

SUPPLIER CODE OF CONDUCT



Effective December 2018



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INTRODUCTION

WELCOME

At Duke Energy, powering the lives of our customers and the vitality of our communities is our purpose. It's what drives us and what's behind all we do at Duke Energy. At its core, this purpose is our reason for being in business and conveys what we at Duke Energy stand for in historical, ethical, emotional and practical terms.

Duke Energy's expectations for our suppliers are described in more detail in this Supplier Code of Conduct. The work of our suppliers is critical to the lives of our customers and reflects on Duke Energy and its commitments. Upholding the highest standards of ethical, social and sustainable conduct is the foundation of our expectations for our suppliers.



OVERVIEW

This Supplier Code of Conduct (“Code”) applies to all of the businesses and individuals who support Duke Energy, its subsidiaries, joint ventures, divisions or affiliates by working together to provide services or products necessary for the safe, successful and ethical conduct of our business. Our suppliers should educate their employees, agents and subcontractors so they understand and comply with this Code. Suppliers are expected to provide sufficient training and supervision to ensure that any of the workers they assign to perform work for Duke Energy comply with this Code.

Compliance with this Code is a requirement for becoming or remaining a supplier with Duke Energy and for individual workers to be eligible for contract assignments to Duke Energy. The expectations set forth here are intended to supplement, not replace, requirements established by contract, policy or in a supplier’s own ethics and compliance guidelines. We encourage our suppliers to conduct ongoing self-assessments with these requirements and will monitor compliance through audits or site visits as we deem necessary.

Suppliers are expected to fully cooperate with all requests. If nonconformance with this Code is detected, we will work with the supplier to correct the identified issues and ensure compliance. Deficiencies may result in a remediation plan, removal of a worker from a Duke Energy site or project, or termination of the business relationship.

OUR CORE VALUES

Duke Energy is committed to our core values – safety, integrity and service. These fundamental values ensure that the decisions we make today are the right decisions for tomorrow. We expect our suppliers to share and adhere to these same essential values and apply them to how they do business locally and around the world.

SAFETY

Safety refers to the health and safety of everyone who works here, as well as our communities and the environment.

INTEGRITY

Integrity is acting honestly and ethically, holding ourselves accountable and earning trust.

SERVICE

Service means being agile and innovative in taking care of our customers and helping our communities prosper.



QUESTIONS, CONCERNS AND VIOLATIONS

Duke Energy encourages open discussion with our suppliers and stakeholders to ensure all aspects of our supply chain conduct business with the highest levels of integrity.

We expect and trust our suppliers to report actual or suspected noncompliance with this Code so that any issues can be addressed. We also ask that all suppliers report any events or media coverage they believe could cause harm to the parties' relationship, Duke Energy's business or the Duke Energy brand.

You can ask questions or report a concern by contacting one of the following resources:

- Your Duke Energy Supply Chain Representative
- Duke Energy Ethics Office | P.O. Box 1333, Charlotte, NC 28201 | ethicsofficer@duke-energy.com
- Duke Energy EthicsLine | 866.838.4427 | <https://ethicsline.duke-energy.com>

The EthicsLine is managed by an independent third party and is available 24/7. You can choose to remain anonymous when using the EthicsLine, but it is vitally important for you to keep your report number and PIN in a safe place so you can follow up on your concern or question. Investigators may have follow-up questions about your concern, and you can assist with the investigation by calling or logging back in to the web submission tool to provide additional details.

Without all the facts, it may be difficult for us to get to the bottom of your concern or question.

We review and take action on 100 percent of the concerns we receive. We expect all suppliers to cooperate fully to ensure a meaningful and thorough investigation. We also expect suppliers to have their own systems to receive concerns, conduct investigations and take corrective measures when appropriate.

GOOD FAITH REPORTING AND RETALIATION

Duke Energy prohibits retaliation against individuals who in good faith report concerns or who participate in the investigation or resolution of a concern. Good faith does not mean you are right about your concern, but it does mean you honestly believe it to be true.

