

The background of the entire page is a photograph of a high-voltage power transmission tower. The tower's steel lattice structure is silhouetted against a vibrant, colorful sky that transitions from deep blue at the top to purple and pink near the horizon, suggesting a sunset or sunrise. The perspective is looking up the length of the tower, creating a strong sense of depth and scale.

ENERGY FORWARD

PPL CORPORATION 2020 SUSTAINABILITY REPORT

TABLE OF
CONTENTS

Message to our stakeholders 3

Sustainability commitments 4

About our company 5

Performance data 7

About this report 9

Create extraordinary shareowner value 12

Drive best-in-sector operational performance 21

Advance a cleaner energy future..... 25

Exceed customer expectations..... 35

Foster an exceptional workforce..... 40

Strengthen our communities..... 46

Global Reporting Initiative index..... 51

Appendix..... 62

ENERGY
FORWARD

TO OUR STAKEHOLDERS

2020 was a year of unprecedented challenges, as COVID-19 created a public health and economic crisis, families and businesses struggled to cope, and racism and injustice spurred social unrest.

It was a year that brought into sharper focus both the importance of our mission and the positive difference we can make in this world beyond the essential service we provide.

Looking back, I am tremendously proud of how PPL responded. Across our company, our employees rallied to keep each other safe and stay connected, to keep power and gas flowing to the families and businesses counting on us each day, and to do our part to assist our customers and communities through these trying times.

We did so grounded in the values that have sustained us for a century and guided by our long-term strategy, which seeks to create value for all stakeholders by:

- Achieving industry-leading performance in safety, reliability, customer satisfaction and operational efficiency.
- Advancing a clean energy transition while maintaining affordability and reliability.
- Maintaining a strong financial foundation and creating long-term value for shareowners.
- Fostering a diverse and exceptional workplace.
- Building strong communities.

Our accomplishments in 2020 included:

- Providing electricity and gas safely and reliably to more than 10 million customers.
- Achieving award-winning customer satisfaction in each of the regions we serve.

- Investing \$3 billion to improve grid resilience and advance a sustainable energy future.
- Adding more than 90 megawatts of new solar generation.
- Maintaining our strong financial position to weather COVID-19 economic impact.
- Contributing more than \$12 million to support our communities, including more than \$2 million in COVID-19 relief.

In addition to these achievements, our progress over the past year included taking further steps to advance diversity, equity and inclusion.

Toward that end, we adopted an enterprise-wide diversity, equity and inclusion strategy and commitments. We held focused discussions on race and social justice that will inform our efforts moving forward. PPL Foundation expanded its mission to support racial justice and equity initiatives more directly. And we continued to engage with community coalitions focused on race and equity issues.

Lastly, understanding the opportunity we have to shape our shared energy future, we continued in 2020 to advance a multi-pronged clean energy strategy to reduce our carbon emissions, support increased electrification, enable large-scale connection of distributed energy resources, and advance research and development into clean energy solutions.

This included establishing a more aggressive carbon reduction goal of at least 80% from 2010 levels by 2050, adopting goals to electrify our fleet vehicles, and joining a five-year industry initiative to accelerate development of clean energy technologies that can help us go even further faster than the goals we have set. Our recently announced



agreements to sell our U.K. utility company, Western Power Distribution, and acquire Rhode Island's largest electric and gas utility, provide us greater financial flexibility to invest in sustainable energy solutions.

Additional 2020 highlights and details regarding important corporate sustainability work taking place across PPL can be found throughout this report.

In closing, I am very proud of the resolve and resilience that we have displayed over the past year. Our employees have come together to face change and challenge, and I truly believe it has made us even stronger as a company. As we look ahead, we are excited about the opportunities we have to move energy forward, make a difference in our customers' lives, and create long-term value for our shareowners.

We welcome your feedback and appreciate your interest in PPL.

Sincerely,

A handwritten signature in dark ink, reading "Vincent Sorgi". The signature is fluid and cursive.

Vincent Sorgi, President and Chief Executive Officer

SUSTAINABILITY COMMITMENTS

PPL makes the following commitments to grow and innovate in a responsible, reliable way that benefits customers, shareowners, employees and communities we serve.

ENERGY & ENVIRONMENT



ADVANCE A CLEANER ENERGY FUTURE

Economically and sustainably transition to cleaner energy sources through innovation, responsible resource management and investments in infrastructure that support a more reliable, resilient and efficient grid.

SOCIAL RESPONSIBILITY



EXCEED CUSTOMER EXPECTATIONS

Provide energy safely, reliably and in an environmentally responsible manner at the lowest reasonable cost.



FOSTER AN EXCEPTIONAL WORKFORCE

Enable success of current and future workforce through a human capital management approach that cultivates a diverse, equitable and inclusive culture, fosters professional development and encourages employee engagement.



STRENGTHEN OUR COMMUNITIES

Empower the success of future generations by helping to build and maintain strong, diverse communities today.

GOVERNANCE & MANAGEMENT



CREATE EXTRAORDINARY SHAREOWNER VALUE

Create long-term value for shareowners through fiscal discipline, continuous improvement and enduring strategic investments.



DRIVE BEST-IN-SECTOR OPERATIONAL PERFORMANCE

Excel in safety, reliability and customer responsiveness while maintaining a culture that fosters innovation.

ABOUT OUR COMPANY

Headquartered in Allentown, Pennsylvania, PPL Corporation (NYSE: PPL) is one of the largest companies in the U.S. utility sector. Our Values — Safety and Health; Customer Focus; Diversity; Equity and Inclusion; Performance Excellence and Innovation; Integrity and Openness; and Corporate Citizenship — guide everything we do. Through the efforts and talent of our 12,000 employees, we serve more than 10.7 million customers in the United States and the United Kingdom.

OUR OPERATING COMPANIES

LOUISVILLE GAS AND ELECTRIC COMPANY AND KENTUCKY UTILITIES COMPANY

Louisville Gas and Electric Company (LG&E) and Kentucky Utilities Company (KU) are regulated utilities that are engaged in the generation, transmission, distribution and sale of electricity in Kentucky and Virginia. They serve nearly 1.3 million customers and have consistently ranked among the best companies for customer service in the U.S. In Virginia, KU operates under the name Old Dominion Power Company (ODP). LG&E and KU operate about 7,500 megawatts of power generation. In addition, LG&E is engaged in the distribution and sale of natural gas.

PPL ELECTRIC UTILITIES CORPORATION

PPL Electric Utilities Corporation (PPL Electric) provides electricity distribution and transmission services to more than 1.4 million customers in Pennsylvania and consistently ranks among the best companies for customer service in the U.S.

WESTERN POWER DISTRIBUTION

Western Power Distribution (WPD) is the electricity distribution network operator in the U.K. for the East and West Midlands, South West England and South Wales, serving nearly 8 million end-use customers. Operating the U.K.'s largest distribution network by geographical area, WPD covers densely populated residential areas and widely dispersed rural communities. WPD has been recognized consistently as the leading electricity distribution network operator group in the U.K. by the Office of Gas and Electricity Markets (Ofgem).



More than **10 million**
utility customers
(electric and gas)
in the U.S. and U.K.



54
J.D. Power Awards
for customer satisfaction



\$7.6 billion
in annual revenue



More than
12,000 full-time
employees



133 billion
kilowatt-hours of
electricity delivered



About
7,500 megawatts
of generation capacity



Approximately
220,000 miles
of electric lines



More than **4,700 miles**
of gas transmission
and distribution lines

OUR MISSION

Our mission is to provide safe, reliable, sustainable energy at a reasonable cost to our customers, and superior, long-term returns to our shareowners.

OUR VISION

Our vision is to empower economic vitality and quality of life.

OUR VALUES

Safety and Health: We do not compromise on safety and health.

Customer Focus: We deliver customer service that is second to none.

Diversity, Equity and Inclusion: We value each other and appreciate our differences.

Performance Excellence and Innovation: We get the job done right, and we are always improving.

Integrity and Openness: We do the right thing.

Corporate Citizenship: We are environmentally conscious and invested in the communities we serve.

As of Dec. 31, 2020.

PERFORMANCE DATA

Key performance indicators in support of our sustainability commitments from 2018-2020

ENERGY PORTFOLIO		2018	2019	2020
GENERATION	Generation capacity (MW)	8,017	7,561	7,561
	Net generation for the data year (MWh)	34,546,832	32,282,872	29,916,634
	Generation efficiency (BTU/Net Generation)	10.1	9.9	9.8
EMISSIONS	Carbon dioxide (CO ₂ e) emissions (owned generation, purchased power and other operations) (metric tonnes for data year)	29,873,408	27,467,358	26,651,166
	Generation carbon emissions intensity (metric tonnes/net MWh)	0.85	0.83	0.83
	Sulfur dioxide emissions intensity (metric tonnes/net MWh)	0.00048	0.00042	0.00044
	Nitrogen dioxide emissions intensity (metric tonnes/net MWh)	0.00050	0.00045	0.00040
	Mercury emissions (kg)	71	55	48
WATER	Water withdrawal (megaliters/year)	512,000	494,000	512,000
	Water withdrawn compared to waterbody size (highest percent impact)	0.80	0.75	0.80
	Volume of water recycled and reused (percent total)	88.93	89.27	84.32
WASTE	Coal combustion products beneficially used (percent total)	43.5	56.8	58.4
INFRASTRUCTURE		2018	2019	2020
ELECTRICITY	Miles of distribution lines	207,709	208,720	209,207
	Miles of transmission lines	10,659	10,682	10,680
NATURAL GAS	Miles of gas distribution mains	4,369	4,384	4,398
	Miles of gas transmission mains	370	371	381

OPERATIONAL PERFORMANCE		2018	2019	2020
SAFETY	Total hours worked	23,602,105	23,359,302	23,386,578
	Number of lost day cases	15	24	35
	Lost-time incident rate	0.13	0.21	0.30
	Recordable incident rate	1.18	1.02	1.18
	Work-related fatalities	0	1	0
RELIABILITY	SAIFI – Average number of interruptions	0.60	0.58	0.51
	SAIDI – Average outage duration (in minutes)	43.80	45.49	36.53
	CAIDI – Average restoration time (in minutes)	73.59	79.11	71.14
	*Reliability data for each operating utility is available in the Appendix on Page 67 .			
RESOURCES AND COMMUNITY		2018	2019	2020
Customer count (at end of year)		10,649,818	10,693,596	10,747,565
ENERGY EFFICIENCY	Incremental annual electricity savings from energy efficiency measures (MWh)	547,291	538,450	307,572 ^A
	Total rebates	\$30.8M	\$25.5M	\$18.1M
BOARD OF DIRECTORS AND WORKFORCE	Female representation, Board of Directors (percentage)	20	22	20 ^B
	Ethnic and racially diverse representation, Board of Directors (percentage)	40	33	30 ^B
	Female representation, executives/senior managers (percentage)	not reported	not reported	24
	Ethnic and racially diverse representation, executives/senior managers (percentage)	not reported	not reported	9
	Total workforce	12,444	12,280	12,318
	Female representation, workforce (percentage)	21.5	21.9	22.3
	Ethnic and racially diverse representation, workforce (percentage)	6.4	6.6	6.5
SUPPLY CHAIN	Total spent on diverse businesses	\$212M	\$258M	\$275M
	Number of diverse businesses	265	264	266
COMMUNITY SUPPORT	Total charitable giving in communities served	\$11.0M	\$10.6M	\$12.1M
	Total volunteer hours	80,000	64,000	31,000

^A Customer program uptake impacted by COVID-19 and completion of certain programs.^B Percentage based on 10 directors. PPL had 11 directors for a period of time between October 2020 and March 2021.

ABOUT THIS REPORT

This report presents our sustainability performance following the Global Reporting Initiative Framework with the intent to be in accordance with Global Reporting Initiative Standards at the “Comprehensive” level.

This report’s content covers activities that occurred in calendar year 2020. All data reflects information as of Dec. 31, 2020. The report was published in 2021.

The report is reviewed by the company’s leadership team, including the chief executive officer. An internal review of the process to develop this report was completed by the Corporate Audit department, but an external audit has not been conducted.

Statements contained in this report concerning future events are forward-looking statements as defined by federal securities laws. Although PPL Corporation believes that the expectations and assumptions reflected in these forward-looking statements are reasonable, these statements involve a number of risks and uncertainties, and actual results may differ materially from the results discussed in the statements. Any such forward-looking statements should be considered in light of such uncertainties and assumptions and in conjunction with PPL Corporation’s 2020 [Form 10-K](#) and its other reports on file with the Securities and Exchange Commission.

Conversion of British pounds sterling to U.S. dollars marked throughout this report was based on an exchange rate of \$1.28 GBP.

Questions and comments about this report can be directed to Community@pplweb.com.

We will continue to consult stakeholders and monitor relevant global frameworks as we work to continually improve our reporting and disclosure. Our views about the company’s direct and indirect impacts, risks, challenges and opportunities are presented throughout this report and in other publicly available documents. For more information on our sustainability performance, please see:

- Our [sustainability webpage](#)
- Our [Climate Assessment Report](#)
- Our response to the [CDP 2020 climate questionnaire](#)
- Our [Public Policy Disclosures](#)
- Our [EEl-AGA ESG disclosures](#)
- Our [SASB](#) and [TCFD](#) mapping

SUSTAINABILITY STRATEGY, OVERSIGHT AND TRANSPARENCY

PPL's sustainability strategy is informed by regular priority issues assessments, stakeholder outreach and peer benchmarking.

Assessments, including one in 2020, are used to identify the issues that may be helpful to stakeholders in evaluating the company's performance in environmental, social and governance performance and overall sustainability.

Additionally, PPL is a member of Electric Power Research Institute's Sustainability Interest Group; co-chairs the Edison Electric Institute's Environmental, Social, Governance Committee, which, together with the American Gas Association, provides a reporting template for investor-owned utilities; and has aligned its sustainability strategy and commitments with the United Nations Sustainable Development Goals for the utility sector. PPL has also committed to reductions in greenhouse gas emissions;

responds to the CDP Climate questionnaire; incorporates recommendations from the Task Force on Climate-related Financial Disclosures in our scenario-based climate assessment report; and has mapped environmental, social and governance disclosures to the Sustainability Accounting Standards Board, as well as the Task Force on Climate-related Financial Disclosures, to ensure alignment with those reporting frameworks.

SUSTAINABILITY GOVERNANCE



GOVERNANCE AND NOMINATING COMMITTEE, BOARD OF DIRECTORS

Oversees the company's practices and positions to further its corporate citizenship, including sustainability, environmental and corporate social responsibility initiatives.



EXPANDED CORPORATE LEADERSHIP COUNCIL

Reviews, provides strategic input and approves the company's sustainability strategy, commitments and priorities. The council includes PPL's chief executive officer, chief financial officer, general counsel, chief human resources officer, chief information security officer, vice president-corporate audit and operating company presidents.



CORPORATE SUSTAINABILITY COMMITTEE

Responsible for reviewing and guiding the development of a sustainability strategy, providing oversight and establishing the priorities and performance metrics. This committee consists of senior leaders throughout the corporation (including operating companies, human resources, compliance, risk, investor relations, controller, legal and corporate audit).



SUSTAINABILITY CORE TEAM

Cross-functional and enterprise-wide team of subject matter experts that conduct analyses of sustainability priority issues and environmental, social and governance trends, and is responsible for developing environmental, social and governance disclosures. Chaired by the senior manager-corporate responsibility and sustainability with members from legal, supply chain, safety, human resources, environmental, government relations, regulatory, financial, communications and community relations.



Sustainability cannot be achieved without critical partnerships and diverse perspectives. PPL values its stakeholders and the insights they provide as we work to deliver results for today and set strategic goals for the future. We engage with stakeholders regularly throughout the year. The table at right highlights the strategies and forums for engagement in 2020.

STAKEHOLDER ENGAGEMENT

STAKEHOLDER GROUP	APPROACH TO ENGAGEMENT
Communities	<ul style="list-style-type: none"> • Support for events and programs of nonprofits, chambers and associations • Support for community energy groups in the U.K. • Volunteerism (board service, events, long-term programs) • Plant advisory committees for facility neighbors • Ongoing discussions and partnerships with environmental groups related to operational activities
Customers	<ul style="list-style-type: none"> • Websites • Consumer advisory panels • Customer commitment advisory forums • Market research • Demand-side management/energy efficiency advisory groups • Billing statements and messaging • Email newsletters • News releases to local media • Customer feedback (surveys, online comments, phone calls) • J.D. Power survey
Employees	<ul style="list-style-type: none"> • Company intranet • Training events • Town hall meetings • Employee feedback (via surveys) • Business resource groups • Performance reviews
Government (local, state, federal)	<ul style="list-style-type: none"> • Continuous dialogue • Attendance at, and participation in, meetings and hearings with regulators and policymakers
Industry associations	<p>Attendance at regular meetings and conferences and active participation in organizations such as:</p> <ul style="list-style-type: none"> • Edison Electric Institute • Electric Power Research Institute • Energy Storage Association • American Gas Association • Energy Networks Association (U.K.) • Smart Electric Power Alliance • State and regional chambers of commerce and industry associations
Shareowners	<ul style="list-style-type: none"> • Investor calls • Quarterly earnings news releases • Investor relations website • Ongoing discussions through meetings and calls
Suppliers	<ul style="list-style-type: none"> • Supplier meetings • Supplier networking summits

CREATE EXTRAORDINARY SHAREOWNER VALUE

SIGNIFICANT OPERATIONAL AND REGULATORY HIGHLIGHTS DURING THE REPORTING PERIOD

Vincent Sorgi became president and chief executive officer of PPL Corporation on June 1, 2020 with the retirement of William H. Spence. Sorgi, who has over 25 years of experience in the utility industry, served as PPL's chief operating officer since June 2014. As part of the leadership change, Spence assumed the role of non-executive chair of the Board, a position he held until his retirement from the Board of Directors in March 2021. Effective on March 1, 2021, Craig A. Rogerson became the independent chair of the Board.

PPL initiated the formal process to sell Western Power Distribution, its U.K. utility business, in order to position PPL as a purely U.S.-focused energy company and create additional shareowner value. The decision to proceed with the sale process followed a comprehensive strategic review by PPL's Board of Directors that assessed the company's business mix and future growth opportunities. This resulted in a March 18, 2021, announcement of agreements to sell WPD to National Grid for £7.8 billion and acquire National Grid's Rhode Island electric and gas utility for \$3.8 billion.

WPD published the first version of its RIIO-ED2 Business Plan in January 2020, outlining 67 core commitments to ensure it meets the needs of its customers, delivers an environmentally sustainable service and maintains a safe and resilient network.

LG&E and KU filed for approval from the Kentucky Public Service Commission in November 2020 to adjust their cost-based rates, to cover significant upgrades to the utilities' infrastructure and escalating costs of business operations.

The Pennsylvania Public Utility Commission in October 2020 approved PPL Electric's petition to conduct a pilot program to examine active management of customer-sited distributed energy resources such as rooftop solar and battery storage.

FINANCIAL

	2020	2019
Operating revenues (millions)	\$7,607	\$7,769
Net income (millions)	\$1,469	\$1,746
Earnings from ongoing operations (millions)	\$1,847	\$1,806
Total assets (millions)	\$48,116	\$45,680
Earnings per share - Diluted	\$1.91	\$2.37
Earnings from ongoing operations per share - Diluted	\$2.40	\$2.45

OPERATING - DOMESTIC ELECTRICITY SALES (GWh)

Retail delivered	64,482	67,238
Wholesale supplied	542	1,154

OPERATING - INTERNATIONAL ELECTRICITY SALES (GWh)

United Kingdom	68,133	72,061
----------------	--------	--------

For the years ended December 31

GOVERNANCE

BOARD DIVERSITY



20%

Percentage of women
on Board of Directors



30%

Percentage of racial and ethnic
diversity on Board of Directors

Strong leadership and well-managed operations are the cornerstones of a successful business. PPL's corporate governance practices are designed to ensure long-term value for our shareowners, customers and the communities in which we operate.

