

PPL Corporation

Detailed assessment of PPL’s corporate climate policy engagement review

This document outlines a detailed breakdown of InfluenceMap's assessment of the company's corporate disclosure climate policy engagement. Further detail on the assessment methodology is available in the Appendix, and on InfluenceMap’s CA100+ Investor Hub [here](#).

A summary of PPL’s disclosures on climate policy engagement is shown below. PPL has undertaken one review of its climate policy engagement to date. The Review Score represents InfluenceMap’s overall assessment of the quality of the company’s disclosure on climate policy engagement, where 100 would indicate that a company has met investor expectations for all criteria related to the review process.

Date of Review	Review Score
December 2022	14 / 100

This assessment focuses solely on PPL’s disclosure on climate policy engagement ([here](#)). This assessment does not include an analysis of the company's actual climate policy engagement, which can be found on InfluenceMap's online profile of PPL ([here](#)). The table below provides a breakdown of PPL’s performance against each of the seven assessment criteria, using the traffic-light assessment framework summarized below.

Key	Explanation
■	Has broadly met investor expectations in this area.
■	Has made some progress on investor expectations in this area, but with significant deficiencies.
■	Has fallen short of investor expectations in this area.

Disclosure & Transparency	Policy Alignment Process
■ Corporate climate positions	■ Identify & Assess
■ Industry group climate positions	■ Monitor & Review
■ Alignment assessment method	■ Act
■ Framework for misalignment	

PPL’s Company Scorecard

The tables below highlight, for each indicator, the criteria for companies to meet investor expectations, PPL’s assessment, and examples of better practice by companies to date.

While InfluenceMap did not find an example of best practice across the entire industry association review process, some companies have demonstrated better practice under specific metrics under the 'Disclosure & Transparency' and 'Policy Alignment Process' assessments.

Disclosure & Transparency

Corporate climate policy positions and influencing activities

To meet investor expectations under this indicator: The company has to disclose a detailed and clearly referenced breakdown of its own climate policy positions and influencing activities beyond ‘top-line’ climate statements. This includes descriptions of the company’s positions and policy engagement activities on specific items of regulation and legislation which are material to the company’s operations, business sector, and/or the region(s) in which it operates.

PPL	<p>PPL has not disclosed its position on, or engagement with, any specific items of climate-related regulation and legislation in its review. However, PPL states that information on its climate-specific advocacy and public policy engagement is available in its CDP response, sustainability report, and climate assessment report, which are all clearly referenced with accessible links in the review. In these reports, PPL discloses its positions on specific climate-related policies including the Infrastructure Investment and Jobs Act, Inflation Reduction Act, SEC rules on climate disclosure, and KY Senate Bill 266 relating to renewable energy generation in Kentucky.</p> <p>However, PPL has omitted key examples of detailed and negative climate policy engagement in 2022. For example, subsidiaries Louisville Gas & Electric and Kentucky Utilities directly advocated to policymakers to weaken US methane emissions standards in <i>January 2022</i>. In 2022, PPL also engaged on the EPA Clean Trucks Plan (<i>May</i>) and submitted comments to the Council on Environmental Quality (<i>April</i>), Environmental Protection Agency (<i>June</i>), and Rhode Island Public Utilities Commission (<i>October</i>) on climate-related issues. None of these were included in PPL’s disclosures.</p>
Best Practice	<p><i>Shell</i> has disclosed case studies of its direct climate policy engagement in the EU and US. These case studies include Shell's positions on, and engagement with, specific items of EU and US regulation and legislation. The 2022 review also includes clear references to additional resources on Shell's corporate website, including advocacy updates on specific government policy consultations and links to public submissions via the EU Transparency Register and the US Lobbying Disclosure Act.</p>

Industry association climate policy positions and influencing activities

To meet investor expectations under this indicator: The company has to disclose a detailed and accurate account of the climate policy positions and influencing activities of each industry association actively engaged on climate change policy, including descriptions of positions and policy engagement activities on specific items of regulation and legislation beyond ‘top-line’ statements.

