

# ENERGY FORWARD

PPL CORPORATION 2022 SUSTAINABILITY REPORT



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## About This Report

This report presents our sustainability performance and follows the Global Reporting Initiative Framework with the intent to meet the Global Reporting Initiative Standards at the “Comprehensive” level.

This report covers activities that occurred in calendar year 2022 and contains the best information available at the time of publication. Rhode Island Energy data is noted as full year or partial year for specific metrics. Safari Energy LLC, which was sold in September 2022, is not included in this report. Unless otherwise noted, figures reported are through Dec. 31, 2022. Environmental, social and governance (ESG) data can be challenging to accurately measure. We correct and report errors in prior-year data when found, and we work to continually improve our data measurement, gathering and reporting processes to increase the integrity of information presented.

The report is reviewed by the company's leadership team, including the chief executive officer.

The Corporate Audit department has conducted reviews related to the compilation of this report over several years, including in-depth reviews of specific metrics, as part of ongoing controls related to voluntary sustainability reporting.

An external audit has not been conducted. However, information and data sourced from the company's reports filed with the U.S. Securities and Exchange Commission have been externally audited.

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 2022 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 disclosure. Our views about the company's direct and indirect sustainability-related 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 2022 climate-change questionnaire](#)
- Our [Public Policy Disclosures](#)
- Our [EEI-AGA ESG disclosures](#)
- Our [SASB](#) and [TCFD](#) mapping



## Message from our President and CEO

We started 2023 with a bold vision for PPL – to be the best utility in the U.S. This vision will serve as our North Star as we execute on our mission to deliver safe, reliable, affordable and sustainable energy to our customers and competitive, long-term returns to our shareholders.

Being the best means that we will excel in the areas of safety, customer satisfaction, reliability and cost efficiency and achieve a premium stock valuation. To attain this level of operational and financial performance, our approach to sustainability must be embedded in everything we do.

What does this look like for PPL? It means that we are responsive to the dynamic interests of our key stakeholders – customers, communities, employees and shareowners. It means that we live our values – safety, passion, innovation, responsibility, integrity and teamwork – each and every day. And, it means that we take a long-term view in the decisions that we make, asking ourselves how what we do today will impact our collective future in the years and decades to come.

Our strategy to thrive in the rapidly changing energy landscape is to create the utilities of the future. It's a strategy focused on advancing the clean energy transition while maintaining reliability and affordability, and it's one that prioritizes innovation and efficiency.

In pursuit of this strategy, we are investing in system hardening and automation to strengthen grid resiliency and prepare the future grid for significantly more large-scale renewables and distributed energy resources. We're using data and technology to predict equipment failure before it occurs and better target our tree-trimming, equipment replacement and maintenance practices to have the biggest impacts on reliability. In addition, we're executing our clean energy strategy to deliver on our goal to achieve net-zero carbon emissions by 2050.

Throughout 2022, we laid a strong foundation to deliver on these strategic objectives.

Our acquisition of Rhode Island Energy in 2022, which followed the sale of our U.K. utility business in 2021, concluded a multi-year effort to strategically reposition PPL. As a result of these transactions, PPL is well-positioned to deliver top-tier earnings and dividend growth, while continuing to provide highly reliable service, exceptional customer satisfaction and industry-leading grid innovation. In addition, the company now has much greater financial flexibility to invest in a sustainable energy future.

Throughout this transformational year, we demonstrated a strong customer focus and commitment to performance excellence and innovation. This included delivering top-quartile reliability and customer satisfaction in Pennsylvania and Kentucky, achieving exceptional generation availability, and partnering on more than 140 research and development initiatives, many of which are focused on accelerating the development of clean energy technology.

At the same time, our Kentucky utilities filed a plan to replace 1,500 megawatts of aging coal generation, or nearly one-third of our Kentucky coal fleet, by 2028. This plan, which is consistent with our goal to achieve net-zero carbon emissions, includes adding two new combined-cycle natural gas plants, nearly 1,000 megawatts of solar generation, 125 megawatts of battery storage and more than a dozen new energy efficiency programs. Separately, we announced an exciting new partnership with Elia Group subsidiary WindGrid to jointly develop and propose innovative transmission solutions to connect future offshore wind to the onshore grid in New England.

Throughout the year, we also continued to enhance our plans to invest in grid modernization, digital transformation and a cleaner energy future, with \$12 billion in infrastructure



improvements planned from 2023 through 2026. And as always, we remained closely engaged with the communities we serve, contributing more than \$13 million to support education; advance diversity, equity and inclusion; promote sustainable communities; and make life better for those we serve.

In closing, I'm proud to lead our talented team through this transformative era, and I'm excited about the opportunity we have to deliver a sustainable energy future and create one of the nation's very best utility companies. Thank you for your interest in PPL.

Sincerely,

*Vince Sorgi*

Vince Sorgi  
PPL President and Chief Executive Officer

## Vision, Mission and Values

### HOW WE MEASURE SUCCESS

#### OUR VISION

Be the best utility in the U.S.

#### OUR MISSION

Provide safe, affordable, reliable, sustainable energy to our customers and competitive, long-term returns to shareowners.



Top decile in safety nationally



Top quartile in customer satisfaction, reliability and cost efficiency nationally



Premium stock valuation relative to peers

## VALUES



### SAFETY

We never compromise on safety and health for our employees, contractors, customers and the public. We're committed to ensuring everyone on our properties goes home safely at the end of every day.



### PASSION

We love what we do, we bring our energy and enthusiasm to work each day, we care about each other, and we're driven to deliver long-term value for our customers and shareowners.



### INNOVATION

We anticipate our customers' future needs and innovate to meet them. We're agile, creative and committed to continuous improvement.



### RESPONSIBILITY

Individually, and as teams, we're accountable for our actions and results. As a company, we're good stewards of the environment and we strengthen the communities we serve.



### INTEGRITY

We are transparent, ethical and fair in all we do, and we comply with legal and regulatory requirements.

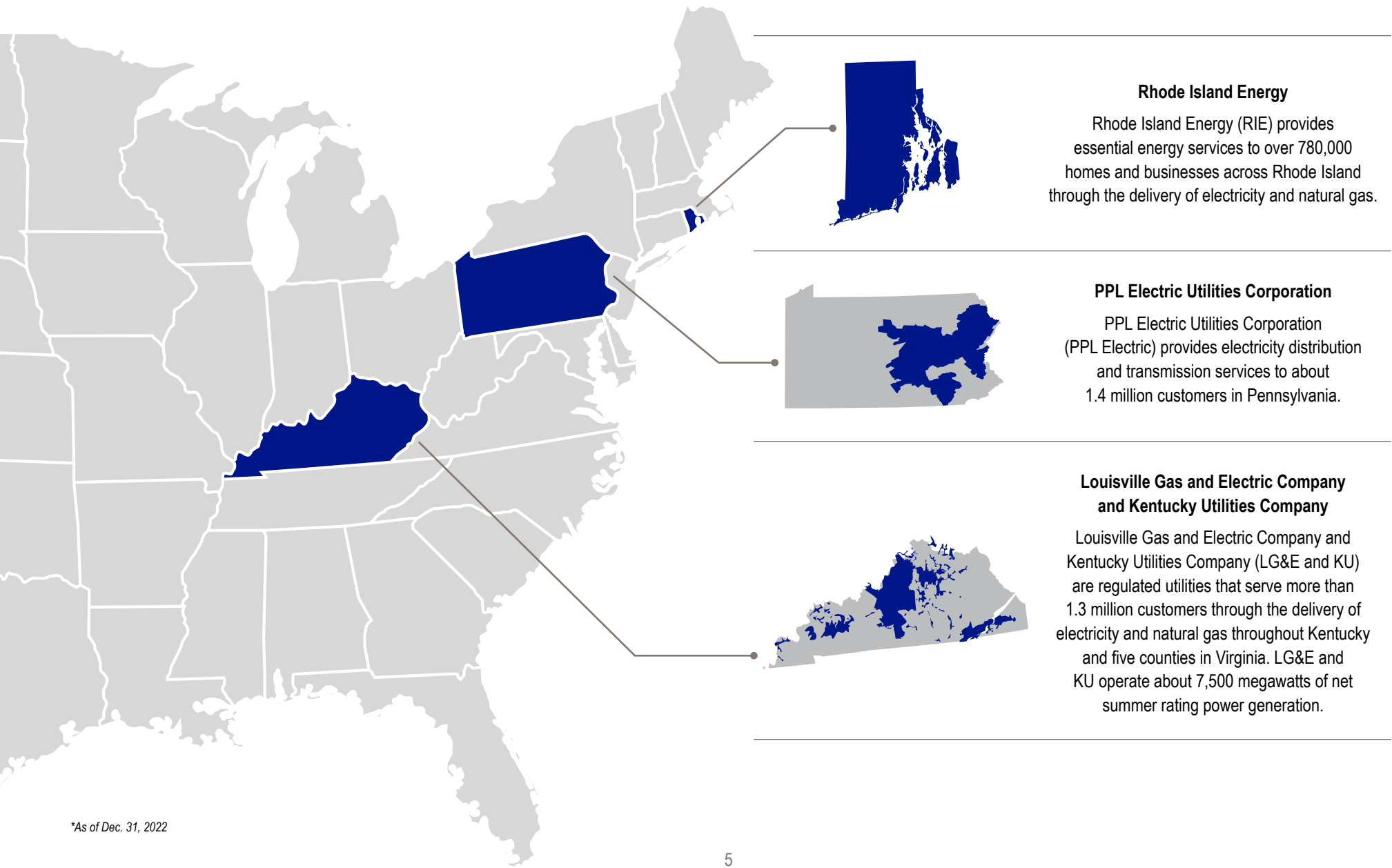


### TEAMWORK

We act as OnePPL, one company and one team. We leverage our collective and unique talents, knowledge and experiences to deliver better results for our customers. We value diversity, equity, inclusion and respect.

# About Our Company

PPL’s high-performing, award-winning utilities provide electricity and natural gas to power our communities.



**Rhode Island Energy**

Rhode Island Energy (RIE) provides essential energy services to over 780,000 homes and businesses across Rhode Island through the delivery of electricity and natural gas.

**PPL Electric Utilities Corporation**

PPL Electric Utilities Corporation (PPL Electric) provides electricity distribution and transmission services to about 1.4 million customers in Pennsylvania.

**Louisville Gas and Electric Company and Kentucky Utilities Company**

Louisville Gas and Electric Company and Kentucky Utilities Company (LG&E and KU) are regulated utilities that serve more than 1.3 million customers through the delivery of electricity and natural gas throughout Kentucky and five counties in Virginia. LG&E and KU operate about 7,500 megawatts of net summer rating power generation.

\*As of Dec. 31, 2022

At a Glance



**\$7.9 Billion**  
Annual revenue



**6-8%**  
Annual earnings per share and  
dividend growth through 2026



**3.6+ Million**  
Utility customers in the U.S.



**6,500+**  
Employees



**7,500+ MW**  
Regulated generation net  
summer capacity in Kentucky



**73,000**  
Gigawatt-hours  
of electricity delivered



**86,000**  
Approximate  
miles of electric lines



**8,000**  
Approximate miles of  
gas distribution mains





## Awards and Recognition

**#1 ranking in Electric Residential and Business Customer Satisfaction in 2022 (KU)**

*J.D. Power*

**100% score on Corporate Equality Index in 2022 (PPL)**

*Human Rights Campaign*

**America's Most Responsible Companies 2023 (PPL)**

*Newsweek*

**Achievement Awards in 2022 (PPL Electric)**

*Association of Edison Illuminating Companies*

**Champion of Board Diversity for having at least 30% of its board made up of women (PPL)**

*Forum of Executive Women*

**Diversity, Equity & Inclusion Honor Roll (PPL)**

*Women's Business Enterprise Center-East*

**Employer/Purchaser Excellence Award for healthcare strategy (LG&E and KU)**

*The National Alliance of Healthcare Purchaser Coalitions*

**ENERGY STAR® Partner of the Year Award (PPL Electric and RIE)**

**Green Growth 50 List for Reduced Greenhouse Gas Emissions While Growing Earnings (PPL)**

*Forbes*

**Industry Excellence Awards for Innovation (PPL Electric)**

*Southeastern Electric Exchange*

**Ranked among the top 10 in the nation by the American Council for an Energy-Efficient Economy for energy efficiency programs. (RIE).**

**Smart Grid Award (PPL Electric)**

*POWER Magazine*

**Technology Transfer Award for its achievements in research and development (LG&E and KU)**

*Electric Power Research Institute*

**'Top 20' U.S. utility in economic development (LG&E and KU)**

*Site Selection Magazine*

**Trendsetter Award in 2022 for political disclosures and accountability (PPL)**

*Center for Political Accountability and the Zicklin Center for Business Ethics Research*

## Performance Data

Key performance indicators in support of our sustainability efforts in 2022.

ENERGY PORTFOLIO	2022
<b>GENERATION</b>	
Generation capacity (net summer rating) (MW)	7,535
Owned net generation (MWh)	31,585,910
<b>EMISSIONS</b>	
Net-zero goal-related emissions (CO <sub>2</sub> e) (metric tonnes)	27,224,545
Gross generation carbon emissions intensity (metric tonnes/owned net MWh)	0.851
Sulfur dioxide emissions intensity (metric tonnes/owned net MWh)	0.00048
Nitrogen dioxide emissions intensity (metric tonnes/owned net MWh)	0.00040
Mercury emissions (kg)	55
<b>ENERGY REDUCTION GOALS</b>	
Electricity use in facilities (metric tonnes CO <sub>2</sub> e)	26,020
Gas used in facilities (stationary fuel combustion) (metric tonnes CO <sub>2</sub> e)	17,971
Fleet vehicles (metric tonnes CO <sub>2</sub> e)	31,052
<b>WATER</b>	
Water withdrawal (megaliters/year)	399,203
Water withdrawn compared to waterbody size (highest percent impact)	0.53
Volume of water recycled and reused (percent total)	85.54
<b>WASTE</b>	
Coal combustion products beneficially used (percent total)	72.3

This report includes data from all PPL utilities: LG&E and KU, PPL Electric and Rhode Island Energy.



