



2019 CORPORATE SUSTAINABILITY REPORT

SHAPING THE FUTURE



Sempra Energy's COVID-19 response

As a California-headquartered company, Sempra Energy has a long history of managing its business effectively through a variety of market situations. The success of our business model, in relevant part, is built on a multi-stakeholder view, accountability, transparency and a strong safety focus.

While the scale and impact of COVID-19 are unprecedented, our response is an expression of Sempra's deep competence in managing environmental, social and governance factors. We've taken several actions to protect the health and safety of our employees and the communities we serve. These include the following:

1. Activating an enterprise-wide executive crisis management task force to respond quickly to changing conditions and manage the associated business and stakeholder risks.
2. Implementing new or enhanced operational protocols and policies to protect employee health and safety - and to support our continued ability to provide safe and reliable service. These include but are not limited to:
 - Restricting access to critical facilities to a limited set of assigned employees;
 - Physically separating members of critical operations groups, and splitting groups across different locations to minimize potential virus spread;
 - Providing appropriate protective gear for employees in the field and encouraging them to follow social distancing guidelines whenever possible;
 - Cancelling all non-essential business travel and requiring employees to work from home unless their jobs require them to be on site;

- Hiring a full-time infectious disease specialist to provide us with expert advice;
 - Providing enhanced stress management and mental health resources for employees; and
 - Expanding paid time off, paid sick leave and paid emergency family leave policies for employees who need additional flexibility due to circumstances related to COVID-19.
3. Supporting customers and suppliers during this period of uncertainty, including by:
 - Offering flexible payment plans and suspending service disconnections to maintain uninterrupted energy service;
 - Postponing all noncritical planned outages and moving forward only with outages related to public safety, emergencies and wildfire mitigation; and
 - Maintaining supplier relationships - our businesses are considered essential services and we continue to rely on our suppliers for support in critical areas.
 4. Announcing over \$7 million* in philanthropic commitments to support community-based charities during these uncertain times. See [sempra.com](https://www.sempra.com) for the latest figures.

As this situation continues to evolve, we will continue to provide our employees, suppliers and customers with information and access to needed resources. We're proud of the work we do every day to serve our customers and communities. We recognize that during these challenging times, success will be defined by how well we work together to keep everyone safe and healthy.

* Excludes data from South American businesses, per our reporting boundary (see page 5).

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Energy with purpose

Letter from our chairman and CEO

I am incredibly proud of our employees. We know our work - providing safe and reliable energy - is essential. And we are at our best when we are united by our values and rise to meet great challenges.

Jeffrey W. Martin
Chairman and CEO



At Sempra Energy, we are publishing our 12th corporate sustainability report during a time of unprecedented uncertainty.

Today, all across the globe, the lives of billions of people are being impacted by the coronavirus pandemic. Tens of thousands of lives have been lost. Schools and businesses have closed, travel has been restricted and we've seen substantial volatility in the financial and energy markets. Our hearts go out to everyone who has been impacted by this crisis.

At Sempra, we understand we have a leading role to play. That's why we've prepared business continuity plans to effectively manage our business through a variety of market conditions. Since March, we have implemented a series of strategies to mitigate the impacts of the pandemic on our employees and communities. See the first page of this report for more.

As a California-based company, we were founded on the principle that the businesses and communities of tomorrow will be powered by the smart, new infrastructure that we build today. That's why our 2019 sustainability report is

entitled *Shaping the Future* and includes a series of critical business themes that define our priorities:

- Being mission-focused and values-led;
- Building safety and resilience into the communities we serve;
- Investing in a high-performance culture; and
- Delivering sustainable, long-term value to our owners.

Every day, the Sempra family of companies serves the basic energy needs of over 35 million consumers, including more Americans than any other company in our industry. All across California and Texas, we serve urgent care centers, public and private hospitals and primary care facilities. We also provide vital services in Louisiana, Mexico and other regions in which we operate.

When Sempra is resilient, so are our communities.

We enable the delivery of affordable lower-carbon energy in every market we serve. We embrace diversity as a critical success factor, both in our workforce and on our board of directors. We support our customers and communities by delivering energy safely and

reliably - and through strong and strategic philanthropy and volunteerism. And we maintain a continuous focus on safety, the foundation of all we do.

Each of these priorities supports our vision of *delivering energy with purpose*.

Our high-performance culture, aligned with our core values, makes this work possible. I am incredibly proud of our employees. We know our work - providing safe and reliable energy - is essential. And we are at our best when we are united by our values and rise to meet great challenges.

During these unsettled times, we feel the urgency to make a difference. We must be a catalyst for the reliable delivery of lower-carbon energy to the markets and customers who need and want it.

This is our defining challenge. Let us rise to meet it.

Ever forward together,

Jeffrey W. Martin
Chairman and Chief Executive Officer

Message from our chief sustainability officer

Sustainability is not new to Sempra Energy; it defines who we are and how we serve others.

Since our formation in 1998, we have focused on resilient operations and sustainable value creation. Inspired by our deep roots in regulated California-utility markets, we manage environmental, social and governance risks and opportunities as an integral part of our business. Sustainability delivers long-term value: elevating our performance, uniting our companies and motivating our people.

Last year, we engaged in an enterprise-wide effort to align our sustainability approach with our company's strategic focus. Senior executives from across our companies came together to ask questions, explore new ideas and shape the future of sustainability at our company. We were inspired by our employees' perspectives, guided by robust research and driven by our sense of purpose. The result is an updated approach to drive resilient operations and sustainable value over the coming years.

Materiality assessment and key performance indicators

As part of this journey, we reevaluated our material environmental, social and governance risks and opportunities. This included consultation with dozens of internal and external stakeholders,

robust data analysis and spirited discussion. Additional detail is on [page 11](#).

The outcome was a new sustainability framework built on four pillars:

- Achieving World-Class Safety
- Championing People
- Driving Resilient Operations
- Enabling the Energy Transition

Based on this framework, we identified relevant key performance indicators and report on them on [pages 14-23](#).

Sustainability report redesign

In response to comprehensive stakeholder feedback, we've also redesigned and reorganized our corporate sustainability report. You'll find a more concise report structure, improved use of infographics and the inclusion of additional context to provide perspective on our performance data.

Reporting frameworks

To ensure we continue to meet accepted standards for transparency and completeness, we've prepared this year's sustainability report in alignment with a number of widely accepted frameworks. More detail is on [page 5](#). Members of our leadership team have also engaged in high-level discussions at the World Economic Forum on the topic of reporting frameworks.

Although we've made some improvements to our sustainability approach, what's most important has not changed: Sempra Energy's commitment to creating long-term, sustainable value. We understand the important role we play in developing the energy infrastructure to help reduce emissions in every market we serve – while also minimizing our own emissions footprint. And we continue our work to establish broad goals in this area – an important part of our commitment to create long-term, sustainable value.

I am incredibly proud to serve as Sempra's chief sustainability officer. With a refined strategy and a sharpened sustainability focus, we are well on our way to becoming North America's premier energy infrastructure company.



Dennis V. Arriola
Chief Sustainability Officer,
Executive Vice President
and Group President



About this report

Sempra Energy's 12th corporate sustainability report is divided into three sections:

- [Energy with purpose](#) highlights our vision;
- [Building North America's premier energy infrastructure company](#) describes our approach to sustainability; and
- [Performance and approach](#) provides additional detail and data.

This report has been prepared in accordance with the GRI Standards: core option. We also disclose information using the Sustainability Accounting Standards Board standards ([page 62](#)), the Task Force on Climate-related Financial Disclosures guidelines ([page 58](#)) and the Edison Electric Institute and American Gas Association combined ESG template ([sempra.com](#)).

We include data from businesses and facilities that we own and operate, including IEnova, which is traded on the Mexican stock exchange. Important provisos include:

- We include data from joint ventures that we operate, based on our percent ownership, but we include 100% safety and environmental compliance data.
- We exclude 2019 non-financial data from our South American utilities. (In January 2019, our board of directors approved a plan to sell our South American businesses and, as a result, we consider them as discontinued operations.)
- We exclude 2019 data from the U.S. midstream and renewables facilities that we sold in the first half of 2019.

• We include data from two businesses we do not operate but that have a significant impact on our financial performance:

- Cameron LNG - We include 50.2% data based on our percent ownership, but we include 100% safety and environmental compliance data.
- Oncor - We include 100% data for clarity in reporting, although we own approximately 80% of this business. We do not include certain data, including water, greenhouse gas emissions and contractor safety.

Other data exclusions or additions are noted throughout the report.

BUILDING NORTH AMERICA'S PREMIER ENERGY INFRASTRUCTURE COMPANY

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Overview and strategy

Sempra Energy is an energy infrastructure company with 2019 revenues of \$10.8 billion. We invest in, develop and operate transmission and distribution infrastructure in the most attractive markets in North America, including:

- San Diego Gas & Electric, an innovative San Diego-based energy infrastructure company that provides safe and reliable energy to approximately 3.7 million consumers.
- Southern California Gas Company, the largest natural gas distribution utility in the U.S., that delivers affordable and reliable natural gas to approximately 22 million consumers.
- Oncor Electric Delivery Company LLC*, based in Dallas, Texas, which operates the largest electric transmission and distribution infrastructure system in the state, providing safe and reliable service to approximately 10 million Texans.
- IEnova, which develops, owns and operates energy infrastructure in Mexico and is one of the largest private energy companies in the country.
- Sempra LNG, which develops and builds natural gas liquefaction facilities and is pursuing the development of five strategically located liquefied natural gas (LNG) projects in North America.

Our companies' more than 18,000 employees serve over 35 million consumers in the United States and Mexico. Our assets are valued at more than \$60 billion. Sempra Energy's mission is to become North America's premier energy infrastructure company. To support that mission, we've changed the composition of our business mix:

- We grew our U.S. utility infrastructure footprint by acquiring a majority interest in Oncor, and with the subsequent acquisition of InfraREIT by Oncor.
- We completed the sale of our U.S. renewable generation assets and certain midstream assets.
- We expect to complete the sale of our South American businesses in the first half of 2020.

Our mission is to become North America's premier energy infrastructure company. To support that mission, we've changed the composition of our business mix.

* As of December 31, 2019, Sempra Energy indirectly owns 80.25% of Oncor.

Sempra South American Utilities, Sempra North American Infrastructure, Sempra LNG, Sempra Renewables, Sempra Mexico, Sempra Texas Utilities, Oncor Electric Delivery Company LLC (Oncor) and Infraestructura Energética Nova, S.A.B. de C.V. (IEnova) are not the same companies as the California utilities, San Diego Gas & Electric Company (SDG&E) or Southern California Gas Company (SoCalGas), and Sempra South American Utilities, Sempra North American Infrastructure, Sempra LNG, Sempra Renewables, Sempra Mexico, Sempra Texas Utilities, Oncor and IEnova are not regulated by the California Public Utilities Commission.

Our companies' operations are now concentrated in energy transmission and distribution and related infrastructure in the most attractive markets in North America: California, Texas, Mexico and LNG export - and in the section of the energy value chain that optimizes our risk-adjusted returns. This strategy positions us at the intersection of two broad trends:

- Innovation in energy technology and infrastructure; and
- Growing demand for lower-carbon energy.

We believe the global energy ecosystem is going to change dramatically over the next 30 years. In advanced economies, this will take the form of innovation and technology that improves energy efficiency and supports a shift toward new, smart renewable and natural gas infrastructure. This will likely include significant developments in hydrogen, energy storage, alternative-fueled vehicles, renewable natural gas and other technologies.

The challenge will be different in developing nations, where over 80% of incremental global electricity demand is forecasted. Here, improving energy diversity will be the central effort as new, smart infrastructure that supports renewables and natural gas displaces higher carbon forms of energy.

By investing in infrastructure in North America, we improve the energy systems that serve local communities, while enabling the export of LNG to global markets. Our infrastructure supports improved reliability and affordability, enables reductions in carbon intensity and contributes to a safer and more sustainable energy future. This creates jobs and economic growth here at home, improves the U.S. trade balance and provides lower-carbon energy alternatives to the world.

Sempra Energy will continue to drive responsible strategies to meet the evolving market need for sustainable, resilient and affordable energy. This is critical to our ability to deliver long-term, sustainable value to all our stakeholders.

2019 key recognitions

Fortune World's Most Admired Companies

Dow Jones Sustainability Index - World

Dow Jones Sustainability Index - North America

Human Rights Campaign Foundation's Best Place to Work for LGBTQ Equality

Bloomberg Gender Equality Index

CR Magazine's 100 Best Corporate Citizens

CDP (Carbon Disclosure Project) score: A-

Forbes Best Employers for Diversity

MSCI ESG Ratings score: A



As of 2019, SEMPR ENERGY received an MSCI ESG Rating of A.

Our energy assets

1 LNG TERMINAL
IN OPERATION ON U.S. GULF COAST
expected to support the export of 12 million tonnes per annum* (mtpa) of liquefied natural gas (LNG)



3,791

ACRES OF PHOTOVOLTAIC SOLAR FACILITIES*
with 251 megawatts of generation capacity



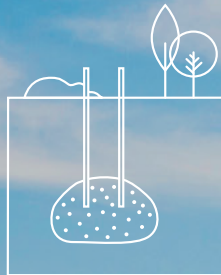
5
NATURAL GAS FIRED POWER PLANTS
with 1,818 megawatts of generation capacity



131 WIND TURBINES*
with 407 megawatts of generation capacity

UNDERGROUND STORAGE FACILITIES with

137B CUBIC FEET
of capacity



San Diego Gas & Electric

Southern California Gas Company

35M+
CONSUMERS

Oncor Electric Delivery Company

Ecogas

4 LNG PROJECTS UNDER DEVELOPMENT
WITH THE GOAL OF SUPPORTING 32.5 mtpa* of additional LNG export

122,641 MILES of natural gas pipelines



165,272 MILES of electric transmission and distribution lines



* Represents 100% of project, not Semptra's ownership share.

2019 highlights



1

Completed the sale of our U.S. renewable generation assets and certain non-utility natural gas storage facilities, generating cash proceeds of approximately \$2.5 billion, and announced the planned sale of our South American businesses.



2

Secured a final decision from the California Public Utilities Commission in SDG&E's and SoCalGas' 2019 general rate case, which authorized \$4.8 billion of investment, primarily in safety and reliability, over the next three years.



3

Announced that the first and second trains of Cameron LNG's liquefaction-export infrastructure project in Hackberry, La. began commercial operations in August 2019 and February 2020, respectively. Train 3 remains on track to commence commercial operations in the third quarter of 2020.



4

Acquired a 50% stake in Sharyland Utilities and supported Oncor's acquisition of InfraREIT, expanding its capability to meet growing demand for electricity from renewables and natural gas in Texas.



5

Commenced commercial operations of IEnova's Sur de Texas-Tuxpan pipeline, developed in a joint venture with TC Energy Corporation, that can deliver 2.6 billion cubic feet (Bcf) per day of U.S. natural gas to Mexico.

Material issues

Following our recent strategy and portfolio refresh and in anticipation of the continued global energy transition, Sempra Energy, in collaboration with BSR, a nonprofit sustainability consultant, performed a comprehensive review of our relevant* issues. We:

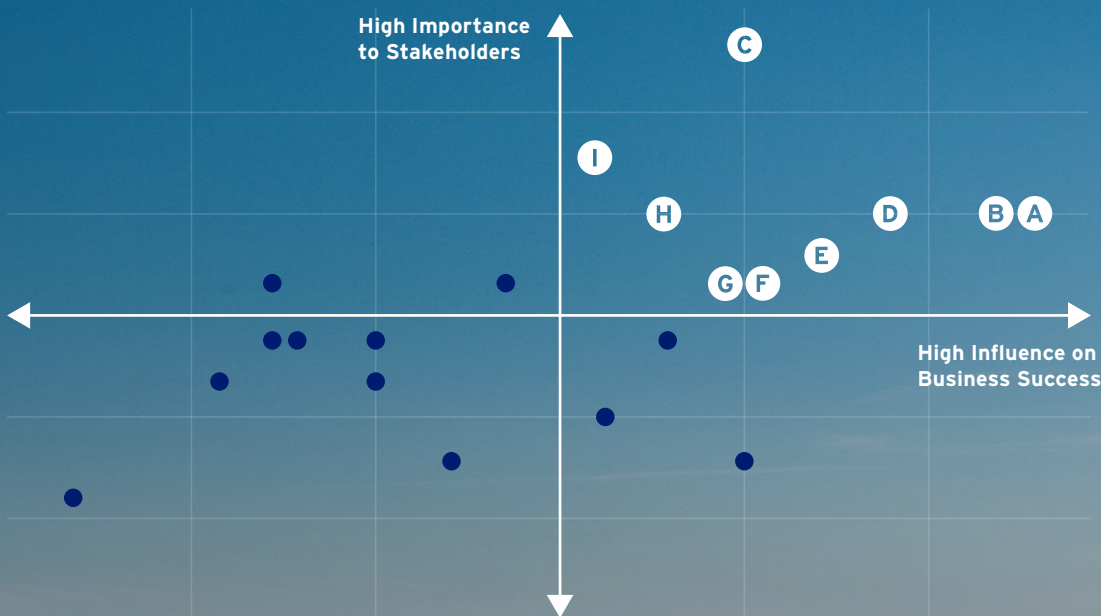
1. Analyzed international sustainability frameworks and standards (including GRI, SASB, and the UN SDGs); ESG ratings and ranking assessments; and industry association priorities (e.g., EEI's ESG Template).
2. Interviewed stakeholders to gain their perspectives on current and emerging priorities. These included NGOs, academia, regulators/government agencies, community members and members of the management teams of Sempra Energy and its operating companies.

3. Assessed results against trends in online and social media.
4. Prioritized and finalized results. The materiality matrix below highlights non-financial ESG risks and opportunities that are most relevant according to the Global Reporting Initiative's [definition of materiality](#). We also created a goals framework that describes our updated approach to sustainability. More detail begins on [page 14](#).

This materiality assessment is critical to our corporate sustainability strategy. It helps us identify and manage key environmental, social and governance issues; set bold goals to inspire confidence in our ability to create sustainable value; and communicate progress to external stakeholders.

* According to GRI's definition of "material," for sustainability reporting purposes.

Sempra Energy materiality matrix



- A - Reliability
- B - Affordability
- C - Greenhouse Gas Emissions
- D - Energy Transition
- E - Public Safety
- F - Disaster Preparedness and Response
- G - Employee and Contractor Safety
- H - Infrastructure Security
- I - Climate Risk and Resilience

- - Additional issues: air emissions; biodiversity; business ethics; data privacy; diversity and inclusion; employee recruitment, retention and engagement; executive compensation and incentives; human rights; labor standards and employment conditions; supplier environmental performance; supply chain resilience; and water stewardship.

Sustainability governance

At Sempra Energy, we focus on the sustainability of our core business. We must operate safely - and create value over the long term.