The Board of Directors' responsibilities include overseeing the management of PPL, selecting the company's leaders, approving long-range strategic plans and advising senior management.

The board has designated its Governance and Nominating Committee as the body responsible for overseeing PPL's sustainability strategy, and its environmental, social and governance practices and positions.

Committed to diversity, the Governance and Nominating Committee considers skills, expertise, background, professional experience, education and other individual characteristics, as well as a variety of attributes that contribute to the board's collective strength. To reflect its commitment to diversity, the pool of candidates from which the Governance and Nominating Committee recommends nominees will include qualified persons who reflect diverse backgrounds, including diversity of gender, and race or ethnicity, and if any third-party search firm is used, it will be specifically instructed to include such candidates. Two of the board's four independent committees are led by women.

Additional details about the role of the board, independence of the directors, role of the independent directors, the independent chair of the board and selection of directors can be found in the [Guidelines for Corporate Governance](#).

RESPONSIBLE COMPENSATION

The board is committed to responsible compensation programs that support the company's strategy, culture and values over the long term. Incentive compensation is based on performance against financial and operational goals set by the Board of Directors. Each year, the board and executive management team evaluate the company's strategy and refine performance goals and priorities to help ensure long-term benefit to our shareowners.

DIRECTOR COMPENSATION

The board believes that to continue to attract talent to the board, outside directors should be remunerated for their services at a level competitive with that provided by other comparable publicly-traded corporations. Directors who are company employees (currently only PPL's chief executive officer) do not receive any separate compensation for service on the board of directors or its committees. Information regarding compensation of PPL's directors can be found in the 2021 [Proxy Statement](#), beginning on Page 21.

2020 EXECUTIVE COMPENSATION

Information regarding PPL's executive compensation program and compensation philosophy and objectives, as well as a discussion of how executive compensation decisions affecting our named executive officers were made for 2020, are included in the "Compensation Discussion and Analysis" section of the 2021 [Proxy Statement](#). Additional details about specific compensation of the named executive officers are included in the 2021 [Proxy Statement](#), beginning on Page 62.

ENTERPRISE RISK MANAGEMENT

PPL maintains a robust enterprise risk management process that provides a business portfolio view of material risks that may impact achievement of PPL's business strategy. As part of the enterprise risk management process, representatives from PPL's operating companies and service groups identify, assess, monitor and report on ongoing and emerging risks, including climate-related and broader environmental, social and governance risks. The company's Risk Management group oversees this process and reports quarterly to the Audit Committee.

BUSINESS CONTINUITY AND CRISIS RESPONSE PLANNING

PPL has a Corporate Crisis Plan to ensure the company is prepared to respond quickly in the event of a corporate-level crisis; to protect the public, environment, employees, facilities and operations; to mitigate impacts; to define roles for response and recovery; and to establish internal and external communications protocols.

The plan establishes the PPL Executive Crisis Team, which sets policy, directs crisis preparedness by the company's various business lines and operations, assesses and directs the provision of corporate-level resources and coordinates activities with regional company locations in the event of a major crisis.

The standing members of the Executive Crisis Team are the president and chief executive officer; the general counsel; the chief financial officer; the vice president-Public Affairs and Sustainability; the senior director-Corporate Communications; and the director-Protective Services and chief physical security officer. Additional members can be added to the Executive Crisis Team as needed, depending on the situation. If the crisis involves operations, the team would typically include the business line president whose operating company is involved.

The team maintains various crisis planning scenarios and robust notification tools and procedures. In addition, it conducts periodic plan exercises, refining protocols after each event.

To read about PPL's response to COVID-19, see [Page 48](#).

COMPLIANCE AND ETHICS

To fulfill our obligation to shareowners and all others who have a stake in PPL's business and the communities we serve, we (and our contractors) must adhere to high ethical standards, work safely and responsibly, and comply with both the spirit and the letter of all laws and regulations that govern our business. We recognize that to do otherwise would be costly to our company — not just financially, but also in terms of the strong reputation built by generations of PPL employees.

PPL has established a compliance and ethics program that is founded upon PPL's [Standards of Integrity](#). The [Standards of Integrity](#), along with our [Vision and Values](#), define the way that we conduct our business. They apply in all situations, at all times, guiding the decisions we make and the actions we take.

AUDIT COMMITTEE, BOARD OF DIRECTORS

Provides high-level oversight of the compliance and ethics program, which applies to PPL and all of its subsidiaries.

VICE PRESIDENT AND GLOBAL CHIEF COMPLIANCE OFFICER

Has overall responsibility for PPL's compliance and ethics program and chairs the Corporate Compliance Committee.

CORPORATE COMPLIANCE COMMITTEE

Serves as an integral part of PPL's enterprise-wide compliance and ethics governance structure and a key component of the compliance and ethics program.

COMPLIANCE WORKING GROUP

Identifies, evaluates and assesses existing and emerging compliance risks and potential issues with existing programs.

INVESTIGATION WORKING GROUP

Reviews investigation reports of all significant investigations by PPL and its subsidiaries. The group's membership consists of key personnel representing the compliance, audit, human resources and legal functions.

WORKING WITH INTEGRITY

PPL is committed to strong governance practices and high ethical standards. Directors and all PPL officers are always expected to act ethically and adhere to the policies set forth in the *Standards of Integrity*. Every member of the Board of Directors receives a copy of the *Standards of Integrity*. It is the responsibility of each director to advise the corporate secretary of any actual or potential conflict of interest, and any affiliation with public or privately-held enterprises, including for-profit and nonprofit entities that may create a potential conflict of interest to the company or inconsistency with applicable laws, company policies or values.

Every employee is expected to read, understand and comply with the *Standards of Integrity* and associated company policies. In addition, employees are expected to report any compliance or ethics concerns to their immediate supervisors or via another appropriate reporting mechanism, including anonymous reporting mechanisms that are in place and publicized to employees. PPL takes any instance of noncompliance seriously. Failure to obey laws and regulations or violations of company policies may result in employee discipline to the extent permissible under applicable law, up to and including termination.

Employees receive annual training on the *Standards of Integrity*. As part of the training, every employee is required to certify that they understand the expectation to report misconduct and understand that PPL will not tolerate any form of retaliation for any report made in good faith. All training is tracked, recorded and reported to executive leadership and the Audit Committee. Targeted communications on key compliance and ethics topics are also issued as needed.

REPORTING AND HANDLING OF VIOLATIONS

Employees are expected to ask questions or raise concerns about the application or interpretation of the *Standards of Integrity*.

The company does not discriminate against or tolerate any form of retaliation toward employees who ask questions or raise concerns in good faith, and provides an “EthicsHelpline” for confidential and, if desired, anonymous reporting of concerns. PPL’s EthicsHelpline toll-free phone number and internet site are available 24 hours a day, seven days a week. The EthicsHelpline, which is managed by an external vendor to promote confidence in confidentiality, is also accessible on the internet. In addition to employees, suppliers, customers and other external parties can use the EthicsHelpline to report concerns.

Guidelines are in place for promptly responding to allegations of misconduct and include notifying the vice president and global chief compliance officer of the allegations. Issues and trends are identified and reported to the Audit Committee. Allegations are handled and reported to the Audit Committee each quarter, with the most serious allegations being reported on an expedited basis to the chair of the Audit Committee as soon as reasonably practicable after initial intake discussions.



CYBERSECURITY AND GRID PROTECTION

As the threats to our business and energy infrastructure evolve, our strategies and approaches for how we respond to those threats also continue to evolve.

A reliable power grid requires resiliency. We have made — and continue to make — significant investments in people, processes and technology to strengthen our security protections and enhance grid reliability and resiliency.

We continually assess the risk landscape and improve our understanding of potential threats, motivations and techniques. Using this knowledge, we layer on physical and cyber protections to further reduce risk, increase resiliency and maintain the integrity of our systems.

CYBERSECURITY IN ACTION

Recent system compromises of numerous government agencies and private industry companies provide a good case study of the challenges we continuously face as we implement PPL's cybersecurity strategy.

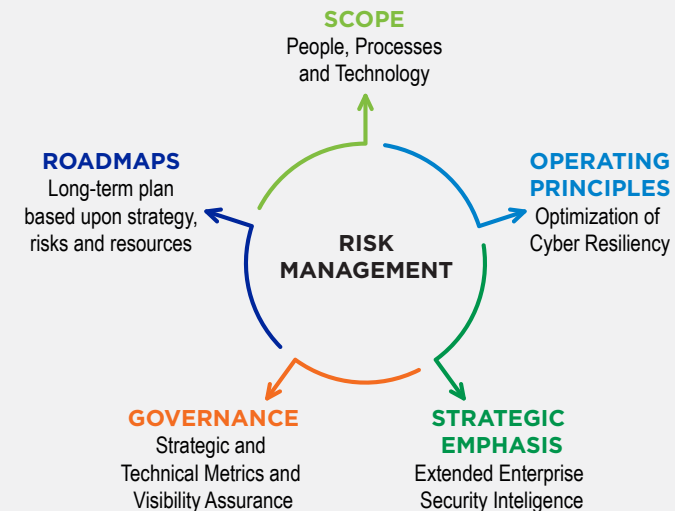
Managing cybersecurity risks with our third-party vendors remains an area of focus for PPL's teams and is one of many areas that requires vigilance throughout the entire enterprise.

Additional security measures include frequent meetings with the cyber operations teams in each operating company to share intelligence, assess exposure and form response plans; evaluating software and information technology management tools to ensure security and compliance; and continuously monitoring cyber intelligence, government agency guidance, best practices and industry lessons learned.

PHYSICAL RESILIENCY

Crisis management plans are also critical to resiliency and timely restoration. Testing those plans is essential. PPL conducts a variety of exercises and drills, spanning both U.S. and U.K. operations, to help test our incident protocols and critical functions, and identify areas for improvement.

PPL will continue to make investments in new power lines, substations and smart technologies to help strengthen the power grid and make it more resistant to security threats.



CYBERSECURITY STRATEGY

Centered on risk management, our cybersecurity strategy includes the key elements shown (above), and is aligned with and informed by the following:

- Current and emerging cybersecurity threats
- National Institute of Standards and Technology Cybersecurity Framework
- Industry threat intelligence sharing in multiple forums and groups, including:
 - Electricity Information Sharing and Analysis Center
 - Cybersecurity Risk Information Sharing Program
 - Edison Electric Institute's cybersecurity, physical security and resiliency efforts
 - Electricity Sub-Sector Coordinating Council
- Federal Energy Regulatory Commission
- North American Electric Reliability Corporation, including mandatory industry standards such as NERC Critical Infrastructure Protection
- U.K. Network and Information Systems Regulations
- European Union and U.K. data privacy laws and regulations



TRENDSETTER RANKING BY CPA-ZICKLIN INDEX

PUBLIC POLICY ENGAGEMENT

Laws and policies enacted at the federal, state and local levels can have a significant impact on PPL and our customers, employees and shareowners. PPL actively encourages public policy that furthers our ability to safely provide reliable and affordable electricity to our customers, and supports our growth and innovation in ways that benefit our company and our stakeholders. Our active participation in the public policy arena helps to ensure that public officials are kept informed of key issues that affect the interests of our stakeholders.

PPL's Public Affairs department is in regular communication with executive leadership and provides an annual report to the board on key issues and advocacy positions. Additionally, on an annual basis, the board receives a report of corporate political contributions.

Details regarding PPL's approach to public policy engagement, including compliance, trade association membership, political action committees and contributions to certain tax-exempt organizations are available online on the [company's website](#).

The company's transparent reporting has earned a trendsetter ranking by the CPA-Zicklin Index, which benchmarks the political disclosure and accountability policies and practices of leading U.S. public companies.

PPL does not engage in lobbying or make political contributions in the U.K. WPD works with trade organizations to collectively represent industry views across a range of areas, including U.K. legislation, government and regulatory bodies. One of those trade organizations is Energy Networks Association, which represents the wires and pipes transmission and distribution network operators for gas and electricity in the U.K. and Ireland. Energy Networks Association's overriding goals are to promote the U.K. and Ireland energy networks, ensuring the networks are the safest, most reliable, most efficient and most sustainable in the world.

WPD also conducts regular outreach to its members of Parliament and engages with Ofgem, the U.K.'s electric utility regulator, on regulations, customer programs and the advancement of low-carbon initiatives.

LEGISLATIVE AND POLICY PRIORITIES

In 2020, these were PPL's top U.S. and U.K. public policy issues:

SECURITY AND SAFETY

- **Physical and cybersecurity** – Policymakers continually assess and examine the reliability and security of the bulk power system from both a physical security and cybersecurity perspective. The electricity sector is one of the only critical infrastructure sectors, with mandatory and enforceable federal cybersecurity and reliability standards. These standards were developed through the North American Electric Reliability Corporation's standards-setting process. Grid owners and operators are involved in developing these standards, which must be approved by the North American Electric Reliability Corporation and the Federal Energy Regulatory Commission.
- **Spectrum availability (6 GHz)** – In April 2020, the Federal Communications Commission approved new rules opening up the 6 GHz spectrum band to unlicensed users. The 6 GHz band is currently used by 65 utilities across the country, for critical infrastructure operations. PPL and other incumbent operators and owners of critical infrastructure continue to have concerns about the potential for unlicensed devices to interfere with mission-critical communications, which could threaten system reliability. Incumbent users expect the Federal Communications Commission to ensure interference mitigation technologies are rigorously tested and found to be effective in order to protect the electric power system.
- **Pipeline safety** – PPL supports pipeline safety and has proactively taken steps to replace aging gas pipelines with new, more durable materials. Authorization for the federal pipeline safety program was administered by the Pipeline and Hazardous Materials Safety Administration but expired on Sept. 30, 2019. Throughout 2020, the company supported reauthorization proposals that sought to ensure pipeline safety while considering the costs and benefits to the customer. With passage of the PIPES Act in December 2020, Congress reauthorized federal pipeline safety programs through 2023, and PPL will work with the administration as it promulgates rules to implement the legislation.
- **Low-Income Home Energy Assistance Program** – PPL supports the Low-Income Home Energy Assistance Program and works with federal policymakers to secure adequate funding for this important program, which provides assistance for our most vulnerable customers during the winter heating season. The importance of this program was magnified by the economic hardship caused by the COVID-19 pandemic.
- **Unmanned aircraft systems** – PPL was one of the first utilities in the country to incorporate unmanned aircraft systems into company operations, and the company continues to work with policymakers to broaden the ways in which we can safely and reliably use the technology for the benefit of our employees and customers. The Federal Aviation Administration most recently updated its regulation

of small, unmanned aircraft systems by issuing a final rule in December 2020 that allows nighttime operations and flights over people for systems equipped with appropriate safety technology. Restrictions remain on "beyond visual line of sight operations," which would unlock many potential uses, including the routine inspection of critical energy infrastructure. PPL is also working to ensure sensible regulations are coordinated at all levels of government to allow for the consistent use of the technology across jurisdictions and municipal boundaries.



CLIMATE-RELATED POLICY AND GRID MODERNIZATION

- **Carbon emissions legislation and regulations** – In Pennsylvania, PPL is monitoring regulatory efforts to join the Regional Greenhouse Gas Initiative, with a focus on potential utility customer impacts and use of proceeds. At the federal level, PPL is supporting efforts to strengthen research and development of clean energy and carbon removal technologies. Should Congress act on climate legislation, PPL believes such legislation should be economy-wide, market-based, and provide for regional flexibility. PPL also supports a federal carbon rule that is based on “inside the fence” or unit-specific reductions that are demonstrated to be available.
- **Adaptation and grid resilience** – The resilience of the power grid is a growing issue of policy focus due to the critical importance of the energy sector for national and economic security. PPL supports policies that value robust transmission and reliable energy supply and preserve flexibility of local solutions to optimize utilities’ own resource portfolios. The company also advocates for policies that support grid modernization, including the integration of distributed energy resources and more efficient use of existing grid assets.
- **Federal infrastructure permitting** – PPL supports federal legislation that creates a more efficient and predictable permitting process for large infrastructure projects and a more transparent and accountable regulatory system that promotes economic development while maintaining necessary safety, environmental and public health protections.

- **Distribution System Operator transition** – The U.K. government and Ofgem have encouraged distribution network operators to transition to distribution system operators to actively manage the energy system to support the U.K.’s transition to a low-carbon economy, with increasing energy resources connecting directly to the distribution network, including generation and electric vehicles. WPD has engaged stakeholders throughout the planning process, publishing a Distribution System Operator Forward Plan that outlines the company’s transition strategy and ongoing project developments.
- **Investment tax credit for energy storage** – PPL supports efforts to provide the same investment tax credits for energy storage as is currently available for solar and other technologies.
- **Net metering** – PPL supports the development of private distributed energy resources with a compensation structure that is fair to all customers.

UTILITY REGULATION

- **Service termination moratorium** – PPL’s domestic utilities suspended terminations and late payments for customers, and later supported the lifting of the service termination moratoriums put in place by the state public utility commissions during the initial months of the COVID-19 pandemic, provided that adequate consumer protections and customer assistance programs were put in place. PPL opposes proposals at the federal level to impose a blanket federal moratorium on utilities and supports its state commissions’ view that this authority is

best left to individual states. In the U.K., WPD is working with Ofgem and its suppliers to ensure that suppliers could remain financially able to serve customer supply without interruption.

- **RIIO-ED2** – U.K. regulator Ofgem sought feedback through a consultation process to establish the RIIO-ED2 framework and methodology. This regulatory framework will outline the high-level issues for determining the price controls for the next five-year regulatory period, running from 2023-2028. WPD provided input to Ofgem through the consultation process, taking into account stakeholder feedback.
- **Public Utility Regulatory Policies Act** – The Federal Energy Regulatory Commission has proposed to modernize its 40-year old Public Utility Regulatory Policies Act regulations, focusing on providing more flexibility to state regulatory authorities, streamlining and closing loopholes. PPL supports efforts to update the act, particularly FERC’s proposal to better align rates paid to a qualifying facility with actual utility avoided costs.
- **Pole attachments** – Federal and state regulators continue to examine at what cost and in what manner telecommunication companies and other entities may attach their equipment to poles owned by utilities. PPL advocates that any new rules ensure that attachers operate in a safe manner, do not unfairly shift costs to utility customers and do not negatively impact electric service reliability.

DRIVE BEST-IN-SECTOR OPERATIONAL PERFORMANCE

RELIABILITY AND RESILIENCY

Whether lighting the essential work of hospitals treating a surge of COVID-19 pandemic patients or powering the home computers we all came to depend on for schooling and work, the critical work of keeping the power flowing took on even greater meaning in 2020.

PPL's utilities work continuously to monitor, maintain and enhance the reliability and resiliency of the transformers, power lines, substations and other equipment used to transport electricity to customers.

PPL's utilities continue to use technology to work smartly and more efficiently, whether it's using big data to help drive improvements or studying how best to approach the growing appetite for distributed energy resources like solar.

We continue to invest in our networks to make our already strong reliability record even better. Projects over the next several years to modernize and strengthen the grid include:

- Replacing aging system equipment.
- Installing smart grid technology.
- Constructing new lines and substations.
- Rebuilding existing lines with stronger poles and wires.
- Line clearing and vegetation management.
- Installing devices to guard against damage from lightning and animals.
- Assessing flood risks at critical facilities, such as substations and power plants, and installing defenses where necessary.

