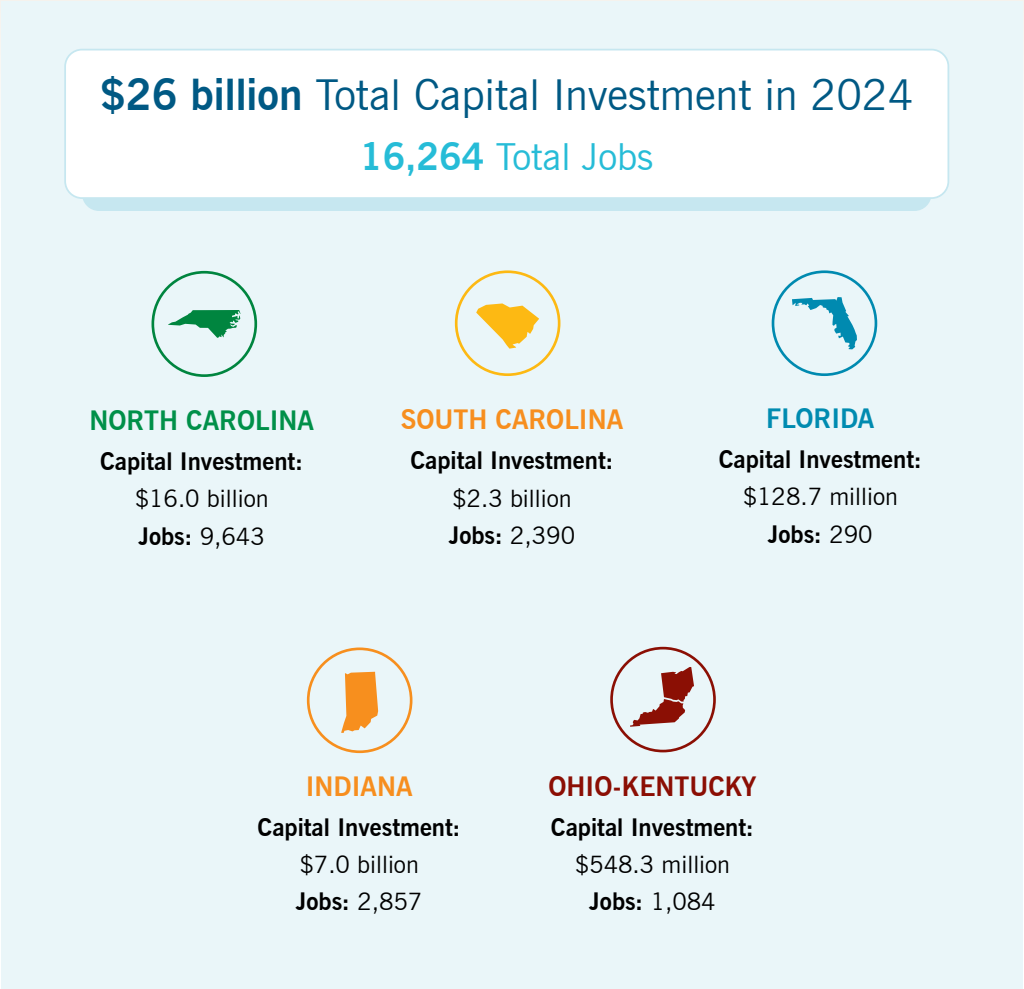
Our approach to community engagement is grounded in a structured process that emphasizes transparency, responsiveness and long-term partnership to maximize positive impacts in the communities we serve while minimizing environmental impacts. Whether we're operating existing facilities, building new infrastructure or modernizing the grid, we prioritize listening to community feedback as part of our planning and decision-making. By engaging early and often, we build trust and mutual understanding that helps streamline projects to move forward more smoothly and with stronger local support, leading to better business outcomes. These project evaluation and community engagement processes enable thorough assessment of project locations and technologies to be used – investing in the long-term success of our

company and the prosperity of the regions where we operate.

We are committed to serving as a strong community partner and engage intentionally and proactively with our stakeholders by listening, seeking feedback and responding to questions and concerns. You can read more about our community impact and engagement principles [here](#).

Economic Development.

Duke Energy drives long-term economic value by delivering reliable, scalable energy infrastructure that attracts capital investment, supports workforce growth and contributes billions in taxes to strengthen the communities we serve. We work to attract other growing companies and support local businesses in the communities we serve. Our Economic Development team partners with regional, state and local authorities to bring together companies and support new jobs and investments. Overall, Duke Energy's economic development efforts in 2024 helped secure 78 projects in six states, resulting in over 16,000 new jobs and approximately \$26 billion in capital investments within our territories. For the 20th consecutive year, "Site Selection" magazine recognized Duke Energy as a top utility for economic development. In the next 10 years, Duke Energy's energy modernization investments are estimated to support more than 168,000 jobs, generate \$131 billion in income, contribute \$211 billion to GDP and generate \$370 billion in overall economic output. Anticipated state and local tax contributions total \$18.5 billion, including approximately \$8.3 billion in property taxes, \$6 billion in state and local sales tax, \$2.8 billion in individual income tax and \$1.4 billion in corporate taxes.



Supporting Communities

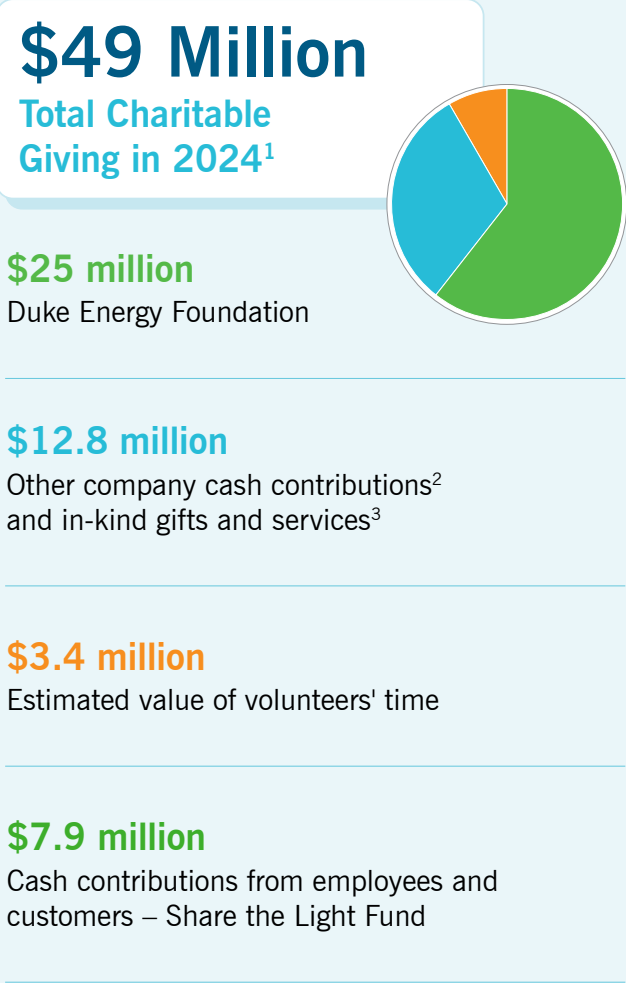
The Duke Energy Foundation invested nearly \$25 million in the communities we serve during 2024, furthering our five-year, \$150 million commitment. Led by the Foundation president, trustees and jurisdictional executives, the Foundation also includes a full-time Operations team and leads in each jurisdiction. This year marked The Duke Energy Foundation's 40th anniversary, celebrating its legacy of citizenship and service.

In 2024, our Foundation invested \$7.3 million to support vibrant economies, including more than \$5 million in workforce development programs. From Florida, through the Carolinas, in Ohio and Kentucky and on to Indiana, Foundation grants reskilled workers for the energy economy, grew high-needs skilled labor and created economic mobility opportunities.

Local resiliency continues to be vitally important to the communities we serve. The Foundation supported local programs with \$5.5 million in climate resiliency funding in 2024. Grants responded to critical local needs, including relief and recovery from hurricanes Helen and Milton that impacted every Duke Energy jurisdiction. The Foundation donated more than \$3 million to support immediate hurricane relief and long-term recovery in the aftermath of 2024's storms. Grants supported disaster preparedness, local emergency management, response training and education and strengthened planning for storm impacts in resource-constrained areas.

In 2024, the Foundation dedicated \$4 million to advancing economic opportunity. In Indiana, we supported more than 40 statewide events to connect low-income customers with assistance programs. In North Carolina, employee engagement councils from several power plants helped to award nearly \$60,000 in Foundation grants and matching donations to support nearly a dozen organizations in their local communities.

Read more about the Foundation [here](#).



reviewing all events that occurred in 2024 and implementing mitigation strategies.

In 2025, we are continuing our focus on the safety of our employees, with added emphasis on reducing serious injuries and fatalities. At the request of our Operations Council, each of the operating business units has developed Operational Quality plans, which included actions that increased our focus on performing work in a safe manner. We continue to align with EEI's Safety Classification and Learning Model and serious injury and fatality prevention initiative. The model focuses on identifying high-energy hazards that have the greatest potential to result in serious injuries and prescribes controls that are proven to be effective at mitigating potential hazards.

### Human Capital Management

Our energy modernization efforts require a skilled workforce to deliver reliable and affordable energy to customers. To build and maintain a high-caliber workforce reflective of the communities we serve, we are intentional in how we attract, engage and retain our employees.

We are committed to providing our employees with the skills and resources needed to thrive at Duke Energy and advance the energy industry. Successful execution of our smarter energy future strategy requires us to think holistically about our workforce, including securing the necessary talent to construct and operate new generation and grid assets and engaging and empowering employees to solve complex problems and develop innovative solutions—all while developing new skills and future leaders to sustain our success. Our workforce will be a differentiator as we navigate growth

opportunities in a dynamic, complex and competitive environment. Our focus on innovating for the future, while simultaneously staying focused on reliability and customer value, highlights the importance of having the necessary skills, as well as engaged and empowered employees, and a future-ready pipeline of leaders to execute our strategy.