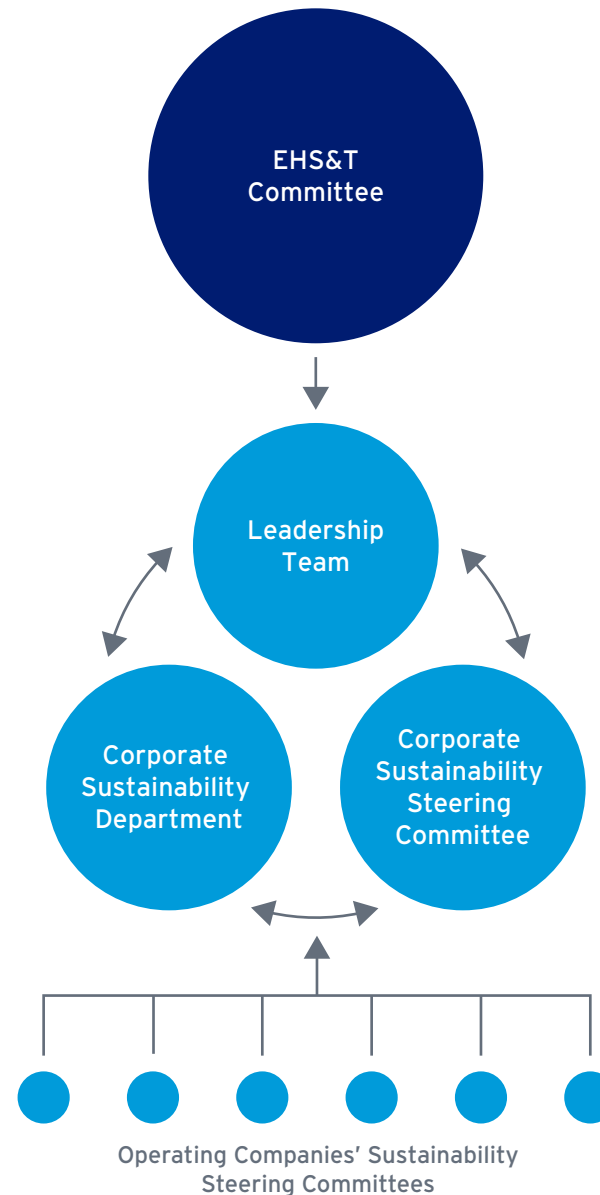
EHS&T committee - Our Environmental, Health, Safety & Technology committee assists the Sempra Energy board of directors in providing oversight of issues which could impact the long-term sustainability of our company.

Leadership team - Our leadership team includes our chairman and CEO, chief sustainability officer and other corporate officers. These leaders implement our sustainability vision: they serve as the vital link between our board of directors and the sustainability function at the corporate level.

Corporate sustainability steering committee - Comprised of corporate and operating company officers, this group ensures Sempra's sustainability vision is aligned with operational priorities, challenges and opportunities.

Corporate sustainability department - This group drives the sustainability function at Sempra, responding to investor requests and improving sustainability reporting; communications; data collection; and the company's strategic response to surveys, ratings and rankings.

Operating companies' sustainability steering committees - Led by our operating companies' officers, these committees drive sustainability efforts, with a keen focus on what works best for their business. Some committees have not yet been created.



Stakeholder engagement

At Sempra Energy, collaboration is key to our success. Our stakeholders have a broad range of interests and perspectives. We listen and adapt to earn their trust. This leads to a more stable business environment.

Across the Sempra Energy family of companies, we engage with our stakeholders to obtain input that can be helpful as we plan and develop infrastructure projects; design and communicate customer programs and services; and seek and consider business opportunities.

Stakeholder engagement begins through active involvement in community and civic affairs and extends to lenders, customers, business partners and suppliers. Employees across a range of functions engage with the community.

On an ongoing basis, the company receives feedback from stakeholders, including through community advisory councils and major customer advisory panels, face-to-face meetings, community open houses, customer satisfaction surveys, telephone conversations and social media interactions.

Community and stakeholder engagement is an essential component to developing, siting, building and operating energy infrastructure and, in some cases, may even be a requirement. A stakeholder engagement plan can provide transparent, two-way communications to stakeholder audiences to build trust and credibility. It also can serve to meet agreed-upon governance objectives that may be required by lenders, business partners or customers. Additionally, a plan can help ensure that there is a structure in place to allow stakeholders to express any issues or concerns so that they can be resolved in a timely manner.

Stakeholder engagement channels

	In-person meetings or phone calls	Open houses, town hall meetings	Ethics & compliance helpline	Website content	Corporate sustainability report	Facility tours	Surveys	Print or social media
Customers	✓	✓	✓	✓			✓	✓
Communities	✓	✓	✓	✓	✓	✓	✓	✓
Employees	✓	✓	✓	✓	✓	✓	✓	✓
Investors and shareholders	✓	✓	✓	✓	✓	✓		✓
Regulators, elected officials, community leaders	✓	✓	✓	✓	✓	✓		✓
Suppliers, contractors, business partners	✓	✓	✓	✓	✓	✓		✓

Goals and KPIs

Sempra Energy prioritizes performance in four areas: 1. world-class safety, 2. workforce engagement, 3. resilient operations and 4. critical support for the energy transition. Key performance indicators (KPIs) describe measurable achievements in each area.

1 ACHIEVING WORLD-CLASS SAFETY

For our customers, employees, contractors and the communities we serve

Each year, we aim to:

Achieve zero employee and contractor fatalities

Improve employee and contractor OSHA recordable injury rates and lost work-time incident rates

Participate in emergency planning processes in 100% of the communities we serve

Train 100% of critical employees in emergency management and response

2 CHAMPIONING PEOPLE

To create an inspired workforce

Each year, we aim to:

Achieve a voluntary employee turnover rate of 5% or less

Achieve a companywide employee engagement survey score in the top quartile

Provide 30+ training hours per employee

Achieve or maintain workforce diversity consistent with that of the communities where we operate



DRIVING RESILIENT OPERATIONS

To achieve consistent excellence in all we do

Each year, we aim to:

Achieve electric reliability in top quartile

By 2030, we aim to:

Reduce fugitive emissions from our natural gas transmission and distribution systems 40% from our 2015 baseline (SDG&E, SoCalGas, IEnova)

Eliminate 100% of natural gas vented during planned pipeline work (SDG&E and SoCalGas, excludes emergency repairs)



ENABLING THE ENERGY TRANSITION

Affordable lower-carbon energy in every market we serve

Each year, we aim to:

Enroll 90% of eligible customers in alternative rates for energy programs (SDG&E and SoCalGas)

Fulfill 100% of new renewable energy requests for interconnection (Oncor)

By 2030, we aim to:

Deliver 20% renewable natural gas (SoCalGas)

By 2045, we aim to:

Deliver 100% renewable or zero-carbon energy to electric utility customers (SDG&E)

1 ACHIEVING WORLD-CLASS SAFETY

Safety is the foundation of our company. We are only satisfied when each employee and contractor returns home safely after every workday. Key performance indicators include:

Zero employee and contractor fatalities, every year

Employee and contractor fatalities

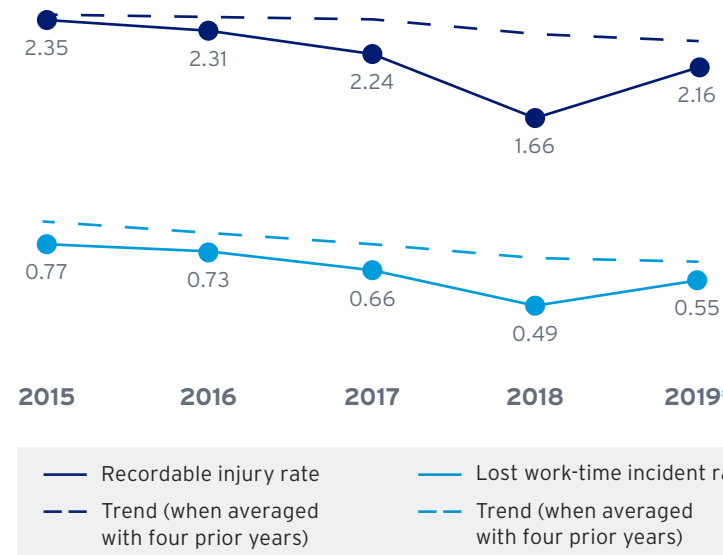
2015	2016	2017	2018	2019
2	0	0	1	2

Context and outlook:

Safety is our top priority. It saddens us to report that, in 2019, two employees were fatally injured in incidents related to operations at Oncor and SoCalGas. After thorough investigation, we identified the causes of both incidents and took action to prevent their reoccurrence. In 2020, we will continue to work to strengthen employee and contractor safety.

Annual improvement in employee and contractor OSHA recordable injury rates and lost work-time incident rates

Employee safety incidents, per 100 full-time workers



Context and outlook:

We have achieved steady improvement in safety and expect that this will continue. Annual performance varies depending on changing levels of construction activity as well as the sale or acquisition of energy businesses. Contractor safety performance data is on [page 56](#).

* Including data from our South American utilities, our companywide recordable injury rate was 1.84 and our companywide lost work-time case rate was 0.50.

Annual participation in emergency planning in 100% of the communities we serve



Context and outlook:

Our operating companies participate in community emergency planning processes, including training and collaboration with government officials and first responders.

100% of critical employees trained in emergency management and response, each year



Context and outlook:

Our operating companies prepare for significant disasters or emergencies each year. They develop operational contingency plans and practice implementing them.

2 CHAMPIONING PEOPLE

When our employees are trained, challenged and empowered to take initiative, our business thrives. Key performance indicators include:

More than 30 training hours per employee per year

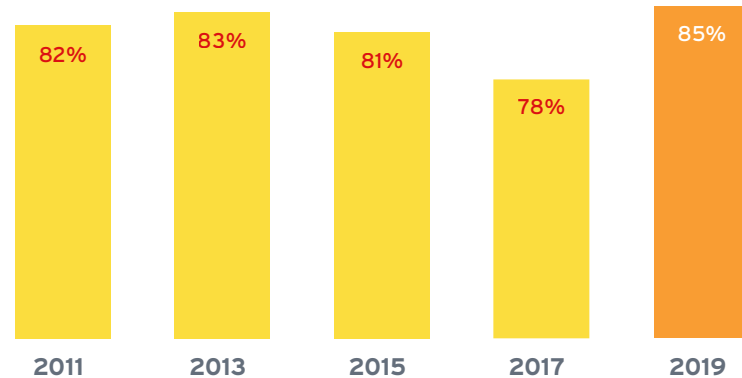
30 HOURS OF TRAINING PER EMPLOYEE

Context and outlook:

Employees complete compliance-related trainings. They also have the opportunity to take courses for professional development. We plan to improve our tracking of employee training data in the coming years to better measure our performance in this area. Additional information may be found in the GRI Index on [page 68](#).

Employee engagement in the top quartile

Employee engagement*



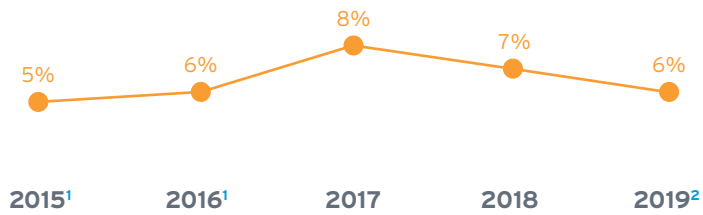
Context and outlook:

Employee engagement has remained at or above 78% for more than 10 years. We strive for continuous improvement, analyzing survey results across a wide range of factors and taking action as a result. We are working to develop an appropriate way of determining “top quartile” engagement scores.

* Based on employee responses to a subset of questions in an anonymous survey conducted every other year. Excludes data from our South American businesses.

Annual voluntary employee turnover rate of 5% or less

Voluntary employee turnover rate



Context and outlook:

We work to balance experience with fresh ideas. We recognize that employees may decide to voluntarily leave the company for a wide range of reasons, including retirement. A voluntary turnover rate of approximately 5% indicates strong retention: our employees feel they belong at Sempra and they are challenged and engaged.

¹ Excludes international operations.

² Excludes data from our South American businesses.

Workforce diversity consistent with that of the communities where we operate

WE STRIVE TO REFLECT THE DIVERSITY OF OUR COMMUNITIES



Context and outlook:

Companywide data indicate Sempra's broad and consistent commitment to gender and ethnic diversity. We recognize the importance of achieving diversity at the operating company level - our workforce should reflect the diversity of the communities where we operate. More detailed diversity metrics are on [page 47](#).

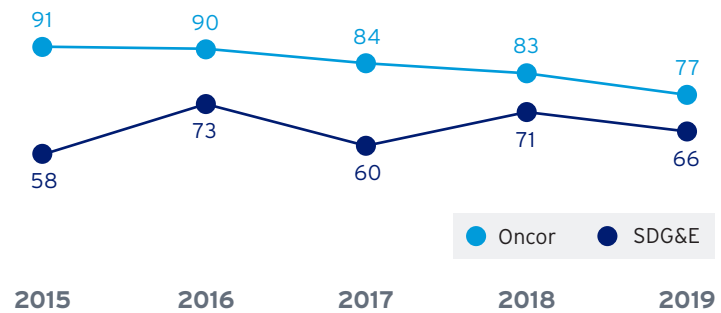
3 DRIVING RESILIENT OPERATIONS

We serve over 35 million consumers, with a focus on efficiency, reliability and safety. Key performance indicators include:

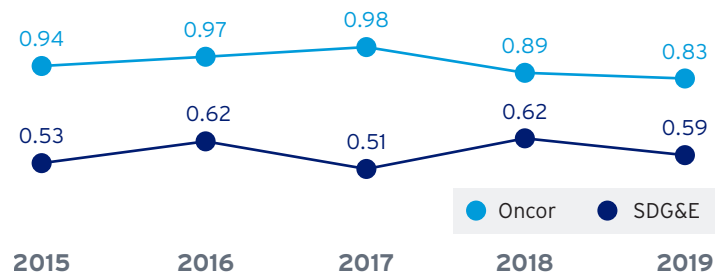


Achieve electric reliability in top quartile

Average outage duration, in minutes (SAIDI)



Average number of outages per customer (SAIFI)



Context and outlook:

We have maintained strong electric reliability. Our electric utilities continue to improve their electric transmission and distribution systems. Operating conditions and methodology for determining performance vary by location. We will include “top quartile” context in next year’s report.

A 40% reduction in fugitive emissions from our natural gas transmission and distribution systems by 2030 (2015 baseline; SDG&E, SoCalGas, IEnova)

Zero natural gas vented during planned pipeline work by 2030 (SDG&E and SoCalGas)*

40%
REDUCTION
IN FUGITIVE EMISSIONS
BY 2030

Context and outlook:

Our operating companies work to improve the efficiency of their natural gas distribution systems. This includes reducing fugitive emissions. We will report progress toward this new goal beginning in next year's corporate sustainability report. Detailed information on companywide emissions is on [page 36](#).

ZERO EMISSIONS
DURING PLANNED
PIPELINE MAINTENANCE
BY 2030



Context and outlook:

Natural gas vented during planned pipeline maintenance represents a very small proportion of our total greenhouse gas emissions (less than 0.5%). We expect to be able to reduce these emissions to zero by 2030, as part of our broader commitment to minimize our impact. Detailed information on companywide emissions is on [page 36](#).

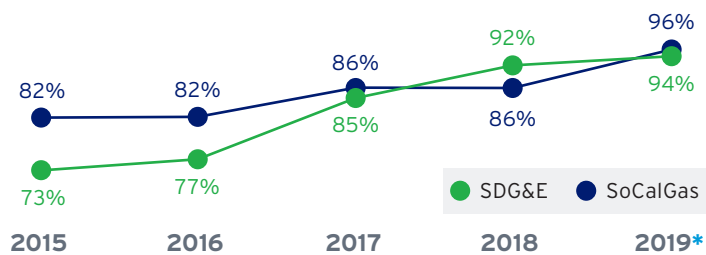
** Excludes emergency repairs.*

4 ENABLING THE ENERGY TRANSITION

We drive the delivery of affordable lower-carbon energy in every market we serve. Key performance indicators include:

90% of eligible utility customers enrolled in California alternative rates for energy (CARE) programs, each year

CARE enrollment rate



Context and outlook:

Energy affordability is particularly important for the lower-income utility customers served by the CARE program. The California Public Utilities Commission sets CARE enrollment rate goals. Our utilities work hard to meet or exceed these goals.

Fulfill 100% of new renewable energy requests for interconnection, consistent with ERCOT requirements and regulations (Oncor)

Megawatts of renewable energy connected by Oncor to Texas' grid



Context and outlook:

The amount of energy connected by Oncor each year varies, depending on the date when generation projects begin commercial operation. We anticipate that Oncor will continue to serve as the interconnection point for additional renewable energy as more Texas wind power generation facilities come online.

* Preliminary data.

Deliver 20% renewable natural gas by 2030 (SoCalGas)

PURCHASED AND DELIVERED
3 MILLION THERMS*
OF RNG (2019)



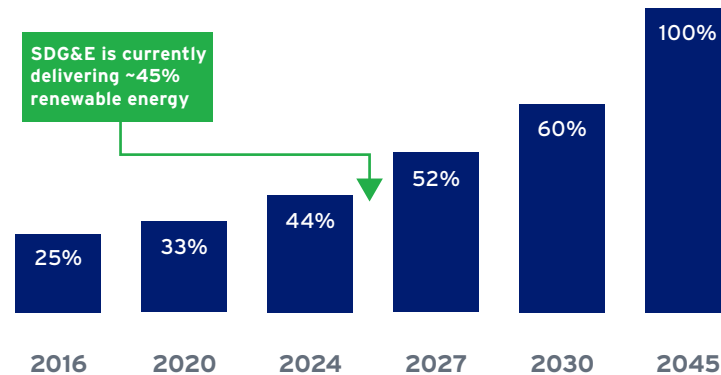
Context and outlook:

Renewable natural gas (RNG) is natural gas from the decomposition of organic matter - from farms, dairies, livestock, wastewater treatment plants and landfills. SoCalGas added RNG to its distribution system for the first time in 2018. The utility is working to facilitate the development of RNG capture in California, which could result in a significant reduction in California’s greenhouse gas emissions.

** Includes only RNG purchased by SoCalGas for CNG stations. We plan to report this as a percentage of RNG delivered in our 2020 report.*

Consistent with state policy, deliver 100% renewable or zero-carbon energy to California electric customers by 2045

California requirements for delivery of renewable and zero-carbon energy



Context and outlook:

It is California state policy that, by 2045, 100% of the electricity that California utilities deliver to their customers will come from renewable or zero-carbon energy sources. SDG&E has succeeded in meeting several previous state requirements (25% zero-carbon by 2016, 33% zero-carbon by 2020), and is currently delivering ~45% renewable energy.

PERFORMANCE AND APPROACH

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Responsible governance

Sempra Energy is an energy infrastructure company with 2019 revenues of \$10.8 billion and North American assets valued at more than \$60 billion. A description of our business strategy is on [page 8](#).

