



# ENERGY FORWARD

PPL CORPORATION 2021 SUSTAINABILITY REPORT

# About This Report

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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, published in 2022, covers activities that occurred in calendar year 2021. All data reflects information as of Dec. 31, 2021. PPL sold its U.K. utility business, Western Power Distribution (WPD), to National Grid plc on June 14, 2021, so this report does not include 2021 WPD data.

The report is reviewed by the company’s leadership team, including the chief executive officer. An external audit has not been conducted. The Corporate Audit department has conducted reviews related to the compilation of this report, including in-depth reviews of specific metrics, as part of ongoing controls related to voluntary sustainability reporting.

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 2021 Form 10-K and other of its reports on file with the Securities and Exchange Commission.

Questions and comments about this report can be directed to [Community@pplweb.com](mailto:Community@pplweb.com).

We will continue to consult stakeholders and monitor relevant global frameworks as we work to continually improve our reporting and disclosures. 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 2021 climate-change questionnaire](#)
- Our [Public Policy Disclosures](#)
- Our [EEI-AGA ESG disclosures](#)
- Our [SASB](#) and [TCFD](#) mapping

## Message from our CEO

2021 was a transformational year for PPL Corporation. We took significant steps to strategically reposition PPL for the future, while making progress on our environmental, social and governance strategy and performance.

We positioned PPL to become a U.S.-focused energy company with the sale of our U.K. utility business and the planned acquisition of The Narragansett Electric Company, Rhode Island's primary electric and gas utility.

We set a new goal to achieve net-zero carbon emissions by 2050, with interim reduction targets of 70% by 2035 and 80% by 2040 from 2010, and we are committing to not burn unabated coal by 2050. At the same time, we sharpened the focus of our clean energy transition strategy with an eye toward delivering a net-zero economy while maintaining reliability and affordability for our customers.

Our multifaceted approach focuses on decarbonizing our Kentucky generation fleet, positioning the grid as an enabler for clean energy resources, driving digital innovation, advancing research and development, and decarbonizing our non-generation operations. We are also focused on engaging with policymakers and regulators to facilitate the transition to a net-zero future.

In 2021, we updated our climate assessment report to better understand the risks and opportunities affecting our business; evaluate potential future emissions under multiple scenarios, including one consistent with U.S. commitments to the Paris Agreement; and outline our strategy and goals to enable a responsible transition to a cleaner energy future.

In addition, PPL joined the Energy Impact Partners' global investment platform, which brings together leading companies and entrepreneurs worldwide to drive clean energy innovation. We continued to serve as an anchor sponsor of the Low Carbon Resources Initiative led by the Electric Power Research Institute and Gas Technology

Institute. And we launched a new partnership to study carbon capture storage at natural gas combined cycle power plants. In all, we pledged more than \$50 million in new investments in 2021 to advance technology needed to accelerate the clean energy transition.

Throughout the year, we also continued to lead the way in building smarter, more dynamic and more resilient energy networks to facilitate the integration of cleaner energy resources.

Apart from advancing our clean energy strategy, we remained deeply committed throughout 2021 to delivering outstanding results for our customers, fostering an exceptional workforce and building stronger communities in the areas we serve.

Both PPL Electric Utilities and Kentucky Utilities ranked highest in their respective regions and segments for customer satisfaction. In addition, they ranked among the most trusted utility brands in the nation thanks to our strong focus on enhancing the customer experience and raising awareness of customer assistance and energy efficiency programs, including programs aimed at alleviating financial stress for customers during the pandemic.

I'm also proud of the progress we continued to make on our diversity, equity and inclusion goals. We have assembled a strong, diverse executive team to lead the new PPL. In 2021, we increased the racial and ethnic diversity in our senior leadership team by 5%, increased the number of women on our leadership team by 14%, and implemented initiatives to enhance DEI and support PPL's long-term success.

Within the communities we serve, we also maintained strong support for education, diversity and equity, and sustainability efforts, contributing more than \$12 million last year to provide support to hundreds of nonprofit organizations working to move our communities forward.



As this report shows, our company and our people are driven to deliver on our commitment to create a sustainable future.

Looking forward, we're confident we can achieve our net-zero emissions goals through continued collaboration and innovation. In addition to our commitment not to burn unabated coal by 2050, we are transitioning our Kentucky generation fleet to cleaner energy sources, with at least 1,000 megawatts of expected coal plant retirements by 2028 and at least an additional 1,000 megawatts of coal plant retirements by 2035. We're focused on ensuring a just transition for our employees, customers and communities as we plan for the replacement generation of these retiring coal plants. And finally, we're ensuring that our actions today create value for customers and shareowners alike while moving energy forward.

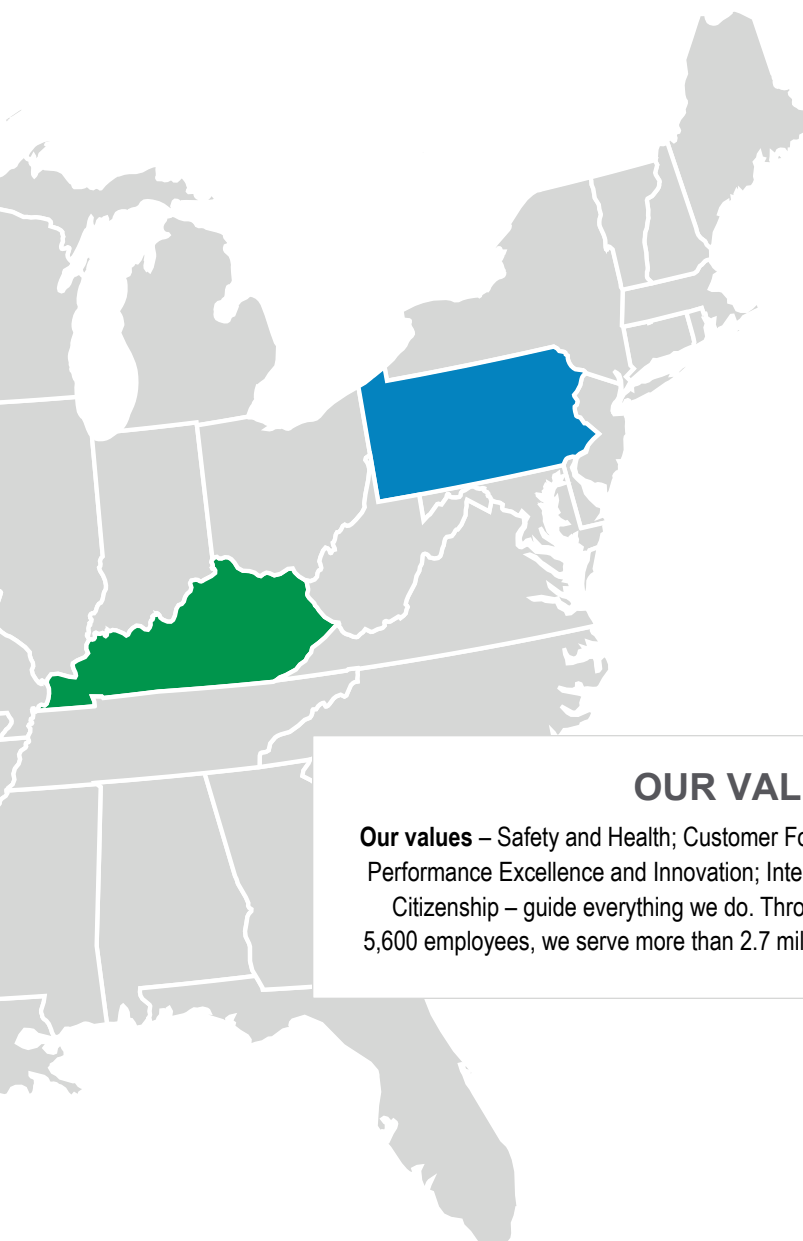
We appreciate your interest in PPL.

*Vincent Sarg*



## About Our Company

Headquartered in Allentown, Pa., PPL Corporation (NYSE: PPL) is one of the largest companies in the U.S. utility sector.



### OPERATING COMPANIES<sup>1</sup>

#### PPL Electric Utilities Corporation

PPL Electric Utilities Corporation (PPL Electric) provides electricity distribution and transmission services to about 1.4 million customers in 29 Pennsylvania counties and consistently ranks among the best companies in the U.S. for customer service.

#### 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 serve more than 1.3 million customers and have consistently ranked among the best companies for customer service in the U.S. LG&E serves 333,000 natural gas and 429,000 electric customers in Louisville and 17 surrounding counties. KU serves 566,000 customers in 77 Kentucky counties and five counties in Virginia. LG&E and KU operate about 7,500 megawatts of power generation. In Virginia, KU operates under the name Old Dominion Power Company (ODP).

### OUR VALUES

**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 over 5,600 employees, we serve more than 2.7 million customers in the United States.

### OUR MISSION

**Our mission** is to provide safe, affordable, reliable, sustainable energy to our customers and superior, long-term returns to our shareowners.

### OUR VISION

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

<sup>1</sup>In June 2021, PPL sold its U.K. utility business, Western Power Distribution (WPD), to National Grid plc for £7.8 billion. This report does not include 2021 data from WPD. In a separate transaction, PPL began the process to acquire National Grid's Rhode Island utility business, The Narragansett Electric Company, for \$3.8 billion. Narragansett Electric provides essential energy services to over 770,000 homes and businesses across Rhode Island through the delivery of electricity and natural gas.

## Performance Data

Key performance indicators in support of our sustainability commitments from 2019-2021.

2021 data reflects new structure of the company after the sale of our operating company in the U.K.

ENERGY PORTFOLIO		2019	2020	2021
<b>GENERATION</b>	Generation capacity (MW)	7,561	7,561	7,535
	Net generation for the data year (MWh)	32,282,872	29,916,634	31,336,074
	Generation efficiency (BTU/Net Generation)	9.9	9.8	9.8
<b>EMISSIONS</b>	Carbon dioxide (CO <sub>2</sub> e) emissions (owned generation, purchased power and other operations) (metric tonnes for data year)	27,467,358	25,651,166	26,665,234
	Generation carbon emissions intensity (metric tonnes/net MWh)	0.83	0.83	0.84
	Sulfur dioxide emissions intensity (metric tonnes/net MWh)	0.00042	0.00044	0.00049
	Nitrogen dioxide emissions intensity (metric tonnes/net MWh)	0.00045	0.00040	0.00040
	Mercury emissions (kg)	55	48	46
<b>WATER</b>	Water withdrawal (megaliters/year)	494,000	512,000	483,000
	Water withdrawn compared to waterbody size (highest percent impact)	0.75	0.80	0.72
	Volume of water recycled and reused (percent total)	89.27	84.32	84.89
<b>WASTE</b>	Coal combustion products beneficially used (percent total)	56.8	58.4	71.0
INFRASTRUCTURE		2019	2020	2021
<b>ELECTRICITY</b>	Miles of distribution lines	208,720	209,207	68,517
	Miles of transmission lines	10,682	10,680	10,726
<b>NATURAL GAS</b>	Miles of gas distribution mains	4,384	4,398	4,418
	Miles of gas transmission mains	371	381	382

OPERATIONAL PERFORMANCE		2019	2020	2021
<b>SAFETY</b>	Total hours worked	23,359,302	23,386,578	10,447,336
	Number of lost-day cases	24	35	22
	Lost-time incident rate	0.21	0.30	0.42
	Recordable incident rate	1.02	1.18	1.24
	Work-related fatalities	1	0	0
<b>RELIABILITY</b>	SAIFI – Average number of interruptions	0.58	0.51	0.74
	SAIDI – Average outage duration (in minutes)	45.49	36.53	82.81
	CAIDI – Average restoration time (in minutes)	79.11	71.14	112.11
	*2021 reliability performance was driven in large part by a record number of storms, including severe tornadoes in Kentucky and 42 significant storms in Pennsylvania. See page 64 for operating utility data.			
RESOURCES AND COMMUNITY		2019	2020	2021
<b>CUSTOMERS</b>	Customer count (at end of year)	10,693,596	10,747,565	2,797,026
<b>ENERGY EFFICIENCY</b>	Incremental annual electricity savings from energy efficiency measures (MWh)	538,450	307,572	279,053
	Total rebates	\$25.5M	\$18.1M	\$17.8M
<b>BOARD OF DIRECTORS AND WORKFORCE</b>	Percentage of women on Board of Directors <sup>2</sup>	22	20	30
	Percentage of racial and ethnic minorities on Board of Directors/Trustees <sup>3</sup>	33	30	30
	Percentage of women in executive/senior management	Not reported	23.8	34.1
	Percentage of racial and ethnic minorities in executive/senior management	Not reported	8.6	12.6
	Total workforce	12,280	12,318	5,607
	Percentage of women in the workforce	21.9	22.3	28.2
	Percentage of racial and ethnic minorities in the workforce	6.6	6.5	12.1
<b>SUPPLY CHAIN</b>	Total spend with diverse businesses	\$258M	\$275M	\$290M
	Number of diverse businesses	264	266	233
<b>COMMUNITY SUPPORT</b>	Total charitable giving in communities served	\$10.6M	\$12.1M	\$12.2M
	Total volunteer hours	64,000	31,000	28,700

<sup>2</sup>Total number of directors as of 12/31/2021 was 10.<sup>3</sup>Diversity percentage based on ethnicity, nationality and race is 44% based on director nominees as stated in the 2022 Proxy Statement.

## Sustainability Strategy, Oversight and Transparency

PPL's sustainability strategy is informed by regular priority issues assessments, stakeholder outreach and peer benchmarking. Assessments are conducted periodically to identify the issues that may be helpful to stakeholders in evaluating the company's environmental, social and governance performance and overall sustainability.

Additionally, PPL is a member of the Electric Power Research Institute's Sustainability Interest Group; has aligned its sustainability strategy and commitments with the United Nations Sustainable Development Goals for the utility sector; and participates in the Edison Electric Institute and American Gas Association's environmental, social, governance and sustainability-related reporting template for investor-owned utilities. PPL has also committed to reductions in greenhouse gas emissions, responds to the CDP Climate Change questionnaire, incorporated recommendations from the Task Force on Climate-related Financial Disclosures in our scenario-based climate assessment report and 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, NOMINATING AND SUSTAINABILITY COMMITTEE, BOARD OF DIRECTORS

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

#### CORPORATE LEADERSHIP COUNCIL AND BUSINESS SEGMENT LEADERS

Reviews, provides strategic input on and approves the company's sustainability strategy, commitments and priorities. The Corporate Leadership Council includes PPL's chief executive officer, chief operating officer, chief financial officer, chief legal officer, chief human resources officer.

