

▶ THE JOURNEY TOWARDS NET ZERO ●

PPL's strategy for enhanced sustainability





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A photograph of three light-colored wooden blocks stacked on a dark, textured rock. The top block has a green letter 'E' on it. The two blocks at the bottom have green letters 'S' and 'G' on them, respectively. The background is a soft-focus green, suggesting foliage. The image is partially covered by a large, light blue curved shape that frames the text on the right.

FOREWORD

Environmental, Social and Governance (“ESG”) credentials help to direct a company’s positive impact on society and contribute to its long term, sustainable success. At PPL, we are acutely aware of the need to operate with integrity and credibility, and to create a culture of doing the right thing for our people, our business and the industry as a whole. Having recently published our five year equity, diversity and inclusion (“EDI”) strategy, we are now pleased to present our environmental strategy and intentions. This represents another key component in our ongoing efforts to ensure that PPL is driving change within the music sector and that our industry is setting an example amongst the wider business landscape.

PPL has an ongoing commitment to integrating environmental best practice into our operations, wherever possible. We understand that, like any good business, we have a responsibility to the environment and recognise that we have an obligation to reduce the environmental impact of our activities.

While we have been cognizant of this for many years, we have also been keenly aware of the need to set out a strategy that holds us accountable as an organisation and provides us with targets that will make sure we are doing what we can to protect our planet. It will require additional resources, including time, effort and a financial commitment, but we believe that this represents a critical investment in our organisation and in our collective future.

The UK government has set a target to achieve net zero carbon emissions by 2050 and, rightly, there is a significant surge in the business direction of companies to embrace net zero carbon emissions objectives. We commissioned an initial Greenhouse Gas (“GHG”) report for PPL in 2019, followed by a more recent audit of our carbon footprint. This Sustainability Strategy is the next milestone in our pathway towards achieving net zero and how we intend to contribute to this important national goal.

INTRODUCTION

Over the course of 2022, PPL commissioned a full audit of our carbon footprint, comprising an independent, detailed assessment of the volume, range, and sources of our emissions. This included our utilities usage across our workforce, both in the office and from homeworking, as well as our third party partners and suppliers.

GHG EMISSIONS ARE CATEGORISED AS FOLLOWS:



5%

SCOPE 1

These are the emissions a company makes directly through combustion processes either from static sources (such as gas heating) or mobile sources (such as vehicle fuels).

According to the audit report, 5% of PPL's emissions are categorised as Scope 1 emissions and consist only of gas consumption for working spaces.



25%

SCOPE 2

These are the emissions a company makes indirectly through the purchase of energy such as electricity.

According to the audit report, 25% of PPL's emissions are Scope 2 emissions, comprising only electricity consumption for working spaces.



70%

SCOPE 3

These are the emissions that are associated with a company indirectly through the external parties that form part of its operations. Examples include purchased goods and services.

According to the audit report, 70% of PPL's GHG emissions are the consequence of activities of partners, stakeholders and third party suppliers.

Scope 1 and 2 emissions are those that are most within an organisation's control and the numbers from the report show that, as a services company with a relatively small workforce, PPL has very few emissions that result from operational inefficiencies.

The audit estimates that the vast majority of PPL's CO2 footprint (approximately 41%) originates in our purchased goods and services, while employee commuting (approximately 17%) and investments (approximately 10%) are the next biggest sources. All of these fall within Scope 3. Whilst these are not within PPL's direct control, they are within our sphere of influence. We will review our supply chain and encourage suppliers to champion sustainability and, having already identified our most carbon-intense suppliers, we will work to improve the visibility of these emissions in future carbon audits.

There are additional actions we can take over the short, medium, and long term to further improve our progress and meet our net zero targets. The audit report we commissioned has led to a Carbon Reduction Plan ("CRP") setting out 17 actions to help us go further on our sustainability journey and to reduce overall emissions by 50% against the 2021 baseline. Indeed, we are already well underway in implementing these, while also devising a reporting framework and mapping a clear net zero pathway that will keep us fully focused and accountable.