Sempra Energy’s vision, mission and values serve as our foundation. Our values include:

- Do the right thing–We are guided by our ethics, our focus on safety and our willingness to stand for what is right.
- Champion people–We invest in people and value diversity and inclusion because it elevates performance and helps us partner responsibly.
- Shape the future–We are forward thinkers who innovate and collaborate with stakeholders to make a positive difference.

Our company thrives when every stakeholder has a clear sense of our purpose, where we are going and how they can contribute.

Our board of directors sets our strategic direction. Our employees and contractors complete their tasks each day with integrity and care. Our risk management and compliance departments work to help ensure that we operate with safety and prudence, abiding by policies and procedures and avoiding, limiting or transferring risk.



Our company thrives when every stakeholder has a clear sense of our purpose, where we are going and how they can contribute.

The United Nations Sustainable Development Goals



Our core business activities contribute to the United Nations sustainable development goals, as follows:

7 AFFORDABLE AND CLEAN ENERGY



Ensure access to affordable, reliable, sustainable and modern energy for all

7.2 By 2030, increase substantially the share of renewable energy in the global energy mix

ONCOR CONNECTS

60+ renewable energy generators

capable of producing 11,000 megawatts of energy.

SDG&E DELIVERED APPROX.

45% renewable energy

100% must be renewable or zero-carbon by 2045.

SOCALGAS HAS COMMITTED TO DELIVER

20% renewable natural gas by 2030

7.1

By 2030, ensure universal access to affordable, reliable and modern energy services

OUR UTILITY INFRASTRUCTURE COMPANIES SERVE MORE THAN

35 million consumers

Time-of-use pricing encourages customers to shift when they use energy to times when it is less expensive. Bill assistance programs help qualifying customers reduce their energy bills.



SDG&E encourages the development of microgrids that can react to changing environmental and system conditions - and can disconnect and function independently during emergencies. SoCalGas is exploring the use of fuel cells to enhance electric reliability.



We encourage policymakers to maintain the stable policies critical to our industry: many energy infrastructure projects require long lead times and significant financial commitments.

IENOVA, WITH PARTNERS, CAN GENERATE MORE THAN

658 megawatts of wind and solar power

An additional 383 megawatts of renewable energy are under development.

OUR SUBSIDIARY

PXiSE

developed and commercialized a technology that makes it easier to integrate renewable energy into the grid.

7.3 By 2030, double the global rate of improvement in energy efficiency



Time-of-use tariffs in California reduce energy use during periods of peak demand.



We set and achieve energy efficiency goals.



Our California utilities are building the infrastructure to support more efficient, alternative-fueled vehicles.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

13 CLIMATE ACTION



Take urgent action to combat climate change and its impacts

9.4

By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities

We track and report on our greenhouse gas emissions and intensity.

We have a goal that our LNG operations will enable the delivery of more than 45 mtpa, enabling a shift away from higher-carbon sources of energy.

We have integrated energy storage, smart meters, electric vehicles, time-of-use rates and customer engagement strategies into utility operations. These activities improve energy efficiency and reduce environmental impact.

13.1

Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries



We identify, manage and disclose climate change risks.



We track and disclose our greenhouse gas emissions.



We improve operational efficiency and work to make our infrastructure more resilient in the face of potential climate-related impacts.

13.2 Integrate climate change measures into national policies, strategies and planning



We encourage policymakers to maintain an energy policy framework that addresses climate change and energy in a coordinated manner.

Board of directors

The Sempra Energy board of directors directs the management of Sempra Energy, providing experienced and independent leadership.

The board has established five standing committees:

- Audit Committee
- Compensation Committee
- Corporate Governance Committee
- Environmental, Health, Safety and Technology (EHS&T) Committee
- Executive Committee

The EHS&T Committee is responsible for reviewing this report each year, prior to its publication. Committee charters may be found in the Investors section of sempra.com.

The board establishes corporate governance policies that guide Sempra Energy's operations. It reviews companywide succession planning as well as business plans and performance. It also provides oversight of risk management, including the strategic, financial, legal, operational, regulatory, climate, reputational and compliance risks facing the company. Throughout the year, the full board and its committees review and discuss specific risks in detail.

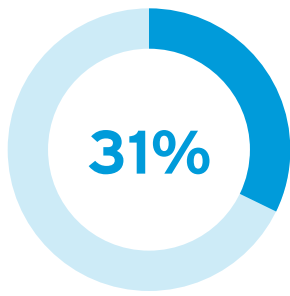
In June 2019, we added two new directors to our board. Eleven of the 13 directors nominated to stand for election at our annual shareholders meeting in May 2020 qualify as independent, according to the principles and standards established by the New York Stock Exchange. See sempra.com for the most up-to-date information on the composition of our board.

Board members' areas of expertise*

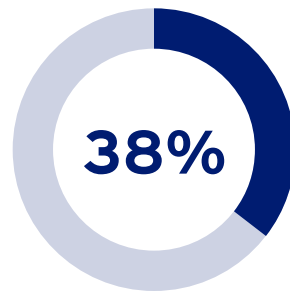


* Reflects expertise of the directors nominated to stand for election at the annual shareholders meeting in May 2020.

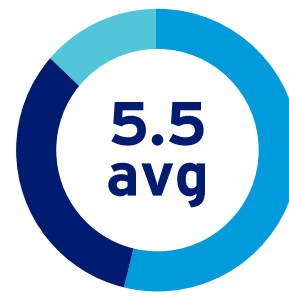
Board diversity*



People of color



Women



Tenure (years):
● <5 ● 5-10 ● >10

Our board recognizes that diversity takes many forms and brings many benefits. Diversity is one of the factors the board considers when it identifies potential new members.

In 2019, Sempra Energy management met with shareholders representing approximately 42% of our total outstanding shares (approximately half of our institutional share ownership) to discuss a range of issues including corporate governance, board composition, executive compensation, business strategy and environmental and social matters. Additional information on these topics is available in our [proxy statement](#).

Our board of directors provides oversight of risk management, including the strategic, financial, legal, operational, regulatory, climate, reputational and compliance risks facing the company.

* Includes directors nominated to stand for election at the annual shareholders meeting in May 2020.

Enterprise risk management

Sempra Energy works to manage a broad and complex set of risks commonly associated with the energy industry, as well as risks specific to our company. We evaluate risks for frequency and impact across a range of factors, including:

- Health, safety and environmental
- Operational and reliability (including security and cybersecurity)
- Regulatory, legal and compliance (including reputational risk)
- Financial

More information may be found in our [2019 Annual Report](#) on Form 10-K, pages 31-55.

Each operating company is responsible for managing its risks. Corporate-level groups complement this process, as outlined in the chart below.

Climate change risk provides a good example of how we work to manage risk. Many of our operating companies consider climate change risk as part of their risk management process. They maintain operational safety

and efficiency - this includes improving the integrity of their transmission and distribution systems. They consider climate resilience in their planning processes, anticipating more extreme and frequent weather events. They improve their infrastructure to reduce wildfire and other climate-related risks. They also update operational protocols, including weather forecasting and monitoring; targeted power shut-offs during extreme conditions; and reduce-your-use and emergency preparedness programs.

At the enterprise level, we:

- Measure and disclose environmental impacts across the Sempra family of companies;
- Set and achieve goals aimed at minimizing our impact on the climate, including lower-carbon energy goals;
- Advocate for stability in federal and state energy policies, crucial to the planning, construction and operation of multi-billion-dollar energy infrastructure projects over decades-long timescales; and
- Develop new energy resources and technologies, including renewable natural gas, power-to-gas and energy storage.



Well-established management systems and processes help us manage risk and operate efficiently and effectively. Our compliance program is based on five elements:

- Leadership oversight and accountability
- Codes of conduct, policies and procedures
- Education, communication and awareness
- Risk assessments, auditing and monitoring
- Reporting processes and procedures

Sempra Energy’s leaders are accountable for creating a culture of compliance: in their words and actions, they demonstrate integrity, honesty and respect.

Our [Code of business conduct](#) is the foundation of our compliance program. We expect each Sempra Energy director, officer, employee and supplier to understand and comply with the Code. Corporate policies provide further detail on what we expect from these stakeholders. Key corporate policies are posted on sempra.com

To support and educate employees, we require that they complete ethics and compliance training each year. We supplement this with pulse surveys, videos and other media throughout the year.

Management systems and processes help us track performance and protect the company from exposure to unnecessary risk.



Audit Services reports its key findings directly to the audit committee of the Sempra Energy board of directors. In 2019, more than 55% of its 113 audits were linked to Sempra’s top six identified enterprise risks.



Cybersecurity-focused employee communications and town hall meetings, one-click reporting and other tracking and reporting tools help protect the company’s information assets. (Additional information is on [page 32](#).)



The Environmental and Safety Compliance Management Program, used at our California utilities, helps to ensure compliance with environmental and safety laws and regulations and company standards. Some of our other businesses utilize ISO 14001 and other international standards.



Business Resumption Plans outline how we will recover and resume operations following a natural or human-caused disaster or other unforeseen disruption.



A Lobbying Activity Tracking system helps us manage political activity and meet local, state and federal political reporting requirements.



A Continuous Monitoring System supplements our anti-corruption and anti-bribery training, and tracks third-party transactions.

In addition to these systems and processes, Sempra Energy uses an enterprise-wide system to collect environmental, social and governance (ESG) data. We use this data to monitor performance and to track progress against goals - critical to our continuing efforts to improve the sustainability of our company.



Employees, contractors, customers and suppliers may report a compliance or ethics-related concern anonymously and without fear of retaliation through our Ethics and Compliance Helpline, available 24 hours a day, seven days a week.



SempraEthics.com



From the U.S:
800-793-7723
from Mexico
001-770-582-5249



Every report is investigated.

In addition to the helpline, employees may report their concern to their immediate supervisor, the next level of management above their supervisor, the corporate compliance department, the human resources department and/or Sempra Energy's chief ethics officer.

SPOTLIGHT: CYBERSECURITY

Security through engagement and accountability

Cybersecurity at Sempra Energy is about people, process and technology working together.

People

The information security team conducts regular penetration tests and analyzes the results to improve existing controls and identify opportunities for improvement. Members of this team also participate in department staff meetings, safety stand downs and safety congresses to provide perspective and training on cybersecurity issues. Individual employees across the company support these efforts as "cybersecurity champions," sharing relevant information with their teams.

Process

Our information security awareness program includes periodic communications, companywide events and campaigns, mandatory annual web-based training, facility-specific town hall events and a cross-business advocacy program. The company supports these efforts with articles, webpage communications and digital signage.

Technology

An automated SPAM reporting button in Microsoft Outlook allows easy one-click reporting of suspicious and unwanted emails. In fact, to keep this reporting option top-of-mind, the cybersecurity team utilizes "fake" phishing attempts and sends congratulatory messages when employees take the correct action by clicking the SPAM button. Sempra's 24/7 Information Security Operations Center (SOC) also responds to reports of suspicious email. The SOC can pull a suspicious email from the enterprise, reducing the risk of infecting other users or devices.

Protecting company information and digital assets remains a top management priority.





Oncor connects **more than 11,000 megawatts** of renewable energy to Texas' grid.

Environmental stewardship

Sempra Energy participates in the transformation of the energy industry through our core business: We enable the delivery of cleaner energy in every market we serve. Our most significant impact on the environment is from greenhouse gas emissions. We work to minimize our emissions, and we encourage our customers to reduce their emissions.

- We innovate to improve energy efficiency through incentives such as time-of-use pricing for electric customers. And we develop new technologies: Patented software developed at our subsidiary, PXiSE, helps integrate renewable energy resources with traditional resources.

- We operate with excellence. More than 98% of the natural gas in our distribution system reached its destination in 2019.
- We enable the development and delivery of lower-carbon energy. Our electric transmission lines provide critical access points for new renewable projects to connect to the grid. And we enable the delivery of LNG to international markets, where this lower-carbon fuel can replace coal or fuel-oil.

We enable the delivery of cleaner energy in every market we serve. We work to minimize our emissions, and we encourage our customers to reduce their emissions.

Climate change

The changing climate creates risk (see [page 30](#)) as well as the opportunity for growth.

Our utilities must meet customer demands for better technologies, lower costs, expanded energy efficiency and conservation programs, improved reliability and a lower-carbon energy system. Our infrastructure businesses help meet worldwide demand for lower-carbon energy. Examples from our operating companies include:

We improve the **resilience of our energy infrastructure** so that we can better withstand climate-related conditions including sea-level rise and more frequent extreme weather events. Our businesses incorporate a range of climate scenarios in their planning processes to consider factors that might impact operating conditions in the future.

We support the use of **natural gas** as an important source of energy in a lower-carbon economy. We deliver and transport natural gas through our 122,641 miles of natural gas pipelines. We operate natural gas-fired power plants, critical to the reliability of the electric grid. And, in collaboration with partners, we are building natural gas liquefaction facilities, which will allow the export of this lower-carbon energy source worldwide.

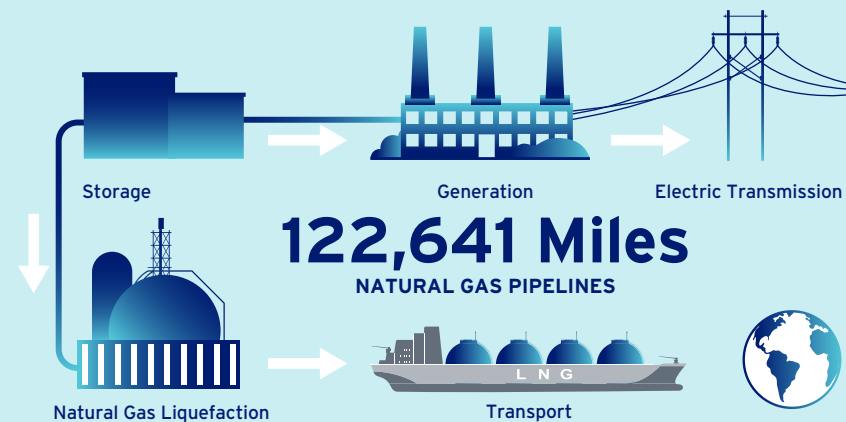
We generate, purchase and deliver **renewable energy**. Approximately 45% of the energy SDG&E delivered to its customers came from renewable sources in 2019. Oncor connects more than 11,000 megawatts of renewable generation to the ERCOT grid. And at IEnova, we can generate 658 megawatts of renewable energy, with our partners.

Adapting to a changing climate

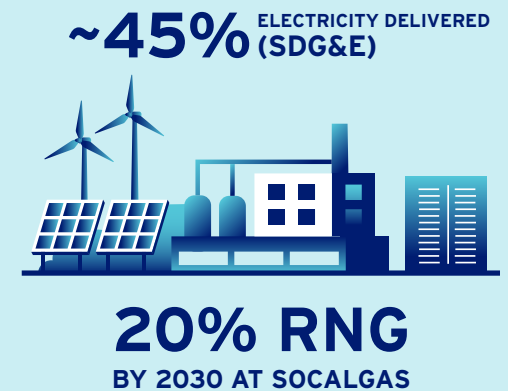
Resilient Infrastructure



Low Carbon Energy



Renewable Energy



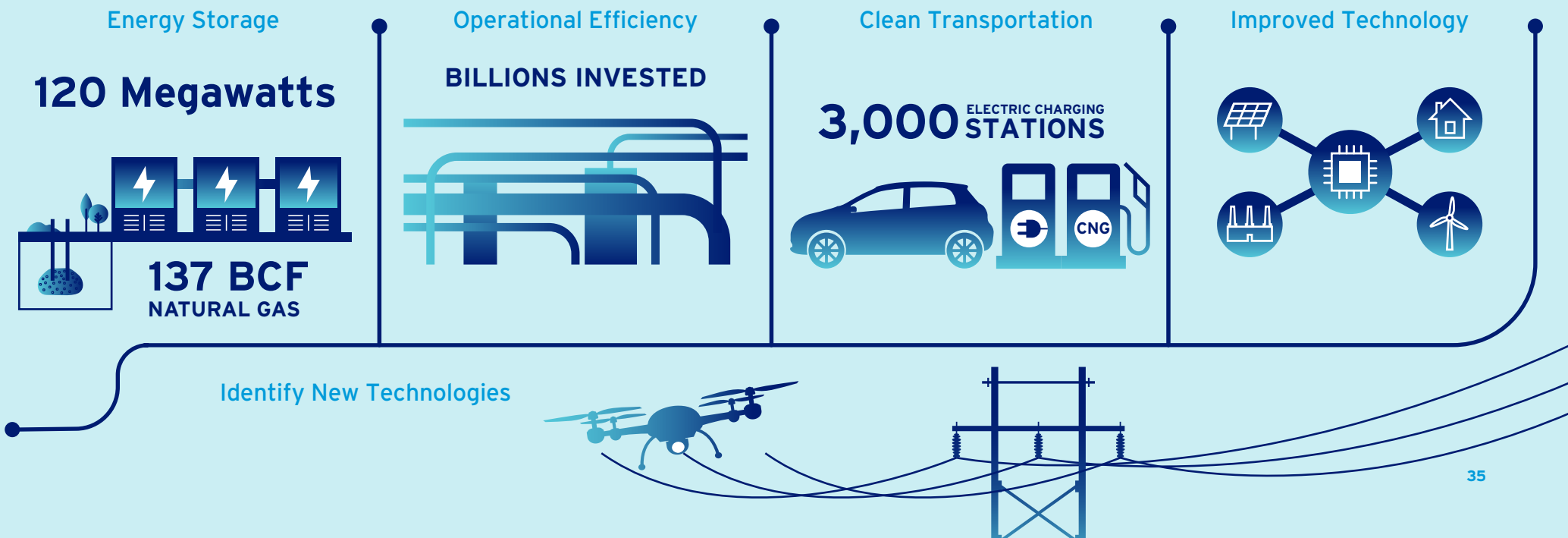
We build and operate **energy storage** projects. Natural gas storage facilities support electric reliability and the use of renewable electricity. SDG&E owns and operates the largest electric storage system in California, capable of storing 120 megawatt hours of energy. An additional 260 megawatt hours are slated to come online by 2021.

We improve **operational efficiency**. SoCalGas is implementing a multi-billion-dollar Pipeline Safety Enhancement Plan (PSEP) to improve the safety and reliability of its natural gas distribution system. SDG&E is planning to invest approximately \$2 billion in natural gas infrastructure through 2024 to improve safety and reliability.

We build **clean transportation** infrastructure. SDG&E has installed more than 3,000 electric vehicle charging stations at over 250 locations to support the 50,000 electric vehicles in its service territory. There are now more than 350 compressed natural gas (CNG) fueling stations in Southern California.

We integrate **improved technologies** into our operations. Smart-grid technologies give customers more information and control over their energy usage. We've helped pilot power-to-gas demonstration projects, which can create hydrogen using excess renewable energy. PXiSE's patented control technology gives grid operators a way to add renewable energy to the grid while improving grid efficiency and reliability.