### Attracting the Best Talent

Attracting high-caliber talent requires an evolved, holistic approach that prioritizes employee well-being, career development and a clear connection to Duke Energy's role in advancing energy modernization. We undertake this in several ways.

- **K-12:** Our employees promote energy industry careers to K-12 students through career days, conferences and STEM events.
- **Collegiate Partnerships:** We partner with four-year colleges and community colleges. This includes hosting over 300 summer internship and cooperative education (co-op) students in roles across IT information systems, finance, communications and engineering. In 2024, we partnered with 22 community colleges across Ohio, Kentucky, North Carolina, South Carolina and Florida to provide grants for lineworker training programs, ensuring a skilled workforce to meet growing energy needs. In addition, the Duke Energy Foundation invested \$1.9 million to support workforce development in the energy sector, including welding, electrician and engineering training programs at several community colleges in 2024.
- **Veterans:** We are proud to employ over 1,800 veterans at Duke Energy and hire military service members through veteran programs, including



SkillBridge. We support and celebrate their transition into their new civilian role with Duke Energy through our "Together We Stand for Our Veterans" employee group.

- **Competitive Compensation:** Duke Energy provides fair, market-competitive compensation by regularly reviewing employee pay. We conduct internal pay reviews and benchmarking against peer companies to confirm our pay is competitive so we can continue attracting and retaining a talented workforce.

Engaging Our Talent

It's our experience that a workforce where everyone thrives, as well as a respectful and inclusive workplace, is a competitive advantage and leads to better business outcomes. Our training and development programs help prepare our leaders and employees to accelerate our energy modernization and meet the challenges of our industry. We have several programs focused on skill development, career growth and leadership development:

- Access to Udemy for Business, with several thousand self-paced courses ranging from development and IT to design, leadership and stress management. We utilize internal channels, such as our employee portal, to communicate additional training opportunities.
- Our Continuing Education program is designed to assist employees with the pursuit of educational opportunities that contribute to their development and organizational growth. Eligible employees can be reimbursed for certain educational costs up to \$5,250 every year, supporting the skills needed for an evolving workforce.
- Through our internal talent marketplace, eligible employees can stay in their current role while spending time contributing to other departments so they have an opportunity to develop skills, build new relationships and expand their knowledge of the company. These short-term development opportunities, known as "gigs," are pathways

for employees to move into new roles and areas of the business, which helps provide them with more career opportunities and gives the company a more agile workforce.

- Our Power Your Career framework assists leaders and employees in strengthening their talents and accelerating their career growth through development conversations, development planning and opportunities for skill building and growth.
- The Duke Energy Leadership Academy, our internal leadership development offering, includes programs for people leaders and individual contributors.
- Our Senior Management Committee Mentoring program focuses on high-potential leaders to broaden their visibility and help them better understand the company.
- All employees are required to complete ethics training, including anti-harassment training, within their first 90 days on the job, as well as an annual ethics refresher and compliance training based on their role. Additionally, every year, employees are required to acknowledge their responsibility to comply with our Code of Business Ethics and confirm their obligation to report any violations of laws, rules or company policies.

Retaining Our Talent

We continue a merit-based approach, and our employment decisions have been and still are based on skills, experiences, capabilities and performance. We engage with our employees through the Voice Survey on a quarterly basis, which measures employee engagement and gathers feedback across our workforce. The survey is designed to determine the likelihood of employees recommending Duke Energy as a place to work and uses the employee Net Promoter Score (eNPS), based on a -100 to +100 scale. Over time, the survey helps our company track employee feedback and identify opportunities to improve. We aim to increase the likelihood of employees

recommending Duke Energy as a place to work to a friend or colleague annually.

- In 2024, our survey response rate was 50%, an increase of 3 percentage points from the previous year, and our overall eNPS was 23, on a -100 to +100 scale. A score above a 0 is considered an acceptable score, with a score from 10 to 30 recognized as a good score.
- Employees undergo annual performance reviews and work with their managers to create annual performance goals and development plans. Throughout the year, ongoing performance feedback and development opportunities are investments in our teammates, which is a critical component to our success as a company.

Suppliers

Our large supplier network helps us meet our operational and financial goals, contribute to the economic vitality of the communities we serve and responsibly advance our energy modernization. With operations in the Carolinas, Midwest and Florida, we understand that each region has constantly evolving expectations and priorities. We are committed to regularly engaging with our suppliers and pursuing shared priorities to provide reliable energy and keep costs low for customers.

Strengthening American Economies

We support economic development locally through Hire North Carolina, which is directed and overseen by the North Carolina Utilities Commission. Duke Energy has added nearly 200 suppliers to our Hire North Carolina list of qualified resident contractors, expanding the local contracting source pool for high-value work within the state. In 2024, Duke Energy awarded \$180 million to resident contractors through 20 contracts.

Supplier Opportunities

Duke Energy's impact extends beyond the primary states in which we operate; over the next 10 years, more than \$118 billion in economic output will be generated outside of our operational footprint, a result of our broad supplier networks across the nation. For more than four decades, Duke Energy has worked with small, local and diverse companies to create a robust, resilient supply chain ecosystem that meets our company and customer needs and also the evolving needs of the communities we serve. By fostering strong, long-term relationships with small, local and diverse suppliers, we are not only driving innovation and economic growth but also enhancing the stability of our operations and the broader economy.

To create awareness of opportunities to work with Duke Energy and build a strong supplier base, we actively host and participate in business development events, and engage with community economic development organizations and other entities that support a wide range of businesses.

Our supplier programs are designed to support procurement practices that help build local economies, create jobs and expand economic opportunity. We recognize that a strong, diverse supplier base is essential for driving both local economic growth and the continued strength of our supply chain. Our Supplier program is built on three strategic priorities:

- **Showcasing Local Businesses:** Provide small, local and diverse businesses with a platform to showcase their capabilities, helping them scale and grow in tandem with our investments in energy infrastructure, grid modernization and innovative technologies. This investment not only supports our responsible, balanced energy modernization but also drives job creation and strengthens community resilience.
- **Increasing Supplier Engagement:** Broaden relationships with existing suppliers and build new, strategic relationships with small, local and diverse suppliers.

- **Intentional Procurement:** Maintain focus on including a broad range of businesses in competitive bidding events and sourcing strategies across all business units, thereby emphasizing our support for increasing supplier options.

Supply Chain Governance

Supply chain policies, standard legal terms and conditions, sourcing standards and our Supplier Code of Conduct help maintain supply chain continuity, which is critical not only to our current operations but also to our energy modernization efforts.

Our chief procurement officer oversees supply chain management in collaboration with key business units, including Finance, Legal and Ethics and Compliance. The vice president, sourcing and the managing director, nuclear and business support services both report to the chief procurement officer and provide day-to-day oversight of Duke Energy's responsible sourcing. We also have Supply Chain non-financial Risk and Compliance and Supply Chain Policy and Controls functions, which report through the chief procurement officer.

All suppliers are required to adhere to Duke Energy's responsible terms and conditions and our Supplier Code of Conduct to do business with us. If a supplier is unable to agree to the Supplier Code of Conduct, the supplier must certify that its internal Code of Conduct is substantially similar to and no less stringent than our Supplier Code of Conduct. Our Duke Energy Sourcing Standards provide direction on bid events, evaluations and awarded contracts. Duke Energy's supply chain adheres to the Supply Chain Operating Model,

Supply Chain Sourcing Standards, Human Rights Policy Statement, Purchasing Controls Policy, Purchasing Authority Policy and Accounts Payable Policy, promoting fair labor practices, ethical principles and financial and regulatory compliance. Our public policies include the [Supplier Code of Conduct](#) and the [Human Rights Policy Statement](#).

Suppliers are contractually required to report Supplier Code of Conduct policy violations by any party to Duke Energy. In addition, if we receive any reports of potential policy violations, we follow up with the supplier to address the issue.

As we look to streamline our business operations, the emergence of generative AI is presenting new opportunities for our company and supply chain. Duke Energy has been using AI since 2017, and our own in-house tool, Genie, has helped automate new processes and optimize decisions across our supply chain. Our Legal team has set guardrails with a cross-functional team, including cybersecurity, to ensure we are in alignment with regulations as we look to use this new technology to support our business operations and energy modernization at scale.

## Energy Modernization & Resiliency

Duke Energy remains focused on providing reliable energy while keeping costs low today and into the future. As the provider of an essential service, we are making strategic investments in modern, resilient energy infrastructure to meet the evolving needs of our customers and support the industries driving economic growth and opportunity in our communities. At the same time, we continue to develop innovative strategies to keep customer bills low. Across the enterprise, we're experiencing rapidly growing demand – driven by economic development projects, including a diverse pipeline of advanced manufacturing and data centers as well as population growth. The strength of our regulated utility model positions us to respond to changing conditions, including market dynamics and weather, quickly.

To meet growing demand and ensure a reliable, sustainable energy future, we are executing a \$190 billion to \$200 billion capital investment plan over the next decade. Investments that grow and modernize our system – generation and the grid – represent 85% of our 10-year capital plan.

### Executing Our Strategy

We work diligently to provide customer value while continuing to provide reliable and sustainable energy. Our strategy is about what matters most to our customers and the communities we serve. Today, that means maximizing our existing assets, including boosting capacity from our current fleet through upgrades, such as 250 MW of nuclear uprates by 2031, equivalent to adding a small modular reactor, and strengthening our system – a reliable, resilient system, even in extreme weather.