THE JOURNEY SO FAR



Under the keen guidance of our Facilities Manager, Ian Richardson, and Chief Membership & People Officer, Kate Reilly, PPL is already environmentally aware in our day-to-day operations.

Over the last four years, PPL has introduced several environmental commitments to minimise consumption of natural resources, including energy, water, and raw materials; to use energy in the most efficient, cost-effective, and environmentally responsible manner possible; and to reduce the production of waste and develop effective waste management and recycling procedures, as well as disposing of unavoidable waste in such a way as to minimise its environmental impact.

Key changes we have already made include:

- Converting all office lighting to LED
- Ensuring that we purchase renewable electricity
- Recycling all office waste and separating it into different streams to prevent it going to landfill
- Upgrading our air conditioning system to heat the office, negating the need for radiators fuelled by gas boilers

PPL have engaged with our colleagues; we know that around 59% of PPL staff already purchase renewable energy for their homes; we want to help and support our colleagues with the aim of increasing this to 100%. To this end we will launch a renewable energy buyers' club to facilitate this transition and we will deliver an ongoing education programme. The latter will include advice on saving money on energy whilst working at home, as well as events and information around key sustainability moments such as Plastic Free July, National Tree Week and Earth Day. The renewable energy buyers' club and the educational campaigns are just two examples of employee initiatives that will come into effect in 2023.

To help benchmark and evaluate our progress on the path to net zero, we provide monthly gas and water readings to our suppliers and are carrying out an annual employee commuting survey.

DEVELOPING A PATHWAY TO NET ZERO



OUR COMMITMENT & TARGETS

Because of the ambitious nature of the task ahead, we will employ a combination of tactics to reach our objectives.

The following categories were identified as being relevant, significant, and material to PPL's carbon footprint and initial actions to address each one where we can have been agreed as follows:

	CATEGORY (% CARBON FOOTPRINT)	CURRENT STATE	COMMITMENT
41%	Purchased goods and services Scope 3	20% of PPL's Scope 2 emissions (electricity) are estimated to be caused by the on-site cooled data hub room.	We will move all data processing and storage to the cloud and to a large-scale data centre, removing the requirement for PPL's cooled data hub room. Whilst this will slightly increase the purchased goods and services emissions category, cloud-based IT services are more energy efficient than on-site tech rooms.
2%	Fuel and energy-related activities Scope 1	PPL has already committed to purchasing 100% of its energy from renewable sources.	We will explore the possibility of moving from gas boilers to electric heat pumps to ensure all alternatives to fossil fuels are considered. Whilst this will increase the Scope 2 emissions (electricity), it will be more energy efficient than using gas and will allow PPL to decarbonise this category by purchasing 100% renewable electricity.
0.11%	Waste generated in operation	PPL's current approach to waste reduction is "Reduce, Reuse, Recycle".	We will continue under this mantra in-house and keep a watching brief on Council-managed waste handling processes which affect our employees' ability to recycle at home.
0.28%	Business travel	The effects of the COVID-19 lockdown significantly reduced the amount of business travel by air and land in the reporting year (2021).	While the business may revert to more business travel, we intend to maintain a conservative approach to business travel, particularly flights.
17%	Employee commuting	91% of PPL employees use public transport to commute to work, travelling into the office 2-3 times per week.	We will continue to improve efforts where possible; Reality dictates that that employees need to travel to the office and so further reductions in emissions may be challenging, but we will continue to encourage [a culture of improvement, where possible to encourage people to take public transport where at all possible].
10%	Investments	PPL's investment in the joint venture with PRS for Music - PPL PRS Ltd - is the only relevant element in this emission category.	PPL PRS commenced a new renewable electricity contract in May 2022 which will contribute positively to next year's footprint.