We work to identify **new technologies** that might be used in our operations. We have introduced a solar-powered system that converts natural gas and water into hydrogen (a zero-emissions energy source), capturing the resulting carbon dioxide. We use drones, when appropriate, to string power lines, lessening the environmental impact of this type of operation. Additional detail on climate-related impacts, risks and opportunities may be found at www.cdp.net.



Greenhouse gas emissions

As outlined in the section on climate change, we work to minimize our emissions and those of our customers. As required by state law, our California utilities purchase emissions allowances to offset some of their emissions.

Our company's emissions profile is changing. We are working to develop natural gas liquefaction infrastructure with the goal of enabling the export of up to 45 mtpa of LNG. Although this activity will significantly increase our company's emissions, it should result in a decrease in worldwide emissions: In many of the markets we serve, we expect that LNG will replace higher-carbon energy like coal.

As we complete our company's strategic realignment, we plan to set a new emissions target that is supported by climate science.

Scope 1 emissions*

Sempra Energy's 2019 direct (scope 1) emissions are from sources that we own or control, including power generation (3.9 MMT CO₂e), fugitive emissions from natural gas pipelines (1.7 MMT CO₂e) and fleet vehicles (0.05 MMT CO₂e).

Our emissions rate from power generation was 754 pounds of carbon dioxide per megawatt-hour

generated, nearly 25% below the U.S. national average. Verification of our 2018 emissions rate confirms that we met our goal to achieve a 35% reduction compared to our 2010 baseline. This is consistent with our strategy to reduce our ownership of natural gas-fired power plants.

Information on how we are working to reduce fugitive emissions can be found in the section "Reducing our methane emissions," on [page 39](#).

Scope 2 emissions*

Sempra Energy's 2019 indirect (scope 2) emissions are from other companies' generation of electricity that we purchased and used in our operations (0.222 MMT CO₂e). This includes electricity lost during transmission and distribution.

The U.S. Energy Information Administration estimates that approximately 5% of the electricity that is delivered each year in the U.S. is lost as it passes through transmission and distribution lines.

SDG&E's estimated loss rate is 1.24% for transmission and 1.87% for distribution. Oncor does not purchase the electricity that passes through its transmission and distribution lines and does not influence how that electricity is generated. As such, we do not report scope 2 emissions associated with the generation of this electricity.

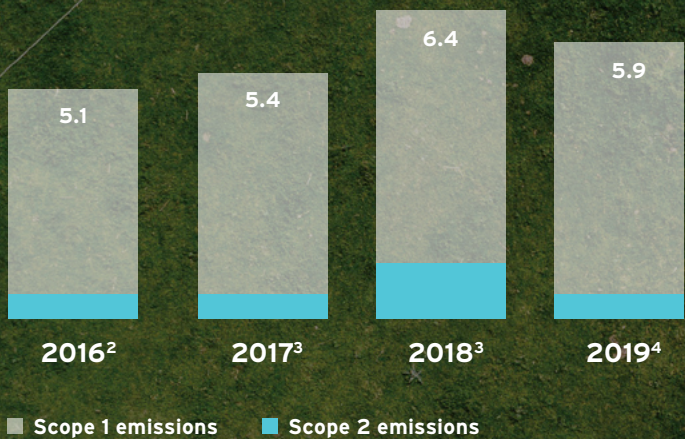
Scope 3 emissions*

Sempra Energy's 2019 indirect (scope 3) emissions are from end users' combustion of natural gas that we delivered to them (63 MMT CO₂e); emissions from other companies' generation of electricity that we delivered to end users (2 MMT CO₂e); and emissions from employee air travel (0.01 MMT CO₂e). We do not include emissions from other companies' production of natural gas which we purchased and used in our operations.

Reporting on indirect (scope 3) emissions is complex as these emissions come from a wide range of sources, some of which are difficult to measure or estimate. We continue to work to improve the completeness of our reporting on scope 3 emissions.

* 2019 emissions data undergoing independent verification.

Scope 1 and 2 greenhouse gas emissions¹
(million metric tons of CO₂ equivalent)



¹ Does not include Oncon. Does not include scope 2 emissions from Cameron LNG.
² Does not include data from the 2015-16 natural gas leak at the Aliso Canyon storage facility. These emissions were consolidated and included in 2015 data.
³ Includes data from Chile and Peru that was not included in prior reports.
⁴ 2019 emissions data subject to verification.
⁵ Primarily emissions from our natural gas power plants.
⁶ Emissions from the generation of electricity that we lose during transmission and distribution.
⁷ Emissions from physical or chemical processes related to combustion.

Greenhouse gas emissions by scope^{1,4}

Scope 1

8.1%

Scope 2

0.3%

Scope 3

91.6%

Scope 1 and 2 greenhouse gas emissions by source¹:

65%
STATIONARY COMBUSTION⁵

28%
FUGITIVE EMISSIONS

3%
POWER LINE LOSSES⁶

2%
PROCESS EMISSIONS⁷

1%
FACILITY ELECTRICITY USE

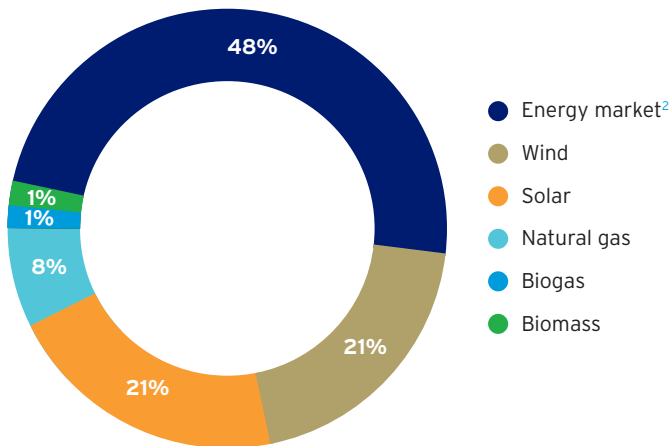
1%
FLEET VEHICLES

Supply chain emissions

We include emissions from our supply chain in our emissions reporting. These include upstream emissions from suppliers' generation of electricity that we purchase and use in our own operations or deliver to customers (scopes 2 and 3); and downstream emissions from end users' combustion of the natural gas we supply (scope 3).

Source of purchased power

In 2019 we purchased¹ more than 80% of the electricity we delivered to customers:



Our businesses obtain natural gas through contracts. Some contracts specify the source of the natural gas and some do not. We do not report on our scope 3 emissions related to the production of this natural gas. Tracking these emissions is challenging, given the complexity of the natural gas supply chain.

¹ Does not include Oncor: The utility does not purchase electricity.

² For power purchased from the energy market, the precise source is not identifiable.

SPOTLIGHT: CLIMATE RESILIENCE

California utilities advocate for climate adaptation

SoCalGas and SDG&E are working to adapt to a changing climate. These businesses recognize that extremes in wind speed, temperature, drought and storm intensity and frequency will impact utility customers and infrastructure.

How do they prepare for the likely impacts?

Climate adaptation plans should be flexible – and account for a wide range of events or scenarios. The best plans will consider many factors, including:

- The vital role of energy in supporting civil society. Reliability is critical: Utilities must be able to maintain a continuous supply of energy and energy-related services to customers.
- Which areas are most vulnerable to potential climate change impacts?
- What is the risk to both infrastructure and operations?
- How might climate change impact customer demand for energy?
- How can climate vulnerability assessments be updated to reflect the development of new technologies – or the release of new climate science?

Throughout the process of updating and enhancing their climate adaptation plans, Sempra's California utilities will continue to engage with impacted communities. Listening, responding to and incorporating community concerns will ensure these plans will be flexible and resilient in a changing world.



Drones are used to conduct leakage surveys and monitor storage operations.

Reducing our methane emissions

Methane is the primary component in natural gas. Our scope 1, scope 2 and scope 3 emissions include methane. Methane emissions have 21* times more climate impact than carbon dioxide.

We minimize our methane emissions in several ways. We:

- Operate efficiently. SoCalGas and SDG&E operate their natural gas transmission and distribution systems with extraordinary efficiency. At SoCalGas and SDG&E, 99.17% and 98.03%, respectively, of the natural gas in their systems reached its destination in 2019;
- Ensure our U.S. operations comply with the U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration (PHMSA) regulations for infrastructure monitoring and testing. And we implement best management practices through programs such as the U.S. Environmental Protection Agency's Natural Gas STAR program;
- Abide by California state law, which specifies 26 best practices for leak prevention, detection and repair. We use the latest advanced monitoring

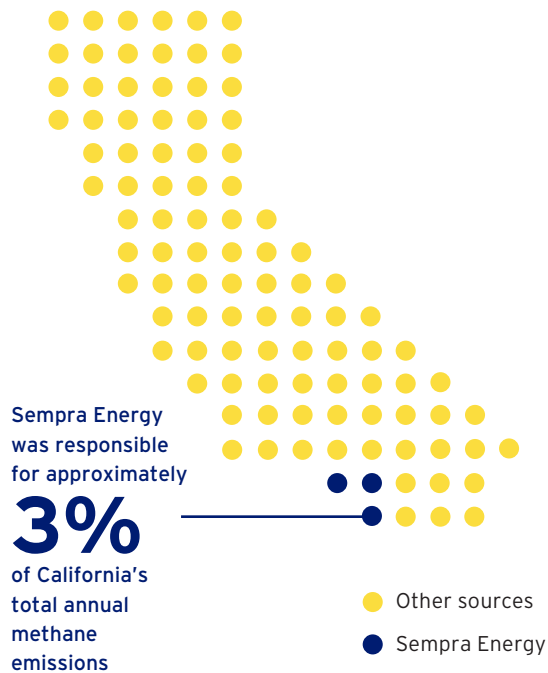
technologies, including drones, fiber optic cable and point sensors to conduct leakage surveys and monitor storage operations. During pipeline testing, we often capture natural gas that would otherwise be released into the atmosphere;

- Prioritize the replacement of pipelines to enhance the integrity of our distribution system. At SoCalGas and SDG&E, we are more than 80% of the way to completing our goal to replace 900 miles of distribution pipeline by 2021;
- Explore new innovations, including a system that uses surplus renewable energy to create carbon-free hydrogen gas. When added to our natural gas system, hydrogen (a zero-emissions gas) reduces the system's impact and emissions; and
- Capture methane emissions from landfills, sewage treatment plants and dairies - and add them to our natural gas distribution system. In fact, SoCalGas has committed that, by 2030, this type of methane, also known as renewable natural gas, will constitute 20% of the natural gas it delivers.

* We calculate and report our methane emissions as CO₂-equivalent, and assume that methane has 21 times the impact of an equivalent amount of CO₂. Some regulators use different multipliers or reporting methodologies.

Methane emissions

In 2019, our methane emissions were 1.9 million metric tons of CO₂e*: 1.5 million metric tons from SoCalGas; 0.1 million metric tons from SDG&E; and 0.3 million metric tons from our other businesses. Together, SoCalGas and SDG&E are responsible for 3.3% of California's total annual methane emissions.



Additional information on our methane emissions may be found at: <https://www.socalgas.com/regulatory/R1501008.shtml>

<https://www.sdge.com/regulatory-filing/14356/natural-gas-leakage-abatement-rulemaking>

<https://www.socalgas.com/smart-energy/renewable-gas/biogas-and-renewable-natural-gas>



* We report our methane emissions as CO₂-equivalent and use an emissions factor of 21 for methane. This assumes methane has 21 times the impact of an equivalent amount of CO₂. Some regulators use different multipliers.

SPOTLIGHT: INNOVATION

The hydrogen solution

In Sempra's home state of California, nearly 1 million megawatt-hours of solar and wind energy were wasted in 2019 - unused because supply was too high and demand was too low.

What should we do with this excess power? Batteries can store some, but they are expensive and limited: Even the best large-scale batteries can store electricity for only about six hours.

Hydrogen provides a different path - and a potential solution.

A use for extra renewable energy

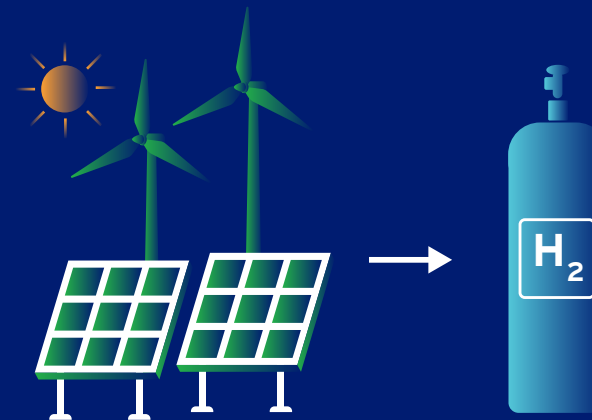
Hydrogen can be produced using renewable energy in a process known as power-to-gas. Adding hydrogen - a zero-emissions gas - to California's natural gas distribution system reduces the emissions impact of the system and boosts the development of large-scale solar: A win for solar and a win for reducing emissions.

Energy efficiency

When our utility customers use less energy, our utilities can reduce the amount they must deliver. This reduces greenhouse gas emissions. Energy-efficiency programs include:

- Time-of-use rates for customers;
- Peak-demand campaigns such as "reduce your use" and "dial it down;" and
- In-home efficiency programs which provide customers with more-efficient appliances, weather stripping and other upgrades.

In 2019, customer energy efficiency at our California utilities saved 218 gigawatt-hours* of electricity and 55.6 million therms* of natural gas.



An emissions-free fuel for public transit systems

Hydrogen also offers a clean-energy solution for the transportation sector. California's transit agencies are required to transition to zero-emissions technologies by 2040. Many transit fleets are already powered by natural gas. By separating hydrogen from the natural gas that is delivered using existing infrastructure, transit agencies have a feasible, scalable path to a zero-emissions bus.

Their 2020 goals, established by the CPUC, are 230 gigawatt-hours and 37.5 million therms. We also work to improve our use of energy in our own operations:

- SDG&E and SoCalGas reduced 2019 energy consumption in employee-occupied facilities below their 2018 baselines.
- SDG&E's 2020 goal is to reduce facility electricity consumption per square foot compared to 2019 while adding significant workplace electric vehicle charging.
- SoCalGas aims to reduce electricity consumption 3% in 2020 compared to 2019.

* Preliminary data.

Supply chain impacts

Our supply chain includes manufacturers of pipeline and electric cable. We encourage these suppliers to minimize emissions from the conventional generation of electricity (renewable generation is already emissions-free). And we work with industry groups and policymakers to advocate for improved natural gas production practices. This includes the American Gas Association's work to develop a metric for methane intensity so that such emissions can be measured, compared and reduced. Details on the emissions impact of our supply chain are on [page 38](#).

Significant supply chain impacts also occur at the construction companies and manufacturers with whom we do business.

These include providers of:

- Pipeline and cable to deliver natural gas and electricity;
- Steel and wood for electric towers and poles;
- Meters to measure customer usage;
- Office supplies and equipment; and
- Personnel to complete important tasks, including tree trimmers, construction workers, security guards, accountants and other professionals.

At our California utilities, sustainability-related questions are included in requests for proposals (RFPs).

Our supply chain includes manufacturers of pipeline and electric cable.



Water

Water is critical to our business, including our LNG and power generation operations. We are committed to using it in a responsible and sustainable way.

We minimize our withdrawal of fresh water by using dry-cooling, reclaimed water and salt or brackish water. Additionally, we:

- Integrate climate-related water risks into our construction and business resumption plans. (This has included analysis to evaluate operational resilience in a range of climate-related scenarios or events);
- Reduce water consumption in employee occupied facilities. (Both SoCalGas and SDG&E have goals for this); and
- Work with local water agencies to encourage consumers to reduce their use of this resource.

We monitor water quality discharge at the facility level, according to permitting and other regulatory requirements. Examples include:

- IEnova’s TdM electric generation facility in Mexicali, Mexico, processes over 1 billion gallons of sewage yearly for plant operations and sends irrigation-quality water to the Rio Nuevo.
- SDG&E’s Palomar Energy Center uses reclaimed sewage water and discharges the water under an Industrial User Discharge permit with specific discharge limits and monitoring requirements for total organic carbons (TOCs), total suspended solids (TSS), chlorine content and other parameters.

Our water policy may be found at sempra.com.

More information on our approach to water can be found in our response to [CDP’s water survey](#).

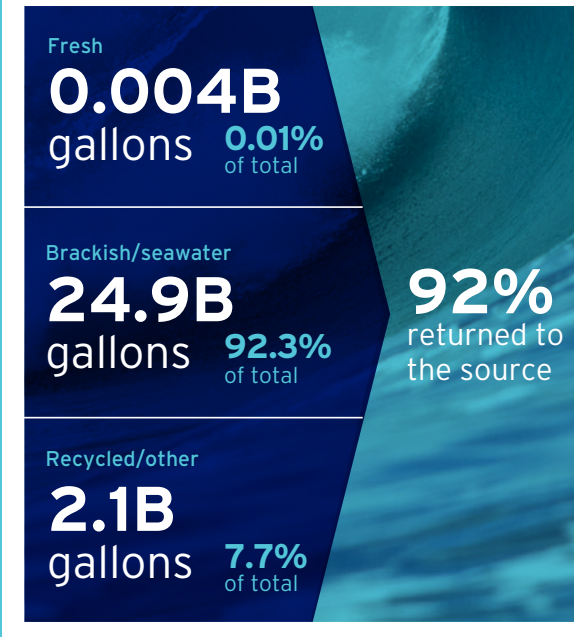
* While we continued to improve data collection related to water use, these numbers do not yet account for all aspects of our operations, including natural gas pipeline testing at our California utilities and water used at Oncor.

In 2019, our total water withdrawal decreased by 4% to 27 billion gallons of water: 24.9 billion gallons of salt/brackish or seawater, primarily used to support LNG operations; 2.1 billion gallons of reclaimed or recycled water, primarily used to support power generation operations; and 3.7 million gallons of fresh water, primarily used in employee-occupied facilities.

Water withdrawn (in billions of gallons)*



Water withdrawn, by source



Waste and recycling

We reduce waste, reuse materials, and find ways to safely extend the life of equipment. Employee-focused recycling and waste-reduction programs help accomplish these objectives.

In 2019, Sempra Energy and its infrastructure businesses generated and disposed of 93,026 tons of non-hazardous waste. Our waste and recycling programs diverted 34,113 tons of material from landfills, generating more than \$7.2 million in revenue.

In 2019, we generated 3,727 tons of hazardous waste. Hazardous materials teams manage hazardous material storage, recycling, transportation and/or disposal to ensure compliance with applicable laws. The amount of hazardous waste we generate fluctuates from year to year as we complete the clean-up of historic manufactured gas sites and replace other energy infrastructure.

Environmental compliance

Every Sempra Energy business is accountable for following all applicable environmental laws and regulations. Environmental compliance programs include detailed plans; extensive training and monitoring; and performance evaluation. Our major facilities in Mexico have ISO 14001 certifications, while the compliance programs at our California utilities and other operations were developed based on these requirements.