OPERATIONAL PERFORMANCE	2022
<b>SAFETY</b>	
Total hours worked	11,759,221
Number of lost day cases	19
Lost-time incident rate	0.32
Recordable incident rate	1.31
Work-related employee fatalities	0
<b>RELIABILITY</b>	
SAIFI - Average number of interruptions	0.79
SAIDI - Average outage duration (in minutes)	81.91
CAIDI – Average restoration time (in minutes)	103.96
CAIFI – average number of interruptions per impacted customer	1.80
<b>RESOURCES AND COMMUNITY</b>	
<b>CUSTOMERS</b>	
Customer count (at end of year)	3,593,412
<b>ENERGY EFFICIENCY</b>	
Incremental annual electricity savings from energy efficiency measures (MWh)	439,054
Total rebates	\$63.6M
<b>BOARD OF DIRECTORS AND WORKFORCE <sup>1</sup></b>	
Female representation, Board of Directors (percentage)	40
Ethnic and racially diverse representation, Board of Directors (percentage) <sup>2</sup>	30
Female representation, executives/senior managers (percentage)	35
Ethnic and racially diverse representation, executive/senior managers (percentage)	16
Total workforce	6,527
Female representation, workforce (percentage)	26
Ethnic and racially diverse representation, workforce (percentage)	12
<b>SUPPLY CHAIN</b>	
Total spent on diverse businesses	\$358M
Number of diverse businesses	225
<b>COMMUNITY SUPPORT</b>	
Total charitable giving in communities served	\$13M
Total volunteer hours	29,000

<sup>1</sup> Board composition as of Jan. 31, 2023<sup>2</sup> Diversity of board based on race, ethnicity and nationality is 40% as stated in 2023 Proxy Statement

## PPL's Sustainability Strategy in Action

Our sustainability strategy is rooted in our commitment to create long-term, sustainable value for our customers, our shareowners and the communities we serve. We understand the decisions we make today can help shape our energy future for generations to come. PPL's approach to sustainability is aligned with our company's strategic framework. Alongside our vision, mission, values and strategy, our sustainability priorities help to define both what we do and how we do it.

PPL's sustainability strategy is informed by regular priority issues assessments, stakeholder outreach and peer benchmarking. Assessments are conducted every two to three years to identify the issues most helpful to stakeholders in evaluating the company's environmental, social and governance performance and overall sustainability. PPL collaborates with utility industry partners and benchmarks its sustainability practices and performance

through the Electric Power Research Institute's Sustainability Interest Group and the Edison Electric Institute's (EEI) Environmental, Social and Governance (ESG) Committee, which is co-chaired by PPL's SVP-public affairs and chief sustainability officer.

Nearly a decade ago, PPL consulted the United Nations Sustainable Development Goals to inform our sustainability strategy and priorities. Since then, the company took a leadership role in developing the EEI and American Gas Association (AGA) Sustainability/ESG reporting template for investor-owned utilities and became the first U.S.-based investor owned utility to publish a scenario-based climate assessment report. PPL consults widely accepted frameworks to inform the company's transparent, voluntary sustainability disclosures and assesses sustainability performance and best practices using a variety of ESG ratings.

In addition to the safety, reliability, customer satisfaction, cost efficiency and valuation targets that define the company's vision, PPL has adopted a net-zero-by-2050 greenhouse gas emissions goal and targets for fleet vehicle electrification and building energy use. The company's commitment to greenhouse gas reductions is evident in the actions described in this report and other sustainability disclosures, and by the inclusion of certain climate-related metrics in officers' long-term incentive compensation. The company has also adopted diversity, equity and inclusion (DEI) commitments to strengthen our current workforce, attract future talent and support the communities we serve. ESG priorities related to safety, employee engagement, DEI and environmental stewardship, along with modeling of corporate values, are incorporated into individual performance evaluations and annual incentive compensation for all PPL executives.

### Sustainability governance

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#### 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.

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#### CORPORATE LEADERSHIP COUNCIL AND KEY LEADERS

Reviews, provides strategic input on and approves the company's sustainability strategy and priorities. Executive leadership (CEO, COO, CFO, CLO, CHRO), business segment presidents, and the chief sustainability officer, chief security officer, and chief information and digital officer guide the development of the sustainability strategy and enable the integration of sustainability across the enterprise and in the corporate strategy.

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#### CORPORATE SUSTAINABILITY COMMITTEE

Establishes and provides oversight of the priorities and performance metrics. This committee includes senior leadership membership from operating companies, human resources, compliance, risk, investor relations, controller, legal, supply chain and corporate audit.

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#### 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.

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## Sustainability Priorities



### ENVIRONMENTAL

- **Decarbonize our generation** - Economically retire coal generation, while maintaining reliability and affordability for our Kentucky customers and supporting state economic development.
- **Drive digital innovation and R&D** – Advance new technologies through research, development and innovation in partnership with industry and research institutions.
- **Position the grid to enable clean energy resources** – Expand and modernize the grid to drive decarbonization, advance electrification and promote options to reduce customer energy use, including energy efficiency.
- **Decarbonize our non-generation operations** – Reduce greenhouse gas emissions associated with our energy delivery and reduce our own carbon footprint through electrification of our fleet vehicles and by reducing energy use in our buildings.
- **Environmental stewardship and resource management** - Minimize our impact on the environment and communities we serve through responsible resource management, conservation of natural habitats and native species, and identification of culturally sensitive areas.



### SOCIAL

- **Affordability** – Drive innovation, agility, and operational and cost efficiencies across the company to preserve affordability for customers.
- **Safety** – Provide leadership, guidance and support on safety measures to ensure safety of the public, our employees and contractors.
- **Customer experience** – Engage with customers to deliver industry-leading service and solutions.
- **Workforce** – Cultivate a diverse, equitable and inclusive culture where employees feel respected and engaged and invest in the current and future workforce through training and development, succession planning, and creating a pipeline for recruitment and internal advancement.
- **Community support** – Improve vitality and quality of life in the communities we serve through just and equitable community contributions including philanthropy, volunteerism and economic development.
- **Emergency preparedness** – Maintain business continuity and prepare for events that affect our ability to serve customers.



### GOVERNANCE & MANAGEMENT

- **Cybersecurity and grid protection** - Maintain comprehensive risk assessment and management strategy to protect the grid, customer and employee data, and the company's assets.
- **Governance, compliance and ethics** – Maintain strong corporate governance, transparent public policy engagement, and compliant and ethical business practices.
- **Reliability & Resiliency** - Enhance the reliability and resiliency of critical infrastructure through continued investments and innovation.
- **Supply chain management** – Ensure supply chain resilience by cultivating a pool of diverse, strategic suppliers and business partners.

## Significant operational and regulatory highlights

### **PPL Corporation completes acquisition of Rhode Island's primary electric and natural gas utility**

In May 2022, PPL completed its acquisition of The Narragansett Electric Company from National Grid for approximately \$3.8 billion.

The Narragansett Electric Company, Rhode Island's primary electric and gas utility, is now known as "Rhode Island Energy," reflecting both the company's commitment to Rhode Island and its pursuit of a cleaner energy future in line with the state's renewable energy and net-zero goals.

Rhode Island Energy will continue to deliver the safe and reliable service that customers expect, and the acquisition includes a two-year transition services agreement with National Grid to provide continuity of operations as Rhode Island Energy transitions to PPL systems and processes.

The company is led by a Rhode Island-based president and a strong local leadership team, with more than 1,100 Rhode Island employees. PPL plans to establish a control center in Rhode Island for the state's electric and gas operations, as well as a new customer call center.

This acquisition concludes the second of two strategic transactions announced in March 2021 to reposition PPL as a U.S.-focused energy company to deliver sustainable growth and lead the clean energy transition while maintaining affordable, reliable service for customers. In June 2021, PPL completed the sale of its U.K. utility business to National Grid, achieving exceptional value of nearly \$11 billion.

In August 2022, Rhode Island Energy filed Infrastructure, Safety, and Reliability (ISR) plans for approval by the Rhode Island Public Utilities Commission. The ISR plans are submitted annually and outline proposed capital investments to strengthen the state's electric and gas infrastructure. In addition, the electric ISR plan includes related operating

costs for vegetation management, system inspection and other work related to maintaining the safety and reliability of the electric distribution system.

In March 2023, the commission approved \$290 million to improve Rhode Island's electric and gas networks in connection with the latest ISR plans proposed by Rhode Island Energy. The approved plans address proposed spending from April 1, 2023, to March 31, 2024. Rhode Island Energy also filed plans for advanced meter functionality and grid modernization, which are pending before the commission.

### **LG&E and KU request approval to diversify power generation, reduce carbon emissions, increase energy efficiency programs**

With nearly one-third of LG&E and KU's aging generation planned to be retired by 2028, the companies have filed requests with the Kentucky Public Service Commission to diversify their generation fleet and offer customers more programs to help them save energy and money.

Some of the companies' generating units are reaching the end of their economic lives and it is no longer cost-effective to make the needed investments to meet increasingly stringent environmental regulations.

In December 2022, LG&E and KU filed with the Kentucky Public Service Commission requests for Certificates of Public Convenience and Necessity for replacement generation and separate approval for the energy efficiency programs. Specifically, the plan includes building two 621-megawatt natural gas combined-cycle units; adding nearly 1,000 megawatts of solar generation and 125 megawatts of battery storage; and developing 14 new energy efficiency offerings. The new natural gas units would be built on existing property — one at the E.W. Brown Generating Station in Mercer County and the other at the Mill Creek

Generating Station in Jefferson County. The battery storage facility would be located at the E.W. Brown Generating Station. The plan also includes building a 120-megawatt solar array in Mercer County and acquiring another in Marion County and securing four power purchase agreements for additional solar generation in excess of 600 megawatts.

The utilities' energy efficiency program proposal is the largest in the companies' history, reducing their overall need for future generation by nearly 200 megawatts. Importantly, the proposal includes expanded programs and benefits for low-income customers that include weatherization, energy audits and smart thermostats. The utilities also are proposing an appliance recycling program for residential customers and small businesses as well as incentives for customers who reduce their consumption during times of high energy demand.

In keeping with the companies' long-term goal of net zero by 2050, the proposed portfolio would enable LG&E and KU to decrease their carbon emissions by nearly 25% from 2021 year-end levels. The commission has indicated it will render a decision on the application in November 2023.





# ENERGY & ENVIRONMENT

## 15 Clean energy transition

Decarbonize our generation

Drive digital innovation and R&D  
to enable new technologies

Position the grid as an enabler  
for clean energy resources

Decarbonize our non-generation operations

## 26 Environmental stewardship

### 26 Water

### 27 Waste and recycling

### 28 Biodiversity and vegetation management



## Sustainability Priorities: Environmental



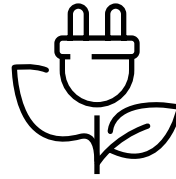
### DECARBONIZE OUR GENERATION

Economically retire coal generation, while maintaining reliability and affordability for our Kentucky customers and supporting state economic development.



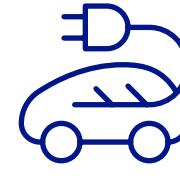
### POSITION THE GRID TO ENABLE CLEAN ENERGY RESOURCES

Expand and modernize the grid to drive decarbonization, advance electrification and promote options to reduce customer energy use, including energy efficiency.



### DRIVE DIGITAL INNOVATION AND R&D

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



### DECARBONIZE OUR NON-GENERATION OPERATIONS

Reduce our own carbon footprint through electrification of our fleet vehicles and reducing energy use in our facilities.



### ENVIRONMENTAL STEWARDSHIP AND RESOURCE MANAGEMENT

Minimize our impact on the environment and communities we serve through responsible resource management, conservation of natural habitats and native species, and identification of culturally sensitive areas.

## U.N. Sustainable Development Goals



## Clean Energy Transition Strategy

PPL has developed a clean energy transition strategy that supports a net-zero economy and our decarbonization goals. Affordability, reliability and customer value are core to our clean energy strategy. We have an opportunity to lead the clean energy transition in the states in which we operate in support of a low-carbon economy.



### DECARBONIZE OUR GENERATION

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



### 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.



### 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.
- Promote options to reduce customer energy use.



### 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.

## Evaluating our approach

PPL's 2021 Climate Assessment Report, based on the Task Force for Climate Related Disclosures framework, includes a detailed assessment of actions supporting our strategy and assessing climate-related risks and opportunities. The report also includes scenarios benchmarking the company's projected emissions trajectory against pathways to achieve the Paris Agreement long-term temperature goal to hold the

global average temperature increase to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C. In 2022, PPL published a Generation Study expanding analysis of the Fast Transition Future Policy Scenario included in the company's generation scenario analysis. The Fast Transition scenario was one of three scenarios analyzed in the 2021 report. This scenario

assumed a future federal policy that requires 100% clean electricity by 2035, which is the expected contribution pathway from the power sector under the U.S. Nationally Determined Contributions (NDC) to the Paris Agreement. The 2022 study further assessed the financial implications and strategic feasibility of meeting an interim requirement of 80% clean electricity by 2030.



## Decarbonizing our generation

PPL has set an ambitious goal to achieve net-zero carbon emissions by 2050. In addition, we are targeting a 70% reduction from 2010 levels by 2035 and an 80% reduction by 2040, and we have committed to not burn unabated coal by 2050.

We continue to make progress toward our goal, and we are on track to achieve our interim targets. Through 2022, we reduced carbon emissions nearly 57% from 2010 levels.

Decarbonizing our generation fleet in Kentucky is a critical component to achieving net-zero emissions. We continue to assess the dynamic energy landscape to identify opportunities to economically support this transition.