PPL	<p>PPL has not disclosed any details of its industry associations’ positions on, or engagement with, specific items of regulation and legislation. As such, the company omits evidence of detailed and negative engagement by key industry associations including Edison Electric Institute and American Gas Association . See ‘Identify & Assess’ below for further details on the industry associations’ climate policy engagement activities.</p>
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Best Practice	No companies have met investor expectations in this area, although <i>BASF</i> and <i>Shell</i> exhibit current leading practice. Both companies have disclosed a detailed account of all key industry associations' climate policy positions, and a summary of their influencing activities. However, they appear to overlook detailed negative lobbying by a number of industry associations identified by InfluenceMap's database.
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Alignment assessment method

To meet investor expectations under this indicator: The company has to: (1) disclose a clear and detailed framework for assessing alignment with its industry associations across all relevant areas of policy engagement; (2) consistently apply this framework across *all* industry associations; and (3) provide a clear and detailed explanation behind each evaluation.

PPL	<p>PPL has not disclosed a clear methodology to assess alignment with its industry associations. The company states that it looks for misalignments with PPL's "priorities and positions", but does not provide further details on what these are or what would constitute a finding of alignment or misalignment in relation to these.</p> <p>PPL also does not provide an explanation behind its evaluation of each industry association, just stating that each is 'Consistent' or 'Mixed' without any further details.</p>
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Best Practice	<i>Sasol</i> has disclosed a clear and detailed framework for assessing alignment with its industry associations, assessing its associations against five high-level criteria. Sasol also disclosed the criteria its industry associations must meet to be considered "Aligned", "Partially Aligned", and "Not Aligned", and provided a clear and detailed explanation behind each evaluation where it detailed alignment against each criterion.
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Framework for addressing misalignment

To meet investor expectations under this indicator: The company must disclose a clear and detailed framework for addressing misalignments with its industry associations including escalation steps and clear deadlines for industry associations which do not amend misaligned practices.

PPL	<p>PPL has disclosed a limited framework for addressing misalignments with its industry associations. The company states that any misalignments are "discussed through appropriate leadership channels", and that PPL "maintains its prerogative to advocate for issues or positions on its own and outside of positions taken by member associations should any inconsistency in public policy position arise". However, this framework does not include clear escalation strategies and deadlines for industry associations which do not amend misaligned practices.</p> <p>PPL also includes a few examples of how it will escalate engagement with specific industry associations, for example the Pennsylvania Chamber and Kentucky Coal Association, but there is not a clear and robust process in place to address misalignment with all associations.</p>
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Best Practice	<i>BHP</i> has disclosed clear and detailed steps for addressing potential misalignment, including an escalation strategy and clear timelines attached. The company states it will communicate material differences, request that the industry association develop a position or refrain from advocacy in certain areas, and review the membership if there has been no action within 12 months.
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Policy Alignment Process