IN 2020, HIGHLIGHTS INCLUDE:

- PPL Electric reached a major milestone, recording its 1 millionth avoided outage since 2015 due to its smart grid. The company's investment in automation, including the installation of over 7,000 smart devices, allows its smart grid to both recognize an outage and instantly reroute power to reduce the footprint of the outage.
- PPL Electric improved vegetation-related customer reliability by 11% compared to the same period in the previous year.
- LG&E and KU continued work on ongoing transmission system improvements that included replacing aging equipment such as wooden poles, cross arms, lines and substation controls.
- LG&E and KU also continued investments in new technology to automate the utilities' electric distribution system and enhance service reliability. The advanced technology, which detects faults and reroutes power, restoring power to as many customers as possible, has already helped prevent nearly 123,000 electric service interruptions.
- WPD installed flood defenses at 72 substations, to improve system resiliency in the face of severe weather.
- WPD improved substation battery life to ensure power is available for 72 hours after a major, network-wide power loss.
- WPD reduced customer interruptions by 40% during the first five years of the eight-year network regulatory period.
- WPD contracted 132 megawatts of demand-side flexibility under its Flexible Power program to accommodate increasing demand for electricity without having to build a larger network. As a result, customers benefit from a resilient energy supply and reduced future energy costs.

SMART GRID, SMART JOBS

The transition to a smarter grid has benefits beyond network efficiency and reliability: it also provides job growth opportunities.

LG&E and KU are in the final phase of a \$112 million multi-year initiative to upgrade their advanced distribution management system, extend their data analysis capabilities, integrate more than 1,500 smart devices on their network, and deploy a new suite of mobile solutions for field workers.

Developing, installing and maintaining this advanced technology requires a highly skilled workforce. Through this initiative, LG&E and KU have added new positions for engineers and operators in their control centers, while field workers remain as important as ever to make repairs and restore customers' service.

The smart grid investments allow the utilities to immediately pinpoint the location of power outages, and in many cases, limit the impacted area and automatically restore service for all other customers. The ability to quickly pinpoint the outage location also means crews can respond sooner to make any necessary repairs. Coupled with ongoing investments, the advanced technology has helped to reduce outage frequency and duration by 20% across the utilities' electric system within the last decade.

VEGETATION MANAGEMENT

Millions of people served by PPL's utilities depend on reliable power for their homes and businesses. Effective vegetation management along distribution and transmission lines is a critical part of maintaining that reliability. Our vegetation management program is designed to promote the safe and reliable operation of the electric grid, while making sure that we are sensitive to the concerns of property owners and our obligations to electricity customers.

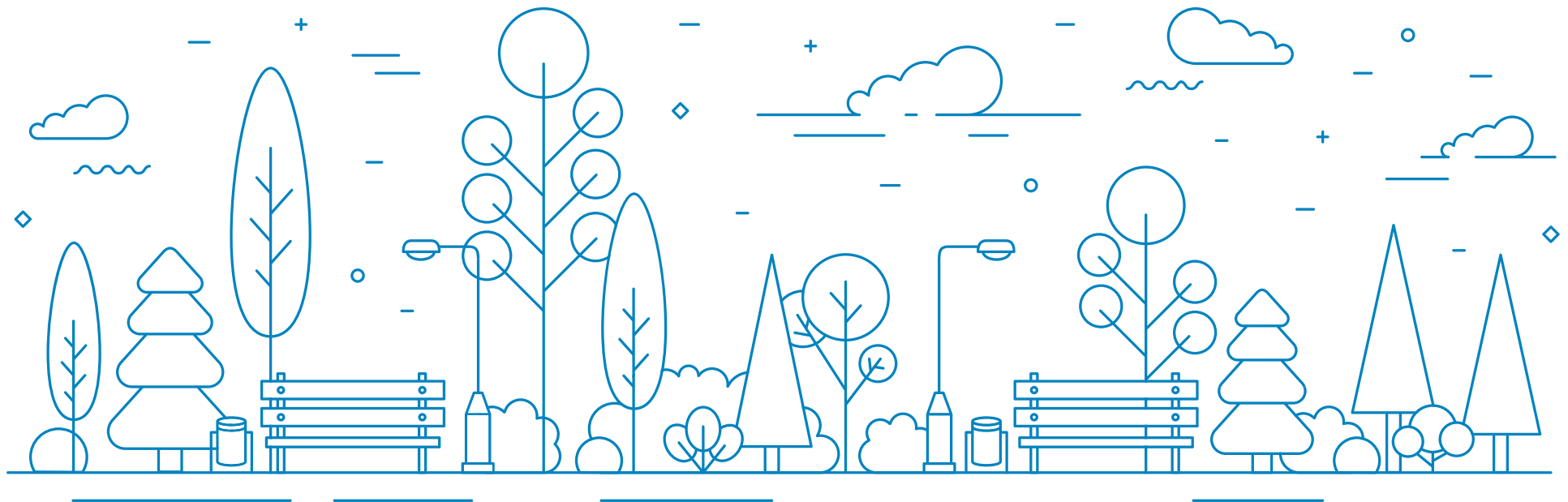
We work with conservation, land management and environmental groups to advance common goals of electric reliability and environmental stewardship. As part of our conservation efforts, the utilities donate trees to organizations in the communities we serve to encourage the planting of new trees.

Trees and other tall vegetation need to be kept away from power lines. If they get too close, power outages can result. Tree-related outages can potentially affect thousands of customers for extended periods of time. Keeping overhead power lines clear of limbs and brush also enables our crews to detect and repair issues that impact service during storms. Tree interference also poses potentially significant safety risks to our employees and the public.

PPL's utilities all conduct tree clearance trimming throughout their service areas on a consistent and planned cycle to maintain reliable service. All the utilities use integrated vegetation management practices, which reduce the need for pesticides, promote healthy ecosystems and provide

measurable results, such as greater natural species diversity along rights-of-way and better control of invasive species. Practices include hand clearing of vegetation and targeted use of approved herbicides and pesticides in sensitive areas, including wetlands and farmland.

The utilities are also using LIDAR technology that maps individual trees along transmission rights-of-way. This helps identify a tree that is damaged or diseased before it falls across a power line. The system also assesses tree growth rates, so tree crews can be deployed more precisely. Similarly, data analytics on bird interactions with transmission lines is helping to enhance avian management efforts, protecting birds and saving money.



CUSTOMER SATISFACTION

PPL's utilities provide an outstanding service experience for customers, consistently ranking among the best for customer satisfaction in the regions we serve.

Customer feedback is important to us as we look to continuously improve. For that reason, PPL relies on independent market research firms to conduct periodic customer satisfaction surveys.

In addition, we subscribe to syndicated studies, such as J.D. Power, as another way to gain insights about our customers from an objective source. Customer feedback is obtained through telephone and online surveys, advisory boards, focus groups, online panels, mail surveys and customer service lines. We use the results of this feedback to evaluate our service, identify customer interests and concerns, determine critical needs and offer our customers an opportunity to communicate their interests and concerns.

2020 CUSTOMER SATISFACTION RESULTS



KENTUCKY OPERATIONS

J.D. Power Awards for Customer Satisfaction

KU ranked highest in customer satisfaction among Midwest Midsize electric utilities for the fifth year and second year in a row with residential and business customers respectively, according to J.D. Power.



PENNSYLVANIA OPERATIONS

J.D. Power Awards for Customer Satisfaction

PPL Electric ranked highest among large electric utilities in the eastern U.S. for residential customer satisfaction for the ninth year in a row, according to J.D. Power.



U.K. OPERATIONS

9 out of 10 Score across all WPD operations

WPD was ranked among the best performers in Ofgem's Broad Measure of Customer Satisfaction for the ninth year in a row, with average customer satisfaction of 8.9/10.

SAFETY

PPL considers safety in everything we do – it is an obligation to our employees, contractors and the public. No job is too important or so urgent that precautions, laws or regulations concerning health and safety can be bypassed. All of our operating companies have robust safety policies and procedures in place. Safety is incorporated into employee performance goals, enabling employees to hold each other accountable for the health and safety results of their teams.

SAFETY PROGRAMS

We regularly update our employee health and safety programs, including online and instructor-led training to educate employees about best practices and working safely.

To reinforce PPL's ongoing commitment to safety, we carry out programs throughout the year focused on safety and health performance, near-miss reporting, employee engagement, emergency preparedness, vehicle safety, best practice sharing, and prevention of slips, trips and falls. While in-person programs were limited in 2020 due to COVID-19 restrictions, our safety programs continue to include public education campaigns for students and the general public on electrical safety, as well as the enterprise-wide Safety Sharing program in which the safety managers of each operating company share best practices.

SAFETY STATISTICS



23,386,578

Total Hours Worked



35

Number of lost day cases



0.30

Lost time incident rate



1.18

Recordable incident rate



0

Work related fatalities

Our commitment to safety also extends to our contractors, who are contractually obligated to comply with stringent [safety and health requirements](#).

HEALTH & WELLNESS

PPL values the well-being of employees and offers many programs and activities to support its employees' pursuit of happier, healthier lives. In 2020, health and wellness programs focused on various topics, including:

- Virtual mental health support services.
- Telehealth and online medical services.
- Virus testing protocols.
- Personal protective equipment.
- Regular updates on COVID-19 information.

INJURIES AND ACCIDENTS

PPL's operating companies all have a strong accident-prevention culture. Employees are focused on reducing risks to eliminate workplace accidents. The chart below outlines our safety performance.

A COMMITMENT TO PUBLIC SAFETY

PPL Electric didn't allow the COVID-19 pandemic to prevent it from teaching children about electrical safety.

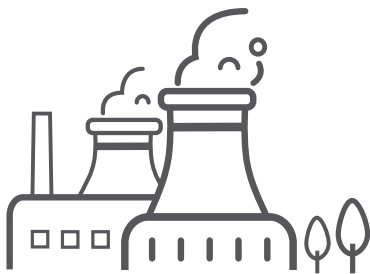
Shifting gears during the pandemic to ensure safety and eliminate the risk of spreading the virus, PPL Electric and The National Theatre for Children teamed up to give students across Pennsylvania virtual performances of Agents of Safety, a humorous, engaging and high-energy show that teaches youngsters how electricity is made, the uses of electricity and helps them identify and avoid dangerous electrical situations.

More than 9,000 children from 30 schools saw performances during the most recent tour, which took place between Oct. 29 and Dec. 1, 2020. Since the program kicked off in 2015, more than 100,000 children have seen performances, which are offered at no cost to schools located within PPL Electric's service territory.

ADVANCE A CLEANER ENERGY FUTURE

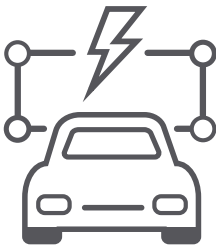
PPL supports the transition to cleaner energy sources and recognizes that utilities play a major role in delivering a clean economy. We support investments in smarter, more resilient power grids and advancements in research and development for more sustainable generation.

OUR CLEAN ENERGY STRATEGY



DECARBONIZE
OUR
GENERATION

Economically retire existing coal plants in Kentucky and replace them with renewables and natural gas; build and/or acquire renewable projects.



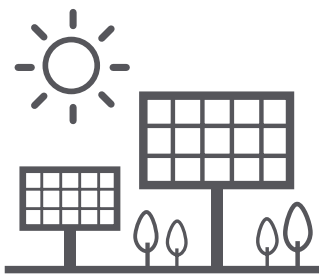
DECARBONIZE OUR
NON-GENERATION
OPERATIONS

Reduce company energy use, increase electrification of fleet vehicles and reduce emissions associated with transmission and distribution equipment and gas distribution.



ENABLE
THIRD-PARTY
DECARBONIZATION

Invest in transmission and distribution networks to allow for increased electrification, large-scale connection of distributed energy resources and delivery of renewable energy to load centers.



FURTHER
RESEARCH AND
DEVELOPMENT

Invest in new clean energy technologies to help us advance and accelerate reductions beyond 80%.

CLIMATE ACTION

PPL supports the transition to cleaner energy sources and recognizes that utilities play a major role in delivering a clean economy. We support investments in smarter, more resilient power grids and advancements in research and development for more sustainable generation. Our actions, and our approach to climate change, reflect these commitments:

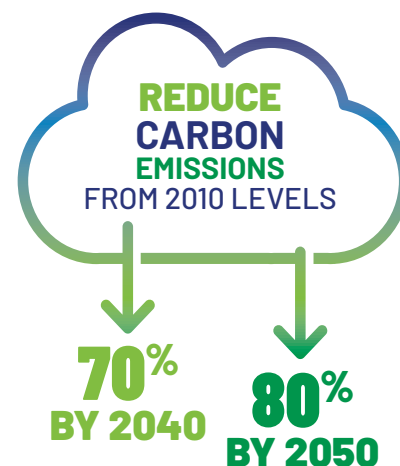
- We have set a goal to reduce PPL's overall carbon emissions (CO₂e) 80% from 2010 levels by 2050 and 70% by 2040.
- We have conducted a comprehensive climate assessment. Our 2017 assessment included a scenario analysis consistent with keeping global warming to no more than 2°C, and our effort carefully considered the recommendations of the Task Force on Climate-Related Financial Disclosures. We plan to issue a new climate report in the fall of 2021 following submission of our next Integrated Resource Plan in Kentucky.
- We have cut PPL's carbon emissions by nearly 60% since 2010 (59%). Our actions have included retiring 1,200 megawatts of coal-fired generation in Kentucky and divesting another 4,000 megawatts of competitive coal-fired generation.

- We have invested more than \$30 billion over the past decade to strengthen grid resilience in the face of future storms, reduce power plant emissions and prepare networks to better integrate more distributed energy resources, including renewables and energy storage.
- We have adopted new fleet vehicle emissions targets. Collectively, PPL's operating companies expect to reduce carbon emissions by more than 6,000 metric tons between 2020-2025 through electrification of fleet vehicles, with an additional reduction of more than 2,500 metric tons expected between 2026-2030.
- We have committed to research and development of technologies that can help our sector move to net zero. See [Page 27](#) for details on PPL's role as a founding member of an industry coalition.

As technology advances, it may become possible for PPL to achieve even greater carbon reductions than our current targets, while at the same time ensuring the best value and reliability for our customers. As always, we will continuously assess our strategy and adjust, as appropriate.

See PPL's [2020 CDP response](#) and [Climate Assessment Report](#) for further details.

CARBON EMISSIONS REDUCTION GOAL



ALREADY ACHIEVED NEARLY
60% REDUCTION
AS OF **2020**

RISKS AND OPPORTUNITIES

As a result of our actions over the past decade, PPL has reduced risks associated with climate change and positioned the company for a clean energy transition. The company's portfolio is heavily focused on transmission and distribution, with nearly

90% of future capital investment allocated to these assets and non-coal-fired generation.

We have made industry-leading advancements in smart grid technology, integrating distributed energy resources and making the grid more efficient, resilient and reliable in the face of both physical and transitions risks. And, we are bringing new renewable options to our customers. We believe there will be significant future investment opportunities in our delivery infrastructure and cleaner energy resources, which are expected to further decrease the percentage of our rate-regulated asset base from coal-fired generation assets.

As PPL looks to the future, we will continue to take steps to identify, understand and manage risks and opportunities associated with climate change and the transition to a cleaner energy future. This includes evaluating different options to inform business strategy, using modeling and input from our internal experts and third parties, as needed, and reviewing assessments with senior management and our board on an ongoing basis. PPL includes a detailed assessment of climate risks and opportunities in the company's response to CDP (formerly known as the Carbon Disclosure Project). LG&E and KU provide an extensive discussion of current and future portfolio risk and opportunity in their Kentucky Integrated Resource Plan.

RESEARCH AND DEVELOPMENT

Innovation is key to creating a positive impact in a sustainable way. Advances in technology that move us forward are often the results of collaborative projects spanning across departments, operating companies and industry partnerships.

It is through a collective commitment to research and development that PPL's operating utilities are able to improve today's reliability, resiliency and flexibility of the power grid while helping to usher in a new era of sustainable energy.

In 2020, our research and development activities included:

- PPL Electric partnered with the Electric Power Research Institute on research related to energy storage, distribution systems, integration of distributed energy resources, low-carbon options to balance electricity supply and demand, and electrification.
- PPL Electric continued the Keystone Solar Project in partnership with Drexel University to model the effects of distributed energy on the grid.
- PPL Electric supports collective industry research spearheaded by the National Electric Energy Testing, Research and Application Center including reliability analysis, power cable system design and distribution system standards.
- LG&E and KU continue operating Kentucky's first and largest utility-scale energy storage system in partnership with the Electric Power Research Institute. The lithium-ion battery energy storage demonstration facility, co-located with the E.W. Brown Solar Plant, provides real-world performance data and allows the company to explore how batteries can improve the inherent intermittency of solar power.
- LG&E and KU are modeling the financial and reliability impact of adding varying amounts of intermittent solar and wind generation on our network to ensure the company is prepared to accommodate future deployments of renewable generation.
- LG&E and KU partnered with the University of Kentucky to develop technologies that can capture carbon dioxide from coal generation.
- WPD conducts research and development activities across five broad areas: network performance and efficiency, low carbon networks, smart grid, the environment and customer service. Progress is tracked and published on an annual basis through [WPD's Future Networks Program](#).
- WPD participates in the U.K. Network Innovation Allowance and Competitions, which has launched projects that test innovative methods to enable widespread customer adoption of low-carbon technologies such as solar panels, heat pumps and electric vehicles.



COLLABORATION AIMS TO ACCELERATE LOW-CARBON ENERGY TECHNOLOGIES

With the understanding that existing technology is not enough to achieve increasingly ambitious decarbonization goals, the Electric Power Research Institute and Gas Technology Institute in 2020 launched a five-year initiative to accelerate the development and demonstration of low-carbon energy technologies.

The Low-Carbon Resources Initiative is a unique, international collaborative spanning the electric and gas sectors that aims to achieve decarbonization goals in a safe, reliable and affordable manner.

PPL is among the 18 anchor sponsors for the initiative, which leverages a collaborative research model, bringing industry stakeholders together to conduct clean energy research and development to identify potential pathways to a low-carbon future.

The collaborative was seeded with an original investment of \$10 million from the Electric Power Research Institute. Industry partners, like PPL, have contributed over \$100 million to the initiative, which is expected to be leveraged many times over through public and private collaboration.

The Low-Carbon Resources Initiative is targeting advancements in low-carbon electric generation technologies and low-carbon energy carriers, such as hydrogen, ammonia, synthetic fuels and biofuels.

INVESTING IN TOMORROW'S ENERGY INFRASTRUCTURE

Whether it's adding automation to reduce the duration and frequency of outages, making our grid more flexible to enable renewable energy sources or making the system more resilient against natural or cyber threats, we've undertaken numerous projects to enhance our system.

In 2020, PPL invested more than \$3 billion in infrastructure improvements and projects that strengthen reliability, make the grid smarter and ensure the flexibility needed for future renewable energy resources.

PPL's utilities are actively monitoring and maintaining their systems, installing advanced metering infrastructure, updating aging power lines and substations, building new ones, and incorporating advanced technology to keep power flowing to our customers.

ADVANCING TECHNOLOGY OF TRANSMISSION AND DISTRIBUTION

Advanced technology enables us to monitor and address the constantly changing conditions on the grid. We're installing sensors and relays across the system to send back information in real-time, allowing us to isolate problems and re-route power so the fewest people are affected for the shortest amount of time.