We anticipate retiring 2,000 megawatts of coal generation over the next 15 years, including 1,500 megawatts by 2028. Our Kentucky utilities have proposed a generation replacement plan with a mix of cleaner energy resources — a combination of new gas and solar generation, energy storage and customer demand-side management — to power the needs of the state while maintaining the affordability and reliability our customers expect. If approved by the Kentucky Public Service Commission, this mix of resources will reduce the carbon intensity of our Kentucky generation from 2021 levels by roughly 26% by 2030.

Full year of data included for Rhode Island Energy.  
The 2010 goal baseline data remains unchanged.

### Net-Zero Goal-Related Emissions (2010 Baseline)

	2010	2022
<b>Scope 1: Gross MWh of Owned Generation</b> (metric tonnes of CO <sub>2</sub> e)	60,736,086 <sup>1</sup>	26,882,439
<b>Scope 1: Fleet Vehicles</b> (metric tonnes of CO <sub>2</sub> e)	48,343	31,052
<b>Scope 1: Small Plant Stationary Fuel Combustion Sources</b> (metric tonnes of CO <sub>2</sub> e)	2,515	2,915
<b>Scope 1: Plant Mobile Equipment</b> (metric tonnes of CO <sub>2</sub> e)	4,893	4,944
<b>Scope 1: Fugitive SF<sub>6</sub> Emissions</b> (metric tonnes of CO <sub>2</sub> e)	114,727	13,126
<b>Scope 1: Gas Used in Facilities (stationary fuel combustion)</b> (metric tonnes of CO <sub>2</sub> e) <sup>2</sup>	18,250	17,971
<b>Scope 2: Electricity Use in Facilities</b> (metric tonnes of CO <sub>2</sub> e) <sup>3</sup>	89,732	26,020
<b>Scope 3: Electricity Purchased for End Use Customers - LG&amp;E and KU</b> (MWh)	1,906,442	279,940
<b>Scope 3: Electricity Purchased for End Use Customers - LG&amp;E and KU</b> (metric tonnes of CO <sub>2</sub> e)	1,597,157	246,078
<b>Total Goal-Related Emissions</b> (metric tonnes of CO <sub>2</sub> e)	62,577,296	27,224,545

<sup>1</sup>2010 Scope 1 Plant Emissions is the only data point that includes former PPL affiliate, PPL Energy Supply, LLC.

<sup>2</sup>Reclassified as Scope 1 consistent with greenhouse gas reporting protocols.

<sup>3</sup>Emissions for facilities served by LG&E and KU are included in scope 1 generation emissions.

### Other CO<sub>2</sub>e Emissions

	2022
<b>Scope 1: Gas Operations</b> (metric tonnes of CO <sub>2</sub> e)	148,604
<b>Scope 3: Electricity Purchased for End Use Customers - PPL Electric and Rhode Island Energy</b> (MWh)	18,355,451
<b>Scope 3: Electricity Purchased for End Use Customers - PPL Electric and Rhode Island Energy</b> (metric tonnes of CO <sub>2</sub> e)	6,655,805
<b>Scope 3: Gas Purchased for End Use Customers - LG&amp;E and Rhode Island Energy</b> (MMCUFT)	84,552
<b>Scope 3: Gas Purchased for End Use Customers - LG&amp;E and Rhode Island Energy</b> (metric tonnes of CO <sub>2</sub> e)	4,245,142
<b>Scope 3: Employee Commuting</b> (metric tonnes of CO <sub>2</sub> e)	11,757
<b>Scope 3: Business Travel</b> (metric tonnes of CO <sub>2</sub> e)	862



## Carbon Intensity

	2022
Operating Revenues (in millions)	\$7,902
Revenue Carbon Intensity <sup>1</sup>	0.0035
Gross Generation Carbon Intensity <sup>2</sup>	0.851

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

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

## Energy Consumption and Output

	2022
Owned Gross Generation (MWh)	34,403,769
Owned Net Generation (MWh)	31,585,910
Total BTU Consumed at Plant	315,686,780
Generation Efficiency Heat Rate (BTU/owned net generation)	10.0
Small Plant Stationary Combustion Sources (liters)	1,463,989,662
Plant Mobile Fuel Combustion Sources (liters)	1,895,998
Facility Electricity Use (kWh)	103,953,754
Facility Gas Use (kWh)	99,218,362
Fleet Vehicle Energy Use (liters)	12,663,119

Full year of data included for Rhode Island Energy.

## Installed Capacity<sup>1</sup>

	2022
Total Net Summer Rating at end of year (MW)	7,535
Coal Total Net Summer Rating (MW)	4,715
Natural Gas Net Summer Rating (MW)	2,716
Renewable Net Summer Rating (MW)	104
Hydroelectric Net Summer Rating (MW)	96
Solar Net Summer Rating <sup>2</sup> (MW)	8

<sup>1</sup>As reported in 10-K year ending Dec. 31, 2022. Owned generation excludes purchased power. Includes 75% Trimble County Unit 1 & 2 ownership.

<sup>2</sup>Does not include additional 2.5 MW from LG&E and KU's community Solar Share program.

## Air Emissions

	2022
Total NOx Emissions (metric tonnes)	12,652
Total NOx Emissions Intensity (metric tonnes/owned net generation)	0.00040
Total SO <sub>2</sub> Emissions (metric tonnes)	15,293
Total SO <sub>2</sub> Emissions Intensity (metric tonnes/owned net generation)	0.00048
Total HG Emissions (kg)	55
Hazardous Air Pollutants Intensity (kg/owned net MWh)	1.74E-06
Particulate Matter (metric tonnes)	676

## Drive digital innovation and R&D to enable new technologies

PPL is actively involved in industry and public sector partnerships focused on advancing research in several key technology areas: advanced dispatchable renewables and power electronics; long-duration energy storage and advanced demand efficiency; zero-carbon fuels (e.g., hydrogen); advanced nuclear energy; and carbon capture, utilization and storage.

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.

**We're engaged in more than 140 active research projects**, with more than \$20 million in active federal funding, steering key industry partnerships and collaborating with industry and academia to enable decarbonization.

*Key partnerships include:*

- Investing in Energy Impact Partners' (EIP) global investment platform, which brings together leading companies and entrepreneurs worldwide to foster innovation toward a sustainable energy future. PPL has invested \$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 (EPRI) and Gas

Technology Institute to help accelerate research and development of low-carbon and zero-carbon technologies. 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.

- Creating innovative partnerships with academia including our longstanding partnership with the University of Kentucky's Institute for Decarbonization and Energy Advancement (IDEA) at the PPL R&D Center. The research aims 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. PPL is working to replicate this model in Pennsylvania and Rhode Island.

The following are examples of key research and development projects started or active in 2022:

- Carbon Capture.** Collaborating with the University of Kentucky's Institute for Decarbonization and Energy Advancement to create net-negative carbon dioxide emissions. The collaborative is researching the capture of CO<sub>2</sub> emissions at natural gas combined cycle power

plants. The research aims 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.

- Hydrogen.** In partnership with the University of Kentucky, we are developing green hydrogen production with Direct Air Capture technology that could be used to reverse the accumulation of carbon dioxide in the atmosphere. Our joint team has won multiple federal awards for our process, has successfully demonstrated this technology in the laboratories at the bench scale, and recently won another federal award to scale up the technology at our energy storage testing facility. Our pilot project will run on 100% on-site renewable energy and produce dedicated streams of captured carbon dioxide and hydrogen. We are also a founding member of the Southeast Hydrogen Hub, a coalition including major utility companies to pursue the federal financial support for a Southeast Hydrogen Hub. Such a hub is expected to bring robust economic development benefits to the region, and hydrogen is attractive as an energy resource because it has immediate potential to accelerate decarbonization in the Southeast and across all sectors of the U.S. economy. RIE has also joined the Northeast Regional Clean Hydrogen Hub. The consortium will promote the production of green hydrogen in the region and explore applications for the energy, transportation and industrial sectors.

- **Resiliency planning.** Joining Climate READi, a three-year initiative launched by EPRI to address energy system climate resilience and adaptation as extreme weather events continue to increase. The collaborative effort is focused on strengthening grid resilience against potential climate and weather impacts. Climate READi will enable global energy companies, climate scientists, regulators and other stakeholders to proactively analyze and apply climate data, allowing for the planning, design and operation of resilient energy systems of the future. EPRI's collaborative model will convene the global thought leaders and scientific researchers necessary to build an informed and consistent approach. PPL is one of 13 anchor companies that joined the initiative.
- **Storage.** Implementing battery-energy storage systems to provide clean energy to customers during times of peak electrical demand. RIE is piloting two battery-energy storage systems to improve resiliency and performance. The two battery systems are designed to store electrical energy during low-usage periods. One is a front-of-the-meter system, meaning it will remain in an at-ready state and can be utilized immediately if an outage occurs to prevent customer loss of power. The second system is a behind-the-meter system that can be charged and discharged daily and used as a load peak-shaving asset to the customer's load. The battery systems could provide an option that not only avoids outages but also avoid resorting to more expensive, less sustainable energy alternatives during peak demand.

### Position the grid as an enabler for clean energy resources

Across our Pennsylvania and Kentucky operating companies, PPL invested more than \$2 billion in 2022 on infrastructure improvements, much of that focused on incorporating new technology and hardening transmission and distribution systems. 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. As PPL expands operations to Rhode Island with the 2022 acquisition of The Narragansett Electric Company, now Rhode Island Energy, we are focused on replicating this success across all our operating companies. PPL expects to invest more than \$12 billion from 2023-2026 on grid modernization and resiliency, digital transformation and generation replacement.

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 tell us when parts 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 plan and operate our system with the latest intelligence around cyber and physical intrusion and regularly evaluate our security by testing our system's defenses.



### Smart Grid Technology

We are the pioneer of smart grid technology. Our smart grid reroutes power automatically, pinpoints issues to increase efficiency and handles two-way energy from distributed energy resources (DERs) to ensure power reliability and quality.

- **Self-Healing Grid**  
Smart devices respond to issues in real-time for improved reliability at a lower cost.
- **Managing Distributed Energy Resources**  
Smart grid can host more DERs to support development of renewables.
- **Real-Time Streaming Data**  
Smart devices provide rich system data on equipment performance for optimum asset management for better long-term reliability at a lower cost.

## Reliability and resiliency

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

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 quickly restore power to as many customers as possible when outages occur.
- 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.



# >1M

outages avoided since 2015



# 92%

reduction in transmission outages since 2012



# \$12B

planned investment from 2023-2026

### SAIDI - System Average Interruption Duration Index (minutes)

	2022
LG&E and KU	80.51
PPL Electric	89.33
RIE	63.23
<b>PPL Corp (Overall)</b>	<b>81.91</b>

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

Includes partial year data (6/1/22-12/31/22) for Rhode Island Energy.

### SAIFI - System Average Interruption Frequency Index

	2022
LG&E and KU	0.85
PPL Electric	0.74
RIE	0.81
<b>PPL Corp (Overall)</b>	<b>0.79</b>

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

### CAIDI - Customer Average Interruption Duration Index (minutes)

	2022
LG&E and KU	95.02
PPL Electric	120.99
RIE	77.99
<b>PPL Corp (Overall)</b>	<b>103.96</b>

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

### CAIFI - Customer Average Interruption Frequency Index

	2022
LG&E and KU	2.38
PPL Electric	1.64
RIE	1.42
<b>PPL Corp (Overall)</b>	<b>1.80</b>

CAIFI measures the average number of interruptions per customer interrupted per year, per IEEE definition 1366.



## Unique approach to pole inspection

Becoming one of the top utilities in the country doesn't happen overnight. It takes innovation and a questioning mindset. Even for something as basic as inspecting poles.

PPL Electric has received the Association of Edison Illuminating Companies (AEIC) President's Award, the organization's highest achievement recognition, for implementing a technological leap in wood pole inspection.

After a series of serious incidents exposed the inadequacies of traditional pole inspection methods, PPL Electric realized a change was needed.

The company sought to eliminate the human interpretation of pole strength and level of decay and ensure accurate and repeatable inspection methodology. Using resistance drill-based wood pole inspection technology, PPL Electric ran three pilot programs to map the extent of the condition for external decay, then develop and test a new drill bit design along with software improvements to automatically calculate the exterior decay and the interior decay. The novel resistance drill-based inspection, which is unique to PPL Electric, has improved detection of pole failures and decay, and reduced inspection cost and duration.

With 150 weekly pole inspections, this job required a five-person crew. The inspections can now be accomplished in just two days with a two-man crew. This increased inspection efficiency allows PPL Electric to be nimbler and more responsive to emergent issues and to achieve yearly inspection goals faster, more accurately and at a lower cost.

The AEIC Achievement Awards are presented annually to AEIC member companies, committees or subcommittees who have clearly demonstrated significant contributions to advancing operational excellence in the electric utility industry.



## 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.

- LG&E and KU completed a fifth section of their Solar Share facility. 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. More than 2,800 LG&E and KU customers across Kentucky have enrolled in the program that helps them reach their own renewable energy goals. Upon completion, the Solar Share facility will have eight sections and a total capacity of 4 megawatts.
- The [Renewable Choice Calculator](#) helps LG&E and KU customers explore their sustainability options. By inserting 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 less than \$1 per day or about 5% more on their monthly energy bill.
- 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 megawatts of renewable energy to the grid through the program.
- PPL Electric participates in a statewide alternative-energy portfolio standard. From June 2021 to May 2022, 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 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.
- RIE contributed \$2.5 million to support the Rhode Island Commerce Corporation's Renewable Energy Fund (REF), which provides grants for renewable energy projects that have the potential to produce electricity in a cleaner, more sustainable manner. These grants also help stimulate job growth in the green technology and energy sectors.
- RIE supports the state of Rhode Island's Renewable Energy Standard (RES), which requires purchase of 100% renewable electricity by 2033. In 2022, RIE was required to meet 19% renewable electricity. In 2022, RIE issued a request for proposals for long-term contract capacity for 600-1,000 MW of offshore wind energy.
- RIE also offers two customer programs to encourage local renewable energy connections. RIE's feed-in-tariff program awarded 15.34 MW of nameplate capacity for renewable energy resources in 2022, while 40.54 MW of renewable energy resources went through its net metering program. Cumulatively, 5.13 MW/10.47 MWh of energy storage was connected by year-end 2022.