We are executing our strategy through our 10-year capital plan and scaling up to meet the increased needs of our customers. Here's how we're staying ahead:

- **Building for what's next:** Using data-driven decisions to future-proof our assets.
- **Modernizing infrastructure and new generation:** Upgrading with smarter, more efficient technology. Integrating natural gas, renewables and energy storage while preparing for new nuclear projects. Investing in transmission and distribution to enhance reliability.
- **Partnerships and long-term planning:** Collaborating with regulators, policymakers and communities to build support. Streamlining permitting, standardizing designs and leveraging agreements like our framework with GE Vernova for natural gas turbines to become viable faster.
- **Behind-the-meter programs:** Helping customers manage energy use and reduce grid strain.

Our “all of the above” approach to modernizing our system keeps reliability and customer value at the forefront while maintaining flexibility to capitalize on advances in technology and adapt to evolving market and policy landscapes.



## Growing Energy Demand

Duke Energy powers some of the most diverse, robust and growing industries, including advanced manufacturing, data centers, semiconductors and pharmaceuticals. Operating in regions that are highly attractive to new economic development, we project annual load growth of 1.5% to 2% through 2026, increasing to 3% to 4% from 2027 to 2029, driven by record customer additions and expanding economic opportunities. Across our enterprise, we take a conservative, risk-adjusted approach to forecasting load growth, incorporating new projects into our load forecasting only when agreements are signed or imminent, or construction has begun.

Through strategic planning and significant investments, Duke Energy is well positioned to support both energy modernization and the rapid growth occurring in our jurisdictions, and deliver reliable and sustainable energy upholding customer value for all while attaining net zero by 2050.

As we expand our system to meet growing demand while deploying modern and efficient technologies, we continue to make headway toward a lower-emitting generation fleet with increased fuel diversity that aligns with our core tenets of reliability and upholding customer value. To this end, we do not retire or take generating assets off line until we have optimal replacement generation on the system. This approach ensures we get the most out of our assets and replace with innovative and cutting-edge technologies.

Duke Energy is committed to meeting current and future energy needs – our core business drivers – and we continue to progress and balance, with an eye toward the historic load growth on the horizon, exponential growth of AI and increased manufacturing occurring within our communities top of mind – and how we can continue to provide long-term value to our customers. Through our planned prudent investments, we intend to provide affordable and reliable energy to our

customers, and continue to make progress toward achieving net-zero carbon emissions from electricity generation by 2050, although our path is not linear. We have achieved a 44% reduction in carbon emissions from electricity generation since 2005 and continue trending toward our long-term milestones, which remain relevant and important as we manage risk and deliver sustainable value to our stakeholders. We appreciate that our customers are faced with inflation and increasing costs. As always, our primary goal remains providing reliable and affordable electricity to our customers, and such milestones remain subject to prioritizing reliability, customer value and advancement of economical technologies. Over the longer term, integrating advanced technologies like new nuclear, long-duration energy storage, carbon capture, and zero- or very-low carbon fuels (e.g., renewable natural gas, hydrogen) will play an important role. Our plans will continue to evolve alongside energy demand, technology availability and cost, public policies and other external factors.

## Integrated Resource Planning

Our IRPs and similar plans for each of our jurisdictions serve as strategic road maps, outlining potential strategies to meet future energy and demand requirements while carefully weighing risks and benefits for our customers and prioritizing providing reliable energy and keeping costs as low as possible. Updated every one to three years, these plans identify the supply- and demand-side resources necessary to ensure reliable service under projected conditions, offering a framework that adapts to evolving market dynamics, technological advancements and regulatory changes.

The development of our resource plans is also a key mechanism through which we actively listen to, learn from and adjust based on stakeholder feedback from a range of groups. We engage with hundreds of customers, regulators, community organizations and industry partners. The feedback informs our planning, enabling us to identify and deliver outcomes that create shared value for stakeholders, society and our business.

We filed IRPs for our electric operations in [Indiana](#), [Kentucky](#) and the [Carolinas](#) in 2024 and 2025. We also filed our required 10-year site plan in [Florida](#) in April 2025.

Taken together, these filed plans show we are on track to bring more than 13 GW of additional generation capacity through 2030 and are continuing our trajectory toward net-zero emissions by 2050.

## Generation Expansion

Duke Energy is leading one of the largest generation upgrade and expansion programs in the industry as we continue to build for historic load growth. Dispatchable energy remains essential to reliability, including to serve load on a constant basis, balance intermittent renewable energy and meet periods of high demand. Current dispatchable options are natural gas, hydro, nuclear and coal, with natural gas providing essential flexibility and dependability. Solar is a mature, proven, fuel-free resource that mitigates commodity price volatility risk while providing carbon-neutral energy at a low variable cost. Battery storage provides needed flexibility for the system and is an important resource for meeting peak demand. Since 2010, we have replaced generation when it has reached the end of its useful life with a combination of state-of-the-art efficient natural gas and renewables generation, and we will continue that strategy with an eye toward maximizing our existing generation and ensuring a seamless transition to more efficient generation without interruption through our replace-before-retire approach. To that end, we are undertaking ongoing uprate projects to add over 1 GW of capacity to existing natural gas, nuclear and hydro units through 2031. To maximize and efficiently use previously operational plant sites, infrastructure and workforce, we are repurposing sites with natural gas generation, renewable energy and storage technologies with increased efficiency and capacity, where possible. In 2024, we officially announced plans to construct a 50-MW, four-hour lithium-ion battery energy storage system across the street from retired Allen

Steam Station. Additionally, we plan to build a larger 167-MW, four-hour lithium-ion storage system at the site of the coal plant's decommissioned flue-gas desulfurization system. This installation, expected to be in service by October 2027, will support grid reliability and help in advancing our cleaner energy progress. Repurposing plant sites enables us to pass the cost savings on to customers, and we will continue to explore additional opportunities to leverage the infrastructure and sites of existing legacy assets as we modernize our generation fleet.

## Natural Gas Generation

Natural gas will continue to play an important role as we expand our system to meet growing demand and modernize our generation fleet. While long-duration energy storage and new zero-carbon dispatchable energy resources are being developed to operate at scale, natural gas provides flexibility and dependability and is commercially available today. Given the time it takes to deploy new and advanced nuclear, natural gas is essential to meet growing demand in the near term as many of our service areas experience significant increases in energy demand. To meet these needs, we are adding approximately 20 GW of additional natural gas-fired generation through 2040. The natural gas units we are constructing will complement additional dispatchable generating capacity as it comes on line, such as advanced nuclear power.

In December 2024, Lincoln 17, a new simple-cycle combustion turbine generator, was placed into service at the site of the existing Lincoln Combustion Turbine Station in Stanley, North Carolina. This facility added

over 400 MW of new generation. This new unit is 34% more fuel efficient than other natural gas turbines on our system. It can start up and shut down rapidly to support peak demand, providing flexibility that older plants cannot. During extreme conditions, it can also run around the clock like a baseload unit, helping to maintain reliability at a lower cost for our customers.

Additionally, these new natural gas units can be upgraded to operate on hydrogen, and we will continue to explore the use of carbon capture and storage (CCS) on these units as the technology continues to develop.

## Carbon Capture

Duke Energy is studying carbon capture at our Edwardsport Power Station, a 578-MW coal-based integrated gasification combined-cycle (IGCC) power plant in Indiana. Specifically, we are evaluating the feasibility of capturing and storing carbon dioxide from flue gases from the two heat recovery steam generators in Edwardsport.

To increase the potential for CCS deployment in the U.S., advances in several areas are needed, including improved capture and storage technologies, enhanced transportation infrastructure, cost reduction and a favorable policy and regulatory framework. We continue to advocate for policies that advance key technologies for reducing emissions from electric generation, through our membership in the Carbon Utilization Research Council.



## Hydrogen

In 2024, we continued work on the first-of-its-kind U.S. pilot of a solar-to-100% hydrogen-fired turbine at Duke Energy's DeBary Plant in Volusia County, Florida. The pilot will produce green hydrogen from an existing solar facility, and we expect it to be operational in 2025. The system is the result of a collaboration among Duke Energy, Sargent & Lundy and GE Vernova. It will begin with our DeBary facility, an existing 74.5-MW solar plant, and will provide energy for two 1-MW electrolyzer units, which will separate water molecules into oxygen and hydrogen atoms. This demonstration project will be the first in the nation to successfully create green hydrogen from solar and produce zero-carbon combustion turbine peaking power using an end-to-end system.

We continue to collaborate with industry, non-governmental organizations and other stakeholders to advocate for policies that advance hydrogen technologies, such as through our membership in the Clean Hydrogen Future Coalition.

## Nuclear Generation

A cornerstone of our diverse generation portfolio is a robust existing nuclear fleet and investments in potential future advanced nuclear deployment. Nuclear generation is Duke Energy's largest and most reliable source of carbon-free energy and serves our customers 24 hours a day, regardless of weather conditions. Addressing unprecedented growth and achieving net-zero carbon emissions from electricity generation by 2050 are only possible with our existing nuclear fleet and advanced nuclear technologies. As the operator of the nation's largest regulated nuclear fleet, Duke Energy has more than 50 years of experience operating 11 nuclear units at six sites in the Carolinas and is uniquely positioned to address the growing energy demands seen across our jurisdictions, particularly in response to the robust load growth driven by data centers and other energy-intensive industries. We take great pride in

ensuring our nuclear sites are rigorously monitored and expertly maintained to deliver safe, low-cost and efficient energy.

In 2024, our nuclear fleet demonstrated industry-leading performance and reliability including producing 75 million MWh of energy, avoiding the release of more than 43 million tons of carbon dioxide emissions, achieving a fleet capacity factor of more than 93%, marking the 26th consecutive year with a capacity factor exceeding 90%, generating approximately 51% of the total electricity generation for our customers in the Carolinas, including more than 97% of the region's carbon-free energy.