#### CORPORATE SUSTAINABILITY COMMITTEE

Reviews and guides the development of a sustainability strategy, provides oversight of and establishes the priorities and performance metrics.






This committee is chaired by the vice president-public affairs and chief sustainability officer with senior leadership membership from operating companies, human resources, compliance, risk, investor relations, controller, legal, supply chain and corporate audit.

#### SUSTAINABILITY CORE TEAM

Cross-functional and enterprise-wide team of subject matter experts who conduct analyses of sustainability priority issues and environmental, social and governance trends, and is responsible for developing environmental, social and governance disclosures. The team is 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 Commitments and Priorities

PPL makes the following commitments to grow and innovate in a responsible, reliable way that benefits customers, shareowners, employees and the communities we serve. To identify sustainability priorities, a cross-functional corporate sustainability team conducts benchmarking of PPL's peer companies; assesses industry best practices through collaborations with the Edison Electric Institute, and the Electric Power Research Institute; reviews company documents, such as risk-management reports, business plans and customer-satisfaction surveys; and conducts stakeholder outreach.

COMMITMENTS	PRIORITIES	DISCUSSION PAGE
 <b>CREATE EXTRAORDINARY SHAREOWNER VALUE</b>	<b>Cybersecurity and grid protection</b> – Protect the grid, customer and employee data, and the company's assets <b>Economic viability</b> – Promote the long-term financial viability of the company and returns for our shareowners <b>Governance, compliance and ethics</b> – Maintain strong corporate governance, transparent public policy engagement and compliance and ethical business practices	10
 <b>DRIVE BEST-IN- SECTOR OPERATIONAL PERFORMANCE</b>	<b>Reliability</b> – Enhance the reliability and resiliency of service through continued investments <b>Customer satisfaction</b> – Deliver industry-leading customer service <b>Safety &amp; health</b> – Drive employee and public safety	20
 <b>ADVANCE A CLEANER ENERGY FUTURE</b>	<b>Decarbonization</b> – Reduce greenhouse gas emissions from generation and non-generation operations, and enable customer decarbonization <b>Research and development</b> – Invest in the transformation of the utility industry through innovation and technological advancements <b>Infrastructure investments</b> – Be a leader in the development of a smarter, more resilient grid and enable distributed energy resources and renewables <b>Environmental stewardship</b> – Minimize our impact on the environment through conservation and sustainable resource management	24
 <b>EXCEED CUSTOMER EXPECTATIONS</b>	<b>Affordability</b> – Strive to deliver affordable electricity and natural gas service for our customers <b>Energy efficiency</b> – Implement tools and resources to reduce energy consumption	33
 <b>FOSTER AN EXCEPTIONAL WORKFORCE</b>	<b>Diversity, equity and inclusion</b> – Foster an inclusive, respectful and diverse workplace <b>Employee engagement</b> – Create a workplace that fosters an engaged, high-quality workforce <b>Human capital</b> – Invest in the current and future workforce through training and development, succession planning and creating a pipeline for internal advancement	37
 <b>STRENGTHEN OUR COMMUNITIES</b>	<b>Community support</b> – Build and maintain vitality through just and equitable community contributions including philanthropy, volunteerism and economic development <b>Supply diversity</b> – Seek a pool of diverse, strategic suppliers and business partners <b>Emergency preparedness</b> – Maintain business continuity and prepare for events that affect our ability to serve customers	44



## Business Highlights

2021 marked a year of transitions for PPL, including the following significant operational and regulatory highlights:

### LEADERSHIP CHANGES

*Assembling of strong, diverse executive team to lead the new PPL*

- **Wendy E. Stark** was appointed senior vice president, general counsel, corporate secretary and chief legal officer. Stark leads PPL's legal department and oversees the company's ethics and compliance program. *(April)*
- **Gregory N. Dudkin**, who served as PPL Electric president since 2012, was elected executive vice president and chief operating officer of PPL. Stephanie R. Raymond, the former vice president of Distribution Operations, succeeded him as president of PPL Electric. *(April)*
- **John R. Crockett III** became president of LG&E and KU while Paul W. Thompson transitioned to retirement at the end of the year. Crockett previously served as general counsel, chief compliance officer and corporate secretary of LG&E and KU. *(October)*

### REGULATORY HIGHLIGHTS

- LG&E and KU received Kentucky Public Service Commission approval, with certain modifications, of settlement agreements in their rate reviews. The commission orders support continued investments to modernize energy infrastructure and authorize full deployment of advanced metering infrastructure, include a Retired Asset Recovery Rider that balances the needs of all stakeholders as coal-fired power plants retire, and increased contributions to low-income assistance programs. The approved settlements included a commitment from LG&E and KU not to increase base rates for four years. *(June)*
- PPL Corporation received all required regulatory approvals to acquire The Narragansett Electric Company from National Grid USA. The transaction is pending conclusion of an appeals process.
- LG&E and KU filed an Integrated Resource Plan with the Kentucky Public Service Commission. *(October)*

### CLEAN ENERGY STRATEGY

*Advancing a clean energy transition*

- **Safari Energy**, a PPL subsidiary, achieved a major milestone, acquiring its 500th commercial scale solar project. *(March)*
- **PPL** joined the Energy Impact Partners' global investment platform, which brings together leading companies and entrepreneurs worldwide to foster innovation toward a sustainable energy future. *(July)*
- **PPL** set a new goal to achieve net-zero carbon emissions by 2050 and is on track to achieve an 80% reduction from 2010 levels by 2040 and a 70% reduction by 2035. In 2022, PPL also committed to not burn unabated coal by 2050. *(August)*
- **LG&E and KU** and the University of Kentucky Center for Applied Energy Research have launched an innovative partnership to study the capture of carbon dioxide emissions at natural gas combined cycle power plants. *(September)*
- **PPL** published an updated Climate Assessment Report. *(November)*

### STRATEGIC REPOSITIONING

*Positioning PPL as a leading, U.S.-focused energy company*

PPL sold its U.K. utility business, WPD, in June 2021, and in a separate transaction, began the process to acquire The Narragansett Electric Company. The strategic transactions reposition the company for long-term growth and success by simplifying our business mix, strengthening our credit metrics, improving our prospects for long-term earnings and dividend growth, and creating greater financial flexibility to invest in sustainable energy solutions.

# CREATE EXTRAORDINARY SHAREOWNER VALUE

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

## At a Glance

### FINANCIAL<sup>4</sup>

	2021	2020
Operating revenues (millions)	\$5,783	\$5,474
Net income (millions)	\$(1,480)	\$1,469
Earnings from ongoing operations (millions)	\$806	\$774
Total assets (millions)	\$33,223	\$48,116
Earnings per share - Diluted	\$(1.93)	\$1.91
Earnings from ongoing operations per share - Diluted	\$1.05	\$1.00

### OPERATING - ELECTRICITY SALES (GWh)

Retail delivered	66,434	64,482
Wholesale supplied	888	542

For the years ended December 31

<sup>4</sup>The 2020 balances have been updated to align with PPL's 2021 10-K, which reclassified the U.K. business as discontinued operations due to the sale finalized in June 2021.

**5,600**  
employees

**ABOUT**  
**7,500**  
**MEGAWATTS**  
of regulated generation  
capacity in Kentucky

Approximately  
**79,000**  
**MILES**  
of electric lines

**MORE THAN**  
**2.7M**  
utility customers in  
the U.S.

**67B**  
kilowatt-hours  
of electricity  
delivered

**\$5.78B**  
in annual  
revenue

## Governance

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 we serve.

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, Nominating and Sustainability Committee (GNSC) as the body responsible

for overseeing PPL's sustainability strategy and ESG practices and positions.

The GNSC 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, as more fully described in PPL Corporation's *Guidelines for Corporate Governance*. Reflecting its commitment to diversity, the *Guidelines for Corporate Governance* require the pool of candidates considered by the GNSC to 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.

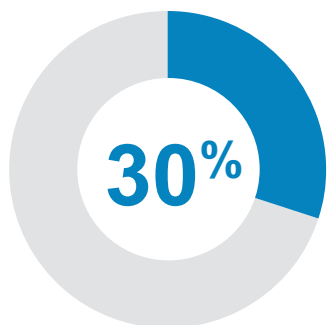
PPL Corporation's *Guidelines for Corporate Governance* are posted online on the corporate website at [pplweb.com/guidelines](http://pplweb.com/guidelines).

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

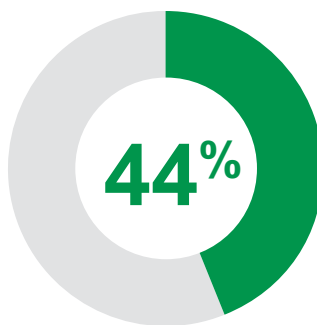
### Corporate Governance Highlights

**Craig A. Rogerson** was appointed to serve as independent board chair in March 2021. Rogerson, who has served on PPL's board since 2005, is chairman, president and chief executive officer of Hexion Holdings Corporation and Hexion Inc., a global producer of thermoset resins and other chemical platforms serving a wide range of market applications.

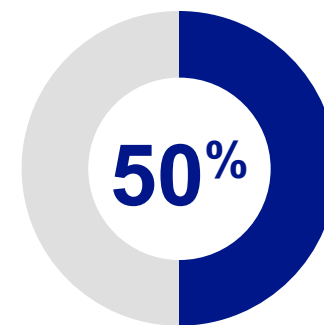
**Heather B. Redman** joined the company's board of directors in October. With Redman's appointment, PPL's board comprises 10 directors, nine of whom are independent. Redman is co-founder and managing partner of Flying Fish Partners, a venture capital firm investing in early-stage artificial intelligence and machine learning startups, including energy-related applications. She serves as a member of the Audit and Finance committees.



Percentage of women on board of directors



Percentage of diversity based on race, ethnicity and nationality on board of directors<sup>5</sup>



Independent board committees led by women

<sup>5</sup>Diversity percentage based on ethnicity, nationality and race is 44% based on current directors as of 12/31/2021.

## 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 Compensation Committee of the board. 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 2022 Proxy Statement, beginning on page 23.

### *2021 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 2021, are included in "Compensation Discussion and Analysis" section of the 2022 Proxy Statement. ESG metrics

were added to the long-term incentive mix in 2022. Additional details about specific compensation of the named executive officers are included in the 2022 Proxy Statement, beginning on page 29.

## 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 broader environmental, social and governance risks. The company's Risk Management group oversees this process and reports quarterly to the Audit Committee. Climate-related risks are incorporated into PPL's enterprise risk management and business strategy processes and communicated to PPL's Board and senior management.<sup>6</sup>

## Business continuity and crisis response planning

PPL has a Corporate Emergency Management Plan to ensure the company is prepared to respond quickly in the event of a corporate-level emergency or 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 chief legal officer; the chief financial officer; the chief operating officer; the chief human resources officer; the vice president-public affairs and chief sustainability officer; the senior director-Corporate Communications; and the senior director 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.

<sup>6</sup>PPL's 2021 Climate Assessment Report, incorporating recommendations of the Task Force on Climate-Related Financial Disclosures, contains additional detail on PPL's approach to climate change.



# Compliance and Ethics

## Compliance and Ethics Governance

### 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 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.

This committee is made up of senior executive leadership and compliance and ethics program leads.

### 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.

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.

## Working with integrity

PPL is committed to strong governance practices and high ethical standards that apply to all of our employees. 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, including management, 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 throughout the year as needed.

## Reporting and handling of violations

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 toll-free EthicsHelpline phone number and internet site are available 24 hours a day, seven days a week. The EthicsHelpline is managed by an external vendor to promote confidence in confidentiality. 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 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.

Cybersecurity and the effectiveness of PPL's cybersecurity strategy are regular topics of discussion at board of directors meetings. PPL's strategy for managing cyber-related risks is risk-based and, where appropriate, integrated within PPL's enterprise risk management processes. PPL's chief information security officer, who reports to the chief operating officer, leads a dedicated cybersecurity team and is responsible for the design, implementation, and execution of a cyber-risk management strategy.

Our cybersecurity strategy is aligned with and informed by the following:

- Current and emerging cybersecurity threats.
- Industry best practices, control frameworks and industry standards.
- Emerging security technologies and capabilities.
- National Institute of Standards and Technology Cybersecurity Framework.
- North American Electric Reliability Corporation Critical Infrastructure Protection standards.
- Government and law enforcement security intelligence sharing.
- Industry collaboration and information sharing.

PPL's cybersecurity team strategy includes:

- Actively monitoring company systems.
- Regularly reviewing policies, compliance, regulations and best practices.
- Conducting assessments and penetration testing.
- Conducting incident response exercises and internal ethical phishing campaigns.
- Providing training and communication across the organization to strengthen and foster a culture of security.
- Routinely participating in industry-wide programs to further information sharing, intelligence gathering, and unity of effort in responding to potential or actual attacks.
- Numerous other investments that span people, process and technology.

### Physical resiliency

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

Crisis management plans are also critical to resiliency and timely restoration. Testing those plans regularly is essential. PPL conducts a variety of exercises and drills 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 resiliency of the power grid.



### PPL-FUNDED CYBERSECURITY EDUCATION PROGRAM RECOGNIZED BY NATIONAL SECURITY AGENCY

A cybersecurity program run by Northampton Community College in Pennsylvania has joined an elite group of two-year, four-year, and graduate-level institutions with its recent designation as a National Center of Academic Excellence in Cyber Defense.

The National Security Agency and the Department of Homeland Security designated Northampton Community College's cybersecurity program as a National Center of Academic Excellence in Cyber Defense in 2021.

The designation affirms the college's efforts to develop a state-of-the-art cybersecurity program that is open to all students, including women and students of color, who are underrepresented nationwide in STEM (Science, Technology, Engineering and Mathematics) fields.

The PPL Foundation awarded a grant to help fund the college's Building a Culturally Responsive Degree Program in Information Security initiative. In addition, PPL's cybersecurity professionals mentor students in the program and participate in career discussions.

PPL's support of the program helps the college's outreach efforts to let underrepresented students know that cybersecurity jobs are available and attainable. There currently are about 150 students in Northampton Community College's cybersecurity program.

## 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 provide energy safely, reliably, affordably and sustainably for our customers and communities, 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 of directors on key issues and advocacy positions. Additionally, on an annual basis, the Governance, Nominating and Sustainability Committee of 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.