## Developing transmission solutions to connect future offshore wind capacity

PPL Corporation, through its subsidiary PPL TransLink Inc., and Elia Group, through its subsidiary WindGrid, announced in October 2022 an agreement to propose and develop innovative transmission solutions to integrate future offshore wind capacity reliably and efficiently to the onshore grid in the New England region.

The two companies will work together to develop, build and operate transmission assets. This will combine PPL's extensive experience in building and operating large-scale onshore transmission in the U.S. with Elia Group's proven track record in building, integrating and operating offshore transmission, including high-voltage direct current (HVDC) networks.

The companies jointly responded to a request for information (RFI) issued by five New England states that are seeking input from interested stakeholders relating to the transmission system changes and upgrades that are needed to integrate future renewable energy resources into their grids.

The states – Massachusetts, Connecticut, Rhode Island, Maine and New Hampshire – recognize the importance of early planning for carrying out this offshore wind development. Recent studies, including Massachusetts' *Energy Pathways to Deep Decarbonization* report, which is cited in the RFI, assume that up to 30,000 megawatts of New England offshore wind capacity will be deployed by 2050.

## Energy efficiency

In addition to energy-saving goals for our facilities, PPL is also committed to helping our customers use energy wisely.

PPL's utilities share important energy-efficiency information with both business 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 439,000 megawatt-hours of electricity and reduced peak demand by nearly 67 megawatts. This represents more than 187,000 metric tonnes of CO<sub>2</sub>e avoided in 2022 based on company-specific and regional emissions factors.

Our companies offer a variety of services to help customers save energy, calculate their indirect greenhouse gas and carbon emissions and adopt renewable energy. In 2022, several company energy-efficiency programs concluded.

Programs offered include:

- Online resources to make it easier to connect renewable energy resources
- 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



## Energy Efficiency Program



**67 MW**

**Peak demand reduction**



**\$63M**

**Total rebates**



**463K**

**Total number of participants**



**\$109M**

**Total utility investment in programs**

*Includes partial year data (6/1/22-12/31/22) for Rhode Island Energy.*



## Electrification

In support of efforts to reach economy-wide electrification, PPL joined the National Electric Highway Coalition, which is a collaboration among electric companies that are committed to providing electric vehicle (EV) fast charging stations that will allow the public to drive EVs with confidence along major U.S. travel corridors by the end of 2023.

Our companies are also empowering drivers to make the switch to electric vehicles. From fast charging stations to online marketplaces, we are helping drivers plug in with an EV. Some of our EV services include:

- Installing charging stations and helping others install charging stations and connect to the grid.
- Providing charging locators so drivers know how and where to charge up.
- Providing resources to make buying an EV easier.
- Offering rebates and incentives to help customers save while making the switch.

## Decarbonize our non-generation operations

PPL is working to make system enhancements necessary to meet electricity demand over the long term to support

electrification efforts by our customers, including the adoption of electricity-fueled transportation. We are also reducing our own carbon footprint through electrification of our fleet vehicles.

We have strengthened our commitment to fleet electrification by setting goals on electric vehicle adoption. PPL's operating companies are electrifying their indoor forklifts, light, medium and heavy-duty fleet vehicles and employing the use of electric lifts on bucket trucks (ePTO) by 2025 (PPL Electric) and 2030 (RIE, LG&E and KU).

We are assessing opportunities for efficiency and renewable self-generation to reduce energy usage at our owned buildings by 28% by 2030.

**100%**

**Electrification of  
light-duty vehicles by 2030**

**50%**

**Electrification of medium- and  
heavy-duty vehicles by 2030**

**80%**

**Heavy-duty vehicles fitted  
with electric lift technology**

**~30%**

**Reduction in building  
energy use by 2030**







### Investing in safe, reliable natural gas service

PPL's utilities in Kentucky and Rhode Island also own and operate natural gas distribution systems.

The same type of detailed planning that takes place for the electric system extends to the utilities' natural gas systems.

In Kentucky, LG&E's system is made up of nearly 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 and store it for later use, passing on the savings to customers. RIE's natural gas system consists of 3,227 miles of natural gas distribution lines.

Both utilities employ 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.

LG&E undertook a multi-year asset modernization and replacement program, which has resulted in a reduction in methane leaks and gas loss and improved the safety and reliability of the gas system. Natural gas infrastructure update projects in Kentucky include:

- Replacing approximately 45,000 steel customer service lines. About one-third of the service line replacement is completed.
- Completing the removal of approximately 4,400 steel curbed services.
- Completing the replacement of 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. This work is expected to be completed in 2023.

In 2022, EPRI awarded a 2021 Technology Transfer Award to LG&E for the company's use of EPRI's Electrification Portfolio Assessment to identify electrification opportunities for natural gas customers.

In March 2023, the Rhode Island Public Utilities Commission approved \$290 million to improve Rhode Island's electric and gas networks in connection with the latest Infrastructure, Safety, and Reliability (ISR) plans proposed by Rhode Island Energy.

The approved plans include \$163 million in gas network updates to continue to maintain a safe and reliable gas delivery system, including replacing 60.5 miles of leak-prone pipe.

## Future of Gas in Rhode Island

In Rhode Island, the Public Utilities Commission is undertaking a regulatory proceeding to investigate the future of gas use and infrastructure in the state, a response to the 2021 Act on Climate, which requires economy-wide greenhouse gas emissions reductions to net-zero by 2050.

The investigation into the gas distribution business will look at changes, such as moratoriums on new hookups, incentives for renewable natural gas, and transitioning customers to alternative heating sources like electricity.

As part of the proceeding, the company is conducting a technical analysis to evaluate options that will achieve the emissions goals of the Act on Climate and identify investments in the natural gas infrastructure that are needed to maintain safety, reliability and affordability for customers.

Comprehensive stakeholder engagement will be a component of the proceeding, which began in February 2023 and is expected to conclude in 2024.

The end goal of the proceeding is for the commission to set clear, stakeholder-driven goals on what the gas distribution network in Rhode Island will look like in a net-zero 2050. For its part, RIE is focused on ensuring we continue to meet customers' energy needs with solutions that are safe, reliable and affordable.

## Environmental Stewardship and Resource Management

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, and our enterprise environmental policy statement.

### Conserving and protecting water

PPL carefully manages the water it uses and monitors the impact of wastewater discharged into waterways. No water is sourced from regions with high or extremely high baseline water stress. In fact, PPL's only operations with any significant water usage are the power generation operations in Kentucky. All but one of LG&E and KU's power plants are located on the Ohio River, which is not adversely affected by drought. The National Oceanic and Atmospheric Administration predicts the Ohio River's water levels daily and 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 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 our generating plants, LG&E and KU have greatly reduced the volume of cooling water withdrawn from the region's watershed. Each facility also has a Groundwater Protection Plan, a Stormwater Best

Management Practices Plan, and a Spill Prevention Control and Countermeasure plan that facilitates the safe storage of chemicals and oils on site. Proper secondary containment and monthly tank inspections ensure these chemicals remain out of the watershed and groundwater. LG&E and KU have revised each generation station's water permits to incorporate the 2020 revision of the Effluent Limitations Guidelines and is in the process of constructing facilities for compliance.

The companies also continue to decrease consumptive water use as they improve power plant efficiency and have transitioned to dry-ash handling at remaining coal 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.

### Total Water Withdrawal by Source

2022 Water Sources Affected by Withdrawal of Water							
Plant	2022 Withdrawal (megaliters/year)	% Impact (water withdrawn compared to waterbody size)	2022 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	15,812	0.013%	11,458	Herrington Lake (created by Dix River Dam)	324,405 <sup>2</sup>	4,354	72.46%
KU-Ghent	96,383	0.238%	88,880	Ohio River	110,829 <sup>3</sup>	7,503	92.22%
LG&E-Cane Run	4,158	0.010%	1,307	Ohio River	119,882 <sup>3</sup>	2,851	31.43%
LG&E-Mill Creek	230,597	0.527%	220,787	Ohio River	119,882 <sup>3</sup>	9,810	95.75%
LG&E-Trimble County	52,253	0.129%	19,037	Ohio River	110,829 <sup>3</sup>	33,216	36.43%
<b>Totals</b>	<b>399,203</b>		<b>341,469</b>			<b>57,734</b>	<b>85.54%</b>

<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 low-flow conditions (10Q7).

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

## 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, over 72% of the coal combustion residuals generated by LG&E and KU were recycled for manufacturing wallboard and cement. LG&E and KU have closed 18 coal combustion residuals wet storage impoundments. Only three facilities remain, with construction for closure expected to be complete in 2024. The utility's wet coal combustion residuals storage impoundments do not receive sluiced materials for treatment.

### Total Weight of Waste by Type and Disposal Method

	2022
<b>Hazardous Waste Generated</b> (metric tonnes)	78.31
<b>Non-Hazardous Waste Generated<sup>1</sup></b> (metric tonnes)	48,925.22
<b>Non-Hazardous Waste Diverted from Landfill</b> (metric tonnes)	35,246.07
<b>Universal Waste Generated</b> (metric tonnes)	41.25
<b>Universal Waste Recycled</b> (metric tonnes)	41.16

<sup>1</sup> Does not include trash and NonPCB used oil recycling.

### Coal Combustion Products<sup>1</sup>

	2022
<b>CCP Production</b> (million metric tonnes)	2.717
<b>CCP Reuse</b>	72.3%
<b>Owned Net Generation</b> (MWh)	31,585,910
<b>CCP Intensity</b> (million metric tonnes/owned)	0.086

<sup>1</sup> Does not include trash and NonPCB used oil recycling.

## 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 our 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. Best practices are being shared across our operating companies.

### 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.

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.

In Rhode Island, we have worked with the Nature Conservancy to modify our right-of-way on a 12-acre parcel in Charlestown, Rhode Island to help create habitat for the Horay Elfin butterfly.

### Creating awareness

We engage with stakeholders when planning, building and operating our energy infrastructure.

We provide trees to public and conservation groups throughout Kentucky, Pennsylvania and Rhode Island. Collectively, more than 40,000 saplings are donated annually 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.

RIE has been actively involved in restoration efforts of Narragansett Bay through volunteer efforts and financial support of Save the Bay, a nonprofit organization dedicated to the advocacy, education, and habitat restoration and adaptation of Rhode Island's Narragansett Bay.

### Working with key partners

LG&E and KU has partnered with Kentucky Department of Fish and Wildlife Resources (KDFWR) for more than 20 years as part of a comprehensive Avian Protection Plan and efforts to promote native vegetation growth in Kentucky. KDFWR has nest boxes at LG&E and KU's Trimble County, Mill Creek, Ghent and E.W. Brown generating stations. Peregrine falcons nest in power plant crevices and alcoves because the facilities have similar features to natural nesting locations such as mountain cliffs and ledges and provide ample food supply. The nest boxes help reestablish a breeding population of peregrine falcons in Kentucky by providing peregrine falcons safe nesting opportunities. Since 1999, more than 182 chicks have been banded by KDFWR at LG&E and KU generating stations and have successfully fledged from LG&E and KU facilities.

PPL Electric partners with the Pennsylvania Game Commission on projects to protect birds of prey such as peregrine falcons, osprey and eagles.

RIE has a long-term partnership with the city of Pawtucket to maintain and study a recently created pollinator habitat on a 10-acre transmission corridor in Pawtucket. After mowing the right of way for decades, we chose to create a pollinator habitat to identify new ways we could allow for proper maintenance and allow greater environmental benefits at the same time.

### 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.





## Vegetation Management

Millions of people served by PPL's utilities depend on having 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 both the concerns of property owners and our obligations to electricity customers. We work with conservation, land management and environmental groups, on both state and federal levels, 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 herbicides, 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 a tree that is damaged or diseased before it falls across a power line. The system also assesses tree growth rates so tree crews can be deployed more precisely.



# SOCIAL

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## Sustainability Priorities: Social



### AFFORDABILITY

Drive innovation, agility, and operational and cost efficiencies across the company to preserve affordability for customers.



### SAFETY

Provide leadership, guidance and support on safety measures to ensure safety of the public, our employees and contractors.



### CUSTOMER EXPERIENCE

Engage with customers to deliver industry-leading service and solutions.



### WORKFORCE

Cultivate a diverse, equitable and inclusive culture where employees feel respected and engaged, and invest in the current and future workforce through training and development, succession planning and creating a pipeline for recruitment and internal advancement.



### COMMUNITY SUPPORT

Improve vitality and quality of life in the communities we serve through just and equitable community contributions, including philanthropy, volunteerism and economic development.



### EMERGENCY PREPAREDNESS

Maintain business continuity and prepare for events that affect our ability to serve customers.

## U.N. Sustainable Development Goals





## 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 our stakeholders regularly and values the insights they provide as we work to deliver results for today and set strategic goals for the future.

Our operating companies have a history of community engagement and public meetings to support development activities and engage with stakeholders regularly throughout the year.



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 feedback (surveys, online comments, phone calls)</li> <li>• Demand-side management/energy efficiency advisory groups</li> <li>• Customer Assistance Expos</li> <li>• Email newsletters</li> <li>• J.D. Power survey</li> <li>• Market research</li> <li>• Press releases and media opportunities</li> <li>• Websites</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 and health committees</li> <li>• Town hall meetings</li> <li>• Training events</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>Industry associations</b>	<p>Attendance at regular meetings and conferences and active participation in organizations such as:</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</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> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Supplier meetings</li> <li>• Supplier networking summits</li> </ul>



## Just Transition, Energy Equity and Environmental Justice

As markets, customers, and the generation and delivery of energy evolve, PPL remains true to our commitment to conduct business in an environmentally responsible manner while maintaining reliability and affordability. Additionally, we proactively take measures to bring value to all of our customers, create sustainable communities and treat our employees with dignity and respect. Our approach takes into consideration:

- **Just transition:** Ensuring the workforce and local economy are not negatively impacted by the transition to clean energy.
- **Energy equity:** Ensuring access and affordability for all customers is considered in planning and program design.
- **Environmental justice:** Complying with existing local, state and federal laws while ensuring community awareness and involvement when siting, building and operating projects.