To help reduce maintenance costs, we are harnessing the power of digital science and analytics to tell us when parts need replacement. We can now reliably tell from corrosion rates and other data when a piece of equipment might fail, and replace it preemptively, thus avoiding a power outage.

As technology plays an increasing role in our business, we're especially attentive to cyber threats and other potential dangers to the grid. We plan and operate our system with the

latest intelligence around cyber and physical intrusion and regularly evaluate our security by testing our system's defenses.

UPGRADING POWER GENERATION ASSETS

LG&E and KU are making significant progress on \$1 billion in infrastructure projects related to coal combustion residuals, including capping and closing ash impoundments at active and retired coal-fired plants, as well as the installation of state-of-the-art water treatment facilities.

As of 2019, all of the utilities' remaining coal-fired power plants (Mill Creek, Trimble County, Ghent and E.W. Brown) have been converted to dry coal combustion residual handling and storage.

More than half of the company's 21 coal combustion residual storage facilities planned for closure are complete, with the remaining scheduled to be completed by 2024.

One of LG&E and KU's top priorities is to maximize the amount of coal combustion residuals beneficially reused off-site as wallboard, cement, concrete, etc., with the remaining coal combustion residuals to be stored on-site in special dry waste landfills. Beneficially reusing coal combustion residuals reduces greenhouse gas emissions; extends the life of the company's existing landfills (where the materials would otherwise be stored); eliminates the need for future landfills; and generates more revenue, 100% of which is routed to customers as a credit.

Additional capital related to generation assets include improving reliability of existing plants and demolition of retired coal plants. As of January 2021, the companies have demolished and restored the properties of the generating

facilities at Green River, Tyrone, Pineville and Cane Run.

INVESTING IN SAFE, RELIABLE NATURAL GAS SERVICE

For LG&E, the same type of detailed planning that takes place for the electric system extends into the utility's natural gas system.

The system is made up of more than 4,700 miles of natural gas transmission and distribution lines; compressor stations that move the gas through the system to customers; and natural gas storage fields that enable LG&E to purchase gas when costs are low, store it for later use, and pass the savings to customers.

LG&E employs comprehensive natural gas safety measures that include 24/7 monitoring by a central Gas Control Room; conducting leak surveys; operating a Pipeline Integrity Management Program that identifies and minimizes potential pipeline risks; and educating community partners and the general public about natural gas safety. In addition to those ongoing efforts, the company's plans for natural gas infrastructure updates include:

- Replacing approximately 45,000 steel customer service lines and removal of approximately 4,400 steel curbed services.
- Implementing a Transmission Pipeline Modernization program to replace approximately 15.5 miles of transmission pipeline.
- Upgrading to city gate stations and gas regulation facilities with new valves, piping, and modern regulation and measurement equipment.

THE PATH TO ELECTRIFICATION

With the transportation sector surpassing power generation as the largest source of greenhouse gas emissions in the United States, electrifying transportation can help reduce carbon emissions across the economy.

PPL is working to make system enhancements necessary to support electrification efforts, including the adoption of electricity-fueled transportation in our fleets, participating in research on electric vehicles and their impact on the grid, educating customers on electric vehicles, and implementing community partnerships on electric vehicle charging technology.

In 2020, PPL and its family of companies strengthened their commitment to electrification by setting corporate and individual company goals to reduce carbon dioxide emissions in their vehicle fleets. Electrifying our own fleets allows us to lead by example – a fundamental step as we work with customers and policy makers on accelerating electric transportation.

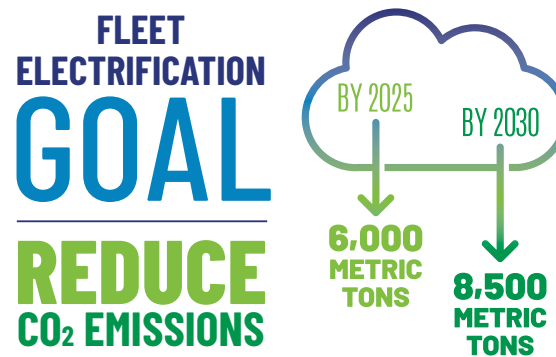
Collectively, PPL's operating companies expect to reduce carbon emissions by more than 6,000 metric tons between 2020-2025 through electrification of fleet vehicles, with an additional reduction of more than 2,500 metric tons expected between 2026-2030.

Here's how PPL's operating companies plan on achieving these goals:

- PPL Electric's goal is to spend 10% of transportation capital on electric vehicle technology from 2020 to 2025, which will result in replacing more than 80% of bucket trucks with electric lift technology bucket trucks by 2025. The new technology uses battery power to operate the boom, bucket and lifts used by lineworkers, reducing the need for engine idling. This reduces fuel consumption

and maintenance costs and minimizes job site noise. Fuel consumption is reduced by as much as a gallon of diesel fuel per hour of eliminated idling.

- LG&E and KU pledge to electrify 10% of their transportation fleet by 2030 by replacing end-of-lease light duty vehicles with a combination of fully electric vehicles or plug-in hybrids, and outfitting heavy duty vehicles with plug-in idle mitigation units. The company plans to have around 110 total electric vehicles, which will be a blend of light-duty trucks and heavy-duty bucket trucks.
- WPD plans to electrify 22% of its fleet by the end of the first quarter of 2023.



INNOVATIONS ADVANCE GRID SAFETY, RELIABILITY

PPL Electric's drive to be among the best electric utilities in the country has created a culture of innovation at the company. Three recent team projects aimed at improving grid safety and reliability have received patents, validating that innovative spirit.

PPL Electric's patents were years in the making, driven by the collective efforts of many employees across various work groups. They are:

- **Downed Wire Safety Patent** recognizes PPL Electric's development of an algorithm that supports the automatic shutoff of power to a downed power line. PPL Electric already had technology on its system that detected a live downed wire but built on that to design a system that would automatically move to shut off power to that line, substantially increasing safety for the public and employees.
- **Electromechanical Relays and Smart Grid Patent** allows older electromechanical circuit breaker relays on the PPL Electric distribution grid to help reroute power within PPL Electric's smart grid. That work by Distribution Control Center engineering was critical because in the early days of smart grid implementation, those older relays comprised about 75% of the circuit breakers on the distribution grid.
- **Pole Attachment Device Patent** allows multiple attachments with less impact on the pole and a much cleaner design that extends pole life and improves safety. Called a megavang, it's a singular piece of hardware made of weathered steel that provides attachment points for up to four wires.

BUILDING A FOUNDATION FOR CLEAN ENERGY OPTIONS

PPL's operating companies are making investments to expand customer access to renewable and distributed resources and research low-carbon technologies.

IN KENTUCKY, LG&E AND KU:

- Built the state's largest utility-scale solar photovoltaic facility at the company's E.W. Brown Generating Station. The solar facility features more than 45,000 solar panels on approximately 50 acres. The panels produce 19,000 megawatt hours of energy, enough to power more than 1,500 homes based on a usage of 1,000 kilowatt hours per month. The company makes data from the project available to the public, allowing individuals to [view energy production in real time](#).
- Offer a Green Tariff to support the growth of renewable energy and economic development in Kentucky. New or existing businesses can choose from several options to meet their renewable energy goals, including purchasing renewable energy certificates through the Green Energy Program, building a solar array or purchasing solar, hydro or wind power through the utility's renewable power agreement.
- Implemented a Renewable Power Agreement for customers interested in purchasing renewable power. Through the agreement, LG&E and KU partners with customers to build and provide renewable energy resources. Toyota Motor Manufacturing, which operates the world's largest Toyota manufacturing facility in Kentucky, and Dow Silicones Corporation are the first companies to partner with LG&E and KU, making a 20-year commitment. The utilities will supply Toyota with 50% of the 100 MW

solar facility's energy output — Dow with 25%, and the remaining 25% will be used to serve the utilities' electric customers. Rhudes Creek Solar facility by ibV Energy Partners has been chosen to provide up to 200 megawatts of renewable energy. The solar facility is expected to be completed and commercially available in 2023.

- Offer a Solar Share program, which gives residential, business and industrial customers the opportunity to share in local solar energy and receive credits on their monthly bills. Four 500-kilowatt sections of LG&E and KU's Solar Share Program are fully subscribed and the company is currently accepting applications for a fifth section. Among the customers taking advantage of the renewable energy installation are the Ford Motor Company, which was the first major founding partner in the program.
- Continue to collaborate with the Electric Power Research Institute on an energy storage research and demonstration site to allow the utilities to develop, test and evaluate the potential benefits and operating needs of large-scale battery technologies. The site includes testing bays for up to 3 megawatts of energy storage.

IN PENNSYLVANIA, PPL ELECTRIC:

- Participates in a statewide alternative-energy portfolio standard. From June 2019 to May 2020, alternative power sources comprised 15.7% of the power PPL Electric bought for customers who had not chosen a competitive supplier. This included 7.5% from solar, wind and hydropower energy sources. The projected renewable energy obligation for June 2020 through May 2021 is 18%.

- Developed and implemented an advanced Distributed Energy Resource Management System designed to manage solar, wind and other renewable power coming onto the grid. The system will help the company ensure good power quality and reliability, and keep the grid running smoothly. Moving forward, it will also help PPL Electric better integrate more distributed energy resources like private solar, while preserving network reliability and power quality.
- Made it easier for customers to apply to connect solar panels and other generation systems to the grid through a user-friendly [Renewable Energy Connection](#) website. As of December 2020, PPL Electric has connected more than 235.5 megawatts of renewable energy to the grid through the program.
- Received approval from the Pennsylvania Public Utility Commission to require smart inverters on renewable energy installations to ensure the safety and reliability of PPL's distribution system. The ability to monitor and manage the power flowing through smart inverters will help reduce major investments in new lines or equipment, and accommodate more renewable power coming onto the distribution system.

ACROSS THE U.S., PPL'S RENEWABLE ENERGY DEVELOPMENT COMPANY, SAFARI ENERGY:

- Developed or acquired more than 500 commercial-scale solar projects since 2008.
- Spans 24 states and Washington, D.C., with projects generating approximately 618,942 megawatt hours of electricity, or the equivalent of avoiding more than 437,000 metric tons of CO₂.

IN THE U.K., WPD:

- Continued support of the U.K.'s Net-Zero goal by participating in the U.K. Network Innovation Allowance and Competitions, which has launched projects that test innovative methods to enable the widespread adoption by customers of low-carbon technologies. This includes technology such as solar panels, heat pumps and electric vehicles.
- Connected 6.2 gigawatts of renewable energy to its network.
- Procured 440 megawatts of demand response services across its network.

- Created a Flexible Power portal to allow network collaboration on the largest distribution flexibility market in the U.K. Used by five network operators, the Flexible Power portal gives power providers an easier path to participate in flexibility on multiple networks. Flexible power allows electricity generators and consumers to reduce their demand for electricity during peak periods or, conversely, increase energy supply using existing, on-site power generation assets.
- Launched a digitalization strategy to improve data management, increase network insight and improve business efficiency. The strategy will give WPD greater insight into the everyday operation of its network, enabling the energy system to maximize efficiency and flexibility, as well as allowing the connection of more low-carbon technology like distributed generation, electric vehicle charging hubs or electrified heating while minimizing the need for network reinforcements. Enhanced digitization benefits customers by helping to deliver faster decarbonization and a more responsive network while keeping energy bills down.

ENVIRONMENTAL STEWARDSHIP

PPL has a longstanding commitment to carry out all of our business activities in ways that preserve and promote a clean, safe and healthy environment. This commitment is part of our *Standards of Integrity*, which define how we conduct PPL's business. We abide by the environmental laws and regulations of the locations in which we operate and have invested in environmental upgrades at PPL power plants, carbon-free generation projects and programs to encourage energy efficiency.

Conserving and protecting water

PPL carefully manages the water it uses and monitors the impact of wastewater discharged into waterways. No water is sourced from regions with high or extremely high baseline water stress. In fact, PPL's only operations with any significant water usage are the power generation operations

in Kentucky. All but one of LG&E and KU's power plants are located on the Ohio River, which is not adversely affected by drought. The National Oceanic and Atmospheric Administration predicts the Ohio River's water levels daily and those predictions have never resulted in LG&E and KU reducing non-hydro generation due to river temperature or water volume issues. There is only one power plant, the Ohio Falls hydroelectric plant, that could be impacted by low water volume because it is a run-of-river dam. However, that plant accounts for only about 1% of the company's power generation.

LG&E and KU support programs that protect waterways and the ecosystems that depend on them in the service areas where the utilities operate. The utilities collaborate with a variety of stakeholders and state agencies to ensure that watersheds and reservoirs meet both the needs of the utilities and other stakeholders, including the public.

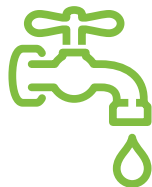
By utilizing closed-cycle cooling instead of once-through cooling at most of its generating plants, LG&E and KU have greatly reduced the volume of cooling water withdrawn from the region's watershed. Each facility also has a Groundwater Protection Plan, a Stormwater Best Management Practices Plan, and a Spill Prevention Control and Countermeasure Plan that facilitates the safe storage of chemicals and oils on site. Proper secondary containment and weekly tank inspections ensure these chemicals remain out of the watershed and groundwater.

The utilities also continue to decrease consumptive water use as they improve power plant efficiency and transition to dry-ash handling at remaining coal-fired power plants in Kentucky. LG&E and KU pay consumptive use fees to cover the costs of reservoir projects and storage space designed to benefit all users and maintain adequate river levels during low-flow periods.



512,000

2020 Withdrawal [megaliters/year]



431,700

2020 Discharge [megaliters/year]



80,300

Consumption [Megaliters/year]
(Withdrawal - Discharge)



84.32%

Total Volume of Water Recycled
and Reused as a Percentage
of Total Water Withdrawal

See appendix for full details.

WASTE MANAGEMENT

PPL has high standards for managing waste from our operations. In keeping with the company’s commitment to advance a cleaner energy future and encourage responsible stewardship, we seek innovative solutions and opportunities to reduce, reuse and recycle waste materials.

PPL Electric and LG&E completed a major effort in the 1980s and 1990s to remove known polychlorinated biphenyls from their networks. All new transformers contain mineral oil and are classified as non-PCB.

Other waste streams include e-waste, cardboard, municipal trash, scrap metals and wooden utility poles. PPL recycles wood poles in various ways, reusing them as fuel in waste-to-energy projects and as biodegradable landfill cover.



680.02

Hazardous Waste (Total Tonnes)



8,393.70

Non-Hazardous Waste (Total Tonnes)

See appendix for full details.



APPLIANCE RECYCLING PROGRAM
RECEIVES FEDERAL RECOGNITION

PPL Electric’s long-standing appliance recycling program has a positive impact on the environment, helping customers reduce emissions and save energy.

The program was recognized by the U.S. Environmental Protection Agency for outstanding performance in the agency’s first Responsible Appliance Disposal Program Leadership Awards Ceremony in October 2020.

Partners in the Responsible Appliance Disposal Program commit to collecting and disposing of old appliances such as refrigerators and freezers, window air conditioners, and dehumidifiers, using best environmental practices. While complying with laws and regulations on the recovery of refrigerant, used oil, mercury and polychlorinated biphenyls (PCBs), partners have also committed to recovering appliance foam, promoting the recycling of all durable goods, and the permanent disposal of old, inefficient appliances to save energy.

PPL Electric received the 2020 Champion Award for “outstanding performance in foam recovery to avoid emissions of ozone-depleting substances.” This included:

- Starting their appliance recycling program in 2009 (refrigerators, freezers, room ACs).
- Adding dehumidifiers in 2017.
- Recycling over 65,500 units to date.
- Continuing an extensive customer awareness and engagement program.
- Actively highlighting and promoting energy efficiency rebate and incentive programs to encourage customer participation to save energy and money.

BIODIVERSITY INITIATIVES

The day-to-day operation of the power delivery network has the potential to affect ecosystems and habitat. PPL's operating companies work extensively to ensure the environment is protected while work is being done on the electrical system, especially in sensitive resource areas.

Across our service territories in Kentucky, Pennsylvania and the U.K., our teams work with various partners to protect biodiversity. Some highlights include:

IN KENTUCKY, LG&E AND KU:

- Have partnered with Kentucky Department of Fish and Wildlife Resources for more than 20 years as part of a comprehensive Avian Protection Plan and efforts to promote native vegetation growth in Kentucky.
- Have been a corporate sponsor of the Ohio River Sweep since 1995. Employee volunteers join thousands of people across a multi-state region each year to remove litter and debris from the banks of the Ohio River.
- Offer one-year grants, ranging from \$500 to \$5,000, for urban, suburban or rural projects in forests and parks and along parkways or roadways that meet program objectives.
- Support research and development projects related to pollinator habitat protection.
- Support research intended to help boost the population of the endangered Indiana bat. The company installed 10 utility poles several years ago that are used as artificial roosting structures at Fort Knox. The project is a coordinated partnership that includes Copperhead Environmental Consulting, the U.S. Fish and Wildlife Service and Fort Knox.

IN PENNSYLVANIA, PPL ELECTRIC:

- Donated 261 acres of prime bat habitat land to the Pennsylvania Game Commission to protect the habitat for the eastern small-footed bat from future development.

- Has adopted a comprehensive Avian Protection Plan to protect birds from coming in contact with electrical equipment and power lines.
- Continues research and development on management and protection of pollinator habitat. The utility has an ongoing project to test native seed blends for use in right-of-way restoration and substation development.
- Partners with the Pennsylvania Game Commission on projects to protect birds of prey such as peregrine falcons, osprey and eagles.
- Utilizes the Pennsylvania Natural Diversity Inventory system, a tool that aids in identification and protection of species of concern in proposed work areas before work is executed and permits are requested.
- Provided trees to county and municipal parks, environmentally focused groups and schools through its Community Roots program. In 2020, PPL Electric donated over 48,000 trees to public and conservation groups throughout Pennsylvania.

IN THE U.K., WPD:

- Provides support to communities across the network area with the aim of encouraging energy conservation, promoting recycling initiatives and enhancing the landscape for wildlife through its Keen to be Green program.
- Works with Natural Resource Wales and Natural England to develop mutually beneficial worksite development plans that integrate habitat protection for various species such as great crested newts, grass snakes, breeding birds, dormice and bats.
- Maintains an invasive species management plan to ensure appropriate measures are in place to minimize the spread of any invasive species present on work sites to avoid disrupting local biodiversity.
- Works to plant 7,000 native trees and shrubs each year through a partnership with the Avon Wildlife Trust, Gloucestershire Wildlife Trust, The Conservation Volunteers and Groundwork Wales.

A 'EWE'NIQUE PARTNERSHIP

Nestled in the rolling hills of Mercer County, Kentucky, E.W. Brown Generating Station is home to four different types of energy generating resources, including a nearly 100-year-old hydroelectric facility and the first, and largest, existing universal solar facility in the commonwealth.

Mowing grass that grows under and around solar arrays can be difficult to do with conventional lawn mowers, so LG&E and KU turned to an unconventional partnership: grazing sheep.

The sheep are generally docile, small and, through their grazing, can keep vegetation at the site to a minimum, which will reduce maintenance costs over the long-term.

LG&E and KU are partnering with Shaker Village of Pleasant Hill – which manages a working farm and nature preserve – on the project. As the sheep manage the solar field's vegetation, farmers from Shaker Village, Kentucky's largest National Historic Landmark, will manage the flock.

The flock will initially have 10 acres to graze. By this time next year, the number of sheep is expected to multiply three-fold, eventually growing large enough to maintain the entire 50-acre solar farm.