## Stakeholder Engagement

Ensuring the long-term resilience and sustainability of the communities we serve is a key factor not only in how we conduct our day-to-day operations, but also in our strategy to advance a clean energy transition while maintaining affordability and reliability.

As we work to create next-generation utilities; integrate distributed energy resources; site, build and maintain more resilient and reliable infrastructure; and transition to cleaner energy sources, we are helping to ensure a balanced, responsible and just transition that considers the impact on our employees, communities and customers.

PPL engages with its stakeholders regularly and values the insights they provide as we work to deliver results for today and set strategic goals for the future.

We consider environmental, social and economic factors that impact employees, communities and customers when assessing and planning development activity. These factors are consistent with our mission and values of being environmentally conscious, investing in our community and providing affordable service. Environmentally, properties are assessed for endangered species, biodiversity, impact to water resources and cultural- and heritage-related concerns as part of our siting process.

Our operating companies have a history of community engagement and public meetings to support development activities and engage with stakeholders regularly throughout the year. The table on page 17 highlights the strategies and forums for engagement in 2021.

STAKEHOLDER GROUP	APPROACH TO ENGAGEMENT
<b>Communities</b>	<ul style="list-style-type: none"> <li>• Ongoing discussions and partnerships with environmental groups related to operational activities</li> <li>• Plant advisory committees for facility neighbors</li> <li>• Support for events and programs of nonprofits, chambers and associations</li> <li>• Volunteerism (board service, events, long-term programs)</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Billing statements and messaging</li> <li>• Consumer advisory panels</li> <li>• Customer commitment advisory forums</li> <li>• Customer feedback (surveys, online comments, phone calls)</li> <li>• Demand-side management/energy efficiency advisory groups</li> <li>• Email newsletters</li> <li>• Market research and surveys</li> <li>• News releases to local media</li> <li>• Websites</li> </ul>
<b>Government (local, state, federal)</b>	<ul style="list-style-type: none"> <li>• Attendance at, and participation in, meetings and hearings with regulators and policymakers</li> <li>• Continuous dialogue</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Supplier meetings and programs focused on diversity, equity and inclusion</li> <li>• Supplier networking summits</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Business resource groups</li> <li>• Company intranet</li> <li>• Employee feedback (via surveys)</li> <li>• Performance reviews</li> <li>• Safety committees</li> <li>• Town hall meetings</li> <li>• Training events</li> </ul>
<b>Industry associations</b>	<p><i>Attendance at regular meetings and conferences and active participation in organizations such as:</i></p> <ul style="list-style-type: none"> <li>• American Gas Association</li> <li>• Edison Electric Institute</li> <li>• Electric Power Research Institute</li> <li>• Energy Storage Association (which became part of the American Clean Power Association in 2021)</li> <li>• Smart Electric Power Alliance</li> <li>• State and regional chambers of commerce and industry associations</li> </ul>
<b>Shareowners</b>	<ul style="list-style-type: none"> <li>• Investor calls</li> <li>• Investor relations website</li> <li>• Ongoing discussions through meetings and calls</li> <li>• Quarterly earnings news releases</li> <li>• SEC financial reporting</li> </ul>

## Legislative and Policy Priorities

While PPL actively monitors and engages in a broad array of policy issues, the following could have the greatest impact to our customers, employees and shareowners:

### Climate and energy policy

#### *Build Back Better/Clean Energy Tax Credits*

Throughout 2021, climate policy was one of the key components of President Biden's "Build Back Better" legislative agenda moving through Congress. After several iterations, the extension and expansion of a suite of clean energy tax credits became the centerpiece of the climate plan. PPL supports many of these proposed credits that help lower the cost to customers of the clean energy transition, particularly making utility scale storage and transmission investments newly eligible. Congressional consideration of these credits and other parts of the Biden climate agenda has continued into 2022. Whether as part of a comprehensive legislation or in a targeted clean energy tax package, climate policy will remain at the center of congressional deliberations. PPL regularly engages with federal policymakers to evaluate the impact of these

proposals on our customers and the clean energy transition underway at the company. PPL will continue to support policies that achieve sustainable climate solutions and maintain affordability and reliability.

#### *EPA Regulations*

In addition to the proposed legislation, the Biden administration has focused on tightening environmental rules and regulations through executive action to address climate change. This administration has now reversed many of the previous administration's deregulatory actions and has commenced new regulatory action on fossil fuel-related emissions, air quality, coal combustion residuals and other environmental rules. These new rules may require additional compliance measures, small and large, to be undertaken by PPL. PPL supports environmental rules that promote a net-zero carbon future while keeping energy reliable and affordable for our customers and communities. In support of this policy vision, PPL believes that clean energy policy

would be most effective if it is national and economy-wide in scope, with a focus on market and technology incentives that equally value all forms of carbon reduction and provide regional and state flexibility in implementation and compliance.

#### *State and Regional Policy*

PPL Electric worked with key stakeholders to advocate for implementation of FERC Order 2222, an order dealing with distributed energy resources aggregation, in a way that preserves the ability for distribution asset owners to effectively manage the integration of distributed energy resources into the grid. In Kentucky, Governor Beshear and the Kentucky Office of Energy Policy released a comprehensive, resilient energy strategy, KYE3: Energy, Environment & Economic Development. LG&E and KU served on working groups during the strategy's development and are engaged in its implementation.

### Innovation

#### *Federal Research and Development and Competitiveness*

PPL recognizes that achieving our net-zero emissions goals while preserving energy reliability and affordability will depend on new systems and technologies. In addition to directly investing in research and development initiatives, PPL advocates for robust support for federal research and development activities at the Department of Energy, National Laboratories and other agencies. PPL supported the inclusion of over \$15 billion in clean hydrogen and carbon capture research and development in the bipartisan infrastructure bill. PPL will also look to build on our existing

relationships with research organizations to pursue opportunities for demonstration and new technology pilot projects authorized by the legislation. Unlocking these breakthroughs will also require a well-educated and well-trained workforce, which is why PPL advocates for federal investments in Science, Technology, Engineering and Math (STEM) education and other programs to increase national competitiveness. These federal efforts align with PPL's longstanding commitment to invest in STEM education in the communities we serve.

#### *Electric Transportation*

PPL supports federal efforts to decarbonize the

transportation sector by expanding access to electric vehicle charging infrastructure. The Infrastructure Investment and Jobs Act accelerates already underway transition efforts by appropriating \$7.5 billion for the buildout of a national electric vehicle charging network. In addition, the bill provides incentives for states, municipalities, school districts and public transit systems to convert their fleets to electric powered vehicles. Although the exact role of utilities in the construction, operation and management of charging infrastructure will vary by jurisdiction, PPL stands ready to partner with all stakeholders to enable a smooth transition to a cleaner transportation sector.



## Security, safety and reliability

### *Bipartisan Infrastructure Legislation Grid Investments*

Congress passed the \$1.2 trillion Infrastructure Investment and Jobs Act in 2021. The bipartisan legislation makes significant investments over the next five years in several key areas that will augment PPL's efforts to achieve a clean energy transition while safeguarding reliability for our customers. This includes \$5 billion in dedicated funding to make the electric grid more resilient to cyber-attacks and extreme weather events. Billions of dollars more are available for smart grid technology upgrades and research and development projects that will allow for better integration of distributed energy resources and enhance reliability and security of the grid.

PPL worked with lawmakers throughout 2021 to ensure this legislation was drafted in a way that maximized opportunities for the company to serve our customers and communities. As the law is implemented in the years ahead, PPL will pursue federal resources that will help us continue to modernize the grid and deliver on our clean energy strategy.

## PPL will pursue federal resources that will help us continue to modernize the grid and deliver on our clean energy strategy.

### *Transmission Policy*

To support the development and integration of renewable resources, in 2021 the Federal Energy Regulatory Commission began the rulemaking process for transformational changes through its Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection Advanced Notice of Proposed Rulemaking. These new policies would reshape transmission planning — affecting what and how much transmission is built. They also would impact the processes for interconnecting new generation and determine who pays to expand the grid to facilitate the clean energy transition. On these key issues, PPL has engaged with FERC to advocate for more efficient interconnection processes, transmission planning that avoids undue cost burdens to

customers, and policies that take into account regional differences and the important role of states. Above all, PPL is committed to ensuring continued reliability of the transmission system.

### *Pipeline Safety and Cybersecurity*

PPL anticipates pending rulemakings addressing prior congressional mandates on pipeline safety will be published in 2022 that will have a significant impact on PPL's operations. These include the Safety of Gas Transmission Lines Rule — one of the most significant overhauls of pipeline safety regulations in history — as well as the Leak Detection and Repair and the Safety of Gas Distribution Lines Rules that will likely require significant compliance investment. Additionally, the Biden administration took expedited action in 2021 to create cybersecurity rules to protect natural gas facilities from cyber-attacks. In both safety and security policy matters affecting pipelines, PPL supports clear and achievable rules that make it possible for pipeline operators to continue to safely and securely own, operate and maintain natural gas facilities for the benefit of customers.

## Affordability

### *Federal Corporate Tax Reform*

Changes to the federal corporate tax code were considered by policymakers throughout 2021. One concept that gained significant support among Democratic lawmakers during negotiations over the "Build Back Better Act" was a new corporate alternative minimum tax, commonly called the AMT.

As a corporate taxpayer, PPL is closely monitoring potential adjustments to the corporate tax code, including the AMT, to evaluate how any changes would impact the company and our customers. A higher federal tax liability would ultimately be borne by customers. Depending on how it is

structured, the AMT could lead to a dilution in the value of clean energy tax credits and other business deductions. PPL will continue to engage with policymakers to achieve a federal tax system that encourages growth and furthers the clean energy transition.

### *Customer Bill Assistance*

PPL is committed to keeping utility bills as low as possible for all customers. For vulnerable customers struggling to pay their bills, PPL offers a number of company-sponsored assistance programs. To leverage those efforts, PPL advocates for federal resources like the Low Income Home Energy Assistance Program (LIHEAP), a federal program that makes annual grants to states, tribes and territories to

operate home energy assistance programs. Robust funding for LIHEAP has long been a company priority and the challenges brought on by the COVID-19 pandemic has only heightened its importance. PPL strongly supported the historic investment of \$4.5 billion in LIHEAP funds passed as part of the American Rescue Plan in March of 2021. PPL also worked to make sure utility bills were an eligible expense under the Emergency Rental Assistance Program. First created in 2020 and reinforced by the American Rescue Plan, the Emergency Rental Assistance Program provides nearly \$46 billion to eligible households and businesses to pay past due rent and utility bills. PPL will continue to push for adequate resources for these programs as well as reforms to improve their efficiency and administration.

# DRIVE BEST-IN-SECTOR OPERATIONAL PERFORMANCE

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

## Reliability and Resiliency

### AWARDS

Most Trusted  
Utility Brand in the  
Nation by Escalent  
(PPL Electric)

Fortnightly Top Innovator  
Award for dynamic line  
rating technology on  
transmission lines  
(PPL Electric)

S.E.E. Chairman's  
Award for innovative  
downed wire technology  
(PPL Electric)

AGA Industry  
Leader Accident  
Prevention Award  
(LG&E and KU)

PPL has developed one of the nation's smartest, most robust electrical grids to enable our clean energy transition and invests in our networks to make our already strong reliability record even better.

Across our existing U.S. operating companies, we have invested more than \$20 billion over the past decade on infrastructure improvements, much of that focused on incorporating new technology and hardening our transmission and distribution systems against physical impacts such as storms. Across our utilities, these improvements have reduced the number of outages our customers experience by an average of 35% over the past decade despite recent increases in storm activity and severity, including hazardous wind levels across our service territories increasing by 30% to 50%.

Investments to modernize and strengthen the grid include:

- Replacing aging equipment, often to higher design standards.
- Installing smart grid technology and automation to enable real-time monitoring of system conditions, detect faults and automatically restore power to as many customers as possible when outages occur. The installation of more than 9,200 smart grid devices has prevented more than 1.4 million outages since 2015.
- Building new power lines and substations to support increased demand, add redundancy and give us greater flexibility to reroute power.
- Rebuilding existing power lines with stronger poles and wires to better withstand extreme wind and tree impacts.
- Clearing trees and other vegetation that pose a threat to power lines.
- Installing devices to prevent lightning and animals from damaging equipment.

- Enhancing cyber and physical security to protect critical transmission and distribution assets.
- Assessing flood risks at critical facilities, such as substations and power plants, and relocating facilities or installing defenses, where necessary.

### 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 4,800 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 Modernization program to replace approximately 15.5 miles of transmission pipeline.
- Upgrading city gate stations and gas regulation facilities with new valves, piping, and modern regulation and measurement equipment.

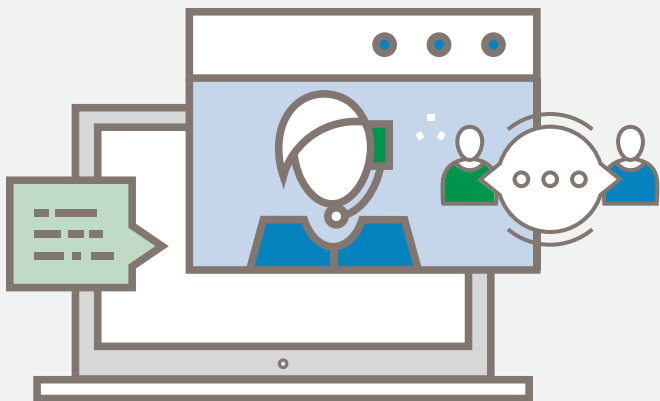
# 9,200

smart grid devices installed

# 1.4 MILLION

outages prevented since 2015

## Customer Satisfaction



### COMMUNICATIONS OF SERVICES AND PROGRAMS DURING PANDEMIC HELPED BOOST TRUST

Two PPL utilities — KU and PPL Electric — ranked among the most trusted utility brands in the nation, according to a recent study conducted by Escalent, a human behavior and analytics firm.

Customers' trust in utilities spiked in the past year due to increased communications about product and service options, environmental efforts, and how utilities partnered with customers on shared priorities during the pandemic, according to Escalent.

Proactive communications are a mainstay for the utilities, helping to raise awareness of various customer assistance and energy efficiency programs. However, in 2021, the company continued to put a special focus on programs that aimed to alleviate stress for customers during the pandemic.

Escalent conducted surveys among 76,656 residential utility customers of the 140 largest U.S. utility companies. Using U.S. census data, the survey participation is designed to ensure a demographically balanced sample of each evaluated utility's customers based on age, gender, income, race and ethnicity.