The performance of our nuclear fleet also benefits our customers through the generation of approximately \$550 million in nuclear tax credits in 2024 alone to benefit our customers and keep costs low.

Duke Energy is working to extend the operational life of the nation's largest regulated nuclear fleet. With Duke Energy's existing nuclear units' operating licenses set to expire between 2030 and 2046, we are proactively pursuing subsequent license renewals for all 11 units to extend their operational life from 60 years up to 80 years, ensuring availability of this critical resource through midcentury. In 2025, we received renewed licenses for Oconee from the U.S. Nuclear Regulatory Commission; we also submitted a subsequent license renewal application to the NRC for South Carolina's Robinson Nuclear Plant.

We are also leveraging our existing nuclear plant infrastructure to expand capacity by nearly 300 MW by pursuing power uprates at four sites. In 2024, we successfully achieved a significant milestone by adding 45 MW of capacity at Oconee Nuclear Station, upgrading all three units to enhance performance and reliability. In 2025, we received renewed licenses for Oconee from the NRC.

For the future, Duke Energy will continue to make progress on near-term activities to support potential advanced nuclear

deployment, maintaining the option of bringing small modular reactors (SMRs) or large light-water reactors (LLWRs) online in the mid- to late 2030s to meet growing system needs and in line with scheduled coal unit retirements. SMRs are the next generation of nuclear innovation, blending the proven safety and operational excellence of traditional nuclear plants with modern advancements. With a capacity of about 300 MW, SMRs provide carbon-free energy and many safety, environmental and economic benefits. Advanced Reactors (ARs) introduce groundbreaking designs, using molten salts, liquid metals or high-temperature gas as coolants instead of water. While ARs hold promise, licensing complexities and fuel development timelines position SMRs as the nearer-term solution to lead nuclear modernization. LLWRs can provide substantial generation utilizing standard water in a dual function as part of the fission process. The latest generation of LLWRs incorporate significant improvements over earlier designs, yielding better energy production from the same amount of fuel, resulting in increased thermal efficiency.

Duke Energy is engaged in efforts that foster new nuclear development, as we further evaluate the future potential for both SMRs and LLWRs. We are participating in TVA's application for \$800 million in grant funding from DOE's Generation III+SMR Pathway to Deployment program to advance the design and licensing of a promising SMR technology type. We continue our partnership with TerraPower on the non-light-water reactor (non-LWR) Sodium project as well as partnerships with other vendors of new nuclear plant designs. With respect to LLWRs, and specifically the AP1000 technology, Duke Energy is engaging with both Westinghouse and Southern Nuclear Operating Company to perform deep dives on the lessons learned from Georgia Power's Plant Vogtle Units 3 and 4, which became operational in 2023 and 2024, respectively.

Securing certain policy enablers could limit the financial risk of new nuclear projects by providing balance sheet protection

and mitigating against the risk of cost overruns and schedule delays for early movers. We are in favor of the U.S. Department of Energy (DOE) launching an initiative to provide financial support for new nuclear projects, including low-interest loans, loan guarantees and federal cost-sharing models.

In 2024, we completed initial fieldwork at a 1,000-acre site near the Belews Creek Steam Station for potential development of SMRs. We are focused on finalizing and submitting an early site permit application to the NRC in late 2025. Though seeking this permit is not a commitment to build a new nuclear plant, it will confirm the site's suitability for advanced nuclear technologies and resolve environmental and site safety questions. The permit is also technology neutral, meaning we are not required to select a technology, which gives us time for designs to evolve and mature while we make progress on licensing.

Together, these efforts reflect our commitment to delivering scalable, innovative energy solutions that meet growing demand while supporting economic development.

## Renewables

Renewable sources play an important role in our energy modernization plan, and our total renewable generation capacity includes over 10,000 MW of utility-owned solar, purchased power agreements for renewable energy, on-site behind-the-meter generation, conventional hydro and biomass. We are investing in solar power plants, battery storage technology, community solar programs and a modernized power grid to integrate renewables into our generation

mix to better serve our communities. We regularly showcase solar and other generation through site visits at which we discuss the benefits of renewable energy and supportive policies to electric industry peers, policymakers, regulators, technology innovator partners, stakeholders and others.

As part of our commitment to expanding renewable energy, we're partnering with the U.S. Department of Defense to supply energy to five military installations across North Carolina and South Carolina. The two new solar facilities, expected to be operational by 2026, will generate 135 MW and approximately 4.8 million MWh of renewable energy over 15 years. This project aligns with broader efforts to scale up solar capacity in the Carolinas and to Duke Energy achieving 9,600 MW of total solar capacity in the Carolinas by 2031.

Building on this momentum, Duke Energy Progress recently proposed building a 76-MW solar power facility in Eastern South Carolina to support the region's rapid economic growth. The Robinson Solar Center, planned adjacent to the existing Robinson Nuclear Plant, will contribute to a diverse energy mix that includes solar, nuclear, natural gas and hydroelectric power to maintain reliability and low-cost energy. Construction is planned to begin in 2026, with full operation expected in 2027.



Modernizing the Grid

We are planning to invest nearly \$67 billion over the next decade to modernize our grid, to build a smarter, more resilient and reliable system designed to meet the evolving energy landscape. Within the next five years, we plan to invest \$13 billion into our transmission system.<sup>3</sup> We are utilizing Generator Replacement Requests for certain new natural gas assets, which can leverage existing interconnection rights of retiring units. By utilizing existing transmission capacity, costs are greatly reduced for our customers. We plan to achieve modernizing the grid through the integration of distributed energy resources (DERs), increasing storm hardening investments, improving customer experience and strengthening protections against cybersecurity threats. Unlike the traditional one-way energy flow of the past, our upgraded grid will enable two-way power flow, allowing energy to move dynamically between customers.

Transmission

Duke Energy operates one of the largest regulated transmission systems in the U.S., with 31,700 miles of transmission lines as of year-end, 2024. The company is an industry leader in taking proactive steps to improve transmission planning and interconnection to serve its growing customer demand. Notably, in 2021, Duke Energy Carolinas (DEC) and Duke Energy Progress (DEP) received regulatory approval from the North Carolina Utilities Commission, the Public Service Commission of South Carolina and FERC to transition from a "first-come, first-served" queuing process to a "first-ready, first-served" approach for processing generator interconnection requests. As an earlier adopter of this innovative approach, we have reduced the average time from entry into the queue to interconnection agreement execution from four years to two

years, benefiting both utilities and project developers, with shorter wait times and more assurance of a project's viability.

Duke Energy also established the Red Zone Expansion Plan (RZEP) in the Carolinas to improve interconnection where existing transmission constraints were hindering the addition of new generation, primarily solar. All projects for phase one of the RZEP are expected to be in service by mid-2027, with all phase two projects in service by the end of 2028 (with the exception of the projects served by the Lee-Milburnie 230-kilovolt (kV) expansion project, which is planned for completion by the end of 2031). Project developers, large customers and NGOs have pointed to this process as a great example of what other utilities and regions should adopt as part of the FERC's long-term regional planning process under Order 1920.

In addition, we continue to evaluate where interregional transmission solutions could be a cost-effective means to improve reliability and grid resiliency.

The Grid Edge

We refer to our initiatives for more flexible load management of smart thermostats, residential energy storage, pool pumps and other devices at customer sites as the Grid Edge. Duke Energy is working to integrate technology and energy to create a resilient and low-carbon system all while developing products and services that help customers use energy to meet their needs.

Grid Edge and customer resources play a pivotal role in our energy modernization plan. By leveraging advanced technologies and resources, we aim to unlock substantial benefits, including the deployment of approximately 6.6 - 9.5 GW of Grid Edge capacity across our jurisdictions from 2035 to 2040. These efforts are projected to maximize our

existing resources by enabling current technologies to generate significant system value and optimize capital investments. Our approach emphasizes collaboration with industry partners and external stakeholders to ensure innovative solutions and shared success. This strategy not only supports operational resilience but also improves customer experiences.

We will balance the demand on power grids by encouraging a shift in electricity demands to times when electricity is more plentiful or demand is lower, typically through offering customers price or monetary incentives. In 2024, we piloted our capabilities to activate demand response resources on specific circuits as opposed to all participants in a program. As a part of these efforts, Duke Energy Florida deployed almost 100 residential Generac PWRcell batteries to support local peak load shaving and provide customers backup power during grid outages. And in North Carolina, at the Bynum Substation, we tested integrating DER management system with existing demand response participant smart thermostats and load control switches. This system is designed to support both local and bulk energy needs, and we plan to expand its functionality across the enterprise.

Both the North Carolina and Florida pilots align with the broader Grid Edge evolution efforts to deploy scalable customer-sited resources. It supports the progression to a more reliable energy future while optimizing infrastructure investments and delivering substantial value to customers and the grid.

<sup>3</sup> Ten-year capital plan (2025-2034) as presented by Duke Energy in the First Quarter 2025 Earnings Review and Business Update on May 6, 2025

## Energy Storage

Large-scale, long-duration storage is needed to address system variability and is a smart solution to ensure that we can deploy energy when customer demand is highest. While Duke Energy has actively deployed long-duration storage since the 1970s, we are currently monitoring and piloting multiple emerging technologies. We have approximately 145 MW of grid-tied battery storage in service today and 238 MW under construction or nearing construction. Our plans include nearly 30,000 MW of energy storage by 2050. In 2024, we added 55 MW of utility-scale energy storage at existing solar sites.

At Duke Energy's Emerging Technology and Innovation Center, the team is actively testing innovative energy storage solutions, including the EnerVenue nickel-hydrogen battery, EOS Gen 3 zinc battery, Emtel Supercapacitor and GKN hydrogen storage unit. In parallel, Duke Energy is advancing research and development on multiple megawatt-scale, non-lithium long-duration energy storage projects. These efforts include a groundbreaking sodium sulfur storage system pilot, which has been successfully placed in service in 2025.