### Just transition

We carefully consider environmental and economic factors that impact employees, communities and customers when assessing and planning development activity. The company is developing a framework that outlines the considerations, resources and plans we'll use to engage our stakeholders, prepare for retiring our Kentucky coal generation and move forward with future replacement generation.

The framework takes into consideration best practices, lessons learned from past experiences, available data and ways to include internal and external stakeholders in this process.

While focused on generation retirements, the planning framework will follow the company's approach to stakeholder engagement for all projects that have the potential to significantly impact communities we serve.

The planning framework under development includes:

- Identifying key internal stakeholders
- Conducting a project-needs assessment
- Assessing outreach and planning considerations
- Creating a profile of the impacted area
- Identifying external stakeholders
- Organizing community outreach
- Establishing a strategic communications plan

With PPL's Kentucky-based power plants providing hundreds of well-paying jobs and ongoing tax revenues for the communities in which they serve, we know that the retirement of a power plant can have a significant impact on employees and the community. To help ensure a just transition for our employees and the communities we serve, we work to retire power plants in a way that aims to be the least disruptive to the local economy, and our generation planning is focused on providing reliable and affordable power to meet our customers' needs. We engage with regulators, customers, employees and the community early and often during a multi-year process as we economically retire existing generation and construct replacement generation.

LG&E and KU's long-standing commitment to being good corporate citizens within the communities they serve allows them to better understand the unique challenges and interests facing each community. LG&E and KU's community relations and government affairs departments have pursued a strategy of engagement through customer interaction, local community board memberships, active participation with groups, and continued dialogue with elected officials. Company employees sit on community boards and in 2022 devoted more than 16,000 volunteer hours to various organizations.

The companies have successfully retired plants in the past with minimal to no disruption to the workforce or our local communities. The companies' transition plan for generation plant retirements through 2030 includes consideration of employee impacts through multi-year workforce planning, with job impacts expected to be minimized to the extent possible through normal attrition, relocations and retraining for new roles.

The companies' phased transition planning provides:

- Flexibility for each location to address its specific needs.
- Less disruption to the workforce and community.
- Opportunities for continued reinvestment and reuse of existing generation sites.
- Ability to support economic development through replacement with a reliable, affordable and resilient energy portfolio.





### Energy equity

Whether siting new power lines or installing environmental controls on existing generating plants, PPL encourages improvements that reduce our environmental impact, invest in new infrastructure, empower customers with new options, and drive innovation that benefits society.

We believe decarbonization and grid resiliency are broad benefits to be enjoyed across all communities. We are focused on investing in infrastructure improvements that will improve resiliency, deliver clean energy and enhance associated program offerings, such as electric vehicle

charging and energy efficiency, to all communities that both want and need it. In addition to our customer energy efficiency offerings, the company provides specific programs to assist low-income customers in reducing their energy usage.

As part of our efforts to support the growth and vitality of the diverse communities and customers we serve, we work to foster partnerships and sustain relationships with diverse suppliers, vendors and service providers. These efforts include our support for clean energy R&D. PPL is a founding limited partner in Energy Impact Partners' Elevate Future Fund focused on expanding opportunities for underrepresented entrepreneurs and communities in the energy transition.

### Environmental justice

We recognize that our infrastructure projects have the potential to significantly impact local communities. We leverage more than a century of experience developing and maintaining the systems that keep electricity and natural gas flowing, and we have long-established practices to ensure we are focused on engagement, access, affordability and community support in every project we develop.

These practices include:

- Using environmental screening to identify communities impacted by projects under development.
- Seeking early and frequent stakeholder engagement.
- Communicating with a community advisory panel and fence-line neighbors.
- Providing timely and transparent information.
- Working with local community leaders.

- Expanding community support and development efforts.
- Engaging with stakeholders, including regulators, customers, employees, commercial and recreational groups, and the community at large to assess potential impacts of development activity, environmental initiatives and actions stemming from the company's business activities.
- Supporting and utilizing leading research and investing in innovation to advance sustainable resource management and reduce our environmental impact.

Across our service territories, our teams work with various partners as we aim to minimize our operational impact on sensitive resource areas, protecting biodiversity and ecosystems. In addition, we offer grants to environmental conservation organizations for community revitalization; support research and development projects related to pollinator habitat protection; manage pollinator habitats at company facilities; work to identify and protect species of concern in proposed work areas; and provide trees and pollinator-friendly plants to county and municipal parks, environmentally focused groups and schools through various distribution programs.

## Customer experience

The PPL family of companies provides essential energy services to more than 3.5 million customers in the U.S. Through our regulated utility subsidiaries, PPL delivers electricity to customers in Kentucky, Pennsylvania, Rhode Island and Virginia; delivers natural gas to customers in Kentucky and Rhode Island; 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.

### Customer satisfaction

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

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

We also measure customer satisfaction for specific transactions to ensure we are providing the best customer experience possible. The transaction-based studies cover the following channels:

- Residential and business customer service representative answered emails.
- Residential and business customer service representative assisted live-chat transactions.
- Residential and business customer service representative answered telephone calls.
- Residential customer service representative assisted walk-in transactions.
- Residential low-income program transactions.
- Residential account web self-service transactions.
- Residential transactions completed within the interactive voice response.

In addition, we subscribe to syndicated studies, such as J.D. Power, to benchmark performance among utility peers and as another way to gain insight about our customers from an objective source. In 2022, KU ranked highest in its segment in independent nationwide surveys of electric residential and business customer satisfaction. The awards, one for residential customer satisfaction, and one for business customer satisfaction, raised to 60 the total awards PPL's utilities have received.

### Customer convenience

LG&E and KU's mobile app conveniently puts information customers reference most, all in one place, accessible right from their mobile devices.

The free app allows customers to securely view their account information, view and pay their bill, view the utilities' online outage map, report their outage and more – just by using the app on their mobile device.

Launched in 2021, the app has been recognized as best user experience and best user interface by the Academy of Interactive and Visual Arts.

### Customers

	LG&E-KU (Electric)	LG&E (Gas)	PPL EU	RIE (Electric)	RIE (Gas)	TOTAL
Residential	848,898	306,591	1,283,839	446,785	248,448	3,134,561
Commercial	150,356	26,862	186,103	62,868	24,757	450,946
Industrial	2,279	399	3,133	1,708	291	7,810
Municipals/Wholesale	3			3		6
Gas Transport		89				89
<b>TOTAL</b>	<b>1,001,536</b>	<b>333,941</b>	<b>1,473,075</b>	<b>511,364</b>	<b>273,496</b>	<b>3,593,412</b>



## Customer assistance

Our business strategy prioritizes affordability. With minimal rate case activity for PPL's utilities through at least 2026, the operating companies continually seek to work more efficiently by eliminating redundancies, improving processes and using more automation to minimize costs while maintaining our high level of service. This helps keep energy affordable for customers.

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 and provide a number of assistance programs to help vulnerable customers.

### *Financial assistance*

PPL's utilities have contributed more than \$9 million to various customer assistance programs to help vulnerable customers.

In Kentucky, **Winterhelp**, **WinterCare** and **WinterShare** 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. Both LG&E and KU have relationships with local charities, community action groups and government assistance offices to help low income customers. In 2022, the companies contributed nearly \$2.2 million in grants to various assistance programs to help customers with bills due to increased weather impacts on our vulnerable customers.

In Pennsylvania, **Operation HELP** provides financial aid to PPL Electric residential customers to help pay energy bills for low-income families with financial hardships. The program, which is funded jointly through contributions from

PPL Electric, employees, retirees and customers, contributed over \$1.9 million to vulnerable customers in 2022. More than 112,500 families have been helped since 1983, and 2,692 were helped in 2022. 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.

Additionally in Pennsylvania, **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 Rhode Island, the **Good Neighbor Energy Fund** provides assistance to households unable to meet an energy expense due to financial difficulty. Through a cooperative effort between sponsoring energy companies, their employees and other donors, the fund is administered by the United Way of Rhode Island. The Fund has assisted more than 47,750 families since its inception in 1986, and Rhode Island Energy's president is the current chair.

### *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. The onsite Home Energy Analysis program provides a certified energy analyst to assess a home's energy efficiency and identify ways participants can reduce their energy use. Financial incentives are available to eligible customers who act to make their homes more energy efficient as a result of the onsite analysis.



**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.

### *Language assistance*

Our utilities 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.



## Economic Development

Mapping out long-term energy plans that contribute to economic vitality 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.

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

initiatives within the service area — continues to be recognized as an exemplary business attraction tool. The company's economic development and major accounts team works with state, county and local officials, regional partners, site consultants, real estate developers and industry associations on potential business relocations and expansions.

In Pennsylvania and Rhode Island, the utilities' 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, the companies' community relations teams are actively involved in various organizations dedicated to helping communities thrive.

To further contribute to economic development in our regions, PPL's subsidiaries and their executives are actively involved in business organizations, such as the Chamber of Commerce and economic development organizations.



*A rendering of Ford's BlueOval SK Battery Park in Kentucky, which will produce batteries for the next generation of Ford and Lincoln electric vehicles.*

## Charitable Giving

### Supporting the communities we serve

Through the philanthropic arms of each PPL utility, PPL Foundation and LG&E and KU Foundation, 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, its operating companies and foundations contributed more than \$13 million in 2022 to support local organizations through annual grant and charitable giving programs in Kentucky, Pennsylvania and Rhode Island. The support is one of the many ways the company works year-round to uphold its values, which include a focus on corporate citizenship.

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



**\$13 million**

**Total Charitable Giving**

In 2022, employees and retirees pledged more than \$4 million in the company's charitable giving campaigns to help United Way agencies and nonprofit organizations. Together with matching funds from PPL's foundations, more than \$8 million will go toward local giving campaigns that respond to the unique needs of each of the states in which PPL operates.

Local giving campaigns help PPL respond to the unique needs of each of the states in which it operates. The funds generated by the 2022 United Way campaign in Pennsylvania and Rhode Island and the Power of One Campaign in Kentucky 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.



**29,000**

**Number of Employee Volunteer Hours**

### Community empowerment program launched in Rhode Island

The PPL Foundation expanded the focus of its philanthropy to Rhode Island, seeking to support initiatives that strengthen communities served by Rhode Island Energy.

Through its **Empowering Communities** grant program, the foundation provides grants to support nonprofits working to advance education; diversity, equity and inclusion; and sustainability in communities served by Rhode Island Energy.

In its inaugural year, the grant program awarded \$500,000 in funding to support 29 nonprofit organizations working to improve the lives and well-being of individuals throughout the Ocean State.

The foundation's latest community investments support initiatives, such as tutoring and mentoring programs for underserved students; a multigenerational community design studio; innovative and affordable housing programs; and environmental conservation and education programs that inspire the next generation of stewards.



## 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.

The ultimate goal of our emergency and disaster plans is to ensure the resiliency of the electric and gas service we provide to the communities we serve.

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.

Clear communication is the hallmark of our strategy that leads to successful disaster management with less confusion, and we work closely with public safety and emergency preparedness organizations to coordinate responses to emergency events.

Our emergency management plan considers:

- The response to real-world and simulated emergency scenarios and disasters.
- The recovery of time sensitive processes in accordance with pre-established recovery time objectives.
- The restoration and ultimate return to a permanent operating environment.
- Support to existing local response plans.

The Emergency Management team conducts hazard vulnerability analysis on an annual basis to evaluate natural, man-made, technological, and hazardous materials risks and vulnerabilities.

Each employee is required to complete training, which addresses all-hazards information for the employee based on the Corporate Emergency Management Plan and Corporate Security Plan.



### Weathering the storms

For PPL's operating utilities, 2022 was an active year for storms and severe weather events.

With a strong focus on emergency preparedness, the companies were able to successfully prepare and respond to outages caused by more than 48 weather events throughout the year. Additionally, the companies helped multiple other utilities' storm response efforts through mutual assistance, providing nearly 700 workers to help restoration activities.

Winter Storm Elliot, in particular, affected all of PPL's utilities in December. Extreme cold weather and sustained winds affected electric service for customers from Dec. 22 through Dec. 24.

More than 180,000 customers throughout our service areas in Kentucky, Pennsylvania and Rhode Island experienced outages. By mobilizing a significant workforce, including contract crews, the utilities restored power to at least 95% of customers within 24 hours.

With all customers restored by Christmas Day, the utilities were able to provide much-needed mutual assistance to other companies.

## Safety

Safety is more than a commitment at PPL. It's a value that is rooted in everything we do. Our goal is to achieve top-decile safety performance nationally across the enterprise.

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.

As we continued to drive toward improving our safety performance in 2022, we undertook a number of initiatives:

- Expanded our use of human-performance tools to address the most serious injuries experienced by employees.
- Empowered bargaining unit safety advocates to enhance employee engagement, observe work done by peers and recommend ways to improve safety.
- Encouraged daily stretching among all employees at all company locations.
- Provided opportunities for health assessments to improve employees' overall health and fitness.

### Safety programs

Our ultimate goal is to ensure that we all remain safe and healthy at home and on the job and return home to our families safely at the end of each and every workday.

Components of our program include:

- **Hazard assessment and mitigation** — Aggressively identify, assess and mitigate hazards of all types before they cause injuries.
- **Incident investigation and reporting** — Perform a root-cause analysis and meaningful investigation and report after the failure of any safety or health control that results in an incident or a near-miss/close call.
- **Employee involvement** — Capitalize on the company's most valuable resource, employees, by actively creating and facilitating opportunities to become involved in loss-prevention efforts.
- **Job briefings** — Ensure that employees participate in a job briefing prior to the start of any work related to natural gas or electricity operations.
- **Compliance** — Ensure compliance with local, state and federal regulatory requirements.