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 insight 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.

#### *2021 customer satisfaction results*

In 2021, both PPL Electric and KU ranked highest in their respective regions and segments in independent nationwide surveys of electric and business customer satisfaction.

The awards, one each for PPL Electric and KU for residential customer satisfaction, and one each for business customer satisfaction, raised to 58 the total awards PPL's utilities have received.

This was the 10th year in a row that PPL Electric earned top honors for residential customer satisfaction among large utilities in its region and the 6th year in a row that KU earned the distinction for midsize utilities in the Midwest.

# 58

**total customer service awards received by PPL's utilities**

# 10

**number of consecutive years in which PPL Electric has earned top honors for residential customer satisfaction**

# 6

**number of consecutive years in which KU has earned top honors for residential customer satisfaction**

## Safety

Safety is more than a commitment at PPL. It's a value that is rooted in everything we do.

PPL's operating companies all have a strong accident-prevention culture. Employees own the concept of health and safety at a grassroots level, and that commitment enables employees to hold each other accountable while sharing good practices focused on reducing risks to eliminate workplace accidents. The chart below outlines our safety performance.

### 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. Our safety education programs extend to our communities, raising awareness of electrical safety through public education campaigns for students and the general public.

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

### 2021 Safety<sup>7</sup>

10,447,336

Total Hours Worked

22

Number of lost-day cases

1.24

Recordable Incident Rate

0.42

Lost-time Incident Rate

0

Work-related fatalities

<sup>7</sup>Occupational health and safety performance of full-time company employees (excluding WPD, the U.K. operations sold in June 2021).



# 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.

## Clean Energy Strategy

PPL has developed a transition strategy to enable us to advance new opportunities for the company and help deliver a net-zero economy by 2050.

PPL's [2021 Climate Assessment Report](#) includes a detailed assessment of actions supporting these goals, as well as the risks and opportunities associated with our clean energy transition.

### AWARDS

Forbes 2021 Green Growth 50 list (for reducing greenhouse gas emissions while growing earnings) (PPL)

Top 50 Companies for Environmental, Social and Governance by DiversityInc (PPL)

Energy Star Partner of the Year (PPL Electric)

2021 Association of Edison Illuminating Companies Achievement Award for vegetation management (PPL Electric)

Air Quality Action Partners Program recognition for emissions controls at Mill Creek (Platinum Level) and Cane Run (Silver Level) (LG&E and KU)

2021 Peregrine Falcon Cooperator of the Year from the Kentucky Department of Fish and Wildlife Resources (LG&E and KU)

### DECARBONIZE OUR GENERATION

- Economically retire coal-fired generation.
- Advance clean power generation and leverage future technologies.
- Maintain reliability and affordability for our Kentucky customers and support state economic development.

### POSITION THE GRID AS AN ENABLER FOR CLEAN ENERGY RESOURCES

- Leverage leading performance across our utilities to expand and modernize the grid and integrate utility scale renewables and distributed energy resources.
- Advance electrification and support adoption of electric vehicles.

### DRIVE DIGITAL INNOVATION AND R&D TO ENABLE NEW TECHNOLOGIES

- Advance new technologies through research, development and innovation in partnership with industry and research institutions.

### DECARBONIZE OUR NON-GENERATION OPERATIONS

- Electrify fleet vehicles.
- Reduce emissions associated with our electric and gas use, including increasing renewables consumption for our owned buildings.
- Assess operational improvements and investments necessary to maintain fugitive emissions rates at or below industry average across PPL's utilities, including an assessment of gas distribution system operations.

## The Path to Net-Zero Emissions

PPL has set an ambitious goal to achieve net-zero carbon emissions by 2050 (including direct and indirect emissions noted on page 59). In addition, we are targeting a 70% reduction from 2010 levels by 2035 and an 80% reduction by 2040 and we are committing to not burn unabated coal by 2050.

In 2022, PPL established new fleet vehicle and building energy use reduction goals tied to long-term executive compensation. These goals, highlighted below, will contribute to our enterprise-wide net-zero carbon emissions goal.

We continue to make progress toward our goal, and we are on track to achieve our interim targets. Through 2021, we reduced carbon emissions nearly 60% from 2010 levels.

We are working to develop one of the most advanced, clean energy-enabling grids in the U.S. using our Pennsylvania operations as a model.

In addition, we are transitioning our Kentucky coal-fired generation, with at least 1,000 megawatts of coal plant retirements expected by 2028 and at least an additional 1,000 megawatts by 2034 to be replaced with zero- and lower-emitting generation.

Achieving net-zero emissions across PPL's operations will require innovation, commitment and collaboration with various stakeholders. As we implement retirements of coal-fired power plants, we will facilitate a just transition for our employees, neighbors and affected communities.

### The path to electrification

PPL is working to make system enhancements necessary to meet electricity demand over the long term to support electrification efforts, including the adoption of electric vehicles. We are also reducing our own carbon footprint through electrification of our fleet vehicles.

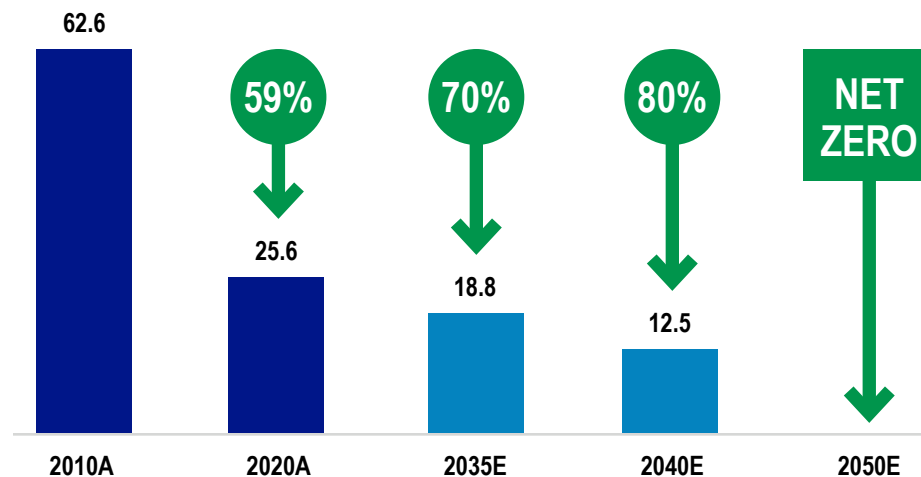
We are strengthening our commitment to fleet electrification by setting goals on electric vehicle adoption. PPL's operating companies are electrifying their light, medium and heavy-duty fleet vehicles and employing the use of electric lifts on bucket trucks. Our goals include electrifying 50% of medium/heavy duty vehicles by 2030; 100% of light-duty vehicles and indoor forklifts by 2030; and converting 80% of heavy-duty vehicles with electric lift technology (ePTO) by 2025 (PPL Electric) and 2030 (LG&E and KU).

In support of efforts to reach economy-wide electrification, PPL joined the National Electric Highway Coalition, a partnership of 17 U.S. utilities established to support the development of a seamless network of rapid electric vehicle charging stations connecting major highway systems.

### ESG goals

- 100%** Light-duty vehicles to be electrified by 2030
- 28%** Decrease in energy use in buildings by 2030
- 1** Number of solar arrays installed annually per company to offset energy use

### Targeting net-zero emissions by 2050



## Research and Development

PPL is deeply involved in industry efforts focused on advancing research in several key technology areas. Our priorities are focused on carbon capture and sequestration, hydrogen production and blending, distributed energy resources and next generation smart grids.

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

In 2021, our research and development activities included:

- Joining Energy Impact Partners' global investment platform, which brings together leading companies and entrepreneurs worldwide to foster innovation toward a sustainable energy future. PPL has committed to invest up to \$50 million across EIP's investment platform aimed at accelerating the shift to a low-carbon future and driving commercial-scale solutions needed to deliver deep, economy-wide decarbonization. Collaboration with EIP is expected to provide PPL greater visibility into emerging technologies that can be leveraged to advance the clean energy transition.
- Serving as an anchor sponsor of the Low Carbon Resources Initiative, a five-year initiative led by the Electric Power Research Institute and Gas Technology Institute to help accelerate research and development of low-carbon and zero-carbon technologies. PPL's CEO is helping to lead this effort as chair of the Low-Carbon Resources Initiative Board Working Group. The Low-Carbon Resources Initiative is a collaborative focused on identifying, developing and demonstrating affordable pathways to economy-wide decarbonization. This initiative is pursuing fundamental advances in a variety of low-carbon electric generation technologies

and low-carbon energy carriers, such as advanced nuclear, carbon capture, utilization and sequestration, hydrogen, ammonia, synthetic fuels and biofuels. Research also includes assessing low-carbon pathways for producing, transporting and storing these energy carriers, as well as opportunities to use them in power generation, transportation and other applications.

- Launching an innovative partnership with the University of Kentucky's Center for Applied Research to study capture of carbon dioxide emissions at natural gas combined cycle power plants. See highlight.
- Partnering with Electric Power Research Institute on LG&E and KU's energy storage demonstration site, the first and largest utility-scale energy storage system in Kentucky. Now in its sixth year of operation, the battery is co-located with LG&E and KU's 10-megawatt E.W. Brown solar facility allowing the company to explore how batteries can improve the inherent intermittency of solar power. Battery operations have been automated to charge during sunlight or periods of low demand and discharge overnight or during periods of high demand.
- Partnering with the PJM Interconnection to pilot dynamic line rating sensors, which allows transmission owners like PPL Electric to maximize our infrastructure by delivering more electricity on existing transmission lines. See page 29.

PPL also continues to promote supportive policies for technology deployment through Edison Electric Institute's Carbon-Free Technology Initiative, a coalition of environmental and technology-focused non-governmental organizations focused on implementation of federal policies that can help ensure the commercial availability of affordable, carbon-free, 24/7 power technology by the early 2030s.

### GROUNDBREAKING RESEARCH EXPECTED TO HAVE PROFOUND IMPACT ON ENERGY INDUSTRY

LG&E and KU and the University of Kentucky Center for Applied Energy Research have launched an innovative partnership to study the capture of carbon dioxide emissions at natural gas combined cycle power plants.

The partnership's researchers endeavor to develop a flexible, net negative CO<sub>2</sub> emissions technology that will be directly applicable to natural gas combined cycle power generation while minimizing the associated capital costs of installing this technology. In addition to capturing carbon dioxide, the system will produce two value-added streams, hydrogen and oxygen, which can be sold to offset the cost of carbon dioxide capture.

This study will explore extending equipment life and maximizing fuel efficiency by keeping the plant at a constant electricity generation rate by producing hydrogen/oxygen during periods of low power demand. Successful development of this research could lead to negative carbon dioxide emissions at natural gas combined cycle plants.

The first phase of this research project will take place in Center for Applied Energy Research's laboratories.



## Enabling Clean Energy Resources

PPL's operating companies are committed to advancing a renewable energy future and empowering customers and communities to do the same.

The [Renewable Choice Calculator](#) helps LG&E and KU customers explore their sustainability options. Based upon a few details — including customer type and average monthly bill — the calculator uses the utilities' Solar Share Program and Green Energy Program to provide a solution that enables most customers to support renewables at a level that is equal to 100% of their power consumption for either less than \$1 per day or about 5% more on their monthly energy bill.

LG&E and KU's Solar Share facility is more than 50% subscribed. The subscription-based Solar Share program is a cost-effective option available to residential, business and industrial customers who want to support solar energy for as little as 20 cents per day. Upon completion, the Solar Share facility will have a total capacity of 4 megawatts.

The user-friendly [Renewable Energy Connection](#) website makes it easier for PPL Electric customers to apply to connect solar panels and other generation systems to the grid. Since deploying the portal in 2018, the company has received 5,000 applications for connection, processing 90% of those within 24 hours.

LG&E and KU announced plans to provide renewable energy to major institutional and industrial customers from a 125-megawatt solar facility to be constructed in western Kentucky.

PPL Electric participates in a statewide alternative-energy portfolio standard. From June 2020 to May 2021, alternative power sources comprised 18% of the power PPL Electric bought for customers who had not chosen a competitive supplier. This included 8% from solar, wind and hydropower energy sources.

The Distributed Energy Resource Management System helps PPL Electric better integrate more distributed energy resources like private solar, while preserving network reliability and power quality. To date, PPL Electric has connected more than 257.2 megawatts of renewable energy to the grid through the program.

PPL acquired a small ownership interest in SOO Green, a 350-mile underground transmission project that seeks to meet the growing demand for green energy by addressing siting, permitting and other challenges to quickly and cost-effectively build transmission by developing high-voltage transmission lines underground along major rail corridors.





## Investing in Tomorrow's Energy Infrastructure

### SMART SENSORS, SMARTER INVESTMENTS

Like traffic on the highway, the grid becomes congested when the transmission system can no longer deliver the electricity without exceeding certain limits. When this happens, just like roads need to be expanded or added, transmission owners must upgrade or build new electrical lines.

However, building new power lines can be costly. With this in mind, PPL has begun to integrate new dynamic line rating technology to support smarter investments and manage congestion.

The technology uses sensors that collect real-time information on conditions – like wind speed and line temperature – that can affect transmission line performance.

With this information, operators can better determine when additional capacity may exist on transmission lines and when they can, in turn, increase the electricity sent over those lines to relieve transmission congestion and optimize performance.

In 2021, PPL Electric partnered with regional transmission operator PJM to pilot dynamic line rating technology on two of its transmission lines slated to be rebuilt to ease congestion. Due to the accuracy reported by the sensors, PJM determined the devices could improve congestion management and no new lines or upgrades were needed, saving customers millions of dollars. PJM has asked other transmission operators to consider dynamic line rating projects as a result of PPL Electric's successful pilot.

PPL Electric is one of the first companies to successfully use dynamic line rating sensors to make operational decisions. It's one of the many ways in which the company is leading the way in using technology to strengthen grid resilience while keeping electricity affordable for its customers.

Public Utilities Fortnightly named PPL Electric as a Top Innovator for 2021 for its leading-edge approach to integrating dynamic line rating into core operations and using data from the sensors to make prudent investment decisions.

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

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

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 help us predict when parts on our network need replacement. For example, 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 operate our system with the latest intelligence around cyber and physical intrusion and regularly evaluate our security by testing our system's defenses.

**PPL Electric is one of the first companies to successfully use dynamic line rating sensors to make operational decisions. It's one of the many ways in which the company is leading the way in using technology to strengthen grid resilience while keep electricity affordable for its customers.**

## Environmental Stewardship

PPL has a longstanding commitment to carry out all 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.