EXCEED CUSTOMER EXPECTATIONS

The PPL family of companies provides essential energy services to more than 10 million customers in the U.S. and U.K. Through its regulated utility subsidiaries, PPL delivers electricity to customers in the U.K., Pennsylvania, Kentucky and Virginia; delivers natural gas to customers in Kentucky; and generates electricity from power plants in Kentucky. We strive to provide the highest quality service, safely and reliably, to our customers at a reasonable cost, improving quality of life in the areas we serve.

Below is information about our customers, by operating company:

LG&E and KU are engaged in the regulated generation, transmission, distribution and sale of electricity in Kentucky and, in KU's case, Virginia. LG&E engages in the distribution and sale of natural gas to over 331,000 customers in Kentucky. LG&E and KU provide electric service to nearly 1 million customers throughout central, southeastern and western Kentucky, as well as parts of southwestern Virginia. Overall, LG&E and KU's service territories span approximately 9,400 non-contiguous square miles. In Virginia, KU operates under the name Old Dominion Power Company.

PPL Electric delivers electricity to more than 1.4 million customers in a 10,000-square-mile territory in 29 counties of

eastern and central Pennsylvania. PPL Electric customers can choose to purchase their electricity from various suppliers, including from PPL Electric as a Provider of Last Resort under the state's Electric Competition Act.

WPD in the U.K. provides regulated electricity distribution services to licensed third-party energy suppliers (its customers) who use WPD's networks to transfer electricity to nearly 8 million end-users in a 21,428-square-mile region covering the East Midlands, South West and West Midlands regions of England and South Wales. WPD bills the energy supplier for this service, and the supplier is responsible for billing the end-users.

	LG&E-KU (Electric)	LG&E (Gas)	PPL Electric	WPD	TOTAL
Residential	838,493	304,642	1,275,109		2,418,244
Large Commercial	132,399	25,489	183,680		341,568
Large Industrial	2,332	398	3,372		6,102
Public Authorities	14,073	1,216			15,289
Street Lights	1,896				1,896
Municipals/Wholesale	3				3
Gas Transport		86			86
End users				7,964,377	7,964,377
TOTAL	989,196	331,831	1,462,161	7,964,377	10,747,565

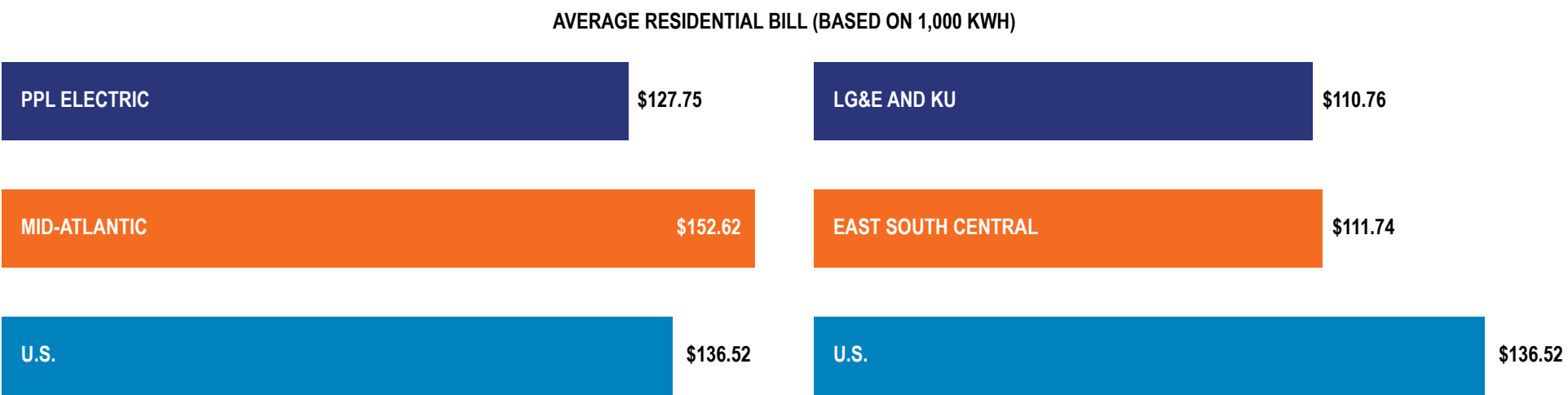
AFFORDABLE ENERGY

PPL’s utilities continuously review operations to improve efficiency and control costs. This helps to keep energy rates affordable for customers.

PPL Electric customers’ costs are below the average of the mid-Atlantic region (18 companies in New Jersey, New York and Pennsylvania). The company’s goal is to continue to reduce operating and maintenance expenses to further benefit customers.

LG&E and KU’s average electricity rates rank among the lowest in the U.S., according to the Energy Information Administration.

WPD, PPL’s operating company in the U.K., does not directly charge customers. The company’s charges for maintaining and operating the distribution network represent 17% of an average electricity bill for a residential customer or on average £8.17 a month (the equivalent of \$11.11).



Source: Edison Electric Institute Typical Bills and Average Rates Report – Summer 2020

EDUCATING CUSTOMERS ABOUT ENERGY EFFICIENCY



PPL ELECTRIC UTILITIES WINS ENERGY STAR® EXCELLENCE AWARD

PPL's utilities share important energy efficiency information with both commercial and residential customers on a regular basis. This information is distributed through online and television advertising, by mail, through digital means and in person. It includes home-energy analytics, energy-savings tips and information about available energy-efficiency rebates.

Energy efficiency programs across PPL's utilities helped customers save more than 307,000 megawatt-hours of electricity and reduced peak demand by more than 142 megawatts across our business.

Our companies offer a variety of services to help customers save energy, calculate their indirect greenhouse gas and carbon emissions and adopt renewable energy. Our customer programs use advisory and educational resources from our team members, rebates and incentives, and technology such as meters and online tools.

The programs offered include:

- Online resources to make it easier to connect renewable energy resources.
- Smartphone apps that allow customers to trace their carbon footprint.
- Conservation/home energy performance monitoring.
- Low-income weatherization.
- High-efficiency lighting.
- HVAC test and tune-up.
- New construction advisory services.
- Education resources on electric vehicles.
- Load management options with financial incentives to reduce demand during peak hours.
- Appliance removal with incentives for replacement with EnergySmart appliances.
- Smart energy profiles and dashboards for monitoring usage and performance.
- Energy efficiency education.

SPECIAL SERVICES FOR CUSTOMERS

Numerous special services are available to meet the broad range of residential and commercial customer needs. Here are some examples:

LANGUAGE ASSISTANCE

LG&E and KU provide live call translation that allows customer service representatives to converse with customers who prefer to conduct business in their native language. The service offers translation in 140 different languages.

PPL Electric wants to ensure that customers can receive assistance in the language they prefer. The company's call centers use a translation service that allows customers to communicate with associates about their account in over 75 languages. Additionally, the company makes many of its customer brochures and communications available in both English and Spanish.

WPD's website includes the "speak or translate me" functionality, which includes translation in 102 languages, reads text aloud and uses larger fonts. Letters and publications can be provided in a range of languages, including Braille, on request. Additionally, customers can request an interpreter to join their conversation.

FINANCIAL ASSISTANCE

In addition to implementing a moratorium on customer disconnections and missed payment penalties as part of its COVID-19 relief efforts, PPL's utilities have contributed more than \$2 million to various customer assistance programs to help vulnerable customers.

In Kentucky and Virginia, **Winterhelp** (LG&E), **WinterCare** (KU) and **WinterShare** (ODP) are third-party programs that provide heating assistance for the utilities' qualifying customers. The assistance offered by the programs is contributed by customers through tax-deductible donations. In addition, the companies make contributions to the programs. Both LG&E and KU have relationships with local charities, community action groups and government assistance offices to help customers. In 2020, the companies contributed more than \$1.6 million in grants to various assistance programs to help customers with higher bills due to colder winter weather.

In Pennsylvania, Operation HELP provides financial aid to PPL Electric residential customers to help pay energy bills for low-income families with financial hardships. The program, which is funded jointly through contributions from PPL Electric, employees, retirees and customers, contributed almost \$1.5 million to vulnerable customers in 2020. More than 106,400 families have been helped since 1983, and 2,418 were helped in 2020. Operation HELP also supports CARES, the Customer Assistance and Referral Evaluation Service program. CARES is a special referral service for customers with temporary hardships such as illness, injury, loss of job or high medical bills.

OnTrack is a special payment plan for PPL Electric's low-income customers that offers reduced monthly payments, protection from shutoffs, debt forgiveness and referrals to other assistance programs. It is funded through residential customer rates in Pennsylvania.



ENERGY SAVINGS

WeCare (Weatherization, Conservation Advice and Recycling Energy) is designed to create savings through weatherization and energy education to help LG&E and KU income-eligible customers in need.

WRAP — PPL Electric's Winter Relief Assistance Program — helps customers with limited incomes reduce their home energy use and lower their electric bills. WRAP provides energy education and energy-saving measures for customers, when applicable. All measures and services are free. While the pandemic halted in-person meetings, the company implemented virtual energy audits to continue this program.

Power Up and **Affordable Warmth** are WPD's fuel poverty referral programs. The utility works with partners to refer customers in need of support to help pay their energy bills. The programs helped customers save more than \$14.7 million in the last year alone – an average of more than \$800 per benefiting customer.

VULNERABLE CUSTOMERS

WPD offers a Priority Services Register for customers who rely on electricity for medical equipment, older adults, people with disabilities, and those who feel vulnerable in the event of a power outage. The register provides participating customers a direct number to call in the event of a power outage, a password to be used for any needed home visits, special help through the British Red Cross and proactive messages about planned electricity supply interruptions.



A HISTORY OF HELPING THE VULNERABLE EASES LOCKDOWN HARDSHIPS

When the pandemic prompted a lockdown in the U.K., it was clear that life was going to be even harder for many vulnerable customers. But thanks to a long track record of delivering services for customers in vulnerable situations, WPD was on hand to help.

One of the first things WPD did was get in touch with the 50 organizations that support its fuel poverty plans and ask them to re-scope their activities. This meant that organizations WPD funds to offer energy-saving and tariff-switching advice widened their support to look at other ways of supporting customers.

Activities included providing befriending support and delivering groceries and prescriptions to the customers they had identified as being the most isolated and vulnerable.

WPD was also able to help other agencies by sharing the data it has collected for the Priority Services Register. Over the past five years, WPD's customer contact center and records teams have proactively reached out to 4.3 million Priority Services Register contacts. As a result, the company has very accurate information about vulnerable customers, including consent from many to share data with other key support agencies during emergencies.

At the start of the lockdown WPD contacted every local authority, local resilience forum and utility provider in the region to help them identify those most in need.

FOSTER AN EXCEPTIONAL WORKFORCE

PPL is supported by more than 12,000 talented employees, who are focused on providing safe, reliable, sustainable energy at a reasonable cost to our customers. In turn, PPL is committed to providing employees with a diverse and engaging workplace, rich with opportunities that foster innovation and personal success.

2020 WORKFORCE DEMOGRAPHICS¹



22%

Women at PPL globally

24% in senior leadership²

28% in U.S. workforce



7%

Racially Diverse at PPL globally

9% in senior leadership

11% in U.S. workforce



4%

**Persons with disability
in PPL's U.S. workforce³**

(self-identified)



7%

**Protected veterans in
PPL's U.S. workforce**

(self-identified)

WORKFORCE BY GENERATION

14%

Under 30

55%

30-50

31%

Over 50

¹ Workforce as of 12/31/2020 for U.S. and U.K. operations.

² Senior leadership includes presidents, vice presidents and directors; also includes senior managers for PPL's U.K. operations.

³ Persons with Disabilities – employees who self-identify as having a disability or having a history/record of a disability under the Voluntary Self-Identification of Disability under Section 503 of the Rehabilitation Act.

OUR CORPORATE CULTURE

PPL recognizes culture begins at the top, and we expect our leaders to serve as positive role models for our employees when it comes to living our corporate values.

We have long emphasized and continually communicate our corporate values – safety and health; customer focus; diversity, equity and inclusion; integrity and openness; performance excellence & innovation; and corporate citizenship.

These values are not only important to us, but directly support our focus on sustaining high-performing, customer-focused operations with constructive regulatory relationships.

Issues related to corporate culture are overseen by the company's Expanded Corporate Leadership Council, with our CEO providing updates to the Board of Directors.

Board and senior management oversight of corporate culture occurs in the following ways:

Diversity, equity and inclusion – The Expanded Corporate Leadership Council is engaged in the formation and implementation of the diversity strategy. The Expanded Corporate Leadership Council is presented with demographic metrics and diversity objectives and their associated programs semi-annually. This data-driven approach led to the formation of the Diversity, Equity and Inclusion Commitments, which are the framework for the diversity strategy going forward. The director of Diversity, Inclusion and Talent Management reports to the board on the company's diversity strategy and actions undertaken to advance that strategy.

Compliance – The Corporate Compliance Committee of senior executives meets quarterly to discuss metrics and other matters related to the compliance and ethics culture. Among the items discussed are statistics regarding EthicsHelpline reports and employee concerns. This information is also reviewed with the Audit Committee of the board quarterly.

Employee engagement – PPL's operating companies regularly conduct assessments related to employee engagement, safety and culture.

Safety – The board annually reviews safety programs and results. The board is also informed in the event of a fatality.

Access to employees – Board members are given full access to our employees and operations and have taken advantage of opportunities to interact with employees while learning about different areas of the company firsthand.

POWERING DIVERSITY, EQUITY AND INCLUSION

PPL is committed to providing vital energy services to the diverse communities we serve. We view diversity, equity and inclusion as a strategic imperative that enhances our customer insight and fuels innovation and growth.

We reward performance, enable professional development, and encourage employee engagement while developing a culture of belonging, empowerment and empathy.

We are dedicated to making a long-lasting impact in our workplaces and communities. In support of these goals, we made five diversity, equity and inclusion commitments as follows:



Commitment 1:

Attract, develop and retain a high-performing, diverse workforce.



Commitment 2:

Increase diverse representation in leadership roles, with a focus on females and minorities.



Commitment 3:

Maintain a workplace culture of equity and inclusion.



Commitment 4:

Foster partnerships that support the growth and vitality of the diverse communities and customers we serve.



Commitment 5:

Develop and sustain relationships with diverse suppliers, vendors and service providers.

PPL has short- and long-term objectives for each commitment, measuring and reporting on progress throughout the year. Each operating company is committed to advancing these common commitments with embedded diversity, equity and inclusion managers overseeing the effort and monitoring progress.



RECEIVED A SCORE OF 100 ON THE 2020 DISABILITY EQUALITY INDEX, MAKING PPL ONE OF THE BEST PLACES TO WORK FOR DISABILITY INCLUSION IN 2020.

RECEIVED A SCORE OF 100 IN 2020 ON THE HUMAN RIGHTS CAMPAIGN FOUNDATION'S CORPORATE EQUALITY INDEX, MAKING PPL ONE OF THE BEST PLACES TO WORK FOR LGBTQ EQUALITY.

THE U.S. DEPARTMENT OF LABOR AWARDED LG&E AND KU THE 2020 HONORING INVESTMENTS IN RECRUITING AND EMPLOYING AMERICAN MILITARY VETERANS (HIRE VETS) MEDALLION AWARD. THE COMPANY WON A GOLD MEDALLION IN THE LARGE EMPLOYER CATEGORY.

INITIATIVES IMPLEMENTED IN 2020 INCLUDE:

- Removed identification details from resume-screening for the summer intern program and adopted a written competency approach to measure applicant skills and reduce unconscious bias.
- Provided extensive learning and development resources to employees who expanded their understanding of bias, diversity, inclusion and cultural competency through varied approaches, including computer-based training, facilitated virtual teachings, videos, articles, lunch and learns, and engaging facilitated group conversations.
- Implemented a formal exit survey program that will provide the company with data intended to improve minority retention.
- Conducted listening and learning sessions in which employees were able to share their experiences with racism and bias to help deepen understanding among all employees.
- Served as a business leader in a community-wide coalition in Pennsylvania called Color Outside the Lines, which is working to develop a strategic plan for diversity and inclusion in the region.
- Lead a community-wide supplier diversity task force in Kentucky. See [Page 50](#) for details.
- Expanded financial support for racial and social justice initiatives through the company's foundations. See [Page 47](#) for more details.

BUSINESS RESOURCE GROUPS

PPL empowers its employees to form and participate in business resource groups to foster an environment of inclusion and provide an opportunity for employees with common experiences and perspectives to network and engage in professional development opportunities. PPL's companies have a combined 15 business resource groups. These business resource groups support PPL's diversity, equity and inclusion strategy.

Throughout the year, business resource group members organize employee events to educate fellow employees and build awareness on diversity and inclusion, as well as professional development. Members are also actively involved in various cultural and community programs that enable them to extend their reach outside their workplaces, including student mentoring, outreach to homeless veterans and cultural awareness workshops.

MILITARY VETERANS

PPL's operating companies have earned a trusted reputation among the military community as preferred employers.

In addition to allowing time off for active duty and for periodic military training, the company also supports employees who are members of a military reserve organization in the following ways:

- Pays the difference between the regular pay they would have received, if they had worked, and their government pay for a period of six months.
- Provides additional time off to take care of personal affairs, if necessary, before reporting for duty.
- Implements retroactively any pay increases that were deferred during the leave of absence.

WORKFORCE PLANNING

Although PPL has a relatively low turnover rate of 5.8%, the company has a strong focus on workforce planning. This enables PPL to:

- Forecast ebbs and flows in workforce requirements.
- Determine the size and type of workforce required for future business success.
- Identify and address talent gaps and plan for future talent needs.
- Develop plans, sourcing strategies and tactics.

Workforce planning results are integrated into the business planning process.

PPL is focused on continually developing current employees, while also building a strong pipeline of skilled workers for the future. The company has also continued efforts to build a more inclusive workforce.

To attract top talent, PPL supports a strong internship program that engages students in career-specific work experience, informational interviews, fun activities, exposure to PPL executives and community service. On average, about 60% of our interns become full-time employees. In 2020, the internship program was done virtually with PPL Corporation and PPL Electric hosting 49 interns representing 21 different universities. The students are studying a variety of fields, including engineering, information technology, supply chain management, data analytics and security. PPL's intern program also serves as an excellent source of diversity. In 2020, there were 49 interns (40.8% women, 40.8% minorities).

LG&E and KU have a robust co-op and internship program for college students pursuing a bachelor's degree. In 2020, 180 students participated in the college relations co-op/intern

program (34% women, 14% minorities). Additionally, in 2020, 30 former co-op/intern students were hired into full-time positions (40% women, 10% minorities). Students are provided not only real-world work experiences, but also opportunities to learn about different areas of the business and network with other employees at all levels of the organization.

PPL participates in many recruiting efforts focusing on underrepresented populations, such as women, ethnic and racial minorities, LGBTQ+, veterans and individuals with disabilities. Career fairs, multicultural leadership conferences, university leadership summits, mock interviews, resume reviews, panel discussions, career bootcamps, networking and affinity group sponsorships are part of our ongoing efforts to maintain PPL's position as an employer of choice.

CRAFT TRADE APPRENTICE AND TRAINEE PROGRAMS

PPL's companies are taking a proactive approach to expanding the talent pool for positions that will be available in the next several years due to retirements. In addition to college co-op programs, the company actively recruits and trains trade craft workers.

PPL Electric has several apprenticeship programs for various lineworker positions and hires from trade and technical schools throughout the company's 29-county service territory in eastern and central Pennsylvania. Entry level electricians with the prerequisite skills and external training are hired as lineworker trainees and PPL provides an additional four years of training in an apprenticeship program.