- **Vehicle incident prevention** — Ensure employees have the resources, skills and knowledge necessary to drive safely and defensively in order to reduce the number of vehicle incidents.
- **Business partner relationships** — Foster better communication and closer working relationships between employees and business partners to strengthen the company's safety culture.
- **Near-miss/close-call reporting** — Report all incidents that could have resulted in injury, so hazards can be addressed to prevent similar incidents in the future.
- **Empowerment** — Seize the freedom, responsibility and accountability for controlling and correcting unsafe work without repercussions.
- **Communication** — Foster reciprocal communication that will support safe work habits and a hazard-free environment.
- **Leadership** — Demonstrate the courage and knowledge to correct unsafe actions, ensure the safety and well-being of co-workers and promote safety as the most important thing we do.
- **Health and wellness** — Maintaining and cultivating a culture of health and wellness to reduce injuries, reduce healthcare cost, promote productivity and maintain a healthy workforce.

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

### 2022 Safety

	LKE	PPL	RIE	PPL CORP (Overall)
Total Hours Worked	6,221,603	3,315,161	2,222,457	11,759,221
Number of Lost-Day Cases	6	4	9	19
Lost-Time Incident Rate	0.19	0.24	0.81	0.32
Recordable Incident Rate	1.09	0.90	2.52	1.31
Work-Related Employee Fatalities	0	0	0	0



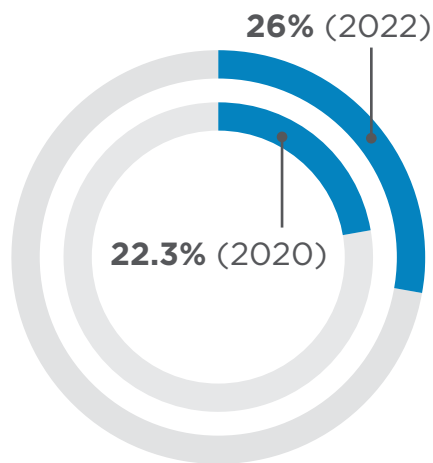
## Our Employees

For more than 100 years, our employees have helped to make PPL and our family of industry-leading utilities strong community partners and desirable places to work. Our employees are unwavering in their commitment to satisfy customers, improve service and deliver value for shareowners. We are committed to making PPL a great place to work.

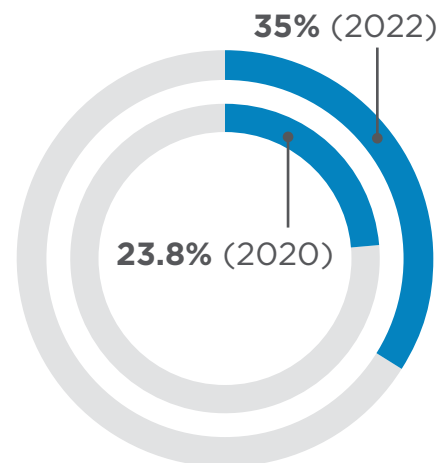
PPL is supported by more than 6,500 talented, innovative employees, focused on providing safe, reliable and affordable energy to our customers. PPL, in turn, is committed to providing employees with a diverse and engaging workplace, rich with opportunities that foster innovation and personal success. We're always looking for people whose core competencies align with our company values, such as a strong safety culture and a collaborative mindset. Potential employees can expect a work environment built around our strong safety culture and fundamental values.



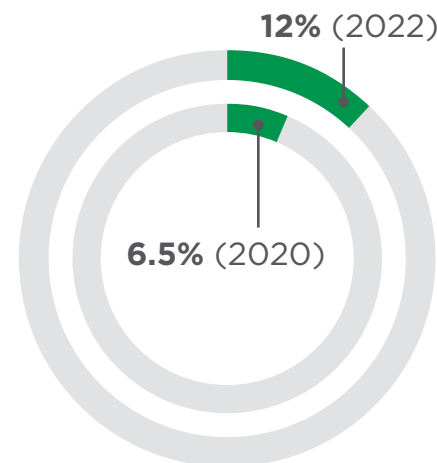
Women in the Workforce



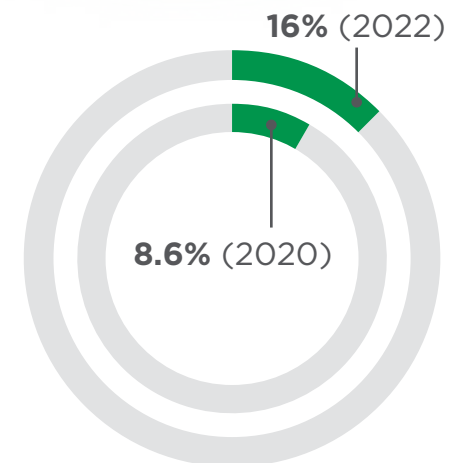
Women in Leadership\*



Ethnic and Racially Diverse Employees



Ethnic and Racially Diverse Leaders\*



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

## Powering diversity, equity and inclusion

We believe we can fuel innovation and growth – and strengthen our culture – by fostering an inclusive workplace where all individuals are valued, respected and belong. We also believe in leaning into our diverse communities to promote education and understanding.

The company values inclusivity, 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 in our workplaces and communities through our enterprise-wide commitments intended to cultivate a diverse, equitable and inclusive culture.

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

- Implemented prep materials for pre-employment testing, including a practice assessment, test brochure and skill refresher. These tools are provided to external candidates and craftworker interns applying for full-time positions before they test. These items were integrated into our new career page and all applicants who are required to take a pre-employment test are sent a link to complete in order to better prepare for the assessment.
- Identified and partnered with influential community leaders to reach a diverse demographic for candidate sourcing and recruiting purposes.
- Updated job descriptions to remove gender pronouns.
- Participated in diversity job fairs and advertised open positions with niche websites focused on job placement for underrepresented candidates.
- Attended recruiting events at Fort Knox, Kentucky, and hired interns through the SkillBridge program to hire veterans.

### Increase diverse representation in leadership roles

- Provided leadership diversity training, including cultural competence and unconscious bias training.
- Increased the number of women in leadership positions to 35%, up from 23.8% in 2020.
- Increased the number of ethnic and racially diverse employees in leadership positions to 16%, up from 8.6% in 2020.

### 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.
- Conducted annual pay-equity reviews. Additionally, in conjunction with all external hires and internal promotions or lateral job moves, we review employee pay from both internal equity and external equity perspectives and adjust when appropriate.
- Engaged management and their employees during staff meetings to share DEI topics, drive awareness of inclusion, and a sense of belonging.
- Conducted enhanced training, including topics such as equal employment opportunities, unconscious bias and appreciating differences.
- Hosted a multitude of events and shared communications to educate employees on topics including Black History Month, Juneteenth, Lunar New Year, Diwali, the empowerment of women leaders and Pride Month.
- Introduced a mental health wellness platform to provide resources and to lessen the stigma of mental illness.

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

- Continued the Empowering Equitable Communities program with four initiatives: student mentoring, establish new school district partnerships in rural territories, offer

STEM literacy series for Allentown School District, and facilitated PPL leader career-days and lineworker test-prep with Allentown School District high school students (see highlight on page 44).

- Provided financial and volunteer support to organizations serving historically underrepresented groups.
- Hosted a Lehigh Valley DEI Professionals luncheon to allow all DEI professionals the opportunity to collaborate and discuss future partnerships.

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

- Hosted in-person supplier events in Pennsylvania and Kentucky
- Hosted and participated in a Joint Utility Reception in Louisville with other local utility companies.
- Sponsored and participated in Energizing Powerful Connections Conference with other utility companies to support development of diverse suppliers.
- Attendance of EEI Business Diversity and best practices meeting.
- Participated in National Minority Supplier Development Council national conference to network with diverse businesses and create introductions where appropriate.
- Continued participation in the EIP Elevate Council focused on funding for diverse businesses advancing clean energy technologies.
- Participated in various matchmaking and networking events with local and regional partners.
- Recognized by Women's Business Enterprise Center East on the DEI honor roll in 2022.
- Continued to lead and participate in the Louisville Mayor's Procurement and Equity Task Force.
- Engaged with minority-owned and diverse financial firms that provide advisory services and participate in financing transactions for PPL and its operating companies.

## Talent acquisition and development

PPL supports the success of our 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'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 programs.

## Workforce planning

PPL has a strong focus on workforce planning to ensure we are meeting current and future workforce requirements. In 2022, PPL had a retention rate of 89.3, and a turnover rate of 10.7%. 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, 56% between ages 30-50 and 31% over 50.

The company has also continued efforts to build a more inclusive workforce.

To attract top talent, generate awareness of careers in energy and foster a love of STEM subjects (science, technology, engineering and math) among students, PPL's operating companies participate in learning opportunities for students of all ages, 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 workers in a variety of fields.



PPL participates in many outreach activities focusing on historically underrepresented populations such as women, ethnically and racially diverse candidates, 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.

## Training

**247,232**

**Total training hours**

**38**

**Average training hours per employee**

**2,600**

**Number of training courses offered annually to employees**

**\$1M+**

**Continuing education contributions**

*Includes partial year data (6/1/22-12/31/22) for Rhode Island Energy.*



### Craft trade apprentice and trainee programs

PPL and our family of 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, our operating companies have various apprenticeship programs for lineworkers, electricians and craft workers in generation and natural gas operations.

With the average apprentice program taking more than four years to complete, this is a long-term investment in the future workforce of the company.

Many students are able to gain hands-on knowledge about the various career paths that utilities offer while they obtain the degrees that are required for some craft worker positions.

We partner with community and technical colleges throughout our service territories in Kentucky, Pennsylvania and Rhode Island to recruit top student talent. Additionally, we work with many lineworker training schools to recruit trainees, including the Southeast Lineman Training Center.

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, KY National Black MBA Association and Louisville Urban League. In addition, the company is providing support to the Lineman Training Program at Jefferson Community and Technical College.

### A future workforce promise

Based in Allentown, the city where PPL is headquartered, The Century Promise is a cradle-to-career program that promises students future employment or continued education if they follow a partner-supported pathway that encourages personal growth and develops the knowledge, skills and discipline necessary for success.

In 2022, PPL partnered with The Century Promise to create career pathways for Allentown School District students interested in careers in customer service or line work.

PPL employees who graduated from the Allentown School District shared their experiences working for PPL in an information session with 1,100 students. Students had the opportunity to talk to these employees about their jobs, their roles at the company and their common experiences at the district's high schools.

As a result of these meetings, 26 students expressed interest in the program and were tested to assess their ability to be successful with the PPL pre-employment test. Areas identified for improvement were included in the students' 12<sup>th</sup>-grade curriculum.

In addition to the learning components, visits to PPL's training center and classes in computer skills, communications and customer relations management training at Lehigh Carbon Community College are in development. There are also plans to enroll Century Promise students in Northampton Community College's certified line worker training program to provide students with the necessary foundation to begin a line worker career.



## Human rights

PPL is committed to operating in ways that help promote, protect and support human rights in our workforce and the communities in which we do business.

Beyond complying with federal, state and local laws and regulations applicable to human rights, PPL's *Standards of Integrity* and *Supplier Code of Conduct* provide a framework for operations that reflect these values and principles, not only for our own operating companies but for vendors and suppliers as well. The full human rights policy statement is available [online](#).

Training on the *Standards of Integrity* is conducted annually to ensure every employee understands the company's commitment to and respect for human rights.

PPL engages an independent, third-party vendor to operate our 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.



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**Business resource groups**

## Collective bargaining and freedom of association

PPL supports our employees' right to freedom of association as well as the right to form or join a union, bargain collectively and engage in union activities. With 37% of PPL's workforce represented by a labor union, the company's operating utilities collaborate with union leadership to enhance workplace safety, meet the growing expectations of our customers, and adapt to the challenges of rapidly changing technologies.

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

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

## Business resource groups

PPL empowers our 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



37%

**Employees covered by  
collective bargaining agreements**

engage in professional development opportunities. PPL's companies have a combined 17 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, community and volunteer 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 supporting 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 for eligible employees.
- 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.



4%

**Veterans**



## 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.
    - Preventive screenings covered at 100%.
  - Tuition reimbursement for undergraduate and graduate degrees.
  - Paid vacation, sick leave and holidays.
  - 401(k) plan that provides employer match and employer contributions (if eligible).
  - Health care and dependent care reimbursement accounts.
  - Health Savings Account (HSA) with employer contribution.
  - Basic life and supplemental employee and dependent life insurance.
  - Long-term disability coverage.
  - Voluntary benefits.
- 



## Health and Wellness

PPL values the health and wellness of employees and offers many programs to support our employees' pursuit of happier, healthier lives and the ability to work safely including:

- Employee Assistance Program including virtual and in-person mental health support services.
  - Tele-health medical services.
  - Onsite primary care for many of our employees.
  - Coaching/registered dietitian services.
  - Chronic disease care.
  - Tobacco cessation.
  - Maternal health programs.
  - Financial wellness resources.
-

# GOVERNANCE & MANAGEMENT

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## Sustainability Priorities: Governance & Management



### CYBERSECURITY AND GRID PROTECTION

Maintain comprehensive risk assessment and management strategy to protect the grid, customer and employee data, and the company's assets.



### GOVERNANCE, COMPLIANCE AND ETHICS

Maintain strong corporate governance, transparent public policy engagement, and compliant and ethical business practices.



### RELIABILITY AND RESILIENCY

Enhance the reliability and resiliency of critical infrastructure through continued investments and innovation.



### SUPPLY CHAIN MANAGEMENT

Ensure supply chain resilience by cultivating a pool of diverse, strategic suppliers and business partners.