### Environmental management

We are committed to complying with all applicable environmental regulations and being good stewards of natural capital.

To help us continue to achieve operational excellence, PPL's environmental policies and management systems work together to provide a systematic approach to management of environmental risks, opportunities and impacts.

The company's environmental management systems provide a framework to ensure consistency and effectiveness of environmental management activities, including training, communication, document control, monitoring and measuring.

### Water stewardship

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 has never required LG&E and KU to reduce 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 at its generating plants, LG&E and KU minimizes 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 monthly tank inspections ensure these chemicals remain out of the watershed and groundwater.

The companies also continue to decrease consumptive water use as they improve power plant efficiency and transitioned 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.

### 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's operating companies have a strong commitment to compliance, transparency and continuous improvement. The companies provide regular performance reports to senior leadership, and external reporting of environmental performance is reflected in annual external reports available to the public.

The companies have strong waste management programs in place focused on recycling and eliminating hazardous waste. Other waste streams include e-waste, cardboard, municipal trash, scrap metals, wooden utility poles and coal combustion residuals.

This year, 71% of the coal combustion residuals generated by LG&E and KU were recycled for manufacturing wallboard and cement. LG&E and KU also completed closure of an additional five coal combustion residuals wet storage impoundments in 2021, bringing to 18 the total closed to date. Only three facilities remain, with construction for closure expected to be completed in 2024. In compliance with the federal coal combustion residuals rule, the company in April 2021 stopped sending materials to wet impoundments for treatment.

# 84.89%

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

# 71.0%

Percentage of coal combustion  
products beneficially reused

## Biodiversity

The day-to-day operation of the power delivery network has the potential to affect ecosystems and habitat, as well as the living plants, animals and aquatic species present in the natural environment.

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.

We recognize the importance of conserving natural habitats and native species and work with various partners to protect biodiversity.

### PROTECTING HABITAT AND BIODIVERSITY

- We have implemented habitat mitigation practices to prevent or reduce detrimental effects on biodiversity from company actions and ongoing operations wherever possible.
- We use pollinator-supportive and native plants as part of construction, maintenance and restoration activities where practical.
- We have adopted a comprehensive Avian Protection Plan to protect birds from coming in contact with electrical equipment and power lines.
- In 2021, siting mitigation efforts avoided 171 wetland crossings, 145 stream crossings and 23 acres of earth disturbance.
- PPL Electric uses 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.



### CREATING AWARENESS

- We engage with stakeholders when planning, building and operating our energy infrastructure.
- We provide trees and pollinator-friendly plantings to public and conservation groups throughout Kentucky and Pennsylvania. Collectively, more than 41,000 saplings were donated in 2021 to communities we serve.
- We sponsor community clean-up efforts like the Ohio River Sweep. Since 1995, LG&E and KU employee volunteers have joined thousands of people across a multi-state region each year to remove litter and debris from the banks of the Ohio River.

### SUPPORTING RESEARCH

- PPL's operating companies continue research and development on management and protection of pollinator habitat.
- LG&E and KU has established pollinator projects at five Kentucky generation sites totaling 197 acres. These projects involved planting 64 species of native grasses and wildflowers to reduce mowing costs and mowing-related emissions, prevent soil erosion, and serve as a habitat for pollinators.

### WORKING WITH KEY PARTNERS

- LG&E and KU has partnered with the 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.
- PPL Electric partners with the Pennsylvania Game Commission on projects to protect birds of prey such as peregrine falcons, osprey and eagles.



## 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.

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.

The utilities also are using light detection and ranging technology that maps individual trees along transmission rights-of-way. This helps identify trees that are 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.

### INNOVATIVE VEGETATION MANAGEMENT RECOGNIZED

PPL Electric's innovative vegetation management to reduce outages received national recognition when we received the 2021 Association of Edison Illuminating Companies Achievement Award – the organization's most prestigious annual honor.

Trees are a leading cause of outages for electric utilities. Within PPL Electric's 29-county service territory, it's estimated that about 34% of distribution outages over the past five years were caused by trees contacting overhead wires. By using a new approach that leverages data analytics and other new technologies, PPL Electric has found ways to trim and remove the right trees at the right times across 28,000 miles of overhead distribution lines to help prevent outages.

Identifying trees likely to cause outages can be like looking for a needle in a haystack. However, this new method, which PPL Electric began using in 2020, has led to efficiencies in selection, planning and execution of work. That has led to improved reliability, despite an increase in more severe weather, without increasing overall vegetation maintenance costs.

By using data analytics, the utility is able to determine trouble spots before they become trouble. Fewer tree-related outages, coupled with increased investments in grid automation, have allowed us to make our service more reliable than ever.



# EXCEED CUSTOMER EXPECTATIONS

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

## Our Customers

### AWARDS

Escalent 2021  
Most Trusted Utility  
Brand in the Nation  
(PPL Electric)

Escalent 2021  
Customer Champion  
(LG&E and KU)

The PPL family of companies provides essential energy services to more than 2.7 million customers in the U.S. Through its regulated utility subsidiaries, PPL delivers electricity to customers in 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, reliably and affordably, to our customers, improving quality of life in the areas we serve.

Below is information about our customers, by operating company:

**LG&E and KU** are regulated utilities that serve more than 1.3 million customers in service territories that span approximately 9,400 non-contiguous square miles. LG&E serves 333,000 natural gas and 429,000 electric customers in Louisville and 16 surrounding counties. KU serves 566,000 customers in 77 Kentucky counties and five counties in Virginia.

**PPL Electric** delivers electricity to approximately 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.

	LG&E-KU (Electric)	LG&E (Gas)	PPL Electric	TOTAL
Residential	842,583	305,533	1,280,709	2,428,825
Large Commercial	133,792	25,528	185,205	344,525
Large Industrial	2,300	396	3,219	5,915
Public Authorities	14,465	1,243		15,708
Street Lights	1,960			1,960
Municipals/Wholesale	3			3
Gas Transport		90		90
<b>TOTAL</b>	<b>995,103</b>	<b>332,790</b>	<b>1,469,133</b>	<b>2,797,026</b>

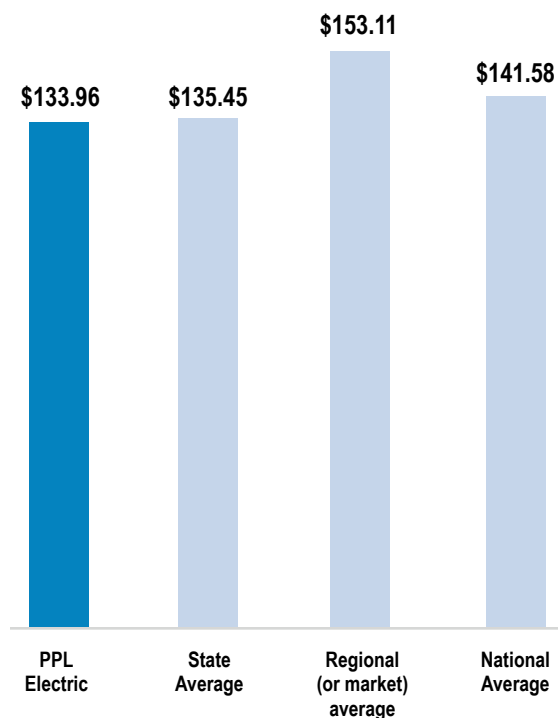


## Helping Customers Use Energy Wisely

PPL's operating companies continually seek to work more efficiently by eliminating redundancies, improving processes and using more automation to drive costs out of the business while not impacting level of service. This helps keep energy affordable for customers.

LG&E and KU and PPL Electric's electricity rates are below average for their respective regions, according to Edison Electric Institute's Typical Bills and Average Rates Report. While the company's goal is to continue to reduce operating and maintenance expenses to further benefit customers, we also remain focused on helping our customers use energy wisely.

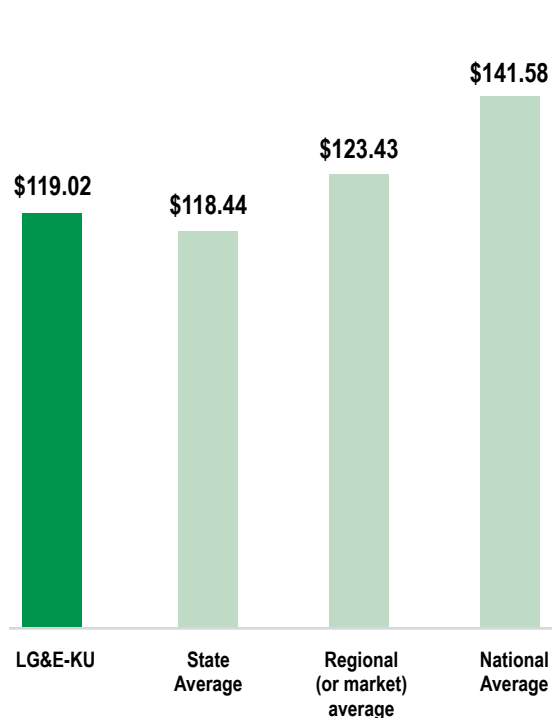
**PPL Electric Average Residential Rates (1,000 kWh)**



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 279,000 megawatt-hours of electricity and reduced peak demand by more than 43.5 megawatts.

**LG&E and KU Average Residential Rates (1,000 kWh)**



Our companies offer a variety of services to help customers save energy, calculate their indirect greenhouse gas and carbon emissions and adopt renewable energy. 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 testing and tune-ups
- 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

Source: EEI Typical Bills and Average Rates Report Summer 2021

## Customer Support Programs

A number of special services are available to meet the broad range of residential and commercial customer needs.

### Financial assistance

PPL's utilities have contributed more than \$3 million to various customer assistance programs to help vulnerable customers.

In Kentucky, **Winterhelp** (LG&E), **WinterCare** (KU) and **WinterShare** (ODP) are third-party heating assistance 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 2021, the companies contributed nearly \$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 by PPL Electric contributions and tax-deductible donations from employees, retirees and customers, contributed over \$1.4 million to vulnerable customers in 2021. More than 109,800 families have been helped since 1983, and 2,647 were helped in 2021. 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.

In addition to ongoing assistance programs, PPL Electric also worked to ensure eligible customers facing financial challenges receive assistance through the federal Emergency Rental Assistance Program, which helps renters facing financial hardships during the COVID-19 pandemic. More than 6,700 customers received assistance through this program, which provides qualifying households with monetary assistance for monthly rent, utility bills, fees and past-due balances.

### Language assistance

Our utility companies provide live call translation that allows customer representatives to conference in a translator for customers who would prefer to conduct business in their native language instead of English.

**\$3M**

Total contributed to  
customer assistance programs

**\$1.6M**

Total contributed by LG&E and KU  
in grants to help customers

**\$1.4M**

Total contributed by PPL Electric  
employees, retirees and customers  
to help vulnerable customers

# FOSTER AN EXCEPTIONAL WORKFORCE

Enable the success of our 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.

## Human Capital

A core pillar of PPL's corporate strategy is to foster a diverse and exceptional workplace. PPL supports the success of its current and future workforce by cultivating a diverse, equitable and inclusive culture, fostering professional development, and encouraging employee engagement. Matters related to these priorities and corporate culture are overseen by PPL's senior management, which provides updates to the PPL board of directors. PPL is also committed to maintaining an ethical and safe workplace culture.

### AWARDS

Best place to work for disability inclusion by Disability Equality Index (PPL)

Top utilities in the nation for workplace diversity by DiversityInc. (PPL)

Best Place to Work for LGBTQ equality on the Human Rights Campaign Foundation's 2021 Corporate Equality Index (PPL)

Adoption Advocate by The Dave Thomas Foundation for Adoption (PPL)

Fleur de Lis Award from Worksite Wellness Council of Louisville (LG&E and KU)

### DIVERSITY, EQUITY AND INCLUSION

Foster an inclusive, respectful and diverse workplace. Senior management reviews demographic metrics, compensation practices, DEI objectives and associated programs semi-annually. The board also receives periodic updates from senior management on the company's diversity, equity and inclusion strategy.

### EMPLOYEE ENGAGEMENT

Create a workplace that fosters an engaged, high-quality workforce. PPL's operating companies regularly conduct assessments related to employee engagement, safety and culture. Senior management reviews corporate culture with the board periodically.

### INVESTING IN OUR WORKFORCE

Invest in our current and future workforce through training and development, succession planning and creation of a pipeline for internal advancement. In addition to challenging careers and competitive salaries, PPL offers competitive benefits programs to attract and retain talent and support employees' health and well-being. PPL offers competitive vacation time, expanded leave for new parents, health benefits coverage for same-sex partners, retirement programs, and internal and external development opportunities, including tuition reimbursement offerings for undergraduate and certain graduate degrees. Senior management reviews succession planning with the Compensation Committee of the board on an annual basis.

### COMPLIANCE

The Corporate Compliance Committee, which includes 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.

### SAFETY

Safety is an integral part of PPL's values and culture. Employees receive safety training and are encouraged to share best practices. Senior management receives monthly safety data to determine whether additional safety measures should be implemented. The board annually reviews the company's safety programs and results. The board is also immediately engaged in the event of a fatality.

## Powering Diversity, Equity and Inclusion

We continue to work together to achieve greater diversity, equity and inclusion (DEI) in our workplaces and communities. PPL views this as a strategic imperative that enhances our customer insight and fuels innovation and growth. The company rewards positive performance, enables professional development and encourages employee engagement while developing a culture of belonging, empowerment and empathy. We are dedicated to making a long-lasting impact through enterprise-wide DEI commitments and created a chief diversity officer position in 2022 to lead these efforts.



### ATTRACT, DEVELOP AND RETAIN A HIGH-PERFORMING, DIVERSE WORKFORCE

- Identified and partnered with influential community leaders to reach a diverse demographic for recruiting purposes.
- Created pre-testing prep materials for craftworker positions to improve pass rates.
- Conducted employee engagement “check-in” sessions with newly hired diverse employees.
- Automated more HR data to capture more accurate demographics and utilize hiring, staffing and pay equity tools.
- Updated job descriptions to remove gender pronouns.
- Participated in diversity career fairs and targeted job postings to historically black colleges and universities.
- Adopted a ‘cultural add’ versus ‘cultural fit’ interview lens.