## The Role of AI

Duke Energy is leading by example and is already taking the steps necessary to strategically integrate AI across our operations, including grid management through improving grid resilience with early issue identification and optimizing interconnection process by using AI to evaluate select interconnection requests for new generation projects. The pragmatic use of AI will allow us to efficiently deliver the grid capacity, reliability and innovation needed to support growing demand. As the nation's largest grid operator, the role of AI is poised to play a crucial role in modernizing our electrical grid systems, and as we transition toward smarter, more efficient and sustainable energy infrastructure, AI will be instrumental in several key areas of providing reliable and affordable energy. Duke Energy recognizes the benefits AI can provide in conjunction with human experience. We will continue to judiciously explore opportunities to integrate AI into our processes.



Natural Gas Utility

Natural gas is a safe, efficient and reliable source of energy that helps drive our economy while providing customer value and lower carbon emissions than other fossil fuel energy sources. We continue to make meaningful investments in our natural gas infrastructure to capitalize on the reliability and customer value of natural gas. To this end, we continue to focus on methane leak detection of natural gas intended for customer use in an effort to mitigate and intercept leaks before it reaches the customer, preventing wasted resources and potential costs. In 2024, we completed work on the Integrated Methane Monitoring Platform Extension project to expand our industry-leading methane monitoring platform using data from satellites, vehicle sensors and other innovative monitoring technologies to detect leaks. The findings and outcomes from this work will help us to create a road map to detect and measure real-time methane emissions from our natural gas distribution system using a combination of technologies. So far, deploying these methods has enabled us to reduce recordable leaks by more than 85% since the beginning of 2022 in the service areas in which our natural gas utilities operate, avoiding fuel waste and reducing emissions.

We are advancing our strategy through targeted initiatives in four critical areas. 1) We are reducing methane leaks on LDC systems by focusing on detecting and remediating leaks efficiently while minimizing blowdowns and flaring. 2) We are collaborating with our upstream natural gas suppliers, including pipelines and producers, to enhance their emissions reduction efforts across the value chain. 3) We are providing information and resources to customers on the downstream side, encouraging the efficient use of natural gas to support

sustainable energy consumption through voluntary programs that balance their carbon dioxide emissions. We also provide equipment rebate programs designed to increase customers' energy efficiency and reduce consumption. 4) We offer innovative fuel options associated with lower emissions, such as renewable and compressed natural gas, to meet evolving customer needs and accelerate energy modernization.

Duke Energy is at the forefront of the natural gas industry in identifying, measuring and mitigating methane emissions. A key milestone was the replacement of all known cast-iron and bare steel pipelines, ensuring a safer and more efficient system. To further reduce emissions during construction and maintenance activities, we implemented cutting-edge techniques, such as using stopples to isolate lines, employing cross-compression and lowering system pressure. These advancements have already delivered significant results, avoiding nearly 45 million cubic feet of methane emissions in 2024, enough to power over 3,000 homes. Beyond our operations, we actively collaborate with industry stakeholders, sharing our expertise in direct measurement technologies, leak detection and remediation practices to drive progress across the sector.

In 2024, our methane intensity for distribution, transmission and storage was 0.126%. We continue to utilize the ONE Future Protocol, which serves as a model for measurement, monitoring, reporting and verification of greenhouse gas (GHG) emissions globally. According to the ONE Future Annual Report, ONE Future has surpassed its 2025 target of 1% methane intensity for the seventh year in a row.

As our Natural Gas Business Unit (NGBU) invests in natural gas infrastructure to meet the growth demands of our system and provide reliability for our customers' methane emissions, which

are based on asset counts, national emissions factors, numbers of meters and miles of pipeline will show a calculated increase. In other words, they do not reflect the actual measurement of emissions. Implementing direct measurement methods as discussed below will allow Duke Energy to establish a baseline number of its quantified emissions and performance metrics on reduction efforts, and more effectively measure and demonstrate year-over-year emissions reductions.

We are expanding our satellite-based methane emissions data capture across all natural gas service territories, enhancing our ability to detect and measure emissions remotely. A key component of these efforts is the "Find It-Fix It" model for methane leak detection and repairs. Beginning in 2025, the NGBU introduced satellite and other advanced leak detection technologies to satisfy the Pipeline and Hazardous Materials Safety Administration's leak survey regulatory requirements in North Carolina, South Carolina and Tennessee.

We are advancing industrywide accountability by partnering with producers and pipeline operators who participate in the United Nations Environment Programme's Oil and Gas Methane Partnership 2.0. This voluntary initiative establishes a rigorous framework for producers to accurately identify, report and reduce methane emissions. We complement this effort through our involvement with GTI Energy's Veritas methane emissions measurement and verification initiative. Veritas protocols offer a consistent, credible and verifiable methodology for tracking methane emissions, ensuring that our strategies align with evolving industry standards and regulatory requirements.

Policy Engagement

Effective government policies, including technology development and funding initiatives, are essential to Duke Energy's ability to modernize our system, meet rising demand and deliver reliable and affordable energy today and into the future. We continue to prioritize and advocate first and foremost on behalf of our customers to provide reliable energy and keep costs as low as possible while balancing our continued path to net-zero carbon emissions from electricity generation by 2050. We must maintain strong working relationships with policymakers at the local, state and federal levels as well as with other utility-focused organizations to advance our strategic priorities. We engage policymakers, trade associations, thought leaders and stakeholders on public policy approaches that support our strategy. We advocate for durable public policies that help us modernize our energy infrastructure to meet growing demand while maintaining reliability and keeping costs low for customers.

Maintaining Customer Value and Enabling Modern Energy Infrastructure Investments

In 2024 and 2025, Duke Energy advocated for the retention of federal energy tax credits that benefited our customers - including incentives for nuclear energy, energy storage and other technologies. Energy credits enable us to reduce project costs and flow dollar for dollar back to our customers. Our 11-GW nuclear fleet is the largest regulated fleet in the nation and earned approximately \$550 million of PTCs last year for the benefit of our customers. In both years, this advocacy was in [partnership](#) with the EEI, the Nuclear Energy Institute (NEI), the Business Roundtable (BRT), the U.S. Chamber of Commerce and others. We also worked with the Center for Climate and Energy Solutions (C2ES) and other think tanks to engage in discussions that supported these credits. See additional information about the EEI, the NEI, the Chamber and the BRT in our trade association disclosure.

In May 2024, the Environmental Protection Agency (EPA) finalized the Section 111 rule requiring coal-fired power plants planning to operate beyond 2039 and new-base load natural gas turbines to capture 90% of their carbon dioxide emissions utilizing carbon capture and sequestration (CCS) starting in 2032. Duke Energy engaged with the EPA throughout the rule development. Our comments [encouraged](#) the EPA to align the rule's requirements with the pace of technology development, particularly for CCS, which is a promising technology but not yet commercially available at scale. By relying on a technology that is not currently available, the rule would have required our customers to shoulder undue cost and technology risk. Recently, the EPA proposed to repeal the Section 111 rule or, alternatively, maintain the non-CCS based-requirements for new natural gas turbines. We continue to engage the EPA on this issue.

Duke Energy continues to advocate for improving the efficiency of siting and permitting processes. Streamlining siting and permitting can speed the deployment of modern, efficient energy infrastructure and support affordability by avoiding costly project delays.