Identify & Assess	
<p>To meet investor expectations under this indicator: The company has to identify all cases of misalignment with its industry associations and the Paris Agreement in line with InfluenceMap’s <i>database</i> on corporate lobbying.</p>	
<p>PPL</p>	<p>PPL included 8 industry associations in its review. Of these associations, PPL found 4 to be ‘Consistent’ on alignment (Edison Electric Institute, American Gas Association, American Clean Power, Northeast Energy and Commerce Association), and 4 to be ‘Mixed’ on alignment (Kentucky Chamber, Kentucky Coal Association, Pennsylvania Chamber, Energy Association of Pennsylvania). InfluenceMap’s database currently covers only the first 3 associations: EEI, AGA, ACP.</p> <p>In total, InfluenceMap analysis indicates that the company likely has two memberships to industry associations misaligned with the Paris Agreement (<i>American Gas Association, Consumer Energy Alliance</i>), and one membership to industry associations potentially misaligned with the Paris Agreement (<i>Edison Electric Institute</i>). PPL did not include Consumer Energy Alliance in its review.</p> <p>InfluenceMap analysis finds that these three associations have consistently advocated against ambitious climate policy. For example:</p> <ul style="list-style-type: none"> ■ <i>American Gas Association (AGA)</i>: In November 2022, AGA <i>advocated</i> for increased incentives for fossil gas heat pumps in comments on the Inflation Reduction Act. In October 2022, AGA <i>opposed</i> the US Department of Energy’s proposed gas furnace energy efficiency rule. ■ <i>Consumer Energy Alliance (CEA)</i>: In January 2022, CEA <i>opposed</i> the US Environmental Protection Agency’s methane regulation proposal. In February 2022, CEA registered in <i>support</i> of Florida’s anti-solar legislation, House Bill 741. ■ <i>Edison Electric Institute (EEI)</i>: In <i>April 2022</i>, EEI did not support the Federal Energy Regulatory Commission’s draft gas pipeline policy update, which would require that climate impacts of gas infrastructure projects be considered before being approved. In <i>April 2022</i>, EEI suggested that CCS can be used to increase or sustain the current amount of fossil gas in the energy mix in comments to the federal Council on Environmental Quality
<p>Best Practice</p>	<p><i>Enel</i> is the only company to meet investor expectations in this area, identifying all cases of misalignment with its industry associations and the Paris Agreement in line with InfluenceMap’s database, although the company does not disclose additional details of why they are not fully aligned. InfluenceMap analysis indicates that most companies have missed key cases of misalignment with industry associations lobbying counter to the goals of the Paris Agreement.</p>




Monitor & Review	
<p>To meet investor expectations under this indicator: The company has to publish a review of industry associations on an annual basis, commit to do so at least once a year, or commit to disclose regular updates on its review and alignment process. Updates should accurately report on relevant material and on-going lobbying activities of potentially misaligned industry associations, as well as the company’s alignment and engagement with the industry association concerning these activities.</p>	
PPL	<p>PPL has not committed to update its review on an annual basis, or to provide regular updates on its review process. PPL has published one review to date.</p>
Best Practice	<p><i>Shell</i> publishes detailed assessments of its industry association memberships at two-year intervals, with detailed updates on misaligned industry associations each year. Shell has published two full reviews of its industry associations (2019, 2021) and two review updates (2020, 2022). The review updates include actions taken within each industry association, key changes to the associations’ climate positions, and detailed next steps. Shell has committed to publish its next update in 2023.</p>

Act	
<p>To meet investor expectations under this indicator: The company has to show evidence of action to address all cases of misalignment with its industry associations and the Paris Agreement, in line with InfluenceMap’s <i>database</i> on corporate lobbying. The investor expectations outlined by <i>PRI</i>, <i>IIGCC</i> and <i>Ceres</i> include several steps companies can take to address misalignment. Steps should include terminating memberships or taking specific action to reform the detailed and material lobbying activities undertaken by misaligned organizations.</p>	
PPL	<p>PPL has shown some evidence of action to address misalignments with its industry associations. PPL states that if it is not in agreement with the final position of the Pennsylvania Chamber, its differences will be provided to the full board in writing or verbally. PPL also states that it freely advocates against the positions of the Kentucky Coal Association where its policy positions related to the clean energy transition are not aligned. In addition, PPL states that it seeks to influence the position of Kentucky Chamber and Kentucky Coal Association to be more aligned with PPL. However, the company does not appear to have addressed key cases of material and potential misalignment with the Paris Agreement identified by InfluenceMap’s database (see Identify & Assess).</p>
Best Practice	<p>No companies have met investor expectations in this area by showing evidence of action to address all cases of misalignment identified by InfluenceMap’s database, although some companies have made more progress. <i>Total</i> announced in January 2021 that it had decided not to renew its membership to the American Petroleum Institute due to divergences on climate positions. <i>BHP</i> suspended its membership to Queensland Resources Council in 2020 following its ‘Vote Greens Last’ advertising campaign and outlined detailed actions to be taken at four "partly aligned" industry associations. <i>Chevron</i> has not left any industry associations but has disclosed its engagement on specific climate change policy issues with seven industry associations, including details of the results of this engagement. Similarly, <i>General Motors</i> has disclosed that it has not financially contributed to advocacy campaigns against the Build Back Better Act by the Business Roundtable and US Chamber, and has publicly advocated a supportive position to ensure its stance is differentiated from them.</p>