In 2019, our consolidated businesses allocated \$80 million in capital expenditures to comply with environmental laws and regulations. This included costs to mitigate or prevent future environmental contamination or extend the life, increase the capacity or improve the safety or efficiency of existing operations.

In 2019, 98% of all agency inspections resulted in no notice of violation (NOV). We received 10 NOVs and paid \$3,652 in fines and penalties, not including settlements. Six of the NOVs were related to permitting, reporting or other administrative issues; three were related to backup or emergency generation operations; and one was related to waste. Compliance personnel at our businesses carefully review any NOVs and work diligently to resolve any concerns with the appropriate agency.

Environmental compliance performance

	AGENCY INSPECTIONS	AGENCY INSPECTIONS WITH NO NOV ISSUED	NOTICES OF VIOLATION (NOV) ¹	INTERNAL COMPLIANCE ASSESSMENTS & AUDITS ²	FINES & PENALTIES ³
2019	551	98%	10	447	\$3,652
2018	425	96%	16	543	\$12,250
2017	604	96%	24	386	\$29,601
2016	638	97%	22	325	\$9,012

¹ Self-reported violations are not included.

² The number of internal compliance assessments and audits may vary from year to year due to adjustment of inspection cycles as determined by risk assessments.

³ Does not include settlements. The amount of fines and penalties paid varies from year to year depending on the nature of the violation and the timing of its resolution.

Biodiversity

At Sempra Energy, we are committed to protecting and preserving biodiversity in the areas where we do business.

Our [biodiversity policy](#) describes how we integrate biodiversity considerations into the planning, construction and operation of energy facilities, balancing the protection of sensitive plant and animal life with project requirements. We meet or exceed legal requirements related to biodiversity.

We also work with independent organizations to verify that we are following sustainable practices related to land use and biodiversity.

SDG&E provides a good example of our approach to biodiversity. In 2019, the utility launched a pilot program which aims to manage non-native grasses near electric transmission and distribution lines, improving biodiversity while also reducing wildfire risk. The work includes seeding of native plants and continuing weed removal within the pilot

areas. For additional company-specific examples, please see our operating company websites.

SPOTLIGHT: BIODIVERSITY

Respecting biodiversity to deliver energy with purpose

Just outside the town of Hackberry, Louisiana, Sempra LNG and its partners have built - and continue to build - significant energy infrastructure, operated by Cameron LNG.

To offset the impacts of construction, and in response to community needs, Cameron LNG has partnered with local groups to fund biodiversity-focused programs. These programs help create a healthier ecosystem: they enhance wetlands, improve fisheries and protect bird habitat.

One example: a collaboration with Ducks Unlimited restored 900 acres of eroded marshland in Black Lake. Adding vegetation terraces to the lake helped reduce wave action, created waterfowl habitat and improved water clarity.

Additionally, in consultation with residents, state officials, the US Army Corps of Engineers, and the Louisiana Department of Natural Resources, Cameron LNG has been able to repurpose dredged material to create more than 500 acres of tidal marsh and emergent wetlands. Periodic maintenance dredging is expected to create an additional 13,000 acres of viable wetlands during the life of the facility.

Protecting biodiversity is a vital part of our vision to deliver energy with purpose.



Safety and stakeholders

Sempra Energy delivers *energy with purpose* - safety is the top priority in all we do. We work to meet the needs of our stakeholders:

- Over 35 million energy consumers in California, Texas and Mexico are served by our utilities.
- More than 18,000 employees plan, build and maintain the pipes, wires and infrastructure that deliver energy to our customers.
- Thousands of suppliers provide support, including security personnel, construction workers, management consultants, tree trimmers, accountants and other professionals.
- Regulators and legislators from across the U.S. and Mexico create and update the laws and regulations that govern how we do business.
- Institutional investors from 31 countries around the world are among the holders of our stock, as of December 31, 2019.

Our company's strong financial performance benefits our stakeholders. In 2019, we generated direct economic value* of \$12.1 billion, of which \$9.2 billion was distributed in the form of wages and benefits, payments for operating costs, payments to providers of capital, fees or taxes and charitable contributions.

* According to GRI guidelines.

Employees

When Sempra Energy's employees are trained, challenged and empowered to take initiative, our business thrives.

At Sempra Energy, **safety** is our top priority. We are only satisfied when each employee and contractor returns home safely after every workday.

We encourage a safety-focused culture in which everyone feels responsible for their own safety as well as the safety of others. Our culture influences how a co-worker responds when someone says, "Wait a minute - let's stop the job and double-check" or "How can we prevent this from happening again?"

We reinforce our safety culture in many ways:

- We share lessons learned from safety incidents and near misses across businesses, and we review safety lessons learned at "safety stand-downs."
- We analyze safety data for trends: Is safety performance improving, declining or remaining steady? In which areas? In which groups? These statistics tell a story - and can help company leaders identify areas in need of greater focus.
- We help reduce the risk of body sprains and strains, the most common employee injuries, with training programs on body mechanics and ergonomics.

- We practice responding to a wide range of safety-related scenarios during safety trainings.
- We review safety plans and procedures with work crews before the day's work begins.

It saddens us to report that, in 2019, two employees were fatally injured in incidents related to operations at Oncor and SoCalGas. After thorough investigation, Oncor and SoCalGas identified the causes of both incidents and took action to prevent their reoccurrence.

Other safety performance was mixed. Companywide, our recordable injury rate increased, in part due to the exclusion of data from our South American businesses. SDG&E achieved company-record lows in OSHA recordable injury rate, lost work-time incident rate and number of controllable motor vehicle incidents. Other businesses saw increases in recordable injury incidents, in many cases due to strains and sprains. Our goal is continuous safety improvement. For safety performance data, please see [pages 16](#) and [56](#).

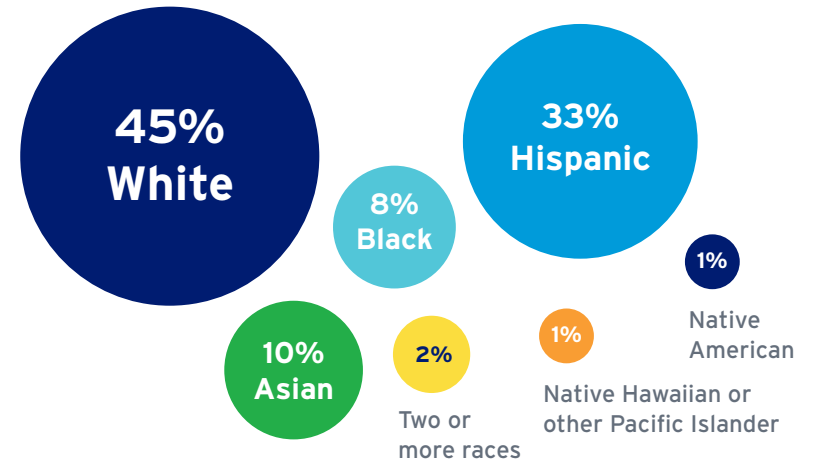
We embrace **diversity and inclusion**: We work to create a workplace culture where employees can bring their whole selves to work and share their unique perspectives and ideas. This helps our company achieve better business outcomes.

Diversity and inclusion at Sempra Energy

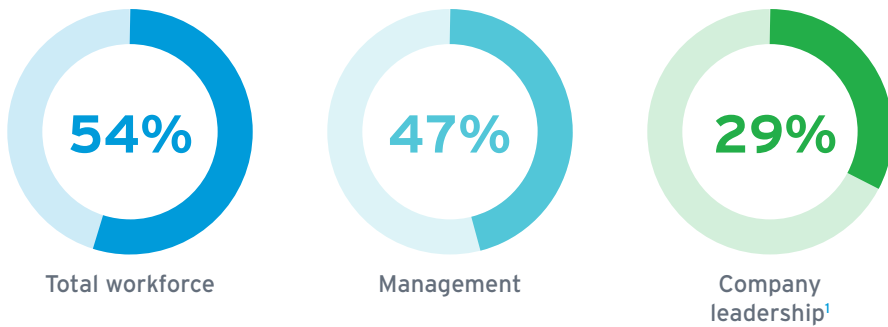
Women in our workforce (companywide)



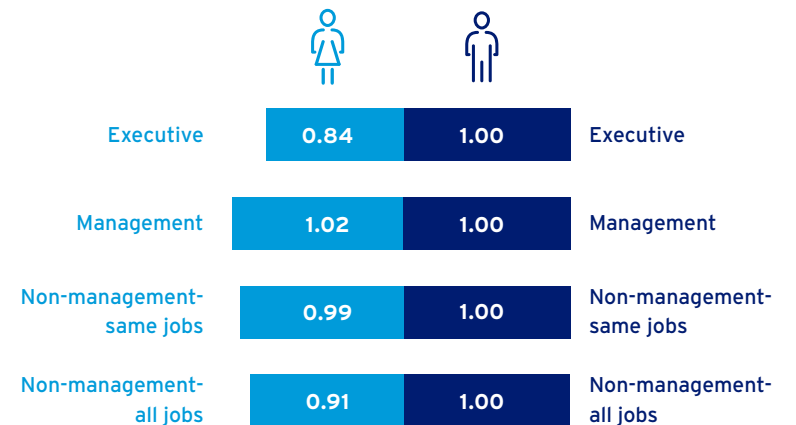
Workforce diversity (Sempra US employees)



People of color in our workforce (Sempra US employees)



Ratio of female to male base salary (Sempra US employees²)



¹ Employees in positions that place them in the top 2% of the company.

² Does not include compensation data for Oncor.

It starts with employees. Each day, they have the opportunity to collaborate - to listen to each other and try to understand different points of view.

- More than 450 employees serve on our 16 diversity and inclusion councils. These councils offer programs to educate and inspire employees, including our annual Diversity and Inclusion Summit.
- Our leaders play a crucial role. In 2019, Sempra Energy signed on to the “Paradigm for Parity,” committing the company to reaching full gender parity in senior executive roles by 2030.
- Many of our female leaders serve on the boards of other companies as a way of supporting gender diversity beyond Sempra.

Our workforce demographics and employee compensation data show that our commitment to diversity is genuine - and that we must continue to make progress. Our [discrimination- and harassment-free workplace policy](#) provides further detail.

We work to **recruit and retain** talented and motivated employees. The energy industry is a dynamic space where some of the brightest and most innovative people come to do challenging work that makes a difference. Several factors are important to recruitment and retention, including our:

- Vision, mission and values. These describe our sense of purpose, how we do business and what matters to us. All of these things are important to those who want to be a part of something larger than themselves.

- Strong and consistent financial performance, attractive compensation and benefits, top-tier workforce and safe work locations. Additional details are at sempra.com/careers.
- Focus on employee development. We encourage employees to seek new challenges within the company or at our subsidiaries. We also train employees to make sure they have the skills to meet the needs of our changing industry.
- Entry-level financial, IT and engineering rotational programs. These programs show employees how they might apply their skills in different areas of the company.

Every other year, our employees can express their level of **engagement** by completing a confidential survey, administered by a third party. Company leaders review aggregated results and take action. Over the years, this has included:

- Improving how we communicate the company's strategic goals and priorities with employees;
- Launching a leadership development program to provide interested employees with a clearer career development path; and
- Enhancing our parental leave policy.

Results from our most recent survey, administered in 2019, indicated employee engagement of 85%. Approximately 92% of respondents stated they agree or strongly agree with the statement “Overall, I am satisfied with this company as a place to work.” See [page 18](#) for additional employee engagement data.

We support our employees’ freedom of association and right to collective bargaining. More than 35% of Sempra Energy’s employees are represented by **labor unions**. We work with them to achieve results that benefit our business, our employees and the communities we serve.

The energy industry is a dynamic space where some of the brightest and most innovative people do challenging work that makes a difference.

SPOTLIGHT: WORKFORCE

Inspiring and developing the workforce of tomorrow

An engaged and dedicated workforce is key to achieving Sempra Energy's mission to be North America's premier energy infrastructure company. We strive to have forward-thinking and innovative employees at all levels of the organization. This includes:

- Identifying a diverse, world-class talent pool;
- Providing employees with the opportunities and tools they need to develop;
- Motivating employees with both organizational and individual goals and performance-based compensation; and
- Rewarding employees who go above and beyond - and who bring our values to life through our new Energy with Purpose Awards.

In the area of employee development, our human resources department devotes significant time and energy to identifying and developing employees to meet current and future business needs.

Development resources include external trainings, workshops and our tuition reimbursement program. In addition, employees have the option to meet with a human resources representative to discuss their career aspirations. If interested, they may participate in assessments (such as 360 feedback and personality tools) to identify strengths, development needs and strategies to achieve their professional goals.

We also offer internal development programs for different types of leaders at various levels throughout the organization. As one example, starting in 2020, our Impactful Leadership Development Program (ILDLP) will provide select leaders with the opportunity to build the interpersonal, leadership and management skills necessary to thrive in more advanced leadership positions.



Customers and communities

Sempra Energy's utilities in California, Texas and Mexico meet the energy needs of residential, commercial and industrial customers. Through our LNG operations, we help meet the energy needs of customers and communities around the world.

Public safety and reliability are critical to the customers and communities we serve.

Our top priority is the safety of our customers and employees. Nothing is more important.

Our businesses manage the safe operation of their assets, with oversight provided by their boards of directors as well as the Environmental, Health, Safety and Technology Committee of Sempra Energy's board of directors.

Protecting the public from dangerous contact with energy facilities is an important objective and an ongoing challenge. In 2019, there were 133 injuries and three fatalities alleged to involve company pipes, poles and wires; construction areas; motor vehicles; and other facilities.

Our utilities work to deliver uninterrupted electricity and natural gas to their customers. When a service disruption occurs, they work to restore service quickly and safely.

Public safety areas of focus



Customer education - public information campaigns such as "Dial 8-1-1 before you dig"



Undergrounding - repositioning electric line underground



Pipeline testing - testing and replacing natural gas pipelines and upgrading valves to enable automatic or remote response



Wood-to-steel - converting power poles from wood to steel, improving fire resistance



Electric upgrades - upgrading electrical cables, wires and other equipment



Wildfire prevention and preparedness - hardening systems, using advanced meteorology and communicating with customers



Outage mapping - installing smart-grid devices which can identify the location of an outage



Physical and cyber security - assessing and mitigating vulnerabilities related to deliberate attacks on energy infrastructure



Although our utilities work to protect system reliability, uninterrupted access to energy is not guaranteed. In the event of a significant disaster or emergency, customers should be prepared to be without electricity or natural gas for weeks or even months. Utility employees train for such events alongside government officials and first responders. They develop and update operational contingency plans - and then practice implementing them. The goal is that our utilities will be prepared to restore natural gas and electric service quickly and safely following a major disaster. Reliability performance data is on [page 20](#).

Our success as a business depends, in large part, on strong customer and community relationships. Our respect for **human rights** is the foundation of our approach. Across all operations and across all stakeholder groups, Sempra Energy respects human rights. Our [human rights policy](#) describes our commitment to minimize any adverse effects our infrastructure or operations may have on people and communities. This policy was developed using the United Nations' Universal Declaration of Human Rights as a guide.

We conduct periodic reviews to assess our human rights impact, and we describe our human rights-related successes and challenges in this report: Following a free and informed indigenous consultation that complied with all laws and regulations, our Mexican subsidiary, IEnova, received approval from Mexico's Ministry of Energy to build a 30-inch natural gas pipeline in the state of Sonora. IEnova built the pipeline in compliance with all applicable laws and regulations. In 2017, some members of a local tribe removed a 25-foot section of the pipeline where it passed through their village, Loma Bácum, taking the pipeline out of service. As of April 2020, IEnova is awaiting a final ruling on whether the company will be allowed to repair the pipeline.

If an employee, business partner, supplier, customer or other stakeholder witnesses or learns of any incident that may involve a violation of our human rights policy, they can report it, anonymously if desired, via the company's **Ethics and Compliance Helpline**, available 24 hours a day, seven days a week. This helpline serves as our de facto grievance mechanism.

 [SempraEthics.com](https://www.sempraethics.com)



From the US:
800-793-7723

From Mexico:
001-770-582-5249

We engage with stakeholders to listen, learn and adapt. Our **stakeholder engagement** policy describes our responsibilities:

- Plan and prepare (articulate purpose, identify stakeholders, determine methods of engagement, develop engagement plan and prepare for engagement);
- Engage, listen and act (invite stakeholders to engage, provide briefings and listen carefully, document the suggestions made, develop a plan that reflects stakeholder input and communicate intentions and actions); and
- Follow up, evaluate and report (monitor plan to ensure commitments are met, communicate actions taken to stakeholders as the project progresses, continue to adjust along the way if needed and summarize and report results of engagement).

We will proactively engage with stakeholders to seek and integrate their input into how we do business. This improves relationships, minimizes risks and legal challenges and meets the needs of our lenders and business partners.

Community Advisory Councils at various sites across the enterprise supplement everyday stakeholder engagement. The community leaders who participate in these councils provide additional input on topics relevant to a specific business or project.

Regulators such as the California Public Utilities Commission set the utility rates our customers pay for electricity and natural gas. They work to balance customer needs, including the need for **affordable energy**, with a utility’s responsibilities to its shareholders, including the responsibility to earn a reasonable rate of return.

Our businesses participate in public meetings, provide written and verbal testimony and interact with regulators, as well as with policymakers, via phone, email or in-person meetings to share their perspective on rates and regulations. Strict rules of conduct govern how we engage with these stakeholders and how these interactions must be tracked and reported.

2019 political contributions

Campaign contributions to state and local candidates and political committees and caucuses	\$1,561,000
Lobbying expenditures	\$3,900,000
Sempra Energy Employees’ Political Action Committee (SEEPAC) contributions	\$243,500

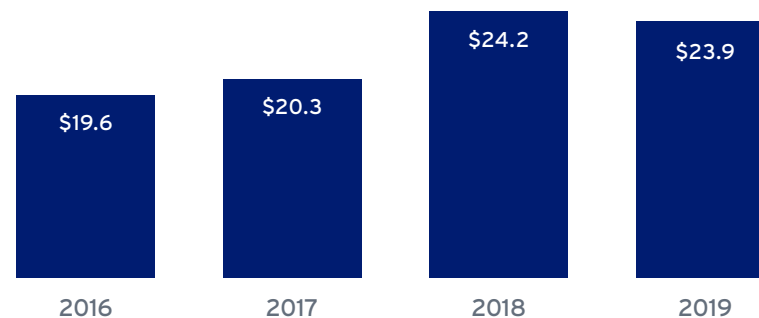
Sempra Energy makes campaign contributions to state and local candidates and political committees and caucuses, as allowed by law. We also maintain memberships in various business and trade associations that advocate on public policy. The Sempra Energy Employees’ Political Action Committee (SEEPAC) also makes political contributions, as allowed by law. We publicly disclose political contributions and membership fees on sempra.com.