### INCREASE DIVERSE REPRESENTATION IN LEADERSHIP ROLES, WITH A FOCUS ON WOMEN AND MINORITIES

- Increased ethnic and racial diversity in senior leadership by 5%.
- Increased women in senior leadership by 14%.
- Provided leadership diversity training, including cultural competence, understanding generational differences and training on diversity in hiring and recruiting for hiring managers.
- Reviewed talent management programs for diversity messaging and enhanced incorporation of demographics in succession planning.



### MAINTAIN A WORKPLACE CULTURE OF EQUITY AND INCLUSION

- Sponsored and supported business resource groups’ initiatives, including professional development and increased cultural awareness programs to bring about cultural and personal change in our company and community.
- Engaged management in sharing DEI topics with employees, driving awareness, inclusion and a sense of belonging.
- Conducted enhanced DEI training, including topics such as equal employment opportunities, unconscious bias and microaggressions.
- Hosted a multitude of DEI events and shared communications to educate employees on topics including Black History Month, Juneteenth, Lunar New Year, Pride Month and hate crimes.
- Introduced a mental health wellness platform to provide resources and to also help lessen the stigma of mental illness.



### DEVELOP AND SUSTAIN RELATIONSHIPS WITH DIVERSE SUPPLIERS, VENDORS AND SERVICE PROVIDERS

- Hosted supplier diversity conferences.
- Continued outreach to prime suppliers to increase use and reporting of Tier II diverse suppliers.
- Conducted regular outreach events with a primary focus on pandemic impact and recovery strategies.
- Continued to lead and participate in the Louisville Mayor’s Procurement and Equity Task Force



### FOSTER PARTNERSHIPS THAT SUPPORT THE GROWTH AND VITALITY OF THE DIVERSE COMMUNITIES AND CUSTOMERS WE SERVE

- The PPL Foundation expanded its mission and focus areas to specifically include diversity, equity and inclusion programs with nearly 20% of the funding going to diversity, equity and inclusion efforts within communities served by PPL.
- Launched annual Powering a Brighter Future scholarship program, which will award \$1 million in scholarships to minorities and women over the next decade.
- Launched the Empowering Equitable Communities program with three initiatives: student mentoring, law enforcement dialogue and STEM literacy.
- Provided financial and volunteer support to organizations serving women and minorities.
- Partnered with the Renewables Forward DEI initiative to introduce an industry mentorship program.

## Workforce Planning

PPL has a strong focus on workforce planning to ensure we are meeting current and future workforce requirements. In 2021, PPL had a turnover rate of 10%. Our workforce planning enables us 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. Our current workforce includes employees in various generational demographics with 13% under 30, 55% between ages 30-50 and 32% over 50. The company has also continued efforts to build a more inclusive workforce.

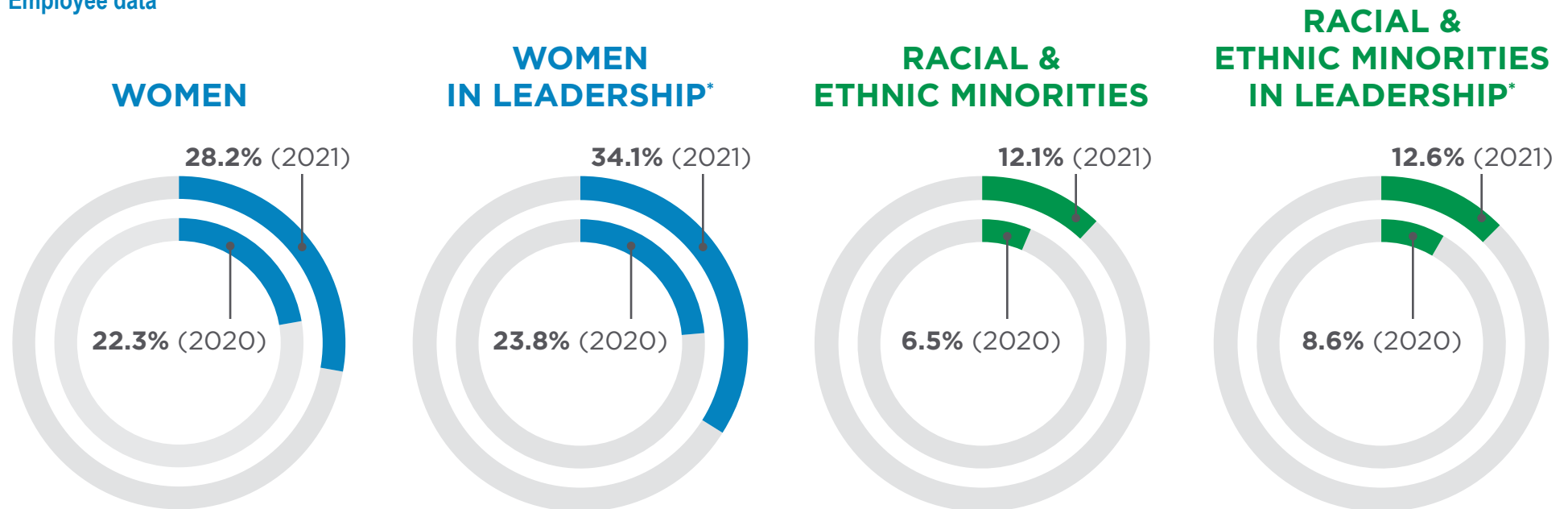
All employees are eligible to take professional development courses. With COVID-19 continuing to pose a particular challenge to in-person training, the company offered virtual training to keep employees safe but engaged.

To attract top talent, PPL's operating companies support strong internship and co-op programs that engage students in career-specific work experience, informational interviews, fun activities, community service opportunities and

networking with employees at all levels. With nearly 200 interns annually, many of which are hired into full-time positions, the program provides a pipeline of skilled employees to a variety of fields.

PPL participates in many outreach activities 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.

### Employee data



\*Executives and senior leadership include presidents, vice presidents and directors.



## Craft Trade Apprenticeship 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.

In Pennsylvania, PPL Electric has in-house 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. The typical apprentice program takes more than four years to complete (from date of hire).

The utility has partnered with a local community college to establish a lineworker 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.

In addition, PPL Electric has worked with the International Brotherhood of Electrical Workers Local 1600 to identify potential skill gaps that could occur with upcoming retirements.

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 company's 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.

As part of an effort to broaden the diversity of candidate pools through community partnerships and relationships statewide, LG&E and KU has established strategic partnerships with diverse community-based organizations such as the Coalition for Workforce Diversity, Prospanica Louisville Professional Chapter and Louisville Urban League. In addition, the company is providing support to the newly established Lineman Training Program at Jefferson Community and Technical College.



## Human Rights

Human rights are rights inherent to all human beings, regardless of race, sex, nationality, ethnicity, language, religion or any other status. PPL Corporation acknowledges the need to promote, protect and support internationally recognized human rights principles such as those outlined in the United Nations Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights, including the protection of women and minorities' rights.

We are committed to treating people with dignity and respect. We prohibit discrimination based on race, color, national origin, religion, sex, gender identity, disability, medical condition, ancestry, marital status, sexual orientation, citizenship, age, pregnancy, genetic information, service in the uniformed services or any other protected class status in accordance with all applicable laws and regulations.

This commitment drives our core values and is integrated throughout our Standards of Integrity, workplace policies and practices and longstanding commitment to communities we serve. PPL and its subsidiaries abide by all laws and regulations and strive to uphold and respect human rights.

PPL's [Human Rights Policy Statement](#) is available online.

Training on the *Standards of Integrity* is conducted annually and every employee is expected to read, understand and comply with the *Standards of Integrity* and associated company policies.

PPL engages an independent, third-party vendor to operate its EthicsHelpline, which is available 24 hours a day, seven days a week, via phone or online. Employees, suppliers, customers and other stakeholders can report a human rights concern through the EthicsHelpline, which provides anonymity, or directly to the company.

### 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 labor unions, 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. As of the end of 2021, 31% of our employees were covered by collective bargaining agreements.

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.

### 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 16 business resource groups.

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.

### 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 step and merit increases that were deferred during the leave of absence.

# 5.4%

Percentage of veterans in our workforce

# 16

Business resource groups

# 31%

Employees covered by collective bargaining agreements

### HEALTH & WELLNESS

PPL values the well-being of employees and offers many programs and activities to support its employees' pursuit of happier, healthier lives, including:

- Nationally recognized health and wellbeing program
- Virtual mental health support services
- Tele-health and online medical services
- Virus testing protocols
- Personal protective equipment
- Regular updates on COVID-19 information

### BENEFITS

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, including:

- Medical, dental and vision coverage at date of hire
- Paid vacation and sick leave
- Matching 401(k) plan
- Health Care and Dependent Care Reimbursement Accounts
- Basic life and supplemental employee and dependent life insurance
- Family assistance programs, eldercare, childcare, legal and financial referrals, and adoption assistance

### LEARNING & DEVELOPMENT

PPL's operating companies are committed to creating a workplace atmosphere that rewards performance and encourages professional development. 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
- Tuition reimbursement for undergraduate and graduate degrees

### TRAINING

283,429

Total training hours

50.8

Average annual training hours per employee

2,067

Number of training courses offered annually to employees

\$1.2M

Continuing education contributions

# STRENGTHEN OUR COMMUNITIES

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

## Supporting Our Communities

### AWARDS

Top 50 Companies for Environmental, Social and Governance (ESG) by DiversityInc (PPL)

Partner in Philanthropy Award by the Louisville Business First for outstanding corporate citizenship (LG&E and KU)

Emergency Response Award from Edison Electric Institute in recognition of impressive response during Tropical Storm Ida (PPL Electric)

Through its philanthropic programs in each operating region, PPL's charitable investments are helping to empower the communities we serve.

PPL's grant programs award charitable grants to nonprofit organizations working to bolster education; promote diversity, equity and inclusion; develop the future workforce of the energy sector; conserve and protect our environment; and strengthen local communities.

Collectively, PPL contributed more than \$12.2 million to support local organizations through annual grant and charitable giving programs in Pennsylvania, Kentucky and New York. The support is one of the many ways the company works year-round to uphold its values, which include a focus on corporate citizenship.

**\$12.2M**

Total  
charitable  
giving

**28,700**

Number of  
employee  
volunteer hours

**5.16**

average  
volunteer hours  
per employee

At PPL, employees believe in the power of giving. For more than a century, they have supported local communities through volunteerism and charitable giving.

In 2021, the company's charitable giving campaigns in the U.S. raised more than \$7 million in employee and retiree pledges, together with matching funds from PPL's foundations.

Local giving campaigns help PPL respond to the unique needs of each of the states in which it operates. The funds generated by the 2021 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, supported local United Way agencies and nonprofit organizations.

The funds helped expand educational opportunities for children; supported access to health care services, food, shelter and other basic needs; and offered additional assistance to support healthy communities.

### LG&E AND KU FOUNDATION SUPPORTS VITAL DIVERSITY DEVELOPMENT INITIATIVE

With a focus on enhancing the opportunities for diverse businesses, the LG&E and KU Foundation in 2021 supported the important work that the Global Economic Diversity Development Initiative has been doing across Kentucky. The foundation provided grant allocations to support the following programs:

- **The Black Harvest by The Collective**, a business accelerator program made up of a cohort of Black-owned businesses for a two-year period, generates ideas for local cultural experiences and events, sharing resources and gaining new knowledge to accelerate business in a digital world and to grow economically.
- **The Black Fashion Exchange** serves as a business incubator for Black-led fashion retailers.
- **Just Boss Up Academy** provides entrepreneurs the access, resources and tools to have a legally established business. This program equips participants with knowledge to scale their business and increase profits and brand awareness.
- **Derby Diversity Business Summit Youth Jam Fest 2021** engages students across Kentucky through a virtual experience, with limited in-person participation, that highlights how youth reimagine a better Kentucky.

The company is proud to support these vital programs fostering new growth, innovation and paths for success for current and future Black-owned businesses and entrepreneurs.



## Emergency Preparedness and Disaster Management

PPL's corporate 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 2021, the company's emergency management team continued its COVID-19 response strategy, balancing the safety of our employees with the critical needs of our customers.

The Executive Crisis Team, including leadership across the enterprise, met regularly 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.

In 2021, the Executive Crisis Team participated in a cyber-themed tabletop exercise while operating companies participated in GridEx VI, which provides the electricity industry, government agencies and other relevant organizations the opportunity to exercise emergency response and recovery plans in response to simulated cyber and physical security attacks and other contingencies affecting North America's electricity system.

With a focus on safety and reliability, PPL's operating companies maintain business continuity plans and policies and procedures for responding to a variety of emergencies as required by regulatory agencies.

We work closely with public safety and emergency preparedness organizations to coordinate responses to emergency events. To help restore electric service to communities after catastrophic emergencies or significant natural events, PPL Electric, LG&E and KU are among the utilities that developed RESTORE, or Regional Equipment Sharing for Transmission Outage Restoration.

In Kentucky, LG&E and KU experienced numerous snow and icing events over a seven-day period in February that affected 77,000 customers in the central region of the state.

The rest of the year was relatively calm until a deadly tornado outbreak in December. More than 82,000 LG&E and KU customers experienced outages, and the storm caused significant damage to our assets, including a demolished substation, more than 520 broken poles and 600 downed power lines.

More than 600 employees and contractors worked around the clock throughout the weekend to repair on-site damage and restore service, while scores of others worked behind the scenes meeting customers' needs. PPL and LG&E also donated \$100,000 to the Team Western Kentucky Tornado Relief Fund to assist the community.

LG&E and KU also assisted other utilities throughout the year, releasing 850 contractors and employees to provide mutual assistance to help restoration efforts from devastating weather events.

With 42 storms in 2021, PPL Electric experienced a record high number of storms, surpassing the previous high of 33 storms in 2011. Averaging more than one storm per week in the second half of the year, the utility responded to a record number of storm-related customer interruptions.

September's Tropical Storm Ida resulted in the largest restoration effort of the year for PPL Electric, with wind gusts, torrential rain, flooding and isolated tornadoes causing more than 1,200 cases of trouble affecting 85,000 customers.

PPL Electric employees worked around the clock following Ida to ensure that power was restored safely and as quickly as possible, putting in more than 36,000 hours to restore power to all customers and replace damaged assets including 33 poles and 43 transformers.

The utility received an Emergency Response Award from Edison Electric Institute in recognition of its impressive response to the extensive damage and outages caused during Tropical Storm Ida.