Appendix: InfluenceMap’s Methodology for Assessing Corporate Climate Policy Engagement Disclosures

Scoring Disclosures and Policy Alignment Process



InfluenceMap assesses corporate performance against seven assessment criteria, using the traffic-light framework summarized below. A ‘Green’ scores 2 points, a ‘Yellow’ scores 1 point, and a ‘Red’ scores 0 points. This total is converted into a percentage from 0 to 100, calculated using the total number of points available (14). As such, only certain scores within the 0 to 100 range are possible under this methodology.

Key	Score Explanation
	Has broadly met investor expectations in this area.
	Has made some progress on investor expectations in this area, but with significant deficiencies.
	Has fallen short of investor expectations in this area.

Assessing Disclosures

Since BHP’s 2017 industry association review, around 60 major global corporates have delivered similar, specific disclosures on their industry association links in response to investor pressure. This positive momentum is undermined, however, if the resulting disclosures are of poor quality.

In its *‘Investor Expectations on Corporate Climate Lobbying’* report, the PRI highlights the need for disclosure on the company’s positions and activities on climate change policy engagement, as well as the positions and activities of the industry groups it supports. The PRI further requests information on the governance processes and actions taken to ensure alignment between these activities and the company’s stated climate goals. *IIGCC* and *Ceres* articulate similar expectations, also requiring companies to disclose a material impact assessment of lobbying by an organization that opposes their public position. InfluenceMap uses the following assessment criteria to test the clarity, accuracy and scope of information provided by companies against four key issues.

Disclosure Item	Score	InfluenceMap’s Assessment Criteria
Corporate climate policy positions and influencing activities		The company has disclosed a detailed and clearly referenced breakdown of its own climate policy positions and influencing activities beyond ‘top-line’ climate statements. This includes descriptions of the company’s positions and policy engagement activities on specific items of regulation and legislation which are material to the company’s operations, business sector, and/or the region(s) in which it operates.
		The company has disclosed a breakdown of its own climate policy positions and influencing activities. However, the company’s description of its positions and policy engagement activities on specific items of regulation and legislation lacks detail, and/or the company has not disclosed its position and engagement activities on key items of

		regulation and legislation which are material to its operations, business sector, and/or the region(s) in which it operates.
		The company has made no attempt to disclose its climate policy positions and influencing activities, or the company's disclosure is limited to a brief overview of its 'top-line' climate statements and operational commitments without reference to specific items of regulation and legislation.
Industry association climate policy positions and influencing activities		The company has disclosed a detailed and accurate account of the climate policy positions and influencing activities of each industry association actively engaged on climate change policy, including descriptions of positions and policy engagement activities on specific items of regulation and legislation beyond 'top-line' statements.
		The company has disclosed an account of the climate policy positions and influencing activities of each industry association actively engaged on climate change policy, beyond 'top-line' statements. However, the disclosure lacks detail on positions and policy engagement activities on specific items of regulation and legislation, and/or does not disclose evidence of negative climate lobbying by one or more of its industry associations.
		The company has not disclosed the climate policy positions and influencing activities of each industry association actively engaged on climate change policy, and/or the company's disclosure is limited to a brief overview of 'top-line' climate statements without reference to specific items of regulation and legislation.
Alignment assessment method		The company has: (1) disclosed a clear and detailed framework for assessing alignment with its industry associations across all relevant areas of policy engagement; (2) consistently applied this framework across <i>all</i> industry associations; and (3) provided a clear and detailed explanation behind each evaluation.
		The company has disclosed a framework for assessing alignment with its industry associations but the disclosure lacks detail regarding <i>one</i> of the above steps (1-3).
		The company has not disclosed a framework for assessing alignment with industry associations, or it has disclosed a framework but the disclosure lacks detail regarding <i>more than one</i> of the above steps (1-3).
Framework for addressing misalignment		The company has disclosed a clear and detailed framework for addressing misalignments with its industry associations including escalation steps and clear deadlines for industry associations which do not amend misaligned practices.
		The company has disclosed a clear and detailed framework for addressing misalignments with its industry associations including escalation steps, but there is no clear deadlines for industry associations which do not amend misaligned practices
		The company has not disclosed a framework for addressing misalignments with its industry associations, or the company has disclosed a framework but the steps are ambiguous and lack sufficient detail.