We will take appropriate corrective action against employees found to have participated in retaliation, up to and including termination of employment. We also expect our suppliers to take appropriate measures to prevent retaliation and address confirmed allegations as necessary. If you believe you have been retaliated against by someone at Duke Energy, please contact one of the resources in the Ethics Office, EthicsLine or Supply Chain so that we may conduct an investigation.

BUILDING TRUST WITH EACH OTHER

COMMITMENTS TO OUR PEOPLE AND SUPPLIERS

As a company, Duke Energy is committed to creating and maintaining an inclusive work environment where the contributions of every individual are recognized, all people are valued and respected, and all have opportunities to reach their full potential. We are committed to honoring and protecting the human rights of others and expect our suppliers to share this commitment.

All Duke Energy suppliers must comply with the letter and spirit of applicable U.S. and international labor and employment laws. Suppliers must compensate workers in a manner that meets all legal requirements associated with wages, working hours, overtime and benefits. Workers should be employed only if they are authorized to work in the jurisdiction to which they are assigned. Employment of underage workers, forced or indentured labor, harassment, discrimination, retaliation or violence or intimidation of any kind is prohibited, and workers must be allowed to join or not join any association as protected by law.

HEALTH AND SAFETY

At Duke Energy, we put safety first in all we do. Our goal is a zero injury and illness safety culture where workers demonstrate personal commitment to continuous safety improvement and to the safety of the communities we serve. Protecting workers and the community enhances the quality of life for our workforce and contributes to our long-term business success. Suppliers are expected to report all accidents and near misses in accordance with Duke Energy policies. Actions taken to suppress reports will not be tolerated.

Suppliers are held accountable and must demonstrate their commitment to providing a safe and healthy workplace by exercising good judgment and applying safe work practices to all activities, including regulatory and contract-specific requirements. Among other requirements, suppliers must ensure their workers adhere to general and site-specific safety requirements, including the use of personal protective equipment (PPE), prohibitions on the use and possession of illegal drugs and alcohol, restrictions on the possession of weapons, and support for a violence-free environment.



CONFLICTS OF INTEREST

A conflict of interest exists when a supplier faces a choice between what is in their best interests (financial or otherwise) and what is in the interest of Duke Energy.

A conflict may arise if a supplier:

- Employs a current Duke Energy employee or someone with a close personal relationship to a Duke Energy employee to perform work for Duke Energy
- Is partially or fully owned or controlled by a current Duke Energy employee or someone with whom they have a close personal relationship
- Has access to Duke Energy's proprietary information while providing goods and services to Duke Energy's competitors and uses this information to benefit themselves or a competitor
- Provides services to develop a request for proposal (RFP) to be issued by Duke Energy and seeks to bid on the work covered by that RFP
- Is engaged or overseen by a Duke Energy employee with whom they have a close personal relationship

Suppliers must promptly disclose any potential conflict of interest to Duke Energy prior to entering into any business transaction as even the appearance of a conflict could be mutually harmful. If a potential conflict arises during the business relationship, it must be disclosed promptly after it becomes known.



BUILDING TRUST WITH OUR BUSINESS SUPPLIERS

POLICY AGAINST CORRUPTION

Duke Energy builds relationships based on trust and respect by conducting business legally and with integrity. We will not engage in any kind of corrupt activity or tolerate such activity committed by a third party with whom we do business. Suppliers must comply with the letter and spirit of applicable U.S. and international laws, including those prohibiting bribery, kickbacks, corruption and other unethical business practices intended to obtain an improper advantage.

Suppliers are expected to maintain their own anti-corruption policies, including conducting appropriate due diligence for the parties with whom we work, and maintaining accurate books and records. As a precaution, suppliers are prohibited from making a payment to expedite a legally provided service or request, known as a facilitation payment, without prior approval.

