

Duke Energy Earns the 2016 DBMA Circle of Excellence Award



Every day, about 24 million people in a half-dozen states rely on the electricity generated and distributed by Duke Energy to light their homes, run their furnaces and power their lives. What consumers might not know, however, is that the Charlotte, N.C.- based company delivering that power has also invested \$4 billion in alternative energy projects, shuttered more than 40 coal-fired power units and stands as a model corporate citizen in the fight against climate change.

In recognition and appreciation of their profound and sustained commitment to corporate social responsibility, the Distribution Business Management Association is proud to honor Duke Energy with the 2016 Circle of Excellence Award.

Each year, a panel of DBMA experts and academics takes stock of America's major corporations and their demonstrated performance in conducting environmentally responsible business, ensuring that sustainability and profits grow in unison. With challenges ranging from an aging electrical infrastructure to a rapidly changing climate, operating with an eye to the future is equal parts good business and moral imperative.

"Duke Energy epitomizes how a 21st-century energy company should behave, what it should value, and, frankly, what other companies should aspire to emulate," said DBMA Executive Director Amy Thorn. "The problems we as a society face are real and profound. But they're also solvable. The solutions might require more effort than doing nothing, and they're certainly more expensive in the short term than just ignoring those problems. But the companies that endure can see over the horizon and understand it's bad business to sell your long-term viability for some short-term returns. A vital part of corporate-social responsibility is recognizing that there is profit and value to be earned that can't be represented on a balance sheet or in a P/E ratio.

"Duke recognizes it, and that's why we're recognizing them with this award," Thorn said.

Duke Energy's current efforts include:

— Fighting Climate Change

"We have taken significant actions to reduce our CO2 emissions over the past several years, for example, closing 40 coal-fired generating units and building modern natural gas-fueled plants," said Duke Energy CEO Lynn Good. "We've also invested more than \$4 billion in wind and solar facilities and, in 2014, we committed \$500 million to expand solar energy in North Carolina. More broadly, we are advocating for climate change policies that reduce emissions while balancing the impact on customers' rates, state economies and power reliability."

— Supporting Local Communities Through Thoughtful Sourcing

Duke Energy's purchasing policy incorporates corporate responsibility in the sourcing selection process. This takes three main forms:

Supplier Diversity: Duke promotes inclusive sourcing practices through increased direct spending and subcontracting with diverse suppliers.

Local Economic Impact: Investing in the communities that Duke serves through the local economic impact of its purchasing dollars.

Environmental Stewardship: Duke uses suppliers with environmentally responsible operations, products and services.

— Demonstrable Economic Impact

Duke Energy asked N.C. State University and Duke University to collaborate on an independent study measuring the company's impact on local economies in the six states it serves. The schools arrived at their answer by considering three factors: Local spend, jobs supported and value-added. Local spend refers to payments made in service territories, jobs supported measures full- and part-time work created, and value-added captures direct, indirect and induced changes in local GDP.

The study found that Duke's local spending helped support almost 27,000 jobs and \$1.8 billion in GDP.

We at DBMJ congratulate Duke Energy for setting such a high standard in corporate social responsibility and demonstrating a deep devotion to environmental sustainability and the well-being of its customers. ■