## 2022 Financial Highlights

For the years ended December 31

FINANCIAL	2022	2021
Operating revenues (millions)	\$7,902	\$5,783
Net income (millions)	\$756	\$(1,480)
Earnings from ongoing operations (millions) <sup>(a)</sup>	\$1,041	\$806
Total assets (millions)	\$37,837	\$33,223
Earnings per share - Diluted	\$1.02	\$(1.93)
Earnings from ongoing operations per share – Diluted <sup>(a)</sup>	\$1.41	\$1.05
Book value per share <sup>(b)</sup>	\$18.89	\$18.67
Market price per share	\$29.22	\$30.06
Market price/book value ratio	155%	161%

## OPERATING – ELECTRICITY SALES (GWh) <sup>(c)</sup>

Retail delivered	67,405	66,434
Wholesale supplied <sup>(d)</sup>	1,080	888

<sup>(a)</sup> Management utilizes "Earnings from Ongoing Operations" as a non-GAAP financial measure that should not be considered as an alternative to net income, an indicator of operating performance determined in accordance with GAAP. PPL believes that Earnings from Ongoing Operations is useful and meaningful to investors because it provides management's view of PPL's earnings performance as another criterion in making investment decisions. In addition, PPL's management uses Earnings from Ongoing Operations in measuring achievement of certain corporate performance goals, including targets for certain executive incentive compensation. Other companies may use different measures to present financial performance. Earnings from Ongoing Operations is adjusted for the impact of special items. Special items are presented in the financial tables on an after-tax basis with the related income taxes on special items separately disclosed. Income taxes on special items, when applicable, are calculated based on the statutory tax rate of the entity where the activity is recorded. See "Reconciliation of Earnings from Ongoing Operations" on page 28 (millions of dollars) and page IV (per share) of this report.

<sup>(b)</sup> Based on 736,487 and 735,112 shares of common stock outstanding (in thousands) at December 31, 2022, and December 31, 2021.

<sup>(c)</sup> Excludes Rhode Island Energy's electricity sales as revenues are decoupled from volumes delivered.

<sup>(d)</sup> Represents FERC-regulated municipal and unregulated off-system sales.



## Board 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.

Committed to diversity, the GNSC considers skills, expertise, background, professional experience, education and other individual characteristics, such as race, gender and ethnicity, as well as a variety of attributes that contribute to the board's collective strength. Two of the board's standing committees are led by women.

PPL Corporation's *Guidelines for Corporate Governance* are posted online on the corporate website.

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*.

### Board Composition<sup>1</sup>



Percentage of women on Board of Directors



Percentage of ethnic and racial diversity on Board of Directors



Standing board committees chaired by women

<sup>1</sup>Board composition as of January 31, 2023

## 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 nonfinancial goals set by the Board of Directors through its Compensation Committee. Each year, the board and executive management team evaluate the company's strategy and, together with the advice of the board's independent compensation consultant, 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 2023 Proxy Statement, beginning on page 31.

### 2022 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 2022, are included in the "Compensation Discussion and Analysis" section of the 2023 Proxy Statement. Additional details about specific compensation of the named executive officers are included in the 2023 Proxy Statement, beginning on page 38.

## Enterprise Risk Management

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

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>1</sup>

<sup>1</sup>PPL's 2021 Climate Assessment Report, incorporating recommendations of the Task Force on Climate-Related Financial Disclosures, and CDP climate survey response contain additional detail on PPL's approach to climate change.

### Business Continuity and Crisis Response Planning

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

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

The standing members of the Executive Crisis Team are the president and chief executive officer; the chief legal officer; the chief financial officer; the chief human resources officer; the chief information and digital officer; the chief operating officer; the chief security officer; the senior vice president-public affairs; operating company presidents; the vice president-corporate communications; and the chief physical security officer. Additional members can be added to the Executive Crisis Team as needed, depending on the situation.

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.



## 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.

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 security officer, who reports directly to the chief executive officer, leads a dedicated cybersecurity team and is responsible for the design, implementation and execution of the cyber-risk management strategy.

Cybersecurity and the effectiveness of PPL's cybersecurity strategy are integral and regular topics of discussion at board meetings. In 2022, one of PPL's directors obtained certification in cyber risk oversight from the National Association of Corporate Directors.

PPL's cybersecurity strategy includes:

- Actively monitoring company systems.
- Regularly reviewing and updating security standards and policies and procedures based upon the threat landscape and industry best practices.
- Conducting incident response and tabletop exercises for cyber resiliency.
- Security awareness and training to improve user behavior and security hygiene.
- Leveraging industry-leading experts to perform risk assessments to learn and improve our protections.
- Routinely participating in industry-wide programs to further information sharing, intelligence gathering and unity of effort in responding to potential or actual attacks.
- A Corporate Security Council that meets quarterly to review and understand risks and direct actions to continually improve PPL's security posture and mitigate cyber risks.

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

- Electricity Information Sharing and Analysis Center.
- Cybersecurity Risk Information Sharing Program.
- Electricity Sub-Sector Coordinating Council.
- Edison Electric Institute's cybersecurity and resiliency efforts.
- Federal Energy Regulatory Commission.
- North American Electric Reliability Corporation.
- Transportation Safety Administration Security Directives for Gas Operations.
- National Institute of Standards and Technology Cybersecurity Framework.
- Department of Homeland Security Cybersecurity Infrastructure Security Agency.

### Physical resiliency

A reliable and secure power grid requires resiliency.

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

Continuous evaluation of risks and threats through collaboration with industry partners, as well as with federal, state and local officials help develop the strategy deployed to protect our assets.

The concept of “defense in depth,” or layered protection strategy, helps develop a cost-effective, secure and robust approach to deter, delay, detect, deny, respond to and recover from risks and threats to the organization and assets.

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.

Additionally, PPL invests in new power lines, substations and smart technologies to continue to strengthen the resiliency of the power grid.

### Security Culture

Our workforce serves as an essential line of defense for protection of our systems and assets.

Maintaining a culture of security is one way to help us prepare for and be able to detect and respond to cyberattacks.

We reinforce a culture of security by conducting annual security awareness training, maintaining a progressive ethical phishing program to educate and test our employees' ability to spot and report malicious emails, maintaining a responsible behavior program with progressive disciplinary measures, and by conducting incident response exercises with senior leadership and their supporting staffs to better prepare ourselves should PPL ever be impacted by a significant cyberattack.

## Supply Chain Management

PPL’s supply chain organization negotiates and secures contracts to procure materials, labor and services necessary to support the business and infrastructure investment. Our ongoing partnerships with a cadre of diverse suppliers ensures we are 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 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, 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 is a member of the Sustainable Supply Chain Alliance, an organization of utilities and suppliers working together to advance sustainability best practices in utility supply chain activities and supplier networks.

In support of diverse businesses, PPL and its operating companies actively reach out to businesses owned by minorities, women and veterans, hosting annual supplier networking events to attract business leaders who will help expand the diversity of our supplier base and serving as active members of various development councils serving diverse business suppliers.

### Supplier diversity



**\$2.9 billion**

**Total corporate spend on goods and services**



**\$1.3 billion**

**Total corporate spend on locally based suppliers**



**\$358 million**

**Total corporate spend on diverse suppliers**



**225**

**Number of diverse business suppliers**



Ethics and Compliance

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

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



**AUDIT COMMITTEE, BOARD OF DIRECTORS**

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





**VICE PRESIDENT AND 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.

<div></div> <div><b>COMPLIANCE WORKING GROUP</b></div> <div>Identifies, evaluates and assesses existing and emerging compliance risks and potential issues with existing programs.</div>	<div></div> <div><b>INVESTIGATION WORKING GROUP</b></div> <div>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.</div>
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## Working with integrity

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

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

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

## Reporting and Handling of Violations

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

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

Guidelines are in place for promptly responding to allegations of misconduct and include notifying the vice president and 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.



## 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 on key issues and advocacy positions, with periodic updates as key issues arise. Additionally, on an annual basis, the board's Governance Nominating and Sustainability Committee 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 and oversight 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.

### 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 and were the focus of federal advocacy efforts in 2022:

### Climate Policy

#### *Natural Gas*

Natural gas and climate policies closely intertwine. Throughout 2022, natural gas policy has taken shape across many policy arenas, such as the new charge on certain methane emissions included in the Inflation Reduction Act of 2022, EPA's environmental rules, PHMSA's and TSA's pipeline safety and security regulations, FERC's policies on pipeline permitting, and SEC and other reporting rules. Across these and other policy initiatives, PPL supports the sustainable use of natural gas as a lower carbon, flexible baseload generation resource, a critical enabler of greater use of renewable energy, and an affordable energy source for end-use customers. Appropriately regulated, natural gas can safely and reliably meet community energy needs and enable energy affordability and economic development. In recognition of the critical role of natural gas utilities and of natural gas in power generation, PPL supports reasonable and effective regulations, including methane regulations, that reflect feasible and practical regulatory oversight. PPL also supports government funding and policies that advance research into carbon capture from combined cycle natural gas units, and the blending of hydrogen with natural gas in new and existing electric generating units. These and other advances will support the continued use of natural gas to achieve our net-zero carbon emissions goal. Policies that acknowledge the benefits of natural gas and enable its sustainable use will have the practical effect of preserving customer choice and facilitating deep carbon emissions reductions.

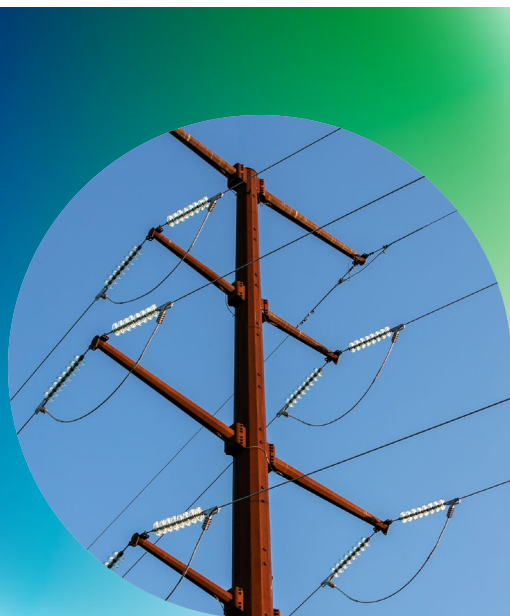
#### *Inflation Reduction Act*

In August 2022, President Biden signed the Inflation Reduction Act, which contains approximately \$369 billion in funding to address climate change. The centerpieces of the new law are a 10-year extension of existing clean energy tax credits, the creation of new technology-neutral tax credits, and new credits for storage and hydrogen. PPL engaged extensively with policymakers to support passage of the Inflation Reduction Act in order to make our clean energy transition more affordable for our customers and to support new zero-carbon technologies as they are commercialized. PPL will continue to support policies that achieve sustainable climate solutions and maintain affordability and reliability.

#### *EPA Regulations*

In addition to legislative efforts, the Biden administration has focused on tightening environmental rules and regulations through executive action to address climate change. This administration has reversed many of the previous administration's deregulatory actions and is putting in place new regulations and revised standards on fossil fuel-related emissions, air quality, coal combustion residuals, and other environmental rules primarily focused on generation resources. These new rules may require additional compliance measures, small and large, to be undertaken by PPL.

PPL evaluates regulation based on three core principles: customer focus, sustainability and effectiveness. PPL supports environmental rules and programs that advance PPL's clean energy transition while keeping energy reliable and affordable for our customers and communities. The policies we support will enable PPL to sustainably manage its energy resource portfolio and have a realistic pathway to implementation and consider relevant technological, economic, legal and regulatory dynamics.



## Security, Safety and Reliability

### *Bipartisan Infrastructure Legislation Grid Investments*

The \$1.2 trillion Infrastructure Investment and Jobs Act (IIJA) enacted in 2021 dramatically increased funding for the Department of Energy, expanding the mission of many existing offices and creating dozens of new demonstration and deployment programs of interest to the utility industry. In 2022, the Biden Administration began rolling out some of these programs including the new “Grid Resilience and Innovation Partnerships Program,” which will be responsible for distributing nearly \$10.5 billion in competitive grants over the next five years to upgrade technology in the nation’s electric grid and make it more resilient to extreme weather events. As PPL companies pursue this and other federal opportunities that will bolster our efforts to build the grid of the future, we will work with the administration and partners in congress to ensure the law is implemented appropriately and in a way that provides the greatest potential benefit to our customers.

### *Transmission Policy*

Throughout 2022, FERC has focused its major rulemaking activities on transmission planning, cost allocation and interconnection policies to support the clean energy transition. It has also begun to consider how to manage the rising cost of the significant expansion of the grid. As some states begin to implement ambitious climate goals, exploring newer types of energy infrastructure, such as offshore wind and offshore transmission, FERC’s regulations and its role vis-à-vis the states will need to evolve. On these and other key issues, PPL has engaged with FERC to advocate for efficient interconnection processes, transmission planning and expansion that avoids undue cost burdens to customers, and policies that accommodate regional differences and the important role of states. Above all, PPL is committed to ensuring continued reliability of the transmission system.

### *Safety and Security*

Pipeline and Hazardous Materials Safety Administration’s (PHMSA) pipeline safety programs are due for congressional reauthorization later this year, beginning a process that will influence the direction of future rulemaking in the mid- to long-term. Previous reauthorization cycles have resulted in mandates that required significant capital investments, and similar proposals are likely to resurface during the current cycle, including significantly increased civil and criminal penalties, requiring professional engineer certification for pipeline-related work and further requirements related to methane emissions. Additionally, PPL anticipates pending PHMSA rulemakings addressing prior congressional mandates on pipeline safety will be published in 2023 and may have a significant impact on PPL’s operations. These include the Leak Detection and Repair and the Safety of Gas Distribution Lines Rules that will likely require significant compliance investment. On pipeline safety policy matters, PPL supports clear and achievable rules that make it possible for pipeline operators to continue to safely own, operate and maintain natural gas facilities for the benefit of our customers.

The physical and cybersecurity of the electric grid and natural gas systems is critical to reliably meet the nation’s energy needs and to preserve national security. In 2022, policymakers addressed these threats and risks through initiatives such as on-going reviews of and improvements to NERC reliability standards governing physical and cybersecurity of the bulk electric system, making permanent TSA’s Security Directives to protect oil and natural gas facilities, and passage of the Cyber Incident reporting for Critical Infrastructure Act of 2022. To promote effective protection of the energy grid — a top priority for PPL — PPL supports risk-based rules and requirements that balance security risk, operational efficiency and customer costs, while enabling new grid technologies. Also, considering the constantly and rapidly evolving physical and cybersecurity threats, PPL supports a government-industry partnership approach to improve sector-wide resilience.