BUSINESS GIFTS AND COURTESIES

Business courtesies are designed to build goodwill and sound working relationships but should never be used to gain special advantage in a relationship. Although a modest exchange may be acceptable under

certain conditions, it's never required for doing business with Duke Energy. Suppliers must never offer or provide personal incentives or rewards to Duke Energy employees in an effort to influence a business decision such as a procurement award.

Small or nominal promotional items, gifts and entertainment given in the regular course of business and in accordance with local and international laws are acceptable. However, care should be taken to not provide business courtesies on a frequent or continual basis. Providing cash, cash equivalents, gift cards or discounts not available to all employees is strictly prohibited. Suppliers are also prohibited from providing business courtesies to foreign and domestic public officials and employees on Duke Energy's behalf without prior approval.



SUPPLIER SELECTION

Our suppliers are integral to the success of our company, and we choose our suppliers carefully. We are committed to fair and ethical dealings in bid evaluation, negotiation, award decisions and the administration of purchasing and sourcing activities. Our decision to select a supplier is based on fair and objective criteria, such as technical, commercial or other valid business reasons. Suppliers are therefore expected to cooperate with all due diligence requests and processes.

Through our commitment to supplier diversity, we build relationships with small, local and diverse businesses capable of providing commodities and services at competitive prices. We expect our suppliers to share this commitment to seek, use and develop diverse suppliers while performing work for Duke Energy. We are committed to building bridges with our suppliers by providing equitable opportunities to compete.

While we provide philanthropic support to address the needs of communities where our customers live and work, our suppliers are never required to make charitable or political contributions in order to do business with us.

FAIR COMPETITION

At Duke Energy, we believe in doing business honestly and transparently. We will always participate in the marketplace fairly and in compliance with anti-trust laws and regulations, and we expect our suppliers to refrain from activities that reduce competition and restrict trade such as agreeing to fix prices, rigging bids or dividing market territories. Our suppliers are expected to conduct business with integrity and should refrain from any activity that disrespects our competitors, such as making inaccurate statements about their products or services or sharing confidential information.

BUILDING TRUST WITH COMMUNITIES

DATA PRIVACY

The information we gather during business operations is critical to our success and the security of the assets we operate for our customers. It is also an essential component of our business value and brand identity. In addition, we respect the privacy of our employees, contingent workers, customers and shareholders and take precautions to keep their information secure. Our suppliers have a shared obligation to guard sensitive information closely and protect it against unintentional disclosure and internal or external threats.

Any information provided to our suppliers by Duke Energy, including employee, contingent worker, customer and shareholder information, must be managed in compliance with Duke Energy's policies and requirements, particularly privacy and IT security requirements, as well as applicable data privacy laws and regulations. Sensitive information can only be shared within your company on a need-to-know basis. Suppliers cannot share Duke Energy's sensitive information with third parties without express written permission. Suppliers are also prohibited from using our sensitive information for their benefit, including making financial trades based on material nonpublic information. All unauthorized access to, or disclosures of, Duke Energy information should be reported as soon as possible using the resources described earlier in this Code.

ENVIRONMENT

We are committed to being a good neighbor, which means we respect and honor our role as a steward of our environment. Sustainability is central to everything we do, and responsible management of our natural resources is critical to a cleaner environment, the quality of life in the communities we serve and Duke Energy's long-term business success.

We actively seek suppliers that share our commitments. Suppliers must abide by the letter and the spirit of all federal, state and local environmental laws and Duke Energy policies and procedures related to pollution, waste disposal, air emissions and stormwater management. Suppliers should have environmental management systems and training in place to manage risk, conserve resources and protect the environment. All permits and registrations must be obtained when required. Suppliers are expected to report spills or other issues in accordance with Duke Energy policies.