To help customers reduce their energy use and costs, our utilities offer programs such as energy-efficiency retrofits, on-bill financing of energy upgrades, “Reduce Your Use” days and time-of-use rates. More information on energy efficiency may be found on [page 41](#).

Our utilities help low-income or medically qualified customers with ratepayer assistance programs such as California Alternate Rates for Energy (commonly known as CARE), level-payment plans (which can reduce month-to-month differences in energy bills) and a medical baseline allowance program. CARE performance data may be found on [page 22](#).

Participating in the communities we serve through **philanthropy and community involvement** is an important part of how we do business. We focus company giving in areas that align with our business priorities. In 2019, Sempra Energy, its operating companies and the Sempra Energy Foundation made charitable contributions of \$23.9 million¹.

Community giving (in millions of dollars)²



¹ Does not include South America.

² Community giving includes charitable giving to fully charitable entities as well as nonprofit civic and community groups.

We also provide our employees with a wide range of opportunities to give back to the communities and causes they love. MyEnergy, an intranet site, provides employees with the full range of giving and volunteering options in one place. We recorded \$3.2 million of employee community giving and over 39,000 hours of employee volunteering in 2019.

Business partners, contractors and suppliers

Business partners and suppliers are critical to Sempra Energy's success. We often collaborate with partners to bid on major projects. We depend on suppliers for equipment, parts and services essential to project planning, construction, operations and system reliability.

We are committed to using local suppliers, when feasible. Once a supplier has been selected, supply chain managers monitor supplier performance. For information on the environmental impacts of our supply chain, see [page 42](#).

In 2019, 42% and nearly 41% of total spending at SoCalGas and SDG&E, respectively, went to DBEs, far exceeding the guidelines established by the CPUC.

At our U.S. utilities, supplier diversity includes working with Diverse Business Enterprises (DBEs). The companies that provide materials and support to SoCalGas, SDG&E and Oncor should reflect the communities these utilities serve.

In 2019, 42% and nearly 41% of total spending at SoCalGas and SDG&E, respectively, went to DBEs, far exceeding the guidelines established by the CPUC. In 2019, Oncor spent more than \$292 million with diverse suppliers, a 23% increase from 2018.

Contractors are responsible for operations such as vegetation management (tree trimming) and wildfire suppression. In some businesses, they serve as a key part of our frontline workforce, maintaining and improving energy infrastructure and restoring power when needed. Contractors also provide physical security for full-time employees at many of our sites - a vital and appreciated role.

Company policy limits the use of non-employees (including temporary workers, consultants and contractors) to a maximum of one year of service (2,080 hours) unless special approval is received. This encourages Sempra Energy managers to consider the long-term needs of the company and to staff their departments appropriately. At times, temporary contract-based support may be needed. But if the need is longer-term, it may be more appropriate and beneficial - for both the company and the individual - to provide full-time employment and benefits.

Conclusion

At Sempra Energy, we deliver energy with purpose. We are inspired to improve the lives of those we serve.

We know that our work - building smart, new infrastructure - is essential to creating a safer and more sustainable energy future. The infrastructure we build allows residential, commercial and industrial customers to make lower-carbon energy choices. This is how we create resilient long-term value.

This is what it means to be a sustainable company.

Our journey forward continues!

APPENDIX

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- 86 Forward looking statements
- 88 Content index

Performance data

	2016	2017	2018 ¹	2019 ²
Business and governance				
Revenues (millions of dollars) ³	8,627	9,640	10,102	10,829
Earnings attributable to common shares (millions of dollars) ³	1,370	256	924	2,055
Earnings per diluted common share (dollars) ³	5.46	1.01	3.42	7.29
Total assets (as of 12/31) (millions of dollars)	47,786	50,454	60,638	65,665
Number of board directors (as of 12/31)	11	13	14	15
Number of independent board directors (as of 12/31)	10	12	13	13
Independent board directors that are women and/or minorities as of 12/31 (% of independent directors)	50	67	62	62
Ethics and compliance helpline calls ⁴	232	287	354	375
Environment				
Renewable energy deliveries (% of previous year total sales) ⁵	43	45	45	45
Electric volumes delivered (millions of kilowatt hours) ⁶	19,164	19,011	148,809	151,324
Natural gas volumes delivered (bcf)	1,004	1,008	925	950
LNG liquefied (million tons) ⁷	0	0	0	1.7
Scope 1 greenhouse gas emissions (million metric tons CO ₂ e)	4.9 ⁸	5.2	5.9 ⁹	5.7 ¹⁰
Scope 2 greenhouse gas emissions (million metric tons CO ₂ e)	0.216	0.233	0.514 ⁹	0.221 ¹⁰
Scope 3 greenhouse gas emissions (million metric tons CO ₂ e) ¹¹	52.8	55.1	51.7	64.8 ¹⁰

¹ Relevant and available data for Oncor are included, at 100%, as of 1/1/18.

² 2019 non-financial data for certain Midstream operations and renewable assets sold in 2019, and data for our South America businesses that we sold or expect to sell in the first half of 2020 are not included. Other exceptions are noted.

³ Financial information for 2016-2019 has been adjusted to reflect South America businesses as discontinued operations.

⁴ U.S. data only in 2016 and 2017. Starting in 2018, calls to international helplines are also included. Data for Oncor are not included.

⁵ Power delivered to SDG&E customers only. These results subject to review and audit by the CPUC and other regulatory agencies.

⁶ Data for 2016 and 2017 includes SDG&E only. Data for 2018 and 2019 includes SDG&E and 100% data for Oncor (as of 03/09/18).

⁷ Includes 100% liquefaction from the Cameron LNG facility, in which Sempra Energy has a 50.2% ownership share.

⁸ All emissions from the 2015-2016 natural gas leak at the Aliso Canyon storage facility were included in 2015 data provided in last year's report.

⁹ Greenhouse gas emissions data for 2018 have been updated following an independent verification of the data. Data for Oncor are not included.

¹⁰ Greenhouse gas emissions data for 2019 are unverified. Data for Oncor are not included.

¹¹ Data includes emissions from power purchased and delivered to electric utility customers, from end-user combustion of natural gas and employee air travel. Data for Oncor are not included.

Performance data

	2016	2017	2018 ¹	2019 ²
Environment (continued)				
Total water withdrawal (billions of gallons) ¹²	21.9	28.9	28.0	26.9
Returned water (billions of gallons) ¹²	19.7	26.5	25.4	24.9
Hazardous waste (tons) ¹³	5,575	2,456	5,282	3,727
Agency inspections	638	604	425	551
Notices of violation (NOV) ¹⁴	22	24	16	10
Inspections with no NOV issued (% of total inspections)	97	96	96	98
Fines and penalties (dollars) ¹⁵	9,012	29,601	12,250	3,652
Internal compliance assessments and audits ¹⁶	325	386	543	447
Our stakeholders				
Number of employees	16,600	16,000	20,838	18,134
Employee work-related fatalities	0	0	0	2
Employee recordable injury case rate (per 100 full-time workers)	2.31	2.24	1.66	2.16
Employee lost work-time case rate (per 100 full-time workers)	0.73	0.66	0.49	0.55
Contractor work-related fatalities ¹⁷	0	0	1	0
Contractor recordable injury case rate (per 100 full-time workers) ¹⁷	0.8	0.83	0.71	0.48
Women in workforce (% of total workforce)	29	30	26	28
Women in management (% of management employees)	33	34	31	35
People of color in workforce (% of U.S. employees)	58	59	53	54
People of color in management (% of U.S. management)	51	52	50	47
Community giving (millions of dollars) ¹⁸	19.6	20.3	24.2	23.9

¹² While we continue to improve data collection related to water use, these numbers do not yet account for all aspects of our operations, including water used at Oncor and natural gas pipeline testing at our California utilities.

¹³ Hazardous waste generated is higher in 2016 due to an asphalt replacement project. The increase in 2018 was due to SoCalGas pipeline relocation and decontamination projects and the inclusion of Oncor amounts.

¹⁴ Self-reported violations are not included.

¹⁵ Does not include settlements. The amount of fines and penalties paid varies from year to year depending on the nature of the violation and the timing of its resolution.

¹⁶ The number of internal compliance assessments and audits may vary from year to year due to adjustment of inspection cycles as determined by risk assessments.

¹⁷ Data for Oncor are not included.

¹⁸ Community giving includes charitable giving to fully charitable entities as well as nonprofit civic and community groups.



Task Force on Climate-related Financial Disclosures

The Task Force on Climate-related Financial Disclosures (TCFD) develops voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to stakeholders. Sempra Energy is committed to providing our stakeholders with information on our approach to - and performance on - climate-related issues. A summary of our response to the TCFD-recommended disclosures is below. Additional information, including greater detail on climate-related risks and opportunities and their impacts can be found throughout this report and also in our response to CDP's annual climate change survey.

Governance

Board oversight

Sempra Energy's board of directors discusses a range of issues related to climate change throughout the year, including climate-related risks and opportunities as well as evaluation of ways to address these matters as part of the company's business strategy and operations. The Environmental, Health, Safety & Technology committee of our board oversees environmental, health, safety and technology-related risks, controls, processes, programs and performance. Many of these topics are closely related to climate change and the long-term sustainability of Sempra Energy. The committee is briefed by the company's compliance, technology, environmental, health, safety, security and sustainability officers and directors. The committee met four times in 2019.

Management role

A sustainability steering committee comprised of leaders from all of our operating companies supports the board's governance of climate-related issues. The committee provides guidance on our approach to corporate sustainability, including strategy, goal setting and the content of our corporate sustainability report, which describes how we are responding to climate change.

The company's executive vice president, group president and chief sustainability officer; senior vice president of corporate affairs; vice president of sustainability; and corporate sustainability department work to manage sustainability at the company, including climate-related topics.

Strategy and risk management

Sempra's business objectives and short- and long-term strategies have been influenced greatly by risks and opportunities stemming from climate concerns and related laws and regulation. Climate-related issues and their impact on our customers and industry have led Sempra Energy to focus long-term on a low- and zero-carbon approach to meet the energy needs of our customers.

A changing climate has regulatory, operational and reputational impacts on our business. Management of climate-related risks is integrated into the company's overall approach to risk. To evaluate these risks, we look at different scenarios, including the impact of regulatory frameworks and the introduction of technologies that could lead to market changes. We also consider different scenarios related to changes in the physical environment, including models of sea-level rise and extreme weather events.

Our operating companies also monitor climate-related risks. They employ full-time meteorologists, prepare for adverse weather and related impacts, and conduct studies to assess the degree to which climate change poses a threat to California's infrastructure, including its energy infrastructure, and/or major infrastructure projects we are building in southeastern Texas and Louisiana.

The impact of individual risks is assessed in the following areas: health, safety and environmental; operational and reliability; regulation, legal and compliance; and financial. Some climate-related risks are near-term, such as preparing for a wildfire season exacerbated by extreme drought. Others are medium-term, such as meeting a regulatory target to ensure compliance. Others, such as the potential impact of sea-level rise, are longer term. We consider these and other risks as we plan capital expenditures.

Climate-related risks

We identify and manage a range of climate-related risks.

- **Regulatory risk:** Our businesses are subject to rules and regulations aimed at limiting greenhouse gas emissions. Failure to comply with these requirements could subject us to substantial penalties and fines. We limit our exposure to regulatory risk by maintaining a lower-carbon portfolio of businesses and advocating for consistent energy policies.
- **Operational risk:** Our operations are impacted by changes to the climate, which may include more frequent and more intense storms, winds, temperature extremes, droughts and floods as well as sea-level rise. We manage these risks by including climate projections in our planning process and evaluating different scenarios and their impacts. We also strengthen our infrastructure and update our operational protocols.
- **Reputational risk:** Sempra Energy's stakeholders are aware of the effects of climate change and seek ways to limit its impact. This atmosphere of heightened climate-related concern might impact our reputation. We mitigate this risk by operating safely and efficiently; we set and achieve goals, including lower-carbon energy goals; and we develop new energy resources and technologies, including renewable natural gas, hydrogen and energy storage.

We also improve the resilience of our energy infrastructure so that we can better withstand climate-related conditions including sea-level rise and more-frequent extreme weather events. We utilize climate modeling to help our businesses incorporate a range of scenarios in their planning process: We want to make sure they have considered a range of factors that might impact operating conditions in the future, as they plan, build and upgrade energy infrastructure.

Strategy and risk management (continued)

Climate-related opportunities

We support the use of natural gas as an important source of energy in a lower-carbon economy. We deliver natural gas through nearly 123,000 miles of natural gas transmission, distribution and service lines. We operate natural gas-fired power plants, critical to the reliability of the electric grid.

And we are operating and building natural gas liquefaction facilities, in collaboration with partners, which will allow the export of this lower-carbon energy source worldwide.

We purchase, generate and deliver renewable energy. Approximately 45% of the energy SDG&E delivered to its customers came from renewable sources in 2019. In Texas, we connect 11,000 megawatts of renewable energy to the electrical grid. And at IEnova, we can generate 658 megawatts of renewable energy, with our partners.

We build and operate energy storage projects. In fact, SDG&E owns and operates the largest battery storage system in California, capable of storing 120 megawatt hours of energy - another 260-megawatt-hour system is slated to come online by 2021.

We build clean transportation infrastructure. SDG&E has installed more than 3,000 electric vehicle charging stations at more than 250 locations in its service territory. And there are now 368 compressed natural gas (CNG) fueling stations in Southern California.

We integrate improved technologies into our operations. Smart-grid technologies give customers more information and control over their energy usage. PXiSE's patented control technology gives grid operators a way to add renewable energy to the grid while improving grid efficiency and reliability.

We work to identify new technologies that might be used in our operations: We have introduced a solar-powered system that converts natural gas and water into hydrogen (a zero-emissions energy source), capturing the resulting carbon dioxide. We use drones, when appropriate, to string power lines, lessening the environmental impact of this type of operation.

Metrics and targets

Sempra Energy's annual corporate sustainability report includes year-over-year performance in many areas related to climate change, such as greenhouse gas emissions, environmental compliance and water use. Where possible, we include industry averages to provide context for our performance. In our 2019 sustainability report, we set new sustainability goals for the company, including goals related to our role in the energy transition. We continue our work to establish broad goals in this area - an important part of our commitment to create long-term, sustainable value. See [pages 21-23](#) for additional detail.

Each year, we aim to:

- Fulfill 100% of new renewable energy requests for interconnection, consistent with ERCOT requirements and regulations (Oncor).

By 2030 we aim to:

- Reduce fugitive emissions from our natural gas transmission and distribution systems 40% from our 2015 baseline (SDG&E, SoCalGas, IEnova).
- Eliminate 100% of natural gas vented during planned pipeline work at our California utilities (excludes emergency repairs) (SDG&E and SoCalGas).
- Deliver 20% renewable natural gas (SoCalGas).

By 2045 we aim to:

- Deliver 100% renewable or zero-carbon energy to California electric customers, consistent with state policy (SDG&E).

SASB standards

To simplify company-to-company comparisons, the Sustainability Accounting Standards Board (SASB) has developed industry-specific sustainability performance metrics. Sempra Energy’s SASB metrics for electric utility and natural gas utility performance are outlined in the tables, below.

Gas utilities standard*

SASB code	Accounting metric	SoCalGas	SDG&E
Energy affordability			
IF-GU-240a.1	Average gas retail rate for residential customers (USD per MMBtu)	1.48	1.84
	Average gas retail rate for commercial customers (USD per MMBtu)	0.87	0.88
	Average gas retail rate for industrial customers (USD per MMBtu)	0.87	0.88
	Average gas retail rate for transportation services only (USD per MMBtu)	0.09	0.09
IF-GU-240a.2	Typical monthly gas bill for residential for 50 MMBtu of gas delivered per year (USD)	61.34	76.85
	Typical monthly gas bill for residential for 100 MMBtu of gas delivered per year (USD)	128.56	160.55
IF-GU-240a.3	Number of residential customer gas disconnections for non-payment	92.010	Gas disconnections not tracked separately
	Percentage of residential customer gas disconnections for non-payment reconnected within 30 days	74%	Gas disconnections not tracked separately
IF-GU-240a.4	Discussion of impact of external factors on customer affordability of gas, including the economic conditions of the service territory	Safety and stakeholders	
End-use efficiency			
IF-GU-420a.1	Percentage of gas utility revenues from rate structures that are decoupled or contain a lost revenue adjustment mechanism	100	100
IF-GU-420a.2	Customer gas savings from efficiency measures by market (MMBtu)	5,262	299

* Data is provided for SoCalGas and SDG&E only.

Gas utilities standard* (continued)

SASB code	Accounting metric	SoCalGas	SDG&E
	Integrity of gas delivery infrastructure		
IF-GU-540a.1	Number of reportable pipeline incidents	4	2
	Number of corrective action orders	0	0
	Notices of probable violation	0	0
IF-GU-540a.2	Percentage of distribution pipeline that is cast and/or wrought iron	0	0
	Percentage of distribution pipeline that is unprotected steel	15	0
IF-GU-540a.3	Percentage of gas transmission and distribution pipelines inspected	2	1
IF-GU-540a.4	Description of efforts to manage the integrity of gas delivery infrastructure, including risks related to safety and emissions	Greenhouse gas emissions	
	Activity metrics		
IF-GU-000.A	Number of residential customers served	5,755,780	862,810
	Number of commercial customers served	248,320	28,870
	Number of industrial customers served	25,110	0
IF-GU-000.B	Amount of natural gas delivered to residential customers (MMBtu)	236,347,877	30,282,969
	Amount of natural gas delivered to commercial customers (MMBtu)	118,619,591	21,533,284
	Amount of natural gas delivered to industrial customers (MMBtu)	272,763,171	0
	Amount of natural gas transferred to a third party (MMBtu)	248,277,813	21,053,628
IF-GU-000.C	Length of gas transmission and distribution pipelines (km)	87,115	14,692

* Data is provided for SoCalGas and SDG&E only.

Electric utilities standard¹

SASB code	Accounting metric	SDG&E
Greenhouse gas emissions and energy resource planning		
IF-EU-110a.1	Gross global scope 1 emissions ² (mmt CO ₂ e)	1,207,573
	Percentage covered under emissions-limiting regulations	100
IF-EU-110a.1	Percentage covered under emissions-reporting regulations	100
IF-EU-110a.2	Greenhouse gas emissions associated with power deliveries (mmt CO ₂ e)	3,080,957
IF-GU-240a.3	Discussion of long-term and short-term strategy or plan to manage scope 1 emissions, emissions reduction targets and an analysis of performance against those targets	Climate change
IF-GU-240a.4	Number of customers served in markets subject to renewable portfolio standards	1,471,300
	Percentage fulfillment of RPS target	100
Air quality		
IF-EU-120a.1	NO _x (metric tons)	129
	SO ₂ (metric tons)	4.8
	Particulate matter (metric tons)	0
	Lead (metric tons)	0
	Mercury (metric tons)	0
Water management		
F-EU-140a.1 ³	Total water withdrawn (thousand m ³)	1,625
	Total water consumed (thousand m ³)	1,052
F-EU-140a.2	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	0
F-EU-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	Water

¹ Data is for SDG&E only.