Our initial steps towards net zero have been informed by the CRP. It identified 10 corporate and 7 external activities we can affect to reduce carbon emissions.

From this, we have agreed a set of short (0—5 years), medium (5-10 years) and long term (10-20 years) actions to be delivered either directly by PPL or, through our influence of external partners, where possible.

There is a global target for nations to be net zero by 2050, PPL is committed to implementing changes within its control (referred to as Corporate in the table, right) to become net zero by 2050.

It is anticipated by the audit report that even with a full implementation of the recommended CRP and a subsequent 50% reduction in projected business-as-usual carbon emissions, business growth will result in a net 33% growth in emissions by 2050, compared with 2021. Therefore, the journey towards reaching our ultimate net zero target will require investment in offsetting residual emissions.

To achieve net zero emissions at any point from 2021 to 2050 PPL will require a purchased offset/neutralisation of an average of 73% of the BAU emissions. During 2023 PPL will undertake an exercise to assess the level of investment required and overall governance structure.

ACTIVITY	TERM	TYPE
Improve home working practices (heating setpoint to 20°C)	Short	Corporate
Reduce office non-occupancy loads	Short	Corporate
Presence detection on all lights in office	Short	Corporate
Maintain conservative approach to business travel especially flights	Short	Corporate
Install double glazing throughout	Short	Corporate
Company-sponsored/supported home improvement programme	Medium	Corporate
Renewable energy buyers' club	Medium	Corporate
Waste stream improvement guidance programmes inc food purchase	Medium	Corporate
Move all IT processing to the Cloud and decommission server room	Medium	Corporate
Decarbonisation of domestic gas boilers to heat pumps	Long	Corporate
Improvements in municipal waste management systems	Medium	External
UK Electrical generation improvements 0-10 yrs. (effect on value chain)	Medium	External
UK Electrical generation improvements 0-10 yrs. (effect on Scope 2)	Medium	External
PPL PRS carry out Scope 1&2 conservation programs (electricity and fuel)	Medium	External
Improvements in public transport (commuting)	Long	External
Improvements in public transport (business travel)	Long	External
UK Electrical generation improvements 11-28 yrs. (effect on value chain)	Long	External

REPORTING AND DISCLOSURE

Measurement is a critical part of ensuring that our sustainability journey is a success, and we will be transparent in our disclosure and reporting.

To date, PPL has published a streamlined energy and carbon report (SECR) as part of its annual report. Previously, this has focused on our Scope 1 and Scope 2 emissions and has been expanded to include Scope 3 emissions.

We are reviewing how we can enhance our data capture techniques. Better data means that we can be more informed on how we can further improve environmental performance and carbon mitigation strategies. Our intention is to align ourselves with the leading, recognised environmental frameworks and policies.

As part of our commitment to implementing the CRP, we intend to:

1

Carry out a carbon footprint measurement assessment on an annual basis.