DUKE ENERGY RESOURCES

Providing safe, reliable service to our customers and communities is one of our highest priorities, and the resources needed to accomplish this goal are enormous. Our resources, including company facilities, equipment, systems, technology assets, materials, time, information and office and field supplies, should always be protected from theft and used responsibly for legitimate business purposes. All workers are expected to abide by all access, network security and badging policies and to create business records for Duke Energy in an accurate and honest manner.

Suppliers may not use Duke Energy's name or logo, trademarks or other intellectual property without the express written consent of the company, and the intellectual property rights of third parties will always be honored. Suppliers also are prohibited from speaking on our behalf without express authorization. Suppliers shall not use social media in a way that harms the Duke Energy brand, our workers, systems or assets. Gambling, solicitation or distribution of information or materials not approved by Duke Energy is prohibited.

CYBERSECURITY

Our suppliers play a key role in maintaining the security and integrity of Duke Energy computer systems, networks and information. Suppliers are required to implement and maintain a cybersecurity system designed to prevent unauthorized access to, and maintain the security of, their own computer systems, networks and information and to help prevent unauthorized access to, and to maintain the security of, Duke Energy's computer systems, networks and information. Suppliers must notify Duke Energy immediately in the event of suspected or actual unauthorized access to the supplier's or Duke Energy's computer systems, networks or information.

BUILDING TRUST WITH GOVERNMENTS

COMPLIANCE WITH LAWS AND REGULATIONS

In addition to those specifically called out in this Code, our suppliers are expected to comply with all applicable U.S. and foreign laws and regulations. Violations of these rules – whether intended or not – can damage our operations, financial stability and reputation. If local laws are less restrictive than this Code, suppliers are expected to comply with the expectations in this Code. Suppliers should implement a compliance program commensurate with their size and risk exposure to prevent, detect and correct issues of noncompliance.

POLITICAL INTERACTIONS

Duke Energy regularly interacts with public officials responsible for laws, regulations, rules and policies that affect our company. Suppliers are prohibited from making representations on behalf of Duke Energy without prior approval and must ensure all interactions and relationships with public officials are professional and productive and comply with all related requirements.

FEDERAL AND STATE ENERGY REGULATIONS

Federal and state energy regulatory commissions have specific codes and standards of conduct that address discrimination and preferential treatment between regulated companies and their affiliates. In addition, we are subject to regulatory requirements related to the security of our network and assets. Duke Energy and its suppliers must ensure compliance with these codes and standards, including regulations enforced by the Federal Energy Regulatory Commission (FERC), the North American Electric Reliability Corporation (NERC) and all public utility commissions with oversight of our operations.



BUSINESS RECORDS

Accurate, reliable information and records are critical to meeting Duke Energy's financial, legal and management obligations. Suppliers must comply with generally accepted accounting principles (GAAP), including a system of internal controls to promptly, completely and accurately prepare required reports, vouchers, reimbursement requests and invoices. Suppliers must follow all applicable laws and contractual requirements in creating, maintaining and disposing of records created during and reflecting their business dealings with Duke Energy. Suppliers are expected to create business records for Duke Energy in an honest and accurate manner.

TRADE LAWS

We are fully committed to ensuring we do our part to protect our national security. If a supplier relationship involves international trade, we expect our suppliers to be knowledgeable of and abide by all applicable laws. Suppliers must cooperate with all U.S. Treasury Department's Office of Foreign Assets Control embargo sanctions prohibiting business with certain countries, agencies and individuals. All export control restrictions established to prevent sensitive goods, technology and software from falling into the wrong hands must be obeyed. In addition, our suppliers are prohibited from participating in or supporting economic boycotts not sanctioned by the U.S. government.

CONCLUSION

Suppliers are expected to ensure that any of the employees they assign to perform work for Duke Energy comply with this Code. Duke Energy values its supplier relationships as a vital part of our business operations and appreciates all efforts to meet these important responsibilities. In the event of questions or concerns regarding this Code and Duke Energy's expectations, please contact the Ethics Office, EthicsLine or your Supply Chain representative.