Securing Robust and Resilient Supply Chains

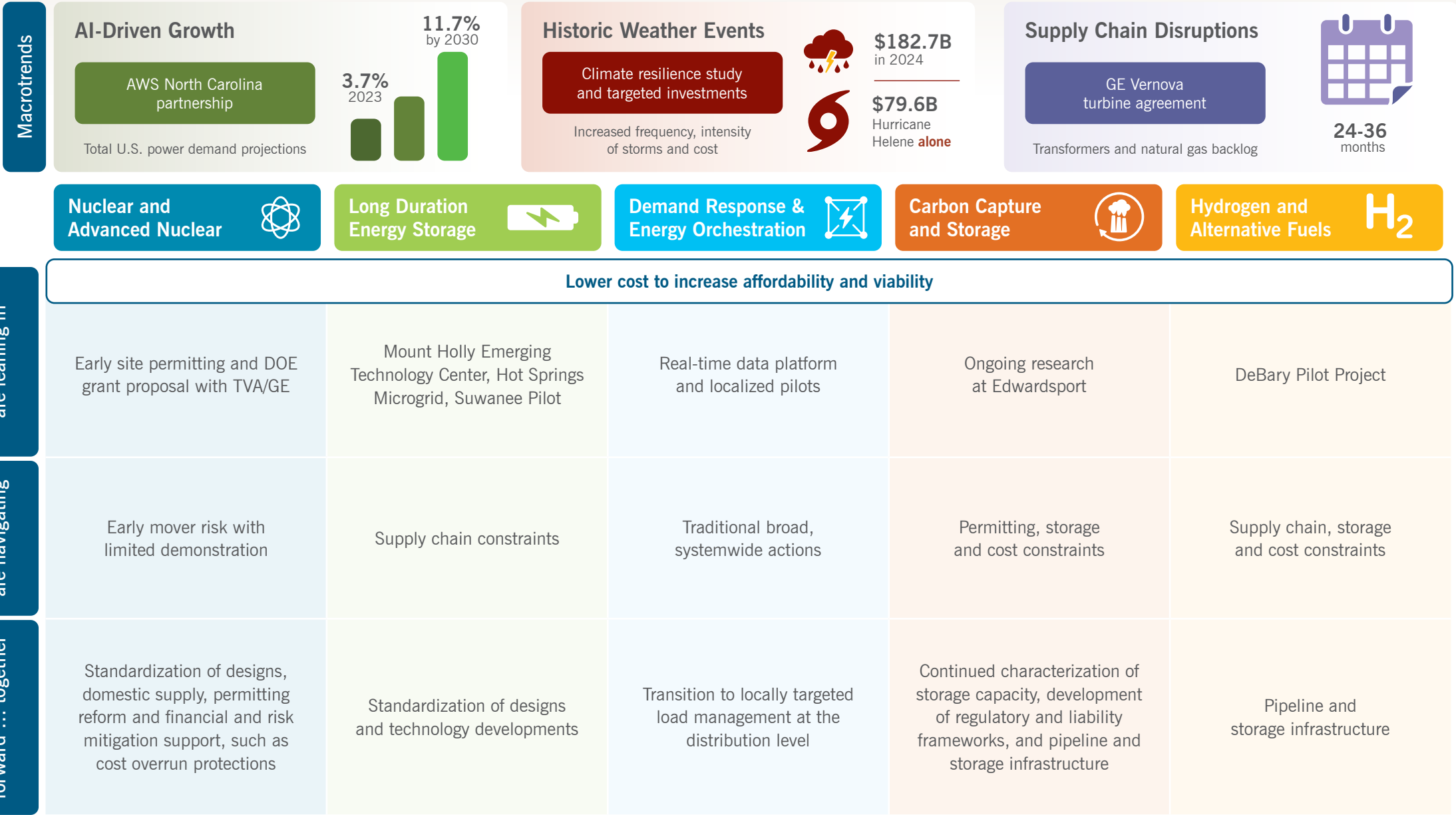
Duke Energy has confidence in our domestic suppliers and their responsiveness to our growing needs. We also believe that policy can further support robust and resilient supply chains, including expanding domestic manufacturing. There are growing demands for steel, aluminum and many additional components that are needed to construct power plants, transmission lines, natural gas pipelines to support natural gas generation facilities and our LDCs and grid operating systems. Our industry also faces growing needs for skilled workers, such as welders, electricians and engineers. Increasing project certainty through permitting and other reforms will send strong signals to suppliers, strengthening the resilience of supply chains. We have engaged with policymakers directly and in partnership with the EEI, the Chamber of Commerce and the Business Roundtable on the importance of increasing project certainty to reduce lead times, [policies to strengthen](#) access to critical components and workforce development initiatives.

Supporting New Nuclear and Technology Advancement

Duke Energy is focused on supporting policies that enable [emerging technologies](#), particularly [new nuclear](#) energy, as part of our energy future. In 2024 and 2025, the company continued to serve as a thought leader within our industry on policies that support early movers through mechanisms such as risk-sharing. As part of our advocacy, we engaged with policymakers directly and in partnership with the NEI. Duke Energy leaders also participated in dialogues and events with third parties such as Clear Path, the Nuclear Innovation Alliance, Citizens for Responsible Energy Solutions, the Energy Futures Initiative, the Atlantic Council and C2ES, among others, to advance the dialogue on nuclear innovation and deployment. Duke Energy is participating in a consortium with GE Vernova and the Tennessee Valley Authority to pursue DOE funding to advance small modular reactor deployment.

Our size and scale are advantageous when investing in emerging technologies — like advanced nuclear — that may take time to develop. Our large customer base makes innovation more affordable and enables us to quickly test and scale new ideas. You can read more on how we're supporting and balancing technology advancement and dependencies on the next page.

Technological Advancement Dependencies



Resiliency

We are building resilience across our value chain. In 2024, we voluntarily published an Enterprise Climate Resilience and Adaptation Study—an industry-leading effort to evaluate long-term projected climate risks and their potential impact on our generation, transmission and distribution (T&D) systems and our PNG distribution network. Our resilience efforts are also informed by lessons from our 2023 Carolinas T&D Climate Resilience and Adaptation Report and our 2022 Climate Risk and Resilience Study Interim Report. Findings from these studies will continue to guide investments that help mitigate the effects of severe weather events like hurricanes Helene and Milton, which greatly impacted our service territories in 2024.

The 2024 Enterprise Climate Resilience and Adaptation Study identified priorities for safeguarding our operations and infrastructure under projected climate futures. Key priorities identified by the study include addressing the projected impacts of extreme heat and flooding on generation, T&D systems by implementing climate-resilient designs, such as cooling water adaptations, flood-resistant equipment and advanced infrastructure technologies. Without proactive adaptation investments, extreme heat and flooding are projected to be the greatest challenges facing our existing assets by 2050. Addressing these risks is critical to maintaining reliability and supporting the communities we serve.

For our generation assets, increased temperatures over the next quarter century pose a substantial threat to the cooling water reservoirs essential for plant operations. Flooding further compounds the risks to our infrastructure. To address these challenges, we are planning modifications to ensure our fleet’s resilience. This includes designing station equipment to manage higher heat sink temperatures and integrating protective measures against flooding. In areas where cool water

supply may be affected, we are exploring the installation of cooling towers to sustain operations under potentially extreme thermal conditions.

We are also innovating to enable our T&D systems to handle future extreme weather. Building on successful strategies like targeted undergrounding and a self-optimizing grid, we are assessing the implications of updated flood maps and evaluating the need for high-temperature designs to ensure that these systems remain functional in the face of rising temperatures.

In 2024, we faced two historic storms, hurricanes Helene and Milton, which significantly impacted our service areas, underscoring the need to further integrate quantitative climate data into our T&D planning and generation portfolio design standards. To meet current customer needs and prepare for future challenges, our planned investments aim to modernize and reinforce infrastructure, and continue the delivery of reliable, affordable energy while fostering economic revitalization, job creation and long-term well-being so that our customers, workforce and communities can thrive.

An example of this proactive work paid off in the last two years. In 2023, Duke Energy finished building a microgrid that paired a solar array and lithium-based battery storage facility to serve as the backup power source for the town of Hot Springs, North Carolina. The benefits of the microgrid were evident when North Carolina experienced Hurricane Helene in September 2024. At the peak of the storm, more than 1.5 million customers in North Carolina lost power. Duke Energy’s microgrid was able to fully power part of Hot Springs. Solar energy paired with battery storage gave some customers a respite from the outages and the means to charge cellphones, take hot showers and refrigerate medications.

Resiliency Strategy

Our strategy has a keen focus on modernizing our electric generation fleet and strengthening the grid while continuing to deliver industry-leading reliability and competitive rates for our customers, and we support continued economic development in the communities we serve.

As we execute our strategy, numerous activities are essential, including replacing assets that have reached the end of their operational life with dispatchable natural gas, diversifying our system with more renewables and energy storage, supporting our communities, working with various stakeholders and multiskilling our workforce. These steps will first and foremost allow us to prioritize providing reliable and affordable power in a more resilient way while also reducing our carbon emissions.

Factors that we take into account as we develop and execute on our resiliency strategy to harden our grid while meeting decarbonization expectations include:

- **Federal policy environment** – The dynamic federal policy environment has a major impact on our strategy. The current administration is proposing to repeal the 2024 EPA rules requiring carbon emission reductions from power plants under Section 111 of the Clean Air Act.
- **Load growth** – Duke Energy looks ahead to historic levels of growth in the demand for electricity and ensuring energy is available to meet this growing demand for electricity while continuing to modernize our generation fleet.
- **State policy environments** – We continue to work to file constructive IRPs (and 10-year site plans in Florida) and, as needed, certificates of public convenience and necessity (CPCNs) to meet the growing demand for energy in our jurisdictions.

- **Sustainable energy for customers** – Beyond continuing to provide customers with reliable and affordable energy when and where they need it, we are working to meet customer demand for more sustainable energy options. This is being accomplished through agreements with large customers (e.g., Amazon and Google), as well as options like Go Renewable and GreenEdge where smaller customers can purchase offsets to balance the emissions from the energy we provide.
- **Development of new technologies** – We continuously monitor and participate in the development of new clean technologies, such as new nuclear, long-duration energy storage, carbon capture and sequestration, and clean fuels like renewable natural gas and hydrogen. As appropriate, we incorporate these new technologies into our plans.

Our engagement to advance these policies both directly and through trade associations is discussed in the [Policy Engagement](#) section.

## Environmental Impact

We work to protect and preserve natural resources and biodiversity. We have a thorough and rigorous process that begins with the first indication of the possibility of a new generation site. As we review potential projects, we evaluate the site, technology and design to maximize the benefits to our communities while taking efforts to minimize environmental impacts. Duke Energy complies with federal, state and local regulatory jurisdictions where we operate. This includes providing public notices and working with regulatory groups during emergencies and service interruptions. Through the construction and operating life of a project, routine maintenance and inspections are employed to maintain compliance and minimize environmental impacts. Whenever new regulations emerge, affected employees receive new guidance, refresher courses and online behavior training.

Protecting water resources is important to maintaining the health of our business and communities. Duke Energy uses water in many ways, including conventional hydropower generation, pumped storage and cooling. We do not operate electric generation in any currently identified water-stressed areas,<sup>4</sup> and we are dedicated to preserving water quality and quantity.

Duke Energy works with local advisory groups to monitor lake levels and water chemistry. We collaborate with partners on shoreline watershed and drought planning where our power plants are located on reservoirs that we operate. Environmental professionals at Duke Energy conduct ongoing studies and sampling to monitor fisheries, ground and surface

<sup>4</sup> Water-stressed areas are defined by the Falkenmark Water Stress Indicator as used by CDP.



water quality and hydrogeology. These professionals evaluate freshwater reservoirs, lakes, rivers and streams, saltwater creeks, marshes, estuaries, bays and groundwater aquifers adjacent to our operations. By working alongside local water utilities, environmental groups, homeowners, regulators and recreational communities, we support the long-term health of these vital ecosystems. These efforts help maintain water quality and protect the environmental, recreational and cultural value of the regions we serve.