The utility has partnered with a local community college to establish a line work program that teaches students electrical-, cable- and communications-related line work.

The program has helped to fill a local void for workforce training and has been added to the state's High Priority Occupation Training program list, allowing Pennsylvania residents who are eligible for Workforce Investment Act or Trade Adjustment Act funding to pay little or nothing for the course.

PPL Electric also offers a trainee program for customer service positions, taking a nesting approach to training to ensure trainees can field customer questions before they work on their own. As they progress, they learn more and more complex issues following the same model.

In Kentucky, LG&E and KU have an active craft worker internship program, which focuses on recruiting top student talent directly from community and technical colleges in and around the utilities' service territories. Students are able to gain hands-on knowledge about the various career paths that LG&E and KU offer while they obtain the degrees that are required for many craft worker positions.

Strategic partnerships have been created at a number of schools around the region. Recruitment efforts build awareness of the various career paths and opportunities within LG&E and KU.

In the U.K., WPD's apprenticeship training takes a minimum of two years and includes positions for overhead lineworkers, who work on the network that is supported by wooden poles or steel towers, jointers who work on the underground cable network, and fitters who work on switches and transformers in substations.

In addition to craft apprentices, WPD also offers a three-year structured training program for planning and design trainees, who develop skills in design and development of projects, including new supplies and asset replacement.

PEOPLE AND HUMAN RIGHTS

As outlined in our *Standards of Integrity*, we respect the human rights of our employees and expect our suppliers to respect human rights as well, as described in subsidiary company policies required by our Supplier Code of Conduct.

COLLECTIVE BARGAINING AND FREEDOM OF ASSOCIATION

PPL supports its employees' right to freedom of association, as well as the right to form or join a union, bargain collectively and engage in union activities. Nearly half of PPL's workforce is represented by a labor union, and the company's operating utilities collaborate with union leadership to enhance workplace safety, meet the growing expectations of our customers, and adapt to the challenges of rapidly changing technologies.

Among other things, employees are encouraged to participate in health and safety groups such as the safety advocate program and to join one or more business resource groups, which are employee-driven organizations formed around common experiences and perspectives.

Bargaining unit employees have access to a grievance procedure for internal dispute resolution. The grievance procedure promotes a prompt and responsible conclusion of issues raised by bargaining unit employees.

LEARNING AND DEVELOPMENT

PPL's operating companies are committed to creating a workplace atmosphere that rewards performance and encourages professional development.

All employees are eligible for professional development courses. While COVID-19 posed particular training challenges, PPL changed its delivery model to offer virtual training opportunities to keep employees safe. The company also added virtual courses to help employees address the challenges of working remotely.

Beyond occupational training, the companies offer:

- Craftworker and lineworker development programs.
- Leadership development programs.
- Personal skills and management training courses.
- Mentoring programs.
- Skill development opportunities.

BENEFITS

Our partnership with employees has successfully powered PPL for decades and has fostered an environment that encourages employees to directly contribute to the overall success of PPL.

In addition to challenging careers and competitive salaries, PPL offers an excellent benefits program that helps to attract and retain talent and supports employees' well-being. Benefits include:

- High-quality comprehensive medical, dental, vision, life insurance and disability coverage.
- Paid-time off policies for vacation or illness.
- Family leave benefits that provide employees with up to six weeks of leave following the birth or adoption of a child. The expanded family leave benefits also include financial assistance for adoption and more flexibility with sick time, allowing employees to tend to family members or aging parents if the need arises.

For information on benefits packages at PPL's companies, visit www.pplweb.com/careers/life-at-ppl.



455,768

Total training hours



37.25

Average annual training
hours per employee



6,152

Number of training courses
offered annually to employees



\$1 million

Total continuing
education contributions

STRENGTHEN COMMUNITY VITALITY

PPL strives to empower the success of future generations by helping to build and maintain strong, diverse communities today.

We believe for our company to be successful, the communities we serve need to be successful. With local philanthropic programs in each operating region, our charitable investments are helping to meet the needs of our communities. Working with nonprofit and community partners, our philanthropic investments support many efforts helping to drive communities forward through programs focused on:

- Capacity building for nonprofits
- Diversity, equity and inclusion
- Equitable education
- Economic and workforce development
- Health and safety
- Sustainable local community projects



\$12.1 million

Total charitable giving



31,000

Number of employee volunteer hours



EMPLOYEES GIVE BACK TO COMMUNITIES THEY SERVE

For 100 years, we have had a special connection to our local communities, knowing that the service we provide is essential to families and businesses. At the same time, generations of PPL employees have always understood that we can make a positive impact beyond the electricity and gas we provide.

At a time when community need is as great as ever, PPL teamed up with employees and retirees to give back and make a difference. In 2020, the company's employee giving campaigns in the U.S. raised a record \$7 million in employee and retiree pledges, together with matching funds from the corporation's foundations.

The funds generated by the 2020 United Way campaign in Pennsylvania, Power of One campaign in Kentucky and United Way campaign at PPL's Safari Energy subsidiary in New York City, will support local United Way agencies and nonprofit organizations that are a force for good in our communities.

This community investment will assist families struggling with COVID-19; expand educational opportunities for children; support access to health care services, food, shelter and other basic needs; and offer additional assistance for healthy communities. Community investment is one of the many ways the company works year-round to uphold its values, which include a focus on corporate citizenship.

COMMUNITY SUPPORT IN A CHALLENGING YEAR

In 2020, COVID-19 and the racial justice movement brought a heightened awareness of the impact that can be made through community partnerships and investments.

From Pennsylvania's small towns and the busy streets of Louisville, Kentucky, to the rolling countryside of Wales in the U.K., every community we serve was facing the same challenge. PPL's response to COVID-19 included:

- Significant donations of PPE to local hospitals and emergency management agencies.
- Grants of \$500,000 to assistance programs to help energy customers facing economic hardships.
- Contributions totaling more than \$2 million in funding to COVID-19 relief efforts to support to our customers and communities.

In the U.K., WPD established a fund to help charities and community groups that provide vital support to vulnerable and socially isolated residents, as well as essential workers. Through the fund, WPD awarded \$1.45 million to

871 organizations, supporting more than 560,000 people affected by the pandemic. The support helped fund food and prescription delivery, helplines, the delivery of personal protective equipment to hospitals, and more.

Additionally, corporate responsibility staff actively worked with nonprofit partners to facilitate virtual volunteer activities for employees to help communities and individuals hit hardest by COVID-19. Some of the virtual activities included tutoring students in under-resourced schools, sewing masks for healthcare workers and sending cards and letters to older adults isolated in nursing homes.

In the U.S., the racial justice movement brought to light the inequities faced by Black citizens in our communities.

While diversity and inclusion have always been key considerations in the choices we make when investing in local communities, the PPL Foundation announced in June that it would expand the mission and focus to more directly support racial justice and equity initiatives. The announcement was paired with an initial contribution of

\$100,000 to Pennsylvania organizations working to make real and lasting changes in these areas.

In Kentucky, the LG&E and KU Foundation donated \$100,000 to agencies offering expanded education assistance to help combat the educational achievement gap for students of color.

As virtual instruction continues across Kentucky, the ongoing work of schools and agencies providing non-traditional instruction support continues to be critical for students and their families. In many cases, the work of these agencies helps bridge the achievement gap for students of color and their families, who may not have the resources or access necessary, and eases the burden for working parents who aren't able to stay home to assist with their child's virtual schooling.

The contribution will help fund educational assistance programs such as learning hubs, access to substitute teachers, tech support, emotional and social support and mentoring.



PANDEMIC PUT EMERGENCY PREPAREDNESS AND MANAGEMENT TO THE TEST

PPL's emergency management plan summarizes the prevention, mitigation, preparedness, response, business continuity and recovery activities that serve as the comprehensive integrated approach to establishing and maintaining an effective response to, and recovery from, internal or external disasters.

In 2020, the COVID-19 pandemic tested the company's emergency management preparedness and process like never before. Fortunately, PPL has maintained a pandemic plan for more than 10 years and used this as the foundation for its response to COVID-19.

The company began monitoring and discussing COVID-19 activities in late January and early February, activating a Pandemic Response Team, local emergency and business continuity plans, and the corporate Executive Crisis Team strategy.

The Executive Crisis Team, including leadership across the enterprise, began regular meetings in March that have continued to date. The focus of these meetings is to monitor activity across the enterprise, evaluate potential impact to operations, define and resolve unmet needs, and continually refine the pandemic response strategy, including developing a responsible return-to-work plan.

The Executive Crisis Team meetings were supplemented by daily reports of activity across the U.S. and the U.K. The report includes links to government actions, media reports and government resources, including meeting summaries

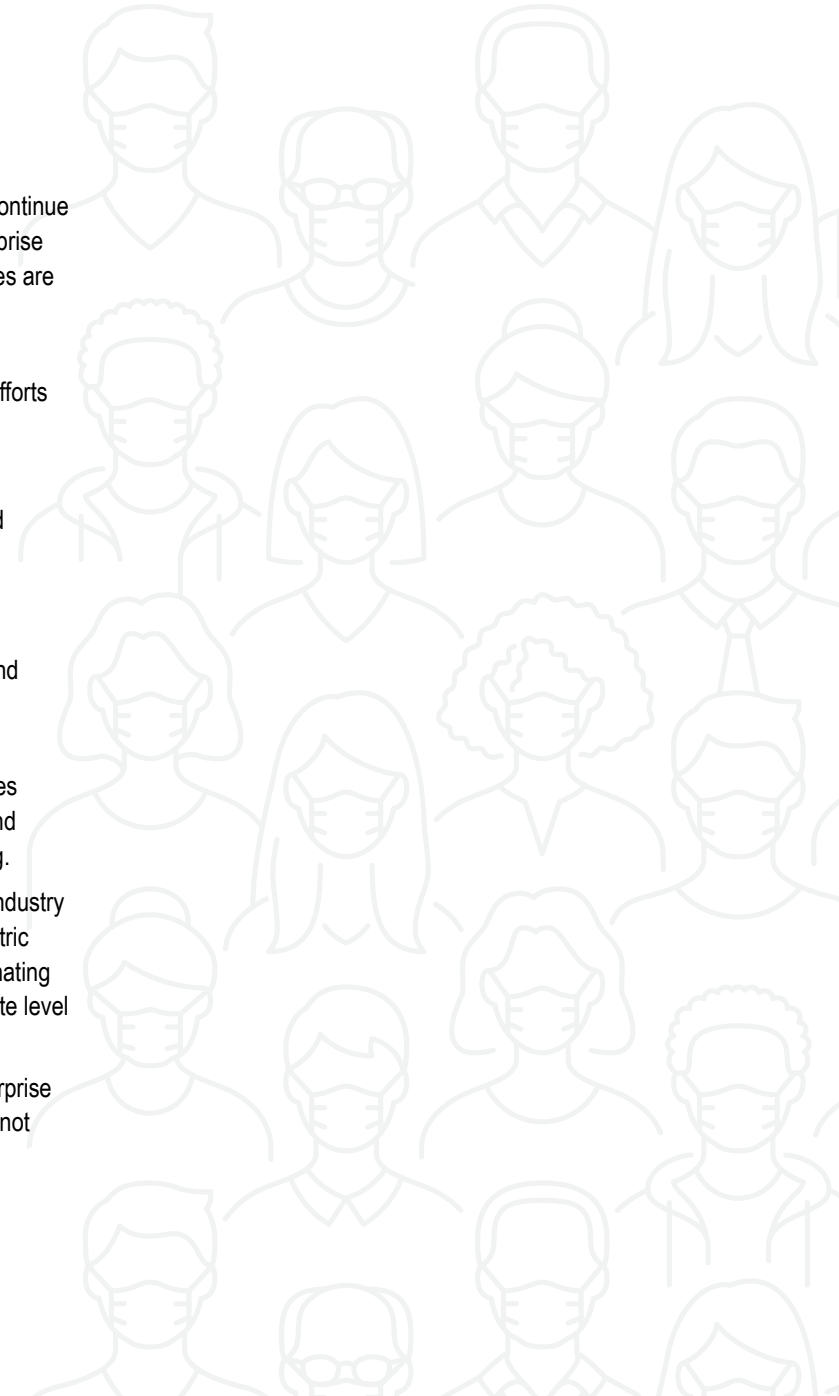
from the Edison Electric Institute. Regular meetings continue with pandemic team representatives across the enterprise where status of cases, unmet needs and best practices are shared.

PPL's strategy focused on balancing the safety of our employees with the critical needs of our customers. Efforts included:

- Isolating essential workers.
- Enhancing availability of technology equipment and systems to support a remote work environment for support roles.
- Implementing new protocols such as smaller work groups and remote reporting to minimize contact and increase social distancing for essential workers.
- Utilizing a number of resources to support effective communications to our workforce, including websites dedicated to COVID-19 work-related information and mass notification systems for consistent messaging.

PPL continues to work closely with government and industry representatives, including participating in Edison Electric Institute pandemic calls; Electricity Subsector Coordinating Council pandemic calls; and communications with state level emergency management and utility groups.

While a limited number of employees across the enterprise have tested positive for COVID-19, the company has not experienced any impact to operations.



POWERING LOCAL ECONOMIES

Mapping out long-term energy plans that contribute to economic well-being is part of the way PPL's companies work to provide a bright future for the communities we serve. We understand enhancement and construction of utility infrastructure, at a reasonable cost, is vital to attracting and retaining businesses that create jobs for our communities.

PPL's subsidiaries and their executives are actively involved in business organizations, such as chambers of commerce and economic development organizations.

We provide incentives to support economic development efforts. For example, LG&E and KU's Economic Development Rider — an incentive rate for existing industry expansions,

new project locations and redevelopment initiatives within the service area — continues to be recognized as an exemplary business attraction tool.

The company's Economic Development and Major Accounts team works with state, county and local officials, regional partners, site consultants, real estate developers and industry associations on potential business relocations and expansions.

In the U.K., WPD supports local energy plans and works collaboratively with local authorities and businesses as part of Energy Capital, a smart energy innovation partnership. Energy Capital facilitates public/private investment projects

across the region and works closely with local communities in the West Midlands region.

In Pennsylvania, PPL Electric key account managers work to engage business and industrial customers to help them get the most from their energy dollar through the utility's energy efficiency programs. They also serve as liaisons with operations to assist with the electrical power needs of large customers and proactively address potential reliability issues. In addition, PPL Electric's regional affairs directors are actively involved in various organizations throughout central and eastern Pennsylvania dedicated to helping communities thrive.



SUPPLY CHAIN

Anyone who stood in front of empty supermarket shelves in 2020 wondering where all the toilet paper went may have found a new appreciation for the important role the supply chain plays in getting the products we need where we need them, when we need them.

PPL's supply chain organizations negotiate and secure contracts to procure materials, labor and services necessary to support the business and infrastructure investment. Our ongoing partnerships with a cadre of diverse suppliers ensured we were able to get the wires, poles, fuel and countless products that help us keep the power flowing for our customers.

PPL's operating companies require suppliers and contractors to observe our high standards of business ethics, and professional and personal integrity, when bidding or providing materials or services to PPL.

The company's enterprise-wide [Supplier Code of Conduct](#), which applies to anyone supplying goods or services to PPL, includes guidelines on a variety of topics including diversity, corruption, ethics and cybersecurity. We also expect our suppliers to extend these standards to their own supply chains with respect to goods and services provided to us.

Accordingly, PPL reviews the safety and environmental performance of our business partners and incorporates compliance requirements in purchase orders and contracts. The value PPL places on diversity carries over to the people from whom the company purchases goods and services.

PPL and its operating companies actively reach out to find diverse businesses — including those owned by minorities, women and veterans. PPL Electric, LG&E and KU host annual supplier networking events to attract business leaders who will help expand the diversity of our supplier base.



\$3.3 billion

Total corporate
spend on goods
and services



\$2 billion

Total corporate
spend on locally
based suppliers



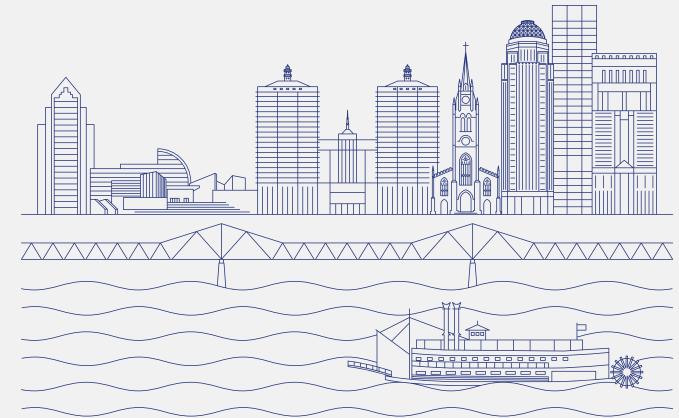
61%

Of corporate
spend on locally
based suppliers



\$275 million

Total corporate
spend on
diverse suppliers



REFLECTING OUR COMMUNITIES

In Kentucky, LG&E and KU President and CEO Paul Thompson is helping lead and co-chair Metro Louisville's community-wide supplier diversity task force — an effort created with the intention of driving meaningful change by increasing spending with diverse businesses on large capital projects.

Established in September 2020, the Equity in Contracting and Procurement Task Force is charged with working to close the community's wealth gap by supporting Black-, minority- and female-owned business enterprises, as well as businesses owned by those with disabilities. The task force supports supplier diversity initiatives, particularly related to capital projects.

"We are pleased to be a part of an effort that has the potential to drive meaningful change for our city and its diverse population," said Thompson. "The economic future of our region must include a focus on building Black wealth and expanding other diverse businesses. By focusing our efforts on improving supplier diversity for large capital projects, we can help accelerate change."

GLOBAL REPORTING INITIATIVE INDEX

PPL Corporation is committed to reporting on our sustainability performance annually, using the Global Reporting Initiative Sustainability Reporting Framework with the Electric Utilities Sector Supplement. This index details where specific Global Reporting Initiative indicators appear in this report or in other publicly available filings or posts to PPL's website. All data reflects information as of Dec. 31, 2020.

General Disclosures		2020 Response
ORGANIZATIONAL PROFILE		
102-1	Name of the organization	PPL Corporation
102-2	Primary brands, products, and/or services	Headquartered in Allentown, Pa., PPL Corporation is one of the largest companies in the U.S. utility sector. PPL's high-performing, award-winning utilities -- Western Power Distribution (East Midlands) plc, Western Power Distribution (South Wales) plc, Western Power Distribution (South West) plc and Western Power Distribution (West Midlands) plc (together, WPD), Louisville Gas and Electric Company (LG&E), Kentucky Utilities Company (KU) and PPL Electric Utilities Corporation (PPL Electric) -- provide an outstanding service experience for our 10 million customers, consistently ranking among the best in the United States and United Kingdom.
102-3	Location of organization's headquarters	Allentown, Pa.
102-4	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	PPL operates utilities in the United States and the United Kingdom.
102-5	Nature of ownership and legal form	PPL Corporation is an investor-owned energy company.
102-6	Markets served (including geographic breakdown, sectors served and types of customers/beneficiaries)	For information on the markets we serve, see Page 5 .
102-7	Scale of the reporting organization	See At a Glance on Page 6 . More detailed information can be found in PPL's 2020 Form 10-K .
102-8	Total workforce by employment type, employment contract and region, broken down by gender	PPL has 12,318 employees. For more details on employees, see Page 40 .
102-9	Describe the organization's supply chain	See Supply Chain on Page 50 .
102-10	Significant changes during the reporting period regarding size, structure or ownership	In 2020, PPL launched a process to sell its U.K. utility business. On March 18, 2021, PPL announced an agreement to sell WPD to National Grid and a separate agreement to acquire National Grid's Rhode Island electric and gas utility, The Narragansett Electric Company. The WPD sale is expected to close within four months of the date of announcement and the Narragansett Electric acquisition within a year.
102-11	Explanation of whether and how the precautionary approach or principle is addressed by the organization	See Governance on Page 13 .
102-12	List externally developed economic, environmental and social charters, principles or other initiatives to which the organization subscribes or which it endorses	PPL Corporation is not party to externally developed charters.
102-13	Memberships in associations (such as industry associations) and/or national/international/advocacy organizations	PPL's operating utilities are members of various industry associations, including the Electricity Producers Research Institute and the Edison Electric Institute.
STRATEGY AND ANALYSIS		
102-14	Statement from the most senior decision-maker of the organization	For a message from our president and CEO, see Page 3 .
102-15	Description of key impacts, risks and opportunities	For a message from our president and CEO, see Page 3 .