Assessing Policy Alignment Process

As well as transparent disclosures on industry group links and lobbying activities, the investor expectations communicated by IIGCC, CERES and the UN PRI also set out the need for robust processes to ensure alignment between the company's stated policy positions and the positions and lobbying activities of their industry groups. These processes consist of the following three elements:

Alignment Process	Score	InfluenceMap's Assessment Criteria
Identify & Assess	Green	The company has identified all cases of misalignment with its industry associations and the Paris Agreement in line with InfluenceMap's <i>database</i> on corporate lobbying.
	Yellow	The company has not identified key cases of misalignment with the Paris Agreement in line with InfluenceMap's <i>database</i> on corporate lobbying. Companies are scored in this category if they miss up to three cases of "potential" misalignment (industry associations with Organization Scores 51-75 in InfluenceMap's database).
	Red	The company has not identified key cases of misalignment with the Paris Agreement in line with InfluenceMap's <i>database</i> on corporate lobbying. Companies are scored in this category if they miss one case of misalignment (industry associations with Organization Scores 0-50) or more than three cases of "potential" misalignment (industry associations with Organization Scores 51-75 in InfluenceMap's database).
Monitor & Review	Green	The company has published a review of industry associations on an annual basis, has committed to do so at least once a year, or is/has committed to disclose regular updates on its review and alignment process. Updates should accurately report on relevant material and on-going lobbying activities of potentially misaligned industry associations, as well as the company's alignment and engagement with the industry association concerning these activities.
	Yellow	The company has committed to publish an update to its review of industry associations but not an annual basis or not specified a timeframe.
	Red	The company has not committed to any follow-up processes as part of its review of industry associations.
Act	Green	The company has shown evidence of action to address all cases of misalignment with its industry associations and the Paris Agreement, in line with InfluenceMap's <i>database</i> on corporate lobbying. The investor expectations outlined by <i>PRI</i> , <i>IIGCC</i> and <i>Ceres</i> include several steps companies can take to address misalignment. Steps should include terminating memberships or taking specific action to reform the detailed and material lobbying activities undertaken by misaligned organizations.
	Yellow	The company has shown some evidence of action to address cases of misalignment with its industry associations and the Paris Agreement, but has not addressed key cases of misalignment or "potential" misalignment identified by InfluenceMap's <i>database</i> on corporate lobbying, i.e. industry associations with Organization Scores 0-75 in InfluenceMap's database. The investor expectations outlined by <i>PRI</i> , <i>IIGCC</i> and <i>Ceres</i> include several steps companies can take to address misalignment. Steps should include terminating memberships or taking specific action to reform the detailed and material lobbying activities undertaken by misaligned organizations.
	Red	The company has shown no or limited evidence of action to address cases of misalignment with its industry associations and the Paris Agreement, missing key cases of misalignment or potential misalignment identified in InfluenceMap's <i>database</i> on corporate lobbying, i.e. industry associations with Organization Scores 0-75. The investor expectations outlined by <i>PRI</i> , <i>IIGCC</i> and <i>Ceres</i> include several steps companies can take to address misalignment. Action will be scored under this category if it does not include terminating memberships or taking specific action to reform the detailed and material lobbying activities undertaken by misaligned organizations.

To assist this assessment, InfluenceMap will be applying its database on corporate and industry group climate change lobbying. This tracks in real-time the detailed climate policy lobbying of around 400 companies and 200 industry associations globally, allowing like-for-like comparisons of organizations' positions on climate policy that are compared to a benchmark of Paris-aligned climate policy. This system can track the evolution of corporate and industry group climate lobbying positions over time.