# \$100,000

Amount of donation to Team Western Kentucky  
Tornado Relief Fund to assist community

# 600+

Number of LG&E and KU employees working  
round-the-clock to restore service after tornado

# 42

Number of storms affecting  
PPL Electric customers in 2021



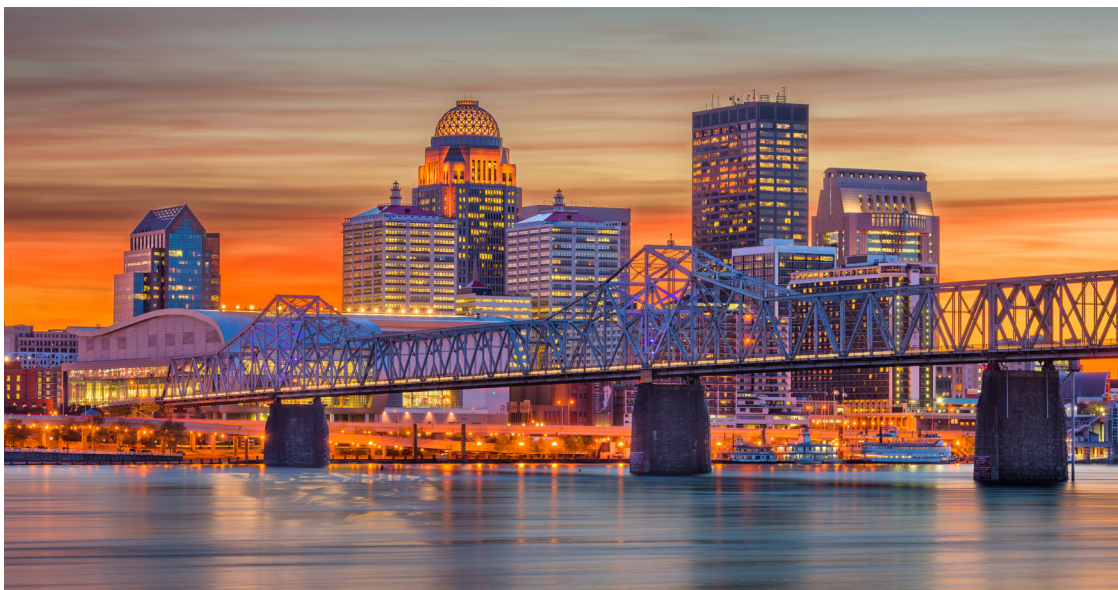
## Powering Local Communities

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 the Chamber 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 key 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 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.



### OPPORTUNITY KENTUCKY SPARKS ECONOMIC DEVELOPMENT

LG&E and KU's economic development team is actively working to help entice companies to remain in, expand within or relocate to Kentucky.

The team's Opportunity Kentucky program helps new and existing customers grow their operations and create new jobs, through the following initiatives:

- Grants designed to address lack of capital in the market and to encourage collaboration among Kentucky economic developers and stakeholders.
- Bill credits that help reduce cost in the first five years of operation so companies can invest more capital into their business.
- Opportunity Kentucky Fund that helps communities proactively address land and building inventory shortages by providing grants for due diligence, site development, workforce studies and more.
- Opportunityky.com, a new online marketing platform that helps site selectors and prospects evaluate communities and business parks through the use of GIS mapping and census data.

The Opportunity Kentucky programs have helped Kentucky break records for new jobs and investment, with over \$8 billion in capital investment and nearly 12,000 new jobs being created in LG&E and KU's service territory in 2021.

Announced investments included Ford Motor Company's new BlueOvalSK Battery Park, a \$5.8 billion, 1,500-acre battery manufacturing campus in Glendale, Kentucky, which is targeted to open in 2025. The factory is part of Ford's plans to bring electric zero-emission vehicles at scale to American customers.

SUPPLIER DIVERSITY

**\$2.6  
BILLION**

Total corporate spend on  
goods and services

**\$1.3  
BILLION**

Total corporate spend on  
locally based suppliers

**\$290  
MILLION**

Total corporate spend  
on diverse suppliers

**233**

Number of diverse  
business suppliers

Supply Chain

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 for PPL, includes guidelines on a variety of topics including diversity, anti-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 its 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.

# APPENDIX

## 2021 PPL Corporation GRI Index

This index refers to the Global Reporting Initiative (GRI) Standards indicators, including electric utility sector specific indicators. Reference pages refer to PPL's 2021 Corporate Sustainability Report (CSR).

General Disclosures		
Indicator	Disclosure Title	Response
102-1	Name of the organization	PPL Corporation (PPL)
102-2	Primary brands, products and/or services	2021 CSR page 4
102-3	Location of headquarters	Allentown, Pa.
102-4	Location of operations	PPL operates utilities in the United States.
102-5	Ownership and legal form	PPL Corporation is an investor-owned utility holding company.
102-6	Markets served	2021 CSR page 4
102-7	Scale of the organization	2021 CSR page 4
102-8	Information on employees	2021 CSR pages 6 and 40
102-9	Supply chain	2021 CSR page 48
102-10	Significant changes during the reporting period regarding size, structure or ownership	In June, PPL sold its U.K. utility business, Western Power Distribution (WPD), to National Grid plc for £7.8 billion. In a separate transaction, PPL began the process to acquire National Grid's Rhode Island utility business, The Narragansett Electric Company, for \$3.8 billion. This report does not include 2021 data from WPD or Narragansett Electric.
102-11	Precautionary approach or principle	2021 CSR page 7
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	2021 CSR page 17
102-14	Statement from senior decision-maker	2021 CSR page 3
102-15	Description of key impacts, risks and opportunities	2021 CSR page 3
102-16	Values, principles, standards and norms of behavior, such as codes of conduct and codes of ethics	2021 CSR page 14
102-17	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior	2021 CSR page 14
102-18	Governance structure	2021 CSR page 12 2022 Proxy Statement pages 12-17 <a href="#">Corporate Governance Structure</a>

Indicator	Disclosure Title	Response
102-19	Process for delegating authority for economic, environmental and social topics	2021 CSR page 7
102-20	Executive-level position or positions with responsibility for economic, environmental and social topics	2021 CSR page 7
102-21	Consultation process for stakeholders on economic, environmental and social topics	Anyone wishing to make their concerns known to PPL's board, its independent chair, any board member, or the independent directors as a group, can do so by writing 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 investors to discuss matters of interest with shareowners, such as financial performance, strategic direction, corporate governance, executive compensation, environmental and social topics.
102-22	Composition of highest governing body	2021 CSR page 12 2022 Proxy Statement pages 5-11
102-23	Chair of highest governance body	2022 Proxy Statement page 12
102-24	Nomination and selection processes for highest governance body	2022 Proxy Statement pages 19-20
102-25	Processes to avoid conflicts of interest	The Board of Directors determines the independence of each director before the director joins the board and on 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	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	2021 CSR page 7
102-27	Measures taken to enhance the board's collective knowledge of economic, environmental and social topics	2021 CSR page 7
102-28	Process for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics	2021 CSR page 7 2022 Proxy Statement page 12
102-29	Highest governance body's role in the identification and management of economic, environmental and social impacts, risks and opportunities	2021 CSR page 7 2022 Proxy Statement pages 17 and 21-22
102-30	Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics	2021 CSR page 7 2022 Proxy Statement pages 17 and 21-22
102-31	Frequency of the highest governance body's review of economic, environmental and social impacts, risks and opportunities	2021 CSR page 7
102-32	Highest committee of position that formally reviews and approves the organization's sustainability report and ensures that all material aspects are covered	2021 CSR page 7
102-33	Process for communicating critical concerns to the highest governance body	2021 CSR page 12-13
102-34	Remuneration policies for the highest governance body and senior executives	2022 Proxy Statement pages 23-24 for board and beginning at page 29 for executive officers
102-36	Process for determining remuneration including use of consulting	2022 Proxy Statement pages 17-18
102-37	Stakeholder engagement for determining remuneration	2022 Proxy Statement pages 14 and 35
102-40	Stakeholder groups engaged by the organization	2021 CSR page 17

Indicator	Disclosure Title	Response
102-41	Percentage of employees covered by collective bargaining agreements	2021 CSR page 42
102-42	Basis for identification and selection of stakeholders with whom to engage	2021 CSR page 16
102-43	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	2021 CSR page 16
102-44	Key topics and concerns that have been raised through stakeholder engagement	2021 CSR page 16
102-45	List all entities included in the organization's consolidated financial statements or equivalent documents	2021 Form 10-K
102-46	Process for defining report content	2021 CSR page 2
102-47	List all the material aspects identified in the process for defining report content	2021 CSR page 8
102-48	Effect of any restatements of information provided in previous reports, and the reasons for such restatements	PPL had no significant restatements to report in 2021.
102-49	Significant changes from previous reporting periods in scope and aspect boundaries	2021 CSR page 9
102-50	Reporting period (e.g., fiscal/calendar year) for information provided	Calendar year 2021
102-51	Date of most recent previous report (if any)	April 2021
102-52	Reporting cycle (annual, biennial, etc.)	PPL prepares this report annually.
102-53	Contact point for questions regarding the report or its contents	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	2021 CSR page 50
102-56	Policy and current practice with regard to seeking external assurance for this report	External assurances for this report have not been conducted.
103-1	For each material aspect, report the aspect boundary within the organization	2021 CSR page 8
103-3	Evaluation of management approach	2021 CSR page 12
201-1	Direct economic value	2021 CSR page 11 2021 Form 10-K
201-2	Financial implications and other risks and opportunities for the organization's activities due to climate change	2021 Form 10-K 2021 CDP Climate Assessment Report
201-3	Coverage of the organization's defined benefit plan obligations	2021 Form 10-K
201-4	Significant financial assistance received from government	None
202-1	Range of ratios of standard entry-level wage by gender compared to local minimum wage at significant locations of operation	PPL's companies seek to provide work hours, wages and benefits in compliance with applicable laws.



Indicator	Disclosure Title	Response
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.
203-1	Development and impact of infrastructure investments and services supported	2021 CSR page 29
203-2	Significant indirect economic impacts, including the extent of impacts	2021 CSR page 47-48
204-1	Proportion of spending on local suppliers at significant locations of operations	2021 CSR page 48
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 anti-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.
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.
301-1	Materials used by weight or volume	2021 CSR page 63
301-2	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.
302-1	Energy consumption within the organization	2021 CSR page 61
302-2	Energy consumption outside the organization	2021 CSR page 61
302-3	Energy intensity	2021 CSR page 60
302-4	Reduction of energy consumption	2021 CSR page 61
302-5	Reductions in energy requirements of products and services	2021 CSR page 61
303-1	Total water withdrawal by source	2021 CSR page 62
303-2	Water sources significantly affected by withdrawal of water	2021 CSR page 62
303-3	Percentage and total volume of water recycled and reused	2021 CSR page 62
304-1	Operational sites owned, leased, managed in or adjacent to protected areas and areas of high biodiversity value outside protected areas	2021 CSR page 31
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	2021 CSR page 31
304-3	Habitats protected or restored	2021 CSR page 31
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	2021 CSR page 31
305-1	Direct greenhouse gas (GHG) emissions (Scope 1)	2021 CSR page 59

Indicator	Disclosure Title	Response
305-2	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	2021 CSR page 59
305-3	Indirect greenhouse gas (GHG) emissions (Scope 3)	2021 CSR page 59
305-4	Greenhouse gas (GHG) emissions intensity	2021 CSR page 59
305-5	Reduction of greenhouse (GHG) emissions	2021 CSR page 59
305-6	Emissions of ozone-depleting substances (ODS)	This is not material to PPL.
305-7	NOx, SOx, and other significant air emissions	2021 CSR page 62
306-1	Total water discharge by quality and destination	2021 CSR page 62
306-2	Total weight of waste by type and disposal method	2021 CSR page 63
306-3	Total number and volume of significant spills	PPL had 8 reportable spills with a total volume of 3,552 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.
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).
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.
401-1	Total number and rates of new employee hires and employee turnover by age group, gender and region.	2021 CSR 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	2021 CSR page 43
401-3	Return to work and retention rates after parental leave, by gender	A total of 46 women and 145 men used parental leave. A total of 191 employees returned to work, resulting in a 100% retention rate.
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.
403-1	Percentage of total workforce represented in formal 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	2021 CSR page 23
403-3	Workers with high incidence or high risk of diseases related to their occupation	No high risks or incidents identified.

Indicator	Disclosure Title	Response
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.
404-1	Average hours of training per year per employee by gender and by employee category	2021 CSR page 43
404-2	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	2021 CSR page 43
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.
404-1	Average hours of training per year per employee by gender and by employee category	2021 CSR page 43
404-2	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	2021 CSR page 43
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.
414-2	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	PPL's <i>Supplier Code of Conduct</i> requires that all suppliers adhere to all applicable labor and human-rights laws.
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. operate in compliance with applicable laws and regulations.
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 taken 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 standards of integrity 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 45.
415-1	Total value of political contributions by country and recipient/beneficiary	2021 CSR page 16

Indicator	Disclosure Title	Response
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.
417-1	Type of product and service information required by the organization's procedures for product and service information and labeling	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.
418-1	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	PPL does not publicly disclose this information.
419-1	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	2021 Form 10-K

#### Electric Utilities Sector Disclosures

Indicator	Disclosure Title	Response
EU1	Installed capacity, broken down by primary energy source and regulatory regime	2021 CSR page 61
EU2	Net energy output broken down by primary energy source and regulatory regime	2021 CSR page 61
EU3	Number of residential, industrial, institutional and commercial accounts	2021 CSR page 34
EU4	Length of above and underground transmission and distribution	2021 CSR page 5
EU5	Allocation of CO <sub>2</sub> emissions allowances, or equivalent, broken down by carbon trading framework	None.
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 2021 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 6,168 MW, and LG&E and KU generation capacity is currently 7,594 MW, providing a 23% reserve margin.
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 35.
G4-DMA Research & Development	Research and development activity and expenditure aimed at providing reliable electricity and promoting sustainable development	2021 CSR page 27
EU11	Average generation efficiency of thermal plants by energy source and regulatory regime	In 2021, the average generation efficiency for LG&E and KU was 9.8 (MMBTU/Net MWh).