General Disclosures		2020 Response
ETHICS AND INTEGRITY		
102-16	Describe the organization's values, principles, standards and norms of behavior, such as codes of conduct and codes of ethics	See Compliance and Ethics on Page 15 .
102-17	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistle-blowing mechanisms or hotlines	See Compliance and Ethics on Page 16 .
GOVERNANCE		
102-18	Report the governance structure of the organization, including committees of the highest governance body	PPL Corporation's corporate governance structure is posted online on the corporate website at www.pplweb.com/governance . For more information on corporate governance, see Page 13 of this report, and Pages 11-12 of PPL's 2021 Proxy Statement .
102-19	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees	The Board of Directors has designated its Governance and Nominating Committee (GNC) as the body responsible for overseeing PPL's practices and positions to further its corporate citizenship, including sustainability, environmental and corporate social responsibility initiatives.
102-20	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body	The Board of Directors has designated its GNC as the body responsible for overseeing PPL's practices and positions to further its corporate citizenship, including sustainability, environmental and corporate social responsibility initiatives. PPL's Vice President of Public Affairs and Sustainability is the executive-level position responsible for economic, environmental and social topics, reporting to the GNC and full board several times per year.
102-21	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body	Anyone wishing to make their concerns known to PPL's board, its independent chair, any board member, or the independent directors as a group, may write to such person or persons in care of the Corporate Secretary's Office at: PPL Corporation, Two North Ninth Street, GENTW4, Allentown, PA 18101. Senior management and certain directors meet regularly with shareowners to discuss matters of interest, such as financial performance, strategic direction, corporate governance, executive compensation, environmental and social topics.
102-22	Composition of highest governing body	Information regarding our Board of Directors is available on Pages 5-10 of PPL's 2021 Proxy Statement .
102-23	Is chair of highest body also an executive officer?	No. The chair of the Board of Directors, Craig A. Rogerson, is an independent director. See Board Leadership Structure on Pages 11-12 of PPL's 2021 Proxy Statement .
102-24	Report the nomination and selection processes for highest governance body members	See Director Nomination Process and Proxy Access on Pages 16-17 of PPL's 2021 Proxy Statement .
102-25	Report processes for the highest governance body to ensure conflicts of interest are avoided	The Board of Directors determines the independence of each director before the director joins the board and on no less than an annual basis thereafter. Disclosure of other board memberships and PPL's policy on related-person transactions, together with any disclosures, are included each year in the annual proxy statement.
102-26	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies and goals related to economic, environmental and social impacts	The board has designated its GNC as the body responsible for overseeing PPL's practices and positions to further its corporate citizenship, including sustainability, environmental and corporate social responsibility initiatives.

General Disclosures		2020 Response
GOVERNANCE (continued)		
102-27	Report the measures taken to enhance the board's collective knowledge of economic, environmental and social topics	See Governance on Page 13 .
102-28	Report the process for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not and its frequency. Report whether such evaluation is a self-assessment. Report actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, at a minimum, changes in membership and organizational practices	See Board and Committee Evaluations on Page 11 of PPL's 2021 Proxy Statement .
102-29	Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks and opportunities	See Governance on Page 13 and The Board's Role in Risk Oversight on Page 18 of PPL's 2021 Proxy Statement .
102-30	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics	See Governance on Page 13 and The Board's Role in Risk Oversight on Page 18 of PPL's 2021 Proxy Statement .
102-31	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks and opportunities	See Governance on Page 13 .
102-32	Report the highest committee of position that formally reviews and approves the organization's sustainability report and ensures that all material aspects are covered	Senior executive leaders review and approve sustainability reports and discuss with the board's GNC.
102-33	Process for communicating critical concerns to the highest governance body	See Compliance and Ethics on Page 15 .
102-34	Remuneration policies for the highest governance body and senior executives	PPL's approach to compensation of its directors and executives can be found in PPL's 2021 Proxy Statement (Pages 20-21 for directors and Pages 26 for executive officers).
102-36	Process for determining remuneration including use of consulting	PPL's process for determining compensation of its directors and executives, including the use of consultants, can be found in PPL's 2021 Proxy Statement (Pages 15-16).
102-37	Report how stakeholder views are sought for determining remuneration	See Page 12 and 31 of PPL's 2021 Proxy Statement .
STAKEHOLDER ENGAGEMENT		
102-40	List of stakeholder groups engaged by the organization	PPL engages with a variety of stakeholder groups, including; customers, community groups, shareowners, potential investors, employees, retirees, labor unions, contractors and others in our supply chain, as well as various professionals in academia, industry and government. For more information on stakeholder engagement, see Page 11 .
102-41	Percentage of employees covered by collective bargaining agreements	As of the end of 2020, 46% of our employees were covered by collective bargaining agreements.
102-42	Basis for identification and selection of stakeholders with whom to engage	For more information on stakeholder engagement, see Page 11 .
102-43	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	PPL is committed to keeping our stakeholders informed through various formal and informal groups, forums and events. For more information on stakeholder engagement, see Page 11 .
102-44	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	For more information on stakeholder engagement, see Page 11 .

General Disclosures		2020 Response
REPORTING PRACTICE		
102-45	List all entities included in the organization's consolidated financial statements or equivalent documents.	PPL Corporation's utility subsidiary operating companies are WPD, LG&E, KU and PPL Electric. For a listing of significant subsidiaries, see Page 8 of PPL's 2020 Form 10-K .
102-46	Process for defining report content	For details on our process for defining report content, see Page 9 .
102-47	List all the material aspects identified in the process for defining report content	For details on our process for defining report content, see Page 9 .
102-48	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements	PPL had no restatements to report in 2020.
102-49	Report significant changes from previous reporting periods in scope and aspect boundaries	There were no changes from the previous reporting period.
102-50	Reporting period (e.g., fiscal/calendar year) for information provided	This report focuses on calendar year 2020.
102-51	Date of most recent previous report (if any)	PPL's last Corporate Sustainability Report was published in April 2020. It focused on calendar year 2019.
102-52	Reporting cycle (annual, biennial, etc.)	PPL prepares this report annually.
102-53	Contact point for questions regarding the report or its contents	Questions and comments about this report can be directed to community@pplweb.com .
102-54	Claims of reporting in accordance with GRI Standards	This report has been prepared in accordance with the GRI Standards: Comprehensive option.
102-55	Table identifying the location of the standard disclosures in the report	Disclosures are included in the GRI Index of this report, beginning on Page 51 .
102-56	Policy and current practice with regard to seeking external assurance for this report	External assurances for this report have not been conducted.
MANAGEMENT APPROACH		
103-1	For each material aspect, report the aspect boundary within the organization	For information about how material aspects were determined, see Page 9 .
103-3	Evaluation of management approach	See Governance on Page 13 and Climate Action on Page 26 .
ECONOMIC		
PERFORMANCE		
201-1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	For 2020 Financial Highlights, see Page 12 . Additional financial information can be found in PPL's 2020 Form 10-K .
201-2	Financial implications, and other risks and opportunities, for the organization's activities due to climate change	Refer to PPL's 2020 Form 10-K .
201-3	Coverage of the organization's defined benefit plan obligations	Refer to PPL's 2020 Form 10-K .
201-4	Significant financial assistance received from government	None.

General Disclosures		2020 Response
MARKET PRESENCE		
202-1	Range of ratios of standard entry-level wage by gender compared to local minimum wage at significant locations of operation	PPL's operating companies provide work hours, wages and benefits in compliance with applicable laws, including minimum wage and overtime requirements.
202-2	Proportion of senior management hired from the local community at significant locations of operations	Hiring and promotion is based on merit, not whether a candidate is from a particular locality.
INDIRECT ECONOMIC IMPACTS		
203-1	Development and impact of infrastructure investments and services supported	See more about infrastructure investments on Page 28 .
203-2	Significant indirect economic impacts, including the extent of impacts	See Strengthening Our Communities on Page 46 .
204-1	Proportion of spending on local suppliers at significant locations of operations	See Supply Chain on Page 50 .
ANTI-CORRUPTION		
205-1	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	All business units are subject to corruption risks analysis.
205-2	Communication and training on anti-corruption policies and procedures	All employees receive regular anti-corruption training as well as training on a variety of important policies and procedures. PPL's <i>Standards of Integrity</i> , which highlights certain key policies and procedures, can be accessed online at any time.
205-3	Confirmed incidents of corruption and actions taken	PPL does not publicly disclose this information.
ANTI-COMPETITIVE BEHAVIOR		
206-1	Total number of legal actions for anti-competitive behavior, anti-trust and monopoly practices and their outcomes	PPL does not publicly disclose this information.
ENVIRONMENTAL		
MATERIALS		
301-1	Materials used by weight or volume	For information on material handling, see Page 33 .
301-2	Report the percentage of recycled input materials used to manufacture the organization's primary products and services	We continue to investigate opportunities to incorporate recycled fuels in our operations.
ENERGY		
302-1	Energy consumption within the organization	For information on energy consumption, see Page 64 .
302-2	Energy consumption outside the organization	For information on energy consumption, see Page 64 .
302-3	Energy intensity	For information on energy intensity, see Page 64 .
302-4	Reduction of energy consumption	For information on PPL's efforts to reduce energy consumption within our operations, see Page 64 .
302-5	Reductions in energy requirements of products and services	For information on programs that help customers save energy, see Page 37 .

General Disclosures		2020 Response
WATER		
303-1	Total water withdrawal by source	For information on water consumption, see Page 66 .
303-2	Water sources significantly affected by withdrawal of water	For information on PPL's approach to water management, see Page 32 .
303-3	Percentage and total volume of water recycled and reused	For information on PPL's approach to water management, see Page 32 .
BIODIVERSITY		
304-1	Operational sites owned, leased, managed in or adjacent to, protected areas and areas of high biodiversity value outside protected areas	For information on PPL's approach to biodiversity, see Page 34 .
304-2	Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	For information on PPL's approach to biodiversity, see Page 32 .
304-3	Habitats protected or restored	For information on PPL's approach to biodiversity, see Page 34 .
304-4	Total number of IUCN Red List species and national conservation lists species with habitats in areas affected by operations, by level and extinction risk	For information on PPL's approach to biodiversity, see Page 34 .
EMISSIONS		
305-1	Direct greenhouse gas (GHG) emissions (Scope 1)	For information on PPL's approach to emissions, see Page 65 .
305-2	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	For information on PPL's approach to emissions, see Page 65 .
305-3	Indirect greenhouse gas (GHG) emissions (Scope 3)	For information on PPL's approach to emissions, see Page 65 .
305-4	Greenhouse gas (GHG) emissions intensity	For information on PPL's approach to emissions, see Page 65 .
305-5	Reduction of greenhouse (GHG) emissions	For information on PPL's approach to emissions, see Page 65 .
305-6	Emissions of ozone-depleting substances (ODS)	This is not material to PPL.
305-7	NOx, SOx, and other significant air emissions	For information on PPL's approach to emissions, see Page 65 .
EFFLUENTS AND WASTE		
306-1	Total water discharge by quality and destination	For information on PPL's approach to water management, see Page 32 .
306-2	Total weight of waste by type and disposal method	For information on PPL's approach to waste management, see Page 33 .
306-3	Total number and volume of significant spills	PPL had four reportable spills with a total volume of 867 gallons (non-PCB transformer oil). All spills were cleaned in full compliance with established spill policies.
306-4	Weight of transported, imported, exported or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III and VIII, and percentage of transported waste shipped internationally	This is not material to PPL, as the company's operations do not transport any hazardous waste across international borders.
306-5	Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff	Discharges to lakes and rivers are by regulatory permits. With our operating practices, discharges are designed to protect aquatic species and the environment.

General Disclosures		2020 Response
COMPLIANCE		
307-1	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	No significant fines (defined as more than \$100,000).
SUPPLIER ENVIRONMENTAL ASSESSMENT		
308-1	Percentage of new suppliers that were screened using environmental criteria	PPL contractually requires supplier adherence to environmental terms and conditions.
308-2	Significant actual and potential negative environmental impacts in the supply chain and actions taken	PPL contractually requires supplier adherence to environmental terms and conditions.
SOCIAL		
LABOR PRACTICES		
401-1	Total number and rates of new employee hires and employee turnover by age group, gender and region. See G4-10 for data on this indicator	For information on PPL's workforce, see Page 40 .
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	For information on benefits provided to employees, see Page 45 .
401-3	Return to work and retention rates after parental leave, by gender	A total of 91 women and 258 men used parental leave. A total of 349 employees returned to work, resulting in a 100% retention rate.
LABOR/MANAGEMENT RELATIONS		
402-1	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	Notice periods vary by collective bargaining agreement. We comply with applicable laws, regulations and collective bargaining agreements.
OCCUPATIONAL HEALTH AND SAFETY		
403-1	Percentage of total workforce represented informal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	PPL has voluntary employee safety committees across the company in virtually every business unit that plan and execute safety improvement activities. These committees, with representatives from first line and management, communicate safety messages to employees and hold regular safety meetings.
403-2	Type of injury and rates of injury, occupational diseases, lost days and absenteeism, and total number of work-related fatalities, by region and gender	For information on PPL's safety program, see Page 24 .
403-3	Workers with high incidence or high risk of diseases related to their occupation	No high risks or incidents identified.
403-4	Health and safety topics covered in formal agreements with trade unions	All collective bargaining agreements contain language that references the need for a strong health and safety program, and a joint health and safety advisory committee.
TRAINING AND EDUCATION		
404-1	Average hours of training per year per employee by gender and by employee category	For information on professional development, see Page 45 .
404-2	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	For information on professional development, see Page 45 .
404-3	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	PPL's expectations are that all eligible employees receive an evaluation of their skills and performance on an annual basis. The company's business units have formal performance appraisal processes that cover 100% of eligible active, full-time and part-time employees.

General Disclosures		2020 Response
DIVERSITY AND EQUAL OPPORTUNITY		
405-1	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity	For information on diversity at PPL, see Page 42 .
405-2	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operations	PPL complies with all state, federal and local laws and regulations prohibiting discrimination.
HUMAN RIGHTS		
412-3	Total number and percentage of significant investment agreements and contracts that include human-rights clauses or that underwent human-rights screening	PPL and its subsidiary companies in the U.S. and U.K. operate in compliance with applicable laws and regulations. In the U.K., WPD complies with the Modern Slavery Act 2015 and its commitment to prohibiting any form of forced labor or slavery throughout its business and its supply chain.
412-2	Total hours of employee training on human-rights policies or procedures, concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	All employees are trained on PPL's <i>Standards of Integrity</i> , which includes topics on respect in the workplace, nondiscrimination and compliance with laws.
406-1	Total number of incidents of discrimination and corrective actions taken	This is not publicly disclosed information. Company policies prohibit discrimination and set forth a robust procedure for reporting, investigating and responding to allegations of discrimination.
407-1	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	No risks to, or violations of, the right to freedom of association or the right to form or join a union, bargain collectively, or engage in union activities were identified. Nearly half of PPL's workforce is represented by a labor union and the company's operating utilities collaborate with union leadership to enhance workplace safety, meet the growing expectations of our customers, and adapt to the challenges of rapidly changing technologies.
408-1	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	None. We comply with applicable laws, rules and regulations wherever we operate.
409-1	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	None. We comply with applicable laws, rules and regulations wherever we operate.
410-1	Percentage of security personnel trained in organization's human-rights policies or procedures that are relevant to operations	All domestic Corporate Security personnel complete corporate <i>Standards of Integrity</i> training on an annual basis. Additionally, all domestic Corporate Security personnel complete a training program on indicators and response to workplace violence events at least bi-annually. All contract security personnel working domestically complete training programs on ethics and conduct, and cultural diversity administered by their employer.
414-1	Percentage of new suppliers that were screened using human-rights criteria	PPL's <i>Standards of Conduct and Integrity for Suppliers</i> requires that all suppliers adhere to all applicable labor and human rights laws.
414-2	Significant actual and potential negative human rights impacts in the supply chain and actions taken	PPL's <i>Standards of Conduct and Integrity for Suppliers</i> requires that all suppliers adhere to all applicable labor and human rights laws.
413-1	Percentage of operations with implemented local community engagement, impact assessments and development programs	100% of PPL's operations have programs for local community engagement. For more information on community engagement, see Page 46 .

General Disclosures		2020 Response
PUBLIC POLICY		
415-1	Total value of political contributions by country and recipient/beneficiary	For information on PPL's public policy approach, see Page 18 .
CUSTOMER HEALTH AND SAFETY		
416-1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	Electricity and natural gas can be dangerous if handled incorrectly. Safety programs are part of our ongoing operations. We have extensive training and safety education programs for customers, contractors and employees.
416-2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcome	PPL does not publicly disclose this information.
PRODUCT AND SERVICE LABELING		
417-1	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	Electric and natural gas service cannot be labeled. We provide regular and detailed safety information to customers via bill inserts, public service announcements, presentations, social media and the company's websites.
417-3	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship, by type of outcomes	PPL does not publicly disclose this information.
CUSTOMER PRIVACY		
418-1	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	PPL does not publicly disclose this information.
COMPLIANCE		
419-1	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Refer to the PPL's 2020 Form 10-K .