Maintaining biodiversity is critical to long-term environmental health, and Duke Energy recognizes that we have an obligation to protect local ecology. Our approach to locating, evaluating, assessing and prioritizing risks to biodiversity follows a mitigation hierarchy process driven by understanding the environmental risks, impacts, dependencies and opportunities that result from our business activities. We partner with communities to protect local, regional and national ecosystems and habitats. Community partnership is an important part of natural resource conservation.

Our actions are guided by the Endangered Species Act, our [Natural Resource Conservation Vision Statement](#) and our Corporate EHS Management System. We use a [Corporate Commitment to Biodiversity](#) as part of our project planning, siting, construction operational and maintenance decisions.

Duke Energy owns almost 177,000 acres of land that we voluntarily manage to benefit pollinators and numerous rare plants, along with wildlife species. Our management process involves cross-functional collaboration of various working groups, including our Natural Resource Conservation Strategy Team and subject matter experts to assess management of nature-related matters that identify and incorporate nature-based solutions for restoration efforts as well as strategies for expanding on nature-related opportunities.

We continued our partnership with The Conservation Fund to advance conservation solutions across our jurisdictions.

Our diverse territories bring with them unique opportunities for conservation around wetlands, upland forests, grasslands and marine ecosystems.

As we deploy infrastructure to support energy modernization, reducing materials sent to landfills is a high priority. Our teams implement strategies and initiatives designed to avoid waste generation, promote reuse and repurposing of generated waste, and identify reuse and recycling opportunities, technologies and partners. In 2024, we recycled almost 112,000 tons of solid waste otherwise destined to be sent to off-site landfills. We continued our partnerships with local recycling companies and recycled 170 tons of our end-of-life solar panels, capturing valuable raw materials such as glass, aluminum and trace metals (copper, silver and tin). We are focused on developing more local partners to facilitate additional recycling opportunities.

**Environmental Factors**

Duke Energy recognizes the continued interest in environmental factors and metrics and the role they play in our industry. You will find a summary of the status and methodology of the environmental factors that have the most significant impact to our industry and can find additional details in our [Sustainable Metrics Center](#) on our website.

**Fuels Consumed for Electric Generation**

Since 2008, the use of coal and oil as generation fuels has significantly decreased, and these fuels are being backfilled by natural gas and renewables. Environmental regulations, including those imposed by the EPA, continue to impact our generation mix. We remain on track to achieve net zero by 2050 for electricity generation; however, our path is not linear, and we anticipate fuel usage fluctuations in the short term as we evaluate coal generation, integrate new resources and meet the rising energy needs driven by economic and hyperscale load growth.

**Water Withdrawn for Electric Generation**

Water withdrawal has been reduced by over 300 billion gallons since 2016, and with once-through cooling systems on many of our coal-fired and nuclear plants, almost 98% of water withdrawn is returned to the source and available for other downstream uses. According to the Falkenmark Water Stress Indicator, none of the water sourced for electric generation came from water-stressed areas.

**Toxic Release Inventory (TRI)**

Duke Energy's TRI releases for 2024 were down 91% from 2007, primarily due to the significant investments we've made in environmental controls for our power plants.

**Emissions from Electric Generation**

Many factors influence emissions levels and intensity, including demand for electricity, customer impacts, generation diversity and efficiency, weather, fuel and purchased power prices and emissions controls deployed. Since 2005, our carbon dioxide (CO<sub>2</sub>) emissions have decreased by 44%, sulfur dioxide (SO<sub>2</sub>) emissions decreased by 98%, and nitrogen oxide (NO<sub>x</sub>) emissions decreased by over 81%. These decreases are primarily due to the addition of pollution control equipment for SO<sub>2</sub> and NO<sub>x</sub> in previous years, backfilling of coal generation with natural gas and renewables and increased dispatch of more efficient plants. Details on particulate matter and additional emissions parameters can be reviewed in the [Disclosure Index](#) of the website.

**Methane Emissions from Natural Gas Distribution and Transmission**

Methane (CH<sub>4</sub>) is a GHG and the primary component of natural gas. Our methane emissions metrics are prepared pursuant to the EPA's Subpart W reporting and the National Gas Sustainability Initiative (NGSI) protocol, which utilize emission factors to calculate estimated emissions. Subpart W has a prescribed methodology for capturing emissions from facility counts, such as miles of pipe and numbers of services using standardized emissions factors; the NGSI accounts for other data points that are not included by the EPA, such as estimated emissions from meters, blowdowns and third-party damages, as well as other applicable sectors that do not meet the applicability thresholds to report under EPA Subpart W, including liquified natural gas storage, transmissions pipelines or compression.

**Sulfur Hexafluoride Emissions**

Sulfur hexafluoride (SF<sub>6</sub>) is a GHG that is used as an insulating gas in high-voltage electric transmission and distribution switchgear. We work to minimize SF<sub>6</sub> emissions, but some emissions do occur during operations and maintenance activities. SF<sub>6</sub> emissions is a challenge shared across our industry as emissions vary year to year due to equipment maintenance, replacement and storm repair needs, and viable SF6 alternative technologies for high-voltage equipment remain in the development stage. We work with leading industry research institutes on improved SF<sub>6</sub> leak detection and repair technology, and we collaborate with our peers on SF<sub>6</sub> alternatives. Duke Energy monitors equipment health and leverages business intelligence reporting to support system reliability programs, improving our inventory and emissions tracking methods. We continue to identify and perform asset refurbishments and replacements to help limit SF<sub>6</sub> emissions.

Additionally, we launched a pilot program to install non-SF<sub>6</sub> breaker assets at the sub-transmission voltage class (44-69 kV). Breakers utilizing vacuum and dry air technology have been installed in Ohio and Florida as part of this pilot program.

As we work toward eliminating SF<sub>6</sub> emissions, we are focused on robust operating practices, and we will continue to participate in demonstration pilots to aid in the development of market-ready solutions to replace SF<sub>6</sub> equipment for high-voltage applications.

**Scope 2 Greenhouse Gas Emissions**

We reduced our Scope 2 emissions by approximately 160,700 metric tons in 2024. The transmission line loss reduction was driven by a 23% reduction in purchased power for resale from outside our balancing authority and 18% reduction in the annual eGRID line loss factor.

**Scope 3 Greenhouse Gas Emissions**

We have identified relevant Scope 3 categories and associated emissions for our business. To better understand and contribute to Scope 3 emissions reductions, we work with customers on energy efficiency programs and strategies, review our internal data capabilities and methodologies and share best practices with peer utilities and suppliers.

**Waste**

We are working on strategies to minimize off-site landfill waste. Our current practices include updating processes to avoid waste generation, reusing and repurposing generated materials, identifying reuse and recycling opportunities, deploying technologies, working with partners and benchmarking with other companies to identify best practices. Approximately 24% of nonhazardous waste generated in 2024 was landfilled, excluding coal ash. Hazardous waste is disposed of in accordance with regulations.

We continue to meet applicable federal and state requirements for our coal ash basins and on-site landfills, including EPA's Coal Combustion Residuals Rule, the North Carolina Coal Ash Management Act and other state and local agreements and orders. We are focused on reducing the amount of ash stored in landfills by processing ash from our legacy basins to support the cement and concrete manufacturing industries. Information about Duke Energy's coal ash management is available on our [website](#).

**Reportable Oil Spills**

Oil spills include releases of lubricating oil from generating stations, leaks from transformers or damage caused by third parties (typically because of auto accidents) or weather. In 2024, over 94% of the volume from reportable oil spills to water was related to storms across our operating service territories, including hurricanes Debby, Helene and Milton.

## Looking Ahead

Our energy modernization has a keen focus on electric generation and strengthening the grid. At the same time, we strive to maintain industry-leading reliability and competitive rates for our customers, and we support continued economic development in the communities we serve. Our VIU model positions us to react quickly in a rapidly changing industry and leverage our expertise of one of the largest transmission and distribution systems in the nation to innovate and execute a long-term strategy.

As we execute our energy modernization, each component is essential, whether it's new forms of generation, energy storage, grid strengthening, supporting our communities, working with various stakeholders or multiskilling our workforce. Duke Energy aims to deploy a full suite of sustainable and interconnected solutions.

We continue to balance reliability and customer value in light of expected increases in long-term demand for electricity in our service territories in the coming decades. Our focus remains on meeting the growing and evolving energy needs of our customers through a long-range enterprise strategy that involves modernizing our assets with reliability and customer value top of mind.



## Appendix

### Statement Regarding Renewable Energy Certificates

Duke Energy's subsidiary electric utilities generate power from solar, hydroelectric and biomass (including waste to energy) resources but do not always retain all the environmental claims, including renewable energy certificates (RECs), related to such generation. The RECs and other environmental claims associated with such generation may be used to meet statutory or regulatory compliance obligations (on behalf of the respective electric utility and certain wholesale customers) assigned to customers pursuant to retail programs or sold/traded via bilateral commercial agreements. Duke Energy's electric utilities also buy power through purchased power agreements (PPAs) from solar, wind, hydroelectric and biomass (including waste to energy) resources. Under certain PPAs for energy from such resources, the electric utilities purchase both the energy and the associated environmental claims (including RECs). Under other PPAs, including some of those entered into pursuant to the electric utilities' respective obligations under the Public Utility Regulatory Policies Act of 1978 (PURPA), Duke Energy does not purchase any RECs associated with the energy. Under PPAs entered into by Duke Energy's electric utilities pursuant to certain retail customer programs, such utilities purchase environmental claims (including RECs) associated with the energy and convey to customers participating in identified programs, or retire on their behalf, some or all of the environmental claims (including RECs). Duke Energy sells the electricity and/or RECs it generates to its customers.