Indicator	Disclosure Title	Response
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 2021, line loss as a percentage of total energy was 3.523% for LG&E (electric), 2.596% for LG&E (gas), 5.296% for KU and 5.25% for PPL Electric.
EU13	Biodiversity of offset habitats compared to the biodiversity of the affected areas	2021 CSR page 31
G4-DMA Skilled Workforce	Programs and processes to ensure the availability of a skilled workforce	2021 CSR page 40-41
EU15	Percentage of employees eligible to retire in next 5 and 10 years, broken down by job category and region	PPL does not publicly disclose this information.
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	Collaborative approaches to managing watersheds and reservoirs for multiple uses	2021 CSR page 30
G4-DMA Vegetation Management	Approaches for pest and vegetation management along transmission and distribution corridors	2021 CSR page 32
G4-DMA Local Communities	Stakeholder participation in decision-making processes related to energy planning and infrastructure development	2021 CSR page 46
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	2021 CSR page 46
G4-DMA Customer Support Programs	Programs, including those in partnership with government, to improve or maintain access to electricity and customer support services	2021 CSR page 36
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 2021, PPL's U.S.-based utilities had 86,202 residential disconnections. The number of residential reconnections within 30 days was 69,089.
EU28	Power outage frequency	2021 CSR page 64
EU29	Average power outage duration	2021 CSR page 64
EU30	Average plant availability factor by energy source and by regulatory regime	LG&E and KU's plant availability factor is 86.26%. The unplanned outage rate for LG&E and KU plants in 2021 was 4.81%.
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	2021 CSR page 36

## The U.N. Sustainable Development

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 (alignment shown below). 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.

### U.N. SUSTAINABLE DEVELOPMENT GOALS



Clean Water and Sanitation



Affordable and Clean Energy



Decent Work and Economic Growth



Industry, Innovation and Infrastructure



Climate Action

### PPL COMMITMENTS

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	✓	✓	✓	✓	✓



## Net-Zero Goal Related Emissions

Year	Scope 1: Gross MWh of Owned Generation Includes CO <sub>2</sub> , N <sub>2</sub> O and CH <sub>4</sub> (metric tonnes of CO <sub>2</sub> e )	Scope 1: Fleet Vehicles (metric tonnes of CO <sub>2</sub> e)	Scope 1: Small Plant Stationary Fuel Combustion Sources not included in Stack Emissions (metric tonnes of CO <sub>2</sub> e)	Scope 1: Plant Mobile Equipment (metric tonnes of CO <sub>2</sub> e)	Scope 1: Fugitive SF <sub>6</sub> Emissions (metric tonnes of CO <sub>2</sub> e)	Scope 2: Electricity Use in Buildings (metric tonnes of CO <sub>2</sub> e)	Scope 2: Gas Use in Buildings (metric tonnes of CO <sub>2</sub> e)	Scope 3: Electricity Purchased for End Use Customers - LG&E and KU (MWh)	Scope 3: Electricity Purchased for End Use Customers - LG&E and KU (metric tonnes of CO <sub>2</sub> e)	Total Goal Related Emissions (metric tonnes of CO <sub>2</sub> e)
2010	60,736,086 <sup>1</sup>	48,343	2,515	4,893	114,727	89,732	18,250	1,906,442	1,597,157	62,577,296
2017	28,407,677	47,630	8,984	4,893	90,107	69,781	18,311	530,829	470,110	29,083,085
2018	29,480,129	43,256	1,097	6,459	49,513	67,316	20,058	273,821	241,199	29,873,408
2019	26,740,576	46,646	4,056	5,898	88,669	30,646 <sup>2</sup>	17,914	594,506	532,952	27,467,358
2020	24,971,324	45,524	2,297	5,157	43,616	25,712 <sup>2</sup>	16,294	624,561	541,242	25,651,166
2021	26,369,339	24,982	4,411	5,696	9,475	18,626 <sup>2</sup>	13,573	243,296	219,132	26,665,234

<sup>1</sup>2010 Scope 1 Plant Emissions is the only data point that includes PPL Energy Supply, LLC.<sup>2</sup>LG&E and KU's emissions captured in Scope 1 Gross MWh.Other CO<sub>2</sub>e Emissions

Year	Scope 1: Gas Operations (metric tonnes of CO <sub>2</sub> e)	Scope 3: Electricity Purchased for End Use Customers - PPL Electric (MWh)	Scope 3: Electricity Purchased for End Use Customers - PPL Electric (metric tonnes of CO <sub>2</sub> e)	Scope 3: Gas Purchased for End Use Customers - LG&E (MMCUFT)	Scope 3: Gas Purchased for End Use Customers - LG&E (metric tonnes of CO <sub>2</sub> e)	Scope 3: Employee Commuting <sup>1</sup> (metric tonnes of CO <sub>2</sub> e)	Scope 3: Business Travel <sup>1</sup> (metric tonnes of CO <sub>2</sub> e)
2010		15,980,340	7,263,132	44,546	2,389,400		
2017	28,132	9,134,536	4,110,251	40,656	2,034,406		
2018	29,040	10,263,461	4,415,253	46,474	2,267,656		
2019	27,909	10,884,062	4,383,993	45,182	2,230,727	15,654	1,824
2020	22,204	10,705,000	4,132,207	41,589	2,002,542	11,158	613
2021	22,118	11,307,000	3,783,458	43,273	2,059,996	9,113	623

<sup>1</sup>Emission data for PPL Electric, LG&E and KU and PPL Services.

**Key Adjustments:** The 2021 reporting year does not include WPD emissions, which has contributed to one-time reductions in Scope 1: Fleet Vehicles, Scope 1: Fugitive SF<sub>6</sub> Emissions, Scope 2: Electricity Use in Buildings and Scope 2: Gas Use in Buildings. LG&E and KU Purchased Power for End Use Customers is now reported as Scope 3; emissions will remain part of PPL's 2050 goal. The 2010 baseline data remains unchanged after the sale of WPD, which had a minor contribution to overall emissions. Further adjustments are expected in 2022 resulting from the anticipated addition of Rhode Island operations.

**Carbon Intensity**

Year	USD Million Sales (in millions)	Revenue Carbon Intensity <sup>1</sup>	Owned Net Generation <sup>2</sup> (MWh)	Gross Generation Carbon Intensity <sup>4</sup>
2010				
2017	\$7,447	0.00391	32,704,089	0.869
2018	\$7,785	0.00384	34,546,832	0.853
2019	\$7,769	0.00354	32,282,872	0.828
2020	\$7,607	0.00337	29,916,634	0.835
2021	\$5,783	0.00461	31,336,074 <sup>3</sup>	0.842 <sup>5</sup>

<sup>1</sup>Total CO<sub>2</sub>e goal-related emissions divided by revenue.

<sup>2</sup>Net Generation data excludes LG&E and KU Purchased Power. Includes 75% Trimble County Unit 1 & 2 ownership.

<sup>3</sup>Owned Net Generation includes 176,372 MWh generated by Safari Energy, LLC.

<sup>4</sup>Total CO<sub>2</sub>e associated with gross owned generation divided by net generation.

<sup>5</sup>Emissions intensity for LG&E and KU equals 0.846.

## Installed Capacity

Year	Total Net Summer Rating at end of year (MW)	Coal Total Net Summer Rating <sup>1</sup> (MW)	Natural Gas Net Summer Rating (MW)	Renewable Net Summer Rating <sup>2</sup> (MW)	Hydroelectric Net Summer Rating (MW)	Solar Net Summer Rating <sup>3</sup> (MW)
2019	7,561	4,715	2,742	104	96	8
2020	7,561	4,715	2,742	104	96	8
2021	7,535	4,715	2,716	104	96	8

<sup>1</sup>Ownership or other interests includes 75% Trimble County Unit 1 and Unit 2 ownership and does not include OVEC.

<sup>2</sup>Installed Capacity data table consistent with 10-K. In addition, in 2021 Safari Energy, LLC acquired solar generation with a nameplate capacity of 20.510 MW (AC), which produced 514 MWh. Total installed nameplate capacity for Safari Energy, LLC (inclusive of 2021 acquired capacity) was 131.438 MW (AC), which produced 176,372 MWh.

<sup>3</sup>Additional 1 MW can be attributed to LG&E and KU's community Solar Share program.

## Energy Consumption and Output

	Owned Gross Generation <sup>1</sup> (MWh)	Owned Net Generation <sup>1</sup> (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	1,882,854	108,898,199	101,078,573	17,816,820
2017	35,759,848	32,704,879	330,071,507	10.1	-5.00%	659,227,583	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	291,048,391	9.8	-1.79%	1,149,033,343	2,022,215	120,239,834	89,936,970	18,191,401
2021	33,850,819	31,336,074 <sup>2</sup>	306,641,892	9.8	0.74%	2,217,804,314	2,206,492	101,245,995 <sup>3</sup>	74,936,047 <sup>3</sup>	10,221,174 <sup>3</sup>

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

<sup>2</sup>2021 Owned Net Generation includes 176,372 MWh generated by Safari Energy, LLC.

<sup>3</sup>Emissions from WPD are not included and reflect a one-time reduction.

## Other Air Emissions

Year	Owned Net Generation <sup>1</sup> (MWh)	Total NOx Emissions (metric tonnes)	Total NOx Emissions Intensity (metric tonnes/owned net MWh)	Total SO <sub>2</sub> Emissions (metric tonnes)	Total SO <sub>2</sub> Emissions Intensity (metric tonnes/owned net MWh)	Total HG Emissions (kg)	Hazardous Air Pollutants Intensity (kg/owned net MWh)	Particulate Matter (metric tonnes)
2017	32,704,879	15,710	0.00048	13,499	0.00041	77	2.35E-6	1,900
2018	34,546,832	17,329	0.00050	16,698	0.00048	71	2.06E-6	2,241
2019	32,282,872	14,633	0.00045	13,487	0.00042	55	1.70E-6	1,653
2020	29,916,634	11,948	0.00040	13,194	0.00044	48	1.60E-6	643
2021	31,336,074 <sup>2</sup>	12,571	0.00040	15,225	0.00049	46	1.48E-6	605

<sup>1</sup>Net Generation data excludes Purchased Power. Includes 75% Trimble County Unit 1 & 2 ownership.

<sup>2</sup>Net Generation includes 176,372 MWh generated by Safari Energy, LLC.

## Total Water Withdrawal by Source

2021 Water Sources Affected by Withdrawal of Water							
Plant	2021 Withdrawal (megaliters/year)	% Impact (water withdrawn compared to waterbody size)	2021 Discharge <sup>1</sup> (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	17,000	0.014%	12,000	Herrington Lake (created by Dix River Dam)	324,405 <sup>2</sup>	5,000	70.59%
KU-Ghent	97,000	0.240%	95,000	Ohio River	110,829 <sup>3</sup>	2,000	97.94%
LG&E-Cane Run	5,000	0.011%	2,000	Ohio River	119,882 <sup>3</sup>	3,000	40.00%
LG&E-Mill Creek	315,000	0.720%	284,000	Ohio River	119,882 <sup>3</sup>	31,000	90.16%
LG&E-Trimble County	49,000	0.121%	17,000	Ohio River	110,829 <sup>3</sup>	32,000	34.69%
Total	483,000		410,000			73,000	84.89%

<sup>1</sup>These numbers were calculated from annual averages of the NPDES-KPDES reported values for the Discharge Monthly Reports (DMR) or using process-specific flow information. Flows include discharges from ash ponds, cooling tower blowdown streams, once-through 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.

<sup>2</sup>Volume of lake during 10Q7 low-flow conditions.

<sup>3</sup>Flow at relevant locations during 10Q7 low-flow conditions.

## Total Weight of Waste by Type and Disposal Method

Year	Hazardous Waste Generated <sup>1</sup> (metric tonnes)	Non-Hazardous Waste Generated <sup>3, 4</sup> (metric tonnes)	Non-Hazardous Waste Diverted from Landfill <sup>4</sup> (metric tonnes)	Universal Waste Generated <sup>1</sup> (metric tonnes)	Universal Waste Recycled <sup>1</sup> (metric tonnes)
2017	829.03	45,347.15			
2018	790.67	25,684.24			
2019	473.37	68,080.82	49,042.37		
2020	680.02	41,345.00	23,589.70	5,240.58	1,921.42
2021	6.50 <sup>2</sup>	34,441.10 <sup>2</sup>	23,496.25	21.30 <sup>2</sup>	15.78 <sup>2</sup>

<sup>1</sup>All Operations.<sup>2</sup>Waste from WPD is not included, which reflects a permanent reduction, due to differences in U.K. classification of waste.<sup>3</sup>Includes PPL Electric and WPD operations only. Note: LG&E and KU does not track Non-Hazardous Waste other than ash.<sup>4</sup>Utilizes enhanced data collection for PPL Electric operations for 2019 to 2021; anticipate similar reporting across all operations in future reportsCoal Combustion Products (CCP) Trends<sup>1</sup>

Year	CCP Production (million metric tonnes)	CCP Reuse	Owned Net Generation (MWh)	CCP Trends (million metric tonnes/owned MWh)
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	0.087
2021	2.578	71.0%	31,336,074 <sup>2</sup>	0.082

<sup>1</sup>Chart updated to include all types of coal combustion products produced. Previously published only ash-use trends.<sup>2</sup>Owned Net Generation includes 176,372 MWh generated by Safari Energy, LLC.

Data for 2021 represents PPL Electric and LG&E and KU only, reflecting the sale of WPD, (the U.K. operations sold in June 2021).

#### 2021 Safety<sup>1</sup>

	2017	2018	2019	2020	2021
Total Hours Worked	24,157,564	23,602,105	23,359,302	23,386,578	10,447,336
Number of lost-day cases	18	15	24	35	22
Lost Time Incident Rate	0.15	0.13	0.21	0.30	0.42
Recordable Incident Rate	1.08	1.18	1.02	1.18	1.24
Work related fatalities	1	0	1	0	0

<sup>1</sup>Occupational health and safety performance of full-time company employees

#### 2021 Reliability<sup>1</sup>

##### SAIFI - System Average Interruption Frequency Index

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

	2017	2018	2019	2020	2021
LG&E and KU	0.84	0.92	1.06	0.74	0.82
PPL Electric	0.60	0.74	0.66	0.69	0.68

##### SAIDI - System Average Interruption Duration Index

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

	2017	2018	2019	2020	2021
LG&E and KU	75.41	95.24	93.59	69.74	80.33
PPL Electric	70.04	82.50	74.31	68.64	84.55

##### CAIDI - Customer Average Interruption Duration Index

CAIDI represents the average time (in minutes) required to restore service after a sustained interruption occurs, per IEEE definition 1366.

	2017	2018	2019	2020	2021 <sup>1</sup>
LG&E and KU	89.92	103.17	88.60	94.07	98.30
PPL Electric	116.05	112.06	112.50	99.63	123.67

<sup>1</sup>2021 reliability performance was driven in large part by a record number of storms, including severe tornadoes in Kentucky and 42 significant storms in Pennsylvania.