



Shareholders Seek to Hold Duke Energy Accountable for Transparency and Climate-Related Failures that Endanger Shareholder Value at Upcoming Board Meeting

Majority Action Advising Shareholders to Require Duke to Disclose Political Contributions and Lobbying Expenses; Pensions & Investment Research Consultants Ltd Recommends Investors Vote Against Climate-Change Denying Duke Director, Among Others

WASHINGTON — Majority Action is advising shareholders to hold Duke Energy's leadership accountable for their failures to modernize the company to address climate change and putting long-term shareholder value at risk at the company's annual shareholder meeting on May 2.

Majority Action issued an [advisory](#) that calls on shareholders to support two resolutions demanding transparency and accountability for the company's extensive lobbying and political spending to undermine responsible climate policy, and for the company to report and deal responsibly with the substantial public health risks of its coal operations. Though Duke claims its Corporate Governance Committee is providing sufficient oversight over its sustainability and political activities, Majority Action's research uncovered multiple issues with that committee that call into question how well it is carrying out that function. Duke has re-nominated director Daniel DiMicco to that committee, who has ridiculed efforts to limit carbon emissions and, as former CEO of Nucor Steel, funded the climate change-denying Heartland Institute.

"As a long-term shareholder, the New York State Common Retirement Fund urges Duke Energy to exercise transparency and accountability in corporate spending on all political activities, just as many of its peers have done. Publicly detailing this information is in the best interest of Duke and its shareholders. When companies keep their political spending in the dark, it can expose them to reputational and business risks that can threaten long-term shareholder value. That is something no investor wants," said New York State Comptroller Thomas DiNapoli, who oversees the state's retirement plan.

Electrification and decarbonization represent tremendous growth potential for the electric power industry, and investors with \$1.8 trillion have demanded that Duke and other top utilities commit this year to completely clean power by 2050 at the latest. Yet as the largest US-based, investor-owned utility by generation, Duke emits more carbon than any other investor-owned utility, according to the Energy and Policy Institute. While utility peers like Xcel Energy have committed to complete decarbonization by 2050, Duke has set no long-term emissions reduction target at all.

Instead of preparing for the future of the business in service of its shareholders and employees, Duke's corporate leadership is spending millions of dollars on lobbying to attack the perceived emerging threats to its existing model. They are one of the 35 most influential lobbyists against the Paris Climate Agreement; a member of the American Legislative Exchange Council that even ExxonMobil abandoned; the top-paying member of Utility Air Regulatory Group, a shadowy group used by utilities to undermine EPA public health protections rooted in the Clean Air Act; and Duke CEO Lynn Good is the Chairman of the Edison Electric Institute ("EEI"), a trade association for investor-owned utility companies that lobbied against solar incentives and the Clean Power Plan.

Meanwhile, Duke does not fully disclose its memberships in and payments to trade associations and tax-exempt organizations that write and endorse legislation, and the Corporate Governance Committee meant to oversee these activities includes former Nucor executive Daniel DiMicco, who has publicly ridiculed efforts to reduce carbon emissions.

"Duke Energy has a history of using political donations and lobbying to thwart environmental policies and laws that would help the company's long-term viability and profitability, while failing to disclose those donations and lobbying efforts to shareholders. Requiring such disclosures and holding the board of directors accountable for failing to make them will hopefully lead to the end of these efforts that fly in the face of what shareholders want and endanger their investments," said Eli Kasargod-Staub, executive director of Majority Action.

Pensions & Investment Research Consultants Ltd (PIRC), Europe's largest independent corporate governance and shareholder advisory consultancy, is also joining the call on shareholders to vote in favor of these resolutions as well as to vote against director Daniel DiMicco, plus lead director Michael Browning and Chair/CEO Lynn Good.

"PIRC recommends shareholders to vote for transparency around Duke's political spending and lobbying and against three Duke directors who have stood in the way of

good corporate governance and shareholder interests,” said Alan MacDougall, Managing Director of PIRC Limited. “Mr. DiMicco was one of the biggest funders of the Heartland Institute, a primary promoter of denial of climate change, which is inconsistent with the company’s position on climate change.”

Daniel DiMicco has publicly ridiculed efforts to reduce carbon emissions, claiming in 2015 that they were not a serious problem but rather a “Gov’t \$\$\$\$ grab.” While DiMicco was Nucor’s CEO, the company funded the Heartland Institute, which describes its climate program as countering “UN climate nonsense” and “global warming alarmism and propaganda.” The committee is chaired by Lead Independent Director Michael Browning, a member of Duke and its predecessor company boards for 29 years. By Duke’s own rules Browning should have retired, but the Corporate Governance Committee (chaired by Browning) instead passed a waiver to allow himself to remain.

“The Pennsylvania Treasury Department is a long term investor, which means we take a strategic view of the safety of Pennsylvania taxpayers’ holdings. In the context of Duke Energy, transparency and accountability about all of its corporate political spending is not just good corporate governance, but is the only sound approach the company can pursue to insure we can weigh whether it is properly identifying and addressing future threats, and protect the shareholder value of Pennsylvania families. Given Duke Energy’s continuing antagonism to widely accepted scientific judgment about environmental and climate risks from atmospheric carbon, it is crucial that all shareholders have a comprehensive understanding of the lobbying the company supports directly and the associations it supports indirectly,” said Pennsylvania State Treasurer Joe Torsella.

If shareholders succeed in winning majority votes on these resolutions, it would be a stunning rebuke to Duke Energy, as well as a turning point in our national debate on climate and corporate responsibility.

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MAJORITY ACTION is a nonprofit organization dedicated to empowering shareholders of all sizes to hold corporations and their leadership accountable to high standards of long-term value creation, corporate governance, and social responsibility.