## Innovation

### *Federal Research and Development and Competitiveness*

PPL recognizes that achieving a net-zero energy future and going further faster to address climate change will require new ideas and fundamental advancements in technology that can be deployed and scaled safely, reliably and affordably for those we serve. In addition to directly investing in research and development (R&D) initiatives, PPL advocates for robust support for federal R&D activities at agencies like the Department of Energy, National Labs and the National Science Foundation. PPL supported the inclusion of R&D programs like hydrogen hubs during consideration of the Infrastructure Investment and Jobs Act (IIJA) and is actively pursuing opportunities as they are implemented. In addition, PPL advocated for increased funding and needed reforms to the federal energy R&D strategy as part of the CHIPS and Science Act. The near doubling of the budget of the NSF – while emphasizing greater industry collaboration and narrowing the portfolio

to issues of national importance like climate change, environmental sustainability and advanced energy and industrial efficiency technologies — will open new avenues for PPL to partner with the federal government on R&D projects that will unlock future breakthroughs as we complete our clean energy transition.

### *Electric Transportation*

A transition to a clean energy future will require emissions reductions beyond just the energy sector. That is why PPL advocates for federal policies that advance electrification and energy efficiency efforts across the entire economy. This includes the push to decarbonize the transportation sector through greater adoption of electric vehicles (EVs). Both the IIJA and Inflation Reduction Act (IRA) included generous incentives for the purchase of EVs and installation of the associated charging infrastructure. By lowering the cost of entry and making charging infrastructure more accessible, these policies can accelerate the adoption of EVs by individuals, businesses, school districts and public transit fleets as they seek to lower emissions. PPL supports these measures and is working with all key stakeholders to ensure the grid of the future is positioned to accommodate this transition.

## Affordability

### *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 several 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 PPL applauds bipartisan efforts in recent years to steadily increase support. LIHEAP is slated to receive nearly \$5 billion in FY2023 appropriations. Supplemental funds passed in several pandemic relief packages also provided critical support to customers in need. In addition to this direct bill assistance, PPL supports federal energy efficiency programs that promote options to reduce usage and lower costs.

## Permitting and Siting Reform

PPL supports policies that will make it easier and faster for customers to connect renewable energy and distributed energy resources to the grid. This includes reforming the federal permitting and siting process for large scale energy infrastructure projects like offshore wind, pipelines and electric transmission lines. Without sensible reforms to reduce costs and unnecessary delays, the buildout of infrastructure required to fully unlock the potential of landmark clean energy legislation like the Inflation Reduction Act will not be realized. PPL will continue to advocate for permitting and siting reform legislation that will position the grid as an enabler of clean energy resources and preserve environmental protection and affordability for our customers.



# APPENDIX



## 2022 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 2022 Corporate Sustainability Report (CSR).

General Disclosures		
Indicator	Disclosure Title	Response
2-1	Organizational details	PPL Corporation (PPL) is an investor-owned utility holding company located in Allentown, PA, and operated in the United States.
2-2	Entities included in the organization's sustainability reporting	2022 Form 10-K See page 5
2-3	Reporting period, frequency and contact point	PPL's 2022 Corporate Sustainability Report is developed on an annual basis for calendar year 2022 and was published April 2023. Any questions regarding the report can be directed to <a href="mailto:community@pplweb.com">community@pplweb.com</a> .
2-4	Restatements of information	PPL had no significant restatements to report in 2022.
2-5	External Assurance	External assurances for this report have not been conducted.
2-6	Activities, value chain, and other business relationships	See page 52
2-7	Employees	PPL has 6,527 employees. For more details on employees, see pages 40-45.
2-8	Workers who are not employees	PPL does not disclose data on contracted employees.
2-9	Governance structure and composition	See page 49 2023 Proxy Statement pages 20-25 <a href="#">Corporate Governance Structure</a>
2-10	Nomination and selection of the highest governance body	2023 Proxy Statement pages 27-28
2-11	Chair of highest governance body	2023 Proxy Statement pages 20-21
2-12	Role of the highest governance body in overseeing the management of impacts	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.
2-13	Delegation of the responsibility for managing impacts	See page 50
2-14	Role of the highest governance body in sustainability reporting	See page 49
2-15	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 public board memberships and PPL's policy on related-person transactions, together with any disclosures, are included each year in the annual proxy statement.
2-16	Communication of critical concerns	Anyone wishing to make their concerns known to PPL's board, its independent chair, any board member, or the independent directors as a group, may 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.
2-17	Collective knowledge of the highest governance body	2023 Proxy Statement pages 6-19

Indicator	Disclosure Title	Response
2-18	Evaluation of the performance of the highest governance body	2023 Proxy Statement page 21
2-19	Remuneration policies	See page 49
2-20	Process to determine remuneration	2023 Proxy Statement pages 25-26
2-21	Annual total compensation ratio	2023 Proxy Statement page 86
2-22	Statement on sustainable development strategy	See page 10
2-23	Policy commitments	See page 55
2-25	Process to remediate negative impacts	See page 54
2-26	Mechanisms for seeking advice and raising concerns	See page 54
2-27	Compliance with laws and regulations	No significant fines (defined as more than \$100,000). 2022 Form 10-K
2-28	Membership associations	PPL's operating utilities are members of various industry associations including the Electricity Producers Research Institute and the Edison Electric Institute.
2-29	Approach to stakeholder engagement	See page 32
2-30	Collective bargaining agreements	As of the end of 2022, 37% of our employees were covered by collective bargaining agreements. See page 45 for more information.
3-1	Process to determine material topics	See page 10
3-2	List of material topics	See page 11
3-3	Management of material topics	See page 10
201-1	Direct economic value	See page 48 2022 Form 10-K
201-2	Financial implications and other risks and opportunities for the organization's activities due to climate change	2022 Form 10-K <a href="#">2022 CDP</a> <a href="#">Climate Assessment Report</a>
201-3	Coverage of the organization's defined benefit plan obligations	2022 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.
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	See page 18-20
203-2	Significant indirect economic impacts, including the extent of impacts	See page 18-20



Indicator	Disclosure Title	Response
204-1	Proportion of spending on local suppliers at significant locations of operations	See page 52
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	See page 27
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	See page 17
302-2	Energy consumption outside the organization	See page 17
302-3	Energy intensity	See page 17
302-4	Reduction of energy consumption	See page 17
302-5	Reductions in energy requirements of products and services	See page 17
303-1	Total water withdrawal by source	See page 26
303-2	Water sources significantly affected by withdrawal of water	See page 26
303-3	Percentage and total volume of water recycled and reused	See page 26
304-1	Operational sites owned, leased, managed in or adjacent to protected areas and areas of high biodiversity value outside protected areas	See page 28
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	See page 28
304-3	Habitats protected or restored	See page 28
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	See page 28
305-1	Direct greenhouse gas (GHG) emissions (Scope 1)	See page 16
305-2	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	See page 16
305-3	Indirect greenhouse gas (GHG) emissions (Scope 3)	See page 16
305-4	Greenhouse gas (GHG) emissions intensity	See page 16
305-5	Reduction of greenhouse (GHG) emissions	See page 16
305-6	Emissions of ozone-depleting substances (ODS)	This is not material to PPL.

Indicator	Disclosure Title	Response
305-7	NOx, SOx, and other significant air emissions	See page 17
306-1	Total water discharge by quality and destination	See page 26
306-2	Total weight of waste by type and disposal method	See page 27
306-3	Total number and volume of significant spills	PPL had 5 reportable spills with a total volume of 12 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.
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. See G4-10 for data on this indicator	See page 43
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	See page 46
401-3	Return to work and retention rates after parental leave, by gender	A total of 52 women and 200 men used parental leave. A total of 252 employees returned to work, resulting in a 94.4% 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	See page 40
403-3	Workers with high incidence or high risk of diseases related to their occupation	No high risks or incidents identified.
403-4	Health and safety topics covered in formal agreements with trade unions	All collective bargaining agreements contain language that references the need for a strong health and safety program and a joint health and safety advisory committee.
404-1	Average hours of training per year per employee by gender and by employee category	See 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	See 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.

Indicator	Disclosure Title	Response
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 that contributed 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.
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 37-38.
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.
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.
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 38.
415-1	Total value of political contributions by country and recipient/beneficiary	See page 55
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	2022 Form 10-K

Electric Utilities Sector Disclosures		
Indicator	Disclosure Title	Response
EU1	Installed capacity, broken down by primary energy source and regulatory regime	See page 17
EU2	Net energy output broken down by primary energy source and regulatory regime	See page 17
EU3	Number of residential, industrial, institutional and commercial accounts	See page 35
EU4	Length of above and underground transmission and distribution	PPL's utilities maintain 75,283 miles of distribution lines and 11,072 miles of transmission lines.
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 our PPL's 2022 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 6,223 MW, and LG&E and KU generation capacity is currently 7,577 MW, providing a 21.8% 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 23.
G4-DMA Research & Development	Research and development activity and expenditure aimed at providing reliable electricity and promoting sustainable development	See page 18-19
EU11	Average generation efficiency of thermal plants by energy source and regulatory regime	In 2022, the average generation heat rate for LG&E and KU was 10 (BTU/owned net generation).
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 2022, line loss as a percentage of total energy was: 5.303% for KU 3.704% for LG&E (electric) 0.986% for LG&E (gas) 5.165% for PPL Electric 8.000% for RIE (electric) 2.700% for RIE (gas)
EU13	Biodiversity of offset habitats compared to the biodiversity of the affected areas	See page 28
G4-DMA Skilled Workforce	Programs and processes to ensure the availability of a skilled workforce	See page 43
EU15	Percentage of employees eligible to retire in next 5 and 10 years, broken down by job category and region	See page 43
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	See page 26



Indicator	Disclosure Title	Response
G4-DMA Vegetation Management	Approaches for pest and vegetation management along transmission and distribution corridors	See page 29
G4-DMA Local Communities	Stakeholder participation in decision making processes related to energy planning and infrastructure development	See page 32
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	See page 39
G4-DMA Customer Support Programs	Programs, including those in partnership with government, to improve or maintain access to electricity and customer support services.	See page 36
EU26	Percentage of population unserved in licensed distribution or service areas	PPL's utilities have an obligation to serve all that 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 2022, PPL's U.S.-based utilities had 143,157 residential disconnections. The number of residential reconnections within 30 days was 120,497.
EU28	Power outage frequency	See page 20
EU29	Average power outage duration	See page 20
EU30	Average plant availability factor by energy source and by regulatory regime	LG&E and KU's plant availability factor is 86.31%. The unplanned outage rate for LG&E and KU plants in 2022 was 5.46%.
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	See page 36

## FORWARD-LOOKING STATEMENTS IN THIS CORPORATE SUSTAINABILITY REPORT

This Corporate Sustainability Report (“Report”) contains forward-looking statements regarding, among other things, the clean energy transition, our clean energy targets and achievement of climate commitments by certain dates, and strategies or goals related to environmental, social, safety and governance performance. These statements, and all others that reflect beliefs, plans, estimates, projections, goals, targets, expectations, strategy or any other forward-looking information, are “forward-looking statements” within the meaning of the federal securities laws. PPL Corporation believes that the forward-looking statements in this Report reflect reasonable expectations and assumptions. However, it is important to understand that forward-looking statements, and their underlying assumptions, are subject to a wide range of risks and uncertainties, both known and unknown. Any number of factors could cause actual results to be materially different from those discussed in the statements, including: strategic acquisitions, dispositions, or similar transactions, and our ability to consummate these business transactions or realize expected benefits from them; the profitability and liquidity of PPL Corporation and its subsidiaries; pandemic health events or other catastrophic events such as fires, earthquakes, explosions, floods, droughts, tornadoes, hurricanes and other extreme weather-related events (including events potentially caused or exacerbated by climate change) and their impact on economic conditions, financial markets and supply chains; volatility in or the condition of capital markets, commodity prices and economic conditions, including inflation; the outcome of rate cases or other cost recovery or revenue proceedings; the direct or indirect effects on PPL or its subsidiaries or business systems of cyber-based intrusion or the threat of cyberattacks; significant changes in the demand for electricity; expansion of alternative and distributed sources of electricity generation and storage; the effectiveness of our risk management programs, including commodity and interest rate hedging; defaults by counterparties or suppliers for energy, capacity, coal, natural gas or key commodities, goods or services; a material decline in the market value of PPL’s equity; the potential impact of any unrecorded commitments and liabilities of PPL Corporation and its subsidiaries; adverse changes in the corporate credit ratings or securities analyst rankings of PPL Corporation or its subsidiaries and their securities; laws or regulations to reduce emissions of greenhouse gases or the physical effects of climate change; weather and other conditions affecting generation, transmission and distribution operations, operating costs and customer energy use; war, armed conflicts, terrorist attacks, or similar disruptive events, including the war in Ukraine; changes in political, regulatory or economic conditions in states, regions or countries where PPL Corporation and its subsidiaries conduct business; receipt of necessary governmental permits and approvals; changes in state or federal tax laws or regulations; changes in state, federal or foreign legislation or regulatory developments; the impact of any state, federal or foreign investigations applicable to PPL Corporation or its subsidiaries and their subsidiaries and the energy industry; our ability to attract and retain qualified employees; the effect of changing expectations and demands of our customers, regulators, investors and stakeholders, including heightened emphasis on environmental, social and governance concerns; the effect of any business or industry restructuring; development of new projects, markets and technologies; performance of new ventures; collective labor bargaining negotiations and labor costs; and the outcome of litigation involving the PPL Corporation or its subsidiaries. All forward-looking statements in this Report should be considered in light of these important factors. Further information on these and other risks and uncertainties is available in PPL Corporation’s Form 10-K and other reports on file with the Securities and Exchange Commission.