### Duke Energy Source-based Claims Net-zero Emissions Disclosure

Duke Energy makes source-based claims regarding the achievement of net-zero emissions, and these are supported by Duke Energy's emissions disclosures. These concern emissions from sources of generation and natural gas distribution infrastructure and do not necessarily represent the greenhouse gas emissions content of electricity or natural gas used by customers. These source-based claims also should be distinguished from Duke Energy-regulated utilities that may make further load-based claims concerning electricity delivered to customers that can include deployment of environmental attribute certificates. These load-based claims and supporting disclosures are not "net-zero emissions" or "carbon-neutral" claims.



## Cautionary Statement Regarding Forward-looking Information

This document includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are based on management's beliefs and assumptions and can often be identified by terms and phrases that include "anticipate," "believe," "intend," "estimate," "expect," "continue," "should," "could," "may," "plan," "project," "predict," "will," "potential," "forecast," "target," "guidance," "outlook" or other similar terminology. Various factors may cause actual results to be materially different than the suggested outcomes within forward-looking statements; accordingly, there is no assurance that such results will be realized.

These factors include, but are not limited to:

- The ability to implement our business strategy, including meeting forecasted load growth demand, grid and fleet modernization objectives, and our carbon emission reduction goals, while balancing customer reliability and affordability;
- State, federal and foreign legislative and regulatory initiatives, including costs of compliance with existing and future environmental requirements and/or uncertainty of applicability or changes to such legislative and regulatory initiatives, including those related to climate change, as well as rulings that affect cost and investment recovery or have an impact on rate structures or market prices;
- The extent and timing of costs and liabilities to comply with federal and state laws, regulations and legal requirements related to coal ash remediation, including amounts for required closure of certain ash impoundments, are uncertain and difficult to estimate;
- The ability to timely recover eligible costs, including amounts associated with coal ash impoundment retirement obligations, asset retirement and construction costs related to carbon emissions reductions, and costs related to significant weather events, and to earn an adequate return on investment through rate case proceedings and the regulatory process;
- The costs of decommissioning nuclear facilities could prove to be more extensive than amounts estimated and all costs may not be fully recoverable through the regulatory process;
- The impact of extraordinary external events, such as a global pandemic or military conflict, and their collateral consequences, including the disruption of global supply chains or the economic activity in our service territories;
- Costs and effects of legal and administrative proceedings, settlements, investigations and claims;
- Industrial, commercial and residential decline in service territories or customer bases resulting from sustained downturns of the economy, storm damage, reduced customer usage due to cost pressures from inflation, tariffs, or fuel costs, worsening economic health of our service territories, reductions in customer usage patterns, or lower-than-anticipated load growth, particularly if usage of electricity by data centers is less than currently projected, energy efficiency efforts, natural gas building and appliance electrification, and use of alternative energy sources, such as self-generation and distributed generation technologies;
- Federal and state regulations, laws and other efforts designed to promote and expand the use of energy efficiency measures, natural gas electrification, and distributed generation technologies, such as private solar and battery storage, in Duke Energy service territories could result in a reduced number of customers, excess generation resources as well as stranded costs;
- Advancements in technology, including artificial intelligence;
- Additional competition in electric and natural gas markets and continued industry consolidation;
- The influence of weather and other natural phenomena on operations, financial position, and cash flows, including the economic, operational and other effects of severe storms, hurricanes, droughts, earthquakes and tornadoes, including extreme weather associated with climate change;
- Changing or conflicting investor, customer and other stakeholder expectations and demands, particularly regarding environmental, social and governance matters and costs related thereto;
- The ability to successfully operate electric generating facilities and deliver electricity to customers including direct or indirect effects to the company resulting from an incident that affects the United States electric grid or generating resources;
- Operational interruptions to our natural gas distribution and transmission activities;
- The availability of adequate interstate pipeline transportation capacity and natural gas supply;
- The impact on facilities and business from a terrorist or other attack, war, vandalism, cybersecurity threats, data security breaches, operational events, information technology failures or other catastrophic events, such as severe storms, fires, explosions, pandemic health events or other similar occurrences;
- The inherent risks associated with the operation of nuclear facilities, including environmental, health, safety, regulatory and financial risks, including the financial stability of third-party service providers;
- The timing and extent of changes in commodity prices, including any impact from increased tariffs and interest rates, and the ability to timely recover such costs through the regulatory process, where appropriate, and their impact on liquidity positions and the value of underlying assets;
- The results of financing efforts, including the ability to obtain financing on favorable terms, which can be affected

by various factors, including credit ratings, interest rate fluctuations, compliance with debt covenants and conditions, an individual utility's generation portfolio, and general market and economic conditions;

- Credit ratings of the Duke Energy Registrants may be different from what is expected;
- Declines in the market prices of equity and fixed-income securities and resultant cash funding requirements for defined benefit pension plans, other post-retirement benefit plans and nuclear decommissioning trust funds;
- Construction and development risks associated with the completion of the Duke Energy Registrants' capital investment projects, including risks related to financing, timing and receipt of necessary regulatory approvals, obtaining and complying with terms of permits, meeting construction budgets and schedules and satisfying operating and environmental performance standards, as well as the ability to recover costs from customers in a timely manner, or at all;
- Changes in rules for regional transmission organizations, including changes in rate designs and new and evolving capacity markets, and risks related to obligations created by the default of other participants;
- The ability to control operation and maintenance costs;
- The level of creditworthiness of counterparties to transactions;
- The ability to obtain adequate insurance at acceptable costs and recover on claims made;
- Employee workforce factors, including the potential inability to attract and retain key personnel;

- The ability of subsidiaries to pay dividends or distributions to Duke Energy Corporation holding company (the Parent);
- The performance of projects undertaken by our businesses and the success of efforts to invest in and develop new opportunities;
- The effect of accounting and reporting pronouncements issued periodically by accounting standard-setting bodies and the SEC;
- The impact of United States tax legislation to our financial condition, results of operations or cash flows and our credit ratings;
- The impacts from potential impairments of goodwill or investment carrying values;
- Asset or business acquisitions and dispositions may not be consummated or yield the anticipated benefits, which could adversely affect our financial condition, credit metrics or ability to execute strategic and capital plans; and
- The actions of activist shareholders could disrupt our operations, impact our ability to execute on our business strategy, or cause fluctuations in the trading price of our common stock.

Additional risks and uncertainties are identified and discussed in the Duke Energy Registrants' reports filed with the SEC and available at the SEC's website at [sec.gov](https://www.sec.gov). In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time than described. Forward-looking statements speak only as of the date they are made and the Duke Energy Registrants expressly disclaim an obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



Non-GAAP Financial Information

Non-GAAP MEASURES

Adjusted Earnings Per Share (EPS)

Duke Energy’s 2024 Impact Report references adjusted EPS for the year-to-date periods ended December 31, 2024, and 2023, of \$5.90 and \$5.56, respectively.

The non-GAAP financial measure, adjusted EPS, represents basic EPS from continuing operations available to Duke Energy Corporation common stockholders (GAAP reported EPS), adjusted for the per- share impact of special items. As discussed below, special items represent certain charges and credits, which management believes are not indicative of Duke Energy’s ongoing performance. However, management believes the presentation of adjusted EPS provides useful information to investors as an additional relevant comparison of Duke Energy’s performance across periods. Management uses this non-GAAP financial measure for planning, forecasting and to report financial results to the Duke Energy Board of Directors, employees, and stockholders, as well analysts and investors. Adjusted EPS is also used as a performance metric to determine employee incentive opportunities. The most directly comparable GAAP measure for adjusted EPS is reported basic EPS available to Duke Energy Corporation common stockholders.

Special items included in the periods presented, which management does not believe are reflective of ongoing costs, are described below:

- Organizational Optimization represents costs associated with strategic repositioning to a fully regulated utility.
  - Regulatory Matters primarily represents net impairment charges related to Duke Energy Carolinas' and Duke Energy Progress' North Carolina and South Carolina rate case orders and Duke Energy Carolinas' North Carolina rate case settlement, and charges related to Duke Energy Indiana post-retirement benefits.
  - System Post-Implementation Costs represents the net impact of charges related to nonrecurring customer billing adjustments as a result of implementation of a new customer system.
  - Preferred Redemption Costs represents charges related to the redemption of Series B Preferred Stock.
  - Noncore Asset Sales and Net Impairments primarily represents charges related to certain joint venture electric transmission projects and certain renewable natural gas investments.
  - Captive Storm Deductible represents charges related to an insurance deductible for Hurricane Helene property losses.
- Discontinued operations primarily includes impairments on the sale of the Commercial Renewables business and results from Duke Energy’s Commercial Renewables Disposal Groups.
- Duke Energy’s adjusted EPS may not be comparable to a similarly titled measure of another company because other entities may not calculate the measure in the same manner.

The following table presents a reconciliation of reported EPS to adjusted EPS for 2024 and 2023:

|                                         | Years Ended December 31, |        |
|-----------------------------------------|--------------------------|--------|
| (per share)                             | 2024                     | 2023   |
| GAAP Reported EPS                       | \$5.71                   | \$3.54 |
| Adjustments to Reported                 |                          |        |
| Organizational Optimization             | —                        | 0.13   |
| Regulatory Matters                      | 0.06                     | 0.08   |
| System Post-implementation Costs        | 0.02                     | —      |
| Preferred Redemption Costs              | 0.02                     | —      |
| Noncore Asset Sales and Net Impairments | 0.07                     | —      |
| Captive Storm Deductible                | 0.02                     | —      |
| Discontinued Operations                 | (0.01)                   | 1.81   |
| Adjusted EPS                            | \$5.90                   | \$5.56 |

Note: Total EPS may not foot due to rounding.



*BUILDING A **SMARTER** ENERGY FUTURE®*