² Greenhouse gas emissions data for 2019 are unverified and subject to change pending the verification process. Includes emissions data for all SDG&E operations.

³ Includes water withdrawal and consumption for power generation only.

Electric utilities standard* (continued)

SASB code	Accounting metric	SDG&E
Coal ash management (n/a)		
F-EU-150a.1	Coal combustion residuals (metric tons)	SDG&E does not have coal operations
F-EU-150a.2	Total number of coal combustion residual (CCR) impoundments, broken down by hazard potential classification and structural integrity assessment	SDG&E does not have coal operations
Energy affordability		
IF-GU-240a.1	Average retail electric rate for residential customers (USD/kWh)	0.27
	Average retail electric rate for commercial customers (USD/kWh)	0.25
	Average retail electric rate for industrial customers (USD/kWh)	0.22
IF-EU-240a.2	Typical monthly electric bill for residential customers for 500 kWh (USD)	147.35
	Typical monthly electric bill for residential customers for 1,000 kWh (USD)	321.24
IF-EU-240a.3	Number of residential customer electric disconnections for non-payment	46,026
	Number of residential customer electric disconnections for non-payment, percentage reconnected within 30 days	90%
IF-EU-240a.4	Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	Safety and stakeholders
Workforce health and safety		
IF-EU-320a.1	Total recordable incident rate (per 100 full-time workers)	1.73
	Fatality rate (per 100 full-time workers)	0
	Near-miss frequency rate (per 100 full-time workers)	1.99

* Data is for SDG&E only.

Electric utilities standard¹ (continued)

SASB code	Accounting metric	SDG&E
	End use efficiency & demand	
IF-EU-420a.1	Percentage of electric utility revenues from rate structures that are decoupled or contain a lost revenue adjustment mechanism	100
IF-EU-420a.2	Percentage of electric load served by smart grid technology	100 ²
IF-EU-420a.3	Customer electricity savings from efficiency measures (GWh)	218 ³
	Nuclear safety & emergency management (n/a)	
	Grid resilience	
IF-EU-550a.1	Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations	0
IF-EU-550a.2	System average interruption duration index (SAIDI)	65.88
	System average interruption frequency index (SAIFI)	0.59
	Customer average interruption duration index (CAIDI)	110.93

¹ Data is for SDG&E only.

² This includes the percentage of SDG&E service territory with advanced meter infrastructure. Virtually all customers have advanced meters.

³ Preliminary data.

Electric utilities standard* (continued)

SASB code	Accounting metric	SDG&E
	Activity metrics	
IF-EU-000.A	Number of residential customers served	1,305,380
	Number of commercial customers served	151,100
	Number of industrial customers served	410
IF-EU-000.B	Total electricity delivered to residential customers (MWh)	5,981,976
	Total electricity delivered to commercial customers (MWh)	6,294,640
	Total electricity delivered to industrial customers (MWh)	2,052,235
	Total electricity delivered to all other retail customers (MWh)	77,036
	Total electricity delivered to wholesale customers (MWh)	3,548,672
IF-EU-000.C	Length of transmission and distribution lines (km)	25,661
IF-EU-000.D	Total electricity generated (natural gas) (MWh)	2,580,357
IF-EU-000.E	Total wholesale electricity purchased (MWh)	14,510,000

* Data is for SDG&E only.

Global Reporting Initiative (GRI) index

This report has been prepared in accordance with the GRI Standards: Core option. We cover additional standard disclosures where data is available. We do not include data from Midstream operations and U.S. renewable assets, sold in 2019; or South American utilities, expected to be sold in the first half of 2020. Additional exceptions are noted.

General standard disclosures

Disclosure	Description	Response
102-1	Name of the organization	Sempra Energy
102-2	Activities, brand, products and services	Overview and strategy; 2019 Annual report introduction, pg. 8
102-3	Location of headquarters	San Diego, CA
102-4	Location of operations	As of December 31, 2019, we have operations in the United States, Mexico, Chile and Peru. We expect to complete the sale of our South American businesses in the first half of 2020.
102-5	Ownership and legal form	Sempra Energy is an investor-owned corporation. Common shares trade on the New York Stock Exchange under the symbol "SRE."
102-6	Markets served	Overview and strategy; 2019 Annual report introduction, pg. 8
102-7	Scale of the organization	Overview and strategy; Performance data; 2019 Statistical report, pg. 2
102-8	Information on employees and other workers	<p>Employees; Business partners, contractors and suppliers</p> <p>Data related to our workforce is compiled through the annual corporate sustainability data collection process. Human resources information is also available in a system called MyInfo, which houses a variety of data and information.</p> <p>Male - Female, by age: 20-29: 1,843-655; 30-39: 3,859-1,431; 40-49: 2,997-1,342; 50-59: 2,678-1,119; >60: 1,543-530</p> <p>Omissions: Employees by employment type and by gender.</p> <p><i>* Due to timing of data collection, totals vary slightly from end-of-year employee headcount.</i></p>

Disclosure	Description	Response
102-9	Supply chain	Business partners, contractors and suppliers ; Supply chain impacts ; Supply chain emissions Omissions: Data for diverse supplier spend currently includes only U.S. utilities.
102-10	Significant changes to the organization and its supply chain	2019 highlights ; 2019 Annual report letter, pg. 2 In 2018, the company outlined a five-year plan for growth, including its intention to sell U.S. wind, solar and certain midstream facilities: Solar assets and one wind asset were sold in December 2018, midstream assets were sold in February 2019 and the remaining wind assets were sold in April 2019. In January 2019, the company announced the planned sale of its businesses in Peru and Chile. We expect to complete the sale of our South American businesses in the first half of 2020.
102-11	Precautionary principle or approach	Enterprise risk management ; 2019 Annual report, pg.31
102-12	External initiatives	These are referenced throughout the 2019 corporate sustainability report.
102-13	Membership of associations	On sempra.com we publish a list of trade organizations and business memberships which received annual dues and payments of \$20,000 or more.
102-14	Statement from senior decision-maker	Letter from our chairman and CEO
102-15	Key impacts, risks and opportunities	Responsible governance ; Enterprise risk management ; Environmental stewardship ; Performance data ; Goals & KPIs ; 2019 Annual report, pg. 31
102-16	Values, principles, standards and norms of behavior	Codes of conduct ; Responsible governance
102-17	Mechanisms for advice and concerns about ethics	Enterprise risk management
102-18	Governance structure	Responsible governance ; 2020 Proxy statement, pg. 14 ; Board committee charters
102-20	Executive-level responsibility for economic, environmental and social topics	Dennis Arriola, executive vice president and group president, also serves as Sempra Energy's chief sustainability officer. Mr. Arriola reports directly to Jeffrey W. Martin, chairman and CEO of Sempra Energy.
102-21	Consulting stakeholders on economic, environmental and social topics	2020 Proxy statement, pg. 3 ; Responsible governance
102-22	Composition of the highest governance body and its committees	2020 Proxy statement, pg. 2

Disclosure	Description	Response
102-23	Chair of the highest governance body	Sempra Energy shareholder proposals have included the request that the company adopt a policy that our chairman of the board be independent and not a current or former executive of the company. The board of directors believes it is in the best interests of our shareholders for the board to retain the flexibility to determine, from time to time on an ongoing basis, whether the chairman of the board should be an independent director or whether board function would be improved by having a non-independent chairman and an independent lead director. William D. Jones is the lead independent director, effective May 9, 2019. Sempra Energy has established a strong lead director role, consistent with input from shareholders.
102-24	Nominating and selecting the highest governance body	Corporate governance guidelines ; 2020 Proxy statement, pg. 89 ; Responsible governance
102-25	Conflicts of interest	Corporate governance guidelines ; 2020 Proxy statement, pg. 60
102-26	Role of highest governance body in setting purpose, values and strategy	Responsible governance
102-27	Collective knowledge of highest governance body	Responsible governance ; 2020 Proxy statement, pg. 26
102-28	Evaluating the highest governance body's performance	Corporate governance committee charter
102-32	Highest governance body's role in sustainability reporting	Sustainability governance
102-35	Remuneration policies	2020 Proxy statement, pg. 37
102-36	Process for determining remuneration	2020 Proxy statement, pg. 37
102-37	Stakeholders' involvement in remuneration	Responsible governance ; 2020 Proxy statement, pg. 41
102-40	List of stakeholder groups	Safety and stakeholders
102-41	Collective bargaining agreements	Employees Field employees and some technical, administrative and clerical employees are represented by labor unions in their respective countries. More than 35 percent of Sempra Energy's employees are represented by labor unions.
102-42	Identifying and selecting stakeholders	Stakeholder engagement ; Safety and stakeholders
102-43	Approach to stakeholder engagement	Stakeholder engagement ; Safety and stakeholders ; Stakeholder engagement policy
102-44	Key topics and concerns raised	Stakeholder engagement ; Enterprise risk management ; Customers and communities ; Stakeholder engagement policy ; 2020 Proxy statement, pg. 41

Disclosure	Description	Response
102-45	Entities included in the consolidated financial statements	<p>Sempra Energy's principal operating units are:</p> <ul style="list-style-type: none"> - San Diego Gas & Electric Company - Southern California Gas Company - Sempra Texas Utilities¹ - Sempra Mexico - Sempra LNG¹ <p>Information and data on all operating units, minus our South American businesses,² are included in this report. Limitations are noted per metric within the response column or as footnotes throughout the report.</p> <p>¹ <i>Sempra Energy's ownership interest in Oncor and Cameron LNG are accounted for as an equity method investment.</i></p> <p>² <i>We expect to complete the sale of our South American businesses in the first half of 2020.</i></p>
102-46	Defining report content and topic boundaries	About this report
102-47	List of material topics	Material issues
102-48	Restatements of information	2018 greenhouse gas emissions data were updated following an independent review. 2018 electric reliability data were updated, both utilities exclude major events as defined by state regulation and IEEE.
102-49	Changes in reporting	About this report
102-50	Reporting period	January 1, 2019 to December 31, 2019
102-51	Date of most recent report	June 2019, covering calendar year 2018
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Ian Stewart, Director, Corporate Sustainability sustainability@sempra.com
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option.
102-55	GRI content index	GRI Index
102-56	External assurance	Greenhouse gas emissions for 2018 were verified as follows: SDG&E and SoCalGas, by Lloyd's Register Quality Assurance, Inc.; and Termoeléctrica de Mexicali, by Cameron-Cole, LLC. The verification process for 2019 greenhouse gas emissions will be completed later in 2020.

Disclosure	Description	Response												
EU1	Installed capacity, broken down by primary energy source and by regulatory regime	Installed capacity (MW) <table border="1"> <thead> <tr> <th></th> <th>U.S.</th> <th>Mexico</th> </tr> </thead> <tbody> <tr> <td>Natural Gas:</td> <td>1,193</td> <td>625</td> </tr> <tr> <td>Wind:</td> <td></td> <td>407</td> </tr> <tr> <td>Solar:</td> <td></td> <td>251</td> </tr> </tbody> </table>		U.S.	Mexico	Natural Gas:	1,193	625	Wind:		407	Solar:		251
	U.S.	Mexico												
Natural Gas:	1,193	625												
Wind:		407												
Solar:		251												
EU2	Net energy output broken down by primary energy source and by regulatory regime	Energy output (MWh) <table border="1"> <thead> <tr> <th></th> <th>U.S.</th> <th>Mexico</th> </tr> </thead> <tbody> <tr> <td>Natural Gas:</td> <td>2,580,357</td> <td>3,719,498</td> </tr> <tr> <td>Wind:</td> <td></td> <td>1,077,174</td> </tr> <tr> <td>Solar:</td> <td></td> <td>375,518</td> </tr> </tbody> </table>		U.S.	Mexico	Natural Gas:	2,580,357	3,719,498	Wind:		1,077,174	Solar:		375,518
	U.S.	Mexico												
Natural Gas:	2,580,357	3,719,498												
Wind:		1,077,174												
Solar:		375,518												
EU3	Number of residential, industrial, institutional and commercial customer accounts	2019 Statistical report, pp. 16, 17, 24, 30; 2019 Annual report, pp. 13, 17 and 18.												
EU4	Length of above and underground transmission and distribution lines by regulatory regime	Above ground (miles): 133,174 Underground (miles): 31,944 Omission: Does not include Sharyland's transmission lines.												
EU5	Allocation of CO ₂ e emissions allowances or equivalent, broken down by carbon trading framework	Greenhouse gas emissions Operating companies SDG&E and SoCalGas participate in California's cap-and-trade program. For more information see: https://www.arb.ca.gov/cc/capandtrade/capandtrade.htm												
103-1	Explanation of the material topic and its boundary	See Appendix												
103-2	The management approach and its components	Material issues; Enterprise risk management; Goals and KPIs												

Specific standard disclosures

Disclosure	Description	Response																				
Category: Economic																						
Economic Performance																						
103-2	The management approach and its components	Overview and strategy																				
201-1	Direct economic value generated and distributed	<p>Safety and stakeholders U.S. economic value (for year ended December 31, 2019, unaudited, dollars in millions)*</p> <table border="0"> <tr> <td>Revenues</td> <td style="text-align: right;">\$10,829</td> </tr> <tr> <td>Interest and dividend receipts</td> <td style="text-align: right;">\$343</td> </tr> <tr> <td>Proceeds from sale of assets and investments</td> <td style="text-align: right;">\$899</td> </tr> <tr> <td>Direct economic value generated</td> <td style="text-align: right;"><u>\$12,071</u></td> </tr> <tr> <td>Operating costs, including wages and benefits</td> <td style="text-align: right;">\$6,207</td> </tr> <tr> <td>Shareholders and providers of capital</td> <td style="text-align: right;">\$2,290</td> </tr> <tr> <td>Payments to government</td> <td style="text-align: right;">\$680</td> </tr> <tr> <td>Community investments</td> <td style="text-align: right;">\$18</td> </tr> <tr> <td>Economic value distributed</td> <td style="text-align: right;"><u>\$9,195</u></td> </tr> <tr> <td>Economic value retained (generated - distributed)</td> <td style="text-align: right;"><u>\$2,876</u></td> </tr> </table> <p><i>*Figures were determined according to the Global Reporting Initiative guidelines</i></p> <p>Omissions: Does not include data from discontinued operations.</p>	Revenues	\$10,829	Interest and dividend receipts	\$343	Proceeds from sale of assets and investments	\$899	Direct economic value generated	<u>\$12,071</u>	Operating costs, including wages and benefits	\$6,207	Shareholders and providers of capital	\$2,290	Payments to government	\$680	Community investments	\$18	Economic value distributed	<u>\$9,195</u>	Economic value retained (generated - distributed)	<u>\$2,876</u>
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201-2	Financial implications and other risks and opportunities due to climate change	<p>Responsible governance; Environmental stewardship; 2019 Annual report, pg. 31 Task Force on climate-related financial disclosures Sempra's response to the CDP's climate change survey also covers this in detail. Please see www.cdp.net.</p>																				
201-3	Defined benefit plan obligations and other retirement plans	2019 Annual report, pg. F-89																				
201-4	Financial assistance received from government	No significant financial assistance was received from any government.																				

Market Presence: This topic did not meet our threshold for materiality

Disclosure	Description	Response						
Indirect economic impacts								
103-2	The management approach and its components	Energy is vital to the communities we serve. We engage with customers and community leaders to identify and discuss potential infrastructure needs and impacts and learn about ways to mitigate them.						
203-1	Infrastructure investments and services supported	Safety and stakeholders						
203-2	Significant indirect economic impacts	Safety and stakeholders						
Procurement practices								
103-2	The management approach and its components	Supply chain impacts; Business partners, contractors and suppliers						
204-1	Proportion of spending on local suppliers	Approximately 60 percent of total supplier spend in 2018 was with local suppliers. The definition for local may vary by business. For example, for our utilities in California, local is defined as suppliers headquartered in California. Omissions: Partially reported.						
EU Sector topic: availability and reliability								
EU10	Planned capacity against projected electricity demand over the long term, broken down by energy source and regulatory regime	SDG&E Long-term procurement plan; 2019 Annual report, pg. 15; Omissions: Partially reported - only data from California utilities is included.						
EU Sector topic: system efficiency								
EU11	Average generation efficiency of thermal plants by energy source and by regulatory regime	<table border="1"> <tr> <td>Natural gas (BTU/kWh):</td> <td>U.S. 7,811</td> <td>Mexico 7,256</td> </tr> </table>	Natural gas (BTU/kWh):	U.S. 7,811	Mexico 7,256			
Natural gas (BTU/kWh):	U.S. 7,811	Mexico 7,256						
EU12	Transmission and distribution losses as a percentage of total energy	<table border="1"> <tr> <td>Transmission losses:</td> <td>SDG&E 1.24%</td> <td>Oncor 1.95%</td> </tr> <tr> <td>Distribution losses:</td> <td>1.87%</td> <td>6.02%</td> </tr> </table>	Transmission losses:	SDG&E 1.24%	Oncor 1.95%	Distribution losses:	1.87%	6.02%
Transmission losses:	SDG&E 1.24%	Oncor 1.95%						
Distribution losses:	1.87%	6.02%						
Anti-corruption								
103-2	The management approach and its components	Code of business conduct; Responsible governance						

Disclosure	Description	Response
205-1	Operations assessed for risks related to corruption	All business units are analyzed for risks associated with corruption.
205-2	Communication and training about anti-corruption policies and procedures	Responsible governance ; Code of business conduct To emphasize the importance of ethics and compliance, we require all employees to complete a training curriculum each year, customized according to their position and responsibilities. The courses address topics such as insider trading; Sarbanes-Oxley regulations; anticorruption, including local laws and the Foreign Corrupt Practices Act; Federal Energy Regulatory Commission Standards of Conduct; California Public Utilities Commission affiliate-compliance rules; safety; harassment-free workplace; and workplace violence.
205-3	Confirmed incidents of corruption and actions taken	One incident of commercial bribery was identified at IEnova. The incident was investigated, resulting in termination of the employee.

Anti-competitive behavior: This topic did not meet our threshold for materiality, but we are providing some information because of its importance to some stakeholders

103-2	The management approach and its components	Code of business conduct Federal and state antitrust laws were enacted to promote competition, preserve our private enterprise system and protect the public, including companies like Sempra Energy and its subsidiaries, from predatory conduct and unfair competition. It is the long established policy of Sempra Energy and its subsidiaries (the "Companies") to comply with all laws applicable to their conduct and, specifically, with the antitrust laws. Compliance with the antitrust laws can only further the Companies' goals since those laws are intended to protect and preserve a competitive economy in which private enterprise can flourish.
206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	There were no legal actions taken for anti-competitive behavior in 2019.