2

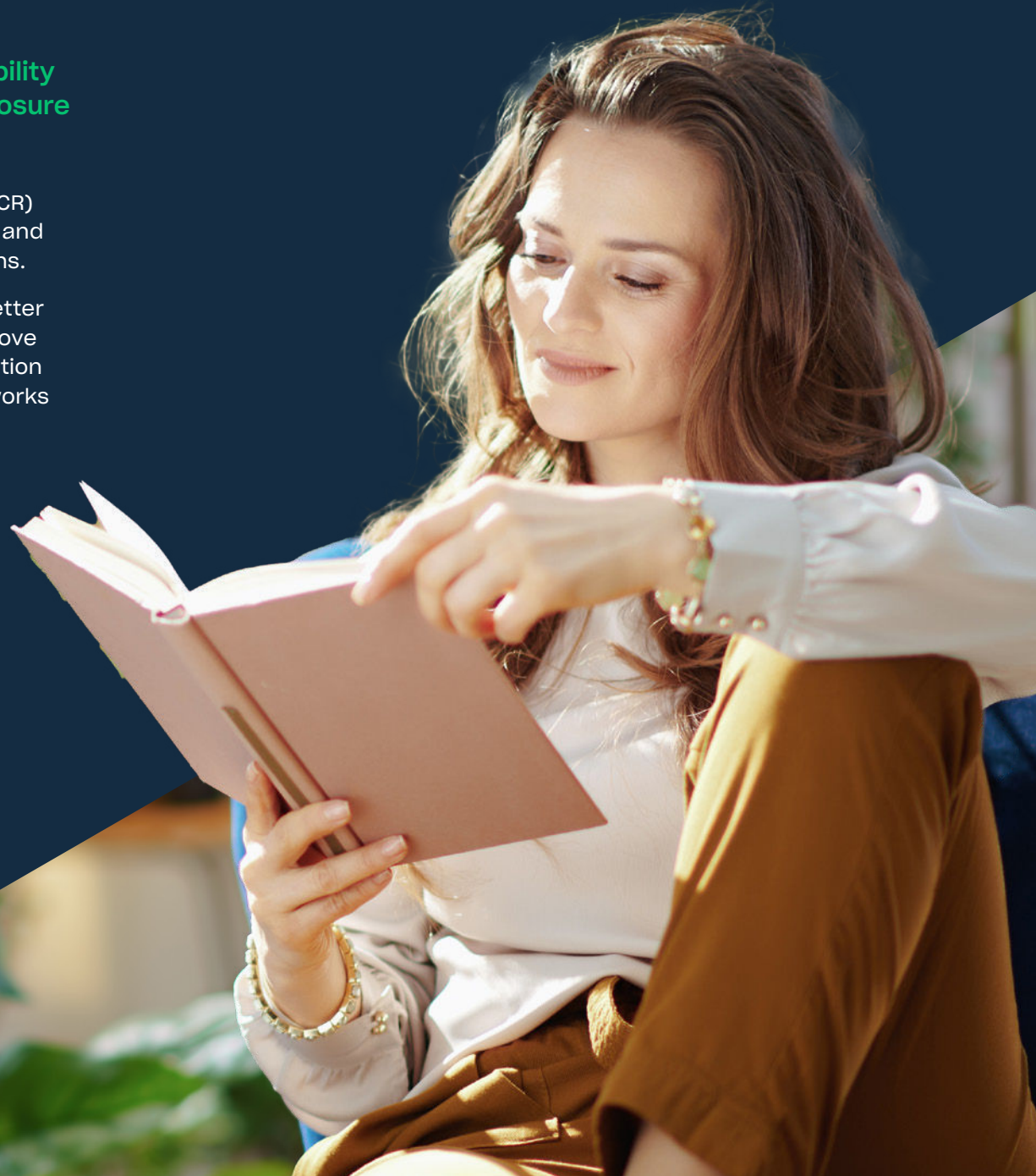
As part of the annual audit, review and update the CRP as necessary to identify which reduction schemes have been completed, which have been terminated, and which are new and to be included for the future.

3

Identify and declare the quantities of mitigated emissions and the methods by which this was achieved.

4

Offset all emissions through the purchase of suitable offset options from our target net zero date onwards.



CONCLUSION AND NEXT STEPS

We are clear on the path ahead. While PPL, as an organisation is, a relatively low emitter of carbon emissions, there are a number of clear objectives we have set to guide us to net zero. And, beyond that, through implementing this report and acting as a role model, we want to play our part in ensuring that our industry is doing everything it can to safeguard our planet.

We are determined to complete this journey in a timely and efficient manner, with a set of targets and a reporting framework that will hold us to account.

But this is not the end, only a marker in the road. As an organisation, we will keep both our targets and strategy under constant review to ensure that we are doing whatever we can against the changing environmental backdrop.



▶ THANK YOU ●

We are taking our position and responsibility seriously by seeking to drive real and sustainable change.