Electric Utilities Sector Disclosures		2020 Response
EU1	Installed capacity, broken down by primary energy source and regulatory regime	For details on installed capacity, see Page 64 .
EU2	Net energy output broken down by primary energy source and regulatory regime	For details on net energy output, see Page 64 .
EU3	Number of residential, industrial, institutional and commercial accounts	For details on PPL's customers, see Page 35 .
EU4	Length of above and underground transmission and distribution	See the infrastructure overview on Page 28 .
EU5	Allocation of CO ₂ emissions allowances, or equivalent, broken down by carbon trading framework	PPL addresses availability and reliability in our integrated resource plans that are submitted to regulatory agencies. More information is also available in PPL's 2020 Form 10-K .
G4-DMA Availability & Reliability	Management approach to ensure short- and long-term electricity availability and reliability	PPL addresses availability and reliability in our integrated resource plans that are submitted to regulatory agencies. More information is also available in PPL's 2020 Form 10-K .
EU10	Planned capacity against projected electricity demand over the long term, broken down by energy source and regulatory regime	Forecast demand for LG&E and KU is 5,922 MW, and LG&E and KU generation capacity is currently 7,608 MW, providing a 28.5% reserve margin. This reserve margin is higher than usual due to the low forecasted peak load reflecting the impact of COVID-19 in 2020. When adjusted for the impact of COVID-19, the reserve margin would be around 24%.
G4-DMA Demand Side Management	Demand-side management programs including residential, commercial, institutional and industrial programs	Where applicable, PPL addresses planned capacity and projected demand in integrated resource plans that are submitted to regulatory agencies. For information about demand-side management programs for customers, see Page 37 .
G4-DMA Research & Development	Research and development activity and expenditure aimed at providing reliable electricity and promoting sustainable development	Research and development activities addressing short- and long-term electricity availability and reliability include investigations of advanced fossil generation, flexible plant operations, distributed energy resource integration, grid scale energy storage and advanced grid technologies to support the integrated grid. The research spans from paper studies to pilot demonstrations. The information supports the integrated resource-planning and business-planning processes across the organization. For more information on research and development initiatives, see Page 27 .
EU11	Average generation efficiency of thermal plants by energy source and regulatory regime	In 2020, the average generation efficiency for LG&E and KU was 9.8 (MMBTU/Net MWh).
EU12	Transmission and distribution losses as a percentage of total energy	PPL's operating utilities use standard utility industry practices to review and identify line losses that are outside of industry norms and take necessary steps to mediate those issues as they occur. In 2020, line loss as a percentage of total energy was 3.87% for LG&E (electric), 1.61% for LG&E (gas), 5.28% for KU, 5.74% for PPL Electric and 4.60% for WPD.
EU13	Biodiversity of offset habitats compared to the biodiversity of the affected areas	For information on habitat-protection efforts, see Page 32 .
G4-DMA Skilled Workforce	Programs and processes to ensure the availability of a skilled workforce	For information on how PPL is ensuring the availability of a skilled workforce, see Page 44 .
EU15	Percentage of employees eligible to retire in next five to 10 years, broken down by job category and region	PPL has developed strategic workforce plans to identify key functions and proactively implement plans to assure a ready and qualified workforce. For information on generational diversity and turnover rates, see Page 40 .

Indicator	Description	Response
EU17	Days worked by contractor and subcontractor employees involved in construction, operation and maintenance activities	PPL does not publicly disclose this information.
EU18	Percentage of contractor and subcontractor employees who have undergone relevant health and safety training	PPL provides required health and safety-related training for 100% of the contractors performing physical work on our electric systems.
G4-DMA Water	At the watershed or hydrological basin level, include collaborative approaches to managing watersheds and reservoirs for multiple uses (e.g., irrigation, drinking water, ecosystem conservation, etc.). Also report long-term planning for securing water resources, for meeting the needs of both the utility and other stakeholders (e.g. local communities). This includes describing the criteria for managing maximum/minimum flow of surface water and volume of ground water and how these are determined and maintained.	For information on PPL's approach to water management, see Page 32 .
G4-DMA Vegetation Management	Report approaches for pest and vegetation management along transmission and distribution corridors (e.g., use of Integrated Pest Management and Integrated Vegetation Management)	For information on PPL's approach to vegetation management, see Page 22 .
G4-DMA Local Communities	Stakeholder participation in decision making processes related to energy planning and infrastructure development	For information on stakeholder engagement, see Page 11 .
EU22	Number of people physically or economically displaced and compensation, broken down by type of product	We avoid displacement of anyone to the extent feasible by careful planning during the siting process of major projects. If displacement is unavoidable, we make fair compensation for any property transactions.
G4-DMA Emergency Planning	Contingency planning measures, disaster/emergency management plan and training programs, and recovery/restoration plans	For information on PPL's disaster and emergency management planning, see Page 48 .
G4-DMA Customer Support Programs	Programs, including those in partnership with government, to improve or maintain access to electricity and customer support services.	For information on customer programs, see Page 39 .
EU26	Percentage of population unserved in licensed distribution or service areas	PPL's utilities have an obligation to serve all who want electrical service in their service territory.
EU27	Number of residential disconnections for non-payment, broken down by duration of disconnection and by regulatory regime	In 2020, PPL's U.S.-based utilities had 32,281 residential disconnections. The number of residential reconnections within 30 days was 28,370.
EU28	Power outage frequency	For information on reliability, see Page 67 .
EU29	Average power outage duration	For information on reliability, see Page 67 .
EU30	Average plant availability factor by energy source and by regulatory regime	LG&E and KU's plant availability factor is 87.34%. The unplanned outage rate for LG&E and KU plants in 2020 was 5.05%.
G4-DMA Customer Access	Practices to address language, cultural, low literacy and disability related to barriers to accessing and safely using electricity and customer support services	For information on customer programs, see Page 38 .

APPENDIX

SUSTAINABILITY COMMITMENTS

PRIORITIES



Create extraordinary
shareowner value

Cybersecurity and grid protection – Protect the grid, customer and employee data, and the company's assets.
Economic viability – Promote the long-term financial viability of the company and returns for our shareowners.
Governance, compliance and ethics – Maintain strong corporate governance, transparent public policy engagement and compliance and ethical business practices.



Drive best-in-sector
operational performance

Reliability – Enhance the reliability and resiliency of service through continued investments.
Customer satisfaction – Deliver industry-leading customer service.
Safety & health – Drive employee and public safety.



Advance a cleaner energy future

Decarbonization – Economically reduce greenhouse gas emissions from generation and non-generation operations and enable customer decarbonization.
Research and development – Be a leader in the transformation of the utility industry through innovation and technological advancements.
Infrastructure investments – Invest in the development of a smarter, more resilient grid and enable distributed energy resources and renewables.
Environmental stewardship – Responsibly manage and reduce our impact on the environment through conservation and sustainable resource management.



Exceed customer expectations

Affordability – Strive to deliver affordable electricity and natural gas service for our customers.
Energy efficiency – Implement tools and resources to reduce energy consumption.



Foster an exceptional workforce

Diversity, equity and inclusion – Foster an inclusive, respectful and diverse workplace.
Employee engagement – Create a workplace that fosters an engaged, high-quality workforce.
Human capital – Invest in the current and future workforce through training and development, succession planning and creating a pipeline for internal advancement.



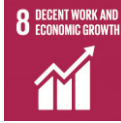










Strengthen our communities

Community support – Build and maintain the vitality of the communities we serve through just and equitable contributions including philanthropy, volunteerism and economic development.
Supplier diversity – Seek a pool of diverse, strategic suppliers and business partners.
Emergency preparedness – Maintain business continuity and prepare for events that affect our ability to serve customers.

THE U.N. SUSTAINABLE DEVELOPMENT GOALS

As a multinational business, PPL understands we have a role to play in contributing to the United Nations Sustainable Development Goals (UNSDGs). As we developed our own sustainability commitments, we considered how our commitments would support the UNSDGs in the objective to achieve a better world for all. PPL also participated in the United States Council for International Business initiative “Business for 2030,” which aims to promote opportunity for the private sector to drive progress toward sustainable development, and act as a partner to help provide the financing and technical capabilities needed to achieve the UNSDGs.

PPL COMMITMENTS	U.N. SUSTAINABLE DEVELOPMENT GOALS				
	 6 CLEAN WATER AND SANITATION Clean Water and Sanitation	 7 AFFORDABLE AND CLEAN ENERGY Affordable and Clean Energy	 8 DECENT WORK AND ECONOMIC GROWTH Decent Work and Economic Growth	 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE Industry, Innovation and Infrastructure	 13 CLIMATE ACTION Climate Action
 Create extraordinary shareowner value		✓	✓	✓	✓
 Drive best-in-sector operational performance		✓	✓	✓	
 Advance a cleaner energy future	✓	✓		✓	✓
 Exceed customer expectations		✓		✓	
 Foster an exceptional workplace			✓	✓	
 Strengthen community vitality	✓	✓	✓	✓	✓

Installed Capacity

Year	Total Net Summer Rating at end of year (MW)	Coal Total Net Summer Rating ¹ (MW)	Natural Gas Net Summer Rating (MW)	Hydroelectric Net Summer Rating (MW)	Solar Net Summer Rating (MW)
2019	7,561	4,715	2,742	96	8
2020	7,561	4,715	2,742	96	8

¹ Ownership or other interests includes 75% Trimble County Unit 1 and Unit 2 ownership and does not include OVEC

Note: In addition to installed capacity, in 2020, Safari Energy, LLC acquired solar generation with a nameplate capacity of 93.398 MW (AC), which produced 98,850 MWh.

Total installed nameplate capacity (inclusive of 2020 acquired capacity) was 110.927 MW (AC), which produced 122,351 MWh.

Energy Consumption and Output

YEAR	Owned Gross Generation ¹ (MWh)	Owned Net Generation ¹ (MWh)	Total BTU Consumed at Plant	Generation Efficiency (BTU/ Owned Net Generation)	Percentage Change in Generation Efficiency	Small Plant Stationary (Subpart C) Combustion Sources (liters)	Plant Mobile Fuel Combustion Sources (liters)	Organization Building Electricity Use (kWh)	Organization Building Gas Use (kWh)	Organization Fleet Vehicle Energy Use (liters)
2016	36,857,210	33,968,857	360,888,362	10.6	-3.07%	659,227,583 ^{A,B}	1,882,854 ^A	108,898,199 ^A	101,078,573 ^A	17,816,820 ^A
2017	35,759,848	32,704,879	330,071,507	10.1	-5.00%	659,227,583 ^B	1,882,854	116,693,279	101,227,880	17,919,631
2018	36,682,634	34,546,832	348,595,825	10.1	-0.02%	528,994,712	2,472,059	118,879,329	110,712,724	17,145,414
2019	34,999,039	32,282,872	321,101,952	9.9	-1.43%	2,035,303,593	2,720,202	123,570,138	98,696,944	18,380,956
2020	32,257,253	29,916,634 ^C	291,048,391	9.8	-1.79%	1,149,033,343	2,022,215	120,239,834	89,936,970	18,191,401

¹ Owned Gross and Net Generation data excludes Purchase Power. Includes 75% Trimble County Unit 1 & 2 ownership.

^A Estimated data for Kentucky Operations.

^B 2017 corrected and prior years' data estimated based on 2017 data.

^C Owned Net Generation includes 122,351 MWh generated by Safari Energy, LLC.

Carbon Emissions and Intensity

Year	Scope 1: Gross MWh of Owned Generation Includes CO ₂ , N ₂ O and CH ₄ (metric tonnes of CO ₂ e)	Scope 1: Fleet Vehicles (metric tonnes of CO ₂ e)	Scope 1: Small Plant Stationary Fuel Combustion Sources not included in Stack Emissions (metric tonnes of CO ₂ e)	Scope 1: Plant Mobile Equipment (metric tonnes of CO ₂ e)	Scope 1: Gas Operations (metric tonnes of CO ₂ e)	Scope 1: Electric Substation and Distribution SF ₆ (metric tonnes of CO ₂ e)	Scope 2: Purchased Power Net of Wholesale (MWh)	Scope 2: Purchased Power Net of Wholesale (metric tonnes of CO ₂ e)	Scope 2: Electricity Use in Buildings (metric tonnes of CO ₂ e)	Scope 2: Gas Use in Buildings ² (metric tonnes of CO ₂ e)	Scope 3: Electricity Purchased for End Use Customers (MWh)	Scope 3: Electricity Purchased for End Use Customers (metric tonnes of CO ₂ e)	Scope 3: Gas Purchased for End Use Customers (MMCUFT)	Scope 3: Gas Purchased for End Use Customers (metric tonnes of CO ₂ e)	Total Goal Related Emissions (metric tonnes of CO ₂)	USD Million Sales (in millions)	Revenue Carbon Intensity ³ (CO ₂ e/ revenue)	Owned Net Generation ⁴ (MWh)	Gross Generation Carbon Intensity ⁵ (CO ₂ e/net MWh)
Goal ¹	✓	✓	✓	✓		✓		✓	✓	✓									
2010	60,736,086 ^A	48,343 ^{B,C}	2,515	4,893 ^B		114,727 ^C	1,906,442	1,597,157	89,732 ^B	18,250 ^B	15,980,340	7,263,132	44,546	2,389,400	62,577,296				
2016	28,737,028	46,633 ^B	32,645	4,893 ^B	35,376	85,195	619,191	558,092	67,022 ^B	18,311 ^B	9,272,725	4,172,432	43,287	2,225,952	29,515,412	\$7,517	0.00393	33,968,857	0.85
2017	28,407,677	47,630	8,984	4,893	28,132	90,107	530,829	470,110	69,781	18,311	9,134,536	4,110,251	40,656	2,034,406	29,083,085	\$7,447	0.00391	32,704,089	0.87
2018	29,480,129	43,256	1,097	6,459	29,040	49,513 ^E	273,821	241,199	67,316	20,058	10,263,461	4,415,253	46,474	2,267,656	29,873,408	\$7,785	0.00384	34,546,832	0.85
2019	26,740,576	46,646 ^D	4,056	5,898	27,909	88,669 ^F	594,506	532,952	30,646 ^G	17,914	10,884,062	4,383,993	45,182	2,230,727	27,467,358	\$7,769	0.00354	32,282,872	0.83
2020	24,971,324	45,524	2,297	5,157	22,204	43,616	624,561	541,242	25,712 ^G	16,294	10,705,000	4,132,207	41,589	2,002,542	25,651,166	\$7,607	0.00337	29,916,634 ^H	0.83 ^I

¹ Our CO₂e Goal includes columns identified with a checkmark.² Note: There is not a material difference in the conversion formulas utilized in our U.K. Operations (DECC Conversion Factor) vs. our Kentucky Operations (EIA's Conversion Factor).³ Total CO₂e goal-related emissions.⁴ Net Generation data excludes Purchased Power. Includes 75% Trimble County Unit 1 & 2 ownership.⁵ Total CO₂e associated with gross owned generation divided by net generation.^A 2010 Scope 1 Plant Emissions is the only data point that includes PPL Energy Supply, LLC.^B Estimated data for Kentucky Operations.^C Estimated data for Pennsylvania Operations.^D 2019 utilizes enhanced data collection as compared to previous years.^E 2018 data updated to reflect the WPD Environment & Innovation Report.^F 2019 data updated based on an inventory accounting data correction.^G LG&E and KU emissions captured in Scope 1 Gross MWh.^H Owned Net Generation includes 122,351 MWh generated by Safari Energy, LLC.^I Emissions intensity for LG&E and KU equals 0.84

Other Air Emissions

Year	Owned Net Generation ¹ (MWh)	Total NOx Emissions (metric tonnes)	Total NOx Emissions Intensity (metric tonnes/owned net MWh)	Total SO ₂ Emissions (metric tonnes)	Total SO ₂ Emissions Intensity (metric tonnes/owned net MWh)	Total HG Emissions (kg)	Total HG Emissions Intensity (kg/owned net MWh)	Particulate Matter (metric tonnes)
2016	33,968,857	18,380	0.00054	16,398	0.00048	70	2.06E-06	2,634
2017	32,704,879	15,710	0.00048	13,499	0.00041	77	2.35E-06	1,900
2018	34,546,832	17,329	0.00050	16,698	0.00048	71	2.06E-06	2,241
2019	32,282,872	14,633	0.00045	13,487	0.00042	55	1.70E-06	1,653
2020	29,916,634 ^A	11,948	0.00040	13,194	0.00044	48	1.60E-06	643

¹ Net Generation data excludes Purchased Power. Includes 75% Trimble County Unit 1&2 ownership.^A Net Generation includes 122,351 MWh generated by Safari Energy, LLC.

2020 Total Water Withdrawal by Source

Plant	2020 Withdrawal (megaliters/year)	% Impact (water withdrawn compared to waterbody size)	2020 Discharge ¹ (megaliters/year)	Water body	Waterbody Size (lake-megaliters or river-megaliters/day)	Consumption (megaliters/year) (withdrawal-discharge)	Total Volume of Water Recycled and Reused as a Percentage of Total Water Withdrawal
KU-Brown	16,000	0.014%	13,000	Herrington Lake (created by Dix River Dam)	324,405 ^A	3,000	81.25%
KU-Ghent	97,000	0.240%	104,000	Ohio River	110,829 ^B	-7,000 ^C	107.22%
LG&E-Cane Run	4,000	0.009%	1,700	Ohio River	119,882 ^B	2,300	42.50%
LG&E-Mill Creek	348,000	0.795%	296,000	Ohio River	119,882 ^B	52,000	85.06%
LG&E-Trimble County	47,000	0.116%	17,000	Ohio River	110,829 ^B	30,000	36.17%
TOTALS	512,000		431,700			80,300	84.32%

¹ These numbers were calculated from annual averages of the NPDES-KPDES reported values for the (DMR) Discharge Monthly Reports or using process-specific flow information. Flows include discharges from ashponds, cooling tower blowdown streams, once-thru cooling flows and accumulated stormwaters within impoundments or collected/drainage process areas. These flows were returned to the same water bodies from which they were withdrawn; there are a number of other users located downstream and upstream of plant locations.

^A Volume of lake during 10Q7 low flow conditions.

^B Flow at relevant locations during 10Q7 low flow conditions.

^C Discharge exceeds withdrawal due to rainfall.

Coal Combustion Products (CCP) Trends¹

Year	CCP Production (million metric tonnes)	CCP Reuse	Owned Net Generation (MWh)	CCP Trends (million metric tonnes/owned MWh)
2016	3.062	38.3%	33,968,857	0.090
2017	3.067	46.6%	32,704,879	0.094
2018	3.101	43.5%	34,546,832	0.090
2019	2.739	56.8%	32,282,872	0.085
2020	2.603	58.4%	29,916,634 ^A	0.087

¹ Chart updated to include all types of coal combustion products produced. Previously published only ash-use trends.

^A Owned Net Generation includes 122,351 MWh generated by Safari Energy, LLC.

Waste

Year	Hazardous Waste ^{1,2} (total tonnes)	Non-Hazardous Waste ³ (total tonnes)
2016	743.97	136,124.63
2017	829.03	45,347.15
2018	790.67	25,684.24
2019	473.37	6,846.90
2020	680.02	8,393.70

¹ All operations.

² Poles are designated as hazardous waste in the U.K.

³ Includes Pennsylvania and U.K. operations only. Note: Kentucky does not track Non-Hazardous Waste other than CCP.

2020 Safety

	2016	2017	2018	2019	2020
Total Hours Worked	24,700,051	24,157,564	23,602,105	23,359,302	23,386,578
Number of lost day cases	24	18	15	24	35
Lost Time Incident Rate	0.19	0.15	0.13	0.21	0.30
Recordable Incident Rate	1.297	1.08	1.18	1.02	1.18
Work related fatalities	0	1	0	1	0

2020 Reliability

SAIFI - System Average Interruption Frequency Index

	2016	2017	2018	2019	2020
LG&E and KU	1.04	0.84	0.92	1.06	0.74
PPL Electric	0.70	0.60	0.74	0.66	0.69
WPD	0.52	0.50	0.53	0.50	0.45

*SAIFI is the average number of interruptions per customer, excluding major events, per IEEE definition 1366.

SAIDI - System Average Interruption Duration Index

	2016	2017	2018	2019	2020
LG&E and KU	100.47	75.41	95.24	93.59	69.74
PPL Electric	71.14	70.04	82.50	74.31	68.64
WPD	28.28	29.29	30.71	34.31	26.56

*SAIDI is the average outage duration (in minutes), excluding major events, per IEEE definition 1366.

CAIDI - Customer Average Interruption Duration Index

	2016	2017	2018	2019	2020
LG&E and KU	96.53	89.92	103.17	88.60	94.07
PPL Electric	101.99	116.05	112.06	112.50	99.63
WPD	55.50	58.09	57.99	68.66	58.61

*CAIDI represents the average time (in minutes) required to restore service after a sustained interruption occurs, per IEEE definition 1366.
Data refinement has resulted in minor modifications for previous years.