Category: Environmental

Materials: This topic did not meet our threshold for materiality

Energy

103-2	The management approach and its components	Overview and strategy ; Goals & KPIs ; Responsible governance ; Environmental stewardship At Sempra Energy, our business strategy is directly linked to our forecast that demand for lower-carbon sources of energy will continue to rise. Our commitment to respecting the environment is aligned with our commitment to delivering shareholder value. We promote energy efficiency, enable and deliver lower-carbon energy and embrace innovation because these activities help the environment and position us to succeed in a low-carbon world.
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Disclosure	Description	Response
302-1	Energy consumption within the organization	See our response to the CDP climate change survey at www.cdp.net .
302-2	Energy consumption outside of the organization	As an energy utility we work to safely and reliably deliver electricity and natural gas. Kilowatt-hour sales (millions of hours): 160,512 Total natural gas throughput (billion cubic feet): 950
302-3	Energy intensity	Greenhouse gas emissions Sempra's response to the CDP's climate change survey also covers this in detail. Please see www.cdp.net .
302-4	Reduction of energy consumption	Energy efficiency Omissions: Only data from electricity reduction at SDG&E and SoCalGas employee-occupied facilities is included.
Water		
103-2	The management approach and its components	Water ; Water policy
303-1	Water withdrawal	Sempra's response to the CDP's water survey also covers this in detail. Please see www.cdp.net . All numbers in billions of gallons: Surface water: 24.9; Ground water: 0.007; Rainwater: 0.13; Waste water: 1.79; Municipal water: 0.17 Omissions: We continue to improve data collection around our water use, but these numbers do not yet account for all of our operations. Does not include Oncor.
303-3	Percentage and total volume of water recycled and reused	Water Several of our facilities utilize recycled water in their operations. For example, SDG&E's 565-megawatt Palomar Energy Center uses reclaimed water (treated wastewater) to generate electricity and IEnova's 625-megawatt Termoeléctrica de Mexicali power plant uses treated sewage, cleaned in our own water treatment facility, to cool the plant. Omissions: Partially reported.
Biodiversity		
103-2	The management approach and its components	Biodiversity ; Biodiversity policy
304-1	Operational sites owned, leased, managed in or adjacent to protected areas and areas of high biodiversity value outside protected areas	Biodiversity Omissions: Partially reported, not all data available.

Disclosure	Description	Response										
304-2	Significant impacts of activities, products and services on biodiversity	Biodiversity Omissions: Partially reported, not all data available.										
304-3	Habitats protected or restored	SDG&E preservation properties ; Enova 2018 Sustainability report Omissions: Partially reported, not all data available.										
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	<table border="0"> <tr> <td>Critically endangered</td> <td>2</td> </tr> <tr> <td>Endangered</td> <td>10</td> </tr> <tr> <td>Vulnerable</td> <td>8</td> </tr> <tr> <td>Near threatened</td> <td>4</td> </tr> <tr> <td>Least concern</td> <td>22</td> </tr> </table> Omissions: Partially reported, not all data available.	Critically endangered	2	Endangered	10	Vulnerable	8	Near threatened	4	Least concern	22
Critically endangered	2											
Endangered	10											
Vulnerable	8											
Near threatened	4											
Least concern	22											
Emissions												
103-2	The management approach and its components	Greenhouse gas emissions										
305-1	Direct (Scope 1) GHG emissions	Greenhouse gas emissions Sempra's response to the CDP's climate change survey also covers this in detail.										
305-2	Energy indirect (Scope 2) GHG emissions	Greenhouse gas emissions Sempra's response to the CDP's climate change survey also covers this in detail.										
305-3	Other indirect (Scope 3) GHG emissions	Greenhouse gas emissions Sempra's response to the CDP's climate change survey also covers this in detail.										
305-4	GHG emissions intensity	Greenhouse gas emissions Sempra's response to the CDP's climate change survey also covers this in detail.										
305-5	Reduction of GHG emissions	Greenhouse gas emissions ; Goals & KPIs ; Energy efficiency Sempra's response to the CDP's climate change survey also covers this in detail.										
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	Performance data <table border="0"> <tr> <td>NOx emissions from power generation (metric tons)</td> <td>276.7</td> </tr> <tr> <td>SO2 emissions from power generation (metric tons)</td> <td>4.8</td> </tr> </table>	NOx emissions from power generation (metric tons)	276.7	SO2 emissions from power generation (metric tons)	4.8						
NOx emissions from power generation (metric tons)	276.7											
SO2 emissions from power generation (metric tons)	4.8											
Effluents and waste												
103-2	The management approach and its components	Waste and recycling ; Environmental policy										
306-1	Water discharge by quality and destination	Water Sempra's response to the CDP's water survey also covers this in detail. Please see www.cdp.net . Omissions: Partially reported, not all data available.										

Disclosure	Description	Response	
306-2	Waste by type and disposal method (weight in short tons)	Non-hazardous	Hazardous
		Reused	1
		Recycled	34,113
		Composted	1
		Recovered	17
		Incinerated	118
		Deep-well injection	2,489
		Landfill	39,318
		On-site storage	0
		Other methods	16,969

306-3 Significant spills Sempra Energy did not experience any significant spills in 2019.

Environmental compliance

103-2 The management approach and its components [Responsible governance](#); [Environmental stewardship](#)

307-1 Non-compliance with environmental laws and regulations [Environmental stewardship](#)

Transport: This topic did not meet our threshold for materiality

Supplier environmental assessment

103-2 The management approach and its components [Supply chain impacts](#); [Supplier code of conduct](#)

308-1 New suppliers that were screened using environmental criteria At our California utilities, all requests for proposals (RFPs) with new and existing suppliers are screened using environmental criteria.
Omissions: Partially reported. Other U.S. and international operations are not included in this response; we are working to expand our reporting in this area in future years.

308-2 Negative environmental impacts in the supply chain and actions taken [Greenhouse gas emissions](#); [Supply chain emissions](#); [Reducing our methane emissions](#)
See scope 2 and scope 3 emissions sections for environmental impact in our supply chain.

Environmental grievance mechanisms: This topic did not meet our threshold for materiality

Category: Social

Employment

103-2 The management approach and its components [Employees](#)

Disclosure	Description	Response
401-1	New employee hires and employee turnover	Employee turnover: 7%; Voluntary turnover: 6%
EU15	Percentage of employees eligible to retire in the next 5 and 10 years, broken down by job category and region	Eligible to retire in 5 years: 22% Eligible to retire in 10 years: 28%
EU18	Percentage of contractor and subcontractor employees that have undergone relevant health and safety training	We expect our suppliers to provide a safe working environment that supports accident prevention and minimizes exposure to health risks. It is the supplier's responsibility to know and understand the health and safety laws and regulations impacting the goods and services they provide.
Labor/Management relations		
103-2	The management approach and its components	Responsible governance ; Safety and stakeholders More than 35% of Sempra Energy employees are represented by a labor union. We value our association with the unions that represent our employees and work collaboratively with them to achieve results that are beneficial to employees, customers and the Sempra Energy family of companies.
402-1	Minimum notice periods regarding operational changes	2019 Annual report, pg. 30
Occupational health and safety		
103-2	The management approach and its components	Operating safely is the right thing to do. Safety is the foundation of our company; crucial to employee attraction and retention; and vital to maintaining our license to operate in the communities where we do business.
403-1	Workers representation in formal joint management-worker health and safety committees	Employees Omissions: Percentage of workers represented by committees.
403-2	Types of injury and rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities	Employees
403-4	Health and safety topics covered in formal agreements with trade unions	2019 Annual report, pg. 30
Training and education		
103-2	The management approach and its components	Employees

Disclosure	Description	Response
404-1	Average hours of training per year per employee	Average hours of training and development per FTE in 2019 was 41. Omissions: Partially reported.
404-2	Programs for upgrading employee skills and transition assistance programs	Employees; Safety and stakeholders
404-3	Percentage of employees receiving regular performance reviews and career development reviews	Employees All employees receive regular performance reviews. All permanent employees receive an annual performance review discussing employee strengths, weaknesses and career development opportunities.
Diversity and equal opportunity		
103-2	The management approach and its components	Employees
405-1	Diversity of governance bodies and employees	Responsible governance; Employees; 2020 Proxy statement, pp. 3, 26 Omissions: Partially reported.
Sub-category: Human rights		
Non-discrimination: This topic did not meet our threshold for materiality.		
Freedom of association and collective bargaining		
103-2	The management approach and its components	Supplier code of conduct
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	No operations or suppliers identified. Supplier code of conduct
Child labor: Although this topic did not meet our threshold for materiality, we are providing some information because of its importance to some stakeholders.		
103-2	The management approach and its components	Customers and communities; Human rights policy Throughout all of our operations, and across all stakeholder groups, Sempra Energy respects human rights.
Forced or compulsory labor: This topic did not meet our threshold for materiality.		
Security practices: This topic did not meet our threshold for materiality.		
Rights of indigenous peoples		
103-2	The management approach and its components	Customers and communities; Human rights policy; Stakeholder engagement policy

Disclosure	Description	Response
411-1	Incidents of violations involving rights of indigenous peoples	Customers and communities ; Human rights policy ; Stakeholder engagement policy
Human rights assessment		
103-2	The management approach and its components	Code of business conduct ; Human rights policy
412-1	Operations that have been subject to human rights reviews and/or impact assessments	Human rights policy
Sub-category: Society		
Local communities		
103-2	The management approach and its components	Customers and communities ; Stakeholder engagement policy Energy is vital to the communities we serve. The infrastructure that delivers this energy includes power poles, substations, service trucks, transformers, valves, meters, pipes and wires. We engage with customers and community leaders to identify and discuss potential infrastructure impacts and learn about ways to mitigate them. Sempra’s businesses connect with their customers through mail, email, door hangers, advertising, social media and news media. They host community forums, arrange face-to-face meetings and convene community advisory councils – representative groups of regional leaders who provide input on locally relevant topics. Customer satisfaction surveys provide data that indicate how well Sempra’s businesses are serving their customers. With this information, our utilities are able to identify areas where improvement is needed and implement changes to their customer approach, policies and programs.
413-1	Operations with local community engagement, impact assessments and development programs	Customers and communities ; Stakeholder engagement policy Omissions: Partially reported, not all data available.
Supplier social assessment		
103-2	The management approach and its components	Supplier code of conduct ; Safety and stakeholders ; Business partners, contractors and suppliers
414-1	New suppliers that were screened using social criteria	All suppliers are expected to comply with the social criteria listed on Sempra’s Supplier Code of Conduct and all applicable employment laws and regulations.
414-2	Negative social impacts in the supply chain and actions taken	We are unaware of any actual or potential negative social impacts in our supply chain.

Disclosure	Description	Response
Public Policy		
103-2	The management approach and its components	Customers and communities Sempra Energy believes that public policy engagement is an important and appropriate role for companies, as long as it is conducted in a legal and transparent manner. In the U.S., there are federal, state and local lobbying registration and disclosure laws with which Sempra Energy and its operating companies comply, and the company has a robust training and reporting program in place to ensure compliance.
415-1	Political contributions	Customers and communities
Sub-category: Product responsibility		
Customer health and safety		
103-2	The management approach and its components	Customers and communities
416-1	Assessment of the health and safety impacts of product and service categories	Sempra Energy's operating companies provide gas and electric services to customers. Impacts of both of these products are assessed.
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No incidents identified.
EU25	Number of injuries and fatalities to the public involving company assets, including legal judgements, settlements and pending legal cases of diseases	Customers and communities
Marketing and labeling: This topic did not meet our threshold for materiality		
Customer privacy		
103-2	The management approach and its components	Sempra Energy and its operating companies publicly disclose their privacy policies on their websites.
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No substantiated complaints identified.
Socioeconomic compliance		
103-2	The management approach and its components	Responsible governance ; Environmental stewardship ; Code of business conduct

Disclosure	Description	Response						
419-1	Non-compliance with laws and regulations in the social and economic area	We have not identified any non-compliance with laws and/or regulations.						
EU sector topic: Access								
EU26	Percentage of population unserved in licensed distribution or services areas	We provide service to substantially all consumers who live within our service territories.						
EU27	Number of residential disconnections for non-payment, broken down by duration of disconnection and by regulatory regime	Number of residential disconnections for non-payment is provided for Sempra's electric and/or natural gas utilities. <table border="1"> <tr> <td>Ecogas</td> <td>SDG&E</td> <td>SoCalGas</td> </tr> <tr> <td>4,278</td> <td>46,026</td> <td>92,010</td> </tr> </table>	Ecogas	SDG&E	SoCalGas	4,278	46,026	92,010
Ecogas	SDG&E	SoCalGas						
4,278	46,026	92,010						
EU28	Power outage frequency	Average number of outages per customer, per year (SAIFI): SDG&E: 0.59; Oncor: 0.83						
EU29	Average power outage duration	Average outage duration (in minutes) (SAIDI): SDG&E: 66; Oncor: 77						
EU30	Average plant availability factor by energy source and by regulatory regime	Natural Gas: United States: 86% Mexico: 99.8%						

Appendix: 103-1*

Material issue for Sempra Energy	Corresponding GRI Standards topic	Boundary within Sempra Energy	Boundary outside of Sempra Energy
Affordability	Economic performance; Indirect economic impacts; Local communities; Access (EU)	All utilities	Customers; Communities; Investors and shareholders; Regulators, elected officials
Climate risk & resilience	Environmental compliance; Energy; Water; Supplier environmental assessment; Local communities; Training and education; Customer health and safety	All	Customers; Communities; Investors and shareholders; Regulators, elected officials; Suppliers, contractors, business partners
Disaster preparedness & response	Local communities; Training and education; Customer health and safety	All	Customers; Communities; Investors and shareholders; Regulators, elected officials; Suppliers, contractors, business partners
Employee & contractor safety	Employment; Occupational health and safety; Labor/management relations; Training and education	All	Customers; Communities; Investors and shareholders; Regulators, elected officials; Suppliers, contractors, business partners
Energy transition	Training and education; Employment; Emissions; Supplier environmental assessment; Local communities; Public policy	All	Customers; Communities; Investors and shareholders; Regulators, elected officials
GHG emissions	Emissions; Energy; Products and services; Environmental compliance	All	Customers; Communities; Investors and shareholders; Regulators, elected officials; Suppliers, contractors, business partners
Infrastructure security	Customer health and safety; Customer privacy	All	Customers; Communities; Investors and shareholders; Regulators, elected officials
Public safety	Local communities; Customer health and safety	All	Customers; Communities; Investors and shareholders; Regulators, elected officials
Reliability	Availability and reliability (EU); System efficiency (EU)	All utilities	Customers; Communities; Investors and shareholders; Regulators, elected officials

* These are the top material issues identified during our materiality assessment performed in 2019. The GRI Index additionally includes other topics that are of importance to our business and stakeholders.



Forward-looking statements

We make statements in this report that are not historical fact and constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on assumptions with respect to the future, involve risks and uncertainties, and are not guarantees of performance. Future results may differ materially from those expressed in the forward-looking statements. These forward-looking statements represent our estimates and assumptions only as of the filing date of this report. We assume no obligation to update or revise any forward-looking statement as a result of new information, future events or other factors.

In this report, forward-looking statements can be identified by words such as “believes,” “expects,” “anticipates,” “plans,” “estimates,” “projects,” “forecasts,” “should,” “could,” “would,” “will,” “confident,” “may,” “can,” “potential,” “possible,” “proposed,” “target,” “pursue,” “outlook,” “maintain,” or similar expressions, or when we discuss our guidance, strategy, goals, vision, mission, opportunities, projections or intentions.

Factors, among others, that could cause our actual results and future actions to differ materially from those described in any forward-looking statements include risks and uncertainties relating to: California wildfires and the risk that we may be found liable for damages regardless of fault and the risk that we may not be able to recover any such costs from insurance, the wildfire fund established by California Assembly Bill 1054 or in rates from customers; decisions, investigations, regulations, issuances of permits and other authorizations, renewal of franchises, and other actions by the Comisión Federal de Electricidad, California Public Utilities Commission,

U.S. Department of Energy, Public Utility Commission of Texas, regulatory and governmental bodies and jurisdictions in the U.S. and other countries in which we operate; the success of business development efforts, construction projects and major acquisitions and divestitures, including risks in (i) the ability to make a final investment decision and completing construction projects on schedule and budget; (ii) obtaining the consent of partners; (iii) counterparties’ financial or other ability to fulfill contractual commitments; (iv) the ability to complete contemplated acquisitions and/or divestitures; and (v) the ability to realize anticipated benefits from any of these efforts once completed; the impact of the coronavirus disease 2019 pandemic on our (i) ability to commence and complete capital and other projects and obtain regulatory approvals, (ii) supply chain and current and prospective counterparties, contractors, customers, employees and partners, (iii) liquidity, resulting from bill payment challenges experienced by our customers, decreased stability and accessibility of the capital markets and other factors, and (iv) ability to sustain operations and satisfy compliance requirements due to social distancing measures or if employee absenteeism were to increase significantly; the resolution of civil and criminal litigation, regulatory investigations and proceedings, and arbitrations; actions by credit rating agencies to downgrade our credit ratings or to place those ratings on negative outlook and our ability to borrow at favorable interest rates; moves to reduce or eliminate reliance on natural gas and the impact of the extreme volatility and unprecedented decline of oil prices on our businesses and development projects; weather, natural disasters, accidents, equipment failures, computer system outages and other events that disrupt our operations, damage our facilities and systems, cause the release of harmful materials, cause fires

and subject us to liability for property damage or personal injuries, fines and penalties, some of which may not be covered by insurance (including costs in excess of applicable policy limits), may be disputed by insurers or may otherwise not be recoverable through regulatory mechanisms or may impact our ability to obtain satisfactory levels of affordable insurance; the availability of electric power and natural gas and natural gas storage capacity, including disruptions caused by failures in the transmission grid, limitations on the withdrawal or injection of natural gas from or into storage facilities, and equipment failures; cybersecurity threats to the energy grid, storage and pipeline infrastructure, the information and systems used to operate our businesses, and the confidentiality of our proprietary information and the personal information of our customers and employees; expropriation of assets, the failure of foreign governments and state-owned entities to honor the terms of contracts, and property disputes; the impact at San Diego Gas & Electric Company on competitive customer rates and reliability due to the growth in distributed power generation and from departing retail load resulting from customers transferring to Direct Access, Community Choice Aggregation or other forms of distributed power generation and the risk of nonrecovery for stranded assets and contractual obligations; Oncor Electric Delivery Company LLC's (Oncor) ability to eliminate or reduce its quarterly dividends due to regulatory and governance requirements and commitments, including by actions of Oncor's independent directors or a minority member director; volatility in foreign currency exchange, interest and inflation rates and commodity prices and our ability to effectively hedge the risk of such volatility; changes in trade policies, laws and regulations, including tariffs and revisions to or replacement of international

trade agreements, such as the North American Free Trade Agreement, that may increase our costs or impair our ability to resolve trade disputes; the impact of changes to federal and state tax laws and our ability to mitigate adverse impacts; and other uncertainties, some of which may be difficult to predict and are beyond our control.

We caution you not to rely unduly on any forward-looking statements. You should review and consider carefully the risks, uncertainties and other factors that affect our business as described herein, in our Annual Report and in other reports that we file with the SEC.

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